

SAN MATEO

**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-Coastsides. 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 Coastsides 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 Coastsides 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 Coastsides 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 MSRs, 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 Monterey 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.

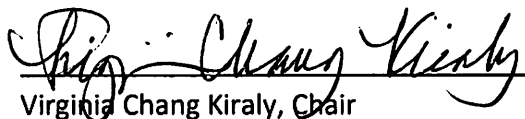
b. CALAFCO Staff Workshop

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



Virginia Chang Kiraly, Chair

Local Agency Formation Commission of the County of San Mateo

Prepared by: Diane Estipona

Diane Estipona, LAFCo Clerk