



**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 2, 2021
9:00 a.m.**

Attend Meeting by Internet: <https://us02web.zoom.us/j/86753994516?pwd=VnVmdDRFd3RicGRnUTBuRWWh1OW1rZz09>
(Webinar ID: 867 5399 4516)

Attend Meeting by Conference Call: **Dial 1-669-900-6833 or 1-253-215-8782**
(Passcode is 449904)

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 calls 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.

a. Remote Meeting Protocol

The Commission will receive an update on the ongoing remote meeting process.

Recommended Action: No action required; Informational item only.

3. ADOPTION OF MINUTES

The Commission will consider approving the minutes from the May 5, 2021 Regular LAFCO 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. Final Budget for Fiscal Year 2021-22

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

Recommended Actions:

1. Adopt the draft resolution (No. 2021-14) approving the final budget for Fiscal Year 2021-22;
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 2021; and
3. Provide any additional direction to staff.

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

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 towards the CALPERS Side Fund.

b. Educational Workshops

The Commission will consider approving the partnership between LAFCO and the California Special Districts Association (CSDA) to host educational workshops for local agencies facing financial constraints, limited staffing, or other challenges.

Recommended Action: Direct LAFCO staff to coordinate with CSDA to conduct educational workshops for local agencies within Santa Cruz County.

c. UCSC Long Range Development Plan – LAFCO Comment Letter

The Commission will consider a draft comment letter pertaining to the recent lawsuit between the City of Santa Cruz and UCSC regarding the delivery of water and sewer services under the University's Long Range Development Plan.

Recommended Action: Discuss and approve the proposed comment letter.

d. Water Consolidation Effort Update

The Commission will receive a verbal update on the ongoing discussions between Scotts Valley and San Lorenzo Valley Water Districts regarding the possible exploration of consolidation.

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 News

The Commission will receive an update on CALAFCO-related news.

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 Months of April and May

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. LEGAL COUNSEL'S REPORT

LAFCO's Legal Counsel may make brief announcements in the form of a written report or verbal update, and may not require Commission action.

11. ADJOURNMENT

LAFCO's next regular meeting is scheduled for Wednesday, August 4, 2021 at 9:00 a.m.

ADDITIONAL NOTICES:

Campaign Contributions

State law (Government Code Section 84308) requires that a LAFCO Commissioner disqualify themselves 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 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 Commission Clerk at the LAFCO office or in the meeting room before or after the meeting.



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

DRAFT MINUTES

LAFCO REGULAR MEETING AGENDA

Wednesday, May 5, 2021

Start Time - 9:00 a.m.

Due to COVID-19, this meeting was conducted remotely pursuant to the provisions of the Governor's Executive Orders N-25-20 and N-29-20, which suspended certain requirements of the Ralph M. Brown Act.

1. ROLL CALL

Chair Justin Cummings called the meeting of the Local Agency Formation Commission of Santa Cruz County (LAFCO) to order at 9:00 a.m. and welcomed everyone in attendance. He asked the Commission Clerk to conduct roll call.

The following Commissioners were present:

- Chair Justin Cummings
- Vice-Chair Rachél Lather
- Commissioner Jim Anderson
- Commissioner Roger Anderson
- Commissioner Ryan Coonerty
- Commissioner Francisco Estrada
- Commissioner Zach Friend
- Alternate Commissioner Ed Banks
- Alternate Commissioner Yvette Brooks
- Alternate Commissioner John Hunt

The following LAFCO staff members were present:

- Executive Officer Joe Serrano
- Commission Clerk Chris Carpenter
- Legal Counsel Daniel Zazueta

2. EXECUTIVE OFFICER'S MESSAGE

Executive Officer Joe Serrano announced that the Commission meeting is being conducted virtually through the Zoom Webinar platform and participation by Commissioners and staff are from remote locations. Members of the public have complete access to the meeting by phone or online.

3. ADOPTION OF MINUTES

Chair Justin Cummings requested public comments on the draft minutes. **Executive Officer Joe Serrano** noted no public comments were received. **Chair Justin Cummings** closed public comments.

Chair Justin Cummings called for the approval of the draft minutes. **Commissioner Jim Anderson** motioned for approval of the April 7th Meeting Minutes and **Commissioner Roger Anderson** seconded the motion.

Chair Justin Cummings called for a roll call vote on the approval of the draft minutes with no changes. **Commission Clerk Chris Carpenter** conducted a roll call vote on the item.

MOTION: Jim Anderson
SECOND: Roger Anderson
FOR: Jim Anderson, Roger Anderson, Ryan Coonerty,
Justin Cummings, Francisco Estrada, Zach Friend, Rachél Lather
AGAINST: None
ABSTAIN: None

MOTION PASSED: 7-0

4. ORAL COMMUNICATIONS

Chair Justin Cummings requested public comments on any non-agenda items. **Executive Officer Joe Serrano** noted no public comments were received. **Chair Justin Cummings** closed public comments.

5. PUBLIC HEARINGS

Chair Justin Cummings indicated that there are two public hearing items for Commission consideration today.

5a. "Service and Sphere Review for Scotts Valley Water District"

Chair Justin Cummings requested staff to provide a presentation on the draft version of the service and sphere review.

Executive Officer Joe Serrano noted that this is one of four service and sphere reviews scheduled this year for Commission consideration. Mr. Serrano explained that Scotts Valley Water District was originally formed in 1961 and currently serves water to approximately 12,000 people through an integrated system of groundwater wells,

treatment plants, pump stations, storage tanks, and a reclamation facility. The District also adopts a capital improvement plan each year, maintains a transparent website, and has been financially healthy over the past several years. Mr. Serrano pointed out that the City of Scotts Valley receives water primarily from Scotts Valley Water District but also from San Lorenzo Valley Water District for a small portion of the City. It may be beneficial for LAFCO, the City, and the two water districts to determine whether it would be more efficient to the residents to have only one water provider. He informed the Commission that the current sphere needs an update to reflect the eight unserved areas immediately adjacent to the District's jurisdictional boundary and the areas already being served by Scotts Valley Water District. LAFCO staff is recommending that the current sphere be expanded to include these areas.

Chair Justin Cummings requested public comments on the draft service and sphere review. **Executive Officer Joe Serrano** noted that the District's General Manager, Piret Harmon, is in attendance and has requested to speak.

General Manager Piret Harmon extended her appreciation to LAFCO staff for producing a thorough analysis of their water district. Ms. Harmon believes that this report will be a valuable tool for her board, staff, and constituents to better understand the District's role in the Scotts Valley community.

There were no further requests to address the Commission from the public. **Chair Justin Cummings** closed public comments.

Chair Justin Cummings called for Commission comments on the report.

Commissioner Rachél Lather had a question about the LAFCO process if Scotts Valley Water District became the only water provider for the City of Scotts Valley. **Executive Officer Joe Serrano** explained that if both water districts supported the change, then an application for a reorganization would be required. A reorganization would detach the portion of the City served by San Lorenzo Valley Water District and concurrently annexed into Scotts Valley Water District. If the proposal is approved by the Commission, then Scotts Valley Water District would be the only water provider to the City of Scotts Valley as a result of the reorganization.

Commissioner Roger Anderson was overall pleased with the report but would have preferred more information about the District's aquifer, which is a critical component in their water supply. **General Manager Piret Harmon** informed the Commission that there are reports about the District's aquifer available on their website. **Executive Officer Joe Serrano** explained that the service and sphere review was created not only to fulfill the statutory requirement but to offer a detailed evaluation of the entire governance and operation of the District.

Chair Justin Cummings asked staff if there is an update on the water consolidation effort between Scotts Valley and San Lorenzo Valley Water Districts. **Executive Officer Joe Serrano** informed the Commission that the two water districts recently analyzed the benefits and constraints regarding consolidation. This analysis will be presented to San Lorenzo Valley Water District Board at their next meeting (May 20, 2021). LAFCO staff will provide an update on the consolidation effort at the next regularly scheduled LAFCO meeting (June 2, 2021).

Chair Justin Cummings noted no further Commission discussion and called for a roll call vote on the approval of the service and sphere review based on staff's recommendation: **Find that the report is exempt from CEQA; Determine that the report fulfills the requirements under Government Code Sections 56425 and 56430, and Adopt the draft resolution (No. 2021-11) approving the 2021 Service and Sphere of Influence Review for Scotts Valley Water District.**

Commission Clerk Chris Carpenter conducted a roll call vote on the item.

MOTION: Jim Anderson
SECOND: Rachél Lather
FOR: Jim Anderson, Roger Anderson, Ryan Coonerty,
Justin Cummings, Francisco Estrada, Zach Friend, Rachél Lather
AGAINST: None
ABSTAIN: None

MOTION PASSED: 7-0

6. OTHER BUSINESS

Chair Justin Cummings indicated that there are two business items for Commission consideration today.

6a. Special Districts Regular & Alternate Seats – 2021 Election Results

Chair Justin Cummings requested staff to provide a presentation on the results of the election process for the vacancies on LAFCO and the Santa Cruz County Consolidated Redevelopment Successor Agency Oversight Board ("COB").

Executive Officer Joe Serrano noted that the Commission was initially informed about the selection results back in March. Calls for applications were conducted earlier in the year and the number applications equaled the number of vacant seats on both LAFCO and the COB. In accordance with state law, if this occurs then the applicants are selected in lieu of an election. As a result, Jim Anderson and Ed Banks have been appointed on LAFCO and on the COB. Today the Commission is simply certifying the selection results by adopting the two resolutions.

Chair Justin Cummings requested public comments on the selection results. **Executive Officer Joe Serrano** noted no public comments were received. **Chair Justin Cummings** closed public comments.

Chair Justin Cummings called for Commission comments on the selection results. The Commission did not have any questions for staff on this item.

Chair Justin Cummings called for a roll call vote to certify the results based on staff's recommendation: **Adopt the draft resolutions (No. 2021-12 and 2021-13) certifying the results of the recent election process.**

Commission Clerk Chris Carpenter conducted a roll call vote on the item.

MOTION: Ryan Coonerty
SECOND: Roger Anderson
FOR: Jim Anderson, Roger Anderson, Ryan Coonerty,
Justin Cummings, Francisco Estrada, Zach Friend, Rachél Lather
AGAINST: None
ABSTAIN: None

MOTION PASSED: 7-0

6b. Comprehensive Quarterly Report – Third Quarter (FY 2020-21)

Chair Justin Cummings requested staff to provide a presentation on the quarterly report.

Executive Officer Joe Serrano noted that this report is meant to keep the Commission informed about all LAFCO-related activities, including the status of active proposals, the schedule of upcoming service reviews, the current financial performance of LAFCO's adopted budget, and other projects. Mr. Serrano covered these areas and indicated that the Commission's budget is doing well with over 100% of anticipated revenues already received and only approximately 51% of anticipated expenses incurred.

Chair Justin Cummings requested public comments on the quarterly report.

Becky Steinbruner extended her appreciation for LAFCO staff's productivity and the quality level of analysis found in recent reports.

Executive Officer Joe Serrano noted no further public comments were received. **Chair Justin Cummings** closed public comments.

Chair Justin Cummings called for Commission comments on the quarterly report. There were no comments or questions from the Commission. **Chair Justin Cummings** moved to the next item since no Commission action was required.

7. WRITTEN CORRESPONDENCE

Chair Justin Cummings inquired whether there was any written correspondence submitted to LAFCO. **Executive Officer Joe Serrano** indicated that there were none received. **Chair Justin Cummings** moved to the next item since no Commission action was required.

8. PRESS ARTICLES

Executive Officer Joe Serrano indicated that this item highlights LAFCO-related articles recently circulated in local newspapers. **Chair Justin Cummings** moved to the next item since no Commission action was required.

9. COMMISSIONERS' BUSINESS

Chair Justin Cummings inquired whether any Commissioner would like to share any information. There were no comments. **Chair Justin Cummings** moved to the next item since no Commission action was required.

10. LEGAL COUNSEL'S REPORT

Legal Counsel Daniel Zazueta indicated that there was nothing to report. **Chair Justin Cummings** moved to the next item since no Commission action was required.

11. CLOSED SESSION

Chair Justin Cummings noted that pursuant to state law, closed session may be held in accordance with the Government Code Section 54950 ("Brown Act"). Prior to the closed session, the public is invited to address the Commission regarding the closed session items.

Chair Justin Cummings requested public comments prior to entering the closed session. **Becky Steinbruner** inquired about the purpose of the closed session. **Legal Counsel Daniel Zazueta** noted that LAFCO could not share such information at this time. There were no further comments. **Chair Justin Cummings** requested that all Commissioners leave the regular meeting on Zoom and enter the closed session via conference call.

12. ANNOUNCEMENTS FROM CLOSED SESSION

Chair Justin Cummings deferred to Legal Counsel for any reportable actions. **Legal Counsel Daniel Zazueta** indicated that there were no reportable actions from the closed session.

13. ADJOURNMENT

Chair Justin Cummings adjourned the Regular Commission Meeting at 10:46 a.m. to the next regular LAFCO meeting scheduled for Wednesday, June 2, 2021 at 9:00 a.m.

JUSTIN CUMMINGS, CHAIRPERSON

Attest:

JOE A. SERRANO, EXECUTIVE OFFICER



Santa Cruz Local Agency Formation Commission

Date: June 2, 2021
To: LAFCO Commissioners
From: Joe Serrano, Executive Officer
Subject: **Final Budget for Fiscal Year 2021-22**

SUMMARY OF RECOMMENDATION

State law requires that LAFCO adopt a final budget by June 15. LAFCO staff advertised a public notice for the June 2nd LAFCO Meeting in order for the Commission to consider the final budget. This report will provide an overview of the FY 2021-22 Final Budget, totaling \$641,850, for Commission consideration and approval.

It is recommended that the Commission take the following actions:

1. Adopt the draft resolution (LAFCO No. 2021-14) approving the final budget for Fiscal Year 2021-22;
 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 2021; and
 3. Provide any additional direction to staff.
-

EXECUTIVE OFFICER'S REPORT:

On April 7, 2021, the Commission adopted a draft budget for Fiscal Year 2021-22. Afterwards, the draft budget and proposed allocations were distributed to each of the funding agencies for review and comment. The deadline to submit comments was Friday, May 14. No formal comments were received. The proposed budget and the funding agencies' allocation breakdown are shown in **Attachments 1 and 2**.

Overall Budget Reduction

Staff believes that the primary reason why LAFCO did not receive any opposition or comments from our funding agencies was due to the overall reduction in the proposed budget. This was made possible by LAFCO's in-depth evaluation of most budgetary expenses. Since 2019, LAFCO annual budgets have been developed based on historical data rather than general assumptions. This approach has led to a more accurate depiction of the Commission's expenses. While all budget line items have been reviewed, there are two significant expenses that need further analysis: Legal Services and Data Services. Historically, the County of Santa Cruz has been providing these services to LAFCO. **Table A** shows the annual costs for these two budget line items over the past several years. It may be beneficial to determine whether the status quo or an alternative provider would be more advantageous for LAFCO going forward. This would be consistent to LAFCO's review of all other vendors within the last two years.

Table A: Data & Legal Services Provided by the County (Annual Costs)

	FY 15-16 (Actual)	FY 16-17 (Actual)	FY 17-18 (Actual)	FY 18-19 (Actual)	FY 19-20 (Actual)
Data Services	\$15,297	\$13,326	\$12,425	\$14,799	\$11,870
Legal Services	\$10,487	\$8,250	\$11,375	\$10,625	\$9,438

Conclusion

Staff believes that the reduced budget for FY 2021-22 addresses the anticipated expenses while also recognizing the fiscal constraints our funding agencies are currently facing at this time. LAFCO staff will continue to search for ways to maximize funds by evaluating existing costs. In the interim, staff is recommending that the Commission adopt the resolution (refer to **Attachment 3**) approving the final budget for FY 2021-22 and authorize the Executive Officer to request the Auditor-Controller's Office to distribute the final budget and apportionment amount to each funding agency by July 2021. The Commission may also direct staff to complete other tasks in relation to expenditures outlined in this budget or future budgets.

Respectfully Submitted,



Joe A. Serrano
Executive Officer

Attachments:

1. FY 2021-22 Final Budget
2. FY 2021-22 Apportionments for Funding Agencies
3. Draft Resolution (LAFCO No. 2021-14)

cc: County of Santa Cruz (Board of Supervisors, Auditor-Controller, and CAO)
Cities (Capitola, Santa Cruz, Scotts Valley, and Watsonville)
Independent Special Districts (22 in total)

FISCAL YEAR 2021-22	FY 20-21 Adopted Budget	FY 21-22 Final Budget	Budget Variance (\$)	Budget Variance (%)
REVENUE DESCRIPTION				
Interest	\$ 6,000	\$ 3,000	\$ (3,000)	-50%
Funding Agencies' Apportionments	\$ 399,300	\$ 399,300	\$ -	0%
LAFCO Processing Fees	\$ -	\$ -	\$ -	-
Medical Charges-Employee	\$ -	\$ -	\$ -	-
Copy Charges	\$ -	\$ -	\$ -	-
Unreserved Fund Balance	\$ 251,800	\$ 239,550	\$ (12,250)	-5%
TOTAL REVENUES	\$ 657,100	\$ 641,850	\$ (15,250)	-2%
EXPENDITURE DESCRIPTION				
Regular Pay	\$ 245,400	\$ 220,000	\$ (25,400)	-10%
Overtime Pay	\$ 1,000	\$ -	\$ (1,000)	-100%
Extra Help	\$ 1,000	\$ -	\$ (1,000)	-100%
Sick Leave	\$ 1,000	\$ 1,000	\$ -	0%
Holiday Pay	\$ 10,100	\$ 10,000	\$ (100)	-1%
Social Security	\$ 18,200	\$ 18,000	\$ (200)	-1%
PERS	\$ 59,800	\$ 68,000	\$ 8,200	14%
Insurances	\$ 50,500	\$ 50,000	\$ (500)	-1%
Unemployment	\$ 400	\$ 450	\$ 50	13%
Workers Comp	\$ 1,000	\$ 1,000	\$ -	0%
Salaries Sub-total	\$ 388,400	\$ 368,450	\$ (19,950)	-5%
Telecom	\$ 2,000	\$ 2,000	\$ -	0%
Office Equipment	\$ 200	\$ 200	\$ -	0%
Memberships	\$ 6,400	\$ 7,500	\$ 1,100	17%
Hardware	\$ 300	\$ 300	\$ -	0%
Duplicating	\$ 1,600	\$ 1,000	\$ (600)	-38%
PC Software	\$ 600	\$ 600	\$ -	0%
Postage	\$ 1,000	\$ 800	\$ (200)	-20%
Subscriptions	\$ 500	\$ 500	\$ -	0%
Supplies	\$ 1,000	\$ 1,000	\$ -	0%
Accounting	\$ 1,500	\$ 1,500	\$ -	0%
Attorney	\$ 150,000	\$ 150,000	\$ -	0%
Data Service	\$ 10,000	\$ 12,000	\$ 2,000	20%
Director Fees	\$ 6,000	\$ 6,000	\$ -	0%
Surveyor	\$ 1,000	\$ -	\$ (1,000)	-100%
Prof. Services	\$ 50,000	\$ 50,000	\$ -	0%
Legal Notices	\$ 1,700	\$ 7,000	\$ 5,300	312%
Rents	\$ 9,000	\$ 9,000	\$ -	0%
Misc. Expenses	\$ 6,000	\$ 5,000	\$ (1,000)	-17%
Books	\$ 200	\$ -	\$ (200)	-100%
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	\$ 500	\$ (100)	-17%
Mileage	\$ 3,000	\$ 3,000	\$ -	0%
Travel-Other	\$ 500	\$ 300	\$ (200)	-40%
Registrations	\$ 5,400	\$ 5,000	\$ (400)	-7%
Supplies Sub-total	\$ 268,700	\$ 273,400	\$ 4,700	2%
TOTAL EXPENDITURES	\$ 657,100	\$ 641,850	\$ (15,250)	-2%

Description	Operating Revenue	Non-Operating Revenue	Apportionment Basis			Calculate Proportionate Share	Fee Percentage Projection	Auditor Administration Costs	Total
			Revenue latest Published State Controller's Report	Deduct Intergovernmental	Total less Intergovernmental				
LAFCO Total 2021-2022 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 2018-2019 Cities Annual Report			133,100						
City of Capitola			23,159,024	(683,102)	22,475,922	7,246.49	1.815%	45.37	7,291.86
City of Santa Cruz			249,325,135	(3,946,018)	245,379,117	79,113.03	19.813%	495.32	79,608.35
City of Scotts Valley			21,233,769	(1,811,074)	19,422,695	6,262.10	1.568%	39.21	6,301.31
City of Watsonville			128,296,210	(2,747,376)	125,548,834	40,478.38	10.137%	253.43	40,731.81
			422,014,138	(9,187,570)	412,826,568	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			1,875	0	1,875	2.24	0.001%	0.01	2.25
Aptos/La Selva Fire Protection (1)			13,438,817	(481,631)	12,957,186	15,502.18	3.882%	97.06	15,599.24
Ben Lomond Fire Protection			983,629	(5,084)	978,545	1,170.75	0.293%	7.33	1,178.08
Boulder Creek Fire Protection			1,288,757	(5,679)	1,283,078	1,535.09	0.384%	9.61	1,544.70
Boulder Creek Park & Rec			532,245	(1,250)	530,995	635.29	0.159%	3.98	639.27
Branciforte Fire Protection			1,298,895	(326,972)	971,923	1,162.82	0.291%	7.28	1,170.10
Central Santa Cruz County Fire Protection (1)			19,821,510	(640,446)	19,181,064	22,948.52	5.747%	143.68	23,092.20
Felton Fire Protection			907,632	(15,312)	892,320	1,067.59	0.267%	6.68	1,074.27
La Selva Beach Park & Rec			196,466	(4,671)	191,795	229.47	0.057%	1.44	230.91
Opal Cliffs Park & Rec			28,072	(22)	28,050	33.56	0.008%	0.21	33.77
Pajaro Valley Fire Protection			2,114,748	(10,141)	2,104,607	2,517.98	0.631%	15.76	2,533.74
Pajaro Valley Public Cemetery			1,380,357	(4,056)	1,376,301	1,646.63	0.412%	10.31	1,656.94
Pajaro Valley Water Management Agency			12,829,097	(85,070)	12,744,027	15,247.15	3.818%	95.46	15,342.61
Reclamation District 2049			47,606	0	47,606	56.96	0.014%	0.36	57.32
Santa Cruz County Resource Conserv.			2,190,238	(1,126,386)	1,063,852	1,272.81	0.319%	7.97	1,280.78
Scotts Valley Fire Protection			8,368,608	(930,564)	7,438,044	8,898.99	2.229%	55.72	8,954.71
Zayante Fire Protection			830,502	(291,320)	539,182	645.09	0.162%	4.04	649.13
Non-Enterprise Subtotal			66,259,054	(3,928,604)	62,330,450	74,573.12	18.676%	466.90	75,040.02
Enterprise - Operating plus Non-Operating Revenue	Operating Revenue	Non-Operating Revenue	Total Revenue						
Central Santa Cruz County Water	1,011,380	153,483	1,164,863	(679)	1,164,184	1,392.85	0.349%	8.72	1,401.57
Salsipuedes Sanitary	390,457	51,093	441,550	(126)	441,424	528.13	0.132%	3.31	531.44
San Lorenzo Valley County Water (2)	10,130,799	1,261,847	11,392,646	(4,282)	11,388,364	13,625.22	3.412%	85.31	13,710.53
Santa Cruz Port District	9,211,327	1,004,085	10,215,412	(572,896)	9,642,516	11,536.46	2.889%	72.23	11,608.69
Scotts Valley County Water	6,025,665	1,073,888	7,099,553	(5,145)	7,094,408	8,487.86	2.126%	53.14	8,541.00
Soquel Creek Water District	18,563,912	623,701	19,187,613	0	19,187,613	22,956.36	5.749%	143.73	23,100.09
Enterprise Subtotal	49,501,637		(583,128)		48,918,509	58,526.88	14.657%	366.44	58,893.32
Special District Total	115,760,691		(4,511,732)		111,248,959	133,100.00	33.333%	833.34	133,933.34
Grand total						399,300.00	100.000%	2,500.00	401,800.00

Footnotes:

(1) Aptos/La Selva FPD & Central FPD Consolidated in Feb 2021; payment request of \$38,691.44 will be sent to Central Fire District of Santa Cruz County

(2) Includes SLV Water, SLV Waste, and Lompico Water

LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY
RESOLUTION NO. 2021-14

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 2021-22

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 2021-22; and

WHEREAS, the proposed budget was advertised in the Santa Cruz Sentinel Newspaper on March 16 for consideration at the April 7th LAFCO Meeting; and

WHEREAS, the Commission heard and fully considered all the evidence on a draft budget during a public hearing held on April 7, 2021; 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 did not receive any formal written correspondence from the funding agencies regarding the draft budget or the proposed apportionment amount; and

WHEREAS, the final budget was advertised in the Santa Cruz Sentinel Newspaper on May 12 for consideration at the June 2nd LAFCO Meeting; and

WHEREAS, the Commission heard and fully considered all the evidence on a final budget during a public hearing held on June 2, 2021; and

WHEREAS, the draft and final budget will allow the Commission to fulfill the programs and purposes of the Cortese-Knox-Hertzberg Act because it will allow the Commission to prepare the state-mandated service reviews in a timely manner; and

NOW, THEREFORE, BE IT RESOLVED, the Commission hereby adopts a final budget for the fiscal year beginning July 1, 2021 in the amount of \$641,850 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 2nd day of June 2021.

AYES:

NOES:

ABSENT:

JUSTIN CUMMINGS, CHAIRPERSON

Attest:

Approved as to form:

Joe A. Serrano
Executive Officer

Daniel H. Zazueta
LAFCO Counsel



Santa Cruz Local Agency Formation Commission

Date: June 2, 2021
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. LAFCO's current side fund balance is approximately \$81,000. 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. In June 2020, the Commission directed staff to complete an additional one-time payment of \$10,000 in accordance with the adopted payment schedule. Under this ongoing effort, staff projects that the side fund balance will be fully paid by 2024. The Commission currently has approximately \$360,000 in LAFCO's fund balance and \$121,000 is unrestricted funds – the remaining funds are earmarked to balance the upcoming budget for FY 2021-22. 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,'. The signature is stylized and appears to be 'JS' followed by a flourish.

Joe A. Serrano
Executive Officer

Attachment:

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



Santa Cruz Local Agency Formation Commission

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.

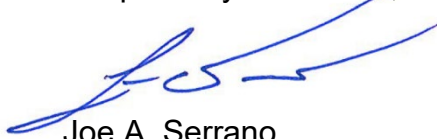
	Scenario 1: Without Additional Payments	Scenario 2: With Additional Payments	Difference (\$)
Total Minimum Payments	\$186,180.96	\$64,150.93	\$122,030.02
Total Lump-Sum Payments	<u>\$0.00</u>	<u>\$68,966.03</u>	<u>-\$68,966.03</u>
Total Amount	\$186,180.96	\$133,116.96	\$53,063.99

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 2, 2021
To: LAFCO Commissioners
From: Joe Serrano, Executive Officer
Subject: **Educational Workshops**

SUMMARY OF RECOMMENDATION

The California Special Districts Association (CSDA) is a not-for-profit association that was formed in 1969 to promote good governance for all types of independent special districts. CSDA and LAFCO have a common goal in advocating the highest level of transparency and accountability for public agencies, specifically the 22 independent special districts in Santa Cruz County. LAFCO staff believes it would be beneficial to host educational workshops with CSDA as an opportunity for special districts to jointly explore solutions to common issues, share best practices, learn about current and new legislation, and understand the rules and regulations that govern their board and staff members.

It is recommended that the Commission direct LAFCO staff to coordinate with CSDA to conduct educational workshops for local agencies within Santa Cruz County.

EXECUTIVE OFFICER'S REPORT:

CSDA provides an array of resources to all independent special district members including education and training, insurance programs, legal advice, industry-wide litigation and public relations support, legislative advocacy, capital improvement and equipment funding, collateral design services, and current information that is crucial to a special district's management and operational effectiveness. As the Commission continues to analyze public agencies as part of the current round of service reviews, it is evident that some special districts are currently facing various issues, such as lack of staffing, financial constraints, board member vacancies, inefficient public participation, website requirements, and/or legislative awareness. For these reasons, LAFCO sees value in forming a strategic partnership with CSDA to facilitate one or more educational workshops tailored to special districts. Rather than identifying districts that need to be dissolved or reorganized due to inefficiency following the completion of a service review, it may be advantageous to minimize or better yet prevent the problems that cause agencies to become distressed.

Independent Special Districts

At present, Santa Cruz County has 22 independent special districts that provide various services including water, sewer, fire protection, park & recreation, and cemetery services. Any independent special district in the State can utilize the resources offered by CSDA. However, only 8 out of the 22 districts in Santa Cruz County are CSDA members – which represents about 36% of all districts countywide. **Table A** on page 2 shows which special districts are CSDA members. Non-members, especially distressed districts, would benefit the most from these proposed educational workshops.

Table A: List of Independent Special Districts in Santa Cruz County

Independent Special District Selection Committee Members	CSDA Members	CSDA Non-Members
1. Alba Recreation & Park District		X
2. Ben Lomond Fire Protection District		X
3. Boulder Creek Fire Protection District		X
4. Boulder Creek Recreation & Park		X
5. Branciforte Fire Protection District		X
6. Central Fire District		X
7. Central Water District		X
8. Felton Fire Protection District		X
9. La Selva Recreation & Park District	X	
10. Opal Cliffs Recreation District		X
11. Pajaro Valley Fire Protection District		X
12. Pajaro Valley Public Cemetery District		X
13. Pajaro Valley Water Management Agency	X	
14. Reclamation District 2049 (College Lake)	X	
15. Resource Conservation District	X	
16. Salsipuedes Sanitary District		X
17. San Lorenzo Valley Water District	X	
18. Santa Cruz Port District	X	
19. Scotts Valley Fire Protection District		X
20. Scotts Valley Water District		X
21. Soquel Creek Water District	X	
22. Zayante Fire Protection District	X	
Total Number (#)	8	14
Total Percentage (%)	36%	64%

Independent Special District Selection Committee

All 22 independent special districts in Santa Cruz County are members of the Independent Special District Selection Committee. This committee is responsible for addressing any vacancies on governmental boards that have special district representation, such as LAFCO. While the group has a significant role in the county, the voting process has typically occurred remotely and it is LAFCO's understanding that a joint meeting (virtual or in-person) has not occurred in years. This committee has untapped potential based on the synergy and collective knowledge utilized by other special district groups found in counties throughout the State. Hosting one or a series of educational workshops may lead to this committee forming stronger working relationships, jointly identifying new solutions to common problems, and perhaps conducting regular committee meetings in the future.

Educational Workshop

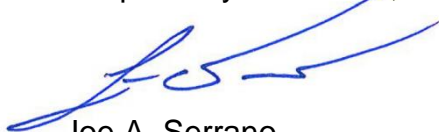
The first educational workshop is tentatively scheduled for Wednesday, August 11, 2021 and will be free to District board members and staff. The two-hour session will focus on the essential best practices of serving as a board member or trustee of a special district. Categories that will be covered include:

- Roles of board members and staff;
- Policies and procedures districts should consider ensuring effective governance;
- General ethics principles related to special districts; and
- Overview of the laws affecting special districts.

Conclusion

Under this strategic partnership, CSDA will provide the guest speakers, will host the session on its Zoom account, will coordinate and supply any handouts or materials, and will help promote the workshop. LAFCO will also help coordinate and promote the event. Additionally, LAFCO will cover all registration charges, totaling \$1,250, in order for the workshop to be free to District attendees. That is why LAFCO staff is recommending that the Commission discuss and approve this collaborative effort between LAFCO and CSDA. The goal of this workshop is to facilitate discussion and hopefully trigger improvements within a District's operation and governance structure. If successful, this may lead to future workshops or even routine stakeholder meetings with representatives from our local districts.

Respectfully Submitted,



Joe A. Serrano
Executive Officer

Attachment:

1) First Workshop Outline – Potential Topic & Cost



**California Special
Districts Association**
Districts Stronger Together

CSDA and LAFCO of Santa Cruz County Professional Development Opportunity

Proposal: 1 virtual workshop (2 hours): **Board Member Best Practices**
This fast paced and informative session covers all of the essential best practices of serving as a board member or trustee of a special district: the roles of board members and staff, policies and procedures your district should consider to ensure effective governance, general ethics principles related to special districts including an overview of the laws affecting special districts.

Term: July or August 2021

Details: CSDA would provide one trained, experienced faculty member to deliver the curriculum (up to 2 hours) exclusively for district board members and staff in Santa Cruz County (district attendees would pay no fee – all registration charges covered by LAFCO of Santa Cruz County)
CSDA would deliver a comprehensive and professional Power Point Presentation for use by our faculty member
CSDA would host training on its Zoom account
CSDA would coordinate and supply electronic handouts / workbook materials for each attendee
CSDA would coordinate attendee registration
CSDA would provide electronic certificates where applicable
CSDA would provide registration link for distribution by LAFCO of Santa Cruz County in at least one communication to its district contacts
CSDA would distribute registration link in at least one e-blast to its contacts in Santa Cruz County
CSDA and LAFCO of Santa Cruz County would be listed as co-sponsors of the event

Payment: LAFCO of Santa Cruz County to pay CSDA a total of \$1,250 to cover registration costs for attendees. Payment is due no later than July 1, 2021.

Acceptance:

LAFCO of Santa Cruz County Representative

California Special Districts Association Representative



Santa Cruz Local Agency Formation Commission

Date: June 2, 2021
To: LAFCO Commissioners
From: Joe Serrano, Executive Officer
Subject: **UCSC Long Range Development Plan – LAFCO Comment Letter**

SUMMARY OF RECOMMENDATION

The University of California, Santa Cruz (“UCSC”) continues to work on its new Long Range Development Plan for 2020-2040. Under this plan, UCSC has identified the City of Santa Cruz as the water and sewer service provider to the proposed development areas located within and outside the City limits. Pursuant to State law, LAFCO action is required before the City can provide municipal services to the unincorporated campus area. There is currently a lawsuit between the City and UCSC regarding the delivery of these services.

It is recommended that the Commission discuss and approve the proposed comment letter regarding the University’s Long Range Development Plan and the delivery of municipal services to the proposed development areas outside the City of Santa Cruz.

EXECUTIVE OFFICER’S REPORT:

A new Long Range Development Plan (“LRDP”) has been created by the University to help guide the physical development and land use within the campus boundary. The University is self-governing for planning, and the LRDP is equivalent to a general plan developed by a county or city. The proposed LRDP estimates that the campus population will reach 28,000 full-time students, with an additional 5,000 full-time faculty and staff in the foreseeable future. To accommodate the projected increase in campus population, the LRDP proposes to add 8,500 student housing beds, up to 550 employee housing units, and approximately 2.8 million assignable square feet (ASF) of academic and administrative building space.

Proposed Development Sites

The majority of the proposed developments are located within the City of Santa Cruz. However, LAFCO has identified five (5) development projects that are located outside the City’s jurisdictional and sphere boundaries, as shown in **Attachment 1**. Since the delivery of municipal services from a City to an unincorporated area is subject to LAFCO’s approval in accordance with the Cortese-Knox-Hertzberg Act, the Commission submitted a letter on February 3, 2021 as a responsible agency under the California Environmental Quality Act (see **Attachment 2**). This letter reiterated the statutory requirements and identified possible solutions for the University to consider as it moves forward with its LRDP.

Current Lawsuit

As previously discussed, the LRDP's development sites include areas that are outside the City's current jurisdictional and sphere boundaries and would therefore be subject to future LAFCO approval in order to receive municipal services. However, the University has brought a lawsuit against the City of Santa Cruz in an effort to secure water and sewer service to its proposed campus expansion without LAFCO action.

The University believes that the entire campus, existing and proposed, is entitled to water and sewer services from the City through a 1962 Contractual Agreement and subsequent 1965 Contractual Agreement (collectively, the "Contractual Agreements"). At present, the entire campus includes approximately 2,000 acres. 1,059.60 acres are within the City of Santa Cruz, and the remaining 979.96 acres are located in unincorporated county territory, as shown in the attached map. It is LAFCO staff's understanding that the City has been providing municipal services to the campus within the City limits as part of the Contractual Agreements.

Past Lawsuit (2006)

In a similar lawsuit filed by the University against the City in 2006, the University argued that the Contractual Agreements allowed the City to provide municipal services to the entire campus, irrespective of any future development outside City limits and without the need for LAFCO's approval. This position was challenged during the University's introduction of their 2005 LRDP. Ultimately, the Sixth District Court of Appeal affirmed that the University needed LAFCO's approval for services delivered outside the City.

As a result of the ruling and a settlement agreement reached by the parties ("Comprehensive Settlement Agreement"), the University submitted an application for an extraterritorial service agreement in October 2008 for proposed developments outside the City limits. The City also submitted an application for a concurrent sphere amendment during the same timeframe. Both applications remained inactive for over a decade. The Commission officially terminated both applications in September 2020 due to inactivity and lack of progress from the applicants.

Additional LAFCO Comment Letter

LAFCO staff understands that the Comprehensive Settlement Agreement was reached with respect to the 2005 LRDP. However, the fundamental issue about LAFCO's approval for services delivered outside an agency's jurisdictional limits is still the primary matter. The issue is not whether the University is subject to LAFCO law, but the fact that the City is subject to LAFCO's approval process should it choose to provide services to an area currently outside its limits. State law is clear that an agency (city or district) must get LAFCO approval to service an area outside its jurisdiction – whether it is a single landowner, a community with multiple parcels, a business, or in this case, the University of California.

Based on this ongoing discussion and current lawsuit, staff believes that it may be beneficial for this Commission to consider sending an additional letter indicating LAFCO's position on two areas: (1) our position on being included in the lawsuit, and (2) the clarification that LAFCO's approval is needed for the extension of services outside the

City limits of Santa Cruz. This letter will also illustrate LAFCO's statutory obligations towards a potential annexation or an extraterritorial service agreement should the City or University submit an application for LAFCO action.

Conclusion

The City of Santa Cruz may extend its services by either annexing the area or receiving an extraterritorial service agreement with the condition that the areas be annexed at a later date. LAFCO staff's preliminary analysis determines that the five (5) development projects outside the City of Santa Cruz under the 2020 LRDP may not pose major issues in accordance with the Cortese-Knox-Hertzberg Act, and therefore, LAFCO approval towards annexation and/or an extraterritorial service agreement seems possible should the City desire to provide such services to the University. That being said, a thorough evaluation is needed before LAFCO staff can produce any official recommendation. This type of analysis is conducted once an application is submitted. In the interim, LAFCO staff is recommending that the Commission discuss and approve the attached letter for distribution (refer to **Attachment 3**).

Respectfully Submitted,

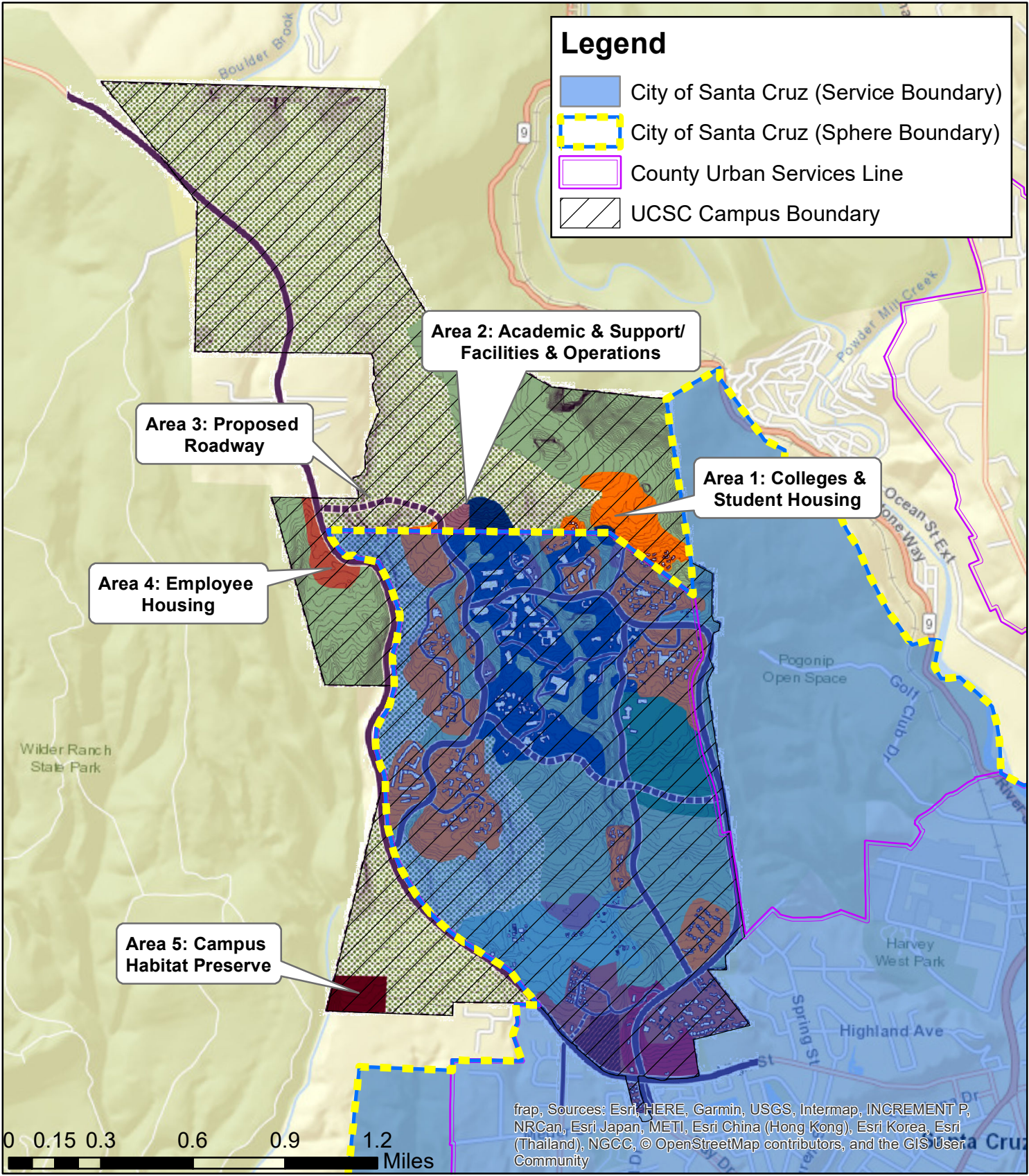


Joe A. Serrano
Executive Officer

Attachments:

1. Vicinity Map
2. LAFCO Comment Letter regarding Draft EIR (dated February 3, 2021)
3. LAFCO Comment Letter regarding current lawsuit (draft version)

cc: Donna Meyers, Mayor, City of Santa Cruz
Cynthia K. Larive, Chancellor, UCSC



UCSC Campus Boundary in relations to the City of Santa Cruz's Service and Sphere Boundaries



February 3, 2021

Erika Carpenter, Senior Environmental Planner
Physical Planning, Development, and Operations
University of California, Santa Cruz
1156 High Street
Santa Cruz, California 95064

RE: Draft Environmental Impact Report for the Proposed UC Santa Cruz Long Range Development Plan

Dear Ms. Carpenter:

Thank you for this opportunity to comment on the Draft Environmental Impact Report (“EIR”) for the University’s Long Range Development Plan (“LRDP”), which is expected to replace the current version that was established back in 2005. The proposed 2021 LRDP envisions adding 8,500 student housing beds, up to 550 employee housing units, and approximately 3.1 million assignable square feet of academic and administrative building space. These developments are scheduled to be built within the campus area. However, it appears that five development projects are located outside the City of Santa Cruz’s jurisdictional and sphere boundaries (refer to attached ***Vicinity Map***). These boundaries are designated by the Local Agency Formation Commission of Santa Cruz County (“LAFCO”). Pursuant to State law, development of currently unincorporated territory would be subject to LAFCO’s approval for the delivery of municipal services, such as water, at a future date.

Under the California Environmental Quality Act (“CEQA”), LAFCO is a Responsible Agency for this proposal, and will have regulatory authority towards future applications involving boundary changes for the delivery of municipal services. It is in this role that LAFCO is commenting on the Draft EIR.

Comments on Scope of the Draft Environmental Impact Report:

1. Conformance to State LAFCO Law and Locally Adopted LAFCO Policies

(Please provide an analysis in the Draft EIR)

LAFCO’s statutory authority is derived from the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Section 56000, et seq.). Among LAFCO’s purposes are: discouraging urban sprawl, preserving open space and prime agricultural lands, efficiently providing government services, and encouraging the orderly formation and development of local agencies based upon local conditions and circumstances (Government Code Section 56301). The Cortese-Knox-Hertzberg Act identifies factors that must be considered, and determinations that must be made, as part of LAFCO’s review of boundary changes requesting the delivery of municipal services.

These state law provisions provide the statutory basis for LAFCO's locally adopted Policies and Procedures Relating to Spheres of Influence and Changes of Organization and Reorganization ("LAFCO Policies") which guide LAFCO's review and consideration of requests for annexation and other boundary changes. The full text of the LAFCO Policies is available on LAFCO's web site: <https://www.santacruzlafco.org/policies-rules/>.

If the LRDP is approved, LAFCO will likely be requested to consider the approval of one or more applications requesting the delivery of municipal services for any of the five development projects located within unincorporated territory, in accordance with the Cortese-Knox-Hertzberg Act and local LAFCO policies. As a CEQA Responsible Agency, LAFCO would like to use the University's environmental document to fulfill CEQA clearance for such applications, and to support the evaluation of the proposal's consistency with the applicable LAFCO laws and policies, including the "LAFCO Water Policies" and "Standards for Evaluating Proposals." Such policies are included in this letter (refer to **Attachment 2**).

LAFCO requests that the Draft EIR evaluate the service provisions of all municipal services, specifically those development areas within unincorporated county land. The Draft EIR should also include an analysis of the LRDP's conformance to the full range of LAFCO's adopted policies and related state laws, to the extent such analysis is possible based on information currently available about future development in unincorporated territory.

A more detailed, site-specific, and updated analysis to LAFCO laws and policies should also be anticipated as a required part of subsequent, project-level CEQA documents when future proposals are brought forward to LAFCO. Addition of this information in current and future CEQA documents will help ensure that the Commission will have adequate information to act in its role as a CEQA Responsible Agency when future boundary changes for areas within the LRDP are submitted to LAFCO.

2. Consideration of Governance Options

(Please evaluate the proposed governance options)

Generally, LAFCOs were created to identify the most logical service providers for municipal services, including but not limited to water, sewer, fire, road maintenance, etc. Such determinations can be accomplished through various changes of organizations such as annexations, consolidations, and approvals of extraterritorial service agreements. These governance options allow cities, special districts, and county governments to provide municipal services to landowners throughout the county.

While the majority of the developments in the LRDP are already in the City of Santa Cruz, there are five development projects that are not. In order to comply with state law and local policies, LAFCO has identified four governance options for consideration by UCSC (refer to **Table A** on page 3).

Table A: List of Potential Governance Options

Options	Things to Consider	Benefits
1) Focus on developments within the city limits of Santa Cruz	<p>Based on the 2021 LRDP, developments within the campus will be located in both the City of Santa Cruz and unincorporated county territory.</p> <p>State law requires UCSC to receive LAFCO approval in order to receive municipal services, such as water, from for areas outside City limits.</p>	<p>Under this scenario, UCSC will not need LAFCO approval if their proposed developments are all within City limits.</p>
2) Consider an extraterritorial service agreement with the City of Santa Cruz	<p>Based on the 2021 LRDP, there are 5 development areas that are located outside the City's jurisdictional and sphere boundaries. Such discrepancy would require LAFCO approval.</p>	<p>Under this scenario, UCSC can request an extraterritorial service agreement from LAFCO if it meets the statutory criteria outlined in GCS 56133 and the Commission's adopted policies. If so, this would allow the City to provide services, such as water, to the 5 areas without amending its City limits.</p>
3) Consider annexation of the 5 areas into the City of Santa Cruz	<p>Based on the 2021 LRDP, there are 5 development areas that include construction of new buildings and roadways, which are located outside the City of Santa Cruz.</p>	<p>Under this scenario, UCSC can request annexation of the 5 development areas to the City of Santa Cruz. This would allow UCSC to complete its LRDP within the City without building in two different jurisdictions.</p>
4) Consider annexation of the remaining campus area outside the City of Santa Cruz	<p>Based on the 2021 LRDP, the main campus includes approximately 2,000 acres. 1,059.60 acres are within the City of Santa Cruz, and the remaining 979.96 acres are located in unincorporated county territory.</p>	<p>Under this scenario, UCSC can request annexation of the campus not in the City of Santa Cruz. This will allow the City to provide municipal services for any future developments to the entire campus without additional LAFCO approval.</p>

3. Conformance to the County Urban Services Line (USL)

(Please address the LRDP's consistency with the USL)

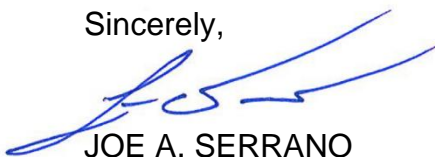
Please include in the Draft EIR an analysis of the LRDP's consistency with the established USL, which does not appear to be discussed in the Draft EIR. The County of Santa Cruz's ("County") General Plan require the County to preserve a distinction between urban and rural areas, to encourage the location of new development in urban areas, and to protect agricultural land and natural resources in rural areas. These policies are supported by the establishment of a rural services line ("RSL") and the USL to define areas which are or have the potential to be urban and areas which are and should remain rural. The establishment of distinct urban boundaries serves the following purposes:

- a) To administer separate urban and rural growth rates and the allocation of residential building permits;
- b) To encourage residential development to locate in urban areas and to discourage division of land in rural areas;
- c) To develop and apply different policies governing urban and rural development;
- d) To provide a basis for a County's Capital Improvements Program;
- e) To coordinate planning for the public services among the County, cities, special districts, and the LAFCO;
- f) To ensure that urban development proceeds at a pace consistent with the provision of urban public services; and
- g) To limit the extension of urban services to those areas within the rural services line in the Coastal Zone.

Implementation of the LRDP may require revisions to the established USL. Because such revisions would likely involve the potential for future sphere amendments or other boundary changes, and would directly pertain to LAFCO's legislative purposes, LAFCO would like to have a role in any future modifications to the established USL.

Thank you again for this opportunity to comment on this important document. Please continue to keep us informed throughout your process. I would be happy to meet with you and your staff for more detailed discussions.

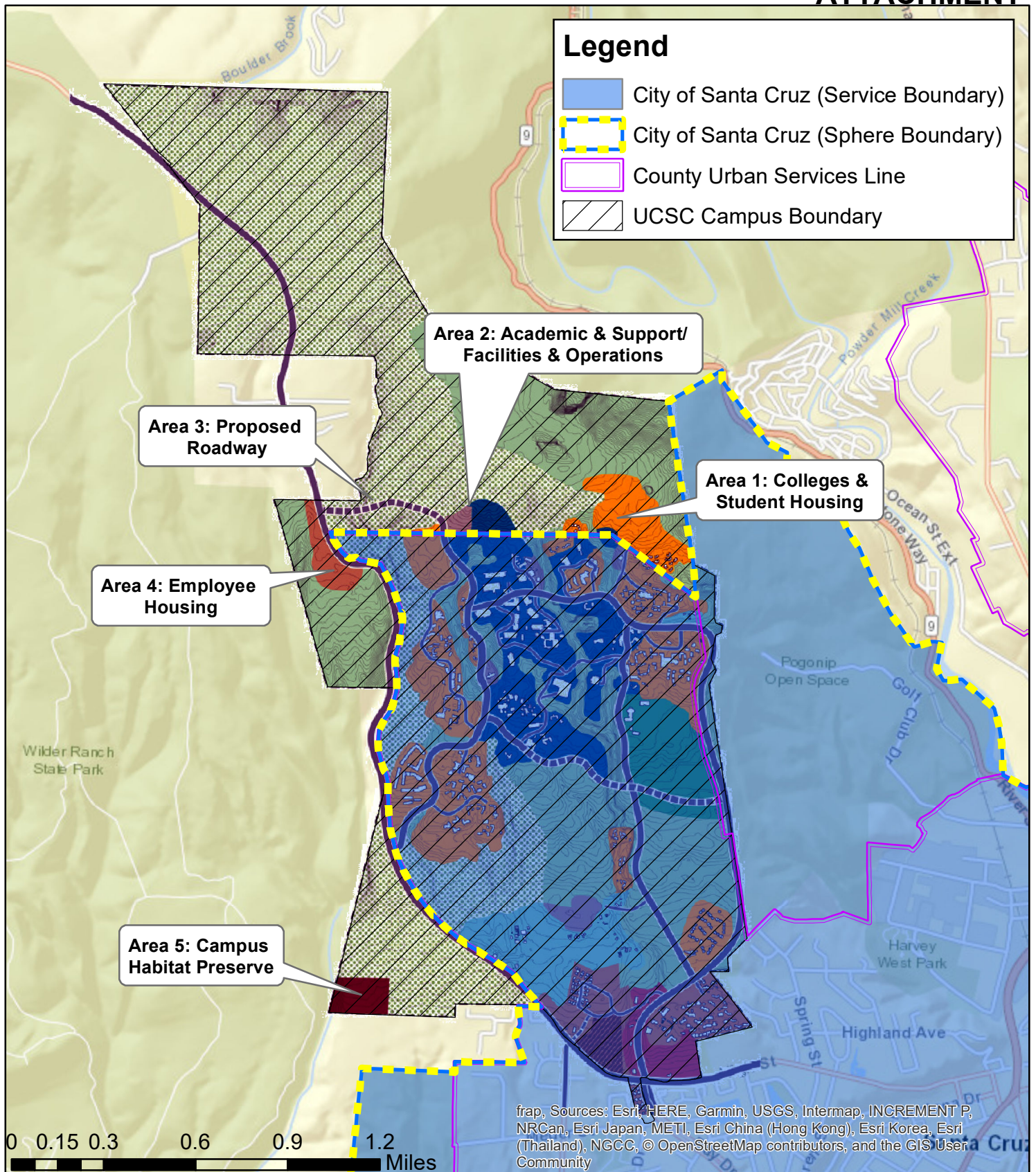
Sincerely,



JOE A. SERRANO
Executive Officer

Attachments:

- 1) Vicinity Map
- 2) Commission Policies (Water and Proposals)



UCSC Campus Boundary in relations to the City of Santa Cruz's Service and Sphere Boundaries

Vicinity Map created on January 11, 2021



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

WATER POLICY

Adopted on March 17, 1964 (Resolution No. 14)

Previous Revision on February 2, 2010 (Resolution No. 2011-1)

Last Revision on November 4, 2020 (Resolution No. 2020-33)

1. OVERVIEW

Government Code Section 56300 requires each Local Agency Formation Commission to establish written policies and to exercise its powers in a manner pursuant to the Cortese-Knox-Hertzberg Local Government Act of 2000 and consistent with the written policies of each Commission. In 1964, the Commission adopted the first water policy to align the limited water supply with existing service providers and smart growth as population continues to increase in Santa Cruz County. The purpose of this policy is to clarify LAFCO's role when considering boundary changes involving cities and special districts.

2. SPHERES OF INFLUENCE

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 sphere adoptions and amendments, LAFCO will 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.

To assist in the review of sphere boundaries and other LAFCO reports, the Commission will utilize the following data sources to maintain an ongoing data base of the supply, demand, and related water data of the local water agencies subject to LAFCO's boundary regulation:

- a) The Public Water System Annual Reports filed by each public water agency with the State Water Resources Control Board;
- b) The Urban Water Management Plans prepared by water suppliers with 3000 or more customers as required by the California Water Code Sections 10610 et.seq; and
- c) The annual Water Resources Report prepared for consideration by the Santa Cruz County Board of Supervisors.

3. BOUNDARY CHANGES

In any proposal requiring water service, the Commission requires that the affected agency identified as the potential water provider to demonstrate the availability of an adequate, reliable and sustainable supply of water. The following factors may be considered:

- a) In cases where a basin is overdrafted or existing services are not sustainable, a boundary change proposal may be approved if there will be a net decrease in impacts on water resources;
- b) In cases where a phased development is proposed, the agency should demonstrate that adequate service capacity will be provided as needed for each phase;
- c) In cases where a proposed new service area will be served by an onsite water source, the proponent should demonstrate its adequacy (Government Code Section 56668[k]); and
- d) In cases where the proposal's new water demand on the agency does not exceed the typical amount of water used by a single-family dwelling in the agency's service area, the Commission will not require that an "adequate, reliable, and sustainable" supply be demonstrated if the agency has a water conservation program and the program will be implemented as part of any new water service.

4. SERVICE REQUEST

Proposals requesting water service from a city of special district will need to provide proof of lack of services to existing urban land uses, a building permit application, allocation for a single-family dwelling, or for a larger project by: (1) a tentative or final land use entitlement (tentative subdivision map use permit, etc.) conditioned on obtaining water service and (2) a growth rate and pattern that the subject area will be developed within 5 years.

The Commission will only approve boundary change applications when the Commission determines that it is unlikely that water resources will be degraded. The Commission will review each application to assure that, by implementing project-specific mitigations, participating in agency water conservation programs, or both if applicable, the project will not adversely affect sustainable yields in groundwater basins, flows in rivers and streams, water quality in surface water bodies and groundwater basins, and endangered species.

5. EXTRATERRITORIAL SERVICE AGREEMENTS

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

6. CONNECTION MORATORIUM

It is the general policy of the Commission to disapprove annexations to water and sewer agencies (including cities that provide either service) while there is a connection moratorium or other similar service limitation involving the subject water or sewer service. The Commission will consider exceptions to this general policy on a case-by-case basis. The Commission may approve an annexation that meets one or more of the following criteria:

- a) To replace a private water source that has failed, such as a well that has gone dry, new service connections shall not be sized to accommodate more intensive development;
- b) To replace a septic system that has failed, new service connections shall not be sized to accommodate more intensive development;
- c) To implement a transfer of service between two existing agencies such transfer shall be in a manner that is consistent with the adopted Spheres of Influence of those agencies; and
- d) To change a boundary, in a manner consistent with an adopted Sphere of Influence, an agency boundary shall not divide a property that could only be conveyed under a single deed.

Between January 1, 1986 and the time the service limitation is totally lifted, the Commission shall limit the annexations so that the number of cumulative connections made under the above exemption criteria do not exceed 1% of the total agency's flow (as expressed in equivalent single family dwelling units) in service on January 1, 1986. In this case, an additional criteria not subject to the 1% cumulative impact limitation would be to provide facilities or funding that will allow the agency to lift its service limitation.

7. PUBLIC PARTICIPATION

Water resources and supplies are critical issues for many sphere of influence and application decisions made by LAFCO. Public information and participation are important component in the decisions made by the Commission, the land use agencies, and the water agencies. To promote public education, at least every two years, the Local Agency Formation Commission will sponsor, or co-sponsor with the Regional Water Management Foundation, the County of Santa Cruz, and local water agencies, a public forum that provides the public with an overview of the state of the water supplies in Santa Cruz County.

It is preferable that the residents who use water also participate in the governance of the system that provides the water. Therefore, in making decisions on spheres of influence and boundary changes, the Commission will favor water supply entities for which the users of the system participate in the governance of the system.



LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY

PROPOSAL EVALUATION POLICY

Adopted on September 21, 1966 (Resolution No. 97)

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

Last Revision on August 5, 2020 (Resolution No. 2020-19)

1. OVERVIEW

Pursuant to Government Code Section 56375, Santa Cruz LAFCO has established standards for the evaluation of proposals. The Commission uses these standards when reviewing and acting upon proposals for annexations and other boundary changes.

2. CONSISTENCY WITH SPHERE OF INFLUENCE

All changes of organization shall be consistent with adopted spheres of influence of affected agencies.

2.1 Sphere Consistency

Consistency shall be determined by a LAFCO finding of consistency with the sphere of influence maps and policies adopted by LAFCO for the affected agencies.

3. INITIAL PROPOSAL EVALUATION

Any proposal involving annexations, incorporations, and formations shall not be approved unless it demonstrates a need for the additional services to be provided to the area; while all proposals involving detachments, disincorporations, and dissolutions shall not be approved unless the proponent demonstrates that the subject services are not needed or can be provided as well by another agency or private organization.

3.1 Rezoning & General Plan Updates

For proposals concerning cities, need shall be established by (a) an adopted rezoning, consistent with the city general plan, that shows current or future development at a density that will require urban services such as sanitary sewer and water, and (b) a city growth rate and pattern that the subject area will be developed within 5 years.

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

3.2 Existing Land Use Designations

For proposals concerning the extension of other services by annexation, incorporation, or district formation, need shall be established by the applicable general plan land use designations and the service levels specified for the subject area in the applicable general plan.

Generally, LAFCO will presume to favor a city's general plan inside the sphere of influence adopted for the city by LAFCO, and the county's general plan elsewhere. It is the proponent's responsibility to prove any exception by referring to the policies of the Local Government Reorganization Act.

3.3 Divestiture of Services

For proposals involving the discontinuation of services, lack of need shall be established by (a) no serious effects on the current users of the service due to discontinuation, and (b) no projected serious effects on the uses that can be expected to occur in the next 5 years based upon the applicable general plan and projected growth rates and patterns.

3.4 Population Analysis

In reviewing proposals, LAFCO shall consider: (1) the "population" in the proposal area to be the population recorded in the last biennial or special census unless the proponent or affected agency can present updated or more detailed information which LAFCO determines to be more accurate, (2) the "population density" to be the population divided by the acreage, and (3) the "per capita assessed valuation" to be the full cash value of all the property in a proposal area (as set by the last secured property tax roll) divided by the population.

3.5 Overlapping Plans

In cases of overlapping plans, LAFCO shall make a determination of which general plan best carries out the policies of the Local Government Reorganization Act.

3.6 In-Fill Development

In order to avoid further urban sprawl, LAFCO shall encourage in-fill development in urban areas and annexations of areas inside the city sphere of influence.

3.7 Provision of Services

In order for LAFCO to approve a change of organization, the proponent shall demonstrate that the subject services can be provided in a timely manner and at a reasonable cost.

3.8 Proposals exceeding 50 acres

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

4. AFFECTED AGENCIES AND BOUNDARIES

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

4.1 Ranking Different Boundary Changes

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

- a) Annexation to an existing city;
- b) Annexation to an existing district of which the Board of Supervisors is the governing body;
- c) Annexation to an existing multi-purpose district;
- d) Annexation to another existing district;
- e) Formation of a new county service area;
- f) Incorporation of a new city;
- g) Formation of a new multi-purpose district; or
- h) Formation of a new single-purpose district.

4.2 Consolidation Proposals

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

4.3 Logical Boundaries

LAFCO shall promote more logical agency boundaries.

4.4 Political Boundaries

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

4.5 Roads and Streets (Right-of-Way)

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

4.6 Community Boundaries

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

4.7 Parcel Boundaries

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

4.8 Prevention of “Islands”

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

4.9 Prevention of Irregular Boundaries

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

4.10 Social & Economic Interests

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

4.11 Metes & Bounds

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

4.12 Timely LAFCO Actions

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

4.13 Financially Desirable Areas

The sole inclusion of financially desirable areas in a jurisdiction shall be avoided. The Commission shall amend or reject any proposal that, in its estimation, appears to select principally revenue-producing properties for inclusion in a jurisdiction.

4.14 City Jobs & Housing

For city annexation proposals, if the city has more jobs than places for workers to live (jobs to employed residents ratio greater than 1.00) then a proposal which will directly result in urban development including new permanent employment may only be approved if sufficient land is designated for residential uses in the city's general plan to create a jobs/ housing balance.

The Commission will consider and may grant waivers to this standard in cases where all of the following situations exist:

- a) The territory being annexed is an island of incorporated territory and consistent with the definition of "island" in Government Code Section 56375;
- b) The proposal is consistent with the spheres of influence of all affected agencies; and
- c) The proposal has been initiated by resolution of the city which includes the subject property in its adopted sphere of influence.

5. AGRICULTURAL LANDS

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

5.1 Smart Growth

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

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

5.2 Infill Development

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

5.3 Ranking Urban Development on Open Spaces and/or Farmlands

The priorities for urbanization are:

- a) open-space lands within existing boundaries;
- b) open-space lands within an adopted sphere of influence;
- c) prime agricultural lands within existing boundaries; and
- d) prime agricultural lands within an adopted sphere of influence.

5.4 Urbanization of Prime Agricultural Lands

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

6. WATER AND SEWER RESOURCES

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

6.1 Supply of Water

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

- a) In cases where a basin is overdrafted or existing services are not sustainable, a boundary change proposal may be approved if there will be a net decrease in impacts on water resources;
- b) In cases where a phased development is proposed, the agency should demonstrate that adequate service capacity will be provided as needed for each phase;
- c) In cases where a proposed new service area will be served by an onsite water source, the proponent should demonstrate its adequacy (Government Code Section 56668(k)); and

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

6.2 Service Limitations

It is the general policy of the Commission to disapprove annexations to water and sewer agencies (including cities that provide either service) while there is a connection moratorium or other similar service limitation involving the subject water or sewer service. The Commission will consider exceptions to this general policy on a case-by-case basis. The Commission may approve an annexation that meets one or more of the following criteria:

- a) To replace a private water source that has failed, such as a well that has gone dry. New service connections shall not be sized to accommodate more intensive development;
- b) To replace a septic system that has failed. New service connections shall not be sized to accommodate more intensive development;
- c) To implement a transfer of service between two existing agencies in a manner that is consistent with the adopted Spheres of Influence of those agencies; and/or
- d) To change a boundary, in a manner consistent with an adopted Sphere of Influence, so that an agency boundary does not divide a property that could only be conveyed under a single deed.

Between January 1, 1986, and the time the service limitation is totally lifted, the Commission shall limit the annexations so that the number of cumulative connections made under the above exemption criteria do not exceed 1% of the total agency's flow (as expressed in equivalent single family dwelling units) in service on January 1, 1986.

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

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

6.3 Urban Land uses

For proposals concerning water and sewer district annexations, the need shall be established by lack of services to existing urban land uses, or a building permit application or the allocation for a single-family dwelling or, for a larger project, by: (a) a tentative or final land use entitlement (tentative subdivision map use permit, etc.) conditioned on obtaining water or sewer service, and (b) a growth rate and pattern that the subject area will be developed within 5 years.

6.4 Commission Approval

The Commission will only approve boundary change applications when the Commission determines that it is unlikely that water resources will be degraded. The Commission will review each application to assure that, by implementing project-specific mitigations, participating in agency water conservation programs, or both if applicable, the project will not adversely affect sustainable yields in groundwater basins, flows in rivers and streams, water quality in surface water bodies and groundwater basins, and endangered species.

6.5 Multiple Service Providers

When more than one agency could serve an area, the agencies' services capabilities, costs for providing services, and the desires of the affected community will be key factors in determining a sphere of influence.



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

June 2, 2021

Donna Meyers, Mayor
City of Santa Cruz
809 Center Street, Room 10
Santa Cruz, California 95060

Cynthia K. Larive, Chancellor
University of California, Santa Cruz
1156 High Street
Santa Cruz, California 95064

Subject: UCSC Long Range Development Plan – LAFCO Comment Letter

Dear Mayor Meyers and Chancellor Larive:

The Local Agency Formation Commission of Santa Cruz County (“LAFCO” or the “Commission”) is aware of the current litigation between the Regents of the University of California and the University of California, Santa Cruz (collectively, the “University”) and the City of Santa Cruz (the “City”). LAFCO understands that entitlement of water and sewer services through a 1962 Contractual Agreement and subsequent 1965 Contractual Agreement (“Contractual Agreements”) for the entire campus area from the City is a central issue in the lawsuit. LAFCO has reviewed this issue as it has been litigated in the past. Based on LAFCO’s prior analysis, 1,059.60 acres of the approximately 2,000 acres that make up the University’s campus are within the City of Santa Cruz, and the remaining 979.96 acres are located in unincorporated territory of the County of Santa Cruz. It is LAFCO’s understanding that the City has been providing municipal services to the campus within the City limits as part of the Contractual Agreements. The purpose of this letter is two-fold: (1) to reiterate LAFCO’s position on providing extraterritorial services, and (2) to offer additional information beyond the material outlined in LAFCO’s Draft EIR Comment Letter, as shown in **Attachment 1**.

2005 Long Range Development Plan

As mentioned above, the central issue of entitlement of water and sewer services pursuant to the Contractual Agreements was previously litigated following the University’s introduction of the 2005 Long Range Development Plan (“LRDP”). As stated by the Sixth District Court of Appeal that pursuant to Government Code Section 56133, “the city or district that proposes to provide services outside its jurisdictional boundaries must request and receive approval from its local LAFCO . . .” and that “. . . LAFCO’s jurisdiction does not depend upon the identity of the person who filled out the application.”¹

¹ *Community Water Coalition v. Santa Cruz County Local Agency Formation Com.*, 200 Cal. App. 4th 1317, 1321 (2011).

As a result of the *Community Water* decision and a subsequent Comprehensive Settlement Agreement, the University submitted an application for an extraterritorial service agreement in October 2008 for proposed developments outside City limits. The City also submitted an application for a concurrent sphere amendment during the same timeframe. Both applications remained inactive for over a decade. LAFCO officially terminated both applications in September 2020 due to inactivity and lack of progress from the applicants.

2020 Long Range Development Plan

The Commission understands that the Comprehensive Settlement Agreement involved the 2005 LRDP. However, it appears the central issue about LAFCO's approval for services delivered outside an agency's jurisdictional limits is being litigated again. LAFCO views this central issue not as to whether the University is subject to the Cortese-Knox-Hertzberg Act ("Act"), rather that the City is subject to LAFCO's approval process should it choose to provide services to an area currently outside its jurisdictional boundaries. As delineated in the *Community Water* decision, state law is clear that an agency (city or district) must get LAFCO approval to service an area outside its jurisdiction.

2003 and 2016 UC Merced Annexation Agreement

The Commission recognizes that the University is familiar with the LAFCO process. In 2003, the Regents of the University of California executed an agreement with the City of Merced permitting the City of Merced to annex the first phase of the University of California at Merced campus (approximately 102 acres in size). The annexation allowed the City of Merced to provide municipal services to the campus, specifically water and sewer services. A subsequent 2016 agreement was executed to continue the annexation effort under the revised 2020 UC Merced Campus Development Project. Ultimately, the agreement highlights that LAFCO action would allow the City of Merced to provide water and sewer services to the campus area. Merced County LAFCO approved the extension of services from the City of Merced to the University of California at Merced campus on October 17, 2019.² It is LAFCO's view that a similar process should be followed here in Santa Cruz County for the current LRDP.

Closing Remarks

It is the Commission's position that LAFCO should continue to be a neutral party, and therefore, not be part of the current lawsuit between the University and the City. It remains the Commission's belief that any city or district that wishes to extend its services by either annexing an area or receiving an extraterritorial service agreement with the condition that the subject area be annexed at a later date should do so through the LAFCO process laid out in the Act.

A preliminary analysis of the 5 development projects proposed for outside the City boundaries under the 2020 LRDP (shown in the attached map) likely may not pose major issues in accordance with the Act. This analysis is non-determinative and only being stated here to help facilitate potential collaboration and discussion among the parties. However, were LAFCO approval of annexation and/or an extraterritorial service agreement to be possible should the City desire to provide such services to the University, LAFCO welcomes an opportunity to review that application.

² Merced LAFCO Staff Report (dated Oct. 17, 2019): <http://www.lafcomerced.org/pdfs/meetings/2019/10-17/Item%20VII.%20B.%20OBS19-03%20City%20of%20Merced%20Serv%20to%20UC%20Merced.pdf>

If any information or statements provided in this letter represent a misunderstanding of the facts or positions of the parties, please do not hesitate to contact me for clarification.

Sincerely,

Joe Serrano
Executive Officer

Attachment:

1) LAFCO Comment Letter with Vicinity Map (dated February 3, 2021)

DRAFT



Santa Cruz Local Agency Formation Commission

Date: June 2, 2021
To: LAFCO Commissioners
From: Joe Serrano, Executive Officer
Subject: **Written Correspondence during the Month of May**

SUMMARY OF RECOMMENDATION

LAFCO staff typically receives and distributes written correspondence regarding active proposals, CALAFCO news, or other relative documents. 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:

In May, CALAFCO released a flyer advertising an upcoming webinar (**Attachment 1**). The webinar will teach how to locate, evaluate, and create financial documents. The webinar will also show how to use these financial documents to complete service reviews. In light of the ongoing appreciation of this Commission's service reviews, staff has been invited to teach other LAFCOs on how to replicate our financial analysis. This webinar is open for Commissioners and LAFCO staff members. The deadline to register is June 2. Please inform staff before or during the June 2nd LAFCO Meeting if you are interested.

CALAFCO also released four additional written correspondence. The first was their latest quarterly report which features recent CALAFCO actions, identifies upcoming educational events, and offers an update on legislative news that may affect LAFCOs (**Attachment 2**). The next document was an email soliciting volunteers to be on the Program Committee for the 2021 Annual Conference (**Attachment 3**). CALAFCO is hoping to host an annual conference during the first week of October (10/6 to 10/8). If it does occur, the conference will be held in Newport Beach, CA. The next document was a joint letter from statewide organizations requesting Governor Newsom to allow a transition period for public agencies to revert back to in-person meetings (**Attachment 4**). It appears that in-person public meetings may be held after June 15. And the final document is a legislative newsletter offered by Hurst Brooks Espinosa, LLC (**Attachment 5**). The newsletter covers the latest actions completed or being considered by the State Legislature.

Respectfully Submitted,

A blue ink signature of Joe A. Serrano.

Joe A. Serrano
Executive Officer

Attachments:

1. Educational Webinar Flyer
2. CALAFCO Quarterly Report
3. Request for Program Committee Members (Potential Annual Conference)
4. Joint Letter (Regarding Public Meetings)
5. HBE Legislative Newsletter

Join Us For The Next Virtual CALAFCO University Session

Financial Health Indicators for Cities and Districts

June 7, 2021 2:30 p.m. – 4:00 p.m.

ABOUT THIS WEBINAR SESSION

This unique session offers you the opportunity to expand your knowledge of the various types of documents that contain signs of a local agency's financial stability and well-being. We will offer guidance on how to conduct financial analyses of cities and districts and provide practical tips on how to distill and present financial data in a way that best informs a Municipal Service Review's audience and invites improved government function.



Our experienced panel will:

- ❖ Lead you through an overview of the purpose and contents of financial documents and reports, including where to find them and how to read them.
- ❖ Talk about how to use other tools and measures designed to gauge financial health.
- ❖ Help you hone your skills in making reasonable assumptions, conclusions, and recommendations using hard data as well as "intangibles".
- ❖ Discuss the difference of conducting a fiscal analysis in-house vs. hiring an expert.
- ❖ Present a case study of a fiscal analysis for a Municipal Service Review done in-house by LAFCo staff.

EXPERIENCED & KNOWLEDGEABLE PANELISTS INCLUDE:

- **Richard Berkson**, Principal, Berkson Associates
- **Cindy Byerrum**, CPA, Partner, Eide Bailly
- **Joe Serrano**, Executive Officer, Santa Cruz LAFCo

Moderator:

Pamela Miller, Executive Director, CALAFCO

This course has been approved for 1.5 AICP CM credits.



NO REGISTRATION FEE IS REQUIRED

THIS SESSION IS OPEN ONLY FOR MEMBERS OF CALAFCO

COURSE DETAILS:

- ♦ **MONDAY June 7, 2021**
- ♦ **2:30 p.m. – 4:00 p.m.**
- ♦ **Virtual webinar format**

REGISTRATION

Registrations are online only. Click on the link below to register.

<https://www.eventbrite.com/e/financial-health-indicators-for-cities-and-districts-tickets-154449712247>

Registration must be received **June 2, 2021**.

No late registrations will be accepted.

Once you register on Eventbrite you will receive the Zoom Registration link with your confirmation email. You will then need to use that Zoom Registration link prior to the session to get the Webinar link to join that session.

DO NOT WAIT UNTIL THE LAST MINUTE TO DO THIS STEP.

You can also find this information on the CALAFCO website at www.calafco.org.

For additional information or questions, please contact CALAFCO University lead Martha Poyatos at mpoyatos@smcgov.org or CALAFCO Administrator Jeni Tickler at jtickler@calafco.org.



CALAFCO

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News from the Board of Directors

CALAFCO QUARTERLY

May 2021

A message from the Executive Director

Greetings from your CALAFCO Board of Directors and Executive Director. Spring is in the air and things seem to be shifting. Spring is a time of renewal and re-awakening and that is exactly what it feels like this year - in so many ways.

This Second Quarterly Report of 2021 will begin by highlighting the good news in our CALAFCO family first, followed by Association updates. Happy reading!

LAFcos in the News

Alameda LAFCo Awarded Sustainable Agricultural Lands Conservation (SALC) Grant

In our last Quarterly Report we announced SALC grants for San Bernardino and San Diego LAFcos. CALAFCO inadvertently omitted Alameda LAFcos grant award and apologize for the oversight. We are pleased to announce their grant award.

Alameda LAFCo, in partnership with the Alameda County Resource Conservation District, was awarded a SALC planning grant for \$250,000. The planning grant project is aimed at collaborative stakeholder planning in Alameda County to ensure the identification and preservation of agricultural and working lands, an infill development focus on healthy and resilient communities for disadvantaged and low-income populations, and a reduction in greenhouse gas emissions.

The Strategic Growth Council (SGC) added LAFcos to the list of eligible entities to apply for SALC grants in January 2019 after many years of CALAFCO trying to get LAFcos eligible for state-level grant funding. We are pleased that to date, three of our member LAFcos have received these grants.

Los Angeles LAFCo Executive Officer Receives State Appointment

On January 4, 2021, Assembly Speaker Anthony Rendon appointed **Los Angeles LAFCo Executive Officer Paul Novak** to the Board for Professional Engineers, Land Surveyors, and Geologists. The Board regulates the practices of engineering (civil, electrical, structural, geotechnical/soils), land surveying, geology, and geophysics in the State of California to safeguard the life, health, property and welfare of the public. The Board licenses qualified individuals, based on experience and successfully passing examinations; establishes regulations and promotes professional conduct; enforces laws and regulations; and provides information to the public on using professional engineering and land surveying services. Paul's term runs to June 30, 2023.

Marin LAFCo Holds Shared Services Workshop For Agencies

Marin LAFCo held a Shared Services Workshop on April 29, 2021. Partners for the workshop included Marin County Council of Mayors and Councilmembers, Marin County Special Districts Association, and Marin County Office of Education. The workshop had 2 panels, one on successful shared services in Marin, and another exploring how to successfully implement shared services. Marin LAFCo reports the workshop was a success with 78 people attending, including elected officials and staff throughout the County, as well as staff from 2 other LAFcos. If you are curious about this event, a recording is posted on their website at www.marinlafco.org. Marin LAFCo thanks CALAFCO for offering their Zoom account, noting the webinar function played a large role in the success of this workshop.

Orange LAFCo Welcomes New Assistant EO

Orange LAFCo is pleased to welcome a new member to the Orange LAFCo team. **Raymond Barragan** will serve as Orange LAFCo's Assistant Executive Officer and brings extensive experience in local government to his new role. Before joining Orange LAFCo, he served as the Acting Director of Community Development with the City of Gardena where he was employed since 2012. Raymond holds a bachelor's degree in urban and regional planning and is a master's candidate in Community and Economic Development at Penn State.

San Luis Obispo Announces New Hire and Promotion

San Luis Obispo LAFCo is excited to announce **Robert "Rob" Fitzroy** as its new Executive Officer. Most recently he was the Director of the Community Development Department for the City of Arroyo Grande. Prior to that, Rob was the Asst. Director for the County Planning & Building Department. Rob graduated from Cal Poly San Luis Obispo with a bachelor's degree and has a master's of Natural Resource Management, Environmental Planning & Public Policy. He begins his new role on May 24, 2021.

Imelda Marquez, **San Luis Obispo LAFCo** Clerk, was promoted to Analyst late last year. Imelda has been with SLO LAFCo for about 19 months. Her broad range of skills and analytical abilities are numerous. She is a proud Fresno St. Bulldog with a Geography degree and according to Interim EO David Church, "is an absolute delight to work with".



News from the Board of Directors

CALAFCO QUARTERLY

May 2021
Page 2



Welcome to Our Newest Associate Members

CALAFCO is pleased to welcome two new Silver Associate Members.

We welcome the return of **SWALE, Inc.** SWALE's consulting services focus on LAFCo's critical issues including MSRs, SOIs, CEQA compliance, strategic planning, workshops and mapping with GIS. Their northern California office is expanding to bring you the best of consulting services. To learn more about the services provided by SWALE, contact **Kateri Harrison** at harrison@swaleinc.com, or visit their website at www.swaleinc.com.

We also welcome **DTA**. DTA is a national public finance and urban economics consulting firm specializing in infrastructure and public service finance. Their financing programs have utilized a variety of public financing mechanisms such as Ads, CFDs, LLDs and various types of fee programs. To learn more about DTA, contact **Nathan Perez** at Nate@FinanceDTA.com, or visit their website at www.FinanceDTA.com.

CALAFCO Educational Events

MARK YOUR CALENDARS FOR THESE UPCOMING CALAFCO EDUCATIONAL EVENTS!

CALAFCO 2021 ANNUAL CONFERENCE

Join us **October 6-8** at the **Hyatt Regency Newport Beach John Wayne Airport** for the 2021 Annual Conference. It's been so long since we've gathered in person and the time is finally here! The program planning committee is forming and CALAFCO staff is working with the facility on details to keep all of our attendees safe. Watch for Conference registration and hotel reservations to be open soon. Conference registration rates will be at the 2019 rates. We look forward to seeing you in Newport Beach later this year.

CALAFCO UNIVERSITY

We are pleased to continue offering webinars at no cost to our membership and are preparing several great sessions for you. Registration is now open for our **June 7** session: **Financial Health Indicators for Cities and Districts**. Registration is open until June 2. You will find all the details on the CALAFCO website at www.calafco.org.

We are also working on a very unique 4-part series on **Fire & EMS** services and a session on **Forming a CSD**. Watch for details and registration for these offerings coming soon.



CALAFCO Board of Directors

CALAFCO BOARD ACTIONS

The Board met virtually on April 30 with a full agenda. Under the leadership of **Chair Mike Kelley**, the Board took a number of important actions.



- ✓ **The FY 2021-22 budget was adopted.** For the first time, the Board considered a rolling 2-year budget. The FY 21-22 budget reflects a decrease of 2.1% over the current FY operating budget. The adopted budget can be found on the CALAFCO website.
- ✓ **The 2021-22 Strategic Plan was adopted.** The three primary strategies for the Association are: (1) Serve as an educational resource to member LAFCo Commissioners, LAFCo staff, Associate Members, and stakeholders; (2) Focus efforts on Association member relations, development, recognition and communication. Continue development of a strong and sustainable Association; and (3) Serve as an information resource to all Association members, work as a legislative and policy advocate for LAFCo issues and provide information to the Legislature and other stakeholders. The adopted Strategic Plan can be found on the CALAFCO website.
- ✓ **Updated Policies for Sections I and II of the current CALAFCO Policies were adopted.** One of the goals for 2021 is to conduct a comprehensive review of CALAFCO Policies, considering two sections per quarter. This is the first of a three-phase update process. The updated policies can be found on the CALAFCO website.
- ✓ **The new Annual Achievement Awards program was approved.** As the membership is aware, last year the Board approved consideration of an update to the Achievement Awards program. CALAFCO staff and Regional Officers worked for many months in crafting two options for the Achievement Awards Committee to consider. The Committee unanimously approved one of the options and recommended adoption of that option to the Board, which was unanimously approved. Watch for an announcement on the new program and the opening of the nomination period coming soon!
- ✓ **The Board ratified approval of filing an amicus letter in support of San Luis Obispo (SLO) LAFCo's appeal to the State Supreme Court.** As a follow up to the Superior Court decision in favor of the City of Pismo Beach, and at the request of SLO LAFCo, CALAFCO filed an amicus letter requesting the court review the case. The Court of Appeal opinion in *San Luis Obispo Local Agency Formation Commission v. City of Pismo Beach*

News from the Board of Directors

CALAFCO QUARTERLY

May 2021
Page 3



threatens to change operations across of LAFcos throughout the state.

By limiting the ability of LAFcos to require indemnification agreements from annexation applicants, the opinion conflicts with a number of decisions on which LAFcos reasonably relied to require indemnification as part of their implied powers. We thank **BBK** for their work on this amicus letter (which was preceded by an amicus brief). CALAFCO will keep our members posted on the appeal process.

- ✓ **The Board received the 3rd quarter financial reports and the projected FY 20-21 year-end fiscal report.**
- ✓ **The Board received several verbal updates from staff.**

All Board meeting documents are on the CALAFCO website.

CALAFCO Administrative Update

The 2021-22 CALAFCO Membership Directory is out! Each LAFCo received their requested number of hard copy directories and each Associate Member also received a copy. There is an electronic version of the Membership Directory on the CALAFCO website.



CALAFCO Legislative Update



What an interesting and busy legislative year this is turning out to be! CALAFCO is sponsoring the 2021 Assembly Local Government Committee (ALGC) **Omnibus bill, AB 1581**. This year's Omnibus contains a record number of items, totaling 13. Six of the items came from member LAFcos and seven from the protest provisions rewrite working group (deleting obsolete provisions). CALAFCO is currently tracking 32 bills, has a formal position on 9, and has been actively engaged on amendment negotiations for 10 bills.

This year there seems to be a number of bills addressing the same issue by several different authors, who, at the beginning of the year, did not appear to be talking with each other. The primary topics include COVID relief, wildfire prevention, climate resilience, homelessness and affordable housing, bridging the equity divide and transparency and public participation.

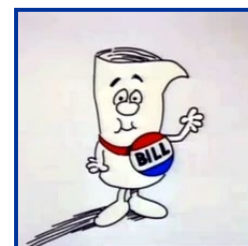
To complicate matters, the Legislature is still meeting under COVID restrictions with the majority of their staff working remotely. There are only a handful of meeting rooms in the Capitol that allow for social distancing, so the number of committee meetings have been reduced and the timeframe condensed.

Here are a few of the bills of importance we are tracking or working on:

- ✓ **AB 339 (Lee) CALAFCO Watch** - Open meetings. Requirements recently drastically amended and narrowed the scope to now apply only to cities and counties with a population over 250,000 with a sunset of 12-31-23 (requirements no longer applies to LAFCo).
- ✓ **AB 1195 (C. Garcia) CALAFCO Watch With Concerns** - Drinking water. Creates the So LA County Human Rights to Water Collaboration Act and gives the Water Board authority to appoint a Commissioner to oversee the Central Basin Municipal Water District.
- ✓ **SB 403 (Gonzalez) CALAFCO Oppose Unless Amended** - Drinking water consolidation. Authorizes the Water Board to order consolidation where a water system serving a disadvantaged community is an at-risk water system, as defined, or where a disadvantaged community is substantially reliant on at-risk domestic wells, as defined. Two of our three requested amendments have been taken (define "at risk" and put a cap on the number of users to be added to the subsuming system). The third request to add GSAs to the list of entities the Board must consult with has not yet been taken.

The last day for all policy committees to pass bills originating in their house was May 14. With one additional week for fiscal committees to pass bills to the respective floors, the Legislature will spend the last several weeks of May focusing on passing bills to the other house and the first part of June negotiating last minute budget deals for the June 15 budget passage deadline.

All bills being tracked by CALAFCO can be found on the CALAFCO website inside the Legislation section of the site (log in with your member id first to access this section). CALAFCO's position on all bills is reflected there, and any letters issued by CALAFCO are posted. The CALAFCO Legislative Committee meets regularly and all meeting materials are located in the Legislation section of the CALAFCO website.



News from the Board of Directors

CALAFCO QUARTERLY

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CALAFCO Associate Members' Corner



This section is dedicated to highlighting our Associate Members. The information below is provided to CALAFCO by the Associate member upon joining the Association. All Associate member information can be found in the CALAFCO Member Directory.

Cucamonga Valley Water District

The **Cucamonga Valley Water District** has been a Silver Associate Member since 2014. Formed in 1995, the district provides water and wastewater service to 200,000 customers in a 47 square mile area. The district has a mission of providing high quality, reliable water and wastewater service while practicing good stewardship of natural and financial resources. CVWD's water supply is comprised of two main sources: groundwater and imported water. Supplemented by surface water, recycled water and water conservation, the district's average daily demand is 43 million gallons. For more information on the district, contact **Cindy Cisneros** at cindyc@cvwdwater.com or visit their website at www.cvwdwater.com.



P. Scott Browne

Scott Browne has been a Silver Associate member since 2007. Scott provides legal services and staff support to various LAFcos throughout the state. He has served as a member of the CALAFCO Legislative Committee for a number of years. To learn more about the services he provides or to contact him, email him at scott@scottbrowne.com or visit his website at www.scottbrowne.com.

E Mulberg & Associates

E Mulberg & Associates has been a Silver Associate Member since 2011. Services offered include Municipal Service Reviews, Sphere of Influence updates, changes in organization, staff reports, CEQA analysis, and assistance with applications to LAFco. For more information, contact **Elliot Mulberg** at elliott@emulberg.com or visit their website at www.emulberg.com.

Policy Consulting Associates

A Silver Associate member since 2010, **Policy Consulting Associates** (PCA) prepares interdisciplinary research studies for LAFcos, councils of government, counties, cities, states, elected representatives and candidates, with an emphasis on MSRs and fiscal studies. The PCA team's combined experience covers the spectrum of governance configurations and alternatives, and runs the gamut of services under LAFco jurisdiction. For more information on PCA, contact **Jennifer Stephenson** or **Oxana Wolfson** at info@pcateam.com, or visit their website at www.pcateam.com.

CALAFCO wishes to thank all of our Associate Members for your ongoing support and partnership. We look forward to continuing to highlighting you in future Quarterly Reports.

Did You Know??

Meeting Documents Online

Did you know that all **CALAFCO Board of Directors and Legislative Committee meeting documents are online?** Visit the Boards & Committees pages in the Members Section of the site. Board documents cover 2008 to present and Legislative Committee documents span 2007 to present.



CALAFCO Webinars & Courses Archived

Did you know that all **CALAFCO Webinar recordings are archived on the CALAFCO website and available at no cost for on-demand viewing?** Visit the CALAFCO website in the CALAFCO Webinars section (log in as a member first).

Certificate of Recognition Program

Did you know that CALAFCO has a **Certificate of Recognition Program** and offers it at no cost to our members (both LAFco and Associate members)? The program has been in place several years and while a few of you utilize this service, most of you do not. For details, visit the CALAFCO website in the Member Services Section and upload the program packet or contact the CALAFCO Executive Director.



Mark Your Calendars For These Upcoming CALAFCO Events

- ❖ CALAFCO Legislative Committee virtual meeting – 6/18
- ❖ CALAFCO Legislative Committee virtual meeting – 7/23
- ❖ CALAFCO Board of Directors virtual meeting – 7/30



The **CALAFCO 2021 Calendar of Events** can be found on the CALAFCO website.

Joe Serrano

From: Pamela Miller <pmiller@calafco.org>
Sent: Wednesday, May 5, 2021 12:21 PM
To: Info
Cc: Pamela Miller
Subject: CALAFCO 2021 Annual Conference Program Planning Team - Opportunity Awaits!

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

Hey CALAFCO members:

We want you to join the 2021 CALAFCO Conference Program Planning Team!

It has been too long since we have seen each other, and CALAFCO is so excited to finally be able to gather in Newport Beach in early October for our annual conference. We are set for October 6-8 at the Hyatt Regency Newport Beach John Wayne Airport. This will be a very special conference – we haven't gathered in a while so reconnecting and talking about critical LAFCo issues is long overdue. Don't miss out on the opportunity to shape the program for this event. In past years we have had strong programs with hot topics and great speakers. This year will be no exception, so join us as we put the program together.

We are looking for folks to join me, Program Chair Christine Crawford, CALAFCO Board Conference Chair David West and the rest of the Board on the committee to create the best Conference program ever. This group will focus on the program aspect of the Conference.

The Request for Conference Session Proposals is almost ready to be distributed. Having proposals in hand soon after we get started helps the Program Team hit the ground running. We will begin our work virtually later this month and meet at least monthly (virtually) until the Conference.

If you or any of your Commissioners want to join this fun and lively group, please let me know by **Friday, May 14.**

Thanks much and see you in Newport Beach!!

Pamela

Pamela Miller

Executive Director

California Association of Local Agency Formation Commissions

1020 12th Street, Suite 222

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association of california
school administrators



ACHD
ASSOCIATION OF CALIFORNIA
HEALTHCARE DISTRICTS



CMUA
CALIFORNIA MUNICIPAL UTILITIES
ASSOCIATION

ACWA
Association of California Water Agencies

May 18, 2021

The Honorable Gavin Newsom
Governor, State of California
State Capitol
Sacramento, CA 95814

Re: **Transition Period Prior to Repeal of COVID-related Executive Orders**

Dear Governor Newsom:

On behalf of the California State Association of Counties (CSAC), Urban Counties of California (UCC), Rural County Representatives of California (RCRC), League of California Cities (CalCities), California Special Districts Association (CSDA), California Association of Local Agency Formation Commissions (CALAFCO), Association of California School Administrators (ACSA), Association of California Healthcare Districts (ACHD), California Municipal Utilities Association (CMUA), and the Association of California Water Agencies (ACWA), we write to respectfully request that you assist local governing bodies by providing time to prepare for the eventual repeal of COVID-related Executive Orders, including those that allow local legislative bodies to hold public meetings remotely. While our respective members welcome the opportunity to return to in-person public meetings and events with the improvements in public health metrics over the last few months, local government leaders around the state have considerable work to do to effectively transition back to conducting the public's business in meetings where elected and appointed officials, staff, and the public are physically present.

As you are aware, local agencies have been operating under the provisions of Executive Order N-25-20 and N-29-20, which you signed on March 12 and 17, 2020, authorizing local agencies to hold public meetings via teleconferencing and requiring public comment to be presented electronically. These Executive Orders also waived the requirement to post the remote meeting locations (typically the home addresses of elected and appointed officials and staff), as well as making those locations accessible to the public. Since then, our members have dramatically shifted the way they conduct their public business to maintain the health and safety of their staff and the public generally, while continuing to include the public in the important work of our local agencies. Returning to conducting business in person will require time and effort to ensure continued public health and safety, even with the state's improved public health status.

In light of the Center for Disease Control's May 13 announcement that vaccinated individuals can resume normal activities and in anticipation of the June 15 date for reopening the state, we respectfully request a period of transition of at least 30 days to allow local agencies time to effectively adjust to whatever new state or local public health and safety requirements may exist to ensure a deliberative and collaborative approach to return to in-person public meetings.

We greatly appreciate your leadership during the pandemic to ensure that the public's business would continue unabated and look forward to a return to normalcy. To the extent that you are considering repealing Executive Orders from early in the pandemic, we would greatly appreciate enough time to adjust operations to avoid unnecessary disruption or confusion and to allow us to safely transition back to in-person public meetings. Please do not hesitate to reach out if you wish to discuss further.


Sincerely,



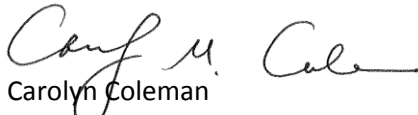
Graham Knaus
Executive Director
California State Association of Counties
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Jean Kinney Hurst
Legislative Advocate
Urban Counties of California
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Staci Heaton
Acting Vice President of Government Affairs
Rural County Representatives of California
916-447-4806



Carolyn Coleman
Executive Director
League of California Cities
916-658-8200



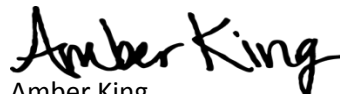
Neil McCormick
Chief Executive Officer
California Special Districts Association
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Pamela Miller
Executive Director
California Association of Local Agency
Formation Commissions
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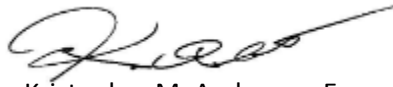
Laura Preston
Legislative Advocate
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916-444-3216



Amber King
Vice President, Advocacy and Membership
Association of California Healthcare Districts
916-266-5200



Danielle Blacet-Hyden
Deputy Executive Director
California Municipal Utilities Association
916-326-5800



Kristopher M. Anderson, Esq.
Legislative Advocate
Association of California Water Agencies
916-441-4545

cc: Jim DeBoo, Chief of Staff, Office of the Governor
Ana Matosantos, Cabinet Secretary, Office of the Governor
Ronda Paschal, Deputy Legislative Secretary, Office of the Governor



HURST+BROOKS+ESPINOSA

This Week in Sacramento

INFORMATION & INSIGHTS FROM HURST BROOKS ESPINOSA ■ MAY 21, 2021

Fiscal Committees Take Steps to Winnow Universe of Active Bills

To you veteran Capitol observers out there, forgive us for the suspense file tutorial ... but it's always helpful to provide a brief reminder on and context for the significance of yesterday's actions in the houses' respective Appropriations Committees.

Any measure with a fiscal impact is referred to the fiscal (AKA Appropriations) committee for an assessment of the bill's cost impact on state and/or local governments. The Appropriations Committees establish a cost threshold. Bills over the threshold are sent to a "suspense file," the contents of which are reviewed and acted upon during a single all-important hearing. Hearings for "house of origin" bills (i.e., the first house – so the Assembly looks at its own members' bills and same on the Senate side) took place this week and, as is customary, the Appropriations Committee chairs read off the results of the behind-closed-door decision making process. During this first year of a two-year session, a measure faces one of three fates:

- Passed off the suspense file – often (but not always) with amendments to reduce the bill's cost impacts – and moved to the floor for consideration by the full house.
- Held in committee but specifically designated a two-year bill, so additional action could take place in the 2022 legislative year.
- Held in committee but dead, so the life of the bill came to an end yesterday. (This particular category can either be very, very good or very, very bad... depending on your perspective.)

Remember, we will do this all over again in August when the Appropriations Committees will take up "second house" bills (i.e., bills that have made it from the Assembly to the Senate and vice versa). We highlight an array of bills of particular interest below. However, the full record of the committees' actions are available here: [Senate](#) (plus Senate two-year bill [list](#)) | [Assembly](#) (which also details two-year bill designation).

Passed (As is or with amendments; now moves on to a floor vote)

- [AB 4](#) (Arambula) – Would expand Medi-Cal to all undocumented adults.
- [AB 32](#) (Aguiar-Curry) – Would make permanent telehealth flexibilities enacted during the pandemic.

Worth Noting: Legislative Leaders Agree on a 12-Bill Limit Per Member

In a decision announced earlier this week, Senate President pro Tempore Toni Atkins confirmed that she and Assembly Speaker Anthony Rendon have agreed to impose a 12-bill cap per author, meaning that every legislator may only move a maximum of a dozen bills to the second house. To the extent that any member has more than 12 potential candidates on track to advance to the other house, they will have to narrow the list to remain within the cap. Legislative leadership will monitor bill movements to ensure compliance with this new limit.

- [AB 268](#) (Irwin) – Would expand circumstances under which a qualifying family member can request court sealing of autopsy records and associated evidence.
- [AB 339](#) (Lee) – Would require cities and counties with populations of 250,000 or more to ensure their governing bodies’ meetings include an opportunity for members of the public to attend via a telephonic option or an internet-based service option through December 31, 2023.
- [AB 470](#) (Carrillo) – Would eliminate the Medi-Cal asset test.
- [AB 602](#) (Grayson) – Would make significant changes to laws governing local development impact fee programs.
- [AB 640](#) (Cooley) – Would require the California Department of Social Services (CDSS) to provide guidance on redeterminations for Extended Foster Care.
- [AB 650](#) (Muratsuchi) – Would require health care providers, including hospitals and clinics, to paying hazard pay retention bonuses to the health care workforce. The bill was amended coming out of Appropriations Committee to apply to county and University of California hospitals (that were previously exempted).
- [AB 808](#) (Stone) – Would create the Children’s Crisis Continuum Care Pilot Program.
- [AB 816](#) (Chiu) – Would require local governments to develop actionable homelessness plans and meet benchmark goals to reduce homelessness.
- [AB 942](#) (Wood) – Would implement behavioral health components of the CalAIM. The components of AB 875 are being amended into AB 942.
- [AB 950](#) (Ward) – Would authorize the California Department of Transportation to sell its excess real property to the city or county if the local government agrees to use the real property for the sole purpose of implementing affordable housing.
- [AB 989](#) (Gabriel) – Would create a new state appeals committee within the California Department of Housing and Community Development.
- [AB 1130](#) (Wood) – Would create the Office of Health Care Affordability.
- [AB 1423](#) (Daly) – Would allow developers to receive grant funding from the California Housing and Community Development Department during the construction period.
- [SB 2](#) (Bradford) – Would establish new standards and processes to investigate and determine peace officer fitness and establish associated decertification processes. Amendments taken in the Senate Appropriations Committee, which narrow the scope of the bill, already are in print.
- [SB 6](#) (Caballero) – Would create a new process allowing residential development on commercial sites.
- [SB 17](#) (Pan) – Would create the Office of Racial Equity.
- [SB 56](#) (Durazo) – Would expand Medi-Cal to undocumented adult age 65 and older. The bill was amended coming out of committee to reduce the age to 60.
- [SB 213](#) (Cortese) – Would create rebuttable presumptions that infectious disease, COVID-19, cancer, musculoskeletal injury, post-traumatic stress disorder or respiratory disease are occupational injuries for a direct patient care worker employed in an acute care hospital, as defined, and are therefore eligible for workers’ compensation benefits.
- [SB 256](#) (Pan) – Would implement components of the CalAIM, including Population Health Management, Enhanced Care Management and In Lieu of Services, and the authority for incentive payments to Medi-Cal managed care plans.
- [SB 261](#) (Cortese) – Would grant independent authority to the county counsel in the Counties of Los Angeles, San Diego, and Santa Clara to bring actions under the Unfair Competition Law.
- [SB 316](#) (Eggman) – Would federally qualified health centers and rural health clinics to receive Medi-Cal reimbursement for two visits taking place on the same day at a single location when the patient suffers illness or injury requiring additional diagnosis or treatment after the first visit, or when the patient has a medical visit and another health visit with a mental health or dental provider.

- [SB 262](#) (Hertzberg) – Would make various changes to the current bail system, including requiring the Judicial Council to adopt a uniform statewide bail schedule. (Amendments to SB 262 taken in the Senate Appropriations Committee are already in print. The revised version of the measure acknowledges the California Supreme Court’s [decision](#) in the *Humphrey* case.)
- [SB 278](#) (Leyva) – Would require that, in the event of a California Public Employees’ Retirement System (CalPERS) retiree having a pension reduced due to the inclusion of compensation by the relevant public employer that cannot be counted towards a final pension calculation, the public employer must cover the reduced benefit to the retiree.
- [SB 371](#) (Caballero) – Would establish the California Health Information Technology (HIT) Advisory Committee and the position of Deputy Secretary for HIT within the California Health and Human Services Agency (CHHS) to provide information and advice to the Secretary on HIT and create an annual report. [AB 215](#) (Chiu) – Would create a new, mid-cycle regional housing needs progress determination process and mandates cities and counties with “low progress” in meeting those housing targets adopt pro-housing policies.
- [SB 555](#) (McGuire) – Would establish a system by which local governments may require short-term rental platforms to collect local transient occupancy taxes (TOT) and may contract with the California Department of Tax and Fee Administration (CDTFA) to collect those charges from the short-term rental platforms and remit them to the local governments.
- [SB 586](#) (Bradford) – Would eliminate an additional set of court-related fines and fees and vacate all previously levied debt associated with the relevant fine and fee authority. The amendments that narrow the scope of the measure are not yet in print.

Held in Committee: Two-Year Bills

- [AB 377](#) (Rivas) – Would require the State Water Resources Control Board (State Water Board) and regional boards, by January 1, 2025, to evaluate impaired state surface waters and report to the Legislature a plan to bring all water segments into attainment by January 1, 2050.
- [AB 1131](#) (Wood) – Would establish a statewide “health information network (HIN),” governed by an independent board, and charges the board with selecting an entity to operate a data warehousing, integration and exchange infrastructure to facilitate the collection and exchange of patient-level health information for purposes of care and treatment, as well as the exchange of data for purposes of public health reporting and broader analyses of health disparities.
- [SB 364](#) (Skinner) – Would create the Free School Meals for All Act.
- [SB 379](#) (Wiener) – Would prohibit the University of California (UC) from entering into a contract with a health facility contractor or subcontractor in which a UC-employed practitioner or trainee would be limited in their ability to provide patients with medical information or services due to nonclinical policy-based restrictions on care in the health facility.
- [SB 642](#) (Kamlager) – Would prohibit health care facilities from conditioning clinical privileges on compliance with policies restrict the ability to perform a medical treatment, except under specified conditions.

Held in Committee (Dead)

- [AB 875](#) (Wood) – Would have implemented CalAIM components, including the transition from the PRIME program to the Quality Improvement Program, as PRIME is being phased out of the current 1115 waiver; the Global Payment Program; jail services; and state monitoring of county performance for county eligibility work for Medi-Cal. The contents of AB 875 will be amended into AB 942.

- [AB 880](#) (Aguiar-Curry) – Would have established the Affordable Disaster Housing Revolving Development and Acquisition Program to expedite relief funding for the development or preservation of affordable housing in the state’s declared disaster areas.
- [AB 1360](#) (Santiago) – Would have required each city, county, or city and county to “make every effort” to ensure that individuals housed pursuant to Project Roomkey do not return to homelessness.
- [SB 493](#) (Bradford) – Would have redirected 95 percent of each county’s Juvenile Justice Crime Prevention Act (JJCPA) funding to non-law enforcement public agencies and community-based organizations, among other changes.

California On Track to Re-Open June 15, State Officials Announce

In a call today with reporters, Dr. Mark Ghaly, Secretary of the California Health and Human Services Agency, and Dee Dee Myers, the Governor’s senior advisor for economic issues, confirmed that the state will fully reopen on June 15 with no capacity limits for businesses, but guidance for vaccine verification at large events. The state will align mask and travel rules with the recent US Centers for Disease Control and Prevention guidance that fully vaccinated people can go without masks in most situations. See more details on the state’s June 15 re-opening plans [here](#).

For outdoor events with more than 10,000 people, the state will recommend that event operators have a system to verify patrons are either vaccinated or have tested negative for COVID-19. Individuals who do not meet those requirements may attend and wear a mask. For indoor events with more than 5,000 people, organizers must prove that attendees have been vaccinated or test negative; people may not simply wear masks to be in compliance. Dr. Ghaly confirmed that the state would not be involved in preparing a so-called “vaccine passport,” but the state will provide guidance to ensure that it’s done “with a high degree of integrity and responsibility with equity in mind.” Additionally, the state will issue guidance on a number of issues beyond the June 15 date, including mask-wearing, verification, travel, and other issues.

Cal/OSHA Delays Vote on New Workplace COVID Rules

This week, the California Division of Occupational Safety and Health (Cal/OSHA) postponed a vote on a proposal that would have allowed workers to return to the workplace without social distancing or mask requirements. The request to delay the vote came on the heels of the announcement that California would wait until June 15 to loosen mask rules in indoor and outdoor settings. The board will next meet on June 3 to vote on a revised proposal. For more, check out this [article](#) from the *Los Angeles Times*.

State Budget Updates: HHS Focus

The Assembly and Senate budget subcommittees have been meeting this week to hear May Revision proposals; they are expected to conclude their work – including taking votes on individual budget items – next week. The full Assembly Budget Committee is scheduled to convene on May 27 and June 2, while the full Senate Budget and Fiscal Review Committee will meet on May 28. There are rumors that the Budget Conference Committee may not meet this year.

A few important notes on health and human services budget issues:

- **Public Health.** Assembly Member Wood and Senator Pan joined county health executives, health officers, CSAC, UCC, RCRC, SEIU, and public health advocates at a press conference this week urging the state budget include an ongoing investment of \$200 million annually in public health workforce and infrastructure. The Legislature is prioritizing an ongoing investment in the budget year.
- **Telehealth.** The Administration's trailer bill language for telehealth does not allow telephone services to continue seamlessly at Federally Qualified Health Centers (FQHCs) and Rural Health Clinics (RHCs) when the public health emergency ends. Although the Administration has offered a path to resuming telephone services once an alternative payment methodology (APM) is developed, it will likely be a couple years before such an APM could be developed and implemented. A policy bill – AB 32 by Assembly Member Aguiar-Curry – provides an alternative to the Administration's telehealth language by offering a bridge to the APM that assures patients can still access telephone services. Stakeholders are urging the Legislature adopt the telehealth language in AB 32.
- **Lanterman-Petris-Short Conservatorships.** The Administration is proposing to stop intake and release Lanterman-Petris-Short conservatorships from state hospitals over three years starting in 2022. Counties have identified a number of issues with the proposal, including the timeline and are asking the Legislature to reject the proposal.
- **Children and Youth Behavioral Health Initiative.** While the Legislature has greeted the unprecedented investment in behavioral health with praise, members have voiced several concerns, including: 1) balancing immediate needs with longer-term investments, 2) logistical and technological difficulties in standing up a state IT platform, 3) the workforce needs and whether the Administration's investments are sufficient, 4) whether schools are clinically appropriate to identify behavioral health issues. Trailer bill language has not yet been released. This is likely one of the issues to be discussed over the summer and not immediately adopted June 15.
- **Human Services Homelessness Programs.** While not detailed in the May Revision documents released last Friday, the Administration is proposing a 25% county share of cost on the county human service agency administered housing and homelessness programs (Home Safe, Housing and Disability Advocacy Program, CalWORKs Housing Support Program, Bringing Families Home Program). Counties are urging the Legislature to reject the share of cost. They will also be proposing statutory flexibilities for these programs. However, the Administration's trailer bill has not yet been released.
- **In-Home Supportive Services (IHSS).** The Administration's IHSS trailer bill language to implement the 10% over 3 year bargaining tool keeps the existing cap on utilizing the 10% over 3 year tool twice. Counties are urging the Legislature to delete the cap.
- **Families First Preservation Services Act.** The May Revision proposes \$122 million in funding over three years to implement FFPSA; however, counties are urging the Legislature to invest \$250 million over three years.

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 2, 2021
To: LAFCO Commissioners
From: Joe Serrano, Executive Officer
Subject: **Press Articles during the Months of April and 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.

Article #1: "Officials Urge Big Basin and SLV Water Districts Merger": The article, dated April 19, notes that the California State Water Resources Control Board has issued warnings to the Big Basin Water Company regarding its violations in water supply and quality. This water provider is a private company that is located in San Lorenzo Valley Water District's sphere of influence but outside its jurisdictional boundary. Big Basin Water is now required to complete a series of monthly deadlines to address its violations in addition to its infrastructure deficiencies. Failure to meet these deadlines could lead to additional fines and penalties.

Article #2: "3rd district County Supervisor Ryan Coonerty will not run for reelection": The article, dated April 27, informs the public that Supervisor Coonerty has decided not to run for re-election in 2022. Mr. Coonerty was first elected as Board of Supervisor in 2014 and re-elected in 2018. In addition, he has served as a Commissioner on LAFCO since 2015. LAFCO staff appreciates his ongoing efforts to address local governance issues by helping not only his constituents but all residents in Santa Cruz County.

Article #3: "County supes select Los Altos Hills fire services evaluator" The article, dated April 28, highlights the recent hiring of a consultant by Santa Clara County to evaluate the County's current and future fire protection structure. The operational study will analyze potential fire risks, determine best methods to deliver fire protection, and identify whether additional resources are needed by the existing fire districts within Santa Clara County. This study will run concurrently with a fire service review already underway by Santa Clara LAFCO.

Article #4: “Watsonville To Redraw Council District Boundaries”: The article, dated May 3, notes that the City of Watsonville is now accepting applications to become a committee member tasked in redrawing the boundaries of the city council districts. The selected applicants will be appointed to the committee on May 25.

Article #5: “Worsening fire season is reshaping how cities like Santa Cruz prepare”: The article, dated May 4, points out that communities and cities are searching for ways to minimize the threat of wildfires by communicating and working together. Additionally, fire departments are clearing out shrubs and other fire fuels while also purchasing necessary equipment to fight impending fire threats.

Article #6: “Pajaro Valley Water Management Agency board finalizes water rate increases”: The article, dated May 5, notes that the Pajaro Valley Water Management Agency approved a rate increase that will span over the next five years. PVWMA serves areas in south Santa Cruz County as well as north Monterey County through 21 miles of pipeline. By 2026, residents are expected to pay around \$48 more per year. The increased fees will help fund projects that buffer and bolster water supplies.

Article #7: “Santa Cruz County now in ‘extreme drought’”: The article, dated May 6, notes that the US Drought Monitor now categorizes Santa Cruz County in “extreme drought.” This category means that the County may experience major crop/pasture losses and widespread water shortages or restrictions. The U.S. Drought Monitor is produced through a partnership between the National Drought Mitigation Center at the University of Nebraska-Lincoln, the United States Department of Agriculture, and the National Oceanic and Atmospheric Administration.

Article #8: “Santa Cruz County Fire Officials Gear Up for potentially ‘Active’ Season”: The article, dated May 7, indicates that this year’s fire season may be very active since the region only incurred 50% of average annual rainfall. As a result, fire agencies are looking for innovative ways to manage the fire season. For example, Cal Fire is now using a manned aircraft equipped with an infrared camera to find hot spots in “search and destroy” missions. The hope is to handle those small blazes before they develop into a “sleeper fire.” A recent sleeper fire involved a 7-acre blaze along the Big Basin Redwoods that occurred on May 2nd and stemmed from last summer’s CZU Lightning Complex Fire. In South Santa Cruz County, Watsonville Fire is training for wildfires as well even though Watsonville has little wildlands. It is important to note that Watsonville and other neighboring agencies have mutual and automatic aid agreements in place in order to fight against wildfires regardless of jurisdictional boundaries.

Article #9: “City of Santa Cruz intends to transition to district elections for City Councilmembers”: The article, dated May 11, explains how the City of Santa Cruz plans to transition within the next year from at-large elections to district-based elections for new council members. Community feedback will help the City establish the seven new zones for each seat. The goal is to create a map depicting the zone boundaries by March 2022.

Article #10: “Big Basin Water Co. faces state ordered deadlines to bolster supplies”: The article, dated May 13, highlights the ongoing issues with Big Basin Water Company. The private water company lost the majority of its infrastructure during the CZU Lightning Complex Fire, including its main water filter plant. As a result, residents were unable to use their drinking water due to fire-linked contamination. There is an ongoing discussion to determine whether San Lorenzo Valley Water District is the most logical water provider for the Big Basin community. If so, the transfer of water responsibility would require LAFCO action to approve an annexation, should discussions lead to that conclusion.

Article #11: “Why the Water Authority Threatened LAFCO Over a Tweet”: The article, dated May 13, notes that a recent re-tweet by San Diego LAFCO of an opinion piece has led to a potential legal threat. The opinion piece was written by representatives of the Fallbrook Public Utility District and the Rainbow Municipal District explaining why they want to leave the San Diego County Water Authority. The Water Authority’s legal counsel threatened that the re-tweet was a conflict of interest since LAFCO action may be required if detachment does move forward. A “re-tweet” is a re-posting of a message on Twitter, which is a social media platform. It is important to note that Santa Cruz LAFCO does not use Twitter or any other similar social media platform at this time.

Article #12: “Possibility of merger between San Lorenzo Valley Water District and Scotts Valley Water grinds to a halt”: The article, dated May 25, indicates that the San Lorenzo Valley Water District Board decided not to move forward with exploring the benefits of consolidation with Scotts Valley Water District. The decision was made during their May 20th Board Meeting in which District staff provided a report outlining the potential advantages of consolidation.

Respectfully Submitted,



Joe A. Serrano
Executive Officer

Attachments:

1. “Officials Urge Big Basin and SLV Water Districts Merger”
2. “3rd district County Supervisor Ryan Coonerty will not run for reelection”
3. “County supes select Los Altos Hills fire services evaluator”
4. “Watsonville To Redraw Council District Boundaries”
5. “Worsening fire season is reshaping how cities like Santa Cruz prepare”
6. “Pajaro Valley Water Management Agency board finalizes water rate increases”
7. “Santa Cruz County now in ‘extreme drought’”
8. “Santa Cruz County Fire Officials Gear Up for potentially ‘Active’ Season”
9. “City of Santa Cruz intends to transition to district elections for City Councilmembers”
10. “Big Basin Water Co. faces state ordered deadlines to bolster supplies”
11. “Why the Water Authority Threatened LAFCO Over a Tweet”
12. “Possibility of merger between San Lorenzo Valley Water District and Scotts Valley Water grinds to a halt”

OFFICIALS URGE BIG BASIN AND SLV WATER DISTRICTS MERGER

[SLVPOST.COM](https://www.slvpost.com)

By Jayme Ackemann

As early as this summer, Big Basin Water Company customers could see water shortages or other impacts based on an alarming new [order](#) just issued by California's State Water Resources Control Board.

Since the CZU Lightning Complex Fire, Big Basin has operated its system from a single well. Much of the company's water treatment and storage infrastructure was damaged in the fires. But according to the details of an order sent to Big Basin owner Jim Moore, the Moore's water operation has been out of compliance since at least 2018.

The primary issues raised by the Water Board address the Company's ability to treat and store enough water to supply its customer base when demand is heaviest; the company's failure to develop an emergency shutoff plan to ensure customers have access to water during power outages; and its ability to restore its system following the damage caused by last summer's wildfires.

Stefan Catalina, the Chief of the North Coast Section of the Drinking Water Division for the State Water Resources Control Board, sent a letter containing the "Order of Non-Compliance" to Jim Moore on April 9. In it he said, "Big Basin WC has a documented history of failing to administer preventative maintenance, emergency preparedness, and customer complaint programs. This lack of preparation and inadequate customer communication has contributed to Big Basin WC failing to reliably supply its customers with potable water during emergency shutoff events."

The order sets out a series of monthly deadlines the company must meet between May 10 and September 10, 2021. Failure to meet a monthly deadline could result in fines and penalties to the system in addition to the capital needed to address the deficiencies raised by the report.

State and local legislators sent a [letter](#) echoing the concerns raised by the Water Board and encouraging the Water Company's owners to resume discussions with San Lorenzo Valley Water District about annexing their system into the District's operation.

The letter signed by Santa Cruz County Supervisor Bruce McPherson, Assemblymember Mark Stone, and State Senator John Laird, raised several concerns.

"Even before the CZU Lightning Fire, we understood BBWD to be in a state of disrepair..." the letter goes on to echo the deficiencies laid out by the State before raising a troubling new concern for CZU fire victims hoping to rebuild.

“Additionally, as property owners whose homes were destroyed by the fire prepare to rebuild their homes, we are concerned BBWD will not be equipped to provide reliable, safe water – therefore risking the ability of homeowners to gain the needed approvals to rebuild.”

Supervisor McPherson urged Big Basin customers to get engaged, “We are especially concerned about customers who are looking to rebuild after the CZU fire, and we wouldn’t want their permits held up because of water supply uncertainty. Those customers who support exploring annexation can certainly contact Big Basin Water and SLV Water directly to share their thoughts.” He also encouraged customers to reach out to his office with comments and concerns.

The Moore’s are repeatedly chastised for a lack of customer communication in the State’s Order of Non-Compliance. That lack of transparency makes it difficult to know how much capital the owners may be able to access to begin responding to the deficiencies outlined in the document.

But the peak season for water demand – the summer – is nearly upon us and like the rest of California, the Valley has experienced a very dry winter. That combined with the potential for another active fire season means the demand for water is likely to outstrip Big Basin’s ability to supply its customers.

Meanwhile the Moore’s have reportedly been seeking a buyer for the system for some time. The letter sent jointly by McPherson, Laird, and Stone, referenced the negotiations saying that while the owners implied an offer was imminent more than six months ago, no offer appears to have materialized.

Without a potential buyer, Big Basin WC must place the interests of its customers first. If the small family operator isn’t able to finance the work needed to restore the system to compliance it must begin discussions with the San Lorenzo Valley Water District about annexation.

It’s not clear what this would mean for the Water District’s existing service- annexation would require a vote of Big Basin’s customer base – but the Big Basin Water Company is within San Lorenzo Valley Water District’s “sphere of influence,” according to San Lorenzo Valley General Manager Rick Rogers.

Rogers says he’s been in communication with the Big Basin WC’s owners to discuss an emergency tie-in should the water company’s single well be unable to meet the summer demand or in the event of another emergency.

“It could take a year to 18 months to formally bring Big Basin into our system if we began working towards annexation today,” Rogers added. “But there are a few steps Big Basin customers would need to take to do that and there are things our Board would need to consider as well.”

Read the letter from Supervisor Bruce McPherson, Assemblymember Mark Stone, and Senator John Laird to Jim Moore, Big Basin Water Company at slvpost.com/mcpherson-stone-laird-bbwc-letter.

Read the compliance/noncompliance order from the State Water Resources Control Board
at slvpost.com/bbwc-compliance-order.

8A: ATTACHMENT 2

NEWS > POLITICS > ELECTION

3rd district County Supervisor Ryan Coonerty will not run for reelection

After 16 years of public service, Santa Cruz's eldest son searches for new adventure



Ryan Coonerty. (Shmuel Thaler — Santa Cruz Sentinel)

By **MELISSA HARTMAN** | mhartman@santacruzsentinel.com |

PUBLISHED: April 27, 2021 at 4:10 p.m. | UPDATED: April 27, 2021 at 4:38 p.m.

SANTA CRUZ — Supervisor Ryan Coonerty, who represents residents in Live Oak, Santa Cruz, Bonny Doon and Davenport, is making his political exit in 2022.



Coonerty confirmed with local media Monday night that the third district seat will be up for grabs when he steps down to find new personal and professional focuses.

“It’s been a tough year with multiple crises,” Coonerty said to the Sentinel. “The pandemic, the Trump administration, the (CZU Lightning Complex) fires ... I’m hoping by the end of 2022 when my term is up, things will be stabilized.”

Coonerty said there is a lot of political talent that could replace him. He will not be making an endorsement until after the filing deadline for the election.

“Especially the women in the 3rd district,” he said. “I think it’ll be a good time for them to bring their talents and vision to the board.”

His Chief of Staff Rachel Dann said this aligns with the supervisor’s belief in mentoring women and people of color, a belief that contradicts the average politician’s desire to run for office multiple times with the thought that no one was prepared enough to take over.

“He is always cultivating potential opponents,” she said. “He wants more diversity on the board, too.”

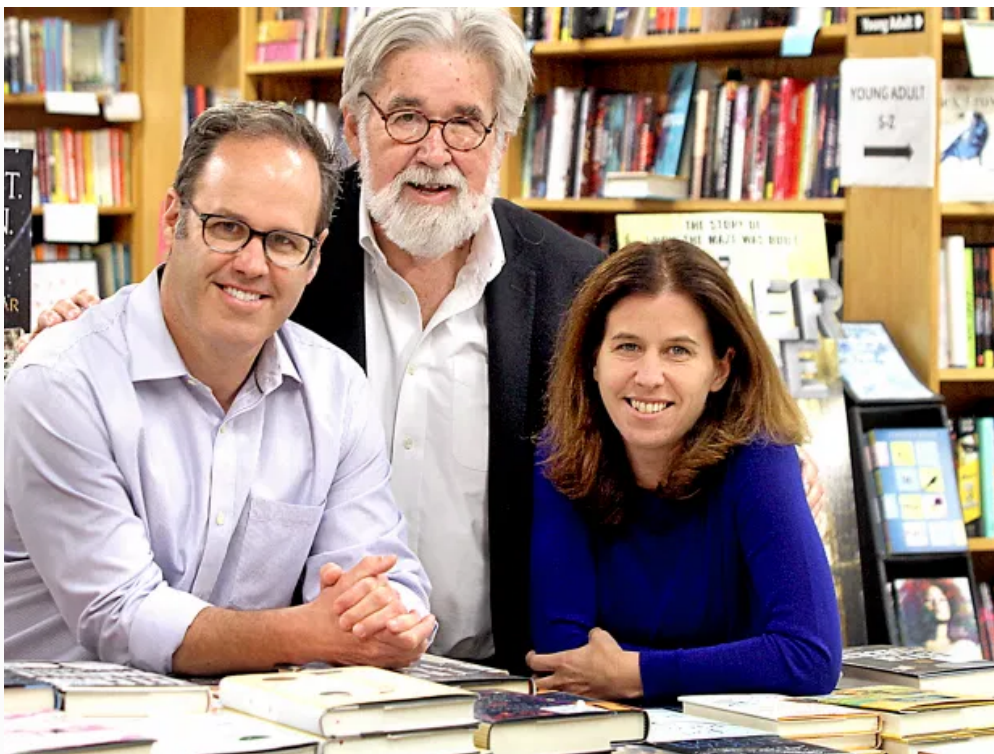
Another contributing factor to his leave is the feeling that he’s contributed to the community through his eight years on the Board of Supervisors and the previous eight years on the Santa Cruz City Council, Coonerty said.

“Nothing should last forever,” he said.

Coonerty is most excited to fall further into the role of father.

“I took office as supervisor three days after my son was born. He’s now 6,” the supervisor said. “My kids have never really known me when I’m just a private citizen, when I’m not going to community meetings and doing all the things you have to do. I’m looking forward to spending time with my kids as a regular person.”





Bookshop Santa Cruz founder and former local elected leader Neal Coonerty with his son Ryan Coonerty and daughter Casey Coonerty Protti at Bookshop in 2016. (Shmuel Thaler — Santa Cruz Sentinel file)

His younger sister Casey Coonerty Protti, owner of Bookshop Santa Cruz, said her brother has been in office the entire time her children have been alive. Now, they have more time to raise them together and figure out what life means without a Coonerty in office.

“It’s bittersweet because one of our main family values growing up is that you served your community whether that was through shepherding the bookstore or going into local office or volunteering,” she said Tuesday. “This’ll be a big thing. I am really excited for him to find out what’s next.”

One family’s legacy

The two know what it’s like to be exposed to a deep knowledge of one’s community at a young age from their father Neal, who was the first Coonerty to move from Santa Cruz City Council to Santa Cruz County Board of Supervisors.

“Having grown up with our dad in office, you feel like you’re a part of something,” Coonerty Protti said. “Last year between the fires and COVID, my brother was working nonstop, overnight. You want to make sure that on the whole somebody gets balance in (their) life. You can’t get that balance when you’re actually serving. You need to find breaks, moments.”



He will continue to teach law at UC Santa Cruz and figure out the rest of his professional pursuits from there.

“I have 19 months to figure it out,” Coonerty laughed. “As things normalize I’ll start putting a little time and thought into it ... we’re not going anywhere.”

His sister said she thinks his professional pursuits will continue to involve bringing the community together to solve problems.

“He was really an ambassador for Santa Cruz because he loved it so much,” she said. “I think now is the moment to honor him and support him as he gets to go on another adventure.”

Coonerty Protti offered another perspective: She said her brother isn’t too young to take a break and run again as their father did. After serving on Santa Cruz City Council, Neal Coonerty focused on Bookshop Santa Cruz before campaigning to replace former Santa Cruz County Supervisor Mardi Wormhoudt.

“I’m not running for any kind of office, so they’ll just have to wait for a whole other generation for a Coonerty to be back in office,” she joked of the possibility this is her brother’s last stop in his governmental journey.

Analyzing the announcement

Coonerty said the decision was recent. When he spoke to the Sentinel he still had calls to make to the “20 or so people he should.” But Santa Cruz is small and its gossip is big.

“There are no secrets,” he said. “I haven’t told very many people but I think my family is excited about it. With my staff at the county, Rachel Dann has been there the whole time. She served with my dad and I know she’s looking at making a change as well. It’ll be a big change for the 3rd-district office, but I think everybody understands and is embracing the change.”

Dann confirmed she will conclude her more than 20 years of aiding elected officials with the second Coonerty she has called boss. She and the 3rd district supervisor came to the conclusion about the needed change in direction because they had both lived through a year only made more insufferable by [the loss of analyst \(and best friend to Dann\) Allison Endert in June](#).

“I’m honestly looking forward to just being able to take some time to grieve,” Dann said. “This job takes a lot out of you and you put a lot into it, it’s just the nature of the job. I respect public service enormously and in order to do this job well you have to put your entire person into it.”



What's more impressive than his mind for policy that led to initiatives such as the [Nurse-Family Partnership](#) perhaps, Dann expressed, is Coonerty's ability to strengthen a friendship.

"People don't get to see (that side)," Dann said. "I could not have survived this year without him."

Fellow Supervisor Bruce McPherson echoed Dann.

"More than a colleague on the Board, he's just a good friend," he said. "I have a high respect for his input and what he has added to county government... he would be better described as a public servant than a politician."

Working through to the end

Though his announcement of eventual departure is now public, Coonerty certainly isn't done working. He said he is proud of what he and his fellow supervisors have done and hopes that approvals of programs such as [the Office of Response, Recovery & Resilience](#) will create long-lasting support.

"With the programs the last year, there has been a real focus — as there should be — on crisis response," Coonerty said. "I'm hoping we laid the foundation for improvements that we'll see for generations to come."

McPherson, who worked with Coonerty on the establishment of the office, said he appreciated working with his counterpart because he had an "outstanding sense" of making government work for the people and not vice versa.

"His experience with the city of Santa Cruz has been very beneficial," McPherson said, moving to a point Dann also made in her interview. "He's been particularly interested in improving care and opportunities for children."

Another colleague, Supervisor Zach Friend, praised Coonerty's prioritization of elevating the cause of social justice and giving voice to those often left behind.

"It's unquestionably a significant loss in policy and advocacy for our county but there is an equal legacy of his work that has improved the lives of countless local residents," Friend said, crediting Coonerty for achievements such as [the Thrive By Three program](#), his work with [the Central Coast Alliance for Health](#) to provide health services to disadvantaged residents, [the resolution making Coast Dairies National Monument a reality](#) and more.



Coonerty Protti said her brother will continue to serve and create those improvements, just in another capacity. He is her hero and her inspiration for how to build a community of her own at Bookshop Santa Cruz and how she dedicates herself and her values to that community, she said.

“It’s who he is,” Coonerty Protti offered of her sibling’s desire to continuously better the place he’s always called home. “It’s not just a job to him.”

Tags: [Newsletter](#)



Melissa Hartman

Melissa Hartman started with the Sentinel in October 2020 and reports on county, health and transportation matters. A graduate of San Jose State University's Dwight Bentel School of Journalism and Mass Communications, she has been reporting in Northern California since 2017. Melissa is an East Bay Area native and has previously worked at the Los Altos Town Crier and Bay City News Service.

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NEWS

County supes select Los Altos Hills fire services evaluator (/news/sections/news/199-city-affairs/64349-county-supes-select-los-altos-hills-fire-services-evaluator)

Published: 28 April 2021 Written by Megan V. Winslow

The Santa Clara County Board of Supervisors last week approved the next step toward evaluating the effectiveness – and possible restructuring – of the county's current fire and emergency services model.



(/images/02_17_21_NEWS_SimitianCOVIDForum_Simitian.jpg)

Simitian

Supervisors voted unanimously April 20 to award a contract of up to \$127,000 to Matrix Consulting Group for the completion of an operational study. Among the tasks accepted by the San Mateo-based company are predicting potential future fire risks, determining the best methods for delivering services and identifying whether additional resources are needed by the Santa Clara County fire districts, including the Los Altos Hills County Fire District.

Before the vote, Supervisor Joe Simitian, who represents Los Altos, Los Altos Hills and Mountain View, said he also wants the study to address fire prevention and resiliency. His colleagues agreed.

"I want to be really clear: I don't want to delay the exercise," Simitian said.

"I just want to broaden it to be somewhat more comprehensive in its

scope."

An audit last year by the Board of Supervisors' Management Audit Division suggested the county could be better served by consolidating the fire districts, an opinion many Los Altos Hills residents don't share; citing the unique nature of their rural town, they desire to maintain control of their own wildfire management and mitigation programs.



The Matrix Consulting study is taking place concurrently with a fire services review conducted by the Local Agency Formation Commission (LAFCO) of Santa Clara County. The objectives described in the scope of work accepted by the LAFCO consultant, the Center for Public Safety Management, are similar, but the findings are expected to be less comprehensive. Reps for the Washington, D.C., consultant made a presentation during an April 19 LAFCO Technical Advisory Committee meeting. Per the agreement, their report will cost no more than \$150,000.

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Politics & Government

Watsonville To Redraw Council District Boundaries

Find out how you can get involved in the effort.



Courtney Teague, Patch Staff P

Posted Mon, May 3, 2021 at 3:17 pm PT

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(Shutterstock)

WATSONVILLE, CA — The city of Watsonville is accepting applications for the committee that will be tasked with redrawing the boundaries of city council districts.

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City council districts must be redrawn once per decade, following the release of census results.

Seven people — one person per council district — will be appointed to the Community Redistricting Advisory Committee at the city council's May 25 meeting. Applicants will represent the area they live in and proof of residence is required.

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The committee will be subject to the Brown Act, California's open meetings law.

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Worsening fire season is reshaping how cities like Santa Cruz prepare

Neighborhood groups are joining forces with Santa Cruz Fire to protect homes from possible wildland fires. Those communities saw what happened during last year's CZU fire.



Updated: 8:42 AM PDT May 4, 2021

Infinite Scroll Enabled



Phil Gomez  

Reporter

SANTA CRUZ, Calif. — Neighborhood groups are joining forces with Santa Cruz Fire to protect homes from possible wildland fires. Those communities saw what happened during last year's CZU fire. Now, they're becoming more proactive to prevent it from happening to them.

"It scares me! You know how I feel. It scares me!" said Lora Lee Martin.

Martin is one of many people living in the Prospect Heights area of Santa Cruz. Her neighborhood is a Firewise community. Started a couple of years ago, the designation means they are certified to work together and take action to protect their homes in case of a wildfire.

"These fires are coming and they're coming differently and I think their training, I'm not a fire professional but the training needs to identify a different kind of fire."

To help prepare for what firefighters warn will be a busy fire season, crews are working to clear eucalyptus trees and other shrubs along DeLaveaga upper and lower parks. Reducing the fire's fuel, gives firefighters a better chance of stopping a wildfire before it spreads.



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"Especially around the residential parts of the city to provide a shaded fuel break, when a fire starts it keeps it in check so our crews can come in and suppress it quickly," said Santa Cruz Division Chief and Fire Marshal, Robert Oatey.

Fire crews are also re-familiarizing themselves with equipment and tactics.

"We tell firefighters like you said, to expect the unexpected because there are things you have not seen before that we have not seen as people that have been around for a while," said Santa Cruz Division Chief of Operations, Rob Young.

Recently, Santa Cruz Fire purchased a \$426,000 engine. Its sole purpose is to fight wildland fires, but residents have to do their part as well, by preparing defensible space and being ready to evacuate

"Being vigilant about watching the news. We've signed up for all of our code red alerts and all of those things, so we're ready to go if we get a notification" said, Kristen Faris of Prospect Heights.

Typically fire crews don't begin staffing up until mid-June, but they are approaching peak personnel levels right now.



Monterey Bay Aquarium general public ticket sales start

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LATEST HEADLINES

Pajaro Valley Water Management Agency board finalizes water rate increases



Pictured is a farm along San Andreas Road that receives recycled water from the Pajaro Valley Water Management Agency. Those customers can expect rate increases to kick in at the end of the year, and for the next several years. (Shmuel Thaler – Santa Cruz Sentinel)

By **HANNAH HAGEMANN** | hhagemann@santacruzsentinel.com | Santa Cruz Sentinel

PUBLISHED: May 5, 2021 at 4:51 p.m. | UPDATED: May 5, 2021 at 4:51 p.m.

WATSONVILLE — Water customers with the Pajaro Valley Water Management Agency can expect rate increases to kick in over the next five years, after board members voted in late April to approve the fees.



The [PVWMA serves coastal growers and farmers](#) in south Santa Cruz and north Monterey counties through 21 miles of water pipelines running near Highway 1. The water, which is a blend of recycled water, groundwater and Harkins Slough Recovery well water, supplements farmer's on-site agricultural wells.

Agricultural customers living in that delivered water zone, will pay around \$150 more per acre-foot of water by 2025-26. They'll also be charged an additional \$110 per acre-foot of water in delivery fees. Those outside the delivered water zone will pay about \$100 by 2025-26. The first installation of rate increases will begin Dec. 1 of this year.

An acre-foot of water is enough to supply two average households for a year, or irrigate a half-acre of strawberries. It's roughly 326,000 gallons.

"First and foremost we are a groundwater management agency. As one of our primary mechanisms for maintaining agriculture, we're trying to reduce groundwater overdraft and trying to eliminate sea water intrusion, we provide supplemental water supply to coastal ranches, so they buy our water instead of pumping," Brian Lockwood, PVWMA general manger, said.

Approximately 95% of the region's drinking and agricultural water comes from groundwater sources within the Pajaro Valley Basin, according to Lockwood.

Residents in the City of Watsonville and in the rural areas of north Monterey and south Santa Cruz counties, also pay fees to PVWMA. These customers can also expect their fees to increase over the next several years as well. By 2026, residents can expect to pay \$48 more per year.

"The farmers are paying the lions share and they're using the bulk of the water," Lockwood said of the increased fees.

The fees go toward funding projects that buffer and bolster Pajaro Valley water supplies, according to Lockwood. Those projects in the past have included the Watsonville Water Resources Center, [a recycled water facility](#) and The Harkins Slough Managed Aquifer Recharge and Recovery Facility.

Monies from the most-recently approved rate increases will go toward furthering the slough project, as well as the College Lake project, which would serve as an [alternative above-ground water supply for the Pajaro Valley](#).

"Staff and especially the board of directors understand any rate increase has an impact on all of our rate payers," Lockwood said. "We're doing everything we can to apply for grants, to keep the costs as low as possible, and we have had success with that in the past and I'm confident we'll have more success in the future."



The process, which culminated [during the April 21 public hearing](#) with the board of directors, included outreach with various stakeholders, including farm bureaus, as well as rural and residential customers.

Ten customers who receive non-potable water from PVMA protested the rate increases, but it would have taken 49 landowners protesting for the rate increases to have been halted.

A grower who receives supplemental water from PVMA spoke on April 21, asking the board to delay a vote on the rate increases.

“We’re very aware of the stigma, seawater intrusion, the current drought, the need to address water supply issues in the Valley,” the grower said. “We don’t suggest the agency stop pursuing solutions to those. We just ask the agency and the board not to take action on raising fees as planned on tonight’s meeting. ”

Echoing the grower, PVWMA Board Member Tom Broz motioned to hold another public hearing before taking a final vote. The rate increases passed by a 5-1 vote, with Broz dissenting.

During the hearing PVWMA Elected Director Javier Zamora, spoke in support of the increases.

“As a grower, I pay for water. I pay for a lot of water and it’s very costly. I am not getting more money for my strawberries or vegetables but it is part of doing business,” Zamora said. “As a grower, I can tell you this will be a difficult pill for me to swallow, very difficult. If we don’t do it, who else is going to come in and do it? No one will come with a magic wand and eliminate saltwater intrusion and say, ‘keep pumping as much as you want’ unfortunately that is not the case. We need to collaborate as individuals and community members and face our problem.”

Tags: [Newsletter](#)



Hannah Hagemann

Hannah Hagemann covers environment, water, wildfire impacts and all things south county for the Santa Cruz Sentinel.

Hagemann has a master's in science journalism from UC Santa Cruz and recently earned her Type II Wildland Firefighting certification. She lives with her fiancé and cat in Felton.



LATEST HEADLINES

Santa Cruz County now in 'extreme drought'

That's according to the most recently updated U.S. Drought Monitor map



According to the U.S. Drought Monitor, Santa Cruz County is in "extreme drought." Pictured above in late March, Loch Lomond reservoir is currently hovers around 71% capacity. (Hannah Hagemann – Santa Cruz Sentinel)

By **HANNAH HAGEMANN** | hhagemann@santacruzsentinel.com | Santa Cruz Sentinel

PUBLISHED: May 6, 2021 at 3:27 p.m. | UPDATED: May 6, 2021 at 3:27 p.m.



SANTA CRUZ — Santa Cruz County is now [in "extreme drought" according to the most recently released U.S. Drought Monitor](#) map, as dry conditions have progressed to more dry during the course of the last month.

The region began the spring season as a regional stronghold, [experiencing less severe drought conditions than neighboring northern counties](#). But with lack of rainfall, streamflow and reservoir levels have continued to drop and various water districts have already implemented some level of water restrictions.

This time of year 44 inches of rain would have been expected in Ben Lomond, but so far [just 18.75 inches of precipitation](#) has fallen. That's 58% less than what would be expected during a normal rainy season. The city of Santa Cruz faces about a 40% deficit compared to the average expected rainfall for this time of year.

"We had a very dry winter this year, it's one of the lowest rainfall [totals] we've had since 2014," said Sierra Ryan, interim water resources manager with the Santa Cruz County Water Resources Division.



This newest drought monitor designation doesn't come as surprise, Ryan said.



"Stepping back and looking at the bigger picture, this isn't just one or two dry years in a row, this is the way Santa Cruz climate is going to look into the future, given the climate change impacts we're expected to see here," Ryan said. "But that's not all bad news, because the water agencies, and county have been working together for years to improve water supply resiliency."

Something that also gives the water manager hope is the success water conservation has had in Santa Cruz County, thanks to residents.

The San Lorenzo Valley Water District is gearing up to ask customers to conserve 10% to 20% of normal water usage. The Santa Cruz Water Department has [already implemented similar curtailments](#).

"One of the concerns for this year is the district lost several of its surface sources and infrastructure to the CZU fires, so don't have all of our water sources available," SLVWD General Manager Rick Rogers said.

That includes 7 miles of above-ground water pipeline. That's meant the water supplier is more heavily leaning on groundwater sources, compared to their usual surface sources.

The district plans to soon launch an outreach campaign urging SLVWD customers to lower outdoor water use, including garden watering and pool filling, Rogers said. The district has also undertaken a leak study, and is repairing storage infrastructure and pipeline with leaks, as a way to try and combat drought.

Looking ahead to the summer, fire season is also on residents' and officials' minds.

Cal Fire San Mateo-Santa Cruz Unit forester Rich Sampson said typically, logs, stumps and larger fuels would still contain moisture from rainfall at this time of year.

"In a normal rainfall year, we get 50 to 60 inches of rain in the Santa Cruz Mountains, and after all that, it saturates into those larger fuels," Sampson said. "But we didn't get that, and those larger fuels are still dry from last year."

While fuel moisture conditions haven't given experts relief, Sampson said it's still unpredictable as to how severe the coming fire season will be.

"That's the thing about nature, we could go ahead and have a heavy fog year, and it stays damp throughout most the district, we've seen summers like that. And it could be a dead fire year," Sampson said.

"We could get lucky and see that ... quite frankly I hope we see that, but if we don't it could be an extreme fire year."



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Hannah Hagemann

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NEWS

Santa Cruz County Fire Officials Gear Up for potentially 'Active' Season

Cal Fire team looking for innovative ways to manage the fire season

FIREFIGHTER RECRUIT BRIAN NAVARRO LUGS A HOSE OFF THE FRONT OF A TYPE 3 ENGINE DURING A RECENT WILDLAND TRAINING EXERCISE AS PART OF THE ONGOING WATSONVILLE FIRE ACADEMY. PHOTO: TARMO HANNULA

By [GT Staff](#)

Posted on May 7, 2021



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COMMENTS

By Christina Wise and Tarmo Hannula

If Sunday's Basin Fire is any indication of what 2021's fire season will bring, San Mateo-Santa Cruz Unit Chief Ian Larkin and the mountains surrounding Santa Cruz County are in for a bumpy ride this fire season.

The roughly 7-acre blaze among the Big Basin Redwoods was a "sleeper fire," Larkin said, stemming from last summer's [CZU Lightning Complex fire](#), which damaged or destroyed nearly 1,000 structures in Santa Cruz County and charred more than 86,000 acres.

"Some roots had continued to burn through the winter, and the fire surfaced, allowing the embers to be picked up by the wind," Larkin said. "In that area, there are a lot of dead tan oaks. They had dropped all of their leaf litter, and that created a fuel bed for the embers to catch."

Larkin said there is still a great deal of fuel in the forest, and with the combination of high winds and lack of humidity, more fuel is being generated.

"This fire season is looking like it could be very active," he said. "We've received about 50% of our average annual rainfall, and that's very concerning, especially since we had a very dry year last year, and a fairly dry year before that. Coming into this fire season, our fuels are already in a drought-stricken state, and are starting to dry out faster than they normally would."

That has left Larkin and his Cal Fire team looking for innovative ways to manage the fire season. The department is now using a manned aircraft equipped with an

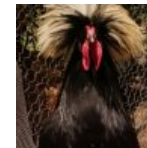
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NEWS

Bird Sanctuary Raises Concerns About Proposed Rooster Limits

Proposed ordinance targeting cockfighting ruffles feathers at sanctuary that helps abandoned roosters



NEWS

Rachel Kippen Resigns as Executive Director of O'Neill Sea Odyssey

Kippen cites concerns about 'racism, misogyny and privilege'



A&E

Cabrillo Gallery Opens Virtual Student Exhibition 2021

Online show represents all disciplines taught at the school

infrared camera to find hot spots in “search and destroy” missions. The hope is to handle those small blazes before they develop into sleeper fires similar to the Basin Fire.

“Some of them may be pretty remote; we’ll look to see if we can drop water on it, or if we need to get a crew in there via helicopter to get it out,” Larkin said. “By using the data generated during the flight, we’re going to do everything we can in advance of fire season to get ahead of it. We’ll be able to address issues in the burn scar before they pop up.”

If the Santa Cruz Mountains had received its typical 50-80 inches of rain, all of those hot spots would have been fully extinguished by the moisture seeping into the ground, Larkin said. But changing rainfall patterns and shortened windows in which the agency can conduct controlled burns has forced Cal Fire to instead undergo more labor-intensive, boots-on-the-ground fuel reductions.

In Big Basin, Larkin said, Cal Fire has tried to undergo controlled burns at the end of the fire season, “where we can rely on rainfall to assist with suppression, but we haven’t been able to do that for years.”

“The last controlled burn we attempted in Big Basin (in 2013), we had to manage that fire for seven days,” he said. “Forecasters had predicted rain, but it materialized many days later. Since then, we’ve relied more heavily on people-power to manage fuel reduction in the forest.”

In South County, Watsonville Fire Chief Rudy Lopez said that even though Watsonville has very little wildland acreage and wildland fires—save for a few in area sloughs and rivers—WFD trains to be of assistance to outlying agencies.

“We are a part of the solution,” Lopez said. “We are a small county but we have to support each other, whether that means on a local or state level.”

Lopez said that in a typical year WFD will support an out-of-county strike team two or three times. But last year he said WFD had eight out of area deployments.



LETTERS TO THE EDITOR

Letter to the Editor:
Fight for Foresight

A letter to the editor of Good
Times



News

By [Avery Johnson](#)

Published [May 11, 2021](#) 11:07 AM

City of Santa Cruz intends to transition to district elections for City Councilmembers



City of Santa Cruz

SANTA CRUZ, Calif. (KION) The City of Santa Cruz said that it intends to transition from at-large elections for City Councilmembers to district-based elections over the course of the next year.

City officials said they hope to consider whether to establish district-based elections and district maps by March 2022, but they will ask for community feedback during several steps in the process, including when determining district boundaries and an election schedule.

The city said the change comes after it received a Notice of Claim Violation of the California Voting Rights Act in February 2020. The act outlaws discrimination in voting practices, and in California, a violation exists if a potential plaintiff can show that racially polarized voting affects their ability to either elect or influence the election of minority-preferred candidates. The city says racially polarized voting happens when there is a difference between the choice of candidate for voters in a protected class and electoral choices preferred by the rest of the voters.

The prospective plaintiff, in this case, says the City's at-large elections violated the CVRA and threatened to sue unless the city transitioned to district-based elections. Officials say they do not believe the at-large elections violate the CVRA but decided to consider a transition to avoid the cost and uncertainty.

Because there are seven councilmembers, the city said there will be seven districts if the change moves forward.

NEWS > ENVIRONMENT

Big Basin Water Co. faces state ordered deadlines to bolster supplies

Officials and residents are voicing concerns about long-term water security



John Arrasjid, a Boulder Creek resident and Big Basin Water Co customer, carried a water jug back to his car in November. At that point, water system customers faced a Do Not Drink Do Not Boil water order. That was lifted in January, but now longer term water-security issues are concerning officials and residents alike. (Hannah Hagemann – Santa Cruz Sentinel)



By **HANNAH HAGEMANN** | hhagemann@santacruzsentinel.com | Santa

Cruz Sentinel

May 13, 2021 at 5:24 p.m.

BOULDER CREEK — When the CZU Lightning Complex fire ripped through the upper stretches of Boulder Creek, near Highway 236, water infrastructure melted and burned to the ground.

For the Big Basin Water Co., that's meant supplying roughly 500 remaining households with water from a singular well. A well that [previously served only as a backup](#) during dry summer months.

"That is hugely significant because they do have limited groundwater sources," Stefan Cajina, the North Coastal section chief with the state's Division of Drinking Water, told the Sentinel in October.

The water company, which also supplies to two neighboring systems, Bracken Brae and Forest Springs, lost the majority of its infrastructure in the fire. That includes its main water filter plant. Until January, residents were unable to use their drinking water [due to fire-linked contamination](#).

Now, the state water board alongside county and state officials, are taking action. Big Basin Water is faced with a schedule of regulatory deadlines it must meet to bolster drinking water supplies.

A prefab water plant, that will serve as a temporary supply according to Jim Moore, manager and owner of Big Basin Water, will be installed by June.

But residents and officials alike say they're concerned that the family-owned and-operated company won't be able to make the five-page-long list of state-ordered improvements. In the face of drought, and CZU Complex fire rebuilds, community members are anxious about water security.

"Everybody wants Jim to land on his feet, but you can't be putting a whole community at risk by not having a reliable water source," Big Basin Water customer and Boulder Creek resident Roger Wapner said.

Wapner and his family lost their home in the CZU Lightning Complex fire, which they'd lived in for 30 years.

"I lost everything on my property during the CZU Fire," Wapner said. "There was no water to fight the fire with, in the whole area."



Beyond short-term reliability, Wapner said ample water supply for future wildfires, as well as increasingly common power outages, is paramount.

“The issues on the state report were happening well before the fire,” Wapner said. “I think the water company needs to be hardened for fire, PG&E outages and foreseeable issues.”

State cites history

Prior to the CZU Complex fire, issues regarding water security in Big Basin’s district have arisen.

According to the State Water Board’s compliance order, a 2019 report found the company did not have an adequate water supply. That was with its major water treatment plant up and running, as well as two groundwater wells that were in-service.

The company wrote back to the board stating that it would hire a consultant to increase water sources.

But that work was never carried out, according to the regulator’s April 9 compliance order.

That order lays out time points Big Basin Water must meet within the next year: install a second temporary water supply beyond the one well, remove all fire-damaged infrastructure, and build a permanent water source.

The company, according to the order, will also have to demonstrate that it has the money to complete the repairs.

“The state is playing hardball,” San Lorenzo Valley Water District’s Director of Operations Rick Rogers said. “It’s a tremendous amount of work, and it’s going to be very, very expensive.”

The SLVWD supplied Big Basin’s customers with clean water in the aftermath of the CZU Complex. Until three weeks ago, Rogers said, some Big Basin Water customers were still getting water from the fill-up station.

As it stands, if the one well supplying water to Big Basin customers failed, there isn’t a backup source.

“My concern is in the middle of summer we start getting phone calls that they’re running out of water and to do an emergency intertie after the fact,” Rogers said.



“He’s really upbeat, he thinks he can do it, but when people look at the track record, does he have the bandwidth, the staff, the money to make this happen? I don’t know,” Rogers said.

Potential fold-in

Just a week after the state order came down, Santa Cruz County Supervisor Bruce McPherson, Assemblyman Mark Stone and State Sen. John Laird sent a letter to Jim Moore.

The three officials are proposing San Lorenzo Valley Water district annex Big Basin Water’s supplies and infrastructure.

“Our requirement to Big Basin isn’t just about meeting the state’s order and serving fire victims...this is about the long-term resiliency of the system,” McPherson said. “We’re really deeply concerned about it, that they’ll be able to carry through into the future.”

But there’s a number of hurdles that would need to be overcome before SLVWD and Big Basin Water could become one.

First, the public would need to be in support of the annexation. Residents would go through the Local Agency Formation Commission of Santa Cruz County process. The year-or-longer undertaking includes opportunities for [residents to protest the merger](#).

According to McPherson and Rogers, the annexation would also mean taking on higher water rates.

“This is why Big Basin Water is in the shape it is now, they haven’t had the money to do the infrastructure repairs,” Rogers said. “Yes, those people have low-cost water, but at a real heavy price.”

Regardless of if the annexation happens, or another private water company buys Big Basin Water, rates will increase, Rogers said.

“I know that rates are going to go up, and I’m OK paying higher rates for reliable water,” Wapner said.

The Boulder Creek resident is a proponent of Big Basin Water being folded into SLVWD.

Still, who would pay the price tag for Big Basin’s watershed, and infrastructure, remains a question.



According to McPherson's office, one option being looked at is a conservation group purchasing the watershed. Other strategies being explored include sourcing federal and state grant monies.

There's also the public option: in the case of the [Lompico County Water District merging with SLVWD](#), residents took on a \$2.75 million bond, to be paid off through property taxes during a 30-year period.

For Rogers to move on it, he said he'd like to see a stronger public show of support.

"We want to see the customers of Big Basin Water approach the district to do this, because we don't want an adversarial condition," Rogers said. "We've had that, and nobody wins."

Path forward is unclear

An offer to buy Big Basin Water, from a private company, is on the table, according to Moore.

Moore would not provide the Sentinel with the name of the company, but said the interested buyer is based in the Bay Area region.

That buyer, Moore said, has put engineering consultants on loan to Big Basin Water to make the state-ordered repairs, so he's not actively paying for their services out of pocket.

When asked if Big Basin Water had the funds to rebuild their permanent surface plan, Moore said on hand, they did not.

Moore, who plans to live out his days in his Boulder Creek home, said he needs more up-front information from SLVWD on how they, or the public, would purchase the system.

"My whole life has been put into this," Moore said. "I'm 73 years old, I'm not going to say 'and by the way, it's OK, I don't need anything.'"

The entity that buys the system, will also have to pay off the consultants currently working onsite, Moore added.

For McPherson, the urgency of water security for Big Basin customers is coming into the forefront, as drought conditions worsen, and peak fire season is just months away.



"If there's another fire, it would be real dire, it would be an extremely big problem," McPherson said. "Now under these drought circumstances that are staring us in the face, it only heightens the concern."

Moore, who's been working since the fire quelled, and he recovered from cancer surgery, echoed McPherson.

"Heaven forbid, there's another fire that comes right straight through here again, I can't say what will happen."

With a shared watershed and experience surviving through the fire, Rogers said he hopes Moore, and residents, come to the table.

"People really want their independence when it comes to water, they think they're going to lose their water. I understand it, but there is no water to take out of Big Basin," Rogers said. "We barely all have enough."

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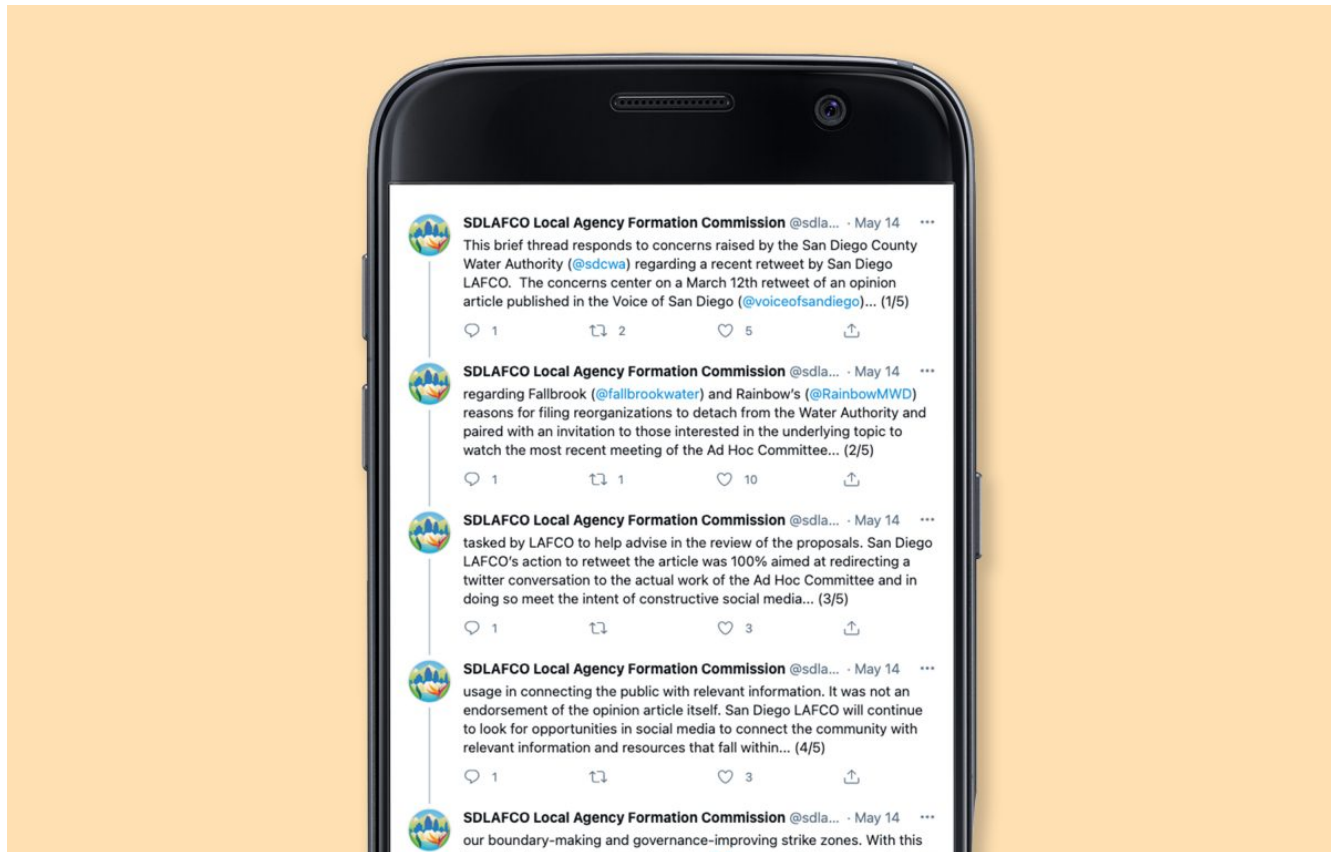
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Why the Water Authority Threatened LAFCO Over a Tweet

Posted By *Andrew Keatts* On May 17, 2021 @ 12:13 pm



Tweets sent by the Local Agency Formation Committee / Illustration by Megan Wood

This post originally appeared in the [May 15 Politics Report](#) ^[1]. Get the Politics Report [delivered to your inbox](#) ^[2].

The Local Agency Formation Committee, the agency responsible for determining the jurisdictional boundaries of public agencies, known as LAFCO, posted a series of tweets on Friday that were, well, weird.

“This brief thread responds to concerns raised by the San Diego County Water Authority (@sdcwa) regarding a recent retweet by San Diego LAFCO, ^[3]” [the tweet clarification begins](#) ^[3], with a commendable level of deadpan humor, we assume.

Yes, LAFCO tweets. And it apparently is so spicy on Twitter.com that it has to retract its tweets. We were very intrigued. What had the Water Authority said to LAFCO to cause this?

We found out: Earlier this week, we published an op-ed from representatives from the Fallbrook Public Utility District and the Rainbow Municipal District explaining [why they want to leave the San Diego County Water Authority](#) ^[4] to join a different agency in Riverside County.

The LAFCO Twitter account retweeted a link to the article, alongside [a seemingly anodyne comment](#) ^[5] in which it promoted an online video of a discussion of the issue the op-ed was about.

LAFCO is the agency that reviews these sorts of issues — like whether agencies can break apart.

The Water Authority was not pleased: Its lawyers sent an immediate take down demand ^[6] with an implied threat to sue. “This appears to be a conflict of interest, in which LAFCO appears to be endorsing the position of agencies who have a pending application before LAFCO. Our firm and the Water Authority General Counsel called LAFCO counsel at about 10:00 a.m. today as soon as we saw the Twitter post, and demanded that it be immediately taken down by LAFCO.”

This seems a bit oversensitive. The LAFCO tweet was an awkward promotion of its own discussion on the matter. Probably didn’t need to share the op-ed.

The Water Authority felt that was nefarious and demanded that LAFCO explain its tweet. The lawyers said they believed LAFCO was biased on the matter. They said it had already complained after representatives from Rainbow and Fallbrook bragged about having already “pre-arranged” detachment from the Water Authority with LAFCO.

LAFCO’s mea culpa tweets were meant to diffuse this threat.

“San Diego LAFCO’S action to retweet the article was 100 percent aimed at redirecting a Twitter conversation to the actual work of the Ad Hoc Committee and in doing so meet the intent of constructive social media usage in connecting the public with information,” it continued.

They didn’t agree to stop tweeting though. LAFCO has got a brand to maintain. The agency said it’s going to continue using social media to “connect the community with relevant information and resources that fall within our boundary-making and governance-improving strike zones.”

Let this be a lesson to the Board of Equalization, North County Transit District, the Airport Authority or any other obscure agency that thinks it might want to step to LAFCO: don’t.

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[3] ,: <https://twitter.com/sdlafco/status/1393280246007226368?s=20>

[4] why they want to leave the San Diego County Water Authority:

<https://www.voiceofsandiego.org/topics/opinion/why-we-want-out-of-the-water-authority/>

[5] a seemingly anodyne comment: <https://twitter.com/sdlafco/status/1392629707800072192?s=20>

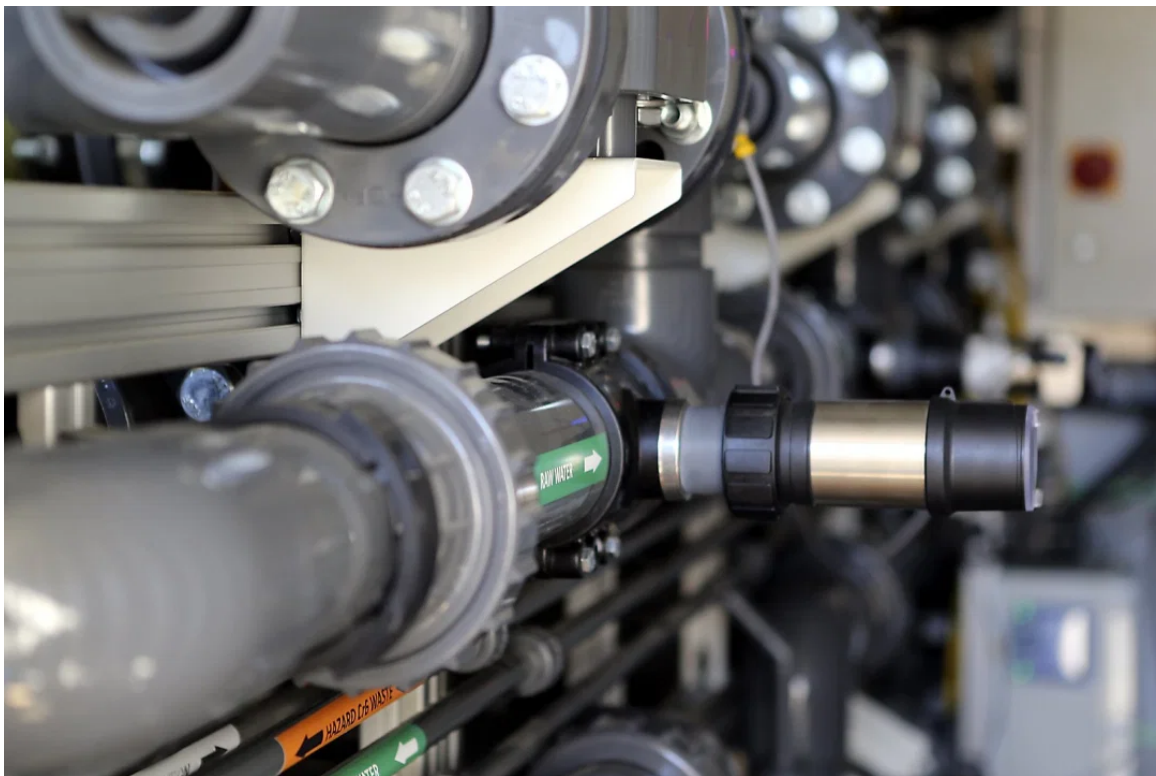
[6] an immediate take down demand: <https://www.voiceofsandiego.org/wp-content/uploads/2021/05/Letter-to-LAFCO.pdf>

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NEWS > ENVIRONMENT

Possibility of merger between San Lorenzo Valley Water District and Scotts Valley Water grinds to a halt

SLV Water District cites commitment to fire recovery projects



The San Lorenzo Valley Water District voted during their May 20 board meeting to not move forward in an exploratory process to consider consolidating with the Scotts Valley Water District. (Kevin Johnson – Santa Cruz Sentinel)

By **HANNAH HAGEMANN** | hagemann@santacruzsentinel.com | Santa Cruz

Sentinel

May 25, 2021 at 4:30 p.m.



FELTON — San Lorenzo Valley Water District board members declined to take the next step in a consolidation process with the Scotts Valley Water District, bringing the possibility of a merger between the two water suppliers to a halt.

After a Scotts Valley Water District board meeting in February, during which members voted to move forward with a first-step exploring a consolidation, the ball was in the San Lorenzo Valley Water District board's court.

"Right now with COVID, the CZU fire, people are really not looking to take on another huge endeavor," said Rick Rogers, water district manager for San Lorenzo Valley.

"We've got \$20 million dollars worth of damage, our major supply line destroyed," Rogers said. "The board felt that we need to focus our attention on recovery from the fire."

To move forward in the process, San Lorenzo's Board would have [needed to authorize a feasibility study](#). That research would have laid out financial benefits, or drawbacks, as well as flushed out questions on water demand, conservation and associated service changes.

The Local Agency Formation Commission merger process could have taken several years. It hinges upon a protest period, during which residents can voice opposition to consolidation.

Rogers, and Piret Harmon, manager of the Scotts Valley Water District, originally brought the idea of consolidating back to their respective boards, citing commonalities in the districts' operations. That included the fact the two water suppliers both utilize the Santa Margarita Groundwater Basin.

"It's a little disappointing for me personally, I would have wanted something to study, to look at the plus and minuses to see if it would be best for customers or not," Harmon said of the decision to not move forward.

But residents, in particular those in the San Lorenzo Valley area, voiced hesitation, and fierce opinions on what the merger would mean for their respective communities.

A change.org petition set up in February by SLV residents urging the water districts to not merge has [garnered nearly 1,600 signatures](#).

"I have to say as a resident of Felton and a rate payer, I think this issue should be dropped. It doesn't seem to me to be the time to do this," Lawrence Ford said during San Lorenzo Valley's board meeting.

Another resident brought up the issue of keeping SLV water locally sourced.

"To start with I fundamentally believe in local control of our water," Rick Moran said. "This is not local control of our Valley's water and this is why I don't support a merger, or a feasibility study."

Rogers echoed Moran during a phone interview with the Sentinel.



“We are very protective of our water supply, and rightfully so,” Rogers said. “The San Lorenzo Valley has pristine water quality, all of our water is produced in our watershed, and there are concerns on the Santa Margarita Groundwater Basin.”

Those concerns were paramount in the decision to not move forward with consolidation, according to Rogers.

Scotts Valley Water District, San Lorenzo Valley Water District and Santa Cruz County are responsible to bring the groundwater basin into sustainability by 2042. Due to a history of over pumping the aquifer, [more water is being taken out of the basin, than replenished](#).

Scotts Valley’s sole source of water is the groundwater basin, where San Lorenzo Valley also gets water [from surface sources, such as the San Lorenzo River](#) and other local streams and creeks.

“If we were to be consolidated, we’d be looking at 90% of cost sharing to correct those problems down in that basin, to establish sustainability,” Rogers said.

Whereas now, San Lorenzo Valley Water district is responsible for 30% of the cost to make the basin sustainable.

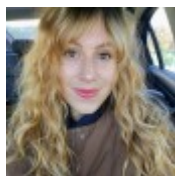
With the extent and finances of projects necessary to bring that basin back into sustainability currently unknown, Rogers said that uncertainty piqued concern.

“Until we go through the sustainability process for the Santa Margarita Groundwater Basin, they [board members] weren’t ready to move ahead, it was kind of as simple as that,” he said.

When asked if the possibility of merging could be revisited, Rogers made clear that is not on the horizon.

“It’s not on my project list right now and I don’t see it coming back in the near future,” Rogers said.

Tags: [Newsletter](#)



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