

PROCEEDINGS OF THE
LOCAL AGENCY FORMATION COMMISSION
SANTA CRUZ COUNTY

Wednesday, January 6, 2010
9:30 a.m.

701 Ocean Street
Room 525
Santa Cruz, California

The January 6, 2010 Santa Cruz Local Agency Formation Commission meeting is called to order by declaration of Chairperson, Roger Anderson.

ROLL CALL

Present and Voting: Commissioners J. Anderson, Lind, Rapoza, Coonerty, Begun, Leopold,
and Chairperson R. Anderson
Absent: None
Alternates Present: Bell, Estrada, Lane
Alternates Absent: None
Staff: Patrick M. McCormick, Executive Officer
Christopher Cheleden, LAFCO Counsel
Debra Means, Secretary-Clerk

MINUTES

MOTION AND ACTION

Motion: J. Anderson Second: Rapoza	To approve the November 4 th minutes. Motion carries with a unanimous voice vote.
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ORAL COMMUNICATIONS

Doug Dietch is a resident in Santa Cruz County since 1970 and the Executive Director of the Monterey Bay Conservancy. The Monterey Bay Conservancy is a water policy think tank. He is only familiar with two members on the board. He thinks LAFCO and the Board of Supervisors are unprepared about groundwater issues. He has not found anyone in a public position that is competent, qualified, and understands what is going on with the groundwater.

He has been working on this issue for about twenty years. He thinks every groundwater basin in this area has been permanently decimated. He has forwarded emails to Mr. McCormick for distribution to the Commission. Five years ago, LAFCO dealt with the Manabe-Burgstrom annexation. He found that LAFCO did not understand the real water situation in Pajaro Valley.

He noticed in previous minutes that this Commission commended Soquel Creek Water District for their

conservation efforts. He thinks Soquel Creek Water District (SCWD) experiences the worst groundwater resource loss in the world since they share the groundwater basin, the Aromas Red Sands aquifer, with Pajaro Valley. He does not think this is well known.

He notices that this Commission is forming a new committee. He wants to help the Commission understand what is going on with the water situation and help save what is left of it. In 1976, he wanted to be a public member of LAFCO. Gary Patton thought he would have done a good job. He has run for County Supervisor four times. He has been to the Coastal Conservancy and the Coastal Commission. He produced a DVD from a television show three years ago that was sent to the Coastal Commission. He thinks all that the County has done in the last ten years is amend the well ordinance. He wants the Commission to watch the 3-year old DVD because it explains what is really going on. He calls the current water situation a water-berry Ponzi scheme.

The PowerPoint presentation that was used for the LAFCO study session was done by the Pajaro Valley Water Management Agency. It says the solution is that they need 23,500 acre-feet. It does not say that their overdraft is 49,000 acre-feet. The other 26,000 acre-feet comes from halting the pumping of 8,000 acres of the 32,000 acres. The basin sustainable yield of the Aromas Red Sands aquifer doubles from 24,000 to 49,000 acre-feet.

The pipeline, that will not happen, would have brought in 13,000 acre-feet per year. Aldo Giacchino of the Sierra Club, was talking about 'paper water' at the last LAFCO meeting. 13,400 acre-feet of water coming from a pipeline is never going to come. He thinks 26,000 acre-feet of illusory water, that will happen when the coastal pumping stops and the groundwater basin yield doubles, is a ridiculous proposition.

Fred Geiger, a Santa Cruz resident, notices there will be a committee to work on revisions to the water policy. He suggests that decisions be deferred until after policies have been re-evaluated. He asks the Commission at their next meeting to make a decision to delay any decisions that might be affected by any future policies. If the Commission is going to re-evaluate how they make decisions, it may be rash to make decisions before the re-evaluation of how decisions are made.

PUBLIC HEARING

EXTRATERRITORIAL WATER SERVICE BY WATSONVILLE WATER DEPARTMENT TO THE MINTO PLACE APARTMENTS – LAFCO NO. 932

Mr. McCormick reports this proposal is from the Mid-Peninsula Housing Coalition, which owns a parcel on Minto Road off Green Valley Road in Watsonville. The site is approximately six acres and it has about 4.5 acres of developable land. The site is within the County's urban services line. The City of Watsonville has a water main in Minto Road in front of the site. Since the property is outside Watsonville's city limits, this is an application to receive city water service from the City of Watsonville outside the city limits. This is within the Commission's jurisdiction under Government Code Section 56133.

The County has designated this property for multiple family housing. It is one of the housing sites that is committed for compliance with State housing requirements. They have permitted an 88-unit Minto Place Apartment project for the site that includes 40% housing for low and moderate income.

The City of Watsonville has issued a will serve letter and they are willing to provide water to the property.

The Pajaro Valley aquifer is in overdraft. The effect will induce saltwater intrusion into the aquifer. He has excerpted from the Negative Declaration that the County prepared a discussion of how much water is being used in the Pajaro Valley. The site is currently vacant and it currently does not have any water use. The estimated water use for the site is 17.6 acre-feet per year. That would represent a .025% (twenty-five one-thousandths percent) increase of water use in the Pajaro Valley. The site is not overlying any area that the County has identified as being a groundwater recharge area due to the soils. The project's approval from the County and the conditions of service by the City of Watsonville requires certain water conservation practices on the site.

An annexation is not practical because the property is not within Watsonville City's sphere of influence. The City's sphere of influence is a mile farther south at the old hospital. There is a fair amount of agricultural land intervening. It is not likely that Watsonville's sphere of influence will be expanded out towards this site.

Staff believes that this project is consistent with the Commission's criteria for approving extraterritorial service. If the Commission chooses to act at this meeting, staff recommends certifying the County's Negative Declaration and sending a letter authorizing the City of Watsonville to provide water service to the site.

Commissioner Begun asks if water is drawn from the site, does it affect the entire aquifer.

Mr. McCormick answers yes. The entire aquifer goes from Corralitos to Moss Landing. The Negative Declaration focuses on the minor increase in use. It will not make the overdraft significantly worse. The project does not make the problem worse or make the solution any harder. This Commission has the ability to agree or disagree with another agency's determination. The Commission can accept the Negative Declaration and come to a different conclusion, such as disapproving the proposal. The Commission can also decide whether the incremental use of additional water in the Pajaro Valley is minimal enough to offset the benefit that comes from the affordable housing project.

Commissioner Begun asks if it increases the overdraft, does it increase the saltwater intrusion.

Mr. McCormick answers yes.

Commissioner Rapoza asks if this site is within the boundaries of the Freedom Sanitation District.

Mr. McCormick replies that is correct. The sanitation district would serve the property and it has adequate capacity to transport and treat the sewage generated on the property.

Chairperson Roger Anderson wants some clarification of what seems to be contradictory requirements from the City of Watsonville for 100% affordable housing before they will issue a will serve letter. The approval by the County appears to be for 40% affordable housing. He also wants to know who provides the water for the surrounding residential development.

Mr. McCormick answers that the City of Watsonville provides water to the other houses from the same series of water mains. The main goes up Green Valley Road and there are residential projects on either side with existing mains.

There is a discrepancy in the affordable housing numbers presented in the City letter and the County approval. It is an 88-unit project approved by the County in which 40% are restricted into low and medium income categories.

Commissioner Leopold adds that it is not a ceiling, it is a floor. The County is saying it should be at least 40% affordable housing. It did not require that only 40% be affordable.

Mr. McCormick says that is correct. The letter on page 25 of the agenda packet contains a discrepancy at the City level. The City has its own policy. It only provides new water to projects outside the city limits that meet certain criteria, which are pro-affordable housing. He spoke to the City. Their staff's letter says their criterion is 100% affordable, but it is not a correct representation of the City's policy. The actual written policy adopted by the City Council is that to qualify for city water, any project outside the city limits has to meet the City's affordable housing requirements as if the project were inside the city limits. It has to be 100% consistent with the City's requirements that are akin to the percentages similar to what the County has said is the minimum affordability.

Alternate Estrada says on page 37 of the agenda packet, it attributes the entire development to one parcel. He asks if it is the intent of the developer to develop 88 separate parcels or one parcel. He is looking at this from a fire perspective. They only charge a per-parcel fee for fire service. He asks if it will be one fee for 88 units forever.

Counsel Cheleden answers that it is an apartment project. They are not subdividing the property into 88 parcels. They would pay whatever an 88-unit apartment building would pay.

Alternate Estrada asks if it would be a one-parcel fee.

Counsel Cheleden replies yes, if that is how it is calculated.

Commissioner Begun asks if the amount of saltwater in the aquifer is being monitored.

Mr. McCormick answers yes.

Commissioner Begun asks which direction is it going.

Mr. McCormick answers that over time, the intrusion is moving inland from the coast. Saltwater is heavier than fresh water; so, it has created a wedge where it shows up in the lower aquifers before it shows up in the upper aquifers. It is a gradation. Closer to the ocean, it is more salty. Incrementally, every foot is saltier as it travels along a cross-section from the Santa Cruz Mountains to the Monterey Bay.

Joe Kirchofer, Project Manager for the Mid-Peninsula Housing Coalition, says they are a non-profit company that develops, owns, and manages affordable housing throughout the Bay Area and Northern California. They have been in business for over 35 years. They have been a long-term partner with the County, developing over 470 units within the County.

The Mid-Peninsula Housing Coalition has been working on the Minto Road property since 2007. They bought it in 2007 with a commitment from the County. The project with 88 units will have one, two, three, and four bedroom apartments. There will also be an extensive new community facility. Part of the project is to rehabilitate and preserve the wetland. They will be eradicating all the non-native species and replanting the native vegetation.

The development has been carefully designed to meet the needs of the future residents. They have consulted with the neighbors and the community at large. Most importantly, the development is going to provide housing opportunities for low-income people in one of the most unaffordable markets in the nation.

The local jurisdictions can only restrict up to 40% of the units. Mid-Peninsula's intention and mission, as a non-profit company, is to provide low-income housing. Their intention for this site from the start is to provide 100% affordable housing. There are 88 apartments on the site. 87 of them will be restricted to low income people and there will be one unit for one of their company's employees.

The project received a Mitigated Negative Declaration for environmental impact in early 2008. It underwent a full design review from the Board of Supervisors, and they received Planning approval in March of 2009. They received an allocation of \$4,000,000 in HOME funds from the State's Housing and Community Development Department. They also received a commitment of funding from the County.

They are competing to receive the final piece of funding, and they hope to break ground as early as the summer of 2010. LAFCO's authorization for city water is one step that needs to happen before getting building permits. Mid-Peninsula Housing has incorporated many water-saving measures into the project design.

MOTION AND ACTION

Motion: Leopold Second: Coonerty	To approve staff's recommendation.
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Commissioner Begun asks if this development is part of the County's requirement to meet low cost housing.

Counsel Cheleden replies yes. It is one of the identified sites to meet the regional housing need assessment numbers for purposes of the last housing element cycle.

Commissioner Begun asks if there is a conflict of interest with the Supervisors about this matter.

Counsel Cheleden replies that there is statutory authority that they can act as a LAFCO Commissioner as well as a Supervisor on the same item. There is no conflict.

Chairperson Roger Anderson says he will support the motion. He was concerned about service to the surrounding area, but since the City is already providing service, that issue is cleared for him. He is now clear about the 40% or 100% affordability discrepancy.

MOTION AND ACTION

Motion: Leopold Second: Coonerty	To approve extraterritorial water service as recommended by staff. Motion carries with Commissioner Begun voting no.
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COMMENTS ON DRAFT ENVIRONMENTAL IMPACT REPORT FOR CITY OF SANTA CRUZ
SPHERE OF INFLUENCE AMENDMENT AND PROVISION OF EXTRATERRITORIAL WATER
AND SEWER SERVICE

* Roger Anderson steps down as Chairperson because he will not be participating in this item today. He has not heard back from the Fair Political Practices Commission (FPPC) about whether there are any possible conflicts. He turns the Chairmanship to Vice Chairperson Leopold.

* Carol Bell has stepped up to the podium to replace Roger Anderson.

* Chris Cheleden steps down as LAFCO Counsel for this item and Rahn Garcia sits in as LAFCO Counsel.

Vice Chairperson Leopold says that he was a former employee and alumnus of UC Santa Cruz and his wife currently works at UC Santa Cruz. He contacted the FPPC several months ago and received a written waiver from them saying that he is able to participate in these discussions.

Mr. McCormick says the purpose of this item is to finalize the comments that the Commission submits to the City of Santa Cruz who is preparing an Environmental Impact Report (EIR) for two LAFCO applications associated with the expansion of the UC campus. The Commission has two applications filed that will utilize the EIR in their decision-making process. Application No. 928 is from the City of Santa Cruz to amend its sphere of influence to include a 374-acre area identified as the North Campus. The North Campus is currently undeveloped and is north of the developed area of the campus. Application No. 929 is from UC Santa Cruz to receive water and sewer services from the City of Santa Cruz outside the City limits to the new development being contemplated by the campus. The campus owns additional land up the hill and on the west side of Empire Grade.

The University has their own Long Range Development Plan (LRDP), which is analogous to a city or county general plan. They regulate their own development. They are not regulated by the City or the County. They are an entity of the State. Their plan for the Upper Campus is to have a loop road generically coming through the site. The major development pods would be off that loop road. There are some less-developed areas planned for the periphery.

The California Environmental Quality Act (CEQA) is the act that requires environmental impacts to be analyzed by public agencies prior to decisions being made. The City is the lead agency for preparing the EIR. Under State law, LAFCO is the responsible agency. LAFCO has an obligation under the law to consult with the City during the preparation of the EIR and to make sure the EIR will be usable for LAFCO to make decisions.

The comment period for the draft EIR ends on January 19, 2010. Once the comments come in, the City spends time preparing responses to those comments, and ultimately issues a final EIR. After it is certified, then LAFCO will have a public hearing on the two main applications. This Commission will use the EIR to inform the Commission and the public. Anyone can comment about the draft EIR directly to the City on the record. Everyone's comments will be responded to by the City.

One of the key features for this project is a Water Supply Assessment. It is a document that has been required by State law since 2001. It requires a utility to prepare a Water Supply Assessment when major projects are being considered for approval. In this case, the City's Water Department is the water utility. The goal of this law is to improve linkage between the water supply system and the land use planning system. Within the draft EIR is an Appendix B, which is the Water Supply Assessment. It explains the water issues and it is summarized in Chapter 4 of the draft EIR. LAFCO previously sent some earlier comments to the City when the City was beginning to prepare an EIR. LAFCO sent these comments to the City in December of 2008.

In general, he thinks the EIR has a lot of good information. It is a good beginning for presenting to the public and to LAFCO the information that will be needed for reviewing the two applications. These documents get better as they go through the process after more information is collected and clarified.

He has prepared a series of comments on the draft EIR in a draft letter to the City from LAFCO. The first comments are repeating some of the same comments the Commission made a year ago when the original letter was sent. He tried to focus on comments that would help the Commission. Many of the comments are looking forward to policy issues, such as whether the area should be annexed or not. This Commission does not have to, and they should not try to, make policy decisions at this meeting. He is interested in the EIR having enough analysis in it so that the Commission has a range of policy decisions that they can debate using the final EIR. If the EIR is complete, then there will not need to be any extra work done later on.

The first issue is annexing the existing residential halls. The County Elections office has a difficult time because some residence halls at UC Santa Cruz were constructed spanning the existing City boundary. The apartments that are inside the City limits have to vote in the City. The apartments that are outside the City limits are in a Bonny Doon precinct, and they have to vote separately. This is inconvenient for the County and the voters. The voters are often first-time voters who are probably already confused about the system. The place where city limits split the dorm buildings is in the College 9/College 10 area and the Crown/Merrill apartments. He wants the alternative of annexing the existing dorms identified in the EIR. He does not think it will take any additional environmental review for native species, traffic, or whatever. He thinks it is an alternative without any significant need for any additional environmental review, other than calling it out as an alternative.

In Chapter 4.1, the EIR presents a range of mitigations if a drought should develop. A big question is if the City applied mandatory conservation, to what degree does the University participate in those conservation efforts. He is suggesting, as was mentioned in the Commission's earlier letter, that there be some additional mitigations explored. One suggestion concerns a limit on enrollment growth during any period of water connection moratorium, and one or more mitigations that would prevent increases in off campus water demand generated by UC growth.

Another issue that was previously identified by the Commission is Coolidge Drive. Coolidge Drive is more than a mile long road that runs from the entrance to the University up the east side of the campus to Stevenson College. It is actually a County-maintained road inside the campus. One alternative to look at in the EIR would be whether the University would take over the maintenance of the road from the County.

Another issue previously identified by the Commission is on pages 531 and 532. The EIR mentions the removal of 73 acres of forest as a result of the cumulative development on the North Campus. They conclude that this is not a significant impact. If there were a 73-acre removal of any natural resource land for a project elsewhere in the County, it would be difficult to say that it was not a significant impact. It does not mean the project cannot happen, it means that certain determinations need to be made in the process acknowledging the loss.

Another item is a significant policy option that should be available as a Commission when the EIR is available to use. The final EIR should contain an alternative examining that the North Campus development footprint be annexed rather than getting extraterritorial water and sewer service approval. A core LAFCO policy says that a normal way of providing services is annexation. Extraterritorial service is a minor a la carte option when annexation is not feasible.

There are limited exemptions in the Commission's policy, and it is not clear that this project is necessarily better served through extraterritorial service or a complete annexation. It would be good to have this alternative called out in the EIR. He is not aware of any environmental issues that the EIR has not already addressed and added to call this as an alternative. It would be helpful to include this alternative so that the Commission can consider annexation rather than extraterritorial service.

Another item is very minor and the EIR presents LAFCO policies as one of the sections. LAFCO policy just needs to be clarified.

A factual piece of information that should be clarified is that the net water use identified in the EIR that goes with the North Campus project is 100 million gallons per year of additional water demand. The application from the University talks about utilizing 152 million gallons per year. It should be clear in the document how much the actual water use is projected to be.

On one table there was some incorrect numbers on the housing forecast. He is sure the City will be able to clarify those numbers.

The development footprint is an alternative that is already identified in the EIR for a sphere of influence. Instead of including the whole 384 acres in the sphere of influence, the EIR already identifies an alternative where the sphere of influence would only be modified to include the development footprint, which is significantly less than the 384 acres. He suggests that LAFCO make a comment and go on record agreeing with the finding that this is the environmentally superior alternative that was identified in the draft EIR. This includes all the development sites and excludes the preserved land that is around the perimeter and does not have good development sites on the North Campus.

Commissioner Rapoza asks what City services the campus area within the city limits currently receives other than water and sewer.

Mr. McCormick replies that there are cooperative agreements such as fire backup, police backup, and garbage.

Commissioner Rapoza wonders about an annexation and what the rationale is in the future for half of the campus being in the city limits and half of it being outside. He guesses that there is an argument that can be made to de-annex the part within the city limits now and make the whole area outside the city limits. There could also be an argument to split it, or make it all within the city limits. Other than the water issue, these are also significant issues.

Commissioner Lind is not clear about the reasoning for Coolidge Drive being maintained by the County.

Mr. McCormick replies that it was part of the deal that brought UC Santa Cruz to this area rather than the Almaden Valley. The City and the County made some commitments for infrastructure development. The County agreed to build Coolidge Drive as a County road and they have been maintaining it. In the early years of the campus, the entrance station was at the upper end of Coolidge Drive near Stevenson College. Now it is at the beginning of Coolidge Drive. It behaves more as a private road now. It is an ongoing cost for the County to maintain the road. He wants this issue in the record to get the parties talking about it and have it available as an alternative at the end of the process. It was a comment the Commission made back in December of 2008. The draft EIR does not mention it. He at least wants it called out as an alternative in the EIR so it will be available to the Commission when it is time to make a decision.

Commissioner Coonerty wants clarification about the University property north of this proposed area and west of Empire Grade. He wonders if they are part of this application or not affected by this at all.

Mr. McCormick answers that what is west of Empire Grade and the extreme northern portion of the campus, which is called the Upper Campus now, would not be subject to the applications. They would stay outside the City's sphere of influence and they would not have any water or sewer service authorization from LAFCO.

Commissioner Begun is concerned about Coolidge Drive. He does not think LAFCO should get involved in that aspect of it.

Mr. McCormick says this Commission commented about it a year ago. He did not see the parties address it in the draft EIR. He suggests making the same comment and see what the response is in the process. He does not think there are any environmental issues that have not already been analyzed. It is an issue that the parties can discuss while the EIR is being completed, and they may come to an agreement.

Commissioner Lind wants to clarify the difference between the 100 versus 152 amounts. She thinks that is a large discrepancy.

Mr. McCormick agrees that it is a large discrepancy.

Vice Chairperson Leopold wants to clarify the difference between a responsible agency and a lead agency.

Mr. McCormick says the City of Santa Cruz is the lead agency. The general principle in State law is that only one environmental document be prepared for any project. Only one agency will be the lead, and they will prepare the document. There are several agencies involved already. UC Santa Cruz is a de facto agency. The City of Santa Cruz and LAFCO are involved agencies. There are a number of agencies that are resource agencies, such as the Department of Fish and Game, which oversees sectors of resources. There is overlapping authority with the resources agencies.

The principle is that one agency takes the lead and does the EIR. Any other agency that is going to use the document in making a decision is called a responsible agency, and LAFCO is a responsible agency in this case. LAFCO will be using the EIR that the City prepares for decision-making on the two applications. For example, LAFCO was the responsible agency for the Minto Place housing project because the County took the lead to prepare the environmental review. LAFCO used the County's environmental review in making their decision. LAFCO is almost always the responsible agency, and almost never a lead agency. Some other agency is always doing something first on the project.

Vice Chairperson Leopold says even as a responsible agency, LAFCO still has an independent function once the EIR is completed.

Counsel Garcia states that there is one other principle involved in determining who is a lead agency and who is a responsible agency. The preference under law is that the lead agency be the entity with general powers as opposed to more limited powers. There could be several entities that may have some permitting decision to make as part of a larger project. They want the entity with the most general powers over the project to be the lead agency. Clearly, LAFCO has a role to play in terms of the decision it makes. The evaluation of the environmental document would not include those parts of the document that go beyond LAFCO's jurisdiction.

Vice Chairperson Leopold wants clarification about what the actual project is. This project involves a sphere of influence that is tied to the LRDP. He asks if the project is the expansion of the sphere of influence or possible annexation, he wonders why LAFCO would not be the lead agency. He thinks LAFCO has the primary role.

Counsel Garcia says the City of Santa Cruz is the provider of the services that are the subject of the applications before LAFCO. The City is the agency that is primarily concerned with how those services are extended or not. The University is the developer of that portion of their property and has continuing responsibilities in terms of the implementation of the plan that has been approved at this point. The LRDP is the UC's responsibility and they are required to make sure that the actions are taken appropriately to implement that plan. LAFCO's role is much more limited in focus. It is an extremely important role because it is the agency that is directed to analyze whether the extension of services are appropriate for that area.

Vice Chairperson Leopold says when the final EIR process is completed and it comes back to LAFCO, LAFCO has to make a decision about the extension of a sphere of influence or an annexation. LAFCO's original letter in December of 2008 regarding the comments suggested by Mr. McCormick to put forth in the draft EIR, still leaves some questions that did not get addressed. He thinks it is important that these issues are addressed if, in the end, LAFCO has to make an independent decision. He asks how to make sure these issues get covered. He wonders what happens if LAFCO asks questions and they are not covered as part of this process.

Counsel Garcia replies that the way the system is established under CEQA, the goal is to insure that all the responsible agencies funnel in through the lead agency process. That is why there is a requirement that all responsible agencies have the opportunity to comment on the draft EIR document prior to its consideration for certification by the lead agency. To insure that takes place, there are very limited options available to a responsible agency if they believe that the certified document is not adequate for their needs. The primary alternative at that point is to legally challenge the adequacy of the document within the statute of limitations following certification. If it is believed to be inadequate as a matter of law, then that would be the primary way of seeking relief.

Commissioner Rapoza asks if there is an applicant and their answers to questions are insufficient, can the Commission can deny the application.

Counsel Garcia replies that is a separate question. He was referring to the CEQA aspect. Clearly, within the Commission's duties as the entity required to act on the LAFCO applications, they can exert whatever discretion they have under the statutes.

Commissioner Rapoza says they can make it clear that if these questions are not answered, their application is in jeopardy.

Counsel Garcia answers yes, but those questions are above the document itself.

Mr. McCormick adds that LAFCO is the one of the key audiences for the EIR. There is a large history for this project. The history and the settlement agreement resulting from a series of litigation is in the agenda packet. He thinks the City and the University understand that LAFCO is a large key to where they mutually agreed to go. In using the environmental review process, LAFCO is reminding them that there are policy issues that are going to be discussed. The degree to which they should be talking about these issues among themselves and among the public should be sufficient to get their attention.

He thinks Mr. Rapoza is correct. LAFCO does not have much conditioning ability. It is primarily a “yes” or a “no” to the application. Any party coming to LAFCO with a proposal, it is in their interest to make sure the proponents have the evidence in the record to get the result they want.

Vice Chairperson Leopold concludes that it would be wise for them to answer all questions to the best of their ability. He wonders about the certification process. Once all the comments are submitted by the January 19th deadline, the comments will be answered for a final EIR. He asks if the City Council certifies the final EIR before it comes back to LAFCO.

Mr. McCormick answers yes.

Vice Chairperson Leopold asks if it is done at a public hearing.

Mr. McCormick answers yes.

Vice Chairperson Leopold asks that in the final EIR, if they may have to make some overriding findings, would it happen before it came to LAFCO. He wonders if the City Council might have to make a policy choice about whether this agreement will be important enough to have overriding consideration over some of the environmental issues.

Mr. McCormick answers yes to both questions.

Patricia Matejcek, a representative of the Santa Cruz Sierra Club, personally thanks the Commission for the discussion that led to the clarification about the range of city services currently provided to the University. To speak of this only in terms of water is inadequate since the University’s impact on the landfill, police, and fire are also significant.

The Sierra Club’s interest in this matter is not just the impact of scarce water resources on humans, but on the environment as a whole. There is no consideration in the proposed policies of the needs of flora, fauna, or natural habitats. The water demand needs generated by these sources must be measured and provided for just like the human demand. The policies seek to address situations where demand already exceeds supply. At present, there is no policy to address a developing or impending shortage. The prevention of a water deficit is just as important an issue as dealing with a deficit that has already occurred.

In evaluating water supply, LAFCO should use the guidance provided by the courts about using paper water to evaluate future supply. If there is serious doubt about the realization of future supply sources, they should not be counted.

Global warming effects make it unlikely that future supply can be predicted on the basis of historical data. Some downward adjustment of these projections needs to be made to account for what global warming will bring. Federal and State agencies have called for the City to develop a Habitat Conservation Plan (HCP) which will encompass all the natural areas within the City’s jurisdiction, including the San Lorenzo River and North Coast streams and springs, which are the City’s primary water sources. The present lack of such a plan cannot be dismissed as something that will be taken care of in the future. An HCP and the determination of the water needs that it identifies must precede reaching any final conclusions about the level of supply available to humans in any particular watershed.

They urge the Commission to develop a policy for consideration of such extensions of water service before attempting to evaluate the ones submitted by the City of Santa Cruz and the UC Santa Cruz.

Rick Longinotti, a Santa Cruz resident, thinks the letter about the draft EIR is important. He urges the Commission to send the letter.

He thinks there are other parts of the EIR that could use improvement and maybe they could be added to the Commission's letter. The Water Supply Assessment of the draft EIR concludes that, in drought years, there is not enough water for the expansion of the North Campus; but in normal years, there is sufficient water. He thinks that needs to be clarified. In normal years, the expansion of water will take place at the expense of the Loch Lomond reservoir, which is the only City reservoir. The City Water Department said that:

“It is important to note that even in normal water conditions, three of the four sources (North Coast streams, San Lorenzo River, Live Oak wells, and Loch Lomond) of the City's water supply are presently being utilized at maximum capacity for a significant portion of the year. What this means operationally is that any future increase in seasonal or annual demand for water will be felt through greater and greater withdrawals from Loch Lomond.”

This is the reservoir for drought security, and it will be depleted to a level that will mean greater curtailments during drought years. 1977 was the worst drought year. The previous year was also a drought. 1975 is an important year to look at because that was a normal rainfall year; and in that year, the level of Loch Lomond was drained during the summer months. It did not refill the following year. On April 1, 1976, Loch Lomond was at 57% of capacity. That was not enough to supply drought security for the following two years.

The proposal asks for an expansion of water supply to the University that comes at the expense of drought security for the rest of the City's water service area. He wants this mentioned in the Commission's letter.

Ed Davidson is a Santa Cruz resident. The University, the Regents, the City of Santa Cruz, and the County made an agreement to locate the University in Santa Cruz in 1960-1961. Those Memorandums of Understanding should be read. The City committed themselves to provide water and sewer services to the University. The County agreed to build an eastern access. This agreement has not changed. The actual services that are promised by the City to provide services are in that agreement.

The Felton Diversion Dam was built in 1974. It was the last water supply expansion the City has done. He thinks the University cannot be blamed for growth while the City shows a lack of responsibility.

The regional sewer plant is required to accept all sewage. They cannot cut it off.

Fred Geiger wants some issues included in the Commission's comments to the City. He was impressed with staff's report item Number 4 relating to 73 acres being cleared of forest. He thinks that is bigger than Lighthouse Field. He thinks it is appalling, given the recent awareness of smart growth policies. The University has hundreds of acres of developed land, and they are seeking to expand and destroy forestland. He thinks this is bad planning and very irresponsible. He does not think this is the type of growth the people of Santa Cruz want to see. It is debatable whether the growth should happen at all in Santa Cruz. If it is necessary, there must be a better way to accomplish it.

Item Number 6 in the staff report mentions the 150 versus 152 million gallons per year. If there is this much discrepancy, there could be 200 million gallons anticipated. He believes there is 300 million gallons in reserve. The City is looking at making a commitment to expand their service area by somewhere between one-third and two-thirds of the available reserves. He finds that scary. The City admits they have a problem with supplying adequate water under certain situations. There were water restrictions last year. This year is also a low rainfall year. Good management and responsible management of the utility district would not continue to commit more and more of the diminishing reserve when it is known that it is already inadequate to serve a larger number of customers.

He hopes this Commission will recognize that they can be the interceding agency to prevent a possible tragedy in the future.

Jonathan Wittwer is an attorney with Wittwer and Parkin LLP, and his firm represents the Community Water Coalition. They have been watching this process closely and are very concerned about it. They think LAFCO will play a very important role in it. He thinks Mr. McCormick's information is accurate. The EIR needs to be wholly adequate and usable for LAFCO. As Counsel Garcia explained, if the EIR is not adequate, LAFCO's primary choice is to sue and challenge the draft EIR. At this stage, he thinks it is much better that the EIR has adequate information.

He has heard that some of the questions LAFCO has already raised are not being addressed; and that the draft EIR, which has been circulated to LAFCO and the public, has a huge 50% discrepancy on the amount of water usage. He thinks the draft EIR needs to be revised and recirculated so LAFCO and the public will have a chance to comment with the correct facts. This could result in a delay and become a huge problem, but it is better to deal with it upfront so that everyone has a chance. CEQA was designed to get the facts out and allow people and agencies such as LAFCO to comment on them.

A responsible agency not only consults and comments on the draft EIR, but it is also a time when a responsible agency proposes mitigation measures that it believes should be in the EIR. He does not see any being proposed at this point. There should be some measures about water as well as the County and the City's urban/rural anti-sprawl regulations, which seem to have been swept under the rug. Those regulations say that there is an urban/rural distinction that must be kept. He thinks they are about to cross that urban/rural distinction, cross the Cave Gulch watershed, go up in topography, take some forest, and go into an area that has always been understood to be rural. This has not been addressed and should be addressed on the EIR.

He hopes the Commission would consider suggesting to Mr. McCormick that they may need more time. They should ask for an extension to comment on the draft EIR and look at mitigation measures.

Joe Christie, a resident of Bonny Doon, had a career in mathematical research until 1998. He feels that the EIR should examine a few issues more deeply. He is concerned with two pieces of intellectual shorthand that is used in the Water Supply Assessment.

He has looked at the data of the rainfall capture in Santa Cruz County. He thinks there is no such thing as a normal rain year. Instead of a smooth Bell curve of a distribution of rainfall, there is actually a bimodal distribution. There are wet years and dry years, but normal years do not occur. As Mr. Longinotti pointed out, the only storage is in Loch Lomond reservoir. He wants the Water Supply Assessment to address the bimodality of that distribution.

He thinks people think global warming is a trend that every year is going to be warmer and drier than before. He thinks there is actually a destabilization of the climate as it has been, and it is moving towards a new unpredictable state. There will probably be greater fluctuations than observed in the past. Those fluctuations may have a tendency to move the wet year and dry year modalities further apart.

Fred McPherson, a Boulder Creek resident, appreciates the draft letter Mr. McCormick wrote, commenting on the draft EIR. He suggests asking for more information regarding drought mitigations. There are periods of extreme weather where there are drought years and then rain years. For the last three years, the weather has been pretty dry, and it has required some water restrictions with the contemplation of mandatory rationing.

There is a lot of information in the EIR about what would be necessary for this growth to occur. This whole expansion is based upon the idea that the desalination plant will increase the water supply for the future. There will not be enough water for this expansion if the desalination plant does not come to fruition. He suggests asking for more clarification about this issue. It is very difficult or probably impossible to assess the environmental impacts of this project now without knowing what the environmental impacts of the desalination plant will be. This makes a big gap in the process.

Ted Benhari is a Bonny Doon resident and a member of the Coalition for Limiting University Expansion (CLUE), which was a party to the lawsuits that were settled last year. He recommends LAFCO complete the process of revising their water policy before the two applications are ready to be heard. If LAFCO does not have a thoroughly studied policy in place, he thinks LAFCO is limited in their ability to assess how to address it as an agency. There does not seem to be any time constraint since the State and the University are broke. It will be many years before these buildings are actually built, if ever.

The City's water supply will be changing. The State's Fish and Game Department is demanding that less water be taken from North Coast streams. He thinks LAFCO should demand that the final EIR not be prepared until all of these impacts on the water supply are known and assessed. There is a big discrepancy on the amount of water that UC Santa Cruz will need for the expansion.

As Mr. Wittwer mentioned, this is a violation of the City's General Plan as well as the County's General Plan. UC Santa Cruz has plenty of land on its Lower Campus that can be used for urban-type development. Besides the completely open, undeveloped areas, there is the farm and the arboretum. They are much more appropriate to develop than expanding into the Upper Campus which is an undeveloped rural area that is designated in the County General Plan as improper for concentrated urban-type development. This alternative should be thoroughly studied in the EIR for this proposal since it could completely change the whole picture of how it gets developed in the future.

Reed Searle agrees with what most of the previous speakers have said. The EIR is a fact-raising document and not about policy issues. The proposed UC Santa Cruz expansion is probably very important to all the communities in Santa Cruz County, certainly all of the communities served by the City's Water Department. He thinks the draft EIR does a good job and it needs to be as complete as possible to be fully informed. The draft comments will help improve the EIR.

Carol Long is a resident of Santa Cruz. She appreciates what she has heard from the other speakers. She is concerned about the affects this proposed expansion would have on water supply for the City. She visited the desalination model plant and has heard that the process itself would not be harmful to the ocean environment, but it uses a lot of power for its operations. This would considerably increase CO2 emissions in the City and this

needs to be addressed. She opposes the adoption of this expansion because of the increase in CO2 emissions and it would be very expensive.

She wants to add to Mr. Searle's comment that it would take a long time before development would take place. She thinks the University would be more concerned about trying to relieve the financial stress on students by not raising their tuition so much rather than putting a lot of money into an expansion like this.

Bill Malone thinks the questions about drought mitigation are appropriate. There should also be questions about the availability of water in non-drought years. The City said a couple years ago that there was about 300 million gallons of water available. The University wants about half of that, which is a significant amount. He is concerned about global warming where there will be longer, warmer summers and that will mean more water use. There will probably be shorter and weaker rainy periods, which will mean less available water. Global warming could impact the 300 million gallons of water available. He thinks there should be clarification about how much water is actually available and how much the University would actually need for the expansion.

He is also concerned about the Habitat Conservation Plan also taking a chunk of that 300 million gallons of available water. He wonders if the water estimate is wrong. There is not a lot of room for error. There is an impact on the water customer and on himself. It looks like there will be more drought years in the future.

There will probably be a five to ten percent increase in water usage and there could be a five to ten percent decrease in water available. There may be a permanent drought situation.

Ron Pomerantz thinks staff wrote a good draft letter commenting about the draft EIR. He has a couple points to make about the drought mitigation. He points out the limit on enrollment growth during a period of water connection moratorium. He thinks this is not adequate. Once the growth has taken place and student enrollment is up, water will have to be supplied. That mitigation does not seem to work very well.

He thinks the other mitigation that prevents increases in water demand generated by UC Santa Cruz growth is a sticky issue. He cannot see how that can be done. He asks to come up with some better drought mitigations in the letter.

Commissioner Rapoza says the gentlemen from Bonny Doon raises an interesting question that this Commission has asked other cities about before regarding the debate of infill versus expansion. He asks Mr. McCormick for his response to infill as an alternative to expansion.

Mr. McCormick says the parties have gone through a long process to get where they are now. UC Santa Cruz is self-regulating and is not subject to the City's or the County's land use planning process because they have their own. They are roughly equivalent in size to a small city in this county. The University is subject to State regulations such as Fish and Game, Coastal Commission, and LAFCO.

The EIR makes a pretty good presumption that all of the new development on campus will occur in the area designated as the North Campus. That does not mean that over the next 15 years remaining on the LRDP, that all of the development will occur there. If the development were within the existing footprint of the University, they would use the same traffic demand and same water demand and would have all of the impacts that are presented. There might be individual sites that are infill sites with the existing campus as the University makes their own siting plans. It is expensive to extend infrastructure. It is not any cheaper for the University than it is for developers or public agencies to build or extend sewer lines, roads, or storm drains. The University has done

their planning and chosen areas where they would prefer not to develop. They have made the decision, which is consistent with the settlement agreement they made with the City and the other parties.

He thinks they should be given every opportunity to make their best case to the Commission. The Commission should apply the same standards used to review any other agency, whether they meet the infill goals or their planning work regarding where their resources are.

Commissioner Rapoza adds that the scope of this project is larger than infill would take care of. He thinks that if it were a smaller project that was infill only, it would not even be on this Commission's table. They would be dealing solely with the City.

Mr. McCormick responds that the University realizes that on the Lower Campus, they have made resource conservation decisions based upon the resources they have on the Lower Campus. Intensive development on the Lower Campus is not a choice they want to pursue. They chose the North Campus to accept a large increment of new growth as opposed to trying to fit it between the existing buildings on the Lower Campus.

Commissioner Jim Anderson thinks the EIR is working around the agreement that the County, the City, and UC Santa Cruz agreed to and they are trying to substantiate that. If UC started to implement this plan, he wonders if they would close it down to eliminate the problem. It is a substantial burden that the City is going to take on.

Mr. McCormick agrees with Commissioner Jim Anderson. In the introduction of the staff report, he mentions the student enrollment projection is to increase 30%. The building square footage is proposed to increase 63%. It is a large institution now and this is a major project for everyone.

Alternate Bell says the letter Mr. McCormick wrote to Mr. Ken Thomas from the City of Santa Cruz, dated December 1, 2008, mentions the data for EIR report being arranged in a manner that quantifies impacts. Her concern is the amount of water usage. She thinks it needs to be more specific for LAFCO to look at. There is a big discrepancy between 100 and 152 million gallons per year. She realizes the sewer would be taken care of, but she thinks water is the main issue.

Commissioner Coonerty asks if a committee is appointed to work on LAFCO water policies, will that committee report back to the Commission, and the Commission develop their water policies before these applications are before LAFCO.

Mr. McCormick says for a long time, the Commission has wanted to examine all of their water policies. There was no intent to be specific with any of the projects that have come or will come through LAFCO. The Commission wanted to look at the water policies to see if they are fine as is, or whether they need to be revised in a minor or major way.

Vice Chairperson Leopold was able to read the sphere of influence draft EIR over the Christmas holiday. There is a lot of good information as well as a lot to be considered in terms of final decision-making. He read that the City's water system does not have enough water to meet its current needs in the relatively near future, and that other options have been studied. The option that will work is a desalination plant. This desal plant has to be approved and go through hurdles to ensure that the current users have enough water. He wonders whether this sphere request is premature.

He understands the negotiations and the long history that the City and UC Santa Cruz have had about growth. He thinks they may have come along further than those discussions have ever gone. The decisions that happened in the City affect the entire mid-County. Live Oak and a portion of Capitola receive their water from the City of Santa Cruz Water Department. The desalination plant will play a major role in supporting the Soquel Creek Water District. People from Santa Cruz to Aptos will be impacted by the decisions made regarding this issue.

He thinks Mr. McCormick has done a good job with the letter and capturing the questions that need to be answered. He thinks it is important that when the City is completing this EIR, that they answer these questions from the original letter in December of 2008 as well as in the more recent letter. He thinks it is necessary to have all the information when it comes time to make a decision. The issues about drought mitigations are important. The Coolidge Drive issue should be addressed. He does not think the 73 acres of forest loss should be considered as not having a significant impact, and it should be addressed as part of the EIR.

He is glad the question of annexation over extraterritorial service has been included. He wonders what impact it would be to add three million square feet and five thousand people to the unincorporated area, and what those costs would be. If the proposed growth is not going to be in the City, it will end up being the County's responsibility and he wants clarification about that. The biggest question is the clarification about the estimated water use. The discrepancy between 100 and 152 million gallons per year is a significant issue. He read the settlement agreement. He understands that there is a time limit since this application has been made and when it has to be completed in order to engage the housing mitigation that was part of the settlement agreement. He hopes the City does as good a job as possible in answering the questions that have been brought up by this Commission and other residents.

He asks what will happen when these applications come back to the Commission. He wonders if they approve the application, will the Commission authorize the City to proceed and they take official action, or will this Commission's action be the last action.

Mr. McCormick says that if the Commission approves the two applications (amends the sphere of influence, and authorizes extraterritorial water and sewer), all of the standard clauses in the settlement agreement stay in effect. He thinks this would be the last LAFCO action.

Commissioner Rapoza says that if the decision is towards annexation, he asks if that causes the City to resubmit an application or can it be the outcome of this process. He wonders if the timeline would be different.

Mr. McCormick answers yes. At this point, it is in the environmental review process. He just wants to make sure the EIR calls it out clear enough so that it is an option for the Commission to consider.

If the Commission were to approve expanding the sphere of influence, but they would rather see an annexation instead of extraterritorial service, LAFCO does not have the ability to file an annexation application or to take the existing extraterritorial service application and turn it into an annexation application. Someone, such as the University as the property owner or the City as the annexing authority, would have to file for an annexation. If it comes to that point and the Commission feels the most comfortable with that solution, then the University and the City will have to figure it out. The Commission would also have the option of keeping the extraterritorial application open for a certain period of time to give the parties time to file and to process an annexation application.

The Commission also has the option of turning down the extraterritorial service application after approving the sphere of influence amendment. They could approve one, deny the other, and strongly solicit an application.

There could be repercussions between the University and the City regarding various mitigation agreements. It would be important for them to decide which one remains unchanged and whether an annexation would change any of them.

Commissioner Coonerty thought Mr. McCormick's draft comments were excellent. These points are important.

MOTION AND ACTION

Motion: Coonerty Second: Begun	To authorize LAFCO's comments to be submitted to the City of Santa Cruz.
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Alternate Lane says that Mr. Wittwer mentioned a concern about the discrepancy between 100 and 152 million gallons per year. He asks if the EIR says 100 and the University's application uses 152.

Mr. McCormick answers yes. The EIR does not have internally inconsistent numbers. It has internally consistent numbers. The numbers are somewhat confusing because they are broken down into different components, including a conservation component and an off-campus facilities component. The EIR numbers are inconsistent with the University's application. In the University's application to LAFCO, it says they would like the City to provide them with extraterritorial water and sewer service up to 152 million gallons per year.

Alternate Lane asks about the legal issue of recirculating. He asks if that would be necessary in light of the internal consistency of the use of the 100 number.

Mr. McCormick thinks the City gets good advice about CEQA compliance. The City should individually decide whether recirculation is advisable or not. He would not think this Commission should get involved on either side of this issue.

MOTION AND ACTION

Motion: Coonerty Second: Begun	To authorize LAFCO's comments to be submitted to the City of Santa Cruz. Motion carries with a unanimous voice vote.
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APPOINTMENT OF A COMMITTEE TO WORK ON REVISIONS TO LAFCO'S WATER POLICIES

Mr. McCormick reports that Commission's water policies need to be reviewed. He gave a brief introduction at the last meeting and the Commission indicated that they wanted to set up a committee. The committee appointment was not on the agenda at the last meeting, so it is on this agenda.

This committee could be an ad hoc committee that is not subject to the Brown Act, or it could be more of a standing committee that is subject to the Brown Act. There is some discretion. Typically, committees contain two to three Commissioners. There are options to give constraints to the committee at the out start, or have the committee report back to the Commission what the constraints should be. His recommendation is for the committee to be subject to the Brown Act.

There are many people who can interpolate policy as it relates to how they want to see a particular decision come out. There might as well be that committee discussion in public and invite people to participate. Even if this committee could meet all the criteria for not being subject to the Brown Act, he does not think it would be good public policy. There will be people who want to closely examine whatever report comes from the committee.

Chairperson Roger Anderson asks if he is suggesting that there be noticed meetings for this committee.

Mr. McCormick replies yes. He thinks the meetings should be noticed and subject to the Brown Act.

Chairperson Roger Anderson asks if he would provide staff support for arranging venues for this committee.

Mr. McCormick answers yes.

Chairperson Roger Anderson suggests this subcommittee include Commissioner Rapoza, Commissioner Begun and himself.

Commissioner Leopold is also interested in serving on this committee. He thinks it has a lot of impact on the entire county. He asks that if these noticed meetings are subject to the Brown Act, is there a limit on how many people participate in the committee.

Counsel Cheleden replies that the meeting would just become a LAFCO meeting.

Chairperson Roger Anderson wonders if that is the case, then it makes no sense to appoint a special committee.

Counsel Cheleden replies that is correct.

Chairperson Roger Anderson says he is interested in finding a route to make some progress on water policies. He personally thinks someone is going to have to write some drafts. If that ends up involving the entire Commission, he is skeptical that much will be accomplished.

MOTION AND ACTION

Motion: Begun Second: J. Anderson	To approve Chair's recommendation.
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Chairperson Roger Anderson wonders if there are still any Brown Act issues.

Counsel Cheleden says he will look further into this matter.

Commissioner Coonerty asks that if a majority of the LAFCO board makes a decision, would it be making a decision for the entire board.

Counsel Cheleden is guessing that they would make a recommendation to the LAFCO board. They would not have policy-making authority. It would be a two-step process.

Chairperson Roger Anderson sums up that there would be a subcommittee of three people who would not have the authority to make a final decision. The whole LAFCO board would make the decisions. He presumes that the board would adopt such policies at a public hearing. He asks if this is correct.

Counsel Cheleden replies that it would be a noticed agendized item. It would be a Brown Act item at a regular meeting.

Chairperson Roger Anderson asks if any interested parties could participate in the final LAFCO adoption of those policies.

Counsel Cheleden answers yes, they would have a chance to comment.

MOTION AND ACTION

Motion: Begun Second: J. Anderson	To amend his motion to include a 4 th person.
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Chairperson Roger Anderson says then it would definitely be a Brown Act decision; so, it might as well be the whole Commission working on this committee.

Commissioner Leopold says the idea of an ad hoc subcommittee of the board is to draft policies that would be recommended to the Commission. They would have no policy-making authority. There would still be Brown Act noticing. He thinks it would be a good idea to notice according to the Brown Act, given the interest throughout the community.

Chairperson Roger Anderson thinks the problem should be avoided so he will bow out of being on the subcommittee to let Commissioner Leopold be on the committee.

Commissioner Leopold says his idea was not to exclude anyone.

Chairperson Roger Anderson thinks it is cleaner to have a sub quorum committee. Whether they decide to open their meetings to the public or not, it is up to them. He wonders at what point would this committee business have to become public.

Counsel Cheleden says that the general rule is that committees are subject to the Brown Act. There is an exception for an ad hoc subcommittee that has a limited time duration and a limited purpose. The example the Attorney General uses is to study particular intersections and traffic congestion at a particular intersection and to report back within a particular period of time.

*Alternate Lane leaves the room.

Alternate Estrada says Pajaro Valley Fire has two-person subcommittees so they do not have to deal with the public noticing. They become much more productive. If it is done in the public format where they are not able to throw out crazy ideas, a lesser quality product is the result.

Commissioner Rapoza asks Mr. McCormick how long he thinks this process will last.

Mr. McCormick thinks the first question for the committee would be whether to speed up the process to have a set of draft policies before any major water applications are heard later this year, possibly in four months. Another option for the committee would be to slow things down so the pending filed applications will not be affected by the new water policies. Either one of those options should be carefully considered.

Commissioner Rapoza adds that there is a tremendous amount of expertise within the County and within the water providing agencies in the County. He thinks they should be able to give feedback and input to some of these policy changes. Whenever additional agencies get involved, it gets time-consuming.

Chairperson Roger Anderson thinks the problem is that this Commission still does not have a mission statement for this committee. He wonders what work product should be expected from the committee. He wonders what aspects of water policy would the committee work on. There are some water policies already. Some of them are not relevant to the present. He wonders what other LAFCOs do about water policies and what overriding water policies are there for water districts throughout Central California, for example. He thinks a framework is needed or they may not accomplish much, and some direction is needed in order to start. The first task the committee should do is generate a justification for their existence.

Commissioner Leopold adds that a work plan would be wise. He agrees with Chairperson Roger Anderson that it is important to know where the target is. When the committee starts working on what the work plan will be, who they want to talk to, and what they want to research, six months may not be realistic. Maybe one year is more realistic. He likes the idea of coming back with a clear idea.

* Commissioner Jim Anderson leaves the podium.

Counsel Cheleden adds that it would not be out of the realm of possibility that LAFCO would see some litigation over the change in their policies.

Chairperson Roger Anderson asks if there has been litigation over LAFCO policies in the State.

Mr. McCormick answers yes.

Chairperson Roger Anderson says it seems things are being set up to discourage LAFCOs from making policies.

Mr. McCormick says in the original outline he gave the Commission in November, he explained different ways to do policies to elicit what the Commission is looking for. He brought up that the Commission could be looking for tight sets of documents with lots of information that is formatted helpfully. If that is what they want, El Dorado LAFCO set a great example of extraordinarily detailed applications. If they are looking at wanting to be assured that all the agencies are working together and performing reasonable conservation efforts, that could be another set of policies. Yet another set of policies could be hard-core regulatory policies. If people are in a water basin that is overdrafted, he asks what types of applications will LAFCO approve, which applications would they deny, and what sort of applications are contingent upon progress being made to bring a basin into compliance. Those are three different directions. If it is a super regulatory policy, there will many interest groups following every word because they will be concerned about how it will affect every application in the future. That would be a detailed project.

* Commissioner Jim Anderson returns to the podium.

Commissioner Lind says that if they are considering the time of at least six months, there are some terms ending prior to then. She wonders if that needs to be considered.

Mr. McCormick replies that they could either work with a smaller committee or ask for another appointment.

Chairperson Roger Anderson suggests getting a second from Commissioner Begun's motion for a four-member Committee.

MOTION AND ACTION

Motion: Begun Second: J. Anderson	To amend his motion to include a 4 th person to the committee.
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Chairperson Roger Anderson wants someone to clarify the initial task of this committee.

Commissioner Coonerty asks if this committee should examine what the tasks may be and bring it back to the Commission for approval.

MOTION AND ACTION

Motion: Begun Second: J. Anderson	To amend his motion to include a 4 th person to the committee and to amend the motion for the committee to examine what the tasks may be and bring it back to the Commission for approval. Motion carries with a unanimous voice vote.
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FEEDBACK TO CALAFCO CONCERNING RESTRUCTURING ITS ORGANIZATION INTO REGIONS

Mr. McCormick reports that the State organization is having some organizational trauma and it is asking its members for some feedback on the concept of subdividing the State into regions in an attempt to accommodate some of Southern California's concerns that they are underrepresented in the organization. There are four different questions being asked and the questions are on page 180 of the agenda packet. He has offered his feedback.

Commissioner Lind agrees with Mr. McCormick's comments. She worries about regionalizing because of the excellent training at the annual Conference. She was able to mix with jurisdictions from Southern California. She questions the benefit of regionalization. Regardless whether they were from Southern or Northern California, she feels it worked really well to have everyone at the one Conference she attended.

Commissioner Jim Anderson asks if Southern California is really underrepresented, and if so, has it been historically or just recently that way.

Chairperson Roger Anderson says that going back 20 years, there is no underrepresentation. However, in recent years, there has been a deficit of board members from Southern California. Partly, that was because of previous efforts to ensure representation from Southern California. Presently, a good argument could be made that they are underrepresented.

Commissioner Rapoza agrees with Mr. McCormick's feedback. He especially agrees with the first comment. LAFCO is issues driven, not geographically driven. It does not make sense to break down into geographical regions. He thinks some discussion on the State level around the issues of representation is important.

He has been the voting delegate for a number of conferences and he knows this Commission took into consideration the North/South/Central/Coastal issue as well as size. They wanted some representation from small counties and large counties. They took all of that into consideration when casting votes for delegates. He is not sure if this is universally done, but he thinks it should be encouraged. If the board were to come back with something based on size of county rather than geographical region, that may have some validity.

Commissioner Begun wonders what the problem really is. He has only heard about a misrepresentation of Southern California.

Chairperson Roger Anderson replies that there has been some unhappiness over legislation that the board has supported and the feeling that they are underrepresented. The board has looked at different regional possibilities. This questionnaire is being circulated to understand what regional interest different counties have.

There are five LAFCOs that have voted or will soon vote on not renewing their dues or rejoining CALAFCO next year. This is a very serious issue. It would mean a significant cut in revenue. The question is what is the best way to try to keep these LAFCOs in the organization. A big budget cut would affect the general influence CALAFCO has in California.

Alternate Bell thinks this Commission should let them know that they support Chairperson Roger Anderson's recommendation. She thinks it is an excellent idea.

Commissioner Leopold says that all of the Conference attendees had the ability to vote on this. It was clear that regionalization was not a top priority for most of the attendees. He thinks the Commission should keep their comments as they were drafted by Mr. McCormick. It sounds like the real issue is representation rather than regionalization. They should support adequate representation of all parts of the State. If establishing regions would be acceptable to CALAFCO for addressing Southern California's concerns, he thinks it is fine as long as it does not drive any resources away.

* Alternate Estrada leaves the room.

MOTION AND ACTION

Motion: Leopold Second: J. Anderson	To approve staff's recommendation. Motion carries with a unanimous voice vote.
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STATUS OF PROPOSALS

Mr. McCormick reports that there is a city annexation application, which should be heard in the next couple of months. It is an Old Coach Road annexation to the City of Scotts Valley. There is only one property owner interested at this time.

There is also an application out for a water district sphere of influence amendment and an annexation of a single parcel on San Andreas Road in La Selva Beach.

Commissioner Lind thanks Mr. McCormick for attending the City Planning Commission meeting because it really helped enlighten the commission. The City of Scotts Valley has not received any annexations in many years. Because of his input and assistance, there may be other interested residents. They are trying to coordinate with the City to make it financially feasible.

ELECTION OF A LAFCO CHAIRPERSON AND VICE CHAIRPERSON FOR 2010

MOTION AND ACTION

Motion: Rapoza Second: Coonerty	To nominate John Leopold as Chairperson. Motion carries with a unanimous voice vote.
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MOTION AND ACTION

Motion: Rapoza Second: Lind	To nominate Jim Anderson as Vice Chairperson. Motion carries with a unanimous voice vote.
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Motion: Leopold Second: Coonerty	To adjourn. Motion carries with a unanimous voice vote.
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Meeting is adjourned at 12:20 p.m. The next meeting is scheduled for Wednesday, February 3, 2010.

CHAIRPERSON, ROGER W. ANDERSON

Attest:

Patrick M. McCormick, Executive Officer