

LOCAL AGENCY FORMATION COMMISSION

701 Ocean St. #318D

Santa Cruz CA 95060

831-454-2055

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LAFCO AGENDA

Wednesday, June 7, 2017

10:00 a.m.

Room 525, County Governmental Center

701 Ocean Street, Santa Cruz

1) ROLL CALL	PAGE
2) MINUTES	
a) April 5, 2017.....	4
3) INTRODUCTIONS	
a) Welcome New Special District Alternate, Rachél Lather	
4) ORAL COMMUNICATIONS	
a) Anyone may briefly address the Commission concerning items not on the agenda.	
5) PUBLIC HEARINGS	
a) Authorization to Solicit Proposals for Consolidation Feasibility Study and Service Review...12 Involving Aptos La Selva Fire Protection District and Central Fire Protection District	
b) Service and Sphere of Influence Review for the Soquel Creek Water District.....	23
c) LAFCO Application No. 961, Wharf Road / Wright Annexation to the.....	34
Soquel Creek Water... District	
d) Areawide Authorization for Santa Cruz City Water Department to Provide.....	64
Water Service to Unincorporated Areas	
6) OTHER BUSINESS	
a) Water Rates in the Lompico Zone of the San Lorenzo Valley Water District.....	89
b) Joint Powers Authorities Filing Agreements with LAFCO.....	92
c) Status of Proposals.....	94
d) Legislation.....	95
e) Work Program.....	115
f) CalPERS Pension Payments.....	117
g) Special District Risk Management Association Board Election.....	119

7) PRESS ARTICLES	PAGE
<u>Aptos / La Selva Fire Protection District</u>	
a) May 8 th Sentinel article:.....	136
Aptos chiefs issue vote of no confidence	
b) May 12 th Sentinel article:.....	137
Aptos / La Selva fire district hosts packed meeting	
c) May 15 th Aptos Times article:.....	139
Public support for Aptos / La Selva firefighters	
d) May 15 st Aptos Times letter to the editor:.....	140
Regarding Chief Jones vote of no confidence	
 <u>Central Fire Protection District</u>	
e) May 16 th Sentinel article:.....	141
New Central fire chief promoted amid discussions to merge with Aptos / La Selva fire department	
f) May 17 th Sentinel article:.....	143
Central Fire still wants consolidation	
 <u>UC Santa Cruz</u>	
g) April 22 nd Sentinel opinion:.....	145
George R. Blumenthal: Drafting a blueprint for the future of UCSC	
h) May 23 rd Sentinel article:.....	147
UCSC takes early steps to involve Santa Cruz in long-range planning	
i) May 24 th Sentinel article:.....	149
UCSC talks long-range: Chancellor meets with city of Santa Cruz	
 <u>Water</u>	
j) May 4 th Sentinel article:.....	151
Water agencies talk water sharing costs	
k) May 19 th Press Banner notice:.....	153
SLV water rates unveiled May 24	
 <u>CALAFCO</u>	
l) March-April 2017 CSDA newsletter:.....	154
LAFCO and Special Districts	
 8) ADJOURNMENT	
a) The next regular meeting is scheduled for 10:00 a.m. Wednesday, August 2, 2017 at the Santa Cruz County Building. There is NO LAFCO meeting in July.	

Campaign Contributions

State law (Government Code Section 84308) requires that a LAFCO Commissioner disqualify herself or himself from voting on an application involving an "entitlement for use" (such as an annexation or sphere amendment) if, within the last twelve months, the Commissioner has received \$250 or more in campaign contributions from an applicant, any financially interested person who actively supports or opposes an application, or an agency (such as an attorney, engineer, or planning consultant) representing an applicant or interested participant. The law also requires any applicant or other participant in a LAFCO proceeding to disclose the amount and name of the recipient Commissioner on the official record of the proceeding.

The Commission prefers that the disclosure be made on a standard form that is filed with the Commission's Secretary-Clerk at least 24 hours before the LAFCO hearing begins. If this is not possible, a written or oral disclosure can be made at the beginning of the hearing. The law also prohibits an applicant or other participant from making a contribution of \$250 or more to a LAFCO Commissioner while a proceeding is pending or for 3 months afterward. Disclosure forms and further information can be obtained from the LAFCO office at Room 318-D, 701 Ocean Street, Santa Cruz CA 95060 (phone 831-454-2055).

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More information on the scope of the required disclosures is available at the web site of the Fair Political Practices Commission: www.fppc.ca.gov. Questions regarding FPPC material, including FPPC forms, should be directed to the FPPC's advice line at 1-866-ASK-FPPC (1-866-275-3772).

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The Santa Cruz Local Agency Formation Commission does not discriminate on the basis of disability, and no person shall, by reason of a disability, be denied the benefits of its services, programs or activities. The Commission meetings are held in an accessible facility. If you wish to attend this meeting and you will require special assistance in order to participate, please contact the LAFCO office at 831-454-2055 at least 72 hours in advance of the meeting to make arrangements. For TDD service the California State Relay Service 1-800-735-2929 will provide a link between the caller and the LAFCO staff.

Late Agenda Materials

To review written materials submitted after the agenda packet is published, contact the LAFCO Secretary-Clerk at the LAFCO office or in the meeting room before or after the meeting.



PROCEEDINGS OF THE LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY

Wednesday, April 5, 2017
10:00 a.m.

Supervisors Chambers
701 Ocean Street, Room 525
Santa Cruz, California

.....
The April 5, 2017 Santa Cruz Local Agency Formation Commission meeting is called to order by declaration of Chairperson Tom LaHue.

ROLL CALL

Present and Voting:	Commissioners J. Anderson, R. Anderson, Leopold, Bottorff, Lind, Friend, and Chairperson LaHue
Absent:	None
Alternates Present:	None
Alternates Absent:	Bobbe, Coonerty
Staff:	Patrick M. McCormick, Executive Officer Brooke Miller, LAFCO Counsel Debra Means, Secretary-Clerk

MINUTES

MOTION AND ACTION

Motion: R. Anderson	To approve March 1, 2017 minutes.
Second: J. Anderson	Motion carries with unanimous voice vote.

RESULTS OF SPECIAL DISTRICT ELECTION FOR REGULAR MEMBER AND ALTERNATE

Mr. McCormick reports that Jim Anderson was re-elected for four more years as a regular member and Rachél Lather from the Soquel Creek Water District was appointed as the alternate. Ms. Lather has experience as a sanitary engineer for the County.

ORAL COMMUNICATIONS

Lois Henry is a Lompico resident. The Lompico Water District merged with the San Lorenzo Valley Water District (SLVWD) on June 1, 2016. An agreement to the merger was the creation of an oversight committee. SLVWD questioned why the committee was needed. SLVWD left one of the items off the agenda that was for the committee to write a letter to the board members encouraging them to reconsider the amount of the surcharge. Subsequently, the chair wrote a new agenda, posted it, sent a copy of her item to the board and her committee, but was accused of a Brown Act violation. The committee is now scared.

The committee has repeatedly asked for information on the cost of replacing all of the meters and converting to the SCADA system. Eight months have gone by with no response.

Part of the assessment involved SLVWD requesting a loan for a \$1,400,000. Lompico would pay the interest and the interest is on the assessment. At the last oversight committee meeting, they asked what the status of the loan was and the General Manager did not know.

She says there is a problem with SLVWD and the General Manager misinterpreting the surcharge. It was written by SLVWD with help from the County, and Lompico did not have any say. There are two items on the surcharge that are debts. She told the new General Manager that those debts would be paid before the assessment passed. He told her there could be a sidebar agreement so there would not be any confusion.

She has asked the SLVWD board chair to invite Mr. McCormick to talk. She asks whether LAFCO could lean on them, but she assumes they cannot.

Debra Loewen is also a Lompico resident. She updated the Commission last November about the Lompico merger and the problems that have arisen, and they are still having problems.

She saw articles in the Press Banner about Lompico. Included was an opinion about the unfair surcharge written by someone who is not from Lompico, and that person supports the removal of the surcharge. The problems are bigger than just the surcharge and the reluctance of SLVWD to follow the agreement; SLVWD is in turmoil with leadership.

She realizes LAFCO has some oversight over special districts with evaluations that are supposed to be done every five years. She is concerned about board training. SLVWD has a fairly new board and a general manager with different management styles. The board is passive and the manager is very aggressive. She thinks he is filling a void of leadership. She wishes the board knew their duties better and that LAFCO could have some influence over their training and how they are fulfilling their duties.

She appreciates the work LAFCO did to help with the merger. The merger was a smart move, but there does not seem to be a way to enforce the merger agreement.

Commissioner Roger Anderson asks if there is a paper trail for the comments made about Lompico. He has heard allegations that the manager does not remember some of the important factors in the agreement. He would like to know what is in the documentation since that could be the basis for Mr. McCormick to assist them.

Commissioner Lind says the manager was hired after the merger was negotiated. She thinks it could be helpful to offer some historical background and education.

Mr. McCormick is aware of these ongoing concerns. He provided some training to the manager at his request shortly after he was hired. In the last few months, he has talked privately with four out of five board members and offered to talk to them in a workshop format to answer questions. He has refrained from intervening in normal district business. He may get an invitation to an upcoming board meeting and he will be happy to help them. He agrees that the merger was a smart move since the other alternatives were worse.

SLVWD as a larger district should benefit from having 500 more customers and the 500 customers from Lompico should benefit from being part of a larger district. It is unfortunate that SLVWD is having operation problems.

Commissioner Lind adds that as a council member, there are opportunities to attend new council member training. She wonders if new members of the SLVWD board are aware of what training is available for them as new members.

Mr. McCormick says he worked on a project with SLVWD involving best practices in special district transparency with the help from the California Special District Association (CSDA). He was one of the auditors. They earned their certificate and met all of the requirements for special districts having transparency with their public information.

Commissioner Leopold says this is a challenge throughout the State, and possibly nationwide, about being servants to the public.

Ms. Henry was on the Lompico County Water District board and she asked LAFCO for help when it was facing its problems. For a small agency, it is challenging to perform all the necessary requirements of a special district. As a larger agency, one would hope they would have staff or others to take advantage of the available resources.

PUBLIC HEARING

FINAL BUDGET FOR THE FISCAL YEAR BEGINNING JULY 1, 2017

Mr. McCormick reports that this is the second hearing for the upcoming fiscal year. At the first hearing, the Commission requested additional information about an approach to get all of the service and sphere reviews completed by June 30, 2018 using a combination of staff time and consulting contracts.

Assuming that the Commission would go ahead and use a consultant to complete some of the studies, staff would complete studies for Capitola, Central and Soquel Creek Water Districts, Summit West CSA, PVWMA, and Reclamation District 2049 this year. Three of them are already 90% complete. Staff has recommended which would be completed in-house. A consultant could be used for expertise on fire studies or just to help get the studies done.

The Commission wanted staff to figure out whether there is enough money to complete these studies as recommended. He prepared two separate actions. One action would be adopting the budget that was proposed at the last meeting, and the total budgeted amount would be \$716,400.

If the Commission wants to begin to rebuild the consulting budget, the alternate action is \$25,000 higher. If the Commission proceeded to use consultants to finish the service and sphere reviews by June 30, 2018, he thinks the consultant reserve would be totally depleted. The reserve would need to be rebuilt over a period of years.

If the Commission adopted the alternative budget with an additional \$25,000 and all of the studies are completed by June 30, 2018, then the next fiscal year will have \$25,000 in the consultant reserve as it begins to be rebuilt.

He recommends adopting either action at this time so that he can inform the Auditor in time for the funding agencies to plan for their upcoming budgets.

Commissioner Roger Anderson thinks the date on the bottom of page 11 should be 2018, not 2017. He wonders which reviews are almost complete and which will be worked on next.

Mr. McCormick replies that Soquel Creek Water, Central Water, and Capitola City should be done soon. He plans to complete all of the water agencies next.

He will work on PVWMA, Summit West, and the Reclamation District. The Reclamation District is linked to PVWMA since they are looking at College Lake as a reservoir. The Reclamation District's sole purpose is to drain College Lake so it can be farmed in the summer. That district may not last much longer if PVWMA proceeds with their College Lake project. There would be no reason to drain College Lake if it was going to be used for summer water storage.

Commissioner Roger Anderson asks when the bid for consultants will happen.

Mr. McCormick replies that he would ask for a single contract bid with a consultant early to mid fall of 2017 to complete the service and sphere reviews that staff is not scheduled to complete. The work would be done in fall and winter and be completed in the spring of 2018.

Commissioner Leopold strongly recommends getting a consultant to finish the MSRs as soon as possible. The Commission is vulnerable as long as MSRs are incomplete.

He wonders about the \$25,000 increase in the budget. He asks what the goal is and how long will it take to reach that goal.

Mr. McCormick replies that the goal for the last ten years has been to have \$100,000 in the professional consulting reserve. A fire study for mid-County will probably cost about \$75,000, according to similar projects around the State within the last few years. A major study on sewer or park and recreation issues, or a study that requires an EIR where there is no other party to pay for the work, could cost about \$100,000. The concept is that \$100,000 in the reserve is enough to do a major study. The Commission has made it through several years not spending any money for a study. An additional \$25,000 in the budget for the next four years would rebuild the consultant reserve.

Commissioner Leopold supports increasing the budget to rebuild the consultant reserve. The Commission accelerated their schedule for fire studies and found there was interest to do a bigger study. The Commission should be prepared to assist agencies in completing these studies, particularly if there is interest.

Chairperson LaHue asks what the percentage increase would be for the funding agencies if an additional \$25,000 was added to the budget.

Mr. McCormick answers that using the current year as the base, the proposed lower budget would increase 2.2% and the alternate budget would increase the total budget 5.7%. For the agencies' contributions, the County, the four cities, and the 23 special districts, the proposed budget would be an increase of 3% over the current year and the alternate budget would be an increase of 10.4%.

Commissioner Lind asks what the range of agency contributions would be.

Mr. McCormick says the highest contribution from the funding agencies would be from the County, which is a third of the total budget. The contribution from the County would be a third of \$347,000 (about \$115,000) for the proposed budget and a third of \$373,000 (about \$125,000) for the alternate budget. The smallest contribution would be less than \$10 from the Alba Park and Recreation District. The other agencies would contribute between these extremes.

The cities split approximately \$120,000 four ways, but it is apportioned based upon their operating budgets. The cities with the bigger budgets pay a bigger share than the cities with the smaller budgets. The two bigger cities are full service and pay more. Capitola paid \$7,219 to LAFCO this current fiscal year. Santa Cruz paid \$65,068, Scotts Valley paid \$74,010, and Watsonville paid \$33,669. The alternate budget for the next fiscal year would increase those figures by 10.4%.

Chairperson LaHue agrees with Commissioner Leopold to approve the alternate budget which includes the \$25,000 increase.

MOTION AND ACTION

Motion: R. Anderson Second: Leopold	To approve the alternative budget. Motion carries with a unanimous voice vote.
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OTHER BUSINESS

STATUS REPORT OF AD HOC COMMITTEE ON POTENTIAL FIRE STUDY

Mr. McCormick reports that the committee involving three fire agencies has made good progress in identifying a scope of work. At the March 27th meeting, the consensus is that the study should be limited to a feasibility study for a consolidation between Aptos/La Selva and Central Fire Districts. CSA 48 (County Fire) should stay in the discussions to stay familiar with the two fire agencies whether they merge or not.

The feasibility study should include a standard variety of subjects such as finance, staffing, facilities, and governance. This study should build on the two standards of cover studies that each agency is preparing. A standards of cover study is when an agency looks at their response times, alternative staffing arrangements, and alternative equipment. There is a quantitative model.

Commissioner Leopold thought their first meeting was productive. There was discussion about the difference between a feasibility study and an implementation study. People wanted information about pension liabilities and financing was inclusive of that. They will go back to their boards and another meeting will be arranged in May to keep the conversation going.

Commissioner Roger Anderson asks about a letter from Steve Homan. The letter talks about the financial implications of taking areas out of CSA 48 and annexing them into other fire districts.

Mr. McCormick replies that this was discussed at the March 27th meeting. A representative from the County Fire Advisory Commission and County Chief Larkin were present. There was talk that a merged agency might want to add some additional service territory currently served by CSA 48, but any erosion to CSA 48 in this study has been taken off the table. CSA 48 is just getting by and a crisis could be looming for them. The alternatives for this merger study would complicate the study and would create feasibility issues for the continuation of County Fire as a solvent agency. The conclusion was to focus on putting the two fire agencies together to see the benefits, the problems, and whether it is worth pursuing without threatening any of the revenue that currently goes to CSA 48.

Commissioner Lind thinks that some services such as fire prevention could be shared with other fire agencies in the County. Some fire agencies do not have a dedicated fire prevention officer and other agencies do. These types of services, even water rescue, could be shared without an actual merger.

INITIATION OF AREAWIDE APPROVAL FOR SANTA CRUZ CITY WATER SERVICE

Mr. McCormick recommends that the Commission initiate by motion an Areawide Approval hearing for the City of Santa Cruz water service. This approval would add areas of Live Oak and some other neighborhoods east of the San Lorenzo River.

Government Code Section 56133 in LAFCO law says cities and districts may provide service outside their boundaries only with LAFCO approval. The two types of LAFCO approval are annexation (which expands the service, tax, and voter area) and extraterritorial service, which is a single service without the voting and taxing elements, and the boundary does not change. This Commission prefers annexation wherever possible because of the political participation in the decisions the city or the district makes.

There are some places in this County where annexation is not practical. The City of Santa Cruz provides water north and east of the City. They also provide water service within the City of Capitola.

Because of the potential to receive many minor applications for individual water service, the Commission has adopted rules that allow the agency or LAFCO to initiate Areawide Approval. This allows a single approval for a mapped area to be eligible over a limited time period for an agency to connect new services without going through LAFCO. It cuts red tape for applications that are easy approvals in an urban area, are infill, and are served by existing water mains. It does not prohibit properties farther out from applying the regular way.

Eleven years ago, a map was drawn up showing the City of Santa Cruz' Areawide Approval. The new map includes two additional parcels which were added by LAFCO over the last ten years. One parcel is a commercial parcel at the north end of 41st Avenue and the other parcel is on Branciforte Drive.

This Areawide Approval was good for ten years and it has expired. The City of Santa Cruz had ample opportunity to come to LAFCO with an application, but they did not. Over the last ten years, the previous Areawide Approval saved not hearing approximately 100 applications. It made sense to cut red tape then.

If the Commission approves, he will proceed with an environmental review and expects that this item would be on the June agenda for a public hearing.

Commissioner Leopold appreciates Mr. McCormick's recommendation. 39% or 40% of the ratepayers live outside City limits. For those ratepayers to go through an extra step with extra costs and paperwork to do what they already pay for does not make sense. He thinks it is a good idea to proceed.

Commissioner Jim Anderson asks if this approval is good for another ten years.

Mr. McCormick answers that the policy allows a time period of up to ten years.

Commissioner Roger Anderson asks what the development potential is for the affected area that could be included in the extraterritorial blanket.

Mr. McCormick will address that in the staff report.

Commissioner Leopold knows that there is infill development that can happen as well as undeveloped parcels. They are looking at higher concentrations of density as part of the County's sustainable program. They would not be single family homes, they would be apartments or townhouses.

Commissioner Roger Anderson wonders why Santa Cruz does not consider this a priority. He thinks it would be in their interest to make everyone in the water district happy.

Mr. McCormick does not know why it is not a priority for them.

MOTION AND ACTION

Motion: Leopold Second: Friend	To initiate this process and pass the resolution. Motion carries with a unanimous voice vote.
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STATUS OF PROPOSALS

Mr. McCormick reports that LAFCO recorded Pasatiempo's water re-use project.

LEGISLATION

Commissioner Leopold says that CALAFCO is asking for support on the omnibus bill. Items on an omnibus bill are usually non-controversial for making changes to the Cortese-Knox-Herzberg legislation. This year, the CALAFCO board said there would only be items that were mission critical to LAFCOs, or where LAFCOs were at risk. Only one item was added to the bill. The Assembly Local Government Committee wanted more than one item for a bill, so CALAFCO added five more items that are non-controversial. There will be an amended bill coming. The request from CALAFCO is to endorse this AB 1725 bill now and write a second letter after all the items are added.

MOTION

Motion: Leopold Second:	To endorse AB 1725, the annual omnibus bill.
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Counsel Miller thinks it is safest to bring this item back when the items are added so it can be reviewed.

Commissioner Leopold says the bill is likely to be heard by the Assembly Local Government Committee on May 3rd.

Chairperson LaHue says that without knowing what is in the bill, he is hesitant to send a letter of support.

Commissioner Roger Anderson cannot support it without reviewing the content.

MOTION

Motion: Leopold Second:	To withdraw the motion and bring the item back in May.
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Meeting is adjourned at 10:58 a.m. The next LAFCO meeting is scheduled for 10:00 a.m. on Wednesday, May 3, 2017.

CHAIRPERSON THOMAS R. LAHUE

Attest:

Patrick M. McCormick, Executive Officer



Fire Agency Consolidation Feasibility Study

Summary: An ad hoc committee of three Commissioners has been working with the Aptos/La Selva Fire Protection District and the Central Fire Protection District to develop a document by which a proposal can be solicited for a consolidation feasibility study involving the two districts.

Staff Recommendation: Direct staff to solicit proposals from consultants.

Submitted by: Patrick McCormick, Executive Officer P.M.C.

Date: May 31, 2017 for June 7, 2017 Agenda

An ad hoc committee of three LAFCO Commissioners (J. Anderson, Leopold, and Friend) has been working with the Midcounty fire agencies to develop a Scope of Work for a feasibility study for consolidating the Aptos/La Selva Fire Protection District and the Central Fire Protection District. The parties have agreed to four principles:

1. The study will be a feasibility study for consolidating the Aptos/La Selva Fire Protection District and the Central Fire Protection District.
2. County Service Area 48 (County Fire) will stay at the table during the study.
3. The feasibility study will include finance, staffing, facilities, and governance.
4. The feasibility study will build upon the standards of cover studies being done by both districts.

The parties then prepared a detailed Scope of Work. Subsequently, LAFCO staff has prepared a Request for Proposals (RFP) by which LAFCO would be the lead agency to solicit proposals from qualified consultants. The RFP addresses the process by which proposals shall be submitted. The Scope of Work is an attachment to the RFP that explains what the parties want covered in the study. The staff believes that the process can be completed quickly so that a contract can be signed in early August.

Conceptually, the two Districts and LAFCO have discussed each paying a third of the costs. LAFCO would be the lead agency, would sign the contract with the selected consultant, and would have side agreements with the Districts to pay their shares.

Staff RECOMMENDS that the Commission direct staff to solicit proposals from qualified consultants.

This letter is being sent directly to the two fire boards in order for this matter to be considered on the upcoming agendas of each District (June 8th at Aptos/La Selva and June 13th at Central).

cc: Aptos/La Selva Fire Protection District, Board of Directors
Central Fire Protection District, Board of Directors

Attachments: Request for Proposals
Scope of Work

DRAFT



LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY REQUEST FOR PROPOSALS

To Prepare the Midcounty Fire Agency Consolidation Feasibility Study
and Service Review

Subject Agencies:
Aptos/La Selva Fire Protection District
Central Fire Protection District of Santa Cruz County

Proposal Submittal Due Date:
July 7, 2017

In cooperation with the Aptos/La Selva Fire Protection District and the Central Fire Protection District, the Santa Cruz Local Agency Formation Commission (LAFCO) is soliciting proposals from consulting firms with expertise in analyzing the feasibility of consolidating fire and emergency service agencies. In the attached Scope of Work, the Districts and LAFCO have outlined the scope of work. Both Districts provide similar service levels in adjacent areas and are completing Standards of Cover assessments which should facilitate the preparation of the consolidation feasibility study. While the Districts' and LAFCO's main objective is for the feasibility study to be a sound foundation for making the decision whether to proceed with the consolidation, the agencies also desire completing the study as soon as possible.

LAFCO will be the party to enter into a professional services agreement with the selected consultant. LAFCO will have a separate funding agreement with the Districts.

Tentative Timeline

DATE	TASK
June 7, 2017	Request for Proposals Issued
July 7, 2017	Proposals Due
July 10 – 12, 2017	Proposals Reviewed by Selection Committee
July 17 – 21, 2017	Selected Proposers Interviewed
July 24 – 28, 2017	Contract Prepared
August 2, 2017	Contract Approved by LAFCO

Proposal Contents

Proposals must contain the following information:

1. **Qualifications**

The proposal shall include the qualifications of the consultant, including experience with fire and emergency medical service finance and operations, organizational analysis, pension and other post-employment benefits, and facilitation of fire agencies' decisions whether to pursue consolidation or other organizational changes.

2. **Staffing**

The proposal shall include the names and qualifications of the project manager, key team members, and any sub-contractors.

3. **Work Plan**

The proposal shall contain an explanation of the tasks and timeline that the consultant proposes to prepare and complete the feasibility study and service review as outlined in the attached Scope of Services.

4. **Fees**

The proposal shall include costs and a proposed billing system. The proposal shall include a not-to-exceed amount to complete the project assuming that the consultant will prepare a written report and make a single on-site presentation to the two District Boards and LAFCO. The proposal shall include an additional fixed-price cost if the Districts and LAFCO choose to have three consultant presentations upon completion of the written report (one to each agency Board).

5. **References**

The proposal shall contain a list of at least three governmental agencies for which the consultant has done fire agency consolidation feasibility studies or similar reports. Each reference shall contain the agency client name, the project title, and a contact person at the agency (name, phone, and email). LAFCO encourages each proposal to include paper copies or Internet links to several studies that it has prepared that are similar to Santa Cruz Midcounty situation.

6. **Conflict of Interest**

The proposal shall warrant and covenant that that no official or employee of Santa Cruz LAFCO, the Aptos/La Selva Fire Protection District, or the Central Fire Protection District, nor any business entity in which an official of those agencies has an interest,

has been employed or retained to solicit or aid in the procuring of the resulting contract, or will be employed in performance of the contract without immediate divulgence of such fact to those agencies. Proposers shall notify LAFCO of any potential conflict of interest regarding other work or third-party contracts.

Insurance Requirements

The contract will require the successful proposer to maintain LAFCO's minimum insurance requirements and to include LAFCO, its officers, and employees as additional insureds:

1. \$1,000,000 comprehensive general liability per occurrence, \$2,000,000 aggregate.
2. \$500,000 personal automobile liability.
3. \$100,000 employers' liability insurance.
4. \$1,000,000 professional liability insurance.
5. Workers' compensation insurance at statutory limits.

Selection Process

The selection timeline is presented in the "Tentative Timeline" section above in this document.

The submittal requirements are:

1. One reproducible, unbound paper version of the proposal, and one electronic copy (CD disk or memory stick) shall be received no later than 4:00 p.m. on Friday, July 7, 2017 at Santa Cruz LAFCO, 701 Ocean Street, Room 318-D, Santa Cruz, CA 95060.
2. The proposal shall be submitted in a sealed envelope and marked "Midcounty Fire Study RFP".
3. The proposal shall be signed by an authorized employee or officer of the consultant.
4. Late proposals shall not be accepted.
5. All proposals shall become property of Santa Cruz LAFCO, and may be subject to disclosure pursuant to the California Public Records Act. Any material any proposer asserts is exempt from disclosure must clearly be marked, and the proposer shall be responsible to defend and indemnify LAFCO from and against any claim or liability relating to withholding of materials so marked.
6. The cost of proposal preparation and interviews shall be borne by the proposers.

The proposals will be reviewed by representatives of both Districts and LAFCO for experience and expertise to provide information and assistance to the agencies in making important decisions regarding the future of fire and emergency services in their communities. Cost will also be a criterion in choosing a consultant. The LAFCO Executive Officer will attempt to complete a draft agreement with the preferred consultant and expects to place a recommendation for contract authorization on LAFCO's August 2, 2017 agenda.

Santa Cruz LAFCO reserves the right to award a contract to the firm that presents the proposal which, in the sole judgment of Santa Cruz LAFCO, best accomplishes the desired results. Santa Cruz LAFCO reserves the right to reject any and all proposals, to waive minor irregularities, or to negotiate revisions with the successful firm.

Contacts

Direct all inquiries regarding the RFP to:

Patrick McCormick

Executive Officer

701 Ocean Street, Room 318-D

Santa Cruz, CA 95060

pat@santacruzlafco.org

(831) 454-2055

The Scope of Work contains contacts for the fire protection districts. Please feel free to ask any of the listed contacts for background information while preparing a proposal.

Attachment

The Scope of Work is attached.

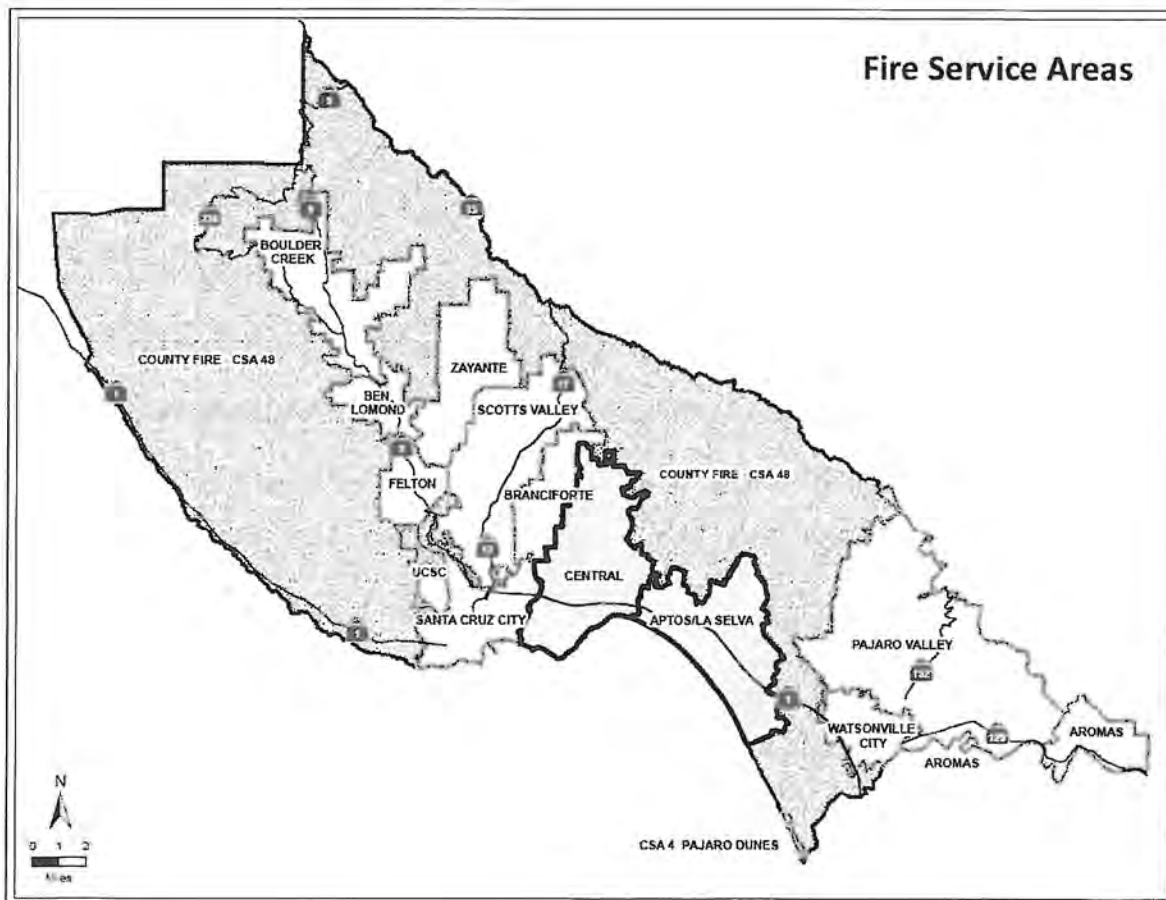


Scope of Work
 Fire Agency Consolidation Feasibility Study

Scope of Services

In cooperation with the Aptos/La Selva Fire Protection District and the Central Fire Protection District of Santa Cruz County, the Local Agency Formation Commission of Santa Cruz County (LAFCO) is the lead agency in soliciting proposals for professional services to analyze fire protection and emergency services involving two adjacent fire protection districts in the mid-county area of Santa Cruz County. The subject agencies are summarized below.

	Number Of Stations	Company Size Including paramedic firefighter	Annual Calls 2014-15	Budget 2014-15 Appropriations	Number of Board Members
Aptos/La Selva	3	3	2182	\$9,466,922	5
Central	4	3 stations at 3 1 station at 4	5372	\$13,697,916	7



The principal components of the study are:

- 1) Feasibility Study of Consolidating the Aptos/La Selva Fire Protection District and the Central Fire Protection District.
- 2) Service Review and Sphere of Influence Review for the Aptos/La Selva Fire Protection District and the Central Fire Protection District.

The main product will be a feasibility study. A secondary product will be a set of recommended determinations required under state law for LAFCO to complete a service review for each fire agency and to confirm the existing spheres of influence for each agency, or a combined sphere of influence for a consolidated fire agency. The study will need to contain sufficient information to support the determinations. The service review will include an analysis of options for the two districts to share services and operations in lieu of a full consolidation. Both districts are preparing Standards of Cover assessments, which are expected to be completed by August 1, 2017.

Feasibility Study

The feasibility study will compare the status quo operations of the two fire protection districts with a single consolidated fire protection district. The studied subject should include:

- 1) Two staffing models for a consolidated district shall be included in the analysis: one utilizing all personnel of both districts, and one option, identified by consultant, as a model that delivers maximum efficiency.
- 2) A description of any operational improvements or reductions that are foreseen in a consolidated district.
- 3) The anticipated budget (revenues and expenditures) for the two options for a consolidated district.
- 4) The salary and benefit levels upon which the anticipated budgets have been prepared, including differences between the benchmark salary and benefit levels of the two districts.
- 5) The current pension and other post-employment benefit liabilities of the districts, the projected liabilities of a consolidated district, and an analysis of whether the liabilities of a consolidated district could be reduced or better managed as a consolidated new district, or as a reorganization in which one of the existing districts became the successor agency (via a dissolution of one district, annexation to the other district, and reorganization of the governing board).
- 6) The governance structure for a consolidated district board (number of district board members, manner of selection of the original board, any subsequent changes to the board, etc.).
- 7) The study shall include a summary discussion of challenges, opportunities, weaknesses, and strengths (COWS).
- 8) The cost should presume that the consultant will present the study at a single meeting involving both District Boards, LAFCO, and the community. The proposal shall include an add-on cost if the Districts and LAFCO request two additional presentations by the consultant (total of 3 presentations).
- 9) The study shall estimate transition costs and savings.

Service and Sphere Review

California Government Code section 56430 requires LAFCO to conduct service reviews in order to identify potential benefits from sharing services or reorganizing district boundaries. The statute requires LAFCO to prepare and adopt a written determination for each of the following:

- 1) Growth and population projections for the affected area.
- 2) The location and characteristics of any disadvantaged unincorporated communities (less than 80% of state median family income) within or contiguous to the agency's sphere of influence.
- 3) Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs.
- 4) Financial ability of agencies to provide services.
- 5) Status of, and opportunities for, shared facilities.
- 6) Accountability for community service needs, including governmental structure and operational efficiencies.

California Government Code section 56425 requires LAFCO to prepare a sphere study and adopt a written statement of determinations when adopting, confirming, or amending an agency's sphere of influence. A sphere of influence is defined as a "plan for the probable physical boundaries and service area of a local agency." The statement of determinations shall address:

- 1) The present and planned land uses in the area, including agricultural and open-space lands.
- 2) The present and probable need for public facilities and services in the area.
- 3) The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.
- 4) The existence of any social or economic communities of interest in the area if LAFCO determines that they are relevant to the agency.
- 5) The present and probable need for public services in any disadvantaged unincorporated community within the agency's sphere of influence.

Timing

The two Districts and LAFCO desire that the study be a thorough foundation for making a decision whether to proceed with consolidation, and the agencies desire to proceed as quickly as possible. Assuming that a contract is executed during first week of August, 2017, can the consultant deliver the study by December 30, 2017? If not, what is the quickest date that the consultant can deliver the study?

Background Information

LAFCO

In general www.santacruzlafco.org

Some details

Aptos/La Selva FPD Sphere of Influence Map

<https://drive.google.com/file/d/0B4ldF27YK6vPTGRJMOJGRITZEK/view>

Central FPD Sphere of Influence Map

<https://drive.google.com/file/d/0B4ldF27YK6vPRzJxWVhwcXZpZHM/view>

2016 Review of Fire Districts Services and Spheres of Influence

www.santacruzlafco.org/wp-content/uploads/2016/10/Final-Debs-Fix-Fire-Review-with-Cover-Page-10-19-16.pdf

2005 Countywide Service Review

www.santacruzlafco.org/wp-content/uploads/2016/02/Whole-Public-Review-Draft.pdf

Aptos/La Selva Fire Protection District

In general <http://www.aptosfire.com/>

Some details

June 30, 2015 Audit

www.aptosfire.com/LinkClick.aspx?fileticket=cqBFn1tWtN8%3D&tabid=99&mid=425

Central Fire Protection District

In general <http://www.centralfpd.com/>

Some details

June 20, 2015 Audit

<http://www.centralfpd.com/DocumentCenter/Home/View/241>

Santa Cruz Regional 911

In general <http://www.scr911.org/>

Santa Cruz County Grand Jury

2014/15 Final Report

www.co.santa-cruz.ca.us/Portals/0/County/GrandJury/GJ2015_final/SantaCruzCountyFireProtectionDistricts.pdf

Contacts

LAFCO

Patrick McCormick, Executive Officer, (831) 454-2055, pat@santacruzlafrco.org

Aptos/La Selva FPD

Jon Jones, Chief, (831) 685-6690 ext. 113, jonj@aptosfire.com

Aptos/La Selva Firefighters Local Union

Ryan Peters, ryanpeters911@gmail.com

Central FPD

Steven Hall, Chief, (831) 479-6842, stevenh@centralfpd.com

Central Firefighters Local Union

Brian Aluffi, brian.aluffi@outlook.com



Soquel Creek Water District Service and Sphere Review

Date: May 26, 2017 for June 7, 2017 Agenda

Summary: LAFCO staff has drafted a service and sphere review for the Soquel Creek Water District. The staff is recommending a single-parcel addition on Wharf Road to the Soquel Creek Water District Sphere.

Staff Recommendation: Conduct a public hearing on June 7, 2017; and adopt draft Resolution No. 2017-5 approving the 2017 Service and Sphere Review and amending the District's Sphere to include APN 034-141-34 at 2205 Wharf Road, Capitola.

Submitted by: Patrick McCormick, Executive Officer *P. McCormick*

As part of the Commission's work program, the LAFCO staff has prepared hearing draft of service and sphere of influence reviews for the Soquel Creek Water District. The document is available at:

<http://www.santacruzlafco.org/wp-content/uploads/2017/05/SCWD-Public-Review-Draft-5-5-17.pdf>

The main conclusions of the 2017 Soquel Creek Service and Sphere of Influence Review are:

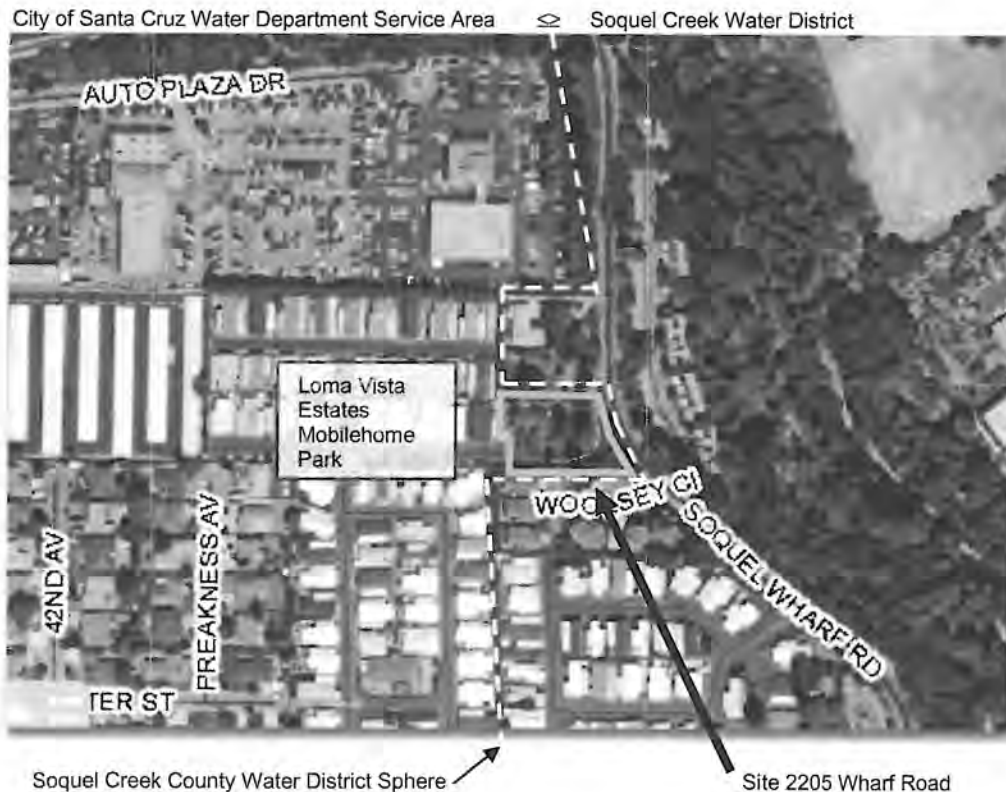
- The Soquel Creek Water District shares two aquifers with other groundwater users the Purisima and the Aromas Reds Sands aquifers are both overdrafted and are either experiencing saltwater intrusion, or are at risk of saltwater intrusion.
- The District's customers responded to the drought of 2012 -2016 with significant conservation efforts.
- The District is working with regional partners to address long-term sustainability of the regional groundwater resources.
- The District and its regional partners are benefiting from state-of-the-art studies on saltwater intrusion.
- The District is pursuing two sources of supplemental supply—purchase of seasonal surplus water from Santa Cruz, and wastewater purification and aquifer recharge. As a back-up, the District is participating in the environmental review of a regional desalination project in Moss Landing, with an alternative of purchasing water and transporting it to the District.
- The District is adequately funded, but will need to increase rates to pay for supplemental water supply projects.
- The District has excellent transparency in involving the public in its decisions.

- The proposed sphere amendment addition on Wharf Road is a minor clean-up of the service area boundary between the City of Santa Cruz Water Department and the Soquel Creek Water District.

Sphere Amendment

The recommended Sphere of Influence Amendment was identified by the District and LAFCO staffs as a long-term omission from any water agency's service area. The site is located as 2205 Wharf Road in Capitola (Assessor's Parcel Number 034-141-34). Prior to 2000, the parcel was part of the Loma Vista Estates Mobilehome Park, located on Clares Street. The mobile homes get water service from the Santa Cruz Water Department's main in Clares Street. 2205 Wharf Road was formerly the home of one of the mobilehome park owners. Sometime before 1994, the Soquel Creek Water District provided extraterritorial water service to the house from the District's main on Wharf Road. The current owner wishes to split the property and has applied to the Soquel Creek Water District for a will-serve letter. The District issued the will-serve letter for the new proposed lot and, as is now standard practice, conditioned the service upon processing an annexation through LAFCO.

State law requires consistency between Spheres of Influence and annexation actions by LAFCO. LAFCO can only approve an annexation if a parcel is located within a Sphere of Influence and is otherwise consistent with LAFCO's local policies. Also on the agenda for June 7, 2017, the property owners have applied to annex the ½ acre property at 2205 Wharf Road to the Soquel Creek Water District.



Environmental Review

The staff has conducted environmental review of the proposed sphere amendment pursuant to the California Environmental Quality Act. The conclusion is that the project is a minor annexation that is categorically exempt from further review.

Notice

In addition to newspaper publication, posting, and webposting, the staff has provided mailed notice of the LAFCO hearing to public agencies, to property owners within the proposed sphere amendment areas, and to property owners who own land within 300 feet of the proposed sphere amendment areas.

Policies

The Commission's Sphere of Influence Policies and Guidelines are available at: <http://www.santacruzlafco.org/wp-content/uploads/2015/09/Santa-Cruz-LAFCO-Policies-as-Adopted-2-2-11.pdf> . The key policies to this proposal are excerpted below.

"Santa Cruz LAFCO Policy 4.1 – Water Resources

LAFCO recognizes that the water resources of Santa Cruz County are limited, and the Commission's objective is to ensure that its decisions relating to water do not lead to adverse impacts on the natural resources of Santa Cruz County. In reviewing boundary change applications, LAFCO shall be guided by the potential impacts of the proposal on water resources and will consider the efforts of the water agencies and land use agencies to maintain stream and river flows, promote high water quality of surface waters and groundwater, and reduce groundwater overdraft.

Standard 4.1.1

In any proposal requiring water service, the Commission requires that the agency that will provide the water will need to demonstrate the availability of an adequate, reliable and sustainable supply of water.

a. In cases where a basin is overdrafted or existing services are not sustainable, a boundary change proposal may be approved if there will be a net decrease in impacts on water resources.

d. In cases where the proposal's new water demand on the agency does not exceed the typical amount of water used by a single-family dwelling in the agency's service area, the Commission will not require that an "adequate, reliable, and sustainable" supply be demonstrated if the agency has a water conservation program and the program will be implemented as part of any new water service."

The District's Water Demand Offset program will result in a net decrease in overdraft occurring if the new parcel at 2205 Wharf Road is added to the District Sphere, annexed, and developed. The single-house exclusion in Standard 4.1.1.d also applies to the proposed sphere amendment.

Recommendation

The staff RECOMMENDS that the Commission:

- Conduct the noticed public hearing.
- Adopt draft Resolution No. 2017-5, accepting the 2017 Service and Sphere of Influence Reviews for the Soquel Creek Water District, and amending the District's Sphere of Influence to include 2205 Wharf Road, Capitola.

cc: Soquel Creek Water District
City of Capitola
Chris Wright

Attachments:

- Draft Resolution No. 2017-5
- Categorical Exemption
- Public Hearing Notice
- May 23, 2017 Sentinel article: Midcounty Groundwater Agency Surveying Coast

Available online:

- Public Review Draft, Soquel Creek Water District Service and Sphere of Influence Review at:

www.santacruzlafco.org/wp-content/uploads/2017/05/SCWD-Public-Review-Draft-5-5-17.pdf

- Soquel Creek Water District website:

www.soquelcreekwater.org

SANTA CRUZ LOCAL AGENCY FORMATION COMMISSION
RESOLUTION NO. 2017-5

On the motion of Commissioner
duly seconded by Commissioner
the following resolution is adopted:

APPROVING THE 2017 SOQUEL CREEK WATER DISTRICT
SERVICE REVIEW AND SPHERE OF INFLUENCE REVIEW

.....
The Local Agency Formation Commission of Santa Cruz County (the "Commission") does hereby resolve, determine, and order as follows:

1. In accordance with Government Code sections 56425, 56427 and 56430, the Commission has initiated and conducted the 2017 Soquel Creek Water District Service and Sphere of Influence Review.
2. The Commission's Executive Officer has given notice of a public hearing by this Commission upon the service review and sphere of influence in the form and manner prescribed by law.
3. The Commission held a public hearing on this matter on June 7, 2017; and at the hearing the Commission heard and received all oral and written protests, objections, and evidence that were presented.
4. As a lead agency, the Commission has evaluated the applicability of the California Environmental Quality Act to this proposal and has issued a Class 19 categorical exemption for the Sphere of Influence Amendment in accordance with State CEQA Guidelines section 15319. After reviewing the record, including the pertinent written and oral comments submitted directly to the Commission, the Commission has determined that the Class 19 categorical exemption is the proper manner in which to apply CEQA to this proposal.
5. The Commission hereby approves the 2017 Soquel Creek Water District Service and Sphere of Influence Review.
6. The Commission hereby approves the Service Review Determinations as shown on Exhibit A.
7. The Commission hereby approves the Sphere of Influence Determinations as shown on Exhibit B.

EXHIBIT B
SOQUEL CREEK WATER DISTRICT 2017
SPHERE OF INFLUENCE DETERMINATIONS

1) *The present and planned land uses in the area, including agricultural and open space lands.*

The 2017 sphere amendment adds one parcel at 2205 Wharf Road, Capitola, to the District's Sphere of Influence. The site is zoned for low-density, multi-family residential uses and is partially developed. There are no agricultural lands in the vicinity. Property to the east across Wharf Road is municipally-owned open space: Rispin Park.

2) *The present and probable need for public facilities and service in the area.*

The District has a water main in Wharf Road. The probable need for future service is a connection to facilitate the development of a new house on the property.

3) *The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.*

The District relies on groundwater from two aquifers have been overdrafted for more than 35 years. The District is addressing the overdraft with aggressive water conservation programs, groundwater modeling, participation in regional groundwater management, and development of supplemental supplies. The District's Water Demand Offset program requires new connections to conserve 160% to 200% of their projected water use. The additional service to one new house at 2205 Wharf Road will not adversely impact the District's ability to complete development of supplemental supplies.

4) *The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.*

2205 Wharf Road is part of the Wharf Road neighborhood of Capitola, which is served by the Soquel Creek Water District.

5) *Disadvantaged communities.*

There are disadvantaged communities within the boundaries of the Soquel Creek Water District and its Sphere of Influence. These areas have concentrations of apartments and mobilehome parks in Capitola and Soquel. These areas receive adequate water service from the Soquel Creek Water District.

Exhibit C
Santa Cruz Local Agency Formation Commission
Resolution No., 2017-5

2017 Amendment to the Sphere of Influence of the Soquel Creek Water District

Shaded = May 2017 Boundary and Sphere of Influence of the Soquel Creek Water District

Site: APN 034-141-34, 2205 Wharf Road, Capitola, add to sphere.



To: Office of Planning and Research
1400 Tenth Street, Room 121
Sacramento, CA 95814

From: (Responsible Agency)
Santa Cruz LAFCO
701 Ocean Street, Room 318-D
Santa Cruz, CA 95060

To: Clerk of the Board
County of Santa Cruz
701 Ocean Street, Room 500
Santa Cruz CA 95060

Project Title: 2017 Review and Amendment of the Soquel Creek Water District Sphere of Influence LAFCO No. 2017-05

Project Location: 2205 Wharf Road, Capitola, (Map on file at the LAFCO office).

Project Location City: City of Capitola, **Project Location County:** Santa Cruz

Description of Nature, Purpose, and Beneficiaries of Project: The purpose of LAFCO's action is to add a parcel to the Soquel Creek Water District Sphere of Influence. The parcel is adjacent to and is easily served by the Soquel Creek Water District's main on Wharf Road. The property owners are Virginia and Christopher Wright.

Name of Public Agency Approving Project: Santa Cruz Local Agency Formation Commission

Name of Person or Agency Carrying Out Project: Santa Cruz Local Agency Formation Commission

Exempt Status: (check one)

- Ministerial (Sec. 21080(b)(1); 15268);
- Declared Emergency (Sec. 21080(b)(3); 15269(a));
- Emergency Project (Sec. 21080(b)(4); 15269 (b)(c));
- Categorical Exemption: Section 15320--Class 19
- Statutory Exemptions: State code number
- Other: The activity is not a project subject to CEQA

Reason Why Project is Exempt: The proposed project would annex a parcel, located adjacent to Wharf Road, to the Soquel Creek Water District, which operates a main located in Wharf Road, and which has issued a will-serve letter for the subject property.

Lead Agency Contact Person: Patrick McCormick

Area Code/Phone Extension: 831-454-2055

If Filed by Applicant:

1. Attach certified document of exemption finding.
2. Has a Notice of Exemption been filed by the public agency approving the project? Yes No

Signature: R. M. McCormick

Date: May 5, 2017 **Title:** Executive Officer

Signed by Responsible Agency

Date received by County Board Clerk:

Signed by Applicant.



NOTICE OF PUBLIC HEARINGS LOCAL AGENCY FORMATION COMMISSION

NOTICE IS HEREBY GIVEN that at 10:00 a.m., Wednesday, June 7, 2017 in Room 525, County Governmental Center, 701 Ocean Street, Santa Cruz, the Santa Cruz Local Agency Formation Commission (LAFCO) will hold public hearings on the following matters:

--Soquel Creek Water District Service and Sphere of Influence Review

The proposed sphere of influence amendment would add APN 034-141-34 (2525 Wharf Road, Capitola) to the district's sphere of influence. The project qualifies for a categorical exemption from further environmental review under the California Environmental Quality Act.

--Wharf Road/Wright Annexation to the Soquel Creek Water District, No. 961

The proposal would annex APN 034-141-34 (2525 Wharf Road, Capitola) to the Soquel Creek Water District. The project qualifies for a categorical exemption from further environmental review under the California Environmental Quality Act.

--Areawide Approval for City of Santa Cruz Water Department

The proposed Areawide Approval would allow the City of Santa Cruz Water Department to serve properties outside the city limits along existing mains in Pasatiempo, Branciforte, Live Oak, Soquel, and Capitola. The project qualifies for a categorical exemption from further environmental review under the California Environmental Quality Act.

At the hearings, the Commission will consider oral or written comments from any interested person.

Written reports and further information can be obtained by contacting LAFCO's staff at 701 Ocean Street, Room 318-D, Santa Cruz CA 95060, (831) 454-2055 or from LAFCO's website at www.santacruzlafco.org.

LAFCO does not discriminate on the basis of disability, and no person shall, by reason of a disability, be denied the benefits of its services, programs or activities. The Commission meetings are held in an accessible facility. If you wish to attend this meeting and you will require special assistance in order to participate, please contact the LAFCO office at least 48 hours in advance of the meeting to make arrangements.

/original signed/ Patrick M. McCormick
Executive Officer
Date: May 3, 2017

Mid-County Groundwater Agency surveying coast

By Jessica A. York

jyork@santacruzsentinel.com @ReporterJess on Twitter

APTOS >>> Emerging from the heavy fog with a staccato roar, a low-flying helicopter lowered a nearly 3,700-square-foot fiberglass frame onto Seascape Park Monday morning.

Nearby resident Veronica Joyce-Gallart, out for a walk at the time, was surprised.

“I wasn’t sure what it was from a distance,” Joyce-Gallart said. “My first thought was, what on earth is that? I had no clue.”

As part of a Santa Cruz Mid-County Groundwater Agency survey to forecast saltwater intrusion, the helicopter carried electromagnetic sensors to map freshwater aquifers under the sea floor. Based on how the water conducts electrical pulses generated by the frame, analysis will be able to show an outline of how far ocean saltwater has crept landward.

The least promising news for local groundwater-dependent utilities would be if no freshwater on this story.

could be detected spreading out beneath the ocean. In that case, saltwater likely has snuck

underground aquifers have been overdrafted, and the pressure gradient pushes seawater inland and underground. Saltwater intrusion is a problem in the southern part of Santa Cruz County and nearby Monterey County, and is slowly contaminating the drinking supply,

The helicopter is scheduled to take numerous passes up and down coastal waters, from the Santa Cruz Small Craft Harbor south to Seascape Resort and out as far as a mile offshore. The helicopter is not approved to pass over homes for its lowflying flights, and so will only dip inland over select locations, officials said Monday.

3,700square-foot electronic sensing device — which will be towed by a helicopter — that Santa Cruz Mid-County Groundwater agency is using to map saltwater intrusion into underground aquifers.

DAN COYRO — SANTA CRUZ SENTINEL



Soquel Creek Water District workers check out the

Santa Cruz Mid-County Groundwater Agency is using a 3,700square-foot electronic sensing device towed by a helicopter to measure saltwater intrusion into underground aquifers.

SIERRA RYAN — CONTRIBUTED

into underground drinking water supplies.

This so-called saltwater intrusion occurs when

Soquel Creek Water District General Manager Ron Duncan said the work is akin to using a 1,300-pound water-seeking metal detector.

The \$100,000 project is a leap forward for the Santa Cruz Mid-County Groundwater Agency, which has gathered similar data along the beach with the help of Stanford researchers. Data collected will take about three months to compile into a final report and will be folded into a yearslong groundwater modeling project. Santa Cruz County Water Resources Planner Sierra Ryan described the latest effort as a “key piece of the puzzle” to ongoing efforts to

chart the impacts of water overuse in the area. “Nobody’s ever done this in California before. We’ve never had the technology,” Ryan said. “It has to be able to penetrate through the ocean. What we’ve done similar to this is we drill wells, but we’re not drilling monitoring wells offshore.”

Soquel Creek Water District, the city of Santa Cruz, the county of Santa Cruz, Central Water District and several private well owner representatives make up the Mid-County Groundwater Agency. Per state law, the group is building a 20-year plan

to balance use of the underground Purisima Aquifer Formation and the Aromas Red Sands Aquifer supplies so that demand does not exceed availability of the drinking water supply. Though the effort, run by Denmark-based contractors SkyTEM and Ramboll, was set to begin Monday, persistent low fog delayed the effort by at least a day. Technicians were conducting similar survey work nearby last week for Marina Coast Water District’s Salinas Valley Groundwater Basin, but flew primarily over land, rather than water, officials said. It heads next to Wyoming.



Wharf Road/Wright Annexation to the Soquel Creek Water District

Date: May 30, 2017 for June 7, 2017 Agenda

To: LAFCO Commissioners

From: Patrick M. McCormick, Executive Officer *P.M.C.*

Subject: LAFCO No. 961, Wharf Road/Wright Annexation to the Soquel Creek Water District

Summary: The property owners of APN 034-141-34 at 2205 Wharf Road, Capitola, have petitioned to annex their property to the Soquel Creek Water District.

Recommendation: Conduct a public hearing and approve draft Resolution No. 961 authorizing annexation of the subject property to the Soquel Creek Water District.

Location

Assessor's Parcel Number 034-141-34 is located at 2205 Wharf Road, Capitola. From the Capitola Library at the corner of Wharf Road and Clares Street, go north on Wharf Road. After traveling approximately 0.2 mile and passing Woolsey Circle, turn left onto the driveway for the site, 2205 Wharf Road.

City of Santa Cruz Water Department Service Area \Leftrightarrow Soquel Creek Water District



Soquel Creek County Water District Boundary

Site 2205 Wharf Road

Application

Property owners Chris and Virginia Wright have petitioned to annex their ½ acre parcel to the Soquel Creek Water District. The property owners are processing a lot split through the Capitola Planning Commission. The westerly "Parcel A" would contain the existing triplex on the site, while the easterly "Parcel B" would be the site for a new single-family dwelling to be constructed on the site. The Soquel Creek Water District has issued a will-serve letter for Parcel B and conditioned the service upon annexation. The triplex on Parcel A is already served by the Soquel Creek Water District via a main in Wharf Road and is included in the annexation application.

Until 2000, all of APN 034-141-34 was on the same parcel as the Loma Vista Estates Mobilehome Park located to the west of the site. The structure on Parcel A was the home of one of the owners of the mobilehome park. The mobile homes got water service from the Santa Cruz City Water Department via a main in Clares Street. The Soquel Creek Water District provided extraterritorial water service to the structure on Parcel A before LAFCO review of extraterritorial water service began in 1994.



Parcel B, looking north, Wharf Road is visible down hill at right.

Service and Sphere of Influence Review

The site is currently outside both the LAFCO-reviewed service area of the City of Santa Cruz Water Department (see Areawide Approval consideration also on the June 7th agenda) and the Sphere of Influence of the Soquel Creek Water District. The LAFCO staff has prepared a Service and Sphere of Influence Review for the Soquel Creek Water District, and that matter is set for public hearing at LAFCO's June 7, 2017 meeting. The staff recommendation is to amend the Sphere of Influence of the Soquel Creek Water District to include the site at 2205 Wharf Road. The reason is that the site is logically served from the Soquel Creek water main in Wharf Road. If LAFCO amends the sphere at that hearing, then this proposed annexation will meet the State law's

requirement that annexations are consistent with Spheres of Influence.

Agency and Public Comments

In response to public and agency notices, the staff has received one agency comment. The Santa Cruz City Water Department communicated in an April 14, 2017 email that they do not have the desire or ability to serve 2205 Wharf Road.

LAFCO Policies

The attached Analysis Form indicates that the proposed annexation is consistent with LAFCO's policies if the Sphere of Influence is amended first.

Environmental Review

The staff has prepared a Categorical Exemption from further review under the California Environmental Quality Act.

Alternatives

After the conclusion of the public hearing, the Commission may approve, approve with amendments and conditions, continue, or deny the application.

Staff Recommendation

The staff recommends that the Commission conduct the public hearing, and approve draft Resolution No. 961 authorizing the annexation. This annexation would align the District's boundary with its logical service area along Wharf Road and is consistent with LAFCO's policies.

cc: Chris Wright
Soquel Creek Water District, Attention: Taj Dufour
City of Capitola, Attention: Katie Herlihy

Attachments:

- Draft Resolution No. 961, Authorizing Annexation
- Will Serve Letter from the Soquel Creek Water District
- Analysis Form
- Categorical Exemption, California Environmental Quality Act
- Capitola Planning Commission Staff Report for Lot Split
- Site Plan

SANTA CRUZ LOCAL AGENCY FORMATION COMMISSION
RESOLUTION NO. 961

On the motion of Commissioner
Duly seconded by Commissioner
The following resolution is adopted:

MAKING DETERMINATIONS AND ORDERING ANNEXATION
OF TERRITORY DESIGNATED AS
THE WHARF ROAD/WRIGHT ANNEXATION
TO THE SOQUEL CREEK WATER DISTRICT
LAFCO NO. 961

The Santa Cruz Local Agency Formation Commission does hereby RESOLVE, DETERMINE, AND ORDER as follows:

1. An application for the proposed reorganization of certain territory was filed by property owner petition pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Section 56000 et seq.); and said territory is assigned the short-term designation of "Wharf Road/Wright Annexation, LAFCO No. 961."
2. The reorganization consists of the following change of organization:
-Annexation to the Soquel Creek Water District.
3. The Executive Officer of the Commission has reviewed the petition, has prepared a report including his recommendations thereon, and has presented the same before this Commission for consideration.
4. A public hearing by the Commission was held on June 7, 2017; and at the hearing the Commission heard and received all oral and written protests, objections, and evidence that were presented.
5. Said territory includes approximately 0.5 acre and is found to be uninhabited for purposes of annexation law.
6. The boundaries of the annexation area are approved as shown on Exhibit A.
7. The approval of the annexation is conditioned upon the following terms and conditions:
 - A) The proponent shall provide a legal map, description, and fees to meet State Board of Equalization requirements.
 - B) The Soquel Creek Water District shall levy and collect within the territory being annexed any previously established and collected benefit assessment of property-related fees or charges that are collected within all or part of the district at the time of annexation.

- C) The proponent shall be responsible to pay any fees required to comply with Fish and Game Code Section 711.4 (Fish and Game Fees required when notices of environmental decisions are filed).
 - D) The proponent shall pay any remaining processing fees as set in this Commission's Schedule of Fees and Deposits.
 - E) Prior to issuance of a Certificate of Completion for this annexation, the proponent shall deliver an executed Indemnification Agreement that is in a form acceptable to this Commission and suitable for recordation.
 - F) The Executive Officer shall not record the Certificate of Completion finalizing this annexation, during the time period between the closing of the precinct maps and a subsequent election directly involving any measure of the Soquel Creek Water District.
8. Compliance with the California Environmental Quality Act has been met by a categorical exemption pursuant to State CEQA Guidelines section 15319—annexations of exempt facilities and lots for exempt facilities.
 9. Upon completion of the annexation, no property tax revenues will be transferred in accordance with the Board of Supervisors resolution for LAFCO No. 961.
 10. This annexation is consistent with the Sphere of Influence of the Soquel Creek Water District, as amended on June 7, 2017.
 11. The justification for authorizing this annexation is explained in the Executive Officer's Report on LAFCO No. 961 and in the "Analysis of a Proposal to LAFCO" prepared by the staff for LAFCO No. 961.
 12. The reason for this annexation is to obtain water service from the Soquel Creek Water District.
 13. The affected territory is uninhabited. All owners of land have consented to the annexation, and no subject agency has submitted written opposition to a waiver of protest proceedings
 14. The regular county assessment roll will be utilized.
 15. The affected territory shall not be subject to taxes resulting from outstanding or authorized bonds of the Soquel Creek Water District.

16. In accordance with the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, this Commission hereby approves this annexation as conditioned, waives protest proceedings in accordance with Government Code Section 56663(d), and directs the Executive Officer to record a Certificate of Completion when the conditions are met.

PASSED AND ADOPTED by the Local Agency Formation Commission of Santa Cruz County this seventh day of June, 2017.

AYES:

NOES:

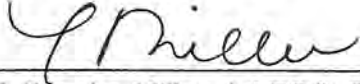
ABSENT:

THOMAS R. LAHUE, CHAIRPERSON
Santa Cruz Local Agency Formation Commission

Attest:

Patrick M. McCormick, Executive Officer

Approved as to form:

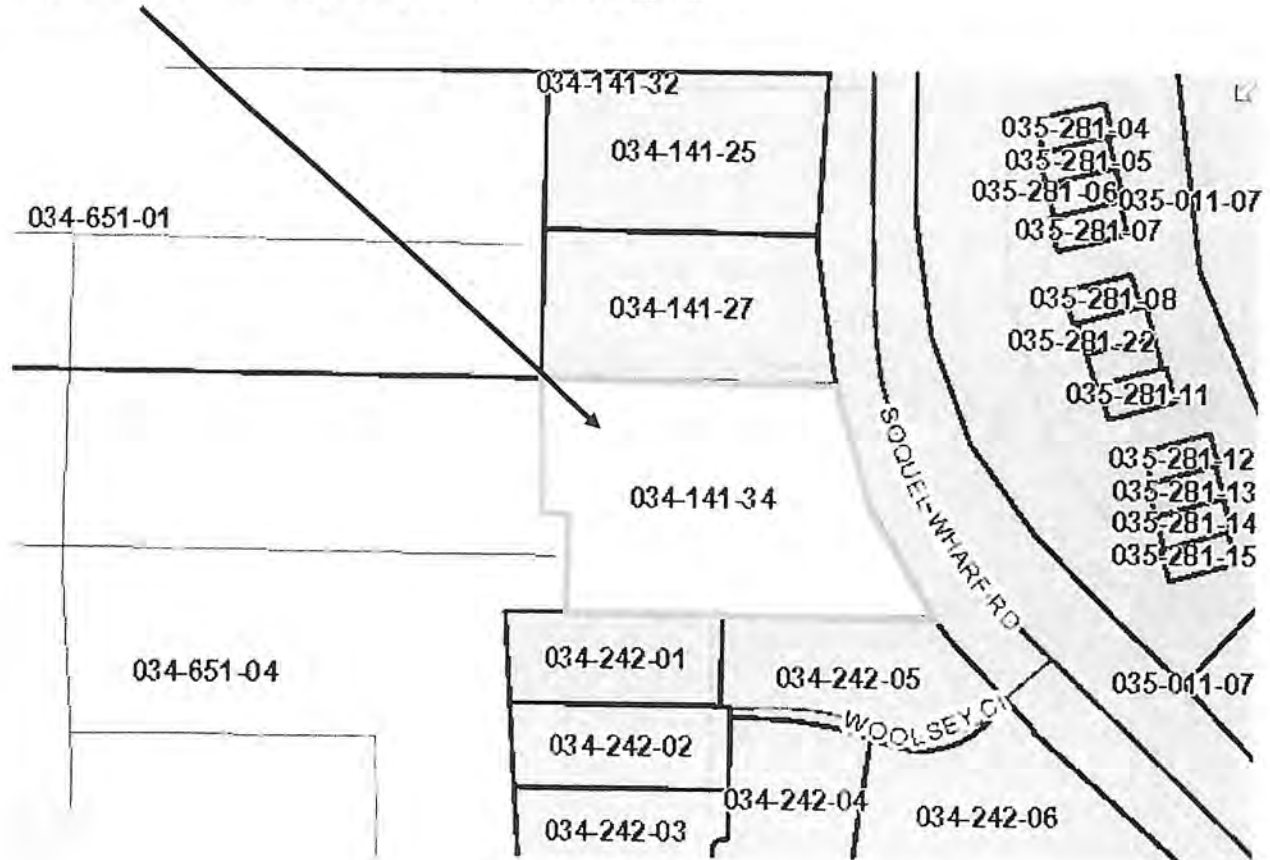


T. Brooke Miller, LAFCO Counsel

Exhibit A
Annexation Map
Santa Cruz LAFCO Resolution No. 961
Wharf Road/Wright Annexation to the Soquel Creek Water District

Shaded = May 2017 Boundary of the Soquel Creek Water District

Site: APN 034-141-34, 2205 Wharf Road, Capitola





Board of Directors
Dr. Bruce Daniels
Dr. Thomas R. LaHue
Dr. Bruce Jaffe
Richard Meyer
Carla Christensen

Ron Duncan, *Interim General Manager*

January 21, 2016

Christopher Wright
2205 Wharf Road
Capitola, CA 95010

SUBJECT: Conditional Water Service Application for Tier I Single-Family and Multi-Family Residential Development with minor land division at 2205 Wharf Road, APN 034-141-34

Dear Mr. Wright:

In response to the subject application, the Board of Directors of the Soquel Creek Water District (SqCWD) at their regular meeting of January 5, 2016 voted to grant you a Conditional Will Service Letter for the proposed Tier I (parcels sized less than 10,000 square feet) single-family dwelling with minor land division to be located at 2205 Wharf Road, so that you may proceed through the appropriate land use planning entity. At the June 17, 2014 board meeting, modifications were made to the Water Demand Offset (WDO) program, requiring applicants to pay \$55,000 per acre-ft. to satisfy WDO's. The water demand of your proposed project is estimated at 0.578 acre-ft/yr. It is recommended that you contact the Conservation Department to further understand the WDO requirements associated with your project.

After you have received a building permit from the land use planning agency, you will be required to meet all applicable SqCWD requirements defined in the attached Requirements Checklist before your application can be considered for final Board approval. If you meet all of the applicable requirements (*including possible future requirements that arise prior to development approval of your project*), and final Board approval is granted, you will be issued an Unconditional Will Serve Letter, which would secure your water service.

This conditional approval of water service for your project is valid for two years from the date of this letter; however, it should not be taken as a guarantee that service will be available to the project in the future or that additional conditions, not otherwise listed in this letter, will not be imposed by the District prior to granting water service. Instead, this present indication to serve is intended to acknowledge that, under existing conditions, water service would be available on the condition that the developer agrees to meet all of the requirements without cost to the District.

Future conditions which negatively affect the District's ability to serve the proposed development include, but are not limited to, a determination by the District that existing and anticipated water supplies are insufficient to continue adequate and reliable service to existing and/or new customers. In that case, service may be denied.

The Board of Directors of the SqCWD also reserves the right to adopt additional policies to mitigate the impact of new development on the local groundwater basins, which are currently the District's only source of supply. Such actions would be in response to concerns about existing conditions that threaten the groundwater basins and the lack of a supplemental supply source that would restore and maintain the aquifers. The subject project would be subject to any applicable conditions of service that the District may adopt prior to granting water service.

As new policies and/or requirements are developed, the information will be made available by the SqCWD.

Sincerely,
SOQUEL CREEK WATER DISTRICT



Taj A. Dufour, P.E.
Engineering Manager/Chief Engineer

Attachment: Requirements Checklist for APN 034-141-34

Enclosures - Blue (for Tier I Single-Family Residential Development):

1. Overview of the SqCWD Water Use Efficiency Requirements for Tier I Single Family Residences
2. Indoor Water Use Efficiency Checklist
3. Outdoor Water Use Efficiency Checklist for Tier I Single-Family Development
4. Go Green Program/Water Demand Offset Residential Green Credits Fact Sheet and Application

Requirements Checklist for APN {034-141-34} Wright}

	Required	Not Required	Not Applicable	Comments
Engineering:				
Record Water Waiver (required if water pressure is not between 40 psi – 80 psi) with the County Recorder of the County of Santa Cruz to insure that any future property owners are notified of the conditions set forth herein		x		
Variance request for property not having frontage on a water main		x		
New water main to site (required if existing water main not sized to serve new project)		x		
LAFCO annexation	x			
Off-site water main extension		x		
On-site water system				
Backflow prevention	x			During Construction
New water storage tank		x		
Booster pump station		x		
Destroy any wells on the property in accordance with State Bulletin No. 74	x			
Satisfy all conditions imposed by the District to assure necessary water pressure, flow and quality	x			
Meter all units individually with a minimum size of 5/8-inch by 3/4-inch standard domestic water meter	x			
Complete fire service requirements form	x			
Sign Infrastructure Agreement & pay all fees (for planned developments only)	x			
Conservation:				
Complete Indoor Water Use Efficiency Checklist	x			
Complete Landscape Project Application Submittal Requirements Package	x			
Complete Residential Green Credit Application				Recommended
Complete Water Demand Offsets	x			
General:				
Allow SqCWD Staff to inspect the completed project for compliance with all the applicable project requirements prior to commencing domestic water service	x			
Other requirements that may be added as a result of policy changes.	x			

ANALYSIS OF A PROPOSAL TO LAFCO

TITLE: Wharf Road/Wright Annexation

LAFCO NO.: 961

PROPOSAL: Annex to the Soquel Creek Water District

LOCATION: 2205 Wharf Road, Capitola, APN 034-141-34

<u>POLICIES AND STANDARDS</u>	<u>FINDINGS AND DETERMINATIONS</u>
<p><u>Santa Cruz LAFCO Policy 1.1 - Consistency With Spheres</u> All changes of organization shall be consistent with adopted spheres of influence of affected agencies.</p> <p><u>Standard 1.1.1</u> Consistency shall be determined by a LAFCO finding of consistency with the sphere of influence maps and policies adopted by LAFCO for the affected agencies.</p> <p><u>Santa Cruz LAFCO Policy 1.2 - Need for Services</u> Any proposal involving annexations, incorporations, and formations shall not be approved unless it demonstrates a need for the additional services to be provided to the area; while all proposals involving detachments, disincorporations, and dissolutions shall not be approved unless the proponent demonstrates that the subject services are not needed or can be provided as well by another agency or private organization.</p> <p><u>Standard 1.2.1</u> For proposals concerning cities, need shall be established by (a) an adopted rezoning, consistent with the city general plan, that shows current or future development at a density that will require urban services such as sanitary sewer and water, and (b) a city growth rate and pattern that the subject area will be developed within 5 years.</p>	<p>1.1.1 The proposal is within the Sphere of Influence for the Soquel Creek Water District as recommended to be amended on June 7, 2017.</p> <p>1.2.1 Not applicable.</p>

<u>POLICIES AND STANDARDS</u>	<u>FINDINGS AND DETERMINATIONS</u>
<p><u>Standard 1.2.2</u> For proposals concerning water and sewer district annexations, need shall be established by lack of services to existing urban land uses, or a building permit application or allocation for a single-family dwelling or, for a larger project, by (a) a tentative or final land use entitlement (tentative subdivision map use permit, etc.) conditioned on obtaining water or sewer service and (b) a growth rate and pattern that the subject area will be developed within 5 years.</p>	<p>1.2.2 The site has an approved minor land division from the City of Capitola (City Application #16-041). Parcel A is already developed with a triplex and is served by an extraterritorial water service from the Soquel Creek Water District's main in Wharf Road. Parcel B is undeveloped, currently has no water service, and is the site for a future single-family residence for which the City of Capitola has issued a design permit. Development is expected to occur within 5 years.</p>
<p><u>Standard 1.2.3</u> For proposals concerning the extension of other services by annexation, incorporation, or district formation, need shall be established by the applicable general plan land use designations and the service levels specified for the subject area in the applicable general plan.</p>	<p>1.2.3 Not applicable.</p>
<p><u>Standard 1.2.4</u> For proposals involving the discontinuation of services, lack of need shall be established by (a) no serious effects on the current users of the service due to discontinuation and (b) no projected serious effects on the uses that can be expected to occur in the next 5 years based upon the applicable general plan and projected growth rates and patterns.</p>	<p>1.2.4 Not applicable.</p>
<p><u>Standard 1.2.5</u> In reviewing proposals, LAFCO shall consider: (1) the "population" in the proposal area to be the population recorded in the last biennial or special census unless the proponent or affected agency can present updated or more detailed information which LAFCO determines to be more accurate, (2) the "population density" to be the population divided by the acreage, and (3) the "per capita assessed valuation" to be the full cash value of all the property in a proposal area (as set by the last secured property tax roll) divided by the population.</p>	<p>1.2.5 The population, density, and the per capita assessed valuation have not been calculated because the Soquel Creek Water District is funded by water rates. For this application, these metrics have no value in evaluating the service needs or the financing of the service.</p>

<u>POLICIES AND STANDARDS</u>	<u>FINDINGS AND DETERMINATIONS</u>
<p><u>Santa Cruz LAFCO Policy 1.3 - General Plan</u> In cases of overlapping plans, LAFCO shall make a determination of which general plan best carries out the policies of the Cortese-Knox-Hertzberg Local Government Reorganization Act.</p> <p><u>Standard 1.3.1</u> Generally, LAFCO will presume to favor a city's general plan inside the sphere of influence adopted for the city by LAFCO, and the county's general plan elsewhere. It is the proponent's responsibility to prove any exception by referring to the policies of the Cortese-Knox-Hertzberg Local Government Reorganization Act.</p> <p><u>Santa Cruz LAFCO Policy 1.4 - In-fill Development</u> In order to avoid further urban sprawl, LAFCO shall encourage in-fill development in urban areas and annexations of areas inside the city spheres of influence.</p> <p><u>Santa Cruz LAFCO Policy 1.5 - Provision of Services</u> In order for LAFCO to approve a change of organization, the proponent shall demonstrate that the subject services can be provided on a timely manner and at a reasonable cost.</p>	<p>1.3.1 The site is within the Sphere of Influence and the city limits of the City of Capitola. The City General Plan and Zoning designate the site for RM-LM (Multiple-Family, Low-Density) uses. This is approximately 10 units per acre.</p>
<p><u>Standard 1.5.1</u> It is the general policy of the Commission to disapprove annexations to water and sewer agencies (including cities that provide either service) while there is a connection moratorium or other similar service limitation involving the subject water or sewer service. The Commission will consider exceptions to this general policy on a case-by-case basis. The Commission may approve an annexation that meets one or more of the following criteria: 1) To replace a private water source that has failed, such as a well that has gone dry. New service connections shall not be sized to accommodate more intensive development.</p>	<p>1.5.1 There are no general service moratoria in the Soquel Creek Water District. The District has a Water Demand Offset Program, and has issued a will-serve letter for the new service to Parcel B.</p>

POLICIES AND STANDARDS

2) To replace a septic system that has failed. New service connections shall not be sized to accommodate more intensive development.

3) To implement a transfer of service between two existing agencies in a manner that is consistent with the adopted Spheres of Influence of those agencies.

4) To change a boundary, in a manner consistent with an adopted Sphere of Influence, so that an agency boundary does not divide a property that could only be conveyed under a single deed. Between January 1, 1986 and the time the service limitation is totally lifted, the Commission shall limit the annexations so that the number of cumulative connections made under the above exemption criteria do not exceed 1% of the total agency's flow (as expressed in equivalent single family dwelling units) in service on January 1, 1986.

An additional criterion, not subject to the 1% cumulative impact limitation, is as follows:

5) To provide facilities or funding that will allow the agency to lift its service limitation.

Santa Cruz LAFCO Policy 1.6 - Staged Growth

For large projects the Commission shall encourage plans for staged growth.

Standard 1.6.1.

For proposals involving the extension of water, or general municipal services to proposal areas greater than 50 acres, the proponent shall either (a) plan staged growth beginning closest to an existing urban area or (b) demonstrate why such a plan does not promote urban sprawl and an inefficient pattern of services.

FINDINGS AND DETERMINATIONS

1.6.1 Not applicable: the site contains approximately 9 acres.

POLICIES AND STANDARDS

Santa Cruz LAFCO Policy 2.1 - Number of Agencies

Proposals, where feasible, should minimize the number of local agencies and promote the use of multi-purpose agencies.

Standard 2.1.1

New or consolidated service shall be provided by one of the following agencies in the descending order of preference:

- annexation to an existing city,
- annexation to an existing district of which the Board of Supervisors is the governing body,
- annexation to an existing multi-purpose district,
- annexation to another existing district,
- formation of a new county service area,
- incorporation of a new city,
- formation of a new multi-purpose district,
- formation of a new single-purpose district.

Standard 2.1.2

The Commission will promote and approve district consolidations, where feasible.

Santa Cruz LAFCO Policy 2.2 - Logical Boundaries

LAFCO shall promote more logical agency boundaries.

Standard 2.2.1

To the greatest possible extent, boundaries shall follow existing political boundaries, natural features (such as ridges and water courses), and constructed features (such as railroad tracks).

Standard 2.2.2

Boundary lines shall be located so that entire road rights-of-way are placed within the same jurisdiction as the properties fronting on the road.

FINDINGS AND DETERMINATIONS

2.1.1 The proposal is priority #4 - annexation to an existing single-purpose district. No higher priority alternative is feasible to provide domestic water service to this site.

2.1.2 There are no potential district consolidations associated with this proposal.

2.2.1 There are no natural or constructed features that define an obvious water district boundary.

2.2.2 The current boundary of the Soquel Creek Water District includes the entire right-of-way of Wharf Road.

POLICIES AND STANDARDS

Standard 2.2.3

Boundaries should avoid dividing an existing identifiable community, commercial district, or other area having social or economic homogeneity. Where such divisions are proposed, the proponents shall justify exceptions to this standard.

Standard 2.2.4

The creation of boundaries that divide assessment parcels shall be avoided, wherever possible. If the proposed boundary divides assessment parcels, the proponent must justify to the Commission the necessity for such division. If the Commission approves the proposal, the Commission may condition the approval upon obtaining a boundary adjustment or lot split from a city or county.

FINDINGS AND DETERMINATIONS

2.2.3 The site is not currently within the boundaries of any water agency. The logical water service is from Wharf Road, where the Soquel Creek Water District has a main.

2.2.4 The proposal will not divide an assessment parcel.

Standard 2.2.5

Boundaries should not be drawn so as to create an island or strip either within the proposed territory or immediately adjacent to it. Where such an island or strip is proposed, the proponent must justify reasons for nonconformance with this standard.

Standard 2.2.6

Where feasible, city and related district boundary changes should occur concurrently to avoid an irregular pattern of boundaries.

Standard 2.2.7

A map of any proposed boundary change shall show the present and proposed boundaries of all affected agencies in the vicinity of the proposal site. The Commission shall assure that any approved boundary changes are definite and certain. The Commission may approve a proposal conditioned on the proponent preparing a new boundary map and description.

2.2.5. The proposal reduces an irregular boundary, and does not create an island or a strip.

2.2.6 All applicable district boundary adjustments are included in the proposal. There is no need for a city boundary change.

2.2.7 The proposed map is definite and certain.

POLICIES AND STANDARDS

Standard 2.2.8

LAFCO will review each proposal and take actions needed to encourage timely annexations to discourage agencies from extending services by agreement without annexing to the agency.

Santa Cruz LAFCO Policy 2.3 - Financially Desirable Areas

The sole inclusion of financially desirable areas in a jurisdiction shall be avoided.

Standard 2.3.1

The Commission shall amend or reject any proposal that, in its estimation, appears to select principally revenue-producing properties for inclusion in a jurisdiction.

Santa Cruz LAFCO Policy 2.4 - Overall Effects

The Commission shall consider the effects of a proposed action on adjacent areas, mutual social and economic interests, and on local governmental structure.

Standard 2.4.1

For city annexation proposal, if the city has more jobs than places for workers to live (jobs to employed residents ration greater than 1.00) then a proposal which will directly result in urban development including new permanent employment may only be approved if sufficient land is designated for residential uses in the city's general plan to create a jobs/housing balance. The Commission will consider and may grant waivers to this standard in cases where all of the following situations exist:

The territory being annexed is an island of incorporated territory and consistent with the definition of "island" in Government Code Section 56375.

The proposal is consistent with the spheres of influence of all affected agencies, and
The proposal has been initiated by resolution of the city, which includes the subject property in its adopted sphere of influence.

FINDINGS AND DETERMINATIONS

2.2.8 Not applicable. The proposal is for an annexation.

2.3.1 Residential uses do not usually generate net income for a water district.

2.4.1 Not applicable.

POLICIES AND STANDARDS

Santa Cruz LAFCO Policy 2.5 - Rezoning

The Commission shall require rezoning for all city annexations so that the potential effects of the proposals can be evaluated by the Commission and known to the affected citizens.

Santa Cruz LAFCO Policy 3.1 - Prime Agricultural Lands

Urban growth shall be guided away from prime agricultural lands, unless such action would not promote planned, orderly, efficient development of an area.

Standard 3.1.1

A change of organization is considered to promote the planned, orderly, and efficient development of an area when:

- a) It is consistent with the spheres of influence maps and policies adopted by LAFCO for the affected agencies.
- b) It conforms to all other policies and standards contained herein.

Santa Cruz LAFCO Policy 3.2 - Infill

LAFCO shall encourage the urbanization of vacant lands and non-prime agricultural lands within an agency's jurisdiction and within an agency's sphere of influence before the urbanization of lands outside the jurisdiction and outside the spheres of influence, and shall encourage detachments of prime agricultural lands and other open space lands from cities, water districts, and sewer districts if consistent with the adopted sphere of influence of the affected agency.

FINDINGS AND DETERMINATIONS

3.1.1 The proposal is generally consistent with the recommended sphere of influence map, the sphere policies, and all other policies and standards of this commission.

POLICIES AND STANDARDS

Standard 3.2.1

The priorities for urbanization are:
1) open-space lands within existing boundaries.
2) open-space lands within an adopted sphere of influence.
3) prime agricultural lands within existing boundaries.
4) prime agricultural lands within an adopted sphere of influence.

Standard 3.2.2

Proposals involving urbanization of prime agricultural lands within adopted spheres of influence shall not be approved unless it can be demonstrated that (a) there is insufficient land in the market area for the type of land use proposed,
(b) there is no vacant land in the subject jurisdiction available for that type of use.

FINDINGS AND DETERMINATIONS

3.2.1 This site is mapped under the City's and County's mapping systems as neither open space nor prime agricultural lands.

3.2.2 Not applicable.

Housing Goals

Government Code Section 56668(l)

The extent to which the proposal will affect a city or cities and the county in achieving their respective fair shares of the regional housing needs as determined by the appropriate council of governments.

The proposal will not significantly affect the City's or the County's effort to achieve its fair share goals.

Environmental Justice

Government Code Section 56668(o)

The extent to which the proposal will promote environmental justice. As used in this subdivision, "environmental justice" means the fair treatment of people of all races, cultures, and incomes with respect to the location of public facilities and the provision of public services.

The site is not located within a Disadvantaged Area as mapped by the State's Disadvantaged Communities Mapping Tool accessed on May 15, 2017. The Soquel Creek Water District continues to supply all groups of people with domestic water service.
Source: <https://gis.water.ca.gov/app/dacs/>

Notice of Exemption

Appendix E

To: Office of Planning and Research
1400 Tenth Street, Room 121
Sacramento, CA 95814

From: (Responsible Agency)
Santa Cruz LAFCO
701 Ocean Street, Room 318-D
Santa Cruz, CA 95060

To: Clerk of the Board
County of Santa Cruz
701 Ocean Street, Room 500
Santa Cruz CA 95060

Project Title: Wharf Road/Wright Annexation to the Soquel Creek Water District, LAFCO No. 961

Project Location: APN 034-141-34, 2205 Wharf Road, Capitola, (Map on file at the LAFCO office).

Project Location City: City of Capitola, **Project Location County:** Santa Cruz

Description of Nature, Purpose, and Beneficiaries of Project: The purpose of LAFCO's action is to annex a parcel to the Soquel Creek Water District. The parcel is adjacent to and is easily served by the Soquel Creek Water District's main on Wharf Road. The property owners are Virginia and Christopher Wright, 150 Greystone Court, Santa Cruz, CA 95062.

Name of Public Agency Approving Project: Santa Cruz Local Agency Formation Commission

Name of Person or Agency Carrying Out Project: Santa Cruz Local Agency Formation Commission

Exempt Status: (check one)

- Ministerial (Sec. 21080(b)(1); 15268);
- Declared Emergency (Sec. 21080(b)(3); 15269(a));
- Emergency Project (Sec. 21080(b)(4); 15269 (b)(c));
- Categorical Exemption: Section 15319--Class 19
- Statutory Exemptions: State code number
- Other: The activity is not a project subject to CEQA

Reason Why Project is Exempt: The proposed project would annex a parcel located adjacent to Wharf Road, in which the Soquel Creek Water District has a water main. The proposal would facilitate a lot split and the potential construction of a single-family dwelling.

Lead Agency Contact Person: Patrick McCormick

Area Code/Phone Extension: 831-454-2055

If Filed by Applicant:

1. Attach certified document of exemption finding.
2. Has a Notice of Exemption been filed by the public agency approving the project? Yes No

Signature: original signed **Date:** May 5, 2017 **Title:** Executive Officer

Signed by Responsible Agency

Date received by County Board Clerk:

Signed by Applicant.



STAFF REPORT

TO: PLANNING COMMISSION
FROM: COMMUNITY DEVELOPMENT
DATE: JUNE 1, 2017
SUBJECT: **2205 Wharf Road #16-041 APN: 034-141-34**

Minor land division to create two lots of record and a design permit for a new Single-Family Residence for a property located in the RM-LM (Residential Multi-Family – Low-Medium Density) Zoning District.

This project is not in the Coastal Zone and does not require a Coastal Development Permit.

Environmental Determination: Categorical Exemption

Property Owner: Christopher Wright

Representative: Dennis Norton, filed: 3/14/16

APPLICANT PROPOSAL

The application includes a minor land division to create two lots of record from a single legal lot. The applicant is also seeking a design permit for a new single-family home on the newly created lot located along Wharf Road. There is an existing triplex on the rear lot. The project is located in the RM-LM (Multiple-Family Low Density) Zoning District.

BACKGROUND

On April 13, 2016, the Architectural and Site Review Committee reviewed the application.

- Committee Architect Frank Phanton had no concerns with the proposed design.
- Landscape Architect Craig Waltz was unable to attend the meeting.
- City Public Works representative Danielle Uharriet, explained that the project is a Tier 1 project and provided specific conditions of approval to be incorporated into the permit. A utility plan was also requested with existing and proposed utilities, a title report with utility easements, and status (public or private) for all utilities.
- City Building representative, explained separation requirements for fire.
- City Planner, Katie Cattan, requested that the applicant modify the existing deck to comply with setbacks to maintain compliance within the minor land division.

On August 4, 2016, the Planning Commission reviewed the application. During the public hearing concerns were raised by neighbors regarding the sewer connection, intensification of property with additional units and access, emergency egress/access from Loma Vista Estates, safety into and out of the driveway, garbage pickup, and pedestrian safety. The Planning Commission continued the application and requested that staff provide additional information on the utilities connections and the emergency fire egress/access for Loma Vista Estates.

The following list includes updates on the status of utilities and access:

1. Emergency Egress/Access from Loma Vista Estates. The Fire Marshal, Mike DeMars, provided a letter to the City stating that he has reviewed the "proposed building plans and it appears that the construction will not encroach into the driveway or access point." He further explains that it will be a self-enforcement issue for the property owner to keep the driveway clear. No issues were identified by Mr. DeMars. (Attachment 2)
2. Access Easement. There is a private easement for driveway access granted from 2225 Wharf Road to 2205 Wharf Road for the existing driveway that was recorded in 1987 (Attachment 3). 2205 Wharf Road currently utilizes the easement for access. Use and enforcement of the easement is a civil matter which does not involve the City of Capitola.
3. Soquel Creek Water District. The Soquel Creek Water District granted an Unconditional Will Serve Letter for the project (Attachment 4).
4. Sewer. The Santa Cruz County Sanitation District provided a letter confirming the sewer service is available for the proposed development through an existing 1966 easement that connects to a sewer line under the adjacent mobile home park (Attachment 4). The applicant also received a letter from Loma Vista Estates acknowledging that the project would not be connecting to the Loma Vista sewer line (Attachment 5).
5. Driveway access and safety. Public Works has not identified a significant impact on safety and visibility into and out of the driveway due to the introduction of a single-family home.
6. Trash management. The property owner, Christopher Wright, explained that the triplex consolidates its trash into two gray garbage cans and two blue recycling cans. The new single family home will add one more of each can. Mr. Wright explained that staging the trash and recycling cans has not been an issue. He is willing to trim existing vegetation if the neighbor would like him to in an effort to create more room on trash day.

The application was scheduled on the May 4, 2017 Planning Commission agenda. On May 2, 2017, the City received public comment from the law offices of Wittwer/Parkin representing the neighboring property owners of 2225 Wharf Road (Attachment 9). The letter identified two deficiencies in the lot design including (1) inadequate lot depth and (2) inadequate street frontage. The applicant requested a continuation to the June 1st Planning Commission meeting to address the two items. The subdivision has been redesigned to comply with the minimum 20 feet of street frontage and 100-foot minimum lot depth standards.

The applicant is in the process of updating fencing within the retaining wall and along the shared property line between 2205 and 2225 Wharf Road. The applicant plans to have the shared fence completely replaced by mid-June. As of May 23rd, one half of the fence had been replaced. The original fence was four and a half feet tall. The new fence will be six feet tall.

On May 25th, staff received a letter from the adjacent residents of Woosley Court regarding noise concerns and a request for a masonry wall (Attachment 10). The Woosley Circle Subdivision is an approved Planned Development composed of six single-family homes on 0.96 of an acre. Two of the homes are located along the shared property line with 2205 Wharf Road.

DISCUSSION

Subdivision

The applicant is proposing to subdivide the single 19,854 square foot lot of record into two lots (Attachment A). The minor subdivision will create a flag lot with shared driveway access. The existing parcel is approximately 114 feet wide by approximately 180 feet deep. Due to existing development on the property, the applicant is proposing a front lot with a rear flag lot. The tentative parcel map identifies the rear lot as Parcel A and the front lot as Parcel B.

Lot Area and Dimensions

The follow table outlines the lot area and dimension requirements for development in the RM-LM Zoning District relative to the application:

Lot area and Dimensions	
Minimum lot area for a structure containing one or more dwellings units shall be 5,000 sf Minimum lot width 50 feet, minimum lot depth 100 feet	
Code Requirements	Proposed
Lot Size: 5,000 sf minimum	Parcel A: 14,006.94 sq. ft. (triplex) Parcel B: 5,847 sq. ft. (single-family proposed)
Lot Width: 50 feet minimum	Parcel A: 80 ft. Parcel B: 56 ft.
Lot Depth: 100 feet minimum	Parcel A: 112 ft. Parcel B: 100 ft.
Site Area Per Dwelling Unit	
RM-LM: 4,400 sf per dwelling unit	Parcel A: Triplex. 13,200 sf minimum
SF: 5,000 sf per dwelling unit	Parcel B: Single-Family. 5,000 sf minimum

Subdivision Design Standards.

Subdivision applications are reviewed for compliance with Chapter 16 of the Municipal Code. The following analysis includes the underlined design standards for lots (§16.24.170) preceding staff analysis:

A. The size and shape of lots shall be in conformance to any zoning regulations effective in the area of the proposed subdivision.

Staff Analysis: The subdivision complies with the minimum area per dwelling unit, minimum lot width, and minimum lot length.

B. The side lines of all lots, so far as possible, shall be at right angles to the street which the lot faces, or radial or approximately radial if the street is curved.

Staff Analysis: The lots are at right angles to the shared driveway access.

C. The Planning Commission may require that building set back lines shall be indicated by dotted lines on the subdivision map.

Staff Analysis: The tentative map does not include the setback lines of the zone. The application includes an existing triplex on parcel A and a single-family home on parcel B that comply with all development standards and design standards for the multi-family zone.

D. No lot shall be divided by a city boundary line.

Staff Analysis: The entire property is located within the City of Capitola limits.

E. Lots without frontage on a dedicated public street of twenty feet or more will not be permitted.

Staff Analysis: Each lot has at least 20 feet of frontage along Wharf Road.

F. Lots other than corner lots may front on more than one street where necessitated by topographic or other unusual conditions.

Staff Analysis: Not applicable.

G. In riparian corridors no lots may be created which do not contain adequate building area outside the riparian or stream setback.

Staff Analysis: Not applicable.

Development Standards Summary

Development of a single-family home in the RM-LM zone must comply with the development standards of the R-1 zoning district. The following table outlines the development standards of the R-1 zoning district relative to the proposed single-family home on Parcel B.

Use			
Proposed Use		Single Family	
Principal Permitted or CUP?		Principally Permitted	
Development Standards			
Building Height		R-1 Regulation	Proposed
		25'	25'
Floor Area Ratio (FAR)			
Lot Size		5,847 sq. ft.	
Maximum Floor Area Ratio		49 % (Max 2,865 sq. ft.)	
First Story Floor Area		1,164 sq. ft.	
Second Story Floor Area		880 sq. ft.	
Garage		436 sq. ft.	
TOTAL FAR		2,480 sq. ft.	
Yards			
		R-1 Regulation	Proposed
Front Yard 1st Story		15 feet	20 ft.
Front Yard Garage		20 feet	20 ft.
Side Yard 1st Story		10% lot width Lot width <u>56</u> ft <u>5.7</u> ft. min.	8 ft.
Rear Yard 1st Story		20% of lot depth Lot depth <u>94</u> ft <u>18.8</u> ft. min.	19 ft.
Encroachments (list all)		Rear and side yard decks on the ground level which are thirty inches or less above grade may encroach into the required setbacks; provided, that these features are setback at least three feet from the property line.	Deck in rear and side yard comply with height and 3 ft. setback requirement
Parking			
		Required	Proposed
Residential (from 2,001 up to 2,600 sq. ft.)		<u>3</u> spaces total <u>1</u> covered	<u>3</u> spaces total <u>2</u> covered <u>1</u> uncovered
Underground Utilities: required with 25% increase in area			Required

In establishing a minor land division, the existing structure onsite should remain in compliance with the development standards with the introduction of the new lots. The triplex located on

Parcel A, complies with all development standard of the RM-LM (Multi-family Low Density) zoning district with the proposed new property lines including height, lot coverage, setbacks, landscaping, open space, and parking requirements of the zone (Attachment 5). The owner removed a portion of an existing deck to comply with the setback standards.

Design Permit

2205 Wharf Road is in the Multi-Family, Low Density (RM-LM) zoning district. The street has a mix of housing types including single-family homes, secondary dwelling units, multi-family dwellings, and mobile homes. The proposed single-family home will complement the existing land uses in the nearby vicinity. Currently, there is one existing triplex on parcel A. The structure is not listed on the 2005 City of Capitola Historic Structures List or the 1986 Capitola Architectural Survey.

There is a significant change in grade of ten feet from street to the building pad of Lot B in the front and an additional 5 feet in elevation to Lot A. The driveway will be repositioned slightly to accommodate Lot B, but overall follows the existing shape across the front of the property then curving to follow the side lot line to the existing home on the rear lot. Minor grading changes will take place for the driveway but excavation is limited.

The change in grade combined with the existing vegetation along Wharf Road creates privacy within the lot and natural screening from the street. The new single-family home will not have a presence along the street. Each of the residences is oriented toward the shared driveway rather than the street. This orientation is practical for the purpose of safe access and lack of visibility from Wharf Road.

The new single-family home is a two-story residence in which the second story is setback from the first. The home will be finished with stained wood shingle siding and white wood trim. A 12-inch whit belly band is proposed to visually separate the two stories. All windows and doors will have a four-inch trim. The new home will have a redwood deck by the entrance and on the west side of the home around the existing coastal redwood tree.

There are six mature trees on the site. The owner is proposing to remove two trees due to proximity of the trees to the new home, one deodar cedar and one apple tree. A tree removal permit is required for the deodar cedar due the mature 30 inch diameter. Fruit trees do not require a tree removal permit. The owner plans to plant four white crape myrtle, multi-trunk trees between the driveway and the home. This is double the required replanting for a tree removal ratio of two plantings per one removal.

The landscape plan includes additional planting around the periphery of the property including a mix of grasses, perennials, and shrubs. Boulders will be placed within the landscape area in front of the new single-family home. A new six-foot-high fence is proposed along the rear property line.

Capitola Municipal Code 12.04.170 requires the construction of curb, gutter, and sidewalk on development projects except in areas deemed sidewalk exempt by the City. This property is not located in a sidewalk exempt area. Currently, there are not sidewalks along this stretch of Wharf Road. Condition of approval #5 requires the owner enter into a deferred sidewalk agreement with the City to ensure construction of curb, gutter, and sidewalk at a future date.

CEQA REVIEW

Section 15315 of the CEQA Guidelines exempts minor land divisions in urbanized areas zoned for residential, commercial, or industrial use into four or fewer parcels when the division is in

conformance with the General Plan and Zoning. No adverse environmental impacts were discovered during review of the proposed project.

RECOMMENDATION

Staff recommends the Planning Commission **approve** project application #16-041 based on the following Conditions and Findings for Approval.

1. The project approval consists of design permit for a new single family home and a minor land division at 2205 Wharf Road. The new single-family home in the RM-M zone is reviewed for compliance with the R-1 (single family) zoning district development standards. The maximum Floor Area Ratio for the 5,233 square-foot property is 49% (2,865 square feet). The total FAR of the project is 2,480 square-feet, compliant with the maximum FAR within the zone. The proposed project is approved as indicated on the final plans reviewed and approved by the Planning Commission on June 1, 2017, except as modified through conditions imposed by the Planning Commission during the hearing.
2. The project consists of the subdivision of a 19,854 square foot lot into two lots. The minor land division will create a flag lot with shared driveway access. The tentative map identifies the front lot as Parcel B and the rear lot as Parcel A. Parcel A will be 14,006.94 square feet and Parcel B 5,847.31 square feet.
3. The applicant shall prepare a final parcel map by a registered civil engineer and shall submit the final map for review, approval, and recording by the City's surveyor and the Public Works Department. The parcel map shall include new legal descriptions.
4. Prior to recordation of the final parcel map, all plans and profiles of improvements shall be approved by the Director of Public Works and the construction of said improvements shall be in accordance with the City Specifications and shall be inspected by the Director of Public Works or his authorized agent, subject to fees appropriate for the services. Installation of a public sidewalk along Wharf Road is a required improvement. In lieu of installing this sidewalk the developer shall enter into a deferred improvement agreement with the City.
5. Prior to recordation of the final parcel map, a maintenance agreement and access easement for the shared driveway shall be recorded and referenced on the parcel map. The access easement must be reviewed and approved by the City attorney prior to recordation.
6. Available and necessary utilities, including CATV hookup facilities, with connections to each lot within the subdivision, shall be constructed in accordance with the utility's requirements. All utilities for the new single-family home on Parcel B shall be underground to the nearest utility pole.
7. Prior to construction, a building permit shall be secured for any new construction or modifications to structures authorized by this permit. Final building plans shall be consistent with the plans approved by the Planning Commission. All construction and site improvements shall be completed according to the approved plans.
8. At time of submittal for building permit review, the Conditions of Approval must be printed in full on the cover sheet of the construction plans.

9. At the time of submittal for building permit review, Public Works Standard Detail Storm Water Best Management Practices (STRM-BMP) shall be printed in full and incorporated as a sheet into the construction plans. All construction shall be done in accordance with Public Works Standard Detail Storm Water Best Management Practices (STRM-BMP).
10. Prior to making any changes to approved plans, modifications must be specifically requested and submitted in writing to the Community Development Department. Any significant changes to the size or exterior appearance of the structure shall require Planning Commission approval.
11. Prior to issuance of building permit, a final landscape plan shall be submitted and approved by the Community Development Department. Landscape plans shall reflect the Planning Commission approval and shall identify type, size, and location of species and details of irrigation systems, if proposed. Native and/or drought tolerant species are recommended.
12. Prior to issuance of building permit, all Planning fees associated with permit #16-041 shall be paid in full.
13. Prior to issuance of building permit, Affordable housing in-lieu fees shall be paid as required to assure compliance with the City of Capitola Affordable (Inclusionary) Housing Ordinance.
14. Prior to issuance of a building permit, the applicant must provide documentation of plan approval by the following entities: Santa Cruz County Sanitation Department, Soquel Water District, and Central Fire Protection District.
15. Prior to issuance of building permits, a drainage plan, grading, sediment and erosion control plan, shall be submitted to the City and approved by Public Works. The plans shall be in compliance with the requirements specified in Capitola Municipal Code Chapter 13.16 Storm Water Pollution Prevention and Protection.
16. Prior to issuance of building permits, the applicant shall submit a stormwater management plan to the satisfaction of the Director of Public Works which implements all applicable Post Construction Requirements (PCRs) and Public Works Standard Details, including all standards relating to low impact development (LID).
17. Prior to any land disturbance, a pre-site inspection must be conducted by the grading official to verify compliance with the approved erosion and sediment control plan. Erosion and sediment control shall be maintained throughout the duration of the construction project.
18. Prior to any work in the City road right of way, an encroachment permit shall be acquired by the contractor performing the work. No material or equipment storage may be placed in the road right-of-way.
19. During construction, any construction activity shall be subject to a construction noise curfew, except when otherwise specified in the building permit issued by the City. Construction noise shall be prohibited between the hours of nine p.m. and seven-thirty a.m. on weekdays. Construction noise shall be prohibited on weekends with the exception of Saturday work between nine a.m. and four p.m. or emergency work approved by the building official. §9.12.010B

20. Prior to issuance of a Certificate of Occupancy, compliance with all conditions of approval shall be demonstrated to the satisfaction of the Community Development Director. Upon evidence of non-compliance with conditions of approval or applicable municipal code provisions, the applicant shall remedy the non-compliance to the satisfaction of the Community Development Director or shall file an application for a permit amendment for Planning Commission consideration. Failure to remedy a non-compliance in a timely manner may result in permit revocation.
21. This permit shall expire 24 months from the date of issuance. The applicant shall have an approved building permit and construction underway before this date to prevent permit expiration. Applications for extension may be submitted by the applicant prior to expiration pursuant to Municipal Code section 17.81.160.
22. The planning and infrastructure review and approval are transferable with the title to the underlying property so that an approved project may be conveyed or assigned by the applicant to others without losing the approval. The permit cannot be transferred off the site on which the approval was granted.
23. Upon receipt of certificate of occupancy, garbage and recycling containers shall be shielded and placed out of public view on non-collection days.

FINDINGS

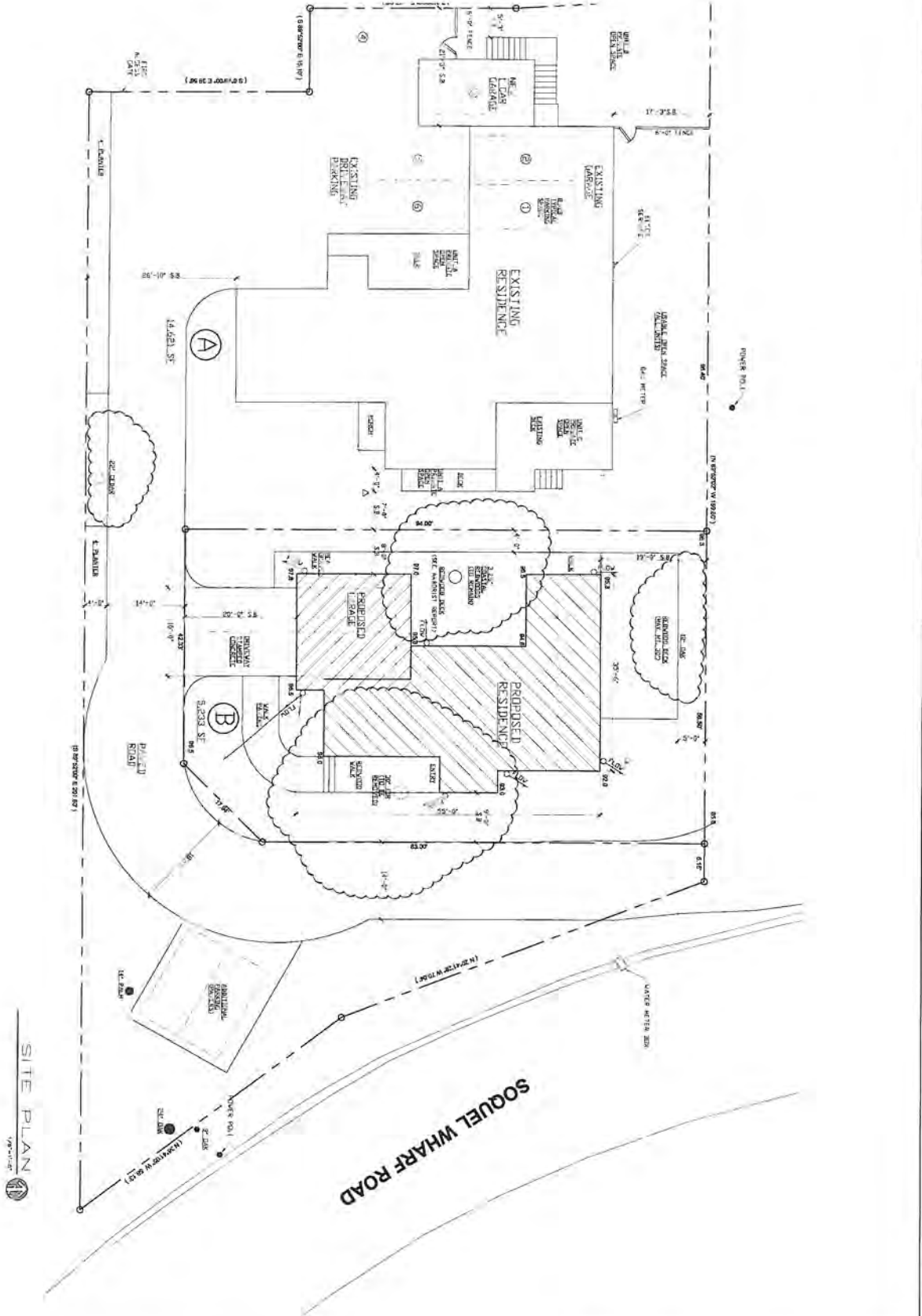
- A. **The application, subject to the conditions imposed, will secure the purposes of the Zoning Ordinance, General Plan, and Local Coastal Plan.**
Community Development Department Staff and the Planning Commission have reviewed the project. The minor land division, together with the provisions for its design and improvement, is consistent with the objectives of the Zoning Ordinance and General Plan. The new single-family home complies with requirements of the zoning district.
- B. **The application is consistent with the Subdivision Map Act and local Subdivision Ordinance.**
The minor land division was designed in accordance with the Subdivision Map Act and local ordinances enacted pursuant thereto. Per the Subdivision Map Act, the proposed map is consistent with the General Plan, is physically suited for the proposed type and density of development, will not likely cause substantial environmental damage, or substantially and avoidably injure fish, wildlife or their habitats, will not cause serious public health problems, and will not conflict with public easements for access through, or use of, property within the proposed subdivision.
- C. **This project is categorically exempt under Section 15315 of the California Environmental Quality Act and is not subject to Section 753.5 of Title 14 of the California Code of Regulations.**
Section 15315 of the CEQA Guidelines exempts minor land divisions in urbanized areas zoned for residential, commercial, or industrial use into four or fewer parcels when the division is in conformance with the General Plan and Zoning.
- D. **The application will maintain the character and integrity of the neighborhood.**
Community Development Staff, the Architectural and Site Review Committee, and the Planning Commission have all reviewed the design of the single-family home. The structures fit within the built environment of the neighborhood. The neighborhood is

characterized by a mix of residential densities including single family homes, secondary structures, multi-family homes, apartments, and mobile homes.

ATTACHMENTS:

1. 2205 Wharf Road Plans
2. Driveway Easement
3. Soquel Creek Water District
4. Letter from Fire Marshal Mike DeMars
5. Santa Cruz County Sanitation District
6. Parcel A RM Development Standards
7. Letter to Planning Commission 2205 Wharf Road
8. Woolsey_Letter_2205_Wharf

Prepared By: Katie Herlihy
Senior Planner



SITE PLAN

SITE PLAN

DENNIS NORTON
HOME DESIGN AND
PROJECT PLANNING
712 C CAPITOLA AV - CAPITOLA, CA 95010 - 831 476 2616
Fax: 831 476 2616

WRIGHT RESIDENCE
2205 SOQUEL WHARF RD
CAPITOLA, CA 95010
APN 034-141-34

DATE	12/11/18
SCALE	AS SHOWN
DESIGNED BY	DENNIS NORTON
CHECKED BY	DENNIS NORTON

DATE	12/11/18
SCALE	AS SHOWN
DESIGNED BY	DENNIS NORTON
CHECKED BY	DENNIS NORTON




Areawide Approval of City of Santa Cruz Water Department

Summary: The Commission will consider whether to authorize Santa Cruz City water connections for up to ten years for infill development in areas outside the Santa Cruz City limits.

Staff Recommendation: Receive report, conduct public hearing, and approve draft Resolution No. 2017-6 granting Areawide Approval for ten years for the City of Santa Cruz to provide water to infill sites in the areas shown on the map exhibit (Pasatiempo, Branciforte, Live Oak, Soquel, and Capitola).

Date: May 18, 2017 for June 7, 2017 Agenda

Submitted by: Patrick McCormick, Executive Officer 

Before January 1, 1994, California law allowed cities and districts to provide certain services outside their boundaries without LAFCO review. Effective January 1, 1994, the law was changed to allow extraterritorial services only if authorized by LAFCO. While Santa Cruz LAFCO policies prefer that services be extended by annexation, certain situations predating 1994 make annexing infeasible for the time being. One example is the City of Santa Cruz water system where system expansions in the 19th and 20th centuries greatly exceeded the city limits, and still greatly exceed the adopted Sphere of Influence for the City of Santa Cruz. The service area outside the city limits is urban and suburban residential in character in the areas of Pasatiempo, Branciforte, Live Oak, Soquel, and the western portion of the City of Capitola. Water mains are in place, and the areas are substantially developed. Unserved properties are scattered throughout these communities.

Following the 1994 change in law, Santa Cruz LAFCO adopted a set of local policies explaining how it would implement the extraterritorial service reviews. Those policies, including subsequent amendments, are attached ("Policies and Regulations for Agencies to Provide Services to Private Parties Outside Agency Boundaries"). The policies allow for individual property owners to apply, and the policies allow for Areawide Approvals in which LAFCO authorizes service to areas outside the City limits. The Areawide Approval can be initiated by either the service agency or LAFCO. Following a public hearing, LAFCO can approve or deny an Areawide Approval. An Areawide Approval avoids uncertainty, delays, and processing costs for property owners seeking to connect to an extraterritorial service, and allows LAFCO to address the major items on its work program rather than processing a series of minor applications each year.

In 2006, the City of Santa Cruz applied to LAFCO for an Areawide Approval for the areas outside the city limits that had water mains and direct access to the mains. Following a public hearing on November 1, 2006, LAFCO authorized extraterritorial water service (resolution attached). The resolution identified an area in which water service connections were authorized for a ten-year period ending November 1, 2016.

Almost all the connection activity occurred east of the San Lorenzo River in Pasatiempo, Branciforte, Live Oak, Soquel, and western Capitola. According to City Water Department data, the City Water Department installed many new water meters outside the Santa Cruz City Limits between 11/1/2006 and 11/1/2016:

New Meters Outside City Limits 2006 - 2016

Meter type	Count
New commercial only	27
New residential only	67
New irrigation only	17
New combination 2" fire service x 5/8", 3/4" or 1" residential service*	108
Fire service only – 2" and larger	112
Fire service addition to an existing 5/8" or 3/4" residential service**	29

* Includes 63 connections in Rolling Woods that LAFCO authorized before November 1, 2006

** Very few all-new 5/8" or 3/4" residential x fire combo services were installed. Most in this category are the fire retrofit described above.

If the Areawide Approval had not been in place, most of these applications would have required individual applications to LAFCO. LAFCO review is not required for new fire service connections to properties that are already served with a standard connection.

The 2006 Areawide Approval expired on November 1, 2016. City staff indicated that applying for a time extension was not a priority project for the City. As permitted in LAFCO's local policies, LAFCO initiated a new Areawide Approval application at its April 5, 2017 meeting.

Water Resources

The local LAFCO policies call for LAFCO to make two determinations when granting an Areawide Approval:

- That the agency is able to provide the service in a manner that does not negatively affect the services provided within the agency's boundaries and sphere,
- That the potential service within the Areawide Approval does not negatively affect the water resources in the area.

The City of Santa Cruz Water Department relies on surface water for more than 95% of its supply. The sources are the San Lorenzo River, and the North Coast streams. The City has a single raw-water storage reservoir (Loch Lomond). The City's main water problem is the limited volume of water available during drought years. In 2006, when the Commission was considering the previous Areawide Approval, the City was pursuing a desalination plant. The City would utilize the plant in drought years, and the Soquel Creek Water District would utilize the plant in normal and wet years to reduce their well pumping and facilitate recovery of the water table levels. In response to significant public opposition to the desalination plant proposal, the City did not pursue permitting and construction of the desalination plant. In 2013, the City appointed a Water Supply Advisory Committee. In 2015, the City Council adopted the

Water Supply Advisory's Committee's recommendations to secure the reliability of the City's water supply:

Conservation

In addition to existing conservation programs, the City is looking at new conservation programs, such as increased rebates and better management of peak season demand. The goal of additional programs is to further reduce demand by 200 to 250 million gallons per year by 2035, with a particular focus on producing savings during the peak season.

Groundwater Storage: In-Lieu Water Exchange.

In normal years the Santa Cruz Water Department receives more rainfall than is needed to meet customer demand or can be stored in Loch Lomond Reservoir. Using In-Lieu Water Exchanges, available winter flows would be delivered to Soquel Creek Water District and/or Scotts Valley Water District customers, thus enabling reduced pumping from regional aquifers and enabling the aquifer recharge. During droughts, the City would receive transfers of well water back from Soquel and/or Scotts Valley.

Aquifer Storage and Recovery

Available winter flows would be injected into aquifers through new and existing wells in Scotts Valley, Live Oak, and/or Soquel thereby actively recharging aquifers. A portion of the water delivered using would be effectively banked in the aquifers to be extracted and returned to the Santa Cruz system when needed in future dry years.

Advanced Treated Recycled Water or Desalinated Water

In the event the groundwater storage strategies described above prove insufficient to meet the Plan's goals of cost-effectiveness, timeliness or yield, advanced treated recycled water or desalinated water **would** be developed as a supplemental supply. If it is determined that recycled water cannot meet the system needs, then desalinated seawater would be pursued.

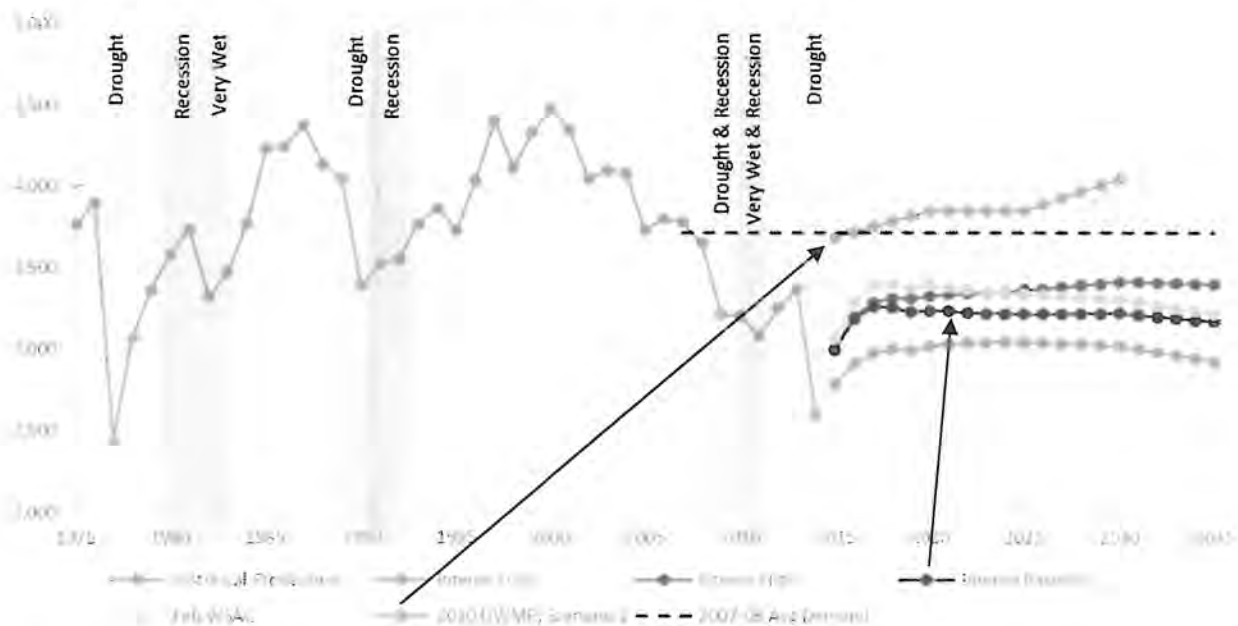
As the City was shifting its water system plans, Northern California experienced a major drought from 2011 to 2016.

Forecast of Occupied Housing Units in City's Water Service Area

	2014	2020	2025	2030	Increase 2020- 2030	% Increase 2020- 2030
Inside City	21,829	23,492	24,177	25,136	1,644	7.0
Outside City	14,644	14,832	15,107	15,540	708	4.8
Total	36,473	38,324	39,284	40,676	2,352	6.1

Source: Final Report of Water Supply Advisory Committee, October 2015, Table 5.

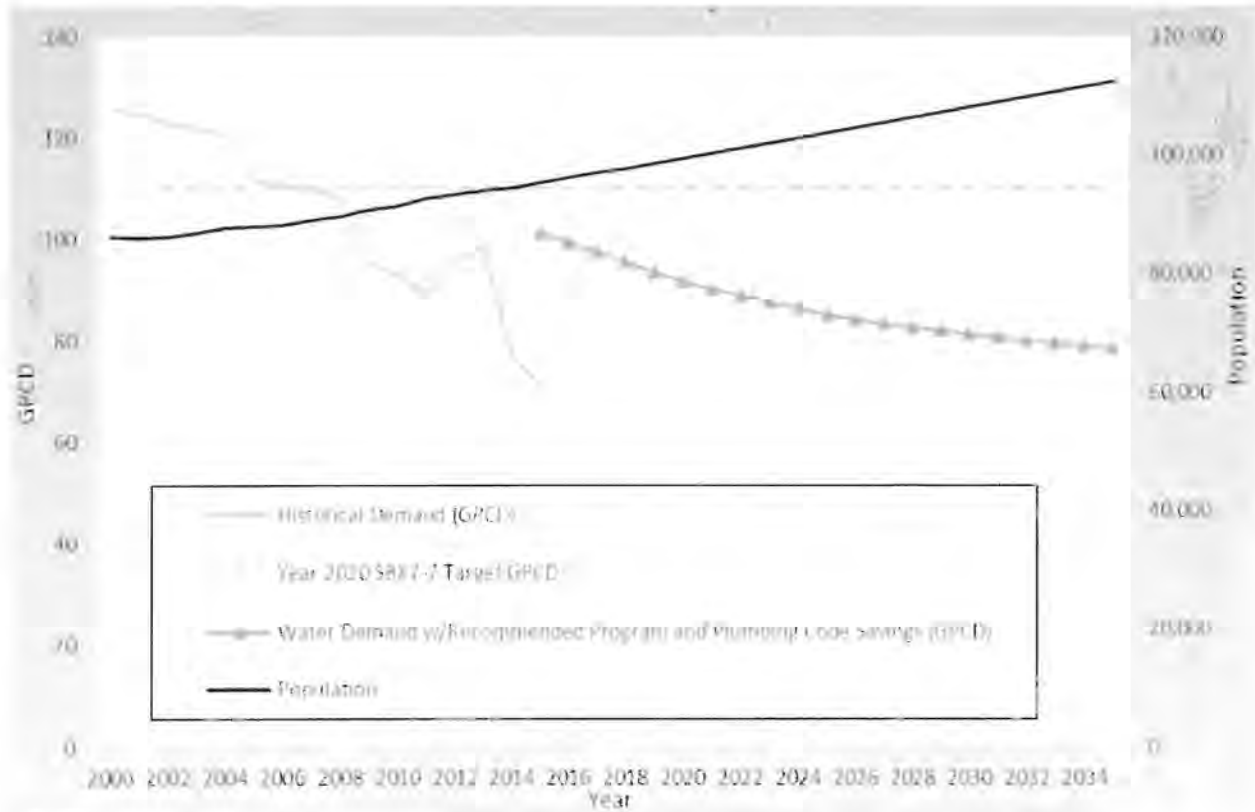
City Water System Historic and Project Water Production (million gallons)



Source: Final Report of the Water Supply Advisory Committee, October 2015.

As shown in the following figure, the system's per capita use has decreased from a high level in 2000. The City's projections are for continuing decreases in per capita demand. This allows the City to project that the higher population in the future does not require an increase in annual average water production.

Historical and Projected City Water System Water Demand (gallons per capita per day)



Source: City of Santa Cruz 2015 Urban Water Management Plan, August 2016

The City is pursuing the technical studies and negotiations with adjoining water agencies to make decisions about which supplemental supply projects to implement. In the Final Report of the Water Supply Advisory Committee (Table 15), the City's critical calculation is for the summer and early fall period during the worst drought year, the City will need 1,230 million gallons (3,775 acre feet) of supplemental supply above its regular level of supplies in a drought year. A combination of in-lieu exchanges and aquifer storage and recovery are projected to produce 760 million gallons (2332 acre feet). If needed, purified recycled wastewater or desalinated water would fulfill the remainder of the peak season demand.

If the urban infill growth occurs outside the city limits at the rate projected by the City (Table 5 reproduced earlier in this report), approximately 708 new units would be added to the water system outside the city limits over 10 years. That represents approximately 1.9% growth in the number of system connections (708/36,473 = 0.0194). Given this level of demand for the next 10 years outside the city limits, and the City's multiple-source plan to develop supplemental supplies, the LAFCO staff believes that the Commission can make determinations that:

Determinations

- **The City water system is able to provide the service in a manner that does not negatively affect the services provided within the City's boundaries and sphere.**
- **The potential service within the Areawide Approval area does not negatively affect the water resources in the area.**

If the in-lieu and the aquifer recharge programs are implemented, the City's water plan actually improves the water resources because aquifer recharge will occur passively or actively in Scotts Valley, Soquel, or both areas.

State Law and Other Local Policies

The proposal is consistent with LAFCO law and local LAFCO policies not specific to water issues (e.g. preserving prime agricultural lands, avoiding sprawl, promoting logical service areas, serving disadvantaged communities, etc.).

Determination

- **Proposed 2017 Areawide Approval is consistent with the requirements of law and LAFCO policies.**

Three additions to map since 2006

Three parcels have been added to the recommended map since the 2006 approval.

APN 101-162-10, 3000 Branciforte Drive, Santa Cruz, LAFCO Application No. 925. Upon the property owners' extraterritorial service application in 2008, LAFCO authorized the City water system to provide water service to this parcel. There was an existing house, and the license to utilize the neighbors' well was being terminated.

APN 030-061-04, 3939 Soquel Drive, Soquel, LAFCO Application No. 946. Upon the property owners' extraterritorial service application in 2013, LAFCO authorized the City water system to provide water to this vacant property on the north side of Soquel Drive near 41st Avenue. The parcel was a small part of a retail commercial development.

APN 030-131-27, 4300 Soquel Drive, Soquel, Alimur Mobilehome Park. This is the southeastern corner of the Alimur Mobilehome Park. The 1.1-acre parcel contains 1.1

acre and is the location of 9 coaches that are currently served by the Santa Cruz City Water Department, and are an integral part of the park, which is served by the City Water Department and was included in the 2006 Areawide Approval. The staffs of the Soquel Creek Water District and LAFCO identified this apparent mapping error while checking the service maps for the 2017 consideration.

Shaded = 2006 Areawide Approval for City of Santa Cruz Water Department



The recommendation is to add APN 030-131-27 to the 2017 Areawide Approval.

Environmental Review

The staff has conducted environmental review of the proposed 2017 Areawide Approval. The conclusion was that the project is categorically exempt from further review pursuant to the California Environmental Quality Act.

Public and Agency Comments

Staff received a detailed set of comments from the City Water Department just before agenda publication. No other comments have been received. A copy of the Water Department's email is attached. Upon cursory review, it appears that the comments in the email can be resolved at the staff level without the Commission needing to continue the public hearing or to revise the map exhibit to draft Resolution No. 2017-6. Staff will review the email in more detail, and will advise the Commission if it needs to address anything substantive at the June 7th public hearing.

Recommendation

The 2006 Areawide Approval for the unincorporated portion of the City's water service area has worked well to avoid reviewing many individual extraterritorial water service applications in infill locations. It is RECOMMENDED that the Commission:

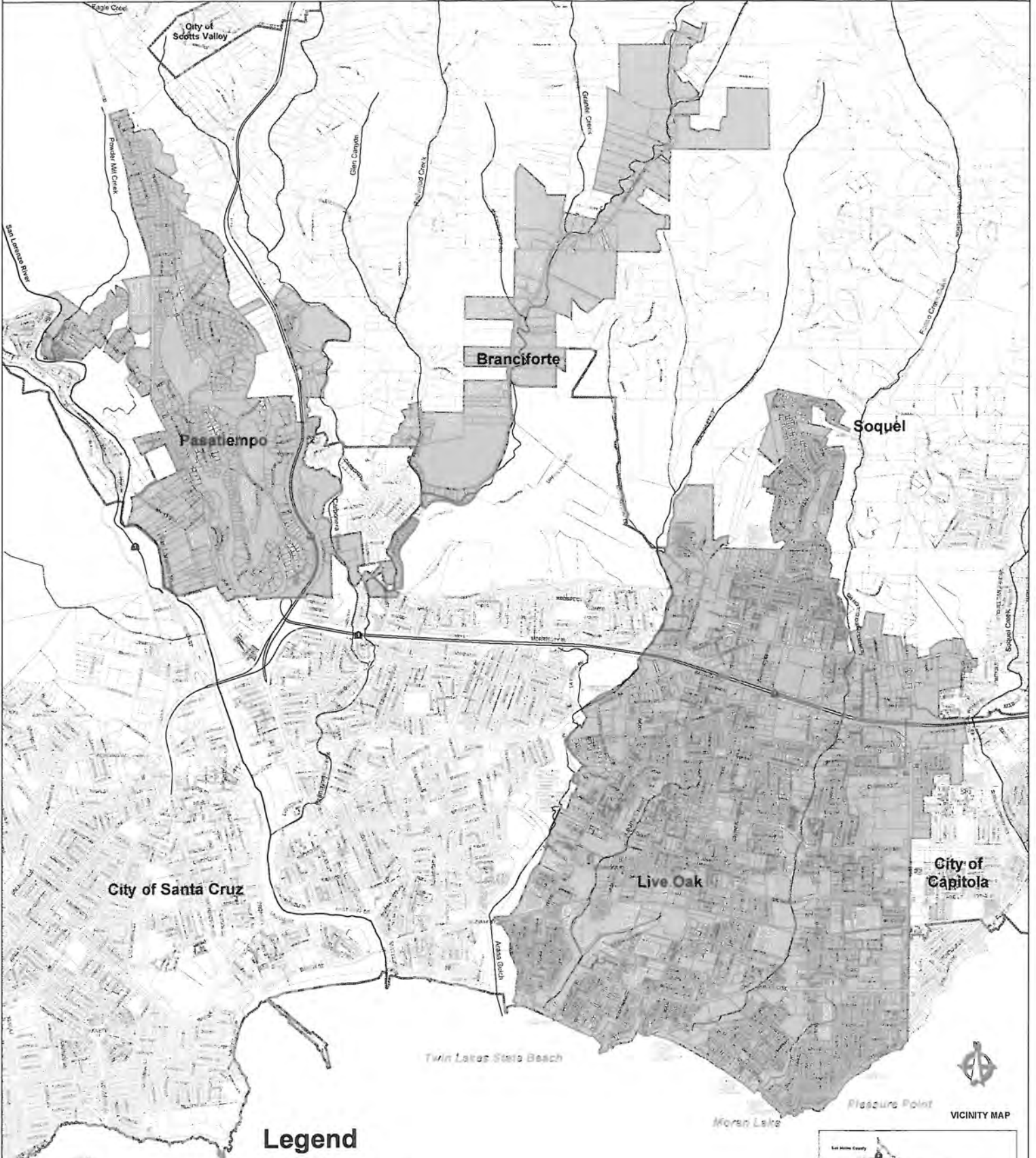
1. Conduct a public hearing,
2. Make the determinations highlighted in the shaded boxes in the staff report,
3. Approve draft Resolution No. 2017-6, authorizing an Areawide Approval in the mapped areas of Pasatiempo, Branciforte, Live Oak, Soquel, and Capitola.

cc: City of Santa Cruz
Water Director
City Attorney
County of Santa Cruz
Planning Director
City of Capitola
Community Development Director

Attachments: Draft Resolution No. 2017-6
Hearing Notice
Categorical Exemption
Policies and Regulations
2006 Resolution Granting Areawide Approval
May 30, 2017 Email from Matt Zeman, City of Santa Cruz Water Dept.

Proposed Santa Cruz City Areawide Water Service Authorization, LAFCO 2017

SANTA CRUZ COUNTY, CALIFORNIA



Legend

-  City Limits
-  Areawide Water Service Authorization 2017



LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY
RESOLUTION NO. 2017-6

On the motion of Commissioner
duly seconded by Commissioner
the following resolution is adopted:

GRANTING 2017 AREAWIDE APPROVAL FOR THE CITY
OF SANTA CRUZ TO PROVIDE WATER SERVICE IN
CERTAIN AREAS OUTSIDE THE CITY LIMITS

The Local Agency Formation Commission (the "Commission") does hereby resolve, determine, and order as follows:

1. Government Code section 56133 provides for the Local Agency Formation Commission in each county to regulate the service areas of cities and special districts outside the boundaries of those agencies.
2. The Commission has adopted and maintains local regulations to implement Government Code section 56133.
3. On November 1, 2006, the Commission granted an Areawide Approval for a portion of the water system of the City of Santa Cruz outside city limits. That approval expired on November 1, 2016 without an application for time extension being filed.
4. On April 5, 2017, consistent with the local regulations, the Commission initiated a new Areawide Approval application for a portion of the City of Santa Cruz's water system outside the city limits.
5. The Commission's Executive Officer has prepared a report evaluating the pending Areawide Approval proposal and has scheduled a public hearing on this matter for June 7, 2017.
6. The Commission held a public hearing on this matter on June 7, 2017; and at the hearing the Commission heard and received all oral and written protests, objections, and evidence that were presented.
7. As lead agency, the Commission has evaluated the applicability of the California Environmental Quality Act to this proposal and has issued a Class 20 categorical exemption (changes in organization of local agencies) in accordance with State CEQA Guidelines section 15320. A Class 20 categorical exemption applies to LAFCO authorizations that do not change the geographical area in which the previously existing

powers are exercised. After reviewing the record, including the pertinent written and oral comments submitted directly to the Commission, the Commission has determined that the Class 20 categorical exemption is the proper manner in which to apply CEQA to this proposal.

8. The Commission hereby grants the 2017 Areawide Approval to provide water service to the areas outside the current city limits as shown on the Exhibit A. The City Water Department is authorized to provide new water service to the areas shown Exhibit A.
9. The Commission determines that, as of the date of this Areawide Approval, the City of Santa Cruz is able to provide water service to the designated areas in a manner that does not negatively affect the water services provided within the City limits and in a manner that does not negatively affect the resources in the area.
10. This Areawide Approval shall expire on June 7, 2027.

PASSED AND ADOPTED by the Local Agency Formation Commission of Santa Cruz County this seventh day of June, 2017.

AYES:

NOES:

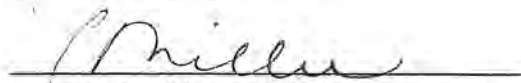
ABSENT:

THOMAS R. LAHUE, CHAIRPERSON

Attest:

Patrick M. McCormick
Executive Officer

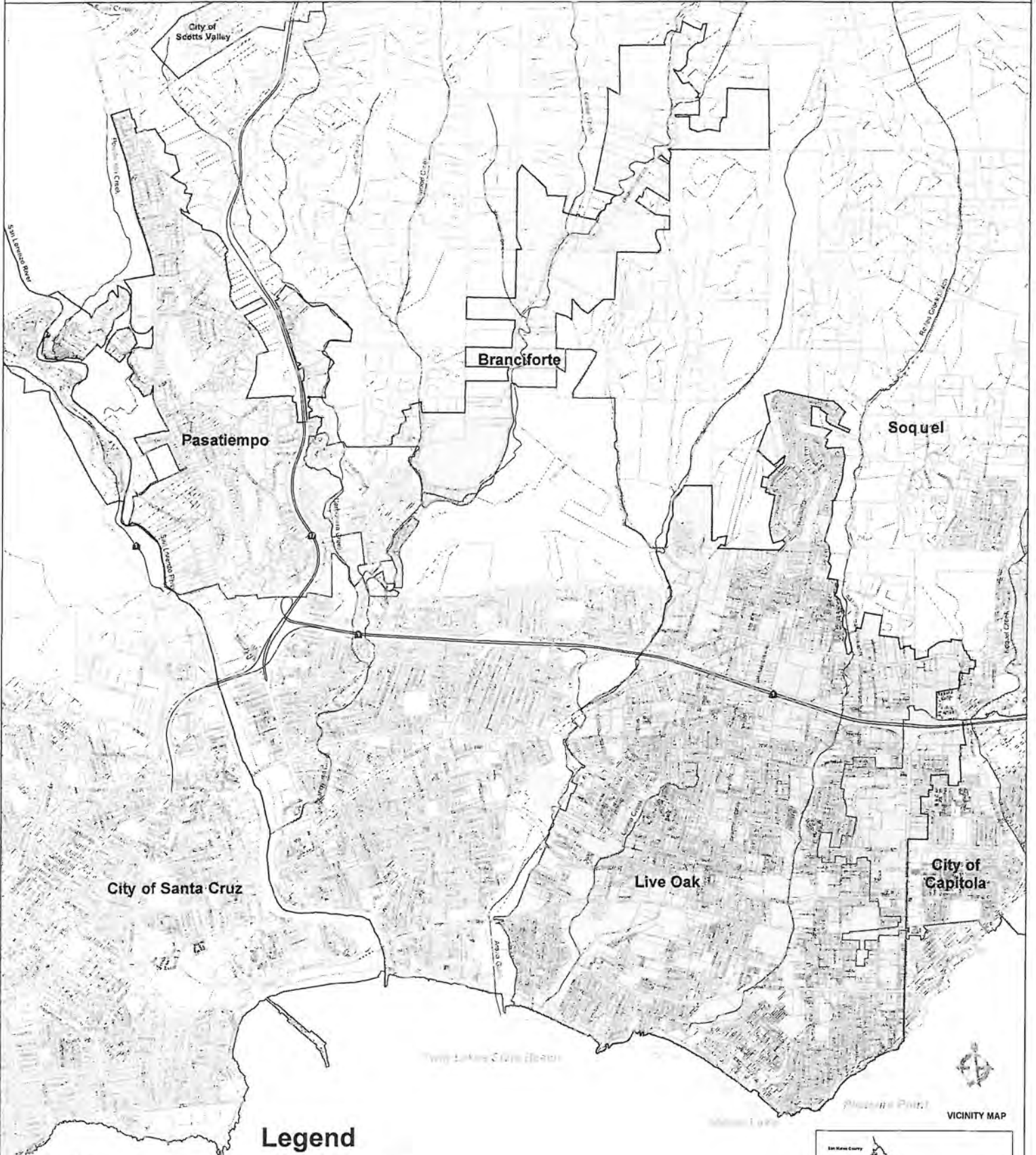
Approved as to form:



T. Brooke Miller
LAFCO Counsel

Proposed Santa Cruz City Areawide Water Service Authorization, LAFCO 2017

EXHIBIT A, RESOLUTION NO. 2017-6



Legend

-  City Limits
-  Areawide Water Service Authorization 2017





NOTICE OF PUBLIC HEARINGS LOCAL AGENCY FORMATION COMMISSION

NOTICE IS HEREBY GIVEN that at 10:00 a.m., Wednesday, June 7, 2017 in Room 525, County Governmental Center, 701 Ocean Street, Santa Cruz, the Santa Cruz Local Agency Formation Commission (LAFCO) will hold public hearings on the following matters:

--Soquel Creek Water District Service and Sphere of Influence Review

The proposed sphere of influence amendment would add APN 034-141-34 (2525 Wharf Road, Capitola) to the district's sphere of influence. The project qualifies for a categorical exemption from further environmental review under the California Environmental Quality Act.

--Wharf Road/Wright Annexation to the Soquel Creek Water District, No. 961

The proposal would annex APN 034-141-34 (2525 Wharf Road, Capitola) to the Soquel Creek Water District. The project qualifies for a categorical exemption from further environmental review under the California Environmental Quality Act.

--Areawide Approval for City of Santa Cruz Water Department

The proposed Areawide Approval would allow the City of Santa Cruz Water Department to serve properties outside the city limits along existing mains in Pasatiempo, Branciforte, Live Oak, Soquel, and Capitola. The project qualifies for a categorical exemption from further environmental review under the California Environmental Quality Act.

At the hearings, the Commission will consider oral or written comments from any interested person.

Written reports and further information can be obtained by contacting LAFCO's staff at 701 Ocean Street, Room 318-D, Santa Cruz CA 95060, (831) 454-2055 or from LAFCO's website at www.santacruzlafco.org.

LAFCO does not discriminate on the basis of disability, and no person shall, by reason of a disability, be denied the benefits of its services, programs or activities. The Commission meetings are held in an accessible facility. If you wish to attend this meeting and you will require special assistance in order to participate, please contact the LAFCO office at least 48 hours in advance of the meeting to make arrangements.

/original signed/ Patrick M. McCormick
Executive Officer
Date: May 3, 2017

Notice of Exemption

Appendix E

To: Office of Planning and Research
1400 Tenth Street, Room 121
Sacramento, CA 95814

From: (Responsible Agency)

Santa Cruz Local Agency Formation Commission
701 Ocean Street, Room 318-D, Santa Cruz,
CA 95060

To: Clerk of the Board
County of Santa Cruz
701 Ocean Street, Room 500
Santa Cruz CA 95060

Project Title: Areawide Approval for City of Santa Cruz water service outside city limits,
LAFCO No. 2017-06

Project Location: Pasatiempo, Branciforte, Live Oak, Soquel, and Capitola, (Map on file at the
LAFCO office).

Project Location City: Capitola and unincorporated Santa Cruz, **Project Location County:** Santa Cruz

Description of Nature, Purpose, and Beneficiaries of Project: The purpose of LAFCO's action is to
identify unincorporated areas to which the City may provide new water service in the next ten years
without securing additional approvals from LAFCO pursuant to Government Code Section 56133.

Name of Public Agency Approving Project: Santa Cruz Local Agency Formation Commission

Name of Person or Agency Carrying Out Project: Santa Cruz Local Agency Formation Commission

Exempt Status: (check one)

- Ministerial (Sec. 21080(b)(1); 15268);
- Declared Emergency (Sec. 21080(b)(3); 15269(a));
- Emergency Project (Sec. 21080(b)(4); 15269 (b)(c));
- Categorical Exemption: Section 15320--Class 20
- Statutory Exemptions: State code number
- Other: The activity is not a project subject to CEQA

Reason Why Project is Exempt: The proposed project consists of a map of the City's water service
area. The map shows areas east of the San Lorenzo River served by the City Water Department plus
infill parcels within the County's Urban Services Line.

Lead Agency Contact Person: Patrick McCormick **Area Code/Phone Extension:** 831-454-2055

If Filed by Applicant:

1. Attach certified document of exemption finding.
2. Has a Notice of Exemption been filed by the public agency approving the project? Yes No

Signature: PMMcC **Date:** May 5, 2017 **Title:** Executive Officer

Signed by Responsible Agency **Date received by Santa Cruz County Board Clerk:**

Signed by Applicant.

POLICIES AND REGULATIONS FOR AGENCIES TO PROVIDE SERVICES TO PRIVATE PARTIES OUTSIDE AGENCY BOUNDARIES

Amended by Resolution 2011-1; February 2, 2011

1) AUTHORITY

These regulations are authorized by Government Code Sections §56375 (i) and (k).

2) PURPOSE

The purpose of these regulations is to explain to the public, cities, and districts the procedures by which the Commission will review requests to authorize a city or district in Santa Cruz County to provide one or more services outside its jurisdictional limits pursuant to Government Code Section §56133.

3) COMMISSION APPROVAL REQUIRED FOR NEW OR EXTENDED SERVICES

Except for the specific situations exempted by Government Code Section §56133, a city or district shall not provide new or extended services to any party outside its jurisdictional boundaries unless it has obtained written approval from the Local Agency Formation Commission.

4) LIST OF PRE-EXISTING SERVICES

Upon adoption of these regulations, the executive Officer shall ask each city and district to provide a list or map of parcels to which it was providing extraterritorial service of the effective date of Government Code Section §56133. The Executive Officer subsequently shall file his report on these extraterritorial services with the Commission. The commission shall consider as a regularly agendized item and vote on confirming the list of "grandfathered" services. After confirmation, the Executive Officer shall maintain the list of "grandfathered" services as public information.

5) AREAWIDE APPROVALS

Upon the initiative of either a public agency or the Commission, the Commission shall consider an areawide approval as a regularly agendaized item and may grant approval for subsequent services to be provided by a city or district within a mapped area as specified by the Commission. The approval may include conditions. The Commission shall specify a time period not greater than ten years for which the areawide approval shall be valid. The Commission may, upon its own initiative or at the request of a public agency, renew with or without amendments, an areawide approval for a period not to exceed ten years.

Before granting an areawide approval, the Commission shall determine that the city or district is able to provide the service in a manner that does not negatively affect the services provided within the agency's boundaries and sphere of influence, and in a manner that does not negatively affect the resources in the area. Also, before granting an areawide approval, the Commission shall determine that the approval is consistent with the requirements of law and LAFCO policies.

6) INDIVIDUAL REQUESTS

Individual requests for extraterritorial service shall be filed with the Executive Officer on a prescribed application form. The applicant shall pay the costs of processing the application as specified in the Commission's Schedule of Fees and Deposits. Upon adoption of these regulations, the application deposit is \$500; the deposit may be subsequently changed in future revisions of the Schedule of Fees and Deposits.

The Executive Officer shall not file the application unless the affected public agency has submitted a written endorsement indicating its willingness to provide the service if the Commission approves the request.

The Commission shall consider the request after it has been placed on an agenda of a Commission meeting.

7) ENVIRONMENTAL REVIEW

All matters that are reviewable pursuant to these regulations are subject to the applicable provisions of the California Environmental Quality Act.

8) COMMISSION ACTION

The Executive Officer shall prepare a report and place the request for extraterritorial service on the Commission's agenda. The Commission shall provide an opportunity for any interested individual or party to address it. The Commission may call a subsequent public hearing in order to receive additional public testimony before acting upon a request. The Commission acts on the request by majority vote. Subsequently, the Executive Officer shall notify the applicant in writing of the Commission's action. If the Commission denies a request, a similar application cannot be re-filed for one year unless the Commission grants an exception to this rule.

9) POLICIES

9.1 The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 and this Commission's adopted policies to implement that act stress the primacy of spheres of influence in coordinating services and protecting resources. Therefore, the Commission intends to reinforce that the standard manner in which services will be extended is by annexation (and sphere of influence amendment, if necessary). The Commission shall limit its extraterritorial service authorizations to public health emergencies and circumstances where:

- a) Facilities are already in place, and
- b) Annexation would not be practical, and
- c) Extraterritorial service is determined by the Commission to be consistent with the policies adopted in and pursuant to the Cortese-Knox-Hertzberg Act.

9.2 When the Commission authorizes the emergency provision of water or sanitary sewer services via extraterritorial service outside an agency's boundaries, and annexation is practical, the Commission will require annexation to be completed within two years.

9.3 LAFCO recognizes that the water resources of Santa Cruz County are limited, and the Commission's objective is to ensure that its decisions relating to water do not lead to adverse impacts on the natural resources of Santa Cruz County. In reviewing extraterritorial service applications, LAFCO shall be guided by the potential impacts of the proposal on water resources and will consider the efforts of the water agencies and land use agencies to maintain stream and river flows, promote high water quality of surface waters and groundwater, and reduce groundwater overdraft.

SANTA CRUZ LOCAL AGENCY FORMATION COMMISSION
RESOLUTION NO. 911

On the motion of Commissioner Wormhoudt
duly seconded by Commissioner Beautz
the following resolution is adopted:

GRANTING AREA WIDE APPROVAL FOR THE CITY
OF SANTA CRUZ TO PROVIDE WATER SERVICE IN
CERTAIN AREAS OUTSIDE THE CITY LIMITS

The Santa Cruz Local Agency Formation Commission (the "Commission") does hereby resolve, determine, and order as follows:

1. Government Code section 56133 provides for the Local Agency Formation Commission in each county to regulate the service areas of cities and special districts outside the boundaries of those agencies.
2. On June 9, 1994, the Commission held a public hearing and adopted Resolution No. 97-W specifying local regulations (the "local regulations") to implement Government Code section 56133.
3. The City of Santa Cruz, has applied to the Commission pursuant to Section V of the local regulations for authorization to provide water service to certain areas outside the City limits.
4. The Commission's Executive Officer has prepared a report evaluating the City's proposal and has scheduled a public hearing on this matter for November 1, 2006.
5. The Commission held a public hearing on this matter on November 1, 2006; and at the hearing the Commission heard and received all oral and written protests, objections, and evidence that were presented.

The City of Santa Cruz, as lead agency, has evaluated the applicability of the California Environmental Quality Act to this proposal and has issued a Class 20 categorical exemption (changes in organization of local agencies) in accordance with State CEQA Guidelines section 15320. After reviewing the record, including the pertinent written and oral comments submitted directly to the Commission, the Commission has determined that there is no compelling evidence in the record that the city erred in its determination that the proposed

action is exempt from further review under the California Environmental Quality Act.

6. The Commission hereby grants the City of Santa Cruz Areawide Approval to provide water service to the areas outside the current city limits as shown on the Exhibit A, as amended by the Commission to exclude the northern portion of APN 102-061-12 (Chaminade). The City Water Department is authorized to provide new water service to the areas shown Exhibit A as amended.
7. The Commission determines that, as of the date of this Areawide Approval the City of Santa Cruz is able to provide water service to the designated areas in a manner that does not negatively affect the water services provided within the City limits and in a manner that does not negatively affect the resources in the area.
8. This Areawide Approval shall expire on November 1, 2016.
9. Within 35 days after adoption of this Resolution, the City shall execute an indemnification agreement agreeable to LAFCO consistent with LAFCO policy.


PASSED AND ADOPTED by the Local Agency Formation Commission in the County of Santa Cruz this first day of November 2006.

AYES: Commissioners Rapoza, Wormhoudt, Marigonda, Beautz, Harlan,
NOES: None Jim Anderson, and Chairperson Roger Anderson
ABSENT: None



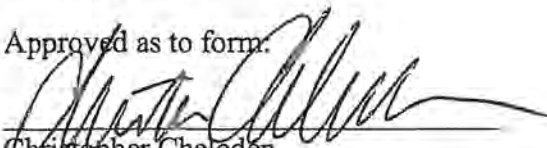
ROGER W. ANDERSON, CHAIRPERSON

Attest:



Patrick M. McCormick
Executive Officer

Approved as to form:

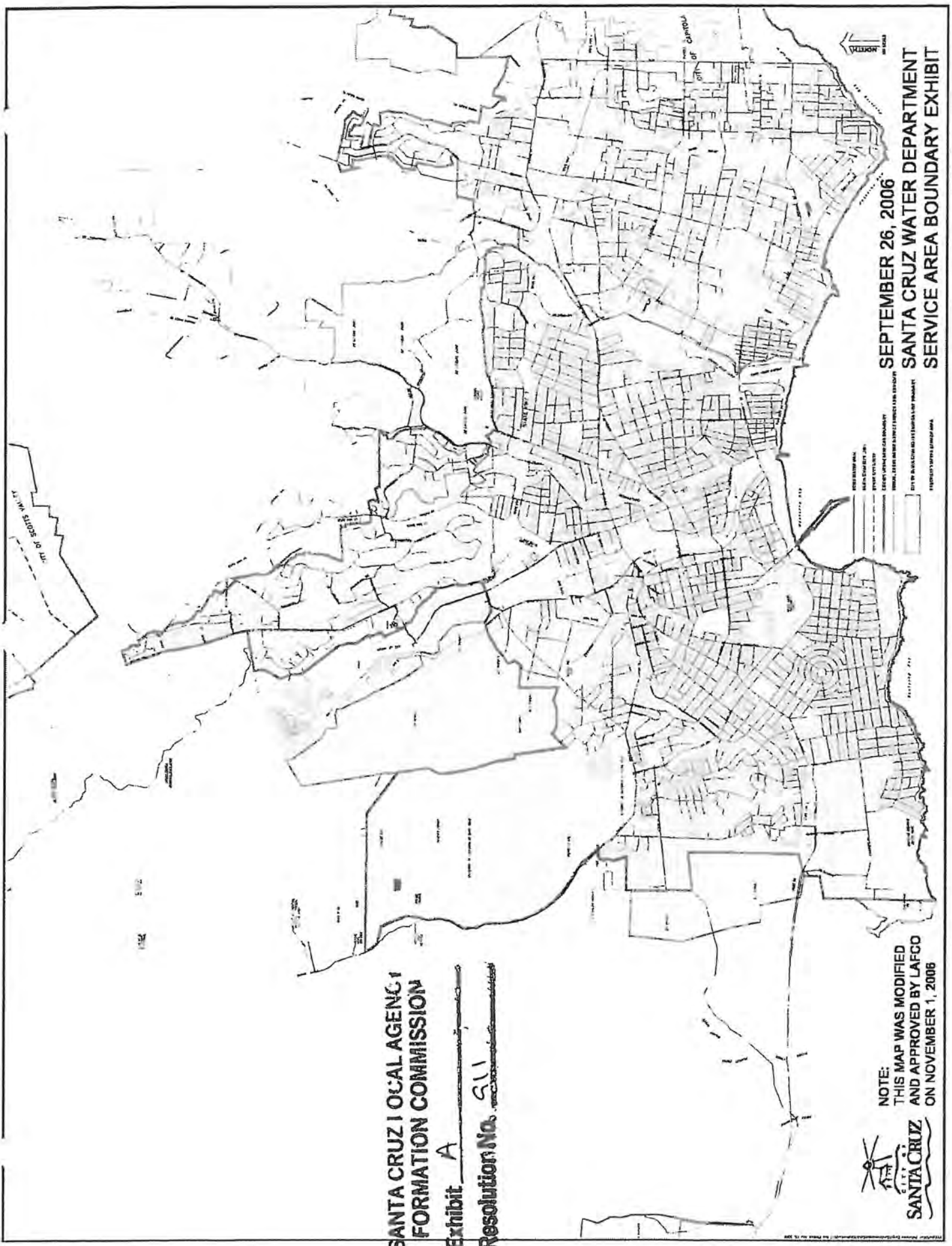


Christopher Cheleden
LAFCO Counsel

**SANTA CRUZ LOCAL AGENCY
FORMATION COMMISSION**
Exhibit A
Resolution No. 511

SEPTEMBER 26, 2006
SANTA CRUZ WATER DEPARTMENT
SERVICE AREA BOUNDARY EXHIBIT

NOTE: THIS MAP WAS MODIFIED
 AND APPROVED BY LAFCO
 ON NOVEMBER 1, 2006



Pat McCormick

From: Matthew Zeman [mzeman@cityofsantacruz.com]
Sent: Tuesday, May 30, 2017 07:20 PM
To: Pat McCormick; Rosemary Menard; Heidi Luckenbach; Katie Moore
Subject: RE: Clarification for LAFCO
Attachments: LAFCO Parcel Inclusion Exhibit.pdf; SCz_WaterServiceAreaUpdate070716.zip; SC Water Areawide 2017.pdf

Hi Pat

Sorry for the slow response. The short answer to your question below is no, that doesn't mean there was a net increase of 219 brand-new customers to the water system in this area over that 10-year period. There definitely were many projects in the unincorporated portion of the County during that time and in 2006 we absorbed an entire neighborhood in the Rolling Woods area when their water system's wells failed. However, many of the projects occurred at properties that were already served by SCWD which were then subdivided into separate parcels. Often in those cases we would retire existing services and close their customer accounts but then gain new accounts as the new homes were built and the services activated. It was also not unusual to retire a smaller existing service and to reinstall a new slightly larger service, or in a slightly different location, but still result in the same number of customers at a property. I don't have a count of these instances for the 10-year period as our mapping system wasn't set up to catch this sort of data.

I also have some comments on your proposed map and public hearing attachments:

1. Paradise Park and many other parcels that we have long served along Highway 9 are not included on your revised map. It seems a portion of your map is bound by the City Limits line and the San Lorenzo River, which is not correct.
2. Our 2006 map had some errors. We missed 9 parcels that were already served by SCWD. Listed below is a table of those 9 parcels; it would be prudent to include them on your 2017 map so this new version is complete and accurate.
3. The County parcel boundaries change periodically as the Assessor's Office updates their linework. Since your map is based on our old linework, it does not match the current County parcel boundaries.
4. The Notice of Exemption states the purpose of the action as identifying the unincorporated areas where the City may provide new water service, however this map only shows areas where we are currently providing water service. As previously discussed, this is for approval of "extraterritorial service" to the areas outside the City and does not grant approval to areas not already served by the City.

An exhibit of the map we produced last fall is attached. It includes the "error" parcels (shown in red) and the parcel added to our service area through the LAFCO process since 2006. I've attached a new shapefile of the SCWD areawide service authorization that includes the error parcels, the added parcel, and is updated for the revised parcel boundaries. Our linework includes information for the west side of town that is not shown on your map. Please let me know if you have any troubles with this zip file containing the shapefile components. I've also included a redline comment on your map exhibit.

Parcels which have been discovered to be served and should have been included for LAFCO approval

APN	Address	Account Number	Account Activation Date
068-161-16	305 Beal Dr	061-03795	11/6/2000
101-172-13	2363 Branciforte Dr (Serves 234 Granite Creek Rd)	061-02503	8/17/1970
034-222-05	4199 Claret St	066-02135, 066-02130, 066-025125	1/2/2007, 8/3/2005, 11/26/1997
030-131-27	4300 Soquel Dr	100-07400	9/20/1997
102-121-65	3550 Paul Sweet Rd	069-01105	Unknown
030-061-23	100 Rodeo Gulch Rd	100-07530, 100-07531	4/9/1998
030-011-30	100 Rodeo Gulch Rd	100-07530, 100-07531	4/9/1998
030-061-22	100 Rodeo Gulch Rd	100-07530, 100-07531	4/9/1998
067-223-18	1308 El Rancho Dr	062-07590	7/11/1994

Parcels included in service area through the LAFCO approval process

010-192-10	3000 Branciforte Dr	061-03931	10/6/2009
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Matt Zeman

Engineering Associate || City of Santa Cruz || Water Department
 O: (831) 420-5211 || C: (831) 212-5464 || E: mzeman@cityofsantacruz.com

From: Rosemary Menard
Sent: Tuesday, May 23, 2017 4:07 PM
To: Matthew Zeman; Toby Goddard; Kyle Petersen
Cc: Katie Moore; Heidi Luckenbach
Subject: FW: Clarification for LAFCO

Not sure who can answer this.

Also, have we responded with the corrections to Pat's map?

From: Pat McCormick [<mailto:Pat.McCormick@santacruzcounty.us>]
Sent: Tuesday, May 23, 2017 3:49 PM
To: Rosemary Menard
Subject: Clarification for LAFCO

Rosemary-

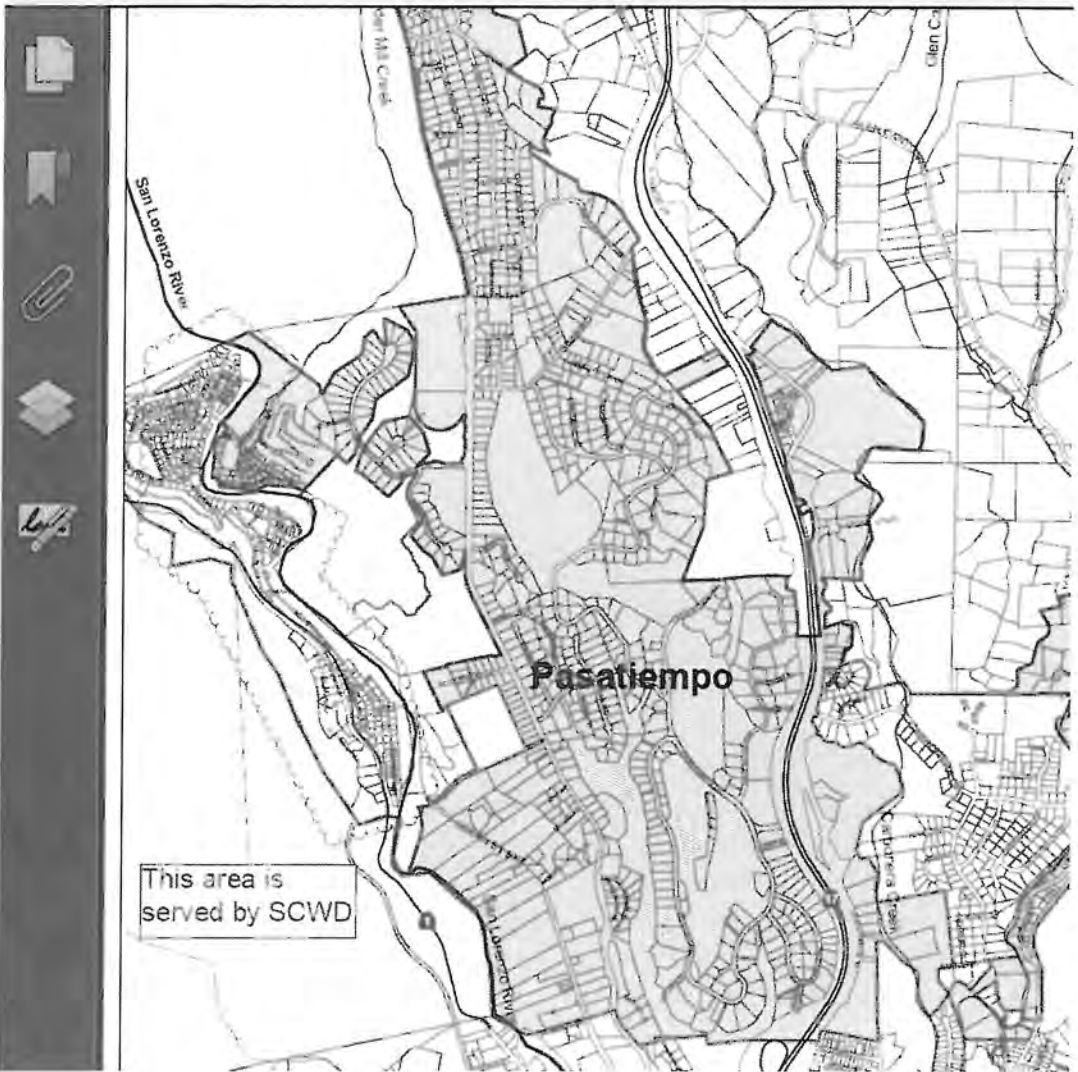
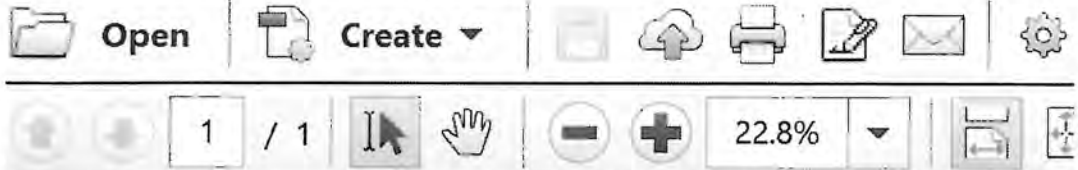
In preparing the staff report for LAFCO's consideration of the Areawide Approval, I have one question. Excluding new fire services and fire services to existing customers, do your counts mean that there were 219 new customers outside the City limits in the ten-year period, or a lesser number?

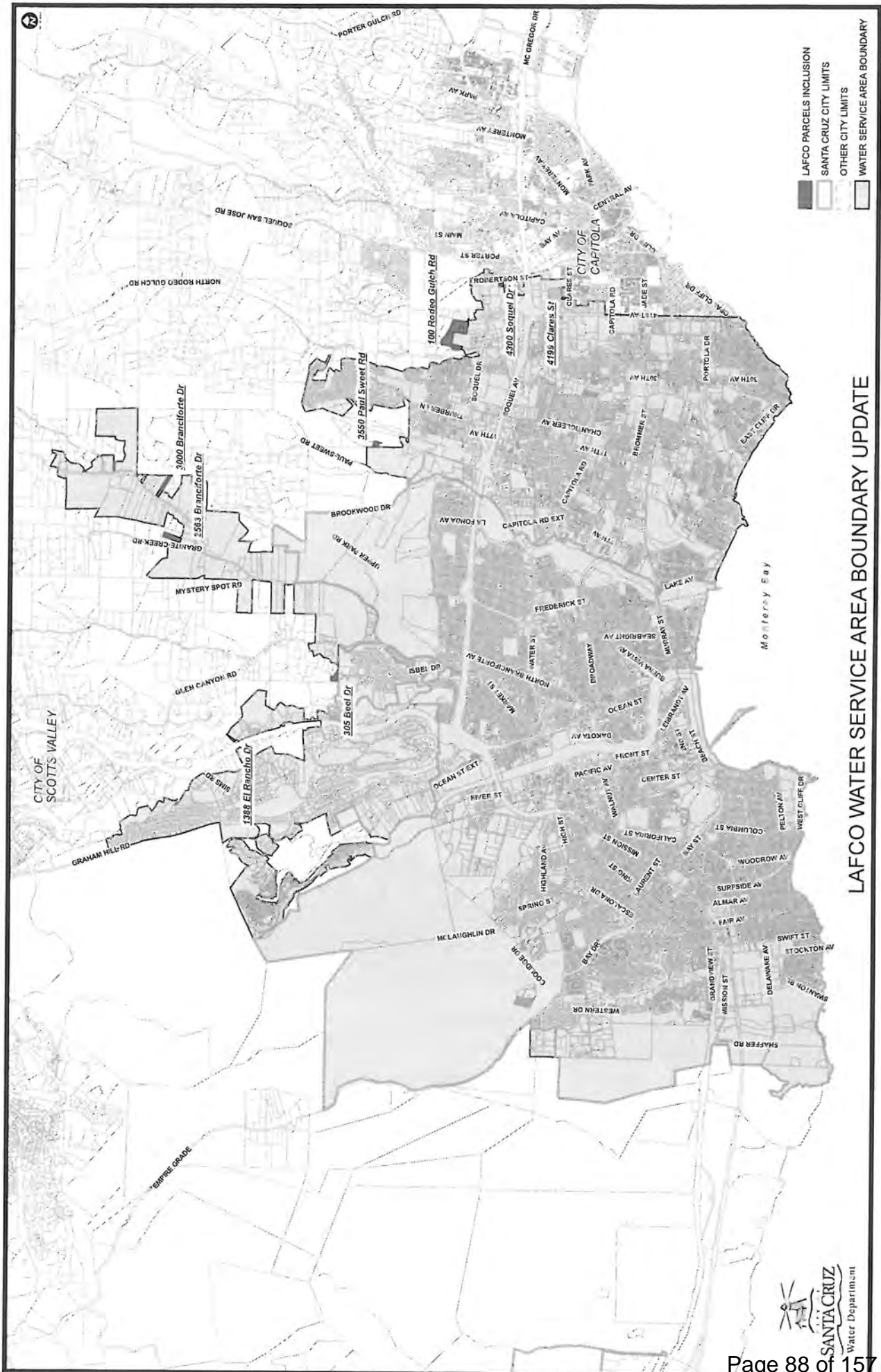
Meter type	Count
New commercial only	27
New residential only	67
New irrigation only	17
New combination 2" fire service x 5/8", 3/4" or 1" residential service	108

Fire service only – 2" and larger	112
Fire service addition to an existing 5/8" or 3/4" residential service*	29

-Pat
Patrick M. McCormick
Executive Officer
Local Agency Formation Commission of Santa Cruz County
701 Ocean Street, Room 318-D, Santa Cruz, CA 95060
pat@santacruzlafco.org
phone (831) 454-2055







LAFCO WATER SERVICE AREA BOUNDARY UPDATE





Lompico Water Rates

Summary: On June 1, 2016, the Lompico Reorganization was effective. The Lompico County Water District was dissolved and the Lompico area annexed to the San Lorenzo Valley Water District. LAFCO authorized the SLVWD to collect an operating surcharge in Lompico for as long as June 1, 2021.

Staff Recommendation: Direct the Chairperson to send a letter to the San Lorenzo Valley Water District acknowledging the District's good management of the Lompico Zone and decision to eliminate the Lompico Operational Surcharge at the end of 2017.

Date: May 31, 2017 for June 7th Agenda

Submitted by: Patrick McCormick, Executive Officer P. M. C.

On August 6, 2014, by Resolution No. 953-A, LAFCO conditionally authorized the Lompico Reorganization which dissolved the Lompico County District, and annexed the Lompico area to the San Lorenzo Valley Water District. Condition 3 of the resolution authorized the San Lorenzo Valley Water District to collect a surcharge for up to five years in order to account for the high operating costs of the Lompico system before the Lompico infrastructure was updated. The effective date of the reorganization was June 1, 2016.

The authorized surcharge maximums decrease ever year:

<u>Year</u>	<u>Beginning</u>	<u>Per Month</u> <u>Per Connection</u>
1	Upon the effective date of the reorganization	\$23.50
2	One year after effective date of the reorganization	\$19.50
3	Two years after effective date of the reorganization	\$8.50
4	Three years after effective date of the reorganization	\$5.50
5	Four years after effective date of the reorganization	\$5.50

The pro forma model used to calculate the surcharge was based upon an assumption that the SLVWD would operate the Lompico system as a stand-alone system, utilizing only Lompico surface and groundwater sources and two treatment plants.

Upon taking over water service responsibilities in Lompico, the SLVWD has made a series of good decisions, including:

- Utilizing an emergency intertie from Zayante to supply the Lompico system.
- Not using the Lompico water sources or treatment plants.
- Installing new meters on all Lompico connections.
- Installing SCADA telemetry on Lompico facilities.

As a result of the good operating decisions, the SLVWD has reviewed their Lompico water rates and, on May 25, 2017, the SLVWD Board took action to reduce the Lompico surcharge to \$18.50 a month on June 1, 2017 and to eliminate the surcharge entirely on December 31, 2017. This ends the Lompico surcharge nearly 3 ½ years earlier than the LAFCO pro forma assumed would be needed.

Staff RECOMMENDS that the Commission direct the Chairperson to send a letter to the San Lorenzo Valley Water District acknowledging the District's good management of the Lompico Zone and decision to eliminate the Lompico Operational Surcharge at the end of 2017.

cc: Jim Rapoza

Attachments: SLVWD Staff Report for May 25, 2017

MEMO

To: Board of Directors
From: District Manager
Subject: LOMPICO SURCHARGE
Date: May 25, 2017

RECOMMENDATION:

It is recommended that the Board of Directors set the second year Lompico Surcharge at \$18.50 per month. Additionally, it is recommended that the Board of Directors terminate the Lompico Surcharge effective December 31, 2017.

BACKGROUND:

On June 1st, 2016, the District merged with Lompico County Water District (LCWD) through a Local Agency Formation Commission process. The merger was predicated on an agreement signed by both Districts (attached as LAFCO Resolution 953-A). A condition of that agreement was a Lompico Surcharge, "...in order to cover the difference between SLVWD's estimated revenues collected in Lompico and SLVWD's estimated operating costs in Lompico...".

In October 2016, to ensure fairness and equity to all 8,000 District customers, including the 500 Lompico Service Area customers, the Board committed to review the Lompico Surcharge after the final LCWD Audit (partial 15/16) was completed.

John Hayes, public member of the Budget and Finance Committee, has been working with Stephanie Hill, Director of Finances, to develop a five-year projection of expenses and revenue for the Lompico Service Area (attached).

The projection shows that the surcharge may be reduced to \$18.50 per month starting in July of 2017 (two months away). That is less than the LAFCo Agreement of \$19.50 per month for the second year. Additionally, the five-year projection would be at a 'break even' if the surcharge was eliminated on December 31, 2017.

Staff supports this analysis and recommends that the Board set the Lompico Surcharge at \$18.50 per month for the months of July 2017 through December 2017. Staff recommends the Board vote to eliminate the Lompico Surcharge effective December 31, 2017.

STRATEGIC PLAN:

Element 5.0 - Fiscal Planning

FISCAL IMPACT:

None

116



Joint Powers Authorities

Date: May 30, 2017 for June 7th Agenda
To: LAFCO Commissioners
From: Patrick M. McCormick, Executive Officer *P. McCormick*
Subject: Joint Powers Authorities

Summary: The Commission will receive a report on the status of joint powers authority agreements being filed with LAFCO.

Senate Bill 1266 of 2016 requires that certain Joint Powers Authorities (JPAs) file copies of their operating agreements with LAFCO no later than July 1, 2017. On April 17, 2017, I sent a reminder note to local district, city, and county administrators.

I am reporting that, as of today, four JPAs have filed their agreements with me:

- San Lorenzo Valley Air Support Group
- Santa Cruz County Emergency Communications Center
- Santa Cruz Library Joint Powers Authority
- Santa Cruz Libraries Facilities Financing Authority.

Also, the Animal Shelter has advised me that they intend to file their agreement with me by July 1, 2017.

No action is required by the Commission. This is a status report.

Attachment: April 17, 2017 Letter of Executive Officer to Local Public Agency Administrators



**Local Agency Formation Commission
of Santa Cruz County**

701 Ocean Street # 318D

Santa Cruz, CA 95060

Phone: (831) 454-2055

Email: pat@santacruzlafco.org

Website: www.santacruzlafco.org

Date: April 17, 2017

To: Local Public Agency Administrators

Via email

- County of Santa Cruz
- Cities in Santa Cruz County
- Special Districts in Santa Cruz County

From: Patrick M. McCormick, LAFCO Executive Officer

Subject: New Reporting Requirements for Certain Joint Powers Authorities (SB 1266)

Senate Bill 1266 of 2016 (McGuire), effective on January 1, 2017, establishes new reporting procedures for certain joint powers authorities and joint power agencies (JPAs). Specifically, the legislation:

1. Requires a JPA to file with LAFCO a copy of the joint powers agreement, and any amendments to the joint powers agreement, if the JPA:
 - a. Meets the definition of a JPA provided in existing law, which defines a JPA as an agency or entity formed for the local performance of governmental functions that includes the provision of municipal services (LAFCO generally considers a municipal service to be those services identified in Government Code Section 61100); and
 - b. Includes a local member agency that is a city, county, or district.
2. Requires the filing to be with the LAFCO in each county within which all or any part of a local member agency's territory is located.
3. Requires the filing with LAFCO to be made no later than July 1, 2017 for JPAs formed prior to January 1, 2017, and within 30 days after the effective date for JPAs formed or amended on or after January 1, 2017.
4. Prohibits any agency or entity administering a joint powers agreement, or amendment to an agreement, which fails to make the required filings with LAFCO from issuing any bonds or incurring any indebtedness of any kind until those filings are completed.

This purpose of this new legislation is to create a depository for all JPA agreements. The bill does not give LAFCO any regulatory review over JPAs. Copies of SB 1266 and Government Code Section 61100 are attached. Please feel free to contact me if you have any questions.

Attachments



STATUS OF PROPOSALS
as of May 30, 2017

<u>LAFCO APPLICATIONS</u>	<u>DATE</u>	<u>STATUS</u>
None		

<u>LAFCO HEARINGS</u>	<u>DATE</u>	<u>STATUS</u>
WHARF ROAD / WRIGHT ANNEXATION to the SOQUEL CREEK WATER DISTRICT LAFCO No. 961	6/7/17	Hearing

<u>LAFCO HEARINGS COMPLETE</u>	<u>DATE</u>	<u>STATUS</u>
FORMATION of HUCKLEBERRY ISLAND COUNTY SERVICE AREA #60 LAFCO No. 957	8/3/16	Extension approved
EXTRATERRITORIAL WATER SERVICE from WATSONVILLE WATER DEPARTMENT to 525 BLAKERIDGE LANE, CORRALITOS LAFCO No. 959	3/2/16	Approved



Legislative Report for June 7, 2017 Agenda

Summary: The LAFCO staff tracks bills during the legislative session, and makes monthly written reports. The Commission may take a position on any tracked bill.

Staff Recommendation: Receive report and take a position in support of AB 1725 (omnibus) if it remains the same or is amended to include any or all of the four sections that CALAFCO is asking to be included in the bill.

Submitted by: Patrick McCormick, Executive Officer 

The new legislative session is gearing up. Bills must have cleared the policy committee in the house of introduction by May 12th. The next deadline is June 2nd for bills to pass out of the house of origin. July 21st is the last day for policy committees to report bills out to the floor. The website for bill information is <http://leginfo.legislature.ca.gov/>

LAFCO staff is tracking nine bills of interest to Santa Cruz LAFCO. These are listed on the attached tracking sheet.

At the April 5, 2017 LAFCO meeting, the Commission discussed supporting AB 1725, the omnibus bill that makes a series of non-controversial, clean-up changes to LAFCO law. Commissioner Leopold indicated that two items were already in the bill and that four additions were being prepared for addition to the bill. The consensus of the Commission was to consider supporting the bill when the additions are amended into the bill so they could be evaluated. To date, the additions have not yet appeared in the bill. The additions being proposed by CALAFCO are listed below and are detailed in an attachment.

Proposer	Code Section	Change
ALREADY IN BILL		
Lucas	56383(a)	Broadens fee recovery to include spheres and MSRs
Ruderman	56658	Add "local" to "affected agency"
ADDITIONS REQUESTED BY CALAFCO		
Luoma	56031(a)	Revise definition of "contiguous"
Cooper	56131.5	Add "detachment" to healthcare district reorganizations
McIntyre	56668(a)	Remove "per capita" from assessed valuation
Texeira	56857	Change "proposal" to "application"

After June 7, 2017 the Commission's next scheduled meeting is August 2, 2017, late in the Legislative session. AB 1725 has passed the Assembly and is currently at the Senate Rules Committee. If the Commission wishes to go on record in support of the bill in a timely manner, but is unwilling to support the bill until the anticipated amendments are made, the Commission could take a position in support of AB 1725 as long as it remains the same or is amended to include any or all of the four sections that CALAFCO is asking to be included in the bill. Staff would only send a letter of support in June or July if these conditions are met.

All six changes were generated from problems identified by other LAFCOs and were vetted through CALAFCO. Staff RECOMMENDS that the Commission support AB 1725 in the conditional manner specified in this memo.

Attachments:

- Tracking Sheet
- Assembly Bill 1725
- CALAFCO Amendments Proposed to AB 1725

BILL	AUTHOR	SUMMARY	STATUS
Assembly Bills			
AB 464	Gallagher	<p><u><i>Annexations</i></u></p> <p>This bill would correct a problem created in a court decision in litigation titled <i>City of Patterson v. Turlock Irrigation District</i>. The bill would provide that any plan for services submitted with an annexation application address extraterritorial services already being provided in the annexation area.</p> <p>CALAFCO Position: Sponsor Santa Cruz LAFCO Position: Support</p>	Passed Assembly, at Senate Government and Finance Com.
AB 577	Caballero	<p><u><i>Disadvantaged Communities</i></u></p> <p>This bill would expand the definition of disadvantaged communities to include communities with annual per capita incomes that are less than 80% of the statewide annual per capita income.</p>	At Assembly Environmental Safety Committee
AB 979	Lackey	<p><u><i>Special District Representation on LAFCOs</i></u></p> <p>This is a spot bill intended to make it easier to add special district representation in the 28 counties that currently do not have special district representation on the LAFCO.</p> <p>CALAFCO Position: Sponsor</p>	Passed Assembly, at Senate Rules Com.
AB 1725	Committee on Local Gov.	<p><u><i>Omnibus Bill</i></u></p> <p>The annual omnibus bill makes a series of minor, non-controversial amendments to a variety of code sections.</p> <p>CALAFCO Position: Sponsor</p>	Passed Assembly, at Senate Rules Com.
Senate Bills			
SB 37	Roth	<p><u><i>Vehicle License Fees for Recently Incorporated Cities</i></u></p> <p>This bill is the author's fourth attempt to transfer vehicle license fees to cities incorporated between 2004 and 2012. See SB 130.</p> <p>CALAFCO Position: Support</p>	Passed Senate Gov. and Fin. Comm., at Sen. Approp. Com.
SB 130	Com. On Budget	<p><u><i>Vehicle License Fees for Recently Incorporated Cities</i></u></p> <p>This bill transfers vehicle license fees to cities incorporated between 2004 and 2012.</p>	Passed Legislature, Signed by Governor

BILL	AUTHOR	SUMMARY	STATUS
SB 365	Dodd	<u>Regional Park District in Solano County</u> This would establish a process to form a regional park and open space district in Solano County, without LAFCO review. CALAFCO Position: Oppose	Passed Senate, at Assembly Desk
SB 448	Wieckowski	<u>Inactive Districts</u> This bill would require special districts to file audits with LAFCOs, and would require LAFCOs to initiate dissolution of inactive districts. The bill would also require property tax bills to list all services provided by agencies that receive property taxes. CALAFCO Position: Oppose unless amended	Passed Sen. Gov. and Fin. Committee, at Sen. Approp. Com.
SB 634	Wilk	<u>Santa Clarita Valley Water District</u> This bill would consolidate two water districts in Los Angeles County, without LAFCO review. CALAFCO Position: Oppose unless amended	At Senate Appropriations Com.



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AB-1725 Local agency formation. (2017-2018)

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Date Published: 05/02/2017 09:00 PM

AMENDED IN ASSEMBLY MAY 02, 2017

CALIFORNIA LEGISLATURE— 2017–2018 REGULAR SESSION

ASSEMBLY BILL

No. 1725

Introduced by Committee on Local Government

March 20, 2017

An act to amend ~~Section 56383~~ Sections 56383 and 56658 of the Government Code, relating to local government.

LEGISLATIVE COUNSEL'S DIGEST

AB 1725, as amended, Committee on Local Government. Local agency formation commission: fees: formation.

The

(1) The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, among other things, 2000 provides the exclusive authority and procedure for the initiation, conduct, and completion of changes of organization and reorganization for cities and districts, as specified.

The act authorizes a local agency formation commission to establish a schedule of fees and a schedule of service charges for proceedings taken pursuant to the act, as specified.

This bill would revise that provision to authorize a local agency formation commission to establish a schedule of fees and a schedule of service charges pursuant to the act.

(2) The act requires a petitioner or a legislative body desiring to initiate proceedings to submit an application to the executive officer of the principal county. Immediately after receiving an application and before issuing a certificate of filing, the act requires the executive officer to give mailed notice that the application has been received to specified entities.

This bill would make a technical correction to the notice requirement.

Vote: majority Appropriation: no Fiscal Committee: no Local Program: no

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 56383 of the Government Code is amended to read:

56383. (a) The commission may establish a schedule of fees and a schedule of service charges pursuant to this division, including, but not limited to, all of the following:

- (1) Filing and processing applications filed with the commission.
- (2) Proceedings undertaken by the commission and any reorganization committee.
- (3) Amending or updating a sphere of influence.
- (4) Reconsidering a resolution making determinations.

(b) The fees shall not exceed the estimated reasonable cost of providing the service for which the fee is charged and shall be imposed pursuant to Section 66016. The service charges shall not exceed the cost of providing the service for which the service charge is charged and shall be imposed pursuant to Section 66016.

(c) The commission may require that an applicant deposit some or all of the required amount that will be owed with the executive officer before any further action is taken. The deposit shall be made within the time period specified by the commission. No application shall be deemed filed until the applicant deposits the required amount with the executive officer. The executive officer shall provide the applicant with an accounting of all costs charged against the deposited amount. If the costs are less than the deposited amount, the executive officer shall refund the balance to the applicant after the executive officer verifies the completion of all proceedings. If the costs exceed the deposited amount, the applicant shall pay the difference prior to the completion of all proceedings.

(d) The commission may reduce or waive a fee, service charge, or deposit if it finds that payment would be detrimental to the public interest. The reduction or waiver of any fee, service charge, or deposit is limited to the costs incurred by the commission in the proceedings of an application.

(e) Any mandatory time limits for commission action may be deferred until the applicant pays the required fee, service charge, or deposit.

(f) The signatures on a petition submitted to the commission by registered voters shall be verified by the elections official of the county and the costs of verification shall be provided for in the same manner and by the same agencies which bear the costs of verifying signatures for an initiative petition in the same county.

(g) For incorporation proceedings that have been initiated by the filing of a sufficient number of voter signatures on petitions that have been verified by the county registrar of voters, the commission may, upon the receipt of a certification by the proponents that they are unable to raise sufficient funds to reimburse fees, service charges, or deposits for the proceedings, take no action on the proposal and request a loan from the General Fund of an amount sufficient to cover those expenses subject to availability of an appropriation for those purposes and in accordance with any provisions of the appropriation. Repayment of the loan shall be made a condition of approval of the incorporation, if successful, and shall become an obligation of the newly formed city. Repayment shall be made within two years of the effective date of incorporation. If the proposal is denied by the commission or defeated at an election, the loan shall be forgiven.

SEC. 2. Section 56658 of the Government Code is amended to read:

56658. (a) Any petitioner or legislative body desiring to initiate proceedings shall submit an application to the executive officer of the principal county.

(b) (1) Immediately after receiving an application and before issuing a certificate of filing, the executive officer shall give mailed notice that the application has been received to each affected *local* agency, the county committee on school district organization, and each school superintendent whose school district overlies the affected territory. The notice shall generally describe the proposal and the affected territory. The executive officer shall not be required to give notice pursuant to this subdivision if a local agency has already given notice pursuant to subdivision (c) of Section 56654.

(2) It is the intent of the Legislature that a proposal for incorporation or disincorporation shall be processed in a timely manner. With regard to an application that includes an incorporation or disincorporation, the executive officer shall immediately notify all affected local agencies and any applicable state agencies by mail and request the affected agencies to submit the required data to the commission within a reasonable timeframe established by the executive officer. Each affected agency shall respond to the executive officer within 15 days

acknowledging receipt of the request. Each affected local agency and the officers and departments thereof shall submit the required data to the executive officer within the timelines established by the executive officer. Each affected state agency and the officers and departments thereof shall submit the required data to the executive officer within the timelines agreed upon by the executive officer and the affected state departments.

(3) If a special district is, or as a result of a proposal will be, located in more than one county, the executive officer of the principal county shall immediately give the executive officer of each other affected county mailed notice that the application has been received. The notice shall generally describe the proposal and the affected territory.

(c) Except when a commission is the lead agency pursuant to Section 21067 of the Public Resources Code, the executive officer shall determine within 30 days of receiving an application whether the application is complete and acceptable for filing or whether the application is incomplete.

(d) The executive officer shall not accept an application for filing and issue a certificate of filing for at least 20 days after giving the mailed notice required by subdivision (b). The executive officer shall not be required to comply with this subdivision in the case of an application which meets the requirements of Section 56662 or in the case of an application for which a local agency has already given notice pursuant to subdivision (c) of Section 56654.

(e) If the appropriate fees have been paid, an application shall be deemed accepted for filing if no determination has been made by the executive officer within the 30-day period. An executive officer shall accept for filing, and file, any application submitted in the form prescribed by the commission and containing all of the information and data required pursuant to Section 56652.

(f) When an application is accepted for filing, the executive officer shall immediately issue a certificate of filing to the applicant. A certificate of filing shall be in the form prescribed by the executive officer and shall specify the date upon which the proposal shall be heard by the commission. From the date of issuance of a certificate of filing, or the date upon which an application is deemed to have been accepted, whichever is earlier, an application shall be deemed filed pursuant to this division.

(g) If an application is determined not to be complete, the executive officer shall immediately transmit that determination to the applicant specifying those parts of the application which are incomplete and the manner in which they can be made complete.

(h) Following the issuance of the certificate of filing, the executive officer shall proceed to set the proposal for hearing and give published notice thereof as provided in this part. The date of the hearing shall be not more than 90 days after issuance of the certificate of filing or after the application is deemed to have been accepted, whichever is earlier. Notwithstanding Section 56106, the date for conducting the hearing, as determined pursuant to this subdivision, is mandatory.

C A L A F C O
LEGISLATIVE PROPOSAL REQUEST
2017 Legislative Year
Kai Luoma – Ventura LAFCO

CALAFCO will consider any proposals for improving or clarifying the Cortese-Knox-Hertzberg Act or related laws when it can be shown to provide benefit or assistance to the Mission and policy principles of CALAFCO. Requesting agencies are expected to provide sufficient explanation for proposals in order for the CALAFCO Legislative Committee to consider the proposal. Please complete the following questions as thoroughly as possible.

IS THIS AN ITEM FOR THE OMNIBUS BILL OR A STAND-ALONE BILL TO BE SPONSORED BY CALAFCO?

 X Omnibus Stand-alone CALAFCO Sponsored

PROPOSAL SUMMARY:

Amend section 56031(a) as follows:

“Contiguous” means territory that abuts or shares a common border with territory within a local agency.

The proposal is consistent with the board's legislative policies regarding orderly growth.

1. PROBLEM. The problem(s) that the proposal would address are:

The current definition of “contiguous” refers to territory that is “adjacent” to a local agency. The word adjacent comes from Latin *adjacere* and means “to lie near”. According to various sources, the definition of “adjacent” includes “nearby”, “close to”, and “not distant”. Section 56741 provides that territory may not be annexed to a city unless it is contiguous to the city. Under the current CKH definition of contiguous, an argument can be made that a city can annex territory that is nearby or close to, but not abutting, that city.

2. SOLUTION. The proposal would address the problem in the following manner:

The proposal clarifies that “contiguous” refers to only territory that abuts a local agency’s boundary.

3. ORGANIZATIONAL SUPPORT.

Unknown.

4. ARGUMENTS IN SUPPORT.

The amended definition would eliminate a potential loophole that would otherwise allow for a city to annex territory that does not abut the city.

5. ORGANIZATIONAL OPPOSITION.

None known.

6. ARGUMENTS IN OPPOSITION.

A potential argument against may be from a city or property owner who wants to exercise the loophole in order to annex non-contiguous property to a city or district.

7. CONTACT.

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November 17, 2016

**Proposed code revision(s)
Redline/strikeout format**

56031. (a) "Contiguous" means territory that abuts or shares a common border
with adjacent to territory within a local agency.

C A L A F C O
LEGISLATIVE PROPOSAL REQUEST
2017 Legislative Year
Carole Cooper – Sonoma LAFCO

CALAFCO will consider any proposals for improving or clarifying the Cortese-Knox-Hertzberg Act or related laws when it can be shown to provide benefit or assistance to the Mission and policy principles of CALAFCO. Requesting agencies are expected to provide sufficient explanation for proposals in order for the CALAFCO Legislative Committee to consider the proposal. Please complete the following questions as thoroughly as possible.

IS THIS AN ITEM FOR THE OMNIBUS BILL OR A STAND-ALONE BILL TO BE SPONSORED BY CALAFCO?

Omnibus **Stand-alone CALAFCO Sponsored**

PROPOSAL SUMMARY:

What Code Section (s) and specific language are proposed for change? 56131.5
Provide in redline/strikeout format where possible. See attached

Which CALAFCO Board-adopted legislative policy or priority does this proposal address?
LAFCO Purpose and Authority (1.1)

1. PROBLEM. The problem(s) that the proposal would address are:

Provide a detailed explanation of the problem(s) identified that would be solved with this proposal.

Addition of the words "detachment from" would complete the types of changes of organization or reorganization that are listed in this section. It is possible that, should territory be detached from a health care district, the agencies listed to be notified regarding other changes of organization would need to or want to know when detachment from a health card district is proposed.

2. SOLUTION. The proposal would address the problem in the following manner:

Describe *how* the problem would be resolved through this proposal. Include previous proposals or solutions that did not work and why they were not successful as a way to strengthen this position.

The problem would be resolved by addition of the words "detachment from" in 56131.5(a). Although it might be rare to have detachments from health care districts, it can happen... Sonoma LAFCO recently approved such a proposal. To the extent that detachment of territory might impact activities at any of the agencies also listed in this

Requiring EOs to notify not only local, but also state and federal agencies would be unduly burdensome and lead to increased costs for notice. This is particularly true as section 56658, subdivision (b)(1) requires notice to be by mail rather than electronically.

2. SOLUTION. The proposal would address the problem in the following manner:

Describe *how* the problem would be resolved through this proposal. Include previous proposals or solutions that did not work and why they were not successful as a way to strengthen this position.

This problem may be resolved by changing "affected agency" to "affected local agency" because the latter is a defined term that clarifies the scope of notice and is reasonably calculated to inform stakeholders of LAFCo's receipt of an application for a change or organization or reorganization.

3. ORGANIZATIONAL SUPPORT.

Besides CALAFCO, which LAFCos support the proposal? What other stakeholders may support the proposal?

None. I have not approached any LAFCos with this proposal. However, I think all LAFCos could benefit from clarifying the scope of notice the EO must provide regarding new applications.

4. ARGUMENTS IN SUPPORT.

What are the specific arguments in support of the proposal? Be as specific as possible, including data to support the argument.

Specifying that notice need only be provided to "affected local agencies" is consistent with legislative intent and will promote uniform notice procedures at reduced cost to LAFCos and the agencies that fund them. The term "affected agency" only appeared in section 56658, subdivision (b)(1) after a 2012 amendment. (2012 Cal. Legis. Serv. Ch. 62, § 3 (A.B. 2698).) Before 2012, this subdivision required notice to each "interested agency and subject agency," rather than each "affected agency." Under CKH, however, interested agencies and subject agencies are expressly local agencies. Government Code section 56047.5 defines "interested agency" as "each local agency which provides facilities or services in the affected territory." (Emphasis added.) "Subject agency" is defined as "each district or city for which a change of organization or reorganization is proposed or provided in a plan of reorganization." (Gov. Code, § 56077, emphases added.)

In addition, Government Code section 56662, subdivision (c) provides that "an affected local agency" may make a written demand on the EO within 10 days after the EO provides notice under subdivision (b) of section 56658. It does not provide this right to an "affected agency." Thus, amending Government Code section 56658, subdivision (b)(1) to specify "affected local agency" is consistent with the Legislature's intent. The absence of "local" appears to have been an oversight.

Clarifying the agencies who are to receive notice will also ensure that all LAFCos are providing notice uniformly throughout the state. Finally, specifying that notice goes to only "affected local agencies" will reduce the cost of notice if some LAFCos are spending resources notifying non-local agencies.

application is deemed to have been accepted, whichever is earlier, an application shall be deemed filed pursuant to this division.

(g) If an application is determined not to be complete, the executive officer shall immediately transmit that determination to the applicant specifying those parts of the application which are incomplete and the manner in which they can be made complete.

(h) Following the issuance of the certificate of filing, the executive officer shall proceed to set the proposal for hearing and give published notice thereof as provided in this part. The date of the hearing shall be not more than 90 days after issuance of the certificate of filing or after the application is deemed to have been accepted, whichever is earlier. Notwithstanding Section 56106, the date for conducting the hearing, as determined pursuant to this subdivision, is mandatory.

**Proposed code revision(s)
Redline/strikeout format**

56131.5.

(a) Upon the filing of an application for the formation of, annexation to, detachment from, consolidation of, or dissolution of a local health care district created pursuant to Division 23 (commencing with Section 32000) of the Health and Safety Code or of an application for a reorganization including any of those changes of organization or the initiation by the commission of any of those changes of organization or any reorganization including any of those changes of organization, the commission shall notify all state agencies that have oversight or regulatory responsibility over, or a contractual relationship with, the local health care district that is the subject of the proposed change of organization or reorganization, of its receipt of the application or the initiation by the commission of the proposed change of organization or reorganization and the proposal, including, but not limited to, the following:

- (1) The State Department of Health Care Services, including, but not limited to, the Medi-Cal Division.
- (2) The Office of Statewide Health Planning and Development, including, but not limited to, the Cal-Mortgage Loan Insurance Division.
- (3) The California Health Facilities Financing Authority.
- (4) The State Department of Public Health, including, but not limited to, the Licensing and Certification Division.

(b) A state agency shall have 60 days from the date of receipt of notification by the commission to comment on the proposal. The commission shall consider all comments received from any state agency in making its decision.

C A L A F C O
LEGISLATIVE PROPOSAL REQUEST
2017 Legislative Year
Michelle McIntyre – Solano LAFCO

CALAFCO will consider any proposals for improving or clarifying the Cortese-Knox-Hertzberg Act or related laws when it can be shown to provide benefit or assistance to the Mission and policy principles of CALAFCO. Requesting agencies are expected to provide sufficient explanation for proposals in order for the CALAFCO Legislative Committee to consider the proposal. Please complete the following questions as thoroughly as possible.

IS THIS AN ITEM FOR THE OMNIBUS BILL OR A STAND-ALONE BILL TO BE SPONSORED BY CALAFCO?

 X Omnibus Stand-alone CALAFCO Sponsored

PROPOSAL SUMMARY:

What Code Section (s) and specific language are proposed for change? Remove "per capita" from 56668(a)

Provide in redline/strikeout format where possible. See attached.

Which CALAFCO Board-adopted legislative policy or priority does this proposal address? Minor clean-up of CKH Act.

1. PROBLEM. The problem(s) that the proposal would address are:

Provide a detailed explanation of the problem(s) identified that would be solved with this proposal.

Removing "per capita" from 56668(a) helps clarify the factors LAFCOs are required to consider when evaluating a change of organization/reorganization proposal. Most proposals do not require an election and LAFCOs are only required to calculate per capita assessed valuations in those rare instances. Assessed valuations are more relevant because they are needed for protest hearings, which are much more common than elections. However; should a project require an election, Section 57143(a) describes the requirement and formula for calculating per capita assessed valuation.

2. SOLUTION. The proposal would address the problem in the following manner:

Describe *how* the problem would be resolved through this proposal. Include previous proposals or solutions that did not work and why they were not successful as a way to strengthen this position.

The solution is to remove "per capita" from Section 56668(a).

3. ORGANIZATIONAL SUPPORT.

Besides CALAFCO, which LAFCOs support the proposal? What other stakeholders may support the proposal? Unknown.

4. ARGUMENTS IN SUPPORT.

What are the specific arguments in support of the proposal? Be as specific as possible, including data to support the argument.

LAFCOs may already be only including assessed valuations in their staff reports as they are helpful and required for protest hearings. Removing "per capita" will help clarify Section 56668(a).

5. ORGANIZATIONAL OPPOSITION.

What organizations, if any (LAFCOs or other stakeholders) have expressed or may express opposition to the proposal? None.

6. ARGUMENTS IN OPPOSITION.

What are the specific arguments in opposition of the proposal? Be as specific as possible, including data to support the argument.

Per capita assessed valuations are needed for elections. However, Section 57143(a) addresses this requirement.

7. CONTACT.

For information please contact:

EO submitting the proposal with contact information:

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916/442-6536

Date: Nov. 4, 2016

List attachments: Strikethrough/Underline

**Proposed code revision(s)
Redline/strikeout format**

56668. Factors to be considered in the review of a proposal shall include, but not be limited to, all of the following:

(a) Population and population density; land area and land use; ~~per capita~~-assessed valuation; topography, natural boundaries, and drainage basins; proximity to other populated areas; the likelihood of significant growth in the area, and in adjacent incorporated and unincorporated areas, during the next 10 years.

C A L A F C O
LEGISLATIVE PROPOSAL REQUEST
2017 Legislative Year
Lou Ann Texeira – Contra Costa LAFCO

CALAFCO will consider any proposals for improving or clarifying the Cortese-Knox-Hertzberg Act or related laws when it can be shown to provide benefit or assistance to the Mission and policy principles of CALAFCO. Requesting agencies are expected to provide sufficient explanation for proposals in order for the CALAFCO Legislative Committee to consider the proposal. Please complete the following questions as thoroughly as possible.

IS THIS AN ITEM FOR THE OMNIBUS BILL OR A STAND-ALONE BILL TO BE SPONSORED BY CALAFCO?

 X Omnibus Stand-alone CALAFCO Sponsored

PROPOSAL SUMMARY:

What Code Section (s) and specific language are proposed for change? 56857
Provide in redline/strikeout format where possible.

Which CALAFCO Board-adopted legislative policy or priority does this proposal address? 1. LAFCo Purpose and Authority (1.1).

1. PROBLEM. The problem(s) that the proposal would address are:

Provide a detailed explanation of the problem(s) identified that would be solved with this proposal. We believe this correction may have been overlooked several years ago when there was a major review/overhaul of the definitions contained in CKH.

One of the differences between "proposal" and "application" is that a "proposal" specifies "for which a certificate of filing has been issued." We believe it is common practice for the LAFCO Executive Officer to place these "informational items" on the Commission's agenda before deeming the application complete and issuing a certificate of filing, which in many cases, could take months (i.e., waiting for a tax transfer agreement, completion of EIR process, etc.).

2. SOLUTION. The proposal would address the problem in the following manner:

Describe *how* the problem would be resolved through this proposal. Include previous proposals or solutions that did not work and why they were not successful as a way to strengthen this position. The proposed correction reflects actual practice and provides the appropriate reference to "application" rather than to "proposal."

3. ORGANIZATIONAL SUPPORT.

Besides CALAFCO, which LAFCos support the proposal? What other stakeholders may support the proposal? LAFCO staff from Los Angeles, Riverside and Sonoma have reviewed and support this proposal. Outreach to other stakeholders has not yet been conducted.

4. ARGUMENTS IN SUPPORT.

What are the specific arguments in support of the proposal? Be as specific as possible, including data to support the argument. The proposed correction reflects actual practice and provides the appropriate reference to "*application*" rather than to "*proposal*."

5. ORGANIZATIONAL OPPOSITION.

What organizations, if any (LAFCOs or other stakeholders) have expressed or may express opposition to the proposal? Organizational opposition is unknown at this time.

6. ARGUMENTS IN OPPOSITION.

What are the specific arguments in opposition of the proposal? Be as specific as possible, including data to support the argument. Arguments in opposition are unknown at this time.

7. CONTACT.

For information please contact:

EO submitting the proposal with contact information:

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Date: 11-18-16

List attachments: Redline/strikeout format is attached.

**Proposed code revision(s)
Redline/strikeout format**

56857. (a) Upon receipt by the commission of a proposed change of organization or reorganization that includes the annexation of territory to any district, if the ~~application proposal~~ is not filed by the district to which annexation of territory is proposed, the executive officer shall place the ~~application proposal~~ on the agenda for the next commission meeting for information purposes only and shall transmit a copy of the ~~application proposal~~ to any district to which an annexation of territory is requested.

(b) No later than 60 days after the date that the ~~proposal-application~~ is on the commission's meeting agenda in accordance with subdivision (a), any district to which annexation of territory is proposed may adopt and transmit to the commission a resolution requesting termination of the proceedings. The resolution requesting termination of the proceedings shall be based upon written findings supported by substantial evidence in the record that the request is justified by a financial or service related concern. Prior to the commission's termination of proceedings pursuant to subdivision (c), the resolution is subject to judicial review.



Work Program

Date: May 30, 2017 for June 7, 2017 Agenda

To: LAFCO Commissioners

From: Patrick M. McCormick, Executive Officer P. - = C.

Subject: Work Program

Summary: The Commission's work program has a goal of completing the current round of service and sphere reviews by June 30, 2018.

Staff Recommendation: Discuss work program.

The following table shows the service and sphere reviews remaining to be completed and a tentative identification of which reviews staff will be able to complete and which reviews are likely to need consultants to meet the June 30, 2018 completion goal. A request for proposals (RFP) is on the June 7th agenda for release concerning the Aptos/La Selva and Central Fire Protection Districts. Future consulting contracts are envisioned for the cities of Santa Cruz and Watsonville, and for the sanitation agencies.

The Soquel Creek Water District review is on the June 7th Agenda. The staff is working on the following reviews: Central Water, CSA 54 Summit West Water, Pajaro Valley Water Management Agency, Reclamation District 2049, the City of Capitola, and 32 Road Maintenance County Service Areas. It is likely that these will be completed by September 1.

Staff proposes that the Commission check the work program progress at its August 2nd meeting, and consider proceeding with an RFP for consultant-prepared service and sphere reviews at its September 6th meeting.

SERVICE AND SPHERE REVIEWS TO BE PREPARED

May 26, 2017

Agency Type	Completed Sept. 1, 2017	Completed June 30, 2018	Prepared By
<u>Cities</u>			
Capitola	X		Staff
Santa Cruz		X	Consultant
Watsonville		X	Consultant
<u>Fire</u>			
Aptos/La Selva Fire		X	Consultant
Central Fire		X	Consultant
CSA 48 County Fire		X	?
<u>Water</u>			
Central Water	X		Staff
Soquel Creek	X		Staff
CSA 54 Summit West	X		Staff
Pajaro Val. Water Management	X		Staff
<u>Sanitation</u>			
Davenport Sanitation		X	Consultant
Freedom Sanitation		X	Consultant
County Sanitation		X	Consultant
CSA 2 Place de Mer		X	Consultant
CSA 5 Sand Dollar		X	Consultant
CSA 7 Boulder Creek		X	Consultant
CSA 20 Trestle Beach		X	Consultant
<u>Misc.</u>			
Port District		X	Staff
Midpeninsula Regional Open Space		X	Staff
Reclamation District 2049	X		Staff
<u>County Service Areas</u>			
3 Aptos Seascape		X	Staff
11 County Parks		X	Staff
38 Sheriff's Patrol		X	Staff
53 Mosquito/Vector		X	Staff
Road CSAs (32)	X		Staff



CALPERS Pension Payments

Date: May 30, 2017 for June 7, 2017 Agenda

Summary: LAFCO contracts with the California Public Employees' Retirement System for staff pension coverage. There are some payment options to consider.

Staff Recommendation:

- 1) For the 2016-17 fiscal year, do not make an extra payment to reduce the pension fund's unfunded liability.*
- 2) For the 2017-18 fiscal year, pre-pay the annual unfunded liability amount as a lump rather than with each payroll.*

Submitted by: Patrick McCormick, Executive Officer 

FY 2016-17 Unfunded Liability Buy-Down

On March 2, 2016, the Commission discussed making a one-time payment to reduce the unfunded liability in its pension fund at CalPERS. The reason is that CalPERS charges a high interest rate on unfunded liability. At that time, the rate was 7.50%. On July 1, 2017, CalPERS will lower the rate to 7.375% and it is scheduled to go down to 7.00% on July 1, 2019. The Commission decided to make a \$20,000 liability buy-down payment in 2016, and to consider making lump sum payments annually until the side fund liability was eliminated. Staff is not recommending a buy-down payment this year for the following reasons:

- 1) The FY 2016-17 application processing fee revenues are projected to be \$15,300 less than the amount budgeted.
- 2) All of the projected fund balance on June 30, 2017 is projected to be needed to fully fund the adopted budget for FY 2017-18.
- 3) There is a good chance that the Commission will fully utilize the budget to contract with consultants to prepare the Midcounty fire study, and complete the service and sphere review cycle.

If, in the upcoming fiscal year, revenues are higher than projected or costs are lower than projected, the Commission can decide to make an unfunded liability buy-down payment in spring 2018.

FY 2017-18 Unfunded Liability Pre-Payment

CalPERS provides two options for member agencies to make their required unfunded liability payments: either every two weeks throughout the year as payroll reports are filed, or as a lump sum in July at the beginning of the fiscal year. The default is bi-weekly payments, and that has been LAFCO's practice. Many agencies are shifting to the lump sum payment because CalPERS offers a discount. For Santa Cruz LAFCO, the bi-weekly payments would total \$24,727 and the lump sum payment would be \$23,848. The savings for the lump sum method is \$879, approximately 3.6%. In March 2017, the interest received on LAFCO's funds deposited with the County Treasurer was 0.9%. It appears prudent to make the lump sum payment for FY 2017-18, and to continue doing so in future years unless the differential between the discount and the market interest rates changes significantly.


If any Commissioner wants to review the background information for these two recommendations, please contact the Executive Officer.



Special District Risk Management Authority

Summary: LAFCO obtains its workers compensation insurance coverage from the Special District Risk Management Authority, which is conducting a board election.

Staff Recommendation: Adopt resolution voting for up to four candidates.

Submitted by: Patrick McCormick, Executive Officer 

The Special District Risk Management Authority (SDRMA) provides workers compensation and other insurance coverage to public agencies in California. Every two years, the SDRMA conducts elections for its board of directors. Since Santa Cruz LAFCO is a member agency, LAFCO is entitled to vote in this election. Election materials are attached to this memo.

Vote for no more than four candidates.

Name	Title	Agency	Incumbent
Timothy Unruh	District Manager	Kern County Cemetery Dis. 1	
Jim Hamlin	Board Member	Burney Water District	
Mike Schaefer	Board Member	Costa Mesa Sanitary District	X
Michael Karen	Board Member	Apple Valley Fire Protection Dis.	
David Aranda	General Manager	Mountains Meadows C.S.D.	X
Cindi Beaudet	General Manager	Temecula Public Cemetery Dis.	
Jean Bracy	Deputy Director	Mojave Desert Air Quality Man.	X

The Board members who are not up for re-election are:

Name	Title	Agency
Ed Gray	Board Member	Chino Valley Independent Fire Protection District
Sandy Seifert-Raffelson	Finance Manager	Herlong Public Utility District
Robert Swan	Board Member	Groveland Community Services District

Attachments: Elections materials

RESOLUTION NO. _____

**A RESOLUTION OF THE GOVERNING BODY OF THE
Santa Cruz Local Agency Formation Commission
FOR THE ELECTION OF DIRECTORS TO THE SPECIAL DISTRICT
RISK MANAGEMENT AUTHORITY BOARD OF DIRECTORS**

WHEREAS, Special District Risk Management Authority (SDRMA) is a Joint Powers Authority formed under California Government Code Section 6500 et seq., for the purpose of providing risk management and risk financing for California special districts and other local government agencies; and

WHEREAS, SDRMA's Sixth Amended and Restated Joint Powers Agreement specifies SDRMA shall be governed by a seven member Board of Directors nominated and elected from the members who have executed the current operative agreement and are participating in a joint protection program; and

WHEREAS, SDRMA's Sixth Amended and Restated Joint Powers Agreement Article 7 - Board of Directors specifies that the procedures for director elections shall be established by SDRMA's Board of Directors; and

WHEREAS, SDRMA's Board of Directors approved Policy No. 2017-03 Establishing Guidelines for Director Elections specifies director qualifications, terms of office and election requirements; and

WHEREAS, Policy No. 2017-03 specifies that member agencies desiring to participate in the balloting and election of candidates to serve on SDRMA's Board of Directors must be made by resolution adopted by the member agency's governing body.

NOW, THEREFORE, BE IT RESOLVED that the governing body of the Santa Cruz Local Agency Formation Commission selects the following candidates to serve as Directors on the SDRMA Board of Directors:

(continued)



OFFICIAL 2017 ELECTION BALLOT
SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY
BOARD OF DIRECTORS

VOTE FOR ONLY FOUR (4) CANDIDATES

Mark each selection directly onto the ballot, voting for no more than four (4) candidates. Each candidate may receive only one (1) vote per ballot. A ballot received with more than four (4) candidates selected will be considered invalid and not counted. All ballots must be sealed and received by mail or hand delivery in the enclosed self-addressed, stamped envelope at SDRMA on or before 4:30 p.m., Tuesday, August 29, 2017. Faxes or electronic transmissions are NOT acceptable.

- Timothy Unruh, District Manager, Kern County Cemetery District No. 1
James M. Hamlin (Jim), Board Director, Burney Water District
Mike Scheaffer (Incumbent), Director/President, Costa Mesa Sanitary District
Michael J. Karen, Board Director, Apple Valley Fire Protection District
David Aranda (Incumbent), General Manager, Mountain Meadows Community Services District
Cindi BeauDET, General Manager, Temecula Public Cemetery District
Jean Bracy, SDA (Incumbent), Deputy Director - Administration, Mojave Desert Air Quality Management District

ADOPTED this ___ day of ___, 2017 by the Santa Cruz Local Agency Formation Commission by the following roll call votes listed by name:

AYES: _____
NOES: _____
ABSTAIN: _____
ABSENT: _____

ATTEST:

APPROVED:

**Special District Risk Management Authority
Board of Directors
Candidate's Statement of Qualifications**

This information will be distributed to the membership with the ballot, "exactly as submitted" by the candidates – no attachments will be accepted. No statements are endorsed by SDRMA.

Nominee/Candidate Timothy Unruh
District/Agency Kern County Cemetery District No.1
Work Address 18662 Santa Fe Way, PO Box 354, Shafter, CA 93263
Work Phone 661-746-3921 Home Phone 661-746-6725

Why do you want to serve on the SDRMA Board of Directors? (Response Required)

The work of SDRMA is critical to the everyday operations of a Special District. Knowing that the district and the board is protected gives a 'Peace of Mind' to our daily operations. Sitting on this Board will give me an opportunity to give back to SDRMA and its membership. As a manager of a moderate sized Special District, I am especially interested in maintaining an involvement from that small district perspective. It is imperative that SDRMA maintains cost effective service to the Special District community and it's important that smaller districts have a voice in their insurance needs.

What Board or committee experience do you have that would help you to be an effective Board Member? (SDRMA or any other organization) (Response Required)

I spent three years as a Director for CSDA including one year as Legislation Committee Chairman. I currently sit on the CSDA Legislation Committee and am a Special District Administrator (SDA). Our District is in its fourth term as a District of Distinction which now includes the Transparency Certification. I currently sit as a Director with a city appointment on Kern Mosquito and Vector board. I have been a Director of the California Association of Public Cemeteries for 15 years and currently am Chairman of the Legislation Committee. I have been involved with the Kern County Special Districts Association since 1995 from when we worked to obtain LAFCo representation for Special Districts.

Most importantly, I have been a manager for the Kern County Cemetery District for 30 years and work daily to keep our cemetery district strong and effective in our community. To that end, I have the SDRMA General Safety Specialist Certification and with that training I work for a compliant, safe and healthy working relationship with our staff.

**Special District Risk Management Authority
Board of Directors
Candidate's Statement of Qualifications**

**What special skills, talents, or experience (including volunteer experience) do you have?
(Response Required)**

I feel that community history is very important and am a volunteer with the local Historical Society. I also have sat on the local school board and have been involved with our youth through our church as well as our community through sports and especially by giving our young people a safe and entertaining place to visit after our home football games.

This being said, I feel that I am a committed and thorough person who knows that to get things done you must be involved and be able to think out of the box in difficult situations. You must listen to those around you and sometimes that means keeping one's mouth shut.

I have worked as a Manager for many years and understand the needs of special districts. What SDRMA offers is an integral part of special district operations and I feel that I can bring a passion for the practical needs of Special Districts.

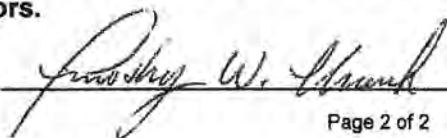
What is your overall vision for SDRMA? (Response Required)

SDRMA has shown great concern for the Special Districts in California as is seen in their commitment to meeting our insurance needs. This is done by listening to the membership and continuing to work on being a better and complete insurance stop. I feel that the Health Insurance part of their programs will be the next large growth area. As we deal with PERB's and the needs of our work force, this area will help to meet the needs of our agencies.

Their education is excellent and they have defined their role in local government very well. It will be necessary to maintain this role and work to educate the membership. SDRMA's commitment to be a cost-effective insurance provider has work well in the past and will continue to do so as long as the Board and staff work together to fulfill their mission statement.

I certify that I meet the candidate qualifications as outlined in the SDRMA election policy. I further certify that I am willing to serve as a director on SDRMA's Board of Directors. I will commit the time and effort necessary to serve. Please consider my application for nomination/candidacy to the Board of Directors.

Candidate Signature



Date: April 24, 2017

**Special District Risk Management Authority
Board of Directors
Candidate's Statement of Qualifications**

This information will be distributed to the membership with the ballot, "exactly as submitted" by the candidates – no attachments will be accepted. No statements are endorsed by SDRMA.

Nominee/Candidate	<u>James M. Hamlin (Jim)</u>
District/Agency	<u>Burney Water & Sewer District</u>
Work Address	<u>20541 Burney Court, Burney, Ca. 96013</u>
Work Phone	<u>(530) 335-2040</u> Home Phone <u>(530) 335-2040</u>

Why do you want to serve on the SDRMA Board of Directors? (Response Required)

Able to look at actuarial evidence. Being able to set adequate rates for both Insurance program and districts. SDRMA needs to operate as a business.

What Board or committee experience do you have that would help you to be an effective Board Member? (SDRMA or any other organization) (Response Required)

Served on hospital district for 24 1/2 years, California Hospital District board for 8 years, Burney water Sewer board for three years. I had my own insurance brokerage for 43 years. I did not have an E & O Claim.

**Special District Risk Management Authority
Board of Directors
Candidate's Statement of Qualifications**

**What special skills, talents, or experience (including volunteer experience) do you have?
(Response Required)**

see previous question

What is your overall vision for SDRMA? (Response Required)

SDRMA must operate as a viable business. Many district carriers and board members are reluctant to raise rates. When I served on Ca. Hospital Board, many of the board members were not willing to operate as a business because it would affect their hospitals bottom line.

I certify that I meet the candidate qualifications as outlined in the SDRMA election policy. I further certify that I am willing to serve as a director on SDRMA's Board of Directors. I will commit the time and effort necessary to serve. Please consider my application for nomination/candidacy to the Board of Directors.

Candidate Signature James M. Hamlin Date 4-1-2017

**Special District Risk Management Authority
Board of Directors
Candidate's Statement of Qualifications**

This information will be distributed to the membership with the ballot, "exactly as submitted" by the candidates – no attachments will be accepted. No statements are endorsed by SDRMA.

Nominee/Candidate **MIKE SCHEAFER**
District/Agency **COSTA MESA SANITARY DISTRICT**
Work Address **1551-B BAKER ST, COSTA MESA, CA 92626**
Work Phone **714-435-0300** Home Phone **714-552-9858**

Why do you want to serve on the SDRMA Board of Directors? (Response Required)

As an incumbent on the SDRMA Board I wish to continue providing the service and knowledge that I have been consistent with during my current term. As an insurance professional for over 44 years I bring the experience needed to manage the risks Districts are faced with. Over my term I have consistently made decisions to provide the protections necessary at the most affordable cost. Districts continue to encounter new challenges to their risk management programs. My years of experience, my continued involvement in insurance education and my desire to protect make me a sound choice to continue on the Board of SDRMA.

What Board or committee experience do you have that would help you to be an effective Board Member? (SDRMA or any other organization) (Response Required)

Current SDRMA Board Member. President Costa Mesa Sanitary District Board of Directors. Former City Councilmember for the City of Costa Mesa. Former Parks and Recreation Commissioner for the City of Costa Mesa.

Leadership positions, including Board President for the following: Little League Baseball, Boys and Girls Club of the Harbor Area, Costa Mesa Senior Center, The Albert Dixon Memorial Foundation (non profit providing funds for other non-profit agencies).

Over 30 years experience with Lions Clubs International. Served as District Governor, Club President several times. Chaired the California Convention Committee several times. Membership in the organization continues.

My leadership role in all these organizations gave, and give, me experience in the risks that face each. My insurance experience helps me make prudent decisions when challenged with those risks.

**Special District Risk Management Authority
Board of Directors
Candidate's Statement of Qualifications**

**What special skills, talents, or experience (including volunteer experience) do you have?
(Response Required)**

Many of the organizations that I have either been elected to or volunteered for quickly put me in a leadership role. They recognized my ability to handle the risks and challenges the organizations meet. I was able to steer those organizations in a clear path to minimize the risk.

I continue to hold a teaching credential in Insurance Education with the local community college District. Additionally I was a professor of Insurance Continuing Education for many years. I have a passion for passing on the knowledge I have acquired over my career.

I have always faced the risk management challenges of any organization with the confidence that the desired outcomes would be realized.

What is your overall vision for SDRMA? (Response Required)

My vision is to continue providing the protection and service to the Special Districts that make them strong in their risk management efforts. I will continue to work for those ends while keeping strong my conviction that rates need to be adequate yet affordable for the Districts.

New technologies, changes in legislation, make it extremely difficult for Districts to keep up with the factors posing new challenges to risk management, insurance, etc. My experience in those areas, my position as an elected official, make me keenly aware of how to protect the Districts.

I will continue to be committed to making SDRMA the leader in protecting the risk management needs of our Special Districts.

I certify that I meet the candidate qualifications as outlined in the SDRMA election policy. I further certify that I am willing to serve as a director on SDRMA's Board of Directors. I will commit the time and effort necessary to serve. Please consider my application for nomination/candidacy to the Board of Directors.

Candidate Signature _____



Date _____

4/25/17

**Special District Risk Management Authority
Board of Directors
Candidate's Statement of Qualifications**

**What special skills, talents, or experience (including volunteer experience) do you have?
(Response Required)**

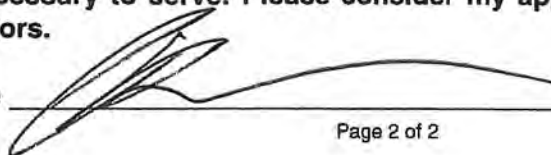
I have been a business owner, and I am a Veteran of Desert Strike/Desert Storm. I am a member of the Apple Valley Chamber of Commerce, Victor Valley Republican, and the Community Emergency Response Team (CERT). I am an elected member of the Republican Central Committee as well as a Director for the Apple Valley Fire District. I have donated my time to seniors, the needy, and Salvation Army. I was also a Man About Town nominee for the High Desert Phoenix Foundation.

What is your overall vision for SDRMA? (Response Required)

As a Director, I would work to promote education in the districts. I would also build coalitions to keep the rates competitive. I hope to work with the board on any and all issues facing all of our districts. I would love to be elected to such a distinguished team!

I certify that I meet the candidate qualifications as outlined in the SDRMA election policy. I further certify that I am willing to serve as a director on SDRMA's Board of Directors. I will commit the time and effort necessary to serve. Please consider my application for nomination/candidacy to the Board of Directors.

Candidate Signature



Date

4-20-17

**Special District Risk Management Authority
Board of Directors
Candidate's Statement of Qualifications**

This information will be distributed to the membership with the ballot, "exactly as submitted" by the candidates - no attachments will be accepted. No statements are endorsed by SDRMA.

Nominee/Candidate David Aranda
District/Agency Mountain Meadows Community Services District
Work Address 17980 Highline Rd - Tehachapi CA 93561
Work Phone 661-822-7616 Home Phone 661-300-1231

Why do you want to serve on the SDRMA Board of Directors? (Response Required)

Working with six other board members and the staff,
as a team is challenging and rewarding.

Over the years of my service on the SDRMA Board
I hope the members have found my input to be
beneficial and it is my desire to continue to look
after the members receiving the best service at a
fair cost.

What Board or committee experience do you have that would help you to be an effective Board Member? (SDRMA or any other organization) (Response Required)

Service on SDRMA

Service on SQUCA - I was part of the group that
consolidate two entities into one entity which was
very cost effective.

Service on SDIF

Past Service on CSDA - current Education Committee member

**Special District Risk Management Authority
Board of Directors
Candidate's Statement of Qualifications**

**What special skills, talents, or experience (including volunteer experience) do you have?
(Response Required)**

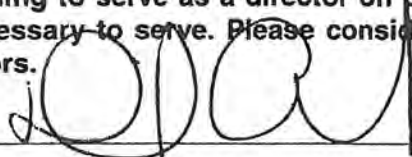
Serving as a General MANAGER over the past twenty plus years and serving as a Board Member ASISTS me in understanding the proper process that benefits the operation of SDRMA
Eighteen years of experience with SDRMA provides a good knowledge base to benefit the members

What is your overall vision for SDRMA? (Response Required)

- 1) Continue to provide excellent service
- 2) Continue the balance of a financially strong pool that provides great policy coverage at the best pricing possible.
- 3) Serve the members with cutting edge software customer service oriented employees and a Board that remembers who we are serving!

I certify that I meet the candidate qualifications as outlined in the SDRMA election policy. I further certify that I am willing to serve as a director on SDRMA's Board of Directors. I will commit the time and effort necessary to serve. Please consider my application for nomination/candidacy to the Board of Directors.

Candidate Signature



Date

4-20-17

**Special District Risk Management Authority
Board of Directors
Candidate's Statement of Qualifications**

This information will be distributed to the membership with the ballot, "exactly as submitted" by the candidates – no attachments will be accepted. No statements are endorsed by SDRMA.

Nominee/Candidate	Cindi Beaudet	_____	_____	_____
District/Agency	Temecula Public Cemetery District	_____	_____	_____
Work Address	41911 C Street, Temecula CA 92592	_____	_____	_____
Work Phone	(951)699-1630	_____	Home Phone	(951)541-8736

Why do you want to serve on the SDRMA Board of Directors? (Response Required)

As a member of SDRMA, I've learned first hand the risk and challenges that comes with my type of Special District. I think it is important to have an active and knowledgeable voice representing our industry and districts and that understands the role special districts play and their importance. I will bring sound policy principles to the table and work with my fellow board members in the spirit of collaboration to ensure SDRMA continues to be a cost effective, high quality risk management service.

What Board or committee experience do you have that would help you to be an effective Board Member? (SDRMA or any other organization) (Response Required)

I have played an active role in the cemetery industry in both the private sector and with special districts for almost two decades and was elected in 2006 to the Board of California Association of Public Cemeteries (CAPC). While on the Board for CAPC one of my roles was Education Committee Chair, working with executive staff to identify learning and certification opportunities for our members. This experience has provided me with the skills and knowledge of board development, procedures, protocol and policy development.

**Special District Risk Management Authority
Board of Directors
Candidate's Statement of Qualifications**

**What special skills, talents, or experience (including volunteer experience) do you have?
(Response Required)**

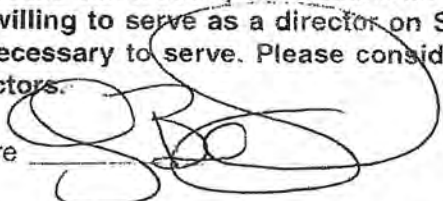
Since 2004 I have served as General Manager to the Temecula Public Cemetery District. I consider myself to be well versed in cemetery leadership, risk mitigation, best management practices and risk reduction. I hold a life insurance license from the State of California. I am an advocate for the cemetery profession, serving as a formal mentor for CAPC. I am engaged and involved heavily in my community and understand first hand the challenges and risk associated with cemetery operations and management.

What is your overall vision for SDRMA? (Response Required)

My overall vision for SDRMA is that it appropriately and accurately addresses the risk and mitigation needs of all its members in a thoughtful and deliberate manner; considering the size, scope and nuances of each type of public agency. This thoughtful consideration will provide better service to our members while maintaining the cost effective quality programs SDRMA continues to offer.

I certify that I meet the candidate qualifications as outlined in the SDRMA election policy. I further certify that I am willing to serve as a director on SDRMA's Board of Directors. I will commit the time and effort necessary to serve. Please consider my application for nomination/candidacy to the Board of Directors.

Candidate Signature



Date

4/27/17

**Special District Risk Management Authority
Board of Directors
Candidate's Statement of Qualifications**

This information will be distributed to the membership with the ballot, "exactly as submitted" by the candidates – no attachments will be accepted. No statements are endorsed by SDRMA.

Nominee/Candidate Jean Bracy, SDA
District/Agency Mojave Desert Air Quality Management District
Work Address 14306 Park Ave., Victorville, CA 92392
Work Phone 760-245-1661

Why do you want to serve on the SDRMA Board of Directors?

I have served on the SDRMA Board of Directors since 2010. In 2017 I was elected by the Board to be the **Board President**. The Board strives to provide a variety of avenues for members to be successful and has adopted many important programs and policies aimed to provide members **cost effective coverage**. Each year, the Board **carefully considered** rates for services and from 2009 to 2016 voted to hold rates flat for the property/liability program. Through strategic planning SDRMA has a **strong financial base**. SDRMA has included **Cyber Coverage**; provided a **FREE Law Legal Hotline**; established a **multiple-policy discount** (5%) for each member who belongs to both the property/liability and the workers compensation programs; shares investment earnings with members through a **longevity distribution**; established the **loss prevention allowance funds** which reimburses members for safety-related costs up to \$1,000; launched and enhanced the SDRMA **interactive website**; provided **FREE online training** through Target Solutions; launched a **Safety Specialist Certificate** program; and contracted with Company Nurse to provide **FREE screening services** for work-related injury cases. I have worked closely with **SDRMA for 17 years**. I am attracted to its member-focused, pro-active, and positive mission. I would like to see – and be a part of – SDRMA continue this member-centric approach.

What Board or committee experience do you have that would help you to be an effective Board Member? (SDRMA or any other organization)

I am serving my eighth year on the **SDRMA Board of Directors** and in 2017 I am the Board President. I am serving my fifth year on the Board of Directors for the **Special District Leadership Foundation (SDLF)** and I am the Board Secretary. On this Board I have been part of the continuing expansion of the SDLF programs, including the premier program, **District of Distinction**, also the Special District Administrator Certificate, the Recognition of Special District Governance, and the District Transparency Certificate of Excellence.

My career experience with special districts has helped me to understand the issues specific to smaller organizations. I have learned what it really means for an organization to do more with less. I have also learned that political realities for special districts are distinct from other forms of governments. As the Deputy Director – Administration for the Mojave Desert Air Quality Management District, I am the staff representative to the Governing Board Committees for Budget and Personnel. I am a member of and have chaired the California Air Pollution Control Officers Association (CAPCOA), statewide committees for Fiscal and Human Resource officers. I organized and have chaired the Alternate Fuel Task Force for the Mojave Desert air basin; I have represented the District in the Antelope Valley Clean Cities Coalition.

My working opportunities have crossed several public service types. I served as the Victorville city representative to the Technical Advisory Committee for the Victor Valley Transit Authority and as the City representative and officer on the Executive Committee of the Regional Economic Development Authority. I volunteered four years on the Board of Directors of the Victor Valley Federal Credit Union. For six years, I worked as an adjunct professor at Victor Valley Community College teaching Public Works Administration.

**Special District Risk Management Authority
Board of Directors
Candidate's Statement of Qualifications**

What special skills, talents, or experience (including volunteer experience) do you have?

As professional and as a volunteer, I have a wide range of experiences with organizational structures, long term and vision planning, development of staff and volunteers, and resource and program management. My experience of leading organizational activities and implementing change for growth includes bringing together intergenerational and multicultural groups to achieve common goals.

I am an effective manager with expertise in efficient and productive management implementing process improvements in finance, human resources, risk management, and a wide variety of related administrative and organizational functions. I have led highly skilled teams to support the achievement of overall agency goals and objectives.

I earned a Master's Degree in Public Administration from California State University, San Bernardino

I earned the Special District Administrator Certification from the Special Districts Leadership Foundation

I earned the Recognition of Special District Governance from the Special Districts Leadership Foundation

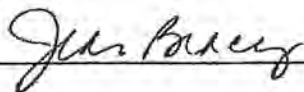
I earned the Masters Certification in Labor Relations from the California Public Employers Labor Relations Association (CALPELRA)

What is your overall vision for SDRMA?

I want to continue contributing my experience and expertise to SDRMA's overall function to further strengthen and enhance the lines of services provided by SDRMA. I want to see members educated to be wise in their management to reduce costs and deliver their very important missions to their communities. I want to be part of the mission to enhance the member's experience through claims management and education that leads to loss prevention.

I certify that I meet the candidate qualifications as outlined in the SDRMA election policy. I further certify that I am willing to serve as a director on SDRMA's Board of Directors. I will commit the time and effort necessary to serve. Please consider my application for nomination/candidacy to the Board of Directors.

Candidate Signature



Date

2-27-17

Aptos chiefs issue vote of no confidence

QUESTION OF LEADERSHIP

By Michael Todd

mtodd@santacruzsentinel.com @michaeelettodd on Twitter

APTOS>> Memos of support, letters of complaint and a chief's association recent vote of no confidence regarding Fire Chief Jon Jones are in the agenda for the next Aptos/ La Selva Fire Protection District Board of Directors meeting.

The discussion about Jones' leadership, a dominant theme at the April 13

board meeting, will continue 7 p.m. Thursday in the Aptos fire station, 6934 Soquel Drive during the next district gathering.

Jones' critics urge the board not to extend his three-year contract, which expires in October. The contract, which pays \$215,000 in salary and benefits, can be extended another two years. Jones has said he plans to extend his contract.

Jones has said it is unfortunate that he and the board learned about the grievances publicly. He also said he cares about the district and its employees.

On May 1, the Aptos/La Selva Chief Officers' Association sent the board a letter about the group's vote of no confidence in Jones' leadership.

"We deliver this message under extraordinary, with an acute sensitivity to the significance of such an action," officers' association President Todd Skrabak wrote in the letter. "Mismanagement of critical events facing the district has led to a progressive and pervasive erosion of trust and credibility."

That letter also is signed by association members Trevor Dirksen and Scott Cullen.

Aptos/La Selva Firefighters Local 3535, the bargaining unit for the firefighters, in early April issued a letter regarding the union's vote of no confidence in Jones' leadership.

In the agenda for the next meeting, there are four letters criticizing the chief's leadership and three letters from his former colleagues supporting his character and praising his plain communication.

Jones previously worked in fire services in Orange County.

A letter by Orange County Fire Authority Battalion Chief Dave Spencer notes

Jones' talents and ability to "speak the truth even when it is difficult to hear."

"He is a talented fire chief with a wealth of knowledge and skill sets that will ensure organizational success," Spencer wrote. "What does sound familiar (are) the challenges good leaders face as labor groups try to assert their influence to achieve benefits that are only in the interest of their members." Retired Orange County Fire Authority employee Douglas Dodge worked with Jones for 27 years, he wrote in a letter to the Aptos/La Selva board. He cited a recent article in the Sentinel about the union's criticisms of Jones.

"I chuckled and recalled all the years we worked together," Dodge wrote. "Those were the same comments made of him during the time we were medic partners. 'He's over-bearing. He's mean. He's this. He's that.' All unfounded."

Dodge said Jones is not "the type of person to let bad behavior go unmentioned."

Aptos/La Selva Firefighters Local 3535 President Ryan Peters said coming out against a chief is a "very difficult decision to make."

"We've never been here before," Peters said of the drastic formal communication by the firefighters' and chief's groups. "But our message is not going to change."

Aptos/La Selva fire district hosts packed meeting

UNDER FIRE

Many complain about Chief Jon Jones' leadership

By Michael Todd

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APTOS >> At the second packed meeting in a month, the Aptos/ La Selva Fire Protection District's leaders on Thursday heard a slate of concerns about Fire Chief Jon Jones' performance.

About 200 people attended Thursday's meeting at Fire Station 1 on Soquel Drive in Aptos. More than a dozen residents spoke. Some called for the chief's resignation. Others said the department should fire Jones to curb attorney's fees associated with defending him.

No one spoke in support of the fire chief.

Jones, who sat with the Aptos/ La Selva Fire Protection District Board of Directors, listened quietly and took notes occasionally as complaints mounted during more than an hour of public comments at Fire Station 1 in Aptos.

Critics claim Jones' leadership has spurred resignations, curbed outreach programs and weakened services, such as ocean-rescue operations. Jones' supporters from his former fire district in Orange County said he is an honest leader who appears to be caught in a collective- bargaining dispute.

Aptos/La Selva Firefighters Local 3535, the bargaining unit for the firefighters, has urged the board not to extend Jones' three-year contract, which expires in October. The contract, which pays

\$215,000 in salary and benefits, can be extended two years. Jones has said he plans to extend his contract.

Board Director Bob Spisak expressed concerns about threatening comments he said the board received at the last district meeting in April.

"I'd appreciate a little respect for us," Spisak said. "I would want you folks to treat me like I would treat you."

Zac Pine, owner and head coach at Crossfit Aptos, told the board his work with many Aptos firefighters at the gym has revealed declining morale during Jones' tenure.

"It would be nice if it was immediately and you could resign tonight," Pine said. "The only thing I appreciate out of you is that you brought us all together."

No confidence

The firefighters' bargaining unit in early April issued a letter regarding the union's vote of no confidence in Jones' leadership. In addition, the Aptos/ La Selva Chief Officers' Association on May 1 sent the board a letter about the group's vote of no confidence in Jones' leadership.

of no confidence was taken seriously.

"We do not believe 30 guys didn't suddenly go rogue," Wingert said. "The ship's not taking on water. It has sunk."

Aptos resident Bob Kennedy retired from a post in environmental health in Santa Cruz County and worked closely with the department for decades.

"In my career, if I didn't have 50 percent of my staff behind me, I would have a real hard time coming to work," Kennedy said.

Retired firefighter and Cabrillo College EMT instructor Carol Wallace previously served at the embattled fire department. She said Jones' leadership is excessively critical of firefighters and the fire department.

"I really wanted to stay out of this," Wallace said. She also said the department's stressful environment stems from Jones' leadership.

In the agenda for Thursday's meeting, four letters challenged the chief's leadership and three letters — all from his former colleagues in Orange County — supported his character and praised his clear communication.

Thursday, Fire Capt. William Wingert told the board he recognizes that Jones works hard but asked the board members to consider a change in leadership. He said a the union vote

The board's next meeting is set for 7 p.m. June 8 at 6934 Soquel Drive.

Friday, 05/12/2017 Pag.A02

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Public Support for Aptos/La Selva Firefighters Community's Message to ALSFD Governing Board was Clear

By Noel Smith

APTOS TIMES 5/15/17

Aptos La Selva Fire Station #1 was the scene of 1-1/2 hours of intense public input on Thursday May 11, 2017 to the Fire District Board concerning the status of current Fire Chief Jon Jones. Since the Firefighters of the district made public their unanimous vote of no confidence in the Chief in a letter to the Board in March, the issue of extending of the chief's contract by the Trustees for another two years has become the focal point of community concern.

The board may take up the issue of the Chief's 2-year extension, if he asks for it, at their next meeting on June 8.

Approximately 20 speakers took to the microphone to express their opinions. Their statements included, "Change management," "Three firefighters have retired early and another resigned because of the Chief," "The situation is beyond repair, it's time to change leadership," "If the board doesn't take action it will destroy the Fire Department," "If the board votes to continue the crisis, it could be time for a recall election," "This has become a toxic work environment and we demand change," "Get rid of Jon Jones," "The board shouldn't use the District's money to fight the union," "Change plans, it's not working," "The ball is in your court," "Where do we go from here?"

Retired Deputy Fire Chief Carol Wallace quoted Chief Jones as saying, "The problem is that this was the first time these firefighters had been held responsible."

The March letter from Local 3535 of the IAFF to the Board said in part, "Unfortunately, after nearly three years of failed leadership, a complete lack of communication, the inability to compromise, and the



we have come to the firm conclusion that the only way to save our Fire District is to change the leadership with a new Chief."

The letter also stated, "Internally our Firefighters' morale has never been lower. Chief Jones' management style has alienated our division Chiefs and Firefighters alike resulting in an organization that is in disarray without direction. The threat of discipline is frequently used as a tool for intimidation and retaliation. Lawsuits are now a regular part of our District as the Firefighter Bill of Rights and labor standards are consistently violated."

On May 8 the State of California, Public Employment Relations Board issued a formal complaint of unfair practices (Case No. SF-CE-1480-M) to the District for which they have until May 28 to respond

calling into question to both Chief Jones and to the Board a 40% pay raise given to Tracy New, the Director of Business Services and Board Secretary. As a result of the union's actions, Ms. New initiated a complaint against the district for discrimination and the district required that the union members that had questioned the increase were to attend mandatory interviews about New's complaint or they could be disciplined or even terminated.

Captain Will Wingert, Vice President of IAFF Local 3535 said, "We wanted to avoid a vote of no confidence and tried to communicate with Chief Jones about the issues. We had welcomed him as a new man with a new vision but the work envi-

ronment began to change and has gotten worse until we were losing good people before they really wanted to leave."

The current board consists of the following trustees: Jim Abendschan - First Appointed: 2010, Next Election: General 2018 • Joe Foster - First Appointed: 2015, Next Election: General 2020 • Vincent Hurley - First Appointed: 2000, Next Election: General 2018 • George Lucchesi - First Elected: 2016, Next Election: General 2020 • Robert "Bob" Spisak - First Appointed: 2008, Next Election: General 2020 ■

•••

The next board meeting is Thursday, June 8 at fire station #1, 6934 Soquel Drive, just South of Cabrillo College.

**Regarding Chief Jones/
Vote of No Confidence**

I have served as an ALSFPD Board Member since January 2010. I have worked with three fire chiefs. I am not speaking on behalf of the ALSFPD Board, these are my personal comments. The community values our firefighters and not taking their concerns seriously could be a mistake.

Chief Jones has not, to my knowledge, made a decision requesting an extension of his three-year contract into five. He has until June to do so. The Chief is doing what the Board asked him to do, one can argue about execution. The Board awarded the Chief a salary increase, consistent with his employee contract in February. The

Board was aware of problems within the labor groups and set goals for the Chief to work toward resolution. This has not been revisited since the Vote of No Confidence.

Working Conditions-Morale

- The firefighters are feeling "stressed, distracted, and worried", about the request made by the District's outside investigator/counsel to conduct interviews regarding DFEH Case #724824-199474, 09-16-16, wherein the District, two named employees, and Local 3535 IAFF are the defendants. The Fire Chief is not a participant. This issue is not a morale lifter.

- Local 3535 is also pursuing a fraud/theft case against one of their former union officials. The DA has the case.

but there has been no action in almost a year. A resolution maybe near, but one can only imagine the serious toll on morale in this tight-knit organization.

- Could these issues have been better managed? Probably. Could the participants have benefited from the use of common sense, you bet. I cannot undo history, let's avoid repeating it.
- On the plus side the District does afford our firefighters top salary and benefits. The District's financial situation is stable and favorable. The District purchases equipment and supplies carefully buying when needed and advantageous. There are two new-replacement fire engines (total over \$1,000,000) in the procurement

pipeline, one due August 2017, the other June 2018.

Communication between all parties is the key to a resolution. I want to see these problems resolved and I will continue toward that end. However, the publicity surrounding the Vote of No Confidence has certainly poisoned the climate. I do not know if another Fire Chief will be much more successful.

Chief Jones could always give the Board an easy out, and say go find another Fire Chief. Either way the District's problems will not just go away. We all have a lot of work to do.

— Jim Abendscham,
ALSFPD Board Member

Santa Cruz Sentinel (<http://www.santacruzsentinel.com>)

New Central Fire chief promoted amid discussions to merge with Aptos/La Selva fire departments

New leader's terms tentative if district merges with Aptos, La Selva departments

By Michael Todd, Santa Cruz Sentinel

Tuesday, May 16, 2017



SANTA CRUZ >> As the Central Fire Protection District mulls consolidation with neighboring departments in Aptos, the Central Fire Board of Directors has promoted its interim chief to a permanent role. .

Chief Steven Hall's draft five-year contract, which will be ratified at a board meeting in June, will pay roughly \$195,000 with conditions that his role could change if the district merges with Aptos/La Selva Fire Protection District, Board Chairman Owen Miller said.

"This is not going to detract from the conversations with the Aptos/La Selva district," Hall said.

A projected deficit led the department to curb expenses last year. Consideration of a merger with Aptos/La Selva is the latest measure believed to help the agency overcome financial problems.

Hall's priorities include maintaining adequate staffing, fiscal sustainability and training standards. He said potential consolidation is a priority at the agency and he accepts the possibility that such a merger may not include his leadership as chief of a combined district.

Central Fire's 28-square-mile district serves Live Oak, Soquel and Capitola with a district population of more than 55,000, according to the department's website. The district is the result of consolidation of the Capitola, Live Oak and Soquel fire districts in 1987.

"It doesn't matter to me who's chief as long as we're moving forward," said Hall, who has worked in fire service almost three decades. He started at Central Fire as the assistant fire chief in 2015. He became interim fire chief in November.

Last year, the Central Fire Protection District Board of Directors cut its budget amid a projected long-term deficit. The district faced more than \$30 million in unpaid liabilities related to health care and retirement benefits, according to an audit published last year.

Miller said a new board, which has four new members, is scrutinizing the department's finances. About 70

people work in the Central Fire district.

Hall's contract is an example of the fiscal austerity, Miller said. Hall's contract, Miller said, provides \$60,000 in annual savings from what it paid its previous chief, Jeff Maxwell, who was dismissed in October.

Maxwell's annual regular pay and benefits totaled almost \$270,000, according to salary records.

The fire department promoted internally and initially considered three candidates before Hall's promotion, Miller said.

"The contract was a big issue for us," Miller said. "We felt the past contract with the past chief was too extensive in the benefits package."

Hall's contract was not provided by the fire department.

Administrative Services Manager Gena Finch said Hall's contract would be published on the agency's website, at centralfpd.com, in June.

"He's done a great job as interim fire chief," Miller said. "We were looking for stability in our organization. We have four new board members, including myself."

Central Fire Protection District has more than 5,700 requests for service annually, including fire, rescue, emergency medical services, hazardous materials calls and other alarms, according to the fire department's website.

Central Fire is Santa Cruz County's second-busiest station, Miller said. He also said the board, at its meeting May 9, approved Hall's promotion. Hall will receive a \$7,000 raise from his previous role as interim chief, according to department records.

"Not so long ago, Central Fire was kind of in a dark place," Miller said. "We've got that turned around. We have high expectations and our district is heading in a great direction."

URL: <http://www.santacruzsentinel.com/government-and-politics/20170516/new-central-fire-chief-promoted-amid-discussions-to-merge-with-aptos-la-selva-fire-departments>

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Central Fire still wants consolidation

New leader's terms tentative if district merges with Aptos, La Selva departments

NEW FIRE CHIEF

By Michael Todd

mtodd@santacruzsentinel.com @michaeeleetodd on Twitter

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Santa Cruz Sentinel (<http://www.santacruzsentinel.com>)

George R. Blumenthal: Drafting a blueprint for the future of UCSC

By George R. Blumenthal

Saturday, April 22, 2017

When UC Santa Cruz sophomore Regine De Guzman was in kindergarten, her Filipino parents scraped up the money to buy a computer. Soon, the family was sending email to relatives back home — with Regine often at the keyboard.

That launched Regine's interest in computers, which in turn sparked a love for coding. Today, she is majoring in computer engineering.

I mention Regine because her story is so similar to many of today's students. She grew up in a working-class town. She had no coding mentors, no fancy laptop, just immense curiosity and a deep desire to learn.

As I think about the future of UC Santa Cruz, I think about Regine.

As a campus we have a mission to provide educational opportunities for students like her. That's why I recently convened a group of campus and community representatives to begin work on our 2020 Long-Range Development Plan. Our goal is to have a draft in hand by late 2018, at which point it will undergo a thorough environmental review.

What is an LRDP? Think of it like the city's general plan. An LRDP designates campus areas for certain types of uses, such as housing, classrooms and recreation. It's not an approval to develop facilities or a mandate for growth. It's an important planning tool for providing the infrastructure needed to successfully educate students.

There's no getting around the fact that in the past, the creation of a campus LRDP has been divisive. It hits on growth-related hot-button issues. The truth is, as a campus, we have a poor record of involving the community early in our planning process. We are, however, capable of learning, which is why I have begun reaching out to local leaders and the community. I am sharing the news here because I want broad input.

This campus is woven into the fabric of this town. Our values align. Our alumni are community leaders. Our graduates have founded many of the area's signature businesses. Local schools are brimming with teachers who have come through UCSC. Slugs help drive the arts and cultural scene. The university is the county's largest employer, with 4,400 employees, and is a powerful driver of economic activity.

It's not always an easy relationship, though. Our presence poses challenges for the community. That's why it is imperative the LRDP process be collaborative.

This good-neighbor approach is not new. Eight years ago a ground-breaking settlement between the university and the city showed what a successful town-gown relationship can look like. We have been working in tandem with the city and county on numerous difficult issues.

The county's housing shortage, for example, makes international headlines. The reasons are complex, and, of course, the university plays a role. Many students live off campus. But remember that UCSC houses 53 percent of its students — in fact, we house a greater percentage of our students than any other public university in California.

With housing space maxed out, we're trying something new. I've written in these pages about UC's new public-private partnership program, P3. We are eyeing a combination of renovation and new construction on the west side of campus, with the aim of creating 3,000 beds. We want the first ready by 2020.

We're doing our part with water conservation, too. While UCSC accounts for just 6 percent of the Santa Cruz Water Department's total demand, we are among the system's most ardent conservers. Incredibly, our total water use is about the same now as it was in 1994 when we had half as many students.

Finally, we're committed to improving traffic. We're working to get students, staff, and faculty out of their cars — and we're succeeding. UCSC has about the same number of daily vehicle trips now as it

did 20 years ago. Our students, faculty and staff make up more than 50 percent of Metro's ridership. Healthy relationships are built on open communication and shared vision.

I'm confident that together we can chart an innovative and exciting future for UCSC while protecting what makes our campus and this community unique.

George Blumenthal is the chancellor of UC Santa Cruz.

URL: <http://www.santacruzsentinel.com/opinion/20170422/george-c-blumenthal-drafting-a-blueprint-for-the-future-of-ucsc>

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UCSC takes early steps to involve Santa Cruz in long-range planning

By Jessica A. York, Santa Cruz Sentinel

Tuesday, May 23, 2017



SANTA CRUZ — As UC Santa Cruz leaders begin crafting a campus development plan update stretching two decades into the future, input is needed from the community, Chancellor George Blumenthal said Tuesday.

During a presentation before the Santa Cruz City Council, Blumenthal said past updates to the university's Long Range Development Plan have been divisive for the community, particularly around housing, water use and traffic impact issues.

For example, the most recent update, in 2005, was the subject of a 2008 legal settlement agreement with the city and other groups.

"I believe this is a compelling reason for us to get beyond the language of 'us vs. them,' 'campus vs. community,'" Blumenthal said to the council, citing the merger of the university fire department with Santa Cruz Fire several years ago as an area of beneficial entanglement.

Blumenthal said architects of the plan update aim to do a better at reaching out to community members and students for input early in the process, including the future formation of a community advisory committee. He then quickly moved to the heart a major area of debate: housing and student enrollment numbers.

On the positive side, Blumenthal shared, UCSC is doing better than any other public university in the state, at a 53 percent undergraduate housing rate. The first 800 to 900 beds of the under-development Student Housing West project's 3,000 beds will be ready by about 2020, he said.

About 2,200 of the beds will be for previously unboxed students, Blumenthal said. The rest will be for students that are in overcrowded spaces, such as forced triples or student lounges.

Housing costs should not be as high for the families and graduate and upperclassmen students that will be targeted for the development, he said, if meal plan and programming fees are not automatically included in room and board costs.

Blumenthal said the university campus property has the capacity to house more than 53 percent of its undergraduates, but the draw on the city water supply would grow. Despite the existing plan's enrollment cap at 19,500 students, the campus currently has about 18,000 students, he said.

Enrollment in the UC system and UCSC particularly is at "an all-time high, particularly among low-income and first-generation students, he said.

"There will be a temptation by some to draw a line in the sand and say that 19,500 students, which is what's allowed in our current plan, is fine, so let's just stay there," Blumenthal said. "Pulling up the draw/bridge and saying 'Sorry, go away,' is not only not an option, it's just plain not right."

Many of Blumenthal's comments echoed his opinion piece published in the Sentinel last month.

In response to the university's plan update process, numerous members of the Students United with Renters took turns reading from a condensed list of demands to university and city leaders. Some demands aimed at the city included rent control, just-cause eviction procedures, set affordable housing requirements in future rental developments, and creation of a tenant union.

Earlier in the day, the council voted to:

- Appoint Dennis Diego to the city Historic Preservation Commission.

- Approve an encroachment permit to Cruzio Internet for installation and maintenance of underground conduits, fiber optic cable and vaults in downtown streets within the city right-of-way. The approval is for the first segment of Santa Cruz Fiber project to deliver high-speed fiber broadband to the community. Multi-unit building owners, in addition to single homes, in the downtown interested in getting fiber to their buildings may be eligible for a free fiber hookup during the initial buildout.
- Approve the City Council's two-year work plan priorities.
- Create the pilot Park Host Program, which will hire a host to live on-site in a recreational vehicle at the Harvey West Park for after-hours park monitoring.
- Create a new Adopt-A-Park Program.
- Declare its intention to increase the Downtown Association Parking and Business Improvement Assessment levy rate, contingent on a June 13 hearing, from \$0.38 to \$0.39 per square foot.
- Declare its intention to maintain the Cooperative Retail Management Business Real Property Improvement District Assessment rate as-is.

URL: <http://www.santaacruzsentinel.com/government-and-politics/20170523/ucsc-takes-early-steps-to-involve-santa-cruz-in-long-range-planning>

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UCSC talks long-range

Chancellor meets with city of Santa Cruz

GROWTH

By Jessica A. York

*jjork@santacruzsentinel.com
@ReporterJess on Twitter*

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Blumenthal

5/24/17

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— UCSC Chancellor George Blumenthal

Water agencies talk water sharing costs

TRANSFERS

Soquel Creek district hears early estimates

By Jessica A. York

jyork@santacruzsentinel.com @ReporterJess on Twitter

CAPITOLA >> Even as Soquel Creek Water District has highlighted its pursuit of a water recycling facility to meet long-term customer water supply needs, a parallel cooperative effort with the city of Santa Cruz remains in the works.

Tuesday, Santa Cruz Water Director Rosemary Menard offered a presentation to the Soquel Creek Water District board that gave “soft” cost projections for the city to pipe its extra winter river water supply across the district boundary. Primarily, the water sharing plan calls for the city to help its neighboring district reduce its need to pump from already taxed groundwater supplies.

Costs in a 2015 consultant analysis include the assumption that the city’s water distribution system would need to increase its pumping capacity — an additional cost. The assessment assumes that the total cost of the water transfer, nearly \$6.8 million a year under the highest water transfer scenario, would be borne by the water district. That scenario is not likely to hold true in reality, Menard said. Santa Cruz

is working on updating the cost analysis, she said.

An oft-discussed estimated \$131 million in capital costs for the city to share water — in both directions — directly with the district includes work to build eight new wells to allow the city to extract water from the underground aquifer as needed, Menard said. That number, she said, is based on a lot of assumptions that require further study.

“We shouldn’t spend time thinking about who pays for what. When we were doing the desal project, it took a year of negotiations back and forth to decide who pays for what, who gets water when and how much, and when do they not get it,” District Board Director Bruce Daniels said. “We had to actually bring in a professor from UCSC to act as negotiator to come up with a solution. I think we need to talk about the costs in general and we can decide later who pays for what later.”

Menard said that as the city of Santa Cruz focuses on finding a long-term solution to a water supply serving as drought protection, officials recognize the importance of stabilizing the nearby Santa Cruz Purisima Formation Highlands Groundwater Basin against saltwater intrusion. The aquifer provides the majority of Soquel

Creek Water District's water supply and about 5 percent of the city's.

"I think we all recognize that the saltwater intrusion here makes the problem in this basin, the potential for that to really be a problem, makes it a much higher priority. It's a higher priority for the region," Menard said.

The water district expects to apply for a \$1 million State Water Resources Control Board planning grant to address seawater contamination, according to a meeting update.

In considering building a water recycling plant to solve its projected longterm water supply shortage, Soquel Creek Water District

has expanded its environmental study to three potential plant sites.

Ongoing public resistance to locating the plant next door to the district's Soquel Drive office at the "West Annex" site, located in a residential neighborhood, caused district leaders to reduce the level of treatment under consideration in recent months. The district's Environmental Impact Review's site study also has been expanded to include the city of Santa Cruz Wastewater Treatment Facility, which would supply a treated water supply, and property at 2505 Chanticleer Ave. in Live Oak.

SLV water rates unveiled May 24

Posted: Friday, May 19, 2017 2:11 pm

The Board of Directors of the San Lorenzo Valley Water District has scheduled two special public meetings on consecutive days next week, on May 24 and May 25.

As of Wednesday, May 17, the board had given little indication what the agendas of those meetings might be.

The Wednesday, May 24 meeting will be at 6 p.m. at the Highlands Park Senior Center in Ben Lomond on the single topic, "Rate study."

At the last rate-study meeting, also at Highlands Park, directors said the next meeting about water rates would likely for the first time reveal proposed water rate options.

The second special meeting will be at 5 p.m. on Thursday, May 25 in the district's operations building in Boulder Creek. Pending issues postponed from the board's April 20 meeting include the Lompico surcharge, a pay increase for district manager Brian Lee, legal bills, and consideration of a change in law firms.

The board held another special meeting on May 18, to hold a required public hearing on plans to mitigate the impact on the Mt. Hermon June Beetle of a project to build a new storage tank off Graham Hill Road.

The plan will be sent to the U.S. Fish and Wildlife Service for final review before the construction project can begin.

The proposed project consists of replacing the existing 100,000 gallon redwood storage tank with one 527,000 gallon welded steel storage tank.



LAFCO AND SPECIAL DISTRICTS: A SPECIAL RELATIONSHIP BETWEEN TWO UNIQUE ENTITIES

*By Pamela Miller, Executive Director
California Association of Local Agency Formation Commissions*

There's been a lot of conjecture lately in Sacramento about Local Agency Formation Commissions (LAFCOs) and special districts. All of us find ourselves under the legislative spotlight given the recent interest by the Little Hoover Commission (as a follow-up to their 2000 report) and a rash of legislative bills in 2015 and 2016 relating to LAFCO and various special districts.

I find myself more frequently answering questions such as, "What do LAFCOs do?"; "Why don't LAFCOs take more action to consolidate districts?"; and "What kind of relationship exists between LAFCOs and special districts?"

The reality is that LAFCOs and special districts share more commonalities than differences. While the creation mechanisms differ, both are created for specific purposes. Both focus on providing services at the local level and work directly with local stakeholders. And, perhaps most importantly, both share a mission to ensure the effective and efficient provision of local services to the communities they serve (noting this is not the only mission of LAFCO).

For those of you who are unfamiliar with LAFCO, allow me to take a brief moment to introduce us. LAFCOs were created by the state Legislature in 1963 (under the provisions of the Knox-Nisbet Act) as a result of recommendations from then Governor Pat Brown's Commission on Metropolitan Area Problems. The Commission was charged with studying urban sprawl and its statewide effects and was formed by the Governor out of growing concern for the post-WWII population and housing boom in California. This boom led to a large number of problems, not the least of which included poorly planned cities due to rapid growth and a scramble to finance and extend government services to meet the increased service demands, the proliferation of freeway suburbs, city annexations wars, costly duplication of services, and the hasty conversion of agricultural land.

So, what does LAFCO do?

The original charge of LAFCO was very limited in scope: to review and approve or disapprove proposals for incorporations and the creation of special districts. However, over the past 54 years, the role, scope, and scale of services provided by LAFCOs have evolved greatly. Today, for example, LAFCOs process city and district annexations and detachments, district consolidations, dissolutions and mergers, city consolidations and disincorporations; address the activation and/or divestiture of district latent services or powers; conduct sphere of influence (SOI) updates and municipal service reviews (MSRs) of special districts and cities; and review and authorize the extension of services by special

districts and cities outside existing jurisdictional boundaries, among many other things. Many local agencies look to their LAFCO to facilitate discussions on things like shared services opportunities, property tax exchange agreements, or, more recently, the formation of Sustainable Groundwater Management Agencies (SGMA).

The composition of the LAFCO Commission in all 58 counties is all local, as is the funding. Today, 30 of the 58 LAFCOs enjoy special district representation. This map indicates in yellow those LAFCOs who have special district representation. Like CSDA, CALAFCO feels strongly that special district representation on LAFCO promotes a more diverse and informed decision-making

process. Without that representation, special districts are relinquishing their voices on LAFCO.

Recognizing the current statutory process for seating special districts on LAFCO may be a bit cumbersome, CALAFCO and CSDA have come together to co-sponsor legislation to maintain local control and flexibility, while reducing the red-tape in this process. This proposal was born from several years of discussion between CSDA and CALAFCO, as well as the Little Hoover Commission hearing held in August 2016. Both Associations identified improvements to the process for gaining representation on LAFCO as a future opportunity for collaborative change.

The role of LAFCOs and special districts

The nature of relationships between LAFCOs and special districts vary across the state from one of mutual respect, to a fear and contempt of LAFCO, and many places in between. Many LAFCOs are proactive in their efforts to stay connected with the special districts

Continued on page 20



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A special relationship between two unique entities [continued]

in their area. For those LAFCOs with special districts seated on their LAFCO, staying connected with special districts is a much easier task. Further, regardless of whether special districts are seated on LAFCO, a district's response to LAFCO's outreach is important to the building of that relationship. If you do not hear from your LAFCO, you are encouraged to reach out to them and initiate dialogue.

Special districts are strongly encouraged to talk with your respective LAFCO early and often when you are considering any kind of organizational change. Believe it or not, your LAFCO wants your district to be as successful as you do. So, the recommendations made by

the LAFCO during an application process or the MSR process are intended for that purpose.

So, what is a MSR and why are they done?

By statute, LAFCOs are required to conduct MSRs (Government Code Section 56430). Over the years, the frequency with which the MSR is to be conducted and the factors to be considered in a MSR have changed. Today, the statute indicates LAFCO shall, as necessary, review and update each SOI every five years. Should there be a change in the SOI, then the appropriate MSRs must be revisited. The "as necessary" clause allows for the adoption of local policies based on local circumstances and conditions.

MSRs today must include LAFCOs' determinations on seven areas, including: growth and population projections for the area being studied; location and characteristics of any disadvantaged unincorporated community within or contiguous to the SOI; present and planned capacity of facilities, adequacy of public services, and infrastructure needs and deficiencies; financial ability of the agency to provide the services; identification of opportunities for shared services; accountability for community service needs (including governance and operational efficiencies); and any other matters the LAFCO deems relevant in the provision of services.



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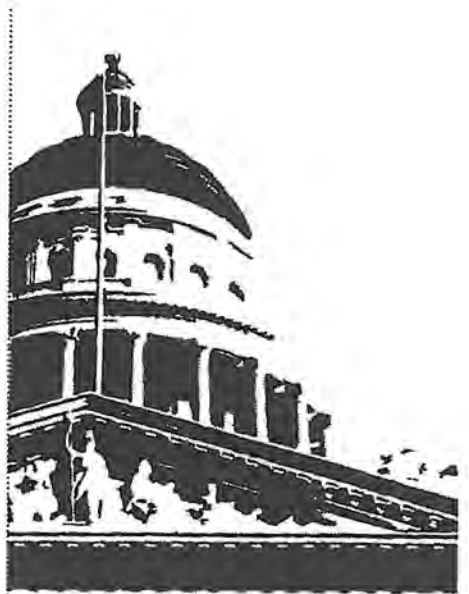
CALAFCO is hearing an increasingly concerning message regarding the recommendations in MSRs. Simply put, LAFCOs have been criticized for not doing enough when it comes to dissolving or consolidating districts. CALAFCO recognizes that CSDA and its members are also feeling the heat of this criticism. We want to acknowledge that reorganizing agencies does not necessarily improve services – ultimately LAFCO recommendations are designed to improve the provision of service. Each district has its own funding approach and some have distinctly different levels of service. Consolidation or dissolution for the sake of change is not as simple or logical a path as one presumes and often leads to unintended consequences. LAFCOs must always recognize and respect that a special district board is locally elected and is accountable to its constituents when making local decisions, even if in stark contrast to a LAFCO recommendation. So, when such a recommendation is made or when the LAFCO initiates a district reorganization action, it is not done lightly.

ensure the most efficient and effective provision of services to the community being served. The most successful and systemic changes occur when the local agencies involved work with the LAFCO rather than against the LAFCO, and always when the public is involved in the decision-making process. CALAFCO took our LHC testimony as an opportunity to educate and inform the LHC and others on what has been accomplished by LAFCOs and districts in the realm of creating greater service efficiencies through district reorganizations, while also acknowledging more can be done.

Future opportunities for collaboration, education, and action

CALAFCO and CSDA have made great progress in strengthening our Associations’ relationship and increasing the lines of communication not only between the leaders of our organizations but also amongst our members. In addition to co-sponsoring legislation this year, we co-authored two User Guides in 2016 (one on the formation of a special district and one on the process for appointing special district representatives to new countywide RDA Oversight Boards). Going forward, CALAFCO will again participate in CSDA’s Legislative Days in May; we continue to attend each other’s Annual Conferences; and we continue to stand together in educating the larger statewide stakeholder community on the special relationship that exists between our two unique entities.

see this as an opportunity. This is a critical time for LAFCOs and special districts – we have the rare opportunity to stand in the spotlight and think and act constructively in terms of reasonable progress for special districts. There is no question the status quo is no longer acceptable...so it is up to us to collectively and collaboratively determine the best path forward and take the actions necessary towards that path. ■



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There is no question the status quo is no longer acceptable...so it is up to us to collectively and collaboratively determine the path forward.

Further, both Associations have been making great effort since August 2016 to communicate a positive message and educate the members of the Little Hoover Commission

Having said that, many LAFCOs around the state have taken proactive action to reorganize districts. The inherent and complex issues related to reorganizations take time, effort and great understanding to successfully work through. These are not recommendations or actions taken lightly by the LAFCO and they are done with the intent to

on all things related to special districts and LAFCO, including the topic of consolidation. This is also true of members of the Legislature, in light of the increase in bills specific to individual districts over the past several years. The LHC report on special districts, climate adaptation, and LAFCOs was expected in early spring. However, we recently learned their final report is being postponed, and there is a strong possibility an additional hearing could occur. While we are concerned about this turn of events, we also