

SUMMARY ACTION MINUTES
ALAMEDA LOCAL AGENCY FORMATION COMMISSION
REGULAR MEETING

City of Dublin Council Chambers, 100 Civic Drive, Dublin, CA

September 12, 2019

1. Call to Order and Pledge of Allegiance

Chair Haggerty called the meeting to order at 2:00 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 and Nate Miley (arrived 2:30, item 8)

City Members: John Marchand and alternate David Haubert

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

Public Members: Sblend Sblendorio and alternate Tom Pico

Not Present: Alternate County Member Richard Valle and City Member Jerry Thorne

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

3. Public Comment

Chair Haggerty invited members in the audience to address the Commission on any matter not listed on the agenda and within the jurisdiction of the Commission. There were no comments.

4. Consent Items

- a. Approval of Meeting Minutes: May 29, 2019 Special Meeting
- b. Approval of Meeting Minutes: July 18, 2019 Regular Meeting
- c. Approval of Meeting Dates of New Calendar Year 2020
- d. Request for Time Extension | Annexation of Tesla Road et al to City of Livermore
- e. Request for Time Extension | Reorganization of East Bay Municipal Utility District and City of Hayward

Upon motion by Commissioner Marchand, second by Commissioner Wieskamp, all consent items were approved.

AYES: 6 (Haggerty, Haubert, Johnson, Marchand, Sblendorio, Wieskamp)

NOES: 0

ABSENT: 2 (Miley, Thorne)

ABSTAIN: 0

5. End of Year Budget Report for Fiscal Year 2018-2019 (Regular)

Executive Officer Jones provided a summary of an end-of-year report comparing budgeted and actual transactions for fiscal year 2018-2019, noting that the Commission finished the fiscal year with a net operating surplus of \$246,269, which accounts for the \$176,000 fund balance applied to offset agency apportionments for the fiscal year.

Commissioner Marchand motioned, Commissioner Wieskamp seconded to accept and file the report. Motion passed.

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

6. CALAFCO Proposed New Membership Dues Structure (Regular) – Proposal by the California Association of Local Agency Formation Commissions (CALAFCO) of a new dues structure as a response to the organization’s ongoing structural budget deficit.

Executive Officer Jones summarized the written report, noting that the new dues structure involves a base-charge of \$1000 per LAFCO and a payment increase based upon 2020 population estimates along with a per capita rate set by the CALAFCO Board of Directors, resulting in an increase of Alameda LAFCO’s membership dues by \$1000 from \$9,662 to \$10,662. She also noted that the proposed dues structure is set to address equitable distribution of membership costs between rural, suburban and urban LAFCO’s, as well as reduce CALAFCO’S shortfall.

Coastal Region CALAFCO Board Member Michael McCill, Special District Commissioner from Contra Costa LAFCO and chair of the CALAFCO ad hoc committee that worked on the dues increase proposal then provided further information on the process used by CALAFCO to come up with the proposal. He attributed the need for dues increase in part to the increase of CALAFCO staff’s time from 3 days to 4 days a week several years back, required primarily because of all the state legislation concerning LAFCOs. He noted that CALAFCO has been using reserves to balance its budget, which it can no longer do.

Comments were offered from Commissioners Wieskamp, Marchand and Sblendorio in support of approving the dues increase, with each noting the value and importance of having CALAFCO staying on top of the increasing LAFCO-related state legislation.

Motion was made by Commissioner Marchand, seconded by Commissioner Sblendorio to approve the CALAFCO membership dues structure and to direct the Commission’s voting delegate to vote accordingly at the CALAFCO Annual Conference on October 31, 2019. Motion passed.

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

7. Financial Audit Report and Presentation for Fiscal Year Ending June 30, 2018 (Regular)

A report and presentation from Harshwal & Company LLP of Alameda LAFCO’s financial statements for 2017-2018.

Executive Officer Jones noted that the Commission had received a financial audit report prepared by Harshwal & Company at its last regular meeting held on July 18, 2019 and that the report concludes that Alameda LAFCO’s tested statements show no material weaknesses or omissions and shows the Commission’s financial standing with an unadjusted fund balance of \$594,309. She then introduced Adi Harshwal from Harshwal and Company who presented the audit findings to the Commission per the Commission’s request.

Mr. Harshwal highlighted two pages of the report, page 6 - *Changes in Net Position* and page 13 *Statement of Revenues, Expenditures, and Changes in Fund Balances*, and then, since there were no exceptions identified in the audit, proceeded to respond to questions from the Commission.

In response to Commissioner Vonheeder-Leopold's question as to what accounts for the large excess of revenue, he explained that is unknown since there is no previous year's audit to compare to, as this was the first audit done in a very long time (since 2006). In response to Commissioner Johnson, he said no issues were identified regarding LAFCO's check writing process.

At the request of Chair Haggerty, he explained the process they used to conduct the audit, noting that strict guidelines are in place that must be adhered to in conducting audits. They requested the entire general ledger for the fiscal year, did a sampling, and tested the sampling for supporting documents and accuracy. He responded that they did not meet with any Commissioners during the process either before or after the audit, because Alameda LAFCO's finances does not meet the threshold of \$750,000 that requires such meetings.

The conclusion of a discussion was that going forward with further audits – either with Harshwal or another company – Alameda LAFCO will have, apart from staff, selected members of the Commission meet with the auditors both before the audit is begun and after when the draft report is prepared. Mr. Harshwal suggested that 2-3 months after the close of the fiscal year would be a good time to have the pre-audit meeting.

8. **Annexation of Dumbarton Quarry Regional Park to Union Sanitary District (Public Hearing)**
A change of organization proposal filed by Pacific States Environmental Contractors, Inc. on behalf of the East Bay Regional Park District to annex approximately 120.5 acres of territory located within the City of Fremont to the Union Sanitary District in order to provide wastewater services in support of the planned Dumbarton Quarry Regional Park restrooms, shower facilities, and laundry facility.

At staff's request, the Commission agreed to continue this item to the November regular meeting to allow staff time for clearing up any confusion with the District concerning misidentified parcels.

9. **Priority Conservation Area (Regular)**

Consideration of staff's recommendation on adding the review of whether an affected territory is located within a priority conservation area as an additional factor of mandatory analysis for boundary change proposals under Government Code (G.C.) Section 56668.

Executive Officer Jones provided a summary of the written report, providing background information on the designation of unprotected places such as pastures, vacant lots, shorelines, and creeks as conservation priorities and the relatively new development of a mapping tool that allows the public to identify, map and measure Priority Conservation Areas. She noted that including consideration of location in a priority conservation area to its application reviews would be in conjunction with Alameda LAFCO's regional growth management duties.

Discussion:

Staff clarified that her suggestion to include consideration of location within a priority conservation area as an additional factor of proposal review was not requested by Commissioner Pico, but rather was in response to Commissioner Pico's concern on how climate change and sea level rise was considered in determining development projects, specifically, the annexation of the Bayside Newark Project to Union Sanitary District that was approved by the Commission at its May 9, 2019 regular meeting.

Staff also clarified that if the Commission approved, it would be adding this as a factor of consideration to the other existing 17 factors that LAFCOs must look at when reviewing applications, and that it would not be determinative, but rather just something to be aware of.

The conclusion of the discussion was a request that staff provide further information to the Commission about the location of the priority conservation areas in the county.

10. Matters Initiated by Members of the Commission

Commissioner Sblendorio reported that he had been receiving calls from brokers and property owners in the Remen Tract and Happy Valley Areas wishing to apply for out of area service agreements and being told by city staff that they cannot grant them because the County and LAFCO are in MOU negotiations concerning such. Surprised to hear that because he thought that issue had been dealt with, Commissioner Sblendorio asked staff to look into the matter and report back.

11. Informational Items Highlights noted below:

- a. **Current and Pending Proposals** - Change of organization proposal received from Alameda County Mosquito Abatement District requesting annexation of the City of Albany to provide mosquito abatement services to the entire county of Alameda. Application currently under administrative review and deemed incomplete at this time.
- b. **Progress Report on Work Plan** – QK Associates will present at the next meeting a draft report on the MSR for water, wastewater, storm water and flood control services. Staff is working on an RFP for the fire protections Services MSR to be presented at the next policy and budget committee meeting.
- c. **Strategic Planning Workshop Update** – Scheduled for Monday, December 16th at 10:00 am at the Martinelli Center in Livermore. Bill Chiat will facilitate.
- d. **CALAFCO Board of Directors Nominations and Achievement Awards** – Nominations are due by September 30th. If interested, contact staff.
- e. **CALAFCO 2019 Annual Conference October 30 - November 1, 2019 in Sacramento**
Commissioners Sblendorio, Johnson and Vonheeder-Leopold are registered to attend.

12. Adjournment of Regular Meeting

Chair Haggerty adjourned the meeting at 2:51 p.m.

13. Next Meetings of the Commission

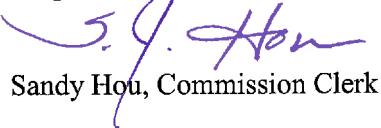
Policy & Budget Committee

Thursday, October 3, 2019 @ 2:00 p.m. at City of Dublin, 100 Civic Plaza, Dublin, CA

Regular Meeting

Thursday, November 14, 2019 @ 2:00 p.m. at City of Dublin, 100 Civic Plaza, Dublin, CA

Respectfully submitted,


Sandy Hou, Commission Clerk

These minutes were approved by the Commission on November 14, 2019.

Attest:



Rachel Jones
Executive Officer