

4. **CONSENT ITEM: WEST VALLEY SANITATION DISTRICT 2015-01**

The Commission adopted **LAFCO Resolution No. 2015-02**, approving the annexation of two parcels with a total area of approximately 2.68 acres located at 18660 and 18650 Overlook Road in Saratoga.

Motion: Chavez

Second: Wasserman

AYES: Hall, Chavez, Khamis, Tucker, Wasserman, Wilson

NOES: None

ABSTAIN: None

ABSENT: LeZotte

MOTION PASSED

5. **CITIES SERVICE REVIEW DRAFT REPORT**

Dunia Noel, LAFCO Analyst, presented the staff report and expressed appreciation to Chairperson LeZotte and Alternate Commissioner Kishimoto for their service on the Technical Advisory Committee. Dan Marks and Steve Toler, with Management Partners, provided a brief PowerPoint presentation on the Draft Report.

In response to an inquiry by **Commissioner Wasserman**, Mr. Toler stated that while the recession is over, some Santa Clara cities are still concerned about the sustainability of their revenue sources. In response to a follow-up inquiry by **Commissioner Wasserman**, Mr. Toler observed that while the level of revenues has returned to pre-recession levels, some cities have experienced increases in costs. He informed that some cities continue to make conservative projections; for instance, Mountain View's 10-year forecast anticipates an economic downturn within the next five years.

In response to an inquiry by **Commissioner Chavez**, Ms. Palacherla indicated that LAFCO is required to update spheres of influence (SOIs) every five years and conduct a service review prior to that. She stated that service reviews inform LAFCO decisions on SOIs and other jurisdictional boundary changes. **Commissioner Chavez** observed that the Report appears to be non-judgmental and inquired if service reviews make recommendations. Ms. Palacherla confirmed that some service reviews include specific recommendations and provided an example of the special districts service review which included recommendations for improvements related to transparency and public accountability of some districts.

In response to an inquiry by **Commissioner Chavez**, Mr. Toler informed that the primary source for the financial data in the report were the Comprehensive Annual Financial Reports, and that other information was obtained from various public documents and through interviews with public works, planning and community development staff.

In response to an inquiry by **Commissioner Chavez**, Mr. Marks stated that the farmland data was sourced from the State Farmland Mapping Program.

In response to another inquiry by **Commissioner Chavez**, Ms. Palacherla informed that LAFCO's service reviews have played a role in improving service efficiencies and provided an example of the Countywide Fire Service Review which identified areas in

the unincorporated county that were not served by a city or a fire protection district. She stated that as a result of the service review report highlighting this issue, two such large areas were consequently annexed by adjacent fire districts.

Commissioner Wilson provided historical background and stated that service reviews have progressed from cursory studies in the first round to more detailed reviews in the current versions. She noted that recent reports have brought to light many special district issues. She indicated that how the service reviews are utilized continue to be a work in progress.

In response to an inquiry by, **Commissioner Chavez**, Mr. Toler clarified that the table only shows the general fund reserves.

In response to an inquiry by **Commissioner Hall**, Mr. Toler informed that enterprise and general funds are maintained and accounted for separately. In response to another inquiry by **Commissioner Hall**, Mr. Toler informed that the Report includes statistics on park lands per capita for each city.

This being the time and place for the public hearing, **Vice Chairperson Tucker** declared the public hearing open, determined that there are no members of the public who wished to speak on the item, and declared the public hearing closed.

The Commission:

1. Considered the Draft Report for the Cities Service review.
2. Accepted public comments.
3. Authorized staff to revise the Report as necessary to address comments received through October 7th and set December 2, 2015 as the date for the public hearing to consider adoption of the Final Report.

Motion: Wilson

Second: Hall

AYES: Hall, Chavez, Tucker, Wasserman, Wilson

NOES: None

ABSTAIN: None

ABSENT: Khamis, LeZotte

MOTION PASSED

6. ANNUAL REPORT

The Commission noted the report.

7. EXECUTIVE OFFICER'S REPORT

7.1 RELOCATION OF THE LAFCO OFFICE TO 8TH FLOOR OF COUNTY GOVERNMENT CENTER

The Commission noted the report.

7.2 COUNTY'S MEETING ON URBAN AGRICULTURE INCENTIVE ZONES ACT

The Commission noted the report.

- 7.3 **UPDATE ON PACHECO PASS WATER DISTRICT**
The Commission noted the report.
- 7.4 **DISCUSSION WITH CITY OF SUNNYVALE CONCERNING PROPOSED ANNEXATION OF BUTCHER'S CORNER**
The Commission noted the report.
- 7.5 **MEETING WITH COUNTY CONTROLLER'S OFFICE REGARDING LAFCO FEES METHODOLOGY**
The Commission noted the report.
- 7.6 **MEETING WITH SAN JOSE PLANNING DEPARTMENT STAFF CONCERNING SEWER SERVICE EXTENSION AND BOUNDARY CHANGE INQUIRIES**
The Commission noted the report.
- 7.7 **MEETINGS WITH PROPERTY OWNERS AND CITIES CONCERNING DETACHMENT FROM MOUNTAIN VIEW AND ANNEXATION TO LOS ALTOS**
The Commission noted the report.
- 7.8 **MEETING WITH REPRESENTATIVES OF CASTRO VALLEY RANCH CONCERNING LAFCO'S POLICIES**
The Commission noted the report.
- 7.9 **MEETING WITH COUNTY STAFF ON SEWER AND WATER SERVICE EXTENSIONS TO UNINCORPORATED LANDS**
The Commission noted the report.
- 7.10 **MEETING WITH CITY OF GILROY ON PROPOSED NORTH GILROY URBAN SERVICES AREA AMENDMENT APPLICATION**
The Commission noted the report.
- 7.11 **PUBLIC INQUIRIES ABOUT SERVICE EXTENSIONS TO UNINCORPORATED LANDS**
The Commission noted the report.
- 7.12 **LAFCO ORIENTATION SESSION FOR COMMISSIONER KHAMIS' STAFF MEMBER**
The Commission noted the report.
- 7.13 **SANTA CLARA COUNTY ASSOCIATION OF PLANNING OFFICIALS (SCCAPO)**
The Commission noted the report.
- 7.14 **SANTA CLARA COUNTY SPECIAL DISTRICT ASSOCIATION MEETING**
The Commission noted the report.

7.15 INTER-JURISDICTIONAL GIS WORKING GROUP MEETINGS

The Commission noted the report.

Commissioner Wilson expressed appreciation on the format of the Executive Officer's Report as it informs the Commission about staff's activities and outreach to the community.

Doug Muirwood, resident of Morgan Hill, suggested that the planned workshop on service extensions be open to the public. He informed that the public attend LAFCO meetings to learn how the agency works and recalled that the 2012 Strategic Planning Workshop was very informative. He proposed that another workshop be held for the benefit of new commissioners.

8. CALAFCO RELATED ACTIVITIES

8.1 REPORT ON THE 2015 CALAFCO ANNUAL CONFERENCE

Vice Chairperson Tucker reported that she and Alternate Commissioner Milius attended the 2015 CALAFCO Annual Conference and she noted that it was well-attended and informative.

8.2 REPORT ON CALAFCO CHANGES

The Commission noted the report.

8.3 CALAFCO PUBLICATIONS

The Commission noted the report.

9. LETTERS FROM THE SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY REGARDING PRESIDENT'S SPECIAL ACKNOWLEDGEMENT AWARD

The Commission noted the report.

10. PENDING APPLICATIONS / UPCOMING PROJECTS

Ms. Palacherla informed that staff received an application from property owners for annexation to Cupertino Sanitary District, and another application from the City of Morgan Hill for amendment of its urban service area boundary.

11. COMMISSIONER REPORTS

There were none.

12. NEWSPAPER ARTICLES / NEWSLETTERS

There were none.

13. WRITTEN CORRESPONDENCE

The Commission noted an email from Charmel Perrier, dated August 4, 2015, regarding Morgan Hill Southeast Quadrant Annexation & Agricultural Mitigation Preservation Plan.

14. ADJOURN

Wendy Tran, a San Jose State University student, inquired about what members like about LAFCO and what the Commission does. **Vice Chairperson Tucker**, and **Commissioners Wasserman, Hall, Chavez** and **Wilson** responded to her inquiry.

The Commission adjourned at 2:00 p.m., to the next regular meeting on December 2, 2015 at 1:00 p.m., in the Board Meeting Chambers, County Government Center, 70 West Hedding Street, San Jose, California.

Approved:

Cat Tucker, Vice Chairperson
Local Agency Formation Commission of Santa Clara County

By: _____
Emmanuel Abello, LAFCO Clerk