March 12, 2014

To: LAFCo Commissioners

From: Martha Poyatos, Executive Officer

Subject: Impartial Analysis for June 3, 2014 ballot measure for Reorganization of the Granada

Sanitary District into a Community Services District and Adding the Service of Park

and Recreation (LAFCo File No. 13-05)

On January 15, 2014, by LAFCo Resolution 1176, San Mateo LAFCo approved the above noted application and delegated conducting authority proceedings to the Executive Officer. On February 19, 2014, LAFCo held a protest hearing resulting in protest of fewer than 50 percent of registered voters. As a result, an election is required to be held on the matter pursuant to Government Code Sections 57000 and 61014(e)(2)(a).

The Cortese-Knox-Hertzberg (CKH) Act sets forth procedures to follow when an election is required to confirm an approved LAFCo reorganization proposal and requires the Commission to request that the Board of Supervisors call an election and direct the elections officials to conduct the election.

Following the protest hearing on February 19, 2014, the Executive Officer, as delegated by the Commission, requested that the Board of Supervisors call an election pursuant to LAFCo Resolution 1176 and submitted the following ballot question pursuant to Government Code Section 57133(f):

Shall the order, adopted on January 15, 2014, by the San Mateo Local Agency Formation Commission, ordering a reorganization affecting the Granada Sanitary District and providing for Reorganization into a Community Services District, adding the service of park and recreation in addition to current services of sanitary sewer collection and treatment and solid waste, subject to the terms and conditions specified in the order, be confirmed?

Pursuant to Government Code Sections 56898 and 57144, the LAFCo Executive Officer must submit to the Commission for their review and approval an impartial analysis, not to exceed 500 words, of the proposed measure. The analysis presented has been reviewed by San Mateo County Elections staff and including the title, has a total length of 445 words. Upon adoption, this impartial analysis will be forwarded to the election officials for inclusion in the election materials.

<u>Recommendation</u>

It is recommended that the Commission review, modify as necessary, and adopt the attached impartial analysis and direct the Executive Officer to transmit the analysis to the County election officials.

IMPARTIAL ANALYSIS – MEASURE ___

REORGANIZATION OF THE GRANADA SANITARY DISTRICT INTO A COMMUNITY SERVICES DISTRICT AND ADDING THE SERVICE OF PARKS AND RECREATION

This ballot measure is to determine if the voters in the Granada Sanitary District support reorganization of the District into a Community Services District in order to add park and recreation services. A "YES" vote on this measure is a vote for reorganizing the District into a Community Services District authorized by Government Code Section 61000, which will continue existing sewer and garbage collection services and add parks and recreation service. A "NO" vote on this measure is a vote against reorganization of the District into a Community Services District. A majority of the votes cast in favor of the measure is needed to approve the reorganization. If the measure fails to receive a majority of the votes cast, the reorganization will be terminated.

Granada Sanitary District boundaries include the communities of El Granada, Princeton-by-the-Sea, Miramar, northern Half Moon Bay, and rural areas extending eastward based on District boundaries upon formation in 1955. The District's current services of sewage collection, treatment, and disposal district wide, and garbage and refuse collection, recycling, and disposal in unincorporated territory of the District, will not change as a result of the reorganization. The new services of community parks and recreation would be provided in the unincorporated territory of the District and funded with a portion of the property tax the District receives. The territory of the District located in Half Moon Bay, which is already included in City parks and recreation programs, would not be included in the District's parks and recreation service area. Instead, the District would pass through property tax for the purpose of parks and recreation for this area to the City of Half Moon Bay.

The Reorganization was approved by the Local Agency Formation Commission (LAFCo) with several conditions, including executing a contract with the County of San Mateo Parks Department to implement initial parks and recreation facilities and programs. The District's proposed budget for the first five years of operation projects increases in annual sewer charges from \$415 in Fiscal Year 2014-15 to \$485 in Fiscal Year 2018-19 as a result of shifting property tax to fund parks and recreation service.

LAFCo reviewed the Granada Sanitary District Reorganization application, budget, environmental document, and comments from the public and affected agencies. LAFCo considered and approved the reorganization proposal on January 15, 2014. The protest process that followed the LAFCo approval resulted in protest by one registered voter. Government Code Section 61000 requires an election on the reorganization to create a Community Services District. Registered voters within the current boundaries of Granada Sanitary District are entitled to vote on the reorganization at the June 3, 2014 election.

The preceding statement is an impartial analysis of Measure __. A copy of the measure can be obtained by contacting the Elections Division at 650-312-5222.

Martha Poyatos, Executive Officer San Mateo LAFCo