SUMMARY ACTION MINUTES
ALAMEDA LOCAL AGENCY FORMATION COMMISSION
REGULAR MEETING

Dublin San Ramon Services District, 7051 Dublin Blvd., Board Room, Dublin, CA

July 13, 2017

1. Call to Order and Pledge of Allegiance

Chair Wieskamp called the meeting to order at 2:00 p.m. The Pledge of Allegiance was recited.

2. Roll Call.

Roll was called. A quorum was present of the following commissioners:

**County Members:** Scott Haggerty (arrived 2:25, item 6) and Nate Miley (arrived 3:14, item 6)
**City Members:** John Marchand (arrived 2:03, item 5), Jerry Thorne and alternate David Haubert
**Special District Members:** Ayn Wieskamp, Ralph Johnson and alternate Georgean Vonheeder-Leopold
**Public Members:** Sblend Sblendorio and alternate Tom Pico

**Not Present:** Alternate County Member Wilma Chan

**Staff present:** Mona Palacios, Executive Officer; Theresa Rude, Analyst; Andrew Massey, Legal Counsel; and Sandy Hou, Clerk

3. Public Comment

Chair Wieskamp invited members in the audience to address the Commission on any matter not listed on the agenda and within the jurisdiction of the Commission. There were no comments from the public.

4. Approval of Minutes – May 11, 2017

Upon motion by Commissioner Sblendorio, second by Commissioner Johnson, the minutes of May 11, 2017 were unanimously approved.

**AYES:** 5 (Haubert, Johnson, Sblendorio, Thorne, Wieskamp)
**NOES:** 0
**ABSENT:** 3 (Haggerty, Marchand, Miley)
**ABSTAIN:** 0

5. City of Hayward Out-of-Area Service Agreement: Matilda Lane in the unincorporated Fairview area
(Assessor’s Parcel Number 85A-6100-5-3)

Staff provided a summary of the written report. Staff responded to Commissioner Sblendorio’s inquiry about the specific number of signed pre-annexation agreements in the area, noting that of the 257 parcels in the Castle Homes area, she believed that well over 50% had such agreements. She indicated that she was working with the City of Hayward to determine the precise number and would report back that information to the Commission.

Upon motion by Commissioner Marchand, second by Commissioner Johnson, the Commission approved the out-of-area service agreement.

**AYES:** 5 (Johnson, Marchand, Sblendorio, Thorne, Wieskamp)
**NOES:** 0
**ABSENT:** 2 (Haggerty, Miley)
**ABSTAIN:** 0
6. Request by the City of Pleasanton: Retroactive Approval of Existing Out-of-Area Service Extensions of Water and/or Sewer Services Made to Properties in the Unincorporated Remen Tract Area.

Staff provided a summary of the written report, noting that this item was continued from the September 8, 2016 meeting, when the Commission approved the remainder of the city’s request for retroactive approval for service extensions to properties in unincorporated Happy Valley and West of Foothill/Sunol areas. At that time, the Commission continued consideration of service extensions in the Remen Tract until LAFCo staff, with assistance from city and county staff convened a community meeting with Remen Tract property owners to discuss possible annexation. Staff noted that the meeting took place on May 31st. She also noted that Pleasanton had identified 9 more service extensions in addition to the 10 on the original application, making a total of 19 retroactive approvals being requested for this area.

Following her remarks, at the request of Chair Wieskamp, staff summarized the contents of a letter received from the city of Pleasanton on July 11, 2017 noting that the city requests that Alameda County pay for a study of the Remen Tract area rather than the city, and that the city understands the residents in Remen Tract do not want to annex to Pleasanton.

Commissioner Comments

Commissioner Thorne reiterated what was stated in Pleasanton’s letter concerning payment of the study, namely, that the city had recently paid $30,000 to conduct a study in the Happy Valley area, per LAFCo request, and did not agree that the city should also have to pay for this study.

Staff responded to Commissioner Pico’s inquiry of why the Commission shouldn’t just wait to approve the agreements until after the study was conducted by pointing out that some properties that had agreements had not yet actually developed and now were either trying to develop or sell and needed to be connected to services which the city would not do without LAFCo’s retroactive approval of these agreements.

Commissioner Johnson offered remarks about looking at the situation from a long range perspective, noted that LAFCo’s charge is to eliminate islands, and said that conducting a study would be an important step towards getting to that point, even though it may take a while.

Public Comments

- Steve Kirkpatrick, City Engineer, City of Pleasanton – speaking on behalf of City Manager Nelson Fialho thanked LAFCo staff for her effort on this project and assured the Commission that Pleasanton has changed its processes concerning out-of-area service agreements to make sure that, going forward, getting LAFCo approval will not be overlooked. He also thanked LAFCo staff for conducting the community meeting in Remen Tract, and noted that since the overwhelming sentiment among the property owners is against it, Pleasanton will not be pursuing annexation at this time. In respect to item 5 a & b in the determinations section of the staff report, he said the city does agree with the recommendation to have a comprehensive study conducted in the area, and pointed out that, in fact, the city currently has a policy to not approve any new service agreements in the area until such a study has been completed; but it should be the County, not the city, who pays for the study, since unincorporated area is the County’s responsibility. The city wants to participate, be a part of conducting the study, but they do not want to pay for it. Therefore, the city requests removal of those items from the conditions, as it sets a time limit on conducting the study.

- Amy Taylor, Remen Tract property owner, emphasized that the Remen Tract property owners do not want to annex and recommended that LAFCo approve the out-of-area service agreements without the requirement of a study being conducted.

- Kent Pryor, saying that he was a voice for the owners of undeveloped property in the area, spoke in support of the Commission approving the pre-existing out-of-area service agreements, as well as conducting the study, and asked the Commission, as stated in his July 5, 2017 letter, to also create a policy to pre-approve such extensions for the remaining undeveloped properties in the Tract.
Commission Discussion:
Commissioner Pico stated his opinion that LAFCo not approve the application until the city and County work together and come back with an application for annexation of Remen Tract. This could motivate property owners of undeveloped properties to join the effort to move forward with annexation. Continually postponing this issue of annexation is contrary to what is required of LAFCo concerning islands, i.e. to encourage the annexation of islands.

Commissioner Marchand said he was in agreement with Commissioner Pico and pointed out the contradictions in wanting municipal services such as sewer and water, and yet being opposed to annexation.

At Commissioner Sblendorio’s request, staff provided some information on why the law directs LAFCOs to encourage island annexations. She explained that the point of annexing islands is to allow for more efficient delivery of services, and noted that the law allows for an expedited island annexation process where the usual protest hearing would not be required.

In his comments, Commissioner Haggerty agreed that LAFCo’s responsibility per California law is to eliminate islands. He also asked staff if she knew of any studies that might have been done to compare property values of island areas before and after annexation. Staff said she did not know of any such studies but would look into it. She also shared that in conversation with her colleagues about the topic, some have indicated that property values have increased.

Commissioner Sblendorio suggested that LAFCo pay for the study and then perhaps could get reimbursed by Pleasanton. Further extensive discussion among the Commission and city of Pleasanton staff resulted in agreement for LAFCo to fund the study, and for the city to reimburse LAFCo as the remaining undeveloped properties are developed.

Counsel pointed out a technical inaccuracy in the draft resolution and stated that, because it is not applicable, “§15061(b)(3)” should be removed from the sentence in item 1.a. where it says “…exempt from further CEQA review pursuant §15061(b)(3) and §15303 of the CEQA Guidelines.”

Motion and Vote
Commissioner Sblendorio motioned to retroactively approve the 19 existing water and/or sewer service extensions in accordance with staff’s recommendation, with the following changes:

- Eliminate §15061(b)(3) from the resolution, as recommended by Counsel
- Add to the resolution that the study is to be funded by LAFCo and that LAFCo will be reimbursed by the city of Pleasanton as currently undeveloped Remen Tract properties develop. And that Pleasanton’s reimbursement shall be based on the number of undeveloped properties in the Remen Tract with the timing of each installment corresponding to the date on which each such undeveloped property is developed as measured by the date on which a development application is approved by the applicable land use jurisdiction.

Motion was seconded by Commissioner Marchand and passed unanimously.

AYES: 7 (Haggerty, Johnson, Marchand, Miley, Sblendorio, Thorne, Wieskamp)
NOES: 0
ABSENT: 0
ABSTAIN: 0

7. Eden Township Healthcare District Sphere of Influence Amendment

Staff provided a summary of the written report, noting that at its April 11th special meeting, the Commission, had deemed the study complete and decided not to initiate dissolution of the District, but instead had directed staff to prepare a sphere of influence amendment that includes terms and conditions based on the recommendations in the special study and bring those back to the meeting today. She pointed out some of the
ways that the District is already implementing recommendations made in the study. She noted that the proposed terms and conditions recommended in the staff report essentially mirror the recommendations in the study, and summarized the proposed terms and conditions as follows: ETHD shall:

- Coordinate with Alameda County, health care providers and other local agencies within the district’s boundary to identify healthcare needs and funding opportunities.
- Develop and distribute an annual report.
- Identify whether the district considers its real estate enterprise to be an investment or a community service, and complete a risk analysis of the districts’ investment options.

Public Comments:
Chair Wieskamp opened the public hearing. The following people offered comments:

- Roxann Lewis, ETHD District Chair, commented that the District feels the recommendations are reasonable and has already implemented most of the recommendations. She noted that she had had a meeting with County staff and the mayor of Hayward and that they are all open to working together, and that the District has a task force to work with Supervisor Valle to keep St. Rose Hospital open. Lastly she pointed out that the entire board of the District, as well as the former and the new CEO, were present at today’s meeting.

- Tom Lorentzen, ETHD board member, thanked LAFCo for the good and thoughtful work related to the study. He noted Michael Mahoney was the new CEO and shared that the District will have new criteria for measuring the District’s impact on the community.

- Megan Lynch, a newer board member of the District, said that she looked forward to working collaboratively with the County, and noted that new CEO, Michael Mahoney, had served in the past as CEO of St. Rose Hospital.

At Chair Wieskamp’s request, Michael Mahoney, new CEO of the District, introduced himself and provided brief information on his background, noting that he was a resident of Hayward, had most recently worked in San Francisco for a foundation, did consulting work prior to that, and before that had served 21 years as the CEO for St. Rose Hospital.

Commission Comments/Discussion:
Commissioner Miley asked Counsel if he needed to recuse himself because he serves as President of United Services, which received a grant from the District five years ago. Counsel clarified that he did not need to recuse himself, because the grant was not given within the past 12 months.

Mr. Mahoney responded to Commissioner Miley’s inquiry concerning how the District would implement the recommendations. Included in his response was that they had already started planning and had put goals into a master calendar to ensure that the deadlines were met. He talked about implementing better metrics for measuring impact on the community and confirmed that the annual report would be on the District’s website, and said he was in agreement with Commissioner Miley’s comment that it is very important to get a sense of the District’s benefit to the community over time. In response to Commissioner Johnson’s inquiry concerning supporting Hayward’s firehouse clinics, Mr. Mahoney said that the District will be looking at that as well as anything that is for the benefit of underserved communities, such as Eden Youth Center. He concluded his remarks by saying that one reason he was excited to be back working in Alameda County is because the County has a history of developing innovative and collaborative solutions to difficult problems.

Chair Wieskamp remarked that she has confidence that the District will do better and recommended that the District provide LAFCo with a copy of the master calendar.

Commissioner Miley motioned to amend the sphere of influence in accordance with staff’s recommendation. The motion was seconded by Commissioner Johnson and passed unanimously.
AYES: 7 (Haggerty, Johnson, Marchand, Miley, Sblendorio, Thorne, Wieskamp)
NOES: 0
ABSENT: 0
ABSTAIN: 0

8. Policy and Budget Committee Recommendations

Staff summarized her report, noting that this item was regarding proposed policy changes to its out-of-area service agreement (OASA) and sphere of influence (SOI) policies in order to reflect local circumstances and conditions and to improve clarity and usability. She pointed out the recommendation to give local agencies and interested parties an opportunity to review the revisions and provide comments to LAFCo before the Commission considers adopting any changes. She then went over the specific proposed revisions for both the SOI and OASA policies.

Commission Comments/Discussion
There was some discussion, initiated by Commissioner Sblendorio, concerning the recommendation that the Commission recognize urban growth boundaries. After staff’s response, Commissioner Sblendorio said that he was not opposed to it, he just wanted to have a better understanding of the reasoning for having such a policy.

Commissioner Sblendorio also inquired about the following from the SOI proposed changes:

- Page 3, item 3 - Areas of Concern - He wanted to know what the definition is of a “general area of concern”. Staff responded that she would revise that to clarify the meaning.
- What’s the difference between “great weight” page 3, item 2 and “considerable weight” on page 4, item 4? Staff indicated that she would make a change so that both read “great weight.”

The Commission agreed that staff should send out the proposed revisions to the cities, special districts and interested parties for any input they might have, and then the item would be on the September meeting agenda for the Commission’s final consideration.

9. Nominations for CALAFCO Board of Directors and CALAFCO Annual Achievement Awards

After explanatory remarks from staff, Commissioner Sblendorio nominated Commissioner Marchand for Outstanding Commissioner for his overseeing of the Eden Township Health Care District Special Study project. Commissioner Miley nominated the Canyonlands annexation for an award for process.

Commissioner Sblendorio was hesitant to run for his CALAFCO Board seat, since his term on LAFCo will be expiring in May 2018. Commissioner Pico expressed that Commissioner Sblendorio makes valuable contributions to LAFCo. Commissioner Marchand nominated Commissioner Sblendorio for the CALAFCO Board. Commissioner Sblendorio then nominated Commissioner Marchand for the CALAFCO Board. Both Commissioners accepted the nominations.

Commissioner Sblendorio nominated Commissioner Vonheeder-Leopold to be the voting candidate at the CALAFCO business meeting to be held during the October conference. Staff offered to be the alternate voting candidate. Staff indicated she would notify CALAFCO as required.

10. Matters Initiated by Members of the Commission – There were none.

11. Informational Items – Discussion, if any, or further information is noted after the item.

a. Application/Project Update

b. Legislative Update
Staff informed the Commission that she had, on behalf of the Commission, sent a letter to Governor Brown in support of his signing AB 464 and noted that, per an urgent request from CALAFCO just today, would be preparing a letter of opposition to AB 1361 for Chair Wieskamp to sign.

Commissioner Johnson inquired about the status of Quirk’s bill concerning Eden Township Healthcare District. Staff responded that she would follow up on that.

Commissioner Vonheeder-Leopold reported on her attendance at a meeting on water hosted by Assembly member Catherine Baker and shared that Ms. Baker said the legislators were looking to eliminate inactive special districts and were doing their best to educate new legislators on LAFCo’s purpose.

c. CALAFCO Board of Directors – verbal report


12. Adjournment of Regular Meeting

After noting the two upcoming meetings, Chair Wieskamp adjourned the meeting at 4:16 p.m.

12. Next Meetings

Regular Meeting
Thursday, September 21, 2017 at 2:00 p.m. at the regular meeting location

Special Meeting
Friday, September 22, 2017 at 9 a.m. at the Martinelli Center located at 3585 Greenville Rd., Livermore

Respectfully submitted,

Sandy Hou, Commission Clerk

These minutes were approved by the Commission on September 21, 2017.

Attest:

Moha Palacios, LAFCo Executive Officer