

Martha Poyatos - Re: follow up questions regarding public workshop on MSR/SOI update for the City of San Mateo, County-governed Districts and Highlands Recreation District

From: Martha Poyatos
To: Alissa Reindel
Date: 2/21/2013 6:39 AM
Subject: Re: follow up questions regarding public workshop on MSR/SOI update for the City of San Mateo, County-governed Districts and Highlands Recreation District
CC: Brigitte Shearer; John_youssefi@yahoo.com; Liesje Nicolas; cerle@sbcg...

Dear Ms. Reindel:

Please see answers in blue italics below.

Martha Poyatos, Executive Officer
 San Mateo LAFCo
 455 County Center, 2nd Fl.
 Redwood City, CA 94063
 650/363-4224
 650/363-4849 (fax)



>>> Alissa Reindel <alissa_reindel@yahoo.com> 2/20/2013 9:35 PM >>>
 Hi Martha,

Thank you for taking the time to meet with our community tonight at Highlands Elementary School. I have several follow up questions for you:

1. Who is initiating action in this case?

The only action initiated at this time is a State-mandated study LAFCo is required to complete for each city and special district in the County. The study (municipal service review) has seven areas of determination that must be addressed, including governance alternatives which include annexation. Please see paragraph 1 of page 1 of the Municipal Service Review which explains the requirement to prepare the study.

2. When will the action be initiated and who are the decision-makers?

As stated at the meeting last night any potential future action (I think you refer to an application for annexation or formation of subsidiary district) could be initiated by the residents or voters of the district, by the County of San Mateo or by the City of San Mateo. As stated last night an application for annexation would be the product of further study and consensus on the part of the residents, the city and the county that annexation is fiscally feasible and that there is demonstrated consensus and support for annexation. If an application for annexation or subsidiary district is

submitted, it would be submitted to LAFCo, an independent commission with jurisdiction over the boundaries of cities and special districts.

3. What are the anticipated consequences to our cost of living and our quality of life?

A feasibility study which is beyond the scope of the Municipal Service Review would examine advantages and disadvantages of annexation including detailed fiscal analysis. This study provides information on service levels of the City and service levels of County Service Area 1 for police and fire, the Sanitation District and the budgets. The cost of living issue is in part answered by the fact that property tax, whether one lives in a city or unincorporated area, is 1% of the assessed value of a residence. Another factor is the \$65 per year parcel tax paid to CSA 1. Another key cost of living issue as stated last night is the long term cost of operating a small sewer district with a small customer base and needed capital improvements. Study by the County Department of Public Works is ongoing on the long term solutions to the underfunded Crystal Springs County Sanitation District.

4. If the City of San Mateo doesn't want to annex us (and it sounds from your report like it doesn't), and the community doesn't want to be annexed, why is this even a matter for discussion?

The City thus far has indicated it does not see the merits of taking responsibility for the HRD as a subsidiary district and the City has noted that it did not initiate this discussion of annexation. Please see no. 1 above regarding a State mandate that LAFCOs in each County of the State prepare municipal service reviews that contain discussion of annexation and governance alternatives.

5. How do we work with the powers that be to create an ideal situation of cost-effective services management while maintaining or improving the quality of life we currently enjoy?

This scenario of multiple districts serving a small community is not an ideal situation, in particular the challenge of the Crystal Springs County Sanitation District as an underfunded district with significant capital improvements needs, lawsuits and increasing regulatory requirements the costs for which must be spread over a small customer base. The report includes information on your community of 4,025 persons, which is included (a portion) in the independent Highlands Recreation District and all of the community is included in Crystal Springs County Sanitation District managed by the Dept. of Public Works and CSA 1 managed by the County Manager's Office, both of which are governed by the Board of Supervisors. The report also details the small county governed lighting and drainage districts. As noted last night, the report offers alternatives (not in depth study) of potential efficiencies that could be studied by the County, community and city. The various points of contact with the County include the County Department of Public Works Department for the sewer and maintenance districts, the County Manager's Office for CSA 1 and Supervisor Dave Pine's Office.

6. I don't feel we were given enough information in favor of any of the alternatives described in the report to take any action in any direction. Will more thorough research and reporting be conducted?

The LAFCo report provides information on the complex service delivery patterns, the budgets of the various districts that provide municipal service and potential alternatives that can be further explored by the County, the community and the City if they so choose. It also includes information on the City of San Mateo services and budget. The report is not a feasibility study. The question for the community is are residents satisfied with the level and cost of service provided by the various districts including the Crystal Springs County Sanitation District. After further study by the County and the City regarding sewer service alternatives, the Community will have the opportunity to provide feedback on maintaining status quo with current service delivery or pursuing a consolidated sewer system or other solutions to achieve economies of scale in operation that could help mitigate future rate increases. As stated last night and in the report, the County and the City are studying the complex problem of the sanitation district. Please also see final paragraph below.

I hope that in the future we will be provided with better information so that we can make informed decisions about the direction of our community.

As stated above, the LAFCo study is not required or to intended to be a detailed fiscal analysis of annexation. The budget data in the LAFCo report for San Mateo and County-governed districts and the report for HRD have been reviewed by County Departments and HRD and the budget data for the City has been reviewed by the City. In this regard the LAFCo reports are the only existing documents that collectively provide information to the County of San Mateo and the residents concerning the multiple districts serving the Highlands/Baywood Park/Baywood Plaza unincorporated area and the cost of the services provided. Unlike cities, the various unincorporated neighborhoods that receive municipal service from the County do not have a single budget document that provides this detail of service costs. The Municipal Service Review is a foundation for the County and the Community to better understand service costs and service levels and if desired further study the fiscal feasibility of annexation, just consolidation of the sewer functions or other means to provide more efficient service.

Thanks for allowing us to email you with this follow up.

Best regards,

Alissa Reindel
Baywood Park

County Manager's Office



COUNTY OF SAN MATEO

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Ms. Martha Poyatos, Executive Officer
San Mateo County LAFCo
455 County Center
Redwood City, CA 94063

March 8, 2013

Dear Ms. Poyatos,

The County of San Mateo offers the following comments on the LAFCo sphere of influence report on the Highlands Recreation District.

1. The County of San Mateo recognizes the benefit of the LAFCo sphere of influence reports that document the fiscal viability, Brown Act compliance and organizational options for special districts, cities and other local government jurisdictions throughout the County. The County is pleased to see that the HRD is a fiscally sound district with strong community support and that the District provides programs and facilities with high use by district residents and their near-by neighbors.
2. The County supports compliance with the Brown Act and maximum public access to all public meeting information. Thus, the County supports all recommendations in the LAFCo report related to increased public access to information about the HRD Board membership, meetings and actions.
3. The County agrees that the open space associated with the Ticonderoga Partners project is of local, not regional benefit, and is therefore not an appropriate County park site.
4. The County encourages the Highlands community to consider the benefits of a Community Service District to oversee and coordinate all the public services provided to HRD residents. Those services are currently provided by the HRD, CSA 1 and separate sewer, lighting and landscaping districts. A single district would allow residents to review the total cost of their public services and assess costs and service delivery options in a more coordinated way.

Sincerely,

Peggy Jensen, Deputy County Manager




COUNTY OF SAN MATEO

County Manager's Office Correspondence

Date: March 8, 2013

To: Martha Poyatos, Executive Officer, San Mateo LAFCo

From: Peggy Jensen, Deputy County Manager 

Date: March 8, 2013

RE: **Municipal Service Review and Sphere Update for the for the City of San Mateo and Associated County-governed Special Districts, Prepared by San Mateo LAFCo, Dated February 4, 2013**

San Mateo County offers the following comments on the Circulation Draft Municipal Service Review and Sphere Update for the for the City of San Mateo and Associated County-governed Special Districts prepared by LAFCo (LAFCo Report). The LAFCo Report evaluates the unincorporated area of the County, which includes the Highlands, Baywood Park, Baywood Plaza, Polhemus Heights, and San Mateo Oaks areas (review area).

General Comments

- a. The County of San Mateo recognizes the benefit of the LAFCo sphere of influence reports that review the options for providing public services to residents of the unincorporated areas.
- b. The County recognizes that provision of city type services to the 18 non-contiguous unincorporated areas can be more expensive than providing service within contiguous city limits, depending on the level of service provided, the number of residents that share the cost of the service, the age of the infrastructure and other factors.
- c. Given the geographic challenges of providing city type services to 18 dispersed unincorporated areas of varying sizes, the County provides the level of service requested by the local residents as cost effectively as possible.
- d. The County does not track the total cost of municipal services provided to each individual unincorporated area. While we agree that this data would be helpful for studies such as the LAFCo Report, it is not data that is easily captured under the current accounting system and doing this work would increase the service costs for each unincorporated area, service area, or district. The County can and will provide this information on an as needed basis and as accounting systems are modified will keep this recommendation in mind.
- e. While the County agrees that annexation of the CSA 1 area to the City of San Mateo may provide for more efficient delivery of services, the LAFCo Report also notes that annexation has been historically opposed by the residents of the review area. The

review area residents have repeatedly told the County and the Board of Supervisors that they highly value having a locally controlled recreation facility (Highlands Recreation District facility) and are willing to pay for the level of police and emergency protection provided by the CSA 1 contracts with the Sheriff and County Fire.

- f. The County agrees that the current multiple special district structure for service provision in the Highlands area is not optimum. The County encourages the community to consider the benefits of a Community Service District that would oversee and coordinate all the public services provided to review area residents. A single district would allow residents to review the total cost of their public services and assess costs and service delivery options in a more coordinated way.

Comments on CSA 1

The County has recently evaluated shared fire service in the review area and had discussions with the City of San Mateo (City) about shared services. During this review process, residents of the review area made known their support for retaining the CSA 1 engine and the County Fire engine at Station 17, even though the City engine is close by and the CSA 1 engine goes on relatively few calls a year. The review area residents were not interested in savings that would come from a shared engine. They want an engine located in their neighborhood and are willing to pay for that service.

Comments the Crystal Springs County Sanitation District (CSCSD)

- a. **CSCSD Sewer System** - The CSCSD maintains approximately 18 miles of sewer pipes with 1,429 sewer service connections and sewer service to 1,501 equivalent residential units (ERU). The CSCSD is one of ten County maintained sewer/sanitation districts and is the third largest in terms of pipe miles and customers served. It is the second farthest sewer district from the Redwood City corporation yard where equipment and staff are dispatched. The County has been working over the past several years to set sewer rates that are sufficient to adequately support the CSCSD. Significant progress has been made to set rates to support in-district expenses (operation and maintenance, repairs, capital improvement projects, and administration), treatment costs, and out-of-district or downstream capital improvement projects.
- b. **Cease and Desist Order Impact on CSCSD** - A significant issue facing the CSCSD is the work required and associated costs to comply with a Cease and Desist Order No. R2-2009-002 (CDO) issued by the Regional Water Quality Control Board in 2009 to the CSCSD, Town of Hillsborough (Town), and City of San Mateo (City). The CDO stipulates specific capital improvements that must be completed by each of the three agencies within certain timelines. The CSCSD is required to complete eight identified capital improvement projects within the District by September 2013. The estimated cost of this work is \$2.5 million. The CSCSD has applied for a State Revolving Fund Loan, which is a 20-year loan with a low interest rate, to finance this work.

The CSCSD relies on the downstream agencies, namely the Town and the City, to transport sewage from the CSCSD to the wastewater treatment plant owned and operated by the City. The CDO identified capital improvement projects that must be completed by the Town and City for which the CSCSD must pay their respective portion of. Although there are numerous capital improvement projects required by the CDO, the most immediate downstream projects to be completed are the Town's Crystal

Springs/El Cerrito Trunk Sewer Phase II and the City's El Cerrito Relief Line Project with current estimated costs of \$12 million and \$15 million, respectively. The CSCSD will be responsible for paying 37% of these costs or \$4.44 million for the Town project and \$5.55 million for the City's project.

The current CSCSD rates have been based on the premise that the downstream agencies would obtain the financing for their projects through either a State Revolving Fund Loan or bond financing and the CSCSD would pay their respective portion of the loan or bond payments to the downstream agency. Based on the CSCSD's current understanding, the downstream agencies do not intend to obtain loans or bonds to finance the cost of their projects, but instead are requiring that each agency obtain or pay their respective portions separately. This presents a significant issue for the CSCSD and their rate payers because the CSCSD would have to increase the sewer rates significantly to be able to qualify for a loan for the downstream capital on their own.

- c. **CSCSD Options** – The impact of the CDO on the CSCSD is significant. If the CSCSD is to remain managed by the County as it is currently, then the sewer rates must be increased to pay the CSCSD's share of the downstream capital improvement projects. Based on the Department of Public Works and Parks' calculations, it has been estimated that the current rates of \$1,350 per ERU would need to be increased to \$1,650 per ERU in order for the CSCSD to qualify for a SRF loan to pay their portion of the two downstream capital improvement projects listed above. It would be necessary for the property owners to be supportive of these increased sewer rates. The CSCSD property owners have successfully implemented a Prop 218 majority protest, which prevented a previous rate increase. Based on the County's experience, sewer rate increases are generally not received favorably and because the CDO has specific timelines for completion of downstream capital improvement projects, any necessary rate increases would need to be approved in a short time frame.

The LAFCo Report outlines three options to the current structure for providing sewer service to the review area. The options include: annexation, subsidiary district, and contracting for sewer operations and maintenance with nearby cities. Based on the CDO and the costs of the required downstream capital improvement projects, these options should be carefully considered. There are economies of scale that could be realized by having the CSCSD included in a larger sewer system. The City has approximately 27,000 accounts, 236 miles of sewer pipe, and owns and operates the wastewater treatment plant that treats the sewage emanating from the CSCSD. The City also has an area near the upstream end of the CSCSD that contributes flow to the CSCSD's system. The City and County are evaluating the feasibility of implementing alternatives to the current situation that would allow the CSCSD to pay their share of downstream improvements without having to qualify for a loan on their own. This analysis is not complete and has not been discussed or considered by their respective Council or Board. The financial imposition of the CDO puts the CSCSD in a different and more difficult situation than it has faced previously. If there is an alternate method of service delivery that would not require a rate increase with sufficient revenue to pay the CSCSD's share of the downstream agency project costs, it should be carefully considered by the City, the CSCSD, and the property owners in the review area. It is recognized that the City property owners pay for sewer service based on their winter water consumption and the average sewer rates are lower than the rates in the CSCSD. If the City were to become responsible for providing sewer service to the CSCSD area, it is

anticipated that the CSCSD rates would remain stable for the next several years and over time a phased in rate adjustment may be possible.

The County Board of Supervisors adopted Resolution No. 070565 on December 15, 2009 requesting that LAFCO evaluate the benefit and feasibility of consolidating all ten County governed sewer/sanitation districts. In response to the request, the LAFCO Commission determined that in lieu of preparing a separate study related specifically to consolidation, the sewer/sanitation districts and alternatives to the current delivery of service would be considered in connection with the municipal service reviews and sphere of influence studies. The LAFCo Report contains information consistent with the previous determination of the LAFCo Commission.

Comments on the County-governed Maintenance Districts (Lighting, Drainage, and Landscape)

- a. **Lighting Districts** - The review area includes two of the eleven street light districts for which the Board of Supervisors are the governing body. These districts include the Enchanted Hills Highway Lighting District with 30 street lights and the Bel-Aire Highway Lighting District with 225 street lights. Revenue to support the street lights is from the property taxes paid by property owners within each district. Based on the current level of service, the revenue is adequate to support the operations of each separate district. However, California Streets and Highways Code Section 19160 provides that the governing board of a highway lighting district may consider the installation of additional streetlights if a petition signed by twenty (20) or more taxpayers in the district is filed with the district's governing body. If the property owners identified a need for a significantly higher levels of lighting that could be met by the installation of additional lights, the districts would have to carefully evaluate whether the costs of the additional lights could be sustained. Additionally, if there was a desire by the property owners in the review area to have the existing street light poles or fixtures replaced, the costs would have to be carefully evaluated. Based on the current revenues and expenditures of the lighting districts, these districts appear to be sustainable.
- b. **Drainage Maintenance Districts** – The review area includes three drainage maintenance districts. The drainage districts include: Baywood Park Drainage Maintenance District, Enchanted Hills Drainage Maintenance District, and Highlands Drainage Maintenance District. These districts either have no revenue source or very limited revenue through an apportionment of property taxes. The drainage systems to be maintained by the districts are limited to drainage facilities located within easements that were typically installed when the subdivision improvements were constructed. The available funding in each of the districts is insufficient for maintenance, repair or replacement of drainage facilities. Given the fact that the districts have inadequate revenue and fund balances, consideration should be given to an alternate model of operation and funding. An option exists for the existing powers of CSA 1 to be expanded to include the responsibilities of the existing drainage districts with dissolution of the drainage maintenance districts. An alternate scenario could include creation of a Community Services District that would have the responsibility for these facilities. The drainage systems within the road right-of-way are typically maintained by the Department of Public Works and Parks's Road Division.
- c. **Landscaping Maintenance District** – The review area includes the Highlands Landscape Maintenance District. This district's purpose is to maintain limited

landscaping of street island planting areas. The revenue and fund balance are modest. The work to be performed by the district is distinct and remote to other activities similar in nature. Given the fact that the district has limited resources and responsibilities, consideration should be given to an alternate model of operation and possibly funding. An option exists for the existing powers of CSA 1 to be expanded to include the responsibilities of the existing landscaping district and dissolution of the landscape maintenance district. An alternate scenario could include creation of a Community Services District that would have the responsibility for landscape maintenance activities.



Highlands Recreation District

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www.highlandsrec.ca.gov

"Where Family Traditions Begin"

March 11, 2013

Don Horsley, Chair

San Mateo County Local Agency Formation Commission (LAFCO)

455 County Center, 2nd Floor

Redwood City, CA 94063

Chairman Horsley,

Thank you for the opportunity to respond further to the Circulation Draft MSR and SOI Update for the Highlands Recreation District dated November 15, 2012.

In addition to the comments submitted previously, the Board of Directors writes to provide additional input to the Highlands Recreation District's MSR. These topics are intended to supplement, not replace, those included in our January 15, 2013 communication.

The Highlands Recreation District Fee Structure Is Consistent with Its Mission

Since its inception, the Highlands Recreation District's mission has been to serve the needs of the Highlands Community. The term "Highlands Community" specifically refers to the approximately 800 homes within the Highlands Recreation District's boundaries. In County communications and LAFCO documents, there are frequent references to 'Unincorporated Highlands,' 'the San Mateo Highlands' and the like which may or may not refer to a larger area, including other nearby unincorporated areas such as Baywood Park, Baywood Plaza, etc. Only those homes within the Recreation District's boundaries are contributing a portion of property tax monies to the District's revenues. Non-residents are welcome at our facility because, without them, we could not offer the quality, breadth and depth of programs currently available. However, non-residents pay a premium to participate because they do not contribute property taxes to our operation.¹ Because the Rec Center's program offerings are

¹ Similarly, Highlands residents pay a premium to participate in programs offered by the Parks and Recreation Departments of nearby cities.

currently at capacity, the Board has recently approved a gradual increase in the program fee premiums charged to non-residents.

In very limited cases, the District also offers a three-tiered pricing structure. In those cases, the residents of CSA1 (who are not already Highlands residents) are charged a lesser premium than non-residents. Currently such three-tiered pricing is only available for pool memberships and the Early Education Center. The majority of programs are offered at the two-tiered pricing structure described above.

The Board of Directors will continue to closely monitor the capacity and pricing strategies to ensure that the Rec Center remains fully-utilized and financially sound.

Recommendation

As stated in the San Mateo Court Grand Jury's 2004 Review of Special Districts:

...special districts are created in response to urgent community needs. These needs, over time, may decline, disappear, or require a change in operating models. This can leave a district in search of a reason for being or offering services that can be more efficiently provided elsewhere. The California Legislature, recognizing this problem, has empowered LAFCO (Local Agency Formation Commission) to be its instrument of change. Each county has a county LAFCO agency that is concerned with the creation, reorganization, and dissolution of government entities.

The community needs addressed by the Highlands Recreation District have only increased since its inception in 1957. Through measured growth, capital improvements and even economic downturns, the District has been ably governed by its elected Board of Directors for over 55 years. These Directors bring not only professional expertise in areas such as finance, engineering, law, and management, but are also dedicated residents of the small, unique community they serve. This *is* efficient and effective government in action.

Therefore, while the sphere of influence adopted by the City of San Mateo in 1985 states that the Highlands Recreation District would become a subsidiary of the City of San Mateo should the unincorporated area within the District be annexed to the City, we reiterate our prior request that the outcome of the LAFCO Commission's review of the Highlands Recreation District be a recommendation for an amendment of the sphere, such that the Highlands Recreation District shall remain an independent, self-governed, special district, and not a subsidiary district, even if the area served by the District is annexed now, or in the future, to the City of San Mateo.

Thank you for your consideration.

Sincerely,

A handwritten signature in cursive script that reads "Michelle McNeil". The signature is written in black ink and is positioned above the printed name.

Michelle McNeil
Highlands Recreation District Board President

cc: Martha Poyatos, LAFCO
Highlands Community Association



Highlands Recreation District

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"Where Family Traditions Begin"

March 12, 2013

Don Horsley, Chair

San Mateo County Local Agency Formation Commission (LAFCO)

455 County Center, 2nd Floor

Redwood City, CA 94063

Chairman Horsley,

This letter is written in response to LAFCO's recently prepared Draft Municipal Service Review for the City of San Mateo and Associated County-governed Special Districts. While the Highlands Recreation District's review was addressed in a separate document, the City/ CSA1 review document includes several references to the Highlands Recreation District and covers several agencies with whom the HRD collaborates. Therefore, we hereby submit additional comments to be considered in determining the recommendation by the LAFCO Commission.

Highlands Recreation District Remains Isolated

Part of what makes the Highlands Recreation District unique and effective is its remote location and its strong ties and collaboration with co-located service districts. While the City of San Mateo has expanded westward over the years, the Highlands remains a separate community on the top of a hill. Car access has been somewhat facilitated by the advent of Highways 280 and 92, but with reduced public transportation, the net result is an insulation which is cherished and valued by its residents.

Collaboration Across Service Agencies

The HRD actively collaborates with the CalFire and County Sheriff's offices to provide precisely the cost efficiencies encouraged by LAFCO. The HRD provides a Sheriff's substation, at no cost to the County or the Sheriff's Office, to offer Sheriff deputies a secure, comfortable, local space at which to attend to administrative tasks while on duty. The Sheriff's office is grateful for such accessible, centrally-located facilities and Highlands residents are grateful for the Sheriff's visible presence. The Sheriff's Activity League also provides funds for youth programs offered

at the HRD. Similarly, CalFire and HRD collaborate to provide CERT Emergency Response training to CSA1 residents. CalFire provides meeting rooms and trainers. HRD provides the marketing, administration and support. CalFire also supports HRD with annual swimming pool dome installation and removal and is present at many community events. These relationships cannot be measured by monetary savings, but they are the foundation of a safe, healthy and well-run community. It is the strong belief of the HRD that agency consolidations suggested in the LAFCO MSR would result in a significant decrease, not only in quality of service, but also in community-strengthening collaborations described above.

Highlands Recreation District Fee Structure

Only those homes within the Recreation District's boundaries are contributing a portion of property tax monies to the District's revenues. Non-residents are welcome at our facility because, without them, we could not offer the quality, breadth and depth of programs currently available. However, non-residents pay a premium to participate because they do not contribute property taxes to our operation.¹ Because the Rec Center's program offerings are currently at capacity, the Board has recently approved a gradual increase in the program fee premiums charged to non-residents.

In *very limited* cases, the District also offers a three-tiered pricing structure. In those cases, the residents of Baywood Park and Baywood Plaza are charged a lesser premium than other non-residents. Currently such three- tiered pricing is only available for pool memberships and the Early Education Center. The *majority* of programs are offered at the two-tiered pricing structure described above. Program registration preference is given to Highlands residents in many programs and, in one case, secondary preference is given to CSA1 residents. This resident/ non-resident pricing and registration structure is similar to that of many City Park and Rec programs, where 'Unincorporated Highlands' residents pay non-resident premiums and have lower registration preference.

The Board of Directors will continue to closely monitor the capacity and pricing strategies to ensure that the Rec Center remains fully-utilized and financially sound.

No New or Enhanced Park and Recreation Services Have Been Planned, and There is No Duplication

The HRD has no plans to enhance park and recreation services. As stated above, the HRD facility is at capacity and continues to strive to meet the needs of the Highlands Community within those capacity limitations. The Beresford Recreation Center located in the City of San

¹ Similarly, Highlands residents pay a premium to participate in programs offered by the Parks and Recreation Departments of nearby cities.

Mateo is an excellent facility and an important asset to the residents of San Mateo County. However, Beresford does not offer the same program and service portfolio as the HRD and thus there is no unnecessary duplication of offerings. No park and recreation facilities within the City boundaries 'already serve residents of unincorporated areas of the City's sphere.' (p.43) While their programs are available to unincorporated residents, it should not be presumed that the Highlands Recreation District's programs and services are in any way unnecessary, underutilized or duplicative.

Conclusion

While the sphere of influence adopted by the City of San Mateo in 1985 states that the Highlands Recreation District would become a subsidiary of the City of San Mateo should the unincorporated area within the District be annexed to the City, we reinforce our request that the outcome of the LAFCO Commission's reviews of the Highlands Recreation District and the City of San Mateo/ CSA 1 result in a recommendation for an amendment of the sphere, such that the Highlands Recreation District shall remain an independent, self-governed, special district, and not a subsidiary district, even if the area served by the District is annexed now, or in the future, to the City of San Mateo.

Thank you for your time and consideration.

Sincerely,



Michelle McNeil
Highlands Recreation District Board President

cc: Martha Poyatos, LAFCO
Highlands Community Association

currently at capacity, the Board has recently approved a gradual increase in the program fee premiums charged to non-residents.

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The Board of Directors will continue to closely monitor the capacity and pricing strategies to ensure that the Rec Center remains fully-utilized and financially sound.

Recommendation

As stated in the San Mateo Court Grand Jury's 2004 Review of Special Districts:

...special districts are created in response to urgent community needs. These needs, over time, may decline, disappear, or require a change in operating models. This can leave a district in search of a reason for being or offering services that can be more efficiently provided elsewhere. The California Legislature, recognizing this problem, has empowered LAFCO (Local Agency Formation Commission) to be its instrument of change. Each county has a county LAFCO agency that is concerned with the creation, reorganization, and dissolution of government entities.

The community needs addressed by the Highlands Recreation District have only increased since its inception in 1957. Through measured growth, capital improvements and even economic downturns, the District has been ably governed by its elected Board of Directors for over 55 years. These Directors bring not only professional expertise in areas such as finance, engineering, law, and management, but are also dedicated residents of the small, unique community they serve. This *is* efficient and effective government in action.

Therefore, while the sphere of influence adopted by the City of San Mateo in 1985 states that the Highlands Recreation District would become a subsidiary of the City of San Mateo should the unincorporated area within the District be annexed to the City, we reiterate our prior request that the outcome of the LAFCO Commission's review of the Highlands Recreation District be a recommendation for an amendment of the sphere, such that the Highlands Recreation District shall remain an independent, self-governed, special district, and not a subsidiary district, even if the area served by the District is annexed now, or in the future, to the City of San Mateo.

Thank you for your consideration.

Sincerely,

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Michelle McNeil
Highlands Recreation District Board President

cc: Martha Poyatos, LAFCO
Highlands Community Association

OFFICE OF THE CITY MANAGER



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December 14, 2012

Martha Poyatos
Executive Director
San Mateo Local Agency Formation Commission
455 County Center, 2nd Floor
Redwood City, CA 94063

**Re: *Draft Municipal Services Review and Sphere of Influence Update –
Highlands Recreation District***

Dear Ms. Poyatos:

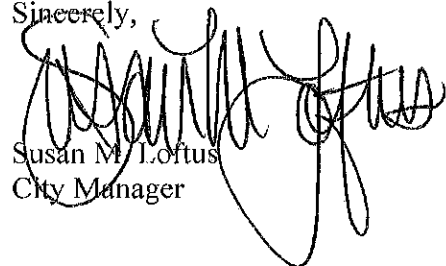
This letter is concerning the Draft Municipal Services Review and Sphere of Influence Update for the Highlands Recreation District (HRD) that was issued by LAFCo in November 2012.

In the review, LAFCo documents the functions of the HRD and identifies several possible alternatives for district governance. The City of San Mateo shares LAFCo's interest in promoting the provision of efficient government services, although we maintain a concurrent interest in ensuring that any recommended governance structure is in the best interest of our City.

The recommended governance structure contained in the existing sphere of influence for the HRD states that if the Highlands neighborhood were ever annexed to the City of San Mateo, the HRD should become a subsidiary district of the City, with segregated assets, finances, and liabilities to be governed by the San Mateo City Council. At this time, there do not appear to be efficiencies provided by such a structure, and it is unclear how or if this model of governance would benefit either agency.

We encourage LAFCo to consider this feedback in preparation of the final Municipal Service Review and Sphere of Influence Update.

Sincerely,



Susan M. Loftus
City Manager



DEPARTMENT OF FORESTRY AND FIRE PROTECTION (CAL FIRE)
SAN MATEO - SANTA CRUZ UNIT

6059 Highway 9
Felton, CA 95018
(831) 335-5355
Website: www.fire.ca.gov



RECEIVED

DEC 10 2012

LAFCO

December 4, 2012

Ms. Linda Craig, Chair
San Mateo County Local Agency Formation Commission (LAFCO)
455 County Center, 2nd Floor
Redwood City, CA 94063

Ms. Craig,

I understand that LAFCO is currently reviewing the Municipal Service Review and Sphere of Influence Update for the Highlands Recreation District (HRD). CAL FIRE and the Highlands Rec District have enjoyed a very productive and mutually beneficial collaborative relationship for years.

As you know, our community is situated on the very western edge of unincorporated San Mateo. Several years ago, the HRD staff dedicated resources to assist in establishing and maintaining a Community Emergency Response Team (CERT). CAL FIRE provides the training that has now certified over 100 persons on the steps to safely and effectively assist in the event of a disaster. The program would not be this robust without the HRD commitment to its continued success and without the positive working relationship between the HRD and CAL FIRE.

The Rec Center is a well-managed and well-maintained facility. The Board and staff's commitment to safety is excellent. As a result, our services are rarely needed for emergency response, but more likely to deliver Santa Claus or assist with the annual raising of the dome that is installed over the pool each fall. The Rec Center staff also works diligently with FireSafe Crews and us to ensure that the HRD open space acreage is properly maintained.

The careful and conscientious oversight of HRD management makes this an efficient and effective hub for an active community. There is no need to change any part of District's structure. Therefore, I support the Highlands Recreation District's desire to remain an independent special district and, on behalf of CAL FIRE, I respectfully request that the Commission recommend that the HRD's Sphere of Influence designation remain unchanged.

Thank you for your consideration.

Sincerely,

Scott M. Jalbert
Deputy Chief- Operations
San Mateo Division

cc: ✓ Martha Poyatos, LAFCO
Brigitte Shearer, Highlands Recreation District



COUNTY OF SAN MATEO

Office of the Sheriff

GREG MUNKS
SHERIFF

CARLOS G. BOLANOS
UNDERSHERIFF

TRISHA L. SANCHEZ
ASSISTANT SHERIFF

400 COUNTY CENTER REDWOOD CITY CALIFORNIA 94063-1662 TELEPHONE (650) 599-1664 www.smcsheriff.com

ADDRESS ALL COMMUNICATIONS TO THE SHERIFF

Date: March 8, 2013

To: Martha Poyatos, Executive Director of the San Mateo County LAFCo

From: Sheriff Greg Munks

Subject: San Mateo County Sheriff's Office Comments on the LAFCo City of San Mateo Sphere of Influence Report

Thank you for the opportunity to provide comments on the LAFCo Sphere of Influence Report for the City of San Mateo.

Beginning in 1966, the San Mateo County Sheriff's Office has been providing enhanced law enforcement services to the residents of County Service Area 1 through a contract with the County. Under this contract, the County Service Area 1 budget funds 18 hours of Sheriff's Office patrol services (6:00 AM to 12:00 AM) seven days per week.

We believe that the law enforcement services provided by the San Mateo County Sheriff's Office are both at a superior level and extremely cost effective. Our ability to provide a high level of services in a cost effective manner has resulted in three municipalities (San Carlos, Half Moon Bay and Millbrae) entering into a contract with the Sheriff's Office for law enforcement services, as well as additional interest from other cities.

The San Mateo County Sheriff's Office does not agree that annexation of the County Service Area 1 to the City of San Mateo would provide for more efficient delivery of services. The LAFCo report also notes that annexation has historically been opposed by the residents of the Highlands community. The Highlands area residents have repeatedly told the County and the Board of Supervisors that they are willing to pay for the level of police protection provided by the County Service Area 1 contracts with the Sheriff's Office. I concur with the residents' perspective and do not support any annexation recommendation.



DAVE PINE
SUPERVISOR, FIRST DISTRICT
SAN MATEO COUNTY

December 19, 2012

Chair Linda Craig
Local Agency Formation Commission Members
455 County Center, 2nd Floor
Redwood City, CA 94063-1663

**Re: Municipal Service Review and Sphere of Influence Update for the
Highlands Recreation District**

Dear Chair Craig and Local Agency Formation Commission Members:

As the representative of the Highlands area on the San Mateo County Board of Supervisors, I am writing to you concerning the Municipal Service Review and Sphere of Influence Update for the Highlands Recreation District (HRD) that will be considered by the San Mateo County Local Agency Formation Commission (LAFCo) at its meeting on December 19, 2012.

For over half of a century the HRD has provided a range of services to the Highlands community which is comprised of approximately 789 residential parcels. The HRD also serves other neighborhoods within unincorporated County Service Area Number One, such as Baywood Park and Baywood Plaza.

The residents of the community have built a remarkable sense of community with the HRD at its center. The recreation center and the ancillary facilities managed by the HRD are a focal point for families and seniors alike.

Due to the strong management of the HRD and the community's consistent support, the HRD is financially sound. As an independent special district, the HRD is almost completely insulated from external budgetary fluctuations within the county, state or federal governments.

While there is no current proposal by LAFCo to dissolve, merge or annex the HRD, it is important to note that any such action would be detrimental to the Highlands community. A merger, dissolution or annexation would likely undermine the ability of the HRD to maintain a local identity similar to that it now enjoys, erode community support, and impair the ability of the locally governed facilities to meet immediate community needs.

I respectfully request that the members of LAFCo consider supporting a status quo finding so that the district may continue to effectively operate as it has since 1957.

Thank you for your consideration. If I may be of any assistance to you please feel free to contact my office at 650-363-3012.

Sincerely,



Dave Pine
Supervisor, District 1

cc: Martha Poyatos, LAFCo Executive Officer
Brigitte Shearer, General Manager, Highlands Recreation District
Hal Carroll, Chair, Highlands Recreation District

C2/DB

From: Jim Porter
To: Gerard Ozanne
CC: Ann Stillman; Dave Pine; Don Horsley; HCA Pres; Palter Alan; Peggy ...
Date: 3/4/2013 4:19 PM
Subject: Re: CSA1 Meeting PWorks
Attachments: DPW CSSD re City of San Mateo.pdf

Mr. Ozanne,

In response to your e-mail of February 27, 2013 I am providing some necessary clarification and additional information.

The meeting on February 11, 2013 that the Department of Public Works arranged with representatives of the five homeowner associations in the Crystal Springs County Sanitation District (District) was related to District specific issues. It was not in relation to County Service Area No. 1 (CSA 1), which provides for Police and Fire Protection to the area within CSA 1. I appreciate that you initiated the meeting by contacting me and reminding us that we needed to schedule a meeting to discuss District issues as it had been a while since we last met. Additionally, the meeting was not specifically related to the District and the Local Agency Formation Commission (LAFCo) "Municipal Service Review and Sphere Update for the City of San Mateo and Associated County-governed Special Districts" report, however, this report was discussed during the meeting.

With regard to the letter you provided as an attachment to your e-mail (attached for your reference) I am providing responses. I have restated two sentences from the letter (1 & 2 below) and provided a response (R) to each. As you stated in your e-mail the sentences convey the understandings of you and the other HOA representatives.

1. "We learned from this update with you that any detailed consideration of Crystal Springs County Sanitation District (CSCSD) tax changes is a long way off."

R1. We discussed the current delivery of sewer service to the District by the County and opportunities that may exist for providing service to the area through different mechanisms. The LAFCo report discussed three alternatives to the current District's operations. These alternatives included: annexation, subsidiary district, and contracting for sewer operations and maintenance with nearby cities.

Because the District is an enterprise district it must rely on revenue from sewer service charges based on set sewer rates. Referencing "tax changes" is not very relevant to the discussion of the most optimal method of service delivery. I presume you are using "tax changes" to reference a change in the delivery of service.

A change to the operations or responsibility of the District's sewer system in the very short term has not been identified. It is, however, something being evaluated by the City of San Mateo and District. A driving force for this evaluation are the downstream capital improvements required by the Regional Water Quality Control Board Cease and Desist Order, which must be completed by September 2015 with a significant portion of the funding from the District. As discussed at the meeting, the District cannot qualify for a State Revolving Fund loan for their share of the downstream capital improvements on their own without increasing sewer service rates. Increasing sewer rates is not desirable to the property owners or the District.

2. "As far as Department of Public Works is concerned the LAFCo Office has no specific information that would support the Local Area Formation Commission making any recommendations regarding annexation of our sanitation district services at this time."

R2. The LAFCo report provides an analysis and information related to the delivery of service and special districts serving your unincorporated area. As I mentioned above, the report includes three alternatives to

the current delivery of sewer services. Considering the increasing regulatory requirements, the current Cease and Desist Order compliance requirements, the size and location of the District, and the fact that sewage from the District is delivered to the City of San Mateo wastewater treatment plant it is important to explore alternate options for providing sewer service. A detailed cost analysis and comparison will be informative and is something the District and City of San Mateo is working to finalize, as noted in the LAFCo report. The first step is to determine the feasibility with subsequent steps including evaluation of mechanisms that could be used for a different service delivery model.

The Department of Public Works has not yet commented on the LAFCo report.

I hope this is helpful and clarifies our understanding of some of the issues discussed at our recent meeting.

Sincerely,

Jim Porter
Director of Public Works
County of San Mateo/CSCSD

Save Paper.
Think before you print.

>>> Gerard Ozanne <ozannej@anesthesia.ucsf.edu> 2/27/2013 7:50 PM >>>
Hi Jim,

We thank you and your staff for meeting with CSA1 representatives to discuss the current status of our Sanitation District with respect to LAFCo analyses. We look forward to further discussions as soon as the County of San Mateo Public Works and City of San Mateo Pubic Works Departments receive the feasibility study of consolidating CSCSD and the City's sewer systems.

I have attached a letter from CSA1 representatives summarizing our understanding of the insufficient knowledge base with respect to annexation of the CSA1 Sanitation District into the City of San Mateo sewer system.

Thank you for all your help,

Jerry Ozanne

SAN MATEO COUNTY SERVICE AREA NUMBER ONE COMMUNITY ASSOCIATIONS

February 22, 2013

Jim Porter, Director

San Mateo County Department of Public Works

555 County Center

Redwood City, CA 94063

RE: Crystal Springs County Sanitation District

Dear Jim

Thank you very much for meeting with us February 11, 2013.

We learned from this update with you that any detailed consideration of Crystal Springs County Sanitation District (CSCSD) tax changes is a long way off. As far as Department of Public Works is concerned the LAFCo office has no specific information that would support the Local Area Formation Commission making any recommendations regarding annexation of our sanitation district services at this time.

We look forward to our next meeting with you.

Sincerely

Jerry Ozanne, Baywood Park Homeowners Association

Alan Palter, Baywood Plaza Homeowners Association

Rick Priola, President Highlands Community Association

John Youssefi, Polhemus Heights Homeowners Association

Hal Kuehn, San Mateo Oaks Homeowners Association

Martha Poyatos - Re: Sphere of Influence : Highlands Recreation District and Highlands unincorporated neighborhood

From: <astridmarie@aol.com>
To: <mpoyatos@smcgov.org>
Date: 3/4/2013 4:56 PM
Subject: Re: Sphere of Influence : Highlands Recreation District and Highlands unincorporated neighborhood

Dear Ms. Poyatos,

Thank you for your reply. Thank you for your clarification, yes, I would prefer that the HRD remain an independent district regardless of whether the territory HRD serves is unincorporated or annexed to the City of San Mateo.

I also understand your point regarding annexation. It is my hope that those other options are thoughtfully reviewed and analyzed. Many of us feel strongly about the option of annexation, however, and we feel it is important that the commission is aware that this option is the least desirable and least feasible, in my opinion.

Kindest Regards,

Astrid Spencer

-----Original Message-----

From: Martha Poyatos <mpoyatos@smcgov.org>

To: astridmarie <astridmarie@aol.com>

Cc: Dave Pine <DPine@smcgov.org>; Don Horsley <DHORSLEY@smcgov.org>; brigittes <brigittes@highlandsrec.ca.gov>

Sent: Mon, Mar 4, 2013 4:43 pm

Subject: Re: Sphere of Influence : Highlands Recreation District and Highlands unincorporated neighborhood

Dear Ms. Spencer:

Thank you for your thoughtful comments on the LAFCo studies regarding HRD and the City of San Mateo and County-governed districts. Your e-mail will be included in the report to the Commission. Please note that as contained in the report on HRD, the sphere of influence for HRD adopted by the Commission in 1985 is that HRD become a subsidiary district of the City upon annexation of the territory served by the District. I interpret your comments to mean that you request amendment of the HRD sphere to be status quo so that it would remain an independent district regardless of whether the territory HRD serves is unincorporated or annexed to the City of San Mateo.

Also, I note that the report discusses alternatives for governance and is not intended to be a detailed analysis of annexation. Such an analysis would be initiated if there were demonstrated interest from the community and the City.

Again, on behalf of the Commission thank you for taking the time to comment on the reports. Your comments will be provided to the Commission.

Sincerely,

Martha Poyatos - Mar. 20, 2013 LAFCo Hearing re San Mateo County Service Area No.1; Crystal Springs County Sanitation District, Highlands Recreation District, City of San Mateo and San Mateo County

From: "David E. Newhouse" <denewhouse@newhouse-associates.com>
To: <mpoyatos@smcgov.org>, <dpine@smcgov.org>, <dhorsley@smcgov.org>, <water...
Date: 3/12/2013 3:42 PM
Subject: Mar. 20, 2013 LAFCo Hearing re San Mateo County Service Area No.1; Crystal Springs County Sanitation District, Highlands Recreation District, City of San Mateo and San Mateo County
CC: Nextdoor The Highlands <reply@nextdoor.com>

NEWHOUSE & ASSOCIATES

Twin Oaks Office Plaza Suite 112
 477 Ninth Ave.
 San Mateo, CA 94402-1858

Federal Tax ID No 94-2239932

David E. Newhouse, Esq.
 Reg. Patent Attorney No. 24,911
 CA State Bar No. 54,217

Tel. No. (650) 348-8652
 Fax. No. (650) 348-8655
 Email: denewhouse@newhouse-associates.com

March 12, 2013

Dear San Mateo LAF Commission:

My wife Yvonne Newhouse and I resided at 1516 Tarrytown Street within the County Service Area No. 1.

The published Hearing Notice specifies consideration of:

- 1) the Sphere of Influence of the Highlands Recreation District, and
- 2) City of San Mateo, County Service Area 1, Crystal Springs County Sanitation District and related County-governed Districts.

The primary issue relating to the Highlands Recreation District is the dedication and governance of the 92 acres of open space as a component of an 11 home subdivision. Offer of transfer and annexation would analyze costs and district resources associated with maintenance of these lands. To this end, the District's 2012-13 Adopted Budget includes a goal of continuing to work toward acceptance of donation of the lands dedicated for open space from the Ticonderoga Partners Project. The 92 acres of open space is surrounded by the Highlands Recreation District and is not included in County Service Area 1. The 92 Acres is also a significant view-scape for residences in County Service Area 1 located east of Polhemus Road.

We support the continued independence of the Highlands Recreation District and oppose annexation of the district into the City of San Mateo Because neither the interest of the residents of the Highland Recreation District nor the interests of the residents of the City of San Mateo would be served.

The primary issues relating to County Service Area 1, Crystal Springs County Sanitation District on the one hand and the City of San Mateo on the other hand is in maintenance, upkeep and capital improvements of the sewage transport system to and treatment by the sewage treatment facilities operated by the the City of San Mateo. Of primary concern currently is the anticipated cost and

payment of the cost of completion of the required renovation of trunk sewage line down Crystal Springs Canyon shared with the Town of Hillsborough that connects to the City of San Mateo's sewage system for transport to the treatment facility. Also the street mains collecting sewage from residences in the County Service Area 1/ Crystal Springs County Sanitation District are aged.

Otherwise the residents within County Service Area 1 seem well served currently by the mixture of services provided by the County, State and City of San Mateo and local efforts of the San Mateo Highland Community Association (HCA) and other homeowner groups within the County Service Area to assure those services.

We could support a merger of the current county-operated sewer system with city sewer system as a Subsidiary Sanitary/Sewage District of the City of San Mateo with the City as governing body and operator.

Very truly yours,
David E. Newhouse, Esq.
CA State Bar No. 54,217
USPTO Reg. No 24,911
Tel. No. (650) 348-8652
Fax. No. (650) 348-8655
Cell No. (650) 766-4494
Email: denewhouse@newhouse-associates.com
denewhouse@gmail.com
Web: www.attvcubed.com

Martha Poyatos, Executive Officer
San Mateo LAFCo
455 County Center, 2nd Fl.
Redwood City, CA 94063
650/363-4224
650/363-4849 (fax)



>>> <astridmarie@aol.com> 3/4/2013 4:00 PM >>>

Astrid M. Spencer
1644 Lexington Avenue
San Mateo, CA 94402
March 4, 2013

Martha Poyatos, Executive Officer
San Mateo LAFCo
455 County Center
Redwood City, CA 94063

Re: Sphere of Influence - Highlands Recreation District and unincorporated Highlands neighborhood

Dear Ms. Poyatos:

Thank you for making yourself available to speak to our community at the most recent workshop held on February 20th.

My family has lived in the Highlands since 2007. What originally drew us to the neighborhood was Highlands Elementary School. Now we are raising our four children in what we have discovered to be a very unique and supportive community. The Highlands community is a close-knit and involved group of residents. It is not an accident that neighbors share a sense of responsibility and commitment to others here. Neighbors become involved in their community because we can make an impact on the area in which we live.

Currently, communication with our Highlands Community Association and the HRD Board is accessible with an immediacy not found in other neighborhoods. We know the individuals that provide services in our area and have, as a result, formed relationships lacking in other communities. I was never particularly involved with community affairs, but because this neighborhood invests so much, people such as myself, are similarly inspired to become an involved and active participant in local issues.

After having read through the LAFCo report and attending the workshop in February, I was eager to hear the recommendation by LAFCo to the City of San Mateo in regards to updating the Sphere of Influence designation for the HRD and unincorporated Highlands. I think that the report that you shared with us accurately captures some of the key issues and concerns of the Highlands residents, such as:

- Investment in infrastructure
- Access to public services
- Current issues with sewer services and associated costs
- Maintaining the general character and integrity of the Highlands, including open space

Realistic challenges faced by the City of San Mateo were also well documented. In my opinion, however, the option to annex the HRD and Highlands neighborhood does not adequately address my concerns, and therefore I do not support annexation as a viable nor advantageous outcome for our community.

While I would very much like to see investment in infrastructure for our area, given the current budget issues faced by the city, what guarantee do we have that annexing our neighborhood would result in additional funding and investment for infrastructure?

Additionally, our current access to the Sheriff and other emergency services is excellent, better than many cities, I would argue. There is no support or justification showing that annexation would improve current response times in any meaningful way. I actually fear that annexation would negatively impact the current level of service we enjoy.

Most of us agree that our sewer fees are too high and that much could be done to make current sewer function and services more efficient or cost effective. However, as noted in your report, that issue is currently under review by the City and the County of San Mateo. I think it is premature to make any recommendation in this regard without the benefit of the results of this study. If, after the report has been completed, there is an effective solution proposed, such as creating a subsidiary sanitary district, then I would possibly support such as measure. Annexation, however, is not required to accomplish this. Proposing any solution without the benefit of this study seems inappropriate.

As for the issue of maintaining open space and the character of our community, this neighborhood has by and large fought for open space for the last two decades. Additionally, zoning laws to restrict development or alteration of original Eichler homes is an area of much debate here. Regardless of my personal opinion on current zoning laws, I do not feel that annexation provides meaningful change to the existing rules, nor does it provide clarity of how such rules would apply going forward.

Based on my areas of concern for the neighborhood and the level of impact that

annexation might have, I support the district status quo as it applies to the sphere of influence for the HRD and Highlands. In other words, no annexation, please!

While the LAFCo report captures some very real issues for our neighborhood, there is no analysis that supports the recommendation to annex neither the HRD nor the Highlands. As such, it is impossible to make an informed decision that annexation is feasible or even a desirable solution to address the concerns of the Highlands residents. While the City considers resource sharing and cost cutting measures, there is no advantage to the Highlands in being annexed, if there is no analysis in terms of potential cost savings for the residents, no review of impact to services, nor infrastructure improvement proposals that can be considered simultaneously. It seems to me, pending results of current sewer study that is underway, annexation is a proposal that lacks any merit, and is purely supposition. As you state in your report, potential advantages to the city include increased property taxes and other revenues with the potential to create economies of scale and sustainable sewer rates. In my opinion, annexation virtually guarantees a broader revenue base for the City without any assurance of cost savings for the Highlands resident.

So, not only is there little evidence based financial advantage to the residents here, annexation would fundamentally change the character of our locally governed neighborhood. Respectfully, I ask that the Commission recommend that both the HRD and the Highlands Sphere of Influence designation remain unchanged.

Thank you for your consideration.

Sincerely,

Astrid Spencer
Highlands Resident since 2007

Cc: Brigitte Shearer, Highlands Recreation District – General Manager
Don Horsely – Chairman
Dave Pine – Supervisor

The Highlands **lowdown**

February 2013

The Highlands Community Association Newsletter

Volume 59, Number 2

www.highlandscommunity.org

Taxpayer Alert: State Agency (LAFCo) Proposes Area Police, Fire, Sanitation and Highlands Recreation Districts Be Moved to Cash-Strapped City of San Mateo

The Local Agency Formation Commission (LAFCo) <http://www.co.sanmateo.ca.us/portal/site/lafco> is a state-mandated, independent agency with county-wide jurisdiction over changes in organization and boundaries of cities and special districts, including annexations, detachments, incorporations and formations. Its responsibilities also include "to establish and periodically update spheres of influence--future boundary, organization, and service plans--for the county's cities and special districts."

LAFCo executive officer Martha Poyatos sent a report dated February 4, 2013 to area community associations recommending annexation of our special districts into budget-challenged City of San Mateo. She has called a meeting to deliver the report to area communities on Wednesday, February 20, at 7 p.m. in the Highlands Elementary School LGI room.

In December 2012, County Service Area Number

One (CSA 1) communities of our area (Highlands-Baywood-Oaks) officially notified the San Mateo County Board of Supervisors that LAFCo has shown a pattern of writing inadequately analyzed reports about our area community services. To date, the LAFCo office has ignored our specific written requests to follow due process for involvement of area communities, including advance notice and information to every taxpayer.

All of our neighbors need to attend this meeting to learn more about this effort that would irreversibly change the services we pay taxes for and our community's quality of life. Keep taxpayer demand for government accountability strong. Help maximize services and minimize taxes.

Please attend the meeting so we may preserve our county sanitation, police, fire, and Highlands recreation Districts.

Your Attendance is Critical!

**Highlands Recreation District
Baywood Plaza Community Association
Baywood Park Homeowners Association**

Invite Your Neighbors!

**Highlands Community Association
Polhemus Heights Homeowners Association
San Mateo Oaks Homeowners Association**

HRD Meeting

Tuesday, March 12, 7 p.m.
Multipurpose Room

***lowdown* Deadline**

Friday, March 1

HCA Meeting

Tuesday, February 26, 7:30 p.m.
Multipurpose Room

From: Mario Siguenza <siguenza1@gmail.com>
To: "mpoyatos@smcgov.org, dhorsley@smcgov.org, dpine@smcgov.org" <mpoyatos@s...
CC: "watertankhill@yahoo.com" <watertankhill@yahoo.com>
Date: 3/13/2013 9:45 PM
Subject: NO ON ANNEXATION FOR SAN MATEO HIGHLANDS

>>

>>

>> Dear Martha Poyatos, Dave Pine and Dave Horsley,

>>

>> I am a Highlands resident since 2002. This neighborhood needs to remain independent, and stay as it is.

>>

>> I DO NOT SUPPORT the Lafco report to annex the HIGHLANDS. The Recreation Center in our neighborhood is a special place. A place built up and supported by the residents in this neighborhood for over 50 years. It is unthinkable that the city jump in and take claim on this community treasure through annexation or any other means.

>>

>> Thank you for your time and consideration.

>>

>> Sincerely,

>>

>> Mario Siguenza

>> 2252 Allegheny Way

>>

>> 650-520-5931

>

Martha Poyatos - LAFCo Feedback

From: Dennis Shiao <dshiao@yahoo.com>
To: "mpoyatos@smcgov.org" <mpoyatos@smcgov.org>, "dhorsley@smcgov.org" <dhorsley@smcgov.org>
Date: 3/11/2013 2:54 PM
Subject: LAFCo Feedback
CC: "dpine@smcgov.org" <dpine@smcgov.org>, "watertankhill@yahoo.com" <watertankhill@yahoo.com>

Dear Ms. Poyatos and Mr. Horsley,

I've read the LAFCo reports and attended the information session in the LGI a few weeks ago. I wish my service district and Highlands Rec District to remain as it is.

I DO NOT SUPPORT any recommendation to annex the HIGHLANDS.

I wish the Highlands Rec Center to remain an independent special district even if there is ever annexation in the future of other service districts (which overlap with the Rec District).

Thanks for hearing my input.

Sincerely,
Dennis Shiao
1484 Forge Road
650-393-5238 (home)
917-903-8764 (cell)
dshiao@yahoo.com

From: Diane Shew <diane@shew.biz>
To: <dhorsley@smcgov.org>, <mpoyatos@smcgov.org>, <dpine@smcgov.org>
CC: <watertankhill@yahoo.com>
Date: 3/13/2013 8:54 PM
Subject: LAFCO--Highlands 2013

Dear Martha Poyatos, Dave Pine and Dave Horsley,

I am a HIGHLANDS RESIDENT. I wish my service district and Highlands Rec District to remain as it is.

I DO NOT SUPPORT Lafco report to annex the HIGHLANDS.

I wish the Highlands Rec Center to remain an independent special district even if there is ever annexation in the future of other service districts which overlap with the Rec District.

Sincerely,

Diane Shew
5 Stoney Point Place
San Mateo, CA 94402
415-717-9321

Martha Poyatos - LAFCO--Highlands 2013

From: Eric Russell <russell.eric.e@gmail.com>
To: <mpoyatos@smcgov.org>, <dpine@smcgov.org>, <dhorsley@smcgov.org>, <water...>
Date: 3/11/2013 2:10 PM
Subject: LAFCO--Highlands 2013

Dear Martha Poyatos, Don Pine and Dave Horsley,

I am a HIGHLANDS RESIDENT. I wish my service district and Highlands Recreation District to remain as it is.

I DO NOT SUPPORT the LAFCO report to annex the HIGHLANDS.

I wish the Highlands Recreation Center to remain an independent special district even if there is ever annexation in the future of other service districts which overlap with the Rec District.

Regards.

Eric Russell

Martha Poyatos - CSA1 Meeting PWorks

From: Gerard Ozanne <ozannej@anesthesia.ucsf.edu>
To: Jim Porter <jporter@co.sanmateo.ca.us>
Date: 2/27/2013 7:50 PM
Subject: CSA1 Meeting PWorks
CC: Palter Alan <alan.palter@varian.com>, Youssefi John
<John_youssefi@yahoo...>
Attachments: DPW CSSD re City of San Mateo.pdf

Hi Jim,

We thank you and your staff for meeting with CSA1 representatives to discuss the current status of our Sanitation District with respect to LAFCo analyses. We look forward to further discussions as soon as the County of San Mateo Public Works and City of San Mateo Pubic Works Departments receive the feasibility study of consolidating CSCSD and the City's sewer systems.

I have attached a letter from CSA1 representatives summarizing our understanding of the insufficient knowledge base with respect to annexation of the CSA1 Sanitation District into the City of San Mateo sewer system.

Thank you for all your help,

Jerry Ozanne

SAN MATEO COUNTY SERVICE AREA NUMBER ONE COMMUNITY ASSOCIATIONS

February 22, 2013

Jim Porter, Director
San Mateo County Department of Public Works
555 County Center
Redwood City, CA 94063

RE: Crystal Springs County Sanitation District

Dear Jim

Thank you very much for meeting with us February 11, 2013.

We learned from this update with you that any detailed consideration of Crystal Springs County Sanitation District (CSCSD) tax changes is a long way off. As far as Department of Public Works is concerned the LAFCo office has no specific information that would support the Local Area Formation Commission making any recommendations regarding annexation of our sanitation district services at this time.

We look forward to our next meeting with you.

Sincerely

Jerry Ozanne, Baywood Park Homeowners Association

Alan Palter, Baywood Plaza Homeowners Association

Rick Priola, President Highlands Community Association

John Youssefi, Polhemus Heights Homeowners Association

Hal Kuehn, San Mateo Oaks Homeowners Association

cc: The Honorable Dave Pine, Supervisor District One
The Honorable Don Horsley, President San Mateo County Board of Supervisors

Martha Poyatos - Highlands LAFCO

From: Melissa Wilson <m@wilsonstuart.com>
To: <mpoyatos@smcgov.org>, <dhorsley@smcgov.org>
Date: 3/10/2013 9:48 PM
Subject: Highlands LAFCO
CC: <dpine@smcgov.org>, <watertankhill@yahoo.com>

To the LAFCO Committee:

I do not want a change in governance of the neighborhood or the Rec Center.

I participate in the city of San Mateo's community programming at the Senior Center. For at least 2 years, the center staff has felt fiscally insecure and has been squeezing programs to meet a diminished budget. The head of the center days that it may be closed by San Mateo because of money. As a result, they have issued (optional) identity cards that we have to "swipe in" upon arrival so they can demonstrate that people are using the facility. In addition, my group which meets there has to take roll and submit numbers to the center. I would hate the Rec District to have this mode of operation.

I urge the Highlands to remain as an independent entity. I also request that the Highlands Rec Center remain an independent special district even if there is ever annexation in the future of other service districts which overlap with the Rec District. My response to LAFCO's options, especially in regard to the Rec Center, is "don't break what isn't broken".

Melissa Wilson
1976 Ticonderoga Drive
San Mateo, CA 94402
650-345-4304
m@wilsonstuart.com

Martha Poyatos - Please do NOT annex the highlands!

From: Chad Williams <chadwill@microsoft.com>
To: "mpoyatos@smcgov.org" <mpoyatos@smcgov.org>, "dpine@smcgov.org" <dpine@s...>
Date: 3/13/2013 9:09 PM
Subject: Please do NOT annex the highlands!
CC: "watertankhill@yahoo.com" <watertankhill@yahoo.com>, "srwilliams@stanfor..."

Dear Martha Poyatos, Dave Pine and Dave Horsley,

We are HIGHLANDS RESIDENTS. We strongly desire our service district and Highlands Rec District to remain as it is.

We DO NOT SUPPORT the Lafco report to annex the HIGHLANDS.

We wish the Highlands Rec Center to remain an independent special district even if there is ever annexation in the future of other service districts which overlap with the Rec District.

Sincerely,
-Chad and Sarah Williams
1228 Laurel Hill Dr.
San Mateo

Martha Poyatos - LAFCO--Highlands 2013

From: etienne vick <etiennevick@yahoo.com>
To: <mpoyatos@smcgov.org>, <dpine@smcgov.org>, <dhorsley@smcgov.org>, <water...>
Date: 3/11/2013 12:00 PM
Subject: LAFCO--Highlands 2013

Dear Martha Poyatos, Dave Pine and Dave Horsley,

I am a HIGHLANDS RESIDENT. I wish my service district and Highlands Rec District to remain as it is.

I DO NOT SUPPORT Lafco report to annex the HIGHLANDS.

I wish the Highlands Rec Center to remain an independent special district even if there is ever annexation in the future of other service districts which overlap with the Rec District.

Sincerely,

Etienne VICK
1790 Monticello Road,
SAN MATEO, CA 94402
650-888-0779

LAFCo Executive Director Martha Poyatos: mpoyatos@smcgov.org
Chairman Don Horsley: dhorsley@smcgov.org;
also copy Supervisor Dave Pine: dpine@smcgov.org
and copy Our own CSA1 resident compiling residents comments:
watertankhill@yahoo.com

Martha Poyatos - Highlands Status Quo Works Great

From: Monika Peschke <monikapeschke@hotmail.com>
To: "mpoyatos@smcgov.org" <mpoyatos@smcgov.org>, "dpine@smcgov.org" <dpine@s...
Date: 3/11/2013 2:01 PM
Subject: Highlands Status Quo Works Great

Dear Martha Poyatos, Dave Pine and Dave Horsley,

I have been a Highlands resident for many years. I would like my service district and Highlands Rec District to remain as it is.

I DO NOT SUPPORT the Lafco report to annex the Highlands.

The Highlands Rec Center is strong and well managed, and should remain an independent special district, even if there is ever annexation in the future of other service districts which overlap with the Rec District.

Sincerely,

Monika Peschke
10 White Plains Ct
San Mateo

Liesje Nicolas
1896 Lexington Ave
San Mateo, CA 94402

Martha Poyatos, Executive Officer
San Mateo LAFCo
455 County Center
Redwood City, CA 94063

December 12, 2012

Re: LAFCo Service Review & Sphere of Influence report, Highlands Rec District Nov 2012

Dear LAFCo Officers and County Supervisors,

Residents of CSA1 and the HCA appreciate your deferral of LAFCo reports until our area community associations are given an opportunity to be a part of the information gathering and assessment for the report.

I am a resident of the Highlands and Co-VP of the Highlands Community Association. I am born and raised in the Highlands and now raising a family of my own here. I ask that you recommend the Highlands Recreation District to remain an Independent Special District with no changes to management, and no annexation to the city. I support your report option of Status Quo, but do *not* support the recommendation of annexation of the Highlands to the city.

The Highlands Recreation District was created *by* Highlands residents, *for* the Highlands residents, and has successfully managed itself for 55 years now. We do not want to be annexed to the city of San Mateo in any way. No matter how LAFCo reports phrase it -annexation, subsidiary or "in the sphere of influence" we do not want your recommendation to annex *any* of our services to the city of San Mateo. The Unincorporated County Service Area 1 has managed our services efficiently and built up reserves.

The purpose of the LAFCo "Municipal Service Review And Sphere of Influence" Report appears to have been created many many years ago, to help "disadvantaged unincorporated areas", but it is not accurate in this current day to support annexation of the Highlands to the city. The Highlands is definitely *not* a disadvantaged unincorporated area. I respectfully request that the Highlands be taken out of the city of San Mateo's Sphere of Influence and LAFCo stop contracting with the County to create reports about annexing the Highlands' services. The Highlands does not even border on the city of San Mateo. CSA1 neighborhoods do. Highlands does not. Isn't it about time to report that The Highlands has successfully been unincorporated for 55 years now, and does not want to be in the city of San Mateo?

I am part of the "young family" generation in the Highlands, and as so, can tell you we spend over a million dollars to buy our houses here, because of the location, away from the city in the beautiful open green space. We want the quiet, tight knit community that we have in our little island on our hilltop. The Highlands Community Association members have historically engaged actively with our Special District Service Providers. We value the relationships that have been built by Highlanders before us, with our service providers and our County Supervisors and we will do all we can to continue those relationships.

Thank you,
Liesje Nicolas, HCA Co-1st VP.

Liesjenicolas@gmail.com

Martha Poyatos - LAFCO - Highlands 2013

From: "Gretchen Michaels" <michaelsgretchen@gmail.com>
To: <mpoyatos@smcgov.org>, <dpine@smcgov.org>, <dhorsley@smcgov.org>, <water...>
Date: 3/11/2013 1:48 PM
Subject: LAFCO - Highlands 2013

Dear Martha Poyatos, Dave Pine and Don Horsley,

I am a Highlands resident. I wish my service district and Highlands Rec District to remain as it stands today.

I DO NOT SUPPORT the LAFCO report to annex The Highlands.

I wish the Highlands Rec Center to remain an independent special district even if there is ever annexation in the future of other service districts which overlap with the Highlands Rec District.

Sincerely,

Gretchen Michaels
2219 Allegheny Way
San Mateo, CA 94402
650.393.5793

/g



Gretchen Michaels
www.artbygretchen.net
425.318.2395

v.5.21.2012

Martha Poyatos - Highlands/CSA1 District: We do not support LAFCo's report!

From: val margolin <valmargolin@gmail.com>
To: <mpoyatos@smcgov.org>
Date: 3/8/2013 5:03 PM
Subject: Highlands/CSA1 District: We do not support LAFCo's report!

Dear LAFCo,

I wish my Service Districts and Highlands Recreation District to remain as is. I do not support LAFCo's report to annex them.

We urge you to consider the voices of our community.

Thank you,

Valerie & Benjamin Margolin

Highlands Homeowners

Martha Poyatos - Highlands Recreation District

From: Mike Humphrey <mikenhumphrey@gmail.com>
To: <mpoyatos@smcgov.org>
Date: 3/6/2013 12:42 PM
Subject: Highlands Recreation District
CC: <bridgettes@highlandsrec.ca.gov>, Mike Humphrey
<mikenhumphrey@gmail.com>

Please forward this to Ms. Linda Craig, Chair LAFCO.

I'm a 32-year resident of the Highlands and my wife, Lila, has lived here for 42 years. We feel strongly that that LAFCO should maintain our District's status-quo sphere of influence, so that HRD, the Highlands Recreation District, remains as a separate independent district.

We want our wonderful community center to remain the heart of our neighborhood, as it has been for more than 50 years. Not only recreational, it offers a place for students to do homework and to take enrichment classes. Several holidays are celebrated at HRD, including July 4, with a parade, complete with fire trucks, and several generations of Highlanders congregate, children to great-grandparents, to enjoy the festival. There are many other benefits. HRD management works very closely with our county fire department.

We invite and have many guests for these events. We feel strongly that the management and focus of the HRD should continue to be an independent entity in San Mateo County.

Thank you

Mike Humphrey

2075 Ticonderoga Dr
San Mateo, Ca 94402

650 678-4312

=====

Martha Poyatos - Meeting March 20, 2013

From: Carmela <cglasgow@pacbell.net>
To: <mpoyatos@smcgov.org>
Date: 3/8/2013 4:18 PM
Subject: Meeting March 20, 2013

Ms. Poyatos
LAFCO

We wish to be put on record that having lived in our home for the past 42 years we are very satisfied with our County-governed District.

We do not want to become annexed to the City of San Mateo or any other city. We wish everything to remain status quo. As the old saying goes, "If it ain't broke, don't fix it".

Thank you for your consideration.

Edwin and Carmela Glasgow
1597 Ascension Drive
San Mateo, CA 94402

(650) 574-2321

Martha Poyatos - Lafco Feb 20, 2013 meeting

From: Arline & Phil Dixon <dixon@pacbell.net>
To: <mpoyatos@co.sanmateo.ca.us>
Date: 3/8/2013 12:27 PM
Subject: Lafco Feb 20, 2013 meeting
CC: <dpine@smcgov.org>

Dear Ms Poyatos,

We were at the meeting and wanted to make our feelings known about the proposed annexations. We have been residents of the SM Highlands since 1969 and we have been homeowners at 1708 Monticello Rd since 1971. We like our community and, although we may need to pay extra for our sewer, we prefer to keep our community functioning as it has over the many years we have lived here. Please consider us as a NO response on the proposals set out at the meeting.

Thank you for hearing us,

Phillip and Arline Dixon

Martha Poyatos - Re: LAFCo study and Crystal Springs County Sanitation District

From: Bill Danigelis <bill.danigelis@me.com>
To: Martha Poyatos <mpoyatos@smcgov.org>
Date: 3/6/2013 2:56 PM
Subject: Re: LAFCo study and Crystal Springs County Sanitation District

Martha,
Thanks for your time today.
Bill

Bill Danigelis
650-867-3152

On Mar 06, 2013, at 02:46 PM, Martha Poyatos <mpoyatos@smcgov.org> wrote:

Dear Mr. Danigelis:

Thank you for your interest in the LAFCo studies regarding the Highlands/Baywood Park Unincorporated Area.

The following is a link to the County Public Works presentation on Crystal Spring County Sanitation District which has useful info about the District, rates, operations, etc.

<http://www.co.sanmateo.ca.us/publicworks/Divisions/Flood%20Control,%20Lighting,%20Sewer%20and%20Water/Sewer%20Services/Presentation042512CSCSD.pdf>

For the Commission hearing, I will include in my summary of comments received, your comments supporting annexation if it creates cost effective and efficient service (in particular sewer) and about needing better coordination between law enforcement agencies when there is a call for service on the boundary of the unincorporated area.

Thanks again,

Martha Poyatos, Executive Officer
San Mateo LAFCo
455 County Center, 2nd Fl.
Redwood City, CA 94063
650/363-4224
650/363-4849 (fax)

<IMAGE.gif>

Martha Poyatos - Community workshop Highlands 02/20/13

From: <WillardHC@aol.com>
To: <mpoyatos@smcgov.org>
Date: 2/19/2013 2:46 PM
Subject: Community workshop Highlands 02/20/13

Dear Martha Poyatos,

I am sending this to back up the e-mail I sent to you earlier to-day.

Bill Campbell

From: WillardHC@aol.com
To: dpine@smcgov.org
Sent: 2/18/2013 5:05:47 P.M. Pacific Standard Time
Subj: Fwd: Crystal springs county sanitation district.

Dave,

LAFCO are having a meeting at the HIGHLANDS SCHOOL 02/20/13.

They sent each property owner a memo.

In reading through it on page 34 I noticed that the county DPW and City of San Mateo PDW have initiated a feasibility study of consolidating CSCSD and the City's sewer systems into a subsidiary district of the City of San Mateo to create long term efficiencies and SAVINGS for rate payers of both systems.

If you are not already involved with this please get involved as soon as possible and keep me and all of the other rate payers advised of progress towards starting to reduce our sewer service charge.

Thank you,

Bill Campbell

From: WillardHC@aol.com
To: dpine@smcgov.org
Sent: 2/7/2013 9:51:58 A.M. Pacific Standard Time
Subj: Fwd: Crystal springs county sanitation district.

Good morning Dave,

Following up and expecting:

progress,

new ideas,

this matter being high on your list of things to be resolved very soon!

Let me (and CSCSD) know what you are achieving.

Thank you,

Bill Campbell

From: WillardHC@aol.com
To: dpine@smcgov.org
Sent: 1/15/2013 4:56:53 P.M. Pacific Standard Time
Subj: Crystal springs county sanitation district.

Hi Dave,

Here we are in 2013!. The subject will be working on their next budget. We the rate payers AGAIN got stuck with a very large increase-which makes the gap between us and the surrounding cities even wider. This constantly increasing cost for sewer service has to stop and this cost needs to be reduced.

The last time we talked you mentioned talking with Carol Groom and City of San Mateo council members and staff to explore possibilities to solve this problem.
How far have you got?
Is LAFCO able to help?

What other ideas are you working on?
What else can be done?
What else can I or the rate payers in the subject district do?

Please give this problem your maximum creative attention now!

Thank you,

Bill Campbell

Martha Poyatos - Lafco review of Highlands

From: <WillardHC@aol.com>
To: <mpoyatos@smcgov.org>
Date: 3/4/2013 3:10 PM
Subject: Lafco review of Highlands

I am sending this to you again to bring my very strong concern over the constantly increasing cost of our sewer service rate to your attention and seek your full support in bringing our charge in line with the surrounding cities as soon as possible.

Willard H (Bill) Campbell

From: WillardHC@aol.com
To: mpoyatos@smcgov.org
Sent: 2/19/2013 2:35:28 P.M. Pacific Standard Time
Subj: Community workshop Highlands 02/20/13

As I am disabled I will be unable to attend.

My major concern is the exorbitant sewer service rate.

I have looked at your report. You are aware of our problem.

The feasibility study needs to be completed and worked out AS SOON AS POSSIBLE..

I have contacted Dave Pine our supervisor to seek his understanding and help in getting our sewer service rate reduced and brought in line with the cities which surround us.

I and I believe many of the homeowners in this district (especially those on fixed incomes) welcome your investigation and we trust it will lead to a fair and equitable resolution of this vexing problem very soon.

Willard H. (Bill) Campbell

Martha Poyatos - Re: Sphere of Influence : Highlands Recreation District and Highlands unincorporated neighborhood

From: <astridmarie@aol.com>
To: <mpoyatos@smcgov.org>
Date: 3/4/2013 4:56 PM
Subject: Re: Sphere of Influence : Highlands Recreation District and Highlands unincorporated neighborhood

Dear Ms. Poyatos,

Thank you for your reply. Thank you for your clarification, yes, I would prefer that the HRD remain an independent district regardless of whether the territory HRD serves is unincorporated or annexed to the City of San Mateo.

I also understand your point regarding annexation. It is my hope that those other options are thoughtfully reviewed and analyzed. Many of us feel strongly about the option of annexation, however, and we feel it is important that the commission is aware that this option is the least desirable and least feasible, in my opinion.

Kindest Regards,

Astrid Spencer

-----Original Message-----

From: Martha Poyatos <mpoyatos@smcgov.org>

To: astridmarie <astridmarie@aol.com>

Cc: Dave Pine <DPine@smcgov.org>; Don Horsley <DHORSLEY@smcgov.org>; brigittes <brigittes@highlandsrec.ca.gov>

Sent: Mon, Mar 4, 2013 4:43 pm

Subject: Re: Sphere of Influence : Highlands Recreation District and Highlands unincorporated neighborhood

Dear Ms. Spencer:

Thank you for your thoughtful comments on the LAFCo studies regarding HRD and the City of San Mateo and County-governed districts. Your e-mail will be included in the report to the Commission. Please note that as contained in the report on HRD, the sphere of influence for HRD adopted by the Commission in 1985 is that HRD become a subsidiary district of the City upon annexation of the territory served by the District. I interpret your comments to mean that you request amendment of the HRD sphere to be status quo so that it would remain an independent district regardless of whether the territory HRD serves is unincorporated or annexed to the City of San Mateo.

Also, I note that the report discusses alternatives for governance and is not intended to be a detailed analysis of annexation. Such an analysis would be initiated if there were demonstrated interest from the community and the City.

Again, on behalf of the Commission thank you for taking the time to comment on the reports. Your comments will be provided to the Commission.

Sincerely,

Martha Poyatos, Executive Officer
San Mateo LAFCo
455 County Center, 2nd Fl.
Redwood City, CA 94063
650/363-4224
650/363-4849 (fax)



>>> <astridmarie@aol.com> 3/4/2013 4:00 PM >>>

Astrid M. Spencer
1644 Lexington Avenue
San Mateo, CA 94402
March 4, 2013

Martha Poyatos, Executive Officer
San Mateo LAFCo
455 County Center
Redwood City, CA 94063

Re: Sphere of Influence - Highlands Recreation District and unincorporated Highlands neighborhood

Dear Ms. Poyatos:

Thank you for making yourself available to speak to our community at the most recent workshop held on February 20th.

My family has lived in the Highlands since 2007. What originally drew us to the neighborhood was Highlands Elementary School. Now we are raising our four children in what we have discovered to be a very unique and supportive community. The Highlands community is a close-knit and involved group of residents. It is not an accident that neighbors share a sense of responsibility and commitment to others here. Neighbors become involved in their community because we can make an impact on the area in which we live.

Currently, communication with our Highlands Community Association and the HRD Board is accessible with an immediacy not found in other neighborhoods. We know the individuals that provide services in our area and have, as a result, formed relationships lacking in other communities. I was never particularly involved with community affairs, but because this neighborhood invests so much, people such as myself, are similarly inspired to become an involved and active participant in local issues.

After having read through the LAFCo report and attending the workshop in February, I was eager to hear the recommendation by LAFCo to the City of San Mateo in regards to updating the Sphere of Influence designation for the HRD and unincorporated Highlands. I think that the report that you shared with us accurately captures some of the key issues and concerns of the Highlands residents, such as:

- Investment in infrastructure
- Access to public services
- Current issues with sewer services and associated costs
- Maintaining the general character and integrity of the Highlands, including open space

Realistic challenges faced by the City of San Mateo were also well documented. In my opinion, however, the option to annex the HRD and Highlands neighborhood does not adequately address my concerns, and therefore I do not support annexation as a viable nor advantageous outcome for our community.

While I would very much like to see investment in infrastructure for our area, given the current budget issues faced by the city, what guarantee do we have that annexing our neighborhood would result in additional funding and investment for infrastructure?

Additionally, our current access to the Sheriff and other emergency services is excellent, better than many cities, I would argue. There is no support or justification showing that annexation would improve current response times in any meaningful way. I actually fear that annexation would negatively impact the current level of service we enjoy.

Most of us agree that our sewer fees are too high and that much could be done to make current sewer function and services more efficient or cost effective. However, as noted in your report, that issue is currently under review by the City and the County of San Mateo. I think it is premature to make any recommendation in this regard without the benefit of the results of this study. If, after the report has been completed, there is an effective solution proposed, such as creating a subsidiary sanitary district, then I would possibly support such as measure. Annexation, however, is not required to accomplish this. Proposing any solution without the benefit of this study seems inappropriate.

As for the issue of maintaining open space and the character of our community, this neighborhood has by and large fought for open space for the last two decades. Additionally, zoning laws to restrict development or alteration of original Eichler homes is an area of much debate here. Regardless of my personal opinion on current zoning laws, I do not feel that annexation provides meaningful change to the existing rules, nor does it provide clarity of how such rules would apply going forward.

Based on my areas of concern for the neighborhood and the level of impact that

annexation might have, I support the district status quo as it applies to the sphere of influence for the HRD and Highlands. In other words, no annexation, please!

While the LAFCo report captures some very real issues for our neighborhood, there is no analysis that supports the recommendation to annex neither the HRD nor the Highlands. As such, it is impossible to make an informed decision that annexation is feasible or even a desirable solution to address the concerns of the Highlands residents. While the City considers resource sharing and cost cutting measures, there is no advantage to the Highlands in being annexed, if there is no analysis in terms of potential cost savings for the residents, no review of impact to services, nor infrastructure improvement proposals that can be considered simultaneously. It seems to me, pending results of current sewer study that is underway, annexation is a proposal that lacks any merit, and is purely supposition. As you state in your report, potential advantages to the city include increased property taxes and other revenues with the potential to create economies of scale and sustainable sewer rates. In my opinion, annexation virtually guarantees a broader revenue base for the City without any assurance of cost savings for the Highlands resident.

So, not only is there little evidence based financial advantage to the residents here, annexation would fundamentally change the character of our locally governed neighborhood. Respectfully, I ask that the Commission recommend that both the HRD and the Highlands Sphere of Influence designation remain unchanged.

Thank you for your consideration.

Sincerely,

Astrid Spencer
Highlands Resident since 2007

Cc: Brigitte Shearer, Highlands Recreation District – General Manager
Don Horsely – Chairman
Dave Pine – Supervisor

From: Vicki Grey <vgrey@sbcglobal.net>
To: "mpoyatos@smcgov.org" <mpoyatos@smcgov.org>, "dhorsley@smcgov.org" <dhor...
CC: "dpine@smcgov.org" <dpine@smcgov.org>
Date: 3/8/2013 11:37 PM
Subject: Fwd: LAFCO Highlands rec district

> Dear LAFCo,

> I wish Highlands Recreation District to remain as is. I do not support LAFCo's report to annex.

> Regards,
> Victoria Grey
>

Martha Poyatos - Mar. 20, 2013 LAFCo Hearing re San Mateo County Service Area No.1; Crystal Springs County Sanitation District, Highlands Recreation District, City of San Mateo and San Mateo County

From: "David E. Newhouse" <denewhouse@newhouse-associates.com>
To: <mpoyatos@smcgov.org>, <dpine@smcgov.org>, <dhorsley@smcgov.org>, <water...
Date: 3/12/2013 3:42 PM
Subject: Mar. 20, 2013 LAFCo Hearing re San Mateo County Service Area No.1; Crystal Springs County Sanitation District, Highlands Recreation District, City of San Mateo and San Mateo County
CC: Nextdoor The Highlands <reply@nextdoor.com>

NEWHOUSE & ASSOCIATES

Twin Oaks Office Plaza Suite 112
 477 Ninth Ave.
 San Mateo, CA 94402-1858

Federal Tax ID No 94-2239932

David E. Newhouse, Esq.
 Reg. Patent Attorney No. 24,911
 CA State Bar No. 54,217

Tel. No. (650) 348-8652
 Fax. No. (650) 348-8655
 Email: denewhouse@newhouse-associates.com

March 12, 2013

Dear San Mateo LAF Commission:

My wife Yvonne Newhouse and I resided at 1516 Tarrytown Street within the County Service Area No. 1.

The published Hearing Notice specifies consideration of:

- 1) the Sphere of Influence of the Highlands Recreation District, and
- 2) City of San Mateo, County Service Area 1, Crystal Springs County Sanitation District and related County-governed Districts.

The primary issue relating to the Highlands Recreation District is the dedication and governance of the 92 acres of open space as a component of an 11 home subdivision. Offer of transfer and annexation would analyze costs and district resources associated with maintenance of these lands. To this end, the District's 2012-13 Adopted Budget includes a goal of continuing to work toward acceptance of donation of the lands dedicated for open space from the Ticonderoga Partners Project. The 92 acres of open space is surrounded by the Highlands Recreation District and is not included in County Service Area 1. The 92 Acres is also a significant view-scape for residences in County Service Area 1 located east of Polhemus Road.

We support the continued independence of the Highlands Recreation District and oppose annexation of the district into the City of San Mateo Because neither the interest of the residents of the Highland Recreation District nor the interests of the residents of the City of San Mateo would be served.

The primary issues relating to County Service Area 1, Crystal Springs County Sanitation District on the one hand and the City of San Mateo on the other hand is in maintenance, upkeep and capital improvements of the sewage transport system to and treatment by the sewage treatment facilities operated by the the City of San Mateo. Of primary concern currently is the anticipated cost and

payment of the cost of completion of the required renovation of trunk sewage line down Crystal Springs Canyon shared with the Town of Hillsborough that connects to the City of San Mateo's sewage system for transport to the treatment facility. Also the street mains collecting sewage from residences in the County Service Area 1/ Crystal Springs County Sanitation District are aged.

Otherwise the residents within County Service Area 1 seem well served currently by the mixture of services provided by the County, State and City of San Mateo and local efforts of the San Mateo Highland Community Association (HCA) and other homeowner groups within the County Service Area to assure those services.

We could support a merger of the current county-operated sewer system with city sewer system as a Subsidiary Sanitary/Sewage District of the City of San Mateo with the City as governing body and operator.

Very truly yours,
David E. Newhouse, Esq.
CA State Bar No. 54,217
USPTO Reg. No 24,911
Tel. No. (650) 348-8652
Fax. No. (650) 348-8655
Cell No. (650) 766-4494
Email: denewhouse@newhouse-associates.com
denewhouse@gmail.com
Web: www.attvcubed.com