

**SUMMARY ACTION MINUTES**  
**ALAMEDA LOCAL AGENCY FORMATION COMMISSION**  
**REGULAR MEETING**

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

**September 20, 2018**

**1. Call to Order and Pledge of Allegiance**

Chair Wieskamp called the meeting to order at 2:03 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

City Members: John Marchand and Jerry Thorne

Special District Members: Ayn Wieskamp, Ralph Johnson, and alternate Georgean Vonheeder-Leopold

Public Members: Alternate Tom Pico

Not Present: County Member Nate Miley, Public Member Sblend Sblendorio, alternate County Member Richard Valle and alternate City Member David Haubert

Staff present: Rachel Jones, Executive Officer; Theresa Rude, Analyst; Andrew Massey, Legal Counsel; and Sandy Hou, Clerk

**3. Public Comment**

Chair Wieskamp invited members in the audience to address the Commission on any matter not listed on the agenda and within the jurisdiction of the Commission.

Kent Pryor, resident of Pleasant next to the unincorporated Remen Tract inquired about the status of discussions between the County and City concerning the Remen Tract. The Commission requested staff to place an update concerning that topic on a future meeting agenda.

**4. Approval of Minutes**

• **July 12, 2018 – Regular Meeting**

Upon motion by Commissioner Haggerty and second by Commissioner Marchand, the minutes of July 12, 2018 were approved.

AYES: 6 (Haggerty, Johnson, Marchand, Pico, Thorne, Wieskamp)

NOES: 0

ABSENT: 2 (Miley, Sblendorio)

ABSTAIN: 0

**5. Approval of Meeting Dates for Calendar Year 2019 (Consent)**

Upon motion by Commissioner Marchand, second by Commissioner Thorne, the Commission approved the following dates for regular meetings in 2019: January 10, March 14, May 9, July 18, September 12, and November 14. All meetings are the 2<sup>nd</sup> Thursday except for July 18, which is the third Thursday so as not to conflict with the 2018 National Association of Counties Conference dates.

AYES: 6 (Haggerty, Johnson, Marchand, Pico, Thorne, Wieskamp)

NOES: 0

ABSENT: 2 (Miley, Sblendorio)

ABSTAIN: 0

**6. Budget Update for 2018-2019 and Year End Projections**

Executive Officer Jones (EO) provided a summary of the written report comparing budgeted and actual transactions for 2018-2019 through September 6, 2018 and its projection that Alameda LAFCO is on pace to finish the fiscal year within budget.

Upon motion by Commissioner Marchand, second by Commissioner Pico, the Commission approved accepting and filing the report as presented.

AYES: 6 (Haggerty, Johnson, Marchand, Pico, Thorne, Wieskamp)  
NOES: 0  
ABSENT: 2 (Miley, Sblendorio)  
ABSTAIN: 0

**7. Request to Postpone Comprehensive Update to Fee Schedule - Item continued from the July 12, 2018 Public Hearing.**

EO explained the request to postpone this item to a future meeting was recommended to allow more time to do in-depth research towards determining an appropriate update to the fee schedule.

**8. Eden Township Healthcare District | Report**

EO provided introductory remarks, noting that two members of the Eden Township Healthcare District (ETHD) were in attendance to provide an update to the Commission and that the report was being presented at this time for information only, with subsequent action, if needed, to be taken at a later date.

Roxanne Lewis, Chair of the ETHD thanked the Commission for granting the District's request to postpone its report from July 2018 until today's meeting and expressed that the District feels that it has addressed the issues of concern.

Michael Mahoney, ETHD Chief Executive Officer, then reported on the District's progress in completing the terms and conditions given the District by Alameda LAFCO in July 2017 as a result of the special study conducted of the District. Copies of the District's written report were provided and distributed to the Commissioners. Mr. Mahoney concluded his report with a request that the condition requiring the District to provide an annual report to all registered voters and property owners within the District's boundary be modified such that the District would still widely inform the public served by the District, but at nearly half the cost – \$20,000 - \$25,000 versus \$50,000. The District proposes to place the report in the local newspapers over several editions, in addition to posting on its website, sending links to the three County supervisorial districts and the websites of other local jurisdictions, and having copies of the report available at the District offices, city and County libraries, and other appropriate agency/government sites. He emphasized that the savings would allow the District to increase its community grant fund, such as to Meals on Wheels in San Leandro.

Commission Questions/Comments:

In response to inquiries from Commissioner Haggerty, Mr. Mahoney:

- Indicated that estimates from the sale of the District's buildings are \$42-46 million for Dublin Gateway, \$8-10 million for the Castro Valley building, and \$8-11 million for the San Leandro Building. The District's liability on the buildings is currently \$10 million. He also clarified that there is a second building on the Dublin Gateway site that is not owned by the District, but by Sutter Health.
- Said the Board is very interested in and willing to financially support St Rose Hospital if it is able to do so, perhaps through the proceeds from the sale of its buildings as suggested by Commissioner Haggerty.
- Confirmed that Intergovernmental Transfer Funds (IGT) would go through the County. He emphasized that the District Board is very willing and open to look at solutions.

Commissioner Johnson asked about the status of the District's relationship to the County, given the history of animosity between the two. Mr. Mahoney reported that since becoming CEO of the District in June 2017, he has observed that the District has been very willing to work with the County and other jurisdictions to solve the health service problems facing the communities served by the District. Commissioner Johnson expressed appreciation for the District's efforts.

Referencing the District having met with Supervisors Valle and Chan and its plans to meet with Supervisor Miley, Commissioner Pico suggested the District might also meet with Supervisor Haggerty. Commissioner Haggerty noted that that was not required and explained that the District had met with the former because the District's boundaries include their supervisorial districts.

Commissioner Wieskamp praised the District for its willingness to work together with other agencies to address the health care challenges in the District. She recommended that any changes at Baywood Court be considered carefully, suggesting taking a look at providing memory care as well as skilled nursing. She further advised looking at the possibility of providing Adult Day Care, a much-needed service that is difficult to find. Mr. Mahoney noted that he serves on the Baywood Court Board and that the Board is looking at providing services needed by the community.

Regarding the District's request to modify the Commission's term/condition concerning sending its annual report to every property owner/registered voter in the District, Commissioner Haggerty said that he wants to hear input about that request from the elected officials within the District's boundaries before making a decision on the request.

Upon motion by Commissioner Pico, second by Commissioner Haggerty, the Commission unanimously agreed to accept and file the District's report.

AYES: 6 (Haggerty, Johnson, Marchand, Pico, Thorne, Wieskamp)  
NOES: 0  
ABSENT: 2 (Miley, Sblendorio)  
ABSTAIN: 0

Commissioner Haggerty again emphasized that he feels it is very important that proceeds from the sale of any of the District's buildings go towards supporting St. Rose Hospital since it is such a critical asset in the Tri-City Community and very much needs financial support to keep it viable.

Counsel pointed out that the report from the District today was informational only rather than a Public Hearing item and noted that taking any action related to a sphere amendment would take place at a future meeting to allow for proper noticing. Chair Wieskamp said that she hoped the District's representatives present at today's meeting would report back to the other Board members the Commission's comments today.

**9. Public Hearing: Proposal for Boundary Adjustment of East Bay Municipal Utility District and City of Hayward**

EO requested that this item be continued to the next regular meeting so as to allow for adequate noticing to all the affected landowners and to make adjustments to split parcels and incongruent property lines that were pointed out by the County Assessor's office. She further noted that she had spoken to the applicant about continuing the item and that he was in agreement.

**10. Public Hearing: Proposal for Annexation of 4592 Tesla Road et al to the City of Livermore**

EO provided summary remarks of the written report concerning this proposal to annex three unincorporated parcels totaling 79.4 acres – 4592, 4520 and 4590 Tesla Road – known as the Concannon Winery property into the City of Livermore for the purpose of receiving public wastewater services due to a failing septic system - an environmental health and safety issue. The subject parcels are identified by the County of Alameda Assessor's office as 99-1200-001, 99-1200-002, and 99-1200-003. EO concluded her remarks with a request that the

Commission approve amending the resolution to include a condition of approval that the City extend the conservation easement to include all three of the parcels, rather than just the two that are currently included.

Chair Wieskamp opened the public hearing.

Commission Comments/Discussion/Motion:

Commissioner Marchand spoke about the importance of preserving the winery which has such historic significance in the area as one of the first wineries in the State. He said his personal opinion was that the plume under the winery did not actually originate with the winery, but rather in the agricultural lands east of it. He noted the efforts that had gone into bringing the annexation proposal forward. He motioned to accept the proposal.

Commissioner Haggerty agreed with Commissioner Marchand's comments about the importance of preserving the winery and seconded the motion. He also noted the environmental water quality issues that exist or will exist in the wineries to the east and commented that attention should be given to that as well. He expressed the County's willingness to work with the City of Livermore in extending services down Tesla Road, and said that he has several million dollars in his supervisorial district's budget to assist in that effort, which he hoped could include putting down power lines also.

Commissioner Pico suggested looking at recycling the water back for agricultural use, and staff mentioned that the wastewater study will be commencing soon and could look at that.

Chair Wieskamp closed the public hearing and asked for a vote. Counsel pointed out two technical modifications be made to the resolution of approval in addition to the one mentioned by Staff concerning extending the conservation easement to include all three properties. Namely, to:

- Include a determination that under government code 56856.5, the sewer service would benefit land uses that are allowed under the contract as that is one of the determinations leading to Williamson Act annexations, and
- The Staff report does not indicate whether notice was sent to the State Director of Conservation of the application and this meeting and whether the Director had any comments they wanted considered.

Commissioners Marchand and Haggerty both agreed with the three modifications to the motion. The motion was approved as amended.

AYES: 6 (Haggerty, Johnson, Marchand, Pico, Thorne, Wieskamp)  
NOES: 0  
ABSENT: 2 (Miley, Sblendorio)  
ABSTAIN: 0

**11. Report on LAFCO Operational Options | Berkson Associates**

EO noted that consultant Richard Berkson would provide highlights of his written report on varying operational alternatives for Alameda LAFCO in response to its Memorandum of Understanding (MOU) with the County of Alameda set to expire as of June 30, 2019. The study - a key action item identified by the Commission as part of its Strategic Plan of 2018-2022 - compared Alameda LAFCO's operational agreement with Alameda County to the operational relationships of the LAFCOs in three other counties with their respective county - Contra Costa, Santa Clara and Marin. Staff concluded her remarks with a request that the Commission provide additional funding for further study at a not-to-exceed cost of \$5,000 for a more in-depth cost-fiscal analysis to be conducted along with possible succession planning to better inform the Commission of its decision-making.

Mr. Berkson presented a verbal summary of his written report which had been provided as an attachment to the staff report. He noted that each of the four LAFCOs studied had varying levels of independence from the County - i.e., had some level of services provided privately. And that while it is helpful to study the operational

arrangements of other LAFCOs, ultimately Alameda LAFCO must decide what it feels is best for itself. He noted that a more in-depth study would include operational recommendations.

Commission Discussion/Action:

Mr. Berkson responded briefly to Commissioner Pico’s inquiry about comparison between Alameda and Marin LAFCO by noting that the level of activity in Alameda is greater and that Marin costs are lower in part because staff does some of its own Municipal Service Reviews, but there are other offsetting costs in Marin.

Commissioner Haggerty wondered about the need for the study – what is the problem that needs fixing?

Commissioner Johnson expressed that, given that the current Memorandum of Understanding (MOU) with the County will expire in less than a year – July 1, 2019 – he wanted to know how some other LAFCOs operate to assist in determining if the current MOU is working. The study, for him, helps show that it pretty much is working, although it might be helpful to make some changes in accounting to allow more flexibility and responsiveness in paying bills.

LAFCO staffing decisions made by the County without input from the Commission were discussed. The Commission was very happy with the County’s recent efforts in recruiting a new Executive Officer and in involving the Commission in the interview and final approval process. Wishes were expressed that the Commission have greater input and final approval, through its Executive Officer, in the hiring and/or replacement of other LAFCO staff as well.

Executive Officer Jones concluded the discussion with a recommendation to use this opportunity to look at different LAFCO models of operation more in depth to help determine what is best for Alameda LAFCO. Perhaps the Commission will decide to keep what is running smoothly and tighten up on areas of concern.

Upon motion by Commissioner Thorne, second by Commissioner Pico, the Commission accepted the study and authorized the Executive Officer to extend the contract with Berkson & Associates to provide a cost-benefit analysis on the operational models through December 31, 2018 at a not-to-exceed cost of \$5,000.

AYES: 6 (Haggerty, Johnson, Marchand, Pico, Thorne, Wieskamp)  
NOES: 0  
ABSENT: 2 (Miley, Sblendorio)  
ABSTAIN: 0

**12. Progress Report on 2018-2020 Strategic Plan**

EO highlighted and added to the update in the written report concerning the Island Annexation objective, pointing out how helpful the GIS layer for LAFCO being developed by the County will be, and the noting the progress being made in meeting with city managers, planners and general managers to streamline the application process to encourage annexations of unincorporated islands – with a focus on allowing/encouraging individuals to submit annexation applications, which could take the burden off of cities and special districts and perhaps speed up the process as well.

Upon motion by Commissioner Johnson, second by Commissioner Marchand, the report was accepted.

AYES: 6 (Haggerty, Johnson, Marchand, Pico, Thorne, Wieskamp)  
NOES: 0  
ABSENT: 2 (Miley, Sblendorio)  
ABSTAIN: 0

**13. Agreement with Harshwal & Company for Audit Services**

EO provided a summary of the written report that recommended approving an agreement with Harshwal & Company to prepare an independent financial audit for the 2017-2018 fiscal year at a not-to-exceed cost of \$6,000.

Upon recommendation of Commissioners Pico and Johnson, staff was directed to clarify with Harshwal & Company that the agreement would be to provide an audit report – not just a review report, and to report back to the Commission at the next meeting.

**14. Matters Initiated by Members of the Commission**

There were none.

**15. Informational Items (Updates only are noted)**

**a. Current and Pending Proposals**

- EO made the following correction to the report: The annexation of Castro Valley Canyonlands into the Castro Valley Sanitary District was completed in June 2017 – no outstanding conditions exist.
- Application for the Annexation of Dumbarton Quarry Regional Park into Union Sanitary District by the East Bay Regional Park District is expected to be submitted before the end of the year
- The contract with QK Associates for conducting the Countywide Water, Wastewater, Flood Control, and Storm Water Municipal Service Review has been signed and the data collection should begin by the end of the month.

**b. Legislative Update**

- On September 7<sup>th</sup>, EO signed and sent a letter urging Governor Brown to sign **AB 2258** that establishes a funding program for LAFCOs to conduct in-depth studies and analyses of local government agencies and services for the purpose of creating efficiencies and dissolving inactive districts. Unfortunately, Governor Brown, just today, vetoed this bill.
- Governor Brown signed **AB 2600** that adds the option for local governments to adopt a resolution to initiate the formation of a regional park and open space district.
- Governor Brown signed **AB 3254**, LAFCO's annual Omnibus Bill that proposes technical corrections to the Cortese Knox Hertzberg Act.

**c. CALAFCO 2018 Annual Conference at Tenaya Lodge in Yosemite (Oct 3 -5) Preliminary Program**

EO noted that there would be sessions concerning climate change, that an entry of former Executive officer Mona Palacios for the Lifetime Achievement Award had been submitted, and that the voting delegates at the business meeting would be herself and Commissioner Vonheeder-Leopold.

**16. Adjournment of Regular Meeting**

Chair Wieskamp adjourned the meeting at 3:25 p.m.

**17. Next Meetings**

**Policy & Budget Committee**

**Thursday, October 13 at 1:00 p.m. at the regular meeting location**

**Regular Meeting**

**Thursday, November 8, 2018 at 2:00 p.m. at the regular meeting location**

Respectfully submitted,

  
Sandy Hou, Commission Clerk

These minutes were approved on November 8, 2018. Attest:

  
Rachel Jones, Executive Officer