

**LOCAL AGENCY FORMATION COMMISSION OF
SANTA CLARA COUNTY
MINUTES
WEDNESDAY, OCTOBER 20, 2010**

CALL TO ORDER

Chairperson Susan Vicklund-Wilson calls the meeting to order at 1:16 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 Liz Kniss**
- **Commissioner Margaret Abe-Koga**
- **Alternate Commissioner Terry Trumbull**

The following staff members are present:

- **LAFCO Executive Officer Neelima Palacherla**
- **LAFCO Analyst Dunia Noel**
- **LAFCO Counsel Mala Subramanian**

2. PUBLIC PRESENTATIONS

None

3. APPROVE THE MINUTES OF JUNE 2, 2010 LAFCO MEETING

MOTION: Approve the minutes of June 2, 2010 meeting, as submitted. (Pete Constant)

SECOND: Don Gage

MOTION PASSED

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

NOES: None

ABSTAIN: None

ABSENT: None

4.1 CONSENT ITEM: WEST VALLEY SANITATION DISTRICT 2009-02

MOTION: Adopt **Resolution No. 2010-08**, approving the annexation of a parcel (APN: 537-04-030) located at 17655 Tourney Road in Los Gatos to the West Valley Sanitation District, and waiving protest proceedings. (Don Gage)

SECOND: Pete Constant

MOTION PASSED

AYES: Pete Constant, Don Gage, Liz Kniss, Margaret Abe-Koga,
Susan Vicklund-Wilson
NOES: None
ABSTAIN: None
ABSENT: None

The **Chairperson** announces a request to consider Item No. 14.1 ahead of the other items on the agenda.

MOTION: Consider Item No. 14.1 out of order on the agenda. (Don Gage)

SECOND: Pete Constant

MOTION PASSED

AYES: Pete Constant, Don Gage, Liz Kniss, Margaret Abe-Koga,
Susan Vicklund-Wilson
NOES: None
ABSTAIN: None
ABSENT: None

**14.1 TAKEN OUT OF ORDER: LETTERS FROM CAMPBELL VILLAGE
NEIGHBORHOOD ASSOCIATION REGARDING CAMBRIAN NO. 36**

Neelima Palacherla, LAFCO Executive Officer, reports that staff received a letter, dated October 6, 2010, from the Campbell Village Neighborhood Association and a copy of the Association's letter to San Jose Mayor Chuck Reed. She informs that staff will prepare a response.

Lisa Harmer, Treasurer, Campbell Village Neighborhood Association, expresses opposition to the annexation of Cambrian 36 to San Jose because the community will not benefit from the annexation and because the annexation does not meet the criteria provided by State law. She requests the Commission to issue an opinion to that effect, and to conduct a service review prior to annexation because there have been many changes since these boundaries were created.

Tom Davis, Vice President, Campbell Village Neighborhood Association, expresses opposition to the annexation, stating that the USA and SOI boundaries were based on 1972 information. He states that the annexation will complicate the provision of emergency services to the community because 911 calls received in Campbell will be routed to San Jose before being transferred back to Campbell. Mr. Davis requests LAFCO members to contact San Jose City Council members and request reconsideration of the annexation of Cambrian 36.

Commissioner Constant requests for a copy of the staff response to Mr. Krisman's letter and informs that he shares the concerns of the speakers.

5. COUNTYWIDE FIRE SERVICE REVIEW REPORT

Ms. Palacherla provides an overview of the Countywide Fire Service Review. She expresses appreciation to the Technical Advisory Committee members for providing advice and guidance throughout the project. Ms. Palacherla then briefly outlines the process in preparing for the countywide fire service review.

Arne Croce, Management Partners, consultant for the project, walks through the State mandated service review determinations and talks about the fire and emergency

medical service providers in Santa Clara County and the range of services they provide. He continues his report by briefly discussing the findings under each of the required determinations. Mr. Croce then speaks about the four key fire service issues addressed in the report, namely, the underserved areas and volunteer fire companies, service delivery options for the South County, fire districts contracting services with other fire districts, and potential opportunities for economy and efficiency. Mr. Croce then advises that the report includes cost comparison indicators for fire service provided by various agencies in the County.

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 Constant**, Ms. Palacherla advises that most of the options have to be initiated by the individual or affected agencies. She states that the staff report for the December 15 meeting will include a list of options that LAFCO can initiate. **Commissioner Constant** requests that the staff report provide more information on implementation of the options.

In response to an inquiry by **Commissioner Gage**, Ms. Palacherla advises that the next steps would be to address the comments in the final report and set a public hearing for December 15, 2010. She states that the staff report would include a matrix indicating the options and possible implementers, including LAFCO. **Chairperson Wilson** expresses agreement.

In response to an inquiry by **Commissioner Abe-Koga**, Ms. Palacherla advises that LAFCO may initiate action by resolution after additional analysis. She states that more information on the matter will be provided at the next public hearing. Mr. Croce states that detailed studies may be needed before initiating any of the options presented in the report.

MOTION: Accept staff report, direct staff to prepare the Final Draft Countywide Fire Service Review Report, and set the hearing date for December 15, 2010; and, direct staff to include information on implementation of options identified in the report. (Don Gage)

SECOND: Pete Constant

MOTION PASSED

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

NOES: None

ABSTAIN: None

ABSENT: None

6. DISSOLUTION OF SUNOL SANITARY DISTRICT

Ms. Palacherla reports that LAFCO received an application by resolution from Sunol Sanitary District Board of Directors requesting the dissolution of the District. She advises that the District, which was formed in 1940 to provide wastewater services to unincorporated areas in San Jose, has been losing territory as San Jose annexed the unincorporated parcels. Ms. Palacherla informs that the remaining lands within the District were annexed by San Jose in 2009 and, since then, the District has no territory, provides no services and has zero population. She reports that all funds, assets and

liabilities have been transferred to San Jose as the successor agency, and a final financial audit is being completed. She then recommends that the Commission dissolve the District, find that Sunol Sanitary District Board of Directors, by unanimous resolution, consent to the dissolution and, therefore, the Commission may order the dissolution without election pursuant to Government Code §57102.

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. (Liz Kniss)

SECOND: Don Gage

MOTION PASSED

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

NOES: None

ABSTAIN: None

ABSENT: None

In response to an inquiry by the **Chairperson**, Ms. Palacherla advises that the dissolution is exempt from CEQA action because it has no significant impact on the environment.

MOTION: Find that the proposed dissolution of Sunol Sanitary District is exempt from CEQA because it is certain that there is no significant effect on the environment; Find that the Board of Directors of Sunol Sanitary District consent to the dissolution and the dissolution is ordered without election pursuant to GC§57102; that the District does not include any territory and does not provide any services; and all lands within the District was annexed to the City of San Jose and concurrently detached from the District; and, adopt **Resolution No. 2010-09**, dissolving the District and designating the City of San Jose as the successor agency. (Liz Kniss)

SECOND: Don Gage

MOTION PASSED

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

NOES: None

ABSTAIN: None

ABSENT: None

7. COUNTYWIDE WATER SERVICE REVIEW REQUEST FOR PROPOSAL

Dunia Noel, LAFCO Analyst, reports that based on the service review priorities set by the Commission on October 2, 2009, the countywide water service review will be the next project. She advises that the LAFCO budget has provision for a consultant to work on the project and that the RFP is being prepared in consultation with the stakeholders. She also talks about the formation and composition of a Technical Advisory Committee, discusses the project timeline and recommends that the Commission designate a member to the Technical Advisory Committee.

Chairperson Wilson expresses interest in serving on the Technical Advisory Committee.

In response to an inquiry by **Commissioner Gage**, Ms. Palacherla advises that the consultant cost for water service review is included in the current budget.

MOTION: Authorize staff to issue a RFP for professional service firm to prepare a countywide water service review; delegate authority to the LAFCO Executive Office to enter into an agreement with the most qualified consultant in an amount not to exceed \$70,000 and to execute any necessary amendments subject to LAFCO Counsel's review and approval; and appoint Chairperson Wilson to serve on the Countywide Water Service Review Technical Advisory Committee. (Don Gage)

SECOND: Pete Constant

MOTION PASSED

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

NOES: None

ABSTAIN: None

ABSENT: None

8. UPDATE ON ISLAND ANNEXATIONS IN SANTA CLARA COUNTY

Ms. Noel reports on the number of islands annexed under the streamlined process as well as the strategy adopted by LAFCO and the County to promote island annexations. She provides a report on island annexations conducted by the cities in the last few years and informs that there remain 74 islands that qualify for the streamlined annexation process. She states that LAFCO will review and classify those remaining islands into five categories, namely, open space/rural lands, road/creek slivers, parcels split by cities' USA boundary, public facility or park land, and private parcels. She recommends that the Commission direct staff to provide this information to the cities, follow up on the cities' plans for these islands, and report back to the Commission.

MOTION: Accept staff report and direct staff to inventory islands in each city and provide this information to the cities as the next step in facilitating island annexations; follow up on island annexation plans of each city; and, report back to the Commission on the status of the islands. (Don Gage)

SECOND: Margaret Abe-Koga

MOTION PASSED

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

NOES: None

ABSTAIN: None

ABSENT: None

9. AMENDMENT TO THE MEMORANDUM OF UNDERSTANDING BETWEEN LAFCO AND THE COUNTY OF SANTA CLARA

Ms. Palacherla reports that on July 1, 2000, LAFCO and the County entered into a Memorandum of Understanding relating to provision of staffing services and facilities by the County to LAFCO. She continues by stating that there have been changes to LAFCO staffing and services since that time and that the MOU has been revised to

restate the terms to reflect the current situation. Ms. Palacherla informs that the County Board of Supervisors approved the amended and restated MOU at its October 19, 2010 meeting, and staff recommends its approval.

MOTION: Approve the amended and restated MOU between LAFCO and the County relating to the terms and conditions upon which the County will provide staffing, facilities and support services to LAFCO for the period beginning on October 21, 2010. (Pete Constant)

SECOND: Don Gage

MOTION PASSED

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

NOES: None

ABSTAIN: None

ABSENT: None

10. ANNUAL REPORT FOR FISCAL YEAR 2010

Ms. Palacherla provides a brief summary of the annual report and notes the applications reviewed and processed during the year. She informs that during the year, the Commission revised its policies on island annexations and service reviews, and adopted new policies on the role of commissioners, records retention and conflict of interest code. She continues her report by stating that the Commission has initiated the second round of service reviews and is working on fire services in the County. Ms. Palacherla also reports that staff sent comment letters to Gilroy and Morgan Hill regarding potential LAFCO applications in order that LAFCO's concerns may be considered early in the planning process. She also reports that the Commission has revised its fee schedule and implemented an electronic document management system during the year. Ms. Palacherla then states that LAFCO is actively involved with CALAFCO and informs that Chairperson Wilson was reelected to the CALAFCO Executive Board, and staff participated in coordinating and making presentations for CALAFCO Workshop and Conference sessions.

MOTION: Accept the 2009-2010 Annual Report. (Don Gage)

SECOND: Pete Constant

MOTION PASSED

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

NOES: None

ABSTAIN: None

ABSENT: None

11. EXECUTIVE OFFICER'S REPORT

11.1 REPORT ON THE 2010 CALAFCO ANNUAL CONFERENCE

In response to an inquiry by **Commissioner Gage**, **Chairperson Wilson** reports that the 2010 CALAFCO Conference was held in Palm Springs. She informs that she and Ms. Palacherla were on the panel of speakers for the LAFCO 201 Seminar where she discussed LAFCO's role in balancing competing interests and Ms. Palacherla did a presentation on island annexations in Santa Clara County.

Ms. Noel also reports that Chairperson Wilson was reelected to the CALAFCO Executive Board to serve a one-year term representing the Coastal Region and will also serve as the Chairperson of CALAFCO Board of Directors.

12. COMMISSIONER REPORT

None.

13. NEWSPAPER ARTICLES/NEWSLETTERS

The Sphere, a CALAFCO publication.

14. TAKEN OUT OF ORDER

15. PENDING APPLICATIONS / UPCOMING PROJECTS

15.1 LOS GATOS URBAN SERVICE AREA (USA) AMENDMENT 2010 (LANDS OF MIDPENINSULA REGIONAL OPEN SPACE DISTRICT)

Ms. Palacherla states that this application remains pending because Los Gatos has not submitted the Indemnification Agreement.

16. ADOPTION AND PRESENTATION OF RESOLUTION COMMENDING COMMISSIONER GAGE FOR HIS SERVICE TO LAFCO

On Commission consensus, there being no objection, it was unanimously ordered that the Resolution be adopted commending Commissioner Don Gage for his 14 years of service to LAFCO. **Commissioner Gage** expresses appreciation to commissioners and staff.

17. ADJOURN

On order of the Chairperson, there being no objection, the meeting is adjourned at 2:33 p.m. to the next regular meeting to be held on Wednesday, December 15, 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