



PROCEEDINGS OF THE LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY

Wednesday, December 7, 2016
10:00 a.m.

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

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The December 7, 2016 Santa Cruz Local Agency Formation Commission meeting is called to order by declaration of Chairperson Roger Anderson.

ROLL CALL

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

MINUTES

MOTION AND ACTION

Motion: Leopold Second: LaHue	To approve November 2, 2016 minutes with one minor correction. Motion carries with Commissioners R. Anderson and Friend abstaining.
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ORAL COMMUNICATIONS

Brian Aluffi is a longtime Santa Cruz resident and the president of Local 3605 from Central FPD. He believes there is a generational opportunity here to merge fire services within Santa Cruz County. He has worked for the fire service for more than 20 years. He has only heard positive feedback about merging fire districts in this County, except from some fire chiefs and fire boards who could stand to lose the most. Labor unions are in agreement throughout the different agencies.

He intends to pursue this opportunity by meeting with affected parties. He does not think another 20 years should go before a merger comes to fruition.

Commissioner LaHue adds that there is a scoping meeting today for the Environmental Impact Report regarding the potential Pure Water Soquel groundwater replenishment project. It will be held at Twin Lakes Church. There is one meeting at 2:00 p.m. and another at 6:00 p.m.

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

Mr. McCormick says that the reports were prepared in advance of the November public hearing. After significant participation, the Commission directed staff to prepare resolutions accepting both agencies' reports and both agencies' spheres of influence with the noticed amendments. After the hearing, some of the citizens talked to staff representatives from the City and Water District and were able to get more questions answered.

He is requesting a revision to a resolution exhibit as shown on page 21 of the agenda packet. They are the findings for the City of Scotts Valley. Chairperson Roger Anderson noticed that the findings had an extremely low growth rate .08% for Scotts Valley. He verified that those are AMBAG's adopted numbers for the City even though they are low. Staff recommends that two sentences be added to note that the population report is cyclical and the next cycle has already started. There will be an update in 2018 and the base population for Scotts Valley has already been readjusted. The update will have a higher growth rate.

Commissioner Leopold says that he offered to meet with any of the affected individuals and he did not hear from anyone. They must have done a good job of answering questions.

Commissioner Lind thinks one of the misunderstandings was that this action would immediately cause an effect. Once they understood, they felt much better about the information they received.

MOTION AND ACTION

Motion: Leopold Second: J. Anderson	To adopt Resolutions No. 2016-13 and 2016-14 and include the amendments for the City of Scotts Valley's report. Motion carries with a unanimous voice vote.
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REVIEW OF THE WORK PROGRAM

Mr. McCormick continues to welcome feedback about the work program for the next six months. The Commission is interested in scoping a major fire study. The geographic extent could be as large as the whole County or a limited area. It could include one or more fire district consolidations, or it could include other cooperative services such as contracts for service or joint powers agreements.

He is beginning to make the rounds and talk to the fire agencies, the public, and the unions to see how much interest there is. To help the public and the Commission, he enclosed in the agenda packet a summary of 45 years of fire studies in Santa Cruz County going back to 1971. Included in the summary is a study that directed major improvements in fire

protection in Santa Cruz County called the "Sierra Group Report." It took two drafts over a three year period; it included many recommendations, and most of them were implemented. The Sierra Group report suggested implementing a "911 concept". In 1975, if there was a fire, one had to dial a 7-digit number of the local fire department from a rotary phone. Each agency had their own dispatch procedure.

He wants to find out from the Commission what their priorities are over the next six months. The Commission has just gone through the first round of an accelerated service review methodology. He wants to know if the methodology needs improvements, whether it should be scrapped, or if it should be used for future reviews. This type of review is scaled down. The Commission decided not to use the scaled down version for three fire agencies: County Fire, Aptos La Selva, and Central. These fire agencies will get a more detailed study. When it is time for the water and sanitation agencies to be reviewed, a similar situation could happen where some agencies might need a more detailed review.

In the past, the Commission has adjusted its work program based upon applications being submitted. There is an inquiry from a property owner who owns one parcel adjacent to the Soquel Creek Water District (SCWD). It would need a sphere amendment. SCWD's review is more than five years old, so a service review will need to be done. SCWD has huge issues, but they also have a lot of information available. This inquiry has the potential water demand of a new house. He recommends putting SCWD as a top priority so he can start work on a service and sphere review as soon as possible. He contacted SCWD staff and they are available to supply any information needed to help with the reviews.

He wants to continue communicating with the fire agencies to see what they would want in a detailed report if they express interest.

Commissioner LaHue concurs that his water district is available to help.

He remembers hearing that some of the agencies felt they did not have enough time to respond to the review's questionnaire. They needed more time for their boards to discuss their review.

Commissioner Leopold is comfortable with the abbreviated format. He agrees with Commissioner LaHue's comments about giving the agencies enough time to meet with their boards. It is important to identify the agencies that want or need to look closer. He is concerned that the reviews are not done yet, and that puts the Commission at some risk. Moving forward to get the reviews done should be a top priority.

Commissioner Bottorff agrees with Commissioner Leopold and wonders if just the area of Central Fire and south should be concentrated on and not the City of Santa Cruz.

Commissioner Friend thinks that after speaking to the three unions from the City of Santa Cruz, Central, and Aptos La Selva fire districts, that they want all three agencies involved. They are interested in talking to their boards and the City's Council about a cost share with LAFCO. From a County Fire perspective, it would be great for LAFCO to be involved since they are insolvent. At a minimum, there is a unique opportunity for the largest fire districts in the County to be interested in a merger sooner than later. They have new boards, there is

no fire chief at one of the fire agencies, and there is a potential for cost share. He wonders when the last time was that the head of a fire union came to LAFCO offering to participate in a merger.

He thinks because the unions are requesting it, that Central, Aptos / La Selva, and the City of Santa Cruz, should be involved. If there is a cost share, it will be easier to extend the scope. County Fire should be included because he is getting asked about this from his constituents. He understands from the unions that the coastal departments should merge first, and that will make it easier for Scotts Valley and other agencies. He thinks an extended study should definitely include Central and Aptos / La Selva. The debate would be whether to include the City of Santa Cruz and County Fire, but he would like to have them both included.

Commissioner Jim Anderson says there is much concern with the San Lorenzo Valley fire agencies about what will happen. The common thread he hears is that they are fine with a study as long as it does not cost them more money. It is more complicated to combine paid employees with volunteer organizations. The conversion from all volunteer to paid staff would be very time consuming.

He has tried to quell the idea that a fire study means mass consolidations. Studies are looking for efficiencies. His board is interested in participating, and he asked them to submit a letter to LAFCO with their intent.

Chairperson Roger Anderson adds that LAFCO has a limited amount of money and he wants to be sure that there will be value from any fire, water, or any other studies.

There have been 11 studies done over the last 40 to 45 years and some of the recommendations have been adopted. He is interested in knowing which types of recommendations have been adopted, and whether any political or economic facets in the present situation might make similar recommendations possible today. He would also like to know who paid for these studies. Some of the studies were done before Proposition 13 passed.

He wants a study to work, and he is not opposed to working with others about funding it or providing a significant contribution. He just wants to be sure that doing another study will be fruitful.

He wonders what other studies, such as water or some other types of consolidations, might make sense with the current issues agencies have. Water planning is a big issue currently and he wonders what LAFCO's role should be. He wants to make a good investment and provide a study that will be useful and solve some problems within this County.

Commissioner LaHue wants to confirm whether the Commission is going ahead with developing a scope after conferring with the districts about details such as cost sharing.

Commissioner Friend answers yes.

Commissioner Leopold understands the Chair's concerns. Since the Commission decided to do accelerated reviews, they heard from Aptos / La Selva that they wanted more. The labor representatives expressed that they were also interested in more. The Central FPD board majority has changed in the last election and they also express interest.

He believes Central FPD will be able to contribute financially towards a more extensive study. This is a great opportunity to have a majority of a board and a labor union interested in having these discussions. They currently do not have a permanent chief. If they are willing to contribute and it is affordable, he thinks they should take the opportunity.

At the last meeting, Aptos / La Selva's chief seemed hesitant after the Commission agreed to do what he wanted. It appears they have changed their minds. A new possibility has been potentially identified about Santa Cruz.

He agrees with his colleagues about having CSA 48 included because a problem needs to be fixed. Consolidation could be one of the ways to fix it.

Commissioner Friend says part of a motion should be to work with the districts to get contributions. Even if the Aptos / La Selva chief is uncommitted, there is a board majority and labor interests willing to look into a study.

Commissioner Lind thinks there is more interest and people willing to work together to explore this further. Both union and management seem willing to put the time in to look at options.

MOTION AND ACTION

Motion: Friend Second: Leopold	As recommended by staff: to set short term priorities, affirm continuation of accelerated service and sphere methodology, assign high priority to scoping a potential comprehensive fire study, direct staff to initiate the service and sphere review for Soquel Creek Water District, and assign second priority to other service and sphere reviews on the work program. Motion carries with a unanimous voice vote.
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MEETING SCHEDULE FOR 2017

Mr. McCormick recommends the schedule should be the same for 2017 with meetings the first Wednesday of each month except for July.

MOTION AND ACTION

Motion: LaHue Second: Leopold	To approve the 2017 calendar. Motion carries with a unanimous voice vote.
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RESOLUTION OF APPRECIATION

MOTION AND ACTION

Motion: Leopold Second: J. Anderson	To adopt a Resolution of Appreciation for Art Smith. Motion carries with a unanimous voice vote.
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Chairperson Roger Anderson asks Mr. McCormick if he knows what went wrong with Placer County's fire study.

Mr. McCormick says the company who did that study is the same company Central Fire is using for their Standards of Cover study. He does not know the specifics. There were two Placer studies. One was a LAFCO study and the other was the County study. The County study was not released even though money was spent to pay for the study.

Chairperson Roger Anderson thinks Santa Clara County did a large study a few years ago that was very controversial. He wonders if this study is relevant.

Mr. McCormick will look into it.

CLOSED SESSION (begins at 10:39 a.m.)

- Performance Evaluation of Executive Officer pursuant to Government Code Section 54957
- Salaries and Benefits of Unrepresented Employees: Executive Officer and Secretary-Clerk
- Agency Designated Representatives: Personnel Committee: Jim Anderson and John Leopold

OPEN SESSION (begins at 10:58 a.m.)

- Executive Officer Performance Review
- Salaries and Benefits of Executive Officer and Secretary-Clerk

Commissioner Jim Anderson, Chair of the Personnel Committee, reports that the Executive Officer received a satisfactory performance review. Mr. McCormick will receive a 5% raise and a 3% longevity raise. The Secretary-Clerk will receive an 8% raise.

Commissioner Leopold and the rest of the Commission thank staff for their outstanding service.

Meeting is adjourned at 11:02 a.m. The next LAFCO meeting is scheduled for 10:00 a.m. on Wednesday, January 4, 2017.

CHAIRPERSON ROGER W. ANDERSON

Attest:

Patrick M. McCormick, Executive Officer