



# 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, July 15, 2026

2:30 pm

San Mateo County Board of Supervisors Chambers

500 County Center

Redwood City, CA 94063

**NOTE: Commissioner Jackie Speier will join the meeting via teleconference from 17907 Holli Blue Rd., Champion, MI 49861**

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 July 15, 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

(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

to make reasonable arrangements to ensure accessibility to this meeting, the materials related to it, and your ability to comment.

\*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
2. Public Comment for Items Not on the Agenda and on the Consent Agenda
3. Consent Agenda\*
  - a. Approval of Action Minutes: May 20, 2026 (*Page 5*)
  - b. Consideration of LAFCo File No. 26-05 - Proposed Outside Service Agreement for water by the City of Redwood City to an undeveloped parcel on Lakeview Way (APN: 057-091-030), Unincorporated Redwood City (*Page 14*)

#### Public Hearings

4. Consideration of Final Municipal Service Review for the Ladera Recreation District and the Highlands Recreation District (*Page 23*)

#### Regular Agenda

5. CALAFCO (*Page 99*)
  - a. CALAFCO 2026 Annual Conference – Information Only
  - b. CALAFCO Nominations for 2026-2027 Board Members
  - c. Voting Delegates at 2026 California Association of LAFCOs (CALAFCO) Annual Conference
  - d. CALAFCO Member Update – Information Only
6. Legislative and Policy Committee (*Page 123*)
  - a. Legislative Report – Information Only
7. Commissioner/Staff Reports – Information Only
  - a. Update on Election for Regular Special District Member
8. 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.sanmateolafo.org](http://www.sanmateolafo.org)



# LOCAL AGENCY FORMATION COMMISSION

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## Action Minutes San Mateo Local Agency Formation Commission Meeting May 20, 2026

The regular meeting of the San Mateo Local Agency Formation Commission (LAFCo) was held on Wednesday, May 20, 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 Vice Chair Ann Draper.

### 1. Roll Call

Members Present: Commissioners Ann Draper, Kati Martin (joined the meeting at 2:33pm), Stephen Rainaldi, Debbie Ruddock, Kathryn Slater Carter, Jackie Speier, and David Canepa

Members Absent: Commissioner Virginia Chang Kiraly

Alternate Members Present: 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

Sabrina Brennan, Member of the public

Brigitta Bower, Member of the public

Cid Young, Member of the public

### 3. Consent Agenda

- a) Approval of Action Minutes: March 18, 2026
- b) Consideration of LAFCo File No. 26-02 – Proposed Annexation of 12 Quail Meadows Drive, Woodside (APN 073-270-080) to the Fair Oaks Sewer Maintenance District

- c) Consideration of LAFCo File No. 26-03 – Proposed Annexation of 155 Ravine Drive, Woodside (APN 073-022-260) and 160 Ravine Drive, Woodside (APN 073-021-050) to the Fair Oaks Sewer Maintenance District

### **Commission Action**

The Commission approved the consent agenda.

Public Speakers: None.

Motion: Commissioner Ruddock/ Second: Commissioner Rainaldi

Ayes: Commissioners Draper, Martin, Rainaldi, Ruddock, Slater-Carter, Speier, and Canepa

Motion passed 7-0 by roll call vote.

### **Public Hearings**

#### **4. Consideration of the Circulation Draft Municipal Service Review for the Ladera Recreation District and Highlands Recreation District**

The Commission received a presentation on the draft Municipal Service Reviews (MSRs) for the Ladera Recreation District and Highlands Recreation District. LAFCo staff explained that both agencies are independently governed Community Services Districts located in unincorporated San Mateo County. Both districts provide services to residents both within and outside their district boundaries.

LAFCo staff thanked Ladera Recreation District General Manager Sarah Gutierrez and Highlands Recreation District General Manager Tamsen Burke for their assistance in providing information used in the preparation of the MSRs.

LAFCo staff reported that the Ladera Recreation District serves the unincorporated community of Ladera adjacent to the Town of Portola Valley. The district's boundaries and sphere of influence have remained mostly unchanged for 68 years, and no modifications are recommended. Between 2020 and 2025, the district invested approximately \$6 million in capital projects, including construction of a new competition and wading pool. While the district maintains an asset inventory and depreciation schedule, it does not have a formal multi-year capital improvement plan. Financially, the district has maintained positive fund balances for at least five years and held more than \$1.4 million in reserves as of December 2025. For revenue, the district relies primarily on recreation fees (70% of total revenue) and property taxes (25%). District staff includes three full-time employees and 87 seasonal employees. LAFCo staff noted that financial audits are behind schedule. LAFCo staff presented recommendations including the adoption of a multi-year capital improvement plan, formal reserve policies, publication of audits, and consideration of recording board meetings to improve transparency.

LAFCo staff next reviewed the Highlands Recreation District, located in the unincorporated Highlands community adjacent to the City of San Mateo. District boundaries have remained

largely unchanged since formation, with the exception of a 40-acre annexation in 1980 that is permanently restricted to open-space use. The district's sphere of influence is coterminous with its boundaries, and no changes are proposed. The FY 2025–26 budget projects \$4.4 million in revenue and \$4.5 million in expenditures, with recreation fees accounting for 74% of revenue and property taxes 23%. Salaries and benefits represent the largest expenditure category. LAFCo staff found that reserve balances consistently exceed annual expenditures and that approximately \$4 million in reserves remain unassigned. Recommendations included improving audit procedures to ensure audits are based on actual financial results, adopting a formal reserve policy, assigning currently unallocated reserve funds to specific purposes, reevaluating reserve levels, and establishing a formal 3–5 year capital improvement planning process.

LAFCo staff concluded by recommending that the Commission open the public hearing process, circulate the draft reports, and schedule final hearings for the July 15 2026 LAFCo meeting.

### **Summary of Commission Comments**

Commissioner Martin inquired about the increase in operating expenses compared to the prior fiscal year. Highlands Recreation District General Manager Tamsen Burke responded that the increase reflects budgeting for landslide-related work while awaiting county permitting, as well as funding for ten projects included in the capital improvement plan.

Commissioner Canepa asked about Highlands Recreation District's budget projections and the projected decline in county funding. Ms. Burke explained that the district had recently completed two previously overdue audits and requested clarification regarding LAFCo's comments about audit figures, noting that the district's auditor considered the reported revenues and expenditures accurate. She also explained that higher projected operating expenses in FY 2025–26 reflected funding set aside for landslide remediation work and approximately ten planned capital improvement projects.

Commissioner Speier inquired about funds set aside for landslide remediation projects and Ms. Burke explained that the district is awaiting county permit approval after revising engineering plans and hopes to complete the work before the rainy season. Commissioner Speier offered assistance if permitting delays arise.

Chair Draper emphasized the value of adopting clear reserve policies and documenting the purpose of reserve funds, noting that public agencies with large reserves can face public scrutiny if those funds are not well explained. She stated that clearly defining reserve levels and their intended use helps improve transparency and public understanding.

Public Speakers:

Tamsen Burke, Highlands Recreation District General Manager

Brigitte Shearer, former Highlands Recreation District General Manager

**Commission Action**

The Commission recommended that a hearing for the Final Municipal Service Review for the Ladera Recreation District and Highlands Recreation District be set for July 15, 2026.

Motion: Commissioner Speier/ Second: Commissioner Ruddock

Ayes: Commissioners Draper, Martin, Rainaldi, Ruddock, Slater-Carter, Speier, and Canepa

Motion passed 7-0 by roll call vote.

**5. Consideration of Adoption of Final Work Program and Final LAFCo Budget for Fiscal Year 2026-2027**

LAFCo staff presented the proposed Fiscal Year 2026–27 budget and work program, noting that no changes had been made since the draft budget was reviewed by the Budget Committee and Commission earlier in the year. The proposed budget totals approximately \$1.04 million, representing an increase of about \$113,000 from the prior fiscal year and includes a \$100,000 reserve contribution. The increase reflects planned adjustments for salaries and benefits, costs associated with a shared clerk position, temporary office relocation expenses, information technology needs, and county service charges.

Staff also reviewed the Municipal Service Review (MSR) work plan. The FY 2026–27 program includes a South County review covering the Town of Atherton, drainage and lighting districts, the City of Menlo Park, a joint powers authority, and the Menlo Park and Woodside Fire Protection Districts. The FY 2027–28 work plan proposes a comprehensive Coastside review, including Half Moon Bay, several county service areas, water and sanitary districts, community services districts, highway lighting districts, and the Sewer Authority Mid-Coastside. Staff noted that comments had been received requesting that the Montara Water and Sanitary District review be advanced to FY 2026–27 but explained that it is part of a broader Coastside review effort. Additional anticipated work includes processing annexation proposals in Belmont, San Carlos, county sewer districts, and the Menlo Park Triangle area. Staff recommended opening the public hearing, receiving public comment, and adopting the final FY 2026–27 budget and work program.

**Summary of Commission Comments**

Commissioner Speier noted continued public concern regarding Coastside water and sanitary system issues, stating that the topic is regularly raised at Board of Supervisors meetings. She emphasized the importance of LAFCo's review in helping guide solutions and suggested prioritizing the Coastside Municipal Service Review—particularly the Montara Water and Sanitary District component—earlier in the FY 2027–28 work program.

Chair Draper mentioned gaps in information regarding Coastside water and sanitary systems, particularly unclear distinctions between district-owned infrastructure and privately maintained facilities, which could affect the upcoming Municipal Service Review.

LAFCo staff noted that while some issues fall outside LAFCo's direct jurisdiction, service boundaries and maintenance responsibilities remain relevant to evaluating agency operations and will be important in reviewing the Montara Water and Sanitary District in relation to neighboring providers.

Chair Draper suggested contacting permitting agencies, such as the Regional Water Quality Control Board, for clarification on system boundaries. LAFCo staff confirmed they could reach out to obtain additional information to support the MSR.

Commissioner Martin asked about the purpose and timeline for reviewing outside service agreements. LAFCo staff explained the effort stems from Budget Subcommittee discussions and a 2018 policy requiring deferred annexation agreements, noting that a full inventory and mapping have not yet been completed. LAFCo staff said the project will map agreements, assess service connectivity, and identify potential annexation opportunities with cities, using county GIS support, and is expected to be completed by the end of the fiscal year.

Public Speakers: Sabrina Brennan, Andrew Boston, Alan Moss, and Matt Noel

Chair Draper addressed a public question regarding the participation of a Special District Representative. LAFCo counsel Tim Fox explained that the Special District Selection Committee has the authority to restrict voting in certain cases but has never done so. Mr. Fox further clarified that the current budget and workplan agenda item would not require disqualification and that LAFCo members routinely serve as representatives of cities, counties, and special districts without creating a conflict of interest.

Commissioner Rainaldi asked about the impacts of advancing the MWSD Municipal Service Review (MSR). Executive Officer Bartoli stated that moving the review to FY 2026–27 would require adjustments to other scheduled MSRs. He noted that the current plan is to conduct a comprehensive Coastside MSR in FY 2027–28 to address broader regional water and sewer service issues, though the Commission could choose to advance the MWSD review separately if desired.

Chair Draper asked whether the FY 2026–27 and FY 2027–28 MSR schedules could be swapped. LAFCo staff stated that there would be no budget or scheduling impacts but noted that waiting until FY 2027–28 would allow more information on Coastside projects and issues to be incorporated into the review. Additionally, earlier reports could be completed but may lack information from ongoing studies, projects, or litigation.

Commissioner Speier recommended moving the Coastside Municipal Service Review earlier in the work program. LAFCo staff explained that advancing it to FY 2026–27 is possible but would require shifting other planned MSR, including Menlo Park, Atherton, and fire districts. The current FY 2027–28 schedule groups Coastside agencies together for a more comprehensive review of interconnected water and sewer issues. LAFCo staff also noted that advancing only the Montara Water and Sanitary District is an option but would still require adjustments to the overall work plan.

Commissioner Slater-Carter emphasized the importance of basing decisions on verified information and encouraged staff to consult Montara Water Sanitary District and district leadership. She cautioned against relying on limited public input and stressed the need for a complete, well-supported record before making conclusions.

Commissioner Ruddock noted the issue extends beyond Montara Water and Sanitary District to the Sewer Authority Mid-Coastside JPA, including Granada Sanitary District and the City of Half Moon Bay.

Commissioner Rainaldi clarified that the motion would advance the MWSD MSR to FY 2026–27. LAFCo staff stated that staff could complete the review but would need to adjust the work plan and potentially defer other MSRs to accommodate the additional workload.

Chair Draper proposed an amendment to prioritize Coastside sewer-related MSRs in FY 2026–27 (Half Moon Bay, Granada CSD, MWSD, and SAM) and defer the San Francisquito Creek JPA, Menlo Park Fire Protection District, and Woodside Fire Protection District to FY 2027–28 to balance workload.

Commissioner Slater-Carter asked whether the MWSD MSR would focus only on sewer or all services. LAFCo staff confirmed MSRs are comprehensive and cover all agency services and proposed a “Coastside Part 1” MSR in FY 2026–27 for major providers, with remaining districts deferred to FY 2027–28 as “Coastside Part 2.”

### **Commission Action**

The Commission accepted the final Work Program and Final LAFCo Budget for Fiscal Year 2026-2027 with the amendment to the Work Program to move the Municipal Service Reviews for City of Half Moon Bay, Coastside County Water District, Granada Community Services District, Montara Water and Sanitary District, and Sewer Authority Mid-Coastside to FY 2026-27 and the Municipal Service Reviews for the San Francisquito Creek Joint Powers Authority and Menlo Park Fire Protection District and Woodside Fire Protection District to FY 2027-28.

Motion: Commissioner Speier/ Second: Commissioner Rainaldi

Ayes: Commissioners Draper, Martin, Rainaldi, Ruddock, Slater-Carter, Speier, and Canepa  
Motion passed 7-0 by roll call vote.

**6. Consideration of a Resolution Authorizing an Agreement with the County of San Mateo for Staffing, Legal Counsel, Office Space, and Supplies for Fiscal Year 2026-2027**

LAFCo staff reported that the Commission's adopted budget includes funding for an annual agreement with San Mateo County to provide staffing, facilities, and legal services. The proposed agreement outlines these services and reflects a total cost of \$926,070, with the difference from the adopted budget attributed to the exclusion of reserve and audit-related amounts. Staff recommended that the Commission adopt a resolution authorizing the Chair to execute the agreement with the County.

Public Speakers: none

**Summary of Commission Comments**

The Commission approved the item with no further discussion.

**Commission Action**

The Commission authorized the LAFCo Executive Officer to execute the agreement with the County for staffing, legal counsel, office space, and supplies for Fiscal Year 2026–27.

Motion: Commissioner Canepa / Second: Commissioner Ruddock

Ayes: Commissioners Draper, Martin, Rainaldi, Ruddock, Slater-Carter, Speier, and Canepa  
Motion passed 7-0 by roll call vote.

**7. Appointment of Ann Draper as Regular Public Member**

LAFCo staff presented the appointment of Anne Draper as the regular public member of the Commission. Following the adoption of a revised public member policy, the Commission previously directed staff to proceed with reappointment of the incumbent rather than an open recruitment. Staff recommended reappointing Ms. Draper to a new term ending in May 2030 based on her extensive experience in city and county planning, civic leadership, and long-standing familiarity with LAFCo processes.

LAFCo staff noted that Commissioner Draper has served on the Commission since 2016, including multiple full terms, and has held leadership roles as chair and vice chair. The item was properly noticed, and staff explained that state law requires a majority vote including support from representatives of the county, cities, and special districts to approve the appointment.

**Summary of Commission Comments**

The Commission appointed Commissioner Ann Draper as the LAFCo Regular Public Member.

Public Speakers: None

**Commission Action**

The Commission approved the appointment.

Motion: Commissioner Rainaldi/ Second: Commissioner Slater-Carter

Ayes: Commissioners Draper, Martin, Rainaldi, Ruddock, Slater-Carter, Speier, and Canepa

Motion passed 7-0 by roll call vote.

**Regular Agenda**

**8. Appointment of Alternate Public Member Recruitment Committee**

The Commission was informed that Alternate Public Member Colleen Yu's term will end in May 2026, and she will not seek reappointment. A recruitment process for the position was announced on April 10 and remains open through May 29, with the next term extending to May 2030.

LAFCo staff recommended forming a three-member recruitment committee, consistent with prior practice and including representatives from the city, county, and special district seats, to review applications and conduct interviews ahead of a potential appointment at the July 15 meeting.

**Commission Action**

The Commission appointed Commissioner Canepa, Commissioner Chang Kiraly, and Commissioner Wright to the Alternate Public Member Recruitment Committee.

Public Speakers: None

Motion: Commissioner Slater-Carter/ Second: Commissioner Rainaldi

Ayes: Commissioners Draper, Martin, Rainaldi, Ruddock, Slater-Carter, Speier, and Canepa

Motion passed 7-0 by roll call vote.

**9. Legislative Report – Information Only**

The Commission received an update on legislation tracked by CALAFCO, noting 12 bills under review with no changes since the previous report.

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

Commissioner Martin requested an update on the Broadmoor Police Protection District LAFCo staff noted at the last meeting during the draft budget discussion, Broadmoor Police Protection District has been removed from the work program and no annual update is anticipated.

**a. Sewer service areas within the Town of Woodside**

At the March LAFCo meeting, Chair Draper requested a map of sewer service areas and noted that several Woodside housing sites appear to be outside existing sewer districts, which could constrain housing development, including affordable housing. LAFCo staff presented a report that highlighted key unserved sites (including 733 Canada and the Raymundo site) in Woodside. The report recommended continued coordination with the County and Town of Woodside on potential service extensions or annexations, with updates to be brought back to the Commission.

**b. CALAFCO Staff Workshop**

LAFCo staff provided a brief update on the CALAFCO Staff Workshop held in Pismo Beach from May 6 to May 8, which was attended by Executive Officer Bartoli, Management Analyst Flamm, and Clerk Estipona. The workshop focused on public engagement, fiscal analysis, artificial intelligence, an overview of CEQA, and LAFCo report writing.

**11. Adjournment**

The Commission adjourned at 4:07 PM.

Approved on July 15, 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

**July 8, 2026**

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

**Subject:** Consideration of LAFCo File No. 26-05 - Proposed Outside Service Agreement for water by the City of Redwood City to an undeveloped parcel on Lakeview Way (APN: 057-091-030), Unincorporated Redwood City.

### Summary

Pursuant to Government Code Section 56133, Commission approval is required for the extension of service by local agencies to territory outside the agency's boundaries. This section requires that the public agency apply to LAFCo by resolution on behalf of the landowner. In this case, the property owner of a vacant lot on Lakeview Way (APN: 057-091-030) is seeking a new water connection for a proposed new two-story single-family home with an attached garage and ADU. The 7,194 square-foot parcel is currently vacant. The Building Permit (BLD2026-00864) for the new single-family residence is under review. The property will receive a sewer connection from the Emerald Lake Heights Sewer Maintenance District.

The parcel is within the Sphere of Influence and water service area of the City of Redwood City. As an annexation of this parcel would not enhance the server delivery pattern in the area and would not create logical boundaries for the City of Redwood City, LAFCo staff supports an Outside Service Agreement (OSA) in lieu of annexation.

### Departmental Reports

**County Assessor:** The total net assessed land valuation for the parcel (APN: 057-091-030) shown in the County Assessor records is \$1,050,000. The boundaries of the OSA will conform to the lines of assessment and ownership of the subdivided parcel.

**County Clerk:** The territory has no registered voters as it is currently vacant land. The proposed OSA would not change or conflict with any political subdivision boundaries. If the parcel is annexed by the City of Redwood City, it would then need to be changed from an unincorporated area precinct to a precinct within the City of Redwood City.

**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

*County Environmental Health:* Recommends approval. The City of Redwood City and Emerald Lake Heights Sewer District provide the available water and sewer service in the area. The proposal appears appropriate and will not create any unusual health hazards or problems. There is no septic tank in operation in the area.

*City of Redwood City:* The City recommends approval of the OSA. The City's General Plan designation is Residential-Low Density. The City staff report that the proposed OSA is compatible with the City's General and Specific Plans. The OSA for a water connection requires an authorization letter from the City of Redwood City, which is expected to be transmitted by the date of this meeting.

*County Public Works:* This property is in the Emerald Lake Heights Sewer Maintenance District and the Emerald Lake Heights Highway Lighting District. The proposed new water line and associated appurtenances to be constructed shall not conflict with or impact the existing sanitary sewer and streetlight facilities of the District. Specific comments regarding future development will be provided when such plans are submitted.

*County Planning:* Recommends approval. The County's land use designation is low density residential. The proposal is consistent with the County's General Plan and zoning. Considering the proposal of a 2-story single-family residence with attached garage and attached ADU (BLD2026-00864), there will be a minimal impact of this proposal on regional resources.

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

This proposal submitted by the City of Redwood City is to connect a new single-family residence parcel to City water. The subject property is within the Sphere of Influence of the City, but not contiguous to City boundaries. The annexation of this parcel at this time would not assist in creating logical boundaries or service areas for the City of Redwood City. LAFCo staff supports an Outside Service Agreement (OSA) in lieu of annexation. A deferred annexation will be required to be executed as part of this approval.

### **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).

### **Recommended Commission Action**

By motion, approve LAFCo File No. 26-05 - Proposed Outside Service Agreement for water by the City of Redwood City to a parcel on Lakeview Way (APN: 057-091-030), Unincorporated Redwood City pursuant to Government Code Section 56133 with the following condition of approval:

- 1) The applicant shall record the deferred annexation agreement with the San Mateo County Recorder's Office and provide a copy of the recorded document to LAFCo prior to the issuance of the approval letter for the Outside Service Agreement for one vacant lot on Lakeview Way (APN: 057-091-030), Unincorporated Redwood City.

### **Attachments**

- A. OSA application for File No. 26-05- Proposed Outside Service Agreement for water by the City of Redwood City to a parcel on Lakeview Way (APN: 057-091-030), Unincorporated Redwood City
- B. Vicinity Map
- C. Authorization Letter from the City of Redwood City

cc: Christian Craig, City of Redwood City  
Ed Diaz, San Mateo County Environmental Health  
Chephren Goree, San Mateo County Clerk  
Andrew Smith, San Mateo County Assessor  
Tiffany Gee, San Mateo County Planning & Building  
Ron Grove, Applicant

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.

New Single family home to be developed on currently vacant lot. (APN 057-091-030 Applicant is applying for Outside Service Agreement for water from the City of Redwood City water

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
[X] 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.)

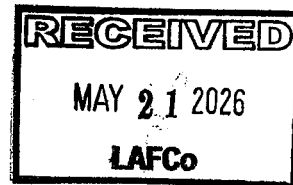
3. What are the reasons for the proposal?

New Single family home in unincorporated San Mateo County of Emerald Lake Hills would like to obtain water service.

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

[X] Yes [ ] No

5. Estimated acreage: 7194'



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.

The City of Redwood City

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
Police <i>(example)</i>	Co. Sheriff	City Police	N/A	Taxes
Sewer <i>(example)</i>	None	City of ...	Proponent	Fees
Water	None	City of Redwood City	Proponent	Fees

**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.

APN 057-091-030 is a undeveloped lot parcel located at Intersection of Sylvan Way & Lakeview way in the Emerald Hills neighborhood unincorporated San Mateo County. Adjacent to 203 Sylvan Way and 206 Hillsdale Way

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

Vacant land Proposed Single family home, Submitted to County of San Mateo

3. How are adjacent lands used?

North: Residential  
 South:   
 East:   
 West: 

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

New Single family home

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

Single Family homes

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

RH

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?

Permit for New Single Family  
Will-serve letter from City of Redwood City for new water connection. City may also require property owner to sign deferred annexation agreement. Building permit under County Review BID# 202600864

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?

Sewer

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?

One new water connection for proposed new development of single family home

\*\*\*\*\*

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: Ron Grove

EMAIL: groveconstruction@msn.com

ADDRESS: 1011 Bransten unit D  
San Carlos Ca 94070

TELEPHONE: 650-867-3531

ATTN: Ron

Signature of Proponent

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

A handwritten signature in black ink, appearing to be 'R. J. ...', written in a cursive style.

Addendum to Application titled LAFCo File No. 26-05 --  
Proposed (no address yet)

APN's (List)  
to 057-091-030

*As part of above noted application submitted by petition, the Chief Applicants, (Name of Applicants) as Applicants and subject landowner(s), real parties in interest, agree to defend, indemnify, hold harmless, and release the San Mateo LAFCO, its agents, Commissioners, Executive Officer, attorneys, and employees from any claim, action, proceeding brought against any of them, the purpose of which is to attack, set aside, void, or annul the approval of this application or adoption of the environmental document which accompanies it. This indemnification obligation shall include, but not be limited to, damages, costs, and expenses, including attorney fees. The person signing this addendum to above noted application will be considered the proponent for the proposed action(s) and will receive all related notices and other communications.*

*Cayan LLC*

*Ronald Gen*

Date 5.21.2026

\_\_\_\_\_ Date \_\_\_\_\_

\_\_\_\_\_ Date \_\_\_\_\_

\_\_\_\_\_ Date \_\_\_\_\_





WGS\_1984\_Web\_Mercator\_Auxiliary\_Sphere  
 © Latitude Geographics Group Ltd.

1:1,128

This map is a user generated static output from an Internet mapping site and is for reference only. Data layers that appear on this map may or may not be accurate, current, or otherwise reliable.

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SAN MATEO



# LOCAL AGENCY FORMATION COMMISSION

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

July 8, 2026

**To:** LAFCo Commissioners

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

**Subject:** Consideration of the Final Municipal Service Reviews and Sphere of Influence Updates for the Ladera Recreation District and the Highlands Recreation District

## Summary and Background

In 1985, San Mateo LAFCo first prepared comprehensive Sphere of Influence (SOI) studies and adopted SOIs for the County's cities and special districts. Subsequently, LAFCo reviewed and updated spheres on a three-year cycle. SOI updates focus on changes in service demand within the boundaries of cities and special districts. In 2003, in order to comply with the newly enacted CKH Act, LAFCo began the process of preparing SOI updates in conjunction with or following a Municipal Service Review (MSR).

This report includes MSR and SOI updates for the Ladera Recreation District (LRD) and the Highlands Recreation District (HRD).

**Ladera Recreation District:** In April 1958, local voters and the Board of Supervisors established the Ladera Recreation District (LRD), an independent Community Services District. LRD was formed for the purpose of providing public recreation by means of parks, playgrounds, swimming pools or recreation buildings. LRD is operating pursuant to Section 61000 et seq of the CA Government Code (Community Services District Law).

**Highlands Recreation District:** In September 1957, local voters and the Board of Supervisors established the Highlands Recreation District (HRD), an independent Community Services District. HRD was formed for the purpose of providing public recreation by means of parks, playgrounds, swimming pools, or recreation buildings. HRD is operating pursuant to Section 61000 et seq of the CA Government Code (Community Services District Law).

## Updates to the Circulation Drafts

**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 County LAFCo received no comments on the Ladera MSR. LAFCo staff received two nearly identical comment letters on the Highlands MSR from HRD General Manager Tamsen Burke, and former HRD General Manager Brigitte Shearer. Responses to these comments as submitted by Brigitte Shearer are provided in Attachment C. The final MSR for the Highlands Recreation District includes revised data related to staff count, vacancy rates, and clarification that the 40 acres of HRD undeveloped land is not reservable or open to the public for use.

### **Current Key Issues**

**The Ladera Recreation District** meets the recreational service needs of the Ladera community, as well as residents outside its boundary. LRD's main revenue source is recreation fees (75%) from residents who sign up for memberships or utilize LRD facilities or classes. LRD operates with three full-time staff and 87 part-time staff (2026). LRD has had four General Managers since 2021. Staff turnover rates have been high due to retirements and personnel relocations.

LRD operates on a calendar-year budget cycle, with budgets regularly adopted on time each January. In 2011-12, the LRD Board made the shift from fiscal years to calendar year cycles. The LRD 2025-26 budget projects \$1.6M in revenue and \$1.3M in expenditures. Over each of the past five years, LRD has maintained a positive General Fund balance. The fund balance is allocated to capital improvement projects. While the District has a practice of this making this allocation, LRD does not have specific financial policies addressing target fund balance levels and restrictions on use of reserve funds. LRD also does not have a formal Capital Improvement Plan.

The District does not livestream or record its public Board Meetings; remote attendance or historical review of meetings is not currently an option. The LRD website does not provide staff reports to agenda items, and is not updated; the past three years of financial audits are unavailable on the website. LRD is completing its 2024 independent financial audit. The independent audit Management Reports for the years ending in December 2023 and December 2022 each had three recommendations for LRD. The LRD website does not publish these reports, at the time of this MSR.

**The Highlands Recreation District** meets the recreational service needs of existing development within its boundaries, as well as extending services to residents outside its boundaries.

The financial position of HRD appears healthy. The annual independent financial audits utilize projected figures and not actual revenues and expenditures, and so additional information is necessary to draw any definite conclusions. HRD budgeted 35% more in total expenditures for FY2025-26 (\$4.5M) compared to \$3.3M FY2024-25, largely due to planned facility maintenance to address the backlog of deferred maintenance items. According to HRD staff, as of January 31, 2026, the HRD fund balance held in total reserves was \$5,477,387, an amount that exceeds the annual budgeted expenditures of the District. HRD does not have policies that set target reserve levels for any of its five reserve accounts: the General Fund Reserve, Contingency Reserve, Capital Reserve, EEC Building Reserve and the Building Renovation Reserve.

Facilities and equipment are well maintained and annually inspected. However, currently, there is no process for adopting a formal multi-year Capital Improvement Plan, or a similar document.

In December 2010, HRD assumed a debt of \$3,195,000 for the purpose of constructing a new early childcare center. As of February 2026, the remaining balance on the loan is \$1,578,000, and

for FY2025-26, HRD anticipates spending 5% (\$204,290) of total annual expenditures on debt payment.

### **MSR Determinations and Recommendations for Ladera Recreation District**

As required by State law, there are seven areas of MSR determination, including local policies as set forth in Section 56430. LAFCo has the following determinations and recommendations:

- I. Growth and Population Determination:** Over the next five years, the population of Ladera (est. 2,500) is projected to grow between 2-4%. There are minimal opportunities for subdivision or infill in Ladera, as the community is largely built out.

**Recommendation:** None

- II. Disadvantaged Unincorporated Communities Determination:** The LRD sphere of influence and corporate boundaries do not include disadvantaged unincorporated communities.

**Recommendation:** None

- III. Capacity and Adequacy of Public Facilities and Services Determination:** LRD meets the recreational service needs of existing development within its boundaries, as well as extending services to residents outside its boundaries. LRD's staffing model allows for seasonal fluctuations, with three full-time staff and 87 part-time staff in calendar year 2026. LRD maintains a list of assets and an associated depreciation schedule. LRD does not have a multi-year capital improvement plan. Funds for capital projects are annually deposited into LRD's account in San Mateo County's Investment Pool Fund.

**Recommendations:**

1. Establish a process for adopting a comprehensive multi-year Capital Improvement Plan or other similar plan to identify LRD-owned and maintained facilities, and to allocate funds for replacement/maintenance or the construction of new facilities.
2. Formalize funds held in the County's Investment Pool as capital project reserves and general reserves in the District's budget documents. Adopt and publish a reserve policy that sets a target reserve size and purpose, including adding limits on withdrawing these funds for other purposes.

- IV. Financial Ability Determination:** Over each of the past five years, LRD has maintained a positive General Fund balance (revenues exceeding expenditures) by at least \$200,000. These monies are deposited annually in the County's Investment Pool for the purpose of financing capital projects. LRD has over \$1.4M in reserves as of Dec. 2025. Membership fees and other charges for services comprise LRD's largest revenue source (70%), followed by Property tax revenue (25%). Employee salaries are the largest expenditure (50%), followed by Maintenance, Repairs and Supplies (15%). The annual debt payment on a loan used to construct a new pool that opened in 2023 represents less than 7% of total expenditures. LRD is behind on its financial audits, currently completing its 2023-24 audit.

**Recommendations:**

3. Become current on independent financial audits and to make these audits (2021, 2022, 2023) along with their associated Management Reports available for public viewing.

4. Adopt and publish a reserve policy for the General Fund, explicitly describing the annual target size and purpose of the reserve account.<sup>1</sup>
5. Explicitly show in all budget documents and staff financial reports the amount of funds allocated to the District's reserve fund.
6. Explore shifting from a calendar year to a fiscal year budget cycle to align with San Mateo County and other special districts.

**V. Shared Service and Facilities Determination:** LRD shares its facilities with the Ladera Community Association and other neighborhood groups for their meetings, free of charge. LRD leases its facilities for a fee to contractors offering classes and programs to LRD members, as captured in the "Park and Recreation Fees" revenue category.

**Recommendation:** None.

**VI. Accountability, Structure, and Efficiencies Determination:** The District could improve its transparency by posting on its website all historical budgets, historical Board Meeting agendas and minutes, and publishing staff reports. LRD does not livestream or record meetings. The District annually commissions independent financial audits, and is completing its 2024 audit. LRD has had four General Managers since 2021. Staff turnover rates have been high due to retirements and personnel relocations.

**Recommendations:**

7. Post historical agendas, meeting minutes and written staff reports for agenda items at public Board meetings.
8. Consider livestreaming public Board Meetings for a remote audience to facilitate accessibility, engagement, and transparency.
9. Continue efforts to increase staff retention, for example by offering employee benefits.

**VII. Other Issues Determination:** LRD participates in the County-wide Local Hazard Mitigation Plan. LRD coordinates with the Ladera Emergency Preparedness group for disaster response, in alignment with the Woodside Fire Protection District.

**Recommendation:**

10. LAFCo encourages LRD to continue its efforts in the area of hazard mitigation.

### **Ladera Recreation District Sphere of Influence (SOI) Determinations**

- I. **The present and planned land uses in the area, including agricultural and open space lands:** LRD is comprised primarily of residential land use, with some commercial, and institutional land use. LRD boundaries contain land that is under the jurisdiction of the County of San Mateo.
- II. **The present and probable need for public facilities and services in the area:** LRD meets the needs of its residents and businesses for recreation services, and LRD staff anticipate that they will be able to provide adequate facilities and services for the anticipated growth within the service area.

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<sup>1</sup> Little Hoover Commission, Report #239 "Special Districts: Improving Oversight & Transparency," August 2017  
LAFCo Meeting Packet Page 26

- III. The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide:** LRD currently provides adequate public services to LRD residents and out of district members, including tennis courts, pool, playground, recreation building, and more. In addition, LRD maintains an infrastructure depreciation schedule to monitor necessary capital improvements, repairs, and replacements to LRD infrastructure and facilities.
- IV. The existence of any social or economic communities of interest in the area if the Commission determines that they are relevant to the agency:** There are no disadvantaged unincorporated communities within the SOI of LRD.
- V. 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 within LRD's boundaries, or SOI.

#### **MSR Determinations and Recommendations for the Highlands Recreation District**

- I. Growth and Population Determination:** Over the next five years, the population of HRD (est. 3,120) is projected to grow between 2-4%. There are minimal opportunities for subdivision or infill, as the community is almost entirely built out. The district owns 40 acres of undeveloped land which has a restriction on the 1986 deed that specifies no structures are to be built on the land.
- Recommendation:** None.
- II. Disadvantaged Unincorporated Communities Determination:** The HRD sphere of influence and corporate boundaries do not include disadvantaged unincorporated communities nor does HRD provide sewer, municipal and industrial water, or structural fire protection services.
- Recommendation:** None
- III. Capacity and Adequacy of Public Facilities and Services Determination:** HRD meets the recreational service needs of existing development within its boundaries, as well as extending services to residents outside its boundaries. In FY2025-26, LRD has 20 full-time staff and 7.5 part-time staff. Funds for capital projects are maintained in the HRD Capital Reserve, which as of April 2026 had a balance of \$473,296. There is no process for adopting a formal multi-year Capital Improvement Plan or other facility planning document.
- Recommendation:**
1. Consider adopting a process for the Board of Directors to approve a 3 to 5-year Capital Improvement Plan or facility planning document and publish the plan on the District website.
- IV. Financial Ability Determination:** The financial position of the district is adequate. HRD budgeted 35% more in total expenditures for FY2025-26 (\$4.5M) compared to \$3.3M FY2024-25, largely due to planned facility maintenance to address the backlog of deferred

maintenance items. According to HRD staff, as of January 31, 2026, the HRD fund balance held in the San Mateo County Investment Pool was \$5,477,387. This amount exceeds the annual budgeted expenditures of the District. HRD does not have policies that set target reserve levels for District reserve funds.

**Recommendations:**

2. For each of the past three years, the annual independent financial audits were not conducted using actual budget figures. Fiscal documents with final actuals and auditor figures may allow for enhanced financial planning for the District, and greater transparency for the public. HRD should consider adjusting procedures and calendars to ensure that the Auditor is able to audit actual revenues and expenditures. Audits, along with their associated Management Reports should be made available for public viewing within one year of publication.
3. Adopt and publish a reserve policy that explicitly describes the target size and purpose of the General Fund Reserve, Contingency Reserve, Capital Reserve, EEC Building Reserve and the Building Renovation Reserve. The purpose of these reserve funds should clearly articulate the need for and the size of reserves.<sup>23</sup>
4. Review the currently unassigned reserves (approximately \$4M) and consider designating these funds to dedicated reserve accounts, including the Capital Reserve account, and to specific capital improvement projects.
5. Reevaluate the General Fund budget and reserve account to achieve target fund balance, as established in a new HRD reserve policy (per Recommendation No. 2).

- V. Shared Service and Facilities Determination:** HRD permits the Highlands Community Association to use District facilities for meetings and events.

**Recommendations:** None.

- VI. Accountability, Structure, and Efficiencies Determination:** HRD Staff turnover rates are moderate. Efforts to increase retention by adjusting salaries and dedicating staff time to recruitment are underway. On its website, HRD maintains from 2019-present archived Board Meeting agendas, minutes, agenda packets with staff reports and attachments, and as of March 2026, video recording of the meeting. HRD theoretically could apply to LAFCo to provide any of the services offered by other districts in its area, however LAFCo is not aware of any application to do so.

**Recommendations:**

6. Continue exploring policies and practices that will improve staff retention.
7. Consider posting historical budgets for at least the past five years on the dedicated "Agency Budget" page on the HRD website.

<sup>2</sup> Little Hoover Commission, Report #239 "Special Districts: Improving Oversight & Transparency," August 2017

<sup>3</sup> California Special District Association "Special District Reserve Guidelines, 2<sup>nd</sup> Edition 2013  
LAFCo Meeting Packet Page 28

- VII. Other Issues Determination:** HRD participates in the San Mateo County Local Hazard Mitigation Plan. HRD utilizes San Mateo County Fire Department for defensible space inspections and Highlands CERT for drill reviews and feedback.

**Recommendation:** None.

### **Proposed Sphere of Influence Determinations for the Highlands Recreation District**

State law requires LAFCo to make five written determinations when establishing, amending, or updating an SOI for any local agency as set forth in Government Code Section 56425(e) that addresses the following:

- I. The present and planned land uses in the area, including agricultural and open-space lands:** The Highlands Recreation District (HRD) is comprised primarily of medium-low density residential land use with some institutional land use and open space land. HRD boundaries contain land that is under the jurisdiction of the County of San Mateo.
- II. The present and probable need for public facilities and services in the area:** HRD meets the needs of its residents and businesses for recreation services, and the District staff anticipate that they will be able to provide adequate facilities and services for the minimal anticipated growth within the service area.
- III. The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide:** HRD currently provides adequate public services to District residents and out of district visitors, including childcare programs, camps, tennis courts, pool, playground, recreation building, and more. In addition, HRD maintains a list of capital projects and an infrastructure depreciation schedule to monitor necessary capital improvements, repairs, and replacements to District infrastructure and facilities.
- IV. The existence of any social or economic communities of interest in the area if the Commission determines that they are relevant to the agency:** There are no disadvantaged unincorporated communities within the SOI of HRD.
- V. For an update of a SOI 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:** No change to the SOI for HRD is proposed at this time.

**Public/Agency Involvement:** The primary sources of information used in this report were publicly available agency-adopted plans, budgets, reports, and policies. Information received by San Mateo LAFCo in response to requests for data from the County and special district staff has also been incorporated into this report.

**Environmental Review/CEQA:** The MSR is categorically exempt from the environmental review requirements of the California Environmental Quality Act (CEQA) under Section 15303, Class 6, which allows for the basic data collection, research, experimental management, and resource evaluation activities that do not result in a serious or major disturbance to an environmental resource. The MSR 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.

The MSR is also exempt from CEQA under section 15061(b)(3), the commonsense provision, which states that CEQA applies only to projects which have the potential to cause 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.

The MSR and SOI update will not have a significant effect on the environment as there are no land use changes associated with the documents.

**Staff Recommendation to Commission**

1. Open the public hearing and accept public comment.
2. Accept the Final Municipal Service Reviews and Sphere of Influence Updates for the Ladera Recreation District and the Highlands Recreation District.
3. Adopt the Determinations and Recommendations contained in this report.

**Attachments**

- A. Final Municipal Service Review and Sphere of Influence Update for Ladera Recreation District
- B. Final Municipal Service Review and Sphere of Influence Update for Highlands Recreation District
- C. Sphere of Influence Maps
- D. Response to public comments received (Exhibit A)
- E. Determinations (Exhibit B and Exhibit C)
- F. Resolution 1356
- G. Resolution 1357



**Municipal Service Review and Sphere of  
Influence Review for  
Ladera Recreation District**

**Final Draft**

**Released July 8, 2026**

Municipal Service Review and Sphere of Influence Review for the Ladera Recreation District

**Ladera Recreation District**

150 Andeta Way  
Portola Valley, California 94028  
Contact: Sarah Gutierrez, General Manager, (650) 854-3242

**CONDUCTED BY:**

San Mateo Local Agency Formation Commission  
455 County Center, 2<sup>nd</sup> Floor  
Redwood City, CA 94063  
(650) 363-4224

Commissioners:

Virginia Chang Kiraly, Chair, Special District Member  
Ann Draper, Vice Chair, Public Member  
David Canepa, County Member  
Kati Martin, Special District Member  
Debbie Ruddock, City Member  
Stephen Rainaldi, City Member  
Jackie Speier, County Member

Commission Alternates:

Katheryn Slater-Carter, Special District Member  
Noelia Corzo, County Member  
Greg Wright, City Member  
Colleen You, Public Member

Staff:

Rob Bartoli, Executive Officer  
Sarah Flamm, Management Analyst  
Diane Estipona, Commission Clerk  
Tim Fox, Legal Counsel

## **EXECUTIVE SUMMARY**

### **Section I: Report Overview**

This report is a Municipal Service Review (MSR) and Sphere of Influence (SOI) study for the Ladera Recreation District. California Government Code Section 56430 requires that Local Agency Formation Commissions (LAFCo's) complete MSR and SOI reviews on all cities and special districts. These state-mandated reports are studies of an agency's service provision and logical boundaries. The review process is intended to identify municipal service delivery challenges and opportunities, provide the public and affected agencies with a platform to comment on an agency's services and finances, and review opportunities to share governmental resources. Once the MSR determinations are adopted, the SOI—the plan for the boundaries of a city or special district— is reviewed, pursuant to Section 56425.

### **San Mateo Local Agency Formation Commission**

San Mateo LAFCo is a State-mandated, independent entity with county-wide jurisdiction over the boundaries and organization of cities and special districts. LAFCo reviews annexations, detachments, incorporations, formations, and dissolutions. LAFCo also has authority over extensions of service outside city or district boundaries, and activation or divestiture of special district powers. The purpose of LAFCo includes discouraging urban sprawl, preserving open space and prime agricultural lands, planning for the efficient provision of government services, and encouraging the orderly formation and development of local agencies based upon local conditions and circumstances.

LAFCo operates pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH Act) contained in California Government Code Sections 56000 and 57000. The Commission is comprised of two members of the County Board of Supervisors, two city councilmembers from two of the County's 20 cities, two special district board members from two of the 21 independent special districts, one member of the public, and four alternate members (county, city, special district, and public).

In 1985, San Mateo LAFCo first prepared comprehensive SOI studies and adopted SOI's for the County's cities and special districts. Subsequently, LAFCo reviewed and updated SOI's on a three-year cycle. SOI updates focus on changes in service demand within the boundaries of cities and special districts. In 2003, in order to comply with the newly enacted CKH Act, LAFCo began the process of preparing SOI updates/reviews in conjunction with or following an MSR

### **Local Government in San Mateo County**

Municipal service providers in San Mateo County include the County of San Mateo, 20 cities, 21 independent special districts, six subsidiary districts governed by city councils, and 33 County-governed special districts. Independent special districts provide a limited set of services based on their enabling legislation (i.e., fire, water, sanitation, etc.), while cities generally provide a wider array of basic services including police, recreation programs, planning, street repair, and building inspection. The County, as a subdivision of the State, provides a vast array of services for all residents across its cities, special districts and subsidiary districts, including social services, public

health protection, housing programs, property tax assessments, tax collection, elections, and public safety. The County also provides basic municipal services for residents who live in unincorporated areas who are not part of any city or special district. According to Census 2020 data, 63,205 of the County's total 764,442 residents (8%) live in unincorporated areas.

### MSR and SOI Determinations

Per Government Code Section 56430, LAFCo is required to include MSR Determinations that address the following areas for any local agency:

1. Growth and population projections for the affected area.
2. The location and characteristics of any disadvantaged unincorporated communities<sup>1</sup> within or contiguous to the SOI.
3. Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies.
4. Financial ability of the agency to provide services.
5. Status of, and opportunities for, shared facilities.
6. Accountability for community service needs, including governmental structure and operational efficiencies.
7. Any other matter related to effective or efficient service delivery, as required by LAFCo policy: a) Water Resiliency and Climate Change and b) Impact of Natural Hazards and Mitigation Planning

MSR Determinations must be adopted before the Commission updates or amends a SOI. Per Government Code Section 56425, LAFCo is required to make the following five written determinations when establishing, amending, or updating an SOI for any local agency:

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 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.

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<sup>1</sup> "Disadvantaged community" means a community with an annual median household income that is less than 80 percent of the Statewide annual median household income. This area of determination does not apply to the study area.

### Report Review Process

A hearing for the Draft Report was held at LAFCo’s May 20, 2026 meeting. The report will subsequently be circulated for comment to the agencies under study, as well as interested individuals and groups. This report has been written based on source documents that include Adopted Budgets, Capital Improvement Plans, Meeting Minutes, Staff Reports, Consultant Reports, and information provided directly to LAFCo by the special district staff.

### Disadvantaged Unincorporated Communities

In 2011, SB 244 (Chapter 513, Statutes of 2011) made changes to the CKH Act related to “disadvantaged unincorporated communities,” including the addition of MSR determination #2 and SOI determination #5 listed above. Disadvantaged unincorporated communities, or “DUC’s,” are inhabited, unincorporated territories (containing 12 or more registered voters) where the annual median household income is less than 80 percent of the statewide annual median household income. There are no DUC’s within the current boundaries or service areas of Ladera Recreation District.

### Section II. Summary of Key Issues

Ladera Recreation District (LRD) meets the recreational service needs of the Ladera community, as well as residents outside its boundary. LRD’s main revenue source is recreation fees (75%) from residents who sign up for memberships or utilize LRD facilities or classes.

LRD operates on a calendar-year budget cycle, with budgets regularly adopted on time each January. In 2011-12, the LRD Board made the shift from fiscal years to calendar year cycles. The LRD 2025-26 budget projects \$1.6M in revenue and \$1.3M in expenditures. Over each of the past five years, LRD has maintained a positive General Fund balance. The fund balance is allocated to capital improvement projects. While the District has a practice of this allocation, LRD does not have specific financial policies addressing target fund balance levels and restrictions on use of reserve funds. LRD also does not have a formal Capital Improvement Plan.

The District does not livestream or record its public Board Meetings; remote attendance or historical review of meetings is not currently an option. The LRD website does not provide staff reports to agenda items, and is not updated; the past three years of financial audits are unavailable. LRD is completing its 2024 independent financial audit. The independent audit Management Reports for the years ending in December 2023 and December 2022 each had three recommendations for LRD. The LRD website does not publish these reports, at this time.

LRD has had four General Managers since 2021. Staff turnover rates have been high due to retirements and personnel relocations. LRD operates with three full-time staff and 87 part-time staff (2026).

### Section III. Affected Agencies

*Cities/Towns and County:* San Mateo County, Town of Portola Valley, Unincorporated community of Ladera

*School Districts:* Las Lomas Elementary School District, Sequoia High School District

*Independent Special Districts:* Woodside Fire Protection District, West Bay Sanitation District

*Dependent Special Districts:* None

## **Section IV. Municipal Service Review for Ladera Recreation District**

**Background:** In April 1958, local voters and the Board of Supervisors established the Ladera Recreation District (LRD), an independent Community Services District. LRD was formed for the purpose of providing public recreation by means of parks, playgrounds, swimming pools or recreation buildings.<sup>2</sup> LRD is operating pursuant to Section 61000 et seq of the CA Government Code (Community Services District Law).

LRD is located in the unincorporated community of Ladera, adjacent to the Town of Portola Valley. The community of Ladera was founded earlier, in 1946. LRD is comprised of 552 parcels, the vast majority of which are residential. Fewer than 10 parcels are zoned “commercial,” and these form the Ladera Shopping Center, which includes approximately 17 storefronts.<sup>3</sup> The boundaries of LRD have remained the same since formation, apart from the 1960 annexation of Stanford land (150 Andeta Way) for the purpose of building the District’s facilities (i.e. recreation center, pool, playground, tennis and pickleball courts, etc.).

**Inventory of Active Services:** Provisions of the CKH Act require that LAFCo identify which services a multi-purpose district is actively providing, and which are inactive. Pursuant to Government Code Section 56425(i), in preparing a MSR and SOI update, LAFCo is required to prepare a statement of the nature and location of functions and services provided. If a district proposes to add a new service permitted under district enabling legislation, the District must apply to LAFCo for approval. Ladera Recreation District currently provides only park and recreation services, although its enabling legislation permits the district to provide a broad set of services similar to those of a city with the exception that community services districts do not have land use authority.

LRD Active services, per the 1959 LRD formation document:

- **Construction of parks, playgrounds, swimming pools, recreation buildings, a community meeting hall, and such other buildings and facilities as are necessary to the operation of such a district.**<sup>4</sup>

If in the future, if it is determined that other services permitted in Community Services District enabling legislation should be provided and funded by Ladera Recreation District, the Board of Directors as governing body of the District could apply to LAFCo. The application would include a plan for providing services and a proposed budget, including revenues to fund services and any associated revenue sources such as an assessment, fee, or tax.

### **Overview**

The Ladera Recreation District (LRD) is governed by an elected five-member Board of Directors each serving a four-year term. There are no term limits, meaning Board members may run for re-election as many times as they choose, provided they remain registered voters living within the district boundaries. The board members do not receive any compensation. The Board typically holds public meetings on the second Monday of each month at 7PM at 150 Andeta Way, Portola Valley.

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<sup>2</sup> Resolution No. 12803

<sup>3</sup> [Portola-Valley-Ladera-SC-Fully-Leased-Brochure.pdf](#)

<sup>4</sup> Government Code Sections 61100(e) and (f)

As of January 2026, the LRD employs three full-time staff (FTE's) and 87 part time/seasonal staff. LRD facilities include a 6-lane swimming pool, wading pool, tennis and pickleball courts, a recreation room, playground, bocce ball court, barbecue grills, volleyball courts, and a parking lot. A membership (or drop-in fee for LRD residents) is required to use the facilities. LRD membership is available for purchase by LRD residents or non-residents, at separate rates published on the LRD website. LRD also maintains approximately two miles of pathways located on easements adjacent to private properties in portions of the Ladera community (Attachment A).

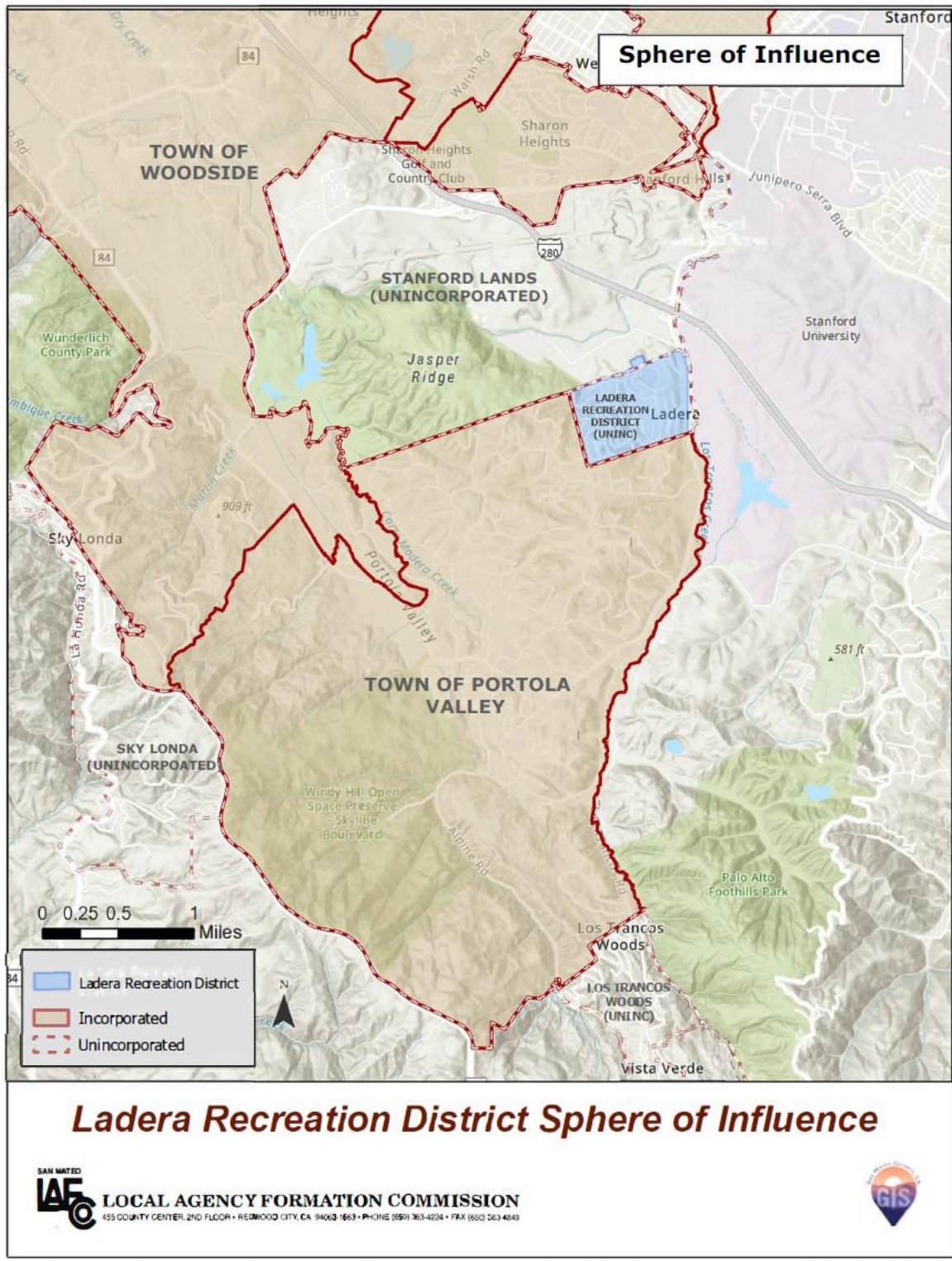
LAFCo last conducted an MSR and sphere of influence (SOI) review for LRD in December 2007. The LRD SOI is coterminous with the District boundaries, as shown in Figure 1.

LRD is a separate entity from the Ladera Community Association (LCA), a non-governmental, non-profit neighborhood organization which, among other things, maintains a website with a member portal for neighborhood information.<sup>5</sup> The LCA has a board of nine elected members that meets monthly at the LRD office.

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<sup>5</sup> [Ladera Community Association, laderaonline.org](http://laderaonline.org)

Figure 1. Ladera Recreation District Sphere of Influence Map



**1) Growth and Population: Ladera Recreation District**

The MSR determinations checked below are potentially significant, as indicated by “yes” or “maybe” answers to the key policy questions in the checklist. If most or all determinations are not significant, the Commission may find that an MSR update is not warranted.

Growth and population projections	<i>Yes</i>	<i>Maybe</i>	<i>No</i>
<b>a)</b> Is the agency’s territory or surrounding area expected to experience any significant population change or development over the next 5-10 years?			X
<b>b)</b> Will population changes have an impact on the subject agency’s service needs and demands?			X
<b>c)</b> Will projected growth require a change in the agency’s service boundary?			X

**a-c)** The unincorporated community of Ladera is comprised of single-family residential uses, along with a commercial portion (Ladera Shopping Center), and a school (Woodland School). As of 2020, the population count for Ladera is approximately 2,500.<sup>6</sup> The average age in LRD is approximately 58, while the average age in San Mateo County is 40.3.<sup>7</sup> Over the next 5-10 years, no significant population change or new development is expected within the current LRD boundaries, based on a review of planning documents from the County of San Mateo and the Association of Bay Area Governments. There are minimal opportunities for subdivision or infill in Ladera, as the community is already built out. The LRD itself is within the sphere of influence of the Town of Portola Valley, which is also anticipated to have minimal population growth over the next ten years. The projected population growth rate for this area for the ten-year period from 2020-2030 is between 2-4%, which is less than the projected growth rates for the County of San Mateo (8%) and the State of California (9%).<sup>8</sup>

**MSR Determination No. 1:** Over the next five years, the population of Ladera (est. 2,500) is projected to grow between 2-4%. There are minimal opportunities for subdivision or infill in Ladera, as the community is largely built out.

**Recommendation:** None.

<sup>6</sup> The Ladera Census Designated Place (CDP) is smaller (0.44 square miles) than the official Ladera Recreation District boundaries (2 square miles).

<sup>7</sup> SMC Housing Element 2023-31, [25-211 - 20250325\\_att\\_att C Exhibit A to Resolution.pdf](#)

<sup>8</sup> Association of Bay Area Governments (ABAG) [Projections 2040 - Forecasts for Population Households and Jobs](#)

2) Disadvantaged Unincorporated Communities

The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.	<i>Yes</i>	<i>Maybe</i>	<i>No</i>
<b>a)</b> Does the subject agency provide public services related to sewers, municipal and industrial water, or structural fire protection?			X
<b>b)</b> Are there any “inhabited unincorporated communities” within or adjacent to the subject agency’s sphere of influence that are considered “disadvantaged” (80% or less of the Statewide median household income)?			X
<b>c)</b> If “yes” to both a) and b), is it feasible for the agency to be reorganized such that it can extend service to the disadvantaged unincorporated community? (if “no” to either a) or b), this question may be skipped)			X

**a-c)** The Ladera Recreation District does not provide sewer, municipal or industrial water, or structural fire protection services. While the sphere of influence of LRD is within unincorporated territory, this area is not classified as disadvantaged under State law.

**MSR Determination No. 2:** LRD’s sphere of influence and corporate boundaries do not include disadvantaged unincorporated communities, nor does LRD provide sewer, municipal and industrial water, or structural fire protection services.

**Recommendation:** None.

**3) Capacity and Adequacy of Public Facilities and Services**

Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the sphere of influence.	<i>Yes</i>	<i>Maybe</i>	<i>No</i>
<b>a)</b> Are there any deficiencies in agency capacity to meet service needs of existing development within its existing territory?			X
<b>b)</b> Are there any issues regarding the agency’s capacity to meet the service demand of reasonably foreseeable future growth?			X
<b>c)</b> Are there any concerns regarding public services provided by the agency being considered adequate?			X
<b>d)</b> Are there any significant infrastructure needs or deficiencies to be addressed?			X
<b>e)</b> Are there changes in State regulations on the horizon that will require significant facility and/or infrastructure upgrades?			X
<b>f)</b> Are there any service needs or deficiencies for disadvantaged unincorporated communities related to sewers, municipal and industrial water, and structural fire protection within or contiguous to the agency’s sphere of influence?			X

**a-d)** LRD meets the service needs of existing development within its boundaries. Any LRD resident or non-resident may register at any time to become a member. As of February 2026, LRD has a membership of 408; 239 of which are residents (58%) while 169 (41%) reside outside the district boundary. In 2025, LRD counted 405 members; 438 members in 2024, 451 members in 2023 and 430 members in 2022.

LRD staff includes three full-time staff and 87 part-time/seasonal staff. The number of staff has increased over the past five years, with the number of part-time staff nearly doubling from 2022 (45) to 2025 (87). See Table 1 below.

Full-time staff include the General Manager appointed by the Board of Directors, the Accounting and Aquatics Manager, and the Administrative Assistant. Part-time staff include facility operations workers, maintenance workers, and various swim instructors, lifeguards, and tennis coaches, among others. Seasonal staff teach fee-based classes and programs (e.g. swimming,

tennis, yoga) for youth and adults at the facilities. New full-time staff hires require LRD Board approval.

LRD hires outside contractors for cleaning and pool maintenance services. LRD legal services are provided as needed by Shute, Mihaly & Weinberger LLP, a public interest law firm based in San Francisco.

*Table 1. Ladera Recreation District Staff Count*

Year	Full-Time Staff	Part-Time/Seasonal Staff
2022	2	45
2023	2	70
2024	3	83
2025	3	87

Source: LRD

**Capital Projects:** LRD maintains a “Capitol Projects” spreadsheet that lists District assets, their acquisition date, expected life, and associated depreciation schedule. This list is used to evaluate necessary replacements and improvements of LRD infrastructure and select capital projects. LRD has two funds: a Capital Fund and a General Fund. Donations are often made into the Capital Fund. Funds for capital projects are deposited into the San Mateo County Investment Pool Fund to offset annual depreciation (approx. \$300,000 annually).

Over the five-year period from 2020-2025, LRD has spent \$6M on capital projects. These projects included: New competition pool and wading pool (\$5.1M); New pool parking lot (\$157,584); Donor wall (\$11,712); Lighting for the pool area, trellis & entrance (\$28,941); Recreation Room equipment (\$18,302); Tennis Courts 3 & 4 Resurfacing and Lighting (\$90,300); Pool area landscaping \$(105,309); Bathroom Lighting (\$21,060); Path (\$6,068); and Tennis Courts 1 & 2 Resurfacing (\$10,100).<sup>9</sup>

LRD maintains approximately two miles of pathways located on easements adjacent to private properties in lower Ladera. Regular debris and leaf removal occur on a quarterly basis and repairs and maintenance are performed as needed according to the depreciation schedule.

**e-f)** LRD staff do not foresee changes in State regulations that would require significant facility and/or infrastructure upgrades. There are no disadvantaged unincorporated communities within or contiguous to LRD boundaries.

**MSR Determination No. 3:** LRD meets the recreational service needs of existing development within its boundaries, as well as extending services to residents outside its boundaries. LRD’s staffing model allows for seasonal fluctuations, with three full-time staff and 87 part-time staff in calendar year 2026. LRD maintains a list of LRD assets and their associated depreciation

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<sup>9</sup> LRD Capital Projects 2020-25 list provided by District Staff to San Mateo LAFCo.

schedule. LRD does not have a multi-year capital improvement plan. Funds for capital projects are annually deposited into LRD’s account in San Mateo County’s Investment Pool Fund.

**Recommendations:**

1. Establish a process for adopting a comprehensive multi-year Capital Improvement Plan or other similar plan to identify LRD-owned and maintained facilities, and to allocate funds for replacement/maintenance or the construction of new facilities.
2. Formalize funds held in the County’s Investment Pool as capital project reserves and general reserves in the District’s budget documents. Adopt and publish a reserve policy that sets a target reserve size and purpose, including adding limits on withdrawing these funds for other purposes.

**4) Financial Ability**

Financial ability of the agency to provide service	Yes	Maybe	No
a) Does the organization routinely engage in budgeting practices that may indicate poor financial management, such as overspending its revenues, failing to commission independent audits, or adopting its budget late?			X
b) Is the organization lacking adequate reserve to protect against unexpected events or upcoming significant costs?			X
c) Is the organization’s rate/fee schedule insufficient to fund an adequate level of service, and/or is the fee inconsistent with the schedules of similar service organizations?			X
d) Is the organization unable to fund necessary infrastructure maintenance, replacement and/or any needed expansion?			X
e) Is the organization lacking financial policies that ensure its continued financial accountability and stability?		X	
f) Is the organization’s debt at an unmanageable level?			X

**a-f)** Ladera Recreation District (LRD) operates on a calendar year budget cycle (January 1-December 31). LRD adopts an annual budget in January for the ensuing year. The LRD budget is comprised of a General Fund and a Capital Projects Fund. LRD has consistently maintained a net positive General Fund balance over the past five years (as reviewed by San Mateo LAFCo). See Table 2. LRD’s adopted budget for 2025-26 is \$1,284,600 in expenditures, and \$1,655,800 in anticipated revenues. The main sources of revenue are Park and Recreation Fees (approximately 75% of total revenue) followed by Property Tax Revenue (approximately 24%). The main expenditure categories are Employee Salaries (approximately 50% of total expenditures) and Maintenance, Repairs and Supplies (approximately 15%).

Table 2. Ladera Recreation District, General Fund Actuals (2022-2025)

	2025-26 (Budgeted)	2024-25 (Unaudited)	2023-24 (Unaudited)	2022-23 (Audited)	2021-22 (Audited)
<b>General Fund Revenue</b>					
Property Tax	\$393,700	\$393,451	\$374,730	\$355,445	\$321,407
Park and Recreation Fees	\$1,220,600	\$1,175,871	\$1,202,349	\$921,595	\$698,546
Investment Income	\$41,500	\$46,316	\$41,196	\$35,689	\$9,550
<b>Total Revenue</b>	<b>\$1,655,800</b>	<b>\$1,615,638</b>	<b>\$1,618,275</b>	<b>\$1,312,729</b>	<b>\$1,029,503</b>
<b>General Fund Expenditures</b>					
Employee Salaries	\$608,400	\$599,551	\$600,174	\$536,268	\$439,136
Maintenance, Repairs, Supplies	\$181,700	\$172,699	\$180,088	\$138,440	\$85,711
Bank Fees, Insurance, Taxes	\$86,200	\$90,873	\$79,598	\$64,963	\$53,049
Other <sup>1</sup>	\$408,300	\$353,600	\$295,572	\$142,316	\$162,406
<b>Total Expenditures</b>	<b>\$1,284,600</b>	<b>\$1,216,723</b>	<b>\$1,155,432</b>	<b>\$881,987</b>	<b>\$740,302</b>
<i>Net</i>	<i>\$371,200</i>	<i>\$398,915</i>	<i>\$462,843</i>	<i>\$430,742</i>	<i>\$289,201</i>

Source: LRD Budget

<sup>1</sup> “Other” expenditures include Payroll Expenses, Outside Services, Program expenses, and Utilities

**Park and Recreation Fees:** The LRD Park and Recreation Fee revenue category is comprised of membership fees, program fees, and facility rentals. LRD offers its members various fee-based programs such as Camp Ladera, the Dolphin Swim Team, pickleball clinics, swim lessons, and the masters swim program.<sup>10</sup> Fees and memberships equate to approximately 70% of revenue for LRD.

Approximately 50% of LRD’s total revenue is from annual membership fees. For both residents and non-residents, there are various types of annual memberships (individual, couple family), and the membership year is February to February of the following year. Member fees are reviewed and updated annually, and not necessarily linearly. For instance, rate increases between 2022 and 2024 were higher to take into account the cost of the pool renovation project which was completed in 2023. From 2021 to 2026, membership rates for residents in the “Family”, “Couple”, and “Individual” categories increased by approximately 25%, and for residents in the “Senior Couple” and “Senior Individual” categories, rates increased by approximately 17%. Rates for non-residents increased by 45-50% over the same time period across the member categories. Non-resident membership fees are higher in part because they do not pay the local LRD property tax. In 2026, the LRD Board introduced 10 free guest passes for members and extended the age of “child” on family memberships to 26 years old. See Figure 2.

<sup>10</sup> Program sign-ups are available on the LRD website: <https://laderarec.activityreg.com/selectActivity>

Figure 2. LRD Membership Rates

	Resident Rate		Non-Resident Rate	
	Early Bird	Late Bird (3/6)	Early Bird	Late Bird (3/6)
Family	\$1,525	\$1,690	\$3,700	\$3,990
Couple	\$1,150	\$1,275	\$2,940	\$3,240
Individual	\$710	\$780	\$1,800	\$1,985
Senior Couple	\$530	\$590	\$1,600	\$1,750
Senior Individual	\$350	\$390	\$975	\$1,075
Individual Tennis Only	\$400	\$475	\$790	\$875

**Property Tax Revenue:** Property tax revenue is consistently LRD’s second largest revenue source (approximately 25%). See Table 3. According to the County Assessor, as of 2026, LRD has 552 parcels, valued at an average \$2.2M per parcel. In comparison, Highlands Recreation District (HRD) has more parcels (789) with a lower average value (\$1.2M). Property tax revenue comprises the same portion of total revenue for both recreation districts.

Table 3. LRD Property Tax as Share of Total Revenue, 2022-2026 (Actuals)

	2026 (Projected)	2025	2024	2023 (Audited)	2022 (Audited)
Property Tax Revenue	\$393,700	\$393,451	\$374,730	\$355,445	\$321,407
Total Revenue	\$1,655,800	\$1,615,638	\$1,618,323	\$1,312,727	\$1,029,503
<b>Share of Total</b>	<b>24%</b>	<b>24%</b>	<b>23%</b>	<b>27%</b>	<b>31%</b>

Ladera residents who are not enrolled members still pay property taxes towards the District. These residents have the option to pay a \$20 drop-in fee to utilize the LRD pool and tennis courts (non-resident, non-members cannot drop-in to LRD).

LRD receives a share (approximately 3%) of the 1% property tax as a result of Proposition 13. Table 4 below shows the distribution of the 1% property tax in a sample LRD tax rate area.

*Table 4. 1% Property Tax Distribution – Sample Tax Rate Area for Ladera Recreation District*

<b>Agency</b>	<b>Share</b>
County of San Mateo	24%
Las Lomas Elementary School District	21%
Woodside Fire District	17%
Sequoia High School District	16%
San Mateo Community College District	7%
County Education Tax	4%
Library	3%
Ladera Recreation District	3%
Midpeninsula Regional Open Space District	2%
Sequoia Health Care District	1%
County Harbor District	0.36%
San Francisquito Creek Flood Zone 2	0.23%
Bay Area Air Quality Management District	0.21%
Mosquito Abatement District	0.19%
Total	100%*

*Note: Shares vary between tax rate areas. May not total 100 due to rounding.*

**Independent Financial Audits:** LRD contracts with the independent auditing firm O’Connor & Company to conduct annual financial statement audits. The most recent audit of LRD finances was completed in July 2025 for calendar year 2023. In the Management Report to the audit (which is not currently available on the LRD website), the Auditor had one current year recommendation: 1) to hire an educated and trained outside accountant to assist the accounting manager in order to reduce risk of errors and two updates on prior year recommendations: 1) To consider formalizing a capitalization policy to only record leases and IT subscriptions as assets and liabilities if they are worth more than \$80,000 (this recommendation has not been implemented); 2) To maintain a cash receipts ledger with supporting copies of checks and deposit slips (this recommendation has been implemented).

The 2024 audit is in progress, and per LRD staff, it will be completed by the end of the first quarter of 2026. The 2025 audit is scheduled for completion by the end of 2026. As District’s budget corresponds to calendar years instead of fiscal years, audit documents align to a calendar year.

**Fund Balance and Reserves:** LRD invests in the San Mateo County Investment Pool Fund. LRD staff report that annual contributions are made to offset capital asset depreciation. There is no policy that sets a target annual contribution level. Current investment funds total \$1,438,742. For four out of the past five years, reserve levels have exceeded operating expenditures (see

Table 5). LRD does not have its own investment or fund balance policy, but rather follows the County’s investment policy (which is updated annually).

*Table 5. LRD Fund Balance*

Year	Reserve Amount	Available reserves as percent of operating expenditures
2021-22	\$1,014,138	137%
2022-23	\$1,035,538	117%
2023-24	\$1,073,532	93%
2024-25	\$1,412,256	116%
Dec. 2025	\$1,438,742	112%

**Transparency:** The LRD website makes publicly available its financial audits for 2012-20 only. As of May 2026, LRD is completing its 2023-24 audit. The audits for 2021-23 are not available online as of May 2026. The LRD website also posts District budget documents for years 2012-24. Historical Board meeting Agendas and Minutes are not currently available as of May 2026.

**LRD Debt:** On April 1, 2021, following a competitive RFP process, the District entered into a lease-back financing arrangement to fund the approximately \$1.3M construction of a new pool. The debt was issued by Sterling National Bank (now Webster Bank) with a maturity of May 1, 2041, and carries an interest rate of 2.63%. The pool reopened in 2023. As of February 2026, the current loan balance is approximately \$982,000. Table 6 below is a schedule of the debt service requirements. The annual debt service expenditure is 7% of total expenditures.

*Table 6. LRD Debt Service Requirements for New Pool*

Year Ending June 30	Principal	Interest	Debt Service Total
2024	\$ 50,000	\$ 28,154	\$ 78,154
2025	51,000	26,839	77,839
2026	52,000	25,484	77,484
2027	54,000	24,104	78,104
2028	55,000	22,683	77,683
2029	56,000	21,224	77,224
2030	58,000	19,738	77,738
2031	60,000	18,200	78,200
2032	61,000	16,622	77,622
2033	62,000	15,004	77,004
2034	64,000	13,361	77,361
2035	66,000	11,664	77,664
2036	68,000	9,915	77,915
2037	69,000	8,127	77,127
2038	71,000	6,299	77,299
2039	73,000	4,419	77,419
2040	75,000	2,485	77,485
2041	38,000	500	38,500
Total	<u>\$ 1,083,000</u>	<u>\$ 274,822</u>	<u>\$ 1,357,822</u>

*Source: LRD Staff*

**MSR Determination No. 4:** Over each of the past five years, LRD has maintained a positive General Fund balance (revenue exceeding expenditures) by at least \$200,000. These monies are

deposited annually in the County’s Investment Pool for the purpose of financing capital projects. LRD has over \$1.4M in reserves as of Dec. 2025. Membership fees and other charges for services comprise LRD’s largest revenue source (70%), followed by Property tax revenue (25%). Employee salaries are the largest expenditure (50%), followed by Maintenance, Repairs and Supplies (15%). The annual debt payment on a loan used to construct a new pool that opened in 2023 represents less than 7% of total expenditures,. LRD is behind on its financial audits, currently completing its 2023-24 audit.

**Recommendations:**

3. LAFCo supports the LRD’s efforts to become current on independent financial audits and to make these audits along with their associated Management Reports available for public viewing within one year of publication.
4. Adopt and publish a reserve policy for the General Fund, explicitly describing the annual target size and purpose of the reserve account.<sup>11</sup>
5. Explicitly show in all budget documents and staff financial reports the amount of funds allocated to the District’s reserve fund.
6. Explore shifting from a calendar year to a fiscal year budget cycle to align with San Mateo County and other special districts.

5) Shared Service and Facilities

Status of, and opportunities for, shared facilities	<i>Yes</i>	<i>Maybe</i>	<i>No</i>
a) Is the agency currently sharing services or facilities with other organizations? If so, describe the status of such efforts.	X		
b) Are there any opportunities for the organization to share services or facilities with neighboring or overlapping organizations that are not currently being utilized?			X
c) Are there governance options to allow appropriate facilities and/or resources to be shared, or making excess capacity available to others, and avoid construction of extra or unnecessary infrastructure or eliminate duplicative resources?			X

**a-c)** The Ladera Community Association (LCA) has their monthly meeting at the LRD Recreation Room, free of charge. The Ladera Emergency Preparedness Committee and the Fire Prevention Committee also host events at LRD free of charge. LRD leases the pool to a water polo club and scuba organization. LRD also leases the tennis courts to an independent contractor for youth and adult tennis programming. LRD leases facilities to various contractors to teach Yoga and

<sup>11</sup> Little Hoover Commission, Report #239 “Special Districts: Improving Oversight & Transparency,” August 2017

Jazzercise programs. These revenues are reflected in the budget in the “Park and Recreation Fees” category.

LAFCo is not aware of any proposals for other governance options to the current community services district structure of LRD, and does not recommend any changes at this time.

**MSR Determination No. 5:** LRD shares its facilities with the Ladera Community Association and other neighborhood groups for their meetings, free of charge. LRD leases its facilities for a fee to contractors offering classes and programs to LRD members, as captured in the “Park and Recreation Fees” revenue category.

**Recommendations:** None

6) Accountability, Structure, and Efficiencies

Accountability for community service needs, including governmental structure and operational efficiencies	<i>Yes</i>	<i>Maybe</i>	<i>No</i>
a) Are there any issues with meetings being accessible and well publicized? Any failures to comply with disclosure laws and the Brown Act?			X
b) Are there any issues with staff turnover or operational efficiencies?			X
c) Is there a lack of regular audits, adopted budgets and public access to these documents?		X	
d) Are there any recommended changes to the organization’s governance structure that will increase accountability and efficiency?			X
e) Are there any governance restructure options to enhance services and/or eliminate deficiencies or redundancies?			X
f) Are there any opportunities to eliminate overlapping boundaries that confuse the public, cause service inefficiencies, unnecessarily increase the cost of infrastructure, exacerbate rate issues and/or undermine good planning practices?			X

a) Are there any issues with meetings being accessible and well publicized? Any failures to comply with disclosure laws and the Brown Act?

LRD is governed by a five-member Board of Directors elected by voters within the district. The Commission meets on the second Monday of each month. Meetings are open to the public and are held in the LRD Recreation Room. The District posts copies of meeting agendas on its website, however staff reports for agenda items are not produced. Meetings are not recorded and there

is no remote attendance option. LAFCo is not aware of any failures to comply with the Brown Act.

**b) Are there any issues with staff turnover or operational efficiencies?**

LRD has had four General Managers since 2021. Staff turnover rates have been high due to retirements and personnel relocations. According to LRD staff, efforts are underway to improve staff retention. For example, beginning in December 2025, LRD offers its full-time staff up to \$10,000 per employee per year for healthcare services. LRD is currently researching how to offer full-time staff retirement plans as well.

**c) Is there a lack of regular audits, adopted budgets and public access to these documents?**

As mentioned in the Section 4, LRD contracts with the independent auditing firm O'Connor & Company to conduct annual financial statement audits. LRD operates on a calendar year budget cycle (January 1- December 31), and audits are conducted according to the calendar year, which aligns with the District's budget year. The most recent audit of LRD finances was completed for 2023. The 2024 audit is in progress, and per LRD staff, it will be completed by the end of the first quarter of 2026. The 2025 audit is scheduled for completion by the end of 2026. Adopted budgets as well as financial audits are published for public viewing on the LRD website, however the website is not up to date as of May 2026.

**d) Are there any recommended changes to the organization's governance structure that will increase accountability and efficiency?**

None at this time.

**e) Are there any governance restructure options to enhance services and/or eliminate deficiencies or redundancies?**

None at this time. However, the Town of Portola Valley has contemplated at various public meetings throughout 2025 the possibility of annexing Ladera as part of a solution to its chronic fiscal deficit. In its most recent MSR for the Town of Portola Valley, San Mateo LAFCo included a discussion of the Town's structural deficit, and the merely hypothetical annexation options of the Ladera community, or just the Ladera commercial area to the Town.<sup>12</sup> If an annexation were proposed, the Town of Portola Valley would need to take several steps including providing a plan for service (i.e. the range of services that would be provided to the annexed area and the financing of such services), pre-zoning process to extend zoning to the area to be annexed, and a General Plan amendment. Any proposed annexation that was submitted to LAFCo would require public meetings and notice. Members of the public would be able to provide input, comments, and participate in this public process. The annexation process also allows for the landowners and registered voters within the annexation area to protest the annexation.

LAFCo is not aware of any proposal to initiate an annexation at the time of this report.

**MSR Determination No. 6:** The District could improve its transparency by posting on its website all historical budgets, historical Board Meeting agendas and minutes, and publishing staff reports. LRD does not livestream or record meetings. The District annually commissions independent

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<sup>12</sup> Municipal Service Reviews, Sphere of Influence Updates & Other Studies | County of San Mateo, CA

financial audits, and is completing its 2024 audit. LRD has had four General Managers since 2021. Staff turnover rates have been high due to retirements and personnel relocations.

**Recommendations:**

7. Update the LRD website to include the past three years (2021, 2022, 2023) of independent financial audits and post new audits as they are published. Posting historical agendas, meeting minutes and written staff reports for agendized items at public Board meetings.
8. Consider livestreaming public Board Meetings for a remote audience in order to increase accessibility, engagement, and transparency.
9. Continue efforts to increase staff retention, for example by offering employee benefits.

7) Other Issues:

	<i>Yes</i>	<i>Maybe</i>	<i>No</i>
Any other matter related to effective or efficient service delivery, as required by commission policy.			
<b>a) Are there any other service delivery issues that can be resolved by the MSR/SOI process?</b>			X
<b>b) Water Resiliency and Climate Change</b>			
i) Does the organization support a governance model that enhances and provides a more robust water supply capacity?			X
ii) Does the organization support multi-agency collaboration and a governance model that provide risk reduction solutions that address sea level rise and other measures to adapt to climate change?			X
<b>c) Natural Hazards and Mitigation Planning</b>			
i) Has the agency planned for how natural hazards may impact service delivery?	X		
ii) Does the organization support multi-agency collaboration and a governance model that provides risk reduction for all natural hazards?	X		

**a-c)** According to CAL FIRE, as of 2025, LRD is in a “Moderate” Fire Hazard Severity Zone. LRD participates in the San Mateo County Local Hazard Mitigation Plan. LRD coordinates with the Ladera Emergency Preparedness group for disaster response, which is organized by the Ladera Community Association, in alignment with the Woodside Fire Protection District. LRD performs annual vegetation clearing to maintain defensible space around its facilities, and fuel reduction on the land. LRD also maintains its pathways clear of debris.

**MSR Determination No. 7:** LRD participates in the County-wide Local Hazard Mitigation Plan. LRD coordinates with the Ladera Emergency Preparedness group for disaster response, in alignment with the Woodside Fire Protection District.

**Recommendation:**

10. LAFCo encourages LRD to continue its efforts in the area of hazard mitigation.

**Section 6. Ladera Recreation District Sphere of Influence Determinations**

Government Code Section 56425 requires San Mateo LAFCo make determinations concerning land use, present and probable need for public facilities and services in the area, capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide, and existence of any social or economic communities of interest in the area if the Commission determines that they are relevant to the agency. These include the following determinations:

1. **The present and planned land uses in the area, including agricultural and open space lands:** The Ladera Recreation District (LRD) is comprised primarily of residential land use, with some commercial, and institutional land use. LRD boundaries contain land that is under the jurisdiction of the County of San Mateo.
2. **The present and probable need for public facilities and services in the area:** LRD meets the needs of its residents and businesses for recreation services, and LRD staff anticipate that they will be able to provide adequate facilities and services for the anticipated growth within the service area.
3. **The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide:** LRD currently provides adequate public services to LRD residents and out of district members, including tennis courts, pool, playground, recreation building, and more. In addition, LRD maintains an infrastructure depreciation schedule to monitor necessary capital improvements, repairs, and replacements to LRD infrastructure and facilities.
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:** There are no disadvantaged unincorporated communities within the boundaries or the SOI of LRD.
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, 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 proposed changes to the LRD SOI.

On the basis of the Municipal Service Review:

- Staff has reviewed the agency’s Sphere of Influence and recommends that a SOI Update is NOT NECESSARY in accordance with Government Code Section 56425(g). Therefore, NO CHANGE to the agency’s SOI is recommended and SOI determinations HAVE NOT been made.

Staff has reviewed the agency’s Sphere of Influence and recommends that a SOI Update IS NECESSARY in accordance with Government Code Section 56425(g). Therefore, A CHANGE to the agency’s SOI is recommended and SOI determinations HAVE been made and are included in this MSR/SOI study.

**Appendix A. Ladera Recreation District Fact Sheet**

*General Manager: Sarah Gutierrez (appointed by Board)*

*Physical Address: 150 Andeta Way, Portola Valley, CA, 94028*

*Email Address: manager@laderarec.org*

*Phone Number: (650) 854-3242*

*Date of Incorporation: 1958*

Board of Directors: Board members serve a four-year term. There are no term limits.

<b>Board Members</b>	<b>Term Expiration Date</b>
Brian Wall, President	2026
Bob Felderman, Vice President	2026
Calin Thomas	2026
Leslie Anglada	2028
Helen Wang	2028

*Compensation:* Board members are all volunteers (not paid).

*Public Meetings:* Regular board meetings are held on the second Monday of each month at 7PM at 150 Andeta Way, Portola Valley. Meetings are not livestreamed. Official agendas are posted at the Recreation District and on the [LRD website](#) at least 72 hours before a regular meeting. An archive of meeting minutes is also available. Staff reports are not posted.

*Services Provided:* Public Recreation by means of parks, playgrounds, swimming pools, recreation buildings, and a community meeting hall.

*Agency staff:* 3 full-time staff, 87 part-time/seasonal

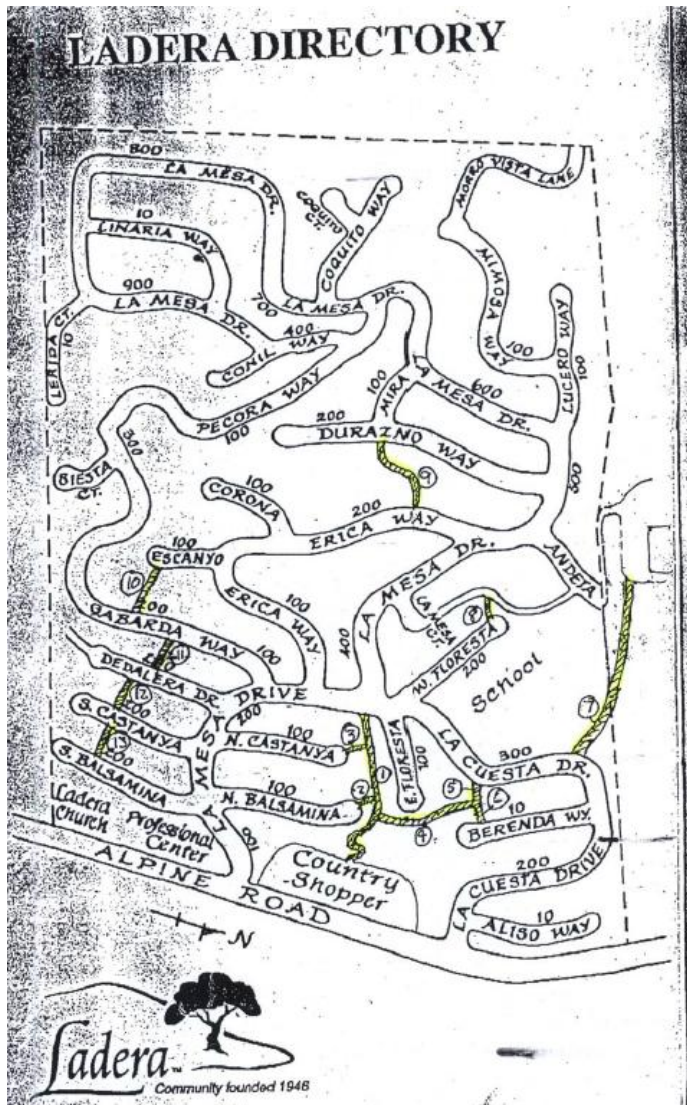
*Area Served:* 2 square miles

*Population:* 2,500

*Sphere of Influence:* Contiguous with corporate boundaries.

*2025-26 General Fund Budget:* approximately \$1.3M (estimated)

**Attachment A**



**LADERA RECREATION DISTRICT**

**PATHWAY SYSTEM**

Ladera Recreation District maintains approximately 2 miles of pathways interconnecting the lower streets of Ladera. All the pathways are on easements adjacent to private properties. Regular debris and leaf removal occurs on a quarterly basis. Repairs and maintenance are addressed on an as-needed basis determined by the LRD.

There are 13 sections of pathway – indicated on attached map.

1. La Mesa Drive to Country Shopper
2. N. Balsamina to Pathway #1
3. N. Castanya to Pathway #1
4. Pathway # 1 to Pathway #6
5. La Cuesta Drive to Pathway #4
6. Berenda Way to Pathway #4
7. La Cuesta Drive to Woodland School
8. W. Floresta to La Mesa Court
9. Durazno Way to Erica Way
10. Escanyo to Gabarda Way
11. Gabarda Way to Dedalera Drive
12. Dedalera Drive to S. Castanya
13. S. Castanya to S. Balsamina



**Municipal Service Review and Sphere of  
Influence Review for  
Highlands Recreation District**

**Final Draft**

**Released July 8, 2026**

Municipal Service Review and Sphere of Influence Review for the Highlands Recreation District

**Highlands Recreation District**

1851 Lexington Ave.

San Mateo, California 94402

Contact: Tamsen Burke, General Manager, 650-341-4251

**CONDUCTED BY:**

San Mateo Local Agency Formation Commission

455 County Center, 2<sup>nd</sup> Floor

Redwood City, CA 94063

(650) 363-4224

Commissioners:

Virginia Chang Kiraly, Chair, Special District Member

Ann Draper, Vice Chair, Public Member

David Canepa, County Member

Kati Martin, Special District Member

Debbie Ruddock, City Member

Stephen Rainaldi, City Member

Jackie Speier, County Member

Commission Alternates:

Katheryn Slater-Carter, Special District Member

Noelia Corzo, County Member

Greg Wright, City Member

Colleen You, Public Member

Staff:

Rob Bartoli, Executive Officer

Sarah Flamm, Management Analyst

Diane Estipona, Commission Clerk

Tim Fox, Legal Counsel

## **EXECUTIVE SUMMARY**

### **Section I: Report Overview**

This report is a Municipal Service Review (MSR) and Sphere of Influence (SOI) study for the Highlands Recreation District. California Government Code Section 56430 requires that Local Agency Formation Commissions (LAFCo's) complete MSR and SOI reviews on all cities and special districts. These state-mandated reports are studies of an agency's service provision and logical boundaries. The review process is intended to identify municipal service delivery challenges and opportunities, provide the public and affected agencies with a platform to comment on an agency's services and finances, and review opportunities to share governmental resources. Once the MSR determinations are adopted, the SOI—the plan for the boundaries of a city or special district— is reviewed, pursuant to Section 56425.

### **San Mateo Local Agency Formation Commission**

San Mateo LAFCo is a State-mandated, independent entity with county-wide jurisdiction over the boundaries and organization of cities and special districts. LAFCo reviews annexations, detachments, incorporations, formations, and dissolutions. LAFCo also has authority over extensions of service outside city or district boundaries, and activation or divestiture of special district powers. The purpose of LAFCo includes discouraging urban sprawl, preserving open space and prime agricultural lands, planning for the efficient provision of government services, and encouraging the orderly formation and development of local agencies based upon local conditions and circumstances.

LAFCo operates pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH Act) contained in California Government Code Sections 56000 and 57000. The Commission is comprised of two members of the County Board of Supervisors, two city councilmembers from two of the County's 20 cities, two special district board members from two of the 21 independent special districts, one member of the public, and four alternate members (county, city, special district, and public).

In 1985, San Mateo LAFCo first prepared comprehensive SOI studies and adopted SOI's for the County's cities and special districts. Subsequently, LAFCo reviewed and updated SOI's on a three-year cycle. SOI updates focus on changes in service demand within the boundaries of cities and special districts. In 2003, in order to comply with the newly enacted CKH Act, LAFCo began the process of preparing SOI updates/reviews in conjunction with or following an MSR

### **Local Government in San Mateo County**

Municipal service providers in San Mateo County include the County of San Mateo, 20 cities, 21 independent special districts, six subsidiary districts governed by city councils, and 33 County-governed special districts. Independent special districts provide a limited set of services based on their enabling legislation (i.e., fire, water, sanitation, etc.), while cities generally provide a wider array of basic services including police, recreation programs, planning, street repair, and building

inspection. The County, as a subdivision of the State, provides a vast array of services for all residents across its cities, special districts and subsidiary districts, including social services, public health protection, housing programs, property tax assessments, tax collection, elections, and public safety. The County also provides basic municipal services for residents who live in unincorporated areas who are not part of any city of special district. According to Census 2020 data, 63,205 of the County’s total 765,417 residents live in unincorporated areas.

### MSR and SOI Determinations

Per Government Code Section 56430, LAFCo is required to include MSR Determinations that address the following areas for any local agency:

1. Growth and population projections for the affected area.
2. The location and characteristics of any disadvantaged unincorporated communities<sup>1</sup> within or contiguous to the SOI.
3. Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies.
4. Financial ability of the agency to provide services.
5. Status of, and opportunities for, shared facilities.
6. Accountability for community service needs, including governmental structure and operational efficiencies.
7. Any other matter related to effective or efficient service delivery, as required by LAFCo policy.

Water Resiliency and Climate Change

Impact of Natural Hazards and Mitigation Planning

MSR Determinations must be adopted before the Commission updates or amends a SOI. Per Government Code Section 56425, LAFCo is required to make the following five written determinations when establishing, amending, or updating an SOI for any local agency:

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.

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<sup>1</sup> “Disadvantaged community” means a community with an annual median household income that is less than 80 percent of the Statewide annual median household income. This area of determination does not apply to the study area.

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.

### Report Review Process

A hearing for the Draft Report was held at LAFCo’s May 20, 2026 meeting. The report will subsequently be circulated for comment to the agencies under study as well as interested individuals and groups. This report has been written based on source documents that included Adopted Budgets, Capital Improvement Plans, Meeting Minutes, Staff Reports, Consultant Reports, and information provided by the special district staff.

### Disadvantaged Unincorporated Communities

In 2011, SB 244 (Chapter 513, Statutes of 2011) made changes to the CKH Act related to “disadvantaged unincorporated communities,” including the addition of MSR determination #2 and SOI determination #5 listed above. Disadvantaged unincorporated communities, or “DUC’s,” are inhabited, unincorporated territories (containing 12 or more registered voters) where the annual median household income is less than 80 percent of the statewide annual median household income. There are no DUC’s within the current boundaries or service areas of Ladera Recreation District or Highlands Recreation District.

### Section II. Summary of Key Issues

HRD meets the recreational service needs of existing development within its boundaries, as well as extending services to residents outside its boundaries. HRD is at capacity and does not plan to expand services. Facilities and equipment are well maintained and annually inspected. However, currently, there is no process for adopting a formal multi-year Capital Improvement Plan, or a similar document. HRD Staff turnover rates are moderate, with 45% annualized turnover Districtwide in FY2024-25.<sup>2</sup>

In December 2010, HRD assumed a debt of \$3,195,000 for the purpose of constructing a new early childcare center. As of February 2026, the remaining balance on the loan is \$1,578,000, and for FY2025-26, HRD anticipates spending 5% (\$204,290) of total annual expenditures (\$4,531,790) on debt payment. The debt is scheduled to be paid off by 2035.

The financial position of HRD appears satisfactory, however the actual situation is not entirely confirmed since the annual independent financial audits utilize projected figures and not actual revenues and expenditures. HRD budgeted 35% more in total expenditures for FY2025-26 (\$4.5M) compared to \$3.3M FY2024-25, largely due to planned facility maintenance to address the backlog of deferred maintenance items. According to HRD staff, as of January 31, 2026, the HRD fund balance held in the San Mateo County Investment Pool was \$5,477,387. This amount exceeds the annual budgeted expenditures of the District. HRD does not have policies that set

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<sup>2</sup> According to data provided by HRD staff.

target reserve levels for any of its five reserve accounts: the General Fund reserve, Contingency Reserve, Capital Reserve, EEC Building Reserve and the Building Renovation Reserve.

HRD theoretically could apply to LAFCo to provide any of the services offered by other districts in its area, however LAFCo is not aware of any application to do so.

### **Section III. Affected Agencies**

#### **Highlands Recreation District**

*Cities/Towns and County:* San Mateo County, City of San Mateo

*School Districts:* San Mateo-Foster City Elementary School District, San Mateo Union High School District, San Mateo County Community College District

*Independent Special Districts:* Sequoia Healthcare District, San Mateo County Harbor District

*Dependent Special Districts:* County Service Area No. 1, Highlands Landscape Maintenance District, Bel Aire Lighting Maintenance District, Crystal Springs County Sanitation District

### **Section IV. Municipal Service Review for Highlands Recreation District**

#### **Background**

In September 1957, local voters and the Board of Supervisors established the Highlands Recreation District (HRD), an independent Community Services District. HRD was formed for the purpose of providing public recreation by means of parks, playgrounds, swimming pools, or recreation buildings.<sup>3</sup> HRD is operating pursuant to Section 61000 et seq of the CA Government Code (Community Services District Law).

HRD is located in the unincorporated San Mateo Highlands neighborhood of San Mateo County. HRD operates a recreation center which includes a swimming pool, baby pool, multi-use courts, and playground. HRD offers various childcare and athletic programs to residents and non-residents at tiered rates.

#### **Inventory of Active Services**

Pursuant to Government Code Section 56425(i), in preparing a MSR and SOI update, LAFCo is required to prepare a statement of the nature and location of functions and services provided. LAFCo must identify which services a multi-purpose district is actively providing, and which are inactive. HRD has the following active services:

- Acquire, construct, improve, maintain and operate recreation facilities including parks and open space.<sup>4</sup>
- Public recreation through parks, playgrounds, swimming pools, recreation buildings, community centers and child care facilities.<sup>5</sup>

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<sup>3</sup> San Mateo County Board of Supervisors Resolution No. 12232 adopted September 24, 1957.

<sup>4</sup> Government Code Sections 61100(e) and (f)

<sup>5</sup> Government Code Section 61100(s)

The district’s enabling legislation permits a broad set of services similar to those of a city with the exception that community services districts do not have land use authority. If in the future it is determined that other services permitted in Community Services District enabling legislation should be provided and funded by HRD, the Board of Directors as governing body of the District could apply to LAFCo. The application would include a plan for providing services and a proposed budget, including revenues to fund services and any associated revenue sources such as an assessment, fee, or tax.

### Overview

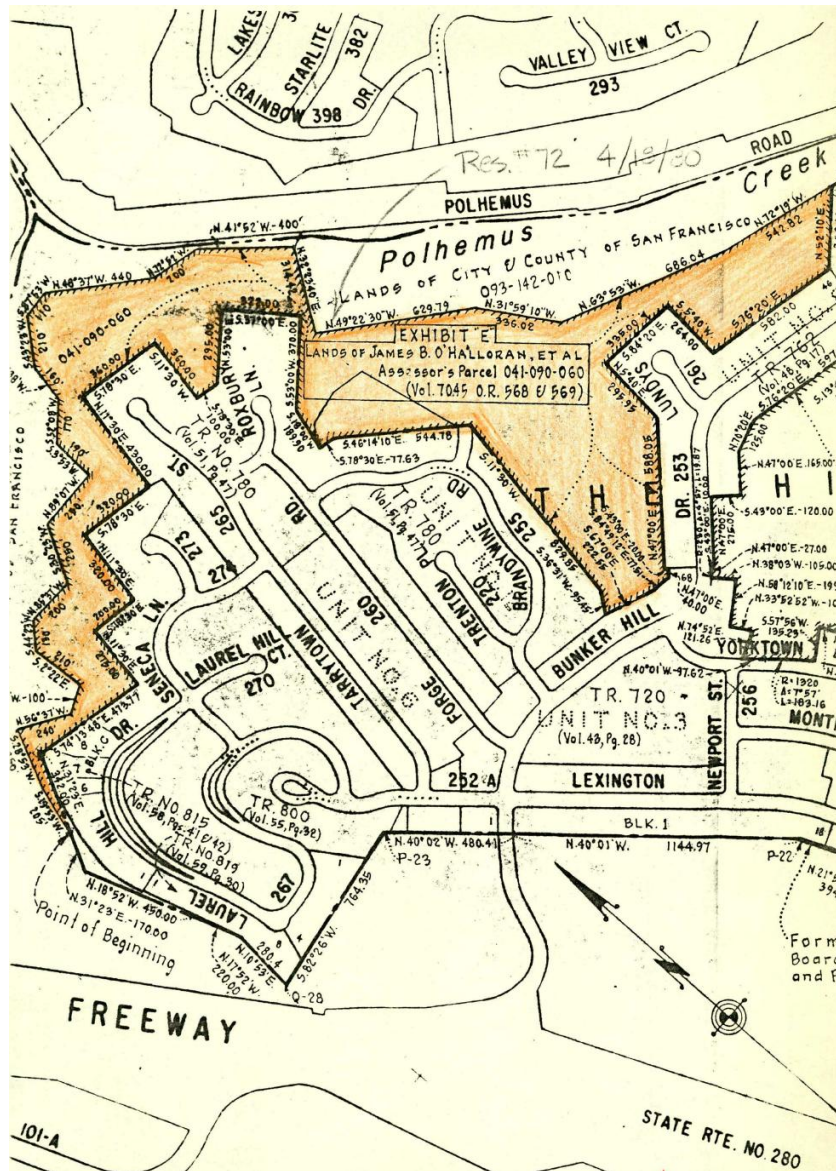
The Highlands Recreation District (HRD) is governed by an elected five-member Board of Directors, each serving a four-year term. There are no term limits, meaning Board members may run for re-election as many times as they choose, provided they remain registered voters living within the district boundaries. The board members do not receive compensation.

Meetings of the Board of Directors are held on the second Tuesday of each month at 7PM at the Multi-Purpose Room at 1851 Lexington Ave., San Mateo. Participation by the public is also available remotely via Zoom. Meeting agendas and minutes are published on the District website, for year 2019 to the present. As of January 2026, the HRD employs 20 full-time staff and 7.5 FTE part-time/seasonal staff.

HRD is comprised of 789 parcels on 3.45 acres of land, as well as 40 acres of unimproved open space land. Over the past 70 years, HRD boundaries have remained relatively unchanged. See Figure 1.



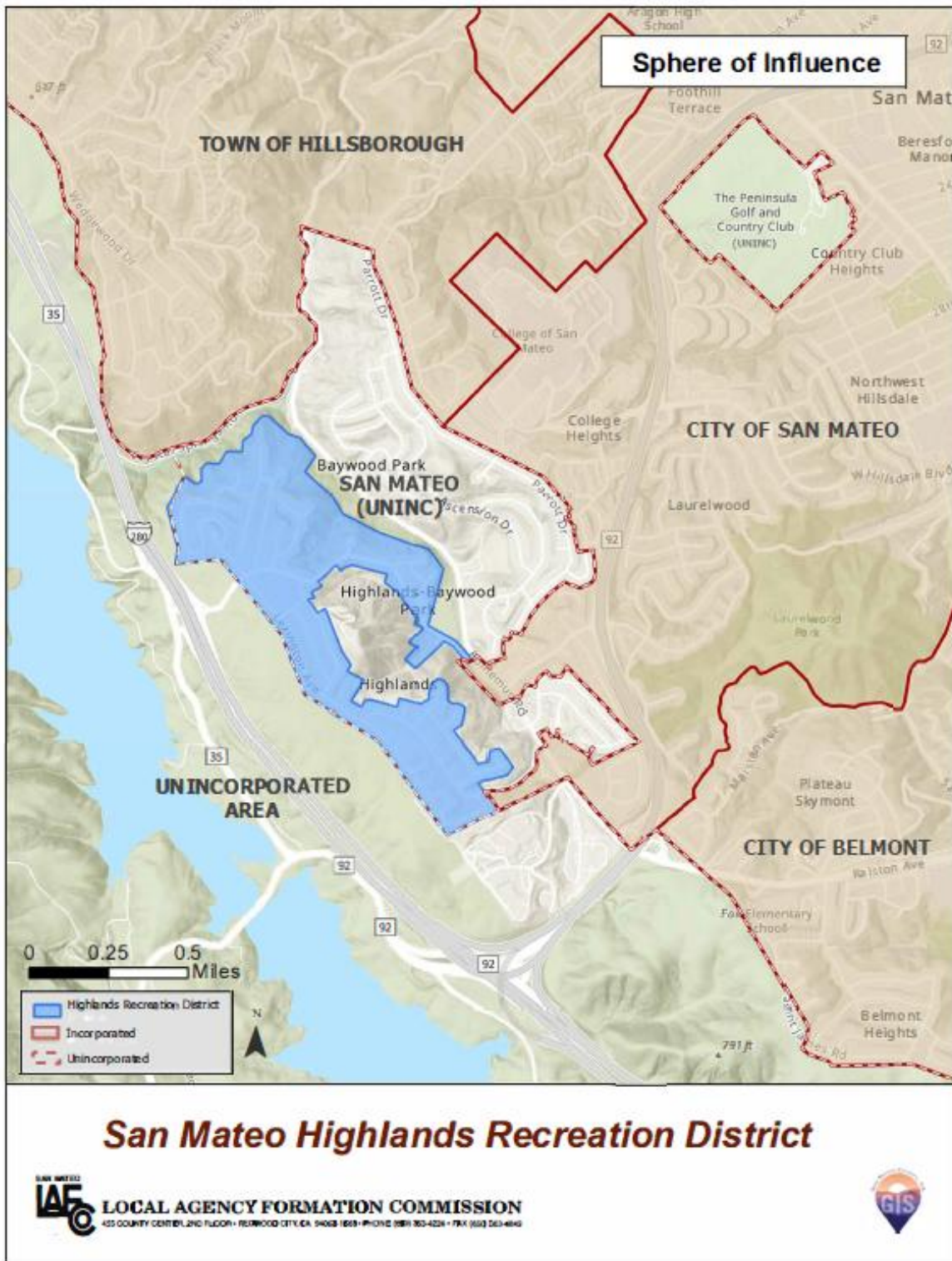
Figure 2. Annexation of open space land to HRD in 1980 (APN 041-090-160)



Source: LAFCo File No. 79-28, Reso. No. 72

The HRD sphere of influence (SOI) is coterminous with the district boundaries, as shown in Figure 3, below. While non-residents may utilize programs and services, there is no planned or recommended expansion of HRD boundaries or service area.

Figure 3. Sphere of Influence Map for Highlands Recreation District



**1) Growth and Population: Highlands Recreation District**

The MSR determinations checked below are potentially significant, as indicated by “yes” or “maybe” answers to the key policy questions in the checklist. If most or all determinations are not significant, the Commission may find that an MSR update is not warranted.

Growth and population projections	<i>Yes</i>	<i>Maybe</i>	<i>No</i>
<b>a)</b> Is the agency’s territory or surrounding area expected to experience any significant population change or development over the next 5-10 years?			X
<b>b)</b> Will population changes have an impact on the subject agency’s service needs and demands?			X
<b>c)</b> Will projected growth require a change in the agency’s service boundary?			X

**a-c)** The Highlands Recreation District (HRD) has an estimated population of 3,120. HRD covers a portion of the unincorporated community of the San Mateo Highlands.<sup>6</sup> According to the County Assessor, as of 2026, there are 789 parcels within the boundary of HRD.

Over the next 5-10 years, no significant population change or new development is expected within the current HRD boundaries, based on a review of planning documents from the County of San Mateo and the Association of Bay Area Governments. The extent of development within HRD will likely be limited to the construction of accessory dwelling units (ADUs) on existing properties, and SB-9 lot splits. There are few opportunities for more development within the District given lack of site availability, Population growth is likely to remain within the 2-4% range over the next ten years.

**MSR Determination No. 1:** Over the next five years, the population of HRD (est. 3,120) is projected to grow between 2-4%. There are minimal opportunities for subdivision or infill, as the community is almost entirely built out. The district owns 40 acres of undeveloped land which has a restriction on the 1986 deed that specifies no structures are to be built on the land.

**Recommendation:** None.

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<sup>6</sup> The adjacent unincorporated community of Baywood Park is not located within the boundaries of HRD; Baywood Park is a separate CDP.

2) Disadvantaged Unincorporated Communities

The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.	<i>Yes</i>	<i>Maybe</i>	<i>No</i>
<b>a)</b> Does the subject agency provide public services related to sewers, municipal and industrial water, or structural fire protection?			X
<b>b)</b> Are there any “inhabited unincorporated communities” within or adjacent to the subject agency’s sphere of influence that are considered “disadvantaged” (80% or less of the Statewide median household income)?			X
<b>c)</b> If “yes” to both a) and b), is it feasible for the agency to be reorganized such that it can extend service to the disadvantaged unincorporated community? (if “no” to either a) or b), this question may be skipped)			X

**a-c)** The Highlands Recreation District does not provide sewer, municipal or industrial water, or structural fire protection services. While the sphere of influence of HRD is within unincorporated territory, this area is not classified as disadvantaged.

**MSR Determination No. 2:** HRD’s sphere of influence and corporate boundaries do not include disadvantaged unincorporated communities nor does HRD provide sewer, municipal and industrial water, or structural fire protection services.

**Recommendation:** None

**3) Capacity and Adequacy of Public Facilities and Services**

Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the sphere of influence.	<i>Yes</i>	<i>Maybe</i>	<i>No</i>
<b>a)</b> Are there any deficiencies in agency capacity to meet service needs of existing development within its existing territory?			X
<b>b)</b> Are there any issues regarding the agency’s capacity to meet the service demand of reasonably foreseeable future growth?			X
<b>c)</b> Are there any concerns regarding public services provided by the agency being considered adequate?			X
<b>d)</b> Are there any significant infrastructure needs or deficiencies to be addressed?			X
<b>e)</b> Are there changes in State regulations on the horizon that will require significant facility and/or infrastructure upgrades?			X
<b>f)</b> Are there any service needs or deficiencies for disadvantaged unincorporated communities related to sewers, municipal and industrial water, and structural fire protection within or contiguous to the agency’s sphere of influence?			X

**a-d)** HRD meets the recreation service needs of existing residents within its boundaries as well as residents that use District services that reside outside of HRD boundaries. According to staff, HRD has not expanded services as they are at capacity for space availability and state licensing permission. As of 2026, the Afterschool Program capacity for Grades K-5is 86 children, In-Crowd, a middle school program is 14 children, and the Early Education Center capacity is 44 children across three classrooms.

District facilities include: swimming pool, baby pool, three tennis courts, one pickleball court, playground, outdoor basketball court, locker room and storage, lifeguard office and storage, fitness center, three-quarter size basketball gym, full kitchen, restrooms for men/women, staff, and children only; storage room, 670 square foot office and restroom, afterschool social room, licensed early education center, ADA accessible registration office and a community room with kitchenette.

Facilities are available for fee-based usage by HRD residents, non-residents, and guests. In general, usage fees are 10% higher for non-residents, and priority for program enrollment is given to residents.

As of February 2026, HRD staff includes 20 full-time employees (FTE) and 7.5 part-time/seasonal FTE, with two vacancies. The total number of staff has more than tripled from 9 in 2022 to 29.4 in 2026, largely due to COVID-furloughed staff returning to work over the course of FY 2023. See Table 1 below. The HRD Board appoints the General Manager, who in turn appoints managerial and supervisory staff. HRD hires contractors to provide services including a Preventative Maintenance Contract for annual inspections, repair and replacements and janitorial service.

*Table 1. Highlands Recreation District Staff Count (FTE)*

Year	Full-Time	Part-Time	Vacancies	Total
2022	24	10	15*	49
2023	21	3.1	11*	35
2024	22	4.4	7	33.4
2025	18	7.5	3	28.5
2026	20	7.5	2	29.5

Source: HRD staff

\*Attributed to COVID-19, according to HRD staff

**Capital Projects:** HRD maintains a list of capital projects and replacement and maintenance schedules for district-owned facilities, components, and equipment. This list is reviewed by the Board and project status is highlighted in monthly notes from the General Manager published on the HRD website. There is no official multi-year capital improvement plan, however. Funds for capital projects are maintained in the HRD Capital Reserve, which as of April 2026 had a balance of \$473,296 (audited). The HRD main building, pool, tennis courts, and playground were all built in 1966. As of early 2026, planning is underway for a pool renovation/construction project, slide repair project and tennis court renovation. There is a

Major capital projects completed in the last three years included a Playground Sports Court (\$305,765, completed June 2023); Pool Climbing Walls (\$24,304, completed August 2023); and the Administrative Building Balcony/Stairs Project (\$147,439 completed June 2024). In 2025, HRD purchased a truck (2017 Nissan Titan) and SUV (2024 Chevrolet Traverse). In 2019, HRD purchased a golf cart.

**e-f)** HRD staff do not foresee changes in State regulations that would require significant facility and/or infrastructure upgrades. There are no disadvantaged unincorporated communities within or contiguous to HRD boundaries.

**MSR Determination No. 3:** HRD meets the recreational service needs of existing development within its boundaries, as well as extending services to residents outside its boundaries. In FY2025-

26, HRD has 20 full-time staff and 7.5 part-time/seasonal staff. Funds for capital projects are maintained in the HRD Capital Reserve, which as of April 2026 had a balance of \$473,296. There is no process for adopting a formal multi-year Capital Improvement Plan or other facility planning document.

**Recommendation**

- 1) Consider adopting a process for the Board of Directors to approve a 3 to 5-year Capital Improvement Plan or facility planning document and publish the plan on the District website.

**4) Financial Ability**

Financial ability of the agency to provide service	<i>Yes</i>	<i>Maybe</i>	<i>No</i>
a) Does the organization routinely engage in budgeting practices that may indicate poor financial management, such as overspending its revenues, failing to commission independent audits, or adopting its budget late?			X
b) Is the organization lacking adequate reserve to protect against unexpected events or upcoming significant costs?			X
c) Is the organization’s rate/fee schedule insufficient to fund an adequate level of service, and/or is the fee inconsistent with the schedules of similar service organizations?			X
d) Is the organization unable to fund necessary infrastructure maintenance, replacement and/or any needed expansion?			X
e) Is the organization lacking financial policies that ensure its continued financial accountability and stability?		X	
f) Is the organization’s debt at an unmanageable level?			X

**a-f)** Highlands Recreation District (HRD) typically adopts an annual budget in August. The FY2025-26 budget projected approximately \$4.4M in revenue and \$4.5M in expenditures. See Table 2, below. The HRD budget has one fund, the General Fund. According to HRD’s most recent independent financial audit published on June 30, 2025, the District’s financial position continues to be adequate.<sup>7</sup>

For the FY2025-26 budget, expenditures are projected to exceed revenue by \$136,408 and HRD plans to utilize fund balance to close the gap. HRD has budgeted 35% more in total expenditures

<sup>7</sup> O’Connor & Company, June 30, 2025

for FY2025-26 (\$4.5M) compared to \$3.3M FY2024-25, largely due to planned facility maintenance to address the backlog of deferred maintenance items. These projects include plumbing repairs (\$25k budgeted), electrical system checks (\$34k), addition of a landscaping contract to address defensible space annual clean-up and monthly maintenance (\$30k), replacement of the HRD Entry Sign and other signage (\$7,500), and landscaping improvements (\$20k). Insurance expenditures have also increased in FY2025-26 due to rate increases.

Table 2. HRD General Fund Budget Actuals FY22/23-FY25/26 (Unaudited)<sup>1</sup>

	<b>FY2025-26 (projected)</b>	<b>FY2024-25</b>	<b>FY2023-24</b>	<b>FY2022-23</b>	<b>FY2021-22</b>
<b>General Fund Revenues</b>					
Park and Rec. Fees	3,370,107	\$2,953,017	\$3,028,337	\$2,923,950	\$2,763,890
Property Tax	749,124	\$913,955	\$837,948	\$801,029	\$760,971
Interest	156,000	\$134,452	\$132,985	\$49,779	\$25,716
Misc.	\$120,151	\$7,499	\$83,312	\$127,658	\$485,193
<b>Total Revenues</b>	<b>\$4,395,382</b>	<b>\$4,008,923</b>	<b>\$4,082,582</b>	<b>\$3,902,416</b>	<b>\$4,035,770</b>
<b>General Fund Expenditures</b>					
Salaries & Benefits	\$2,671,506	\$2,147,579	\$2,197,058	\$1,981,798	\$1,991,853
Operating Expenses	\$1,333,294	\$968,154	\$916,958	\$889,437	\$773,433
Debt Service	\$204,290	\$203,955	\$204,481	\$202,852	\$202,053
Capital Outlay	\$322,700	\$23,006	\$188,823	\$314,889	\$86,039
<b>Total Expenditures</b>	<b>\$4,531,790</b>	<b>\$3,342,694</b>	<b>\$3,507,320</b>	<b>\$3,388,976</b>	<b>\$3,053,378</b>
<i>Net</i>	<i>(\$136,408)</i>	<i>\$666,229</i>	<i>\$575,262</i>	<i>\$513,440</i>	<i>\$982,392</i>

Notes: 1) Unaudited because due to accounts not including final actuals.

**HRD Park & Recreation Fees:** In FY2024-25, HRD generated \$2.9M in revenues from Park and Recreation fees, or 74% of total annual revenue. See Table 3. Park and Recreation fees include tuition for the Early Education Childhood Center (ECC), tuition for the AfterSchool Program (ASP), pool entry fees, school break camps, and half-day enrichment camps, among other HRD programs.

Table 3. Park and Recreation Fees as Share of Total Revenue, FY22/23-FY24/25 (Unaudited)

	<b>FY2024-25</b>	<b>FY2023-24</b>	<b>FY2022-23</b>	<b>FY2021-22</b>
Park & Recreation Fees	\$2,953,017	\$3,028,337	\$2,923,950	\$2,763,890
<b>Total Revenue</b>	<b>\$4,008,923</b>	<b>\$4,082,582</b>	<b>\$3,902,416</b>	<b>\$4,035,770</b>
<b>Share</b>	<b>74%</b>	<b>74%</b>	<b>75%</b>	<b>68%</b>

Unlike Ladera Recreation District (LRD), HRD does not charge an annual membership fee. Instead, each program or activity has an associated user fee. For both districts, nonresidents are charged more than residents and residents have more privileges such as the ability to use the gym, reserve a tennis court, and obtain first access to register for high-demand children’s camps and programs.

HRD most recently increased its facility rental rates in 2021. Non-residents pay 10% more in rental rates compared to residents. Facilities available for rent include the multipurpose room \$105/hour, Gym \$115/hour, Picnic Area \$20/hour, or Pool \$150/day. Drop-in pool entry fees are \$7 for Highlands Residents and all seniors, and \$15 for non-residents. Alternatively, users can purchase a 10-swim punch card for \$60 for residents, and \$130 non-residents.

Both HRD and LRD offer private swim coaching, tennis lessons, and children’s summer and enrichment camps. In addition, HRD also offers daily childcare services through the Early Education Center (EEC) and the AfterSchool Program (ASP).

Enrollment fees for the EEC and ASP increase annually by 3-5%. Non-residents pay 9% more in tuition costs compared to residents. See Table 4. Most recently, in 2025, HRD increased the tuition based on market research, and staff report that the cost of the EEC is within market value of competitors. According to HRD staff, parents are concerned with the rising cost of childcare in the region.

The EEC is a state licensed child care center<sup>8</sup> for children ages 3 months to 5 years old. The EEC was constructed in 2010 using debt financing. As of February 2026, the remaining balance on the loan is \$1,578,000. The EEC is divided into three classrooms based on age with a total capacity of 44 children, with 12 full-time staff who are direct employees of HRD. Each January, students are enrolled for the following year. Priority enrollment is reserved for 1) siblings of currently enrolled EEC children; 2) Highlands District Residents; 3) Students of siblings enrolled in the after school program; and 4) non-resident families. As of February 2026, EEC enrollment is full, and there is a waitlist. There are no plans to expand or increase capacity at the time of writing this report.

*Table 4. Early Education Center (EEC) Monthly Rate for Residents vs Non-Residents, 2025-26*

	Highlands		Difference
	Residents	Non-Residents	
Infant Program	\$3,128	\$3,441	9%
Young Preschool	\$2,829	\$3,112	9%
Pre-Kindergarten	\$2,829	\$3,112	9%
TK Half Day Afterschool	\$1,697	\$1,867	9%

The ASP is a state licensed day care center (grades K-5) founded in 1985. The ASP employs 2 full-time staff, 8 part-time staff, and 8 seasonal staff, with exact numbers adjusted based on availability. Enrollment is typically at capacity, accommodating 109 students (64 residents and 45 non-residents as of February 2026). Nonresidents pay 10% more for ASP tuition than residents.

<sup>8</sup> [Social Services - Community Care Facility search](#)

*Table 5. AfterSchool Program (ASP) Monthly Rate for Residents vs Non-Residents, 2025-26*

Sept/Oct/Nov/Jan/Mar/Apr/May													
	5 days/week		4 Days/week		3 days/week		2 days/week		1 day/week		Drop-In		
	Res	Non Res	Res	Non Res	Res	Non Res	Res	Non Res	Res	Non Res	Res	Non Res	
TK/Kinder	\$1,000	\$1,100	\$896	\$986	\$744	\$819	\$544	\$599	\$296	\$326	\$85	\$90	
Grades 1-9	\$824	\$906	\$756	\$832	\$639	\$703	\$474	\$522	\$261	\$288	\$80	\$85	
Aug/Dec/June													
TK/Kinder	\$601	\$661	\$577	\$635	\$505	\$556	\$385	\$424	\$216	\$238			
Grades 1-9	\$495	\$545	\$492	\$541	\$441	\$485	\$342	\$376	\$195	\$215			

**Property Tax Revenue:** Property tax is consistently the second largest source of revenue for HRD after Park and Recreation fees. In FY2024-25, HRD received \$913,955 in property tax revenue, or 23% of the total annual revenue (\$4M). See Table 6, below. According to the County Assessor, as of 2026, HRD has 789 parcels, valued at an average \$1.2M per parcel. The HRD’s actual tax revenue is consistently below the legal appropriations limit annually adopted by the Board.<sup>9</sup>

*Table 6. HRD Property Tax Revenue as a Share of Total, FY22/23-FY24/25 (Unaudited)*

	FY2024-25	FY2023-24	FY2022-23	FY2021-22
Property Taxes	\$913,955	\$837,948	\$801,029	\$760,971
<b>Total Revenue</b>	<b>\$4,008,923</b>	<b>\$4,082,582</b>	<b>\$3,902,416</b>	<b>\$4,035,770</b>
<b>Share</b>	<b>23%</b>	<b>20%</b>	<b>20%</b>	<b>19%</b>

As a result of Proposition 13, a share of HRD residents’ property tax bill—approximately 10% of the 1% tax— is allocated to the HRD. Table 7 below shows the distribution of the 1% property tax in a sample tax rate area within the District.

<sup>9</sup> [Resolution+2024-08+2024-2025+Appropriations+Limit.pdf](#)

*Table 7. 1% Property Tax Distribution – Sample Tax Rate Area for Highlands Recreation District*

<b>Agency</b>	<b>Share (%)</b>
County Service Area No. 1 <sup>10</sup>	26
San Mateo-Foster City Elementary School District	18
County of San Mateo	17
San Mateo Union High School District	12
Highlands Recreation District	10
San Mateo County Community College District	5
County Education Tax	2.6
San Mateo County Libraries	2
Bel Aire Lighting District	2
Highlands Landscape Maintenance District <sup>11</sup>	1.8
Crystal Springs Sanitation District	1
Peninsula Health Care District	0.7
County Harbor District	0.2
Bay Area Air Quality Management	0.2
County Mosquito & Vector Control	0.1
Total	100*

Source: County Assessor

Note: Shares vary between tax rate areas. May not total 100 due to rounding.

**Expenditures:** The consistently largest expenditure category for HRD is Salary and Benefits. In FY2024-25, Salaries and Benefits accounted for \$2.1M or 64% of total annual expenditures (\$3.3M). In FY2022-23, HRD spent \$1.9M (58%) of total expenditures (\$3.4M) on Salaries and Benefits. Expenditures for Salaries and Benefits increased by 8% over the two-year period from

<sup>10</sup> County Service Area No. 1 (CSA 1) is a dependent special district governed by the County Board of Supervisors, managed by the County Department of Public Works, and funded through property taxes and a parcel tax that Highlands’ residents must reapprove every four years. CSA 1 is in practice a funding mechanism to provide contracted fire (CAL Fire) and policing (County Sherriff) services to residents in the unincorporated Highlands neighborhood.

<sup>11</sup> The Highlands Landscape Maintenance District is a dependent district governed by the County Board of Supervisors and managed by the County Department of Public Works. The special assessment district was formed in 1964 pursuant to Section 5820 et seq. of the CA Streets and Highways Code, for properties in the Highlands neighborhood to fund local landscaping, including erosion control and street island median maintenance.

FY2022-23 to FY2024-25, corresponding to a 152% increase in the total number of staff over the same period.

In October 2016, HRD began offering full-time and part-time staff working over 30 hours per. In 2021, HRD began offering the same group of staff 457(b) and Individual Retirement Accounts. As of February 2026, there are 20.5 FTE staff receiving benefits.

The second largest expenditure category is “Operating Expenses”. In FY2024-25, \$968,000 (29%) of total expenditures (\$3.4M) were for “Operating Expenses”. These include costs associated with programs and facility maintenance. Operating Expenses increased by 9% over the two-year period from FY2022-23 to FY2024-25.

**HRD Debt:** On December 9, 2010, the District issued \$3,195,000 of certificates of participation. The debt was issued for the purpose of constructing a new early childcare center. The debt was issued with a maturity of September 1, 2040, at an interest rate of 5.5%. In October 2017, HRD refunded the debt, changing the interest rate to 3.1%. As of February 2026, the remaining balance on the loan is \$1,578,000. For FY2025-26, HRD anticipates spending 5% (\$204,290) of total annual expenditures (\$4,531,790) on debt payment. See Table 8 below.

*Table 8. HRD Debt Service Schedule for New EEC Building Project*

Year Ending June 30	Principal	Interest	Debt Service Total
2026	\$ 153,000	\$ 51,290	\$ 204,290
2027	153,000	46,547	199,547
2028	158,000	41,726	199,726
2029	167,000	36,689	203,689
2030	171,000	31,450	202,450
2031	174,000	26,102	200,102
2032	182,000	20,584	202,584
2033	185,000	14,896	199,896
2034	193,000	9,037	202,037
2035	195,000	3,023	198,023
Total	<u>\$ 1,731,000</u>	<u>\$ 281,341</u>	<u>\$ 2,012,341</u>

*Source: O’Connor & Company Financial Audit, 2024-25*

**Independent Financial Audits:** HRD contracts with the independent auditing firm O’Connor & Company to conduct annual financial statement audits. The most recent audit of HRD finances was completed for FY2025. However, the financial reporting documents do not contain audited final actuals for funds and accounts. There are no significant audit findings from the past three years, as reviewed by LAFCo.

**Fund Balance and Reserves:** HRD funds are held in the San Mateo County Investment Pool. According to HRD staff, as of January 31, 2026, the account balance was \$5,477,387. The auditor reported that as of June 30, 2025, the account balance was \$5.3M. See Table 9. This amount is comprised of five fund balance reserve accounts, in accordance with HRD’s Financial Reserve Policy: 1) The Contingency Reserve not to exceed 15% of the annual operating budget; 2) The Capital Reserve is restricted for large infrastructure projects; 3) The General Reserve is unrestricted for general district use; 4) the EEC Building Reserve is restricted for repayment of

debt; and 5) the Building Renovation Reserve is for seismic upgrades, ADA compliance and renovation projects. As of June 30, 2025, the majority of funds (\$4M) are “unassigned”, and not allocated to one of the five reserve accounts. The District has over a year’s budgeted expenditures in reserves as of FY2024-25. The average excess of revenue has been approximately \$580,000 over each of the last three years.

*Table 9. HRD Fund Balance, Audited*

Year	Amount
FY2020-21	\$2,516,542
FY2021-22	\$3,498,934
FY2022-23	\$4,012,376
FY2023-24	\$4,587,638
FY2024-25	\$5,301,445

*Source: O’Connor & Company Annual Financial Audits*

HRD staff report they also utilizes First Citizens Bank, and the account balance as of February 12, 2026 is \$163,963. First Citizens Bank is the District’s primary checking account for district expenses and revenue. This bank does not hold HRD revenue from property tax, ERAF or San Mateo County interest earnings.

**Transparency:** In 2018, The District was awarded the Special District Leadership Foundation’s District Transparency Certificate of Excellence for its website content. The HRD website hosts an archive of public meeting agendas, minutes and meeting materials from 2019 to 2026. Recordings of meetings beginning in March 2026 are available on the HRD website. The past three years of HRD financial audits (FY23, FY24, and FY25) are available. However, the associated Audit Management Reports are not publicly available. HRD also publishes a monthly e-newsletter that includes information on upcoming classes, programs, job announcements, and a general manager’s note.<sup>12</sup>

**Policies and Procedures:** HRD maintains a list of existing district policies, with the most recent review date, as well as “recommended” policies for the HRD Board of Directors to adopt which were reviewed this year. The recommended policies that the Board will adopt at a future date include a Capital Asset Policy, Budget Policy, Fee and Revenue Policy, and Recruitment and Hiring Policy.<sup>13</sup>

**MSR Determination No. 4:** The financial position of the district is adequate. HRD budgeted 35% more in total expenditures for FY2025-26 (\$4.5M) compared to \$3.3M FY2024-25, largely due to planned facility maintenance to address the backlog of deferred maintenance items. According to HRD staff, as of January 31, 2026, the HRD fund balance held in the San Mateo County Investment Pool was \$5,477,387. This amount exceeds the annual budgeted expenditures of the District. HRD does not have policies that set target reserve levels for the District reserve funds.

<sup>12</sup> [General Manager's Note - February 2026 - Highlands Recreation District](#)

<sup>13</sup> [HRD+Master+Policies+and+Procedures+Index.pdf](#)

The annual debt payment on a loan used to construct a new childcare facility represented 5% of total expenditures in FY2025-26, and the maturity date is 2035. HRD is on track with its independent financial audits, with the FY2025 audit available on the website.

**Recommendations:**

- 2) For each of the past three years, the annual independent financial audits were not conducted using actual budget figures. Fiscal documents with final actuals and auditor figures may allow for enhanced financial planning for the District, and greater transparency for the public. HRD should consider adjusting procedures and calendars to ensure that the Auditor is able to audit actual revenues and expenditures. Audits, along with their associated Management Reports should be made available for public viewing within one year of publication.
- 3) Adopt and publish a reserve policy that explicitly describes the target size and purpose of the General Fund reserve, Contingency Reserve, Capital Reserve, EEC Building Reserve and the Building Renovation Reserve. The purpose of these reserve funds should clearly articulate the need for and the size of reserves. <sup>1415</sup>
- 4) Review the currently unassigned reserves (approximately \$4M) and consider designating these funds to dedicated reserve accounts, including to the Capital Reserve account, and to specific capital improvement projects.
- 5) Reevaluate the General Fund budget and reserve account to achieve target fund balance, as established in a new HRD reserve policy (per Recommendation No. 2).

5) Shared Service and Facilities

Status of, and opportunities for, shared facilities	<i>Yes</i>	<i>Maybe</i>	<i>No</i>
a) Is the agency currently sharing services or facilities with other organizations? If so, describe the status of such efforts.	X		
b) Are there any opportunities for the organization to share services or facilities with neighboring or overlapping organizations that are not currently being utilized?		X	
c) Are there governance options to allow appropriate facilities and/or resources to be shared, or making excess capacity available to others, and avoid construction of extra or unnecessary infrastructure or eliminate duplicative resources?		X	

**a-c)** The San Mateo Highlands Community Association, a non-profit home owners association, serves many of the same residents as the HRD, but operates separately. Membership is voluntary.

<sup>14</sup> Little Hoover Commission, Report #239 “Special Districts: Improving Oversight & Transparency,” August 2017

<sup>15</sup> California Special District Association “Special District Reserve Guidelines, 2<sup>nd</sup> Edition 2013

The HRD allows the Community Association to use District facilities for meetings and events under the same policies and insurance requirements that apply to other nonprofit groups. The HRD shares information in the Community Association’s newsletter.

The HRD also provides paid enrichment programs for the Highlands Elementary School, but does not share facilities. HRD rents the Crystal Springs Unity Methodist Church for After School programs. This program provides lunchtime enrichment (scheduled play activities and supervision) 5 days per week for 30 minutes.

**MSR Determination No. 5:** HRD permits the Highlands Community Association to use District facilities for meetings and events.

**Recommendation:** None.

6) Accountability, Structure, and Efficiencies

Accountability for community service needs, including governmental structure and operational efficiencies	<i>Yes</i>	<i>Maybe</i>	<i>No</i>
a) Are there any issues with meetings being accessible and well publicized? Any failures to comply with disclosure laws and the Brown Act?			X
b) Are there any issues with staff turnover or operational efficiencies?		X	
c) Is there a lack of regular audits, adopted budgets and public access to these documents?		X	
d) Are there any recommended changes to the organization’s governance structure that will increase accountability and efficiency?			X
e) Are there any governance restructuring options to enhance services and/or eliminate deficiencies or redundancies?			X
f) Are there any opportunities to eliminate overlapping boundaries that confuse the public, cause service inefficiencies, unnecessarily increase the cost of infrastructure, exacerbate rate issues and/or undermine good planning practices?			X

a) Are there any issues with meetings being accessible and well publicized? Any failures to comply with disclosure laws and the Brown Act?

HRD is governed by a five-member Board of Directors, elected by voters within the district. The Board meets monthly on the second Tuesday of each month. Meetings are open to the public

and are held in the HRD Recreation Room. Meetings have a remote access option via Zoom and public comment via Zoom is available. The District posts copies of meeting agendas on their website and the full meeting packets with staff reports are available. On the District’s website, the current year agendas and agenda packet from 2019 to 2026 are available for viewing, as well as recorded video of meetings. LAFCo is not aware of any failures to comply with the Brown Act.

**b) Are there any issues with staff turnover or operational efficiencies?**

According to staff, recruitment and retention is challenging for HRD. In response, HRD is adjusting compensation to attract qualified candidates and expanding Human Resources capacity in order to dedicate more time to recruitment and simplify processes.<sup>16</sup>

**c) Is there a lack of regular audits, adopted budgets and public access to these documents?**

HRD maintains on its website for public review the past three years of financial audits, and the FY 2024-25 and FY2025-26 budgets. Historical budgets are searchable in the archive of Board Meeting Packets.

**d) Are there any recommended changes to the organization’s governance structure that will increase accountability and efficiency?**

None at this time.

**e-f) Are there any governance restructure options to enhance services and/or eliminate deficiencies or redundancies?**

HRD has four dependent special districts providing a narrow set of services within its boundaries: Crystal Springs County Sanitation District, County Service Area No.1, Highlands Landscape Maintenance District and the Bel Aire Lighting Maintenance District. The independent districts operating in HRD include the Peninsula Healthcare District. HRD theoretically could apply to LAFCo to provide any of these services itself, as Community Services District enabling legislation permits a wide range of authorized services.

HRD has a property tax base of less than 800 parcels. If HRD were to assume the responsibility of service provision of any of these other districts, it could initiate a property tax transfer through the dissolution of the other service districts. This observation was made in the prior MSR in 2007 and no change has been proposed to these districts since that report.

LAFCo is not aware of any applications from HRD to activate any additional powers at this time.

**MSR Determination No. 6:** HRD Staff turnover rates are moderate. Efforts to increase retention by adjusting salaries and dedicating staff time to recruitment are underway. On its website, HRD maintains from 2019-present archived Board Meeting agendas, minutes, agenda packets with staff reports and attachments, and as of March 2026, video recording of the meeting. HRD theoretically could apply to LAFCo to provide any of the services offered by other districts in its area, however LAFCo is not aware of any application to do so.

**Recommendations:**

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<sup>16</sup> [20250812+Board+Packet+FINAL.pdf](#)

- 6) Continue exploring policies and practices that will improve staff retention.
- 7) Consider posting historical budgets for at least the past five years on the dedicated “Agency Budget” page on the HRD website.

7) Other Issues:

Any other matter related to effective or efficient service delivery, as required by commission policy.	Yes	Maybe	No/NA
<b>a)</b> Are there any other service delivery issues that can be resolved by the MSR/SOI process?			X
<b>b)</b> Water Resiliency and Climate Change			
i) Does the organization support a governance model that enhances and provides a more robust water supply capacity?			X
ii) Does the organization support multi-agency collaboration and a governance model that provide risk reduction solutions that address sea level rise and other measures to adapt to climate change?			X
<b>c)</b> Natural Hazards and Mitigation Planning			
i) Has the agency planned for how natural hazards may impact service delivery?	X		
ii) Does the organization support multi-agency collaboration and a governance model that provides risk reduction for all natural hazards?	X		

**a-c)** According to CAL FIRE, as of 2025, most of HRD is in a moderate fire severity zone.<sup>17</sup> HRD participates in the San Mateo County Local Hazard Mitigation Plan. In 2025, HRD utilized its own staff for fuel reduction of defensible space, and Fire Safe resources for fire mitigation efforts on District-owned open space. CalFire grants have historically been utilized for fuel reduction of district-owned open space. HRD utilizes San Mateo County Fire Department for defensible space inspections and Highlands CERT for drill reviews and feedback.

**MSR Determination No. 7:** HRD participates in the San Mateo County Local Hazard Mitigation Plan. HRD utilizes San Mateo County Fire Department for defensible space inspections and Highlands CERT for drill reviews and feedback.

<sup>17</sup> [Fire Hazard Severity Zones | OSFM](#)

**Recommendation:** None.

**Section 6. Highlands Recreation District Sphere of Influence Determinations**

Government Code Section 56425 requires San Mateo LAFCo make determinations concerning land use, present and probable need for public facilities and services in the area, capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide, and existence of any social or economic communities of interest in the area if the Commission determines that they are relevant to the agency. These include the following determinations:

1. **The present and planned land uses in the area, including agricultural and open space lands:** The Highlands Recreation District (HRD) is comprised primarily of medium-low density residential land use with some institutional land use and open space land. HRD boundaries contain land that is under the jurisdiction of the County of San Mateo.
2. **The present and probable need for public facilities and services in the area:** HRD meets the needs of its residents and businesses for recreation services, and the District staff anticipate that they will be able to provide adequate facilities and services for the minimal anticipated growth within the service area.
3. **The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide:** HRD currently provides adequate public services to District residents and out of district visitors, including childcare programs, camps, tennis courts, pool, playground, recreation building, and more. In addition, HRD maintains a list of capital projects and an infrastructure depreciation schedule to monitor necessary capital improvements, repairs, and replacements to District infrastructure and facilities.
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:** There are no disadvantaged unincorporated communities within the SOI of the HRD.
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, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence:** No change to the SOI for HRD is proposed at this time.

On the basis of the Municipal Service Review:

Staff has reviewed the agency’s Sphere of Influence and recommends that a SOI Update is NOT NECESSARY in accordance with Government Code Section 56425(g). Therefore, NO CHANGE to the agency’s SOI is recommended and SOI determinations HAVE NOT been made.

Staff has reviewed the agency’s Sphere of Influence and recommends that a SOI Update IS NECESSARY in accordance with Government Code Section 56425(g). Therefore, A CHANGE to the agency’s SOI is recommended and SOI determinations HAVE been made and are included in this MSR/SOI study.

**Appendix A. Highlands Recreation District Fact Sheet**

*General Manager:* Tamsen Burke (appointed by Board)

*Physical Address:* 1851 Lexington Ave., San Mateo, CA, 94402

*Email Address:* gmdirect@highlandsrec.ca.gov

*Phone Number:* (650) 341-4251

*Date of Incorporation:* 1957

Board of Directors: Board members serve a four-year term. There are no term limits. Must reside in District.

<b>Board Members</b>	<b>Term Expiration Date</b>
Uy Ut, President	2026
Ranya Francis, Vice President	2026
Andrew Aquino	2026
Chris Carlos	2028
Pamela Merkadeau	2028

*Compensation:* Board members are volunteers (not paid).

*Public Meetings:* Regular meetings of the Board of Directors are held on the second Tuesday of each month at 7PM at the Multi-Purpose Room at 1851 Lexington Ave. San Mateo, CA. Participation by the public is also available remotely via Zoom, including the option to provide live public comment on agenda items. Meeting agendas, minutes and materials are published on the District website, with archives for years 2019-2026.

*Services Provided:* Public Recreation by means of parks, playgrounds, swimming pools, recreation buildings, and a community meeting hall, as well as year-round childcare facilities. Weed abatement.

*Agency staff:* 20 full-time staff, 7.5 part-time/seasonal staff

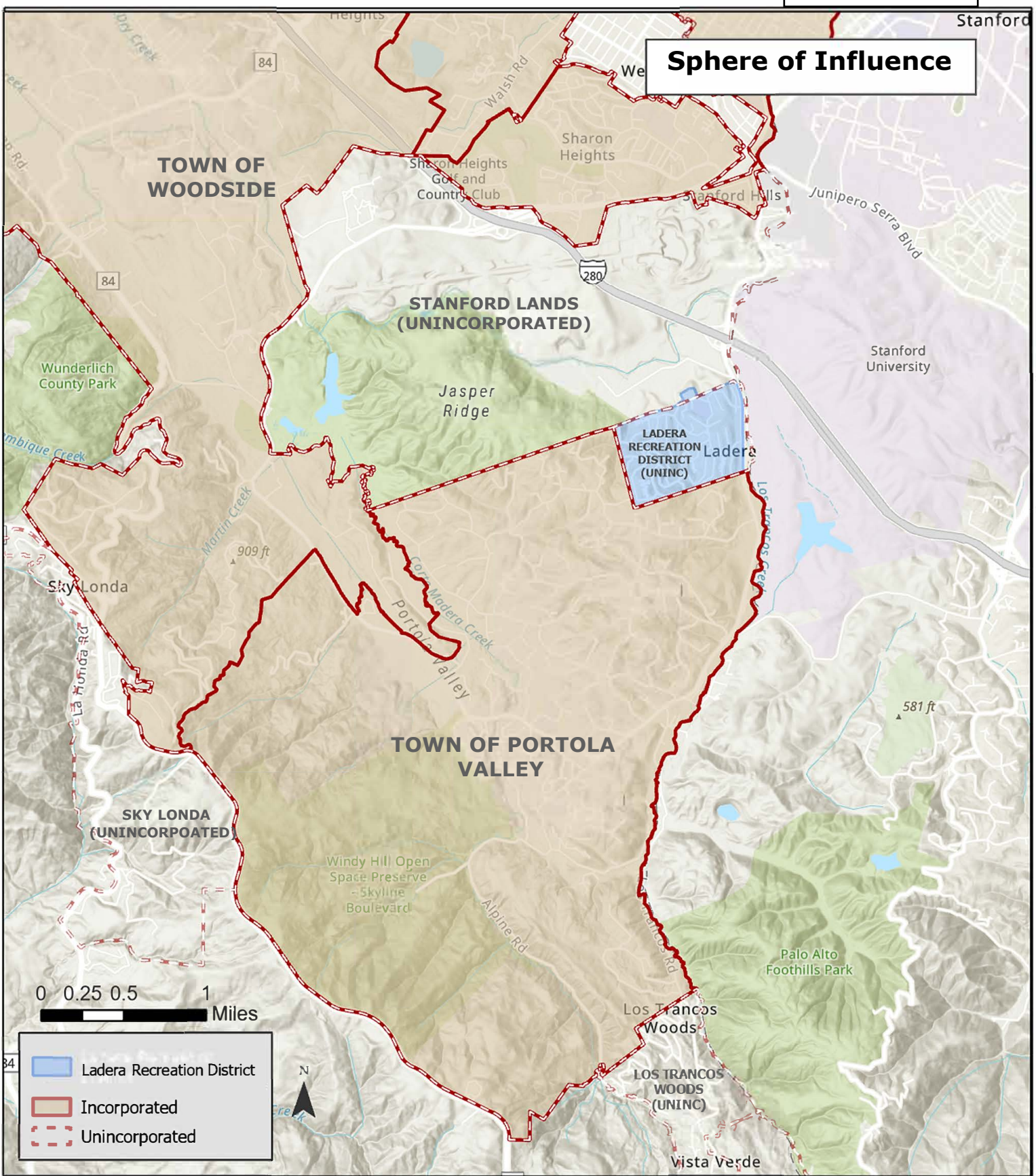
*Area Served:* 3.45 square miles plus 40 acres of open space.

*Population:* 3,200

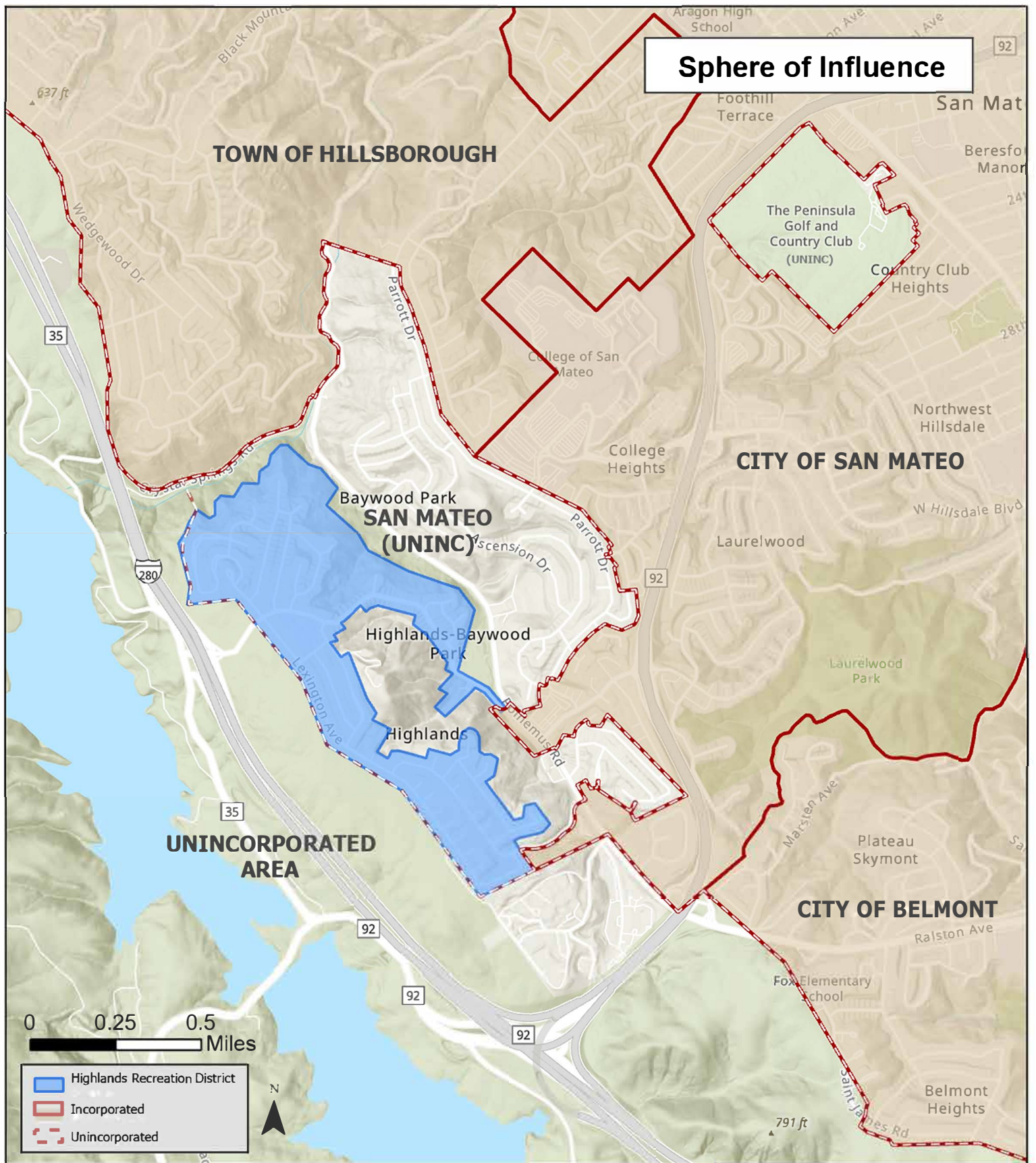
*Sphere of Influence:* Contiguous with corporate boundaries.

*FY2025-26 General Fund Budget:* \$4.5M (projected)

Sphere of Influence



# Ladera Recreation District Sphere of Influence



**Sphere of Influence**

**TOWN OF HILLSBOROUGH**

**CITY OF SAN MATEO**

**UNINCORPORATED AREA**

**CITY OF BELMONT**

# San Mateo Highlands Recreation District



May 20, 2026

LAFCO

Re: Public Comment for Item 4 Draft MSR for Highlands Recreation District on the May 20, 2026 agenda.

Please accept these comments for consideration and, where necessary, correction to the draft MSR for the Highlands Recreation District (HRD)

1. Your executive summary document incorrectly states that the MSR for Highlands was last done in 2007. In fact, the 2013 MSR is referenced on page 23 of the report. **Corrected.**

2. HRD has more than 7.4 part time staff. (sometimes listed at 7.6). That point is clarified on a later page, but there should be a statement consistently included indicating that during the summer months of the year, there are more part time staff. In some places, the figure is associated with a date/ point in time, for which the figure may be accurate (e.g., 'as of Jan 26 or Feb 26) but in other places it's listed as 'in FY 25-26', which is not accurate as it does not include the part time summer staff).  
**LAFCo will update the HRD staff count with the corrected figures provided by HRD.**

3. In the executive summary document where debt service payment is discussed, it should be clarified much earlier in the report for how many more years that will be (or is anticipated to be) done. Otherwise, it implies (until near the end of the report) that these debt payments are in perpetuity. **Added.**

4. It is stated several times in the document that HRD's reserves exceed the annual budget. While the observation is accurate, it is not improper or illegal. If Lafco recommends that that not be the case, please state that clearly and explain why. **Review best practices as recommended by: a) Little Hoover Commission, Report #239 "Special Districts: Improving Oversight & Transparency," August 2017 and b) California Special District Association "Special District Reserve Guidelines, 2nd Edition 2013**

5. The list of affected agencies should also include CalFire, County Sheriff's office, and CSA 1. **Practice is to include only special districts, CalFire and the County Sheriff are Departments; CSA 1 is listed.**

6. Open space acreage isn't consistently listed. It's written as 40 and 41 acres in different places. **Corrected.**

7. The HRD open space is not 'reserved for open space use'. That implies people are free to access it, which is not the case for this acreage. **Open Space is the correct technical land designation term.**

8. Table 1 on page 12 of MSR review isn't consistent. In some rows, the total is the sum of columns 1 and 2. in other rows, it's the sum of 1,2,3. **Corrected.**

10. The HRD document includes references to (and maps of) Ladera. Those should be removed. **Ladera and Highlands MSRs are included in the same agenda item to facilitate comparison. Acknowledged.**

12. The Highlands Community Association (HCA) is not technically/officially a home owners association. Membership is voluntary. **Acknowledged**

13. The HRD is a geographically (and topographically) isolated district. There should be no consideration of or speculation about sharing services or facilities with a neighboring organization (e.g., City of San Mateo). This was last considered and rejected in 2013. **Acknowledged**

14. HRD's adopted budget is part of the financial reports made available to the public prior to every meeting and the budget and audits are found on the district's website. **Acknowledged**

15. Mid Pen Open Space district does not operate within the HRD boundary. According to midpen's own website, Highlands is outside their boundary : **Corrected**

16. Fire hazard severity zone designation for Highlands stated in the report is not correct. **Corrected.**

Thank you  
Brigitte Shearer  
shearerb@gmail.com

## Exhibit B

Municipal Service Review (MSR) Areas of Determination and Recommendations for  
the Ladera Recreation District**Areas of Determinations and Recommendations****I. Growth and population projections for the affected area.***Determination*

Over the next five years, the population of Ladera (est. 2,500) is projected to grow between 2-4%. There are minimal opportunities for subdivision or infill in Ladera, as the community is largely built out.

*Recommendation:* None

**II. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the SOI.***Determination*

The Ladera Recreation District (LRD) sphere of influence and corporate boundaries do not include disadvantaged unincorporated communities.

*Recommendation:* None

**III. Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the SOI.***Determination*

LRD meets the recreational service needs of existing development within its boundaries, as well as extending services to residents outside its boundaries. LRD's staffing model allows for seasonal fluctuations, with three full-time staff and 87 part-time staff in calendar year 2026. LRD maintains a list of assets and an associated depreciation schedule. LRD does not have a multi-year capital improvement plan. Funds for capital projects are annually deposited into LRD's account in San Mateo County's Investment Pool Fund.

*Recommendations:*

1. Establish a process for adopting a comprehensive multi-year Capital Improvement Plan or other similar plan to identify LRD-owned and maintained facilities, and to allocate funds for replacement/maintenance or the construction of new facilities.
2. Formalize funds held in the County's Investment Pool as capital project reserves and general reserves in the District's budget documents. Adopt and publish a reserve policy that sets a target reserve size and purpose, including adding limits on withdrawing these funds for other purposes.

**IV. Financial ability of agency to provide services.**

*Determination*

Over each of the past five years, LRD has maintained a positive General Fund balance (revenue exceeding expenditures) by at least \$200,000. These monies are deposited annually in the County's Investment Pool for the purpose of financing capital projects. LRD has over \$1.4M in reserves as of Dec. 2025. Membership fees and other charges for services comprise LRD's largest revenue source (70%), followed by Property tax revenue (25%). Employee salaries are the largest expenditure (50%), followed by Maintenance, Repairs and Supplies (15%). The annual debt payment on a loan used to construct a new pool that opened in 2023 represents less than 7% of total expenditures. LRD is behind on its financial audits, currently completing its 2023-24 audit.

*Recommendations:*

3. Become current on independent financial audits and to make these audits (2021, 2022, 2023) along with their associated Management Reports available for public viewing.
4. Adopt and publish a reserve policy for the General Fund, explicitly describing the annual target size and purpose of the reserve account.<sup>1</sup>
5. Explicitly show in all budget documents and staff financial reports the amount of funds allocated to the District's reserve fund.
6. Explore shifting from a calendar year to a fiscal year budget cycle to align with San Mateo County and other special districts.

**V. Status of, and opportunities for, shared facilities.***Determination*

LRD shares its facilities with the Ladera Community Association and other neighborhood groups for their meetings, free of charge. LRD leases its facilities for a fee to contractors offering classes and programs to LRD members, as captured in the "Park and Recreation Fees" revenue category.

*Recommendation:* None.

**VI. Accountability for community service needs, including governmental structure and operational efficiencies.***Determination*

The District could improve its transparency by posting on its website all historical budgets, historical Board Meeting agendas and minutes, and publishing staff reports. LRD does not livestream or record meetings. The District annually commissions independent financial audits, and is completing its 2024 audit. LRD has had four General Managers since 2021. Staff turnover rates have been high due to retirements and personnel relocations.

*Recommendations:*

7. Post historical agendas, meeting minutes and written staff reports for agenda items at public Board meetings.

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<sup>1</sup> Little Hoover Commission, Report #239 "Special Districts: Improving Oversight & Transparency," August 2017

8. Consider livestreaming public Board Meetings for a remote audience to facilitate accessibility, engagement, and transparency.
9. Continue efforts to increase staff retention, for example by offering employee benefits.

**VII. Any other matter related to effective or efficient service delivery, as required by LAFCo policy including the following:**

**i. Water Resiliency and Climate Change**

**ii. Impact of Natural Hazards and Mitigation Planning**

*Determination*

LRD participates in the County-wide Local Hazard Mitigation Plan. LRD coordinates with the Ladera Emergency Preparedness group for disaster response, in alignment with the Woodside Fire Protection District.

*Recommendation:*

10. LAFCo encourages LRD to continue its efforts in the area of hazard mitigation.

## Exhibit C

Municipal Service Review (MSR) Areas of Determination and Recommendations for  
the Highlands Recreation District**Areas of Determinations and Recommendations****I. Growth and population projections for the affected area.***Determination*

Over the next five years, the population of HRD (est. 3,120) is projected to grow between 2-4%. There are minimal opportunities for subdivision or infill, as the community is almost entirely built out. The district owns 40 acres of undeveloped land which has a restriction on the 1986 deed that specifies no structures are to be built on the land.

*Recommendation:* None

**II. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the SOI.***Determination*

The HRD sphere of influence and corporate boundaries do not include disadvantaged unincorporated communities.

*Recommendation:* None

**III. Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the SOI.***Determination*

HRD meets the recreational service needs of existing development within its boundaries, as well as extending services to residents outside its boundaries. In FY2025-26, LRD has 20 full-time staff and 7.5 part-time staff. Funds for capital projects are maintained in the HRD Capital Reserve, which as of April 2026 had a balance of \$473,296. There is no process for adopting a formal multi-year Capital Improvement Plan or other facility planning document.

*Recommendation:*

1. Consider adopting a process for the Board of Directors to approve a 3 to 5-year Capital Improvement Plan or facility planning document and publish the plan on the District website.

**IV. Financial ability of agency to provide services.***Determination*

The financial position of the district is adequate. HRD budgeted 35% more in total expenditures for FY2025-26 (\$4.5M) compared to \$3.3M FY2024-25, largely due to planned facility maintenance to address the backlog of deferred maintenance items. According to HRD staff, as

of January 31, 2026, the HRD fund balance held in the San Mateo County Investment Pool was \$5,477,387. This amount exceeds the annual budgeted expenditures of the District. HRD does not have policies that set target reserve levels for the District reserve funds.

*Recommendations:*

2. For each of the past three years, the annual independent financial audits were not conducted using actual budget figures. Fiscal documents with final actuals and auditor figures may allow for enhanced financial planning for the District, and greater transparency for the public. HRD should consider adjusting procedures and calendars to ensure that the Auditor is able to audit actual revenues and expenditures. Audits, along with their associated Management Reports should be made available for public viewing within one year of publication.
3. Adopt and publish a reserve policy that explicitly describes the target size and purpose of the General Fund reserve, Contingency Reserve, Capital Reserve, EEC Building Reserve and the Building Renovation Reserve. The purpose of these reserve funds should clearly articulate the need for and the size of reserves.<sup>12</sup>
4. Review the currently unassigned reserves (approximately \$4M) and consider designating these funds to dedicated reserve accounts, including the Capital Reserve account, and to specific capital improvement projects.
5. Reevaluate the General Fund budget and reserve account to achieve target fund balance, as established in a new HRD reserve policy (per Recommendation No. 2).

**V. Status of, and opportunities for, shared facilities.**

*Determination*

HRD permits the Highlands Community Association to use District facilities for meetings and events.

*Recommendation:* None.

**VI. Accountability for community service needs, including governmental structure and operational efficiencies.**

*Determination*

HRD Staff turnover rates are moderate. Efforts to increase retention by adjusting salaries and dedicating staff time to recruitment are underway. On its website, HRD maintains from 2019-present archived Board Meeting agendas, minutes, agenda packets with staff reports and attachments, and as of March 2026, video recording of the meeting. HRD theoretically could apply to LAFCo to provide any of the services offered by other districts in its area, however LAFCo is not aware of any application to do so.

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<sup>1</sup> Little Hoover Commission, Report #239 "Special Districts: Improving Oversight & Transparency," August 2017

<sup>2</sup> California Special District Association "Special District Reserve Guidelines, 2<sup>nd</sup> Edition 2013

*Recommendations:*

6. Continue exploring policies and practices that will improve staff retention.
7. Consider posting historical budgets for at least the past five years on the dedicated "Agency Budget" page on the HRD website.

**VII. Any other matter related to effective or efficient service delivery, as required by LAFCo policy including the following:**

**i. Water Resiliency and Climate Change**

**ii. Impact of Natural Hazards and Mitigation Planning**

*Determination*

HRD participates in the San Mateo County Local Hazard Mitigation Plan. HRD utilizes San Mateo County Fire Department for defensible space inspections and Highlands CERT for drill reviews and feedback.

*Recommendation:* None.

## RESOLUTION NO. 1356

**RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION  
OF THE COUNTY OF SAN MATEO  
MAKING DETERMINATIONS PURSUANT TO GOVERNMENT CODE  
SECTION 56430 FOR THE LADERA RECREATION 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 Commission conducted a Municipal Service Review pursuant to Government Code Section 56430 for the Ladera Recreation District;

**WHEREAS**, the Executive Officer prepared a written report of the Municipal Service Review that was provided to the Commission and affected agencies; and

**WHEREAS**, the Executive Officer set a public hearing date for July 15, 2026 for the consideration of the final Municipal Service Review 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 July 15, 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 56430 to make statement of written determinations with regards to certain factors; 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:** The Ladera Recreation District (LRD) is comprised primarily of residential land use, with some commercial, and institutional land use. LRD boundaries contain land that is under the jurisdiction of the County of San Mateo.
2. **The present and probable need for public facilities and services in the area:** LRD meets the needs of its residents and businesses for recreation services, and LRD staff anticipate that they will be able to provide adequate facilities and services for the anticipated growth within the service area.
3. **The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide :** LRD currently provides adequate public services to LRD residents and out of district members, including tennis courts, pool, playground, recreation building, and more. In addition, LRD maintains an infrastructure depreciation schedule to monitor necessary capital improvements, repairs, and replacements to LRD infrastructure and facilities.
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:** There are no disadvantaged unincorporated communities within the SOI of LRD.
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:** No change to the SOI for LRD is proposed at this time.

**WHEREAS**, based on the results of the Municipal Service Review, staff has determined that the SOI for Ladera Recreation District does not need to be updated at this time; and

**WHEREAS**, the Municipal Service Review 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 Municipal Service Review 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.

The Municipal Service Review 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 July 8, 2026, Final Municipal Service Review for Ladera Recreation District, and all written comments and attachments incorporated herein and contained in attached "Exhibit A."

Section 2. By Motion, the Commission adopts the Municipal Service Review determinations set forth in "Exhibit B" which is attached and hereby incorporated by reference.

Regularly passed and adopted this \_\_ day of \_\_\_\_\_, 2026.

Ayes and in favor of said resolution:

Commissioners:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

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: \_\_\_\_\_

## RESOLUTION NO. 1357

**RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION  
OF THE COUNTY OF SAN MATEO  
MAKING DETERMINATIONS PURSUANT TO GOVERNMENT CODE  
SECTION 56430 FOR THE HIGHLANDS RECREATION 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 Commission conducted a Municipal Service Review pursuant to Government Code Section 56430 for the Highlands Recreation District;

**WHEREAS**, the Executive Officer prepared a written report of the Municipal Service Review that was provided to the Commission and affected agencies; and

**WHEREAS**, the Executive Officer set a public hearing date for July 15, 2026 for the consideration of the final Municipal Service Review 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 July 15, 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 56430 to make statement of written determinations with regards to certain factors; 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:** The Highlands Recreation District (HRD) is comprised primarily of medium-low density residential land use with some institutional land use and open space land. HRD boundaries contain land that is under the jurisdiction of the County of San Mateo.
2. **The present and probable need for public facilities and services in the area:** HRD meets the needs of its residents and businesses for recreation services, and the District staff anticipate that they will be able to provide adequate facilities and services for the minimal anticipated growth within the service area.
3. **The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide:** HRD currently provides adequate public services to District residents and out of district visitors, including childcare programs, camps, tennis courts, pool, playground, recreation building, and more. In addition, HRD maintains a list of capital projects and an infrastructure depreciation schedule to monitor necessary capital improvements, repairs, and replacements to District infrastructure and facilities.
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:** There are no disadvantaged unincorporated communities within the SOI of the Highlands Recreation District.
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:** No change to the SOI for HRD is proposed at this time.

**WHEREAS**, based on the results of the Municipal Service Review, staff has determined

that the SOI for the Highlands Recreation District does not need to be updated at this time; and

**WHEREAS**, the Municipal Service Review 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 Municipal Service Review 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.

The Municipal Service Review 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 July 8, 2026, Final Municipal Service Review for Highlands Recreation District, and all written comments and attachments incorporated herein and contained in attached "Exhibit A."

Section 2. By Motion, the Commission adopts the Municipal Service Review determinations set forth in "Exhibit B" which is attached and hereby incorporated by reference.

Regularly passed and adopted this \_\_ day of \_\_\_\_\_, 2026.

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

**July 8, 2026**

**To:** LAFCo Commissioners

**From:** Rob Bartoli, Executive Officer

**Subject:** CALAFCO 2026 Annual Conference - Information Only

## Summary

The CALAFCO 2026 annual conference will be held in Sacramento from October 21-23. Typically, registration for the Conference will open in July. Commissioners who wish to attend should notify staff at their earliest convenience in order for staff to submit the conference registration for all San Mateo LAFCo participants. The adopted FY26-27 LAFCo Budget allows for 7 LAFCo Commissioners and staff to attend the CALAFCO Conference.

## 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 ▪ VACANT, 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

**July 8, 2026**

**To:** LAFCo Commissioners  
**From:** Rob Bartoli, Executive Officer  
**Subject:** CALAFCO Nominations for 2026-2027 Board Members

CALAFCO has announced that nominations are now open for the 2026-27 Board of Directors. In February 2026, the restructuring of the CALAFCO Board was approved by the membership. The changes include that the Board seat type distinctions have been eliminated and Executive Officers are eligible to serve as Board members if elected.

Due to these changes, for the 2026 election, all Board seats will be open for election. Each region will elect four members to the CALAFCO Board of Directors. To stagger terms, two positions in each region will serve an initial one-year term, and two will serve an initial two-year term. Board Candidates must declare whether they are running for a one-year term or a two-year term and they may only run for one term category (one-year or two-year).

San Mateo LAFCo is assigned to the Coastal Region, which includes the nine Bay Area counties, Santa Cruz, San Benito, Monterey, San Luis Obispo, Santa Barbara and Ventura counties. Currently the Coastal Region is represented by Virginia Chang Kiraly (San Mateo, Special District Member), Wendt Root Askew (Monterey, County Member), Roger Anderson (Santa Cruz, Public Member), and Rosemary Kamei (Santa Clara, City Member). The map of the CALAFCO regions is in the attached nomination packet.

Nominations are due by Friday, September 4, 2026 and require nomination by the Commission and submission of the attached Candidate Resume Form. On September 10, CALAFCO will host a Virtual Candidate Orientation for candidates. Attendance at the orientation is mandatory. The election will be conducted during the CALAFCO Annual Conference on October 22, 2026.

**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 ▪ VACANT, PUBLIC

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

**Recommendation:**

Advise staff as to any proposed Board of Directors nominations. If there is a nomination of a San Mateo LAFCo member for the CALAFCO Board, a motion by the Commission shall be made for the nomination.

**Attachments**

- A. CALAFCO Nominations for 2026-27 Board Members Packet and Form

**DATE:** July 1, 2026

**TO:** CALAFCO Member LAFCOs

**FROM:** Michelle McIntyre, Interim Executive Director

**SUBJECT:** 2026 CALAFCO Board of Directors Election Now Open

CALAFCO is pleased to announce that the **2026 Board of Directors election is now open.**

This year's election marks the implementation of the updated Board structure approved by the membership in February 2026 and begins the transition to staggered Board terms.

The following changes apply to the 2026 election:

### **WHAT'S NEW FOR THE 2026 ELECTION**

- All Board seats will be open for election.
- Board seat type distinctions have been eliminated.
- Executive Officers are eligible to serve as Board members if elected.
- Candidates must declare whether they are running for a one-year term or a two-year term.
- Candidates may only run for one term category.

### **ELECTION OVERVIEW**

Each region will elect four (4) members to the CALAFCO Board of Directors. To stagger terms, two positions in each region will serve an initial one-year term, and two will serve an initial two-year term.

Regional caucus elections will be held during the 2026 CALAFCO Annual Conference in Sacramento on Thursday, October 22, 2026, beginning at 8:00 a.m.

Candidates nominated during the nomination period will appear on the ballot in the order their completed nomination forms are received. Additional nominations may be accepted from the floor during the regional caucus in accordance with the CALAFCO Policies & Procedures.

Voting delegates, absentee ballots, and all election procedures will be conducted in accordance with the CALAFCO Policies & Procedures. A majority vote is required. If no candidate receives the required majority, runoff elections will be conducted in accordance with the CALAFCO Policies & Procedures.

**KEY ELECTION DATES:**

- **Nomination Period Opens:** Wednesday, July 1, 2026
- **Nomination Deadline:** No later than 5:00 p.m. on Friday, September 4, 2026
- **Voting Delegate Names Due:** No later than 5:00 p.m. on Friday, September 4, 2026
- **Candidate Orientation (virtual):** 10:00 a.m. on Thursday, September 10, 2026.
- **Electronic/Absentee Ballot Deadline:** No later than 5:00 p.m. on Tuesday, September 22, 2026.
- **Election Committee Report Released:** Thursday, October 8, 2026
- **Regional Caucus Elections:** Thursday, October 22, 2026, at 8:00 a.m.
- **Annual Business Meeting:** Thursday, October 22, 2026, at 9:00 a.m.

**2026 ELECTION COMMITTEE MEMBERS**

Committee Member	LAFCO	Region	Email	Phone No.
Gary Thompson	Riverside	Southern	gthompson@lafco.org	(951) 369-0631
Shannon Costa	Butte	Northern	scosta@buttecounty.net	(530) 552-5820
José Henríquez	Sacramento	Central	henriquezj@saclafco.org	(916) 874-6458
Neelima Palacherla	Santa Clara	Coastal	neelima.palacherla@ceo.sccgov.org	(408) 993-4705

**SUBMITTING NOMINATION MATERIALS:**

Please submit completed nomination materials by email to [mmcintyre@calafco.org](mailto:mmcintyre@calafco.org) or by mail to:

1451 River Park Drive, Suite 185  
 Sacramento, CA 95815

1. Candidate Nomination Form
2. Candidate Information & Statement Form
3. Election Timeline
4. Guide to the CALAFCO Board of Directors Election Process
5. 2026 CALAFCO Voting Delegate Authorization Form
6. Roles and Responsibilities of a CALAFCO Board Member
7. 2027 Board Meeting Schedule
8. Regional Map and Member LAFCOs by Region

**THE FOLLOWING MATERIALS ARE ENCLOSED:**

Please distribute this announcement and the accompanying election materials to your Commissioners and Executive Officer.

Thank you for your attention to this important election process and for your continued participation in CALAFCO. If you have any questions, please don't hesitate to contact me.

Sincerely,  
**Michelle McIntyre**

# 2026 CALAFCO BOARD OF DIRECTORS CANDIDATE

## Nomination Form

[To be completed by both the Member LAFCO making the nomination AND the Nominee]

This form is to be used by CALAFCO Member LAFCOs to nominate candidates for the 2026 CALAFCO Board of Directors election.

Candidates should reserve Thursday, September 10, 2026, at 10:00 a.m. for the required virtual Candidate Orientation.

### **NOMINATION DEADLINE:**

Completed nomination materials must be received no later than 5:00 p.m. on Friday, September 4, 2026.

## 1 - Election Information

### **CALAFCO Region:**

Northern Region    Central Region    Coastal Region    Southern Region

### **Term Category Sought:**

One-Year Term    Two-Year Term

*Candidates may seek election to only one term category.*

## 2 - Candidate Information

Candidate Name: \_\_\_\_\_

Title/Position: \_\_\_\_\_

Member LAFCO: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

Phone: \_\_\_\_\_

Email: \_\_\_\_\_

## 3 - Candidate Eligibility and Board Expectations

### **Candidate Eligibility**

- I certify that I am eligible to serve on the CALAFCO Board of Directors consistent with the CALAFCO Bylaws and Policies & Procedures.
- I certify that I am affiliated with a CALAFCO Member LAFCO.
- I certify that I am eligible to seek election within the region identified above.

**Board Expectations**

- I understand that Board members are expected to actively participate in Board meetings, committee assignments, CALAFCO conferences, and other Board responsibilities.
- I understand that candidates are expected to participate in the virtual Candidate Orientation scheduled for Thursday, September 10, 2026, at 10:00 a.m.
- I understand that Board members have a responsibility to serve the interests of CALAFCO and the statewide LAFCO community.
- I understand that newly elected Directors begin their terms on December 1, 2026, consistent with the CALAFCO Bylaws.

## 4 – Candidate Acceptance

- I accept this nomination for the CALAFCO Board of Directors.

Candidate Signature: \_\_\_\_\_

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

## 5 – Member LAFCO Certification

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Member LAFCO: \_\_\_\_\_

Signature: \_\_\_\_\_

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

As Chair, I certify that this nomination has the support of our LAFCO. If elected, our LAFCO is committed to supporting the nominee in fulfilling the responsibilities of serving on the CALAFCO Board.

## 6 – Submission Instructions

Both the Candidate Nomination Form (Attachment 1) and the Candidate Information & Statement Form (Attachment 2) must be received no later than 5:00 p.m. on Friday, September 4, 2026. Pursuant to the CALAFCO Policies and Procedures, nomination materials received after the deadline will be returned marked "Received too late for Election Committee action."

**SUBMITTING NOMINATION MATERIALS:**

Please submit completed nomination materials by email to [mmcintyre@calafco.org](mailto:mmcintyre@calafco.org) or by mail to:  
1451 River Park Drive, Suite 185, Sacramento, CA 95815

Questions regarding the nomination or election process are welcome and may be directed to the CALAFCO Executive Director or members of the Election Committee.

# 2026 CALAFCO Board of Directors Candidate Information and Statement Form



*[To be submitted with Candidate Nomination Form]*

This form is to be completed by candidates seeking election to the 2026 CALAFCO Board of Directors. Information provided on this form, including the candidate statement and any submitted photograph, may be included in the election materials distributed to Member LAFCOs and voting delegates.

**Candidates should reserve Thursday, September 10, 2026, at 10:00 a.m. for the required virtual Candidate Orientation.**

## 1. Election Information

CALAFCO Region:

Northern Region    Central Region    Coastal Region    Southern Region

Term Category Sought:

One-Year Term    Two-Year Term

*Candidates may seek election to only one term category.*

## 2. Candidate Information

Candidate Name: \_\_\_\_\_

Title/Position: \_\_\_\_\_

Member LAFCO: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

Phone: \_\_\_\_\_ Email: \_\_\_\_\_

## 3. Professional and LAFCO Background

Please provide a summary of your professional experience, current position, involvement with LAFCOs, and participation in CALAFCO activities-maximum 250 words.

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## 8. Submission Instructions

Both the Candidate Nomination Form (Attachment 1) and the Candidate Information & Statement Form (Attachment 2) must be received no later than 5:00 p.m. on Friday, September 4, 2026. Pursuant to the CALAFCO Policies and Procedures, nomination materials received after the deadline will be returned marked "Received too late for Election Committee action."

### Submitting Nomination Materials:

Please submit completed nomination materials by email to [mmcintyre@calafco.org](mailto:mmcintyre@calafco.org) or by mail to:  
1451 River Park Drive, Suite 185, Sacramento, CA 95815

Questions regarding the nomination or election process are welcome and may be directed to the CALAFCO Executive Director or members of the Election Committee.

# 2026 CALAFCO Board of Directors Election Timeline

The following timeline summarizes the key dates and deadlines for the 2026 CALAFCO Board of Directors election process. Unless otherwise noted, all deadlines are final.

Date	Election Milestone
<b>Wednesday, July 1, 2026</b>	<b>Nomination Period Opens</b> - Candidate nomination materials become available, and the nomination period begins.
<b>Friday, September 4, 2026</b> <i>No later than 5:00 p.m.</i>	<b>Nomination Deadline</b> - Candidate Nomination Form (Attachment 1), Candidate Information and Statement Form (Attachment 2), and the Voting Delegate Authorization Form must be received by CALAFCO no later than 5:00 p.m.
<b>Thursday, September 10, 2026</b> <i>At 10:00 a.m.</i>	<b>Virtual Candidate Orientation</b> - Candidates are required to participate in the virtual Candidate Orientation.
<b>Tuesday, September 22, 2026</b> <i>No later than 5:00 p.m.</i>	<b>Electronic/Absentee Ballot Deadline</b> - CALAFCO must receive electronic absentee ballots by this deadline.
<b>Thursday, October 8, 2026</b>	<b>Election Committee Report Released</b> - The Election Committee Report is distributed to Member LAFCOs and voting delegates.
<b>Thursday, October 22, 2026</b> <i>At 8:00 a.m.</i>	<b>Regional Caucus Elections</b> - Voting delegates elect Directors representing each CALAFCO region.
<b>Thursday, October 22, 2026</b> <i>At 9:00 a.m.</i>	<b>Annual Business Meeting</b> - Election results are announced to the membership, and newly elected Directors are introduced.
<b>Tuesday, December 1, 2026</b>	<b>New Directors Take Office</b> - Directors elected during the 2026 election officially begin their terms in accordance with the CALAFCO Bylaws.

### Questions:

Questions regarding the election process may be directed to the CALAFCO Executive Director or members of the Election Committee.

# Guide to the CALAFCO Board of Directors Election Process



## Introduction

This guide summarizes the procedures governing the 2026 CALAFCO Board of Directors election, including voting procedures and the determination of election results. In the event of any conflict between this guide and the CALAFCO Bylaws or Policies & Procedures, the CALAFCO Bylaws and Policies & Procedures shall govern.

## 1. Voting Delegates

Each CALAFCO Member LAFCO is responsible for designating **one Voting Delegate** and may also designate **one Alternate Voting Delegate** to represent the Member LAFCO during the CALAFCO Board of Directors election.

The Voting Delegate and Alternate Voting Delegate must be an Officer of the Member LAFCO designated in writing by the Member LAFCO. Under the CALAFCO Bylaws, an Officer of a Member LAFCO includes a regular Commissioner, alternate Commissioner, Executive Officer, Deputy Executive Officer, Legal Counsel, or Deputy Legal Counsel. The Voting Delegate is authorized to cast the Member LAFCO's ballot during the Regional Caucus Election. If the designated Voting Delegate is unable to serve, the Alternate Voting Delegate may vote in their place.

**Each Member LAFCO is entitled to one vote** and may cast its ballot only within the CALAFCO region in which it is located.

The completed **Voting Delegate Authorization Form** must be received by CALAFCO no later than the deadline identified in **Attachment 3 - Election Timeline**. Member LAFCOs may revise their Voting Delegate or Alternate Voting Delegate designation at any time before the submission deadline. Once the deadline has passed, no changes may be made to the designated Voting Delegate or Alternate Voting Delegate.

Proxy voting is not permitted.

## 2. Voting Procedures

### A. Regional Caucus Elections

Regional Caucus Elections are conducted during the CALAFCO Annual Conference. Each CALAFCO region meets separately to elect its representatives to the CALAFCO Board of Directors. The Regional Caucus Election is conducted as follows:

- Authorized Voting Delegates and Alternate Voting Delegates receive their voting credentials and ballots at conference registration.
- The Election Committee convenes the Regional Caucus and reviews the election procedures.
- The Election Committee presents the Election Committee Report.
- The Election Committee calls for additional nominations from the floor in accordance with the CALAFCO Policies & Procedures.
- Following the close of nominations, the Election Committee conducts a Candidates Forum. Candidates nominated from the floor respond to the candidate questions and are provided an opportunity to make a brief statement. Candidates who are unable to attend may designate a representative from their region to respond to the candidate questions and make a brief statement on their behalf.
- Only the designated Voting Delegate, or the designated Alternate Voting Delegate acting in place of the Voting Delegate, may cast a ballot.
- Voting is conducted by secret ballot.
- Ballots are collected and counted by the Election Committee.
- Following certification by the Election Committee, election results are announced during the Annual Business Meeting.

### B. Electronic/Absentee Voting

Member LAFCOs that are unable to send an authorized Voting Delegate to the Regional Caucus Election may request an electronic ballot in accordance with the CALAFCO Policies & Procedures.

The electronic ballot process is conducted as follows:

- A Member LAFCO must designate its Voting Delegate using the Voting Delegate Authorization Form by the deadline identified in Attachment 3 - Election Timeline.
- A Member LAFCO requesting an electronic ballot must submit its request to CALAFCO in accordance with the CALAFCO Policies & Procedures.
- Completed electronic ballots must be received by CALAFCO no later than the deadline identified in Attachment 3 - Election Timeline.
- Member LAFCOs voting by electronic ballot may vote only for the candidates identified on the ballot and may not participate in any run-off election.
- If a Member LAFCO that requested an electronic ballot is subsequently able to send its designated Voting Delegate to the Regional Caucus Election, the Member LAFCO may discard its electronic ballot and vote in person during the Regional Caucus Election in accordance with the CALAFCO Policies & Procedures.

### 3. Determining Election Results

Election results are determined in accordance with the CALAFCO Bylaws and Policies & Procedures as follows:

- A candidate must receive a majority of the votes cast to be elected.
- If no candidate receives the required majority, one or more run-off elections may be conducted in accordance with the CALAFCO Policies & Procedures.
- If a tie remains after the final run-off election, the tie is resolved by a draw of lots in accordance with the CALAFCO Policies & Procedures.
- Following certification by the Election Committee, election results are announced during the Annual Business Meeting.
- Directors elected during the Regional Caucus Elections begin their terms on December 1, 2026, in accordance with the CALAFCO Bylaws.

### 4. Frequently Asked Questions

#### **WHO MAY SERVE AS A VOTING DELEGATE OR AN ALTERNATE VOTING DELEGATE?**

The Voting Delegate or Alternate Voting Delegate must be an **Officer of the Member LAFCO** designated in writing by the Member LAFCO. Under the CALAFCO Bylaws, an Officer of a Member LAFCO includes a regular Commissioner, alternate Commissioner, Executive Officer, Deputy Executive Officer, Legal Counsel, or Deputy Legal Counsel.

#### **CAN A MEMBER LAFCO CHANGE ITS VOTING DELEGATE OR ALTERNATE VOTING DELEGATE AFTER SUBMITTING THE VOTING DELEGATE AUTHORIZATION FORM?**

Yes. A Member LAFCO may change its Voting Delegate or Alternate Voting Delegate at any time before the submission deadline identified in Attachment 3 - Election Timeline. After the deadline, no changes may be made.

#### **MAY NOMINATIONS BE MADE FROM THE FLOOR DURING THE REGIONAL CAUCUS ELECTION?**

Yes. Additional nominations may be made from the floor by a Member LAFCO in good standing in accordance with the CALAFCO Policies & Procedures.

#### **WHAT HAPPENS IF MY MEMBER LAFCO IS UNABLE TO SEND A VOTING DELEGATE TO THE REGIONAL CAUCUS ELECTION?**

A Member LAFCO may request an electronic ballot in accordance with the CALAFCO Policies & Procedures. Electronic ballots include only the candidates listed in the Election Committee Report and may not be used in any run-off election.

#### **WHO SHOULD I CONTACT IF I HAVE QUESTIONS REGARDING THE ELECTION PROCESS?**

Questions regarding the election process may be directed to the CALAFCO Executive Director or the Election Committee.

# 2026 CALAFCO VOTING DELEGATE

## Authorization Form

Each CALAFCO Member LAFCO is responsible for designating one Voting Delegate and may also designate an Alternate Voting Delegate to represent the Member LAFCO in the 2026 CALAFCO Board of Directors election.

To participate in the **2026 CALAFCO Board of Directors election**, each **Member LAFCO** must submit a **Voting Delegate Authorization Form**, regardless of whether it is submitting a candidate nomination.

The Voting Delegate and Alternate Voting Delegate must be an Officer of the Member LAFCO, as designated in writing by the Member LAFCO. Under the CALAFCO Bylaws, an Officer of a Member LAFCO includes a regular Commissioner, alternate Commissioner, Executive Officer, Deputy Executive Officer, Legal Counsel, or Deputy Legal Counsel.

### DEADLINE:

This form must be received by CALAFCO no later than **5:00 p.m. on Friday, September 4, 2026**. Member LAFCOs may revise their Voting Delegate or Alternate Voting Delegate designation at any time before the submission deadline. After the deadline, no changes may be made.

## 1 - Member LAFCO Information

**Member LAFCO:** \_\_\_\_\_

**CALAFCO Region:**

Northern Region    Central Region    Coastal Region    Southern Region

## 2 - Voting Delegate

Name: \_\_\_\_\_

Title/Position: \_\_\_\_\_

Phone: \_\_\_\_\_

Email: \_\_\_\_\_

## 3 - Alternate Voting Delegate

Member LAFCO: \_\_\_\_\_

Title/Position: \_\_\_\_\_

Phone: \_\_\_\_\_

Email: \_\_\_\_\_

## 4 - Electronic Ballot Request

**Our Member LAFCO requests an electronic ballot because it is unable to send its designated Voting Delegate to the Regional Caucus Election.**

Member LAFCOs requesting an electronic ballot are subject to the CALAFCO Bylaws and Policies & Procedures governing electronic voting. Additional information is available in **Attachment 4 - Guide to the CALAFCO Board of Directors Election Process.**

## 5 - Authorization

The Member LAFCO identified above hereby authorizes the individuals listed on this form to serve as its Voting Delegate and, if applicable, its Alternate Voting Delegate for the 2026 CALAFCO Board of Directors election.

Only the designated Voting Delegate or the designated Alternate Voting Delegate, acting in place of the Voting Delegate, may cast the Member LAFCO's ballot during the Regional Caucus Election.

Proxy voting is not permitted. Only the designated Voting Delegate or the designated Alternate Voting Delegate, acting in place of the Voting Delegate, may cast the Member LAFCO's ballot during the Regional Caucus Election.

### Authorized by the Member LAFCO

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Signature: \_\_\_\_\_

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

## 6 - Submission Instructions

This form must be received by CALAFCO **no later than 5:00 p.m. on Friday, September 4, 2026.**  
 Submit completed forms electronically to: **mmcintyre@calafco.org**

OR

### Mail completed forms to:

CALAFCO  
 1451 River Park Drive, Suite 185  
 Sacramento, CA 95815

Questions regarding the election process may be directed to the CALAFCO Executive Director or members of the Election Committee.

## 2027 CALAFCO Board Meeting Schedule

The following schedule reflects the 2027 CALAFCO Board meeting schedule approved by the Board of Directors and is provided to assist prospective candidates in understanding the anticipated meeting schedule for Board service. Meeting dates are subject to change by action of the Board of Directors.

Date	Meeting	Format
Friday, January 22, 2027	Regular Board Meeting	Hybrid
Thursday, February 25, 2027	Strategic Planning Workshop	In Person
Friday, February 26, 2027	Regular Board Meeting	Hybrid
Friday, May 14, 2027	Regular Board Meeting	Hybrid
Friday, August 27, 2027	Regular Board Meeting	Hybrid
Friday, October 22, 2027	Regular Board Meeting (Annual Conference)	In Person

### Additional Information

- The Strategic Planning Workshop is held immediately before the February Regular Board Meeting.
- The October Regular Board Meeting is held in conjunction with the CALAFCO Annual Conference.
- Board members are also expected to participate in committee meetings and other Board activities throughout the year, as applicable to their committee assignments.
- Additional Board meetings or special meetings may be scheduled as necessary in accordance with the CALAFCO Bylaws and Policies & Procedures.

# Roles and Responsibilities of a CALAFCO Board Member

## Introduction

Serving on the CALAFCO Board of Directors is an opportunity to help guide the Association's leadership, legislative advocacy, educational programs, and long-term direction on behalf of LAFCOs throughout California.

Board members serve the interests of **CALAFCO and the statewide LAFCO community** and are expected to actively participate in Board meetings, committee assignments, and Association activities.

The following summary highlights the principal responsibilities and expectations of Board service. It is intended as a general overview and does not replace the CALAFCO Bylaws or Policies & Procedures. In the event of any conflict between this document and the CALAFCO Bylaws or Policies & Procedures, the CALAFCO Bylaws and Policies & Procedures shall govern.

## General Participation

Board members are expected to support CALAFCO's mission and core values, serve as part of a unified governing body, and make decisions in the best interests of CALAFCO and the statewide LAFCO community.

Board members are expected to:

- Regularly attend and prepare for Board meetings.
- Participate actively in Board discussions and decision-making.
- Participate in establishing CALAFCO's strategic direction and organizational priorities.
- Serve on at least one CALAFCO Board committee.
- Attend the CALAFCO Annual Conference and participate in other Board meetings and Association activities, as appropriate.

## Governance

Board members are expected to:

- Attend Board Member orientation provided by CALAFCO.
- Consider statewide interests and impacts when making Board decisions.
- Adhere to the CALAFCO Board Code of Ethics.
- Read, understand, and operate within the CALAFCO Bylaws and Policies & Procedures.

## Communication

Board members are expected to:

- Communicate respectfully.
- Support consistent and accurate communication with CALAFCO membership.

## Association Programs

Board members are expected to:

- Understand and encourage participation in CALAFCO programs and services, including the Associate Member Program.

## Performance Evaluations

- Participate in the annual Board performance evaluation process.
- Participate in the annual evaluation of the Executive Director and Regional Officers, in accordance with the CALAFCO Policies & Procedures.
- Participate in the Board's annual review of CALAFCO's Strategic Plan.

## Advocacy, Recruitment and Retention

Board members are expected to:

- Support CALAFCO's legislative advocacy efforts.
- Promote CALAFCO and encourage participation in Association programs and activities.
- Help strengthen awareness and understanding of CALAFCO and LAFCOs throughout California.

## Finance

Board members are expected to:

- Review and understand CALAFCO's financial information and assist the Board in fulfilling its fiduciary responsibilities.

## Board Committees

Board members are expected to serve on at least one Board committee. Committee assignments are made annually by the Board.

Standing committees currently include:

- Awards Committee
- Conference Committee
- Elections Committee
- Legislative Committee

Committee responsibilities and meeting schedules vary depending on the committee assignment.

## Time Commitment

Board service includes regular participation in:

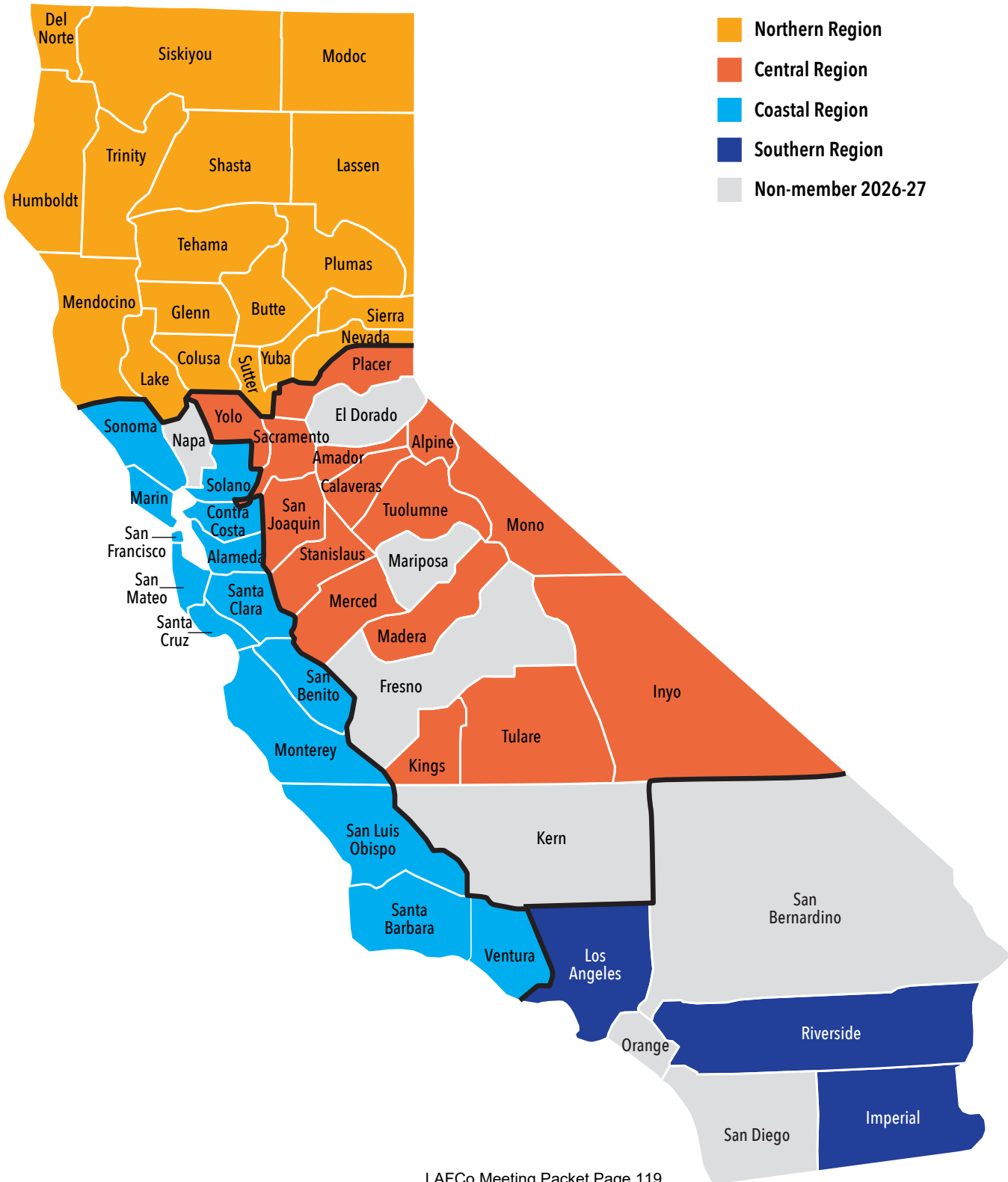
- Board meetings
- Committee meetings
- The CALAFCO Annual Conference
- Board Member orientation
- Other Board meetings and activities, as appropriate

The anticipated Board meeting schedule is included as **Attachment 7**.

## Board Service

Serving on the CALAFCO Board of Directors is an opportunity to contribute to the continued success of CALAFCO and to the advancement of the statewide LAFCO community. Board members are expected to approach their responsibilities collaboratively and ethically, with a commitment to serving the best interests of CALAFCO and its membership.

**FOUR REGIONS**



SAN MATEO



# LOCAL AGENCY FORMATION COMMISSION

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

**July 8, 2026**

**To:** LAFCo Commissioners

**From:** Rob Bartoli, Executive Officer

**Subject:** Voting Delegates at 2026 California Association of LAFCOs (CALAFCO) Annual Conference

## Summary

The 2026 California Association of LAFCOs (CALAFCO) Annual Conference will be in Sacramento from October 21-23. As part of the Conference, elections will be held for the CALAFCO Board of Directors.

Each LAFCO is entitled to one vote for Board elections and other business before the membership. The CALAFCO bylaws require that member LAFCos designate their delegate in writing, such as a minute order, prior to or at the annual meeting. Delegates may be a Commissioner or an Executive Officer.

In years when the Chair has attended the Conference, the Chair has been designated as the voting delegate. Executive Officer Bartoli will also be attending the Conference. In previous years, the Executive Officer has been selected as an alternate in the event that the designated Commissioner or alternate Commissioner is not able to participate in the election.

## Recommendation

By motion, appoint a voting delegate and alternate voting delegate to the 2026 California Association of LAFCos (CALAFCO) Conference and direct the Executive Officer to file required documents related to this appointment.

**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 ▪ VACANT, PUBLIC

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



# MEMBER UPDATE

MAY 2026

Since the March Quarterly Newsletter, CALAFCO has stayed busy on the work that matters most to members: education and training, legislative advocacy, communications improvements, governance implementation, and day-to-day support for LAFCOs of every size and region.

One thing has become especially clear this year: members truly value staying connected with colleagues across California. Workshops, trainings, and committee discussions give commissioners, staff, and partners, whether you are new to LAFCO work or have decades of experience, the chance to share ideas, learn from one another, and build lasting relationships.

## HERE'S WHERE THAT STANDS.

### **Board Governance and Strategic Planning:**

Following the Special Membership Meeting in February, the Board has been putting into place the governance changes the membership approved earlier this year.

Those changes take effect with the 2026 election cycle.

In February, the Board also held a full-day strategic planning workshop focused on governance, communications, education, and strengthening member involvement and statewide coordination.

Staff will begin distributing election materials this summer as CALAFCO prepares for the 2026 Board election cycle under the newly adopted governance structure.

### **Educational Programs Continue to Grow:**

Interest in CALAFCO's education and training programs keeps growing.

In February, CALAFCO-U hosted LAFCO 101 with more than 100 registrants, and in April, LAFCO 201 drew another 100-plus participants for a deeper look at governance, legal, and operational topics. It is great to see so many members learning side by side.

CALAFCO also launched free, on-demand SB 827 ethics compliance training in partnership with BBK and Regional Government Services. The training is available to every member through December 31, 2026. If your team hasn't completed it yet, there is still plenty of time.

**Staff Workshop in Pismo Beach:** The 2026 CALAFCO Staff Workshop was held May 6-8 in Pismo Beach with approximately 85 attendees from throughout California, and was a huge success!

The workshop centered on practical, hands-on discussions and peer learning, giving LAFCO staff from large multi-county offices to single-staff LAFCOs time to connect and work through the day-to-day challenges so many of us share.

A special thank you again to San Luis Obispo LAFCO for serving as the host LAFCO and helping make the workshop a success.

**2026 Biennial Survey:** CALAFCO also completed its 2026 Biennial Survey of California LAFCOs, with 51 LAFCOs participating.

The survey offers valuable statewide insight into staffing models, budgets, workloads, shared services, and operational trends. LAFCOs of all sizes use the results for benchmarking, organizational planning, budget development, and compensation discussions.

**Legislative Engagement Remains Strong:** CALAFCO’s Legislative Committee is actively reviewing legislation that affects LAFCOs and the local government services communities rely on across California. This work draws on the combined efforts of CALAFCO staff, Board members, Executive Officers, and our lobbying team. There is always room for more members to weigh in, and we welcome your input.

The CALAFCO Legislative Committee also formally opposed AB 2083 (Jackson, 2026) due to concerns regarding consistency with existing Cortese-Knox-Hertzberg processes and the broader precedent the legislation could create for future LAFCO proceedings statewide.

**Membership and Organizational Sustainability:** At the May Board meeting, the Board approved CALAFCO’s FY 2026-27 operating budget and approved moving forward with additional discussions regarding CALAFCO’s long-term dues and membership structure.

The Board also approved the creation of a Membership and Dues Review Committee, with appointments expected later this summer. The review will look closely at CALAFCO’s membership and dues structure with fairness, predictability, member value, and long-term financial stability all on the table. We especially want to hear from LAFCOs of every size as this work moves forward, and there will be several opportunities for members to share their perspectives.

**Communications and Website Improvements:** Staff have also started implementing several practical website and communications improvements in response to member feedback. Current efforts are focused on simplifying key pages, improving the visibility of events and updates, and organizing information more clearly to make the website easier for members to navigate and use.

**Planning Ahead:** The Board also approved the locations for the 2027-2029 Staff Workshops and Annual Conferences, allowing staff to continue long-range planning for future events and contracts. Planning is also underway for the 2026 CALAFCO Annual Conference in Sacramento, October 21-23. The Board approved updated Achievement Award nomination materials, including several new categories that recognize emerging leaders, creative partnerships, and project-based work across the LAFCO community. We encourage every LAFCO to consider nominating a colleague. Great work happens at organizations of all sizes. Nomination materials will be distributed in June.

## **SO, WHAT’S NEXT:**

Between now and the Annual Conference, CALAFCO’s focus remains straightforward:

- 1) Put the membership-approved governance changes fully into effect.
- 2) Keep improving our communications and website so information is easy to find.
- 3) Strengthen financial reporting and day-to-day operations.
- 4) Expand practical education and training opportunities for members at every level.
- 5) Prepare for the 2026 Annual Conference and 2026 Board election cycle.

CALAFCO There’s still important work ahead, but CALAFCO is clearly moving in a positive direction. Our focus remains on doing the work well, communicating openly, following through, and delivering practical support and real value to LAFCOs of every size across California.

What makes CALAFCO valuable is the willingness of commissioners, staff, and partners throughout California to stay involved, share ideas, and support one another. Whether your LAFCO is large or small, urban or rural, your voice and participation strengthen the whole community.

As always, I’m grateful for the support, participation, and engagement of LAFCOs across California. I warmly welcome those of you who are newer to CALAFCO or simply looking for ways to get more involved.

**Michelle McIntyre**

SAN MATEO



# LOCAL AGENCY FORMATION COMMISSION

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**July 8, 2026**

**To:** LAFCo Commissioners

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

**Subject:** Legislative Report – Information Only

## Summary

### *Legislative tracker*

CALAFCO is tracking five bills as of July 8, 2026, including:

**SB 994 (Cabaldon)** this Bill is a transparency measure designed to restrict the use of nondisclosure agreements (NDAs) by local government entities. In effect, it would prohibit local government officials, including LAFCO commissioners, from entering into NDAs that would prevent communication amongst agency officials or between agency employees and their governing body. *CALAFCO Position: Watch*

## Recommended Committee Action:

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