

SAN MATEO



LOCAL AGENCY FORMATION COMMISSION

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

Action Minutes San Mateo Local Agency Formation Commission Meeting September 15, 2021

Chair Slocum called the Wednesday, September 15, 2021 meeting of the Local Agency Formation Commission (LAFCo) to order at 2:30 pm via Zoom.

1. Roll Call

Members Present: Commissioners Joshua Cosgrove, Ann Draper, Don Horsley, Ric Lohman, Harvey Rarback, Vice Chair Mike O'Neill, Chair Warren Slocum.

Members Absent: None

Alternate Commissioners Jim O'Neill, Dian Reddy and Kati Martin were also present in the audience.

Staff Present: Martha Poyatos, Executive Officer
Rob Bartoli, Management Analyst
Timothy Fox, Legal Counsel
Angela Montes Cardenas, Commission Clerk
Janneth Lujan, Planning Commission Secretary

2. Public Comment for Items Not on the Agenda

None

3. Consent Agenda

a. Approval of Action Minutes: May 19, 2021

b. LAFCo File No. 18-05 – Propose Outside Service Agreement for sewer by the City of San Carlos to an existing single-family home at 95 Camborne Avenue, unincorporated San Mateo County (APN 049-062-410)

c. LAFCo File No. 21-08 – Proposed annexation of APN 080-072-610 (vacant parcel on Lake Road, Los Trancos Woods) to West Bay Sanitary District

COMMISSIONERS: WARREN SLOCUM, CHAIR, COUNTY ▪ MIKE O'NEILL, VICE CHAIR, CITY ▪ HARVEY RARBACK, CITY ▪ DON HORSLEY, COUNTY
▪ JOSHUA COSGROVE, SPECIAL DISTRICT ▪ RIC LOHMAN, SPECIAL DISTRICT ▪ ANN DRAPER, PUBLIC

ALTERNATES: KATI MARTIN, SPECIAL DISTRICT ▪ DIANA REDDY, CITY ▪ JAMES O'NEILL, PUBLIC ▪ DAVE PINE, COUNTY

STAFF: MARTHA POYATOS, EXECUTIVE OFFICER ▪ TIMOTHY FOX, LEGAL COUNSEL ▪ ROB BARTOLI, MANAGEMENT ANALYST ▪ ANGELA MONTES, COMMISSION CLERK

d. LAFCo File No. 21-09 – Proposed annexation of 1165 Los Trancos Road, Los Trancos Woods (APN 080-081-010) to West Bay Sanitary District

e. LAFCo File No. 21-10 – Proposed annexation of 300 Alamos Road, Portola Valley (APN 077-271-150) to West Bay Sanitary District and subsequent annexation to the On-site Wastewater Disposal Zone

Commission Action: Commissioner Horsley moved to approve the consent agenda and Vice Chair O’Neill seconded the motion which passed unanimously by roll call vote. (Ayes: Commissioners Cosgrove, Draper, Horsley, Lohman, Rarback, Vice Chair O’Neill, Chair Slocum. Abstentions: None; Noes: None)

4. Consideration of Amendment to contract with the consulting firm of Berkson Associates in association with Policy Consulting Associates, LLC for preparation of a Municipal Service review and Sphere of Influence Update for the City of East Palo Alto, East Palo Alto Sanitary District, and West Bay Sanitary District to extend date of contract from March 31, 2022 to July 31, 2022

Ms. Poyatos presented a staff report dated September 8 requesting that the Commission authorize amendment of the term of the consulting contract for the MSR for the City of East Palo Alto, East Palo Alto Sanitary District, and West Bay Sanitary District with Berkson and Associates that was approved by the Commission on May 19. She noted that the resolution and the contract stipulated a term of May 19, 2021 through March 31, 2022 for the Municipal Service Review. She added that due to a delay in contract execution and to allow additional time for public review and better align with the Commission meeting schedule, staff is recommending that the contract end date be extended from March 31, 2022 to July 31, 2022.

Ms. Poyatos said that regarding budget impact, there was no change in the contract amount (\$129,475) and these funds have been remitted by the developers.

She reported that the LAFCo website had been updated with a page for the MSR that will provide updates and provides information to interested parties on how to receive notification of availability of the draft and final reports.

Chair Slocum opened public comment.

Akin Okupe, East Palo Alto Sanitary District General Manager, said that the District has received email requests from the consultant and will be working in a cooperative manner to ensure the process is smooth. He commended the Commission for taking this MSR on and said we will all learn from this process.

Chair Slocum closed public comment.

Commission Action: Vice Chair O’Neill moved to approve by resolution, authorize amendment to the contract with the consulting firm of Berkson Associates in association with Policy Consulting Associates, LLC for preparation of a Municipal Service Review and Sphere of Influence Update for the City of East Palo Alto, East Palo Alto Sanitary District, and West Bay Sanitary District to extend date of contract from March 31, 2022 to July 31, 2022. Commissioner Lohman seconded the motion which passed unanimously by roll call vote. (Ayes: Commissioners Cosgrove, Draper, Horsley, Lohman, Rarback, Vice Chair O’Neill, Chair Slocum. Abstentions: None; Noes: None)

5. Year End and Quarterly LAFCo Budget – Information Only

Mr. Bartoli summarized the staff report dated September 8. He noted that this item provides a year end and quarterly financial update for the LAFCo budget and highlights how LAFCo has performed financially in the previous fiscal year and quarter compared to the adopted budget. He said that this practice was recommended during a previous audit as an additional safeguard to ensure sound financial management. He also said that this is in accordance with LAFCo Fiscal Policies and Procedures.

He explained that overall, LAFCo revenues totaled slightly over \$1 million exceeding its budgeted revenue of \$728,804. He said this increased revenue was due to variances in two areas: Charges for Service and Intergovernmental Revenue. He noted a Charges for Services variance of \$129,745 for total Charges for Service revenue received of \$152,713. He said this was the result of a payment from developers for the City of East Palo Alto, East Palo Alto Sanitary District, and West Bay Sanitary District Municipal Service Review.

He said that the Intergovernmental Revenues representing apportionment payments from cities and independent special districts was budgeted at \$362,958, all of which were received in FY 2020-21.

He said that as part of the adoption of the FY 2021-22 budget, LAFCo staff highlighted an issue with a delay in billing member agencies, which resulted in a negative cash balance in previous fiscal years. He noted that to address this, the Controller invoiced funding agencies prior to the end of FY 2020-21 and deposited payments received prior to the end of the fiscal year. Payments totaling \$147,755 were therefore recorded as revenue in FY 2020-21 rather than FY 2021-22. He noted that these funds have been transferred to fund balance, where to be utilized to pay budgeted expenditures. He explained that going forward, LAFCo staff will work with the Controller’s Office to assure correct timing of invoicing and posting of revenue collected.

Mr. Bartoli stated that for expenditures 90% of the budget was utilized compared to the budgeted amount. He noted that the variance resulted from savings due to virtual versus in person Commission meetings and savings in video recording of in person meetings, telephone charges and County Counsel expenses.

He said that for current FY21-22, LAFCo has received 93% of the 1/3 apportionment from member agencies.

Chairman Slocum opened and closed the public comment period. No comments were received.

6. Legislative and Policy Committee – Information Only

a. Legislative Report

Mr. Bartoli said that on September 10 the State legislative session ended and that CALAFCO was tracking 33 bills, many of which passed the legislature and are pending the Governor's signature. He noted that the Governor has until Oct. 10 to sign or veto these bills.

Mr. Bartoli highlighted SB 403, which would authorize the State Water Resources Control Board to order consolidation of a water system or district that serves a disadvantaged community (and or)? consistently fails to provide an adequate supply of safe drinking water. He said that CALAFCO asked for amendments regarding coordination with the Groundwater Sustainability Agencies, limiting the number of connections added as part of the consolidation, and clarification of LAFCo's role during a potential consolidation. He said this bill has been approved by the Legislature, pending Governor's review.

He also highlighted AB 959, which would authorize four open space districts, including the Midpeninsula Regional Open Space District, the use of public nuisance ordinances and the ability to establish procedures for abating nuisances. He said this bill has been approved by legislature, pending Governor's review.

Lastly, Mr. Bartoli highlighted AB 361 which would allow agencies to continue teleconference meetings when it is deemed unsafe to have in-person meetings.

Chairman Slocum opened and closed the public comments. No comments were received.

Commissioner Draper asked about AB 897 and the creation of climate resiliency groups. She said that the bill would allow LAFCOs to participate and asked for more information. Mr. Bartoli said that CALAFCO supports this bill and noted that the original bill did not include LAFCOs as but that the bill has since been amended. He said that climate resilience groups would be based regionally. He continued to summarize the bill. Commissioner Draper said

that if Commissioners were to be included in the group she would be interested. Mr. Bartoli also noted that this bill has held in Appropriations and became a 2-year bill.

7. CALAFCO

a. CALAFCO Quarterly August 2021 Newsletter – Information Only

b. 2021 CALAFCO Annual Conference Update and Designation of Voting Member

Ms. Poyatos summarized the CALAFCO correspondence announcing cancelation of the annual conference scheduled to take place October 6 to 8 in Newport Beach. She said that, as noted in the memo, the decision to cancel was based on extremely low registration and reluctance to meet in person expressed by members. She said that CALAFCO plans to hold the 2022 annual conference at the same venue on Oct. 19-21, 2022. She noted that select conference events for this year's conference will now be held virtually.

Ms. Poyatos said that the Regional Roundtable Coastal Region meeting will be December 15, 2021 from 3-4pm. Commissioners will receive a link to this event.

She said that regarding the request that the Commission appoint a voting delegate and alternates, staff learned that due to a delay in remitting San Mateo LAFCo's CALAFCO membership dues CALAFCO bylaws disqualify the Commission from voting in the upcoming election, negating the need for a voting delegate

She concluded by sharing with the Commission's that several CALAFCO webinars can be viewed on the CALAFCO website including the most recent 4-part series on preparing MSR's for Fire and EMS agencies, Formation of a Community Services Districts, and Financial Indicators for Cities and Special Districts.

Vice Chair O'Neill ask what is a CSD that is mentioned on the newsletter. Mr. Poyatos said that is Community Services District.

8. Commissioner/Staff Reports

None

9. Adjournment

Chair Slocum adjourned the meeting at 2:58 p.m.