

PROCEEDINGS OF THE
LOCAL AGENCY FORMATION COMMISSION
SANTA CRUZ COUNTY

Wednesday, September 5, 2007
9:30 a.m.

701 Ocean Street,
Room 525,
Santa Cruz,
California

The September 5, 2007 Santa Cruz Local Agency Formation Commission meeting is called to order by declaration of Chairperson, Tony Campos.

ROLL CALL

Present and Voting: Commissioners Rapoza, Pirie, Roger Anderson, Jim Anderson, Barrett, and Chairperson Campos

Commissioner

Absent: Begun
Alternate Present: Bell, Coonerty
Alternates Absent: * Reilly, Estrada
Staff: Patrick M. McCormick, Executive Officer
Chris Cheleden, LAFCO Counsel
Debra Means, Secretary-Clerk

MINUTES

August 1, 2007

MOTION AND ACTION

Motion: Pirie Second: J. Anderson	To approve the minutes for August 1 st . Motion passes with Commissioner Roger Anderson abstaining.
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* Commissioner Reilly arrives.

PUBLIC HEARING

41st AVENUE/CLARES DETACHMENT FROM SOQUEL CREEK WATER DISTRICT
LAFCO NO. 919

Mr. McCormick says this application would detach eight parcels from the Soquel Creek Water District. Seven parcels are located on 41st Avenue where there is

Long's Drug Store, World Savings, McDonalds, and the businesses behind World Savings. The residential parcel is in a mobilehome park off of Clares Street. There are 18 mobilehomes on that parcel. When staff was reviewing the service area several months ago, the City of Santa Cruz Water Department and Soquel Creek Water District discovered that these parcels were erroneously mapped as part of Soquel Creek Water District.

For at least 30 years, these parcels have been receiving water from the City of Santa Cruz. The pipes that are in place and water service should continue to be from the City of Santa Cruz. This action was recognized for the City of Santa Cruz when LAFCO approved their service area.

This application is a follow-up to clean up the boundaries of the Soquel Creek Water District. The net effect of this application is solely for the purpose that the people within the properties identified will not be eligible to vote on any election among the voters of the Soquel Creek Water District. The property owners, registered voters, and those within 300 feet have been noticed. The staff has received no any public comments.

No one spoke at the public hearing.

MOTION AND ACTION

Motion: Pirie Second: Rapoza	To approve Resolution No. 919, as recommended by staff. Motion carries with a unanimous voice vote.
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**BOWKER REORGANIZATION TO THE FREEDOM COUNTY SANITATION DISTRICT
LAFCO No. 921**

Mr. McCormick reports that these property owners are hoping to develop three parcels on Bowker Road. Two parcels are inside the sanitation district and one is outside the district. It has an approved tentative parcel map for 12 lots which is conditioned upon obtaining sanitary sewer service from the district.

Several months ago, the Commission approved a nearby annexation on La Casa Court. That parcel is now annexed and inside the sanitation district. One of the issues is the cost of extending sewer mains into the neighborhood to address septic issues. If this subdivision proceeds, the property owner will extend the sewer one more parcel along Bowker which will make it slightly less expensive for the rest of the neighborhood.

The property is within the sphere of influence for the sanitation district and inside the County's urban services line. Staff has noticed the property owners and registered voters within 300 feet of the annexation site.

The proposal also includes detachment from County Service Area 12 which helps to fund the County's septic maintenance program.

Commissioner Pirie says there are ongoing drainage and septic problems in the area of La Casa Court. She says there is information in the staff report about having a meeting with the neighborhood. She asks if the meeting has happened.

Mr. McCormick answers that Sanitation District's staff is taking the lead in organizing the meeting. The Sanitation District is still in the process of organizing a meeting for the neighborhood. The main topic of discussion will be the options for financing sewer main extensions.

Commissioner Pirie asks if the sewer is coming down Bowker now and going toward Freedom Boulevard.

Mr. McCormick answers yes. The proposal would extend the sewer one more property downhill on Bowker toward Freedom Boulevard. The problem area is low-lying compared to where the existing sewers are. Part of the design of any sewer main extension will have to have a pump.

Commissioner Pirie asks if it will make any difference for the people on La Casa Court if this proposal is postponed to the next meeting when the neighborhood could be invited to that meeting.

Mr. McCormick says that at the time La Casa Court was approved, the Commission agreed that the annexation is not the critical decision. The critical issue is how the neighborhood will finance a sewer main extension which is much more expensive and the process is much longer than an annexation. Part or the entire neighborhood would have to decide to proceed with an assessment district.

The Commission could continue this matter, renote it as a larger annexation, and that would take longer. There would also be some minor incremental costs to accrue to the applicant.

Commissioner Pirie asks if it would prejudice the people on La Casa Court if the Commission approves the proposal now.

Mr. McCormick answers no. The analysis made for La Casa is the same analysis he applied for Bowker. If proceeding, the two property owners do not hurt the rest

of the neighborhood. Renoticing to consider annexing the whole neighborhood would require the Casa applicant or this applicant to experience additional cost and delay. The expensive decision for the La Casa neighborhood will be whether the other residents are willing to finance a sewer main extension through an assessment. Neither annexation application is harming the situation for the rest of the neighborhood. During the La Casa hearing, the storm drainage issue was mentioned. This applicant, who is the subdivider, is going to help solve the storm drainage problem in the neighborhood. Getting these properties annexed is one of the conditions of approval for the County's tentative subdivision map.

Commissioner Anderson asks if there are any pumping stations on these sewer lines and where they are located. He wonders if this is why it will be so expensive.

Mr. McCormick does not believe that there are any pumping stations on Miller and Bowker. The sewer lines end where the topography breaks. Any additional extension into the neighborhood will probably involve some sort of pumping.

Chairperson Campos says there is one private pump on the private property that the Commission approved previously. It pumps at the end of La Casa Court to the top of Miller Avenue.

Mr. McCormick adds that pump will be a single lateral pump that will be solely for that property owner. The property owner is not installing a main. There is no sewer along Freedom Boulevard.

The sphere of influence anticipates that the whole neighborhood will eventually be sewerred.

Commissioner Roger Anderson says that this area is in the sphere of influence for the City of Watsonville. He asks if this area is likely to be annexed into the City.

Mr. McCormick answers yes. The City has additional development planned in the Buena Vista Road area. One of the Commission's determinations during that process will be whether the Buena Vista area is annexed or whether additional increments of urbanized area also get annexed to the City. In order for the City to get out to Buena Vista, they will have to take some configuration of urban area. It will be the Commission's determination whether it is the whole Freedom community or parts of the neighborhoods.

Chairperson Campos adds that the whole neighborhood is old and there is not enough sewer capacity. They would have to bring a sewer line in from the airport. Ten years ago, there were 200 connections and now half of those connections are gone. The Freedom Sanitation District would have to fix the problem. The City of Watsonville probably would not annex the Bowker area because of this problem.

John Swift, who represents the property owners, says they have been working on this project for a long time. They will fix the significant neighborhood drainage problem on Bowker Road. The proposed annexation will facilitate them moving forward. They hope to start construction next spring. Many residences are on septic and the drainage floods those septics. Sewer would be one solution and solving the drainage would be another solution. The drainage issue is more immediate and more doable in the short term.

Motion: Pirie Second: Rapoza	To approve LAFCO No. 921, as recommended by staff. Motion carries with a unanimous voice vote.
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PROPOSED INCORPORATION OF A TROUT GULCH MUTUAL WATER COMPANY

Mr. McCormick says the Trout Gulch Mutual Water Company has a water system behind the Aptos Post Office which consists of 183 connections. Jimmie Smith, who owns what used to be called the Mar Vista Water Company, wants to get out of the water business. The collective customers of Mr. Smith have decided to buy the water system and it is now in escrow. They have decided to form a mutual water company.

The buyers talked to Soquel Creek Water District about getting water from Soquel Creek. Because the water system is in a rural setting, it is not developed up to the same standards as Soquel Creek Water District. To join with Soquel Creek Water District would take more time. The sale needs to happen quickly as a voluntary sale by the current owner.

The formation of a mutual water company does not fall under LAFCO's jurisdiction; it falls under the jurisdiction of the California Department of Corporations. It gets reviewed by the State Department of Health Services and the County Environmental Health Department.

As part of the incorporation application process, the Department of Corporations requires any proponents who want to form a mutual water company to ask their local LAFCO office if there are any better options for service. LAFCO then needs to provide a letter of record so that the proponents can make that representation to the Department of Corporations.

Staff has drafted a letter that could be the Commission's response to the water company. The letter says that LAFCO is supportive of the formation of the water company and, if at some point in the future, they want to buy wholesale water from or annex to Soquel Creek Water District, staff is available to explain the LAFCO process.

Commissioner Pirie says she is enthusiastic about this water company and this neighborhood. There were some concerns that CalAm was going to try to buy the water company. The neighborhood came together and expedited their own attempts to purchase the company.

Jim Brownson, the chairman of the organizing group, clarifies that the report staff provided is complete and accurate. His group found out that supplying water is much more complicated than they thought initially. Many agencies and individuals have helped to provide advice and references.

Motion: Pirie Second: Roger Anderson	To write a letter of support. Motion carries with a unanimous voice vote.
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REVISIONS TO MEETING RULES

Mr. McCormick says the Commission's meeting rules contain some antiquated language. The Commission has suggested two changes to Section 6B. One change is a numbering error.

The other suggested change is a clarification in passing a motion. When there is a Commission of seven people, four affirmative votes are required to pass a motion. The issue is what happens if a motion does not pass and a subsequent motion does not pass either. The current wording suggests that the matter would come back at the next available meeting. Commissioner Pirie thinks the wording is still not clear. An option could be to eliminate 6B entirely. It would then be up to the Chairperson's discretion whether to reagendaize the matter.

Chairperson Campos asks what if the Chair wants to bring it back, or if a member of the Commission asks the Chair to bring it back. He thinks that would be fairer than giving all of the authority to the Chair.

Commissioner Roger Anderson recommends deleting 6B and having it more informal. The only time this makes sense is when it fails because there is a small quorum on the Commission. However, if the Commission is full and it is an item that does not have the support, it does not make sense to bring the same motion

back again. If it is a technical problem where there are only four members voting, then this item would be brought back to the next meeting.

Motion: Anderson Second: Reilly	Roger	To delete Section 6B and approve the rest of the changes. Motion carries with a unanimous voice vote.
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OPTIONS TO RECOUP COSTS FOR 2005 COUNTYWIDE SERVICE REVIEW

Mr. McCormick says there was a State mandate to complete service reviews. This Commission contracted with Dudek and Associates to complete the service reviews. The service review was completed in two phases. First all of the agencies in the County were reviewed, then the Commission chose to focus on all of South County's fire agencies in greater detail. The next phase was for the consultant to suggest a methodology for recouping the State mandated costs in the future.

Commissioner Roger Anderson asks how much of the cost does the Commission want to recoup. The options show different amounts of funds available.

Mr. McCormick says that the options will be more understandable after he presents the Commission with his analysis. He will estimate how much money each option is likely to recover and whether the costs get spread in a way that is fair to the agencies that the Commission will be collecting from.

Chairperson Campos asks when this will be reviewed again.

Mr. McCormick replies that the fee review will be in the late calendar year. There are assumptions in the consultant's report. He will show what the costs will be for a typical application. Under some of the options, the costs could become significantly higher than they are now. The Commission may not want to fully recoup the cost.

Commissioner Rapoza asks if staff could research how this would shift revenues from the various agencies to fees, as opposed to the normal annual 'membership' fee.

Motion: Anderson Second: Anderson	Roger Jim	To accept the consultant's report and direct staff to come back at the next fee review with an analysis of the options and a recommendation. Motion carries with a unanimous voice vote.
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REPORTS FROM CALAFCO CONFERENCE

Mr. McCormick reports that LAFCO Commissioners and staff get together annually. This conference occurred last week in Sacramento. Over the years, the event has become bigger and more formalized. He finds it most rewarding to talk to the other participants because there are not that many LAFCO people to talk to in Santa Cruz County. He benefits mostly from the networking.

He learned at the conference that there is a State law that requires additional financial disclosure for people spending money in support or opposition to proposals in front of LAFCO. There will be some noticing and financial disclosure regulations that this Commission will have to adopt by the end of this year. CALAFCO will be providing a draft to start the local rules.

Chairperson Campos says that the County and some of the cities are already incorporating the new law.

Commissioner Reilly says this was the first CALAFCO conference she has ever attended. She agrees that talking with other LAFCO people was the most useful part of the conference. She enjoyed talking to Jack Knox. She was interested in the growth and concerns about blueprinting and what it will mean in the future.

Commissioner Roger Anderson found the meeting interesting. He appreciated it that the conference did not seem tight on time. There was ample time between sessions to talk to others. Other annual conferences have not left enough time between sessions. He would have liked more handouts from the sessions, however.

He has just been elected vice-chair for the CALAFCO Board.

Commissioner Pirie was surprised and encouraged about the strong interest in agriculture preservation.

Commissioner Rapoza thought the conference was worthwhile. He wished the breakout sessions were offered more than once. He did not like having to choose between two worthwhile sessions at the same time. He thought Mr. Fulton, the lunch speaker on Thursday, was excellent. He thinks the descriptions of the breakout sessions on the brochure should be more in depth, especially describing more specifics when describing a problem in a specific area.

Commissioner Barrett enjoyed listening to all of the issues about agriculture, urban sprawl, and water. The only negative remark he has is that he wished there were more break out sessions. At the public member round table, he was amazed at the sharing between the public members.

Counsel Cheleden thought it interesting that the global warming issue is so important now, and it was not two years ago. In the attorneys' roundtable, the issue was not how to solve global warming, but how to keep clients from getting sued over not analyzing global warming.

Chairperson Campos sat in on a session that dealt with development outside city limits, when cities need to expand their boundaries, they have to come to LAFCO. When a county expands, they can expand their boundary without LAFCO's approval, and do not have to answer to anyone.

Commissioner Jim Anderson attended LAFCO 101 and learned about the history of LAFCO.

Ilia Bulaich, who lives at 305 Second Street in Watsonville, asks about Commissioner Reilly's concept about "blueprinting." He does not understand what "blueprinting" means for LAFCOs. He has not run across the "blueprinting" concepts in the local newspapers or magazines.

Chairperson Campos will give Mr. Bulaich the contact information for the AMBAG Executive Director, Mr. Papadakis.

STATUS OF PROPOSALS

Chairperson Campos says the letter the Commission received from Bonny Doon Fire suggested that the Commission conduct a public hearing in their area. He asks if a specific date can be set yet.

Mr. McCormick says that when he is ready to release a staff report, it will be released to the community well in advance of the hearing. The Commission could then figure out a date that would work for them, and staff could figure out a location that would work for the community.

Chairperson Campos asks if the date could be toward the end of the year or the beginning of 2008.

Mr. McCormick says he is not at a point where he can pinpoint a time when the staff report will be ready. The County is evaluating several options for County Fire. Bonny Doon is a large component of County Fire. As long as the County is evaluating its options, he would like to give them a chance to sort their options out.

Commissioner Jim Anderson asks that if the County chooses not to give Bonny

Doon the fire equipment, will it be a moot point.

Chairperson Campos says it may not be a moot point. The County is going through a lengthy process to figure out their options because they do not want to hurt any other areas.

Mr. McCormick says that the two parties are going to meet to discuss assets. The actual financial feasibility of the proposal is in part, driven by some assumptions. It is difficult to complete an analysis when a major component of the costs is an unknown. He thinks the parties meeting to close some gaps and make an agreement would be helpful for all.

Commissioner Roger Anderson thinks the Commission should move expeditiously on this item. There are some critical path issues that are holding up the process. He suggests authorizing Mr. McCormick to talk to the parties, clearly establish when these items are likely to be resolved, find out what is really holding up the issue, and report his findings back to the Commission. He thinks waiting a year to hold a public hearing is a long time.

Meeting adjourns at 10:32 a.m. The next meeting is scheduled for Wednesday, October 3, 2007.

CHAIRPERSON, TONY CAMPOS

Attest:

Patrick M. McCormick, Executive Officer