

**LOCAL AGENCY FORMATION COMMISSION OF  
SANTA CLARA COUNTY  
MINUTES  
WEDNESDAY, JUNE 2, 2010**

**CALL TO ORDER**

**Chairperson Susan Vicklund-Wilson** calls the meeting to order at 1:15 p.m.

**1. ROLL CALL**

The following Commissioners and Alternate Commissioners are present:

- **Chairperson Susan Vicklund-Wilson**
- **Commissioner Pete Constant**
- **Commissioner Donald F. Gage**
- **Commissioner Margaret Abe-Koga**
- **Alternate Commissioner Al Pinheiro**

The following staff members are present:

- **LAFCO Executive Officer Neelima Palacherla**
- **LAFCO Analyst Dunia Noel**
- **LAFCO Counsel Scott Smith**

**2. PUBLIC PRESENTATIONS**

None

**3. APPROVE THE MINUTES OF APRIL 21, 2010 LAFCO MEETING**

**MOTION:** Approve the minutes of April 21, 2010 meeting, as submitted. (Don Gage)

**SECOND:** Pete Constant

**MOTION PASSED**

**AYES:** Pete Constant, Don Gage, Margaret Abe-Koga, Susan Vicklund-Wilson

**NOES:** None

**ABSTAIN:** None

**ABSENT:** Liz Kniss

**4. SANTA CLARA COUNTY CENTRAL FIRE PROTECTION DISTRICT SPHERE OF INFLUENCE AMENDMENT AND ANNEXATION 2010-01**

Neelima Palacherla, LAFCO Executive Officer, reports that the Santa Clara County Central Fire Protection District is requesting an amendment of its Sphere of Influence (SOI) and annexation of eight non-contiguous areas located in the Santa Cruz mountains.

Ms. Palacherla states that the annexation would give the District the jurisdictional authority to enter into an automatic aid agreement with the Santa Cruz County Fire Department for providing service in the area. She directs attention to the District's plan for service stating that the annexation will not result in additional service calls nor impact the current level of service, that no new resources will be required, and that the

District, in conjunction with the Santa Clara County Fire Department and the volunteer fire company, has sufficient capacity to provide the service. She further states that the County Controller has indicated that based on the master property tax agreement, the District would receive a share of the annual growth in property tax revenues and this amount is estimated at about \$6,000 for the first year of annexation.

Ms. Palacherla informs that the City of Cupertino has expressed concern that revenues generated from the annexation may not be adequate to serve the new area and would affect the level of service the District provides to the city. She advises that the District is already serving the area and the annexation will not result in additional demand for services. Ms. Palacherla also reports that Midpeninsula Regional Open Space District has stated that it is no longer opposed to the annexation because the fiscal impact of property tax redistribution is insignificant.

Ms. Palacherla then recommends that the Commission amend the District's SOI to include Area 7; approve the annexation of areas 1, 2, 3, 5, 6, 7 and 8 as depicted in the revised maps and legal descriptions approved by the County Surveyor; deny annexation of Area 4 as it is inconclusive whether or not Area 4 is within the Saratoga Fire District boundaries based on the documentation provided; direct staff to study through the Countywide Fire Service Review, the exclusion of the area east of Area 1 from the District's SOI; and, direct the LAFCO Executive Officer to conduct a protest proceeding in accordance with CKH Act.

On Commission consensus, there being no objection, **the Chairperson** declares the public hearing open and determines that there are no members of the public who would like to speak on the item.

**MOTION:** Close the public hearing. (Don Gage)

**SECOND:** Pete Constant

**MOTION PASSED**

**AYES:** Pete Constant, Don Gage, Margaret Abe-Koga, Susan Vicklund-Wilson

**NOES:** None

**ABSTAIN:** None

**ABSENT:** Liz Kniss

**MOTION:** Adopt **Resolution No. 2010-06**, approving the amendment of Santa Clara County Central Fire Protection District SOI and approving the annexation of certain property to the District. Said Resolution, by reference hereto, is made a part of these minutes.

Further, direct staff to study, through the Countywide Fire Service Review, the exclusion of the area east of Area 1 from the District's SOI; and, direct the LAFCO Executive Officer to conduct protest proceedings in accordance with the CKH Act. (Don Gage)

**SECOND:** Pete Constant

**MOTION PASSED**

**AYES:** Pete Constant, Don Gage, Margaret Abe-Koga, Susan Vicklund-Wilson

**NOES:** None

**ABSTAIN:** None

**ABSENT:** Liz Kniss

**5. FINAL LAFCO BUDGET FOR FISCAL YEAR 2010-2011**

Ms. Palacherla reports that the Commission adopted its preliminary budget for Fiscal Year 2010-2011 on April 21, 2010. No changes are proposed to the budget. The cities' cost apportionment is based on the latest available Cities Annual Report (2007-2008) published by the Controller. Ms. Palacherla recommends approval of the final budget.

On Commission consensus, there being no objection, **the Chairperson** declares the public hearing open, determines that there are no members of the public who would like to speak on the item, and declares that the public hearing be closed.

In response to an inquiry by **Commissioner Gage**, Ms. Palacherla advises that the cost of worker's compensation insurance coverage for LAFCO commissioners is included in the proposed final budget.

**MOTION:** Approve the Final LAFCO Budget for Fiscal Year 2010-2011. (Don Gage)

**SECOND:** Pete Constant

**MOTION PASSED**

**AYES:** Pete Constant, Don Gage, Margaret Abe-Koga, Susan Vicklund-Wilson

**NOES:** None

**ABSTAIN:** None

**ABSENT:** Liz Kniss

**6. WORKERS COMPENSATION COVERAGE FOR LAFCO COMMISSIONERS**

Ms. Palacherla reports that LAFCO Counsel has recommended that LAFCO commissioners and alternates be provided with workers compensation coverage. She informs that staff has researched this issue and presented options to the Budget Subcommittee and the Budget Subcommittee has recommended obtaining insurance coverage from the Special District Risk Management Authority at an estimated premium of \$1,020 per year.

**MOTION:** Direct staff to obtain workers compensation coverage for LAFCO commissioners and alternates from the Special District Risk Management Authority. (Don Gage)

**SECOND:** Pete Constant

In response to an inquiry by **Alternate Commissioner Pinheiro**, LAFCO Counsel Scott Smith advises that LAFCO members and alternate members representing other public agencies may have workers compensation coverage; however, the coverage for their participation on LAFCO is uncertain without going through the insurance policy of each agency on a case-by-case basis. He further states that the Public Member and the Alternate Public Member would have no workers compensation coverage.

**MOTION PASSED**

**AYES:** Pete Constant, Don Gage, Margaret Abe-Koga, Susan Vicklund-Wilson

**NOES:** None

**ABSTAIN:** None

**ABSENT:** Liz Kniss

**7. PROPOSED CALAFCO BY-LAWS AMENDMENT**

Ms. Palacherla reports that the California Association of Local Agency Formation Commissions (CALAFCO) Board of Directors is seeking an amendment to its by-laws.

She states that the amendment calls for election of the Board members by region and divides the State into four regions. She states that Santa Clara LAFCO is included in the Coastal Region which is composed of LAFCOs from the nine Bay Area counties, plus San Benito, Santa Cruz, Monterey, San Luis Obispo, Santa Barbara and Ventura counties. Each region will elect four board members, including one County member, one cities member, one special districts member and one public member. Ms. Palacherla recommends approval of the CALAFCO by-laws amendment.

**Chairperson Wilson**, who served on the CALAFCO Board restructuring committee, recommends approval of the proposed amendment.

**MOTION:** Approve the proposed amendment to the CALAFCO by-laws. (Don Gage)

**SECOND:** Pete Constant

**MOTION PASSED**

AYES: Pete Constant, Don Gage, Margaret Abe-Koga, Susan Vicklund-Wilson

NOES: None

ABSTAIN: None

ABSENT: Liz Kniss

**8. EXECUTIVE OFFICER'S REPORT**

**8.1 UPDATE ON COUNTYWIDE FIRE SERVICE REVIEW**

Dunia Noel, LAFCO Analyst, provides a brief report on the status of the Countywide Fire Service Review, concluding that the project is on schedule.

**8.2 UPDATE ON THE IMPLEMENTATION OF LAFCO'S ELECTRONIC DOCUMENT MANAGEMENT SYSTEM**

Ms. Noel informs that Peelle Technologies, Inc., has completed scanning the bulk of LAFCO files and will start to scan the urban service area amendment files.

**8.3 UPDATE ON THE AMENDMENT TO MEMORANDUM OF UNDERSTANDING BETWEEN LAFCO AND THE COUNTY OF SANTA CLARA**

Ms. Noel reports that the MOU between LAFCO and the County, which took effect in July 2001, will be revised to reflect changes in LAFCO staffing and current operations.

**8.4 UPDATE ON ISLAND ANNEXATIONS IN SANTA CLARA COUNTY**

Ms. Noel reports that the City of San Jose is in the third phase of its island annexations which includes five large populated islands. She states that one of these is Cambrian No. 36 whose residents prefer to be annexed to Campbell rather than San Jose. She advises that Campbell and San Jose would have to request LAFCO to amend their USA and SOI boundaries in order for that to occur.

Ms. Noel also reports that staff continues to provide island annexation assistance to the City of San Jose. She informs that there are several islands left in the County; however, no other city has indicated an interest in annexing islands.

**Commissioner Constant** expresses concern on how the City of San Jose is handling the Cambrian No. 36 annexation, stating that he is working to address the issue as a member of the San Jose City Council. In response to an inquiry by **Commissioner Abe-Koga**, Ms.

Noel advises that both San Jose and Campbell would have to jointly request LAFCO to amend their shared boundaries before Cambrian No. 36 could be annexed by Campbell.

In response to an inquiry by **Chairperson Wilson**, Ms. Noel advises that the County Planning Office conducted island annexation outreach to the other cities. **Chairperson Wilson** inquires whether LAFCO could promote the annexation of the remaining islands.

**8.5 2010 CALAFCO ANNUAL CONFERENCE IN PALM SPRINGS, CALIFORNIA ON OCTOBER 6-8, 2010**

Ms. Palacherla reports that the next CALAFCO annual conference will be held in Palm Springs from October 6<sup>th</sup> to 8<sup>th</sup>, and requests authorization for commissioners and staff to attend with associated travel expenses to be funded by the LAFCO budget.

**Commissioner Constant** notes that the Conference conflicts with the Fire Service Review Technical Advisory Committee meeting.

**MOTION:** Authorize commissioners and staff to attend the 2010 CALAFCO Conference, and authorize travel expenses funded by the LAFCO budget. (Pete Constant)

**SECOND:** Don Gage

**MOTION PASSED**

**AYES:** Pete Constant, Don Gage, Margaret Abe-Koga, Susan Vicklund-Wilson

**NOES:** None

**ABSTAIN:** None

**ABSENT:** Liz Kniss

**8.5 NOMINATION TO THE CALAFCO BOARD OF DIRECTORS**

Ms. Palacherla reports that the CALAFCO Board will put up all its seats for election if the revised by-laws are approved by the membership. Ms. Palacherla informs that Chairperson Wilson has expressed interest in continuing to serve and recommends the nomination of Chairperson Wilson to the CALAFCO Board.

**MOTION:** Nominate Chairperson Wilson. (Don Gage)

**SECOND:** Pete Constant

**MOTION PASSED**

**AYES:** Pete Constant, Don Gage, Margaret Abe-Koga

**NOES:** None

**ABSTAIN:** Susan Vicklund-Wilson

**ABSENT:** Liz Kniss

**9. COMMISSIONERS' REPORTS**

None.

**10. NEWSPAPER ARTICLES / NEWSLETTERS**

None.

**11. WRITTEN CORRESPONDENCE**

None.

**12.1 PENDING APPLICATIONS / UPCOMING PROJECTS**

Ms. Palacherla reports that the Urban Service Area retraction application from the Town of Los Gatos to exclude lands owned by Midpeninsula Regional Open Space District remains pending because the indemnification agreement has not been submitted.

In response to an inquiry by **Chairperson Wilson**, Ms. Palacherla advises that staff will include the proposal on the August 4, 2010 agenda if all the application requirements are met before June 9, 2010.

**15. ADJOURN**

On order of the Chairperson, there being no objection, the meeting is adjourned at 1:49 p.m. to the next regular meeting to be held on Wednesday, August 4, 2010, at 1:15 p.m., in the Board Meeting Chambers, County Government Center, 70 West Hedding Street, San Jose, California.

Approved:

---

Susan Vicklund-Wilson, Chairperson  
Local Agency Formation Commission of Santa Clara County

By: \_\_\_\_\_  
Emmanuel Abello, LAFCO Clerk