

**Action Minutes****San Mateo Local Agency Formation Commission Meeting****March 18, 2026**

The regular meeting of the San Mateo Local Agency Formation Commission (LAFCo) was held on Wednesday, March 18, 2026, at 2:30 pm in the San Mateo Board of Supervisors Chambers, 500 County Center, Redwood City, CA 94063. Members of the public were also able to participate in the meeting remotely via Zoom.

Call to Order

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

1. Roll Call

Members Present: Commissioners Virginia Chang Kiraly, Kati Martin, Ann Draper, Stephen Rainaldi, Jackie Speier, and David Canepa

Members Absent: Commissioner Debbie Ruddock

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

Staff Present: Rob Bartoli, Executive Officer

Timothy Fox, Legal Counsel

Sarah Flamm, Management Analyst

Diane Estipona, Clerk

The oath of office was conducted for Commissioner David J. Canepa.

2. Public Comment

Andrew Boston, Member of the public

Cid Young, Member of the public

3. Consent Agenda

a) Approval of Action Minutes: January 21, 2026

b) Time Extension for LAFCo File No. 26-01 – Proposed Annexation of 245 Shawnee Pass, Portola Valley (APN 077-331-080) to West Bay Sanitary District

Commission Action

The Commission approved the January 21, 2026 Action Minutes with a correction to the Budget Committee member appointments to remove Chair Chang Kiraly as an assigned member.

Public Speakers: None.

Motion: Commissioner Rainaldi/ Second: Commissioner Draper

Ayes: Commissioners Martin, Canepa, Rainaldi, Speier, Wright, Draper, and Chang Kiraly

Motion passed 7-0 by roll call vote.

Public Hearings

4. Consideration of Adoption of a Provisional Sphere of Influence for the Fair Oaks Sewer Maintenance District

The Commission received a presentation on the County's revised sewer district annexation and boundary change process specifically for the Fair Oaks Maintenance District. The county currently operates 10 sewer districts, including 3 County Sanitation Districts and 7 Sewer Maintenance Districts, all of which are now viewable through the County DPW Utilities interactive portal.

LAFCo staff explained that, historically, LAFCo processed boundary changes and established Spheres of Influence (SOIs) only for the County Sanitation Districts, while Sewer Maintenance District changes were processed by the County Department of Public Works and approved by the Board of Supervisors. Following discussions between LAFCo, legal counsel, and DPW staff, it was agreed that LAFCo would now process boundary and governance changes for Sewer Maintenance Districts.

LAFCo staff also noted that a prerequisite to annexation is that the land must be within a jurisdiction's dedicated sphere of influence so now each sewer maintenance district requires the establishment of a SOI as it represents the probable physical boundaries of a district encouraging orderly formation and service delivery.

LAFCo will now serve as the conducting authority for annexations into County Sewer Maintenance Districts and the same annexation process will apply to all sewer districts. Staff also highlighted benefits of the revised process, including improved transparency for property owners, coordinated review by County departments, reduced hearing requirements, and greater administrative efficiency.

The provisional SOI for the Fair Oaks Sewer Maintenance District is proposed to include parcels within the Town of Woodside that are located in the Redwood Creek Assessment District but have not yet been annexed into the Fair Oaks Sewer District. The remainder of the Fair Oaks boundary will remain coterminous with the current district boundaries. This map will be revisited during the FY2028–29 MSR review.

Summary of Commission Comments

Vice Chair Draper expressed concern regarding gaps within the provisional map, noting that these areas could potentially be considered for future housing sites without adequate infrastructure. LAFCo staff confirmed that the previous MSR for the Town of Woodside identified the existing sewer service boundaries, including areas within the Town served by the Fair Oaks Sewer Maintenance District, while the West Bay Sanitary District operates and maintains portions of the sewer system in conjunction with septic systems. The proposed map is intended to identify the Redwood Creek Assessment District, which lies outside the current district boundaries, and future MSRs will continue to refine the mapping to more clearly identify sewer service providers in similar areas.

Commissioner Wright suggested that a topographical map could help identify areas that could be more easily served without extensive pumping. He also asked whether there is an annual limit on boundary amendments. LAFCo staff confirmed there is no annual limit, particularly when annexations and SOI amendments modify the political or corporate boundaries of an agency.

Commissioner Rainaldi asked whether there were any capacity issues. LAFCo staff clarified that there are none, as parcels within the Redwood Creek Assessment District have already been accounted for in existing connections. Any additional capacity considerations beyond those areas would be determined by the governing agencies.

Public Speakers: None.

Commission Action

The Commission adopted the Provisional Sphere of Influence for the Fair Oaks Sewer Maintenance District.

Motion: Commissioner Speier / Second: Commissioner Rainaldi

Ayes: Commissioners Martin, Canepa, Wright, Draper, and Chang-Kiraly

Motion passed 7-0 by roll call vote.

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

The Commission received an update from LAFCo staff regarding the proposed Fiscal Year 2026–27 budget, which must be adopted by the Commission by May 1, 2026, in advance of the final budget deadline of June 15, 2026.

On February 25, 2026, the LAFCo Budget Committee reviewed the draft budget and work plan and recommended approval with several revisions and clarifications. Revisions to the work plan included identifying Joint Power Agreements and Joint Power Authorities (JPAs) to be addressed in each Municipal Service Review, preparing a report on properties potentially eligible for

annexation under previously approved Deferred Annexation Agreements, providing additional information on office furniture and the temporary office relocation, and removing the work program item related to the Broadmoor Police Protection District, as no updates are anticipated this year.

LAFCo staff also reported that Budget Committee members Wright, Draper, and Slater-Carter recommended no changes to the proposed LAFCo budget. A \$2,000 increase to the total budget was included in incidental costs associated with Executive Officer training. LAFCo staff noted that these costs will be fully reimbursed by the County through a corresponding increase in revenue, resulting in no change to member agency contributions.

Summary of Commission Comments

Commissioner Wright thanked LAFCo staff for addressing questions raised at the previous Budget Committee meeting. He noted concerns regarding the County's current lack of compliant Housing Element and the potential budgetary impacts of future annexations related to housing development. LAFCo staff confirmed the County is actively working toward compliance, with adoption anticipated next year. LAFCo staff also explained that streamlined housing laws may increase requests for annexations and municipal service reviews, including sewer and water services. LAFCo charges application fees to offset staff processing costs, and applicants are responsible for any additional consultant or legal fees if outside services are required.

Commissioner Draper expressed support for including Joint Powers Authorities (JPAs) in future Municipal Service Reviews (MSRs), noting their role in providing essential community services and making significant policy decisions. She also emphasized the importance of ensuring public accessibility to JPA meetings consistent with standards applied through MSRs.

Commissioner Martin asked where the list of JPAs could be found, and LAFCo staff confirmed that the list is included in the Work Plan as an attachment to the budget item and is available online.

Chair Chang-Kiraly asked whether LAFCo staff would coordinate with Santa Clara County regarding the Whole Creek JPA. Staff confirmed they would, noting the importance of maintaining strong regional partnerships due to the unique shared boundaries with San Mateo County. LAFCo staff added that outreach to Santa Clara County is anticipated next fiscal year in conjunction with the Menlo Park and Atherton MSRs.

Public Speakers: None

Commission Action

The Commission accepted the proposed draft budget and work program for FY 2026-27.

Motion: Commissioner Speier / Second: Commissioner Ruddock

Ayes: Commissioners Martin, Canepa, Rainaldi, Speier, Wright, Draper, and Chang-Kiraly

Motion passed 7-0 by roll call vote.

Regular Agenda

6. Public Member Recruitment Process, Appointment of Public Member Recruitment Committee and Adoption of Revised Public Member Alternate Public Member Policy

LAFCo staff reported that state law provides for a seven-member Commission consisting of two members appointed by the Board of Supervisors, two members selected by the Council of Mayors, two members selected by the presidents of the independent special districts, and one public member selected by the Commission.

LAFCo staff noted that the term for Alternate Public Member Colleen You will expire in May 2026 as she was appointed in 2025 to fill a vacancy and has stated that she will not seek reappointment. The upcoming term will begin in May 2026 and expire in May 2030. LAFCo staff indicated that a recruitment announcement will be published by March 23, 2026, with a minimum 30-day recruitment period.

LAFCo staff also reported that the term for Regular Public Member Ann Draper will expire in May 2026. Ms. Draper was originally appointed in 2016 to complete a partial two-year term and was subsequently reappointed in 2018 and 2022 for full four-year terms. The upcoming term will begin in May 2026 and expire in May 2030. Ms. Draper stated that she intends to seek reappointment.

The proposed policy language stated, "In lieu of a recruitment process, the Commission may direct the Executive Officer to schedule a public hearing to consider approving the reappointment of an existing incumbent public member." Furthermore, the Legislative and Policy Committee met on March 12 to review the proposed amendment. The Committee, consisting of Commissioners Martin, Rainaldi, and Ruddock, generally supported the proposed policy with additional clarifying language. The revised policy would apply only to public and alternate public members, require public notice prior to reappointment, include commissioner information in the staff report, and limit the reappointment process to two consecutive reappointments, after which an open recruitment process would be required.

Public Speakers: Cid Young

Summary of Commission Comments

Commissioner Rainaldi clarified that the proposal would permit incumbents to be reappointed for up to two terms, after which the position would reopen for recruitment to support public

trust. Commissioner Speier asked how other LAFCo Commissions operate and whether a member could potentially serve up to twelve years without reappointment.

LAFCo staff responded that the Commission has discretion to reappoint an incumbent Public Member for successive four-year terms, up to a maximum of two terms, or to initiate a public recruitment process at any time. Staff further noted that in some LAFCos, members are re-elected for extended periods despite open recruitment processes and no formal term limits, citing LA LAFCo as an example where a member has served for over 20 years.

Commission Action

The Commission approved revisions to the San Mateo LAFCo Procedures to allow reappointment of an incumbent Public Member without an open recruitment process and scheduled a public hearing on May 20, 2026, to consider the reappointment.

Motion: Commissioner Rainaldi / Second: Commissioner Martin

Ayes: Commissioners Martin, Canepa, Rainaldi, Wright, Draper, and Chang-Kiraly

Nos: Commissioner Speier

Motion passed 6-1 by roll call vote.

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

The Commission received an update on the financial audit conducted by O'Connor & Company, which identified no deficiencies in internal controls and no instances of non-compliance. The audit also reported no issues with LAFCo's financial statements.

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

Summary of Commission Comments

Commissioner Martin inquired about the frequency of issuing bids for auditing services. LAFCo staff explained that in prior years, when LAFCo was part of the County general fund, annual audits were required, and firms were typically retained on one-year contracts. Staff noted that since LAFCo transitioned to a trust fund, the Commission approved a three-year contract with the current audit firm, which extends through FY 2026.

Public Speakers: None

Commission Action

The Commission approved the draft audit for FY23-24 by O'Connor & Company.

Motion: Commissioner Canepa / Second: Commissioner Rainaldi

Ayes: Commissioners Martin, Canepa, Rainaldi, Speier, Wright, Draper, and Chang Kiraly

Motion passed 7-0 by roll call vote.

8. CALAFCO – Update from February 23, 2026, Special CALAFCO Special Corporate Business Meeting

The Commission received an update that on February 23, 2026, the CALAFCO Board held a Special Corporate Business Meeting and approved the bylaw amendments. San Mateo LAFCo subsequently voted to support the changes. The amendments were adopted with 40 LAFCOs in favor and 2 opposed. Further bylaw discussions, including potential regional revisions, are expected to continue throughout the year.

LAFCo staff noted that there are no changes to the regional structure, which continues to consist of four regions: North, South, Coastal, and Central. Staff further reported that several LAFCOs that had previously withdrawn from CALAFCO have expressed interest in rejoining, with LA LAFCo being the first to return.

Chair Chang Kiraly commented that individual LAFCOs retain control over their votes for CALAFCO Board elections. She also noted that San Diego LAFCO is expected to rejoin, indicating increased participation from Southern California. Vice Chair Draper expressed appreciation to Chair Chang-Kiraly for her continued service on the CALAFCO Board and for keeping the Commission informed with updates.

Public Speakers: None

9. Legislative Report – Information Only

The Commission received an update that, as of March 9, 2026, CALAFCO is tracking 16 legislative bills.

10. Commissioner/Staff Reports – Information Only

a. Joint Power Agreements/Joint Power Authorities in San Mateo County

LAFCo staff reported that Municipal Service Reviews now include a list of relevant service providers within San Mateo County that operate under Joint Powers Agreements (JPAs), along with the services provided and the member agencies comprising each JPA.

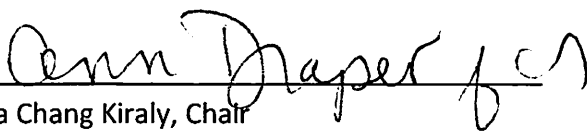
b. Update on LAFCo Commissioners' Terms for 2026

LAFCo staff noted that the Public Special District Member and Public City Alternate positions are currently open for reappointment and election.

11. Adjournment

The Commission adjourned at 3:36 PM.

Approved on May 20, 2026



Virginia Chang Kiraly, Chair
Local Agency Formation Commission of the County of San Mateo

Prepared by: Diane Estipona
Diane Estipona, LAFCo Clerk