



**LOCAL AGENCY FORMATION COMMISSION
OF SANTA CRUZ COUNTY**

701 Ocean Street, #318-D
Santa Cruz, CA 95060
Phone Number: (831) 454-2055
Website: www.santacruzlafco.org
Email: info@santacruzlafco.org

REGULAR MEETING AGENDA

**Wednesday, June 3, 2020
9:00 a.m.**

Attend Meeting by Internet: <https://us02web.zoom.us/j/89314386860>
Attend Meeting by Conference Call: **Dial 877-853-5257 or 669-900-6833**
(access code is 893 1438 6860)

TELECONFERENCE MEETING PROCESS

Based on guidance from the California Department of Public Health and the California Governor's Office, in order to minimize the spread of the COVID-19 virus, Santa Cruz LAFCO has established a temporary meeting process:

- a) Commission Quorum: The Governor's Executive Order (N-29-20) indicates that a quorum can consist of Commissioners in person or via teleconference during these unique circumstances. This regular LAFCO meeting will be conducted remotely. A roll call vote will occur on each agenda item that requires Commission action.
- b) Public Comments: For those wishing to make public comments remotely, please submit your comments by email to be read aloud at the meeting by the Commission Clerk. Email comments must be submitted to the Commission Clerk at info@santacruzlafco.org. Email comments on matters not on the agenda must be submitted prior to the time the Chair call for Oral Communications. Email comments on agenda items must be submitted prior to the time the Chair closes public comments on the agenda item.

For those wishing to speak during the online meeting, you must inform LAFCO staff of this request prior to the start of the meeting. If that has occurred, and after being recognized by the Chair, the identified individual will be unmuted and given up to 3 minutes to speak. Following those 3 minutes, their microphone will be muted.

- c) Accommodations for Persons with Disabilities: Santa Cruz 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. If you are a person with a disability and wish to attend the meeting and you require special assistance in order to participate, please contact the Commission Clerk at (831) 454-2055 at least 24 hours in advance of the meeting to make arrangements. Persons with disabilities may request a copy of the agenda in an alternative format.

1. ROLL CALL

2. EXECUTIVE OFFICER’S MESSAGE

The Executive Officer may make brief announcements in the form of a written report or verbal update, and may not require Commission action.

3. ADOPTION OF MINUTES.....Page 5

The Commission will consider approving the minutes from the May 6th Meeting.

Recommended Action: Approve the minutes as presented with any desired changes.

4. ORAL COMMUNICATIONS

This is an opportunity for members of the public to address the Commission on items not on the agenda, provided that the subject matter is within the jurisdiction of the Commission and that no action may be taken on an off-agenda item(s) unless authorized by law.

5. PUBLIC HEARINGS

Public hearing items require expanded public notification per provisions in State law, directives of the Commission, or are those voluntarily placed by the Executive Officer to facilitate broader discussion.

a. “Pasatiempo Drive/Clubhouse Road Annexation” to County Service Area 10 (LAFCO Project No. DA 20-06).....Page 11

The Commission will consider the annexation of four parcels into CSA 10 for sewer service towards two existing buildings within the Pasatiempo Golf Course.

Recommended Action: Adopt the draft resolution (No. 2020-13) approving the 42-acre annexation to CSA 10.

b. Final Budget for Fiscal Year 2020-21.....Page 26

The Commission will consider the adoption of a final budget for the upcoming year.

Recommended Actions:

1) Adopt the draft resolution (No. 2020-14) approving the final budget for Fiscal Year 2020-21; and

2) Authorize the Executive Officer to request the Auditor-Controller’s Office to distribute the final budget and apportionment amount to the funding agencies by July.

c. Proposed Policy Updates.....Page 30

The Commission will consider the proposed modifications to LAFCO’s Employment and Extraterritorial Service Policies.

Recommended Action: Adopt the draft resolutions (No. 2020-15 and 2020-16) approving the amendments to the policies.

6. OTHER BUSINESS

Other business items involve administrative, budgetary, legislative, or personnel matters and may or may not be subject to public hearings.

a. CALPERS Side Fund..... Page 73

The Commission will consider approving an additional payment to LAFCO's Side Fund under CALPERS.

Recommended Action: Direct an additional one-time payment of \$10,000 to the CALPERS Side Fund.

b. Legislative Update.....Page 77

The Commission will receive a status update on LAFCO-related legislation.

Recommended Action: No action required; Informational item only.

7. WRITTEN CORRESPONDENCE

LAFCO staff receives written correspondence and other materials on occasion that may or may not be related to a specific agenda item. Any correspondence presented to the Commission will also be made available to the general public. Any written correspondence distributed to the Commission less than 72 hours prior to the meeting will be made available for inspection at the hearing and posted on LAFCO's website.

a. CALAFCO and Agri-Culture Correspondence.....Page 88

The Commission will review recent correspondence sent to the LAFCO Office.

Recommended Action: No action required; Informational item only.

8. PRESS ARTICLES

LAFCO staff monitors newspapers, publications, and other media outlets for any news affecting local cities, districts, and communities in Santa Cruz County. Articles are presented to the Commission on a periodic basis.

a. Press Articles during the Month of May.....Page 94

The Commission will receive an update on recent LAFCO-related news occurring around the county and throughout California.

Recommended Action: No action required; Informational item only.

9. COMMISSIONERS' BUSINESS

This is an opportunity for Commissioners to comment briefly on issues not listed on the agenda, provided that the subject matter is within the jurisdiction of the Commission. No discussion or action may occur or be taken, except to place the item on a future agenda if approved by Commission majority. The public may address the Commission on these informational matters.

10. ADJOURNMENT

LAFCO's next regular meeting is scheduled for Wednesday, August 5, 2020 at 9:00 a.m.

ADDITIONAL NOTICES:**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).

Contributions and Expenditures Supporting and Opposing Proposals

Pursuant to Government Code Sections §56100.1, §56300(b), §56700.1, §59009, and §81000 et seq., and Santa Cruz LAFCO's Policies and Procedures for the Disclosures of Contributions and Expenditures in Support of and Opposition to proposals, any person or combination of persons who directly or indirectly contributes a total of \$1,000 or more or expends a total of \$1,000 or more in support of or opposition to a LAFCO Proposal must comply with the disclosure requirements of the Political Reform Act (Section 84250). These requirements contain provisions for making disclosures of contributions and expenditures at specified intervals. Additional information may be obtained at the Santa Cruz County Elections Department, 701 Ocean Street, Room 210, Santa Cruz CA 95060 (phone 831-454-2060).

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).

Accommodating People with Disabilities

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

Pursuant to Government Code Section 54957.5 public records that relate to open session agenda items that are distributed to a majority of the Commission less than seventy-two (72) hours prior to the meeting will be available to the public at Santa Cruz LAFCO offices at 701 Ocean Street, #318D Santa Cruz CA 95060 during regular business hours. These records when possible will also be made available on the LAFCO website at www.santacruzlafco.org. 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, May 6, 2020
9:00 a.m.

Zoom: <https://us02web.zoom.us/j/89314386860>
Teleconference: 1-877-853-5257

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The May 6, 2020 Santa Cruz LAFCO meeting is called to order by declaration of Chairperson Roger Anderson.

EXECUTIVE OFFICER’S MESSAGE

Mr. Serrano reports that staff has developed new guidelines using an online platform known as Zoom to make it easier to continue LAFCO business. Webcams have been disabled to prevent any distractions or disruptive images. This meeting will be similar to a webinar allowing participants to see and hear staff’s presentations. Unlike webinars, the Commission and the public will have an opportunity to discuss each agenda item.

All microphones have been automatically muted to prevent any background noises or unintended comments. Microphones for the Chair, Legal Counsel, the Clerk and the Executive Officer will remain unmuted throughout the meeting to maintain order and structure.

During each agenda item’s discussion period, each Commissioner’s microphone will be unmuted. Commissioners can use the “raise hand” button in the participant list if they have a question or a comment. Confirmation from the Chair before speaking will also help from talking over one another.

Action for each motion will require a roll call vote administered by the Clerk. After Commission discussion, motion and action, the Commission’s microphones will be muted again.

Any member of the public can address the Commission by submitting comments via email and the Clerk will read their comments, they can provide comments in person in the Board Chambers, or the public can address the Commission on Zoom. The last method is only available for individuals who requested to speak on Zoom prior to the start of the meeting.

ROLL CALL

| | |
|---------------------|---|
| Present and Voting: | Commissioners Banks, Cummings, Estrada, Friend, Lather, Leopold, and Chairperson Roger Anderson |
| Absent: | J. Anderson |
| Alternates Present: | Brooks, Hunt |
| Alternates Absent: | Coonerty |
| Staff: | Joe A. Serrano, Executive Officer Daniel H. Zazueta, LAFCO Counsel Debra Means, Secretary-Clerk |

MINUTES

MOTION

| | |
|------------------------------------|--|
| Motion: Cummings Second: Lather | To approve March 4 th minutes. Motion carries with a unanimous voice vote. |
|------------------------------------|--|

ORAL COMMUNICATIONS

Mr. Serrano says that he just received an email from Becky Steinbruner who is trying to join the meeting but she is having some technical issues. Staff has reached out to her to assist in connecting to the online LAFCO meeting.

PUBLIC HEARINGS

CONFLICT OF INTEREST POLICY, DISCLOSURE LAWS POLICY, PUBLIC MEMBER SELECTION POLICY AND SPECIAL DISTRICT SELECTION POLICY – PROPOSED UPDATES

Mr. Serrano reports that this Commission is continuing its effort to review all existing policies within the year. The first two policies focus on disclosing any conflicts of interest involving LAFCO actions. The current Conflict of Interest Policy is a resolution and does not provide any guidance on what to do if there is a conflict. Staff proposes policy changes that identify steps the Commission can take to determine if there is a conflict and what to do. The Disclosure Policy does offer useful information but needs formatting improvements.

The third and fourth policies focus on the selection process for the public and special district representatives. Staff identified the need to improve the format in order to be consistent with the other recently adopted policies.

Commissioner Leopold appreciates the policy updates.

MOTION AND ACTION

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| Motion: Leopold Second: Banks | To adopt the draft Resolutions approving the amendments to the four policies, as recommended by staff. Motion passes with a unanimous voice vote. |
|----------------------------------|--|

DRAFT BUDGET FOR FISCAL YEAR 2020-21

Mr. Serrano reports that due to the pandemic, LAFCO's April meeting was cancelled. A notice for the May meeting was republished to reflect the consideration of the draft budget. In light of the fiscal constraints that local agencies are facing, staff wants to be mindful of the funding agencies. By reducing costs and freezing expenses where possible, the draft budget is slightly lower than the current budget. The apportionment amount stays at \$339,000 so there is no change from last year. LAFCO has enough reserves to help balance the proposed budget due to the Commission's conservative budgeting practices.

Commissioner Cummings is concerned about the pandemic. It is unclear how much revenue will be raised. He asks how LAFCO will be adjusting if the agencies experience substantial shortfalls without much support from State and Federal governments.

Mr. Serrano realizes that local agencies are and will be facing financial hardships in the foreseeable future. That is why LAFCO's budget should be kept as lean as possible without any increase or unnecessary expenses. Apportionments should be frozen and the reserves should be used as much as possible.

One of his goals is for LAFCO to be a resource to the local agencies by reaching out to see if there is anything LAFCO can do to assist.

Commissioner Cummings wants to make sure these funds are secured.

Commissioner Leopold appreciates that staff has tried to limit expenses. LAFCO does not have a very robust budget. The action to put a cap on salaries and reduce as much as possible on any other item is a step in the right direction. By the June meeting, there may be a better idea what is going on with individual jurisdictions. It is important to look at the apportionments by district, city and county.

Chairperson Roger Anderson supports the proposed budget and it can be modified later if necessary. He recalls public agency furloughs were at about 10% ten years ago.

MOTION AND ACTION

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| Motion: Leopold Second: Cummings | To adopt the proposed budget and direct the Executive Officer to distribute the draft budget to the funding agencies for their review and comments. The final budget and any agency comments will be presented at the June 3 rd meeting. Motion passes with a unanimous voice vote. |
|-------------------------------------|---|

OTHER BUSINESS

PUBLIC MEMBER SELECTION

* Chairperson Roger Anderson steps down as Chair because he is the Public Member incumbent and Vice Chair Cummings takes over.

Mr. Serrano sent Becky Steinbruner an email with steps to connect to this meeting. She is one of the candidates for the Public Member seat.

The terms for the Regular and Alternate Public Member seats expire in May. Staff solicited for potential candidates and received three applications. All three candidates had three minutes to share why they want to be on LAFCO.

Commissioner Leopold acknowledges all three candidates for their presentations and their interest in LAFCO.

Vice Chair Cummings thanks all three candidates for applying.

MOTION AND ACTION

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|-----------------------------------|---|
| Motion: Leopold Second: Friend | To appoint Roger Anderson as the Regular Public Member and John Hunt as the Alternate with their terms ending May 2024. Motion passes with a unanimous voice vote. |
|-----------------------------------|---|

COMPREHENSIVE QUARTERLY REPORT – THIRD QUARTER (FY 2019-20)

Mr. Serrano reports that one of the active proposals is a fire district consolidation. It is unclear when this application will move forward since both Central and Aptos / La Selva Fire Districts are now facing the pandemic as first responders. There have been discussions with both fire chiefs and there are still some items pending. There is an issue with the existing pension obligations, but staff has a conference call scheduled with CalPERS representatives to clarify their role in the consolidation. Hopefully, this proposal can be presented to the Commission later this year.

CSA 9's service review was originally scheduled for this meeting but it has been moved to August to ensure that Public Works has time to review and provide comments to that report. The Pajaro Valley Public Cemetery's review will be presented in September, the Resource Conservation District's review will be in October, and the San Lorenzo Valley Water District's review will be presented in November.

LAFCO received approximately \$14,000 which is primarily the filing fee for the Pasatiempo Annexation to CSA 10. LAFCO has exceeded the projected revenue amount for the year. Expenses in the third quarter were just under \$100,000. LAFCO has incurred about 44% of total expenditures. Staff anticipates ending the fiscal year with a surplus and those funds will be used to balance the upcoming budget.

Commissioner Banks discloses that Aptos / La Selva Fire Protection District is a client of his so he will not participate in any discussion or action involving them.

Commissioner Leopold would like to review any applications that have not been moving forward and have staff make recommendations whether they are expired.

Mr. Serrano likes to keep the Commission aware of all active proposals but it is worth including any inactive applications that are still technically open. If an application is inactive for a year, it is deemed terminated under LAFCO law. He can inform the Commission of any inactive applications at an upcoming regular meeting.

MOTION AND ACTION

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| Motion: Leopold Second: Cummings | To accept this report. Motion passes with a unanimous voice vote. |
|-------------------------------------|--|

UCSC LONG RANGE DEVELOPMENT PLAN – NOTICE OF PREPARATION

Mr. Serrano reports that the University is currently working on their Long Range Development Plan (LRDP) which includes housing development within their campus. The deadline to submit comments on their Notice of Preparation was in early April.

LAFCO staff submitted a comment letter before the deadline. It appears that some of the proposed development will be outside the City of Santa Cruz and the County's Urban Services Line. If these areas are developed, LAFCO would have a role in the delivery of municipal services. In the letter, staff encouraged the University to address LAFCO's role as part of their Environmental Impact Report (EIR).

It is unclear how the ongoing pandemic has affected their environmental review process but staff will continue to monitor any activity and keep the Commission informed.

He thanks Commissioners John Leopold, Jim Anderson and Chairperson Roger Anderson for their input in the preparation of the comment letter and map.

Commissioner Cummings had a recent meeting with the Chancellor and it sounds like UCSC is still moving ahead with their environmental review process as proposed.

Chairperson Roger Anderson asks when the draft EIR will be published.

Mr. Serrano is not aware of the exact publishing date.

Chairperson Roger Anderson says that during this crisis, the University and numerous other agencies are experiencing many unknowns regarding their budgets. The State's budget should be announced next week but it may be significantly revised and that could affect what the University will do. It is also unknown whether classes will start again in the fall. If classes do not start, it will seriously affect Santa Cruz' housing market and the University's ability to pay debt service on their beds.

LEGISLATIVE UPDATE

Mr. Serrano reports that the legislature may reconvene next week. Any legislative actions will only be focused on their budget and any COVID-19 related business. All other non-essential bills will be delayed or on hold, including CALAFCO's effort to provide grant funding to LAFCOs.

COMMISSIONERS' BUSINESS

Commissioner Leopold asks if CALAFCO will be holding their Conference in October.

Mr. Serrano replies that Pamela Miller, the Executive Director, has been holding weekly conference calls with LAFCO Executive Officers. She is hoping to hold an Annual Conference this year but the structure of the conference will be different.

He asks the Commission for any feedback or comments about how this meeting was held remotely.

Commissioner Cummings says the City of Santa Cruz split the participants and the attendees into a webinar setting. Having the video cam on was preferable for some to see the Council members. He is available to provide some further guidance about holding future public meetings.

He thought this meeting went well for the first remotely held Zoom meeting.

Commissioner Leopold also thought this meeting worked well.

Chairperson Roger Anderson would like to have the video feature on for these meetings.

ADJOURNMENT

The next LAFCO meeting is scheduled for 9:00 a.m. Wednesday, June 3, 2020.

CHAIRPERSON ROGER W. ANDERSON

Attest:

Joe A. Serrano, Executive Officer



Santa Cruz Local Agency Formation Commission

Date: June 3, 2020
To: LAFCO Commissioners
From: Joe Serrano, Executive Officer
Subject: **“Pasatiempo Drive/Clubhouse Road Annexation” to CSA 10
(LAFCO Project No. DA 20-06)**

SUMMARY OF RECOMMENDATION

This application proposes an annexation and sphere amendment involving County Service Area 10 (“CSA 10”). If approved, the subject area (totaling 4 parcels; 42-acres) will discontinue its existing septic tanks and receive sewer service from a public agency.

It is recommended that the Commission adopt the draft resolution (LAFCO No. 2020-13) approving the 42-acre annexation to CSA 10.

EXECUTIVE OFFICER’S REPORT:

The proposed annexation and sphere amendment was initiated by landowner petition. The subject area includes 4 parcels, totaling 42 acres. All parcels are owned by Pasatiempo, Inc. The purpose of the application is for the provision of sewer services towards two existing buildings within the Pasatiempo Golf Course. The subject area is within unincorporated county territory and is located east of Highway 9, south of Sims Road, west of Highway 17, and north of the City of Santa Cruz. **Attachment 1** is a vicinity map of the subject area.

General Plan/Zoning Designation

The subject area is uninhabited. The area is currently designated as PR (Parks, Recreation, and Open Space). One of the four parcels (APN: 060-101-17) is designated as PR and R-1-20 (Single-Family Residential). The application does not propose any changes to the existing land use designations found in the County’s General Plan.

Other Municipal Services

No other change of organization is required. The proposal area will continue to receive municipal services from existing public agencies, including but not limited to water service from the City of Santa Cruz and fire service from the Scotts Valley Fire Protection District.

Affected/Interested Agency Comments

A referral letter, which summarized the proposal, was distributed to all the affected and interested agencies within or near the subject area. This was an opportunity for an agency to provide comments regarding the proposed boundary change. LAFCO did not receive any correspondence during the comment period. However, representatives from CSA 10 did provide a Will-Serve Letter to LAFCO on May 7, 2020.

Property Tax Exchange Agreement

California Revenue and Taxation Code Section 99(b)(6) requires the adoption of a property tax exchange agreement involving the affected local agency before LAFCO can consider a jurisdictional change. The Board of Supervisors (BOS) acts as the authorizing body for CSA 10 regarding property tax adjustments. On April 14, 2020, the BOS adopted the property tax exchange agreement for this proposal (refer to **Attachment 2**).

Proposed Sphere Amendment

LAFCO originally adopted a sphere of influence for CSA 10 in 1984. In 2014, the Commission approved a reorganization that transferred sewer services from CSA 57 to CSA 10. In total, 299 parcels were annexed into CSA 10 under this reorganization. As part of the reorganization, CSA 10's sphere of influence was amended to reflect the annexation. Today, the current sphere of influence is coterminous with its service area. The sphere boundary was last analyzed in October 2019 as part of the Comprehensive Sanitation Service Review. If this application is approved, staff is recommending that CSA 10's sphere of influence be amended to reflect the proposed annexation of 42-acres.

Environmental Review

The proposal is subject to an environmental review. Santa Cruz LAFCO served as the lead agency for assessing impacts under CEQA. Based on staff's analysis, the underlying action qualifies as a project under CEQA. As the lead agency, LAFCO staff determined that the proposal was exempt pursuant to CEQA Guidelines Section 15319, Class 19(a):

Annexations to a city or special district of areas containing existing or private structures developed to the density allowed by the current zoning or pre-zoning, of either the gaining or losing governmental agency whichever is more restrictive, provided, however, that the extension of utility services to the existing facilities would have a capacity to serve only the existing facilities.

The purpose of the application is for the provision of sewer services towards two existing buildings within the Pasatiempo Golf Course, and therefore, aligns with the categorical exemption identified above. A Notice of Exemption, as shown in **Attachment 3**, was recorded on May 12, 2020.

Notice of Public Hearing

A hearing notice for this proposal was published in the May 13th issue of the Santa Cruz Sentinel (refer to **Attachment 4**). Advertising this notice in a newspaper fulfills the legal requirement and continues staff's outreach efforts with local agencies and the public.

Protest Proceedings

State law requires a protest proceeding to occur if a boundary change (i.e. annexation) is approved. This protest period provides an opportunity for affected residents within the subject area to voice their opposition of the Commission's action. However, pursuant to Government Code Section 56662(d), the protest proceedings may be waived entirely if the following occurs:

1. The territory is uninhabited; and

2. The proposal is accompanied by proof, satisfactory to the Commission, that all the owners of land within the affected territory, exclusive of land owned by a private railroad company, have given their written consent to the proposal and a private railroad company that is an owner of land within the affected territory has not submitted written opposition to the waiver of protest proceedings prior to the conclusion of the commission hearing.

The subject area is uninhabited, and the four affected parcels are all owned by the applicant (Pasatiempo, Inc). LAFCO staff is recommending that the protest proceedings be waived based on the statutory criteria.

STAFF RECOMMENDATION

CSA 10 operates a sanitary sewer collection system and serves the residential areas of Rolling Woods and Woods Cove, as well as the Pasatiempo Golf Club. The proposal meets the criteria outlined in LAFCO law and the Commission's Proposal Evaluation Policy. County Public Works, representing CSA 10, has also indicated that there is sufficient capacity and ability to provide sewer service to the subject area. More importantly, the proposal will transition the usage of septic tanks to a more sustainable public infrastructure. Therefore, staff is recommending that the Commission adopt the draft resolution approving the proposed annexation and sphere amendment (see **Attachment 5**).

Respectfully Submitted,

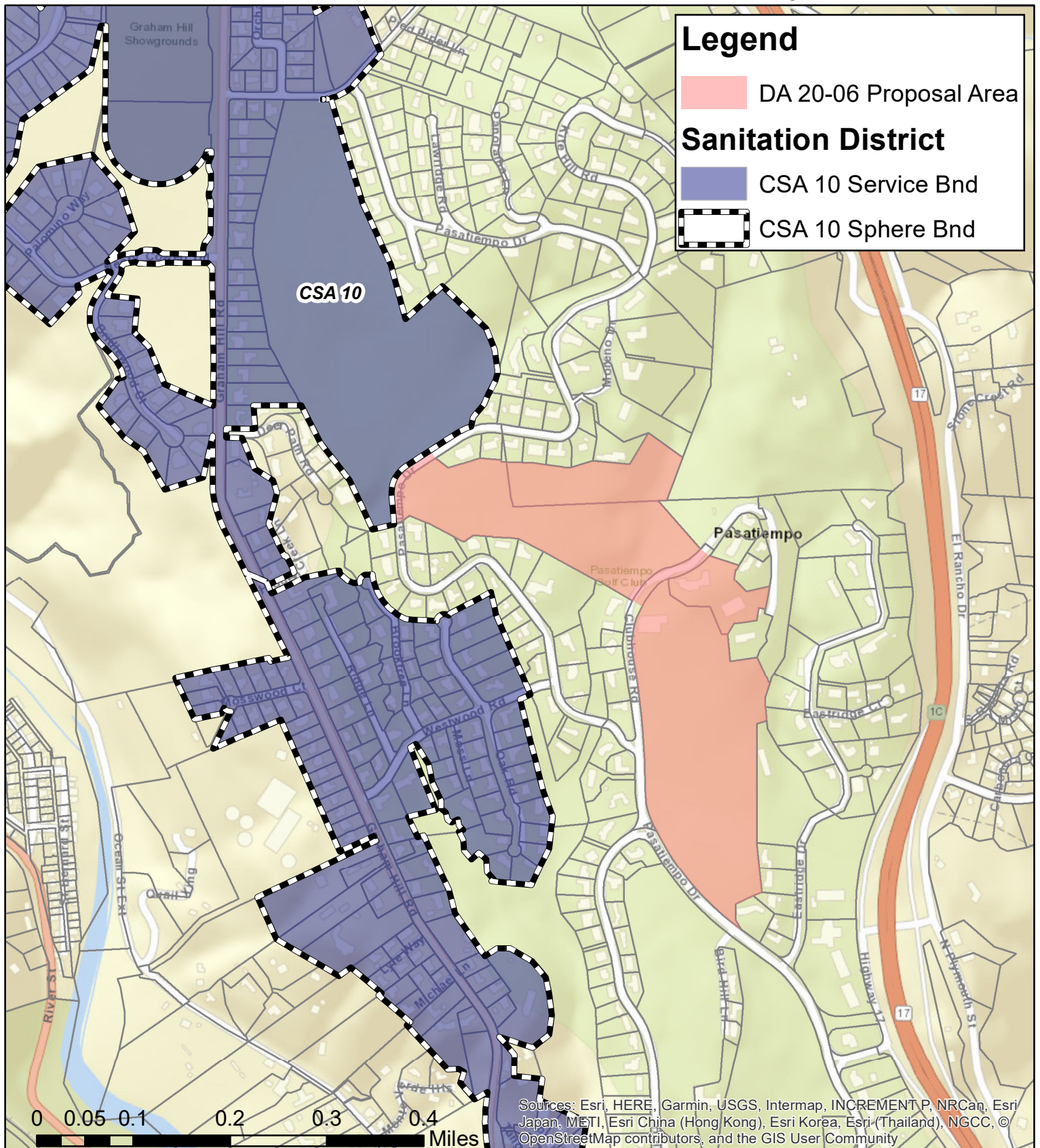


Joe A. Serrano
Executive Officer

Attachments:

1. Vicinity Map
2. Property Tax Exchange Agreement
3. Notice of Exemption
4. Notice of Public Hearing
5. Draft Resolution (LAFCO No. 2020-13)

cc: Scott Hoyt, DA 20-06 Applicant
Ashleigh Trujillo, County Service Area 10
Robert Hambelton, County Public Works



County Service Area 10 (Rolling Woods/Graham Hill) Service and Sphere Boundary



Original Sphere of Influence Adoption (August 1, 1984)
Reaffirmation of Sphere on October 2, 2019

Vicinity Map created on February 6, 2020

BEFORE THE BOARD OF SUPERVISORS
OF THE COUNTY OF SANTA CRUZ, STATE OF CALIFORNIA

Adopted 04/14/2020
Board of Supervisors
DOC-2020-308

RESOLUTION NO. 52-2020

On the motion of Supervisor: Coonerty
Duly seconded by Supervisor: Leopold
The following resolution is adopted:

**RESOLUTION ACCEPTING NEGOTIATED EXCHANGE OF PROPERTY TAX
REVENUES PURSUANT TO CALIFORNIA REVENUE AND TAXATION CODE SECTION 99**

**LAFCO #DA 20-06 – Pasatiempo Drive/Clubhouse Road Annexation to County
Service Area 10**

WHEREAS, California Revenue and Taxation Code Section 99 requires that each city or county (or the county on behalf of special districts) included in a governmental reorganization or jurisdictional change accept a negotiated exchange of property tax revenues; and

WHEREAS, the governing bodies of all agencies whose service areas would be altered by the jurisdictional change referred to in Exhibit "A" have met to determine the allocation of property tax revenues; and

WHEREAS, the County of Santa Cruz agrees to accept the negotiated exchange of property tax revenue as provided for in Exhibit "A";

NOW, THEREFORE, BE IT RESOLVED that the County of Santa Cruz hereby accepts the negotiated exchange of property tax revenues as provided for in Exhibit "A" as required by California Revenue and Taxation Code Section 99; and

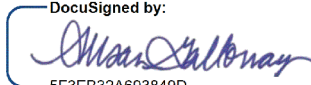
BE IT FURTHER RESOLVED AND ORDERED that the Clerk of the Board shall forward a copy of this Resolution to the Santa Cruz County Auditor-Controller-Treasurer-Tax Collector; and

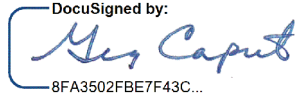
BE IT FURTHER RESOLVED AND ORDERED that the Santa Cruz County Auditor-Controller-Treasurer-Tax Collector is directed to disperse property tax revenues as provided for in Exhibit "A" upon receipt of a copy of this Resolution and a concurring resolution of any affected cities, if any, and following recordation of a Certificate of Completion.

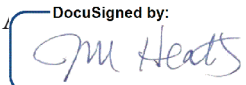
PASSED AND ADOPTED by the Board of Supervisors of the County of Santa Cruz, State of California, this 14th day of April, 2020, by the following vote:

AYES: SUPERVISORS Leopold, Friend, Coonerty, McPherson, Caput
NOES: SUPERVISORS None
ABSENT: SUPERVISORS None

Greg Caput
Chair of Said Board

ATTEST: 
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Susan Galloway
Clerk of Said Board


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DocuSigned by:
Greg Caput
Chair of Said Board


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Greg Caput
Chair of Said Board


F2707B2E5811438...
DocuSigned by:
Greg Caput
Chair of Said Board

3/27/20 AMS #8826

cc: Local Agency Formation Commission of Santa Cruz County
Assessor-Recorder
Auditor-Controller-Treasurer-Tax Collector
County Service Area 10

Attachment: Resolution, LAFCO DA 20-06 CSA 10 (8826 : LAFCO No. DA 20-06 - Pasatiempo Drive/Clubhouse Road Annexation to CSA 10)

Exhibit A

Agenda: April 14, 2020

LAFCO #DA 20-06 – Pasatiempo Drive/Clubhouse Road Annexation to County Service Area 10

1. Description

LAFCO # DA 20-06 – Pasatiempo Drive/Clubhouse Road Annexation to County Service Area 10

Assessor's Parcel Numbers: 060-091-06, 060-092-01, 060-101-17, 067-241-03

2. Property Tax Exchange

A. Base Year Full Cash Value: No Exchange

B. Incremental Full Cash Value: No Exchange

The exchange of property taxes for both Base Year and Incremental Values are based on property tax revenues after the shift to the Education Revenue Augmentation Fund (ERAF).

Certificate Of Completion

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Status: Completed

Subject: Resolution 52-2020 adopted Apr 14 BOS (DOC-2020-308) eSignature

Source Envelope:

Document Pages: 3

Signatures: 4

Envelope Originator:

Certificate Pages: 2

Initials: 0

Susan Galloway

AutoNav: Enabled

2633 Camino Ramon Ste 500

Enveloped Stamping: Enabled

San Ramon, CA 94583

Time Zone: (UTC-08:00) Pacific Time (US & Canada)

susan.galloway@co.santa-cruz.ca.us

IP Address: 207.7.154.9

Record Tracking

Status: Original

Holder: Susan Galloway

Location: DocuSign

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susan.galloway@co.santa-cruz.ca.us

Signer Events

Jason M. Heath

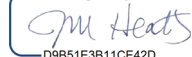
Jason.Heath@co.santa-cruz.ca.us

Accela, Inc.

Security Level: Email, Account Authentication
(None)

Signature

DocuSigned by:



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Electronic Record and Signature Disclosure:

Not Offered via DocuSign

Greg Caput

Greg.Caput@co.santa-cruz.ca.us

eSign

Security Level: Email, Account Authentication
(None)

DocuSigned by:



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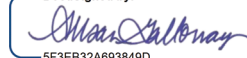
Susan Galloway

Susan.Galloway@co.santa-cruz.ca.us

Chief Deputy, Clerk of the Board of Supervisors
County of Santa Cruz

Security Level: Email, Account Authentication
(None)

DocuSigned by:



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Signed: 4/17/2020 2:15:19 PM

Electronic Record and Signature Disclosure:

Not Offered via DocuSign

CBD eSignature

CBD.eSignature@co.santa-cruz.ca.us

Clerk of the Board of Supervisors

County of Santa Cruz

Security Level: Email, Account Authentication
(None)

DocuSigned by:



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Signature Adoption: Drawn on Device

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Freeform Signing

Electronic Record and Signature Disclosure:

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In Person Signer Events

Signature

Timestamp

| Editor Delivery Events | Status | Timestamp |
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| Agent Delivery Events | Status | Timestamp |
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| Justin Braun Justin.Braun@co.santa-cruz.ca.us eSign Security Level: Email, Account Authentication (None) Electronic Record and Signature Disclosure: Not Offered via DocuSign | COPIED | Sent: 4/17/2020 3:10:25 PM |
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| Notary Events | Signature | Timestamp |
| Envelope Summary Events | Status | Timestamps |
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| Signing Complete | Security Checked | 4/17/2020 3:10:25 PM |
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| Payment Events | Status | Timestamps |

Notice of Exemption

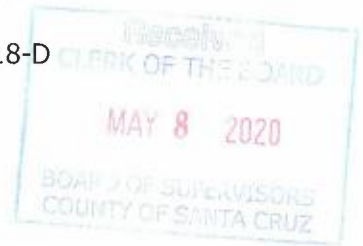
#166-20

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

From: (Public Agency)
Santa Cruz Local Agency Formation

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: "Pasatiempo Drive/Clubhouse Road Annexation" to County Service Area 10

Project Location: The subject area is within unincorporated county territory and is located east of Highway 9, south of Sims Road, west of Highway 17, and north of the City of Santa Cruz. The subject area is within the Pasatiempo Golf Course and contiguous with the jurisdictional boundaries of CSA 10. Attached is a vicinity map of the subject area (refer to **Attachment A**).

Project Location City: N/A **Project Location County:** Santa Cruz

Description of Nature, Purpose, and Beneficiaries of Project: The proposed annexation and sphere amendment was initiated by landowner petition. The subject area includes 4 parcels, totaling 42 acres. All parcels are owned by Pasatiempo, Inc. The purpose of the application is to decommission the existing septic tanks and connect two operating buildings to CSA 10, which is the neighboring public wastewater agency.

Name of Public Agency Approving Project: Local Agency Formation Commission of Santa Cruz County ("Santa Cruz LAFCO"). A public hearing on this proposal is scheduled for 9:00 a.m. on June 3, 2020. Additional information on the upcoming meeting is available on the LAFCO website.

Name of Person or Agency Carrying Out Project: Santa Cruz LAFCO

Exempt Status: (check one)

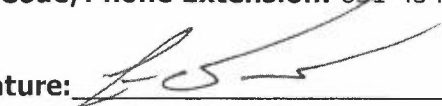
- ☐ Ministerial (Sec. 21080(b)(1); 15268);
☐ Declared Emergency (Sec. 21080(b)(3); 15269(a));
☐ Emergency Project (Sec. 21080(b)(4); 15269 (b)(c));
☒ Categorical Exemption: State type and section number
☐ Statutory Exemptions: State code number
☐ Other: The activity is not a project subject to CEQA.

THIS NOTICE HAS BEEN POSTED AT THE CLERK
OF THE BOARD OF SUPERVISORS OFFICE FOR A
PERIOD COMMENCING May 08 2020
AND ENDING Jun 08 2020

Reason Why Project is Exempt: Pursuant to CEQA Guidelines Section 15319, Class 9(a): Annexations to a city or special district of areas containing existing or private structures developed to the density allowed by the current zoning or pre-zoning, of either the gaining or losing governmental agency whichever is more restrictive, provided, however, that the extension of utility services to the existing facilities would have a capacity to serve only the existing facilities.

Lead Agency Contact Person: Joe A. Serrano

Area Code/Phone Extension: 831-454-2055.

Signature: 
Joe A. Serrano, Executive Officer

Date: May 12, 2020

☒ Signed by Lead Agency



**NOTICE OF PUBLIC HEARING
LOCAL AGENCY FORMATION COMMISSION**

NOTICE IS HEREBY GIVEN that at 9:00 a.m., Wednesday, June 3, 2020, the Local Agency Formation Commission of Santa Cruz County (LAFCO) will hold public hearings on the following items:

- **Final Budget for Fiscal Year 2020-21:** Adoption of a final budget for the upcoming fiscal year. The review, approval, and notice of this budget will be performed consistent with Government Code Section 56381.
- **Pasatiempo Drive/Clubhouse Road Annexation:** Consideration of a 42-acre annexation to County Service Area 10 (LAFCO Project No. DA 20-06). The purpose of the proposal is for the provision of sewer service towards two existing buildings within the Pasatiempo Golf Course.
- **Policy Update** – Consideration of proposed modifications to LAFCO's Employment and Extraterritorial Policies. The proposed changes include several non-substantive changes, removal of outdated language, and minor clarifications to reflect the Commission's current practices.

Due to COVID-19, this meeting will be conducted as a teleconference pursuant to the provisions of the Governor's Executive Orders N-25-20 and N-29-20, which suspend certain requirements of the Ralph M. Brown Act. Members of the public are encouraged to observe the shelter-in-place order and participate by teleconference. Instructions to participate remotely are available in the June 3rd Agenda and Agenda Packet.

During the meeting, the Commission will consider oral or written comments from any interested person. Maps, written reports, environmental review documents and further information can be obtained by contacting LAFCO's staff at (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. 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.

A handwritten signature in blue ink, appearing to read 'Joe A. Serrano'.

Joe A. Serrano
Executive Officer
Date: May 13, 2020

LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY
RESOLUTION NO. 2020-13

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

RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION
MAKING DETERMINATIONS AND ORDERING THE
“PASATIEMPO DRIVE/CLUBHOUSE ROAD ANNEXATION”
TO COUNTY SERVICE AREA 10 (LAFCO PROJECT NO. DA 20-06)

WHEREAS, an application requesting the annexation and subsequent sphere of influence amendment was filed by landowner petition pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Section 56000 et seq.); and

WHEREAS, the applicant (Pasatiempo, Inc.) owns four uninhabited parcels, totaling 42 acres that make up the subject territory; and the proposal was assigned the short-term designation of “Pasatiempo Drive/Clubhouse Road Annexation”; and

WHEREAS, the application consists of the following changes of organization: (1) annexation to County Service Area 10; and (2) sphere amendment to County Service Area 10; and

WHEREAS, correspondence summarizing the proposed boundary changes was sent to all affected and interested agencies requesting comments on February 20, 2020. LAFCO did not receive any opposition following the conclusion of the comment period; and

WHEREAS, California Revenue and Taxation Code Section 99(b)(6) requires the adoption of a property tax exchange agreement involving the affected local agency before LAFCO can consider a jurisdictional change. The Board of Supervisors acting as the authorizing body for CSA 10 regarding property tax adjustments adopted a property tax exchange agreement on April 14, 2020; and

WHEREAS, the Executive Officer conducted an analysis on the proposal and prepared a report including staff’s recommendations thereon, and presented staff’s findings for Commission consideration; and

WHEREAS, a public hearing by the Commission was held on June 3, 2020; and at the hearing the Commission heard and received all oral and written protests, objections, and evidence that were presented.

NOW, THEREFORE, the Local Agency Formation Commission of Santa Cruz County does HEREBY RESOLVE, DETERMINE, AND ORDER as follows:

Section 1. The foregoing recitals are true and correct.

Section 2. Compliance with the California Environmental Quality Act (CEQA) has been met by a categorical exemption pursuant to State CEQA Guidelines Section 15319, Class 19(a): Annexations to a city or special district of areas containing existing or private structures developed to the density allowed by the current zoning or pre-zoning, of either the gaining or losing governmental agency whichever is more restrictive, provided, however, that the extension of utility services to the existing facilities would have a capacity to serve only the existing facilities.

Section 3. The Commission considered the requirements set forth for annexation and sphere amendment in the Cortese-Knox-Hertzberg Act, Government Code Section 56133, and found the proposal to be consistent with those requirements as outlined below:

- a) District Annexation: Government Code Section 56668.3(a) requires the Commission to analyze several factors as part of the change of organization. These factors include:
- a. The case of district annexation, whether the proposed annexation will be for the interest of landowners or present or future inhabitants within the district and within the territory proposed to be annexed to the district;
 - b. Any factors which may be considered by the Commission as provided in Government Code Section 56668;
 - c. Any resolution raising objections to the action that may be filed by an affected agency; and
 - d. Any other matters which the Commission deems material.

LAFCO staff analyzed these and other factors as part of the June 3, 2020 staff report.

- b) District Annexation: Government Code Section 56857(a) requires the Commission to notify the affected agency if the proposal was not filed by the district to which annexation of territory is proposed. The affected agency may transmit to the Commission a resolution requesting termination of the proceedings. LAFCO staff did not receive any terminating resolution or correspondence from CSA 10 opposing the application.

Section 4. The Commission determined that the proposal is consistent with the Policies and Procedures Relating to Proposals and Sphere Amendments as outlined below:

- a) Agency Endorsement: 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. County Public Works, on behalf of CSA 10, is the applicant of this proposal and has expressed support throughout the LAFCO process.
- b) Fee Deposit: The applicant shall pay the costs of processing the application as specified in the Commission's Schedule of Fees and Deposits. The applicant submitted a fee deposit of \$13,350 as part of the application packet.
- c) Map & Legal Description: A map of any proposed boundary changes 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 required metes and bounds were submitted on April 14, 2020, as shown on Exhibit A.
- d) Commission Hearing: The Commission shall consider the request after it has been placed on an agenda of a Commission meeting. After deeming the proposal complete, the Executive Officer advertised the proposal in the Santa Cruz Sentinel newspaper on May 13, 2020, and scheduled the proposal for Commission consideration on June 3, 2020.

Section 5. The applicant shall agree, as a condition of the approval of the application for annexation and sphere amendment, to be bound by the LAFCO Indemnification and Defense Form signed on January 22, 2020.

Section 6. The Certificate of Completion for the proposal shall not be issued until all of the following terms and conditions are met:

- a) State Board of Equalization: The proponent shall provide a legal map, description, and fees to meet State Board of Equalization requirements.
- b) District Fees & Charges: CSA 10 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. The applicant shall be responsible for all fees and costs associated with the connection of sewer service with CSA 10.
- c) LAFCO Processing Fees: The applicant shall pay any remaining processing fees as set in this Commission's Schedule of Fees and Deposits.

Section 7. The annexation and sphere amendment shall be effective as of the date of recordation of the Certificate of Completion.

Section 8. The Commission shall approve, disapprove, or approve with conditions the proposed annexation and sphere amendment. If the proposal is disapproved or approved with conditions, the applicant may request reconsideration, citing the reasons for reconsideration. 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.

Section 9. The Executive Officer will hereby conduct a 30-day request for reconsideration in accordance to Government Code Section 56895.

Section 10. The Executive Officer is hereby authorized and directed to waive the protest proceedings entirely because the proposal meets the criteria outlined in Government Code Section 56662(d).

Section 11. The Executive Officer is hereby authorized and directed to mail certified copies of this resolution in the manner and as provided in Government Code Section 56882.

PASSED AND ADOPTED by the Local Agency Formation Commission of Santa Cruz County this 3rd day of June 2020.

AYES:

NOES: None

ABSENT:

ROGER W. ANDERSON, CHAIRPERSON

Attest:

Approved as to form:

Joe A. Serrano
Executive Officer

Daniel H. Zazueta
LAFCO Counsel



Santa Cruz Local Agency Formation Commission

Date: June 3, 2020
To: LAFCO Commissioners
From: Joe Serrano, Executive Officer
Subject: **Final Budget for Fiscal Year 2020-21**

SUMMARY OF RECOMMENDATION

State law requires that LAFCO adopt a final budget by June 15. LAFCO staff has noticed a public hearing for June 3, 2020 in order for the Commission to consider the final budget. This report will provide the Commission the FY 2020-21 Final Budget, totaling \$657,100, for consideration and approval.

It is recommended that the Commission adopt the draft resolution (LAFCO No. 2020-14) approving the final budget for Fiscal Year 2020-21 and authorize the Executive Officer to request the Auditor-Controller's Office to distribute the final budget and apportionment amount to the funding agencies by July.

EXECUTIVE OFFICER'S REPORT:

On May 6, 2020, the Commission adopted a draft budget for Fiscal Year 2020-21. Afterwards, the draft budget and proposed allocations were distributed to each of the funding agencies for review and comment. No formal comments were received. Staff believes that the reduced budget addresses the anticipated expenses while also recognizing the fiscal constraints our funding agencies are currently facing at this time. Approximately 40% of the proposed budget is funded by LAFCO's reserves. Staff is recommending that the Commission adopt the final budget for Fiscal Year 2020-21.

Respectfully Submitted,

A blue ink signature of Joe A. Serrano is written over a horizontal line.

Joe A. Serrano
Executive Officer

Attachments:

1. FY 2020-21 Final Budget
2. FY 2020-21 Apportionments for Funding Agencies
3. Draft Resolution (LAFCO No. 2020-14)

cc: County of Santa Cruz (Board of Supervisors, Auditor-Controller, and CAO)
Cities (Capitola, Santa Cruz, Scotts Valley, and Watsonville)
Independent Special Districts (23 in total)

5B: ATTACHMENT 1

| FISCAL YEAR 2020-21 | FY 19-20 Adopted Budget | FY 20-21 Final Budget | Budget Variance (\$) | Budget Variance (%) |
|----------------------------------|----------------------------|--------------------------|----------------------------|---------------------------|
| REVENUE DESCRIPTION | | | | |
| Interest | \$ 6,000 | \$ 6,000 | \$ - | 0% |
| Funding Agencies' Apportionments | \$ 399,300 | \$ 399,300 | \$ - | 0% |
| LAFCO Processing Fees | \$ 6,500 | \$ - | \$ (6,500) | -100% |
| Medical Charges-Employee | \$ 1,000 | \$ - | \$ (1,000) | -100% |
| Copy Charges | \$ 100 | \$ - | \$ (100) | -100% |
| Unreserved Fund Balance | \$ 249,500 | \$ 251,800 | \$ 2,300 | 1% |
| TOTAL REVENUES | \$ 662,400 | \$ 657,100 | \$ (5,300) | -1% |
| EXPENDITURE DESCRIPTION | | | | |
| Regular Pay | \$ 245,400 | \$ 245,400 | \$ - | 0% |
| Overtime Pay | \$ 1,000 | \$ 1,000 | \$ - | 0% |
| Extra Help | \$ 1,000 | \$ 1,000 | \$ - | 0% |
| Sick Leave | \$ 1,000 | \$ 1,000 | \$ - | 0% |
| Holiday Pay | \$ 10,100 | \$ 10,100 | \$ - | 0% |
| Social Security | \$ 18,200 | \$ 18,200 | \$ - | 0% |
| PERS | \$ 59,800 | \$ 59,800 | \$ - | 0% |
| Insurances | \$ 50,500 | \$ 50,500 | \$ - | 0% |
| Unemployment | \$ 400 | \$ 400 | \$ - | 0% |
| Workers Comp | \$ 1,000 | \$ 1,000 | \$ - | 0% |
| Salaries Sub-total | \$ 388,400 | \$ 388,400 | \$ - | 0% |
| Telecom | \$ 2,000 | \$ 2,000 | \$ - | 0% |
| Office Equipment | \$ 200 | \$ 200 | \$ - | 0% |
| Memberships | \$ 4,500 | \$ 6,400 | \$ 1,900 | 42% |
| Hardware | \$ 300 | \$ 300 | \$ - | 0% |
| Duplicating | \$ 1,200 | \$ 1,600 | \$ 400 | 33% |
| PC Software | \$ 600 | \$ 600 | \$ - | 0% |
| Postage | \$ 1,400 | \$ 1,000 | \$ (400) | -29% |
| Subscriptions | \$ 500 | \$ 500 | \$ - | 0% |
| Supplies | \$ 1,500 | \$ 1,000 | \$ (500) | -33% |
| Accounting | \$ 1,500 | \$ 1,500 | \$ - | 0% |
| Attorney | \$ 150,000 | \$ 150,000 | \$ - | 0% |
| Data Service | \$ 16,700 | \$ 10,000 | \$ (6,700) | -40% |
| Director Fees | \$ 6,000 | \$ 6,000 | \$ - | 0% |
| Surveyor | \$ 1,000 | \$ 1,000 | \$ - | 0% |
| Prof. Services | \$ 50,000 | \$ 50,000 | \$ - | 0% |
| Legal Notices | \$ 1,700 | \$ 1,700 | \$ - | 0% |
| Rents | \$ 8,500 | \$ 9,000 | \$ 500 | 6% |
| Misc. Expenses | \$ 6,500 | \$ 6,000 | \$ (500) | -8% |
| Books | \$ 200 | \$ 200 | \$ - | 0% |
| Air Fare | \$ 3,000 | \$ 3,000 | \$ - | 0% |
| Auto Rental | \$ 200 | \$ 200 | \$ - | 0% |
| Training | \$ 1,800 | \$ 1,800 | \$ - | 0% |
| Lodging | \$ 5,200 | \$ 5,200 | \$ - | 0% |
| Meals | \$ 600 | \$ 600 | \$ - | 0% |
| Mileage | \$ 3,000 | \$ 3,000 | \$ - | 0% |
| Travel-Other | \$ 500 | \$ 500 | \$ - | 0% |
| Registrations | \$ 5,400 | \$ 5,400 | \$ - | 0% |
| Supplies Sub-total | \$ 274,000 | \$ 268,700 | \$ (5,300) | -2% |
| TOTAL EXPENDITURES | \$ 662,400 | \$ 657,100 | \$ (5,300) | -1% |

| Description | Operating Revenue | Non-Operating Revenue | Apportionment Basis Revenue latest Published State Controller's Report | Deduct Intergovernmental | Total less Intergovernmental | Calculate Proportionate Share | Fee Percentage Projection | Auditor Administration Costs | Total |
|--|-------------------|-----------------------|--|--------------------------|------------------------------|-------------------------------|---------------------------|------------------------------|------------|
| LAFCO Total 2020-2021 Working Budget | | | 399,300 | | | | | 2,500.00 | 401,800.00 |
| Allocate 1/3 fee to County of Santa Cruz | | | 133,100 | | | 133,100.00 | 33.333% | 833.33 | 133,933.33 |
| County of Santa Cruz | | | | | | | | | |
| Allocate 1/3 fee to all Cities Revenue Factor | | | 133,100 | | | | | | |
| 2018-2019 Cities Annual Report | | | | | | | | | |
| City of Capitola | | | 18,641,037 | (871,210) | 17,769,827 | 6,443.03 | 1.614% | 40.34 | 6,483.37 |
| City of Santa Cruz | | | 224,775,290 | (4,565,091) | 220,210,199 | 79,844.43 | 19.996% | 499.90 | 80,344.33 |
| City of Scotts Valley | | | 17,202,167 | (1,043,364) | 16,158,803 | 5,858.90 | 1.467% | 36.68 | 5,895.58 |
| City of Watsonville | | | 115,958,875 | (3,009,109) | 112,949,766 | 40,953.64 | 10.256% | 256.41 | 41,210.05 |
| | | | 376,577,369 | (9,488,774) | 367,088,595 | 133,100.00 | 33.333% | 833.33 | 133,933.33 |
| Allocate 1/3 fee to Independent Districts - Revenue Factor 2018-2019 Special Districts Annual Report | | | 133,100 | | | | | | |
| Non-Enterprise | | | | | | | | | |
| Alba Park & Rec | | | 4,536 | 0 | 4,536 | 5.64 | 0.001% | 0.04 | 5.68 |
| Aptos/La Selva Fire Protection | | | 12,638,663 | (481,540) | 12,157,123 | 15,106.74 | 3.783% | 94.58 | 15,201.32 |
| Ben Lomond Fire Protection | | | 906,877 | (5,079) | 901,798 | 1,120.60 | 0.281% | 7.02 | 1,127.62 |
| Boulder Creek Fire Protection | | | 1,265,797 | (5,664) | 1,260,133 | 1,565.87 | 0.392% | 9.80 | 1,575.67 |
| Boulder Creek Park & Rec | | | 434,768 | (1,247) | 433,521 | 538.70 | 0.135% | 3.37 | 542.07 |
| Branciforte Fire Protection | | | 1,300,812 | (409,387) | 891,425 | 1,107.71 | 0.277% | 6.94 | 1,114.65 |
| Central Santa Cruz County Fire Protection | | | 18,559,561 | (590,728) | 17,968,833 | 22,328.47 | 5.592% | 139.81 | 22,468.28 |
| Felton Fire Protection | | | 822,550 | (6,997) | 815,553 | 1,013.43 | 0.254% | 6.35 | 1,019.78 |
| La Selva Beach Park & Rec | | | 259,547 | (792) | 258,755 | 321.54 | 0.081% | 2.01 | 323.55 |
| Opal Cliffs Park & Rec | | | 64,971 | (22) | 64,949 | 80.71 | 0.020% | 0.51 | 81.22 |
| Pajaro Valley Fire Protection | | | 1,890,155 | (16,989) | 1,873,166 | 2,327.64 | 0.583% | 14.57 | 2,342.21 |
| Pajaro Valley Public Cemetery | | | 1,183,814 | (4,691) | 1,179,123 | 1,465.21 | 0.367% | 9.17 | 1,474.38 |
| Pajaro Valley Water Management Agency | | | 14,404,141 | (1,365,994) | 13,038,147 | 16,201.52 | 4.057% | 101.44 | 16,302.96 |
| Reclamation District 2049 | | | 47,000 | 0 | 47,000 | 58.40 | 0.015% | 0.37 | 58.77 |
| Santa Cruz County Resource Conserv. | | | 2,293,417 | (1,394,683) | 898,734 | 1,116.79 | 0.280% | 6.99 | 1,123.78 |
| Scotts Valley Fire Protection | | | 7,850,569 | (708,236) | 7,142,333 | 8,875.24 | 2.223% | 55.57 | 8,930.81 |
| Zayante Fire Protection | | | 672,494 | (148,852) | 523,642 | 650.69 | 0.163% | 4.07 | 654.76 |
| Non-Enterprise Subtotal | | | 64,599,672 | (5,140,901) | 59,458,771 | 73,884.90 | 18.504% | 462.61 | 74,347.51 |
| Enterprise - Operating plus Non-Operating Revenue | Operating Revenue | Non-Operating Revenue | Total Revenue | | | | | | |
| Central Santa Cruz County Water | 1,072,708 | 127,546 | 1,200,254 | (696) | 1,199,558 | 1,490.60 | 0.373% | 9.33 | 1,499.93 |
| Salsipuedes Sanitary | 376,170 | 35,736 | 411,906 | (125) | 411,781 | 511.69 | 0.128% | 3.20 | 514.89 |
| San Lorenzo Valley County Water* | 9,215,364 | 1,176,221 | 10,391,585 | (4,104) | 10,387,481 | 12,907.74 | 3.233% | 80.81 | 12,988.55 |
| Santa Cruz Port District | 9,070,740 | 802,790 | 9,873,530 | (661,419) | 9,212,111 | 11,447.19 | 2.867% | 71.67 | 11,518.86 |
| Scotts Valley County Water | 6,270,621 | 1,116,701 | 7,387,322 | (5,162) | 7,382,160 | 9,173.25 | 2.297% | 57.43 | 9,230.68 |
| Soquel Creek Water District | 18,691,864 | 368,304 | 19,060,168 | 0 | 19,060,168 | 23,684.63 | 5.932% | 148.29 | 23,832.92 |
| Enterprise Subtotal | | | 48,324,765 | (671,506) | 47,653,259 | 59,215.10 | 14.830% | 370.73 | 59,585.83 |
| Special District Total | | | 112,924,437 | (5,812,407) | 107,112,030 | 133,100.00 | 33.333% | 833.34 | 133,933.34 |
| Grand total | | | | | | 399,300.00 | 100.000% | 2,500.00 | 401,800.00 |

LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY
RESOLUTION NO. 2020-14

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

RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION
ADOPTING A FINAL BUDGET FOR FISCAL YEAR 2020-21

WHEREAS, California Government Code Section 56381(a) requires the Local Agency Formation Commission of Santa Cruz County ("LAFCO" or "Commission") to adopt draft and final budgets each year by May 1st and June 15th, respectively; and

WHEREAS, the Commission's Executive Officer prepared a written report outlining recommendations with respect to anticipated work activities and budgetary needs in Fiscal Year 2020-21; and

WHEREAS, the Commission heard and fully considered all the evidence on a draft budget during a public hearing held on May 6, 2020; and

WHEREAS, the Commission directed the Executive Officer to distribute the adopted draft budget to all funding agencies for additional comments; and

WHEREAS, the Commission heard and fully considered all the evidence on a final budget for Fiscal Year 2020-21 during a public hearing on June 3, 2020.

NOW, THEREFORE, BE IT RESOLVED, the Commission hereby adopts a final budget for the fiscal year beginning July 1, 2020 in the amount of \$657,100, with the new amount to be funded by the participating agencies of \$399,300, plus the County Auditor-Controller's fee to calculate and collect the participating agencies' apportionments.

PASSED AND ADOPTED by the Local Agency Formation Commission of Santa Cruz County this 3rd day of June 2020.

AYES:

NOES: None

ABSENT:

ROGER W. ANDERSON, CHAIRPERSON

Attest:

Approved as to form:

Joe A. Serrano
Executive Officer

Daniel H. Zazueta
LAFCO Counsel



Santa Cruz Local Agency Formation Commission

Date: June 3, 2020
To: LAFCO Commissioners
From: Joe Serrano, Executive Officer
Subject: **Proposed Policy Updates
(LAFCO Project Nos. CPP 20-16 and 20-17)**

SUMMARY OF RECOMMENDATION

This Commission has adopted two distinctive policies to address employment within the LAFCO Office under the Employment Policy, and how to review requests to provide municipal services outside agency jurisdictions under the Extraterritorial Services Policy. LAFCO staff believes that these two policies require amendments.

It is recommended that the Commission adopt the draft resolutions (LAFCO Nos. 2020-15 and 2020-16) approving the amendments to the two policies.

EXECUTIVE OFFICER'S REPORT:

This Commission began reviewing and updating LAFCO's existing policies earlier in the year. Eight of 20 policies have already been reviewed and updated. The following table shows when the remaining policies are scheduled for Commission consideration. This report evaluates the two policies listed as #9-10, as shown below.

| LAFCO Policies (Updated List) | Commission Hearing Date |
|---|--------------------------------|
| 1. Personnel Policy 2. Financial Policy | February 5 |
| 3. Meeting Rules Policy 4. Records Management Policy | March 4 |
| 5. Conflict of Interest Policy 6. Disclosure Laws Policy 7. Public Member Selection Policy 8. Special Districts Selection Policy | May 6 |
| 9. Employment Policy 10. Extraterritorial Policy | June 3 |
| 11. Proposal Evaluation Policy 12. Environmental Review Policy 13. Fee Schedule Policy | August 5 |
| 14. Indemnification Agreement Policy 15. Certificate of Filing Policy 16. Protest Proceedings Policy | September 2 |
| 17. Special Districts Governance Policy 18. City Incorporation Policy | October 7 |
| 19. Sphere of Influence Policy 20. Water Policy | November 4 |

Extraterritorial Services Policy

This policy was first introduced in June 1994 to require a city or district to obtain LAFCO approval before providing new or extended services beyond an agency's jurisdictional boundaries. The Commission has reviewed and updated the policy twice since its original adoption. The last review occurred in February 2011. The current version is attached to this report (see **Attachment 1**). Staff believes that the overall process outlined in the current policy is accurate and does not need any substantial modifications. Proposed amendments include adding a summary about the policy's purpose, revising outdated language, and implementing the new standard format. The proposed edits are shown in tracked changes (see **Attachment 2**). A clean version of the revised policy is included as an exhibit to the draft resolution (see **Attachment 3**).

Employment Policy

This policy was originally adopted in June 1986 to ensure that Commissioners and staff understand the employment characteristics associated with the LAFCO office. Modifications to the policy has happened throughout the years with the last review occurring in August 2016. The current version is attached to this report (see **Attachment 4**). Staff believes that it would be beneficial to have more clear direction throughout the policy. That is why a number of amendments are being suggested for consideration. The proposed edits are shown in tracked changes (see **Attachment 5**) and summarized below. A clean version of the revised policy is included as an exhibit to the draft resolution (see **Attachment 6**).

Proposed edits include the following:

- Disability Accommodation – LAFCO provides equal employment opportunity for all applicants, including individuals with disabilities. The proposed edits include language regarding disability accommodations.
- Policy Against Harassment – LAFCO strives to have a safe and productive workplace for all employees. The proposed edits include language on how to prevent and address potential harassment in the LAFCO office.
- Employment Categories – LAFCO offers a range of staff opportunities and benefits. The proposed edits clearly define all employment categories.
- Job Classifications – LAFCO operates by utilizing different staffing levels. The proposed edits define all job descriptions so that employees understand their duties and responsibilities.
- Recruitment Process – LAFCO currently has two full-time staff members. Staff anticipates hiring a new employee to fulfill the upcoming clerk vacancy. The proposed edits outline the recruitment and hiring process for any future LAFCO employees.
- Office Safety & Inspection – LAFCO is committed in providing a safe work environment. The proposed edits include language to prevent any misbehavior and outlines how to resolve any interoffice problems.

STAFF RECOMMENDATION

The Commission has established significant policies that help staff be productive and efficient. It is also important to regularly review these policies and update, when necessary. That is why staff is recommending that the Commission review these two policies and adopt the resolutions approving the proposed edits (refer to **Attachments 3 and 6**).

Respectfully Submitted,



Joe A. Serrano
Executive Officer

Attachments:

Extraterritorial Services Policy

1. Extraterritorial Services Policy (Current Version)
2. Extraterritorial Services Policy (Proposed Version with tracked changes)
3. Draft Resolution No. 2020-15 (with “clean version” of Extraterritorial Policy as Exhibit A)

Employment Policy

4. Employment Policy (Current Version)
5. Employment Policy (Proposed Version with tracked changes)
6. Draft Resolution No. 2020-16 (with “clean version” of Employment Policy as Exhibit A)

**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.



LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY

EXTRATERRITORIAL SERVICES POLICY

Adopted on June 9, 1994 (Resolution No.97-W)

Amended on February 8, 2007 (Resolution No. 2007-1)

Previous Revision February 2, 2011 (Resolution No. 2011-1)

Last Revision on June 3, 2020 (Resolution No. 2020-16)

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

Amended by Resolution 2011-1; February 2, 2011

4.—

2.1. AUTHORITY OVERVIEW

The purpose of this policy 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. These regulations are authorized by Government Code Sections §56375 (i) and (k).

3. 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.

4.—

5.—

6.2. 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 of Santa Cruz County ("LAFCO").

7.3. LIST OF PRE-EXISTING SERVICES

Upon adoption of these regulations in 1994, the Executive Officer shall ask originally asked each city and district to provide a list or map of parcels to which it was providing receiving extraterritorial service of the effective date of under Government Code Section §56133. The Executive Officer subsequently shall file his presented a

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.~~ As a regular practice, a list of all approved extraterritorial service agreements are presented to the Commission on an annual basis.

8.4. AREAWIDE APPROVALS

Upon the initiative of either a public agency or the Commission, the Commission shall consider an areawide approval as a regularly agendized 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.

9.5. 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. The application deposit regarding the request for extraterritorial service is ~~\$500~~\$950. Deposit amount 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.

10.6. ENVIRONMENTAL REVIEW

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

11.7. 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.

12.8. POLICIES DELIVERY OF MUNICIPAL SERVICES

~~13.~~

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~~ encourages smart growth and relies on the appropriate governance options to ensure the effective and efficient delivery of municipal services. 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.

When the Commission authorizes the emergency provision of ~~water or sanitary services~~ municipal 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. WATER PROVISIONS

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.

A water policy has also been adopted by this Commission and should be reviewed before submitting any application for potential service delivery, including annexations or requests for extraterritorial services.

LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY
RESOLUTION NO. 2020-15

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

RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION
APPROVING THE AMENDMENTS TO EXTRATERRITORIAL SERVICES POLICY

WHEREAS, on June 9, 1994, the Local Agency Formation Commission of Santa Cruz County ("LAFCO" or "Commission") adopted an Extraterritorial Services Policy pursuant to the Cortese-Knox-Hertzberg Act; and

WHEREAS, the Commission previously reviewed and updated its Extraterritorial Services Policy on February 8, 2007, and February 2, 2011; and

WHEREAS, on June 3, 2020, the Commission determined that amendments to the existing policy are warranted.

NOW, THEREFORE, BE IT RESOLVED, the Commission hereby amends its Extraterritorial Services Policy, as shown in Exhibit A, to establish procedures for the authorization of a city or district to provide services outside its jurisdictional limits pursuant to Government Code Section 56133.

PASSED AND ADOPTED by the Local Agency Formation Commission of Santa Cruz County this 3rd day of June 2020.

AYES:

NOES:

ABSENT:

ROGER W. ANDERSON, CHAIRPERSON

Attest:

Approved as to form:

Joe A. Serrano
Executive Officer

Daniel H. Zazueta
LAFCO Counsel



LOCAL AGENCY FORMATION COMMISSION
OF SANTA CRUZ COUNTY

EXTRATERRITORIAL SERVICES POLICY

Adopted on June 9, 1994 (Resolution No.97-W)

Amended on February 8, 2007 (Resolution No. 2007-1)

Previous Revision February 2, 2011 (Resolution No. 2011-1)

Last Revision on June 3, 2020 (Resolution No. 2020-16)

1. OVERVIEW

The purpose of this policy 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.

2. 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 of Santa Cruz County ("LAFCO").

3. LIST OF PRE-EXISTING SERVICES

In 1994, the Executive Officer originally asked each city and district to provide a list or map of parcels receiving extraterritorial service under Government Code Section 56133. The Executive Officer subsequently presented a report on these extraterritorial services with the Commission. As a regular practice, a list of all approved extraterritorial service agreements are presented to the Commission on an annual basis.

4. 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.

5. 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. The application deposit regarding the request for extraterritorial service is \$950. Deposit amount 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.

6. ENVIRONMENTAL REVIEW

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

7. 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.

8. DELIVERY OF MUNICIPAL SERVICES

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 and this Commission's adopted policies encourages smart growth and relies on the appropriate governance options to ensure the effective and efficient delivery of municipal services. 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.

When the Commission authorizes the emergency provision of municipal 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. WATER PROVISIONS

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.

A water policy has also been adopted by this Commission and should be reviewed before submitting any application for potential service delivery, including annexations or requests for extraterritorial services.

EXHIBIT A
LOCAL AGENCY FORMATION DISTRICT OF SANTA CRUZ COUNTY
RESOLUTION NO. 2016-12

EMPLOYMENT POLICY

SECTION I
EMPLOYEES AND CONDITIONS OF EMPLOYMENT

A. INTRODUCTION

This policy applies to the employees of the Local Agency Formation Commission of Santa Cruz County ("LAFOSC" or "Commission"). It is not intended to be comprehensive or address all aspects of the topics described below. This Policy supersedes all prior LAFOSC employment policies and is intended to supplement, not supersede, current applicable state and federal statutes. Applicable state and federal statutes control if they conflict with any of the guidelines in this Policy.

Employees are expected to read this Policy carefully and know, understand and abide by its contents. LAFOSC reserves the right to interpret the Policy's provisions and make changes to the Policy at any time. This Policy does not confer any contractual rights or guarantee any terms or conditions of employment.

B. EQUAL EMPLOYMENT OPPORTUNITY

LAFOSC provides equal employment opportunity for all applicants and employees. LAFOSC does not unlawfully discriminate on the basis of race, color, religion, religious creed (including religious dress and religious grooming), sex (including pregnancy, perceived pregnancy, childbirth, breastfeeding, or related medical conditions), gender, gender identity, gender expression, national origin, ancestry, citizenship, age, physical or mental disability, legally protected medical condition or information (including genetic information) family care or medical leave status, military caregiver status, military status, veteran status, marital status, domestic partner status, sexual orientation, or any other basis protected by local, state, or federal laws.

C. EMPLOYMENT

All employees of LAFOSC are at-will, meaning that they serve at pleasure of the Commission.

D. JOB CLASSIFICATIONS

LAFOSC has established the following employee classifications:

1. Executive Officer

a. Position Responsibilities

Under general supervision of the Commission to conduct and perform the Commission's administrative and advisory services, to supervise the daily activities of the Commission staff, and to act as a liaison between the Commission and governmental agencies and the general public.

b. Typical Duties

Analyze and evaluate information on administrative and policy matters and advise the Commission on recommended action; conduct studies on governmental reorganization; comply with all legal requirements relating to the Commission's hearings; staff advisory committees to the Commission; prepare correspondence; supervise the maintenance of the Commission's files; attend all Commission meetings; attend City Council, County Board of Supervisors, and Special District Board meetings as necessary; perform as liaison officer between the Commission and cities, special districts, the County, State institutions and the general public; prepare the annual budget for the Commission; supervise the Commission's staff; review proposed local and state legislation, and appear at legislative hearings to represent the position of the Commission.

2. Secretary-Clerk

Position Responsibilities

Under the direction of the Executive Officer, record and transcribe minutes of all Commission meetings; using computer software type, format, and send correspondence, memoranda, and reports; maintain files of each submitted application, budget and personnel matters, and correspondence; execute LAFOSC contracts with contractors, the California Public Employees' Retirement System, and insurance providers; act as purchasing agent; maintain office supplies and equipment; answer basic public inquiries regarding LAFOSC matters; determine what inquiries should be referred to the Executive Officer and prioritize the referrals; arrange meetings and conferences for the

Commission, its advisory committees, and the California Association of Local Agency Formation Commissions.

3. Administrative Analyst

Position Responsibilities

Under the direction of the Executive Officer, conduct investigations and special studies and make recommendations on local agency boundary change proposals to the Commission; collect data relating to proposals; and process proposals in accordance with state law, the Commission's procedures, and the Commission's policies.

E. SALARIES

1. The salaries of all employees shall be set by resolution adopted by the Commission.
2. The salary resolutions for all employees except the Executive Officer shall include provisions for merit increases, if deemed appropriate by the Commission. The Executive Officer shall conduct annual performance reviews and determine if the merit increases are granted.
3. The process for the Executive Officer's performance and compensation review is found in LAFCOSC's Personnel Policy.

F. WORKING HOURS

1. LAFCOSC offices shall be open on all days and the hours that Santa Cruz County offices are open to the public for business.
2. Full-time employees shall work 40 hours per work week and half-time employees shall work at least 20 hours per week.
3. "Overtime" means authorized time worked in excess of 40 hours in a one week work period. The Executive Officer must authorize employees' overtime work. Paid time off from work for any purpose shall not count as time worked for purposes of overtime. Overtime shall be paid at the rate of one and a half times the employee's regular hourly salary or as otherwise required by applicable federal or state law. The Executive Officer must approve regular and overtime work schedules. The Executive Officer is an exempt employee and is not eligible for overtime compensation.

G. EXPENSES AND TRAVEL

Employees shall be reimbursed for all actual and necessary expenses incurred in the transaction of LAFOSC business in accordance with the Financial Policies.

H. TERMINATION OF EMPLOYMENT

Any employee whose employment is terminated by LAFOSC for any reason shall be entitled to two weeks' notice or two weeks' pay in lieu of notice.

SECTION II PAID LEAVES

A. Executive Officer

The Executive Officer shall receive the same paid leave benefits as those provided to appointed Santa Cruz County department heads including vacation, sick leave, administrative leave, bereavement leave, and holidays.

B. Other LAFOSC Employees

Employees, except the Executive Officer, shall receive the same paid leave benefits as those provided to Santa Cruz County employees in the General Representation Unit including annual leave, bereavement leave, and holidays.

SECTION III RETIREMENT AND INSURANCE

A. RETIREMENT

LAFOSC contracts with the California Public Employees' Retirement System ("CalPERS") to provide pension benefits to full-time and half-time employees. Employee retirement contributions to CalPERS shall be set by resolution adopted by the Commission.

B. INSURANCE

The following insurance benefits shall be provided to LAFOSC employees:

1. Executive Officer

Insurance benefits which are provided to appointed department heads of Santa Cruz County shall be provided to the Executive Officer. These benefits are health insurance, dental insurance, vision insurance, life insurance, and long-term disability insurance.

2. Other LAFCOSC Employees

Insurance benefits which are provided to Santa Cruz County employees in the General Representation Unit shall be provided to LAFCOSC employees other than the Executive Officer. These benefits are health insurance, dental insurance, vision insurance, life insurance, and long-term disability insurance.

3. LAFCOSC annuitants who retired through CalPERS may enroll in a CalPERS' health plan as provided under the Public Employee's Medical and Hospital Care Act and CalPERS regulations. Eligibility and annuitant contribution amounts are set by the Commission's health insurance contract.
4. Employees' health insurance contributions shall be the same as the contributions made by employees who hold comparable jobs with Santa Cruz County.

C. DEFERRED COMPENSATION

1. LAFCOSC shall provide a deferred compensation program for employees. LAFCOSC shall not make employer contributions to the deferred compensation program.



LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY

EMPLOYMENT POLICY

Adopted on June 4, 1986 (Resolution No.141-DD)

Amended on December 9, 2015 (Resolution No. 2015-12)

Previous Revision on August 3, 2016 (Resolution No. 2016-12)

Last Revision on June 3, 2020 (Resolution No. 2020-16)

EXHIBIT A

~~LOCAL AGENCY FORMATION DISTRICT OF
SANTA CRUZ COUNTY RESOLUTION NO. 2016-
12~~

~~EMPLOYMENT~~

~~POLICY~~

~~SECTION I~~

~~EMPLOYEES AND CONDITIONS OF
EMPLOYMENT~~

1. INTRODUCTION OVERVIEW

This policy applies to the employees of the Local Agency Formation Commission of Santa Cruz County ("~~LAFCC~~~~LAFCO~~" or "Commission"). It is not intended to be comprehensive or address all aspects of the topics described below. This Policy supersedes all prior ~~LAFCO~~~~SC~~ employment policies and is intended to supplement, not supersede, current applicable state and federal statutes. Applicable state and federal statutes control if they conflict with any of the guidelines in this Policy.

Employees are expected to read this Policy carefully and know, understand and abide by its contents. ~~LAFCO~~~~SC~~ reserves the right to interpret the Policy's provisions and make changes to the Policy at any time. This Policy does not confer any contractual rights or guarantee any terms or conditions of employment.

2. EQUAL EMPLOYMENT OPPORTUNITY

~~LAFCO~~~~SC~~ provides equal employment opportunity for all applicants and employees. ~~LAFCO~~~~SC~~ does not unlawfully discriminate on the basis of race, color, religion, religious creed (including religious dress and religious grooming), sex (including pregnancy, perceived pregnancy, childbirth, breastfeeding, or related medical conditions), gender, gender identity, gender expression, national origin,

ancestry, citizenship, age, physical or mental disability, legally protected medical condition or information (including genetic information) family care or medical leave status, military caregiver status, military status, veteran status, marital status, domestic partner status, sexual orientation, or any other basis protected by local, state, or federal laws.

3. DISABILITY ACCOMODATION

LAFCO is committed to complying fully with state and federal disability discrimination laws. As previously stated, no program or activity administered by the employer shall exclude from participation, deny benefits to or subject to discrimination any individual based on an employee's actual or perceived disability or based on an employee's association with someone who has an actual or perceived disability.

LAFCO is further committed to providing reasonable accommodation to the known physical or mental limitations of an otherwise qualified applicant or employee. If you believe you are a qualified individual with a disability and that you need a reasonable accommodation in order to perform the essential functions of your job, please notify the Executive Officer. The accommodation process is interactive and allows the applicant or employee to identify possible accommodations. However, LAFCO has the right to choose among effective accommodations.

3. AT-WILL EMPLOYMENT

4.

The employment relationship between LAFCO and its employees is for an unspecified term and may be terminated by the employee, Executive Officer or the Commission at any time, with or without cause or advanced notice. Also, LAFCO reserves the right to transfer, demote, suspend, or administer discipline with or without cause or advance notice. None of the policies, procedures, or contents of this policy is intended to create any contractual obligations which in any way conflict with LAFCO's policy of At-Will Employment. The at-will relationship can only be modified by a written agreement signed by the employee and the LAFCO Executive Officer. All employees of LAFCOSC are at-will, meaning that they serve at pleasure of the Commission.

5. POLICY AGAINST HARRASMENT

LAFCO prohibits and will not tolerate harassment of employees, applicants, or persons providing services pursuant to a contract based on factors such as race, color, religion, national origin, ancestry, sex, gender, age, medical condition, sexual orientation, marital status, pregnancy, physical and mental disabilities, veteran or other protected status, including persons perceived to have any of these characteristics or associating with someone who has or is perceived to have any of these characteristics. LAFCO will also take all reasonable steps to prevent

harassment based on protected status by third parties, such as customers, clients and suppliers. All such harassment is prohibited by LAFCO and is against the law.

5.1 Definition

Harassment is unwelcomed, and inappropriate conduct directed at an employee, based upon one of the characteristics protected under the federal and state anti-discrimination laws, that substantially prevents an employee from performing their duties, serves to threaten or intimidate an employee, and/or produce a hostile work environment.

Prohibited unlawful harassment includes, but is not limited to, the following behavior: (1) Verbal conduct such as epithets, derogatory jokes or comments, slurs or unwanted sexual advances, invitations or comments; (2) Visual conduct such as derogatory and/or sexually-oriented posters, photography, cartoons, drawing or gestures; (3) Physical conduct such as assault, unwanted touching, blocking normal movement or interfering with work because of sex, race or any other protected basis; and (4) Threats, demands to submit to sexual requests as a condition of continued employment, or to avoid some other loss, and offers of employment benefits in return for sexual favors.

5.2 Reporting and Compliant Procedure

An employee who believes that they have been subjected to any form of unlawful harassment should promptly make a complaint, preferably written, to the Executive Officer, or if it involves the Executive Officer, to the Chair of the Commission. Complaints should be specific and should include the names of individuals involved and the names of any witnesses. LAFCO will immediately undertake an effective, thorough and objective investigation and attempt to resolve the situation. If LAFCO determines that unlawful harassment has occurred, effective remedial action will be taken commensurate with the severity of the offense, up to and including termination. Appropriate action will also be taken to deter any future unlawful harassment.

5.3 Retaliation

Employees will not be retaliated against for bringing a complaint in good faith under the Equal Employment Opportunity Policy or the Policy Against Harassment, or for honestly assisting in investigating such a complaint, even if the investigation produces insufficient evidence that there has been a violation, or if the charges cannot be proven. However, disciplinary action may be taken if false or frivolous accusations are made in bad faith. An employee who believes that they have been subjected to any form of unlawful retaliation should promptly make a complaint, preferably written, in the same manner as described above. Complaints of harassment will be investigated, and appropriate action will be taken to protect LAFCO employees from any form of unlawful retaliation.

6. PERFORMANCE MANAGEMENT

The intent of the performance review process is to create a supportive, safe, professional performance review process and environment that optimizes the employee's ability to receive and actualize constructive performance feedback and that motivates the employee to pursue personal and professional growth/excellence authentically and actively. The Commission's Personnel Policy provides more information regarding staff's annual performance evaluation.

7. PERSONNEL RECORDS

Employees have the right to inspect certain documents in their personnel file, as provided by law, in the presence of a LAFCO representative at a mutually convenient time. Employees may add written versions of any disputed item to their file.

LAFCO will attempt to restrict disclosure of an employee's personnel file to authorized individuals within the organization. Any request for information from the file must be made to the Executive Officer or specific designee. Only the Executive Officer or specific designee is authorized to release information regarding current or former employees. Disclosure of personnel information to outside sources will be limited to the extent allowed by law. However, LAFCO will cooperate with requests from authorized law enforcement or local, state or federal agencies conducting official investigations, with validly issued subpoenas and as otherwise required by law or legal proceeding to be released.

4.8. ~~JOB CLASSIFICATION~~EMPLOYMENT CATEGORIES

The intent of this section is to define employment categories so that employees understand their employment status and benefit eligibility. ~~LAFCO~~SC has established the following employee classifications. These classifications do not guarantee employment for any specified period of time. Accordingly, the right to terminate the employment relationship at will at any time is retained by both the employee and LAFCO.:

8.1 Exempt/Non-Exempt

Each employee is designated as either Exempt or Non-Exempt from federal and state wage and hours. An employee's Exempt or Non-Exempt classification may be changed only upon written notification by the Executive Officer. Generally, Exempt employees (as defined by the Fair Labor Standards of 1938) are not eligible for minimum wage or overtime pay, while Non-Exempt employees are eligible.

8.2 Employment Categories

In addition to information above, each employee will belong to one of the following employment category:

- Regular Full Time – Employees who are not in an extra help status and who are regularly scheduled to work LAFCO's full-time schedule. Generally, they are eligible for LAFCO's benefit package, subject to the terms, conditions, and

limitations of each benefit program.

- Part Time – Employees who are not assigned to an extra help status and who are regularly scheduled to work less than 30 hours per week. While part time employees do receive all legally mandated benefits (such as Social Security and workers' compensation insurance), they may be ineligible for some of LAFCO's other benefit programs.
- Extra help – Employees who are hired as interim replacements, to temporarily supplement the work force, or to assist in the completion of a specific project. Employment assignments in this category are of a limited duration. Employment beyond any initially stated period does not in any way imply a change in employment status. Extra help employees retain that status unless and until notified of a change in writing signed by the Executive Officer. Extra help employees are ineligible for LAFCO's benefit programs unless otherwise required by law.
- Intern – LAFCO may utilize the services of paid student interns. Interns are used to supplement the LAFCO work force and provide opportunities for local students to gain local government work experience. Employment is for a specified period of time. Interns are ineligible for LAFCO's benefit programs.

9. JOB CLASSIFICATIONS

The intent of this section is to define job descriptions so that employees understand their employment duties and responsibilities. Job descriptions identified in the following section summarize typical tasks but may comprise further responsibilities not listed.

9.1 Executive Officer Classifications

Position Responsibilities:

- Under general supervision of the Commission to conduct and perform the Commission's administrative and advisory services, to supervise the daily activities of the Commission staff, and to act as a liaison between the Commission and governmental agencies and the general public.

•

Typical Duties:

- Analyze and evaluate information on administrative and policy matters and advise the Commission on recommended action; conduct studies on governmental reorganization; comply with all legal requirements relating to the Commission's hearings; staff advisory committees to the Commission; prepare

correspondence; supervise the maintenance of the Commission's files; attend all Commission meetings; attend City Council, County Board of Supervisors, and Special District Board meetings as necessary; perform as liaison officer between the Commission and cities, special districts, the County, State institutions and the general public; prepare the annual budget for the Commission; supervise the Commission's staff; review proposed local and state legislation, and appear at legislative hearings to represent the position of the Commission.

9.2 Secretary-ClerkCommission Clerk

- Position Responsibilities:
- Under the direction of the Executive Officer, the Commission Clerk provides a full range of administrative and secretarial services to Santa Cruz LAFCO involving a variety of matters that are complex and technical. Other roles include planning, organizing, and managing office activities, and performing other related duties as required. This "at will" position is appointed by and serves at the pleasure of the LAFCO Executive Officer and the Commission~~record and transcribe minutes of all Commission meetings; using computer software type, format, and send correspondence, memoranda, and reports; maintain files of each submitted application, budget and personnel matters, and correspondence; execute LAFCOSC contracts with contractors, the California Public Employees' Retirement System, and insurance providers; act as purchasing agent; maintain office supplies and equipment; answer basic public inquiries regarding LAFCOSC matters; determine what inquiries should be referred to the Executive Officer and prioritize the referrals; arrange meetings and conferences for the~~

- Commission, its advisory committees, and the California Association of Local Agency Formation Commissions.
- Typical Duties: Under the direction of the Executive Officer, the Commission Clerk completes various tasks and duties including but not limited to: (1) Assembling LAFCO meeting agenda packets and notices of meetings; recording LAFCO meetings and preparing resulting documents including minutes and resolutions; (2) Developing, maintaining and updating LAFCO files and records systems for tracking applications, project activities, contracts, and other records; (3) Ordering supplies and services and maintain records of expenditures; (4) Preparing and reviewing correspondence, memoranda and other written materials; (5) Tracking correspondence, filings, and materials with deadlines and expiration dates; (6) Handling a wide variety of correspondence which requires knowledge of policies and procedures and research skills; (7) Answering and screening telephone calls and visitors; (8) Maintaining the LAFCO Website; and (9) Serving as liaison between the Executive Officer, officials and staff, and the public and interacting with Commissioners.

9.3

Administrative Analyst

- Position Responsibilities:
- Under the direction of the Executive Officer, the Administrative Analyst conducts analyses ~~duct investigations~~ and special studies, and make recommendations on local agency boundary change proposals to the Commission; collect data relating to proposals; and process proposals in accordance with state law, the Commission's procedures, and the Commission's policies.
- Typical Duties: Under the direction of the Executive Officer, the Administrative Analyst performs a variety of routine to complex professional and analytical assignments. As experience is gained, assignments become more varied and are performed with greater independence. Positions at this entry level usually perform most of the duties required of the positions at higher levels but are not expected to function at the same skill level and usually exercise less independent discretion and judgement. Work is usually supervised more closely while in progress and fits and established structure or pattern.

10. HIRING AND STAFFING

To attract and retain qualified staff for LAFCO, it is the policy of LAFCO to use a criterion-based recruitment process and behavioral-based interview process to ensure the most qualified candidates are hired.

10.1 Recruiting

Recruiting applicants will be aggressive enough to assure an adequate supply of qualified candidates. The recruitment process may include, but is not limited to, the use of professional recruitment firms, referrals from current or past employees, walk-in applicants, and/or web-based postings.

10.2 Interviews

The employment interview is a major element in the selection process. It allows the applicant an opportunity to demonstrate their capabilities to perform the job and provides information to the candidate about the position. Interviews may be conducted by telephone or in face-to-face sessions. All interview questions must be job-related and have direct bearing on the tasks of the position. Interviews and questions are standardized so that all applicants are evaluated equally. Questions that express (directly or indirectly) any preference, limitation, or general reference to race, national origin, sex, age, physical handicap, or any other protected category are prohibited.

10.3 Probationary Period

All LAFCO new hires will have a twelve-month probationary period beginning on the first day of employment. The LAFCO staff will provide job training during this time period and the employee will be evaluated every three months during the probationary period. LAFCO may terminate an employee during this twelve-month probationary period or at any point in time therein. Nothing in this provision shall alter the at-will status of any employee.

5. SALARIES

11.

The salaries of all employees shall be set by resolution adopted by the Commission.

The salary resolutions for all employees except the Executive Officer shall include provisions for merit increases, if deemed appropriate by the Commission. The Executive Officer shall conduct annual performance reviews and determine if the merit increases are granted.

The process for the Executive Officer's performance and compensation review is found in LAFCO~~SG~~'s Personnel Policy.

6. WORKING HOURS

12.

LAFCO~~SG~~ offices shall be open on all days and the hours that Santa Cruz County offices are open to the public for business._

Full-time employees shall work 40 hours per work week and ~~half~~part-time employees shall work at least 20 hours per week.

"Overtime" means authorized time worked in excess of 40 hours in a one week work period. The Executive Officer must authorize employees' overtime work. Paid time

off from work for any purpose shall not count as time worked for purposes of overtime. Overtime shall be paid at the rate of one and a half times the employee's regular hourly salary or as otherwise required by applicable federal or state law. The Executive Officer must approve regular and overtime work schedules. The Executive Officer is an exempt employee and is not eligible for overtime compensation.

7.13. EXPENSES AND TRAVEL

Employees shall be reimbursed for all actual and necessary expenses incurred in the transaction of LAFCO~~SG~~ business in accordance with ~~the LAFCO's~~ Financial Policies~~Policy~~.

8. TERMINATION OF EMPLOYMENT

~~Any employee whose employment is terminated by LAFCO~~SG~~ for any reason shall be entitled to two weeks' notice or two weeks' pay in lieu of notice.~~

14. PAID LEAVES

~~The following paid leaves shall be provided to LAFCO employees:~~
~~SECTION II PAID LEAVES~~

- ~~Executive Officer:~~

-

- The Executive Officer shall receive the same paid leave benefits as those provided to appointed Santa Cruz County department heads including vacation, sick leave, administrative leave, bereavement leave, and holidays.

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- ~~Other LAFCO~~SG~~ Employees:~~

- Employees, except the Executive Officer, shall receive the same paid leave benefits as those provided to Santa Cruz County employees in the General Representation Unit including annual leave, bereavement leave, and holidays.

15. RETIREMENT AND INSURANCE

~~LAFCO employees will receive health insurance, dental insurance and other insurance depending on their particular classifications. These insurance benefits will generally be the same as provided to County of Santa Cruz employees. The Commission will review and establish the benefits annually at its discretion.~~

~~SECTION III RETIREMENT AND INSURANCE~~

16.1 RETIREMENT~~Retirement~~

LAFCO~~SG~~ contracts with the California Public Employees' Retirement System ("CalPERS") to provide pension benefits to full-time and half-time employees. Employee retirement contributions to CalPERS shall be set by resolution adopted by

the Commission.

106.2 Insurance

The following insurance benefits shall be provided to LAFCO~~SC~~ employees:

• Executive Officer:

- Insurance benefits which are provided to appointed department heads of Santa Cruz County shall be provided to the Executive Officer. These benefits are health insurance, dental insurance, vision insurance, life insurance, and long-term disability insurance.

•

• Other LAFCO~~SG~~ Employees:

- Insurance benefits which are provided to Santa Cruz County employees in the General Representation Unit shall be provided to LAFCO~~SG~~ full-time employees other than the Executive Officer. These benefits are health insurance, dental insurance, vision insurance, life insurance, and long-term disability insurance.

Annuitant Employees: LA

- LAFCO~~SG~~ annuitants who retired through CalPERS may enroll in a CalPERS' health plan as provided under the Public Employee's Medical and Hospital Care Act and CalPERS regulations. Eligibility and annuitant contribution amounts are set by the Commission's health insurance contract.

- ~~Employees' health insurance contributions shall be the same as the contributions made by employees who hold comparable jobs with Santa Cruz County.~~

16.3 Health Insurance

Employees' health insurance contributions shall be the same as the contributions made by employees who hold comparable jobs with Santa Cruz County.

16.4 Deferred Compensation~~DEFERRED COMPENSATION~~

~~B.~~

LAFCO~~SG~~ shall provide a deferred compensation program for employees. LAFCO~~SG~~ shall not make employer contributions to the deferred compensation program.

16. SAFETY

Every employee is responsible for safety. To achieve our goal of providing a completely safe workplace, everyone must be safety conscious. Employees should report any unsafe or hazardous condition directly to their supervisor immediately. In case of an accident involving a personal injury, regardless of how serious, employees should notify the Executive Officer or LAFCO Chair immediately. Failure to report accidents can result in a violation of legal requirements and can lead to difficulties in processing insurance and benefit claims. If an employee is injured on the job, they will be entitled to benefits under the state workers' compensation law in most cases. LAFCO carries workers' compensation insurance and will assist employees to obtain all benefits to which they are legally entitled.

17. WORKPLACE VIOLENCE

LAFCO is committed to providing a safe work environment that is free of violence and the threat of violence. LAFCO will not tolerate any violent or dangerous behavior of any kind, whether through physical abuse, threats of any kind, intimidation, coercion, stalking or otherwise, defacing LAFCO'S property or causing physical damage to the facilities, bringing weapons or firearms of any kind onto LAFCO'S premises, parking lots, or while conducting business, or any other behavior that suggests a propensity towards violence. LAFCO strictly prohibits employees, consultants, customers, visitors, or anyone else on LAFCO premises or engaging in a LAFCO-related activity from behaving in a violent or threatening manner. Employees may report all incidents of direct or indirect violence or dangerous behavior to the Executive Officer or LAFCO Chair as soon as possible. Reporting incidents and concerns early can help prevent a situation from escalating and becoming even more dangerous. Employees should never attempt to handle a potentially dangerous situation by themselves. Any LAFCO employee that violates this policy will be subject to discipline, up to and including termination, as well as potential legal action.

18. OFFICE INSPECTION

Although desks, cabinets and shelves are made available for the convenience of employees while at work, employees should remember that all desks, cabinets and shelves remain the sole property of LAFCO. Moreover, LAFCO reserves the right to open and inspect desks, cabinets, and shelves, as well as any contents, effects, or articles in desks, cabinets, and shelves. Such an inspection can occur at any time, with or without advance notice or consent. An inspection may be conducted before, during, or after working hours by the Executive Officer or designee. Employees have no expectation of privacy in any of these items. Prohibited materials, including weapons, explosives, alcohol and non-prescribed drugs or medications, may not be placed in a desk, cabinet or shelf. Employees who, if requested, fail to cooperate in any inspection will be subject to disciplinary action, up to and including termination. LAFCO is not responsible for any articles that are placed or left in a desk, cabinet, or shelf that are lost, damaged, stolen or destroyed.

19. THEFT OR LOSS OF OFFICE EQUIPMENT

The use of any LAFCO-related equipment (computers, cell phones, laptops, or other office-related equipment) outside of the LAFCO offices must be approved by the Executive Officer. LAFCO employees are fully responsible for the care and safekeeping of all office equipment offsite. Should an item be stolen or lost offsite while under the care of a LAFCO employee, the LAFCO employee is responsible to reimburse LAFCO for the replacement cost of all lost or stolen items. Any loss or theft of the LAFCO equipment must be reported immediately to the Executive Officer, and the employee is responsible to reimburse LAFCO for the replacement cost of the device.

20. OFFICE PROBLEM RESOLUTION PROCEDURE

LAFCO is committed to encouraging an open and frank atmosphere in which any problem, complaint, suggestion, or question receives a timely response. LAFCO strives to ensure fair and honest treatment of all employees. All employees are expected to treat each other with mutual respect. All employees are encouraged to offer positive and constructive criticism. If there is a disagreement concerning

established rules of conduct, policies, or practices, employees may express their concern through the problem resolution procedure. No one will be penalized, formally or informally, for voicing a complaint with LAFCO in a reasonable, business-like manner, or for using the problem resolution procedure.

21. TERMINATION OF EMPLOYMENT

Any employee whose employment is terminated by LAFCO for any reason shall be entitled to two weeks' notice or two weeks' pay in lieu of notice.

LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY
RESOLUTION NO. 2020-16

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

RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION
APPROVING THE AMENDMENTS TO EMPLOYMENT POLICY

WHEREAS, on June 4, 1986, the Local Agency Formation Commission of Santa Cruz County ("LAFCO" or "Commission") adopted an Employment Policy pursuant to state and federal statutes; and

WHEREAS, the Commission previously reviewed and updated its Employment Policy on December 9, 2015, and August 3, 2016; and

WHEREAS, on June 3, 2020, the Commission determined that amendments to the existing policy are warranted.

NOW, THEREFORE, BE IT RESOLVED, the Commission hereby amends its Employment Policy, as shown in Exhibit A, to establish guidelines and requirements, including but not limited to staff responsibilities, conditions, and compensation.

PASSED AND ADOPTED by the Local Agency Formation Commission of Santa Cruz County this 3rd day of June 2020.

AYES:

NOES:

ABSENT:

ROGER W. ANDERSON, CHAIRPERSON

Attest:

Approved as to form:

Joe A. Serrano
Executive Officer

Daniel H. Zazueta
LAFCO Counsel



LOCAL AGENCY FORMATION COMMISSION
OF SANTA CRUZ COUNTY

EMPLOYMENT POLICY

Adopted on June 4, 1986 (Resolution No.141-DD)
Amended on December 9, 2015 (Resolution No. 2015-12)
Previous Revision on August 3, 2016 (Resolution No. 2016-12)
Last Revision on June 3, 2020 (Resolution No. 2020-16)

1. OVERVIEW

This policy applies to the employees of the Local Agency Formation Commission of Santa Cruz County ("LAFCO" or "Commission"). It is not intended to be comprehensive or address all aspects of the topics described below. This Policy supersedes all prior LAFCO employment policies and is intended to supplement, not supersede, current applicable state and federal statutes. Applicable state and federal statutes control if they conflict with any of the guidelines in this Policy.

Employees are expected to read this Policy carefully and know, understand and abide by its contents. LAFCO reserves the right to interpret the Policy's provisions and make changes to the Policy at any time. This Policy does not confer any contractual rights or guarantee any terms or conditions of employment.

2. EQUAL EMPLOYMENT OPPORTUNITY

LAFCO provides equal employment opportunity for all applicants and employees. LAFCO does not unlawfully discriminate on the basis of race, color, religion, religious creed (including religious dress and religious grooming), sex (including pregnancy, perceived pregnancy, childbirth, breastfeeding, or related medical conditions), gender, gender identity, gender expression, national origin, ancestry, citizenship, age, physical or mental disability, legally protected medical condition or information (including genetic information) family care or medical leave status, military caregiver status, military status, veteran status, marital status, domestic partner status, sexual orientation, or any other basis protected by local, state, or federal laws.

3. DISABILITY ACCOMMODATION

LAFCO is committed to complying fully with state and federal disability discrimination laws. As previously stated, no program or activity administered by the employer shall exclude from participation, deny benefits to or subject to discrimination any individual based on an employee's actual or perceived disability or based on an employee's association with someone who has an actual or perceived disability.

LAFCO is further committed to providing reasonable accommodation to the known physical or mental limitations of an otherwise qualified applicant or employee. If you believe you are a qualified individual with a disability and that you need a reasonable accommodation in order to perform the essential functions of your job, please notify the Executive Officer. The accommodation process is interactive and allows the applicant or employee to identify possible accommodations. However, LAFCO has the right to choose among effective accommodations.

4. AT-WILL EMPLOYMENT

The employment relationship between LAFCO and its employees is for an unspecified term and may be terminated by the employee, Executive Officer or the Commission at any time, with or without cause or advanced notice. Also, LAFCO reserves the right to transfer, demote, suspend, or administer discipline with or without cause or advance notice. None of the policies, procedures, or contents of this policy is intended to create any contractual obligations which in any way conflict with LAFCO's policy of At-Will Employment. The at-will relationship can only be modified by a written agreement signed by the employee and the LAFCO Executive Officer.

5. POLICY AGAINST HARRASMENT

LAFCO prohibits and will not tolerate harassment of employees, applicants, or persons providing services pursuant to a contract based on factors such as race, color, religion, national origin, ancestry, sex, gender, age, medical condition, sexual orientation, marital status, pregnancy, physical and mental disabilities, veteran or other protected status, including persons perceived to have any of these characteristics or associating with someone who has or is perceived to have any of these characteristics. LAFCO will also take all reasonable steps to prevent harassment based on protected status by third parties, such as customers, clients and suppliers. All such harassment is prohibited by LAFCO and is against the law.

5.1 Definition

Harassment is unwelcomed, and inappropriate conduct directed at an employee, based upon one of the characteristics protected under the federal and state anti-discrimination laws, that substantially prevents an employee from performing their duties, serves to threaten or intimidate an employee, and/or produce a hostile work environment.

Prohibited unlawful harassment includes, but is not limited to, the following behavior: (1) Verbal conduct such as epithets, derogatory jokes or comments, slurs or unwanted sexual advances, invitations or comments; (2) Visual conduct such as derogatory and/or sexually-oriented posters, photography, cartoons, drawing or gestures; (3) Physical conduct such as assault, unwanted touching, blocking normal movement or interfering with work because of sex, race or any other protected basis; and (4) Threats, demands to submit to sexual requests as a condition of continued employment, or to avoid some other loss, and offers of employment benefits in return for sexual favors.

5.2 Reporting and Compliant Procedure

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8. EMPLOYMENT CATEGORIES

The intent of this section is to define employment categories so that employees understand their employment status and benefit eligibility. These classifications do not guarantee employment for any specified period of time. Accordingly, the right to terminate the employment relationship at will at any time is retained by both the employee and LAFCO.

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- Part Time – Employees who are not assigned to an extra help status and who are regularly scheduled to work less than 30 hours per week. While part time employees do receive all legally mandated benefits (such as Social Security and workers' compensation insurance), they may be ineligible for some of LAFCO's other benefit programs.
- Extra help – Employees who are hired as interim replacements, to temporarily supplement the work force, or to assist in the completion of a specific project. Employment assignments in this category are of a limited duration. Employment beyond any initially stated period does not in any way imply a change in employment status. Extra help employees retain that status unless and until notified of a change in writing signed by the Executive Officer. Extra help employees are ineligible for LAFCO's benefit programs unless otherwise required by law.
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The intent of this section is to define job descriptions so that employees understand their employment duties and responsibilities. Job descriptions identified in the following section summarize typical tasks but may comprise further responsibilities not listed.

9.1 Executive Officer Classifications

- Position Responsibilities: Under general supervision of the Commission to conduct and perform the Commission's administrative and advisory services, to supervise the daily activities of the Commission staff, and to act as a liaison between the Commission and governmental agencies and the general public.
- Typical Duties: Analyze and evaluate information on administrative and policy matters and advise the Commission on recommended action; conduct studies on governmental reorganization; comply with all legal requirements relating to the Commission's hearings; staff advisory committees to the Commission; prepare correspondence; supervise the maintenance of the Commission's files; attend all Commission meetings; attend City Council, County Board of Supervisors, and Special District Board meetings as necessary; perform as liaison officer between

the Commission and cities, special districts, the County, State institutions and the general public; prepare the annual budget for the Commission; supervise the Commission's staff; review proposed local and state legislation, and appear at legislative hearings to represent the position of the Commission.

9.2 Commission Clerk

- Position Responsibilities: Under the direction of the Executive Officer, the Commission Clerk provides a full range of administrative and secretarial services to Santa Cruz LAFCO involving a variety of matters that are complex and technical. Other roles include planning, organizing, and managing office activities, and performing other related duties as required. This "at will" position is appointed by and serves at the pleasure of the LAFCO Executive Officer and the Commission.
- Typical Duties: Under the direction of the Executive Officer, the Commission Clerk completes various tasks and duties including but not limited to: (1) Assembling LAFCO meeting agenda packets and notices of meetings; recording LAFCO meetings and preparing resulting documents including minutes and resolutions; (2) Developing, maintaining and updating LAFCO files and records systems for tracking applications, project activities, contracts, and other records; (3) Ordering supplies and services and maintain records of expenditures; (4) Preparing and reviewing correspondence, memoranda and other written materials; (5) Tracking correspondence, filings, and materials with deadlines and expiration dates; (6) Handling a wide variety of correspondence which requires knowledge of policies and procedures and research skills; (7) Answering and screening telephone calls and visitors; (8) Maintaining the LAFCO Website; and (9) Serving as liaison between the Executive Officer, officials and staff, and the public and interacting with Commissioners.

9.3 Administrative Analyst

- Position Responsibilities: Under the direction of the Executive Officer, the Administrative Analyst conducts analyses and special studies, and make recommendations on local agency boundary change proposals to the Commission; collect data relating to proposals; and process proposals in accordance with state law, the Commission's procedures, and the Commission's policies.
- Typical Duties: Under the direction of the Executive Officer, the Administrative Analyst performs a variety of routine to complex professional and analytical assignments. As experience is gained, assignments become more varied and are performed with greater independence. Positions at this entry level usually perform most of the duties required of the positions at higher levels but are not expected to function at the same skill level and usually exercise less independent discretion and judgement. Work is usually supervised more closely while in progress and fits and established structure or pattern.

10. HIRING AND STAFFING

To attract and retain qualified staff for LAFCO, it is the policy of LAFCO to use a criterion-based recruitment process and behavioral-based interview process to ensure the most qualified candidates are hired.

10.1 Recruiting

Recruiting applicants will be aggressive enough to assure an adequate supply of qualified candidates. The recruitment process may include, but is not limited to, the use of professional recruitment firms, referrals from current or past employees, walk-in applicants, and/or web-based postings.

10.2 Interviews

The employment interview is a major element in the selection process. It allows the applicant an opportunity to demonstrate their capabilities to perform the job and provides information to the candidate about the position. Interviews may be conducted by telephone or in face-to-face sessions. All interview questions must be job-related and have direct bearing on the tasks of the position. Interviews and questions are standardized so that all applicants are evaluated equally. Questions that express (directly or indirectly) any preference, limitation, or general reference to race, national origin, sex, age, physical handicap, or any other protected category are prohibited.

10.3 Probationary Period

All LAFCO new hires will have a twelve-month probationary period beginning on the first day of employment. The LAFCO staff will provide job training during this time period and the employee will be evaluated every three months during the probationary period. LAFCO may terminate an employee during this twelve-month probationary period or at any point in time therein. Nothing in this provision shall alter the at-will status of any employee.

11. SALARIES

The salaries of all employees shall be set by resolution adopted by the Commission. The salary resolutions for all employees except the Executive Officer shall include provisions for merit increases, if deemed appropriate by the Commission. The Executive Officer shall conduct annual performance reviews and determine if the merit increases are granted. The process for the Executive Officer's performance and compensation review is found in LAFCO's Personnel Policy.

12. WORKING HOURS

LAFCO offices shall be open on all days and the hours that Santa Cruz County offices are open to the public for business. Full-time employees shall work 40 hours per work week and part-time employees shall work at least 20 hours per week.

"Overtime" means authorized time worked in excess of 40 hours in a one week work period. The Executive Officer must authorize employees' overtime work. Paid time off from work for any purpose shall not count as time worked for purposes of overtime. Overtime shall be paid at the rate of one and a half times the employee's regular hourly salary or as otherwise required by applicable federal or state law. The Executive Officer must approve regular and overtime work schedules. The Executive Officer is an exempt employee and is not eligible for overtime compensation.

13. EXPENSES AND TRAVEL

Employees shall be reimbursed for all actual and necessary expenses incurred in the transaction of LAFCO business in accordance with LAFCO's Financial Policy.

14. PAID LEAVES

The following paid leaves shall be provided to LAFCO employees:

- Executive Officer: The Executive Officer shall receive the same paid leave benefits as those provided to appointed Santa Cruz County department heads including vacation, sick leave, administrative leave, bereavement leave, and holidays.
- Other LAFCO Employees: Employees, except the Executive Officer, shall receive the same paid leave benefits as those provided to Santa Cruz County employees in the General Representation Unit including annual leave, bereavement leave, and holidays.

15. RETIREMENT AND INSURANCE

LAFCO employees will receive health insurance, dental insurance and other insurance depending on their particular classifications. These insurance benefits will generally be the same as provided to County of Santa Cruz employees. The Commission will review and establish the benefits annually at its discretion.

15.1 Retirement

LAFCO contracts with the California Public Employees' Retirement System ("CalPERS") to provide pension benefits to full-time and half-time employees. Employee retirement contributions to CalPERS shall be set by resolution adopted by the Commission.

15.2 Insurance

The following insurance benefits shall be provided to LAFCO employees:

- Executive Officer: Insurance benefits which are provided to appointed department heads of Santa Cruz County shall be provided to the Executive Officer. These benefits are health insurance, dental insurance, vision insurance, life insurance, and long-term disability insurance.
- Other LAFCO Employees: Insurance benefits which are provided to Santa Cruz County employees in the General Representation Unit shall be provided to LAFCO full-time employees other than the Executive Officer. These benefits are health insurance, dental insurance, vision insurance, life insurance, and long-term disability insurance.
- Annuitant Employees: LAFCO annuitants who retired through CalPERS may enroll in a CalPERS' health plan as provided under the Public Employee's Medical and Hospital Care Act and CalPERS regulations. Eligibility and annuitant contribution amounts are set by the Commission's health insurance contract.

15.3 Health Insurance

Employees' health insurance contributions shall be the same as the contributions made by employees who hold comparable jobs with Santa Cruz County.

15.4 Deferred Compensation

LAFCO shall provide a deferred compensation program for employees. LAFCO shall not make employer contributions to the deferred compensation program.

16. SAFETY

Every employee is responsible for safety. To achieve our goal of providing a completely safe workplace, everyone must be safety conscious. Employees should report any unsafe or hazardous condition directly to their supervisor immediately. In case of an accident involving a personal injury, regardless of how serious, employees should notify the Executive Officer or LAFCO Chair immediately. Failure to report accidents can result in a violation of legal requirements and can lead to difficulties in processing insurance and benefit claims. If an employee is injured on the job, they will be entitled to benefits under the state workers' compensation law in most cases. LAFCO carries workers' compensation insurance and will assist employees to obtain all benefits to which they are legally entitled.

17. WORKPLACE VIOLENCE

LAFCO is committed to providing a safe work environment that is free of violence and the threat of violence. LAFCO will not tolerate any violent or dangerous behavior of any kind, whether through physical abuse, threats of any kind, intimidation, coercion, stalking or otherwise, defacing LAFCO'S property or causing physical damage to the facilities, bringing weapons or firearms of any kind onto LAFCO'S premises, parking lots, or while conducting business, or any other behavior that suggests a propensity towards violence.

LAFCO strictly prohibits employees, consultants, customers, visitors, or anyone else on LAFCO premises or engaging in a LAFCO-related activity from behaving in a violent or threatening manner. Employees may report all incidents of direct or indirect violence or dangerous behavior to the Executive Officer or LAFCO Chair as soon as possible. Reporting incidents and concerns early can help prevent a situation from escalating and becoming even more dangerous. Employees should never attempt to handle a potentially dangerous situation by themselves. Any LAFCO employee that violates this policy will be subject to discipline, up to and including termination, as well as potential legal action.

18. OFFICE INSPECTION

Although desks, cabinets and shelves are made available for the convenience of employees while at work, employees should remember that all desks, cabinets and shelves remain the sole property of LAFCO. Moreover, LAFCO reserves the right to open and inspect desks, cabinets, and shelves, as well as any contents, effects, or articles in desks, cabinets, and shelves. Such an inspection can occur at any time, with or without advance notice or consent. An inspection may be conducted before, during, or after working hours by the Executive Officer or designee.

Employees have no expectation of privacy in any of these items. Prohibited materials, including weapons, explosives, alcohol and non-prescribed drugs or medications, may not be placed in a desk, cabinet or shelf. Employees who, if requested, fail to cooperate in any inspection will be subject to disciplinary action, up to and including termination. LAFCO is not responsible for any articles that are placed or left in a desk, cabinet, or shelf that are lost, damaged, stolen or destroyed.

19. THEFT OR LOSS OF OFFICE EQUIPMENT

The use of any LAFCO-related equipment (computers, cell phones, laptops, or other office-related equipment) outside of the LAFCO offices must be approved by the Executive Officer. LAFCO employees are fully responsible for the care and safekeeping of all office equipment offsite. Should an item be stolen or lost offsite while under the care of a LAFCO employee, the LAFCO employee is responsible to reimburse LAFCO for the replacement cost of all lost or stolen items. Any loss or theft of the LAFCO equipment must be reported immediately to the Executive Officer, and the employee is responsible to reimburse LAFCO for the replacement cost of the device.

20. OFFICE PROBLEM RESOLUTION PROCEDURE

LAFCO is committed to encouraging an open and frank atmosphere in which any problem, complaint, suggestion, or question receives a timely response. LAFCO strives to ensure fair and honest treatment of all employees. All employees are expected to treat each other with mutual respect. All employees are encouraged to offer positive and constructive criticism. If there is a disagreement concerning established rules of conduct, policies, or practices, employees may express their concern through the problem resolution procedure. No one will be penalized, formally or informally, for voicing a complaint with LAFCO in a reasonable, business-like manner, or for using the problem resolution procedure.

21. TERMINATION OF EMPLOYMENT

Any employee whose employment is terminated by LAFCO for any reason shall be entitled to two weeks' notice or two weeks' pay in lieu of notice.



Santa Cruz Local Agency Formation Commission

Date: June 3, 2020
To: LAFCO Commissioners
From: Joe Serrano, Executive Officer
Subject: **CALPERS Side Fund**

SUMMARY OF RECOMMENDATION

The Commission contracts with the California Public Employees' Retirement System (CALPERS) to provide pensions to its employees. A side fund was established by CALPERS for local agencies with a small number of employees, including Santa Cruz LAFCO. In June 2019, the Commission developed a lump sum payment schedule to annually reduce its side fund balance. LAFCO's current side fund balance is approximately \$93,000. Staff believes that continuing the lump sum payment process would accelerate the payment of this unfunded liability and result in accumulated cost-savings.

It is recommended that the Commission direct an additional one-time payment of \$10,000 towards the CALPERS Side Fund.

EXECUTIVE OFFICER'S REPORT:

Back in 2003, CALPERS put Santa Cruz LAFCO and other local agencies with just a few employees into a pool. At that time, since each agency's pension plan did not have the same level of funding and liabilities, CALPERS established a side fund for each agency with a debt or credit based upon how an agency's funding varied from the pool average.

In June 2019, the Commission created an additional lump sum payment schedule to expediate the paydown process. The complete analysis is attached to this report for reference. Under this plan, staff projects that the side fund balance will be fully paid by 2024. Therefore, staff is recommending that the Commission continue this action and approve the additional lump sum payment of \$10,000 towards the side fund balance.

Respectfully Submitted,

A blue ink signature of Joe A. Serrano is written over the text 'Respectfully Submitted,'.

Joe A. Serrano
Executive Officer

Attachment:

1. LAFCO Staff Report - CALPERS Side Fund Analysis (dated June 5, 2019)



Date: June 5, 2019
To: LAFCO Commissioners
From: Joe Serrano, Executive Officer
Subject: **CALPERS Side Fund**

SUMMARY OF RECOMMENDATION

The Commission contracts with the California Public Employees' Retirement System (CALPERS) to provide pensions to its employees. A side fund was established by CALPERS for local agencies with a small number of employees, including Santa Cruz LAFCO. At the March meeting, the Commission inquired whether another additional lump sum payment should be made to reduce the side fund balance. The Commission's current side fund balance is approximately \$105,000. An additional lump sum payment would accelerate the payment of this unfunded liability.

It is recommended that the Commission receive the Executive Officer's report and direct an additional one-time payment of \$10,000 to the CALPERS Side Fund.

EXECUTIVE OFFICER'S REPORT:

Back in 2003, CALPERS put Santa Cruz LAFCO and other local agencies with just a few employees into a pool. At that time, since each agency's pension plan did not have the same level of funding and liabilities, CALPERS established a side fund for each agency with a debt or credit based upon how an agency's funding varied from the pool average.

As of June 30, 2018, the side fund has a balance of \$104,999. The annual interest charged on the side fund is 7.25%. This unfunded liability is being paid off slowly by annual minimum payments, with the amortization period scheduled to end in 2036. CALPERS, on average, increases the minimum payment amount by 2% each year. The previous minimum payments were \$8,596 and \$8,755 for Fiscal Years 2017-18 and 2018-19 respectively. The next scheduled minimum payment for Fiscal Year 2019-20 will be \$8,933.

CALPERS allows agencies to make lump sum payments to reduce their side fund. During the budget adoption for Fiscal Year 2019-20, the Commission discussed whether an additional side fund payment would be feasible. The last additional payment towards the side fund was approved by the Commission in 2016, in the amount of \$20,000.

SIDE FUND ANALYSIS

The following page provides an analysis of LAFCO's current side fund balance and the projected timeframe in which the balance may be paid off. Two scenarios, with certain assumptions made, were calculated for Commission discussion:

- Scenario 1: Minimum Payment Only, and
- Scenario 2: Minimum Payment with Additional Lump Sum Payments.

Scenario 1: Minimum Payment Only

Table A shows the length of time needed to pay off the side fund balance without any additional lump sum payments. Under this scenario, the side fund balance would be paid off in 19 years during Fiscal Year 2035-36. The overall minimum payment under this scenario would cost the Commission approximately \$186,000 over the 19-year period.

Table A – No Additional Lump-Sum Payment Scenario

| Fiscal Year | Balance (as of 6/30) | Minimum Payment (2% inc) | Sub-Total | Interest Rate (7.25%) | Sub-Total | Additional Payment | Projected Balance |
|------------------|----------------------|--------------------------|---------------|-----------------------|---------------|--------------------|-------------------|
| 6/30/2018 | \$104,999.00 | \$8,596.00 | \$96,403.00 | \$6,989.22 | \$103,392.22 | \$0.00 | \$103,392.22 |
| 6/30/2019 | \$103,392.22 | \$8,755.00 | \$94,637.22 | \$6,861.20 | \$101,498.42 | \$0.00 | \$101,498.42 |
| 6/30/2020 | \$101,498.42 | \$8,933.00 | \$92,565.42 | \$6,710.99 | \$99,276.41 | \$0.00 | \$99,276.41 |
| 6/30/2021 | \$99,276.41 | \$9,111.66 | \$90,164.75 | \$6,536.94 | \$96,701.69 | \$0.00 | \$96,701.69 |
| 6/30/2022 | \$96,701.69 | \$9,293.89 | \$87,407.80 | \$6,337.07 | \$93,744.86 | \$0.00 | \$93,744.86 |
| 6/30/2023 | \$93,744.86 | \$9,479.77 | \$84,265.09 | \$6,109.22 | \$90,374.31 | \$0.00 | \$90,374.31 |
| 6/30/2024 | \$90,374.31 | \$9,669.37 | \$80,704.95 | \$5,851.11 | \$86,556.06 | \$0.00 | \$86,556.06 |
| 6/30/2025 | \$86,556.06 | \$9,862.75 | \$76,693.30 | \$5,560.26 | \$82,253.57 | \$0.00 | \$82,253.57 |
| 6/30/2026 | \$82,253.57 | \$10,060.01 | \$72,193.56 | \$5,234.03 | \$77,427.59 | \$0.00 | \$77,427.59 |
| 6/30/2027 | \$77,427.59 | \$10,261.21 | \$67,166.38 | \$4,869.56 | \$72,035.94 | \$0.00 | \$72,035.94 |
| 6/30/2028 | \$72,035.94 | \$10,466.43 | \$61,569.51 | \$4,463.79 | \$66,033.30 | \$0.00 | \$66,033.30 |
| 6/30/2029 | \$66,033.30 | \$10,675.76 | \$55,357.54 | \$4,013.42 | \$59,370.96 | \$0.00 | \$59,370.96 |
| 6/30/2030 | \$59,370.96 | \$10,889.28 | \$48,481.68 | \$3,514.92 | \$51,996.60 | \$0.00 | \$51,996.60 |
| 6/30/2031 | \$51,996.60 | \$11,107.06 | \$40,889.54 | \$2,964.49 | \$43,854.03 | \$0.00 | \$43,854.03 |
| 6/30/2032 | \$43,854.03 | \$11,329.20 | \$32,524.83 | \$2,358.05 | \$34,882.88 | \$0.00 | \$34,882.88 |
| 6/30/2033 | \$34,882.88 | \$11,555.79 | \$23,327.09 | \$1,691.21 | \$25,018.31 | \$0.00 | \$25,018.31 |
| 6/30/2034 | \$25,018.31 | \$11,786.90 | \$13,231.40 | \$959.28 | \$14,190.68 | \$0.00 | \$14,190.68 |
| 6/30/2035 | \$14,190.68 | \$12,022.64 | \$2,168.04 | \$157.18 | \$2,325.22 | \$0.00 | \$2,325.22 |
| 6/30/2036 | \$2,325.22 | \$2,325.22 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |

Scenario 2: Minimum Payment with Additional Lump Sum Payments

Table B shows the length of time needed to pay off the side fund balance with annual lump sum payments of \$10,000. Under this scenario, the side fund balance would be paid off in 7 years during Fiscal Year 2023-24. The overall minimum payment under this scenario would cost the Commission approximately \$64,000 over the 7-year period.

Table B – Additional Lump-Sum Payment Scenario

| Fiscal Year | Balance (as of 6/30) | Minimum Payment (2% inc) | Sub-Total | Interest Rate (7.25%) | Sub-Total | Additional Payment | Projected Balance |
|------------------|----------------------|--------------------------|-------------------|-----------------------|-------------------|--------------------|-------------------|
| 6/30/2018 | \$104,999.00 | \$8,596.00 | \$96,403.00 | \$6,989.22 | \$103,392.22 | \$10,000.00 | \$93,392.22 |
| 6/30/2019 | \$93,392.22 | \$8,755.00 | \$84,637.22 | \$6,136.20 | \$90,773.42 | \$10,000.00 | \$80,773.42 |
| 6/30/2020 | \$80,773.42 | \$8,993.00 | \$71,780.42 | \$5,204.08 | \$76,984.50 | \$10,000.00 | \$66,984.50 |
| 6/30/2021 | \$66,984.50 | \$9,172.86 | \$57,811.64 | \$4,191.34 | \$62,002.98 | \$10,000.00 | \$52,002.98 |
| 6/30/2022 | \$52,002.98 | \$9,356.32 | \$42,646.66 | \$3,091.88 | \$45,738.55 | \$10,000.00 | \$35,738.55 |
| 6/30/2023 | \$35,738.55 | \$9,543.44 | \$26,195.10 | \$1,899.14 | \$28,094.25 | \$10,000.00 | \$18,094.25 |
| 6/30/2024 | \$18,094.25 | \$9,734.31 | \$8,359.93 | \$606.10 | \$8,966.03 | \$8,966.03 | \$0.00 |

While the Commission would incur an additional \$69,000 in supplementary lump sum payments in Scenario 2, the Commission would experience a projected savings of at least \$53,000 over the next 12 years when comparing both scenarios, as shown in Table C.

| | Scenario 1: Without Additional Payments | Scenario 2: With Additional Payments | Difference (\$) |
|-------------------------|--|---|----------------------------|
| Total Minimum Payments | \$186,180.96 | \$64,150.93 | \$122,030.02 |
| Total Lump-Sum Payments | <u>\$0.00</u> | <u>\$68,966.03</u> | <u>-\$68,966.03</u> |
| Total Amount | \$186,180.96 | \$133,116.96 | \$53,063.99 |

FISCAL YEAR 2018-19 BUDGET STATUS

Attachment 1 depicts the latest performance of the current budget (as of May 30, 2019). Staff estimates that the Commission's fund balance will end with \$332,485.42 of cash on hand. However, it is important to note that the Commission has earmarked \$249,500 of the fund balance to subsidize the upcoming Fiscal Year 2019-20 budget. Additionally, Pat McCormick's retirement requires a pay-out of \$45,181.63 for his unused admin, sick, and vacation time. This pay-out was also earmarked and budgeted for this fiscal year. As a result, staff estimates that the Commission's fund balance will have approximately \$38,000 of unrestricted funds available, as shown in Attachment 2.

Therefore, staff is recommending that the Commission direct a one-time payment of \$10,000 to reduce the CALPERS Side Fund. Going forward, consideration of additional payments will be scheduled at the end of each fiscal year for the Commission's review and potential action.

Respectfully Submitted,



Joe A. Serrano
Executive Officer

Attachments:

1. Fiscal Year 2018-19 Budget Review (as of May 30, 2019)
2. Fund Balance Amount (Actuarial and Projections)



Santa Cruz Local Agency Formation Commission

Date: June 3, 2020
To: LAFCO Commissioners
From: Joe Serrano, Executive Officer
Subject: **Legislative Update**

SUMMARY OF RECOMMENDATION

LAFCO staff tracks bills during the legislative session and provides periodic updates. The Commission may take a position on any tracked bill. This agenda item is for informational purposes only and does not require any action at this time. Therefore, it is recommended that the Commission receive and file the Executive Officer's report.

EXECUTIVE OFFICER'S REPORT:

The State Legislature reconvened in May, however, only bills regarded to the State budget and COVID-19 are currently being considered at this time. It is unclear when the State Legislature will consider non-essential legislative action. In the interim, CALAFCO continues to share legislative newsletters from Hurst, Brooks, & Espinosa LLC. These newsletters provide insight on how the State of California is addressing this ongoing crisis and other important issues. A total of three newsletters are included in this report as attachments. The topics in each newsletter are listed below:

- **May 8th Topics** – (1) Possible State Budget Deficit, (2) Call for All-Mail November Election, (3) New Executive Order Addressing Assorted Deadline Extensions, (4) Summary of 2019 Court-Related Legislation, and (5) Department of Health Care Services Updates
- **May 12th Topics** – (1) Senate Democrats Release Planned Budget Approach, (2) Governor Makes Announcements about Testing and County Variance Efforts, and (3) Request for COVID-19 Expenditures
- **May 18th Topics** – (1) Governor and CDPH Announce Changes to Regional Variance Criteria, (2) LAO Reviews State's Budgetary Revisions, and (3) Assembly Health Committee Considers over 30 Legislative Bills

Respectfully Submitted,

A blue ink signature of Joe A. Serrano, written in a cursive style.

Joe A. Serrano
Executive Officer

Attachments:

1. HBE Newsletter (May 8th Edition)
2. HBE Newsletter (May 12th Edition)
3. HBE Newsletter (May 18th Edition)



HURST+BROOKS+ESPINOSA

This Week in Sacramento

INFORMATION & INSIGHTS FROM HURST BROOKS ESPINOSA ■ SPECIAL UPDATE: MAY 8, 2020

LAO Predicts a Not-Quite-as-Large State Budget Deficit

The Legislative Analyst's Office (LAO) released its "2020-21 State Budget: California's Spring Fiscal Outlook" [report](#) today, discussing two possible economic scenarios for the state: a U-shaped recession and an L-shaped recession. In both scenarios, the LAO's estimate of the state's budget deficit is markedly lower than that projected by the Department of Finance.

Under the U-shaped recession, in which the economy would begin to see meaningful recovery this summer (gains in both personal income and employment), the LAO suggests that the state would have to manage an \$18 billion budget problem. In this scenario, economic activity would remain below pre-recession levels well into 2021, but the recovery would pick up pace beginning in the second half of 2021. The LAO suggests that this scenario is supported by positive pre-pandemic economic indicators, including household borrowing that was much lower than it was leading into the Great Recession and lack of signs of major overheating in key assets, like stocks during the dot-com recession. These factors would indicate that Californians may be in a better position to weather the downturn and the economy may be poised to rebound more quickly once the pandemic has subsided.

Under an L-shaped recession scenario, in which the economy would remain in a significant downturn well into 2021, the state would face a budget deficit problem estimated at \$31 billion. In this scenario, gradual recovery would begin in the second half of 2021, but the economy would not return to pre-recession levels until at least 2023. The factors that would drive an L-shaped recession would include a second spike of virus that would require an additional round of public health restrictions, keep those that have become unemployed out of the workforce for an extended period of time, and/or force businesses into bankruptcy due to the shutdown or an inability to adapt their operations to allow for social distancing.

It is especially important to note that the methodology used for developing a budget deficit by the Department of Finance and the Legislative Analyst's Office differ significantly. The Administration's estimate is substantially larger than the higher range of the LAO because the Administration is

Worth Noting: LAO Post on State Corrections Actions

In a [post](#) today as part of a series of articles exploring various impacts of the pandemic, the LAO discusses the challenges that COVID-19 has presented to the state corrections system given the congregate settings where inmates are housed and staff work. The Department of Corrections and Rehabilitation provides daily updates of confirmed cases among staff and inmates [here](#); as of yesterday, there has been one inmate death; 447 confirmed cases among inmates; and 169 confirmed cases among staff at both adult and juvenile facilities. The post also discusses various federal and state actions taken in response to COVID-19 within the state's detention facilities.

making a comparison to gross changes in the budget's bottom line, while the LAO's estimates include the net effects of current law.

The LAO concludes with recommendations that the Legislature use a mix of the tools at its disposal to address the state's budget problem, including using reserves, reducing expenditures, increasing revenues, and shifting costs. However, the LAO also notes that ongoing solutions will be required to bring the budget into structural alignment. The LAO also suggests that the Legislature mitigate actions that could worsen the public health crisis or compound personal economic challenges faced by Californians. Finally, the LAO recommends that the Legislature begin making difficult choices in June, as delaying action could increase the size of the budget problem and make some solutions more difficult to implement.

Governor Newsom Calls for All-Mail November Election

Today, Governor Gavin Newsom signed Executive Order [N-64-20](#), requiring each county's elections official to send vote-by-mail ballots for the November 3, 2020 General Election to all registered voters, while maintaining some option for in-person voting opportunities. Citing the likely need to maintain some level of social distancing during the fall months, as well as the need for county elections officials to begin planning, the Governor indicated that he will continue to work with the Legislature and Secretary of State to determine how requirements for in-person voting opportunities and other details of the November election will be implemented, while preserving public health and giving county elections officials needed flexibility. Specifically, the Governor notes that, if by May 30, 2020 counties do not yet have clarity for in-person voting opportunities and other details, it may be necessary to issue a further executive order addressing these issues.

The Governor's announcement comes on the heels of a separate [announcement](#) from Senator Tom Umberg and Assembly Member Marc Berman – chairs of the Senate and Assembly Elections Committees, respectively – about their pursuit of a legislative package to ensure a safe and fair November election, including the following:

- Mail-in ballot for all voters (see Assembly Member Berman's [AB 860](#))
- Safe in-person voting options
- Appropriate voting locations and staffing
- Adequate PPE and cleaning supplies
- Ballot drop-off locations
- Voter education campaign
- Flexibility to modify on a case-by-case basis

Neither the Governor's Executive Order nor the announcement from the Elections Committee chairs includes a mention of costs of implementing the election changes, which could be considerable.

New Executive Order Addresses Assorted Deadline Extensions Needed to Accommodate Impacts of Pandemic

The Governor released Executive Order [N-63-20](#) this afternoon addressing a potpourri of governmental functions, which will do all of the following:

- Extend deadlines for certification requirements for public school project inspectors who previously passed an initial evaluation, as well as Certified Access Specialists who ensure compliance with disability access in properties and businesses.

- Give the State Fire Marshal 60 days to publish lists of building materials, requirements and registration renewals for flame-retardant fabrics and applications.
- Extend for 60 days the expiration dates for notaries public whose commissions are set to expire. The order also makes it clear that notaries public can use an expired Department of Motor Vehicle driver's license or identification card to confirm identification, consistent with prior action that extended expiration dates for driver's licenses and identification cards.
- Allow retired peace officers to temporarily be reemployed for up to a year if they left the agency in good standing.
- Authorize remote reporting under the Sex Offender Registration Act consistent with state public health guidance. This will help facilitate reporting that otherwise may not be occurring or not occurring in a manner that protects law enforcement personnel and registrants.
- Extend by 60 days certain procedural deadlines of the Department of Industrial Relations, including the deadline for workers to file wage claims with the Labor Commissioner; the deadline for employers to appeal Cal/OSHA citations; and the deadline for Workers' Compensation Administrative Law Judges to issue decisions.

Judicial Council Releases Summary of 2019 Court-Related Legislation

Today, the Judicial Council [issued](#) its annual summary of legislation affecting the judicial branch. The 2019 resource includes a description of newly enacted laws affecting the judicial branch, organized by major categories (e.g., civil, criminal, and juvenile), a report of new or expanded crimes, and a numeric index of all legislation contained within the summary.

Department of Health Care Services Updates

The Centers for Medicare & Medicaid Services (CMS) granted approval of the Department of Health Care Services' (DHCS) request for multiple Section 1135 flexibilities related to Medicaid and the Children's Health Insurance Program (CHIP), including:

- Extending pre-existing authorizations;
- Accommodating circumstances that require relocation to an alternative setting to ensure the continuation of needed home and community-based services (HCBS);
- Temporarily waiving written consent under HCBS programs and permitting documented verbal consent as an alternative.

DHCS also published additional and/or updated guidance for providers, beneficiaries and the public related to the COVID-19 emergency, including:

- Updated: [Program of All-inclusive Care for the Elderly \(PACE\) – COVID-19 Flexibilities](#)
- Updated: [Presumptive Eligibility for COVID-19](#)
- Updated: [Fee-for-Service Pharmacy: Benefit Reminders and Clarifications](#)

Please feel free to contact any one of us at Hurst Brooks Espinosa with questions ...

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HURST+BROOKS+ESPINOSA

This Week in Sacramento

INFORMATION & INSIGHTS FROM HURST BROOKS ESPINOSA ■ SPECIAL UPDATE: MAY 12, 2020

Senate Democrats Release Planned Budget Approach, Economic Recovery Proposals

In a [press conference](#) this morning, Senate President pro Tem Toni Atkins [outlined](#) the Senate Democrats' guiding principles for upcoming budget negotiations and two proposals to assist in the state's economic recovery.

First, the Senate will prioritize a responsible budget that is balanced through 2021-22. Using budget tools at its disposal (see slide 4 at the previous link), the Senate will also advocate for significant assistance from the federal government to achieve this goal. The second principle is to avoid actions that worsen the economy, including making major program reductions. The state has an opportunity to reduce the magnitude and length of the economic downturn if it (1) can avoid tax increases to the middle class and (2) preserve safety net services and realigned programs.

To provide assistance to renters and landlords, the Senate proposes a fund to stabilize the rental market by offering rental assistance paired with landlord relief. Essentially, the state would enter into a three-way contract with renters and landlords. Renters would receive immediate rent relief for unpaid rent and secure eviction protections. Renters would have to commit to repaying their past-due rental amounts over a ten-year period, interest-free, beginning in 2024. Landlords would receive tax credits for the amounts of foregone rent that may be used during the ten-year period starting in 2024. These tax credits would be transferable, allowing for a secondary market to buy the credits for immediate cash.

Finally, the Senate proposes a \$25 billion Economic Recovery Fund to fund investments in the California economy, including things like small business and worker assistance, green economy investments, multi-year commitment to address homelessness, wildfire prevention response, and local government relief, among others. Under the program, the state would incentivize pre-payment of state income taxes of approximately \$3 billion per year for tax years 2024 through 2033. Participating taxpayers would receive vouchers for those years at a moderately reduced amount; vouchers would be fully transferable to again allow for a secondary market to buy the vouchers for immediate cash. The idea is to move revenues that would otherwise be paid in better economic times to now when revenues are so desperately needed.

Today's announcement sets out a framework for fast and furious budget negotiations after the release of the May Revision on Thursday.

Governor Makes Announcements About Testing and County Variance Efforts

At his noon press update today, Governor Newsom offered the following updates:

- The state has conducted more than 1 million diagnostic tests statewide, with the pace of testing accelerating significantly over the last month. Daily testing is now averaging approximately 35,000. The Governor pointed out how critical robust testing capacity is to the roadmap to recovery and re-opening.
- At the time of this writing, four counties – Butte, El Dorado, Nevada and Placer – have successfully completed the self-certification process and meet the readiness criteria needed to accelerate their progress through Stage 2 of the re-opening process. The Governor also reported that additional counties would likely follow; the state is in various stages of conversation and technical assistance with more than 25 counties pursuing the county variance.
- Additional guidance is being given regarding sectors and activities that will be opened in Stage 2. The Governor announced today, for example, the office workplaces may now reopen if a telework option is not feasible and appropriate public health modifications can be assured.
- The state has also established a new 24-hour “Medi-Nurse” line (**877-409-9052**) available for Medi-Cal patients without a health plan (fee for service) and uninsured Californians. Patients can call the line with COVID-19 concerns or for any other general medical issue. Insured individuals may use the telehealth zip code finder to on the state’s resource [website](#) to access their health insurance plan’s telehealth and nurse help.

The state continually updates its guidance, COVID-19 data, and relevant resources on its covid19.ca.gov website.

JLBC Responds to Newsom Administration Request for COVID-19 Expenditures

In response to two recent expenditure requests from the Newsom Administration, Joint Legislative Budget Committee Chair Senator Holly Mitchell has responded with requests for more information from the Administration. Regarding a request for funding for a contact tracing program that utilizes data management platforms to integrate with the state’s disease surveillance system, Senator Mitchell [requested](#) additional information to ensure that the state’s contact tracing effort includes safeguards of “our right to privacy and the need for transparency.” Senator Mitchell further requested a detailed list of information that includes contract provisions that discuss how personal information can be shared, descriptions of safeguards against data breaches, and assurances that immigrants’ information will not be disclosed.

In a second [response](#) to a request for additional resources to reimburse counties who are housing more inmates since state prisons have halted intake of new prisoners, Senator Mitchell seeks additional information from the Administration regarding what measures corrections officials are taking to protect staff and inmates from a COVID-19 outbreak.

Please feel free to contact any one of us at Hurst Brooks Espinosa with questions ...

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HURST+BROOKS+ESPINOSA

This Week in Sacramento

INFORMATION & INSIGHTS FROM HURST BROOKS ESPINOSA ■ SPECIAL UPDATE: MAY 18, 2020

Governor and CDPH Announce Changes to Regional Variance Criteria

The Governor held a noon press briefing today to unveil revised county variance criteria that will permit all but a handful of counties to move more quickly through Stage 2 of the [Resiliency Roadmap](#). The California Department of Public Health (CDPH) subsequently issued additional information detailing the changes, and the county variance [webpage](#) has already been updated to reflect the second variance process. In order to qualify, counties must attest to all of the following:

| Case Metrics | |
|---|--|
| Stable or down trending hospitalizations, cases per population count and test positivity rate | <ul style="list-style-type: none">▪ Stable hospitalizations on a 7-day average of daily percent change of less than 5%; or no more than 20 hospitalizations on any single day over the past 14 days.▪ 14-day cumulative positive incidence of less than 25 per 100,000; or testing positivity over the past 7 days of less than 8%. |
| Adequate Preparedness Planning | |
| A significant level of preparedness with testing, contact tracing, PPE and hospital surge, and planning for long-term care facility disease outbreak prevention and containment | <ul style="list-style-type: none">▪ Testing capacity. Minimum daily testing capacity to test 1.5 per 1,000 residents<ul style="list-style-type: none">- Testing availability for at least 75% of residents▪ Contact tracing<ul style="list-style-type: none">- At least 15 staff per 100,000 county population trained and available for contact tracing▪ Hospital surge<ul style="list-style-type: none">- Hospital capacity to accommodate a minimum surge of 35% of their baseline average daily census.▪ Skilled Nursing Facilities (SNF) disease outbreak prevention and containment<ul style="list-style-type: none">- Plans to prevent and mitigate infections in skilled nursing facilities- SNFs have more than 14-day supply of PPE on hand for staff, with established process for ongoing procurement. |
| Response Planning | |
| Producing plans related to county-wide containment, including testing, contact tracing, vulnerable populations, congregate settings, acute care surge, and essential workforce. | |

The Governor cited the state's increased response capacity, including stabilization in the number of hospitalizations, better preparedness, and increased ability to ensure essential workers have PPEs as factors that permitted the additional steps announced today. The new attestation criteria should assist higher-population counties that can demonstrate stable or declining hospitalization as well as

positive test rates, among other factors. CDPH will begin accepting second variance attestations **starting today**.

LAO Suggests Legislature Guard Its Authority in Budgeting

Over the weekend, the Legislative Analyst's Office (LAO) released its [initial thoughts](#) on the Governor's proposed May Revision. Overall, the LAO indicates that the proposal is well-balanced in terms on a mix of solutions, but suggests that the Legislature may wish to evaluate the proposals and make different choices. While the LAO believes the proposed revenue solutions are a reasonable starting point for conversations, the LAO is concerned that the Administration's estimates of revenue generated by these approaches are on the high side. Finally, the LAO notes that the Administration's proposed spending reductions in many instances are appropriately targeted and, in others, are more blunt (10 percent reductions to universities, judicial branch, and state employee compensation). On these, the LAO suggests the Legislature may wish to be more surgical in its approach.

The LAO also points out the Administration's continued use of Section 36 control language for expenditure of \$2.9 billion for a COVID response bypasses – from its perspective – appropriate legislative authority. Recall that Section 36 control language was included in [SB 89](#), passed by the Legislature prior to its mid-March adjournment due to the stay-at-home order, authorized the Administration to expend funds up to \$1 billion with a 72-hour notice to the Joint Legislative Budget Committee. Of course, the Legislature has been critical of some of the Administration's expenditures and remains concerned about having adequate information about the plans for expenditure. (During the Senate's overview hearing today, Senate Budget and Fiscal Review Committee Chair Holly Mitchell reiterated her concerns about expanding the control section language while the Legislature is in session.)

Some of the proposals that the Administration is maintaining from the January budget may need to be put off, according to the LAO, as the Legislature hasn't had sufficient time to evaluate them and must do so while managing a complex budget crisis. Some proposals of a policy nature – like proposals to create new or reorganizing existing departments – remain in the May Revision and have not yet been vetted by subcommittees and likely will not, given the time constraints of budget subcommittee hearings occurring over the next two weeks.

Assembly Health Committee Considers 30+ Measures

Assembly Health Committee held its only spring policy committee today to hear Assembly bills introduced in 2020, hearing approximately 20 bills for discussion, with another estimated dozen on consent. All bills on today's agenda passed out of Committee; Assembly Members asked very few questions on the bills discussed today, likely a function of the length of the agenda and the compressed process. The following provides a summary of some of bills and issues of note before the Committee.

[AB 2830 \(Wood\)](#) — Health Care Payments Data Program

This measure would create the Health Care Payments Data Program at the Office of Statewide Health Planning and Development. The author took amendments in Committee to change the date of implementation to 2023, which had been a concern for hospitals and health plans.

[AB 2037 \(Wicks\)](#) — Health Facilities: Obligations before Changes in Service

This measure would change the notification requirements for hospital closure or reductions or elimination of services. The author took amendments in committee to attempt to address the concerns raised by the hospital industry. The bill passed out of committee.

[AB 2164 \(Rivas\)](#) — Telehealth

This bill would expand the use of telehealth at health care clinics by establishing the E-Consult Services and Telehealth Assistance Program within the State Department of Health Care Services (DHCS) to award grants to eligible specified health clinics to conduct projects to implement and test the effectiveness of e-consult services and related telehealth services; it passed out of committee on consent.

[AB 1994 \(Holden\)](#) —Eligibility

AB 1994 would extend the duration during which Medi-Cal benefits are suspended when an individual is an inmate of a public institution for three years or until the individual is no longer an inmate or is no longer eligible, whichever occurs sooner, instead of the shorter time-limited suspension of benefits under existing law. The bill also permits the county welfare department to suspend Medi-Cal benefits to an eligible juvenile, defined as an individual under 21 years of age or a former foster youth under 26 years of age. AB 1994 also prohibits, during the period that the eligible juvenile is an inmate of a public institution, their Medi-Cal eligibility from being terminated. The measure passed out of Assembly Health Committee on consent.

The Committee also had 10 behavioral health related bills on its agenda today, including:

[AB 1976 \(Eggman\)](#) — Mental Health Services: Assisted Outpatient Treatment

AB 1976 makes a number of changes to Assisted Outpatient Treatment (AOT), or Laura's Law. Under existing law, counties can opt to provide AOT. Under the provisions of AB 1976, counties would be required to implement AOT or to opt out via a resolution passed by the Board of Supervisors. The measure would also allow a county, in combination with one or more counties, to implement an AOT program. Finally, AB 1976 would repeal the January 1, 2022 sunset date of Laura's Law. The California State Association of Counties and County Behavioral Health Directors have a support if amended position on the bill. The California Behavioral Health Planning Council, Cal Voices, and California Association of Mental Health Peer Run Organizations oppose the bill. Disability Rights California raised concerns and asked for amendments ensuring additional protections for AOT participants.

[AB 2015 \(Eggman\)](#) — Certification for Intensive Treatment: Review Hearing

This measure would address evidence presented at Lanterman-Petris Short Act hearings. Specifically, AB 2015 would authorize the evidence presented in support of certification of an individual for involuntary detention under a 5250 hold to include information regarding the person's medical condition and how that condition bears on the certification. The measure is sponsored by the California Psychiatric Association and is supported by the California Psychological Association. The California Behavioral Health Planning Council and Cal Voices also oppose this measure.

Amendments were taken in committee to address issues around medical treatment only for the duration of the mental health hold and the need for ongoing medical care.

[AB 2025 \(Gipson\)](#) — Mental Health and Substance Use Disorder Restorative Care Program: Pilot Projects

This Los Angeles County specific bill would allow the county to establish a pilot project for up to six years to develop a Restorative Care Program for the provision of community-based care and treatment that addresses the interrelated and complex needs of those individuals suffering from mental illness and substance use disorder (SUD), along with other medical comorbidities, and homelessness. This measure passed out of committee on consent.

[AB 2112 \(Ramos\)](#) — Suicide Prevention

This bill would establish the Office of Suicide Prevention within the Department of Public Health (DPH) to address suicide and suicide prevention. The bill has a long list of supporters, but was opposed by the California Right to Life Committee. The bill passed out of committee with amendments.

[AB 2265 \(Quirk-Silva\)](#) — Mental Health Services Act (MHSA): Use of Funds for Substance Use Disorder Treatment

AB 2265 also passed out of Committee today on consent. The bills would authorize expenditure of MHSA funds to be used to treat a person with co-occurring mental health and substance use disorders when the person would be eligible for treatment of a mental health disorder under MHSA.

[AB 2360 \(Malenschein\)](#) — Maternal and Child Mental Health: Telepsychiatry Pilot Project

This bill would require health plans and health insurers, by January 1, 2021, to establish a telehealth consultation program for maternal and child mental health. The California Association of Health Plans and the California Chamber of Commerce oppose the bill.

[AB 2464 \(Agular-Curry\)](#) — Project ECHO Grant Program

AB 2464 would require the California's Health and Human Services Agency to establish the Project ECHO™ Grant Program, upon appropriation by the Legislature. The grants would be used by primary care clinicians, other health care clinicians, and educators to meet the health care needs of children and adolescents stemming from the COVID-19 pandemic at a teleECHO clinic. The ECHO model is not traditional "telemedicine" where the specialist assumes care of the patient, but is instead telementoring, a guided practice model where the participating clinician retains responsibility for managing the patient. The measure passed out of committee.

[AB 2576 \(Gloria\)](#) — MHSA Reversion

AB 2576 passed out of Assembly Health Committee on consent. The measure would change the MHSA reversion provisions to require the reverted funds to be reallocated to other counties for the purposes of providing services to individuals with mental illness who are also experiencing homelessness, or who are involved in the criminal justice system, and providing early intervention services to youth.

[AB 2876 \(Waldron\)](#) — Narcotic Treatment Medication Assisted Treatment

AB 2876 was also on the consent calendar today. The bill would require DHCS to report to the Legislature on or before January 10, 2022, specified information regarding the California Medication Assisted Treatment Program Expansion Project, including the number of patients, by county, treated through the program.

AB 3242 (Irwin) — Mental Health: Involuntary Commitment

AB 3242 also met the criteria for consent in Assembly Health Committee. The measure would authorize an examination, assessment, or evaluation that relates to the involuntary commitment and treatment of individuals under the Lanterman-Petris-Short Act, to be conducted using telehealth or other audio-visual technology.

Please feel free to contact any one of us at Hurst Brooks Espinosa with questions ...

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Santa Cruz Local Agency Formation Commission

Date: June 3, 2020
To: LAFCO Commissioners
From: Joe Serrano, Executive Officer
Subject: **CALAFCO and Agri-Culture Correspondence**

SUMMARY OF RECOMMENDATION

LAFCO staff received two LAFCO-related correspondence. This agenda item is for informational purposes only and does not require any action. Therefore, it is recommended that the Commission receive and file the Executive Officer's report.

EXECUTIVE OFFICER'S REPORT:

Written correspondence was shared by the California Association of Local Agency Formation Commissions (CALAFCO) and Agri-Culture. The CALAFCO document is the statewide agency's regular bulletin which offers information about legislative hearings & deadlines, links to additional resources, and information about upcoming webinars. The Agri-Culture document informs the Commission that the 2020 class sessions have been postponed until next year. The next session is scheduled for March 12, 2021.

Respectfully Submitted,

A blue ink signature of Joe A. Serrano is written over the text 'Respectfully Submitted,'.

Joe A. Serrano
Executive Officer

Attachments:

1. CALAFCO Letter dated 5-7-20
2. Agri-Culture Email dated 5-18-20

CALAFCO BULLETIN

May 7, 2020



As a way to continue sharing information with our member LAFcos on changing statutes and requirements due to the COVID-19 pandemic, in addition to forwarding critical email updates, we will provide a weekly (or more frequent as necessary) bulletin sharing information you should know. Some of the information contained in this bulletin you may already be aware of.

This bulletin is not intended to be legal advice and each LAFco is encouraged to consult your legal counsel when responding to issues and creating policies.

LEGISLATIVE HEARINGS & DEADLINES

This week the Assembly returned to the Capitol under strict meeting guidelines, and the Senate is expected to return next Monday. Both houses have adjusted their schedules and deadlines for the remainder of the legislative year by extending committee and bill deadlines by as much as a month. The Senate will take a 2-week summer recess and the Assembly is expected to take a full month. You can see the [Senate's revised calendar here](#), and we are still waiting for the Assembly to post theirs.

UPDATES FROM THE GOVERNOR

The Governor began his May 7 briefing with a discussion on the budget. He noted last year's budget had a \$2.1 billion operating surplus, and the proposed budget for FY 2020-21 introduced in January projected a \$6 billion operating surplus. The Governor says his May revise budget will reflect a \$54.3 billion shortfall – all related to COVID-19. He urged the Federal government to provide assistance to states, counties and cities.

He spent the bulk of the hour-long briefing talking about the transition to Phase 2 and the guidelines that have been put in place to allow for easing restrictions. He was clear we are not returning to normal, but because we are in a “zone of stability” he is able to loosen some restrictions. He stated more sectors will be added as risks are reduced. Here is a snapshot:

Starting to open Friday, May 8

- **Retailers** – should increase pick up and delivery and encourage physical distancing during pick up and install hands free devices (for payments)
- **Manufacturers** – should close breakrooms, create outdoor break areas with physically distanced seating
- **Warehouses** – should carry sanitation materials during deliveries and use PPE for each stop

Gradual Move to Stage 2 – opening later

- **Offices** (encouraging telework)
- **Seated dining at restaurants**
- **Shopping malls**
- **Outdoor museums**

Industry Guidance - All industries should do the following:

- ✓ **Perform a detailed risk assessment**
- ✓ **Train employees**
 - On limiting spread
 - How to screen for symptoms
 - To stay home if sick
- ✓ **Implement**
 - A site-specific protection plan
 - Cleaning and disinfecting protocols
 - Physical distancing guidelines

CALAFCO BULLETIN

May 7, 2020



The matter of regional variance was also addressed, with the Governor stating Counties may move further into Stage 2 when they attest they meet CA Public Health criteria. Here is an overview of the criteria:

Regional Variance Criteria

Epidemiologic stability

- ✓ No more than 1 case per 10,000 people in the last 14 days
- ✓ No COVID-19 deaths in the past 14 days

Protection of essential workers

- ✓ Ability to support employees when sick or exposed
- ✓ Availability of disinfectant supplies and protective gear

Testing capacity

- ✓ Min. daily testing of 1.5 per 1,000 residents

Containment capacity

- ✓ At least 15 contact tracers per 100,000 residents
- ✓ Ability to temporarily house at least 15% of county residents experiencing homelessness

Hospital capacity

- ✓ County or regional capacity to accommodate a minimum surge of 35%
- ✓ Hospital facilities must have a robust plan to protect workforce

Vulnerable populations

- ✓ Skilled nursing facilities must have more than 14-day supply of PPE on hand for staff with ongoing procurement from non-state supply chains when supplies are low

Triggers for adjusting modifications

- ✓ They must have metrics that serve as triggers for either slowing the pace through stage 2 or tightening modifications

The Governor announced there are specific guidelines and checklists for various industries to assist in reopening safely. Several are listed below. A listing of all industry guidelines and checklists can be found in the roadmap link below.

New Executive Orders

Yesterday the Governor issued [Executive Order N-61-20](#) which gives county treasurer-tax collectors the authority to waive penalties and interest associated with late property tax payments for economic hardship through May 6, 2021. Additionally, business personal property statements scheduled to be filed with county assessors by May 7 will now be due on May 31, 2020.

He also issued [Executive Order N-62-20](#) establishing new workers' compensation provisions for those workers whose employers, in the context of the pandemic, require them to physically go to work or do their job outside of the home.

HELPFUL INFORMATION AND LINKS

Here are some helpful links to additional resources and information.

CA Resilience Roadmap - <https://covid19.ca.gov/roadmap/>

Guidance to Counties on regional variance -

<https://www.cdph.ca.gov/Programs/CID/DCDC/Pages/COVID-19/COVID-19-County-Variance-Attestation-Memo.aspx>

CALAFCO BULLETIN

May 7, 2020



Industry Guidelines - <https://covid19.ca.gov/roadmap/>

Industry Guidance for Office Workspaces - <https://covid19.ca.gov/pdf/guidance-office-workspaces.pdf>

Checklist for Office Workspaces - <https://covid19.ca.gov/pdf/checklist-office-workspaces.pdf>

INFORMATIVE WEBINARS

There have been a number of informative webinars lately on local government finance and strategies so here are some links in case you missed them:

INSTITUTE FOR LOCAL GOVERNMENT (ILG)

- [Financial Uncertainty During COVID-19: Budget Forecasting & Financial Tips for Local Government Leaders](#)

CA SOCIETY OF MUNICIPAL FINANCE OFFICERS

- ✓ [Strategies for Managing Financial Implications Resulting From COVID-19: Best Practices for Analyzing Revenue and Cash Flows](#)
- ✓ Strategies for Managing Financial Implications Resulting From COVID-19: Forecasting and Managing Expenditures – not online yet but may be found here when posted - <http://www.csmfo.org/training/webinars/audio-archives/>

Joe Serrano

From: Agri Culture <agri-culture@sbcglobal.net>
Sent: Monday, May 18, 2020 2:09 PM
To: agri-culture@sbcglobal.net
Cc: Jess Brown
Subject: Focus Agriculture Program Update
Attachments: Session Dates - Focus Ag 2021.pdf

Follow Up Flag: Follow up
Flag Status: Flagged

******CAUTION:**This is an EXTERNAL email. Exercise caution. DO NOT open attachments or click links from unknown senders or unexpected email.****

Hello Focus Agriculture Class 31,

As you know, we have been monitoring the COVID-19 restrictions. These safety measures did not allow us to hold three of the sessions, and looking forward, it could be more, especially considering there will probably be a limit on the number of people that can gather in the near future. Therefore, our board of directors has made the tough decision to postpone your class until next year. The dates for next year's sessions are attached.

If you are not able to participate next year, please let us know soon, and you will be guaranteed a place in a future class. The attached dates do reflect a March session, which you have already participated in, but in case there is an opening for a new student, we will have that session scheduled and you are welcome to attend if you'd like a refresher course.

You are a fabulous class, and this was such a difficult decision. Our board of directors wants you to have the full experience of the program.

Stay safe and healthy,
Steve Bontadelli
President



Agri-Culture
141 Monte Vista Avenue
Watsonville, CA 95076
(831) 722-6622 (p)

FOCUS AGRICULTURE

2021 SCHEDULE

SESSION DATES

Friday, March 12, 2021*

**Optional for those who attended in 2020*

Friday, April 2, 2021

Wednesday, April 28, 2021

Friday, May 21, 2021

Friday, June 25, 2021

Friday, July 30, 2021*

(Day on the Farm)

**Or a date in August mutually agreed by both parties*

Friday, August 27, 2021

Friday, September 24, 2021

Friday, October 15, 2021

Participants are required to attend all sessions.



Santa Cruz Local Agency Formation Commission

Date: June 3, 2020
To: LAFCO Commissioners
From: Joe Serrano, Executive Officer
Subject: **Press Articles during the Month of May**

SUMMARY OF RECOMMENDATION

LAFCO staff monitors local newspapers, publications, and other media outlets for any news affecting local agencies or LAFCOs around the state. Articles are presented to the Commission on a periodic basis. This agenda item is for informational purposes only and does not require any action. Therefore, it is recommended that the Commission receive and file the Executive Officer's report.

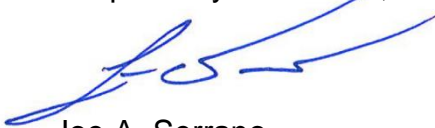
EXECUTIVE OFFICER'S REPORT

The following is a summary of recent press articles. Full articles are attached.

1. **"Severe Budget Cuts Loom for Santa Cruz County Cities"**: The article, dated May 5th, focuses on the City of Capitola and the financial impact associated with the coronavirus. Capitola City Manager, Jamie Goldstein, believes that the City may be the hardest hit local agency in the county given that Capitola's revenue relies on retail and tourism. Capitola considered its draft budget for the upcoming fiscal year during the May 6th City Council Meeting.
2. **"Coronavirus: Water agencies across Santa Cruz County study budgets"**: The article, dated May 6th, highlights the growing concerns by local water providers facing a dry winter and coronavirus-related economic turmoil. Agencies including Soquel Creek and San Lorenzo Valley Water Districts are measuring the change in demand and discussing the need for potential water rate increases.
3. **"[Wastewater] tests in California sewage might predict coronavirus surge"**: The article, dated May 8th, discusses how untreated sewage has been used for years to track viruses as well as to analyze opioid use within neighborhoods. This type of analysis may serve as an early warning system for the current pandemic and may help determine affected areas. Wastewater agencies in Southern California are currently conducting these tests.
4. **"Regional: Pandemic Could Complicate Efforts To Upgrade State Drinking Water Systems"**: The article, dated May 8th, states that the California Water Resources Control Board recently approved a policy designed to guide the spending of \$1.3 billion over 10 years to save some 300 water systems that are failing or at-risk of failing. However, the pandemic has added an additional financial impact to water districts statewide. The \$130 million annual spending plan may not be enough to cover all potential revenue shortfalls in the wake of COVID-19.

5. **“Justin Cummings, Mayor’s Message | Don’t rush the road to recovery”**: The article, dated May 9th, refers to the periodic outreach by the four mayors. Commissioner Cummings acknowledges the ongoing leadership by local governments and encourages all residents to band together and follow safety guidelines to minimize and prevent coronavirus exposure in Santa Cruz County. This editorial includes examples of how businesses and communities can operate in a safe and cautious manner.
6. **“Riverside-area advocate Bob Stockton dies when hit by van”**: The article, dated May 13th, recognizes the life of Bob Stockton. Mr. Stockton was a Commissioner for Riverside LAFCO and a pillar in his community. His local involvement included being an elected board member of the Western Municipal Water District and a member of the Greater Riverside Chambers of Commerce.
7. **“SDRFA to transition into separate fire protection district”**: The article, dated May 14th, discusses the process of making the San Diego County Regional Fire Authority (SDCRFA) into an independent fire protection district. San Diego LAFCO recently approved a sphere of influence update for County Service Area 135, which included a recommendation that the SDCRFA be separated from the San Diego County Regional Communications System and become a stand-alone local entity. CalFire currently provides administration to CSA 135. At this time, it appears that the County and CalFire are in support of LAFCO’s recommendation.
8. **“Paul Hood, Santa Barbara LAFCO Leader, Remembered”**: The article, dated May 18th, acknowledges the life of Paul Hood. It is with a heavy heart that I am informing the Commission about his passing. Mr. Hood was a LAFCO legend with almost 40 years of service and commitment. He served as Executive Officer for Santa Barbara and San Luis Obispo LAFCOs, and was the Executive Director of CALAFCO as well. On a personal note - when I was just starting in LAFCO, I was told I had to speak with Paul Hood because of his endless knowledge. He was one of the first Executive Officers that enlightened me about local government and really catapulted my interest in LAFCO. I am saddened by this loss, but his legacy will never be forgotten.

Respectfully Submitted,



Joe A. Serrano
Executive Officer

Attachments:

1. “Severe Budget Cuts Loom for Santa Cruz County Cities”
2. “Coronavirus: Water agencies across Santa Cruz County study budgets”
3. “Poop tests in California sewage might predict coronavirus surge”
4. “Regional: Pandemic Could Complicate Efforts To Upgrade Drinking Water Systems”
5. “Justin Cummings, Mayor’s Message | Don’t rush the road to recovery”
6. “Riverside-area advocate Bob Stockton dies when hit by van”
7. “SDRFA to transition into separate fire protection district”
8. “Paul Hood, Santa Barbara LAFCO Leader, Remembered”

Severe Budget Cuts Loom for Santa Cruz County Cities

Jacob Pierce

Jamie Goldstein started as city manager of Capitola in 2010, just as local governments started trying to climb out of the Great Recession.

It was shortly before a huge storm caused a massive pipe failure, wreaking financial hardship on the tourism-oriented town—the smallest in Santa Cruz County.

One of the lessons Goldstein took from those difficult times was about the value of financial reserves. In the intervening decade, Goldstein pushed the city to boost its resiliency by increasing reserves from 15% of expenditures to 25% and creating a new fund to pay for future pension costs.

Then the coronavirus hit.

“Three months ago, I would have said the city of Capitola is well-positioned to weather a fiscal emergency,” Goldstein says. “Given the severity of this now, I think, ‘I wish we could’ve done more.’”

Less than two months into government shelter-in-place orders aimed at slowing the COVID-19 pandemic, revenue streams at local governments have slowed down tremendously. Capitola was already looking at a projected \$400,000 budget shortfall to close out the fiscal year, which ends in June. But because hotel and sales taxes have seen such a big drop this season, that projected shortfall quickly ballooned to more than \$2.1 million, 12.9% of the city’s projected revenue for the year, as outlined in its adopted budget. Capitola is looking at cuts for the next fiscal year, and they will be severe.

“Unfortunately, the severity of this downturn shocked me a bit,” Goldstein says.

Meanwhile, pension costs keep climbing due to the state’s pension crisis. Goldstein predicts that Capitola will be the hardest hit local government in Santa Cruz County, given the way its budget is structured around revenues from retail and tourism. But the issues that Capitola is facing are hardly unique. Cities and states around the country would need huge bailouts to avoid deep losses. Scotts Valley, another small city that relies on tourism and sales tax dollars, has a budget item on the agenda at its Wednesday night City Council meeting. The city of Santa Cruz—where leaders expect revenues to drop 10%, compared to earlier projections—discussed its budget situation at a meeting late last month. Watsonville has rolled out a plan to reduce payroll costs and let employees retire early.

Goldstein says Capitola will pay its utility bills to keep the lights on at City Hall and maintain essential government functions.

Other than that, he predicts Capitola is pretty much “going to cut out everything the city does that it’s not legally obligated to do,” he says. “If there’s something the city does that’s an added thing, we’re going to be taking it out of the budget. The City Council can review that, and obviously, the City Council adopts the budget.”

Mayor Kristen Petersen says that level of budget slashing will certainly be on the table. Capitola has a budget review session Wednesday, May 6, at 6pm.

“We’re going to have to take a really hard look at all our discretionary spending and how we move forward,” Petersen says. “It’s daunting to think about.”

LOSS OF QUESTIONS

Retail and tourism both changed because of the coronavirus and shelter-in-place orders.

The Capitola Mall, for instance, is closed indefinitely. Capitola Village is eerily quiet. Hotels are virtually empty.

One of Capitola’s main cash flows has been transient occupancy taxes (TOT), which get collected after visitors stay at hotels, motels and vacation rentals.

In the current fiscal year, Capitola expected to bring in \$1.6 million in TOT, good for 10% of its projected revenue.

Those revenues were steadily growing every year. The taxes were pegged as so reliable that, when Capitola tied some social services to a TOT increase two years ago, councilmembers sold the growing revenue stream as a sure thing. It isn’t looking that way now.

For the month of March, Goldstein says Capitola pulled in half the revenue that it normally does, and half of the TOT for the month of March compared to March of 2019. Because the shelter-in-place orders took effect in the middle of

the month, Goldstein's hypothesis is that Capitola was on track to pull in the normal amount from lodging taxes, but then the shelter-in-place order started, and TOT revenues were at virtually zero for the rest of the month.

Goldstein says the city structured its economy around tourism decades ago, partly because the city sees relatively little property tax revenue as a result of arcane state laws and also because of the language of Proposition 13, which passed in 1978. Capitola's retail- and tourism-oriented approach gave Capitola a larger daytime population, which in turn necessitated a larger police force, Goldstein says.

Longtime Capitola Councilmember Ed Bottorff says sales tax has always been Capitola's bread and butter. "We live on sales tax. We don't make anything in Capitola, other than sunshine and good times," he says.

But the impact of the pandemic will be, in a word, "devastating," he says.

"We've all been in budget cycles, and we usually have some adjustments dip into our reserves or we try to rob Peter to pay Paul," Bottorff says. The magnitude here is totally different, he says—with the expectation of widespread losses across the community, no matter what.

WHAT COUNTS

Petersen and Bottorff have already begun sweating the downstream effects of deep looming cuts. What happens, for instance, when the planning department doesn't have enough employees to process building permits?

Also, Bottorff notes that, because Capitola is a small city, many employees already fill multiple roles, making it harder to cut positions.

Petersen is hopeful that Capitola will qualify for some federal stimulus money, although it isn't a sure bet.

Scotts Valley Mayor Randy Johnson wrote in a *Press Banner* op-ed that he's been reaching out to multiple state and federal officials to explain the need for relief in smaller communities. He worries that any stimulus that does come through will focus on bigger cities.

Goldstein anticipates that, even if small cities do get some funding, it won't be enough to "keep Capitola whole," or operate at a level that's anywhere close to normal.

In the meantime, local city managers and mayors have been working together in collaborative discussions.

"Going through the Great Recession taught me you can't leave any stone unturned," Goldstein says. "There's a lot of different ways cities can work through this. It's when you want to put all the cards on the table, and you want to give it everything you can."



News Editor at [Good Times](#) | [Blog](#)

Jacob, the news editor for *Good Times*, is an award-winning journalist, whose news interests include housing, water, transportation, and county politics. A onetime connoisseur of dive bars and taquerias, he has evolved into an aspiring health food nut. Favorite yoga pose: shavasana.

8A: ATTACHMENT 2**Coronavirus: Water agencies across Santa Cruz County study budgets**

SANTA CRUZ — Facing the double difficulty of a dry winter and coronavirus-related economic turmoil, local water supplies across Santa Cruz County are in the thick of budgeting with many unknowns for the coming fiscal year.

During meetings this week, Santa Cruz Water Department and Soquel Creek Water District officials described predictable water use changes aligning with the area's shelter-in-place order — with residential water use increasing somewhat and commercial use dramatically down. The San Lorenzo Valley Water District board also is set to meet this week to discuss scheduled rate increases and potential establishment of low-income rate assistance programs, among other topics.

The usage change comes in the context of Gov. Gavin Newsom's recommendation that utilities offer customers a waiver of late payment fees and a moratorium on service disconnections during the coronavirus emergency, a policy change both local water agencies' officials said they expected to have an impact to collected revenue. In fact, a Soquel Creek budget report for its meeting Tuesday cited a recent study by consultant Raftelis for the American Water Works Association projecting that water agencies were expected to see at least a 6% increase in delinquency rates and a significant revenue shortfall due to declines in commercial water consumption offset by an increase in residential consumption, which could ultimately reduce water revenues by close to 16.9%, according to the district.

For the city of Santa Cruz, Water Department Director Rosemary Menard said Monday that she will not recommend the city implement any official water use restrictions from the coming year, even acknowledging a drier-than-normal year. The city came into this year with a healthy reserve in its water storage at Loch Lomond Reservoir, Menard said, and establishing a "Stage 1" conservation effort made little impact on customer water use in 2018, but might have a demoralizing effect on people concerned with handwashing this year.

"From my perspective, regardless of the economic condition or what's going on in the community, if we really honestly believed that we needed more restrictions in place, we would have recommended them," Menard said. "Whatever else was going on, if we were putting people at risk of not having enough water this year or significantly putting people at risk next year, we would definitely not be taking the position that we're taking."

The San Mateo-Santa Cruz Unit Cal Fire issued a Santa Cruz County residential backyard burn suspension effective May 1, "with 2020 starting out with February being the driest month since the 1850s in California." Burn permits may still be issued by Cal Fire.

Both the Santa Cruz Water Commission and Soquel Creek Water District board discussed this week their efforts to balance alleviating struggling customers' immediate struggles to pay their water bills and plans that may include future water rate increases. Soquel Creek Water District is in the midst of a multi-year rate increase plan.

"Every effort will be made to avoid additional rate increases outside of those already authorized through 2023, including enacting emergency rates," a report from district Financial and Business Services Manager Leslie Strohm reads. "The focus will be on ensuring the continuity of essential services and covering new and existing debt obligations."

In the case of the City of Santa Cruz, the commission is looking at a several-month effort to establish priority spending plans and rework the way customers will be charged for their water usage. A preliminary city schedule assumes the commission will make a rate structure recommendation including five years of rate increases at its November meeting to the Santa Cruz City Council, with potential implementation in July 2021. Menard said the existing political uncertainty, however, may cause that schedule to shift.

IF YOU GO

What: San Lorenzo Valley Water District board meeting.

When: 6:30 p.m., Thursday.

Where: Via video conference online at us02web.zoom.us/j/92039846187 or by calling 669-900-6833 or 346-248-7799 or 253-215-8782 or 301-715-8592 or 312-626-6799 or 929-436-2866 and entering webinar ID: 920 3984 6187.

At issue: Unfunded liabilities, low-income rates, scheduled rate increase and letter to PG&E.

8A: ATTACHMENT 3**Poop tests in California sewage might predict coronavirus surge**

Scientists across the nation are examining Southern California's poop — maybe even yours — with the hope of more quickly identifying COVID-19 hotspots and better preparing for future surges. The information could also signal when stay-at-home orders can be safely eased in specific communities.

Untreated sewage has been used for years to track viruses as well as to analyze opioid use by neighborhood. Now the race is on to determine whether it can serve as an early warning system for the new coronavirus, particularly since the small fraction of the population receiving swab tests cannot capture the breadth of asymptomatic infections.

"Testing of every individual is very difficult. But if you have 50,000 people in a community, you may be able to determine the prevalence by testing the wastewater," said Sunny Jiang, a microbiologist leading a pilot project at UC Irvine to identify COVID-19 in sewage systems.

Two of Southern California's largest sewage districts — the Los Angeles County Sanitation Districts (serving 5.6 million people) and the Orange County Sanitation District (2.6 million people) — are participating in tests, as are at least three smaller agencies in the region. Those five districts are sending sewage samples to a total of nine different groups of researchers, as close as UC Irvine and USC and as far away as Wayne State University in Detroit and Biobot Analytics in Massachusetts.

It's suspected that the number of infections far exceeds confirmed COVID-19 cases because many of those with the virus display no signs of infection and haven't been tested. It's hoped that the sewage tests can better gauge the magnitude of infection in a given area as well as provide advance notice before swarms of sick people begin showing up at the hospital.

That information, in turn, would provide lead time for quarantine orders, for increasing hospital capacities, and for isolating people who are most vulnerable.

While the number of cases may be leveling off locally and statewide, there is growing talk of another surge in the summer or the fall — at least in part because of social isolation orders being eased.

"Part of the thinking with the testing is that we'd have an early warning before there's a resurgence," said Jim Colston, director of water quality at the Irvine Ranch Water District, which is participating in the UC Irvine study.

Past sewage detection

Sewage treatment required by the state eliminates viruses, including COVID-19, [according to the California Water Boards](#). But raw sewage coming into treatment carries evidence of the virus, opening the possibility of testing for it.

So far, studies of whether it's contagious in raw sewage aren't definitive but early indications are that it's "unlikely to present a significant infection risk," said microbiologist Amy Kirby of the Centers for Disease Control at an [April 24 webcast](#) on tracking the disease through sewage.

There are several examples of using sewage as an alert system for viral outbreaks, the best known being Israel's poliovirus epidemic of 2013.

At the time, the country had been declared polio-free by the World Health Organization. But its robust system for testing sewage resulted in an early detection of the poliovirus and "allowed rapid mobilization of a vaccine campaign" before any paralysis occurred in the population, according to a [study published in Proceedings of the National Academy of Sciences](#).

One advantage to sewage testing for COVID-19 is that signs of the virus can show in stool as soon as two days after a person is infected. This is true even though the disease can take up to two weeks for symptoms to manifest in that person, according to David Hirschberg, an infectious disease expert at the University of Washington.

But the effectiveness of the testing for COVID-19 remains uncertain when it comes to providing specific information for health officials and policy makers to act on. Early local results have not provided a clear indication of what more complete testing might show.

The Los Angeles County Sanitation Districts tapped its first samples on April 23 from two of its 11 sewage treatment plants. A study by the agency detected the virus in untreated wastewater going into both plants, according to Mike Hoxsey, manager of the districts' laboratories.

However, more definitive details remain unclear. Initial results from the University of Arizona found that other compounds in the water interfered with readings, "leading to decreased sensitivity and possibly false negative results" in some samples, Hoxsey said. The district is also sharing samples with five other research groups, including UCI, USC and Wayne State University.

Meanwhile, the South Orange County Wastewater Authority collected the first round of samples from its three plants on March 29 and sent them to Biobot Analytics, which is working on a sewage testing project with scientists from Harvard and MIT.

“The samples were conclusively negative. But that was a point in time when Orange County’s confirmed cases were only 420,” said agency spokesman Steve Greyschok.

There are now more than 3,000 confirmed cases in the county. The agency, which serves about 500,000 of the county’s 3.2 million residents, has since collected weekly samples to submit to research projects in the future, Greyschok said.

Test problems

Test results may be able to determine which communities have the largest concentration of COVID-19 and show whether those concentrations are increasing or declining. But there are a couple key obstacles to getting precise data about how many people in a particular neighborhood or city are infected at any given point in time.

First, not everybody who’s infected sheds the virus into their stool and University of Arizona’s Charles Gerba said it’s too soon to tell what percentage of people do.

“The data is just coming in and not enough analysis has been done to be able to (estimate) at this time,” said Gerba, who specializes in pathogen detection and is involved with his school’s testing of sewage for the coronavirus.

Secondly, those with COVID-19 can continue to shed evidence of the virus in their stool after the virus has become inactive.

Biobot Analytics is among those who have said [early results](#) show that the prevalence of the virus in the population could be 10 times — or more — what current swab testing indicates. But Hirschberg of the University of Washington said Biobot’s preliminary findings are controversial in the science community. Gerba is among the skeptics.

“I have my doubts,” he said. “I think it is an overestimation.”

Regional: Pandemic Could Complicate Efforts To Upgrade State Drinking Water Systems

Bay City News Service

By Kiley Russell

Bay City News Foundation

An unprecedented and fledgling statewide effort to shore up hundreds of struggling drinking water systems could face intense pressure from the novel coronavirus pandemic as the program is rolled out in coming months.

For almost a year now, the California Water Resources Control Board has been working to craft the program, and on Tuesday it approved a policy designed to guide the spending of \$1.3 billion over 10 years to save some 300 water systems that are failing or at-risk of failing.

The struggling districts are among the smallest of the state's roughly 7,400 public water systems and are often beset with inadequate budgets; high levels of contaminants in their water supplies; the presence of waterborne illness among ratepayers; are dependent on a single groundwater source; or primarily serve an economically disadvantaged community, among other things.

The board's unanimous vote on Tuesday to approve the policy is part of its mandate to implement Senate Bill 200, which was passed in 2019. The fund will be administered through the Safe and Affordable Funding for Equity and Resilience Program, or SAFER.

The policy will guide the board's discussion and passage of an actual spending plan that's expected to come out in July. The bulk of the money will come from the state's Greenhouse Gas Reduction Fund.

As part of the effort, and for the first time in California history, the board is required to conduct a comprehensive needs assessment to identify every failing and at-risk water system in the state.

But while the push to save these districts -- which serve as many as 1 million Californians -- has been hitting important milestones in recent months, the COVID-19 pandemic and efforts to slow its spread are potentially putting additional and intense pressure on their budgets and, unless addressed, could have dangerous consequences for their ability to deliver safe and affordable drinking water to hundreds of thousands of people.

"We knew this was going to be an incredible lift prior to the pandemic," said Water Resources Control Board Chairman E. Joaquin Esquivel.

The state could see "an even larger number of systems that are going out of compliance or are struggling than what we were already assuming," Esquivel said during the board's Tuesday meeting, which was conducted via video conferencing in order to comply with the state's COVID-19 stay-at-home order.

The policy includes language that allows the fund to be used to shore up "revenue shortfalls caused by a natural disaster" or to supplement other disaster-relief funds in the wake of a state or federally declared emergency.

Budget concerns

Any potential increase in the number of systems struggling with budget issues, however, is compounded by the fact that state water experts believe the \$130 million annual spending plan won't be nearly enough to cover all of the potential revenue shortfalls that could flare up in the wake of COVID-19.

And while there is currently no comprehensive statewide data, a recent national study on the pandemic's financial impacts says American water districts are likely facing about \$14 billion in lost revenue this year alone due to the elimination of shutoffs for non-payment, increased numbers of unemployed ratepayers defaulting on bills, reduced commercial demand and a slow down in the growth of new hookups.

"On the residential side, with people unemployed and lacking the ability to pay, there's going to be, and we're already seeing it, higher levels of non-payment of households of their utility bills, including water bills," said Max Gomberg, a climate and conservation manager with the water board.

The study, which came out on April 14, is based on a survey of more than 600 water districts around the country commissioned by the Association of Metropolitan Water Agencies and the American Water Works Association that found a nearly 343 percent increase in bill delinquencies due to virus-related unemployment among ratepayers.

"The numbers are staggeringly large," Gomberg said.

At the beginning of April, in response to the pandemic, California Gov. Gavin Newsom issued an order forbidding public water systems from shutting off taps for lack of payment, but many districts had already implemented their own moratoriums in response to the stay-at-home order and ballooning unemployment numbers.

"It's something that's really evolving quickly," said Dave Eggerton, executive director of the Association of California Water Agencies, which represents 450 water systems that together deliver 90 percent of the state's water supply to homes and businesses, including agriculture.

"Agencies are going to have a better sense of it in the coming months as their billing cycles end," Eggerton said. "They're just starting to see some of the impacts."

He added, however, that some water agencies are reporting that delinquency rates are doubling or tripling, and those numbers appear to be growing.

"Agencies are really trying to scrutinize their budgets to try to reduce cost," Eggerton said.

The East Bay Municipal Utility District, which provides water to 1.4 million people, has seen a 75 percent increase in monthly applications for its customer-assistance program.

The district will have a better idea of bill defaults and water use data at the end of its current two-month billing cycle, but so far it's been able to track a 3 percent increase in demand from residential customers and a 33 percent decline in demand from commercial and industrial users, said spokeswoman Andrea Pook.

"We will be seeing a financial impact," Pook said.

And while it's still unclear what that impact might be, the district has a healthy budget reserve in place that will help it get through the crisis, Pook said.

"We can weather difficult situations, hopefully including this," she said.

Anticipating bill delinquencies

The Dublin San Ramon Services District, which provides water to nearly 25,000 accounts in the Tri-Valley area, is in a similar position and has built up a reserve that can cover eight months of expenses in times of financial difficulty.

"We do expect (bill delinquencies) to increase in the months ahead," said DSRSD General Manager Daniel McIntyre. "I don't have a sense of the scale of that, but we're watching it very carefully."

"We think that without too much difficulty we can wait for people to catch up on their delinquencies," McIntyre said.

While the potential pandemic-related risks to their revenue is real, neither EBMUD nor DSRSD is considered a failed or at-risk water system in need of access to the state's new fund, dubbed the Safe and Affordable Drinking Water Fund.

The money is intended to shore up budget gaps and help water systems, chiefly small systems serving disadvantaged communities, find solutions to short- and long-term problems.

The money can be used for things like temporary water deliveries to districts with unsafe supplies, for example, or providing managerial and technical support to districts that have trouble hiring and retaining qualified staff, whereas currently the bulk of the state's assistance is for construction projects, like system upgrades.

"The initial proposal for distribution we had was pre-COVID-19, and we understand that there could be potential revenue shortfalls," said Joe Karkoski, assistant deputy director in the Water Resources Control Board's Division of Financial Assistance.

Lobbyists working on behalf of the state's water agencies have been trying to get Congress to include them in the next federal COVID-19 relief package, which could work in combination with any state funding the districts might be eligible for.

"We haven't had available federal funding for special districts for agencies like ours. It's very problematic," said Eggerton.

"Direct assistance to rate-payers to help them be able to pay these bills, it would really help them and help the agencies to provide that essential service," he said.

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EBMUD spokeswoman Andrea Pook (510) 287-0138 or andrea.pook@ebmud.com

ACWA spokeswoman Heather Engel (925) 441-4545 or HeatherE@acwa.com

State Water Boards spokesman Blair Robertson (916) 341-5263 or Blair.Robertson@Waterboards.ca.gov

The Financial Impact of the COVID-19 Crisis on U.S. Drinking Water Utilities

https://www.amwa.net/sites/default/files/AWWA-AMWA-COVID-19_Report_2020-04.pdf

California Guidelines and Best Practices for Water and Wastewater Systems

https://www.waterboards.ca.gov/resources/covid-19_updates/docs/eo_implementation_guidelines_04302020.pdf

Draft Final Policy for Developing the Fund Expenditure Plan for the Safe and Affordable Drinking Water Fund

https://www.waterboards.ca.gov/water_issues/programs/grants_loans/sustainable_water_solutions/docs/2020/draft_final_policy_for_dev_fep_sadwf_042020.pdf

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8A: ATTACHMENT 5

Justin Cummings, Mayor's Message | Don't rush the road to recovery

During the 1918 Spanish flu pandemic, San Francisco was one of the leaders in sheltering in place to prevent high levels of transmission and death in their city. As the number of cases dwindled over time, and residents saw a flattening of the curve, there was increasing pressure from residents to lift the restrictions and allow for business to resume as normal. This pressure from residents resulted in San Francisco officially lifting their shelter in place orders prematurely, which led to a massive spike in cases of Spanish flu and death in the City of San Francisco.

Santa Cruz has been a leader at sheltering in place during COVID-19. By sheltering early, we have kept our transmission rates low, which has reduced hospitalizations and mortality. This was especially critical at the early stages because our healthcare system was not properly equipped to deal with a high volume of COVID-19 patients. Today, we have increased testing capacity, increased personal protective equipment, ventilators, secured hotels and increased shelter capacity for our homeless population, and we have equipment to create alternative care facilities in the case of an emergency. Our actions and sacrifices have put us in a position where we did not overwhelm our healthcare system and we are now poised to begin relaxing some of our shelter-in-place orders.

In order to create a pathway to recovery, Gov. Gavin Newsom has launched a new Resiliency Roadmap website (covid19.ca.gov/roadmap). This website outlines the criteria for reopening and guidance for how businesses can create safe environments for their patrons and employees. Last week the governor also announced that we will be moving into the early stage of phase two of the State's Resiliency Roadmap, and last Friday restrictions were relaxed on retail businesses, and related logistics and manufacturing, to allow for curbside retail. Examples of such businesses include bookstores, clothing stores, florists, sporting goods stores and other over-the-counter retailers. Social distancing protocols will be required for all of these businesses and guidelines for creating safe working environments can be found on the Resiliency Roadmap website and in our County Health Order. By following these safety guidelines, not only can we protect our employees and the public, but we can demonstrate how to conduct business in a way that is safe and responsible.

For businesses that will continue to remain closed, I encourage you to continue to think creatively about how your business may be able to operate under our current conditions. Recently the City of Santa Cruz Economic Development Department, in collaboration with Santa Cruz Works Board member Toby Cory and Nada Miljkovic from UC Santa Cruz, launched a new program called "Get Virtual", which is a free service for Santa Cruz businesses to develop their web presence and e-commerce platform during the pandemic. This program partners students at UCSC with local business owners to help build the web presence of local businesses while students earn credit toward their degrees. More information can be found at getvirtual.org.

Throughout the history of our nation, we have been faced with a common threat that has united us against a common enemy. Today, COVID-19 can roam undetected and threatens the health and safety of our community, especially for those who are elderly and have pre-existing health conditions. The community of Santa Cruz should be proud of the sacrifices it has made to minimize this threat and we will continue working together to ensure the health and safety of our community moving forward. As we begin to relax our shelter-in-place orders, let's not forget that our distancing and safety precautions are what have gotten us to the place that we are today. This virus is still as virulent today as it was when it first arrived to our community. We have seen the impacts that it has had in countries like Italy and in cities like New York and we do not want to rush reopening our economy. As a result, we must remain vigilant and continue to wash our hands, use good hygiene practices, socially distance from one another, and wear masks outdoors when around others and in buildings that are not our homes so we can keep the curve flat. We will recover together but the recovery cannot be rushed.

Mayor's message is a Sunday column by Watsonville Mayor Rebecca Garcia, Santa Cruz Mayor Justin Cummings, Scotts Valley Mayor Randy Johnson and Capitola Mayor Kristen Petersen.

Riverside-area advocate Bob Stockton dies when hit by van



A van hit and killed a jogger on west bound Victoria Avenue east of Horace Street this afternoon in Riverside on Wednesday, May 13, 2020. (Photo by Terry Pierson, The Press-Enterprise/SCNG)

1 of 5

A van hit and killed a jogger on west bound Victoria Avenue east of Horace Street this afternoon in Riverside on Wednesday, May 13, 2020. (Photo by Terry Pierson, The Press-Enterprise/SCNG)

[Expand](#)

Bob Stockton, whose boundless energy and advocacy enriched the Riverside area and who friends say mentored them personally and professionally, died Wednesday, May 13, when he was struck by a vehicle while jogging in Riverside.

Stockton, 64, was out for a run with wife Kelli on Victoria Avenue east of Horace Street just before 11 a.m. when he was hit by a Dodge van driven by a 64-year-old Riverside woman. Both Stockton and the driver were headed east, police said. Stockton died at the scene.

No arrests were made, and the driver did not appear to be impaired, the Riverside Police Department said. Police did not announce her name in keeping with department policy when there is no arrest.

Stockton was an elected board member of the Western Municipal Water District and a member of the Greater Riverside Chambers of Commerce, which he served as chairman of the board in 2015. He previously served as a Riverside planning commissioner and was a member of the boards of Riverside Public Utilities, Path of Life Ministries and the Riverside YWCA, among others.

Stockton, a civil engineer, was the principal at Rick Engineering in Riverside and was a governor appointee to the state Board for Professional Engineers, Land Surveyors and Geologists. He also coached the mountain bike team at Woodcrest Christian High.

“A tragic story for Riverside, it really is,” said Tom Hunt, a longtime friend and a member of the Riverside Unified school board. “He just loved Riverside and loved all of us. ... He was the strongest kind person I have ever known. He was strong as far as having character and dignity and respect for others, but at the same time didn’t try to be overbearing.”

Cindy Roth, president of the Greater Riverside chamber, said Stockton’s No. 1 passion was his family. But he also considered the community his family and tirelessly lobbied lawmakers for money for water or the military bases or other needs.

“He was just a man who cared about his community and stepped up to help,” she said.

Roth’s husband, state Sen. Richard Roth, said Stockton encouraged him to run for office. Stockton was also Roth’s trainer and helped him recover from severe back pain. Roth noted Stockton’s community involvement, which recently included working on the planned expansion of the Citrus State Historic Park in Riverside.

“He was a gentle man with a big heart whose first thought always was about others and not himself. I can’t think of very many things that have happened for the good that did not have Bob Stockton’s fingerprints all over it,” Roth said.

Brent Lee, another Riverside Unified board member, knew Stockton through community organizations and endurance races. Those races could be 40 miles or filled with obstacles. Sometimes Stockton wound up carrying Lee across the finish line.

“He was everybody’s coach, in your business life, your personal life, your fitness life,” Lee said. “He was right there alongside you to push you every step of the way whether that was planning and preparation or motivation. He really helped you accomplish more than you thought you could accomplish yourself.”

And sometimes, Lee said, he would be the one carrying Stockton across the finish line. But frequent injuries never seemed to stop his friend from competing, Lee said.

“How ironic that it was an easy run with his wife on Victoria Avenue that would be his demise,” Lee said.

SDCRFA to transition into separate fire protection district

Village News

San Diego County's Local Agency Formation Commission will begin the process of making the San Diego County Regional Fire Authority a separate fire protection district.

An 8-0 LAFCO board vote Monday, May 4, approved a sphere of influence update for County Service Area No. 135 including support for a recommendation that the SDCRFA be separated from the San Diego County Regional Communications System.

"CSA 135 merits reorganization to split the district into two distinct entities," Keene Simonds, LAFCO executive officer, said. "We've given direction for the county to come back with an application, and we're incentivizing that application by waiving the fee. We will work as quickly as possible in processing it."

The San Diego County Board of Supervisors and LAFCO created the San Diego County Regional Fire Authority in 2008. CSA No. 135 covers the entire unincorporated area of the county as well as several incorporated cities who have joined the 800-megahertz communications system which allows emergency and public safety agencies to communicate with one another.

The 2008 decision to authorize latent powers for fire protection and emergency medical services within a zone of CSA No. 135 allowed the SDCRFA to be created without the process of forming a new district.

"What they did in '08 made sense at the time," Simonds said.

The creation brought territory not within the boundaries of a public agency but served by a volunteer fire department into the San Diego County Regional Fire Authority. In 2011 five county service areas responsible for fire protection and emergency medical services were consolidated into the SDCRFA.

The first fire protection districts to be dissolved and added to the SDCRFA boundaries were the Pine Valley and San Diego Rural districts, whose addition to the SDCRFA was approved in 2015. The Julian-Cuyamaca Fire Protection District board supported a consolidation and despite some public opposition that area became part of the SDCRFA in 2019.

Last year's actions also included removing the fire protection and emergency medical services latent powers from the Mootamai, Pauma and Yuima water districts in Pauma Valley and making those areas part of the SDCRFA.

"This has been a twelve-year process," Simonds said.

A sphere of influence study determines the boundaries best served by a particular agency. It is a prerequisite to any jurisdictional change other than an annexation of land within the existing sphere of influence, and LAFCO also conducts periodic sphere of influence updates for all cities and special districts. The sphere of influence study for CSA No. 135 was based on the periodic update calendar rather than on any annexation proposal.

"I think the fire protection district model is a good and appropriate next step," Simonds said.

"It's like the Fire Authority growing up and finally coming of age," county supervisor Dianne Jacob, who is also the chair of the LAFCO board, said.

A fire protection district may include portions or even the entirety of an incorporated city, so if a city wishes to contract with the SDCRFA the regional agency could provide the coverage.

"The Fire Authority stands in strong support of the motion in front of you," SDCRFA fire Chief Tony

Mecham said.

An application to consolidate into the SDCRFA would need support from the fire department's board as well as the county.

"Any decision to join the Fire Authority is a joint application of both parties," Mecham said. "There is no takeover."

The board of supervisors would be the governing body for the SDCRFA as well as for CSA No. 135. A county service area can have an advisory board with local residents or first responders, and as part of the consolidation process for the Pine Valley and San Diego Rural districts the board of supervisors created the CSA No. 135 Fire Advisory Board in October 2014.

The process to create a separate district for the SDCRFA will begin with board of supervisors' approval. LAFCO staff will conduct an analysis including public outreach before docketing the proposal for a LAFCO board meeting.

"I don't think at this point there will be any significant hiccups in that process," Simonds said.

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Paul Hood, Santa Barbara LAFCO Leader, Remembered

Noozhawk



Paul Hood, longtime LAFCO administrator, is remembered as a decent and knowledgeable professional. (Courtesy photo)

Paul Hood, who led the [Santa Barbara Local Agency Formation Commission](#) for seven years, is remembered as a decent guy with decades of knowledge about the state-created process to prevent urban sprawl and encourage orderly growth.

Hood, 71, died May 11, just weeks after the non-smoker had been diagnosed with lung cancer, his family said.

He joined the Santa Barbara County agency in 2013 after retiring five years earlier from leading the San Luis Obispo County LAFCO.

LAFCO, made up of local elected officials and appointees, works to ensure orderly creation and development of local agencies such as cities and special districts.

“He was well respected around the state and all 57 other counties looked to him for guidance and direction,” LAFCO Commissioner Roger Welt said. “He was knowledgeable. He was a friend. He loved his children. He loved his family. He was always taking about his children.

“I’m just overwhelmed with this loss,” Welt added.

“He’s such a decent good person,” said Fifth District Supervisor Steve Lavagnino, who serves on LAFCO. “This job can sometimes be very controversial and he was such a cool head that never got riled. I never saw him upset, no matter if he was challenged. He was just such a calm personality and he will be greatly missed.”

Third District Supervisor Joan Hartmann, another LAFCO commissioner, said Hood had worked closely with Los Olivos residents during the formation of a community services district, showing up early and staying late at many intense meetings. Likewise, he helped other agencies such as Vandenberg Village and Mission Hills community service districts with their concerns.

“It wasn’t just a brief phone call. He was there. He was giving of himself,” Hartmann said. “He spent the time. He was just tireless. He was so decent and just always went above and beyond. I think we all have terribly heavy hearts.”

A native of England, Hood immigrated to the United States in the mid-1960s with his parents and two younger sisters.

The family settled in Sacramento, and Hood later earned a bachelor's degree from Cal Poly, San Luis Obispo and a master of business administration degree from Cal State, Hayward.

Hood worked in public administration in Sacramento and then the Local Agency Formation Commission in San Mateo County before settling in Atascadero for the past 40 years.

He continued his lifelong career with LAFCO until his retirement as executive officer with San Luis Obispo County in 2009 after nearly three decades on the job.

He was recruited from retirement to lead Santa Barbara LAFCO.

Goleta Councilmember Roger Aceves recalled being on the commission when Hood was hired.

"The guy came with such incredible credentials...", Aceves said, adding it was obvious commissioners needed to hire him.

"I think the commission should also stop and realize he left our organization in a very strong financial condition," Aceves added. "He created some big shoes to fill."

Santa Maria Councilmember Etta Waterfield spoke about Hood's gentle soul who made sure others understood any question about LAFCO matters.

"He was a walking encyclopedia when it came to LAFCO," Waterfield added.

Hood received at least two awards from the [California Association of Local Agency Formation Commissions](#), including the Outstanding LAFCO Professional Award in 2002 and seven years later, the Mike Gotch Courage and Innovation in Local Government Award.

The award, recognizing someone who has taken extraordinary steps to improve and innovate local government, is named for Mike Gotch, a former state Assembly member, LAFCO executive officer and CALAFCO executive director responsible for much of the foundations of LAFCO law and the state association.

"Paul was and will continue to be a source of great inspiration for LAFCO staff and commissioners statewide, just as Mike Gotch continues to be," said Pamela Miller, executive director of CALAFCO.

Hood also served as CALAFCO deputy executive officer in 2006 and 2007, and the state association's executive officer in 2008 and 2009.

Hood belonged to the San Luis Obispo Rotary Club, served as chairman of the Atascadero Parks and Recreation Commission and was president of the Atascadero Zoological Society.

Survivors include his wife of 43 years, Terri; their three children, Joanna, Jeffrey, and Julia; two sisters, Carole and Susan; and several nieces and nephews.

The family plans to schedule a memorial service once COVID-19 restrictions have been eased.

Arrangements are under the care of [Welch-Ryce-Haider Funeral Chapels](#) in Santa Barbara.

— [Noozhawk](#) North County editor Janene Scully can be reached at jscully@noozhawk.com. Follow Noozhawk on Twitter: [@noozhawk](#), [@NoozhawkNews](#) and [@NoozhawkBiz](#). Connect with [Noozhawk on Facebook](#).