



Midpeninsula Regional
Open Space District

R-12-88
Meeting 12-30
September 12, 2012

AGENDA ITEM 6

AGENDA ITEM

Adopt Resolution in Support of Seating Independent Special Districts on the Santa Clara County Local Agency Formation Commission

GENERAL MANAGER'S RECOMMENDATION

Adopt a resolution supporting the seating of independent special districts on the Santa Clara County Local Agency Formation Commission (LAFCo).

SUMMARY

In July 2012, the Board of Directors (Board) considered whether or not to support the seating of special Districts on the Santa Clara County LAFCo. Due to concerns over the cost allocation methodology, the Board voted not to support this resolution. However, since then, the cost allocation methodology has been revised, thereby reducing the cost to the District. Consequently, it is recommended the Board consider approving the attached resolution supporting the seating of special districts on Santa Clara County LAFCo.

DISCUSSION

There are 17 independent special districts in Santa Clara County and currently there is no special district representation on LAFCo. In March 2012, the Santa Clara County Special District's Association considered the issue of independent special districts having a seat on LAFCo and requested information from LAFCo on the costs for individual districts to participate.

At its July 11, 2012 Regular Board meeting, the Board of Directors (Board) discussed whether to support seating independent special districts on Santa Clara county LAFCo (R-12-57). Extensive discussion was held on the topic and, due primarily to the cost to the District to participate, as understood at that time, the Board voted not to support the seating of independent special districts on the Santa Clara County Local Agency Formation Commission and directed staff to express the District's concerns to other independent special districts in Santa Clara County.

On July 16, 2012, Director Siemens attended a special meeting of the Santa Clara County Special District's Association to discuss options for LAFCo cost allocation and representation. During this meeting, the District's cost apportionment was reduced significantly by removing

San Mateo County, grants and gifts from the formula. As a result, the District can now support the seating of independent special districts on the Santa Clara County LAFCo.

BOARD COMMITTEE REVIEW

Due to time constraints, this item was not reviewed by the Legislative, Funding and Public Affairs Committee.

FISCAL IMPACT

If LAFCo receives a total of nine or more resolutions requesting independent special district membership to LAFCo, and the process results in the election of two independent special district representatives, independent special districts will be required to pay one-third of the LAFCo operational costs. Based on the 2012 LAFCo budget, the District's obligation would be \$11,473.67.

PUBLIC NOTICE

Public notice was provided as required by the Brown Act.

CEQA COMPLIANCE

This is not a project under the California Environmental Quality Act (CEQA).

NEXT STEPS

If the Board votes to support the seating of independent special districts on LAFCo, the attached resolution requesting independent special district membership on LAFCo will be submitted to LAFCo (Attachment 1). If LAFCo receives resolutions from a majority of independent special districts (i.e. nine or more), they will need to initiate proceedings for seating of independent special districts on LAFCo per the Cortese-Knox-Herzbert Act (Government Code §56332.5),

Attachment:

1. Resolution
2. Exhibit A

Responsible Manager:
Steve Abbors, General Manager

Prepared by:
Kate Drayson, Administrative Services Manager

Contact person:
Pete Siemens, Director

RESOLUTION NO. 12-XX

RESOLUTION OF THE BOARD OF DIRECTORS OF THE MIDPENINSULA REGIONAL OPEN SPACE DISTRICT REQUESTING INDEPENDENT SPECIAL DISTRICT MEMBERSHIP ON THE LOCAL AGENCY FORMATION COMMISSION OF SANTA CLARA COUNTY

WHEREAS, California's Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Chapter 2, Part 2, Division 3, Title 5 of the Government Code provides for the creation and composition of local agency formation commissions; and

WHEREAS, the Santa Clara County Local Agency Formation Commission (SCCLAFCO) promotes orderly growth and development in Santa Clara County by, preserving agricultural lands and open space, curbing urban sprawl, encouraging efficient delivery of services, exploring and facilitating regional opportunities for fiscal sustainability, and promoting public accountability and transparency of local agencies to improve governance; and

WHEREAS, the composition of the SCCLAFCO may include two members from the legislative bodies of independent special districts (ISDs) selected by the independent special district committee; and

WHEREAS, the Midpeninsula Regional Open Space District believes independent special district (ISDs) representation on the SCCLAFCO will facilitate achieving SCCLAFCO's goals; and

WHEREAS, in counties in which there is city and ISD representation on a LAFCO, one-third of the operating costs of the LAFCO are to be borne by the ISDs; and

WHEREAS, the ISDs share of operating costs are to be apportioned in proportion to each district's total revenues as a percentage of the combined total district revenues within the county or by an alternative method approved by a majority of the ISDs; and

WHEREAS, the Midpeninsula Regional Open Space District supports the need for an alternative formula which recognizes the need for all special districts to contribute, that no one district should bear a disproportionate share of the cost, that there are differences in the ability of enterprise versus non-enterprise districts to contribute to costs, and that extraordinary revenue such as gifts and grants should not be taken into consideration when determining a district's revenue for the purpose of apportioning LAFCO costs; and

WHEREAS, the Santa Clara Valley Water District has consented to bear more than 50% of the ISDs share of LAFCO operating costs.

NOW, THEREFORE, THE DISTRICT RESOLVES AS FOLLOWS:

1. The Midpeninsula Regional Open Space District supports the Resolution of the Santa Clara County Special District Association (SCCSDA) requesting that the Santa Clara County LAFCo initiate proceedings for representation of independent special districts on the commission, adopting an alternative formula for allocated local agency formation commission operating costs and adopting an alternative process for appointing independent special district members to the commission.
2. The alternative allocation of SCCSDA share of operating costs of the Santa Clara County LAFCo shall be based on the percentages allocated to each district as set forth in Exhibit A, attached hereto and made a part hereof.
3. Exhibit A shall be reviewed every five (5) years, beginning July 1, 2018, during a regularly scheduled meeting of the SCCSDA, to determine if there is a desire, by a majority of the ISDs to initiate action to amend the allocations assigned to each ISD.
4. For any multi-county ISD, the contribution level shall be solely based on that percentage of income received within Santa Clara County by that ISD.
5. Annually, the Authority will be responsible for its allocation of ISDs' share of LAFCo operating costs, based on multiplying the fixed percentage column for the District detailed in Exhibit A and the one-third share of the total LAFCo cost in determining the total cost and amount to be allocated to the District; provided, however, that the District may pass a resolution declaring financial hardship and requesting the SCCSDA to conduct a review and revision of the allocations described in Exhibit A.
6. The Santa Clara Valley Water District shall have one appointment to the Santa Clara County LAFCo as a result of its consent to pay greater than 50% of the ISDs' share of LAFCo costs; and the second representative and alternate shall be selected via the standard selection process.
7. The SCCSDA representatives to the Santa Clara County LAFCo are strongly encouraged to submit bi-annual reports at regularly scheduled meetings of the SCCSDA that will update the SCCSDA on LAFCo issues and actions.

EXHIBIT A

**Percent Allocated Per District to be Used
As a Fixed Percentage Of LAFCO Operating Costs
To Determine Annual Cost Allocation**

Organization	Allocation Based on Percentage	Fixed Percentage
Aldercroft Heights County Water District	\$124.07	0.06233%
Burbank Sanitary District	\$310.40	0.15593%
Cupertino Sanitary District	\$5,257.51	2.64110%
El Camino Hospital District	\$9,768.88	4.90738%
Guadalupe Coyote Resource Conservation District	\$96.74	0.04860%
Lake Canyon Community Svcs. District	\$43.92	0.02206%
Lion's Gate Community Services	\$439.01	0.22053%
Loma Prieta Resource Conservation District	\$40.22	0.02020%
Midpeninsula Regional Open Space District	\$11,473.67	5.76378%
Purissima Hills County Water District	\$2,695.87	1.35427%
Rancho Rinconada Rec. n Park	\$318.27	0.15988%
San Martin County Water District	\$88.21	0.04431%
Santa Clara County Open Space District	\$2,529.14	1.27051%
Santa Clara Valley Water District	\$162,121.00	81.44124%
Saratoga Cemetery District	\$638.56	0.32078%
Saratoga Fire Protection District	\$3,044.82	1.52956%
South Santa Clara Valley Memorial District	\$74.68	0.03752%
Total	\$199,065.00	100.00000%