



PROCEEDINGS OF THE LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY

Wednesday, November 2, 2016
10:00 a.m.

Scotts Valley City Hall
1 Civic Center Drive
Scotts Valley, California

The November 2, 2016 Santa Cruz Local Agency Formation Commission meeting is called to order by declaration of Vice-Chairperson Tom LaHue.

ROLL CALL

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

MINUTES

MOTION AND ACTION

Motion: Leopold	To approve August 3 rd , 2016 minutes with two minor corrections.
Second: J. Anderson	Motion carries with Commissioner Coonerty abstaining.

ORAL COMMUNICATIONS

Debra Loewen, a Lompico resident, says the Lompico / San Lorenzo Valley Water District (SLVWD) merger was successful and became effective on June 1st. The merger agreement planned for a worse-case scenario where Lompico would operate as an independent system for five years and much has changed since the agreement was made. Lompico is now a zone of SLVWD and the costs have been greatly reduced.

Unfortunately, there is some animosity. The water board and the manager are new and not familiar with the merger agreement and its history. They are interpreting it differently than she thinks they should.

She thanks LAFCO for their hard work on the merger. The agreement seems to be unenforceable and she questions whether the SLVWD board will honor it.

* Commissioner Lind arrives.

PUBLIC HEARINGS

PASATIEMPO GOLF COURSE REORGANIZATION, LAFCO No. 960 and 960-A

Mr. McCormick reports that this application is about connecting to County Service Area 10 (CSA 10). The first part of the application is a sphere of influence amendment to the CSA's sphere of influence, and the second part is annexing to the CSA. CSA 10 operates a sanitary sewer along Graham Hill Road. It is a dependent district of Santa Cruz County. The County has an agreement with the City of Santa Cruz to accept and treat the sewage at Neary Lagoon's regional sewage treatment plant.

The Pasatiempo Golf Course is not currently connected to sewer. Only their northern parcel is involved in this application for a sphere amendment and the annexation. They want to connect a restroom near the end of the 13th hole to the sewer next to Sims Road.

The golf club is purchasing treated wastewater from the City of Scotts Valley and they will further treat and store it at the northern end of the golf course next to Sims Road. They will use this water for irrigation. The process has a backwash which is approximately 10% of the water volume and the discharge would go into the CSA's sewer main located on Sims Road at the corner of Orchard Drive.

The County has already approved the construction of the plant. Construction is currently underway for the treatment plant and a large storage tank at Pasatiempo. This will be replacing potable water that the golf club currently buys from the City of Santa Cruz. It is an environmental success story on several levels.

Staff noticed all the property owners within 300 feet of the parcel.

Commissioner Lind asks if it will be treated water.

Mr. McCormick answers that the City of Scotts Valley has a treatment plant on Lundy Lane. and there is an adjacent treatment plant. Scotts Valley has a disposal line that takes treated wastewater that they cannot use in Scotts Valley, sends it to Santa Cruz, but bypasses the Santa Cruz treatment plant, and shares their outfall. It is good enough wastewater that the line cannot be used for Pasatiempo because it is of a high enough level to meet ocean discharge standards. Pasatiempo's backwash water needs to be run through a treatment plant. The CSA 10 line goes into the Santa Cruz treatment plant for full treatment.

Commissioner Leopold thinks this is an exciting project where several agencies have worked together to reduce the City of Santa Cruz' water use and reuse wastewater from Scotts Valley. He acknowledges that LAFCO's water policies appreciate these types of projects that affect water supply.

He read that the project enhances County water resources in several ways, such as reducing the volume of water, but not necessarily the pollutants that are discharged into the Pacific Ocean. Since the water goes to the treatment plant, he wonders if this is accurate.

Vice-Chairperson LaHue thinks it may be because the backwash water is still going back into the sewage system, which will then get treated at the Santa Cruz treatment plant. It is secondary treatment water that is being transported and cleaned to ocean discharge standards.

MOTION AND ACTION

Motion: Leopold Second: Bobbe	To approve the Pasatiempo Golf Club Reorganization, Resolutions No. 960 and 960-A, authorizing the sphere of influence amendment and the annexation. Motion carries with a unanimous voice vote.
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* Commissioner Bottorff arrives.

SERVICE AND SPHERE OF INFLUENCE REVIEWS FOR THE CITY OF SCOTTS VALLEY AND THE SCOTTS VALLEY WATER DISTRICT

Mr. McCormick says that LAFCO is required by State law to have a sphere of influence for each city and water district. A sphere of influence is a map showing the probable future boundaries of the city or water district. Any future annexation applications can only be approved within the adopted sphere of influence. If the property is outside the sphere, it may not be annexed. LAFCOs are also required to periodically review spheres of influence and this is agenda item concerns the City of Scotts Valley and the Scotts Valley Water District (SVWD).

If properties are added to a sphere of influence, they can be annexed through a separate process on a separate date. There is no annexation pending for any of the properties involved with these Scotts Valley reviews.

There are two areas in Scotts Valley that are being considered. The City and SVWD jointly made a request for these amendments. They propose to add territory to the City's sphere and the Water District's sphere in the Glen Canyon / El Rancho Roads area at the south end of Scotts Valley near the Mount Hermon exit off Highway 17.

The last parcel in the City and the Water District is called the Camp, a drug and alcohol rehabilitation facility. All the parcels farther south on Glen Canyon Road are currently designated rural, and they are generally one and two acre home sites. This area has not been identified as having concentrated well or septic problems. There are individual or shared wells and it is not an area for high water production. It does not sit over one of the large aquifers that is used by the water district. The wells tend to have high iron content. At the corner of Green Hills and Glen Canyon Roads, the area proposed to be included in the sphere is a right turn going down Glen Canyon Road. The first section of Glen Canyon Road is relatively level and flat. Heading south of the study area, Glen Canyon Road drops down steeply.

If there is an annexation process in the future, there would be additional information provided by the applicants. The applicants could be property owners, the water district, the City, or a combination.

When the City and the water district submitted their request, they stated that there has been several requests for both sewer and water service. None of the requests have followed through with an application. The parties wanting sewer or water would need to finance a main extension. Neither the City nor SVWD finance main extensions with general fund money. It is unknown what the cost would be, but it would probably be a major cost.

The City has plenty of sewer capacity and SVWD has a small amount of capacity to take additional customers. This area does not have much water demand.

On the west side of Highway 17, Monte Fiore is a residential community and is already served by the water district. The commercial parcels along La Madrona include the Hilton Hotel and some undeveloped commercial parcels. This area is already served by water district mains, but it is outside the district's boundaries. The water district is asking for this area to be included so that the area can be annexed and the residents would be able to vote in Scotts Valley Water District elections. The Monte Fiore board is anxious to find a way to become full members of water district, not just outside district customers.

Staff sent two different types of notices. One notice was sent to property owners inside the proposed sphere amendment areas inviting comment, to ask questions, or to come to the hearing and provide testimony. Notices were also sent to property owners within 300 feet to inform them what was happening in their neighborhood, but it would not affect their property directly, and is not part of the proposal. It still seemed like a good idea to inform them so they could ask questions.

There is an addenda sheet correcting errors in the draft report concerning the water district. The district just issued a rate study and there will be hearings about rate increases in the next few months. If the proposed rate increase passes, they will be in better shape. If they do not get a rate increase, it will be a yellow flag for their long term financial health.

State law says that County Zoning and the County General Plan apply now. If the City annexes, the City General Plan and City Zoning will apply. The City and County's General Plans are virtually identical for this area. It is designated Rural Residential along the flat area of Glen Canyon Road and it is Mountain Residential on the hillside. There is a minimum of 2.5 acres for a new building site, and both the City and the County have criteria regarding land divisions.

Over the last ten years, this Commission has received one outside agency water service request and one outside agency sewer service request along Glen Canyon Road. Neither application was utilized by the property owners, and the approvals have expired.

Alternate Bobbe asks what the water source is for the Glen Canyon area.

Mr. McCormick answers that the Santa Margarita aquifer sits underneath Scotts Valley's City Hall, but it is not located in the Glen Canyon area. The Santa Margarita aquifer is the top layer, below that is the Lompico aquifer, then the Butano aquifer is below that. The Lompico aquifer is the most productive aquifer. The east side of the freeway is not a productive area for any major well. There is a granitic ridge and the wells are high in iron. It may be transitioning to the Purisima. All of the aquifers are tilting towards the ocean and Watsonville.

Louma Rammaha lives at 211 Camino Sinuoso and she received a notice within 300 feet. She wants to confirm that her property is not affected by this proposal. She wonders if it would be good to be included. She is concerned that Scotts Valley water rates went up 25%.

Mr. McCormick replies that her property is within the San Lorenzo Valley Water District (SLVWD). They raised their rates within this last year and that should be reflected in her bills. SLVWD and SVWD cooperate in groundwater planning and have interties so they can sell water to each other in case of emergency.

Matt Werner is a property owner on Glen Canyon Road who is affected by this proposal. His parcel number is 068-281-07. There are some errors in the report. They are listed as 3018 which does not exist. Their correct street address is 3016. They are listed as having over an acre, but they only have 30,492 square feet or .7 acres. His household and his neighborhood have concerns about cost if this proposal goes through. He read that his area does not have the density to support paying for main extensions. He is satisfied with his well, and his septic tank is working. They got through five years of drought without any failures. He votes to stay the course and not take on a major expense.

He is confused why the Glen Canyon area has been lumped together with Monte Fiore in terms of process. He asks if these are separate proposals that get voted on separately. If the sphere changes do pass, and if annexation is considered, he wonders if both will be considered together in the same process. He thinks it is logical for Monte Fiore to have their say in voting, but the Glen Canyon area is different. He would like them considered as separate proposals.

Bill Bender owns two parcels including 067-144-55 and lives off El Rancho Drive. He says he received his notice only two weeks ago. His other adjacent parcel is about an acre of forest which goes down to Carbonera Creek. He wonders why these parcels are in the proposal since they are separate from the main Glen Canyon area. He would like to exclude his El Rancho parcel from the proposal. He is concerned about the costs involved.

Susan Hunt owns one of parcels in the proposed sphere. She represents a number of her neighbors who had to be at work. She agrees with Mr. Bender that she wishes there was more than two weeks notice about an issue that has such a financial impact. Her neighbors had a meeting. She asks if they are included in the sphere of influence and if an annexation is proposed, whether they can deny that annexation. She is concerned about what the financial obligation will be, and whether they have to hook up, or can they choose not to. She is guessing that it could cost \$50,000 to \$60,000 just to hook up. She is not sure if getting sewer or water from SVWD is a good idea yet because she has no information to work with. She wants to know what rights she has as a property owner.

Steve Mangan owns property within the proposed sphere amendment. He wants to know if there is a model that they can review from past applications where property owners affected were in a similar situation.

Frank Kertai lives in the Monte Fiore development at 516 Shasta Park Court. He is the president of the Homeowners Association. He feels fortunate to be part of Scotts Valley City since the early 1990s. He found out after he moved in that they were served by SVWD, but not actually in the district, and they were being charged extra because of this. He thinks this proposed change is a step in the right direction for the City, SVWD, and Monte Fiore. The biggest advantage is being able to vote on water district board members or to run as a board member. He thanks City and water district staff for moving this along. He sees this as righting a historical wrong and supports the proposed changes.

Commissioner Leopold thinks there may be some misconceptions. There is not a project being proposed to extend water or sewer to the area on Glen Canyon or El Rancho. It is required by State law to set up spheres of influence for these utilities. On the west side, it is clear that the people being served should be in the service area. The City and SVWD has identified that this could be an area that they could provide services. No one is being annexed into the City or SVWD. It is just being set up so that it can potentially happen in the future if someone wants to. If an application was turned in, there would be a lot more engagement with the neighborhood about what would happen, what it would cost, how it would be paid for, and what strategies could be used to pay for it. By including these properties in the sphere of influence, it is the first step towards making it possible to annex in the future, but it does not require an annexation or that these services be provided.

He understands these concerns because this process is not easy to understand. He is willing to talk to the neighbors to help them understand what the process is.

Mr. McCormick says that there can be separate annexations proposals, and the Commission can approve one and not approve the other. If there is an annexation application in the future, it would come from the property owners or the affected agency, and they can decide what part they propose to serve. It can be less than what is included in their sphere of influence, but it cannot be more.

LAFCO can approve or deny an annexation proposal in whole or in part. There is no detailed financial information about the projected costs. In other annexation applications, it is more common to have estimated costs, such as engineering costs and bids, to show how it gets allocated through an assessment process. This makes it clearer for the property owners to decide whether they want to participate.

If this Commission approves a future annexation, the process gives the affected property owners and registered voters an opportunity to protest. Less than 25% protest of either the property owners or the registered voters within the proposed annexation area allows the process to continue. 50% protest or more kills the process. If the protest is between 25% and 50%, then an election occurs of the registered voters.

It is typical not to have too many financial details at this stage in the process. A sphere of influence is a line on a map saying where LAFCO considers eligibility for annexation in the future. It informs the property owners, the City, and the water district what areas they should study in greater detail if they want to pursue an annexation.

Mr. Bender is concerned about the two separate areas being considered together.

Vice-Chairperson LaHue thinks that the two areas would be considered separately for annexation.

Mr. McCormick adds that if it were a single proposal, the two areas would be considered together. If they were separate proposals, they would be heard and counted separately. If both were proposed together, owners from the Glen Canyon area could appear at the LAFCO hearing, ask to separate the two areas, and LAFCO would decide. There is a lot of process available to be heard and understand how it could work. There could be two different pools for protest.

Commissioner Leopold thinks the Commission understands that these are two different areas. These have been combined for simplicity and cost. Monte Fiore is already receiving the service, they just cannot participate fully. He lives in a similar situation with his water district, where he does not have the option to vote for the water district’s board directors. He pays more for water than people inside the district.

If some neighbors’ septics failed, there would be a process with the neighborhood about what the options are. Being included in the sphere just means they are eligible, not obligated.

MOTION AND ACTION

<p>Motion: Leopold Second: LaHue</p>	<p>To accept the service and sphere of influence reviews for the City of Scotts Valley and the Scotts Valley Water District, and direct staff to return to the next meeting with resolutions revisiting the two sphere of influence maps, as requested by the City and the Water District. Motion carries with a unanimous voice vote.</p>
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Commissioner Leopold adds that if Glen Canyon residents express that they still want to be excluded at the next meeting, it can be considered then.

CONTINUED PUBLIC HEARING FOR SERVICE AND SPHERE OF INFLUENCE REVIEWS FOR FIRE DISTRICTS

Mr. McCormick reports that at the last hearing, there were comments from Mid-County fire agencies and unions, namely Aptos/LaSelva and Central, about LAFCO doing a major fire reorganization study on a large scale within the County. This is a recent shift from the outlook of previous fire studies. The Commission continued the matter for three months hoping the fire community would discuss this among themselves to identify the interest and refine the concept.

There is a revised draft review document posted on the LAFCO website as well as an errata sheet for additional corrections after it was published. Private parties, including the former Central Fire Chief, have provided additional comments about doing a bigger fire study.

He recommends continuing the hearing, approving the status quo spheres of influence, and accepting the service review in its current form, which is consistent with the Commission's work program. He suggests that staff engage the fire community to identify a major study, and find out what the scope of work and funding would be. He would provide status reports to the Commission on the progress. The service review meets the statutes and the mandates this Commission has to follow for reviewing service and spheres of influence reviews. The recommendation also engages those interested in the fire community to do a big study about options to reorganize fire protection in most of Santa Cruz County.

Commissioner Jim Anderson says that the last fire study for South County is available on LAFCO's website under Reports and it could be a good baseline for the next fire study.

Steve Hall is interim fire chief for Central Fire Protection District (CFPD). He submitted a letter to the Commission. The CFPD board of directors met for a special meeting on October 5, 2016 to discuss the service review survey tool and the comments provided from LAFCO's August 3rd meeting. The board directed him to respond to LAFCO in support of a more in-depth service review of countywide fire services. The fire district recognizes past regional fire service studies from the 1973 Sierra Report, the 1986 Hughes High Report, the 1993 Ralph Anderson Report, and a cyclical service review process conducted by LAFCO.

To date, a vast majority of identified opportunities have been incorporated by local agencies in line with recommendations from these reports with the exception of implementing a joint governance model. The fire agencies in this county do an exceptional job of providing emergency response services on limited budgets. Fire engines do not recognize boundaries when 911 is called by the public.

During LAFCO's August public hearing, several speakers and Commissioners expressed interest in examining the benefits of future opportunities in the governance models. First and Second District Supervisors expressed concerns that the public interest may fall on deaf ears with existing boards. CFPD encourages an in-depth study of countywide fire services. It has been 30 years in passing without a thorough evaluation of countywide fire services. New conditions in this era include multiple fire districts proposing tax levy increases on the 2016 ballot, and this has not been seen in decades. Significant financial stress on local governments include underperforming Cal PERS retirement investments, changes in retirement accounting methodologies, and recognition of the need to fund post employment benefits.

In addition to financial stress, for the first time in local memory, two organized labor groups representing Central and Aptos / La Selva Fire Districts have now endorsed a further study reversing past positions. Fire districts in Santa Cruz County suffer from a "have and have not syndrome." Historic fluctuations in California's economy have caused significant fluctuations in tax increment revenues. Changes in accounting standards by the General Accounting Standards Board have illustrated the overwhelming depth of post employment benefits. The

days of power politics, and control have been replaced with public transparency, fiscal stewardship, and good governance.

The CFPD does not have simple solutions. It recognizes that without a study, information made into thoughtful decisions about the future is not available. The district has commissioned Citygate & Associates to conduct a Standards of Cover Review and a Management Administrative Review for CFPD reinforcing that validated information is necessary to make critical decisions. CFPD has also terminated the fire chief's contract to further invest in the potential of future opportunities.

He hopes the LAFCO Commission considers the action of the board in support of an in depth fire service study. LAFCO has many competing demands for studies, but no other discipline has more alignment of opportunity than the fire service does today, even more than it has in the last three decades.

Charlie Howard is Chairman of Central Fire's board. He read the minutes from LAFCO's last meeting. He has been involved with fire service for 48 years, 11 years of those were as a firefighter engineer, and 17 years were as a fire captain. He worked for Capitola Fire and Central Fire. He got elected to the Central Fire board and has been on the board for about 20 years.

When he was in the fire service, Capitola, Soquel, and Live Oak Fire Districts merged into Central Fire. He was totally against the merger at first. It took him two weeks to change his mind and realize it was for the better. There was a major fire on 41st Avenue and, as fire captain, he was the first engine to respond. He was pleasantly surprised to have so many additional engines to help with the fire. Capitola Fire by itself could never have accomplished what the consolidation of Central Fire did.

About 15 years ago, when Central's fire chief and assistant fire chief retired, there was an opportunity to talk with Aptos/La Selva FPD about merging with a JPA. They went to Oregon where three or four fire departments merged together to see how a similar agreement could work. Three of the directors on the Central Fire board were in support of going forward, but four directors voted against the merger.

The decision to share fire marshal services with Aptos/La Selva FPD became effective about 1.5 years ago. He volunteered for the ad hoc committee and they spent more than a year trying to come up with a workable program, but it failed by a 6-1 vote. Central Fire's board members continue to try and come up with a solution between Aptos/La Selva FPD and Central FPD.

Donita Springmeyer is a Bonny Doon resident and has lived within County Service Area 48's (CSA 48) jurisdiction for 49 years. She is disappointed with the abbreviated service review based upon the questionnaires.

The Bonny Doon area encompasses about 50 square miles. Pajaro Valley Fire District encompasses about 47 square miles. In the staff report, there were charts, such as types of calls and response times primarily to structure fires. Neither of those charts included the fire services dispatched by Cal Fire in Felton. Those reports were from 911 regional dispatches. 75% of the County was missing in those charts which came from a Grand Jury Report. There was another graph about the cost of rural fire protection versus urban fire protection, based upon per capita, but it did not include County Fire either.

She would like to see a more thorough review of CSA 48. In 2009, Bonny Doon had 20 volunteer firefighters, and by 2014, there were only 11. If there is a structure fire within a 50 square mile rural area, there needs to be enough driver operators to get two engines and a water tender to respond. They have dropped from five volunteer captains to one, and she does not think there are more than two driver operators.

Response times are important because distance matters. If someone has a heart attack or a serious medical emergency, four or five minutes can make a difference. She would like to see a review give County Fire's dispatch times, response times, and whether there are an adequate number of firefighters. County Fire's Master Plan specifies that they cannot provide the service without volunteers. Since they have lost almost half of the volunteers, she is concerned about County Fire providing the services needed.

She served on Bonny Doon's Volunteer Fire non-profit corporation for 23 years. She has experience about what goes on and is concerned about the Davenport area, which encompasses another 57 square miles. After the cement plant closed, their volunteers decreased. She knows Santa Cruz City Fire responds to the Davenport a lot more now.

In her letter, she urges the Commission not to approve either review for County Fire. She wants to see more details about Bonny Doon and Davenport. She thinks the service review has to happen before the sphere of influence review does. Santa Cruz City Fire is spending more time going up the coast.

Commissioner Leopold says that at the last meeting, the Aptos/La Selva fire chief expressed concerns and wanted to discuss them with his board. He wonders if those meetings ever happened.

Jon Jones is the Aptos / La Selva Fire Chief. His previous comments from the last meeting stand. He understands the Commission has already made a decision. His board sent a letter written by the President, Vince Hurley. Commissioner Friend had offered to meet with the board, but the fire board thought it would not be fruitful.

He came from Orange County Fire Authority, consisting of 24 contract cities and the unincorporated areas of Orange County. He has experienced several consolidations, mergers, and even hybrid organizations, such as Brea and Fullerton management services combining with the fire departments being separate. There are many models out there that make fire service more productive.

Fire agencies in Santa Cruz County have worked well together through auto and mutual aid. Just because they work well, it does not mean that there are not other areas for improvement in management or through economies of scale.

He does not think these reviews suffice more than just fulfilling a mandate. He hopes to engage Mr. McCormick in more productive dialogue.

Commissioner Leopold thought he heard at the last meeting that his board wanted a more detailed analysis. He heard his colleagues say that they are open to a more detailed analysis if the affected agencies are willing to look at the issues brought up in the analysis. The issues of consolidation have been discussed. There are some who spoke in favor of a consolidation, such as Central FPD. If Aptos/La Selva FPD is also interested, it could be fruitful for LAFCO to pursue a more comprehensive study.

LAFCO has not made a decision yet. Given past experience of doing in-depth reports and not having any actions taken as a result, the Commission decided to do the reviews a different way this time, save some money, and focus work where people were interested.

Staff's recommendation is to approve these sphere reviews and have meetings to discuss a larger in depth study. He wants to confirm whether Aptos/La Selva FPD is interested in a more in depth study.

Chief Jones replies that Aptos/La Selva FPD is constantly seeking to improve fire service for their community. He is not a complete advocate for consolidation with Central FPD, but he thinks it is worth entertaining. The Day Valley area and CSA 48 jurisdiction towards Corralitos could be better served if Aptos/La Selva FPD entered into a partnership with Cal Fire. They could look into co-located stations, merged resources, and other areas that could better serve their constituents.

He disagrees slightly that previous studies have not been fruitful. Aptos/La Selva FPD annexed the Spring Tank area, they increased their services, and they continue to look for other areas to increase services. He thinks it is worth looking southward, not northward, because it is more urban. He is looking to serve the underserved and improve response times.

65% of the responses are medical in nature. Brain death occurs in six minutes. If it takes 12 minutes to respond to a life-threatening medical situation down Freedom Boulevard towards Corralitos, it is beyond useful by then. His ability to save those people is severely compromised.

Fire service leaders want to do a complete study to see where fire service response times can be increased in a methodical way. He thought this idea was missed at the last meeting.

Commissioner Leopold appreciates Chief Jones' comments. The Commission is trying to be sensitive about how to spend LAFCO's funding agencies' dollars. He now hears feedback that it is worth looking at the bigger issues. This helps encourage the Commission to spend the money for further studies.

Commissioner Bottorff has fire service background, and he thinks this County needs to move forward. The Commission felt otherwise from previous feedback, but now he hears differently. There seems to be an openness to move forward now, and what is holding progress back is an expanded document. He has no problem spending the money if he perceives a willingness to look at the shortcomings of fire service that can be improved. He is in favor of whatever provides the citizens of this County the best possible service.

He supports LAFCO taking a bigger role since this is a priority. He thinks there are other agencies, such as sewer and water agencies, that will benefit from studying the consolidation of districts for better efficiency.

Commissioner Jim Anderson asks if districts are satisfied with their spheres, can the Commission approve them and hold off on approving the districts that want more investigation.

Mr. McCormick answers yes. In the agenda packet, the fire agencies each have separate resolutions that can be approved or further investigated.

Alternate Bobbe thinks there may be some miscommunication. She does not think the Commission would deny an agency more attention to detail and better ways to improve.

Vice-Chairperson LaHue asks if there are any advantages to proceed with getting a more detailed study done, and hold off any sphere approvals before the study is done.

Mr. McCormick answers that the advantages of going forward with adopting resolutions confirming all of the existing spheres at this hearing are that the Commission has a large work program with many other agencies still to do, such as cities and water districts. There is an advantage to get through them quickly to identify if there are other large scale studies worth considering before spending a limited amount of money on a major study.

There are different ways a countywide study could be organized, and which areas of the county to focus on. Central and Aptos/La Selva FPDs are proceeding with internal studies using a consultant. It may be useful to see what those studies produce to see if another study could build on it.

When this accelerated program started, it was acknowledged that more detail may be needed. If there are some agencies that the Commission wants to proceed with and not others, additional information can be gathered before taking an action.

Commissioner Leopold agrees mostly. There is a fire chief vacancy at Central FPD and their board is interested in further studies. Considering the amount of work LAFCO still has to do, it could be a year before completion. He wonders if this opportunity would be missed if the Commission waited too long.

Mr. McCormick answers that if directed, he will engage all of the fire agencies to decide what is worth pursuing in a bigger study, and how much LAFCO and the fire agencies will participate in the control and financing of the study. If all of the spheres are adopted now and he is directed to engage the agencies, he will do that. If Aptos/La Selva and Central FPDs identify a study they want to proceed with, LAFCO can help them proceed. The fewer agencies involved, the easier it is to proceed. If there are more agencies involved, the more comprehensive the study will be.

Commissioner Leopold heard that there may be some interest from Central FPD to look at better efficiencies. Aptos/La Selva FPD is interested in looking south instead of north. It needs to be discussed further what the study would look like.

MOTION

Motion: Bottorff Second:	To approve the fire service reviews for all agencies excluding Aptos/La Selva and Central FPDs. To direct staff to re-engage with those two fire districts to evaluate their ongoing proposals or to see what opportunity LAFCO could participate in.
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Vice-Chairperson LaHue wonders if CSA 48 should be also be excluded from approval because there is a question about adequate information.

MOTION AND ACTION

Motion: Bottorff Second: LaHue	To approve the fire service reviews for all agencies excluding Aptos/La Selva FPD, Central FPD, and County Service Area 48. To direct staff to re-engage with those fire districts to evaluate their ongoing proposals, and see what opportunities LAFCO could participate in. Motion carries with a unanimous voice vote.
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MOTION AND ACTION

Motion: Leopold Second: Bottorff	To direct Mr. McCormick to meet with local fire agencies to determine the context and scope of a fire study. Motion carries with a unanimous voice vote.
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STATUS OF PROPOSALS

Mr. McCormick reports that an application regarding a water district annexation in Zayante was withdrawn.

OFFICE LEASE

Mr. McCormick says that LAFCO leases its office from the County. The County has offered to extend the lease for another two years without raising the rate.

MOTION AND ACTION

Motion: J. Anderson Second: Bottorff	To approve the lease extension. Motion carries with a unanimous voice vote.
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PRESENTATION FROM PAMELA MILLER, CALAFCO EXECUTIVE DIRECTOR

Pamela Miller reports that CALAFCO's mission is rooted in education and they are an educational-based non-profit 501(c)3 organization. They provide education, information sharing, technical support, and legislative resources to members of CALAFCO, otherwise not available. They stand in support of LAFCO's mission to fulfill all state mandates in partnership with the associate members, other State associations, the legislature, and the administration.

CALAFCO was founded in 1971 and started as an all volunteer organization. They still retain a large portion of that volunteer model, but they are trying to slowly transform and transition into a more sustainable, stronger, operational, and foundational model.

As a non-profit, every five to six years, there are some major transformations. There is a connection to Santa Cruz LAFCO, a Commissioner being on the board and in the CALAFCO Chair seat when these major transitions and transformations have occurred. Last year, with Commissioner Leopold's leadership, they made some decisions about organizational structure and conference models. Five to six years before that, when Commissioner Roger Anderson was CALAFCO Chair, there were substantial changes made in transitioning to a regional model.

All 58 LAFCOs are members of CALAFCO and there is an associate membership structure. There are six gold associate members and 22 silver associate members.

Commissioner Leopold has been Santa Cruz' representative for the last 6 years and has just been re-elected. He has been board Chair for the last two years. The last person that served two years in a row was Commissioner Roger Anderson.

The CALAFCO budget is just shy of \$450,000 for 2016-17. Most of the income comes from dues. The dues collected do not fully cover the operational costs of the organization. There is a gap, and they rely heavily on a net profit from the Conference and a carryover from the prior year to balance the budget.

This year, Commissioner Leopold helped to testify in front of the Little Hoover Commission. There was extensive testimony from the CSDA and CALAFCO. There was also mention of the Lompico Reorganization and the consolidation as a good example of the State keeping out of local business. If local business is kept local, and the process is allowed to work in a deliberative and inclusive nature, good sustainable results can occur.

The Little Hoover Commission had a hearing recently, and it appears that they have shifted their perspective and focus on climate change, and how districts are adapting their services, based upon changes related to climate change. They are also focusing on health care districts that have hospitals, but do not provide hospital services.

One of the panelists at the Annual Conference regarding legislation was the consultant for the Senate Governance and Finance Committee. He works closely with Senator Herzberg and the rest of the Committee on all the bills that go before them. He commented that a trend he notices is that it is not just LAFCO that these legislative measures are affecting. The State seems interested in interfering with local government, whether at the county, city, LAFCO, or special district level.

Water and disadvantaged unincorporated communities will be an ongoing conversation in the future.

From 2003 to 2010, Commissioner Roger Anderson served on CALAFCO, and he served as Chair for two years. Gary Patton served two years on the board from 1988 to 1989. In 2004, David Kendig won Outstanding LAFCO Professional. In 2009, Pat McCormick also won Outstanding LAFCO Professional. In 2010, Commissioner Roger Anderson won Outstanding CALAFCO Member award. In 2016, Commissioner Leopold also won Outstanding CALAFCO Member award.

Meeting is adjourned at 12:28 p.m. The next LAFCO meeting is scheduled for 10:00 a.m. on Wednesday, December 7, 2016.

CHAIRPERSON ROGER W. ANDERSON

Attest:

Patrick M. McCormick, Executive Officer