

LOCAL AGENCY FORMATION COMMISSION OF
SANTA CLARA COUNTY
MINUTES
WEDNESDAY, OCTOBER 5, 2011

CALL TO ORDER

Chairperson Liz Kniss called the meeting to order at 1:19 p.m.

1. ROLL CALL

The following Commissioners and Alternate Commissioners were present:

- **Chairperson Liz Kniss** (*left at 2:32 p.m.*)
- **Commissioner Margaret Abe-Koga**
- **Commissioner Mike Wasserman** (*left at 2:40 p.m.*)
- **Commissioner Susan Vicklund-Wilson**
- **Alternate Commissioner Terry Trumbull**

The following Commissioners were absent:

- **Commissioner Pete Constant**
- **Alternate Commissioner Al Pinheiro**
- **Alternate Commissioner George Shirakawa**
- **Alternate Commissioner Sam Liccardo**

The following staff members were present:

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

2. PUBLIC COMMENT

There was no public comment.

3. APPROVE THE MINUTES OF AUGUST 3, 2011 LAFCO MEETING

The Commission approved the minutes of June 1, 2011 LAFCO meeting, as written.

Motion: Margaret Abe-Koga

Second: Mike Wasserman

MOTION PASSED

AYES: Liz Kniss, Margaret Abe-Koga, Mike Wasserman, Susan Vicklund-Wilson

NOES: None

Chairperson Kniss, there being no objection, announced that Item No. 8 would be taken out of order immediately after the closed session.

4. 2011 COUNTYWIDE WATER SERVICE REVIEW REPORT

Ms. Noel presented a brief staff report and introduced the consultants. Bruce Baracco, Baracco and Associates, expressed appreciation to the cities and special districts for their cooperation.

Jennifer Stephenson, Policy Consulting Associates, provided a PowerPoint presentation on the 2011 Countywide Water Service Review. Oxana Kolomitsyna, Policy Consulting Associates, discussed recycled water issues in the County. Ms. Stephenson then discussed the accountability findings and governance structure recommendations in the report.

Chairperson Kniss declared the public hearing open.

At the request of Commissioner Wilson, Ms. Palacherla discussed the composition of the Technical Action Committee (TAC) and informed that it provided guidance and technical expertise throughout the project.

Jim Fiedler, Santa Clara Valley Water District (SCVWD), stated that collaboration among wholesalers and retailers in the county has ensured water supply reliability and conservation program savings. He explained that the best way historically to provide water and related services has been through uniform governance structure. He continued that it is through the efforts of SCVWD's active recharge program that groundwater is available for pumping in the county. He informed that SCVWD supports the recommendations in the report.

Meg Giberson, Guadalupe-Coyote Resource Conservation District, stated that she would have had a greater comfort level if the SCVWD was not part of the TAC and did not have a role in finalizing the criteria for agency review. She explained that the District is providing services outside its boundaries because its mandate is to identify resource issues and, even though the District contains only the upper watershed, it comments on projects in the lower watersheds because of the potential for impacts to the upper watersheds.

The Commission considered the Draft Report for the 2011 Countywide Water Service Review and directed staff to revise the Report as necessary to and to set December 7, 2011 as the date for the public hearing to consider adoption of the Final Report.

Motion: Susan Vicklund-Wilson

Second: Mike Wasserman

MOTION PASSED

AYES: Liz Kniss, Margaret Abe-Koga, Mike Wasserman, Susan Vicklund-Wilson

NOES: None

5. CLOSED SESSION: CONFERENCE WITH LEGAL COUNSEL

The Commission adjourned to Closed Session at 1:46 p.m. and reconvened at 2:14 p.m. Ms. Subramanian announced that there was no report from Closed Session.

***8. TAKEN OUT OF ORDER: SARATOGA FIRE PROTECTION DISTRICT**

Ms. Palacherla presented the staff report.

Eugene Zambetti, Director, Saratoga Fire Protection District, stated that the District, formed in 1929, is independent and accountable because its board members are elected directly by the people. He stated that the District has entered into a service agreement

with the Santa Clara County Central Fire Protection District because it is economical. He added that the District has a community center, an Explorer Scout unit, and a full-time volunteer engine response. He noted that the District is in the same situation as the Los Altos Hills Fire Protection District and directed attention to the letter from Harold S. Toppel, District Counsel.

In response to an inquiry by **Commissioner Wasserman**, Ms. Palacherla informed that while both the Saratoga Fire Protection District and the Los Altos Hills County Fire Protection District contract for fire services with the Santa Clara County Central Fire Protection District, the Saratoga Fire Protection District does not provide services outside of the contract unlike Los Altos Hills Fire Protection District which provides services such as brush clearance and weed abatement. In response, Mr. Zambetti informed that Saratoga Fire District maintains the City of Saratoga's Early Warning Alarm System.

Commissioner Wasserman stated that LAFCO's Fire Service Review Report indicated that if the Saratoga Fire Protection District is dissolved, there would be an annual cost savings of about \$100,000 without a reduction in the level of service or the number of firefighters. Mr. Zambetti informed that the cost savings would be less because of the cost of the dissolution study and elections. **Commissioner Wasserman** stated that the estimated annual cost savings would be confirmed through a study. **Commissioner Wilson** recommended that staff initiate a discussion with the City of Saratoga before a dissolution study is conducted. **Commissioner Wasserman** requested staff to provide a presentation to the Saratoga City Council in order to explain the issue, solicit feedback and facilitate exchange of information. **Commissioner Wilson** requested that this item be brought back to the Commission at the December 7, 2011 meeting.

The Commission directed staff to provide a presentation to the Saratoga City Council to solicit feedback, and report back to the Commission at the December 7, 2011 meeting.

Motion: Mike Wasserman

Second: Susan Vicklund-Wilson

MOTION PASSED

AYES: Liz Kniss, Margaret Abe-Koga, Mike Wasserman, Susan Vicklund-Wilson

NOES: None

6. EL CAMINO HOSPITAL DISTRICT AUDIT AND SERVICE REVIEW REQUEST FOR PROPOSALS

With Chairperson Kniss and Vice-Chairperson Constant absent, **Commissioner Wilson** was designated as Acting-Chairperson.

Ms. Palacherla presented the staff report. She also informed that the El Camino Hospital District is preparing the information requested by LAFCO regarding hospital districts that leased or sold their hospitals to other organizations and that the District provide the information to LAFCO soon.

In response to an inquiry by **Commissioner Abe-Koga**, Ms. Palacherla advised that the scope of work for the District audit and service review will cover the non-profit corporation's finances as far as necessary to resolve the issue of whether or not the

district is providing services outside its boundary. In response to a follow-up inquiry by **Commissioner Abe-Koga**, Ms. Palacherla advised that governance of the district will be covered under the topic of the relationship between the district and the non-profit corporation.

The Commission authorized staff to issue a Request for Proposals (RFP) for a professional service firm to prepare an audit and service review of the El Camino Hospital District.

Further, the Commission delegated authority to the LAFCO Executive Officer 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.

Motion: Margaret Abe-Koga

Second: Mike Wasserman

MOTION PASSED

AYES: Margaret Abe-Koga, Mike Wasserman, Susan Vicklund-Wilson

NOES: None

7. REVISED DRAFT RESPONSE TO THE 2010-2011 CIVIL GRAND JURY REPORT

Ms. Palacherla presented the staff report.

Commissioner Wasserman expressed appreciation to Commissioner Constant and staff for their work on the revised draft response.

The Commission considered and approved the revised response to the 2010-2011 Civil Grand Jury report of June 16, 2011 entitled "LAFCO's Responsibility for Special Districts: Overseen or Overlooked?"

The Commission further directed staff to forward the response to the Presiding Judge of the Santa Clara County Superior Court and the Foreperson of the 2010-2011 Civil Grand Jury.

Motion: Mike Wasserman

Second: Margaret Abe-Koga

MOTION PASSED

AYES: Margaret Abe-Koga, Mike Wasserman, Susan Vicklund-Wilson

NOES: None

9. ANNUAL REPORT

The Commission accepted the 2010-2011 Annual Report (July 1, 2010 to June 30, 2011).

Motion: Mike Wasserman

Second: Margaret Abe-Koga

MOTION PASSED

AYES: Margaret Abe-Koga, Mike Wasserman, Susan Vicklund-Wilson

NOES: None

10. ADJOURN

The meeting was adjourned at 2:40 p.m. to the next meeting on Wednesday, December 7, 2011 in Isaac Senter Auditorium, County Government Center, 70 West Hedding Street, San Jose, California.

Approved:

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

By: _____
Emmanuel Abello, LAFCO Clerk