SUMMARY ACTION MINUTES
ALAMEDA LOCAL AGENCY FORMATION COMMISSION
REGULAR MEETING

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

March 9, 2017

1. Call to Order and Pledge of Allegiance
Chair Marchand called the meeting to order at 2:05 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 2:15, item 9)
City Members: John Marchand, 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: Nate Miley, County Member and Wilma Chan, alternate County Member
Staff present: Mona Palacios, Executive Officer; Theresa Rude, Analyst; Andrew Massey, Legal Counsel; and Sandy Hou, Clerk

3. Public Comment
Commission Chair Marchand 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.

4. Approval/Correction of Minutes
   - November 30, 2016 – Special Meeting
   - January 31, 2017 – Special Meeting

Upon motion by Commissioner Thorne, second by Commissioner Sblendorio, the minutes of both meetings were approved.

AYES: 5 (Johnson, Marchand, Sblendorio, Thorne, Wieskamp)
NOES: 0
ABSENT: 2 (Haggerty, Miley)
ABSTAIN: 0

CONSENT ITEMS
Consent items # 5 & 6 were approved as recommended.

REGULAR ITEMS
Chair Marchand requested that the Commission consider items 7 and 8 together.

7. City of Hayward Out-of-Area Service Agreement: Gerasimov
Out-of-area service agreement filed by the City of Hayward to provide water and sanitary sewer services to property located at 4195 Picea Court in the Castle Homes area of unincorporated Alameda County.

8. **City of Hayward Out-of-Area Service Agreement: El-Khatib**

Out-of-area service agreement by the City of Hayward to provide water service to property located at 3996 Star Ridge Road in the Castle Homes area of unincorporated Alameda County.

Staff provided a summary of the written reports of the two applications. Following her remarks, Commissioner Johnson inquired about the connection costs charged by Hayward. Hayward staff indicated that the requested information would be provided to LAFCo staff for distribution to the Commissioners.

Upon motion by Commissioner Wieskamp, second by Commissioner Thorne, the Commission approved both out-of-area service agreements

- **AYES:** 5 (Johnson, Marchand, Sblendorio, Thorne, Wieskamp)
- **NOES:** 0
- **ABSENT:** 2 (Haggerty, Miley)
- **ABSTAIN:** 0

9. **Fairview Fire Protection District**

Following introductory remarks from staff the District’s Board President Leslie West provided an update as required by LAFCo regarding implementation of the sphere update conditions.

Ms. West noted that the District now has a full five-member board and introduced three board members who were present at the meeting – Mark McDaniel, Melissa Dimic, and Mike Justice. Highlights of Ms. West’s remarks included the following:

- The District hired Mike Preston to serve as the District General Manager. Mr. Preston has 31 years of fire experience with the City of Newark where he retired as Fire Chief. Additionally, he served as a previous board member of the District.
- The District has put together a governance plan outlining how the Board, the General Manager, and the contractor providing fire services work together.
- The Board has completed Brown Act training and complied with the submittal of the Conflict of Interest forms (Form 700s).
- Re fiscal policy and budget, the District has passed it’s budget on time, revenues are up, expenses down and it is reallocating funds back to the community (example: giving $10,000 to a chipping program – a program that reduces fire risk, using federal and local funds).
- An audit done in 2016 shows that the District is in the black. In 2015, the board had projected it would be 10 years before the District would be back in the black, so it is ahead of schedule by 8 years.
- The District has started reviewing its fire services contract which ends in about a year and half. There are some areas where the District would like to obtain more information from Hayward, but overall it feels that Hayward is providing excellent services.
- Hayward provides a report at each board meeting on the number of fire calls, the type of call (emergency, fire, or other) and the addresses.
- In 2016-2017, the District implemented its strategic plan, focusing on specific goals and objectives, 80% of which have been completed.
Examples were given of going green and being transparent. The District has a solar roof and during meetings uses a large screen behind the Board that projects the agenda electronically, saving paper costs. It has a Facebook page (with 150 followers) through which, along with Next Door (social media application) and its website, it provided alerts to the community about locations of flooding during the recent winter rains. The District’s website provides an opportunity for community members to sign up for emergency alerts.

- Updating of policies and procedures is in process.

Ms. West concluded her remarks with a request that, due to the progress demonstrated by the District, LAFCo postpone conducting a municipal service review of the district until sometime after 2018.

Commission Chair Marchand thanked Ms. West for the report, and commented that it seems that the District has made “tremendous progress.” Commissioner Wieskamp concurred, noting that it was impressive to see a “smiling board” (referring to the board members in attendance at the meeting). In response to a question from Commissioner Johnson, Mike Preston clarified that for payroll processing purposes he is an employee of Alameda County but his services are paid for by the District. Commissioner Johnson also asked that his best wishes be extended to Charles Snipes, former District board member who is experiencing declining health. Commissioner Haggerty congratulated Ms. West on the progress the District has made.

10. City of Pleasanton Update on Study Regarding Water and Sewer Services for Unincorporated Happy Valley Properties

Staff provided introductory remarks, noting that City of Pleasanton staff would provide an update on the status of the City’s study required by LAFCo Resolution No. 2014-05 regarding water and sewer services for unincorporated Happy Valley area properties. She also noted that staff had mailed notice of this agenda item to all unincorporated Happy Valley property owners, as required by that resolution.

Pleasanton City Manager Nelson Fialho noted that the City, starting in February 2016 when a consultant for the study was hired, and throughout the past year while the comprehensive study was being conducted, up until the present, has had an interim policy of not accepting any applications for water/sewer service connections in the unincorporated Happy Valley area, and that the city intends to continue that interim policy until the completed study has been presented to and accepted by LAFCo. He further stated that the moratorium would stay in place until a subsequent discussion is held with the County of Alameda to determine if the County would provide financial assistance to construct the infrastructure identified in the report. If not, the City would resume its long-time policy of accepting and considering on a case-by-case basis applications for water/sewer services in the Happy Valley area, which would be brought to LAFCo for approval.

City of Pleasanton Director of Engineering Steve Kirkpatrick then presented a summary of the detailed study which analyzed what it would take (and cost) to get properties in the area connected to water and sewer services. Copies of the PowerPoint presentation that summarized the study were provided to the Commission.

Commission Questions/Discussion:
There was extensive discussion following the presentation. Commissioner Haggerty inquired about what the city is looking for from the County. Mr. Fialho responded that the city is looking for “a comprehensive strategy,” maybe a contractual relationship similar to what is used in the unincorporated Castilewood area or possibly annexation. In terms of funding the significant costs of connection, Mr. Fialho identified three funding “buckets” to pay for the infrastructure and connection costs: the County, the city and the residents. Commissioner Haggerty inquired about whether bond funding should be
pursued. Mr. Fialho said that funding is the missing piece and he reiterated that if there is no interest on the part of the County to assist in developing a plan for providing water/sewer services in the area, then the city would go back to considering out-of-area service agreements on a case-by-case basis. Commissioner Haggerty stated that it is better to have properties connected to a sewer system in this area and he hopes annexation is an option. He inquired about what other infrastructure issues there are to which city staff responded that roads and fire hydrants are also issues and the financing of the needed infrastructure improvements is critical. Commissioner Johnson noted that in the Castlewood area, the residents assessed themselves in order to get sewer and water services which could be a viable model. Commissioner Sblendorio asked if approving connections one-by-one will miss the opportunity to recapture the costs of infrastructure already in place. Mr. Kirkpatrick responded that the system would have to be fully built out and then reimbursement would be sought to cover costs.

Public Speaker:
Peter MacDonald spoke on behalf of his client, property owner Kuldeep Singh, who wished to rebuild his house that had burned down in 2009, but was currently unable to do so due to the City of Pleasanton’s temporary policy of not accepting applications for out-of-area service agreements in the Happy Valley area. He hoped that LAFCo would accept the report so that the city would end its interim policy.

Commission Discussion:
Commissioner Wieskamp praised the efforts put into such a thorough study of a complicated issue and expressed hopes that the city and County could get together and strive for a solution. Commissioner Johnson asked if the system studied was sized to include fire protection to which Pleasanton staff said yes. Commissioner Haggerty expressed a desire that property owner Singh be granted permission by the city to file an application for services. Mr. Fialho responded that they would be meeting with Supervisor Miley within a few weeks, and that the city’s policy might change after that meeting, and that today they were looking for LAFCo to accept the report. Commissioner Thorne asked if the Commission had any objections to accepting Pleasanton’s study. LAFCo staff clarified that the Commission was receiving the report for information purposes as per the condition of approval and there was no need to motion and vote on “accepting” the report. Commissioner Pico offered comments relating to Livermore-Amador Valley Water Management Authority (LAVWMA) issues. Commissioner Sblendorio emphasized the importance of including the Happy Valley residents themselves in these discussions, as that could assist in identifying funding sources to do the build out. He concluded his remarks by thanking Pleasanton staff for their work on the report and said he hoped they had found it worthwhile.

11. Proposed Fiscal Year 2017-2018 Budget and Work Plan

Staff provided a summary of the written report, noting that the Commission’s Policy and Budget Committee (Commissioners Johnson, Marchand, and Pico) had met on February 22, 2017 to review the proposed budget and work plan. She summarized key points concerning the proposed budget of $768,345, which reflects a 7.5% increase from the current fiscal year budget, primarily due to staffing changes.

Commission Questions/Comments:
Commissioner Wieskamp inquired if the proposed budget included costs for updating the Commission’s strategic plan (agenda item 12 below). Staff responded that estimated costs for a strategic planning session were included in the proposed budget under the consultants line item, but that there might be a need to increase the amount in the final budget.
Chair Marchand opened the public hearing. As there were no public comments to be offered, Chair Marchand closed the public hearing.

MOTION and VOTE:
Upon motion by Commissioner Johnson and second by Commissioner Wieskamp, the Commission approved the proposed fiscal year 2017-2018 budget and work plan; directed staff to forward budget to affected agencies; and directed staff to prepare the Final FY 2017-2018 budget for adoption at the May 11, 2017 Commission meeting.

AYES: 6 (Haggerty, Johnson, Marchand, Sblendorio, Thorne, Wieskamp)
NOES: 0
ABSENT: 1 (Miley)
ABSTAIN: 0

12. Policy and Budget Committee Recommendation

Staff summarized items in the written report concerning topics discussed at the Policy and Budget Committee meeting on February 22, 2017, including legislator outreach efforts, implementation of SB 1266 which requires that joint powers authorities file their agreements with LAFCos, a new requirement regarding LAFCo’s role in appointing a special district member to the countywide redevelopment agency oversight board, and a review of the Commission’s strategic plan, with the result of the Committee recommending that the Commission consider holding another facilitated strategic planning workshop to review and update the plan.

Discussion
Committee member Pico expressed his opinion that it would be helpful for the Commission to take a look back at the presentations concerning infrastructure issues given to the Commission at their regular meetings over the past several years with a goal of putting together a sort of “State of the County” from a LAFCo perspective, and for LAFCo to have a greater voice in regional housing matters. It could be helpful for the Commission to step back and reassess if there are any serious strategic areas that it should address.

Through an engaging discussion, some other topics to be addressed in a strategic planning workshop were recommended:

- Ag and Open Space preservation – Measure D’s unintended consequences – What more could the Commission be doing?
- Plan Bay Area – traffic and housing issues
- Ways for Bay Area LAFCo Commissions to share viewpoints on issues experienced by all

In response to Staff’s request for direction on location and timing, the Commission agreed to an all-day session shooting for July or August, preferably again at the Martinelli Event Center in Livermore, with Bill Chiat facilitating, if he is available. Staff indicated that a choice of dates would be forthcoming via an electronic Doodle survey.

13. CALAFCO Legislative Update

Staff provided a summary of the written report, noting in particular that although CALAFCO had not yet requested any specific position letters, a request for letters of support for the Assembly Local Government Committee’s omnibus bill (includes non-controversial, technical changes to the Cortese-Knox-Hertzberg law) and two CALAFCO sponsored bills (one addressing concerns resulting from a judicial decision and the other streamlining the process to seat special districts on LAFCo) was
expected, and it would be helpful if the Commission gave direction to Staff to provide those support letters when requested by CALAFCO. The Commission agreed.

Staff gave a brief report on an oversight hearing by the Assembly Local Government Committee that occurred on March 8th regarding the evolution of health care districts. She noted that: the Committee members seemed troubled by the lack of transparency and accountability exhibited by some healthcare districts, as well as concern about whether districts that provide community grants had adopted grant-making policies and procedures to ensure a fair and open process; there was discussion about LAFCOs role regarding healthcare districts and whether LAFCOs should have more oversight of these types of districts; it was not clear whether the committee will take up the matter again or what next steps might be, if any; and the Association of California Healthcare Districts indicated they are interested in working with Committee staff on developing legislative proposals to strengthen the healthcare district law.

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

15. Informational Items
   a. Application/Project Update
   b. CALAFCO Board of Directors Update – verbal report
   c. Form 700: Due April 1
   d. Commissioners with terms ending May 2017:
      1. Georgean Vonheeder-Leopold
      2. Jerry Thorne
   e. Newspaper Articles
   f. 2017 CALAFCO Staff Workshop April 5 - 7, 2017 in Fresno
   g. 2017 CALAFCO Annual Conference October 25 – 27, 2017 in San Diego

16. Adjournment of Regular Meeting

After noting the dates and locations of the next two LAFCo meetings, Chair Marchand adjourned the meeting at 3:42 p.m.

17. Next Meetings of the Commission

   Special Meeting
   - Tuesday, April 11, 2017 at 6:00 p.m. at the Castro Valley Library, 3600 Norbridge Ave, Castro Valley

   Regular Meeting
   - Thursday, May 11, 2017 at 2:00 p.m. at the regular meeting location

Respectfully submitted,

Sandy Hou, Commission Clerk

These minutes were approved by the Commission on May 11, 2017.

Attest: Mona Palacios, LAFCo Executive Officer