



LAFCO AGENDA

Wednesday, August 5, 2015

9:30 a.m.

Room 525

701 Ocean Street, Santa Cruz

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1) ROLL CALL	
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ADJOURNMENT: There is no LAFCO meeting in September. The next regular meeting is scheduled for Wednesday, October 7, 2015.

#### Campaign Contributions

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

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

#### Contributions and Expenditures Supporting and Opposing Proposals

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

More information on the scope of the required disclosures is available at the web site of the Fair Political Practices Commission: [www.fppc.ca.gov](http://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 454-2055 at least 72 hours in advance of the meeting to make arrangements. For TDD service the California State Relay Service 1-800-735-2929 will provide a link between the caller and the LAFCO staff.

#### Late Agenda Materials

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



# PROCEEDINGS OF THE LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY

Wednesday, June 3, 2015  
9:30 a.m.

Room 525  
701 Ocean Street  
Santa Cruz, California

.....

The June 3, 2015 Santa Cruz Local Agency Formation Commission meeting is called to order by declaration of Chairperson Friend.

## ROLL CALL

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

\* Commissioner Coonerty arrives.

## CLOSED SESSION

PERFORMANCE EVALUATION OF LAFCO EXECUTIVE OFFICER PURSUANT TO GOVERNMENT CODE SECTION 54957

## OPEN SESSION

Chairperson Friend says there is no report from closed session.

\* Alternate Leopold leaves.

## MINUTES

### MOTION AND ACTION

Motion: R. Anderson	To approve April 1, 2015 minutes.
Second: J. Anderson	Motion carries with Commissioner LaHue and Chairperson Friend abstaining.

## WELCOME NEW COMMISSIONER

Chairperson Friend welcomes the new special district member, Commissioner LaHue.

Commissioner LaHue is currently the Vice-President of the Soquel Creek Water District Board. He has been on the water board for 13 years. He teaches Environmental Science in high school in the morning, and does veterinary surgery in the afternoon. He has been involved with the Surfrider Foundation, the Monterey Bay Sanctuary Advisory Council, and the Regional Water Quality Control Board. He enjoys surfing and hang gliding.

## PUBLIC HEARING

### PAJARO VALLEY PUBLIC CEMETERY DISTRICT'S SERVICE AND SPHERE OF INFLUENCE REVIEWS

Mr. McCormick reports that as part of the Commission's work program, they are reviewing the spheres of influence and the services provided by all of the cities and districts, subject to LAFCO's boundary regulations.

The Pajaro Valley Public Cemetery District (PVPCD) is the only cemetery district in Santa Cruz County. It extends into North Monterey County, is governed by an independent board, and was established in 1955.

PVPCD has some opportunities to help out Castroville Cemetery District in Monterey County. There has also been some discussion whether there would be any benefits to expand PVPCD farther north in Santa Cruz County. The collective conclusion is that the status quo is fine.

Robert Stanford is the manager for PVPCD. PVPCD's area extends from South Aptos to North Monterey County, including Las Lomas and Aromas. They average between 175 and 200 burials per year for both cremation and traditional burials.

They maintain five cemeteries: four cemeteries are in Watsonville and one is in Aptos. There is only one cemetery that has burial sites available. They are looking to purchase some land to expand.

Commissioner Roger Anderson says they are fortunate to have property taxes contribute to their budget. He asks if they can offer burial sites for less money than other cemeteries in the County.

Mr. Stanford answers yes. PVPCD's service is about 1/3 of the cost compared to a private cemetery in Watsonville. PVPCD wants to offer the community an affordable burial.

## MOTION

<p>Motion: J. Anderson Second: Coonerty</p>	<p>To approve Resolution No. 2015-7, approving the Pajaro Valley Public Cemetery District Service Review and Sphere of Influence Review, as recommended by staff. Motion carries with a unanimous voice vote.</p>
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## OTHER BUSINESS

### TIME EXTENSION REQUEST FROM LOMPICO COUNTY WATER DISTRICT AND SAN LORENZO VALLEY WATER DISTRICT FOR THE LOMPICO REORGANIZATION, LAFCO No. 953-A

Mr. McCormick reports that Lompico failed to get a bond authorized by one vote. It required a two-thirds vote to authorize a bond and it would have raised the infrastructure funds to complete a merger between Lompico County Water District (LCWD) and San Lorenzo Valley Water District (SLVWD).

LAFCO's approval is valid for one year, and it expires in August 2015. This Commission may extend a time deadline if they believe the public interest would be served. Both boards have requested additional time to try to figure out a way to finance the infrastructure improvements in Lompico that would allow SLVWD to accept a merger. The extension would be for an additional year until August 2016.

He is participating in a technical advisory committee that will be reviewing the options and they will be meeting soon.

#### MOTION

Motion: R. Anderson Second: J. Anderson	To approve the one-year extension for LAFCO No. 953-A until August 6, 2016. Motion carries with a unanimous voice vote.
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### RESOLUTION OF APPRECIATION FOR TRINA COFFMAN-GOMEZ

#### MOTION

Motion: R. Anderson Second: Coonerty	To approve Resolution 2015-8. Motion carries with a unanimous voice vote.
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## LEGISLATION

Mr. McCormick is recommending that the Commission take a position on a cleanup bill, AB 1532, an omnibus bill that CALAFCO is supporting.

He reports that Alternate Leopold was in Sacramento the day before on behalf of CALAFCO dealing with Trailer Bill 825. It is an interesting proposal for the State Water Resources Control Board (SWRCB) to be able to initiate consolidations separate from the LAFCO process. This could involve public agencies, mutual water companies, or investor-owned utilities. This alternative process would be controlled completely by SWRCB. There would not be a layer of protest proceedings that involve the property owners and the registered voters. It would be a quick process run out of Sacramento.

LAFCOs are normally in the business of processing consolidations and CALAFCO has taken a position of opposition. The main concern is that this is a policy type bill, and the bill is being put together quickly in a closed-room process. It would be much better if the process was slowed down. The bill is included as part of the drought emergency.

CALAFCO wants to suggest ways the LAFCO process might be able to accommodate emergency consolidations.

A number of the statewide interest groups such as ACWA, the League of Cities, CSDA, and private water industries are opposed to the bill, as well as CALAFCO. If the bill does pass, it will be interesting to see if the State uses their authority.

Chairperson Friend understands through CSAC that this pertains to hookups that are between 15 to 250 hookups.

Mr. McCormick says that the language he has seen is so general that it could be as small as a single property on a well up to the biggest water agency that exists. The bill is written in very generalized language. If there is a water system in California and it is not meeting potable drinking water standards, the State can use its authority to force consolidation.

Chairperson Friend says the information presented at CSAC was specific to the relatively small water systems.

Mr. McCormick has not seen language that limits this to small systems. They may be targeting the smaller systems in the smaller and poorer communities as the likely subjects, since that is where several problems are.

Alternate Bobbe asks where the bill stands.

Mr. McCormick replies that budget bills do not go to policy committees. There are various sub-committees for the budget. In each house, they are under a separate set of rules. The Governor's office is sponsoring this bill and they do not seem to be backing off.

Commissioner Roger Anderson assumes there is a budget item associated with this bill, not just enforcement and evaluation. He thinks there must be money to implement these consolidations.

Mr. McCormick says they would use this in conjunction with their use of bond money to address infrastructure drought issues. There is not an appropriation that is tagged onto this trailer bill. The State has had an experience where they gave money to a small community in Fresno County for an arsenic treatment plant. The community built the plant, but could not afford to run it. The State gave capital improvement money, and the technical ability to run a system fell through. They do not want to hand infrastructure money out to communities that cannot operate and maintain the improvements.

Commissioner LaHue asks if the recommendation could be to pull that section of the budget bill out and have it be a stand alone bill. He wonders if a letter should be written on behalf of this Commission.

Mr. McCormick says he usually provides the Commission with a copy of a bill's language when he recommends a position. The bill starts on page 57 of the agenda packet.

Commissioner LaHue asks if he is recommending more time to look at the implications.

Mr. McCormick is asking for the Commission to take a position in opposition to Trailer Bill 825.

SB 239, a Hertzberg bill, concerns adding a whole new process when fire agencies contract. For example, the Pajaro Valley Fire Protection District currently has a board, but no employees. They have two contracts: a contract with Cal Fire to run the Salsipuedes station in the rural area of their district, and a contract with Watsonville to cover the urban part of the district out of Watsonville Station No. 2. The district and the two agencies negotiated and amended those contracts, and there was no LAFCO involvement. The bill proposes to include a formal LAFCO review into any new fire district contracts. LAFCOs are not asking for this.

The last version of the bill would require all affected fire unions to sign onto the proposal first. Then there would be an elaborate study followed by a public hearing at LAFCO. LAFCO could either approve the contract or not. This Commission has previously taken a position in opposition to this bill, and he wrote a letter on their behalf.

The bill has been amended in the last two days. It no longer requires that all affected unions sign off in advance. It requires that they do that, or the affected agency provide the contract to the union, wait at least 30 days, and hold a noticed public hearing.

After recent amendments, it now has even more requirements about what has to be in the LAFCO study. It would be an extremely detailed study with cost and time implications.

Chairperson Friend has mixed feelings about the trailer bill due to the presentation he received from CSAC the week before. He sees the need to have it simplified. He represents 26 water districts out of more than 200 in Santa Cruz County. He thinks consolidation is a necessary process for insuring an adequate future water supply. He is concerned about taking a formal position on the bill when the language may not be finalized. It may be premature for a body to take a formal position before it is known what it ends up to be.

He does not have the same concerns for AB 1532.

Commissioner LaHue asks if that portion of the budget bill can taken out of the omnibus bill so it can have a more detailed look.

Chairperson Friend says they can direct Mr. McCormick to write a letter requesting that specific component be removed. He asks if CALAFCO took their own position on the trailer bill.

Mr. McCormick answers that CALAFCO is on record as opposing the trailer bill. They took that position as of May 29, 2105.

Chairperson Friend asks if LAFCO has a history of adding on to that. CALAFCO has already taken a stand. He does not feel comfortable taking a stand again because he does not think he has enough information.

#### MOTION

Motion: R. Anderson Second: Lind	To support CALAFCO's sentiments based on the present knowledge of the trailer bill. The trailer bill could still be amended, and it is not known whether it will pass.
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Commissioner LaHue asks for the motion to be clarified.

Mr. McCormick clarifies that the Commission's position to the legislature be to request that Trailer Bill 825 be taken out of the budget bill package and be considered in a regular policy process, based upon their present knowledge of the bill.

Commissioner Roger Anderson thinks that is the stance CALAFCO has taken.

Chairperson Friend thinks CALAFCO took an opposition to the bill irrespective of amendment to the trailer.

Mr. McCormick says that is correct.

Chairperson Friend says because of this, he will vote against it because he does not think a position should be taken based upon the current level of information. When a body sends a letter to its local elected officials, and it is a statement from city council members, county supervisors, and special districts, people take that seriously, and they think everyone is informed. In order to not take a position, he will vote against it.

Commissioner LaHue asks if the motion is to ask that it be pulled out so there will be more time to get information, not to take the specific CALAFCO position of opposing.

Chairperson Friend does not believe that is the motion on the floor.

Commissioner LaHue was suggesting something different than opposing it.

Chairperson Friend's understanding is that CALAFCO has taken a position of opposition irrespective of this language being modified or taken out. The semantics matter here. If they are asking that something be taken out for additional study, that is not the CALAFCO position.

#### MOTION

Motion: R. Anderson Second: Lind	To amend the motion to agree with Mr. McCormick's initial reiteration of the motion, that this bill not be considered a trailer bill to the budget, but be considered as a policy bill.
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## MOTION AND ACTION

Motion: R. Anderson Second: Lind	<ul style="list-style-type: none"> <li>• To amend the motion to agree with Mr. McCormick's reiteration that this bill not be considered a trailer bill to the budget, but be considered as a policy bill.</li> <li>• To support AB 1532.</li> </ul> <p>Motion carries with a unanimous voice vote.</p>
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## STATUS OF PROPOSALS AND WORK PROGRAM

Mr. McCormick says there are some new applications coming. One is from the County to get additional authority as part of their parking program in the Mid County. The other application is about creating a Huckleberry Island County Service Area in Brookdale to finance a bridge over the San Lorenzo River.

## SPECIAL DISTRICTS RISK MANAGEMENT ASSOCIATION BOARD ELECTION

Mr. McCormick says this Commission gets their Workers Compensation from this JPA. There are three open seats and four nominations.

Commissioner Roger Anderson asks which three nominees Mr. McCormick recommends.

Mr. McCormick answers that he is satisfied with the current service, so he likes the incumbents. Of the two new nominees, he recommends the one from Groveland because he was a manager from the electronics industry and he retired to the Sierras. The person from the San Luis Obispo area actually duplicates a person who is currently on the board and is also in the insurance industry, so that niche is already covered.

## MOTION AND ACTION

Motion: R. Anderson Second: J. Anderson	<p>To vote for the three candidates recommended by staff: Ed Gray, Sandy Seifert-Raffelson, and Robert Swan.</p> <p>Motion carries with a unanimous voice vote.</p>
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## CALAFCO ANNUAL CONFERENCE

Mr. McCormick says the Annual Conference will be held September 2<sup>nd</sup> through the 4<sup>th</sup> in Sacramento. It is designed for Commissioners.

One session is a general business meeting where an election is held for board members. Currently Mr. Leopold is the President of the board. Board members are elected by region, and this Commission is in the Coastal Region. The two board openings are for a city member and a public member. The election will be held at the Conference. A voting delegate from this Commission needs to be designated for the business meeting. Commissioner Roger Anderson was the voting delegate last year, and Commissioner Rapoza was the voting delegate for many years before him.

Commissioner Lind says Mr. McCormick has been recognized for his achievements at the Conference. She attended the Conference previously and found it very worthwhile. It is also a wonderful chance to network and get a great deal of information in a short amount of time.

MOTION AND ACTION

Motion: Lind Second: R. Anderson	To nominate Commissioner Jim Anderson as the voting delegate at the CALAFCO Conference.
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Meeting is adjourned at 10:48 a.m.

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CHAIRPERSON ZACH FRIEND

Attest:

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Patrick M. McCormick, Executive Officer



## COUNTY SERVICE AREA 9 – PARKING LOTS

Date: July 28, 2015 for August 5, 2015 Agenda

To: LAFCO Commissioners

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

Subject: Service Review, Sphere of Influence Review, and Activation of a Latent Service for County Service Area 9 (County Public Works)

*Summary: The County of Santa Cruz has applied to add parking lot operation, maintenance, and enforcement to the services provided by County Service Area 9 which provides a range of County Public Works services to sub-areas of the county. Santa Cruz LAFCO staff has prepared a service and sphere of influence review for County Service Area 9 (County Public Works).*

*Recommendation: Conduct a public hearing, and adopt draft Resolution No. 956 adopting a service and sphere review and draft Resolution No. 956-A authorizing County Service Area 9 to perform parking lot services.*

### Application

The County of Santa Cruz has applied to add parking lot operation, maintenance, and enforcement to the services provided by County Service Area 9. The County of Santa Cruz operates four public parking lots in Soquel Village. The lots were purchased and developed by the former Live Oak/Soquel Redevelopment Agency. After construction, the lots have been operated and maintained using funding generated from a business-based parking assessment. Changes in assessment law have resulted in the parking assessment being problematic. The County has looked at alternatives (including selling the lots, or converting them to paid parking) and decided that the best alternative is to continue to operate the lots, to utilize County Service Area 9 as the service provider, and for County Service Area 9 to conduct a Proposition 218 process for the property owners to authorize a new parking assessment. LAFCO approval is only required for County Service Area 9 to provide new types of parking lot-related services. If LAFCO authorizes activation of this service, then state law allows the County to establish one or more zones of benefit (such as Soquel Village) and to seek funding authorization via a Proposition 218 process or another source.



The services proposed to be added to County Service Area 9 are:

- Operation and maintenance of street lighting and landscaping services on County owned and operated properties; and
- Parking enforcement to permit enforcement of time restrictions within County owned and operated parking lots.

### **Service and Sphere Study**

State law requires that each LAFCO periodically review the sphere of influence that LAFCO has adopted for each city and district, and prepare a service review that examines options for additional service efficiencies. As part of its work program, Santa Cruz LAFCO staff has prepared the attached document titled "County Service Area 9, Public Review Draft, 2015 Service and Sphere Review." The review is available to the public via a link on the Reports page of LAFCO's website: [www.santacruzlafco.org](http://www.santacruzlafco.org).

The main conclusions of the study are:

- County Service Area 9 is an appropriate means by which to provide parking-related services to localized unincorporated areas of the County.
- The services provided by County Service Area 9 are generally adequate, except for the difficulties the County is sharing with many other agencies in California to fund its road maintenance program.
- The current Sphere of Influence for the County Service Area 9 is coterminous with the current boundary of the County. The unannexed areas are the cities of Capitola, Santa Cruz, and Watsonville. Cities can be added to a County Service Area Zone, such as Scotts Valley's participation in CSA 9, Zone C (landfill and recycling). No changes to the sphere are recommended at this time.

The staff recommends that the Commission conduct the public hearing, approve the service and sphere reviews, and authorize County Service Area 9 to provide parking lot services. Passing draft Resolutions No. 956 and 956-A would implement this recommendation.

cc: County of Santa Cruz, Department of Public Works

- John Presleigh, Director
- Peggy Ducey, Senior Analyst

Attachments:

- Draft Resolution No. 956, Adopting Service and Sphere Review
- Draft Resolution No. 956-A, Authorizing County Service Area to Perform New Services
- County's Resolution of Application
- Materials Supporting Application
- Public Review Draft of County Service Area 9 Service and Sphere Review

SANTA CRUZ LOCAL AGENCY FORMATION COMMISSION  
RESOLUTION NO. 956

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

ADOPTING A SERVICE REVIEW AND  
CONFIRMING A SPHERE OF INFLUENCE FOR  
COUNTY SERVICE AREA 9  
(COUNTY PUBLIC WORKS)

\*\*\*\*\*

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

1. In accordance with Government Code Sections 56425 and 56430, the Commission has initiated the 2015 County Service Area 9 Service and Sphere of Influence Review.
2. The Commission's Executive Officer has given notice of a public hearing by this Commission upon the 2015 County Service Area 9 Service and Sphere of Influence Review in the form and manner prescribed by law.
3. The Commission held its public hearing on this matter on August 5, 2015; and at the hearing the Commission heard and received all oral and written protests, objections, and evidence that were presented.
4. The Commission has considered the Negative Declaration dated July 7, 2015 together with the comments received during the public review process, and approves the Negative Declaration. The Commission finds that approving the sphere of influence will not have a significant effect on the environment.
5. The Commission hereby approves the 2015 County Service Area 9 Service and Sphere of Influence Review.
6. The County Service Area 9 Sphere of Influence map is unchanged from the prior sphere map, which includes all the territory in Santa Cruz County, including the four incorporated cities.
7. County Service Area 9 may expand its range of services to include parking lot lighting, operation, maintenance, and enforcement of County owned or operated properties.
8. The Commission hereby adopts the determinations as shown on Exhibit A.

PASSED AND ADOPTED by the Local Agency Formation Commission in the County of Santa Cruz  
this fifth day of August, 2015.

AYES:

NOES:

ABSENT:

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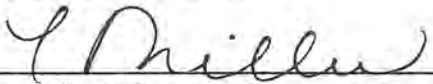
ZACH FRIEND, CHAIRPERSON

Attest:

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Patrick M. McCormick  
Executive Officer

Approved as to form:



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T. Brooke Miller, LAFCO Counsel

## Exhibit A, Resolution No. 956

### 2015 Service and Sphere of Influence Review for County Service Area 9 (County Public Works)

#### County Service Area 9

#### Service Review Determinations (Government Code Section 56430)

##### 1) **Population and Growth**

- A. Population within unincorporated area of Santa Cruz County and Scotts Valley is expected to reach 156,040 by 2035.*
- B. In governing County Service Area 9, Santa Cruz County has considered population growth of the City of Scotts Valley and the County when doing its service planning for County Service Area 9.*

##### 2) **Disadvantaged Unincorporated Communities**

- A. Freedom and Twin Lakes, the two disadvantaged communities in the unincorporated area of Santa Cruz County, are located inside County Service Area 9 and the CSA 9 sphere of influence, and benefit from the services provided by the county service area. There are no disadvantaged unincorporated areas of the County outside CSA 9.*

##### 3) **Capacity of Facilities and Adequacy of Public Services**

- A. The Buena Vista landfill it is projected to close in approximately 20 years.*
- B. For the County roads within the three sub-zones of CSA 9D, the roads are in fair condition.*

##### 4) **Financing Ability of Agency to Provide Services**

- A. The County of Santa Cruz provides its solid waste services through County Service Area 9C. Revenue from the CSA is used for capital improvements, closure/post-closure costs, operations, education and other related programs.*
- B. The County is challenged to continue maintaining the aging infrastructure within CSA 9D with increased costs and a declining budget. There is not sufficient funding (Road Fund, CSA 9D Assessment Charges, and Grants) to improve the County roads to good or excellent conditions.*
- C. The Soquel Village parking lots do not currently have a viable method of financing operations, maintenance, and enforcement. A CSA 9 zone is a feasible means of providing these funds, subject to property-owner approval though a Proposition 218 process.*

##### 5) **Shared Facilities**

- A. The County is the lead agency for the development and administration of the Countywide Integrated Waste Management Plan.*

**6) Local Accountability, Governmental Structure, and Operational Efficiencies**

- A. County Service Area 9 services are addressed by the Santa Cruz County Board of Supervisors during regular meetings. Public notice is provided for all meetings. The County provides public information on its websites.*
- B. A Countywide Waste Management Authority could provide advantages for each of the agencies including solid waste technology grant funding, coordination and collaboration opportunities for public education, recycling programs, market development, and the means to establish countywide goals for waste reduction. The disadvantage is the additional cost to create and administer the agency.*
- C. The rate structures for County Service Area 9 are reviewed annually based on available financing and projected maintenance needs. Rate changes are implemented through a public process that includes voter or property owner approval.*
- D. County Service Area 9 is a dependent special district governed by the County Board of Supervisors. The County has procedures in place to ensure that local accountability and governance standards are met.*

**7) Other Matters Required by Local LAFCO Policy**

- A. LAFCO compiles mission statements and meeting rules of each agency subject to LAFCO's boundary regulation. The governing board of County Service Area 9 is the Santa Cruz County Board of Supervisors. The Board of Supervisors has not adopted a mission statement for County Service Area 9. The Board of Supervisors handles all County Service Area 9 business on the Board of Supervisors agenda, and follows the Board's meeting rules.*

## **County Service Area 9**

### **Sphere of Influence Determinations (Government Code Section 56427)**

#### **1) Present and Planned Land Uses**

- A. The present and planned land uses in the County of Santa Cruz are a range of urban and rural uses. The County General Plan and the General Plans of the Cities of Capitola, Santa Cruz, Scotts Valley, and Watsonville plan for growth centered on the existing urban areas and for maintenance of agricultural production, rural residential uses, and environmental protection in the rural areas.*

#### **2) Present and Probable Need for Public Facilities and Services**

- A. County Service Area 9 performs a series of Public Works services that are provided to sub-areas of the county. These services are highway lighting, neighborhood street lighting, landfill operations, recycling, unincorporated road maintenance, school crossing guards, and streetscape maintenance. In the future, these services will continue to be needed, as well as the parking maintenance and enforcement that is being taken over by County Service Area 9, Zone F.*

#### **3) Present Capacity of Facilities and Adequacy of Public Services**

- A. The services being provided by County Service Area 9 are generally adequate. Over the last ten years, many revenue sources have not kept up with modest inflation.*
- B. The County roads are in fair condition, and the County lacks sufficient funding (Road Fund, CSA 9A Assessment Charges, and Grants) to improve the roads to good or excellent conditions.*

#### **4) Social or Economic Communities of Interest**

- A. The flexibility of County Service Area law (Government Code Section 25210 et seq.) allows the County of Santa Cruz to establish zones for each of the services provided by County Service Area 9. In that manner, the communities of interest are the areas desiring each service. Cities can be added to a County Service Area zone only if authorized by resolution of the affected City Council.*



LOCAL AGENCY FORMATION COMMISSION FOR SANTA CRUZ COUNTY  
RESOLUTION NO. 956-A

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

AUTHORIZING ACTIVATION OF LATENT POWERS IN COUNTY SERVICE AREA 9  
COUNTY PUBLIC WORKS

\*\*\*\*\*

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

1. An application for the proposed activation of latent powers in County Service Area 9 (County Public Works) was filed with the Executive Officer of this Commission pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Section 56000 et seq.).
2. The Executive Officer of this Commission has examined the application, has given notice of public hearing by this Commission upon the application in the form and manner provided by law, and has presented his report and recommendation.
3. The public hearing by this Commission was held on August 5, 2015, and at the hearing this Commission heard and received all oral and written comments that were presented.
4. The proposal is consistent with the Sphere of Influence for County Service Area 9, as reviewed on August 5, 2015.
5. County Service Area 9 is henceforth authorized to provide the following services:
  - Operation and maintenance of street lighting and landscaping services on County owned or operated properties; and
  - Parking enforcement to permit enforcement of time restrictions within County owned or operated parking lots.
6. This project is categorically exempt from further review under the California Environmental Quality Act as it qualifies for a Class 20 exemption.
7. If the County does not activate these services by August 5, 2017, LAFCO may consider rescinding this resolution at a noticed, public hearing.



PASSED AND ADOPTED by the Local Agency Formation Commission for Santa Cruz County this 5th day of August, 2015 by the following vote:

AYES:

NOES:

ABSENT:

---

ZACH FRIEND, CHAIRPERSON

Attest:

---

Patrick M. McCormick, Executive Officer



Approved as to form:

T. Brooke Miller, LAFCO Counsel

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

RESOLUTION NO. 143-2015

0261

On the motion of Supervisor Leopold  
duly seconded by Supervisor Friend  
the following resolution is adopted.

RESOLUTION OF APPLICATION TO REQUEST THAT THE LOCAL AGENCY  
FORMATION COMMISSION AUTHORIZE LATENT POWERS WITHIN  
COUNTY SERVICE AREA NO. 9 HIGHWAY SAFETY AND LIGHTING

WHEREAS, County Services Area No. 9 (CSA 9), Highway Safety and Lighting, is a County Service Area organized and existing under the laws of the State of California, County Service Area Law, Government Code Section 25210 *et seq.* ("CSA Law"); and

WHEREAS, CSA 9 encompasses the entire unincorporated area of Santa Cruz County and is authorized to provide various public services as delineated in its formation Resolution; and

WHEREAS, Section 25213.5 of the CSA Law authorizes the Board of Supervisors to request approval of the local LAFCO to activate latent powers within an existing CSA pursuant to Article 1 of Chapter 5 of Part 3 of Division 3 of the California Government Code; and

WHEREAS, LAFCO's proceedings to activate latent powers within CSA 9 must be initiated by a Resolution of Application approved by the Santa Cruz Board of Supervisors as the governing authority for CSA 9; and

WHEREAS, the Santa Cruz County Board of Supervisors, in accordance with Government Code Section 56824.12(c)(1), held a duly noticed public hearing on this Resolution of Application to consider public comment on the proposed application for expansion of services to be provided within the boundaries of the District to include:

1. Operation and maintenance of street lighting and landscaping services on County owned or operated properties; and
2. Parking enforcement to permit enforcement of time restrictions within County owned or operated or operated parking lots.

WHEREAS, the proposal to add operation and maintenance of street lighting and landscaping services on County owned or operated properties and Parking Enforcement is consistent with CSA 9's sphere of influence and is not inconsistent with any other district or city's sphere of influence;

NOW, THEREFORE, BE IT RESOLVED AND ORDERED by the County of Santa Cruz Board of Supervisors as follows:

**SECTION 1.** This proposal is made pursuant to Article 1 of Chapter 5 of Part 3 of Division 3 of the California Government Code.

**SECTION 2.** This proposal is to activate latent powers within CSA 9 consisting of:

RESOLUTION NO. 143-2015

0262

Page-2-

1. Operation and maintenance of street lighting and landscaping services on County owned or operated properties; and
2. Parking enforcement to permit enforcement of time restrictions within County owned or operated parking lots,

in accordance with the Plan for Services attached hereto as Exhibit A.

**SECTION 3.** The boundaries of CSA 9 shall not be affected.

**SECTION 4.** The reason for this proposal is to provide for operation and maintenance of street lighting and landscaping services on County owned or operated property and for enforcement of time limits in County owned or operated parking lots. This application is to activate this latent power throughout the entire territory of CSA 9; however, it is anticipated that application may be made in the future to form subzones in which assessments may be levied pursuant to the provisions of the CSA Law.

**SECTION 5.** The Board hereby requests that LAFCO undertake proceedings for this proposal in accordance with Government Code section 56824.14.

**SECTION 6.** This proposal does not affect any city or district.

**SECTION 7.** The Clerk of the Board is directed to file a certified copy of this Resolution with the Executive Officer of LAFCO.

PASSED AND ADOPTED by the Board of Supervisors of the County of Santa Cruz, State of California, this 12th day of May, 20 15, by the following vote:

AYES: SUPERVISORS Leopold, Friend, Coonerty, McPherson, Caput

NOES: SUPERVISORS None

ABSENT: SUPERVISORS None

ATTEST: **SUSAN GALLOWAY**  
Clerk of said Board


Approved as to form:

  
Office of County Counsel

Distribution: County Counsel  
Public Works

**GREG CAPUT**

Chairperson of said Board

STATE OF CALIFORNIA	)	ss
COUNTY OF SANTA CRUZ	)	
I, SUSAN A. MAURIELLO, County Administrative Officer, and ex-officio Clerk of the Board of Supervisors of the County of Santa Cruz, State of California do hereby certify that the foregoing is a true and correct copy of the resolution passed and adopted by and entered in the minutes of the said board. In witness whereof I have hereunto set my hand and affixed the seal of the said Board on <u>May 12, 2015</u>		
SUSAN A. MAURIELLO, County Administrative Officer		
By 		Deputy

**EXHIBIT A**

0263

**Plan for Services**

1. The services to be provided in CSA 9 are:
  - Operation and maintenance of street lighting and landscaping services on County owned or operated properties; and
  - Parking enforcement to permit enforcement of time restrictions within County owned or operated parking lots.
2. The level and range of services to be provided are maintenance of County owned or operated properties in a clean and safe condition, and enforcement of time restrictions within County owned or operated parking lots using legal methods.
3. Services are expected to be extended within certain subzones to be established during the next fiscal year.
4. Conditions including improvements or upgrades to existing facilities are not appropriate for this proposal.
5. It is anticipated services will be funded with special assessments and other legal methods of financing.
6. The total estimated cost to provide the new function of services within the entirety of CSA 9 is not known at this time; however the estimated cost to provide services within the anticipated subzones is \$35,000 annually.
7. The County of Santa Cruz previously provided these services within portions of CSA 9 under a business-based assessment district; however given changes in assessment district law, the County has decided to use the County Service Area structure to finance these services in future. The County lacks adequate financing to provide services without an independent funding source.
8. Alternatives include creation of a special assessment district to fund and provide the services; continuation of services previously provided by the County, subject to service or parking charges; or disposition of County owned or operated property by lease, concession or sale in order to fund and perform the required services. Activation of latent powers to allow CSA 9 to perform the services is preferable because it avoids the need to create a new district to fund and provide the necessary services.

0264

Exhibit "A"



# Soquel Village Business & Parking Improvement Area

40

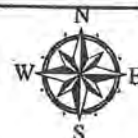
100 200 400 Feet

Prepared by DPW GIS Staff  
3/3/15 #113-14



Public Parking Lots

Parking Improvement Area







# County of Santa Cruz 0259

## DEPARTMENT OF PUBLIC WORKS

701 OCEAN STREET, ROOM 410, SANTA CRUZ, CA 95060-4070  
(831) 454-2160 FAX (831) 454-2385 TDD (831) 454-2123

JOHN J. PRESLEIGH  
DIRECTOR OF PUBLIC WORKS

APPROVED AND FILED  
BOARD OF SUPERVISORS

DATE: 5/12/15  
COUNTY OF SANTA CRUZ  
SUSAN MAURIELLO  
EX-OFFICIO CLERK OF THE BOARD  
BY: *[Signature]* DEPUTY

AGENDA: MAY 12, 2015

April 29, 2015



SANTA CRUZ COUNTY BOARD OF SUPERVISORS  
701 Ocean Street  
Santa Cruz, California 95060

SUBJECT: APPLICATION FOR THE LOCAL AGENCY FORMATION COMMISSION TO  
ACTIVATE LATENT POWERS IN COUNTY SERVICE AREA NO. 9,  
HIGHWAY SAFETY AND LIGHTING

### Members of the Board:

On April 14, 2015, your Board set today as the date and time for a public hearing to consider a Resolution of Application to the Local Agency Formation Commission (LAFCO). Today's public hearing was appropriately noticed as required by County Service Area (CSA) law.

The County owns and maintains four public parking lots in Soquel Village. From 1996 to 2010, maintenance and operation of the lots were financed by an assessment fee established by the former Redevelopment Agency (RDA) on all businesses located in the Soquel Village Parking and Business Improvement Area (SVPBIA, Exhibit A). The dissolution of the RDA, along with passage of Proposition 26, placed collection of the assessments in jeopardy.

After reviewing the current maintenance and operational needs of the public parking lots, Public Works recommends that your Board create a new Zone within CSA No. 9, Highway Safety and Lighting, to provide for maintenance and operation of the Soquel Village public parking lots. In order to create the new zone, LAFCO must authorize latent powers for CSA.

## SANTA CRUZ COUNTY BOARD OF SUPERVISORS

0260

Page -2-

CSA law (Govt. Code Section 25210) defines latent powers as those services legally permitted by California law when the District was formed, but not included in the CSA's initial formation resolution. The County requests that LAFCO authorize latent powers to expand CSA No. 9's authorized functions and services to include:

- Operation and maintenance of street lighting and landscaping services on County owned or operated properties; and
- Parking enforcement to permit enforcement of time restrictions within County owned or operated or operated parking lots.

It is therefore recommended that the Board of Supervisors take the following actions:

1. Open the public hearing and take testimony from the public regarding authorizing latent powers for CSA No. 9.
2. At the close of the public hearing, adopt the Resolution of Application for LAFCO.
3. Authorize the Director of Public Works to proceed with the LAFCO application process.

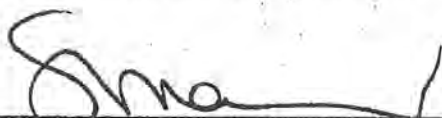
Yours truly,

  
 JOHN J. PRESLEIGH.  
 Director of Public Works

JJP:PD:yv

Attachments

RECOMMENDED FOR APPROVAL:

  
 SUSAN A. MAURIELLO  
 County Administrative Officer

Copy to: Public Works

	ROUTE DATA	COPY	ATT.
1	DIRECTOR	✓	
	RECYCLING/SOLID WASTE		
	LANDFILL OPERATIONS		
	WATER CON/FLOOD CONT.		
	STORM WATER MANG.		
	CONSTRUCTION ENG.		
	SANITATION ENG.		
	WATER & WASTEWATER		
	ROAD OPS. ENG.		
	PERMITS / ENCROACH.		
	DRAINAGE OPERATIONS		
	RD. MAINT. OPERATIONS		
	RDA ENG.		
	ROAD DESIGN ENG.		
	SURVEY / DEVELOPMENT.		
	TRANSP / RD. PLANNING		
2	REAL PROPERTY / FLEET	✓	
3	CSA / PRGM ADMIN.	✓	✓
	SAFETY OFFICER / LIVE OAK P.		
	PERSONNEL / MIS		





Local Agency Formation Commission of Santa Cruz County  
 Governmental Center  
 701 Ocean St. #318 D  
 Santa Cruz CA 95060  
 831-454-2055  
 website: [www.santacruzlafco.org](http://www.santacruzlafco.org)  
 email: [info@santacruzlafco.org](mailto:info@santacruzlafco.org)



## APPLICATION FOR ACTIVATION OF LATENT POWERS

(Government Code Section 56824.10)

This application is designed to be used for all latent powers proposals received by the Commission. If a question is not applicable to your proposal, please note "N.A." accordingly. If the question is answered in the Plan for Services, feel free to answer each question with a reference to the Plan (e.g. "See page 3 of Plan."). Thank you for your cooperation and assistance in completing this application. If you need additional space to answer a question, please revise the form electronically or attach a supplemental document.

### A) Application

An application is hereby made to authorize the *County Service Area (CSA) 9, Highway Safety & Lighting* to provide new service or services:

- *Operation and maintenance of street lighting and landscaping services on public properties;*
- *Parking enforcement to permit enforcement of time restrictions within public parking lots.*

### B) Description/Justification

1. Describe the new service that is being proposed, and discuss why the district should be authorized to provide the requested service.  
*The County of Santa Cruz previously provided these services within portions of CSA 9 under a business-based assessment district. However, given changes in assessment district law, the County has decided to use the County Service Area structure to finance these services in the future. The County lacks adequate financing to provide services without an independent funding source.*
2. Indicate if the proposed new service would be provided throughout the district or be restricted to a particular area or areas. Please submit a map of the area or areas specified to receive service, if other than the entire district.  
*Once the requested Latent Powers are approved by LAFCO, the County Department of Public Works will request that the Board of Supervisors create a new Zone within CSA 9 to provide for maintenance and operation of the Soquel Village public parking lots. See Attachment A for the new proposed Zone.*

3. What is the code section of state law that allows your district to provide this service?  
*State of California, County Service Area Law, Government Code Section 25210 et. seq.*
4. Currently, what service or services are being provided by the district?  
*The County is currently providing maintenance and operation of the County-owned parking lots, including parking enforcement, landscaping and lighting services. However, because of changes in CSA law, the County must request authorization of these latent powers to provide these services under a CSA structure.*
5. How many acres or square miles are currently included within the district?  
*CSA 9, Highway Safety and Lighting covers the entire unincorporated area of the County of Santa Cruz, with a total area of 607 square miles.*
6. When was the district formed?  
*December 2, 1969; Resolution 693-69*
7. Under what principal act was the district formed?  
*County Service Area law.*
8. What service or services did the district originally provide?  
*CSA 9 was originally formed to provide lighting and lighting maintenance for streets and highways in the unincorporated areas of Santa Cruz County.*
9. Does the district have any plans to expand the proposed new service to additional areas beyond the current application? If so, please explain?  
*No.*
10. If the proposed new service is water, please provide evidence and documentation of availability and sufficiency of water supplies to serve the subject area.  
*N/A.*

C) Land Use Information

1. How many acres or square miles would receive the proposed new service?  
*Approximately 18.50 acres.*
2. How many residents would receive the new service?  
*This is mainly a business district. There are approximately 131 residents within the proposed CSA Zone boundaries.*
3. How many registered voters reside in the area that would receive the new service?  
*Approximately 65.*
4. List any adjacent or overlapping agency that is either currently providing the service requested by this proposal, or is authorized to provide this service?  
*None.*
5. Describe the current prevalent land uses in the area of the proposed new service.  
*C-2; Community Commercial*

6. Describe the predominant General Plan designations in the area of the proposed new service.  
*O-U, C-C; Community Commercial*
7. Is any change of land use anticipated as a result of this proposal? If so, what other land uses or development might occur?  
*No changes anticipated.*

#### D. Fiscal Information

1. Explain how the new service, if authorized, would be financed.  
*Staff proposes creation of a new zone under existing County Service Area 9 ("CSA 9") and levy of a property-based assessment within the zone for costs of operation and maintenance of parking lots in Soquel Village, as well as for parking enforcement.*
2. Indicate the total cost of the new service as well as the anticipated cost to the district residents. Include the proposed schedule of rates and fees, if they will be charged for the new service or services.  
*The total annual cost of services is \$35,000. This includes approximately \$5,000 annually to build a capital improvement reserve to recondition the parking lots as needed. Final fees have not been established or approved by the Board of Supervisors, but it is expected that all property owners will be charged an annual General Benefit assessment. Those properties that do not have enough required parking for their particular businesses will also be charged a Deficit Parking Space assessment.*
3. If improvement districts or tax zones are proposed to be formed, explain the rationale used to determine the boundaries and associated benefit fees, taxes, or assessments.  
*The boundaries will be the same as the Soquel Village Parking and Business Improvement District was, which includes only businesses which will benefit from the public parking lots.*
4. Have any alternatives to the activation of the latent power been considered? If so, please explain why those alternatives are not preferred?  
*County staff has reviewed a number of alternatives including:*
  - *Creation of a special assessment district, but changes to assessment district law make this choice legally less stable.*
  - *Continuation of minimal landscaping and maintenance services provided by the County, but the County Department of Public Works does not have the funding necessary to support this additional cost.*
  - *Implement a metered parking program so that customers and business owners individually pay for parking on days they use the parking lots, however, Soquel Village businesses prefer free parking for their customers.*
  - *Disposition of County owned or operated property by lease, concession or sale of property.*

#### E. Submittals

Submit the following items with this application:

- 1) Resolution. A certified Resolution of Application from the subject district.

2) Plan for Services. A Plan for Services prepared in accordance with Government Code section 56653.

3) Map. 20 copies of a map showing the proposed service area of the new service, and the total area of the district if the proposed new service area is smaller than the entire district. If an electronic version of the map is also submitted, ask LAFCO staff if fewer paper copies of the map will suffice.

4) Environmental Documents:

i. If a Categorical Exemption, Negative Declaration, or Environmental Impact Report (EIR) has been prepared for this proposal, submit one copy to LAFCO. If the document is lengthy, please discuss with the LAFCO staff if additional copies will be needed. LAFCO is a responsible agency under CEQA and LAFCO staff should be consulted during preparation of any environmental documents.

ii. If no environmental document has been prepared, complete the Environmental Questionnaire (LAFCO Form #4).

5) Indemnification:

LAFCO requires that applicants indemnify LAFCO from litigation costs as a condition of submitting an application. Complete the Indemnification Form (LAFCO Form #8).

6) Deposit:

All deposits are initial payments toward the total cost of processing ("project cost"). Project cost is defined as staff time plus materials. A surcharge applies to the total cost of each application to partially recoup the cost of preparing state-mandated service reviews. Staff billing rates include personnel costs plus a percentage of LAFCO administrative overhead. Materials include, but are not limited to, charges for advertisement of hearings. See LAFCO's Schedule of Fees and Deposits for amount (LAFCO Form #7).

## F. PROPONENT INFORMATION

LAFCO will consider the person signing this application as the proponent of the proposal. Notices and other communications regarding this application will be directed to the proponent at:

Name/Title:	John Presleigh, Director of Public Works		
Agency:	County of Santa Cruz		
Address:	701 Ocean Street, Room 410		
City:	Santa Cruz	Zip:	95060
Phones:	Work: 831-454-2368	Fax: 831-454-2385	
	Cell:		
Email:	John.Presleigh@santacruzcounty.us		
Signature:			



2) Plan for Services. A Plan for Services prepared in accordance with Government Code section 56653.

3) Map. 20 copies of a map showing the proposed service area of the new service, and the total area of the district if the proposed new service area is smaller than the entire district. If an electronic version of the map is also submitted, ask LAFCO staff if fewer paper copies of the map will suffice.

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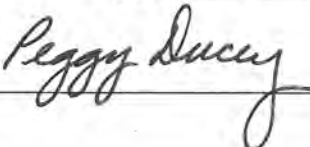
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Name/Title:	John Presleigh, Director of Public Works		
Agency:	County of Santa Cruz		
Address:	701 Ocean Street, Room 410		
City:	Santa Cruz	Zip:	95060
Phones:	Work: 831-454-2368	Fax: 831-454-2385	
	Cell:		
Email:	John.Presleigh@santacruzcounty.us		
Signature:			

List any other person or agent who should be contacted concerning questions on this proposal:

<b>Name:</b>	Peggy Ducey, Senior Departmental Administrative Analyst		
<b>Agency:</b>	Public Works, County of Santa Cruz		
<b>Address:</b>	701 Ocean Street, Room 410		
<b>City:</b>	Santa Cruz	<b>Zip:</b>	95060
<b>Phones:</b>	Work: 831-454-2779	Fax: <del>949</del> -454-2385	
	Cell: 949-235-1456		
<b>Email:</b>	Peg.Ducey@santacruzcounty.us		
<b>Signature:</b>			



## COUNTY SERVICE AREA 9

### COUNTY PUBLIC WORKS SERVICES 2015 SERVICE AND SPHERE REVIEW

#### Report Purpose

This report is being prepared in accordance with Government Code sections 56427 (spheres of influence) and 56430 (service reviews). Those sections require LAFCOs to periodically prepare and consider service and sphere reviews of all agencies subject to LAFCO's boundary regulatory authority in the Cortese-Knox-Hertzberg Local Governmental Reorganization Act of 2000. This report addresses County Service Area 9 in Santa Cruz County.

#### Agency Overview

County Service Area 9 was formed in 1968 to provide County of Santa Cruz public works services to areas less than the entire county. The original CSA 9 provided County highway and arterial street lighting and traffic signals in the unincorporated areas. Subsequently, additional zones have been added to provide or help finance other services not provided uniformly countywide to all incorporated and unincorporated areas of the County.

**Table 1 – County Service Area 9 Zones**

County Service Area 9 Zones County of Santa Cruz	Street Construction & Maintenance	Street Lighting	Street Sweeping	Landscaping Maintenance	School Crossing Guards	Refuse Disposal	Recycling	Trash Transfer	Landfill Operations
CSA 9 – County Highway and Arterial Safety, Lighting and Traffic Signals		•							
CSA 9 Zone A – Residential and Commercial Street Lighting		•							
CSA 9 Zone B – Live Oak School Crossing Guards					•				
CSA 9 Zone C – Refuse Disposal			•			•	•	•	•
CSA 9 Zone D, Sub-Zone 1 – Road Maintenance / North County	•								
CSA 9 Zone D, Sub-Zone 2 – Road Maintenance / Central County	•								
CSA 9 Zone D, Sub-Zone 3 – Road Maintenance / South County	•								
CSA 9 Zone E – Live Oak/Soquel Streetscape Maintenance				•					
CSA 9 Zone F – Soquel Village Parking Lots (proposed)									



The boundary of CSA 9 is the entire unincorporated area of Santa Cruz County. The various zones are smaller to match the areas benefited by the individual services. CSA 9 provides highway (e.g. Highway 9) and arterial street (e.g. Soquel Drive, Freedom Blvd.) lighting and traffic signals countywide, excluding the incorporated areas. CSA 9, Zone A provides street lighting in some unincorporated neighborhoods based upon the property owners preference to have street lights and pay for their maintenance. CSA 9, Zone C funds landfill and resource recovery efforts in the City of Scotts Valley and the entire unincorporated area of the County. CSA 9, Zone D provides some funding for public road maintenance in the unincorporated areas of the County. It has three sub-zones divided into the north, central, and south county sub-zones. CSA 9, Zone E maintains street trees and other landscaping in the former Live Oak/Soquel Redevelopment Area. In 2015, the County is proposing the establishment of a new zone to maintain parking lots, perform landscape maintenance, and enforce parking in the public parking lots in Soquel village.

### Growth and Population

Growth and population have a direct impact on street and highway related services. Increased road trips and greater traffic volume are a primary cause for roadway deterioration. In addition, a higher volume of traffic increases the importance of maintaining streets and highways to a prescribed service level for public safety as well as reduction of traffic impacts. In localized areas where growth is significant, major capital improvements may be needed such as road widening, reconstruction, and redesign. The projected growth in population for the unincorporated county (CSA 9 service area) and the City of Scotts Valley is as follows:

**Table 2 - Population Estimates**

Jurisdiction	2010	2020	2025	2030	2035	Compound Annual Growth Rate
Santa Cruz County (unincorporated)	129,739	132,318	134,879	139,601	144,227	0.42%
City of Scotts Valley	11,580	11,638	11,696	11,754	11,813	0.08%

*Source: 2010 US Census and AMBAG 2014 Regional Growth Forecast*

Population growth will continue to impact the county service area as they try to maintain existing levels of service and provide for capital improvements in the face of escalating costs and limited opportunity to increase revenues.

### Disadvantaged Unincorporated Communities

Both service review and sphere of influence review law require that LAFCO identify disadvantaged unincorporated communities and evaluate whether these areas would benefit from expansion of public services into these areas. A “disadvantaged community”, as defined in Water Code section 79505, is a community with an annual median household income that is less than 80 percent of the statewide annual median household income. In 2011, the California statewide annual median household income was



\$61,632<sup>1</sup>, and 80% of that is \$49,306. In Santa Cruz County, most of the census tracts with incomes in the disadvantaged category are located within the cities of Watsonville and Santa Cruz. Within the unincorporated areas of the county, there are two census tracts that have incomes in the disadvantaged category:

**Table 3 – Disadvantaged Unincorporated Communities**

Census Tract	Community	Description
1231	Freedom	Green Valley Road, Amesti Road
1215	Live Oak, Twin Lakes	7 <sup>th</sup> Avenue, 17 <sup>th</sup> Avenue, Portola Drive

These disadvantaged communities are located within the boundary and sphere of influence of County Service Area 9. These two communities receive the same level of services (landfill, recycling, road maintenance, street lighting) as the other areas of County Service Area 9.

### County Service Area 9 Highway Safety Lighting and Traffic Signals

CSA 9 provides streetlights and traffic signals for highways and arterial streets in the unincorporated areas of Santa Cruz County. The approved budget for FY 2015-2016 includes a school safety zone grant of \$757,000. The FY 2015-16 CSA 9 revenues are shown in the following table:

**Table 4  
County Service Area 9, Highway Safety and Lighting Revenues**

Revenues	FY 14-15 Budget	FY 15-16 Budget
Property Taxes	\$226,800	\$238,718
Assessments	\$780,000	\$780,000
School Safety Grant	\$0	\$757,000
Other Revenues	\$0	\$5,000
Fund Balance	\$62,386	\$85,580
<b>TOTAL</b>	<b>\$1,069,186</b>	<b>\$1,866,298</b>

The major projects capital improvement projects during FY 2015-2016 are a \$100,000 upgrade of the traffic signal at Holohan Road and Highway 152 (East Lake), and new traffic signals in Aptos Village (\$106,901).

**Table 5  
CSA 9 (Highway Safety and Lighting) Rate Structure**

County Service Area	FY 2004-2005 Assessment Rates	FY 2014-2015 Assessment Rates	% Increase in Ten Years
CSA 9 – County Hwy Safety Svc. Area	Improved \$16.60 Unimproved \$8.30	Improved \$16.60 Unimproved \$8.30	No change

<sup>1</sup> U.S. Census Bureau, 2011 American Community Survey 5-year Estimates, Table B19013.

Table 6  
CSA 9 (Highway Safety and Lighting) Expenditures

County Service Area	FY 2003-2004 Expenditures	FY 2013-2014 Expenditures	% Increase in Ten Years	FY 2015-2016 Budget
CSA 9 – County Hwy Safety Svc. Area	\$1,083,167	\$1,129,400	4.3%	\$1,866,298

### County Service Area, Zone A, Residential and Commercial Street Lighting

Zone A is specific to unincorporated residential and commercial areas that choose to have street lights. Zone A pays for the installation and maintenance on street lights within this zone. Neighborhood street lighting is funded through an assessment charge that is collected on the property tax bill.



Table 7  
CSA 9, Zone A (Neighborhood Street Lighting) Financing

County Service Area	FY 2003-2004 Expenditures	FY 2013-2014 Expenditures	% Increase in Ten Years	FY 2015-2016 Budget
CSA 9 Zone A – Neighborhood Street Lighting	\$314,560	\$465,543	4.8%	\$2,055,665



**Table 8**  
**CSA 9, Zone A (Neighborhood Street Lighting) Rate Structure**

County Service Area Zone	FY 2004-2005 Assessment Rates	FY 2014-2015 Assessment Rates	% Increase in Ten Years
CSA 9 Zone A – Residential Street Lighting	SF - \$4.70 Mobilehome - \$2.82 Commercial - \$4.70 Multi unit - \$2.82 Vacant - \$2.35	SF - \$4.70 Mobilehome - \$2.82 Commercial - \$4.70 Multi unit - \$2.82 Vacant - \$2.35	No change

### **County Service Area 9, Zone B** **Live Oak School Crossing Guards**

Zone B provides partial funding for the school crossing guard program in the Live Oak Elementary School District. This program pre-dates Proposition 13 (1978), and the County passes through the program's share of the 1% property tax.

**Table 9**  
**CSA 9, Zone B (Live Oak School Crossing Guards)**

County Service Area	FY 2003-2004 Expenditures	FY 2013-2014 Expenditures	% Increase in Ten Years	FY 2015-16 Budget
CSA 9 Zone B – Live Oak School Crossing Guards	\$5,557	\$9,179	65%	\$10,302

### **County Service Area 9, Zone C** **Buena Vista Landfill and Resource Recovery**

#### **Zone C Overview**

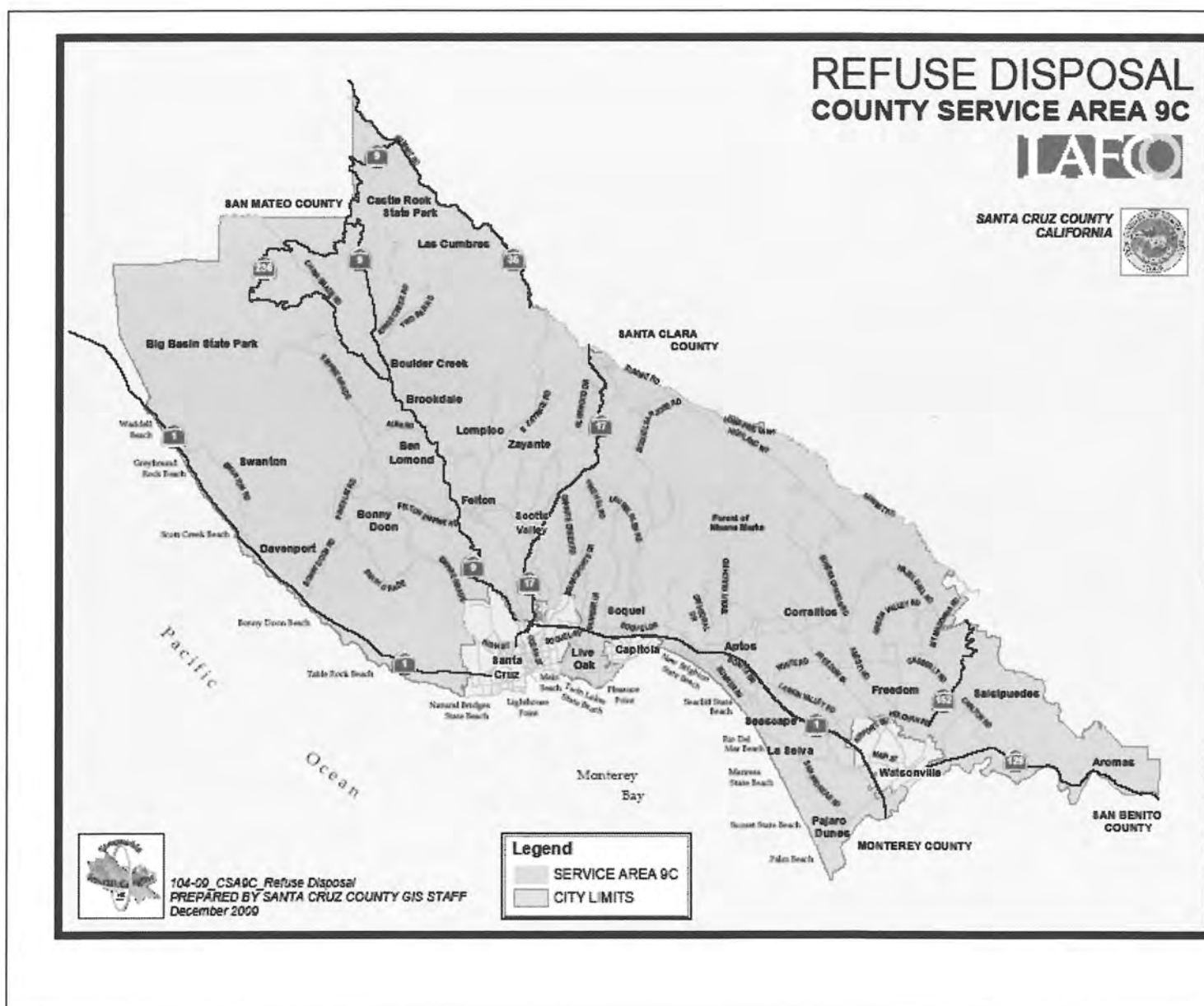
Zone 9 operates the Buena Vista Landfill and the related recycling and resource recovery activities. It also maintains the closed Ben Lomond Landfill, and operates the Ben Lomond Transfer Station. The zone supports administration of the refuse and recycling franchise collection program, landfill environmental compliance programs, refuse abatement programs, and waste reduction and recycling programs. The zone is studying and preparing for future waste management alternatives. The costs for processing recyclables increase as additional types of materials are diverted. Recycling programs do not generate income sufficient enough for self-support and are subsidized from refuse fees collected at the disposal sites. This is problematic because total funding diminishes as diversion rates increase, resulting in the need for increased recycling and disposal rates. The FY 2015-16 budget includes funding to prepare a plan for fiscal sustainability of the solid waste and recycling program. Options to be studied include restructuring rate schedules, preparation of a food waste and compost program, a new collection franchise agreement, and an analysis of the recycling center operations.



## COUNTY SERVICE AREA 9C PUBLIC REVIEW DRAFT – JULY 2015

Assembly Bill 341 of 2011 sets a year 2020 goal of diverting 75% of the state's waste stream by recycling, composting, and source reduction. This compares to a 10% statewide diversion rate in 1990.

The Buena Vista Landfill has a capacity that will be filled in 20 years. The County's plan is to then transfer garbage and haul it to the Monterey Regional landfill in Marina.







### Zone C (Landfill and Recycling) Financing

Solid waste services are generally operated as an enterprise activity by public agencies, such that the fee structure is adequate to cover trash processing and landfill costs as well as reserves. The largest capital costs are associated with landfill maintenance, and post-closure costs. The California Integrated Waste Management Board requires that each agency responsible for operating a landfill estimate closure and post-closure costs and then establish adequate reserves based on the percentage of the landfill capacity that has been used.

The County of Santa Cruz has established County Service Area 9C as the means to fund solid waste services along with gate fee revenue. CSA 9C includes all of the unincorporated area within the County and the City of Scotts Valley. Revenue collected through the CSA is used to fund long-term capital expenditures for the County's Solid Waste and Recycling Program such as future construction of environmental management facilities, management of reuse of landfill gas resources, and long-term closure of County landfills. Funds are also used for community based programs such as public education and outreach, graffiti abatement, litter removal, street sweeping, illegal disposal clean-up, long-term solid waste and recycling planning, and management of franchised refuse collections services. A financial summary of CSA 9C follows:

**Table 10**  
**County Service Area 9, Zone C (Landfill and Recycling) Budget**

Finances	FY 13-14 Actual	FY 14-15 Estimated Actual	FY 15-16 Budget
<b>EXPENDITURES</b>			
Services and Supplies	\$10,043,407	\$10,543,016	\$12,681,800
Other Charges	\$1,767,569	\$2,155,867	\$2,019,076
Fixed Assets	\$201,798	\$0	\$0
Appropriation for Contingencies	\$0	\$0	\$25,000
<b>Total Expenditures</b>	<b>\$12,012,774</b>	<b>\$12,698,883</b>	<b>\$14,725,876</b>
Less: Revenue	(\$11,116,727)	(\$17,097,315)	(\$11,582,102)
<b>NET OPERATIONS</b>	<b>\$896,047</b>	<b>(\$4,398,432)</b>	<b>\$3,143,774</b>
<b>Adjustments for Non-Operating Costs</b>			
Depreciation	*	(\$1,194,537)	(\$993,947)
Fixed Assets	*	\$6,396,558	\$1,018,000
Principal on Leases	*	\$1,214	\$1,300
<b>ADJUSTED NET OPERATIONS</b>	<b>*</b>	<b>\$804,803</b>	<b>\$3,169,127</b>
<b>Fund Balance, End of Year</b>		<b>\$3,169,127</b>	
*Due to State of California accounting mandates, the CSA 9, Zone C budget was changed recently to an enterprise fund. These FY 13-14 amounts are not presented due to the change in accounting practices.			



**Table 11**  
**CSA 9, Zone C (Landfill and Recycling) Revenue**

CSA 9, Zone C Revenue Detail	FY 15-16 Budget
Service Charges	\$3,200,000
Recycling Grant	\$245,000
Household Hazardous Waste Reimbursements	\$220,600
Recycling Revenues	\$624,502
Gate Fees	\$7,282,000
Other Revenues	\$10,000
<b>REVENUES</b>	<b>\$11,582,102</b>
June 30, 2015 Net Assets	\$3,169,127
<b>AVAILABLE FOR FINANCING</b>	<b>\$14,751,229</b>
<b>EXPENDITURES</b>	<b>(\$14,725,876)</b>

### Shared Facilities

The County provides Household Hazardous Waste services for the cities of Santa Cruz and Watsonville. The County and the four cities participate in the Integrated Waste Management Local Task Force with the County serving as the lead agency for the Santa Cruz County Countywide Integrated Waste Management Plan.

### Rate Restructuring

Parcels within County Service Area 9C (unincorporated area and the City of Scotts Valley) are assessed an annual charge as set by the County Board of Supervisors. These charges are collected on the property tax bills. Assessment charges have not been changed in many years. Under Proposition 218 (1996) these charges can only be increased through an election of property owners.

**Table 12**  
**CSA 9, Zone C (Landfill and Recycling) Assessments**

County Service Area	FY 2004-2005 Assessment Rates	FY 2014-2015 Assessment Rates	% Increase in Ten Years
CSA 9 Zone C – Buena Vista Landfill and Resource Recovery	SF - \$56.94 Apartment - 28.48 Commercial - \$113.90 Agriculture - \$113.90 Vacant - \$0.00	SF - \$56.94 Apartment - \$28.48 Commercial - \$113.90 Agriculture - \$113.90 Vacant - \$0.00	No Change

### Government Structure Options

The 2005 Countywide Service Review published by Santa Cruz LAFCO identified one option to consolidate the City of Santa Cruz, City of Watsonville, and the County of Santa Cruz waste management programs. A countywide Waste Management Authority (Authority) could be formed. The Authority would be a public agency formed by a Joint Exercise of Powers Agreement among the County of Santa



Cruz and each of the four cities. The Authority would be responsible for administering the Santa Cruz County Integrated Waste Management Plan and Santa Cruz County Hazardous Waste Management Plan. It would also be responsible for managing a long-range program for solid waste facilities and could offer a wide variety of other programs in the areas of source reduction and recycling, market development, technical assistance and public education. Funding could be provided by per ton disposal fees. This type of government structure is currently in use in several counties and could provide the coordinated structure for Santa Cruz County to achieve its solid waste goals and avoid the need to export waste to other counties.

The disadvantage to this option is the cost to create and fund the Authority. Three of the agencies are currently faced with landfill operation and closure/post closure costs and finances are constrained. The benefits and costs would need to be fully evaluated to determine if this option would be appropriate for Santa Cruz County at this time.

The agencies did not proceed in this fashion. Instead, the agencies are coordinating their individual efforts through the Integrated Management Local Task Force in Santa Cruz County. This task force was established in 1990 as required by State law, and continues to operate.

### **Local Accountability and Governance**

Solid waste services are addressed by the County Board of Supervisors during their regular meetings. It has procedures in place to ensure that public notice and governance standards are met.

The County provides information on solid waste services and recycling on its website at:

<http://www.santacruzcountyrecycles.org>

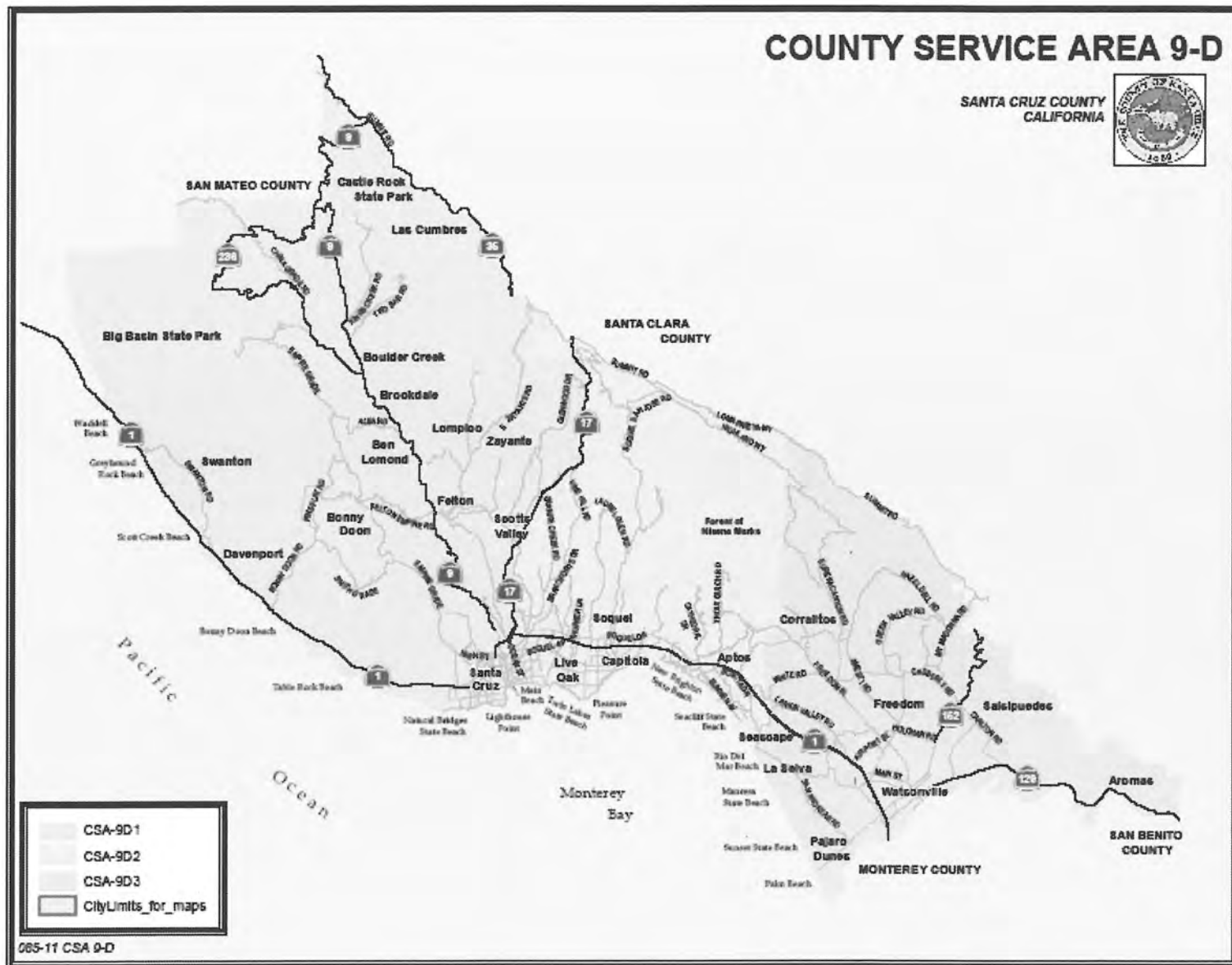
### **County Service Area 9, Zone D**

#### **County Road Maintenance**

The County and cities fund street and highway services through a mix of Federal, State and local sources. In California the largest source of funding for street maintenance is the gas tax. These agencies also make other General Fund commitments for street and highway services based on their resources, needs and policy determinations. Gas tax revenues are not keeping up with the cost of living or the cost of repairing roads. This has had a negative effect on all street and road maintenance programs throughout the State, including Santa Cruz County. County Service Area 9, Zone D provides some supplemental funding through an assessment charge, which could be raised through a property owner mailed-ballot election. In the adopted County budget for fiscal year 2015-2016, the CSA 9, Zone D assessment charges are estimated to generate approximately \$2.75 million, while the other sources for road construction and maintenance (“the road fund”) will be approximately \$22.6 million. The County is considering additional road maintenance funding options such as a sales tax election, which requires a 2/3rds affirmative vote of the voters. A half-cent sales tax would generate approximately \$4 million per year.



Zone D is divided into three sub-zones as shown on the following map:



**Table 13**  
**CSA 9, Zone D (Road Maintenance) Financing**

County Service Area	FY 2003-2004 Expenditures	FY 2013-2014 Expenditures	% Increase in Ten Years	FY 2015-2016 Budget
CSA 9D Sub-Zone 1 – North - Road Maintenance	\$853,119	\$857,891	5.6%	\$863,485
CSA 9D Sub-Zone 2 – Mid - Road Maintenance	\$1,363,681	\$1,360,483	-0.2%	\$1,484,769
CSA 9D Sub-Zone 3 – South - Road Maintenance	\$398,027	\$407,054	2.3%	\$402,324



**Table 14**  
**CSA 9, Zone D (Road Maintenance) Assessments**

County Service Area	FY 2004-2005 Assessment Rates	FY 2014-2015 Assessment Rates	% Increase in Ten Years
CSA 9D Sub-Zone 1,2,3 – Road Maintenance	Improved- \$56.40 Unimproved - \$28.20	Improved- \$56.40 Unimproved - \$28.80	No change

### Opportunities for Shared Facilities

CSA 9 has several agreements with Caltrans and the cities for street maintenance and traffic signal and lighting maintenance. CSA 9D shares bridge maintenance for Murphy's Crossing with Monterey County.

### Government Structure Options, and Accountability

CSA 9 is a dependent special district governed by the County Board of Supervisors. All CSAs are formed and operate pursuant to the County Service Area Law (Government Code Section 25210 et seq.).

County Supervisors receive no additional compensation for their CSA responsibilities. Santa Cruz County staff from the Public Works Department manages the street and highway services related to CSA 9.

### County Service Area 9, Zone E Live Oak/Soquel Streetscape Maintenance

CSA 9 Zone E provides streetscape maintenance services in the former Live Oak/Soquel Redevelopment Area. The Zone maintains over 1,800 street trees, plus landscaping areas via a contract with a private landscaping contractor.

**Table 14**  
**CSA 9, Zone E (Live Oak/Soquel Streetscape) Assessments**

County Service Area	FY 2004-2005 Assessment Rates	FY 2014-2015 Assessment Rates	% Increase in Ten Years
CSA 9E – Streetscape	SF/Commercial- \$3.08 Multi Fam (per unit) - \$1.85 Vacant - \$1.54	SF/Commercial- \$3.08 Multi Fam (per unit) - \$1.85 Vacant - \$1.54	No change

**Table 15**  
**CSA 9, Zone E (Live Oak/Soquel Streetscape Maintenance) Financing**

County Service Area	FY 2003-2004 Expenditures	FY 2013-2014 Expenditures	% Increase in Ten Years	FY 2015-2016 Budget
CSA 9E – Live Oak/Soquel Streetscape Maintenance	\$38,716	\$52,031	34%	\$52,897

### County Service Area 9, Zone F Soquel Village Parking Lots

#### Zone Profile

In 2015, the County of Santa Cruz is proposing to add another service to the list of services that County Service Area 9 may perform. LAFCO authorizes specific county service area services from a board list of





potential services in the County Service Area law. The County's pending proposal to LAFCO is that the following services be authorized for County Service Area 9 (Government Code Section 25210):

- Operation and maintenance of street lighting and landscaping services on County owned or property; and
- Parking enforcement to permit enforcement of time restrictions within County owned operated parking lots.

Under state laws, once LAFCO authorizes a service to be performed within a county service area, the County has the sole authority to set up zones, revise the boundaries of zones, and set assessment charges within the zones. The County purpose from proposing these new services is to take over the operation, maintenance, and enforcement of the public parking lots in Soquel Village. Four lots were acquired and improved by the former Live Oak/Soquel Redevelopment Agency. The required dissolution of the Redevelopment Agency placed the collection of the pre-existing business-based assessments in jeopardy. In FY 2014-15 no assessments were collected by the previous Soquel Business Parking Improvement Fund, and the FY 2015-16 is to utilize the remaining fund balance of \$835 to run the parking lots until CSA 9, Zone F is up and running<sup>2</sup>. If LAFCO authorizes the activation of the two "latent" services, the County intends to proceed with setting up a zone (CSA 9, Zone F) in Soquel Village, and to proceed with a Proposition 218 procedure for the property owners to approve an assessment charge formula to fund the two services.

The plan for services in Zone F estimates that \$35,000 would need to be generated annual to run the Soquel Village parking lots. The main alternatives to the proposal are (1) the County selling the lots, (2) the County leasing the lots and allowing the lessee to charge hourly rates, (3) the County funding the services out of the General Fund. The County does not want to begin using the General Fund for a local service. A CSA zone and assessment charge would allow the benefitting properties to pay the service costs. The County believes that the Soquel business community supports the continued availability of free parking lots. Selling the parking lots or converting them to leased, paid-parking are less favored as both would upset the business climate in Soquel Village.

**Table 16**  
**CSA 9, Zone F (Proposed Soquel Parking Zone) Financing**

County Service Area	FY 2013-2014 Actual	FY 2014-2015 Est. Actual	FY 2015-2016 Budget	FY 2016-2017 Est. Budget
	Soquel Village Parking Improvement Fund			Proposed CSA 9, Zone F
CSA 9, Zone F – Soquel Parking	\$15,333	\$4,350	\$835	\$35,000

<sup>2</sup> Proposed Budget 2015-2016, County of Santa Cruz, Page 32-27.



### County Service Area 9 Contact Information

County of Santa Cruz – County Service Area 9	
Contact:	John Presleigh, Director of Public Works
Mailing Address:	701 Ocean Street, Room 410, Santa Cruz, CA 95060
Site Address:	Same
Phone Number:	(831) 454-2160
Fax Number:	(831) 454-2835
Email/Website	<a href="mailto:John.Preseigh@santacruzcounty.us">John.Preseigh@santacruzcounty.us</a>
Types of Services:	Street Construction and Maintenance, Traffic Signal, Street Lighting, Street Sweeping, Landfill Operations, Streetscape Maintenance, Crossing Guards, Parking Operations
Website	<a href="http://www.dpw.co.santa-cruz.ca.us/">http://www.dpw.co.santa-cruz.ca.us/</a>

### Sphere of Influence

Government Code section 56427 requires each LAFCO to review each city and district's sphere of influence every five years. Government Code section 56076 defines a "sphere of influence" to be a plan for the probable physical boundaries and service area of a local agency, as determined by the LAFCO.

Santa Cruz LAFCO adopted the first sphere of influence for County Service Area 9 in 1985. The CSA's sphere of influence is the entire County of Santa Cruz, including all unincorporated and incorporated areas. State law allows each County to establish zones to provide individual services to sub-areas of the county. Cities can be included in a county service area or zone only if authorized by resolution of the affected city council. In the Santa Cruz County, the only city that participates in a CSA 9 service is the City of Scotts Valley, which participates in CSA 9, Zone C (Landfill and Recycling).

The LAFCO staff is recommending no change in the County Service Area 9 Sphere of Influence so that it remain the entire County including the incorporated areas.



## County Service Area 9

### Service Review Determinations (Government Code Section 56430)

#### 1) **Population and Growth**

- A. *Population within unincorporated area of Santa Cruz County and Scotts Valley is expected to reach 156,040 by 2035.*
- B. *In governing County Service Area 9, Santa Cruz County has considered population growth of the City of Scotts Valley and the County when doing its service planning for County Service Area 9.*

#### 2) **Disadvantaged Unincorporated Communities**

- A. *Freedom and Twin Lakes, the two disadvantaged communities in the unincorporated area of Santa Cruz County, are located inside County Service Area 9 and the CSA 9 sphere of influence, and benefit from the services provided by the county service area. There are no disadvantaged unincorporated areas of the County outside CSA 9.*

#### 3) **Capacity of Facilities and Adequacy of Public Services**

- A. *The Buena Vista landfill it is projected to close in approximately 20 years.*
- B. *For the County roads within the three sub-zones of CSA 9D, the roads are in fair condition.*

#### 4) **Financing Ability of Agency to Provide Services**

- A. *The County of Santa Cruz provides its solid waste services through County Service Area 9C. Revenue from the CSA is used for capital improvements, closure/post-closure costs, operations, education and other related programs.*
- B. *The County is challenged to continue maintaining the aging infrastructure within CSA 9D with increased costs and a declining budget. There is not sufficient funding (Road Fund, CSA 9D Assessment Charges, and Grants) to improve the County roads to good or excellent conditions.*
- C. *The Soquel Village parking lots do not currently have a viable method of financing operations, maintenance, and enforcement. A CSA 9 zone is a feasible means of providing these funds, subject to property-owner approval through a Proposition 218 process.*

#### 5) **Shared Facilities**

- A. *The County is the lead agency for the development and administration of the Countywide Integrated Waste Management Plan.*

#### 6) **Local Accountability, Governmental Structure, and Operational Efficiencies**

- A. *County Service Area 9 services are addressed by the Santa Cruz County Board of Supervisors during regular meetings. Public notice is provided for all meetings. The County provides public information on its websites.*



- B. A Countywide Waste Management Authority could provide advantages for each of the agencies including solid waste technology grant funding, coordination and collaboration opportunities for public education, recycling programs, market development, and the means to establish countywide goals for waste reduction. The disadvantage is the additional cost to create and administer the agency.*
- C. The rate structures for County Service Area 9 are reviewed annually based on available financing and projected maintenance needs. Rate changes are implemented through a public process that includes voter or property owner approval.*
- D. County Service Area 9 is a dependent special district governed by the County Board of Supervisors. The County has procedures in place to ensure that local accountability and governance standards are met.*

**7) Other Matters Required by Local LAFCO Policy**

- A. LAFCO compiles mission statements and meeting rules of each agency subject to LAFCO's boundary regulation. The governing board of County Service Area 9 is the Santa Cruz County Board of Supervisors. The Board of Supervisors has not adopted a mission statement for County Service Area 9. The Board of Supervisors handles all County Service Area 9 business on the Board of Supervisors agenda, and follows the Board's meeting rules.*



## County Service Area 9

### Sphere of Influence Determinations (Government Code Section 56427)

#### 1) Present and Planned Land Uses

- A. The present and planned land uses in the County of Santa Cruz are a range of urban and rural uses. The County General Plan and the General Plans of the Cities of Capitola, Santa Cruz, Scotts Valley, and Watsonville plan for growth centered on the existing urban areas and for maintenance of agricultural production, rural residential uses, and environmental protection in the rural areas.*

#### 2) Present and Probable Need for Public Facilities and Services

- A. County Service Area 9 performs a series of Public Works services that are provided to sub-areas of the county. These services are highway lighting, neighborhood street lighting, landfill operations, recycling, unincorporated road maintenance, school crossing guards, and streetscape maintenance. In the future, these services will continue to be needed, as well as the parking maintenance and enforcement that is being taken over by County Service Area 9, Zone F.*

#### 3) Present Capacity of Facilities and Adequacy of Public Services

- A. The services being provided by County Service Area 9 are generally adequate. Over the last ten years, many revenue sources have not kept up with modest inflation.*
- B. The County roads are in fair condition, and the County lacks sufficient funding (Road Fund, CSA 9A Assessment Charges, and Grants) to improve the roads to good or excellent conditions.*

#### 4) Social or Economic Communities of Interest

- A. The flexibility of County Service Area law (Government Code Section 25210 et seq.) allows the County of Santa Cruz to establish zones for each of the services provided by County Service Area 9. In that manner, the communities of interest are the areas desiring each service. Cities can be added to a County Service Area zone only if authorized by resolution of the affected City Council.*





## HUCKLEBERRY ISLAND COUNTY SERVICE AREA

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Date: July 29, 2015 for August 5, 2015 Agenda

To: LAFCO Commissioners

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

Subject: LAFCO No. 957, Service Review, Sphere of Influence Review, and Formation of the Huckleberry Island County Service Area

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*Summary: Property Owners with the Huckleberry Island Area of Brookdale have petitioned to form a county service area in order to finance a bridge replacement, maintain roads, and maintain common area.*

*Recommendation: Conduct a public hearing, approve draft Resolution No. 957 adopting a service and sphere review, and approve draft Resolution No. 957-A authorizing formation of a county service area.*

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### **Location**

Huckleberry Island is a 30-acre residential area located in a bend of the San Lorenzo River. To access the site, drive up Highway 9 and turn right at the Brookdale Post Office (Pacific Street). Go down Pacific Street. It turns left and leads to the Huckleberry Island bridge.

### **Application**

Property owners on Huckleberry Island have petitioned to form a county service area for the purposes of replacing a bridge, bridge and road maintenance, and common area maintenance. Their intention is to use the county service area to secure a loan to replace the bridge. This approach has worked previously with the McGaffigan Mill Road County Service Area in north Boulder Creek. County Service Area Law is found in the Government Code beginning at section 25210.1. County service areas are dependent districts governed by the Board of Supervisors. The staffing is handled by a unit of the County Public Works Department. The County expects a property owner group, such as a homeowners association, to act in an advisory capacity in setting assessment charges and deciding what maintenance work to perform.

### **Service and Sphere Study**

LAFCO prepares a service review and approves a sphere of influence when considering the formation of a new agency, such as a county service area. Santa Cruz LAFCO staff has prepared the attached the "Public Review Draft of Huckleberry Island CSA Service and Sphere Review." The main conclusions of the study are:



Otherwise, the proposal is generally consistent with the Commission's adopted policies.

### **Alternatives**

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

### **Staff Recommendation**

The staff recommends that the Commission conduct the public hearing, approve the service and sphere reviews, and authorize formation proceedings for the Huckleberry Island County Service Area, excluding the five parcels with direct access to Highway 9. Passing draft Resolutions No. 957 and 957-A would implement this recommendation. The next two steps in the formation would be a protest hearing conducted by the Executive Officer, and an assessment charge process conducted by the Board of Supervisors.

cc: County of Santa Cruz, Department of Public Works  
 Boulder Creek Fire Protection District  
 Martha Breed  
 Allen and Vonda Breed  
 Kristin and Peter Dessau

### **Attachments:**

- Draft Resolution No. 957, Adopting Service and Sphere Review
- Draft Resolution No. 957-A, Authorizing County Service Area to Perform New Services
- Public Review Draft of Huckleberry Island CSA Service and Sphere Review
- Analysis Form
- Initial Environmental Study and Negative Declaration

SANTA CRUZ LOCAL AGENCY FORMATION COMMISSION  
RESOLUTION NO. 957

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

ADOPTING A SERVICE REVIEW AND  
A SPHERE OF INFLUENCE FOR  
THE HUCKLEBERRY ISLAND COUNTY SERVICE AREA

\*\*\*\*\*

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

1. In accordance with Government Code Sections 56425 and 56430, the Commission has initiated and Huckleberry Island County Service Area Service and Sphere of Influence Review.
2. The Commission's Executive Officer has given notice of a public hearing by this Commission upon the Huckleberry Island County Service Area Service and Sphere of Influence Review in the form and manner prescribed by law.
3. The Commission held its public hearing on this matter on August 5, 2015; and at the hearing the Commission heard and received all oral and written protests, objections, and evidence that were presented.
4. The Commission has considered the Negative Declaration dated July 7, 2015 together with the comments received during the public review process, and approves the Negative Declaration. The Commission finds that approving the sphere of influence will not have a significant effect on the environment.
5. The Commission hereby approves the Huckleberry Island County Service Area Service and Sphere of Influence Study.
6. The Sphere of Influence of the Huckleberry Island County Service Area is established as shown on Exhibit A, excluding assessor's parcel 079-061-42 (Furman), 079-082-08 (Berro), 079-082-09 (Mulligan), 079-082-10 (Winske), and 079-082-11 (Winske).
7. The Commission hereby adopts the determinations as shown on Exhibit B.
8. The services authorized for the Huckleberry Island County Service Area are:
  - a. Bridge and road construction, maintenance, and operation;
  - b. Maintenance of common areas.

PASSED AND ADOPTED by the Local Agency Formation Commission in the County of Santa Cruz  
this fifth day of August, 2015.

AYES:

NOES:

ABSENT:

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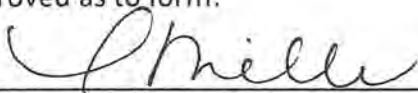
ZACH FRIEND, CHAIRPERSON

Attest:

---

Patrick M. McCormick  
Executive Officer

Approved as to form:



---

T. Brooke Miller, LAFCO Counsel





### **Service Review Determinations (Government Code Section 56430)**

**1. Growth and population projections for the affected area.**

- a. Huckleberry Island is substantially developed as a mountain residential neighborhood. There is little potential for a significant number of new homes to be built.*

**2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.**

- a. There are no disadvantaged unincorporated communities within or contiguous to the proposed sphere of influence for the Huckleberry Island County Service Area.*

**3. Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the sphere of influence.**

- a. The road system in Huckleberry Island is fully constructed and adequately maintained.*
- b. The principal service needs for the proposed county service area is financing a replacement for the access bridge.*

**4. Financial ability of agencies to provide services.**

- a. The anticipated costs for replacing the bridge, maintaining bridge and roads at Huckleberry Island, and maintaining the common area in the expanded sphere of influence are not currently estimated. The bridge replacement cost is estimated at \$487,540.*
- b. The proposed county service area would collect assessment charges from property owners who benefit from the road maintenance activities of the Huckleberry Island County Service Area. Any proposed road assessment charges would be calculated by the County Public Works Department and put to a Proposition 218 election of the benefitting property owners on Huckleberry Island.*
- c. LAFCO can condition any formation upon the assessment charges being approved before the County Service Area is formed. That would avoid a county service area being set up which doesn't have adequate funding to operate.*

EXHIBIT B, LAFCO RESOLUTION NO. 957  
PROPOSED HUCKLEBERRY ISLAND COUNTY SERVICE AREA  
SERVICE REVIEW AND SPHERE OF INFLUENCE DETERMINATIONS

**5. Status of, and opportunities for, shared facilities.**

- a. *The Huckleberry Island County Service Area, if formed, would share governance and staffing with the other road county service areas operated by the Santa Cruz County Public Works Department.*

**6. Accountability for community service needs, including governmental structure and operational efficiencies.**

- a. *As dependent districts of the County, county service areas operate with limited overhead costs. Budget and rate hearings are conducted by the Board of Supervisors, acting as the governing authority of the county service area.*

**7. Any other matter related to effective or efficient delivery, as required by commission policy.**

- a. *With the preparation of each service review, Commission policy requires identification of agency mission statements and rules of order adopted by the agencies subject to the review. The Board of Supervisors, acting as the governing authority of the county service area, has not adopted a mission statement for the proposed Huckleberry Road County Service Area, or any of the other county service areas. The Board has adopted Sturgis Standard Code of Parliamentary Procedure to cover the conduct of its meetings.*

## **Sphere of Influence Determinations (Government Code Section 56425)**

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

- a. The proposed sphere of influence for the Huckleberry Island County Service Area is substantially developed into low-density single-family dwellings.*
- b. There are no agricultural or open-space lands within the proposed sphere of influence for Huckleberry Island County Service Area.*
- c. There are no open-space uses in or adjacent to the proposed Huckleberry Island County Service Area.*

### **2. The present and probable need for public facilities and services in the area.**

- a. The principal need for road maintenance services in the area is financing bridge replacement, bridge and road maintenance, and common area maintenance.*
- b. Five parcels in the proposed CSA boundary are located adjacent to Highway 9 and are accessed directly from Highway 9, and will not use nor benefit from the bridge and road maintenance activities of the Huckleberry Island County Service Area. LAFCO staff is recommending that those five parcels be excluded from the sphere and the formation boundary.*

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

- a. At this point, the bridge, roads, and common area at Huckleberry Island are privately maintained. The bridge does not meet load standards for emergency vehicles.*
- b. Other County Service Areas, such as Roberts Road and McGaffigan Mill Road, have successfully replaced bridges and maintained a rural road.*

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

- a. The Commission determines that Huckleberry Island is a social and economic community of interest.*

LOCAL AGENCY FORMATION COMMISSION FOR SANTA CRUZ COUNTY  
RESOLUTION NO. 957-A

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

MAKING DETERMINATIONS AND AUTHORIZING PROTEST PROCEEDINGS FOR THE FORMATION  
OF THE HUCKLEBERRY ISLAND COUNTY SERVICE AREA

\*\*\*\*\*

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

1. An application for the proposed formation of a county service area was filed with the Executive Officer of this Commission pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Section 56000 et seq.), and the territory is assigned the short term designation of "Formation of the Huckleberry Island County Service Area".
2. The Executive Officer of this Commission has examined the application, has given notice of public hearing by this Commission upon the application in the form and manner provided by law, and has presented his report and recommendation.
3. The public hearing by this Commission was held on August 5, 2015, and at the hearing this Commission heard and received all oral and written comments that were presented.
4. The boundaries set forth in the description of territory subject to the formation are definite and certain, and are approved as shown on Exhibit A, to exclude assessor's parcels 079-061-42 (Furman), 079-082-08 (Berro), 079-082-09 (Mulligan), 079-082-10 (Winske) , and 079-082-11 (Winske).
5. The subject territory includes approximately 30 acres and is found to be uninhabited for the purposes of formation law.
6. The approval of this county service area formation is subject to the following terms and conditions:



- a) The services to be performed by the County Service Area shall be limited to:
    - i. Bridge and road construction, maintenance, and operation; and
    - ii. Maintenance of common areas.
  - b) Prior to issuance of a Certificate of Completion for this formation, the County of Santa Cruz shall complete any tax, assessment, or fee elections pursuant to Proposition 218 (California Constitution Articles XIII C & D) required to fund the services authorized for the Huckleberry Island County Service Area.
  - c) The proponents shall provide a legal map, description, and fees to meet the State Board of Equalization requirements.
  - d) The proponents shall pay any remaining processing fees as set by this Commission's Schedule of Fees and Deposits.
  - e) The proponents shall be responsible to pay any fees required to comply with Fish and Game Code Section 711.4 (Fish and Game Fees required when notices of environmental decisions are filed).
7. The Commission hereby determines pursuant to Section 56810 of the Government Code that there will be no exchange of property tax revenues as a result of this formation.
  8. The Commission has considered the Negative Declaration dated July 7, 2015 together with the comments received during the public review process, and approves the Negative Declaration. The Commission finds that authorizing proceedings will not have a significant effect on the environment.
  9. The proposal, as conditioned, is consistent with the Sphere of Influence for the Huckleberry Island County Service Area, as adopted on August 5, 2015.
  10. The justification for authorizing this county service area formation is explained in the Executive Officer's Report on LAFCO No. 957 and 957-A, and in the Analysis of a Proposal to LAFCO prepared by the staff for LAFCO No. 957-A.
  11. The Commission hereby approves this proposal and authorizes the Executive Officer and the Board of Supervisors to conduct formation proceedings in compliance with this resolution and state law.

PASSED AND ADOPTED by the Local Agency Formation Commission for Santa Cruz County this 5th day of August, 2015 by the following vote:

AYES:

NOES:

ABSENT:

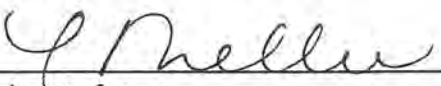
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ZACH FRIEND, CHAIRPERSON

Attest:

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Patrick M. McCormick, Executive Officer

  
Approved as to form:

T. Brooke Miller, LAFCO Counsel

## EXHIBIT A, LAFCO No. 957 and 957-A





PROPOSED HUCKLEBERRY ISLAND COUNTY SERVICE AREA  
2015 MUNICIPAL SERVICE REVIEW AND SPHERE OF INFLUENCE ADOPTION

**PROPOSED HUCKLEBERRY ISLAND COUNTY SERVICE AREA  
2015 SERVICE REVIEW AND SPHERE OF INFLUENCE STUDY  
PUBLIC REVIEW DRAFT, JULY 2015**

**1.1 Document's Purpose, Format, and Executive Summary**

LAFCO performs required municipal service reviews (Government Code Section 56430) and sphere of influence studies (Government Code Section 56427) of each agency subject to LAFCO's boundary regulation. A sphere of influence is defined as a plan for the probable physical boundaries and service area of a local agency. This report has been prepared to analyze the Huckleberry Island County Service Area. Determinations are highlighted in boxes using italic text.

The main conclusions of this document are:

- The Huckleberry Island County Service Area is capable of funding bridge reconstruction, road maintenance services, and common area maintenance in a cost-effective manner.
- The Sphere of Influence of the Huckleberry Island County Service Area should be established to include only parcels that are accessed over the entrance bridge.

**1.2 Agency Overview**

County Service Areas (CSAs) are formed specifically to provide funding for enhanced or extended services that are not normally provided to the same extent on a county-wide basis. The proposed Huckleberry Island County Service Area would provide funding for bridge replacement, road maintenance, and common area maintenance for a 30-acre neighborhood of Brookdale.

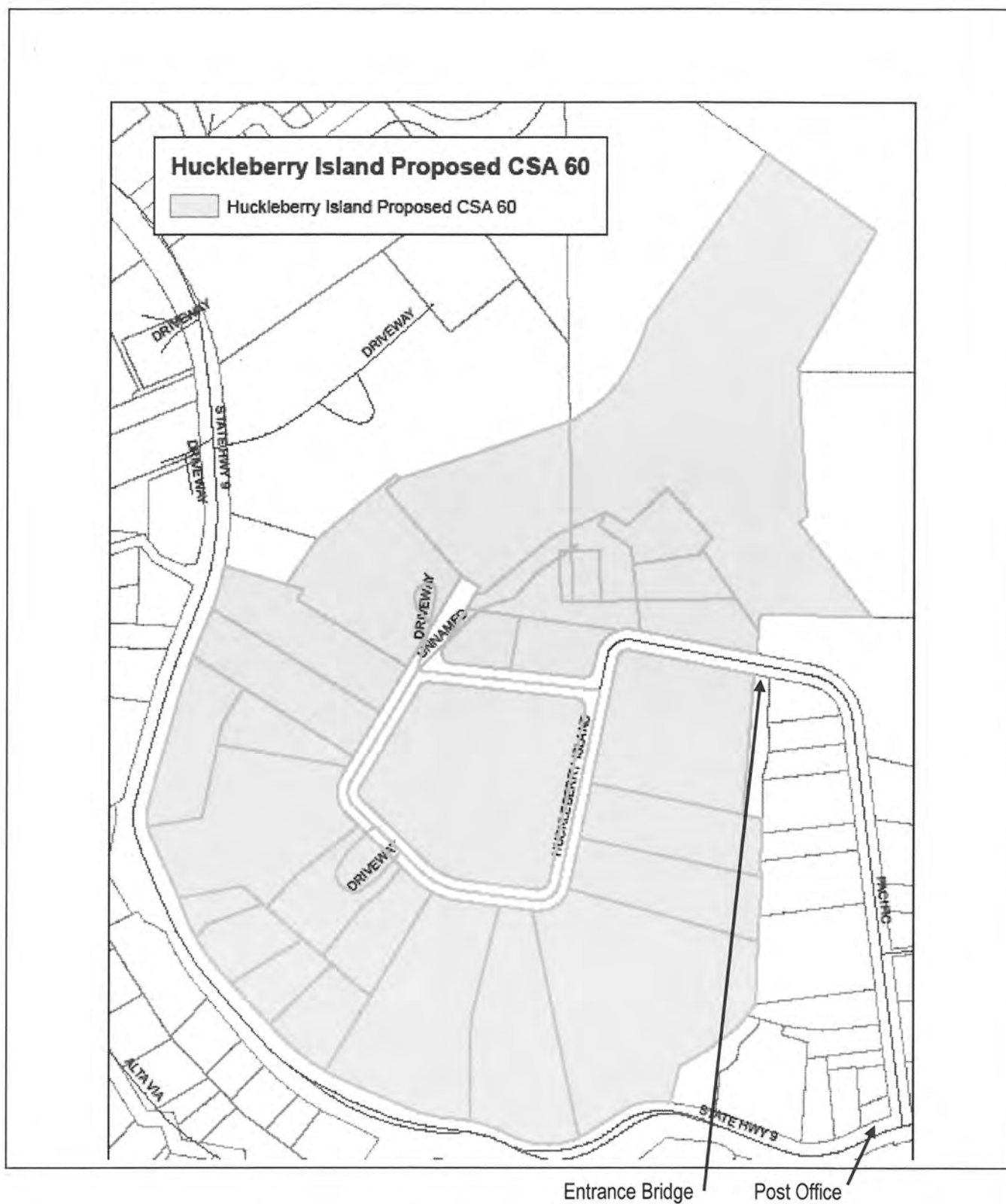
**Proposed Services**

2015Huckleberry Island County Service Area Service Review			
	Bridge Replacement	Bridge and Road Maintenance	Common Area Maintenance
Proposed Huckleberry Island County Service Area	*	*	*

The Huckleberry Island County Service Area is located in Brookdale at the end of Pacific Street. It is accessed by a one-lane bridge that needs replacement.



PROPOSED HUCKLEBERRY ISLAND COUNTY SERVICE AREA  
2015 MUNICIPAL SERVICE REVIEW AND SPHERE OF INFLUENCE ADOPTION



## PROPOSED HUCKLEBERRY ISLAND COUNTY SERVICE AREA 2015 MUNICIPAL SERVICE REVIEW AND SPHERE OF INFLUENCE ADOPTION

### 2.1 Growth and Population

Official population projections are not available for the smaller, local CSAs. However, projected growth can be evaluated from the perspective of CSA location and number of improved and unimproved parcels. Many of the undeveloped properties are unbuildable because they are located in the riparian zone of the San Lorenzo River, or have insufficient area to locate a septic system. There are 18 residences in the proposed Huckleberry Island County Service Area. One is located on Highway 9 and doesn't use the bridge for access, two are located on the same parcel, and the rest are on single-family parcels.

County Service Area	Size of Service Area (square miles)	No. Improved Parcels	No. Unimproved Parcels
Proposed Huckleberry Island	0.05	17	12

#### Service Review (MSR) Determination 1

Growth and population projections for the affected area.

- a. *Huckleberry Island is substantially developed as a mountain residential neighborhood. There is little potential for a significant number of new homes to be built.*

### 2.2 Disadvantaged Unincorporated Communities

Disadvantaged communities often lack an adequate level of public services. State law requires LAFCOs to identify where services are lacking in disadvantaged communities. Water Code Section 79505.5 defines disadvantaged communities to be where the median household income is less than 80% of the statewide annual median household income. In 2012, the median statewide household income was \$58,328. 80% of that is \$46,662. The census block group in which Huckleberry Island is located had a 2010 median household income of \$83,787. It is unlikely that a specialized income survey limited to Huckleberry Island would identify a concentration of low household incomes that would result in Huckleberry Island being classified as a disadvantaged unincorporated community.

#### Service Review Determination 2

The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.

- a. *There are no disadvantaged unincorporated communities within or contiguous to the proposed sphere of influence for the Huckleberry Island County Service Area.*

### 2.3 Infrastructure Needs and Deficiencies

The County does not calculate a Pavement Condition Index for county service areas. A visual inspection by LAFCO staff identified that the roads were being maintained, and that no critical road improvements are needed. The bridge needs to be replaced. The Boulder Creek Fire Protection District Chief has indicated that he supports efforts to replace the bridge.

**PROPOSED HUCKLEBERRY ISLAND COUNTY SERVICE AREA  
2015 MUNICIPAL SERVICE REVIEW AND SPHERE OF INFLUENCE ADOPTION**

**Service Review Determination 3**

Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the sphere of influence.

- a. The road system in Huckleberry Island is fully constructed and adequately maintained.*
- b. The principal service needs for the proposed county service area is financing a replacement for the access bridge.*

## **2.4 Financial Constraints and Opportunities**

### **Funding for Road Maintenance – General**

The fees and charges for each CSA are set at a level to perform the level of maintenance desired by the CSA property owners. Each CSA pays the County the following charges

1. Auditor/Controller charges 1/2 of 1 percent of the gross revenue received by the CSA with a minimum charge of \$125 and a maximum of \$500 annually.
2. Auditor/Controller charges 1 percent of benefit assessment revenue collected to cover collection efforts.
3. Public Works currently charges 8.5 percent of the amount actually spent by the CSA to cover departmental overhead.
4. In addition, a division overhead rate is charged when services such as Engineering, Survey or Road Maintenance crews are provided to the CSA by Public Works. The current Division overhead rates range from 27.75 percent- 48.81 percent.
5. Annually, each service area will be charged their prorated share of costs involved in updating and maintaining the computerized service charge system.
6. Each service area will be charged the current hourly rate for work requested by the service area such as special billings, research, field consultations and estimates.

### **Huckleberry Island CSA Funding**

The main funding need is for the entrance bridge to be replaced. It does not meet the standard rating for fire engine use. Huckleberry Island is within the Boulder Creek Fire Protection District. The District's current fire response would be to start a hose lay from a hydrant on Pacific Street and proceed to lay the hose across the Huckleberry Island Bridge then up to the incident.

## PROPOSED HUCKLEBERRY ISLAND COUNTY SERVICE AREA 2015 MUNICIPAL SERVICE REVIEW AND SPHERE OF INFLUENCE ADOPTION

The homeowners have an engineer's estimate of the cost of a replacement bridge that meets standards for a fire engine response. The 2014 estimate is \$487,540.

The Huckleberry Island proponents have not yet identified an amount or a collection formula. These figures would need to be established if LAFCO authorizes the formation and the County Board of Supervisors prepares to conduct a Proposition 218 election to collect road assessment charges.

Government Code section 56886(b) allows LAFCO to condition the approval of a county service area so that the service area is only set up if an assessment charge is approved through a process following LAFCO's approval. In this case, the Board of Supervisors could be responsible for conducting the Proposition 218 assessment charge process. If conditioned in this manner by LAFCO, the Huckleberry Island County Service Area would not be formed and recorded unless the Proposition 218 charge was approved by the affected property owners.

### Service Review Determination 4

Financial ability of agencies to provide services.

- a. *The anticipated costs for replacing the bridge, maintaining bridge and roads at Huckleberry Island, and maintaining the common area in the expanded sphere of influence are not currently estimated. The bridge replacement cost is estimated at \$487,540.*
- b. *The proposed county service area would collect assessment charges from property owners who benefit from the road maintenance activities of the Huckleberry Island County Service Area. Any proposed road assessment charges would be calculated by the County Public Works Department and put to a Proposition 218 election of the benefitting property owners on Huckleberry Island.*
- c. *LAFCO can condition any formation upon the assessment charges being approved before the County Service Area is formed. That would avoid a county service area being set up which doesn't have adequate funding to operate.*

## 2.5 Opportunities for Shared Facilities

County Service Areas' road maintenance costs are driven by the public agency contracting laws in which bidding thresholds were set 30 years ago and have not been increased. Currently, projects which cost between \$4,000 and \$9,999 are subject to an informal bid process and must be advertised. Projects costing \$10,000 and above are subject to a formal bid which requires detailed plans and specifications. This process has been in place for a number of years and has not changed to reflect increased costs. Therefore, a larger number of projects are now subject to a formal bid process. Increasing the bid thresholds is a cost avoidance opportunity that could yield greater efficiencies.

The County contracts for approximately 95% of all road maintenance and repairs for the CSAs. Occasionally, seal coat/slurry seal work is done by the County's road maintenance crew in conjunction



## PROPOSED HUCKLEBERRY ISLAND COUNTY SERVICE AREA 2015 MUNICIPAL SERVICE REVIEW AND SPHERE OF INFLUENCE ADOPTION

with the County's annual slurry seal/seal coat project. Any work done for CSAs, including staff

management time, is charged to the respective CSA budget. The agencies are sharing facilities where appropriate. The County Public Works Departments is using other departments for related services, such as legal, finance, and planning.

### Service Review Determination 5

Status of, and opportunities for, shared facilities.

- a. *The Huckleberry Island County Service Area, if formed, would share governance and staffing with the other road county service areas operated by the Santa Cruz County Public Works Department.*

## 2.6 Accountability, Governmental Structure, and Operational Efficiencies

The governing body of the Huckleberry Island CSA is the Santa Cruz County Board of Supervisors.

The County Public Works Department manages each of the road CSAs. This shared management achieves a level of management efficiency for the special districts.

The annual assessments for the road CSAs are established through a public process and are subject to Proposition 218.

The rate structure for each CSA is evaluated annually during the budgeting process. Changes are recommended based on available financing and projected maintenance needs.

CSAs are dependent special districts governed by the County Board of Supervisors. All CSAs are formed and operate pursuant to the County Service Area Law (Government Code Section 25210 et seq.).

Alternatives to the current government structure for the local CSAs are limited given their relatively small size and the limited class of services they provide. In general CSAs can be reorganized as independent agencies, consolidated with other CSAs, merged with cities, or dissolved.

Another government structure option that is not currently used in Santa Cruz County is a Permanent Road Division (PRD). PRDs are not special districts as defined by LAFCO law. They are geographic areas designated by a County Board of Supervisors for providing road improvements and maintenance, formed pursuant to the Streets and Highways Code §1160 et seq. (the Permanent Road Division Law). Services in PRDs can be financed by either special taxes or assessments (also called Parcel Charges). In contrast to County Service Areas, PRDs can only be used to fund road maintenance and improvements. They are established after notice of the landowners and a public hearing. Generally, an assessment or special tax is presented to the landowners at the same time. PRDs may provide economies of scale and greater efficiency. Further study should be conducted to see if this approach would be beneficial in Santa Cruz County.



## PROPOSED HUCKLEBERRY ISLAND COUNTY SERVICE AREA 2015 MUNICIPAL SERVICE REVIEW AND SPHERE OF INFLUENCE ADOPTION

One or all of the road maintenance CSAs could be dissolved and reorganized as a PRD. PRDs may not include other districts, but they can include zones of benefit such that several CSAs could be combined into one PRD. The costs and expected benefits of this approach would need to be analyzed to see whether there are sufficient economies to warrant the change. If a CSA chose to dissolve and not reorganize, it would have to compete with other roads and streets for the limited resources Santa Cruz County is able to allocate for road maintenance.

### Service Review Determination 6

Accountability for community service needs, including governmental structure and operational efficiencies.

- a. *As dependent districts of the County, county service areas operate with limited overhead costs. Budget and rate hearings are conducted by the Board of Supervisors, acting as the governing authority of the county service area.*

### Service Review Determination 7

Any other matter related to effective or efficient delivery, as required by commission policy.

- a. *With the preparation of each service review, Commission policy requires identification of agency mission statements and rules of order adopted by the agencies subject to the review. The Board of Supervisors, acting as the governing authority of the county service area, has not adopted a mission statement for the proposed Huckleberry Road County Service Area, or any of the other county service areas. The Board has adopted Sturgis Standard Code of Parliamentary Procedure to cover the conduct of its meetings.*

## 2.7 Alternatives

There are no other road maintenance districts available in Brookdale. The County of Santa Cruz is reluctant to accept any new roads into its public maintenance system, and the cost to bring the Huckleberry Island roads up to County road standards would be prohibitive.

## Sphere of Influence Amendment

### 3.1 Proposed Amendments to Sphere

The proposed sphere amendment, consisting of 31.31 acres, is displayed in the map on page 2.

### 3.2 Present and Planned Land Uses

Huckleberry Island is substantially developed in rural residential uses.

PROPOSED HUCKLEBERRY ISLAND COUNTY SERVICE AREA  
2015 MUNICIPAL SERVICE REVIEW AND SPHERE OF INFLUENCE ADOPTION

**Sphere Determination 1**

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

- a. *The proposed sphere of influence for the Huckleberry Island County Service Area is substantially developed into low-density single-family dwellings.*
- b. *There are no agricultural or open-space lands within the proposed sphere of influence for the Huckleberry Island County Service Area.*
- c. *There are no open-space uses in or adjacent to the proposed Huckleberry Island County Service Area.*

**3.3 Need for Services**

The future need is financing the entrance bridge replacement, bridge and road maintenance, and common area maintenance.

**Sphere Determination 2**

The present and probable need for public facilities and services in the area.

- a. *The principal need for road maintenance services in the area is financing bridge replacement, bridge and road maintenance, and common area maintenance.*
- b. *Five parcels in the proposed CSA boundary are located adjacent to Highway 9 and are accessed directly from Highway 9, and will not use nor benefit from the bridge and road maintenance activities of the Huckleberry Island County Service Area. LAFCO staff is recommending that those five parcels be excluded from the sphere and the formation boundary.*

**3.4 Present Capacity and Adequacy of Services**

As discussed on pages 4-8, a county service area can adequately perform the construction and maintenance activities proposed for Huckleberry Island.

**Sphere Determination 3**

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

- a. *At this point, the bridge, roads, and common area at Huckleberry Island are privately maintained. The bridge does not meet load standards for emergency vehicles.*
- b. *Other County Service Areas, such as Roberts Road and McGaffigan Mill Road, have successfully replaced bridges and maintained a rural road.*

**PROPOSED HUCKLEBERRY ISLAND COUNTY SERVICE AREA  
2015 MUNICIPAL SERVICE REVIEW AND SPHERE OF INFLUENCE ADOPTION**

**3.5 Social or Economic Communities of Interest**

Huckleberry Island is a cohesive neighborhood. The common interest is financing bridge replacement, bridge and road maintenance, and common area maintenance.

**Sphere Determination 4**

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

- a. *The Commission determines that Huckleberry Island is a social and economic community of interest.*

**3.6 LAFCO Sphere Policies**

LAFCO's sphere policies are available at:

<http://santacruzlafco.org/Library/Sphere%20Policies%202011.pdf>

They call out the process by which spheres are developed and amended. They also have subject-specific policies (water, preference for efficient service providers, etc.). This proposal, as recommended by staff, is generally consistent with those policies. The staff is recommending that five parcels included in the proposal be excluded from the county service area formation because they do not benefit from the bridge replacement. Refer to the staff report and the draft resolutions for more details.

**3.7 Agency Profile**

County of Santa Cruz – Huckleberry Island CSA 15	
Contact:	John Presleigh, Director of Public Works
Mailing Address:	701 Ocean Street, Room 410, Santa Cruz, CA 95060
Site Address:	Same
Phone Number:	(831) 454-2160
Fax Number:	(831) 454-2835
Email	Elsa.Aguilar@santacruzcounty.us
Website	<a href="http://www.dpw.co.santa-cruz.ca.us/csa.htm">http://www.dpw.co.santa-cruz.ca.us/csa.htm</a>
Types of Services:	Bridge and Street Construction/Maintenance, Common Area Maintenance

## ANALYSIS OF A PROPOSAL TO LAFCO

TITLE: Formation of Huckleberry Island County Service Area

LAFCO NO.: 957-A

PROPOSAL: Form a County Service Area for bridge replacement, road maintenance, and common area maintenance

LOCATION: Huckleberry Island, end of Pacific Street, Brookdale

<u>POLICIES AND STANDARDS</u>	<u>FINDINGS AND DETERMINATIONS</u>
<p><u>Santa Cruz LAFCO Policy 1.1 - Consistency With Spheres</u> All changes of organization shall be consistent with adopted spheres of influence of affected agencies.</p> <p><u>Standard 1.1.1</u> Consistency shall be determined by a LAFCO finding of consistency with the sphere of influence maps and policies adopted by LAFCO for the affected agencies.</p> <p><u>Santa Cruz LAFCO Policy 1.2 - Need for Services</u> Any proposal involving annexations, incorporations, and formations shall not be approved unless it demonstrates a need for the additional services to be provided to the area; while all proposals involving detachments, disincorporations, and dissolutions shall not be approved unless the proponent demonstrates that the subject services are not needed or can be provided as well by another agency or private organization.</p> <p><u>Standard 1.2.1</u> For proposals concerning cities, need shall be established by (a) an adopted rezoning, consistent with the city general plan, that shows current or future development at a density that will require urban services such as sanitary sewer and water, and (b) a city growth rate and pattern that the subject area will be developed within 5 years.</p>	<p>1.1.1 The proposal is within the adopted Sphere of Influence for the Huckleberry Island County Service Area, as recommended on the August 5, 2015 agenda. See Determination 2.2.3 below.</p> <p>1.2.1 Not applicable.</p>

<u>POLICIES AND STANDARDS</u>	<u>FINDINGS AND DETERMINATIONS</u>
<p><u>Standard 1.2.2</u> For proposals concerning water and sewer district annexations, need shall be established by lack of services to existing urban land uses, or a building permit application or allocation for a single-family dwelling or, for a larger project, by (a) a tentative or final land use entitlement (tentative subdivision map use permit, etc.) conditioned on obtaining water or sewer service and (b) a growth rate and pattern that the subject area will be developed within 5 years.</p>	<p>1.2.2 Not applicable.</p>
<p><u>Standard 1.2.3</u> For proposals concerning the extension of other services by annexation, incorporation, or district formation, need shall be established by the applicable general plan land use designations and the service levels specified for the subject area in the applicable general plan.</p>	<p>1.2.3 The County General Plan calls for Huckleberry Island to be suburban residential. Roads should be appropriately sized for residential uses and emergency vehicle response.</p>
<p><u>Standard 1.2.4</u> For proposals involving the discontinuation of services, lack of need shall be established by (a) no serious effects on the current users of the service due to discontinuation and (b) no projected serious effects on the uses that can be expected to occur in the next 5 years based upon the applicable general plan and projected growth rates and patterns.</p>	<p>1.2.4 Not applicable.</p>
<p><u>Standard 1.2.5</u> In reviewing proposals, LAFCO shall consider: (1) the "population" in the proposal area to be the population recorded in the last biennial or special census unless the proponent or affected agency can present updated or more detailed information which LAFCO determines to be more accurate, (2) the "population density" to be the population divided by the acreage, and (3) the "per capita assessed valuation" to be the full cash value of all the property in a proposal area (as set by the last secured property tax roll) divided by the population.</p>	<p>1.2.5 The current population varies with some permanent residents and some vacation residents.</p>



<u>POLICIES AND STANDARDS</u>	<u>FINDINGS AND DETERMINATIONS</u>
<p><u>Santa Cruz LAFCO Policy 1.3 - General Plan</u> In cases of overlapping plans, LAFCO shall make a determination of which general plan best carries out the policies of the Cortese-Knox-Hertzberg Local Government Reorganization Act.</p> <p><u>Standard 1.3.1</u> Generally, LAFCO will presume to favor a city's general plan inside the sphere of influence adopted for the city by LAFCO, and the county's general plan elsewhere. It is the proponent's responsibility to prove any exception by referring to the policies of the Cortese-Knox-Hertzberg Local Government Reorganization Act.</p> <p><u>Santa Cruz LAFCO Policy 1.4 - In-fill Development</u> In order to avoid further urban sprawl, LAFCO shall encourage in-fill development in urban areas and annexations of areas inside the city spheres of influence.</p> <p><u>Santa Cruz LAFCO Policy 1.5 - Provision of Services</u> In order for LAFCO to approve a change of organization, the proponent shall demonstrate that the subject services can be provided on a timely manner and at a reasonable cost.</p>	<p>1.3.1 The site is not within any city sphere of influence. The County General Plan designates the property for suburban residential uses. The County zoning is R-1-1 acre for single-family houses on sites one-acre and larger.</p> <p>1.4 The main purpose of the proposal to replace a bridge serving existing houses. The proposal is not facilitating sprawl.</p>
<p><u>Standard 1.5.1</u> It is the general policy of the Commission to disapprove annexations to water and sewer agencies (including cities that provide either service) while there is a connection moratorium or other similar service limitation involving the subject water or sewer service. The Commission will consider exceptions to this general policy on a case-by-case basis. The Commission may approve an annexation that meets one or more of the following criteria: 1) To replace a private water source that has failed, such as a well that has gone dry. New service connections shall not be sized to accommodate more intensive development.</p>	<p>1.5.1 Not applicable.</p>

<u>POLICIES AND STANDARDS</u>	<u>FINDINGS AND DETERMINATIONS</u>
<p>2) To replace a septic system that has failed. New service connections shall not be sized to accommodate more intensive development.</p> <p>3) To implement a transfer of service between two existing agencies in a manner that is consistent with the adopted Spheres of Influence of those agencies.</p> <p>4) To change a boundary, in a manner consistent with an adopted Sphere of Influence, so that an agency boundary does not divide a property that could only be conveyed under a single deed. Between January 1, 1986 and the time the service limitation is totally lifted, the Commission shall limit the annexations so that the number of cumulative connections made under the above exemption criteria do not exceed 1% of the total agency's flow (as expressed in equivalent single family dwelling units) in service on January 1, 1986.</p> <p>An additional criterion, not subject to the 1% cumulative impact limitation, is as follows:</p> <p>5) To provide facilities or funding that will allow the agency to lift its service limitation.</p> <p><u>Santa Cruz LAFCO Policy 1.6 - Staged Growth</u> For large projects the Commission shall encourage plans for staged growth.</p> <p><u>Standard 1.6.1.</u> For proposals involving the extension of water, or general municipal services to proposal areas greater than 50 acres, the proponent shall either (a) plan staged growth beginning closest to an existing urban area or (b) demonstrate why such a plan does not promote urban sprawl and an inefficient pattern of services.</p>	<p>1.6.1 Not applicable: the site contains approximately 30 acres.</p>

Santa Cruz LAFCO Policy 2.1 - Number of Agencies

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

Standard 2.1.1

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

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

Standard 2.1.2

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

Santa Cruz LAFCO Policy 2.2 - Logical Boundaries

LAFCO shall promote more logical agency boundaries.

Standard 2.2.1

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

Standard 2.2.2

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

2.1.1 The proposal is priority #5 – formation of a new county service area. No higher priority alternative is feasible to provide bridge construction and road and common area maintenance at Huckleberry Island.

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

2.2.1 The obvious natural feature upon which to base the formation boundaries is the San Lorenzo River.

2.2.2 The entire road rights of way are located within the proposed and recommended county service area boundaries.

<u>POLICIES AND STANDARDS</u>	<u>FINDINGS AND DETERMINATIONS</u>
<p><u>Standard 2.2.3</u> 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.</p> <p><u>Standard 2.2.4</u> The creation of boundaries that divide assessment parcels shall be avoided, wherever possible. If the proposed boundary divides assessment parcels, the proponent must justify to the Commission the necessity for such division. If the Commission approves the proposal, the Commission may condition the approval upon obtaining a boundary adjustment or lot split from a city or county.</p>	<p>2.2.3 The proposed boundaries include five parcels that are located across the San Lorenzo River from Huckleberry Island, and therefore would not benefit from the bridge reconstruction. The staff recommendation is to exclude these five parcels from the county service area: 079-061-42 Furman 079-082-08 Berro 079-082-09 Mulligan 079-082-10 Winske 079-082-11 Winske</p> <p>2.2.4 The proposal will not divide an assessment parcel.</p>
<p><u>Standard 2.2.5</u> 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.</p> <p><u>Standard 2.2.6</u> Where feasible, city and related district boundary changes should occur concurrently to avoid an irregular pattern of boundaries.</p> <p><u>Standard 2.2.7</u> 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.</p>	<p>2.2.5. The proposal does not create an island or strip.</p> <p>2.2.6 There are no other city or district boundaries related to this proposal.</p> <p>2.2.7 The proposed map and the recommended map are both definite and certain.</p>

<u>POLICIES AND STANDARDS</u>	<u>FINDINGS AND DETERMINATIONS</u>
<p><u>Standard 2.2.8</u> 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.</p> <p><u>Santa Cruz LAFCO Policy 2.3 - Financially Desirable Areas</u> The sole inclusion of financially desirable areas in a jurisdiction shall be avoided.</p> <p><u>Standard 2.3.1</u> The Commission shall amend or reject any proposal that, in its estimation, appears to select principally revenue-producing properties for inclusion in a jurisdiction.</p> <p><u>Santa Cruz LAFCO Policy 2.4 - Overall Effects</u> The Commission shall consider the effects of a proposed action on adjacent areas, mutual social and economic interests, and on local governmental structure.</p> <p><u>Standard 2.4.1</u> For city annexation proposal, 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: The territory being annexed is an island of incorporated territory and consistent with the definition of "island" in Government Code Section 56375. The proposal is consistent with the spheres of influence of all affected agencies, and The proposal has been initiated by resolution of the city, which includes the subject property in its adopted sphere of influence.</p>	<p>2.2.8 Not applicable.</p> <p>2.3.1 For this proposed county service area, the properties that benefit from the bridge reconstruction are included in the recommended boundaries of the county service area. See Determination 2.2.3.</p> <p>2.4.1 Not applicable.</p>



<u>POLICIES AND STANDARDS</u>	<u>FINDINGS AND DETERMINATIONS</u>
<p><u>Santa Cruz LAFCO Policy 2.5 - Prezoning</u> The Commission shall require prezoning for all city annexations so that the potential effects of the proposals can be evaluated by the Commission and known to the affected citizens.</p> <p><u>Santa Cruz LAFCO Policy 3.1 - Prime Agricultural Lands</u> Urban growth shall be guided away from prime agricultural lands, unless such action would not promote planned, orderly, efficient development of an area.</p> <p><u>Standard 3.1.1</u> A change of organization is considered to promote the planned, orderly, and efficient development of an area when:</p> <ul style="list-style-type: none"> <li>a) It is consistent with the spheres of influence maps and policies adopted by LAFCO for the affected agencies.</li> <li>b) It conforms to all other policies and standards contained herein.</li> </ul> <p><u>Santa Cruz LAFCO Policy 3.2 - Infill</u> LAFCO shall encourage the urbanization of vacant lands and non-prime agricultural lands within an agency's jurisdiction and within an agency's sphere of influence before the urbanization of lands outside the jurisdiction and outside the spheres of influence, and shall encourage detachments of prime agricultural lands and other open space lands from cities, water districts, and sewer districts if consistent with the adopted sphere of influence of the affected agency.</p>	<p>2.5 Not applicable.</p> <p>3.1 There is no prime agricultural land on Huckleberry Island.</p> <p>3.1.1 As recommended, the proposal is generally consistent with the sphere of influence map, the sphere policies, and all other policies and standards of this commission. See discussion of 2.2.3 excluding five parcels from the proposal.</p> <p>3.2 The purpose of the proposal is to serve the existing houses on Huckleberry Island.</p>

<u>POLICIES AND STANDARDS</u>	<u>FINDINGS AND DETERMINATIONS</u>
<p><u>Standard 3.2.1</u> The priorities for urbanization are:</p> <ol style="list-style-type: none"> <li>1) open-space lands within existing boundaries.</li> <li>2) open-space lands within an adopted sphere of influence.</li> <li>3) prime agricultural lands within existing boundaries.</li> </ol> <p>prime agricultural lands within an adopted sphere of influence.</p> <p><u>Standard 3.2.2</u> Proposals involving urbanization of prime agricultural lands within adopted spheres of influence shall not be approved unless it can be demonstrated that (a) there is insufficient land in the market area for the type of land use proposed, (b) there is no vacant land in the subject jurisdiction available for that type of use.</p>	<p>3.2.1 This site is mapped under the County's resource mapping system as neither open space nor prime agricultural lands.</p> <p>3.2.2 Not applicable.</p>
<p><u>Housing Goals</u> Government Code Section 56668(l)</p> <p>The extent to which the proposal will affect a city or cities and the county in achieving their respective fair shares of the regional housing needs as determined by the appropriate council of governments.</p>	<p>The proposal will not significantly affect the County's effort to achieve its fair share goals.</p>
<p><u>Environmental Justice</u> Government Code Section 56668(o)</p> <p>The extent to which the proposal will promote environmental justice. As used in this subdivision, "environmental justice" means the fair treatment of people of all races, cultures, and incomes with respect to the location of public facilities and the provision of public services.</p>	<p>This proposal would not affect environmental justice issues, as it is intended to replace an existing bridge.</p>

**SANTA CRUZ LAFCO**  
**Environmental Initial Study**

1. Project title: Huckleberry Island County Service Area, LAFCO No. 957  
     --Sphere of Influence Adoption  
     --County Service Area Formation
2. Lead agency name and address:  
     Santa Cruz Local Agency Formation Commission  
     701 Ocean Street, Room 318-D  
     Santa Cruz, CA 95060
3. Contact person, phone number, and email Patrick McCormick, (831) 454-2055,  
     pat@santacruzlafco.org
4. Project location: Huckleberry Island, Brookdale, east of Highway 9, see attached map.
5. Project sponsors' names and addresses:  
     Martha Breed  
     1285 Clover Lane  
     Walnut Creek, CA 94595  
  
     Allen Breed  
     210 Alexander Avenue  
     Los Gatos, Ca 95030
6. General plan and zoning designations:  
     The County General Plan designation for all parcels in the proposed County Service Area is Suburban Residential, which allows for residences served by a public water system and utilizing septic tanks. The zoning is R-1-1 acre allowing single-family residential uses with a minimum lot size of 1 acre for new parcels.
7. Description of project: (Describe the whole action involved, including but not limited to later phases of the project, and any secondary, support, or off-site features necessary for its implementation.)  
  
     The project would establish a county service area for the purpose of constructing a new access bridge from the end of Pacific Street over the San Lorenzo River to Huckleberry Island; disassembling the existing bridge; and maintaining the bridge, road, and common area. The proposal includes establishing a Sphere of Influence for the Huckleberry Island County Service Area with boundaries coterminous with the formation boundaries of the county service area. The Huckleberry Island bridge and roads are currently privately maintained. The bridge does not meet load requirements for fire engines and other heavy vehicles, and needs to be replaced.

If the county service area were formed, a future project of the county service area would be to finance the reconstruction of the Huckleberry Island bridge over the San Lorenzo River. The County of Santa Cruz would become lead agency for permitting the reconstruction of the bridge. Government Code Section 56375a prohibits LAFCO from imposing any condition that directly regulates land use density or intensity, property development, or subdivision requirements. See discussion of biological resources for the California Department of Fish and Wildlife's reviews and permits for the work in the streambed of the San Lorenzo River.

**Proposed Huckleberry Island County Service Area**

<b>APN</b>	<b>ACRES</b>	<b>USE CODE</b>	<b>SITE ADDRESS</b>	<b>OWNERS</b>	<b>GENERAL PLAN</b>	<b>ZONING</b>
079-061-02	0.121	Single Res	15 Huckleberry Island	Martha Breed	Suburban Residential	R-1-1acre
079-061-03	0.049	Unbldbl Lot		Martha Breed	Suburban Residential	R-1-1acre
079-061-05	1.428	Single Res	14 Huckleberry Island	Norma Jean Lewis	Suburban Residential	R-1-1acre
079-061-07	0.402	Single Res	11 Huckleberry Island	Kevin & Yvette Curran	Suburban Residential	R-1-1acre
079-061-20	0.898	Single Res	13 Huckleberry Island	Peter & Kristin Dessau	Suburban Residential	R-1-1acre
079-061-21	0.826	Single Res	12 Huckleberry Island	Michael McCredy	Suburban Residential	R-1-1acre
079-061-33	0.370	Single Res	17 Huckleberry Island	Alan & Vonda Lee Breed	Suburban Residential	R-1-1acre
079-061-34	0.303	Unbldbl Lot		Alan & Vonda Lee Breed	Suburban Residential	R-1-1acre
079-061-35	0.396	Unbldbl Lot		Alan & Vonda Lee Breed	Suburban Residential	R-1-1acre
079-061-36	0.251	Unbldbl Lot		Martha Breed	Suburban Residential	R-1-1acre
079-061-37	0.559	Lot Rural		Martha Breed	Suburban Residential	R-1-1acre
079-061-38	0.376	Lot Rural		Martha Breed	Suburban Residential	R-1-1acre
079-061-39	0.294	Lot Rural		Martha Breed	Suburban Residential	R-1-1acre
079-061-41	1.696	Single Res	10 Huckleberry Island	Janice Furman	Suburban Residential	R-1-1acre
079-061-42	0.689	Unbldbl Lot		Janice Furman	Suburban Residential	R-1-1acre
079-061-44	1.524	Single Res	16 Huckleberry Island	George Breed Trustee	Suburban Residential	R-1-1acre
079-061-45	6.131	5-19.9 Acre Rural		George Breed Trustee	Suburban Residential	R-1-1acre
079-081-01	2.823	1-4.99 Acre Rural		Huck. Home. Assoc.	Suburban Residential	R-1-1acre
079-082-01	1.691	1-4.99 Acre Home	1 Huckleberry Island	Robert & Shelley Silva	Suburban Residential	R-1-1acre
079-082-02	0.849	Single Res	2 Huckleberry Island	Maura & Orbrad Darbro	Suburban Residential	R-1-1acre
079-082-03	0.926	Single Res	3 Huckleberry Island	Rosemarie Caven	Suburban Residential	R-1-1acre
079-082-04	2.903	1-4.99 Acre Home	4 Huckleberry Island	Linda Malloch Trustee	Suburban Residential	R-1-1acre
079-082-06	0.511	Single Res	8 Huckleberry Island	Catherine Winske	Suburban Residential	R-1-1acre
079-082-07	0.682	Single Res	9 Huckleberry Island	Martin McGuire	Suburban Residential	R-1-1acre
079-082-08	0.173	Unbldbl Lot		Michael Berro	Suburban Residential	R-1-1acre
079-082-09	0.381	Single Res	11790 Highway 9	P. & M. Mulligan	Suburban Residential	R-1-1acre
079-082-10	0.331	Unbldbl Lot		Catherine Winske	Suburban Residential	R-1-1acre
079-082-11	0.449	Unbldbl Lot		Catherine Winske	Suburban Residential	R-1-1acre
079-082-14	1.852	2 SFRs 1 APN	6 Huckleberry Island	Robert & Ruth Rees	Suburban Residential	R-1-1acre
079-082-15	1.473	Single Res	5 Huckleberry Island	Levine Family	Suburban Residential	R-1-1acre

8. Surrounding land uses and setting: Briefly describe the project's surroundings:

The site is a forested peninsula bordered on three sides by the San Lorenzo River. Within the proposed county service area boundary, there are 30 parcels totaling 31 acres. There are sixteen parcels with single-family residences, and one parcel with two residences. The County's septic regulations limit the development potential of the undeveloped parcels in the Huckleberry Island area, and improvement of the bridge is unlikely to result in a significant increase in homes, thereby increasing secondary environmental impacts (river sedimentation, water use, traffic, etc.).

9. Other public agencies whose approval is required (e.g., permits, financing approval, or participation agreement.)

If LAFCO approves the county service area formation, the County Board of Supervisors will hold a formation hearing and conduct an election on the proposed bridge and road maintenance assessments. If the County Service Area is formed and the property owners approve road assessments, the road maintenance budget will be reviewed annually at a public hearing of the Board of Supervisors.

ENVIRONMENTAL FACTORS POTENTIALLY AFFECTED:

The environmental factors checked below would be potentially affected by this project, involving at least one impact that is a "Potentially Significant Impact" as indicated by the checklist on the following pages.

<input type="checkbox"/> Aesthetics	<input type="checkbox"/> Agricultural Resources	<input type="checkbox"/> Air Quality
<input type="checkbox"/> Biological Resources	<input type="checkbox"/> Cultural Resources	<input type="checkbox"/> Geology/Soils
<input type="checkbox"/> Greenhouse Gases	<input type="checkbox"/> Hazards & Hazardous Materials	<input type="checkbox"/> Hydrology/Water Quality
<input type="checkbox"/> Land Use/Planning	<input type="checkbox"/> Mineral Resources	<input type="checkbox"/> Noise
<input type="checkbox"/> Population/Housing	<input type="checkbox"/> Public Services	<input type="checkbox"/> Recreation
<input type="checkbox"/> Transportation/Traffic	<input type="checkbox"/> Utilities	<input type="checkbox"/> Mandatory Findings of Significance



DETERMINATION: (To be completed by the Lead Agency)

On the basis of this initial evaluation:

  X   I find that the proposed project COULD NOT have a significant effect on the environment, and a NEGATIVE DECLARATION will be prepared.

       I find that although the proposed project could have a significant effect on the environment, there will not be a significant effect in this case because revisions in the project have been made by or agreed to by the project proponent. A MITIGATED NEGATIVE DECLARATION will be prepared.

       I find that the proposed project MAY have a significant effect on the environment, and an ENVIRONMENTAL IMPACT REPORT is required.

       I find that the proposed project MAY have a "potentially significant impact" or "potentially significant unless mitigated" impact on the environment, but at least one effect 1) has been adequately analyzed in an earlier document pursuant to applicable legal standards, and 2) has been addressed by mitigation measures based on the earlier analysis as described on attached sheets. An ENVIRONMENTAL IMPACT REPORT is required, but it must analyze only the effects that remain to be addressed.

       I find that although the proposed project could have a significant effect on the environment, because all potentially significant effects (a) have been analyzed adequately in an earlier EIR or NEGATIVE DECLARATION pursuant to applicable standards, and (b) have been avoided or mitigated pursuant to that earlier EIR or NEGATIVE DECLARATION, including revisions or mitigation measures that are imposed upon the proposed project, nothing further is required.

Patrick M. McCormick  
Signature

July 7, 2015  
Date

Patrick M. McCormick, Executive Officer  
Santa Cruz Local Agency Formation Commission

**Issues:**

	Potentially Significant Impact	Less Than Significant With Mitigation Incorporation	Less Than Significant Impact	No Impact
I. AESTHETICS: Would the project:				
a) Have a substantial adverse effect on a scenic vista?				X
b) Substantially damage scenic resources, including, but not limited to, trees, rock outcroppings, and historic buildings within a state scenic highway?				X
c) Substantially degrade the existing visual character or quality of the site and its surroundings?				X
d) Create a new source of substantial light or glare which would adversely affect day or nighttime views in the area?				X

Discussion: This project would facilitate bridge replacement in an existing rural residential neighborhood. Source: Chapter 5 of County General Plan, County Scenic Resource Map--Layer 54

II. AGRICULTURE RESOURCES: Would the project:	Potentially Significant Impact	Less Than Significant With Mitigation Incorporation	Less Than Significant Impact	No Impact
a) Convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Farmland), as shown on the maps prepared pursuant to the Farmland Mapping and monitoring Program of the California Resources Agency, to non-agricultural use?				X
b) Conflict with existing zoning for agricultural use, or a Williamson Act contract?				X
c) Conflict with the existing zoning for, or cause rezoning of, forest land (as defined in Public Resources Code section 12220(g)), timberland (as defined by Public Resources Code section 4526) or timberland Production (as defined by Government Code section 51104(g))?				X
d) Result in the loss of forest land or conversion of forest land to non-forest use?				X
e) Involve other changes in the existing environment which, due to their location or nature, could result in conversion of farmland, to non-agricultural use?				X

Discussion: Land uses are not agricultural. No timber production zones are located within the proposed county service area.

Source: County GIS Maps: Soils and Timber Resources.

III. AIR QUALITY: Where available, the significance criteria established by the applicable air quality management or air pollution control district may be relied upon to make the following determinations. Would the project:	Potentially Significant Impact	Less Than Significant With Mitigation Incorporation	Less Than Significant Impact	No Impact
a) Conflict with or obstruct implementation of the applicable air quality plan?				X
b) Violate any air quality standard or contribute substantially to an existing or projected air quality violation?				X
c) Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is non-attainment under an applicable federal or state ambient air quality standard (including releasing emissions which exceed quantitative thresholds for ozone precursors)?				X
d) Expose sensitive receptors to substantial pollutant concentrations?				X
e) Create objectionable odors affecting a substantial number of people?				X

Discussion: The establishment of the CSA does not facilitate the construction of additional houses on Huckleberry Island. Bridge re-construction activities would generate temporary emissions, which would be small and are not expected to prevent long-term attainment of air quality standards. Source: Chapter 5 of County General Plan, MBUAPCD Air Quality Management Plan.

IV. BIOLOGICAL RESOURCES: Would the project:	Potentially Significant Impact	Less Than Significant With Mitigation Incorporation	Less Than Significant Impact	No Impact
a) Have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Game or U.S. Fish and Wildlife Service?			X	
b) Have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, regulations or by the California Department of Fish and Game or U.S. Fish and Wildlife Service?			X	
c) Have a substantial adverse effect on federally protected wetlands as defined by Section 404 of the Clean Water Act (including, but not limited to, marsh, vernal pool, coastal, etc.) Through direct removal, filling, hydrological interruption, or other means?			X	
d) Interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites?				X
e) Conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance?				X
f) Conflict with the provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional, or state habitat conservation plan?				X

Discussion: The potential environmental issues of bridge reconstruction over the San Lorenzo River would be addressed by the County of Santa Cruz and the State Department of Fish and Wildlife if the county service area is formed, the property owners approve a road assessment, and a bridge design is submitted for a building permit. Huckleberry Island landowners have a June 23, 2014 streambed alteration permit from the California Department of Fish and Wildlife for emergency bridge repairs which includes 27 conditions addressing a variety of environment impact avoidance and mitigations, including stream sedimentation and hazardous materials.

Sources: County General Plan, Biotic Resource Map--Layer 58, Chapter 16.24 of Santa Cruz County Code (Riparian corridor and wetlands protection), California Department of Fish and Wildlife Streambed Alteration Agreement #1600-2014-0052-R3, May 27, 2014.

V. CULTURAL RESOURCES -- Would the project:	Potentially Significant Impact	Less Than Significant With Mitigation Incorporation	Less Than Significant Impact	No Impact
a) Cause a substantial adverse change in the significance of a historical resource as defined in §15064.5?				X
b) Cause a substantial adverse change in the significance of an archaeological resource pursuant to §15064.5?				X
c) Directly or indirectly destroy a unique paleontological resource or site or unique geologic feature?				X
d) Disturb any human remains, including those interred outside of formal cemeteries?				X

Discussion: The County's resource mapping shows this area as being outside the high sensitivity area for archeological resources.

Sources: County General Plan, Archeological Sensitivity Constraint Map--Layer 57, and County Code Sections 16.14, 16.42, and 16.44 (archeological regulations).

VI. GEOLOGY AND SOILS: Would the project:	Potentially Significant Impact	Less Than Significant With Mitigation Incorporation	Less Than Significant Impact	No Impact
a) Expose people or structures to potential substantial adverse effects, including the risk of loss, injury, or death involving:				
i. Rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map issued by the State Geologist for the area or based on other substantial evidence of a known fault? Refer to Division of Mines and Geology Special Publication 42.				X
ii. Strong seismic ground shaking?			X	
iii. Seismic-related ground failure, including liquefaction?			X	
iv. Landslides?				X
b) Result in substantial soil erosion or the loss of topsoil?				X



c) Be located on a geologic unit or soil that is unstable, or that would become unstable as a result of the project, and potentially result in on- or off-site landslide, lateral spreading, subsidence, liquefaction or collapse?				X
d) Be located on expansive soil, as defined in Table 18-1-B of the Uniform Building Code (1994), creating substantial risks to life or property?				X
e) Have soils incapable of adequately supporting the use of septic tanks or alternative wastewater disposal systems where sewers are not available for the disposal of wastewater?				X

Discussion: The Huckleberry Island area is outside any mapped fault zone. It contains some steep hillsides adjacent to the San Lorenzo River.

Sources: County General Plan, Fault and Geohazard Constraint Maps--Layers 39 and 84

VII. GREENHOUSE GAS EMISSIONS: Would the project:	Potentially Significant Impact	Less Than Significant With Mitigation	Less Than Significant Impact	No Impact
a) Generate greenhouse gas emission, either directly or indirectly, that may have a significant impact on the environment?			X	
b) Conflict with an applicable plan, policy or regulation adopted for the purpose of reducing the emissions of greenhouse gas emissions?				X

Discussion: Like all construction activities, the bridge replacement would be responsible fossil fuel use and an incremental increase in greenhouse gas emissions. Santa Cruz County has adopted a Climate Action Strategy which established emission reduction goals and specific actions to reduce greenhouse gas levels to pre-1990 levels.

Source: Santa Cruz County Climate Action Strategy, 2013.

VII. HAZARDS AND HAZARDOUS MATERIALS: Would the project:	Potentially Significant Impact	Less Than Significant With Mitigation	Less Than Significant Impact	No Impact
a) Create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials?			X	
b) Create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment?			X	

c) Emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school?				X
d) Be located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 and, as a result, would it create a significant hazard to the public or the environment?				X
e) For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project result in a safety hazard for people residing or working in the project area?				X
f) For a project within the vicinity of a private airstrip, would the project result in a safety hazard for people residing or working in the project area?				X
g) Impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan?				X
h) Expose people or structures to a significant risk of loss, injury or death involving wildland fires, including where wildlands are adjacent to urbanized areas or where residences are intermixed with wildlands?				X

Discussion: The Huckleberry Island area does contain high wildland fire vegetation or airport clear zones.

Sources: County General Plan, High Wildland Fire Hazard and Airport Clear Zone Constraint Maps--Layers 49 and 50

VIII. HYDROLOGY AND WATER QUALITY: Would the project:	Potentially Significant Impact	Less Than Significant With Mitigation Incorporation	Less Than Significant Impact	No Impact
a) Violate any water quality standards or waste discharge requirements?				X
b) Substantially deplete groundwater supplies or interfere substantially with groundwater recharge such that there would be a net deficit in aquifer volume or a lowering of the local				X

groundwater table level (e.g., the production rate of pre-existing nearby wells would drip to a level which would not support existing land uses or planned uses for which permits have been granted)?				
c) Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, in a manner which would result in substantial erosion or siltation on- or off-site?				X
d) Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, or substantially increase the rate or amount of surface runoff in a manner which would result in flooding on- or off-site?				X
e) Create or contribute runoff water which would exceed the capacity of existing or planned stormwater drainage systems or provide substantial additional sources of polluted runoff?				X
f) Otherwise substantially degrade water quality?				X
g) Place housing within a 100-year flood hazard area as mapped on a federal Flood Hazard Boundary or Flood Insurance Rate Map or other flood hazard delineation map?				X
h) Place within a 100-year flood hazard area structures which would impede or redirect flood flows?			X	
i) Expose people or structures to a significant risk of loss, injury or death involving flooding, including flooding as a result of the failure of a levee or dam?				X
j) Inundation by seiche, tsunami, or mudflow?				X

Discussion: The County General Plan does not allow new building sites to be created in hazardous locations.

Sources: Chapter 6 of County General Plan, and Floodplain Constraint Map--Layer 46

IX. LAND USE PLANNING: Would the project:	Potentially Significant Impact	Less Than Significant With Mitigation Incorporation	Less Than Significant Impact	No Impact
a) Physically divide an established community?				X
b) Conflict with any applicable land use plan, policy, or regulation of an agency with jurisdiction over the project (including, but not limited to the general plan, specific plan, local coastal program, or zoning ordinance) adopted for the purpose of avoiding or mitigating an environmental effect?				X
c) Conflict with any applicable habitat conservation plan or natural community conservation plan?				X

Discussion: No known land use policy conflicts.

Source: County General Plan

X. MINERAL RESOURCES: Would the project:	Potentially Significant Impact	Less Than Significant With Mitigation Incorporation	Less Than Significant Impact	No Impact
a) Result in the loss of availability of a known mineral resource that would be of value to the region and the residents of the state?				X
b) Result in the loss of availability of a locally-important mineral resource recovery site delineated on a local general plan, specific plan or other land use plan?				X

Discussion: There are no mineral resources mapped in the areas of possible future land divisions.

Source: County Mineral Resources Constraint Map--Layer 56

XI. NOISE: Would the project:	Potentially Significant Impact	Less Than Significant With Mitigation Incorporation	Less Than Significant Impact	No Impact
a) Expose persons to or generate noise levels in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies?				X
b) Expose persons to or generate excessive groundborne vibration or groundborne noise levels?				X

c) Make a substantial permanent increase in ambient noise levels in the project vicinity above levels existing without the project?				X
d) Make a substantial temporary or periodic increase in ambient noise levels in the project vicinity above levels existing without the project?				X
e) For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project expose people residing or working in the project area to excessive noise levels?				X
f) For a project within the vicinity of a private airstrip, would the project expose people residing or working in the project area to excessive noise levels?				X

Discussion: No known impacts.

Source: Chapter 6 of County General Plan

XII. POPULATION AND HOUSING: Would the project:	Potentially Significant Impact	Less Than Significant With Mitigation Incorporation	Less Than Significant Impact	No Impact
a) Induce substantial population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure)?				X
b) Displace substantial numbers of existing housing, necessitating the construction of replacement housing elsewhere?				X
c) Displace substantial numbers of people, necessitating the construction of replacement housing elsewhere?				X

Discussion: No known impacts.

Source: County General Plan.



XIII. PUBLIC SERVICES: Would the project:	Potentially Significant Impact	Less Than Significant With Mitigation Incorporation	Less Than Significant Impact	No Impact
a) Result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, need for new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times or other performance objectives for any of the following public services.				
Fire Protection?				X
Police Protection?				X
Schools?				X
Parks?				X
Other public facilities?				X

Discussion: As part of the formation process, the property owners would vote on the assessments to support road maintenance. The CSA proposes to maintain an existing road, to replace an existing bridge, and not to build any new road.

Source: LAFCO Application No. 957.

XIV. RECREATION: Would the project:	Potentially Significant Impact	Less Than Significant With Mitigation Incorporation	Less Than Significant Impact	No Impact
a) Increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated?				X
b) Include recreational facilities or require the construction or expansion of recreational facilities which might have an adverse effect on the environment?				X

Discussion: The County policies require "bedroom taxes" upon the construction of new houses to fund the County's park development program.

Source: Chapter 7 of County General Plan

XV. TRANSPORTATION/TRAFFIC: Would the project:	Potentially Significant Impact	Less Than Significant With Mitigation Incorporation	Less Than Significant Impact	No Impact
a) Conflict with an applicable plan, ordinance or policy establishing measures of effectiveness for the performance of the circulation system, taking into account all modes of transportation including mass transit and non-motorized travel and relevant components of the circulation system, including but not limited to intersections, streets, highways and freeway, pedestrian and bicycle paths, and mass transit?				X
b) Conflict with an applicable congestion management program, including, but not limited to level of service standards and travel demand measures, or other standards established by the county congestion management agency for designated roads or highways?				X
c) Result in a change in air traffic patterns, including either an increase in traffic levels or a change in location that results in substantial safety risks?"				X
d) Substantially increase hazards due to a design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment)?				X
e) Result in inadequate emergency access?				X
f) Conflict with adopted policies, plans, or programs regarding public transit, bicycle, or pedestrian facilities, or otherwise decrease the performance or safety of such facilities?				X
g) Conflict with adopted policies, plans, or programs supporting alternative transportation (e.g., bus turnouts, bicycle racks)?				X

Discussion: Given the limited development potential, mostly limited by the septic regulations, traffic increases would not be significant.

Source: CALTRANS Trip Generation Manual

XVI. UTILITIES AND SERVICE SYSTEMS -- Would the project:	Potentially Significant Impact	Less Than Significant With Mitigation Incorporation	Less Than Significant Impact	No Impact
a) Exceed wastewater treatment requirements of the applicable Regional Water Quality Control Board?				X
b) Require or result in the construction of new water or wastewater treatment facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?				X
c) Require or result in the construction of new storm water drainage facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?				X
d) Have sufficient water supplies available to serve the project from existing entitlements and resources, or are new or expanded entitlements needed?				X
e) Result in a determination by the wastewater treatment provider which serves or may serve the project that it has adequate capacity to serve the project's projected demand in addition to the provider's existing commitments?				X
f) Be served by a landfill with sufficient permitted capacity to accommodate the project's solid waste disposal needs?				X
g) Comply with federal, state, and local statutes and regulations related to solid waste?				X

Discussion: Given the limited development potential, mostly limited by the septic regulations, increases in water use would not be significant.

XVII. MANDATORY FINDINGS OF SIGNIFICANCE: Does the project:	Potentially Significant Impact	Less Than Significant With Mitigation Incorporation	Less Than Significant Impact	No Impact
a) Have the potential to degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or endangered plant or animal or eliminate important examples of the major periods of California history or prehistory?				X
b) Have impacts that are individually limited, but cumulatively considerable? ("Cumulatively considerable" means that the incremental effects of a project are considerable when viewed in connection with the effects of past projects, the effects of other current projects, and the effects of probable future projects)?				X
c) Have environmental effects which will cause substantial adverse effects on human beings, either directly or indirectly?				X

Discussion: This project would have no significant impacts on the environment.

### Summary

The formation of a county service area allows for the road maintenance fees to be collected on the property tax roll. The Huckleberry Island bridge and road are currently constructed and are the sole access for 17 homes. If formed, the county service area is intended to facilitate replacement of an existing bridge. No new roads would be constructed.

## NEGATIVE DECLARATION

NOTICE IS HEREBY GIVEN that the Santa Cruz Local Agency Formation Commission (LAFCO) proposes to adopt a negative declaration for the following project:

### PROJECT TITLE AND DESCRIPTION

LAFCO No. 957—Adopting a Sphere of Influence for the Huckleberry Island County Service Area

LAFCO No. 957-A—Formation of the Huckleberry Island County Service Area

### PROPOSAL

The purpose of the proposal is to establish a county service area for the purpose of financing the replacement of the Huckleberry Island bridge over the San Lorenzo River and maintaining roads and common area within the Huckleberry Island area

### LOCATION

Approximately 31 acres on Huckleberry Island, east of Highway 9 at the end of Pacific Street, Brookdale. See map or parcel list for more information.

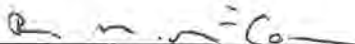
### FINDINGS

The initial study of this proposed sphere amendment and county service area formation has been undertaken in accordance with the State EIR Guidelines and the LAFCO Environmental Guidelines. The initial study indicates that the proposed project would not have a significant effect on the environment for the following reasons:

- The proposed county service area would finance bridge replacement.
- The County of Santa Cruz and the California Department of Fish and Wildlife will review any bridge reconstruction plans for compliance with environmental standards for the construction of the new bridge and removal of the existing bridge.
- The County of Santa Cruz will review any bridge reconstruction plans for compliance with the California Environmental Quality Act.

### MITIGATION MEASURES: None

Date of Preparation: July 7, 2015

by   
Patrick M. McCormick

Commission Action Date:

by \_\_\_\_\_

Date Filed with Board Clerk:

by \_\_\_\_\_

A copy of the initial study may be obtained from the LAFCO office at Room 318-D, 701 Ocean Street, Santa Cruz CA 95060. Phone (831) 454-2055. Any comments or appeals must be received in writing in the LAFCO office no later than August 4, 2015 at noon.

Copies to: Martha Breed  
Allen Breed  
Santa Cruz County Planning  
California Department of Fish and Wildlife





Santa Cruz Local Agency  
Formation Commission  
701 Ocean Street, Room 318-D  
Santa Cruz, California 95060  
Phone: (831) 454-2055

Email: [info@santacruzlafco.org](mailto:info@santacruzlafco.org)  
Website: [www.santacruzlafco.org](http://www.santacruzlafco.org)

## RESOURCE CONSERVATION DISTRICT OF SANTA CRUZ COUNTY

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Date: July 28, 2015 for August 5, 2015 Agenda  
To: LAFCO Commissioners  
From: Patrick M. McCormick, Executive Officer *P. McCormick*  
Subject: Service Review and Sphere of Influence Review for the Resource  
Conservation District of Santa Cruz County

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*Summary: Santa Cruz LAFCO staff has prepared a service and sphere of influence review for the Resource Conservation District of Santa Cruz County.*

*Recommendation: Conduct a public hearing and adopt draft Resolution No. 2015-10 approving the service and sphere of influence review, which maintains the current sphere of influence for the Resource Conservation District of Santa Cruz County.*

---

State law requires that each LAFCO periodically review the sphere of influence that LAFCO has adopted for each city and district, and prepare a service review that examines options for additional service efficiencies. As part of its work program, Santa Cruz LAFCO staff has prepared the document titled "Public Review Draft, Resource Conservation District of Santa Cruz County Service and Sphere Review." The review is a separate item in the Commissioner's agenda envelope, and is available to the public via a link on the home page of LAFCO's website: [www.santacruzlafco.org](http://www.santacruzlafco.org). This document was prepared in consultation with the staffs of the Resource Conservation District of Santa Cruz County, the LAFCOs in the adjacent counties, and the Resource Conservation Districts in the adjacent counties.

The main conclusions of the study are:

- Resource Conservation District financing is highly dependent on irregular grants.
- The Resource Conservation Districts in the region should look for more ways to share expertise and staffing.
- The current Sphere of Influence for the Resource Conservation District of Santa Cruz County is coterminous with the current boundary of the County. The unannexed areas are the cities of Santa Cruz, Scotts Valley, and Watsonville. No changes to the sphere are recommended at this time.

LAFCO staff circulated drafts of this report to the LAFCOs in the adjacent counties (San Mateo, Santa Clara, Monterey, and San Mateo) and the Resource Conservation Districts adjacent to the RCD of Santa Cruz County (San Mateo, Guadalupe-Coyote, Loma Prieta, Monterey, San Benito). The subsequent discussion centered upon the advantages and disadvantages of consolidating two or more of these districts into a multi-county resource conservation district. The consensus was that the disadvantages (mainly loss of control and direct communication with local landowners) outweighed the benefits of expertise in getting grants and executing conservation programs).

The staff recommends that the Commission hear the presentation of the Resource Conservation District of Santa Cruz County, conduct the public hearing, and adopt the attached draft resolution approving the service and sphere review.

cc: Resource Conservation District of Santa Cruz County

Attachment:

--Draft Resolution No. 2015-10 Approving Service and Sphere Review

Enclosure:

-- Public Review Draft, Resource Conservation District of Santa Cruz County

SANTA CRUZ LOCAL AGENCY FORMATION COMMISSION  
RESOLUTION NO. 2015-10

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

APPROVING THE 2015 RESOURCE CONSERVATION DISTRICT OF SANTA CRUZ COUNTY  
SERVICE AND SPHERE OF INFLUENCE REVIEW

\*\*\*\*\*

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

1. In accordance with Government Code sections 56425, 56427 and 56430, the Commission has initiated and conducted the 2015 Resource Conservation District of Santa Cruz County Service and Sphere Review.
2. The Commission's Executive Officer has given notice of a public hearing by this Commission upon the service review and sphere of influence in the form and manner prescribed by law.
3. The Commission held a public hearing on this matter on August 5, 2015; and at the hearing the Commission heard and received all oral and written protests, objections, and evidence that were presented.
4. Pursuant to State CEQA Guidelines section 15061(b)(3), this LAFCO action does not change the services or the planned service area of the Resource Conservation District of Santa Cruz County. There is no possibility that the activity may have a significant impact on the environment. This LAFCO action qualifies for a Notice of Exemption under the California Environmental Quality Act.
5. The Commission hereby approves the 2015 Resource Conservation District of Santa Cruz County Service and Sphere Review.
6. The Commission hereby approves the Service and Sphere of Influence Determinations as shown on Exhibit A.
7. The Commission hereby maintains the Sphere of Influence of the Resource Conservation District of Santa Cruz County to be the entire area of the County of Santa Cruz, including the four incorporated cities.

PASSED AND ADOPTED by the Local Agency Formation Commission of Santa Cruz County this fifth day of August, 2015.

AYES:

NOES:

ABSENT:

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ZACH FRIEND, CHAIRPERSON

Attest:

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Patrick M. McCormick  
Executive Officer

Approved as to form:

  
T. Brooke Miller, LAFCO Counsel

**Exhibit A, Santa Cruz LAFCO Resolution No. 2015-10**  
**Resource Conservation District of Santa Cruz County**  
**Service Review and Sphere of Influence Determinations**

**– SERVICE REVIEW DETERMINATIONS –**  
**Government Code Section 56430**

**1) Population and Growth**

*Determination: The population projections are for the district population to increase 11% in the next twenty years. This will intensify the impacts on the watersheds.*

**2) Disadvantaged Communities**

*Determination: The activities of the Resource Conservation District help to improve the agricultural productivity, while limiting the pollution impacts, of farms in the Pajaro Valley. Also, the Watsonville wetlands restoration activities of the district enhance the educational and recreational opportunities in the disadvantaged areas of the Pajaro Valley.*

**3) Capacity of Facilities, Infrastructure Needs and Deficiencies**

*Determination: The Resource Conservation District of Santa Cruz County does not own or maintain any infrastructure.*

**4) Financing Constraints and Opportunities**

*Determination: The Resource Conservation District of Santa Cruz County is primarily funded through grants, with a minor amount of funding coming from the district's share of the 1% property tax. The district is highly reliant on grants to perform major programs.*

**5) Shared Facilities**

*Determination: The Resource Conservation District of Santa Cruz County hosts the local office of the USDA National Resource Conservation Service in the District's Capitola offices. There are few other opportunities for the Resource Conservation District of Santa Cruz County to share facilities.*

**6) Accountability and Government Structure Options**

*Determination: Resource Conservation District funding is highly reliant on irregular grants. The Resource Conservation District of Santa Cruz County should continue sharing expertise and explore sharing staffing with the Resource Conservation Districts in the adjacent counties.*



## 7) **Local LAFCO Policies**

*Determination: The Resource Conservation District of Santa Cruz County has adopted Roberts Rules of Order by which to run its board meetings. The district's mission statement is:*

*"The mission of the Resource Conservation District of Santa Cruz County is to help people protect, conserve, and restore natural resources through information, education, and technical assistance programs."*

### **--SPHERE OF INFLUENCE DETERMINATIONS--**

#### **Government Code Section 56425**

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

*Determination: The planned land uses within the five applicable general plans are a mix of urban, rural and mountain residential, agricultural, timber, public recreation, and open-space lands.*

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

*Determination: The area within the adopted sphere of influence needs, and will continue to need, the soil management, wildland fuel load reduction, riparian restoration, and watershed management services provided by the Resource Conservation District of Santa Cruz County.*

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

*Determination: The services of the Resource Conservation District of Santa Cruz County substantially rely on grant funding, which varies significantly from year to year. The district's services expand and contract based upon the program types and levels of grant funds that they receive.*

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

*Determination: The adopted sphere of influence is watershed-based. It includes the entire watersheds of the North Coast streams, the San Lorenzo River, Soquel Creek, Aptos Creek, and the portion of the Pajaro River watershed located in Santa Cruz County.*

#### **5) For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs . . . on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged communities within the existing sphere of influence.**

*Determination: This subject is not applicable to the sphere update for the Santa Cruz County Resource Conservation District because the district does not provide any of the applicable services.*



## Legislative Report for August 5, 2015 Agenda

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

*Staff Recommendation: Take no new positions.*

*Submitted by: Patrick McCormick, Executive Officer* 

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The Legislature reconvenes on August 17<sup>th</sup>, and bills have to clear both houses no later than September 11. The web site for bill information is <http://leginfo.legislature.ca.gov/>.

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

Since the last LAFCO meeting on June 3<sup>rd</sup>, there are two new bills on the tracking sheet. SB 88 ended up being the vehicle for the budget trailer bill allowing the State Water Resources Control Board to consolidate water systems that are not in compliance with water quality standards. After June 3<sup>rd</sup>, that bill was amended to only apply in disadvantaged communities. That bill has passed the Legislature and been signed by the Governor. SB 552 (Wolk) is being used as a clean-up bill for SB 88.

SB 239 (Hertzberg), requiring LAFCO authorization for fire agency contracts where one fire agency provides service outside its boundaries to another fire agency. The bill applies to local and state agencies (CAL FIRE). Since June 3<sup>rd</sup>, the bill has been amended to either require that all affected labor units agree to the contract before the LAFCO application is made, or that the fire agency holds a noticed public meeting on the proposed contract prior to the LAFCO application.

John Leopold serves as CALAFCO Board Chair and on the CALAFCO Legislative Committee. He may wish to provide the commission with an oral report on the bills and potential future legislation.

### Attachments:

- Santa Cruz LAFCO June 11 Letter Concerning SB 88
- SB 88 as enacted
- SB 552
- SB 239
- Santa Cruz LAFCO July 2 Letter in Opposition to SB 239
- CALAFCO July 10 Letter Removing Opposition to SB 239
- Assembly Local Government Committee Analysis of SB 239

BILL	AUTHOR	SUMMARY	STATUS
<b>ASSEMBLY BILLS</b>			
AB 3	Williams	<p><i>Isla Vista Community Services District</i></p> <p>This is a bill to facilitate the formation of a Community Services District in the Isla Vista community of Santa Barbara County.</p> <p><b>CALAFCO Position: Oppose unless amended</b></p>	Passed Assembly, Passed Sen. Gov. and Fin. Com., At Sen. Approp. Com.
AB 168	Maienshein	<p><i>Local Governance Finance</i></p> <p>This is a spot bill.</p>	At Assembly Desk
AB 369	Steinorth	<p><i>Local Government</i></p> <p>This is a spot bill.</p>	At Assembly Desk
AB 402	Dodd	<p><i>Extraterritorial Services</i></p> <p>This bill, authored by a former member of Napa LAFCO, would amend the law concerning LAFCO's authority to approve new extraterritorial services outside cities' and districts' spheres of influence. The bill now is limited to a trial program that applies only in Napa and San Bernardino Counties.</p>	Passed Assembly, Passed Sen. Gov. and Fin. Com., On Senate Floor
AB 448	Brown	<p><i>Property Taxes and Vehicle License Fees</i></p> <p>Increases the vehicle license fees granted to cities in areas annexed since 2004 to match fees in other incorporated areas.</p> <p><b>CALAFCO Position: Support</b></p>	Passed Assembly, Passes Sen. Gov. and Fin. Com., At Sen. Approp. Com.
AB 851	Mayes	<p><i>Disincorporations</i></p> <p>This bill would update the laws by which cities are disincorporated.</p> <p><b>CALAFCO Position: Sponsor and Support</b></p>	Passed Assembly, Passed Sen. Gov. and Fin. Com., At Sen. Approp. Com.
AB 1532	Local Gov. Com.	<p>This bill would make a series of non-controversial clean-up changes to the LAFCO law.</p> <p><b>CALAFCO Position: Sponsor and Support</b></p> <p><b>Santa Cruz LAFCO Position: Support</b></p>	Passed Legislature and Signed by the Governor

BILL	AUTHOR	SUMMARY	STATUS
<b>SENATE BILLS</b>			
SB 25	Roth	<p><i>Vehicle License Fees</i></p> <p>This bill would change the allocation formula so that recently incorporated cities would receive vehicle license fees. The Governor vetoed a similar bill in 2014.</p> <p><b>CALAFCO Position: Support</b></p>	<p>Passed Senate, Passed Ass. Loc. Gov. Com., At Ass. Approp. Com.</p>
SB 88	Com. on Budget	<p><i>Water</i></p> <p>This bill was used to enact the budget trailer bill provisions concerning the drought. It enacts a new option for consolidating non-compliant water systems by order of the State Water Resources Control Board. This option is separate from the normal process through LAFCO. A late amendment applies the option only in disadvantaged communities.</p> <p><b>CALAFCO Position: Oppose</b></p> <p><b>Santa Cruz LAFCO Position: Remove from budget process and consider as a policy bill</b></p>	<p>Passed Legislature, Signed by the Governor</p>
SB 184	Gov. & Fin. Com.	<p><i>Local Government Omnibus Bill</i></p> <p>This bill would allow make a series of technical, non-substantive changes to the local government laws. The current version of the bill any provisions related to LAFCO.</p>	<p>Passed Senate, Passed Assembly, back in Senate for concurrence with amendments</p>
SB 239	Hertzberg	<p><i>Fire Protection Service Contracts</i></p> <p>This bill would require an extensive process for a fire agency to contract to provide services outside its boundary. The bill has been amended to require either the approval of the proposal by all affected labor units, or a noticed public hearing by the fire agency prior to submittal to LAFCO. The sponsor is the California Professional Firefighters Association. Senator Hertzberg is the Chair of the Senate Local Government Committee.</p> <p><b>Santa Cruz LAFCO Position: Oppose</b></p>	<p>Passed Senate, Passed Ass. Loc. Gov. Com., At Ass. Approp. Com.</p>

SB 552	Wolk	<p><i>Water</i></p> <p>This bill is being used as a clean-up bill to SB88, the administration's budget trailer bill concerning drought measures. Among other items, SB88 allows the State Water Resources Control Board to consolidate non-compliant water systems in disadvantaged communities in a process separate from the normal LAFCO consolidation process.</p>	<p>Passed Senate, At Assembly Rules Committee</p>
SB 272	Hertzberg	<p><i>Public Records Act</i></p> <p>This bill would require each local government agency to catalogue and make publicly available information kept on their data systems.</p>	<p>Passed Senate, Passed Ass. Jud. Com., Passed Ass. Loc. Gov. Com., At Ass. Approp. Com.</p>





Santa Cruz Local Agency  
Formation Commission  
701 Ocean Street, Room 318-D  
Santa Cruz, California 95060  
Phone: (831) 454-2055

June 11, 2015

Email: [info@santacruzlafo.org](mailto:info@santacruzlafo.org)  
Website: [www.santacruzlafo.org](http://www.santacruzlafo.org)

The Honorable Luis Alejo  
California State Assembly  
State Capitol  
Sacramento, CA 95814

**Subject: Water System Consolidation Budget Trailer Bill 825 –  
Remove from Budget and Consider as a Policy Bill**

Dear Assembly Member Alejo:

The Santa Cruz LAFCO discussed Trailer Bill 825 at its June 3, 2015 meeting and respectfully requests that Budget Trailer Bill 825 be removed from the Budget Bill package and considered through the regular policy bill process.

TB 825 would grant the State Water Resources Control Board unprecedented unilateral power to take ownership and operation of a water system from one entity and force it upon another. It does so with no guarantee the State will cover the costs and no protections for existing ratepayers.

This proposal represents a major change in law and public policy and yet is not being heard through the regular policy committee process. Instead, this proposal is being rapidly moved through the budget trailer bill process that does not provide adequate time for stakeholder comment or public input.

Some solutions already exist for addressing water systems that fail to provide safe drinking water. Local Agency Formation Commissions (LAFCOs) already have the authority to respond to and remedy existing and pending threats to public health and safety through Government Codes section 56133, and the State Water Resources Control Board has the authority to initiate receivership in Health & Safety Code section 116665. Additional authorities may be needed to expand these authorities in order to address serious health and safety issues. CALAFCO and the other stakeholders have expressed their willingness to find a good set of improvements as part of a policy bill process.

Yours truly,

Patrick M. McCormick  
Executive Officer

cc: Office of Governor Edmund G. Brown, Jr. (fax: 916-558-3160)  
Catherine Freeman, Senate Budget and Fiscal Review Committee (fax: 916-668-7004)  
Rocel Bettencourt, Senate Republican Caucus (fax: 916-445-3105)  
Gabrielle Meindl, Assembly Budget Committee (fax: 916-319-2199)  
Chris Holtz, Assembly Republican Caucus (fax: 916-319-3902)  
California Association of Local Agency Formation Commissions (fax: 916-442-6535)

# DROUGHT BILL TO COMBAT WATER SHORTAGES PASSES IN CALIFORNIA LEGISLATURE

## LEGAL ALERTS

### Measure Would Allow Forced Consolidation Of Water Suppliers, Large Civil Fines

JUNE 23, 2015



The California Legislature approved a budget bill that would grant the state authority to force water systems to consolidate to serve disadvantaged communities where a steady supply of clean drinking water is not available. Senate Bill 88 also would give public water suppliers the power to impose civil fines of up to \$10,000 for violations of water conservation programs, impose new measuring and reporting requirements for water diversions, and suspend environmental review for certain drought-related projects.

The bill approved Friday, which can be read [here](#), passed on divided votes of 24-14 in the Senate and 52-28 in the Assembly. It now awaits Gov. Jerry Brown's signature.

The legislation comes on the heels of unprecedented action last month by the State Water Resources Control Board to address an emergency order by Brown. On May 5 the Board approved emergency regulations designed to achieve an overall 25 percent reduction in potable urban water use across California. Some areas must achieve water use reductions as high as 36 percent. The regulations have left cities, special districts and other water suppliers scrambling to adopt urgency ordinances and other measures to comply with the regulations.

#### Forced Consolidations of Water Suppliers

One of the bill's more controversial elements involves granting the State Water Resources Control Board authority to force local water systems in disadvantaged communities located in an unincorporated area, or served by a mutual water company, to consolidate to deliver safe drinking water to disadvantaged communities. This provision would apply where a water system within a disadvantaged community consistently fails to provide a supply of safe drinking water. In such cases, the Board may order consolidation with a public water system (the "receiving water system"). The consolidation may be physical or operational. The Board could also order the extension of service to such a community, so long as the extension is an interim extension in preparation for consolidation. The provision grants authority to the Board to set timelines and performance measures to complete such consolidations.

## PEOPLE



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## RELATED PRACTICE

Environmental Law & Natural Resources

Municipal Law

Public Finance

Special Districts

Water Rights

The provision drew harsh criticism among legislators and communities throughout California as an unnecessary and inappropriate abuse of power by the state's executive arm. Concerns were raised that the new measures would enable the state to bypass the normal consolidation procedures overseen by Local Agency Formation Commissions operating in counties throughout California. The consolidation provision was developed and passed by the Legislature within a matter of days, with minimal public policy discussion and debate. Concerns were also raised about forced consolidations involving private water suppliers, which have complicated governance structures and land and property rights, and about potential debts and liabilities from absorbed water systems.

Under the legislation, forced consolidation or service-extension measures would be undertaken only after the Board has taken other steps, including encouraging voluntary consolidation or extension of service and meeting various requirements for consultations, efforts to improve water service, and public hearings. If consolidation ultimately is ordered, the Board must make funds available, "as necessary and appropriate" and "upon appropriation by the Legislature," to the receiving water system for costs related to consolidation or extension of service. The legislation requires the Board to coordinate with the appropriate local agency formation commission and other local agencies to facilitate the change of organization or reorganization, and adequately compensate owners of a privately owned subsumed water system for the fair market value of the system as prescribed in the bill.

Disadvantaged communities are defined as communities with an annual median household income of less than 80 percent of the statewide annual median household income.

#### Conservation Fines and Penalties

One of the more difficult aspects of the Board's emergency regulations is how to persuade customers to comply with locally designed water restrictions aimed at achieving the mandatory water use reductions. SB 88 provides new tools.

The bill amends section 377 of the California Water Code, which contains provisions for criminal convictions, to permit a court or public water supplier to hold a person civilly liable for violations of water conservation programs and regulations. The fines are not to exceed \$10,000 for violating a local water conservation program adopted under Water Code section 376 or for violating an emergency regulation adopted by the Water Board pursuant to Water Code section 1058.5. This provision would be codified as subdivision (b) of Water Code section 377. For residential water users, the civil liability for the first violation may not exceed \$1,000 unless the court or public entity finds the following extraordinary situations: the residential water user had actual notice of the requirement that was violated; the conduct was intentional; and the amount of water at issue was substantial. On the 31st day after a person has been notified of a violation under subdivision (b), the water user "may additionally be civilly liable" in an amount not to exceed \$10,000, plus \$500 for each additional day the violation continues. Civil liability imposed pursuant to Water Code section 377 shall be collected by the public entity and expended solely for purposes of water conservation. In addition to these remedies, this bill authorizes a public entity to enforce water use limitations by a volumetric penalty in an amount established by the public entity.

SB 88 allows the top executive officer of public entities to identify "designees" to issue citations and complaints where violations of local water conservation programs or emergency Water Board regulations have occurred.

#### Additional Provisions

SB 88 includes exemptions from the California Environmental Quality Act if a project:

mitigates drought conditions; is for construction or expansion of a recycled water pipeline, and any directly related infrastructure, or certain projects related to groundwater replenishment. The exemption expires January 1, 2017. It also includes new requirements that people who divert 10 acre feet of water or more per year measure their diversions, maintain records and report the information to the Board.

If you have any questions about this proposed law or how it may impact your agency, please contact the attorney authors of this legal alert listed to the right in the Special Districts, Public Finance, Municipal Law or Environmental Law & Natural Resources practice groups, or your BB&K attorney.

*Disclaimer: BB&K legal alerts are not intended as legal advice. Additional facts or future developments may affect subjects contained herein. Seek the advice of an attorney before acting or relying upon any information in this communiqué.*

**CAPITOL ALERT** JUNE 13, 2015

# Gov. Jerry Brown pushes budget measure to consolidate water agencies

**HIGHLIGHTS**

Proposal is meant to improve access to clean water in California

Larger agencies would receive financial assistance

Critics say late-arriving proposal skirts review process



Maria Jimenez, 54, left, lives in a constant state of transporting water in the Tulare Lake basin. She is helped by her daughter Mireya Romo, 25, and granddaughter Nevaeh Hernandez, 4, as she pours water from large containers her husband brought from working in the grape fields into smaller jugs to be used for essentials inside their home in Monson. | **Renée C. Byer** - [rbyer@sacbee.com](mailto:rbyer@sacbee.com)



BY JIM MILLER

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The Brown administration is pushing late-emerging budget legislation to let state officials force the consolidation of troubled water systems with larger, better-funded agencies, with the goal of improving Californians' access to safe drinking water after four years of drought.

Proponents say the measure would help people around the state, many of them poor, who depend on small agencies that have little wherewithal to deal with water shortages and quality problems. The measure could go before the Legislature as early as this week.

"Critical times require innovative measures," said Omar Carrillo, senior water analyst for the Community Water Center, an environmental justice group that supports the proposal. "Communities deserve more tools to secure their safe drinking water needs." He estimated that there are a few dozen small agencies in the Central Valley alone that should be consolidated with larger neighbors.

The proposal, though, has generated intense opposition from water agencies and local government groups. Larger water agencies fear absorbing the expenses and liability of other systems, even as their existing customers face tough state-imposed conservation measures. Smaller agencies, some of which have their own governing boards, criticize the loss of local control.

The administration's plan emerged only a month ago, after the release of a revised budget plan that lacked any mention of the proposal. There has been no similar legislation in recent years.

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**TOUGH TIMES, TOUGH DROUGHT, TOUGH DECISIONS TO BE MADE.**

**Sen. Mark Leno, D-San Francisco**

In a June 10 letter to lawmakers, the Association of California Water Agencies and other local government entities objected to the proposal being heard outside the regular, months-long legislative process, which they said “offers more transparency and safeguards over the course of several months.”

“Instead, this proposal is being rapidly moved through the budget trailer bill process that does not provide adequate time for stakeholder comment or public input in the span of just a few short weeks,” the letter said.

It remains unclear what kind of measure could go before lawmakers, who Monday will take up a main budget bill crafted by Senate and Assembly negotiators. Legislative leaders and Gov. Jerry Brown continue talks on a final deal, and a measure to consolidate water systems could be part of that package.

Members of the Legislature’s budget-writing conference committee sharply disagreed last week about the consolidation proposal and other drought-related budget measures.

“There may be some people who are happy with this proposal. But I think once it is implemented ... it’s a very stunning and enormous policy change,” said state Sen. Jim Nielsen, R-Gerber.

Countered state Sen. Mark Leno, D-San Francisco, “Tough times, tough drought, tough decisions to be made.”

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## 410

districts provide water to 85 percent of California residents

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Under current law, counties’ local agency formation commissions handle most changes in local government jurisdictions, such as annexations. It’s a years-long process that requires all sides to be in agreement.

The Legislature has become involved in a few cases. Last year, lawmakers passed a bill that consolidated a tiny Riverside County water agency with a pair of much larger water systems.

Brown's proposal would go much further, giving the State Water Resources Control Board broad powers to order the consolidation of other water systems if the board felt it would improve residents' water supply. Under the plan, the absorbing system would receive money to help pay for the equipment and connection work. Private water companies absorbed by larger ones would receive fair market value. Money to pay for the changes would come from Proposition 1, the November water bond measure that includes \$1.4 billion for water-quality projects, including \$260 million for drinking water in disadvantaged communities.

California has several thousand water providers, but 85 percent of residents get water from the state's 410 largest suppliers. Carrillo pointed to the Tulare Lake basin as an area where water system consolidation would improve residents' lives. Discolored tap water drawn from depleted wells forces residents there to depend on bottled water.

"There is definitely a great opportunity here," Carrillo said.

Porterville, the largest nearby water system, would be a logical candidate to absorb financially ailing systems.

But Michael Reed, the city's acting public works director, said Porterville already faces challenges serving its existing customers. City residents must reduce their water consumption by almost a third under a state water board order earlier this spring.

"You're asking your city customers who live within city limits to reduce their water consumption by 32 percent and in turn asking them to do the water consolidation projects," Reed said. "It seems contradictory."

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*David Siders of The Bee Capitol Bureau contributed to this report.*

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## CHAPTER \_\_\_\_\_

An act to add Sections 116680, 116681, 116682, and 116684 to the Health and Safety Code, to add and repeal Sections 21080.08, 21080.45, and 21080.46 of the Public Resources Code, and to amend Sections 375, 375.5, 377, 1058.5, 1552, 1846, 5103, and 5104 of, to add Sections 377.5, 79708.5, and 79716.5 to, and to add Article 3 (commencing with Section 1840) to Chapter 12 of Part 2 of Division 2 of, the Water Code, relating to water, and making an appropriation therefor, to take effect immediately, bill related to the budget.

## LEGISLATIVE COUNSEL'S DIGEST

SB 88, Committee on Budget and Fiscal Review. Water.

(1) Existing law, the California Safe Drinking Water Act, provides for the operation of public water systems, and imposes on the State Water Resources Control Board various responsibilities and duties. Existing law requires the state board to conduct research, studies, and demonstration projects relating to the provision of a dependable, safe supply of drinking water, to adopt regulations to implement the California Safe Drinking Water Act, and to enforce provisions of the federal Safe Drinking Water Act. Existing law prohibits a person from operating a public water system unless the person first submits an application to the state board and receives a permit issued by the state board, as specified.

This bill would authorize the state board to order consolidation with a receiving water system where a public water system, or a state small water system within a disadvantaged community, consistently fails to provide an adequate supply of safe drinking water. This bill would authorize the state board to order the extension of service to an area that does not have access to an adequate supply of safe drinking water so long as the extension of service is an interim extension of service in preparation for consolidation. The bill would require the state board, prior to ordering consolidation or extension of service, to conduct an initial public meeting and a public hearing and to make specified findings. The bill would limit the liability of a consolidated water system,

wholesaler, or any other agency in the chain of distribution that delivers water to a consolidated water system, as specified.

(2) Existing law, the California Environmental Quality Act (CEQA), requires a lead agency, as defined, to prepare, or cause to be prepared, and certify the completion of, an environmental impact report on a project that it proposes to carry out or approve that may have a significant effect on the environment or to adopt a negative declaration if it finds that the project will not have that effect. CEQA also requires a lead agency to prepare a mitigated negative declaration for a project that may have a significant effect on the environment if revisions in the project would avoid or mitigate that effect and there is no substantial evidence that the project, as revised, would have a significant effect on the environment. CEQA exempts certain projects from its requirements.

This bill would, until January 1, 2017, or a specified date, whichever is earlier, exempt from CEQA certain groundwater replenishment projects.

This bill would, until July 1, 2017, exempt from CEQA the development and approval of building standards by state agencies for recycled water systems.

This bill would, with specified exceptions and until July 1, 2017, or a specified date, whichever is later, exempt from CEQA the adoption of an ordinance to impose stricter conditions on the issuance of well permits or changes in the intensity of land use that would increase demand on groundwater.

(3) The California Constitution declares that the general welfare of the state requires that the water resources of the state be put to beneficial use to the fullest extent of which they are capable, and that the right to the use of water does not extend to the waste or unreasonable use, method of use, or method of diversion of water. Existing law requires the state board to take all appropriate proceedings or actions to prevent waste, unreasonable use, unreasonable method of use, or unreasonable method of diversion of water in this state. Existing law states the intent of the Legislature that the state take vigorous action to enforce the terms and conditions of permits, licenses, certifications, and registrations to appropriate water, to enforce state board orders and decisions, and to prevent the unlawful diversion of water.



This bill would, commencing January 1, 2016, require a person who diverts 10 acre-feet of water per year or more under a permit or license to install and maintain a device or employ a method capable of measuring the rate of direct diversion, rate of collection to storage, and rate of withdrawal or release from storage, as specified, and with certain exceptions. This bill would require the permittee or licensee to maintain a record of all diversion monitoring and the total amount of water diverted and submit these records to the state board, as prescribed. This bill would require a person who diverts water under a registration, permit, or license to report to the state board, at least annually. This bill would authorize the state board to adopt regulations requiring measurement and reporting of water diversion and use by specified persons and would require that the initial regulations be adopted as emergency regulations and that these emergency regulations remain in effect until revised by the state board. This bill would exempt from CEQA the adoption of the initial regulations by the state board.

(4) Existing law authorizes a person or entity in violation of a term or condition of a permit, license, certificate, or registration issued by, an order adopted by, or certain emergency regulations adopted by, the state board to be civilly liable for an amount not to exceed \$500 for each day in which the violation occurs.

This bill would expand this civil liability to any violation of any regulation adopted by the state board.

Existing law makes this civil liability applicable only in a critically dry year immediately preceded by 2 or more consecutive below normal, dry, or critically dry years or during a period for which the Governor has issued a proclamation of a state of emergency based on drought conditions.

This bill would eliminate this requirement.

(5) Existing law, with certain exceptions, requires each person who diverts water after December 31, 1965, to file with the state board a statement of diversion and use, and to include specified information. Existing law requires supplemental statements of diversion and use to be filed at 3-year intervals prior to July 1 of the year next succeeding the end of each interval, and requires, if there is a change in the name or address of the person diverting water, a supplemental statement be filed with the state board that includes the change. Existing law provides that the making of a

material misstatement in connection with these provisions is a misdemeanor punishable as prescribed.

This bill would require supplemental statements of diversion and use to be filed annually prior to July 1, as provided. By expanding the definition of a crime, this bill would impose a state-mandated local program.

Existing law requires each statement of diversion and use, on and after January 1, 2012, to include monthly records of water diversions using best available technologies and best professional practices. Existing law prohibits this requirement from being construed to require the implementation of technologies or practices by a person who provides to the state board documentation demonstrating that the implementation of those practices is not locally cost effective.

This bill would require each statement to include at least monthly records of water diversions and would eliminate the above-described prohibition.

(6) Under existing law, emergency regulations of the state board are not subject to review by the Office of Administrative Law if the state board adopts findings that the emergency regulations are adopted to prevent the waste, unreasonable use, unreasonable method of use, or unreasonable method of diversion, of water to promote wastewater reclamation, or to promote water conservation, and that the emergency regulations are adopted in response to conditions which exist, or are threatened, in a critically dry year immediately preceded by 2 or more consecutive dry or critically dry years. Under existing law, a person who violates an emergency regulation adopted by the state board pursuant to these provisions or violates certain cease and desist orders relating to the enforcement of water rights may be liable for specified amounts. Revenues generated from these penalties are deposited into the Water Rights Fund, which are available, upon appropriation, for specified purposes.

This bill would require that a civil liability imposed for a violation of an emergency conservation regulation, as defined, that is adopted pursuant to these provisions, or a violation of a cease and desist order of that emergency conservation regulation, be deposited, and separately accounted for, in the Water Rights Fund. The bill would require those funds to be available, upon

appropriation by the Legislature, for water conservation activities and programs.

(7) Existing law authorizes any public entity, as defined, that supplies water at retail or wholesale for the benefit of persons within the service area or area of jurisdiction of the public entity to, by ordinance or resolution, adopt and enforce a water conservation program to reduce the quantity of water used for the purpose of conserving the water supplies of the public entity. Existing law provides that a violation of a requirement of a water conservation program is a misdemeanor punishable by imprisonment in the county jail for not more than 30 days, or by a fine not exceeding \$1,000, or both.

This bill would provide that a court or public entity may hold a person civilly liable in an amount not to exceed \$10,000 for a violation of a water conservation program ordinance or resolution, or certain emergency regulations adopted by the state board. This bill would prohibit the civil liability assessed by a court or public entity for the first violation by a residential water user from exceeding \$1,000, except as specified. This bill would provide that commencing on the 31st day after the public entity has notified the person of the violation, the person additionally may be civilly liable for an amount not to exceed \$10,000 plus \$500 for each additional day on which the violation continues. This bill would require civil liability imposed pursuant to these provisions to be paid to the public entity and to be expended solely for the purposes of the water conservation program. In addition to these remedies, this bill would authorize a public entity to enforce water use limitations by a volumetric penalty in an amount established by the public entity.

(8) Existing law, the Water Quality, Supply, and Infrastructure Improvement Act of 2014, approved by the voters as Proposition 1 at the November 4, 2014, statewide general election, authorizes the issuance of general obligation bonds in the amount of \$7,545,000,000 to finance a water quality, supply, and infrastructure improvement program. The act requires each state agency that receives an appropriation from the funding made available by the act to administer a competitive grant or loan program under the act's provisions to develop and adopt project solicitation and evaluation guidelines before disbursing the grants or loans. The act requires the Secretary of the Natural Resources

Agency to publish and post on the Natural Resources Agency's Internet Web site a list of expenditures pursuant to the act not less than annually, as prescribed, and to post on that Internet Web site the guidelines submitted by state agencies and the secretary's verification that the guidelines are consistent with applicable statutes and the purposes of the act.

This bill would require the secretary to post on the Natural Resources Agency's Internet Web site information on changes to project timelines and project spending, in order to facilitate oversight of funding and projects.

The act requires each state agency that receives an appropriation of funding made available by the act to be responsible for establishing metrics of success and reporting the status of projects and all uses of the funding on the state's bond accountability Internet Web site.

This bill would require each state agency that receives an appropriation of funding made available by the act to evaluate the outcomes of projects, report this evaluation on the state's bond accountability Internet Web site, and to hold a grantee of funds accountable for completing projects funded by the act on time and within scope.

(9) The bond act provides that the sum of \$810,000,000 is to be available, upon appropriation by the Legislature, for expenditures on, and competitive grants and loans to, projects that are included in and implemented in an adopted integrated regional water management plan and respond to climate change and contribute to regional water security. The bond act authorizes the use of \$100,000,000 of those funds for direct expenditures, and for grants and loans, for certain water conservation and water use efficiency plans, projects, and programs. Existing law establishes the CalConserve Water Use Efficiency Revolving Fund and provides that the moneys in the fund are available to the Department of Water Resources, upon appropriation by the Legislature, for the purpose of water use efficiency projects. Existing law requires moneys in the fund to be used for purposes that include, but are not limited to, at or below market interest rate loans to local agencies, as defined, and permits the department to enter into agreements with local agencies that provide water or recycled water service to provide loans.

Existing law transferred to the fund the sum of \$10,000,000 of the proceeds of these bonds for water conservation and water use efficiency projects and programs to achieve urban water use targets. Existing law requires the department to use \$5,000,000 for a pilot project for local agencies to provide water efficiency upgrades to eligible residents and requires the department to use the other \$5,000,000 for local agencies to provide low-interest loans to customers to finance the installation of onsite improvements to repair or replace, as necessary, cracked or leaking water pipes to conserve water.

This bill would appropriate the sum of \$10,000,000 available in the fund from the proceeds of the bond act for the purpose of these provisions.

(10) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

(11) This bill would declare that it is to take effect immediately as a bill providing for appropriations related to the Budget Bill.

Appropriation: yes.

*The people of the State of California do enact as follows:*

SECTION 1. Section 116680 is added to the Health and Safety Code, to read:

116680. The Legislature finds and declares as follows:

(a) It is the policy of the state to encourage orderly growth and development, which are essential to the social, fiscal, and economic well-being of the state. The Legislature recognizes that the logical formation, consolidation, and operation of water systems is an important factor in promoting orderly development and in balancing that development against sometimes competing state interests of discouraging urban sprawl, preserving open space and prime agricultural lands, and efficiently extending other government services. Therefore, the policy of the state should be affected by the logical formation, consolidation, and operation of water systems.



(b) The powers set forth in Section 116682 for consolidation of water systems are consistent with the intent of promoting orderly growth.

SEC. 2. Section 116681 is added to the Health and Safety Code, to read:

116681. The following definitions shall apply to this section and Sections 116682 and 116684:

(a) "Adequate supply" means sufficient water to meet residents' health and safety needs.

(b) "Affected residence" means a residence reliant on a water supply that is either inadequate or unsafe.

(c) "Consistently fails" means a failure to provide an adequate supply of safe drinking water.

(d) "Consolidated water system" means the public water system resulting from the consolidation of a public water system with another public water system, state small water system, or affected residences not served by a public water system.

(e) "Consolidation" means joining two or more public water systems, state small water systems, or affected residences not served by a public water system, into a single public water system.

(f) "Disadvantaged community" means a disadvantaged community, as defined in Section 79505.5 of the Water Code, that is in an unincorporated area or is served by a mutual water company.

(g) "Extension of service" means the provision of service through any physical or operational infrastructure arrangement other than consolidation.

(h) "Receiving water system" means the public water system that provides service to a subsumed water system through consolidation or extension of service.

(i) "Safe drinking water" means water that meets all primary and secondary drinking water standards.

(j) "Subsumed water system" means the public water system, state small water system, or affected residences not served by a public water system consolidated into or receiving service from the receiving water system.

SEC. 3. Section 116682 is added to the Health and Safety Code, to read:

116682. (a) Where a public water system, or a state small water system within a disadvantaged community, consistently fails

to provide an adequate supply of safe drinking water, the State Water Resources Control Board may order consolidation with a receiving water system as provided in this section and Section 116684. The consolidation may be physical or operational. The State Water Resources Control Board may also order the extension of service to an area that does not have access to an adequate supply of safe drinking water so long as the extension of service is an interim extension of service in preparation for consolidation. The State Water Resources Control Board may set timelines and performance measures to facilitate completion of consolidation.

(b) Prior to ordering consolidation or extension of service as provided in this section, the State Water Resources Control Board shall do all of the following:

- (1) Encourage voluntary consolidation or extension of service.
- (2) Consider other enforcement remedies specified in this article.
- (3) Consult with, and fully consider input from, the relevant local agency formation commission regarding the provision of water service in the affected area, the recommendations for improving service in a municipal service review, and any other relevant information.

- (4) Consult with, and fully consider input from, the Public Utilities Commission when the consolidation would involve a water corporation subject to the commission's jurisdiction.

- (5) Consult with, and fully consider input from, the local government with land use planning authority over the affected area, particularly regarding any information in the general plan required by Section 65302.10 of the Government Code.

- (6) Notify the potentially receiving water system and the potentially subsumed water system, if any, and establish a reasonable deadline of no less than six months, unless a shorter period is justified, for the potentially receiving water system and the potentially subsumed water system, if any, to negotiate consolidation or another means of providing an adequate supply of safe drinking water.

(A) During this period, the State Water Resources Control Board shall provide technical assistance and work with the potentially receiving water system and the potentially subsumed water system to develop a financing package that benefits both the receiving water system and the subsumed water system.

(B) Upon a showing of good cause, the deadline may be extended by the State Water Resources Control Board at the request of the potentially receiving water system, potentially subsumed water system, or the local agency formation commission with jurisdiction over the potentially subsumed water system.

(7) Obtain written consent from any domestic well owner for consolidation or extension of service. Any affected resident within the consolidation or extended service area who does not provide written consent shall be ineligible, until the consent is provided, for any future water-related grant funding from the state other than funding to mitigate a well failure, disaster, or other emergency.

(8) Hold at least one public meeting at the initiation of this process in a place as close as feasible to the affected areas. The State Water Resources Control Board shall make reasonable efforts to provide a 30-day notice of the meeting to the ratepayers, renters, and property owners to receive water service through service extension or in the area of the subsumed water system and all affected local government agencies and drinking water service providers. The meeting shall provide representatives of the potentially subsumed water system, affected ratepayers, renters, property owners, and the potentially receiving water system an opportunity to present testimony. The meeting shall provide an opportunity for public comment.

(c) Upon expiration of the deadline set by the State Water Resources Control Board pursuant to paragraph (6) of subdivision (b), the State Water Resources Control Board shall do the following:

(1) Consult with the potentially receiving water system and the potentially subsumed water system, if any.

(2) Conduct a public hearing, in a location as close as feasible to the affected communities.

(A) The State Water Resources Control Board shall make reasonable efforts to provide a 30-day notice of the hearing to the ratepayers, renters, and property owners to receive water service through service extension or in the area of the subsumed water system and to all affected local government agencies and drinking water service providers.

(B) The hearing shall provide representatives of the potentially subsumed water system, affected ratepayers, renters, property

owners, and the potentially receiving water system an opportunity to present testimony.

(C) The hearing shall provide an opportunity for public comment.

(d) Prior to ordering consolidation or extension of service, the State Water Resources Control Board shall find all of the following:

(1) The potentially subsumed water system has consistently failed to provide an adequate supply of safe drinking water.

(2) All reasonable efforts to negotiate consolidation or extension of service were made.

(3) Consolidation of the receiving water system and subsumed water system or extension of service is appropriate and technically and economically feasible.

(4) There is no pending local agency formation commission process that is likely to resolve the problem in a reasonable amount of time.

(5) Concerns regarding water rights and water contracts of the subsumed and receiving water systems have been adequately addressed.

(6) Consolidation or extension of service is the most effective and cost-effective means to provide an adequate supply of safe drinking water.

(7) The capacity of the proposed interconnection needed to accomplish the consolidation is limited to serving the current customers of the subsumed water system.

(e) Upon ordering consolidation or extension of service, the State Water Resources Control Board shall do all of the following:

(1) As necessary and appropriate, make funds available, upon appropriation by the Legislature, to the receiving water system for the costs of completing the consolidation or extension of service, including, but not limited to, replacing any capacity lost as a result of the consolidation or extension of service, providing additional capacity needed as a result of the consolidation or extension of service, and legal fees. Funding pursuant to this paragraph is available for the general purpose of providing financial assistance for the infrastructure needed for the consolidation or extension of service and does not need to be specific to each individual consolidation project. The State Water Resources Control Board shall provide appropriate financial assistance for the infrastructure needed for the consolidation or extension of service. The State

Water Resources Control Board's existing financial assistance guidelines and policies shall be the basis for the financial assistance.

(2) Ensure payment of standard local agency formation commission fees caused by State Water Resources Control Board-ordered consolidation or extension of service.

(3) Adequately compensate the owners of a privately owned subsumed water system for the fair market value of the system as determined by the Public Utilities Commission for water corporations subject to the commission's jurisdiction or the State Water Resources Control Board for all other water systems.

(4) Coordinate with the appropriate local agency formation commission and other relevant local agencies to facilitate the change of organization or reorganization.

(f) For the purposes of this section, the consolidated water system shall not increase charges on existing customers of the receiving water system solely as a consequence of the consolidation or extension of service unless the customers receive a corresponding benefit.

(g) Division 3 (commencing with Section 56000) of Title 5 of the Government Code shall not apply to the consolidation or extension of service required pursuant to this section.

SEC. 4. Section 116684 is added to the Health and Safety Code, to read:

116684. (a) Liability of a consolidated water system, wholesaler, or any other agency in the chain of distribution that delivers water to a consolidated water system shall be limited as described in this section.

(b) (1) The consolidated water system, wholesaler, or any other agency in the chain of distribution that delivers water to a consolidated water system, shall not be held liable for claims by past or existing customers or those who consumed water provided through the subsumed water system concerning the operation and supply of water from the subsumed water system during the interim operation period specified in subdivision (d) for any good faith, reasonable effort using ordinary care to assume possession of, to operate, or to supply water to the subsumed water system.

(2) The consolidated water system, wholesaler, or any other agency in the chain of distribution that delivers water to a consolidated water system, shall not be held liable for claims by



past or existing customers or by those who consumed water provided through the subsumed water system for any injury that occurred prior to the commencement of the interim operation period specified in subdivision (d).

(c) (1) The consolidated water system, wholesaler, or any other agency in the chain of distribution that delivers water to a consolidated water system, shall not be held liable for claims by past or existing customers or by those who consumed water provided through the subsumed water system concerning the provision of supplemental imported water supplies to the subsumed water system during the interim operation period specified in subdivision (d) for any good faith, reasonable effort using ordinary care to supply water to the subsumed water system.

(2) The consolidated water system, wholesaler, or any other agency in the chain of distribution that delivers water to a consolidated water system, shall not be held liable for claims by past or existing customers or by those who consumed water provided through the subsumed water system concerning the operation and supply of water from the subsumed water system for any injury that occurred prior to the commencement of the interim operation period specified in subdivision (d).

(3) This subdivision shall only apply if the water supplied by the consolidated water system through a temporary potable service pipeline to the subsumed water system meets or exceeds federal and state drinking water quality standards.

(d) (1) The interim operation period shall commence upon the connection of a temporary potable service pipeline by the consolidated water system to the subsumed water system, or upon the execution of an agreement between the consolidated water system, subsumed water system, and any other signatories to provide service to the customers of the subsumed water system, whichever occurs first.

(2) (A) Except as provided in subparagraph (B), the interim operation period shall last until permanent replacement facilities are accepted by the consolidated water system with the concurrence of the State Water Resources Control Board and the facilities and water supply meet drinking water and water quality standards.

(B) Upon the showing of good cause, the interim operation period shall be extended by the State Water Resources Control

Board for up to three successive one-year periods at the request of the consolidated water system.

(3) The acceptance date of permanent replacement facilities shall be publicly noticed by the consolidated water system.

(e) Subdivision (b) shall only apply if the consolidated water system provides water to the subsumed water system in accordance with all of the following conditions:

(1) Water provided by the consolidated water system through a temporary potable service pipeline to the subsumed water system shall meet or exceed federal and state drinking water quality standards.

(2) Reasonable water system flow and pressure through a temporary potable service pipeline shall be maintained during the interim operation period based upon the condition and integrity of the existing subsumed water system, and any disruptions to water delivery resulting from construction-related activities associated with the installation of permanent replacement facilities shall be minimal.

(3) The consolidated water system shall notify fire officials serving the subsumed water system service area of the condition and firefighting support capabilities of the subsumed water system and planned improvements with the installation of permanent replacement facilities thereto. The consolidated water system shall maintain or improve the condition and firefighting support capabilities of the subsumed water system during the interim operation period.

(4) Customers of the subsumed water system shall receive written notice upon any change in possession, control, or operation of the water system.

(f) Nothing in this section shall be construed to do any of the following:

(1) Relieve any water district, water wholesaler, or any other entity from complying with any provision of federal or state law pertaining to drinking water quality.

(2) Impair any cause of action by the Attorney General, a district attorney, a city attorney, or any other public prosecutor, or impair any other action or proceeding brought by or on behalf of a regulatory agency.

(3) Impair any claim alleging the taking of property without compensation within the meaning of either the Fifth Amendment

to the United States Constitution or Section 19 of Article I of the California Constitution.

SEC. 5. The Legislature finds and declares all of the following:

(a) Section 7 of Article XI of the California Constitution authorizes a county or city to “make and enforce within its limits all local, police, sanitary, and other ordinances and regulations not in conflict with general laws.”

(b) The California Supreme Court has held that local regulations affecting economic interests in property are within local governments’ police power (*Birkenfeld v. City of Berkeley* (1976) 17 Cal.3d 129, 158).

(c) Counties may reasonably regulate land use under their police powers (*Associated Home Builders etc., Inc., v. City of Livermore* (1976) 18 Cal.3d 582).

(d) Counties may regulate groundwater, including well permitting, under their police powers (*Baldwin v. County of Tehama* (1994) 31 Cal.App.4th 166, 175-76), and numerous counties have exercised this authority through ordinances.

(e) The Legislature enacted the Sustainable Groundwater Management Act (Part 2.74 (commencing with Section 10720) of Division 6 of the Water Code) to ensure that local agencies manage their high- and medium-priority groundwater basins sustainably. That act does not require the adoption of local groundwater sustainability plans until 2020 or 2022. Under the act, counties retain their authority to issue well permits.

(f) As local agencies are transitioning to the implementation of the Sustainable Groundwater Management Act, unregulated well permitting in stressed high- and medium-priority groundwater basins during the ongoing drought emergency is causing risks to the health, safety, and well-being of citizens.

SEC. 6. Section 21080.08 is added to the Public Resources Code, to read:

21080.08. (a) This division does not apply to a project that satisfies both of the following:

(1) The project is approved or carried out by a public agency for the purpose of mitigating drought conditions for which a state of emergency was proclaimed by the Governor on January 17, 2014, pursuant to Chapter 7 (commencing with Section 8550) of Division 1 of Title 2 of the Government Code.

(2) The project consists of construction or expansion of recycled water pipeline and directly related infrastructure within existing rights of way, and directly related groundwater replenishment, if the project does not affect wetlands or sensitive habitat, and where the construction impacts are fully mitigated consistent with applicable law.

(b) This section shall remain operative until the state of emergency due to drought conditions declared by the Governor in the proclamation issued on January 17, 2014, has expired or until January 1, 2017, whichever occurs first, and as of January 1, 2017, is repealed unless a subsequent statute amends or repeals that date.

SEC. 7. Section 21080.45 is added to the Public Resources Code, to read:

21080.45. (a) This division does not apply to the development and approval of building standards by state agencies for recycled water systems.

(b) This section shall become inoperative on July 1, 2017, and, as of January 1, 2018, is repealed, unless a later enacted statute, that becomes operative on or before January 1, 2018, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 8. Section 21080.46 is added to the Public Resources Code, to read:

21080.46. (a) Without limiting any other statutory exemption or categorical exemption, this division does not apply to the adoption of an ordinance by a city, county, or city and county to limit or prohibit the drilling of new or deeper groundwater wells, or to limit or prohibit increased extractions from existing groundwater wells, through stricter conditions on the issuance of well permits or changes in the intensity of land use that would increase demand on groundwater.

(b) (1) This section shall remain operative until July 1, 2017, or so long as the state of emergency due to drought conditions declared by the Governor in the proclamation of a state of emergency issued on January 17, 2014, remains in effect, whichever is later.

(2) This section is repealed on January 1 of the year following the date on which this section becomes inoperative.

(c) Notwithstanding subdivision (a) or (b), this section does not apply to either of the following:

(1) The issuance of any permit for a new or deeper groundwater well by a city, county, or city and county.

(2) The adoption of any ordinance affecting or relating to new residential, commercial, institutional, or industrial projects or any mix of these uses, or any change in the intensity or use of land for these purposes, if that project or change in use requires approval by a city, county, or city and county. Nor does this section apply to the adoption of any ordinance that would limit or prohibit new or deeper groundwater wells, or increased extraction from existing groundwater wells, that may be needed to serve these projects.

SEC. 9. Section 375 of the Water Code is amended to read:

375. (a) Notwithstanding any other law, any public entity that supplies water at retail or wholesale for the benefit of persons within the service area or area of jurisdiction of the public entity may, by ordinance or resolution adopted by a majority of the members of the governing body after holding a public hearing upon notice and making appropriate findings of necessity for the adoption of a water conservation program, adopt and enforce a water conservation program to reduce the quantity of water used by those persons for the purpose of conserving the water supplies of the public entity.

(b) With regard to water delivered for other than agricultural uses, the ordinance or resolution may specifically require the installation of water-saving devices that are designed to reduce water consumption. The ordinance or resolution may also encourage water conservation through rate structure design.

(c) For the purposes of this chapter, "public entity" means a city, whether general law or chartered, county, city and county, special district, agency, authority, any other municipal public corporation or district, or any other political subdivision of the state.

(d) For the purposes of this section and subdivisions (b) and (c) of Section 377, "person" means any person, firm, association, organization, partnership, business, trust, corporation, company, or public agency, including any city, county, city and county, district, joint powers authority, or any agency or department of a public agency.

SEC. 10. Section 375.5 of the Water Code is amended to read:



375.5. (a) A public entity may undertake water conservation and public education programs in conjunction with school districts, public libraries, or any other public entity.

(b) (1) A public entity may undertake water conservation and public education programs using an information booklet or materials for use in connection with the use or transfer of real estate containing up to four residential units. For the purposes of this subdivision, the public entity may use water conservation materials prepared by the department.

(2) It is the intent of the Legislature that on or before December 31, 2007, a review of the program be conducted to obtain information on both of the following matters:

(A) The extent to which public entities have undertaken water conservation and public education programs referred to in paragraph (1).

(B) The extent to which water conservation may be attributable to the implementation of water conservation and public education programs referred to in paragraph (1).

(c) A public entity may take into account any programs undertaken pursuant to this section in a rate structure design implemented pursuant to Section 375.

(d) The Legislature finds and declares that a program undertaken pursuant to this section is in the public interest, serves a public purpose, and will promote the health, welfare, and safety of the people of the state.

SEC. 11. Section 377 of the Water Code is amended to read:

377. (a) From and after the publication or posting of any ordinance or resolution pursuant to Section 376, violation of a requirement of a water conservation program adopted pursuant to Section 376 is a misdemeanor. A person convicted under this subdivision shall be punished by imprisonment in the county jail for not more than 30 days, or by fine not exceeding one thousand dollars (\$1,000), or by both.

(b) A court or public entity may hold a person civilly liable in an amount not to exceed ten thousand dollars (\$10,000) for a violation of any of the following:

(1) An ordinance or resolution adopted pursuant to Section 376.

(2) An emergency regulation adopted by the board under Section 1058.5, unless the board regulation provides that it cannot be enforced under this section.

(c) Commencing on the 31st day after the public entity notified a person of a violation described in subdivision (b), the person additionally may be civilly liable in an amount not to exceed ten thousand dollars (\$10,000) plus five hundred dollars (\$500) for each additional day on which the violation continues.

(d) Remedies prescribed in this section are cumulative and not alternative, except that no liability shall be recoverable under this section for any violation of paragraph (2) of subdivision (b) if the board has filed a complaint pursuant to Section 1846 alleging the same violation.

(e) A public entity may administratively impose the civil liability described in subdivisions (b) and (c) after providing notice and an opportunity for a hearing. The public entity shall initiate a proceeding under this subdivision by a complaint issued pursuant to Section 377.5. The public entity shall issue the complaint at least 30 days before the hearing on the complaint and the complaint shall state the basis for the proposed civil liability order.

(f) (1) In determining the amount of civil liability to assess, a court or public entity shall take into consideration all relevant circumstances, including, but not limited to, the nature and persistence of the violation, the extent of the harm caused by the violation, the length of time over which the violation occurs, and any corrective action taken by the violator.

(2) The civil liability calculated pursuant to paragraph (1) for the first violation of subdivision (b) by a residential water user shall not exceed one thousand dollars (\$1,000) except in extraordinary situations where the court or public entity finds all of the following:

(A) The residential user had actual notice of the requirement found to be violated.

(B) The conduct was intentional.

(C) The amount of water involved was substantial.

(g) Civil liability imposed pursuant to this section shall be paid to the public entity and expended solely for the purposes of this chapter.

(h) An order setting administrative civil liability shall become effective and final upon issuance of the order and payment shall be made. Judicial review of any final order shall be pursuant to Section 1094.5 of the Code of Civil Procedure.

(i) In addition to the remedies prescribed in this section, a public entity may enforce water use limitations established by an ordinance or resolution adopted pursuant to this chapter, or as otherwise authorized by law, by a volumetric penalty in an amount established by the public entity.

SEC. 12. Section 377.5 is added to the Water Code, to read:

377.5. (a) A complaint or citation under subdivision (b) of Section 377 or subdivision (d) of Section 1058.5 may be issued by any of the following:

(1) A code enforcement officer, as defined in Section 829.5 of the Penal Code.

(2) A designee of the chief executive officer of a public entity authorized to adopt an ordinance or resolution under Section 375.

(3) A designee of the chief executive officer of a city, county, or city and county.

(b) For purposes of this section, the term “chief executive officer” includes a city manager, general manager, or other employee of the public entity who is the highest ranking officer or employee, other than a member of a multimember governing body, with responsibility for the operations of the public entity.

SEC. 13. Section 1058.5 of the Water Code is amended to read:

1058.5. (a) This section applies to any emergency regulation adopted by the board for which the board makes both of the following findings:

(1) The emergency regulation is adopted to prevent the waste, unreasonable use, unreasonable method of use, or unreasonable method of diversion, of water, to promote water recycling or water conservation, to require curtailment of diversions when water is not available under the diverter’s priority of right, or in furtherance of any of the foregoing, to require reporting of diversion or use or the preparation of monitoring reports.

(2) The emergency regulation is adopted in response to conditions which exist, or are threatened, in a critically dry year immediately preceded by two or more consecutive below normal, dry, or critically dry years or during a period for which the Governor has issued a proclamation of a state of emergency under the California Emergency Services Act (Chapter 7 (commencing with Section 8550) of Division 1 of Title 2 of the Government Code) based on drought conditions.

(b) Notwithstanding Sections 11346.1 and 11349.6 of the Government Code, any findings of emergency adopted by the board, in connection with the adoption of an emergency regulation under this section, are not subject to review by the Office of Administrative Law.

(c) An emergency regulation adopted by the board under this section may remain in effect for up to 270 days, as determined by the board, and is deemed repealed immediately upon a finding by the board that due to changed conditions it is no longer necessary for the regulation to remain in effect. An emergency regulation adopted by the board under this section may be renewed if the board determines that the conditions specified in paragraph (2) of subdivision (a) are still in effect.

(d) In addition to any other applicable civil or criminal penalties, any person or entity who violates a regulation adopted by the board pursuant to this section is guilty of an infraction punishable by a fine of up to five hundred dollars (\$500) for each day in which the violation occurs.

(e) (1) Notwithstanding subdivision (b) of Section 1551, subdivision (d) of Section 1845, and subdivision (f) of Section 1846, a civil liability imposed under Chapter 12 (commencing with Section 1825) of Part 2 of Division 2 by the board or a court for a violation of an emergency conservation regulation adopted pursuant to this section shall be deposited, and separately accounted for, in the Water Rights Fund. Funds deposited in accordance with this subdivision shall be available, upon appropriation, for water conservation activities and programs.

(2) For purposes of this subdivision, an “emergency conservation regulation” means an emergency regulation that requires an end user of water, a water retailer, or a water wholesaler to conserve water or report to the board on water conservation. Water conservation includes restrictions or limitations on particular uses of water or a reduction in the amount of water used or served, but does not include curtailment of diversions when water is not available under the diverter’s priority of right or reporting requirements related to curtailments.

SEC. 14. Section 1552 of the Water Code is amended to read:

1552. Except as provided in subdivision (e) of Section 1058.5, moneys in the Water Rights Fund are available for expenditure, upon appropriation by the Legislature, for the following purposes:

(a) For expenditure by the State Board of Equalization in the administration of this chapter and the Fee Collection Procedures Law (Part 30 (commencing with Section 55001) of Division 2 of the Revenue and Taxation Code) in connection with any fee or expense subject to this chapter.

(b) For the payment of refunds, pursuant to Part 30 (commencing with Section 55001) of Division 2 of the Revenue and Taxation Code, of fees or expenses collected pursuant to this chapter.

(c) For expenditure by the board for the purposes of carrying out this division, Division 1 (commencing with Section 100), Part 2 (commencing with Section 10500) and Chapter 11 (commencing with Section 10735) of Part 2.74 of Division 6, and Article 7 (commencing with Section 13550) of Chapter 7 of Division 7.

(d) For expenditures by the board for the purposes of carrying out Sections 13160 and 13160.1 in connection with activities involving hydroelectric power projects subject to licensing by the Federal Energy Regulatory Commission.

(e) For expenditures by the board for the purposes of carrying out Sections 13140 and 13170 in connection with plans and policies that address the diversion or use of water.

SEC. 15. Article 3 (commencing with Section 1840) is added to Chapter 12 of Part 2 of Division 2 of the Water Code, to read:

### Article 3. Monitoring and Reporting

1840. (a) (1) Except as provided in subdivision (b), a person who, on or after January 1, 2016, diverts 10 acre-feet of water per year or more under a permit or license shall install and maintain a device or employ a method capable of measuring the rate of direct diversion, rate of collection to storage, and rate of withdrawal or release from storage. The measurements shall be made using the best available technologies and best professional practices, as defined in Section 5100, using a device or methods satisfactory to the board, as follows:

(A) A device shall be capable of continuous monitoring of the rate and quantity of water diverted and shall be properly maintained. The permittee or licensee shall provide the board with evidence that the device has been installed with the first report submitted after installation of the device. The permittee or licensee shall provide the board with evidence demonstrating that the device



is functioning properly as part of the reports submitted at five-year intervals after the report documenting installation of the device, or upon request of the board.

(B) In developing regulations pursuant to Section 1841, the board shall consider devices and methods that provide accurate measurement of the total amount diverted and the rate of diversion. The board shall consider devices and methods that provide accurate measurements within an acceptable range of error, including the following:

- (i) Electricity records dedicated to a pump and recent pump test.
- (ii) Staff gage calibrated with an acceptable streamflow rating curve.
- (iii) Staff gage calibrated for a flume or weir.
- (iv) Staff gage calibrated with an acceptable storage capacity curve.
- (v) Pressure transducer and acceptable storage capacity curve.

(2) The permittee or licensee shall maintain a record of all diversion monitoring that includes the date, time, and diversion rate at time intervals of one hour or less, and the total amount of water diverted. These records shall be included with reports submitted under the permit or license, as required under subdivision (c), or upon request of the board.

(b) (1) The board may modify the requirements of subdivision (a) upon finding either of the following:

(A) That strict compliance is infeasible, is unreasonably expensive, would unreasonably affect public trust uses, or would result in the waste or unreasonable use of water.

(B) That the need for monitoring and reporting is adequately addressed by other conditions of the permit or license.

(2) The board may increase the 10-acre-foot reporting threshold of subdivision (a) in a watershed or subwatershed, after considering the diversion reporting threshold in relation to quantity of water within the watershed or subwatershed. The board may increase the 10-acre-foot reporting threshold to 25 acre-feet or above if it finds that the benefits of the additional information within the watershed or subwatershed are substantially outweighed by the cost of installing measuring devices or employing methods for measurement for diversions at the 10-acre-foot threshold.

(c) At least annually, a person who diverts water under a registration, permit, or license shall report to the board the following information:

- (1) The quantity of water diverted by month.
- (2) The maximum rate of diversion by months in the preceding calendar year.
- (3) The information required by subdivision (a), if applicable.
- (d) Compliance with the applicable requirements of this section is a condition of every registration, permit, or license.

1841. (a) The board may adopt regulations requiring measurement and reporting of water diversion and use by either of the following:

(1) Persons authorized to appropriate water under a permit, license, registration for small domestic, small irrigation, or livestock stockpond use, or certification for livestock stockpond use.

(2) Persons required to comply with measurement and reporting regulations pursuant to subparagraph (B) of paragraph (1) of subdivision (e) of Section 5103.

(b) The initial regulations that the board adopts pursuant to this section shall be adopted as emergency regulations in accordance with Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code. The adoption of the initial regulations is an emergency and shall be considered by the Office of Administrative Law as necessary for the immediate preservation of the public peace, health, safety, and general welfare. Notwithstanding Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, any emergency regulations adopted under this section shall remain in effect until revised by the board.

(c) The adoption of the initial regulations pursuant to this article is exempt from Division 13 (commencing with Section 21000) of the Public Resources Code.

SEC. 16. Section 1846 of the Water Code is amended to read:

1846. (a) A person or entity may be liable for a violation of any of the following in an amount not to exceed five hundred dollars (\$500) for each day in which the violation occurs:

- (1) A term or condition of a permit, license, certificate, or registration issued under this division.
- (2) A regulation or order adopted by the board.

(b) Civil liability may be imposed by the superior court. The Attorney General, upon the request of the board, shall petition the superior court to impose, assess, and recover those sums.

(c) Civil liability may be imposed administratively by the board pursuant to Section 1055.

(d) In determining the appropriate amount of civil liability, the court, pursuant to subdivision (b), or the board, pursuant to subdivision (c), may take into consideration all relevant circumstances, including, but not limited to, the extent of harm caused by the violation, the nature and persistence of the violation, the length of time over which the violation occurs, and the corrective action, if any, taken by the violator.

(e) No liability shall be recoverable under this section for any violation for which liability is recovered under Section 1052.

(f) All funds recovered pursuant to this section shall be deposited in the Water Rights Fund established pursuant to Section 1550.

SEC. 17. Section 5103 of the Water Code is amended to read:

5103. Each statement shall be prepared on a form provided by the board. The statement shall include all of the following information:

(a) The name and address of the person who diverted water and of the person filing the statement.

(b) The name of the stream or other source from which water was diverted, and the name of the next major stream or other body of water to which the source is tributary.

(c) The place of diversion. The location of the diversion works shall be depicted on a specific United States Geological Survey topographic map, or shall be identified using the California Coordinate System, or latitude and longitude measurements. If assigned, the public land description to the nearest 40-acre subdivision and the assessor's parcel number shall also be provided.

(d) The capacity of the diversion works and of the storage reservoir, if any, and the months in which water was used during the preceding calendar year.

(e) (1) (A) At least monthly records of water diversions. The measurements of the diversion shall be made in accordance with Section 1840.

(B) (i) On and after July 1, 2016, the measurement of a diversion of 10 acre-feet or more per year shall comply with

regulations adopted by the board pursuant to Article 3 (commencing with Section 1840) of Chapter 12 of Part 2.

(ii) The requirement of clause (i) is extended to January 1, 2017, for any statement filer that enters into a voluntary agreement that is acceptable to the board to reduce the statement filer's diversions during the 2015 irrigation season.

(2) (A) The terms of, and eligibility for, any grant or loan awarded or administered by the department, the board, or the California Bay-Delta Authority on behalf of a person that is subject to paragraph (1) shall be conditioned on compliance with that paragraph.

(B) Notwithstanding subparagraph (A), the board may determine that a person is eligible for a grant or loan even though the person is not complying with paragraph (1), if both of the following apply:

(i) The board determines that the grant or loan will assist the grantee or loan recipient in complying with paragraph (1).

(ii) The person has submitted to the board a one-year schedule for complying with paragraph (1).

(C) It is the intent of the Legislature that the requirements of this subdivision shall complement and not affect the scope of authority granted to the board by provisions of law other than this article.

(f) The purpose of use.

(g) A general description of the area in which the water was used. The location of the place of use shall be depicted on a specific United States Geological Survey topographic map and on any other maps with identifiable landmarks. If assigned, the public land description to the nearest 40-acre subdivision and the assessor's parcel number shall also be provided.

(h) The year in which the diversion was commenced as near as is known.

SEC. 18. Section 5104 of the Water Code is amended to read:

5104. (a) Supplemental statements shall be filed annually, before July 1 of each year. They shall contain the quantity of water diverted and the rate of diversion by months in the preceding calendar year and any change in the other information contained in the preceding statement.

(b) If there is a change in the name or address of the person diverting the water, a supplemental statement shall be filed with the board that includes the change in name or address.

(c) A supplemental statement filed prior to July 1, 2016, shall include data satisfying the requirements of subdivision (a) for any diversion of water in the 2012, 2013, and 2014 calendar years, that was not reported in a supplemental statement submitted prior to July 1, 2015.

(d) This section does not limit the authority of the board to require additional information or more frequent reporting under any other law.

SEC. 19. Section 79708.5 is added to the Water Code, to read:

79708.5. In addition to the information required pursuant to Section 79708, in order to facilitate oversight of funding and projects, the secretary shall post on the Natural Resources Agency's Internet Web site information on changes to project timelines and project spending.

SEC. 20. Section 79716.5 is added to the Water Code, to read:

79716.5. Each state agency that receives an appropriation of funding made available by this division shall do the following:

- (a) Evaluate the outcomes of projects funded by this division.
- (b) Include in the agency's reporting pursuant to Section 79716 the evaluation described in subdivision (a).
- (c) Hold a grantee of funds accountable for completing projects funded by this division on time and within scope.

SEC. 21. The sum of ten million dollars (\$10,000,000) available in the CalConserve Water Use Efficiency Revolving Fund from the proceeds of bonds issued pursuant to Division 26.7 (commencing with Section 79700) of the Water Code, is hereby appropriated for the purpose of Section 81023 of the Water Code.

SEC. 22. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

SEC. 23. This act is a bill providing for appropriations related to the Budget Bill within the meaning of subdivision (e) of Section 12 of Article IV of the California Constitution, has been identified



as related to the budget in the Budget Bill, and shall take effect immediately.



# California

## LEGISLATIVE INFORMATION

**SB-552 Public water systems: disadvantaged communities: consolidation or extension of service.** (2015-2016)

AMENDED IN ASSEMBLY JULY 07, 2015

AMENDED IN SENATE APRIL 16, 2015

CALIFORNIA LEGISLATURE— 2015–2016 REGULAR SESSION

### SENATE BILL

**No. 552**

**Introduced by Senator Wolk**

**February 26, 2015**

An act to ~~add Section 116325.5 to amend Sections 116681 and 116682 of the Health and Safety Code, relating to water.~~

### LEGISLATIVE COUNSEL'S DIGEST

SB 552, as amended, Wolk. Public water systems: disadvantaged communities: ~~drinking water standards, consolidation or extension of service.~~

*Existing law, the California Safe Drinking Water Act, provides for the operation of public water systems, and imposes on the State Water Resources Control Board various responsibilities and duties. The act authorizes the state board to order consolidation with a receiving water system where a public water system, or a state small water system within a disadvantaged community, consistently fails to provide an adequate supply of safe drinking water. The act authorizes the state board to order the extension of service to an area that does not have access to an adequate supply of safe drinking water so long as the extension of service is an interim extension of service in preparation for consolidation. Existing law, for these purposes, defines "disadvantaged community" to mean a disadvantaged community that is in an unincorporated area or is served by a mutual water company.*

*This bill would allow a community to be a "disadvantaged community" if the community is in a mobilehome park even if it is not in an unincorporated area or served by a mutual water company. The bill would limit the authority of the state board to order consolidation or extension of service only with regard to a disadvantaged community.*

*The act requires the state board, before ordering consolidation or extension of service, to hold at least one initial public meeting, as specified, and to obtain written consent from any domestic well owner for consolidation or extension of service. The act provides that any affected resident within the consolidation or extended service area who does not provide written consent is ineligible, until consent is provided, for any future water-related grant funding from the state, except as specified.*

*This bill would provide that an initial public meeting is not required for a potentially subsumed area that is*

served only by domestic wells. The bill would require any domestic well owner, instead of an affected resident, within the consolidation or extended service area who does not provide written consent to be ineligible for future water-related grant funding from the state.

The act requires the state board, upon ordering the consolidation or extension of service, to adequately compensate the owners of a privately owned subsumed water system for the fair market value of the system as determined by the Public Utilities Commission for water corporations subject to the commission's jurisdiction or the state board for all other systems. The act prohibits a consolidated water system from increasing charges on existing customers of the receiving water system solely as a consequence of the consolidation or extension of service unless the customer receives a corresponding benefit.

This bill would instead authorize the Public Utilities Commission or the state board to determine the fair market value, without regard to whether the system is a water corporation subject to the commission's jurisdiction. The bill would prohibit fees or charges imposed on a customer of a subsumed water system from exceeding the cost of consolidating the water system or the extension of service to the area.

~~Existing law, the California Safe Drinking Water Act, requires the State Water Resources Control Board to administer provisions relating to the regulation of drinking water to protect public health, including, but not limited to, conducting research, studies, and demonstration programs relating to the provision of a dependable, safe supply of drinking water, enforcing the federal Safe Drinking Water Act, adoption of enforcement regulations, and conducting studies and investigations to assess the quality of water in domestic water supplies. Existing law requires the state board to ensure that all public water systems are operated in compliance with the act.~~

~~This bill would require, by January 1, 2017, the state board to develop a report identifying specific funding and enforcement mechanisms necessary to ensure disadvantaged communities have water systems that are in compliance with state and federal drinking water standards. The bill would require the report to identify specific legislative and administrative actions necessary to bring disadvantaged communities into compliance with safe drinking water standards.~~

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

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

### **SECTION 1.** *Section 116681 of the Health and Safety Code is amended to read:*

**116681.** The following definitions shall apply to this section and Sections 116682 and 116684:

- (a) "Adequate supply" means sufficient water to meet residents' health and safety needs.
- (b) "Affected residence" means a residence *within a disadvantaged community that is* reliant on a water supply that is either inadequate or unsafe.
- (c) "Consistently fails" means a failure to provide an adequate supply of safe drinking water.
- (d) "Consolidated water system" means the public water system resulting from the consolidation of a public water system with another public water system, state small water system, or affected residences not served by a public water system.
- (e) "Consolidation" means joining two or more public water systems, state small water systems, or affected residences not served by a public water system, into a single public water system.
- (f) "Disadvantaged community" means a disadvantaged community, as defined in Section 79505.5 of the Water Code, that is in an unincorporated ~~area~~ *area, mobilehome park*, or is served by a mutual water company.
- (g) "Extension of service" means the provision of service through any physical or operational infrastructure arrangement other than consolidation.
- (h) "Receiving water system" means the public water system that provides service to a subsumed water system through consolidation or extension of service.
- (i) "Safe drinking water" means water that meets all primary and secondary drinking water standards.

(j) "Subsumed water system" means the public water system, state small water system, or affected residences not served by a public water system consolidated into or receiving service from the receiving water system.

**SEC. 2.** *Section 116682 of the Health and Safety Code is amended to read:*

**116682.** (a) Where a public water ~~system~~, *system* or a state small water system within a disadvantaged ~~community~~, *community* consistently fails to provide an adequate supply of safe drinking water, the State Water Resources Control Board may order consolidation with a receiving water system as provided in this section and Section 116684. The consolidation may be physical or operational. The State Water Resources Control Board may also order the extension of service to an area *within a disadvantaged community* that does not have access to an adequate supply of safe drinking water so long as the extension of service is an interim extension of service in preparation for consolidation. The State Water Resources Control Board may set timelines and performance measures to facilitate completion of consolidation.

(b) ~~Prior to~~ *Before* ordering consolidation or extension of service as provided in this section, the State Water Resources Control Board shall do all of the following:

(1) Encourage voluntary consolidation or extension of service.

(2) Consider other enforcement remedies specified in this article.

(3) Consult with, and fully consider input from, the relevant local agency formation commission regarding the provision of water service in the affected area, the recommendations for improving service in a municipal service review, and any other relevant information.

(4) Consult with, and fully consider input from, the Public Utilities Commission when the consolidation would involve a water corporation subject to the commission's jurisdiction.

(5) Consult with, and fully consider input from, the local government with land use planning authority over the affected area, particularly regarding any information in the general plan required by Section 65302.10 of the Government Code.

(6) Notify the potentially receiving water system and the potentially subsumed water system, if any, and establish a reasonable deadline of no less than six months, unless a shorter period is justified, for the potentially receiving water system and the potentially subsumed water system, if any, to negotiate consolidation or another means of providing an adequate supply of safe drinking water.

(A) During this period, the State Water Resources Control Board shall provide technical assistance and work with the potentially receiving water system and the potentially subsumed water system to develop a financing package that benefits both the receiving water system and the subsumed water system.

(B) Upon a showing of good cause, the deadline may be extended by the State Water Resources Control Board at the request of the potentially receiving water system, potentially subsumed water system, or the local agency formation commission with jurisdiction over the potentially subsumed water system.

(7) Obtain written consent from any domestic well owner for consolidation or extension of service. Any ~~affected resident~~ *domestic well owner* within the consolidation or extended service area who does not provide written consent shall be ineligible, until the consent is provided, for any future water-related grant funding from the state other than funding to mitigate a well failure, disaster, or other emergency.

(8) (A) Hold at least one public meeting at the initiation of this process in a place as close as feasible to the affected areas. The State Water Resources Control Board shall make reasonable efforts to provide a 30-day notice of the meeting to the ratepayers, renters, and property owners to receive water service through service extension or in the area of the subsumed water system and all affected local government agencies and drinking water service providers. The meeting shall provide representatives of the potentially subsumed water system, affected ratepayers, renters, property owners, and the potentially receiving water system an opportunity to present testimony. The meeting shall provide an opportunity for public comment.

(B) *An initial public meeting shall not be required for a potentially subsumed area that is served only by domestic wells.*

(c) Upon expiration of the deadline set by the State Water Resources Control Board pursuant to paragraph (6)



of subdivision (b), the State Water Resources Control Board shall do the following:

- (1) Consult with the potentially receiving water system and the potentially subsumed water system, if any.
- (2) Conduct a public hearing, in a location as close as feasible to the affected communities.

(A) The State Water Resources Control Board shall make reasonable efforts to provide a 30-day notice of the hearing to the ratepayers, renters, and property owners to receive water service through service extension or in the area of the subsumed water system and to all affected local government agencies and drinking water service providers.

(B) The hearing shall provide representatives of the potentially subsumed water system, affected ratepayers, renters, property owners, and the potentially receiving water system an opportunity to present testimony.

(C) The hearing shall provide an opportunity for public comment.

(d) ~~Prior to~~ Before ordering consolidation or extension of service, the State Water Resources Control Board shall find all of the following:

- (1) The potentially subsumed water system has consistently failed to provide an adequate supply of safe drinking water.
- (2) All reasonable efforts to negotiate consolidation or extension of service were made.
- (3) Consolidation of the receiving water system and subsumed water system or extension of service is appropriate and technically and economically feasible.
- (4) There is no pending local agency formation commission process that is likely to resolve the problem in a reasonable amount of time.
- (5) Concerns regarding water rights and water contracts of the subsumed and receiving water systems have been adequately addressed.
- (6) Consolidation or extension of service is the most effective and cost-effective means to provide an adequate supply of safe drinking water.
- (7) The capacity of the proposed interconnection needed to accomplish the consolidation is limited to serving the current customers of the subsumed water system.

(e) Upon ordering consolidation or extension of service, the State Water Resources Control Board shall do all of the following:

(1) As necessary and appropriate, make funds available, upon appropriation by the Legislature, to the receiving water system for the costs of completing the consolidation or extension of service, including, but not limited to, replacing any capacity lost as a result of the consolidation or extension of service, providing additional capacity needed as a result of the consolidation or extension of service, and legal fees. Funding pursuant to this paragraph is available for the general purpose of providing financial assistance for the infrastructure needed for the consolidation or extension of service and does not need to be specific to each individual consolidation project. The State Water Resources Control Board shall provide appropriate financial assistance for the infrastructure needed for the consolidation or extension of service. The State Water Resources Control Board's existing financial assistance guidelines and policies shall be the basis for the financial assistance.

(2) Ensure payment of standard local agency formation commission fees caused by State Water Resources Control Board-ordered consolidation or extension of service.

(3) Adequately compensate the owners of a privately owned subsumed water system for the fair market value of the system as determined by the Public Utilities Commission ~~for water corporations subject to the commission's jurisdiction or the State Water Resources Control Board for all other water systems.~~ Board.

(4) Coordinate with the appropriate local agency formation commission and other relevant local agencies to facilitate the change of organization or reorganization.

(f) (1) For the purposes of this section, the consolidated water system shall not increase charges on existing customers of the receiving water system solely as a consequence of the consolidation or extension of service unless the customers receive a corresponding benefit.



(2) For purposes of this section, fees or charges imposed on a customer of a subsumed water system shall not exceed the cost of consolidating the water system with a receiving system or the extension of service to the area.

(g) Division 3 (commencing with Section 56000) of Title 5 of the Government Code shall not apply to the consolidation or extension of service required pursuant to this section.

~~SECTION 1. The Legislature finds and declares all of the following:~~

~~(a) An estimated 500 public water systems in disadvantaged communities rely on, and have to pay high rates for, sources of drinking water that do not meet state and federal safe drinking water standards.~~

~~(b) Although funding sources are available to assist disadvantaged communities with needed capital improvements, these communities often lack governance infrastructure, technical expertise, and the ability to pay for the ongoing operations and maintenance costs necessary to continue to meet the state and federal drinking water standards.~~

~~SEC. 2. Section 116325.5 is added to the Health and Safety Code, to read:~~

~~116325.5.(a) On or before January 1, 2017, the State Water Resources Control Board shall develop a report identifying specific funding and enforcement mechanisms necessary to ensure disadvantaged communities have water systems that are in compliance with state and federal drinking water standards.~~

~~(b) The report shall identify specific legislative and administrative actions necessary to bring the disadvantaged communities into compliance with safe drinking water standards, including the following:~~

~~(1) Mechanisms for identification of the specific issues and solutions for each community and any specific state or local authority that is necessary to address these issues.~~

~~(2) Identification of available, and any recommended new, sources of revenue to fund ongoing operations and maintenance costs or any other costs associated with providing water at an affordable rate.~~

~~(3) Other recommendations for specific actions or authorities necessary to address drinking water needs for these communities.~~



July 2, 2015

Honorable Robert Hertzberg  
California State Senate  
State Capitol, Room 4038  
Sacramento, CA 95814

Subject: SB 239 as amended June 1, 2015 – Oppose

Dear Senator Hertzberg:

I am writing on behalf of the Santa Cruz Local Agency Formation Commission (LAFCO), which opposes Senate Bill 239 concerning contracts for fire protection services. The bill proposes to greatly complicate the process by requiring LAFCO review and approval for each new contract.

LAFCO law currently does not require LAFCO review for contracts between two or more public agencies (Government Code section 56133(e)). On rare occasions LAFCO review is required, but this exception has never applied in Santa Cruz County. The current law recognizes that interagency contracting is often an efficient and cost-saving manner in which to provide local public services. For instance, the Pajaro Valley Fire Protection District has no employees and contracts with two other public agencies for fire protection and emergency response services. It contracts with CAL FIRE to staff its main station in the rural area of the district, and contracts with the City of Watsonville to cover the urban and suburban portions of the district adjacent to the City. The City responds from their existing stations, one of which is in an excellent location for a quick response into its contract area. The District, CAL FIRE, and the City were able to negotiate the original contracts and have been able to negotiate amendments as needed. CAL FIRE and the City benefit by getting additional money to cover station expenses. LAFCO involvement was not needed. Adding the time and cost of a LAFCO review process was not likely to have improved the resulting contracts.

Why is this bill limited to fire services? If the same principal were applied so that all inter-governmental service contracts (police, sewer, water, hospital, health care, roads, parks, etc.) were required to go through the process suggested in this bill, the existence of the review process would increase the cost and time to enter into a contract and would discourage the parties from exploring and pursuing opportunities to provide services more efficiently.

The June 1<sup>st</sup> amendments do not significantly improve the bill. It is the basic concept of the bill that is faulty. For the reasons cited above, the bill would make the law harder for local governments and the State to enter into contacts that improve fire services and that provide fire services more efficiently.

Very truly yours,

*/original signed/*

Patrick M. McCormick

Executive Officer

cc: Assembly Member Luis Alejo

Other Assembly Local Government Committee Members

Assembly Member Mark Stone

Misa Lennox, Consultant, Assembly Local Government Committee

William Weber, Assembly Republican Caucus

Pamela Miller, CALAFCO

Pajaro Valley Fire Protection District

Marcella Tavantzis, Interim City Manager, City of Watsonville

Susan Mauriello, CAO, County of Santa Cruz

July 10, 2015

Senator Robert Hertzberg  
California State Senate  
State Capitol, Room 4038  
Sacramento, CA 95814

**RE: SB 239 (Hertzberg) – Local Services: Contracts: Fire Protection Services – REMOVAL OF  
OPPOSITION to NO POSITION**

Dear Senator Hertzberg:

The California Association of Local Agency Formation Commissions (CALAFCO) has been actively evaluating your bill SB 239 since inception. Based on amendments of June 1, 2015 and after much deliberation of our membership, we are currently removing our opposition to the bill and are taking a NO POSITION status on the bill. This position is based, in part, upon the situation whereby a number of our member LAFcos remain opposed to the bill even as amended. Our shift in position also reflects our long standing appreciation for all of the efforts you have made over the years on behalf of LAFcos and CALAFCO to created better public policy.

On behalf of CALAFCO, thank you for working closely with us to address some of our concerns. Specifically: (1) the removal of all references that classify fire protection service extensions as reorganizations; and (2) the addition of a second option to the requirement for pre-approval of agreements by the affected employee organizations.

While we have formally removed our opposition at this time in favor of a more neutral NO POSITION, CALAFCO still has a number of concerns regarding the current language, many of which are outlined below. We appreciate the opportunity to continue to work with your staff in discussing these concerns and working on potential amendments that will provide some clarity where ambiguity currently exists. The last several concerns are process related and reflect a practitioner point of view in terms of actual process implementation based on the bill's current language.

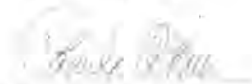
- Although we do recognize that your bill seeks a heightened standard for fire service agreements between two agencies that does not currently exist, as we stated in our letter to you dated April 28, 2015, we still feel this bill is unnecessary in light of current statutory provisions in the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH). Government Code section 56133, in CKH, already fully addresses the provision of all types of out of area service extensions by local public agencies where the proposed service is new to the area in question, and empowers LAFcos to independently consider all relevant factors associated with such requests prior to rendering a decision.
- Next, SB 239 requires an unprecedented level of review for contracts or agreements that transfer responsibility for providing services in more than 25% of the service area or changes the employment status of more than 25% of the employees of the affected public agency. As such, the bill requires the LAFco review to entail activities currently only reserved for proposals involving incorporations. Specifically, the bill requires a comprehensive fiscal analysis - an analysis used by LAFcos to analyze whether the creation of an entirely new city is fiscally feasible. Our concern remains that this will be fiscally prohibitive for many agencies to fund as LAFco generally requires, thus limiting their option to seek fire service efficiencies that may otherwise be quite reasonable.

Senator Robert Hertzberg  
 July 10, 2015  
 Page 2

- Further, in those instances, State agencies would have to, for the first time, obtain LAFCo approval. Under CKH, the term "local agency" is defined as including only a county, city or district. While LAFCo actions certainly at times involve interaction with public agencies of all types, including the State of California and its State agencies, SB 239 would for the first time, in certain circumstances, require a California state agency to apply for and request LAFCo approval prior to undertaking an action that involves the provision of services by means of a contract with a local agency. While this may be useful in some unique circumstances, it is nonetheless a great shift in CKH applicability.
- It is unclear whether or not the special provisions contained in SB 239 will apply to Mutual Aid agreements and JPAs, which are often a preferred course of action as they are utilized in almost all areas of the state by local fire agencies.
- Technical terminology proposed in the new Section of 56134 differs from existing terminology in 56133. Specifically, the use of "jurisdictional boundaries" in 56133 may be interpreted differently than the use of "service area" contained within 56134. For continuity and consistency, we suggest using the terminology that currently exists within 56133.
- We suggest clarifying who has the responsibility of determining whether or not the 25% threshold applies. Currently the bill does not specifically state who would have to make that finding. We recommend amending the language to require the applicant to explain and document the proposed service impacts for both possible thresholds. Ultimately, the LAFCo would make that determination based on data provided in the application. Having this evaluation completed at the front end of the process is far more valuable to local decision makers and the general public.
- Typically, a commission adopts a resolution making determinations of an action (as noted throughout CKH). For continuity and consistency, we suggest Section 56134(j) be amended to have the commission make determinations rather than findings.

Again we appreciate the opportunity to continue to work with your staff on potential amendments and clarifications to the bill. CALAFCo will continue to watch SB 239 as it moves through the legislature, and look forward to continuing to work on the bill.

Yours sincerely,



Pamela Miller  
 Executive Director

Cc: Committee Members, Assembly Local Government Committee  
 Misa Lennox, Consultant, Assembly Local Government Committee  
 William Weber, Consultant, Assembly Republican Caucus  
 Christy Bouma, CA Professional Firefighters Association



Date of Hearing: July 15, 2015

ASSEMBLY COMMITTEE ON LOCAL GOVERNMENT

Brian Maienschein, Chair

SB 239 (Hertzberg) – As Amended June 1, 2015

**SENATE VOTE:** 26-12

**SUBJECT:** Local services: contracts: fire protection services.

**SUMMARY:** Requires a public agency to receive approval from a local agency formation commission (LAFCO) to provide new or extended fire protections services outside its service area, pursuant to a fire protection contract. Specifically, **this bill**:

- 1) Requires a public agency to request and receive written approval from the LAFCO in the affected county before providing new or extended services, pursuant to a fire protection contract.
- 2) Defines a "fire protection contract" to mean a contract or agreement for the exercise of new or extended fire protection services outside a public agency's current service area, and is executed pursuant to existing law which authorizes public agencies (which includes a city, county, city and county, special district, joint powers authority, and state agency) and the California Department of Forestry and Fire Protection (CAL FIRE) to enter into fire protection service contracts and agreements, that does either of the following:
  - a) Transfers responsibility for providing services in more than 25% of the service area of any public agency affected by the contract or agreement; or,
  - b) Changes the employment status of more than 25% of the employees of any public agency affected by the contract or agreement.
- 3) Requires that a contract or agreement for the exercise of new or extended fire protection services outside a public agency's current services area, in combination with other contracts or agreement that would produce the results in 2), above, be deemed a fire protection contract, as defined by this bill.
- 4) Requires a public agency to initiate a request for LAFCO's approval of new or extended services provided by a fire protection contract to be made by the adoption of a resolution of application, as follows:
  - a) The legislative body of a public agency must initiate the application by the adoption of a resolution of application proposing to provide new or extended services outside the public agency's current service area; and,
  - b) The director of a state agency must initiate the application proposing to provide new or extended services outside their current service area, which must be approved by the Director of Finance.

- 5) Prohibits the legislative body of a public agency or the director of a state agency from submitting a resolution of application, unless the public agency or state agency do both of the following:
  - a) Conducts an open and public hearing on the resolution, pursuant to the Ralph M. Brown Act or the Bagley-Keene Open Meeting Act, as applicable; and,
  - b) Does either of the following:
    - i) Obtains and submits with the resolution a written agreement validated and executed by each affected public agency and recognized employee organization that represents firefighters of the existing and proposed service providers consenting to the proposed fire protection contract; or,
    - ii) Provides, at least 30 days prior to the hearing, held pursuant to a), above, written notice to each affected public agency and recognized employee organization that represents firefighters of the existing and proposed service providers of the proposed fire protection contract and submits a copy of each written notice with the resolution of application. Requires the notice, at minimum, to include a full copy of the proposed contract.
- 6) Requires a resolution of application to be submitted with a plan for services, which must include the following:
  - a) A total estimated cost to provide the new or extended fire protection services in the affected territory;
  - b) The estimated cost of the new or extended fire protection services to customers in the affected territory;
  - c) An identification of existing service providers, if any, and the potential fiscal impact to the customers in the affected territory;
  - d) A plan for financing the exercise of new or extended fire protection services;
  - e) Alternatives for the exercise of new or extended services in the affected territory;
  - f) An enumeration and description of the new or extended fire protection services proposed to be extended in the affected territory;
  - g) The level and range of new or extended fire protection services;
  - h) An indication of when the new or extended fire protection services can feasibly be extended to the affected territory; and,
  - i) An indication of any improvement or upgrades to structures, roads, sewer or water facilities, or other conditions that the public agency would impose or require within the affected territory if the contract is completed.

- 7) Requires the applicant to cause to be prepared by contract an independent comprehensive fiscal analysis to be submitted with the application. Requires the independent comprehensive fiscal analysis to review and document all of the following:
  - a) The costs to the public agency that has proposed to provide new or extended fire protection services during the three fiscal years following a public agency entering into a contract to provide new or extended services outside its current service area by contract or agreement, in accordance with the following requirements:
    - i) Requires the analysis to include all direct and indirect cost impacts to the existing service provider in the affected territory; and,
    - ii) Requires the analysis to review how the costs of the existing service provider compare to the costs to services provided in service areas with similar populations and geographic size that provide a similar level and range of services, and to make a reasonable determination of the costs expected to be borne by a public agency providing new or extended fire protection services;
  - b) The revenues of the public agency that has proposed a new or extended service outside its current service area during the three fiscal years following the effective date of a contract or agreement with another public agency to provide a new or extended service;
  - c) The effects on the costs and revenues of any affected public agency, including the public agency proposing to provide the new or extended service, during the three fiscal years that the new or extended service will be provided; and,
  - d) Any other information and analysis needed to support the findings that a LAFCO must make to approve services under a fire protection contract.
- 8) Requires the clerk of the legislative body of a public agency or the director of a state agency adopting a resolution of application to file a certified copy of the resolution with the LAFCO's executive officer.
- 9) Requires an executive officer, within 30 days of receipt, to determine whether the request is complete and acceptable for filing. Establishes specified requirements for an executive officer if the request is incomplete.
- 10) Requires the LAFCO to approve, disapprove, or approve with conditions the contract for new or extended fire protection services following the LAFCO hearing.
- 11) Allows the applicant to request reconsideration, as specified, if the contract is disapproved or approved with conditions.
- 12) Prohibits LAFCO from approving an application for approval of a fire protection contract, unless it determines that the public agency will have sufficient revenues to carry out the exercise of the new or extended fire protection services outside its current area, except as specified in 13), below.

- 13) Authorizes LAFCO to approve an application for approval of a fire protection contract where the LAFCO has determined that the public agency will not have sufficient revenue to provide the proposed new or different functions or loss of services, if LAFCO conditions its approval on the concurrent approval of sufficient revenue sources. Requires LAFCO to provide that if the revenue sources are not approved, the authority of the public agency to provide new or extended fire protection services shall not be exercised.
- 14) Prohibits LAFCO from approving an application for the approval of a fire protection contract, unless the LAFCO finds, based on the entire record, all of the following:
  - a) The proposed exercise of new or extended fire protection services outside a public agency's current service area is consistent with requirements established by this bill and with the policies and legislative intent established in the Act;
  - b) The LAFCO has reviewed the comprehensive fiscal analysis;
  - c) The LAFCO has reviewed any testimony presented at the public hearing; and,
  - d) The proposed affected territory is expected to receive revenues sufficient to provide public services and facilities and a reasonable reserve during the three fiscal years following the effective date of the contract or agreement between the public agencies to provide the new or extended fire protection services.
- 15) Requires an executive officer, at least 21 days prior to the date of the hearing, to give mailed notice of the hearing to each affected local agency or affected county, and to any interested party who has filed a written request for notice with the executive officer.
- 16) Establishes additional Internet and newspaper posting requirements, as specified.
- 17) Allows LAFCOs to continue from time to time any hearing called pursuant to this bill and requires LAFCOs to hear and consider oral or written testimony presented by an affected local agency, county, or any interested person who appears at any hearing called pursuant to the process contained in this bill.
- 18) Prohibits this bill from being construed to abrogate a public agency's obligations under the Meyers-Millias Brown Act.
- 19) Exempts a fire protection contract, as defined by this bill, from the provisions in existing law which govern the process for outside service extension contracts contained in LAFCO law.
- 20) Makes other technical and conforming changes.
- 21) Makes findings and declarations.

**EXISTING LAW:**

- 1) Establishes the Cortese-Knox-Hertzberg Act (Act), which defines the procedures for the organization and reorganization of cities, counties, and special districts.



- 2) Authorizes a city or district to provide new or extended services by contract or agreement outside its jurisdictional boundaries, if it requests and receives written approval from the LAFCO in the affected county.
- 3) Allows a LAFCO to authorize a city or district to provide new or extended services outside its boundaries, but within its sphere of influence in anticipation of a later change of organization.
- 4) Allows a LAFCO to authorize a city or district to provide new or extended services outside its boundaries and outside its sphere of influence to respond to an existing or impending threat to the public health or safety of the residents of the affected territory, if both of the following requirements are met:
  - a) The entity applying for the contract has provided LAFCO with documentation of a threat to the health and safety of the public or the affected residents; and,
  - b) The LAFCO has notified any alternate service providers, including any water corporation or sewer system corporation that has filed a map and statement of service capabilities with the LAFCO.
- 5) Provides exemptions to the requirement in existing law for the following contracts or agreements:
  - a) Contracts or agreements solely involving two or more public agencies where the public service is an alternative or substitute for public services already being provided by an existing public services provided, and there the level of service will be consistent with the level of service by the existing provider;
  - b) Contracts for the transfer of nonpotable or nontreated water;
  - c) Contracts or agreements solely involving the provision of surplus water to agricultural lands and facilities, as specified;
  - d) Extended service that a city or district was providing on or before January 1, 2001; and,
  - e) Local publicly owned electric utility, as defined, providing electric services that do not involve the acquisition, construction or installation of electric distribution facilities by the local publicly owned electric utility, outside of the utility's jurisdictional boundaries.
- 6) Establishes requirements and a timeframe for an executive officer upon receipt of a request for approval by a city or district of a contract to extend services outside boundaries. Requires, upon receipt of a complete request, the request to be placed on the agenda of a LAFCO meeting, unless the LAFCO has delegated the approval of requests to the executive commissioner.
- 7) Requires the LAFCO or executive officer to approve, disapprove, or approve with conditions the contract for extended services. Allows an applicant, if a contract is disapproved or approved with conditions, to request reconsideration and cite the reasons why.
- 8) Defines public agency, pursuant to the Act, to mean the state or any state agency, board, or commission, any city, county, city and county, special district, or any agency board, or



commission of the city, county, city and county, special district, joint powers authority, or other political subdivision.

- 9) Authorizes cities and fire protection districts to contract with a county to provide fire protection services within the local agency's jurisdiction.
- 10) Requires every contract between a county and a city for the furnishing of fire protection services by the county to the city, to be for a term of at least one year.
- 11) Authorizes counties to contract with CAL FIRE to provide fire protection services.
- 12) Authorizes a legislative body of any local agency, city, county fire protection district, joint powers authority that provides fire protection services, to contract with any other local agency for the furnishing of fire protection to such other local agency.

**FISCAL EFFECT:** According to the Senate Appropriations Committee, unknown increased General Fund costs to CAL FIRE, likely in the low hundreds of thousands annually, to comply with specified administrative requirements prior to contracting with local agencies for fire protection services. CAL FIRE currently has 115 contracts with local agencies for full fire protection services, and the contracts typically have a duration of three years. It is likely that all of those contracts would meet the criteria in the bill requiring LAFCO approval. For illustrative purposes, if CAL FIRE incurred additional costs of \$10,000 to extend 38 fire protection contracts in a year through the LAFCO process, annual administrative costs would be \$380,000. It is likely that CAL FIRE would incur higher costs to assess the impacts of contracts for larger service areas. Unknown, potentially significant impact on CAL FIRE fire protection costs (General Fund). Currently, CAL FIRE provides over \$50 million in contracted reimbursements to counties for fire protection services in "state responsibility areas," and the state is provided with over \$300 million in contracted reimbursements from local agencies for CAL FIRE to provide a variety of fire protection services to cities, counties, and fire protection districts. These contracts must be mutually beneficial and cost-effective. To the extent this bill discourages or prevents contracting for fire services, both CAL FIRE and local agencies could experience increased costs to provide fire protection.

#### **COMMENTS:**

- 1) **Background.** The Act delegates the Legislature's power to control the boundaries of cities and special districts to LAFCOs. The Legislature created LAFCOs to discourage urban sprawl, preserve open space and prime agricultural lands, encourage the orderly formation and development of local agencies, and to ensure the efficient provision of government services.

The Act requires that cities and districts must get a LAFCO's written approval before they can serve territory outside their boundaries, pursuant to AB 1335 (Gotch), Chapter 1307, Statutes of 1993. This requirement was established because of a concern that some cities and districts might be circumventing LAFCO review by signing contracts to provide services outside their boundaries without annexing the territory. AB 1335, however, recognized the need to accommodate unexpected local conditions and purposely established several exemptions. For example, LAFCO approval is not required for contracts or agreements solely involving two or more public agencies where the public service to be provided is an alternative to, or substitute for, public services already being provided by an existing public

service provider and where the level of service to be provided is consistent with the level of service contemplated by the exiting service provider.

Due to this exemption in the Act, contracts and cooperative agreements, permitted under existing law, which allow cities and fire protection districts to contract with a county or local government to contract with CAL FIRE to provide fire protection services are not under LAFCO's purview. While in practice many LAFCOs are involved in the service provision, reorganization, and coordination between entities under their purview that provide fire protection services, they are not required to get LAFCO's approval before contracting with one another to provide service outside of their jurisdictional boundaries. Some contracts are for full responsibility, shifting entire services to the county or CAL FIRE, and others are used to supplement existing services. For CAL FIRE contracts alone, there are 149 reimbursable cooperative fire protection agreements in 35 of the state's 58 counties, 25 cities, 31 fire districts, and 34 other special districts and service areas.

- 2) **Bill Summary.** This bill requires a public agency to receive approval from LAFCO before providing fire protection services, pursuant to a fire protection contract. Under this bill, a fire protection contract is defined as a contract or agreement that is for the exercise of new or extended fire protection services outside a public agency's (city, city and county, county, state agency, joint powers authority) current service area and is executed pursuant to existing law which authorizes local governments and CALFIRE to enter into fire protection services contracts and agreements. The fire protection contract must *either* transfer the responsibility for providing services in more than 25% of the service area of any public agency affected by the contract or agreement *or* change the employment status of more than 25% of the employees of any public agency affected by the contract or agreement.

This bill establishes a separate approval process within LAFCO law for these fire protection service contracts and determines the application requirements, notice requirements, hearing requirements, independent financial review requirements, and findings that LAFCO must make in order to approve the fire protection service contracts between public agencies. The application, hearing, and notice requirements contained in this bill are substantially similar to the requirements for changes of organization contained in the Act. For example, this bill requires a public agency that is the applicant to submit a plan for services which requires information regarding the cost of services and a plan for financing services similar to a change of organization which includes annexation, formation, detachment, and consolidation or if a special district wants to provide new or different function or class of services within its jurisdictional boundaries under LAFCO law. However, in addition to the plan for services, the public agency must also obtain an independent fiscal analysis that must contain specified information.

This bill does not mirror all its requirements from the Act. For example, the inclusion of CAL FIRE under LAFCO's purview for the extension of services and the requirement of an applicant, before submitting an application to LAFCO, to either provide notification to each affected public agency and recognized employee organization that represents firefighters or obtain sign off from each affected public agency and recognized employee organization, are not contained in the Act.

This bill is sponsored by the California Professional Firefighters.

- 3) **Author's Statement.** According to the author, "Current law establishes specific LAFCO proceedings to consider new or different functions or services, or for the divestiture of power, by special districts. However, LAFCO's do not review and approve contracts or agreements for services between two public agencies. Moreover, such contracts do not require any specific information to be submitted or reviewed regarding the fiscal conditions of the public agency or potential impacts to service delivery. So when such a contract or agreement is made exclusively between two public agencies, there is no process to provide oversight and ensure efficient and economical delivery for the agencies and all residents in the existing and affected territory.

"SB 239 extends LAFCO's jurisdiction to include contracts for services between public agencies for fire protection. Specifically, this bill requires that the public agency that has proposed a contract for new or extended fire protection to go through a specified LAFCO process. As part of this process, the agency will submit specified information to LAFCO regarding the contract and provide notification."

- 4) **Policy Considerations:** The Committee may wish to consider the following:

- a) **Outside Service Extension.** The notification, hearing, application, independent financial analysis, and required LAFCO findings contained in this bill are different than the process in place to have LAFCO review other outside service extensions. This bill is not simply removing the exemption in current law to require the existing LAFCO review for outside service extensions; it is instead applying the requirements for changes of organization to a contract between two public agencies to provide fire protection services. The Committee may wish to consider if these types of contracts warrant the creation of a new process under LAFCO law.
- b) **CAL FIRE.** According to the California Association of Local Agency Formation Commissions, this bill would, for the first time, require a California state agency to apply for and request LAFCO approval prior to undertaking an action that involves the provision of services by means of a contract with a local agency, which is a great shift in the Act's applicability.
- c) **Independent Fiscal Analysis.** To ensure the financial viability of the services proposed to be extended outside a public agency's service area, this bill establishes several requirements for financial analysis in the LAFCO process it creates. The public agency applicant must produce a plan for services, contract for an independent fiscal analysis and rely on a number of findings the LAFCO must be able to make in order to approve the service extension. In light of these extensive requirements, the Committee may wish to consider: 1) why the independent fiscal analysis is necessary; and, 2) why the independent fiscal analysis should not be completed by LAFCO, similar to the fiscal analysis undertaken by LAFCO in incorporations.

Opposition to this bill notes that the comprehensive fiscal analysis required by this bill is far beyond any other requirements in LAFCO law associated with extension of services, and that the requirements would add substantially to the cost of providing services.

- d) **Technical Issues.** The Committee may wish to consider the following technical issues:



- i) **Threshold Determinations.** This bill only applies to fire protection contracts that meet a 25% threshold for either service area or employee status. The Committee may wish to note that the bill is silent on who determines this threshold.
- ii) **Definitions and Applicability.** The term "service area" is not defined in the Act, therefore, the Committee may wish to ask the author why "service area" is used instead of "jurisdictional boundary" which is used throughout the Act, including the provisions that govern the extension of services.

The Committee may wish to encourage the author to continue to work on the definition used in this bill for fire protection contracts because it is still unclear which fire protection contracts must be approved by LAFCO.

- 2) **Conflicting Legislation.** Provisions of this bill conflict with AB 402 (Dodd), which is currently pending on the Senate Floor, and may need amendments to address the conflict, should the bills continue to move through the legislative process.
- 5) **Arguments in Support.** Supporters argue that this bill provides transparency and oversight when a public agency considers extending fire protection services outside of their current service area. Supporters of this bill point to communities that have entered into contracts to shift responsibility to provide fire protection services from one public agency to another, which have generated controversy while failing to produce anticipated cost savings and administrative efficiencies.

The California Professional Firefighters argue, "Current law establishes specific LAFCO proceeding to consider new or different functions or services, or for the divestiture of power, by special districts. However, a LAFCO's current ability to review and approve contracts or agreements for services is much more restricted and lacks the authority to conduct a comprehensive review of the contracts, particularly when the contract or agreement is between two public agencies. While a LAFCO has the ability to approve contracts that include a local agency providing new or extended services outside its jurisdictional boundaries, that ability only applies very narrowly to cities and special districts and does not require any specific information to be submitted or reviewed by the LAFCO regarding the fiscal conditions of the public agency or potential impacts to service delivery.

"In addition, under current law, when such a contract or agreement is made exclusively between two public agencies, there is no process to provide oversight and ensure that the public services proposed to be provided via contract will be efficient and economical for the public agencies involved and meet the service demands for all residents in the existing and affected territory. By requiring a public agency to submit their plan for extended services for fire protection to LAFCO for review and approval, this bill would ensure that the details regarding service delivery and costs are appropriately examined which benefits the residents, the public agency, and the firefighters in all of the affected areas."

- 6) **Arguments in Opposition.** Opposition argues that this bill creates severe budget implications, hampers the ability of public agencies to achieve cost-savings, and potentially disrupts emergency services. Opposition to this bill points out that in many of the communities that have entered into contracts to shift responsibility to provide fire protection services from one public agency to another, which have generated controversy, have been worked out at the local level due to accountability to the voters and the election process.

The California Special Districts Association, League of California Cities, California State Association of Counties, the California Building Industry Association and the California Business Properties Association, in a joint letter, argue, "At a time when many agencies are facing increased financial pressures, this bill restricts the ability of fire protection providers to govern in the best interests of the affected residents and could potentially disrupt service entirely. Fire protection providers that negotiate service agreements are directly accountable to the communities they serve. LAFCOs are not, and should not be, tasked with making the day-to-day financial decisions for local agencies.

"This bill presents a significant unfunded mandate on the public agencies that must pay thousands of taxpayer dollars to fund each independent fiscal analysis. Similar to any significant budget decision, and before a public agency contracts with another public agency, it first conducts a thorough internal fiscal review in order to determine feasibility and any needs for increasing staff and equipment. This bill requires a second independent fiscal analysis that is duplicative and extremely costly. Estimates for an independent analysis start at \$5,000 and can often cost in the tens of thousands of dollars based upon complexity. This ultimately reduces the amount of funds available for fire protection services."

#### **REGISTERED SUPPORT / OPPOSITION:**

##### **Support**

California Professional Firefighters [SPONSOR]  
CAL FIRE, Local 2881  
California Labor Federation

##### **Opposition**

California Building Industry Association  
California Business Properties Association  
California Special Districts Association  
California State Association of Counties  
Cities of Calimesa, Coalinga, Colton, Fortuna, Fremont, Hesperia, Highland, Indio, Lakewood, Montclair, and Rancho Mirage  
Contra Costa County Fire Protection District  
League of California Cities  
Los Angeles County Board of Supervisors  
Los Angeles County Division, League of California Cities  
Madera County Board of Supervisors  
North Tahoe Fire Protection District  
Rural County Representatives of California  
San Bernardino County Local Agency Formation Commission (unless amended)  
San Diego Local Agency Formation Commission  
San Luis Obispo Local Agency Formation Commission  
Santa Cruz Local Agency Formation Commission  
Sonoma Local Agency Formation Commission



# County of Santa Cruz Grand Jury

## Final Report 2014-2015



*Photos by Anne-Marie DeSoto*

## County of Santa Cruz Grand Jury 2014-2015



**Front row:** Anne-Marie DeSoto, Michael Galego, Sharon Adams-Bucher,  
Sarah Martin-Wright, Ryan Zash

**Middle row:** Robert Rottenberg, Sara Cordell, Jeanne Sargent, Shelley Marie Strehlke,  
Laura Miyazaki, Yun-Ching Chen, Eric Thayer

**Back row:** Dorothy Diehl, Arthur Wood, Steve Strasnick, Michael Grant,  
Jeff Palsgaard, Ed Wilson

**Not pictured:** Johanna Bowen

## Santa Cruz County Fire Protection Districts Response Times, Mutual Aid, and Consolidation

### Summary

Santa Cruz County is currently served by ten fire protection districts, two city fire departments, County Fire, and Cal Fire (State agency). The number of these agencies has decreased over the last 30 years as agencies with many similarities and nearby borders have consolidated to provide better coverage and increased fiscal responsibility. The levels of independence from each other have also declined dramatically. The current districts have achieved consistent response times in the county. This was achieved through the use of the dispatch services provided by Santa Cruz Regional 911 Center (Netcom) and the negotiated mutual aid agreements between fire agencies.

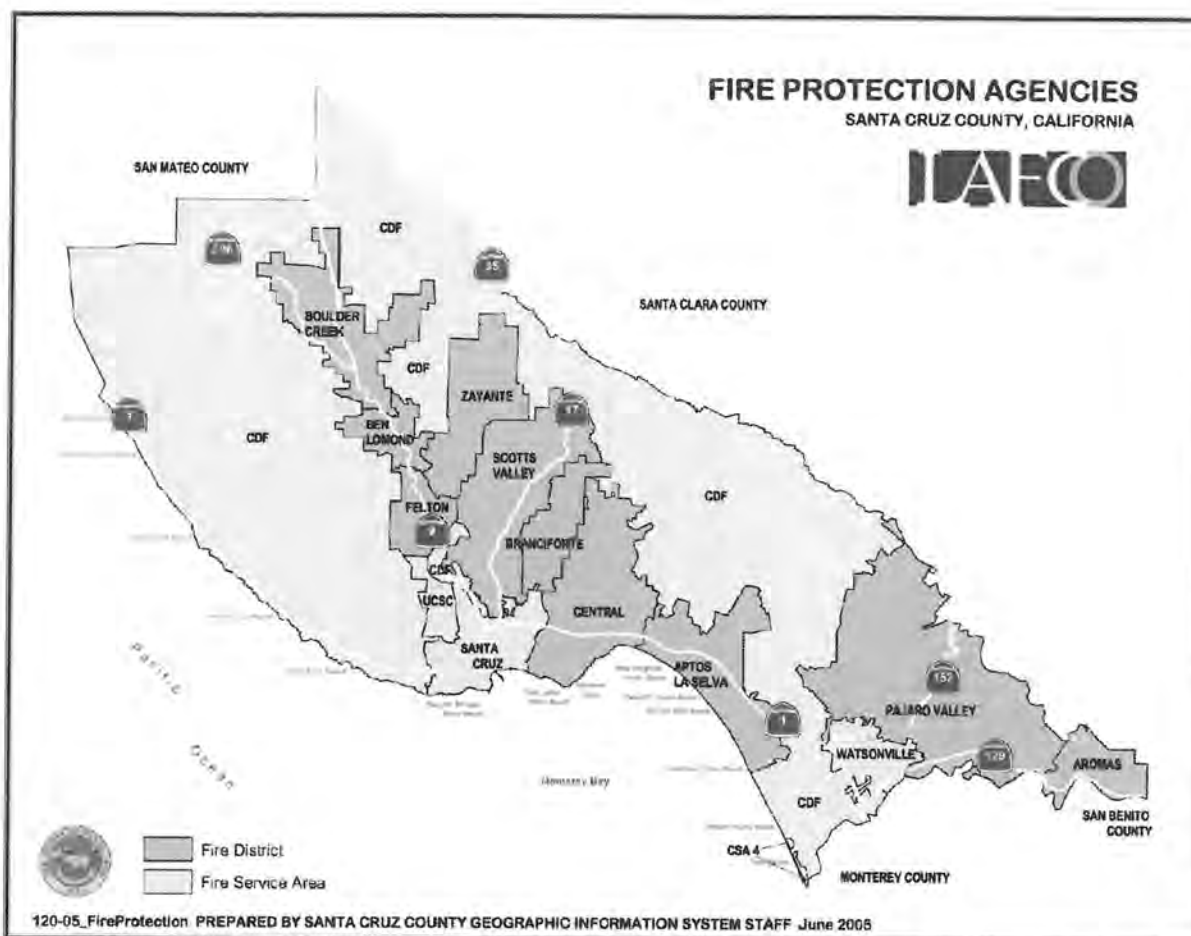
The existence of interlocking, overlapping "mutual aid" agreements between the districts and departments, combined with Regional 911 dispatch services, have in effect created a virtual single emergency and fire response agency in the urban areas of the county. The name on the side of the equipment responding to a 911 call is not the most important fact about the response. The consistent level of training and speed of response are the most important factors of all responses.

The Grand Jury chose to focus on two issues relating to nine fire protection districts in the County: responsiveness to service calls and potential opportunities for increased consolidation.

The Grand Jury found that the response times for both fire and medical calls are within desired parameters for all agencies investigated. We also found that several districts would benefit from increased shared services or consolidation.

### Background

The cities of Capitola and Scotts Valley and the most heavily populated portions of the unincorporated area of Santa Cruz County are currently served by ten fire protection districts: Aptos/La Selva, Ben Lomond, Boulder Creek, Branciforte, Central, Felton, Pajaro Valley, Scotts Valley, and Zayante. The Aromas Tri-County Fire Protection District also serves a portion of Santa Cruz County, however since the majority of the district lies in the counties of Monterey and San Benito, it was excluded from this investigation. These districts deliver Fire Suppression, Fire Prevention, and Emergency Medical Service (EMS) to their residents. See Appendix A for detailed information about each district, Appendix B for dispatch numbers for each district, and Appendix C for district statistics.



Source: Santa Cruz County LAFCo: Countywide Service Review, 2005.<sup>[1]</sup> Note: The UCSC Fire Department has since merged with the City of Santa Cruz Fire Department

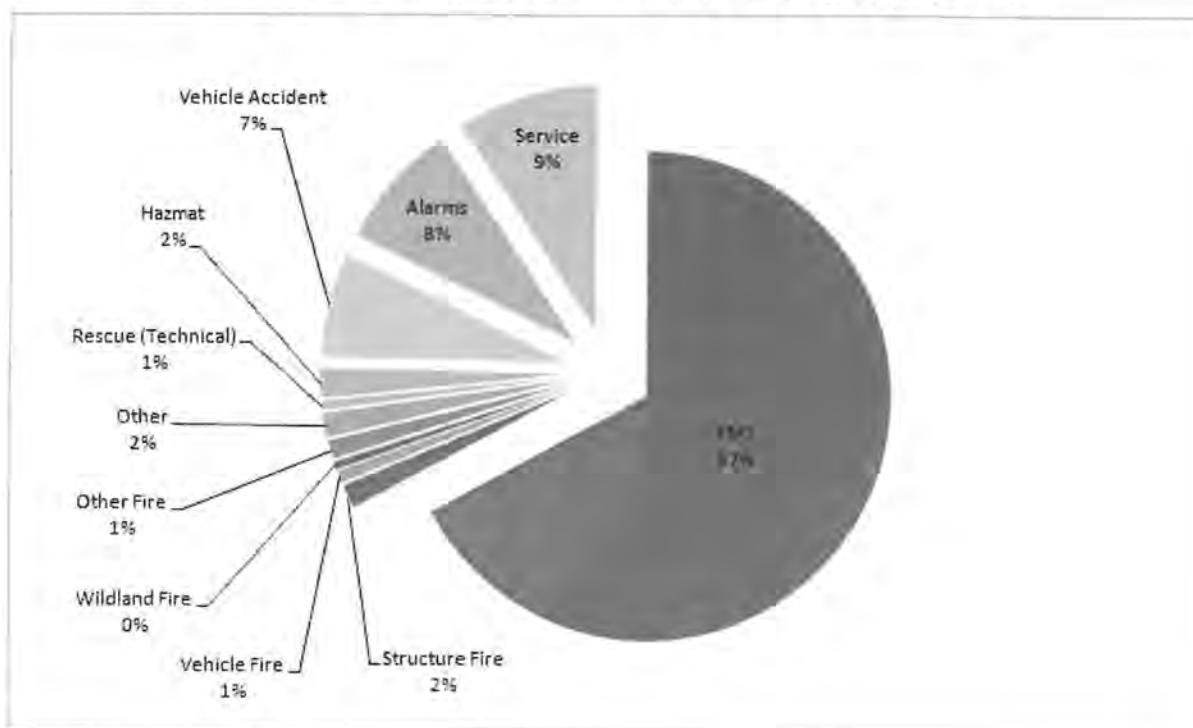
Fire districts are governed by independent boards of directors elected by district voters. These boards manage their own budgets, including the allocation of reserve funds for use in fiscal emergencies. Special districts are one of the few types of government agencies that have declined in number over the last two decades. An emphasis on efficient service delivery and fiscal responsibility are the primary reasons special district boards have initiated most of their 150 consolidations and mergers in the state.<sup>[2]</sup> There are also examples of boards forming special, limited purpose Joint Powers Authorities (JPA) for specific shared purposes. For example all of the Los Angeles County Fire departments are forming a countywide fire training JPA to share the costs of training while increasing regional standardization.<sup>[3]</sup>

The boundaries of and Sphere of Influence (SOI) for each of the various districts are determined by the Santa Cruz County Local Agency Formation Commission (LAFCO), which conducts Countywide Service Reviews in accordance with California Government Code Section 56430.<sup>[4]</sup> LAFCO most recently reviewed fire districts in 2005,<sup>[1]</sup> with an additional South County Fire Study<sup>[5]</sup> in 2007.

Many of these fire districts were formed from the consolidation of neighboring districts. The two largest of these districts were formed in such a manner: Central Fire Protection District through the consolidation of Live Oak, Soquel, and Capitola Fire Protection Districts; and Aptos/La Selva Fire Protection District from the merger of Aptos and La Selva Beach Fire Districts. Most recently, the resignation of its fire chief and the anticipated benefits of combining services led the University of California Santa Cruz Fire Department to consolidate with the city of Santa Cruz Fire Department.

Fire districts respond to a variety of calls, including good-will service calls, hazardous materials, EMS, and fires. In 2014, EMS calls accounted for more than 65% of calls to the fire districts in Santa Cruz County. To serve the large number of medical calls, the larger districts (Aptos, Central, and Scotts Valley) established policies to staff each engine with a certified paramedic. This allows firefighters, who routinely arrive on scene prior to the ambulance, to render Advanced Life Saving (ALS) care and improve outcomes for residents.

**Santa Cruz County Fire District 911 Calls by Type (2014)**



Source: [Appendix B](#)

### ***Santa Cruz Regional 911 Dispatch Center (a.k.a. NETCOM)***

Beginning in 1996 Santa Cruz County consolidated all of the local dispatch centers, with the exception of Cal Fire, California Highway Patrol (CHP), and the city of Scotts Valley Police Department (SVPD), into a Joint Powers Authority (JPA) providing public safety dispatch. This new agency, the Santa Cruz Regional 911 Dispatch Center (Netcom), is located in the city of Santa Cruz. Netcom dispatches the local fire districts and departments, the ambulance services in the county, and local law enforcement (with the



exception of Scotts Valley Police Department). The consolidation of these services into a centralized location also provides a site for an emergency command center. This center allows officials from a variety of agencies to work together during a natural disaster or other major countywide emergency.

For fire and EMS dispatching, Netcom uses Computer Aided Dispatch (CAD) software. The CAD system allows the local fire protection districts to determine exactly how and when they will respond to the various types of fire and EMS calls. The districts work together through mutual aid agreements and coordinate their responses through additional agreements between the Fire Chief's Association and the Emergency Medical Services Integration Authority (EMSIA). When a fire or EMS call comes in, the CAD system requests the appropriate apparatus, such as water tenders or ladder trucks as needed, from neighboring districts.

Netcom is currently working with California Highway Patrol and Monterey County on the implementation of a text-to-911 system. This will allow hearing-impaired and vocally-impaired individuals and those in sensitive situations, such as domestic violence or home invasion, to contact emergency services through their mobile phone's text messaging system in lieu of a voice call. There are some concerns from alternative dispatch centers in the area that are not currently prepared to update their infrastructure to handle text-to-911. However Netcom is willing to handle those texts and transfer the information to the appropriate dispatch agencies.

## Scope

The Grand Jury gathered data on response times, number of paid and volunteer firefighters, coverage area, population density, and budget for each fire protection district in Santa Cruz County. Using this data we compared the districts by type: volunteer or full-time. The gathered data and comparisons were used in interviews with representatives of the local fire protection districts and county officials. The Grand Jury also toured several local fire districts and the county dispatch center. We gathered data on possible consolidation scenarios, including benefits and challenges.

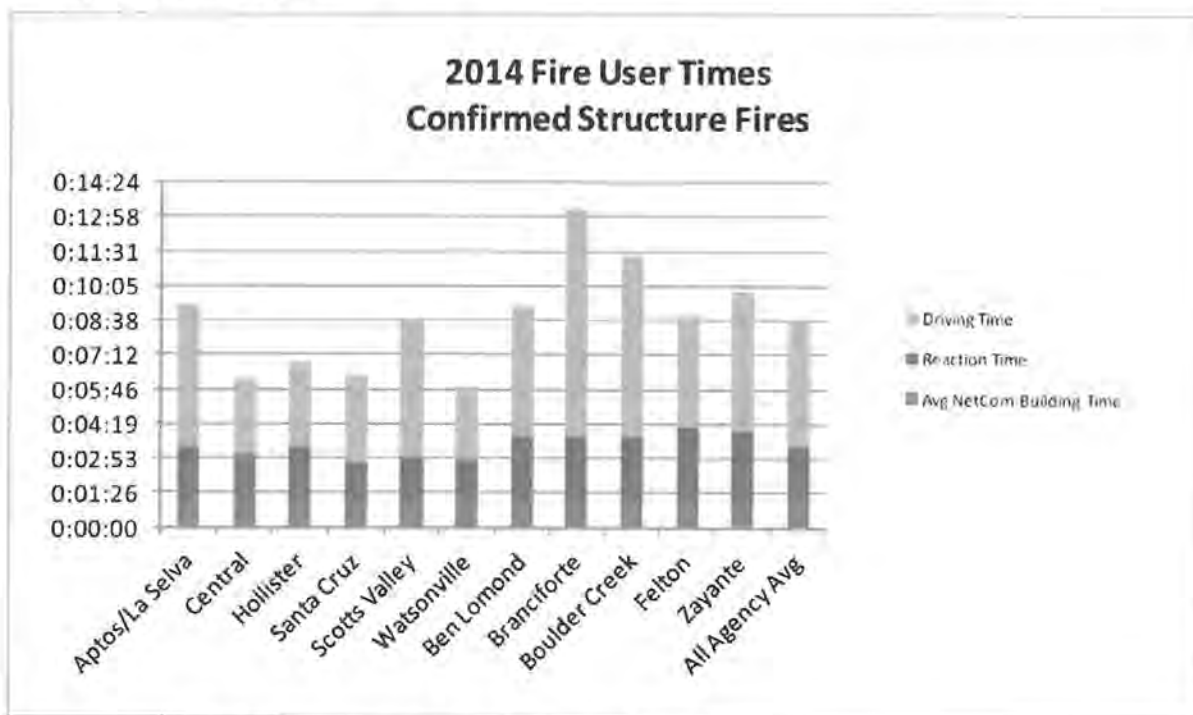
Our main questions were:

- What standards does each fire protection district use to rate/determine response time performance?
- Which fire protection districts are responding below established standards? What are these districts doing to remedy the situation?
- Are the fire protection districts adequately staffed for their population and/or coverage area?
- Would there be operational and fiscal benefits of consolidating fire protection districts?
- Would there be operational or fiscal disadvantages to consolidation?
- What factors prevent further consolidation projects from going forward?

## Investigation

### Response Times

Aptos La Selva Fire Protection District (Aptos Fire), Central Fire Protection District (Central Fire), and Scotts Valley Fire Protection District (Scotts Valley Fire) have adopted response standards similar to National Fire Protection Association (NFPA) 1710 section 5.2.4.1.1.<sup>[6]</sup> Each agency has the goal of having the first engine company respond within 6 minutes for a minimum of 90% of EMS calls, and a second engine on the scene in less than 12 minutes for confirmed structure fire calls. Analytical software<sup>[7]</sup> automatically issues reports for the district administration whenever a response is outside the target range. All three full-time districts met the goal of 90% compliance during the 2013/14 year.



Source: Santa Cruz Regional 911 Annual Report 2014<sup>[9]</sup>

The volunteer districts, Boulder Creek Fire Protection District (Boulder Creek Fire), Ben Lomond Fire Protection District (Ben Lomond Fire), Felton Fire Protection District (Felton Fire), Zayante Fire Protection District (Zayante Fire), and Branciforte Fire Protection District (Branciforte Fire), have not adopted targeted response goals similar to the full-time districts. NFPA recommends different standards and methodologies for volunteer districts.<sup>[8]</sup> The volunteer agencies all respond in the shortest time possible, usually arriving to EMS calls before county ambulance service. In the case of medical emergencies, the five volunteer districts are strategically located so that they are able to respond rapidly to calls within their coverage area. Several of the districts maintain a smaller vehicle stocked with medical gear to use on medical calls, which cuts down on response time by allowing the initial responder to take the vehicle to the scene.

immediately and have other volunteers report directly to the scene. The volunteer districts utilize "sleeper programs" that encourage volunteers to live at the station in exchange for being on call several nights of the week, to reduce response times during the night.

### ***Mid-County Region: Consolidating Aptos La Selva and Central Fire Protection Districts***

Multiple reports have recommended the consolidation of Aptos Fire and Central Fire into one agency. In 1975, the Sierra Report<sup>[10]</sup> studied how consolidations could improve the use of tax funds while maintaining or improving levels of service in Santa Cruz County. The Central Fire District and Aptos/La Selva Fire District JPA/Consolidation Study of January 2000 re-examined the issue and once again called for consolidation. These recommendations, however, were not adopted.

Central Fire and Aptos Fire share a border and have similar geography and tax bases.<sup>[11]</sup> Factors in past reports supporting consolidation are still valid. Additionally, since Aptos' Station 1 is less than one mile from the boundary with Central, consolidation of the two districts would allow Central's Station 3 to be relocated to a more strategic site.

### ***Shared Training***

Currently the two districts share training programs, which take place at various locations. This joint training has familiarized the firefighters of the two districts with each other, helping them to work together more smoothly on shared calls. It has also helped the districts recognize the need to standardize the equipment and setup of their vehicles, thereby reducing confusion on the scene when firefighters respond to a call. Aptos Fire is developing plans to build a rescue structure at Station 1 that can be incorporated into shared training as needed.

### ***Battalion Chiefs and Division Chiefs***

There are differences in the utilization of personnel between Aptos Fire and Central Fire. Central Fire has Battalion Chiefs who serve as incident commanders and operate on 56-hour shifts. The Battalion Chiefs do not do administrative work. By contrast, Aptos Fire has Division Chiefs who serve in much the same capacity, but work a standard 40-hour week and do administrative work while at the station. This reduces the administrative load on the Aptos Fire Chief and the need for office staff.

The 2000 report, cited above, suggested that in a merged district the Battalion and Division Chief jobs could be restructured so that no positions would be eliminated, while maintaining the same coverage levels for each district. This would provide the benefit of reducing the number of office staff needed, as the Division Chiefs would take on additional administrative tasks.<sup>[11]</sup>

### ***Shared Services***

The two districts currently share three major services: Information Technology (IT), Fleet Maintenance Service, and Fire Prevention Inspection services. IT is provided through a contract with Pagoda Technologies. The computer servers are hosted at

Central Fire's administration building. Without the shared services, each district would pay separately for the same service. Central Fire maintains a Fleet Maintenance Service. Aptos Fire contracts with Central Fire's Fleet Maintenance Service for maintenance and repair of fire apparatus, saving money and time.

When both Central Fire's and Aptos Fire's fire marshals retired in 2013, the two districts created an ad hoc committee, made up of selected directors from each Board. This committee oversees and evaluates an interim Cooperative Fire Prevention Program (CPP), which is still under evaluation as of this writing. Overseen by the Aptos Fire deputy fire marshal, this program has brought both districts up to date on their fire prevention inspections and saved them the cost of added positions. It has also enabled firefighters from both districts to adopt a more formal set of guidelines for conducting commercial inspections, leading to a more uniform experience for local businesses.

Currently these agencies are considering a proposal to create a three-year program under the leadership of the deputy fire marshal from Aptos Fire, with each district operating its own office staff and contracting its own inspectors. In the second year of the program, the proposal will add a half-time public education position which will help educate local communities about fire prevention. This position would become full-time in the third year. Central Fire would be responsible for 55% of the costs of this program and Aptos Fire would be responsible for 45%. The ad hoc committee recommended this proposal to the boards of the two districts in the second week of May 2015,<sup>[12]</sup> with an expected vote on the program during the second week of June.

Three factors favor consolidation:

- Existing shared services (Fleet Maintenance, IT services, and Fire Prevention Program)
- The absence of a business manager in Central Fire and the presence of one in Aptos Fire
- High correlation between job duties of Battalion Chiefs and Division Chiefs

#### *Barriers to Consolidation*

There are, however, significant factors that impede consolidation, as explained below:

- Differences in Salary and Benefits Packages
- Local Board Issues
- The Impact of Public Records Act (PRA) Requests on District Finances and Staff Time

**Differences in Salary and Benefits Packages:** Aptos Fire has a higher pay scale, while Central Fire provides lifetime health benefits for employees and their families. These differences could be mitigated by the formation of a Joint Powers Authority (JPA) that could retain the pay and benefits packages of current firefighters. All new hires would share a pay and benefits schedule agreed upon by both districts and their respective collective bargaining units. A JPA was successfully used in 1987 during the formation of Central Fire which consolidated Live Oak Fire Protection District, Soquel Fire Protection District, and Capitola Fire Protection District.<sup>[13]</sup>



**Local Board Issues:** The 2014 retirement of the Aptos Fire Chief presented an opportunity for consolidation. At that time there were feelers put out by individual members of each board, but nothing about consolidation was brought to a vote. A member of Central Fire's Board approached an Aptos Fire Board member<sup>[14]</sup> about opening up a dialogue concerning potential shared opportunities. Instead, the Aptos Fire Board chose to continue their search for a new Fire Chief. Concurrently, the Central Fire Board of Directors chose not to pursue formal discussions of consolidation with Aptos Fire during this window of opportunity. It is worth noting that a member of Central Fire's Board did propose opening a discussion with Aptos Fire but the proposal did not become a motion for board action.<sup>[15]</sup> During this period the Fire Chiefs were, in general, supportive of consolidation efforts. However, Board action would have been required for any consolidation efforts to move forward.

Events observed by Grand Jury members and attested to by interviewees have led the Grand Jury to conclude that policies and procedures regarding conflicts of interest and board member interactions in district operations were insufficiently defined. The relationship between the two districts has been strained by board member interference in operational matters across agencies. That interference is a barrier to consideration of consolidation by the two agencies.

During the course of our investigation Aptos Fire updated their Board of Directors Policy and Procedures Manual<sup>[16]</sup> to include specific guidelines that limit board member interference in operational issues and that require board members to follow official channels when requesting information of other agencies.

**The Impact of PRA Requests on District Finances and Staff Time:** Interviewees from both districts informed the Grand Jury that they are struggling with excessive and unreasonable Public Records Act (PRA) requests. An Aptos resident has issued numerous PRA requests to both Aptos Fire and Central Fire (20 requests of Aptos Fire and 20 requests of Central Fire). Many of these requests concern the shared information technology services. These requests began in 2013 and continued through May 2015.

In the January 2015 Board meetings, each district detailed the amount of work time and financial resources that have been consumed in dealing with these and other PRA requests. Specifically they noted that during 2014, Aptos Fire and Central Fire spent 133 hours and 156 hours, respectively, dealing with PRA requests.<sup>[17][18]</sup> Aptos Fire developed a job description for a temporary public records employee to assist with the PRA requests.

Officials from both districts mentioned that in many instances the PRA requests were vague and required multiple attempts by staff to confirm the specifics of the requested data. This was in addition to the time needed to locate, review, and protect confidential portions so the data could be delivered to the requestor. To help increase the clarity of requests and facilitate the district's response to PRA requests Central Fire adopted procedures to streamline its PRA request process.<sup>[19]</sup>



### Fiscal Impact of PRA Requests (2013-2015)

	<b># PRA Requests</b>	<b>Cost of PRA Requests</b>	<b>Cost of Extra Staff</b>	<b>Total</b>
Aptos Fire	22	\$11,000 (133 hrs)	\$20,000	\$31,000
Central Fire	42	\$12,688 (200 hrs)	Unknown	\$12,688
Total	64	\$23,688 (333 hrs)	\$20,000	\$43,688

Source: Aptos/La Selva Fire Protection District Board of Directors minutes 1/8/15<sup>[17]</sup> see [Appendix D](#) for more information

The combination of local board issues and the high volume of PRA requests have placed fiscal and operational strains on both districts, hindering current and future large scale cooperation or consolidation, and consuming public resources.

### ***Sphere of Influence: Branciforte Fire and Scotts Valley Fire***

In 2014, Branciforte Fire received 157 calls, the lowest number of calls for service in Santa Cruz County (see [Appendix B](#) for information about fire calls). By contrast, for 2009-2013 Branciforte Fire's payroll budget was higher than that of Boulder Creek Fire, the largest and most active volunteer fire district in the county.<sup>[20][21][22][23][24]</sup> Branciforte Fire's significant spending on salary and benefits occurs even though their Fire Chief has voluntarily forgone his salary since 2011.

### **Boulder Creek Fire and Branciforte Fire Comparison**

	<b>Boulder Creek Fire</b>	<b>Branciforte Fire</b>
Number of Volunteers (2013)	42	41
Number of Calls (2014)	384	153
Average Wages	\$6,473	\$7,328
Average Retirement and Health Cost	\$570	\$2,643
Total Wages	\$323,634	\$344,410
Total Retirement and Health Cost	\$28,513	\$124,201
Total	\$352,147	\$468,611

Source: California State Controller Office<sup>[25]</sup> See [Appendix B](#) for 2014 call numbers

Note: Branciforte financials do not include any salary for a fire chief.

Part of the reason for the disproportionately high salary and benefits packages in Branciforte Fire is that the district staffs their station with a full-time firefighter year round. The district places a high value on this, since unlike the majority of volunteer fire districts in the county, Branciforte Fire does not have many local businesses within its

boundaries where volunteers could work. As a result there are very few volunteers who are available to respond to calls during business hours. Currently, only five volunteers live inside the district. The rest reside outside the district. More than twenty years ago Branciforte Fire elected to have paid staff at their station.

Branciforte Fire's annual budget ranges from \$600,000 to \$700,000. In 2013 the district paid out \$344,410 in total wages and \$124,201 in retirement and health costs. This leaves from \$131,389 to \$231,389 to pay for non-salary operations of the district. Currently Branciforte Fire is operating with minimal financial reserves.

Like most fire districts in the county Branciforte is part of the Santa Cruz County Fire Agency Insurance Group (SCCFAIG) JPA. Salaried and volunteer firefighters are covered under SCCFAIG. Due to higher than average salaried staffing for a volunteer district, Branciforte has a limited financial reserve to deal with any catastrophic workers' compensation cases. If one large or multiple smaller workers' compensation claims occur in the district, the premiums that would result could financially cripple the district.

Branciforte Fire has several options for its future, including:

- Consolidation of Branciforte Fire with Scotts Valley Fire
- Managerial oversight provided by Scotts Valley Fire
- Maintaining the current arrangement

#### *Consolidating Branciforte Fire with Scotts Valley Fire*

Branciforte Fire exists within the Scotts Valley Fire Sphere of Influence (SOI).<sup>[1]</sup> If they were consolidated, the new district would have two staffing options for the Branciforte Fire station. The first option is to bring staffing levels up to that of a full engine company akin to Scotts Valley Fire Station 1 and Station 2. The cost to do this would be prohibitive as it would exceed the combined revenues generated from Branciforte Fire and Scotts Valley Fire.

The second option is to run Branciforte Fire as a full-time volunteer station. While this would produce fiscal savings, the drop in response coverage is something that is unacceptable to the Board of Directors of Branciforte Fire. If the station were to be closed, dispatching response units from Scotts Valley Fire and other neighboring districts, would result in EMS response times greater than 10 minutes for portions of the district.

#### *Managerial Oversight Provided by Scotts Valley Fire*

One solution to maintain the current level of service in Branciforte Fire, while achieving some savings in the long run, would be for Scotts Valley to oversee the operations of the district. This would eliminate the Branciforte Fire Chief position, yet preserve the local governing body and maintain the current coverage goals.

Scotts Valley Fire could also add its volunteers to those in Branciforte. This would increase the number of volunteers available for calls and reduce administrative costs for Branciforte Fire. It would also increase cooperation between the two agencies, facilitating a future consolidation.

Scotts Valley's Fire Chief would be working with two boards and two budgets. This may present contractual and administrative complications. Additionally, in order to function seamlessly, both districts would need to align their training programs.

#### *Maintaining the Current Arrangement*

Residents in Branciforte Fire currently pay an annual assessment of \$100 to provide for fire service. With the economy starting to recover, the district could ask residents to increase that tax to help offset the rising costs of California Employment Retirement System (CalPERS), insurance premiums, and to provide a salary for the Fire Chief, should the current Chief or a new one require a salary. However, even if a tax increase were approved, the potential of a crippling workman's compensation claim could still pose excess financial liability to the district. The lack of sufficient financial reserve and a contingency plan need to be addressed.

#### **San Lorenzo Valley Region**

Consolidation of the four fire protection districts in the San Lorenzo Valley (SLV) was examined in a 1994 LAFCO study.<sup>[26]</sup> The study found that if all four districts were consolidated, the main fiscal benefit would be in the reduction of duplicate administrative staff (secretaries and fire chiefs). The main service benefit would occur from unified training, planning, staffing, and operations. However, ultimately, the report concluded:

*Bigger is not automatically better. While it is difficult to argue with the idea that administrative efficiencies can be achieved with consolidation by elimination of duplicate or overlapping functions, there is also the danger that the spirit, accomplishments of volunteer efforts and community support shown in small communities could be affected in a negative way through consolidation. Local leadership and community involvement and support are important factors which must be taken into consideration.<sup>[26]</sup>*

The fire districts in SLV currently train together. Boulder Creek trains with Ben Lomond and Zayante trains with Felton. Additionally, advances in technology and the formation of Netcom have decreased response times from neighboring districts and increased interagency cooperation.

Reductions in the salaries of Fire Chiefs and administration present potential savings but there are also potential expenses relating to CalPERS. Currently both Boulder Creek Fire and Felton Fire are members of CalPERS, while Ben Lomond Fire and Zayante Fire are not. Any consolidation effort would necessitate that the newly consolidated district apply for membership in CalPERS, something the revenue of Zayante Fire and Ben Lomond Fire cannot currently support.

The communities surrounding the volunteer fire districts in SLV have a significant community investment in their individual districts. The events and fundraisers for the districts are staples of the local community. Combining these local districts could have a significant negative impact on the level and nature of community support.

The volunteer agencies expressed concerns to the Grand Jury regarding the future availability of volunteers. Due to the rising cost of living in Santa Cruz County, some agencies are having difficulties recruiting and retaining volunteers. If this situation continues, it could negatively impact one or more of the districts in SLV.

While consolidation is something the Grand Jury generally advocates, in the case of SLV, it should only be used if staffing or financial needs threaten the viability of one or more districts.

### ***Santa Cruz County LAFCO***

The last Countywide Service Review for fire districts in Santa Cruz County occurred in 2007. California Government Code Section 56425(g) states, "On or before January 1, 2008, and every five years thereafter, the commission shall, **as necessary**, review and update each sphere of influence."<sup>[4]</sup>

Lack of funding has prevented Santa Cruz County LAFCO from performing scheduled Countywide Service Reviews (CSR) or Sphere of Influence (SOI) studies. A study will need to be conducted by LAFCO before any consolidation can go forward.

### ***Computer Aided Dispatch (CAD) Software Replacement***

The Computer Aided Dispatch (CAD) system is an integral part of the successful mutual aid between fire districts. The current CAD software will no longer be supported after 2018<sup>[9]</sup> and Santa Cruz Regional 911 (Netcom) has not yet decided on replacement software or details of payment.

Netcom staff plans to hire a consultant to assist in the CAD selection process in the 2015/16 fiscal year and has asked the fire and police agencies to form an evaluation team when staff has compiled the information.<sup>[27]</sup>

Netcom staff is researching and evaluating replacement systems, speaking with vendors, and testing demonstration systems. All this is being done to build a preliminary requirements list for the new CAD system. It is planned that a Request for Information (RFI) will go out sometime during 2015, with the goal of having the new CAD system in place in fiscal year 2017/18.<sup>[9]</sup>

It is estimated that a new CAD system will cost approximately \$1,500,000. Netcom officials recommend budgeting for estimated payments of \$293,690 annually starting in 2017/18 and continuing through 2024/25 to fund a new CAD system.<sup>[28]</sup>

## **Findings**

- F1.** The consolidation of Fire and Emergency Medical System dispatch services at the Santa Cruz Regional 911 center and mutual aid agreements between districts have created an efficient virtual single service district for those services in the entire county.
- F2.** Shared services between fire districts have improved response times, training, and services across the county.



- F3.** Aptos/La Selva Fire Protection District and Central Fire Protection District did not take advantage of the opportunity to pursue consolidation when the Aptos Fire Chief retired in 2014.
- F4.** The differences in pay scales and benefits between Aptos/La Selva Fire Protection District and Central Fire Protection District are issues that must be addressed prior to consolidation.
- F5.** Aptos/La Selva Fire Protection District and Central Fire Protection District have a common problem resulting from excessive and unreasonable Public Records Act requests. These requests have negatively impacted the daily administration, budgets and operations of the districts.
- F6.** The lack of enforced policies and procedures regarding conflicts of interest and board member interactions in district operations, has interfered with the ability of the Aptos/La Selva Fire Protection District and Central Fire Protection District to consider further shared services or consolidation.
- F7.** The joint Aptos/La Selva Fire Protection District and Central Fire Protection District Cooperative Fire Prevention Program is successful and could benefit the county if made permanent.
- F8.** Expansion of the Central Fire Protection District's fleet services department is needed to allow a larger number of districts to contract with this service.
- F9.** Branciforte Fire Protection District's lack of a tangible reserve or funds to pay their Fire Chief leaves them vulnerable to insolvency, which would leave Branciforte residents without a fire district.
- F10.** Scotts Valley Fire Protection District is the most logical partner for consolidation or shared services with Branciforte Fire Protection District.
- F11.** The differences in policies and procedures of the four fire protection districts in the San Lorenzo Valley inhibit future consolidation.
- F12.** The continued success of Santa Cruz Regional 911 is dependant upon the successful replacement of the Computer Aided Dispatch software.

### **Recommendations**

- R1.** Aptos/La Selva Fire Protection District and Central Fire Protection District should work together to merge and form a Mid-County Fire Protection District. (F1-F4, F7)
- R2.** The governing bodies of Aptos/La Selva Fire Protection District and Central Fire Protection District should adopt the three year plan for the Cooperative Fire Prevention Program. (F7)
- R3.** Aptos/La Selva Fire Protection District should create policies for receiving and responding to PRA requests. (F5)



- R4.** Central Fire Protection District should adopt and enforce clear and comprehensive conflict of interest regulations for Board Members. (F6)
- R5.** Central Fire Protection District should explore expansion of its fleet maintenance services to support contracts with a greater number of local fire districts. (F8)
- R6.** Branciforte Fire Protection District should negotiate with Scotts Valley Fire Protection District for the provision of managerial oversight of administration and operations by Scotts Valley. (F1, F2, F9, F10)
- R7.** The four fire protection districts in the San Lorenzo Valley should further align their policies and procedures in anticipation of future consolidation. (F1, F2, F11)
- R8.** Santa Cruz Regional 911 should replace the Computer Aided Dispatch software prior to the 2017/18 fiscal year. (F12)

### **Commendations**

- C1.** The Grand Jury commends Santa Cruz Regional 911 for providing exemplary service in dispatching fire, police and EMS, and for working to establish a text-to-911 system.
- C2.** The Grand Jury commends both Aptos/La Selva Fire Protection District and Central Fire Protection District for creating the Cooperative Prevention Program.
- C3.** The Grand Jury Commends Central Fire Protection District for creating a district policy for responding to Public Records Act requests.

**Responses Required**

<b><i>Respondent</i></b>	<b><i>Findings</i></b>	<b><i>Recommendations</i></b>	<b><i>Respond Within/ Respond By</i></b>
Board of Directors, Aptos/La Selva Fire Protection District	F1 - F7	R1 - R3	90 Days 9/24/2015
Board of Directors, Central Fire Protection District	F1 - F8	R1, R2, R4, R5	90 Days 9/24/2015
Board of Directors, Scotts Valley Fire Protection District	F1, F2, F10	R6	90 Days 9/24/2015
Board of Directors, Branciforte Fire Protection District	F1, F2, F9, F10	R6	90 Days 9/24/2015
Board of Directors, Boulder Creek Fire Protection District	F1, F2, F11	R7	90 Days 9/24/2015
Board of Directors, Ben Lomond Fire Protection District	F1, F2, F11	R7	90 Days 9/24/2015
Board of Directors, Felton Fire Protection District	F1, F2, F11	R7	90 Days 9/24/2015
Board of Directors, Zayante Fire Protection District	F1, F2, F11	R7	90 Days 9/24/2015
Board of Directors, Santa Cruz Regional 911	F12	R8	90 Days 9/24/2015

## Definitions

- **ALS:** *Advanced Life Support* - Category of first responder treatment that goes beyond that of an EMT. Requires Paramedic equivalent training and certification by local governing agencies to implement.
- **ALSFPD:** *Aptos/La Selva Fire Protection District*
- **Aptos Fire:** *Aptos/La Selva Fire Protection District*
- **Auto Aid:** Fire Agencies providing coverage on fire or medical calls for neighboring districts/departments. The current Auto Aid system is assisted by the Computer Aided Dispatch System and based upon agreements between Fire Districts/Departments as well as EMSIA and the Fire Chiefs Association. Also known as Mutual Aid
- **Ben Lomond Fire:** *Ben Lomond Fire Protection District*
- **BLFPD:** *Ben Lomond Fire Protection District*
- **BCFPD:** *Boulder Creek Fire Protection District*
- **Boulder Creek Fire:** *Boulder Creek Fire Protection District*
- **BFPD:** *Branciforte Fire Protection District*
- **Branciforte Fire:** *Branciforte Fire Protection District*
- **CAD:** *Computer Aided Dispatch* - Software system used to dispatch law enforcement, fire, and emergency medical services
- **Cal Fire:** *California Department of Forestry and Fire Protection*
- **CalPERS:** *California Public Employees Retirement System* - The State agency responsible for managing public agency retirement funds through contracts with local agencies
- **Central Fire:** *Central Fire Protection District*
- **CFPD:** *Central Fire Protection District*
- **CPP:** *Cooperative Prevention Program* - Joint fire prevention program developed by Aptos and Central Fire Protection Districts
- **CSR:** *Countywide Service Review*
- **EMS:** *Emergency Medical Services*
- **EMSIA:** *Emergency Medical Services Integration Authority* - Joint Powers Authority formed in Santa Cruz to oversee Emergency Medical Services and Advanced Life Support in Santa Cruz County
- **EMT:** *Emergency Medical Technician*
- **Felton Fire:** *Felton Fire Protection District*
- **FFPD:** *Felton Fire Protection District*
- **Haz Mat:** *Hazardous Material* - Usually references the Santa Cruz County Hazardous Material Team
- **JPA:** *Joint Powers Authority*
- **LAFCO:** *Local Agency Formation Commission*
- **LAR:** *Large Animal Rescue*
- **LRA:** *Local Responsibility Area* - Portion of land where the County is responsible to provide fire protection
- **Mutual Aid:** Fire Agencies providing coverage on fire or medical calls for neighboring districts/departments. The current Mutual Aid system is assisted by

the Computer Aided Dispatch System and based upon agreements between Fire Districts/Departments as well as EMSIA and the Fire Chiefs Association. Also known as Auto Aid.

- **NETCOM:** Santa Cruz County's Regional Dispatch Center, also referred to as SCR911.
- **NFPA:** *National Fire Protection Association* - An international nonprofit organization that advocates for fire fighting codes and standards as well as research, training, and education. [<http://www.nfpa.org/about-nfpa>]
- **PRA:** *Public Records Act*
- **Pajaro Valley Fire:** *Pajaro Valley Fire Protection District*
- **PVFD:** *Pajaro Valley Fire Protection District*
- **RFP:** *Request for Proposals*
- **Santa Cruz Fire:** *City of Santa Cruz Fire Department*
- **SCFD:** *City of Santa Cruz Fire Department*
- **SCHMIT:** *Santa Cruz Hazardous Materials Interagency Team* - Formed by the County of Santa Cruz and the cities of Capitola, Santa Cruz, Scotts Valley, and Watsonville to respond to hazardous material incidents.
- **SCCFAIG:** *Santa Cruz County Fire Agency Insurance Group* - Joint Powers Authority that insures the fire districts against workman's compensation claims
- **SCR911:** *Santa Cruz Regional 911* - Santa Cruz County's Regional 911 Dispatch Center, also referred to as NETCOM.
- **SLV:** *San Lorenzo Valley*
- **SOI:** *Sphere of Influence* - The probable physical boundaries and service areas of a local agency, as determined by the Local Agency Formation Commission.
- **SRA:** *State Responsibility Area* - Portion of land where the State of California is responsible to provide fire protection.
- **Scotts Valley Fire:** *Scotts Valley Fire Protection District*
- **SVFPD:** *Scotts Valley Fire Protection District*
- **Watsonville Fire:** *City of Watsonville Fire Department*
- **WFD:** *City of Watsonville Fire Department*
- **Zayante Fire:** *Zayante Fire Protection District*
- **ZFPD:** *Zayante Fire Protection District*

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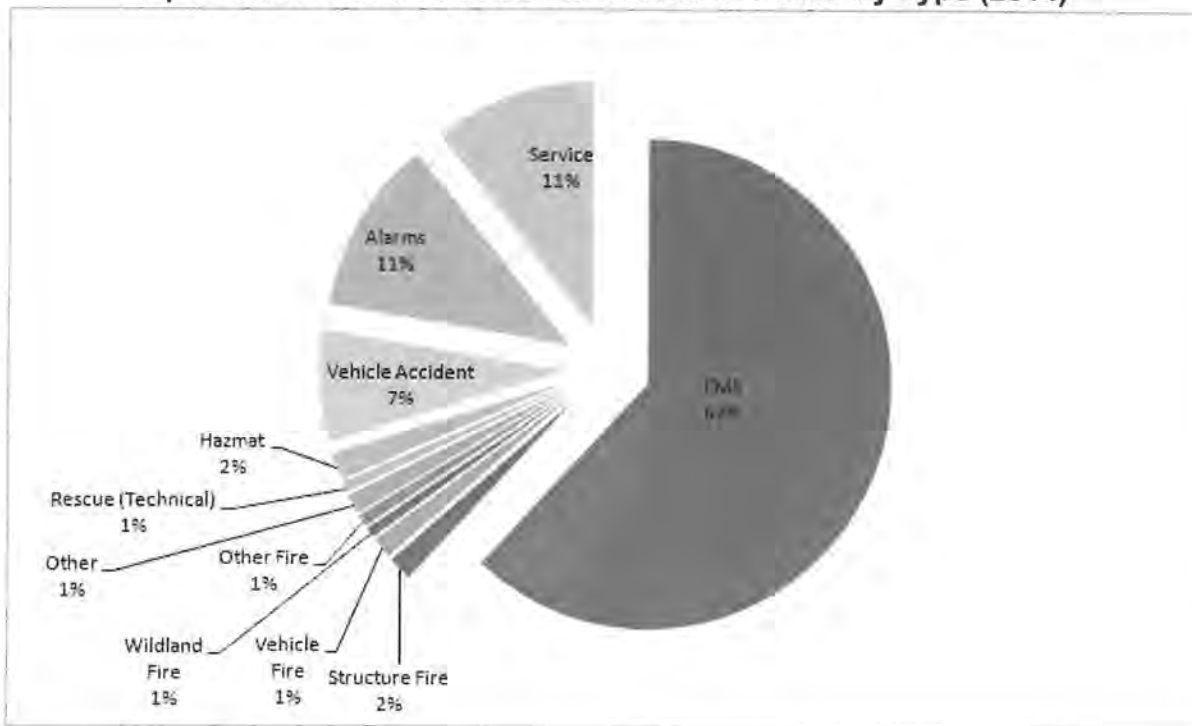
## Appendix A

### ***Aptos/La Selva Fire Protection District***

The Aptos/La Selva Fire Protection District (ALSFPD) was formed in 1986 by consolidating the Aptos Fire Protection District and the La Selva Beach Volunteer Fire Protection District. ALSFPD serves the unincorporated areas of Aptos Village, Seacliff, Rio del Mar, Seascape, La Selva Beach, Aptos Hills-Larkin Valley, and Day Valley. The district has three stations located in Aptos, Rio del Mar and La Selva Beach. Station 1 is located less than a mile from the border between the district and Central Fire Protection District. Station 1 also houses the administration office and training space that the district plans to expand in the near future.

According to the 2010 census the combined population of the ALSFPD area is approximately 25,000. For the 2014/15 fiscal year the district had total revenues of \$9,592,109 and total appropriations of \$10,409,332.<sup>[29]</sup> The district has approximately 39 employees, including 30 firefighters, three division chiefs, and one business manager.<sup>[30]</sup>

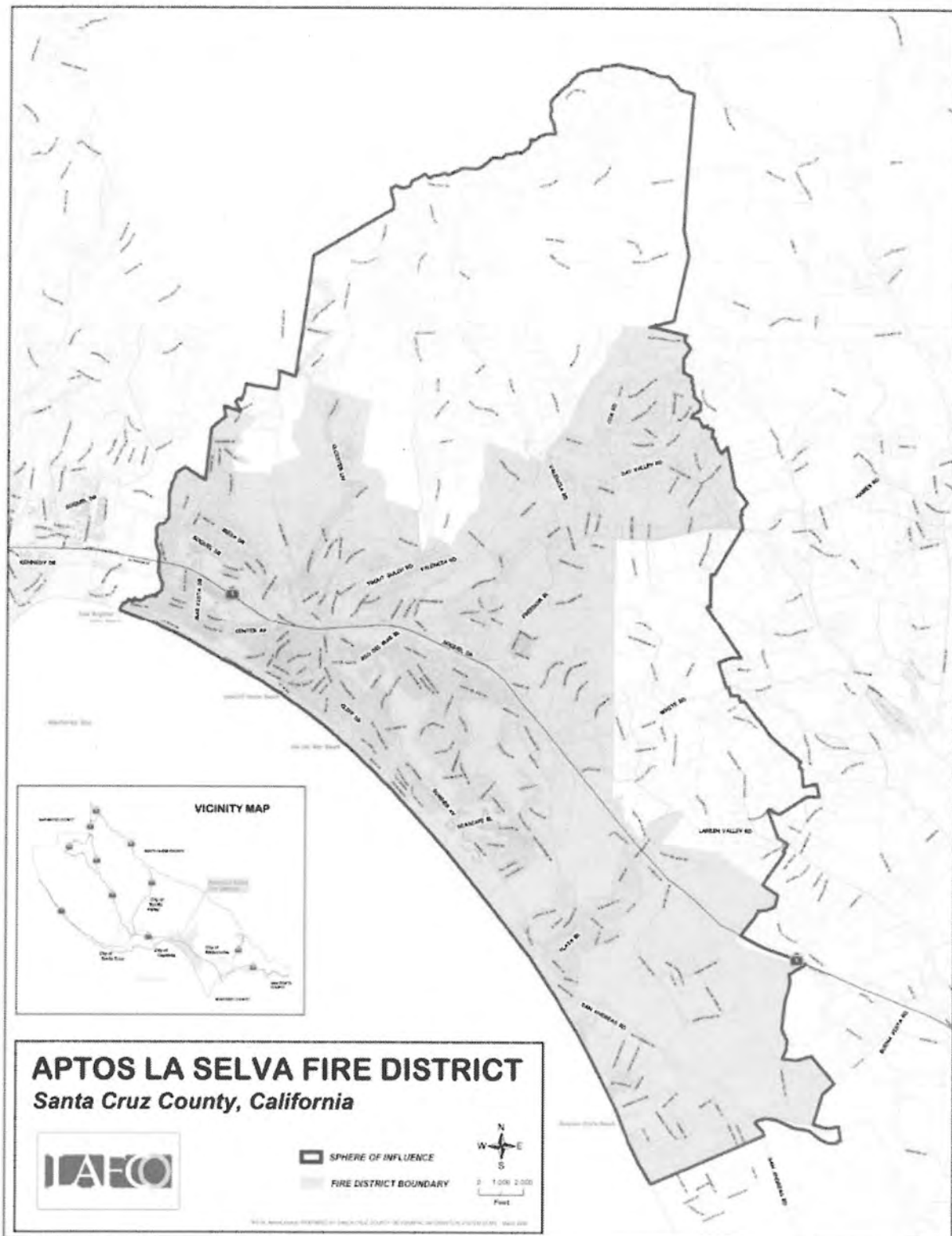
#### **Aptos/La Selva Fire Protection District 911 Calls by Type (2014)**



Source: [Appendix B](#)

The coverage area is divided into the suburban demand zone and the rural interface demand zone. Responses are monitored based on self imposed standards that were adopted in 2005<sup>[31]</sup> with a goal of 90% or more of the calls being responded to within targeted response times. These standards set a first response time of 6 minutes for all medical emergencies in the suburban areas and 8 minutes in the rural areas. For all structure fires the district requires a second engine (frequently provided from another district via mutual aid) and a Duty Chief to respond in under 12 minutes.





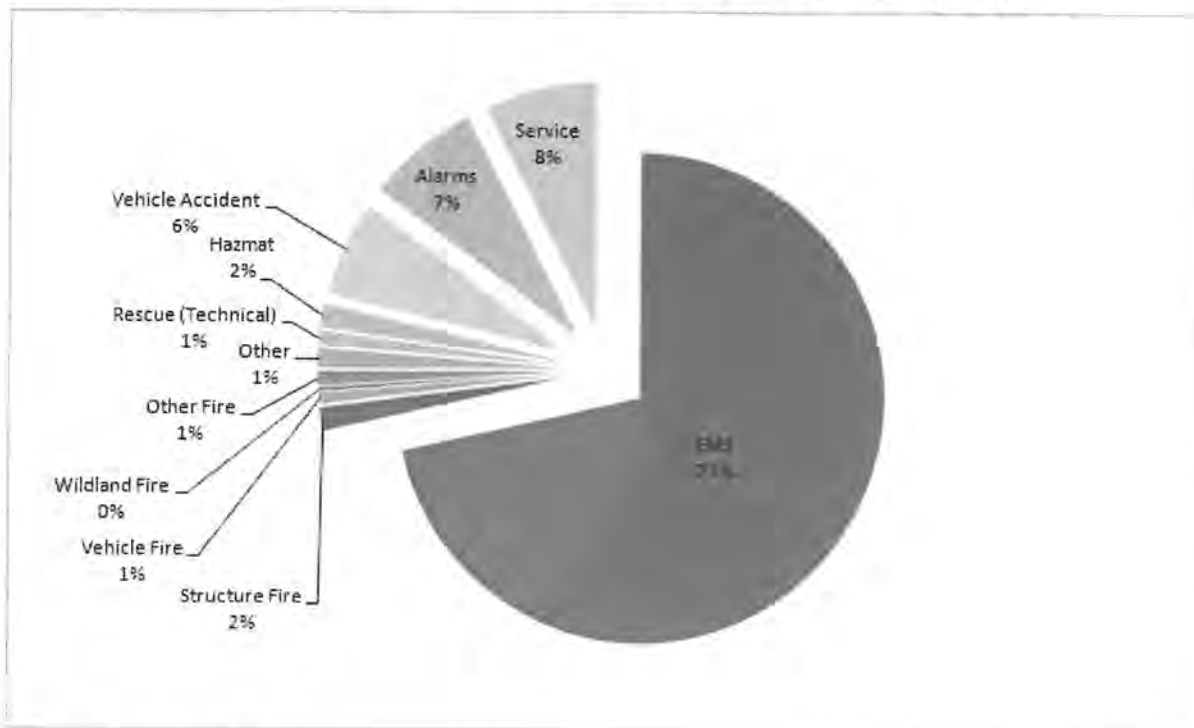
Source: Santa Cruz County LAFCo: Countywide Service Review, 2005<sup>[1]</sup>

### **Central Fire Protection District**

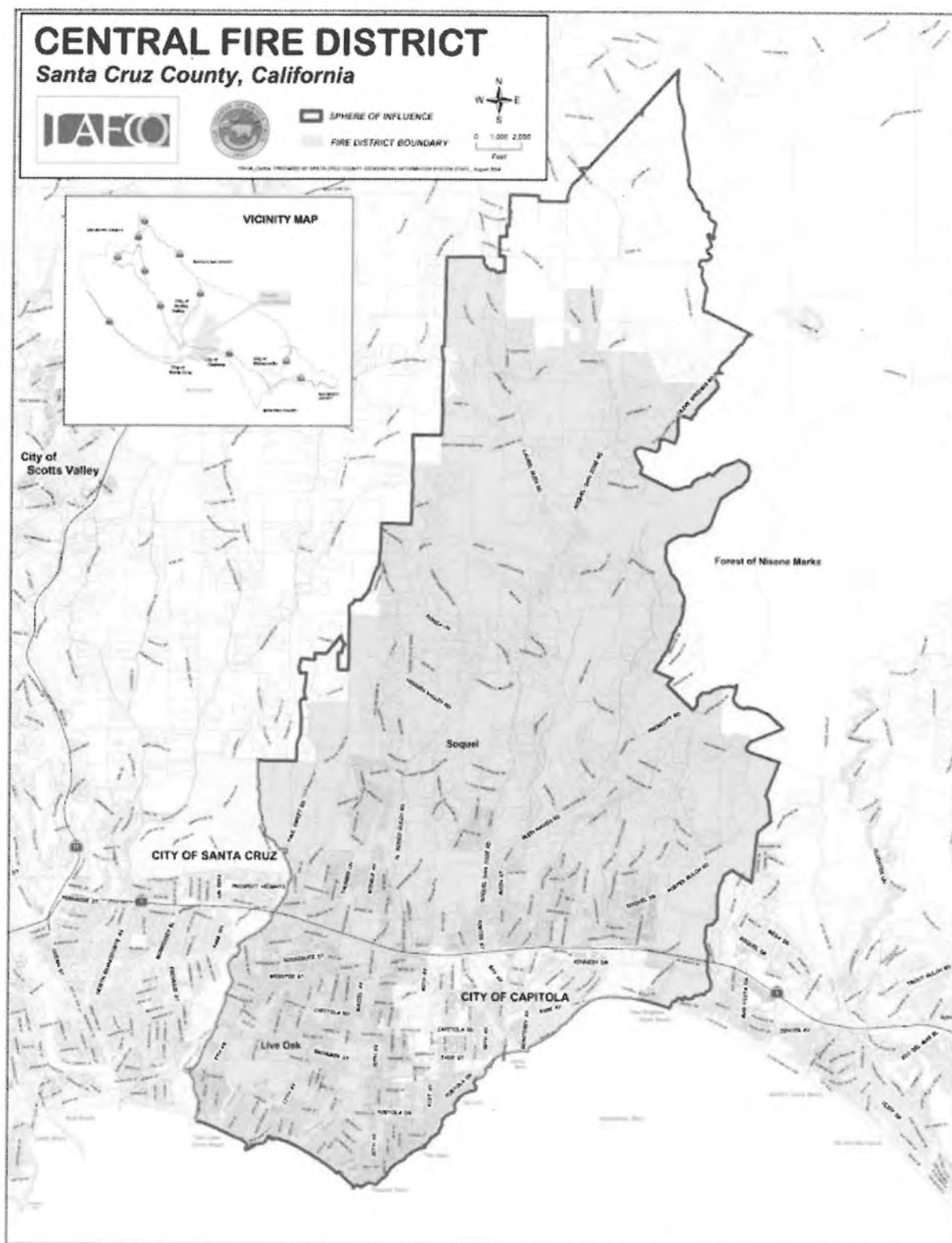
Central Fire Protection District (CFPD) was formed in 1987 after the consolidation of the Live Oak, Soquel, and Capitola fire protection districts. The district serves the unincorporated areas of Live Oak and Soquel as well as the city of Capitola. The district has four stations located in Live Oak, Santa Cruz Gardens (Thurber Lane), Soquel, and Capitola. The district's administration building is next to Station 1 in Live Oak. Housed within the administration building is the shared Information Technology (IT) center for both ALSFPD and CFPD. These services are provided through a contract with Pagoda Technologies.<sup>[32]</sup> The district also owns a burn trailer, used for training, that is housed in Watsonville near the airport, and a fleet services garage which performs maintenance on its large vehicles as well as those of other local fire agencies such as ALSFPD, Pajaro Valley Fire Protection District (PVFPD), CSA-4 Pajaro Dunes, and City of Santa Cruz Fire Department (SCFD).

According to the 2010 census the combined population of the areas serviced by the district is approximately 55,000 people.<sup>[33]</sup> For the 2014/15 fiscal year the district had total revenues of \$13,919,696.<sup>[34]</sup> The district has approximately 44 full-time firefighters and 13 paid call firefighters.<sup>[35]</sup>

#### **Central Fire Protection District 911 Calls by Type (2014)**



Source: Appendix B



Source: Santa Cruz County LAFCo: Countywide Service Review, 2005<sup>[1]</sup>

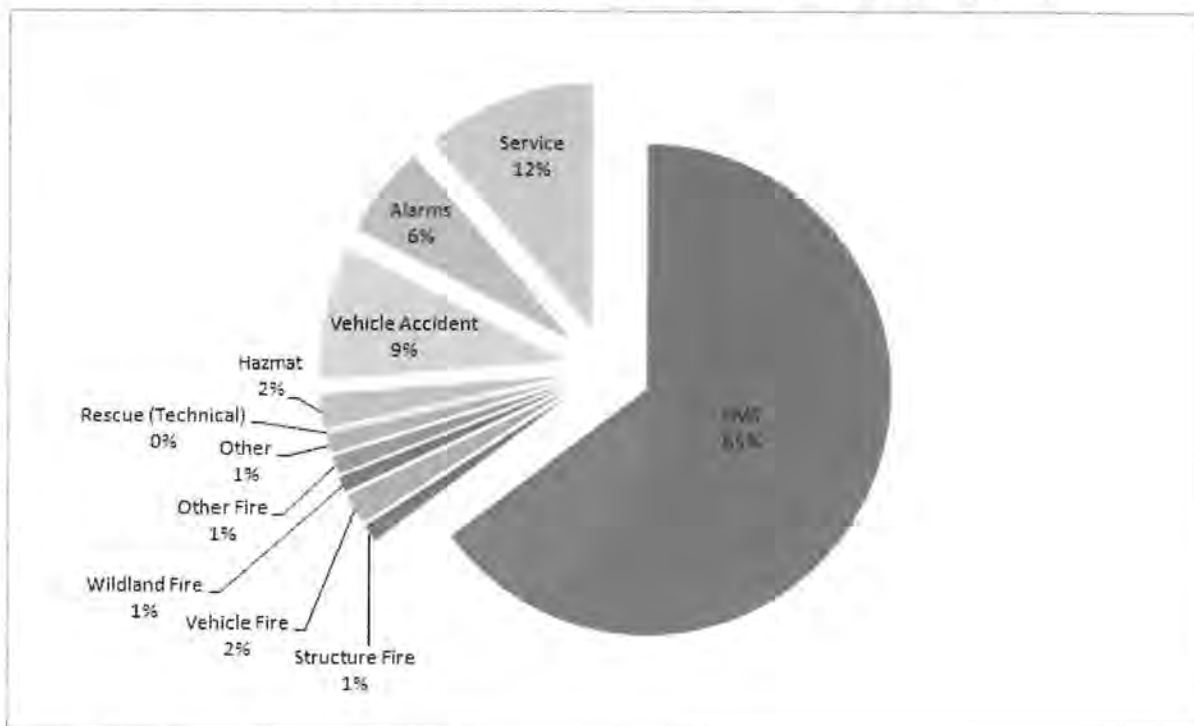
In 2014 CFPD had the second highest call volume in the county, after the city of Santa Cruz, representing 20% of the total calls for service dispatched from the Santa Cruz Regional 911 center (SCR911).<sup>[36]</sup> Response times are reported to the board of directors in the monthly meeting packet. The district has a goal of responding to urban medical calls in 4 to 6 minutes.<sup>[37]</sup> The goal is to have the first engine on site in less than 6 minutes for all fire events.

### **Scotts Valley Fire Protection District**

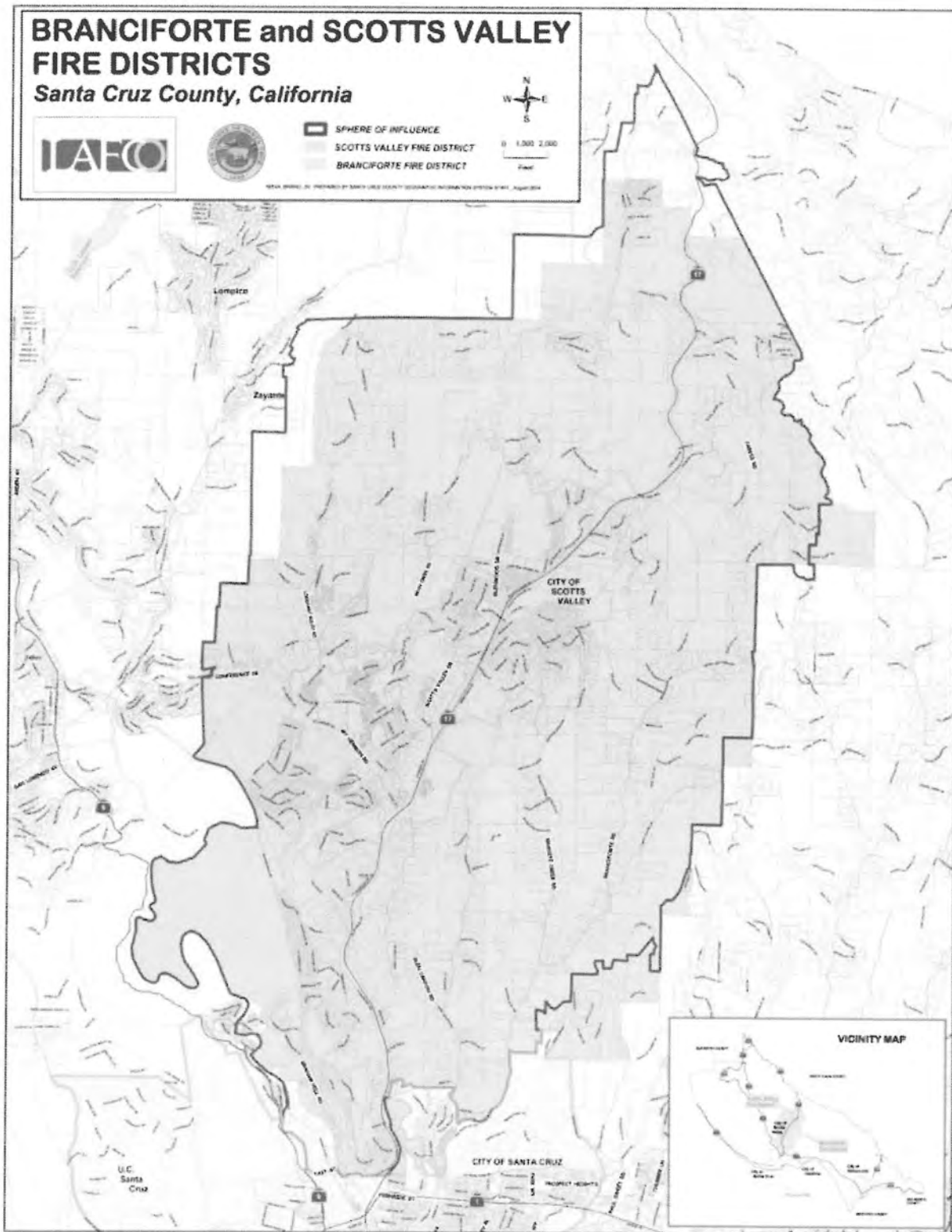
The Scotts Valley Fire Protection District (SVFPD) was formed in 1958. The district serves the city of Scotts Valley and the surrounding unincorporated areas stretching from Santa Cruz City limits in the south to Laurel Road in the north. It is the primary agency responding to vehicular accidents on Highway 17 up to the summit. The district operates two stations, one on Erba Lane and the other on Glenwood Drive. Station 1 is staffed with a minimum of 4 firefighters (1 battalion chief, 1 captain, 1 engineer and 1 firefighter/paramedic). Station 2 is staffed with a minimum of 3 firefighters (1 captain, 1 engineer, and 1 firefighter/paramedic). The district also has 15 paid call firefighters who assist full-time firefighters, and also serve as a hiring pool. The paid call firefighters do not respond to calls for EMS or incidents on Highway 17. A paid call firefighter may occasionally serve with full time firefighters as a fourth person on an engine crew during the day.

In the 2013/14 fiscal year SVFPD received total revenue of \$5,386,671 and total expenditures of \$5,339,340, leaving their end of the year fund balance at \$566,064.<sup>[38]</sup>

### **Scotts Valley Fire Protection District 911 Calls by Type (2014)**



Source: Appendix B



Source: Santa Cruz County LAFCo: Countywide Service Review, 2005<sup>[1]</sup>



SVFPD is unique in that it houses the Santa Cruz County Hazardous Materials Interagency Team (SCHMIT) and all the associated equipment and apparatus at its Glenwood Drive station. SCHMIT was formed in 2001 via a memorandum of understanding (MOU) between the County of Santa Cruz, the Cities of Santa Cruz, Watsonville, Capitola, Scotts Valley, UCSC, and State Parks.<sup>[39]</sup> There are 24 local Hazardous Materials technicians representing ALSFPD, CFPD, SVFPD, City of Santa Cruz Fire Department (SCFD), and City of Watsonville Fire Department (WFD). SVFPD uses grant money to secure and maintain needed apparatus.

Standards of coverage as adopted by SVFPD set the goal of responding to 90% of medical calls within 6 minutes and responding to fire calls with a 14 person crew within 10 minutes. When there is a response that is outside the targeted goal it is automatically sent to the Fire Chief for review. The district has been able to position its stations such that they are within 5 miles of any call location within the district.

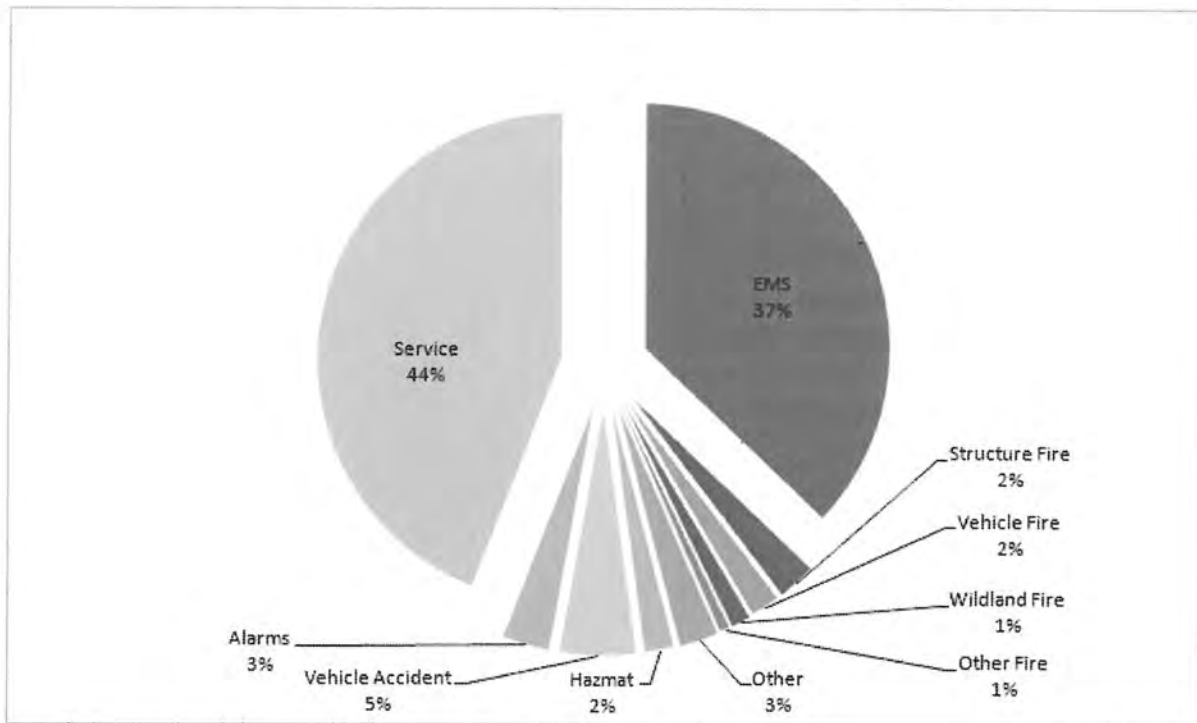
### ***Branciforte Fire Protection District***

The Branciforte Fire Protection District (BFPD) was formed when it split off from the SVFPD. The district serves the area east of the city of Scotts Valley and north of the city of Santa Cruz. The district is home to nearly 3,500 people and the Mystery Spot, a local tourist attraction. There are two stations within the district: Station 1 is centrally located and contains the majority of the district's apparatus. This station is staffed year-round by a full-time firefighter, and is home to the district's sleeper program, in which volunteers are encouraged to live at the station in exchange for several nights per week of on duty status. The second station is located in the northern portion of the district and houses an unstaffed engine. Station 2 is only staffed during emergencies or storms that could potentially cut off the northern portion of the district from Station 1.

BFPD volunteers keep their gear with them in their personal vehicles, and generally respond directly to the incident. This cuts down on response time, since volunteers reach the incident by responding directly from home or work. Full-time staff respond with the appropriate vehicle, enabling action to be taken as soon as the required number of firefighters and vehicles arrive at a call. When incidents are closer to Station 2, volunteers or paid staff who are cleared to drive the engine often stop at the station to pick up the engine on their way to the incident.

BFPD uses volunteers who are employed by fire districts beyond Santa Cruz County. As a result they have a higher than average number of paramedic-trained volunteers. This enables the district to perform Advanced Life Support (ALS) unlike most other volunteer agencies in Santa Cruz County. Through an agreement with Santa Cruz County EMSIA, and subject to regulations and training by county Health Services Agency, BFPD is cleared to carry more potent life-saving drugs on their vehicles. However, BFPD's ALS service is dependent on having a volunteer on the call who is currently a trained paramedic and approved to function as such in Santa Cruz County.

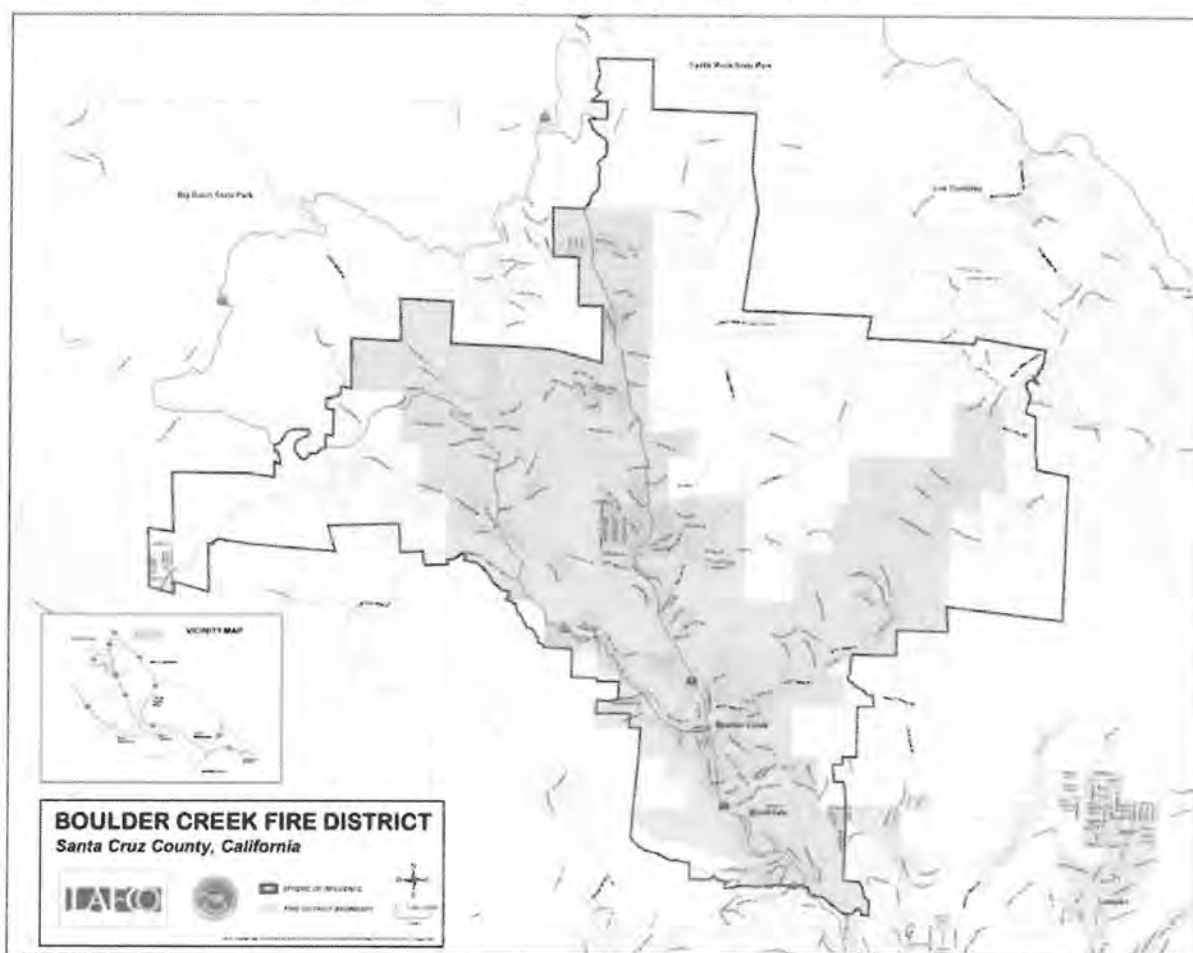
**Branciforte Fire Protection District 911 Calls by Type (2014)**



Source: Appendix B

### ***Boulder Creek Fire Protection District***

The Boulder Creek Fire Protection District (BCFPD) was formed in 1923 and serves the communities of Boulder Creek and Brookdale as well as the surrounding areas. The district is served by two stations. Station 1 is located at the junction of Route 9 and Highway 236 in the middle of Boulder Creek, while Station 2 is located off Highway 236 south of the Boulder Creek Golf and Country Club. Station 1 operates year-round and houses the majority of the district's equipment, as well living quarters for five volunteers who live at the station in exchange for work at the station. Station 2 is shared with Cal Fire which staffs it only during peak fire season. BCFPD receives the largest call volume of all the volunteer districts in the county: 782, of which 457 are EMS calls.<sup>[36]</sup> Due to the high percentage of EMS calls, BCFPD runs a medical unit that it dispatches to rescue and EMS calls, rather than responding with a fire engine or truck.

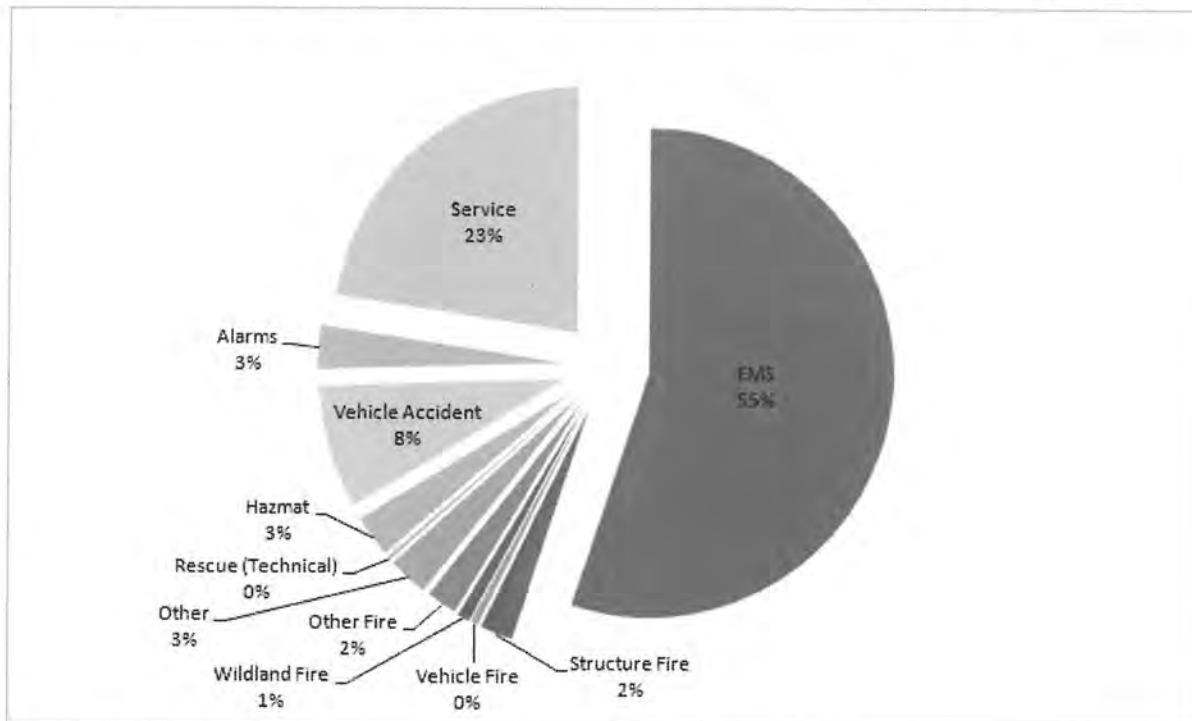


Source: Santa Cruz County LAFCo: Countywide Service Review, 2005<sup>[1]</sup>

According to the district website, the combined population in the Boulder Creek and Brookdale areas is approximately 15,000.<sup>[40]</sup> For the 2014/15 fiscal year the district had total revenues of \$736,037 and expenditures of \$906,701 with \$170,664 in assets (Buildings and improvements) and \$10,104 in contingencies.<sup>[41]</sup> In addition to tax revenue, BCFPD raises money for its reserve fund through annual pancake breakfasts,

crab feeds, dinner dances, and Christmas tree sales. These events are coordinated by the non-profit Boulder Creek Fire Department Inc.

**Boulder Creek Fire Protection District 911 Calls by Type (2014)**



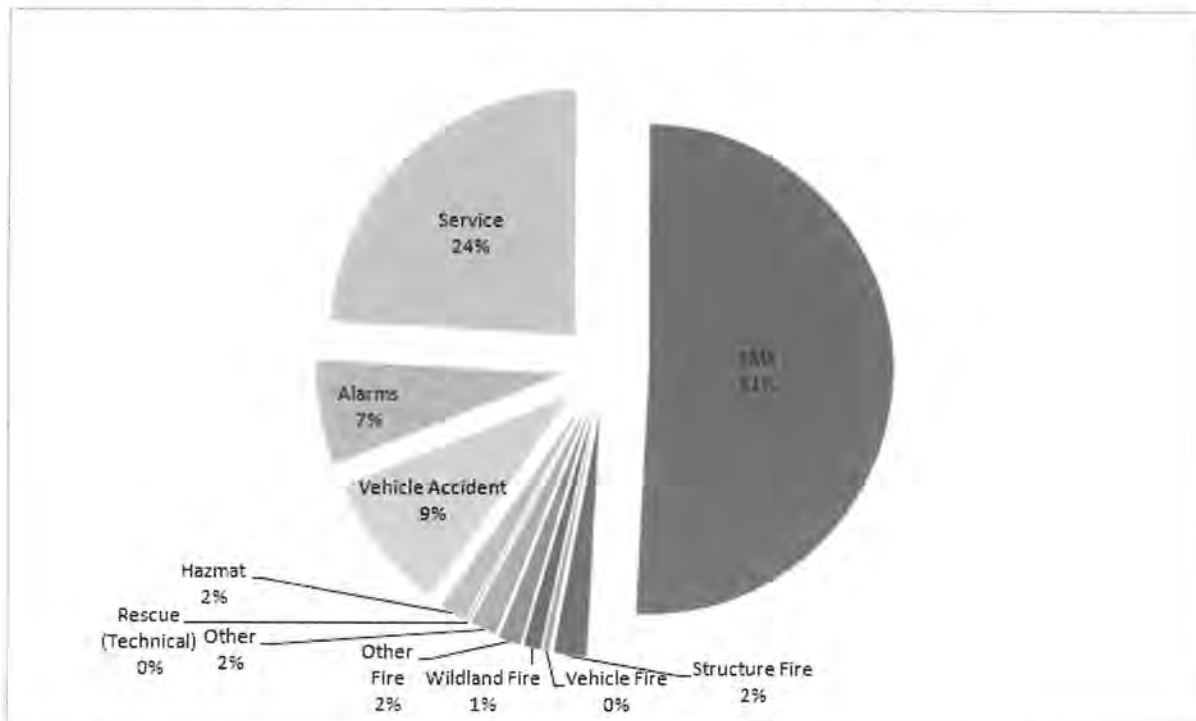
Source: Appendix B

### ***Felton Fire Protection District***

The Felton Fire Protection District (FFPD) serves the unincorporated areas of Felton and Mount Hermon as well as surrounding areas. The district is served by one station located off Highway 9 in the middle of Felton. The seven square miles that make up the district house approximately 4,000 residents. The district responded to 644 calls in 2014.<sup>[36]</sup> The district is staffed by one full-time firefighter, a fire chief, a board secretary who is shared with Ben Lomond Fire Protection District (BLFPD), and 28 volunteer firefighters.

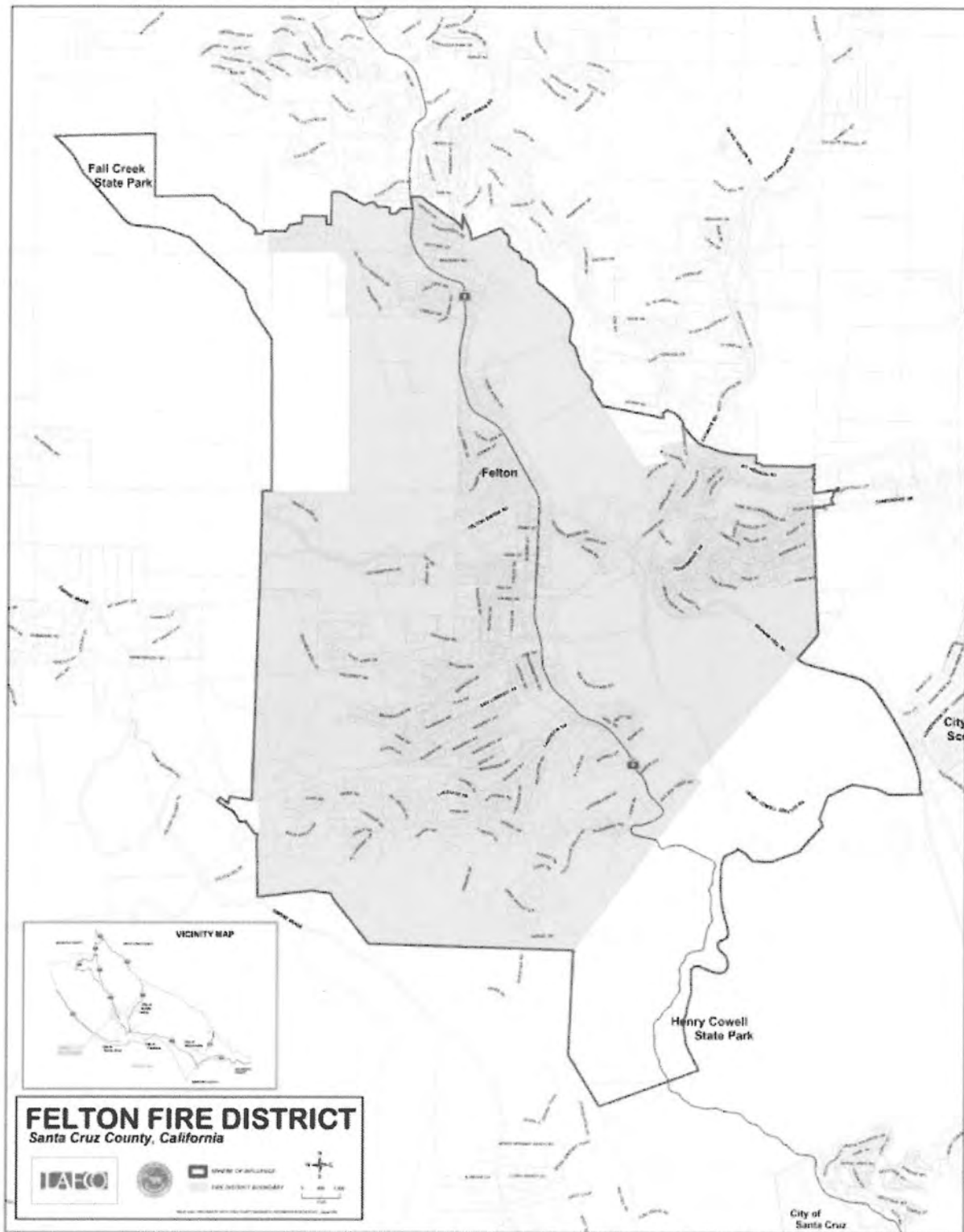
FFPD is home to the Large Animal Rescue (LAR) team. This team is trained to operate the necessary equipment to rescue large livestock such as horses, cows, and exotic animals raised in the area. FFPD's LAR team is one of the only such teams in this region of California; as such it conducts training for agencies outside of the county, and has been dispatched as far away as Marin County.

**Felton Fire Protection District 911 Calls by Type (2014)**



Source: Appendix B





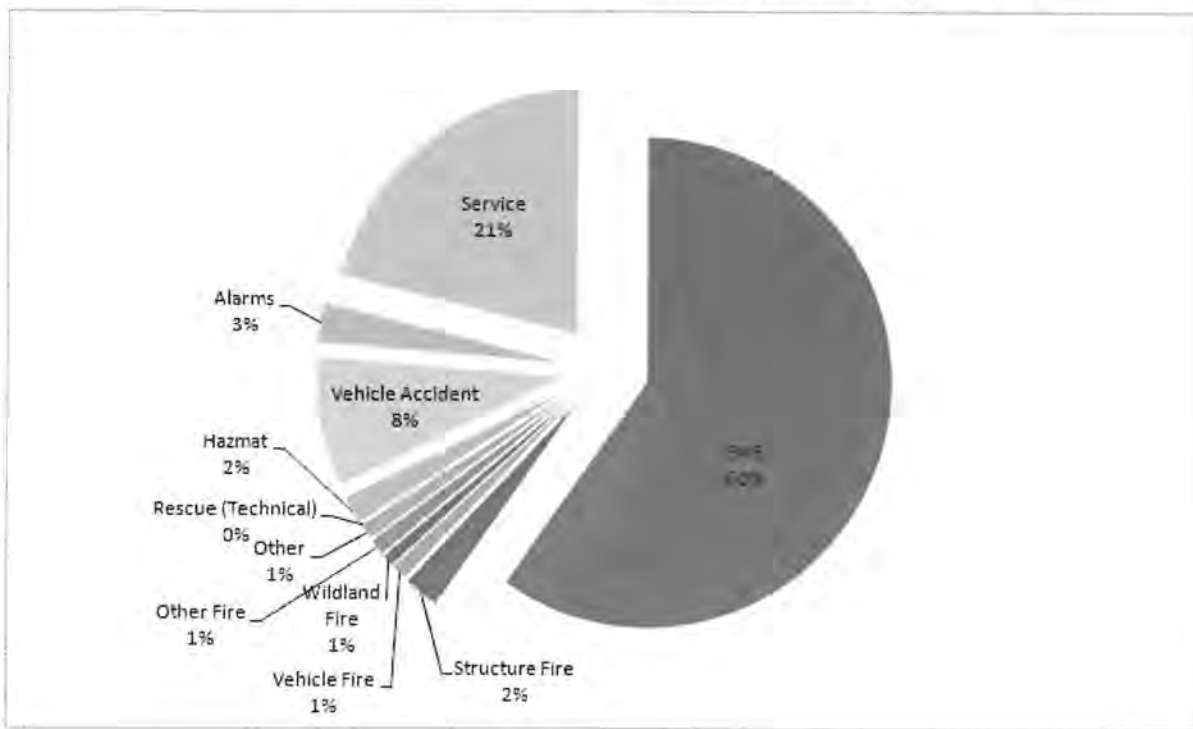
Source: Santa Cruz County LAFCo: Countywide Service Review, 2005<sup>[1]</sup>

### ***Ben Lomond Fire Protection District***

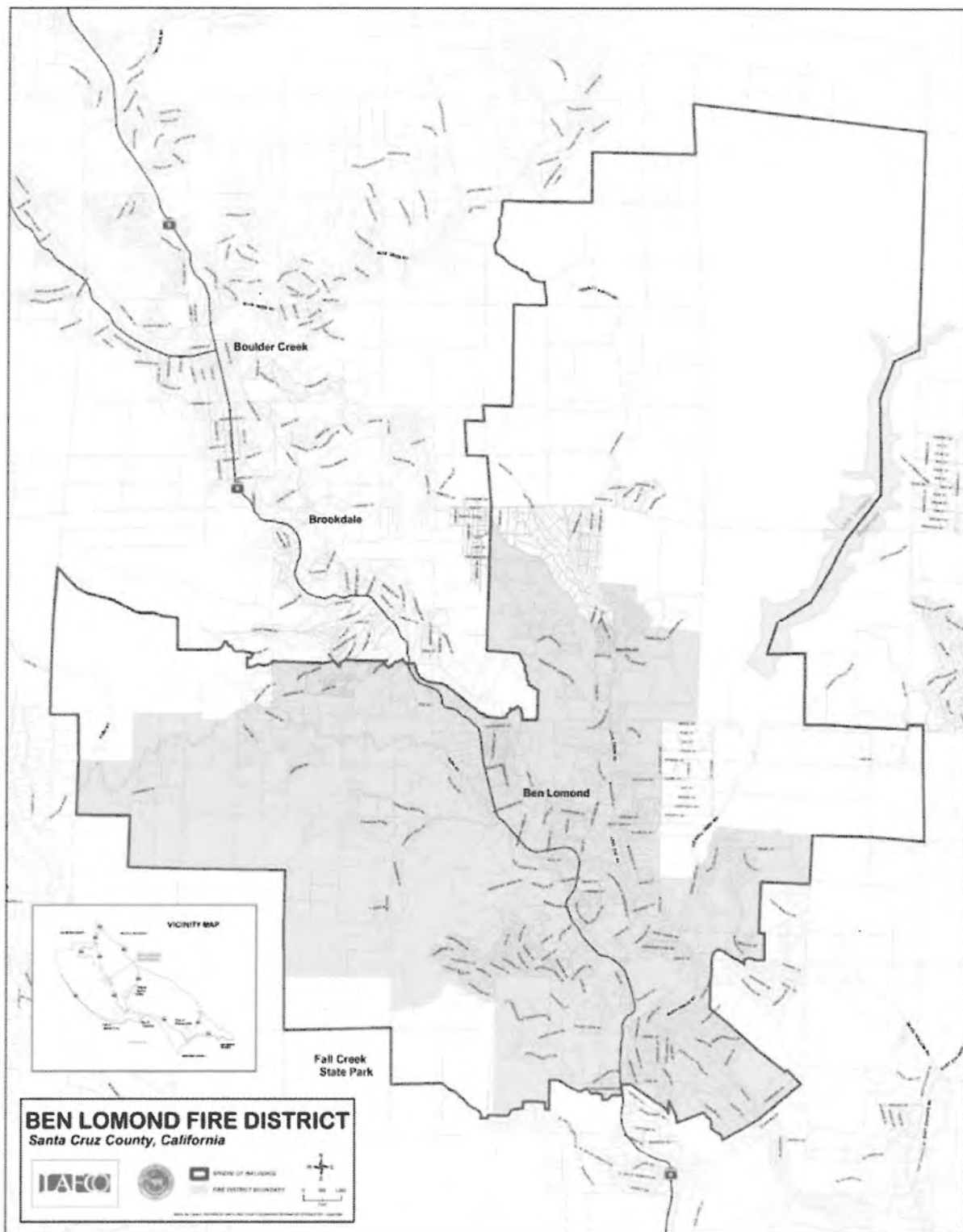
The Ben Lomond Fire Protection District (BLFPD) serves the unincorporated area of Ben Lomond. The district is served by one station located on Highway 9 in the middle of Ben Lomond. The district also owns the adjacent property which was secured in a failed plan to expand the Station. The property is currently leased to Henflings Firehouse Tavern. BLFPD serves the 6,234 residents who live in the seven square miles that fall within the district's sphere of influence. The district responded to 384 calls in 2014.

BLFPD is a volunteer fire district which is staffed by one full-time Fire Chief and 28 volunteers. The district has a sleeper program with three volunteers who live at the station in exchange for work around the station; they are required to be on site five nights per week. There are current plans to expand the program to encompass four to six volunteers by removing walls and converting the three bedrooms into a dormitory. The district also has a part-time office staff and pays a volunteer firefighter \$20 per hour to staff the station during the day (8-5). Current payroll is \$270,000 with the 28-30 volunteers costing roughly \$38,000. The district's revenue is approximately \$600,000.

#### **Ben Lomond Fire Protection District 911 Calls by Type (2014)**



Source: Appendix B



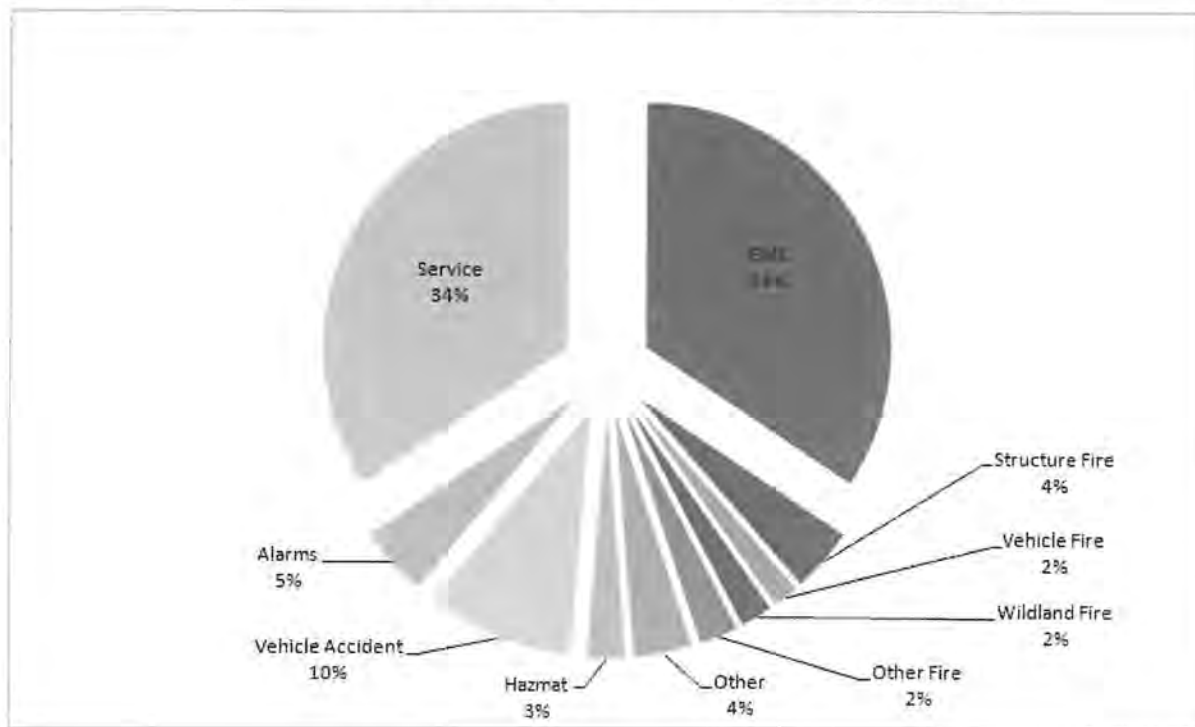
Source: Santa Cruz County LAFCo: Countywide Service Review, 2005<sup>[1]</sup>

In addition to the standard fire fighting engines and water trucks, BLFPD utilizes a light rescue rig which can house two to six firefighters for EMS and small rescues. There is also a truck that is equipped to do heavy rescue. BLFPD is also unique in that the district withdrew from participation in the CALPERS retirement system and is currently paying off the \$360,000 penalty owed to the system. The first payment of \$60,000 was made last year. The district uses PARS (public agency 402k) to fund retirement for their full-time employees.

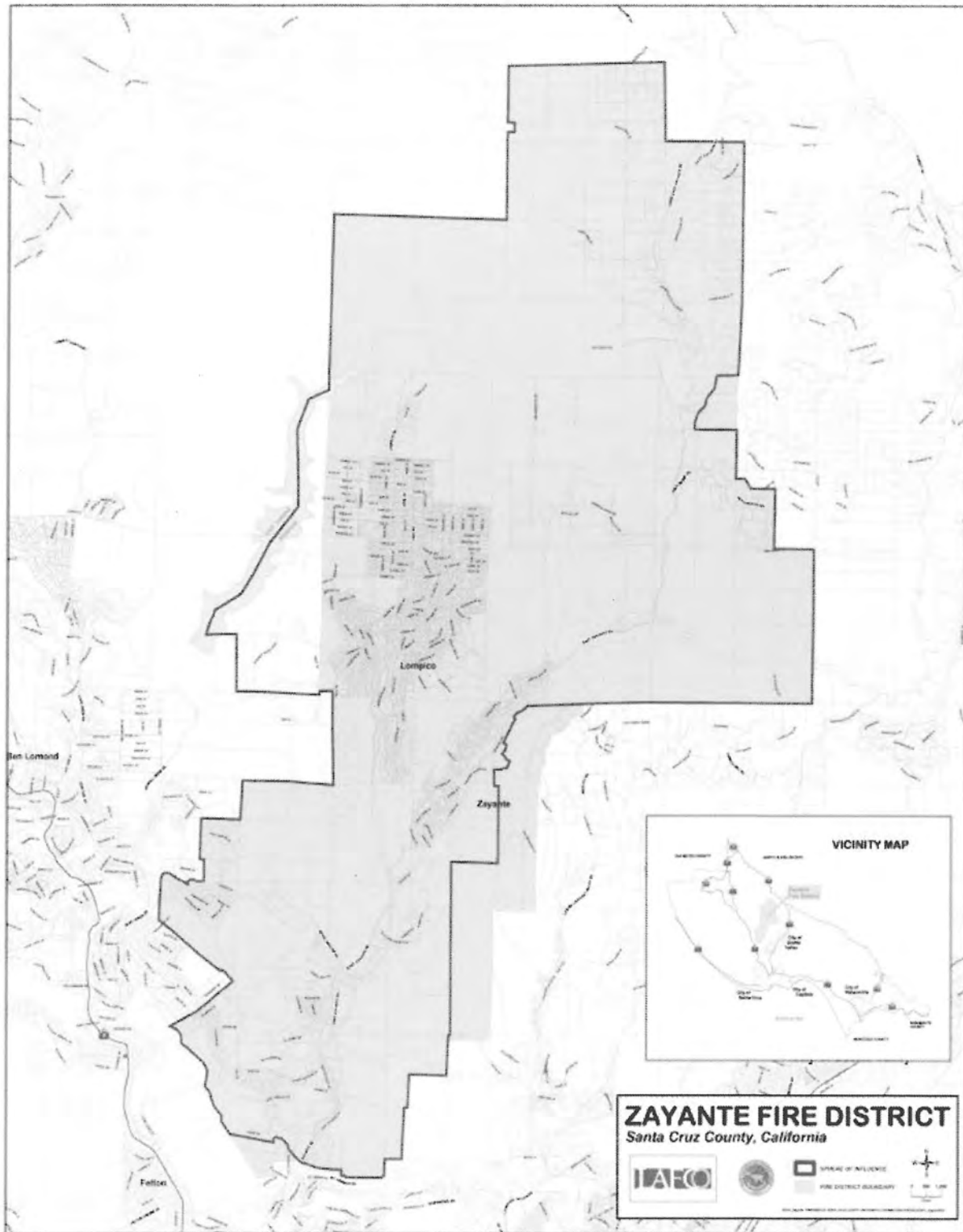
### ***Zayante Fire Protection District***

The Zayante Fire Protection District (ZFPD) was formed in 1958 and serves the area of Zayante and Lompico Roads. The district has three stations located throughout the district. Station 1 serves as the main station and office for the district; Stations 2 and 3 are garages that house apparatus needed to respond to calls in the more remote areas of the district. Station 2 houses a Chevrolet Tahoe that has been converted to a mobile command post, and a Type 1 engine with a 500 gallon tank. Station 3 houses a smaller Type 1 engine with a 500 gallon tank.

### **Zayante Fire Protection District 911 Calls by Type (2014)**



Source: Appendix B



Source: Santa Cruz County LAFCo: Countywide Service Review, 2005<sup>[1]</sup>



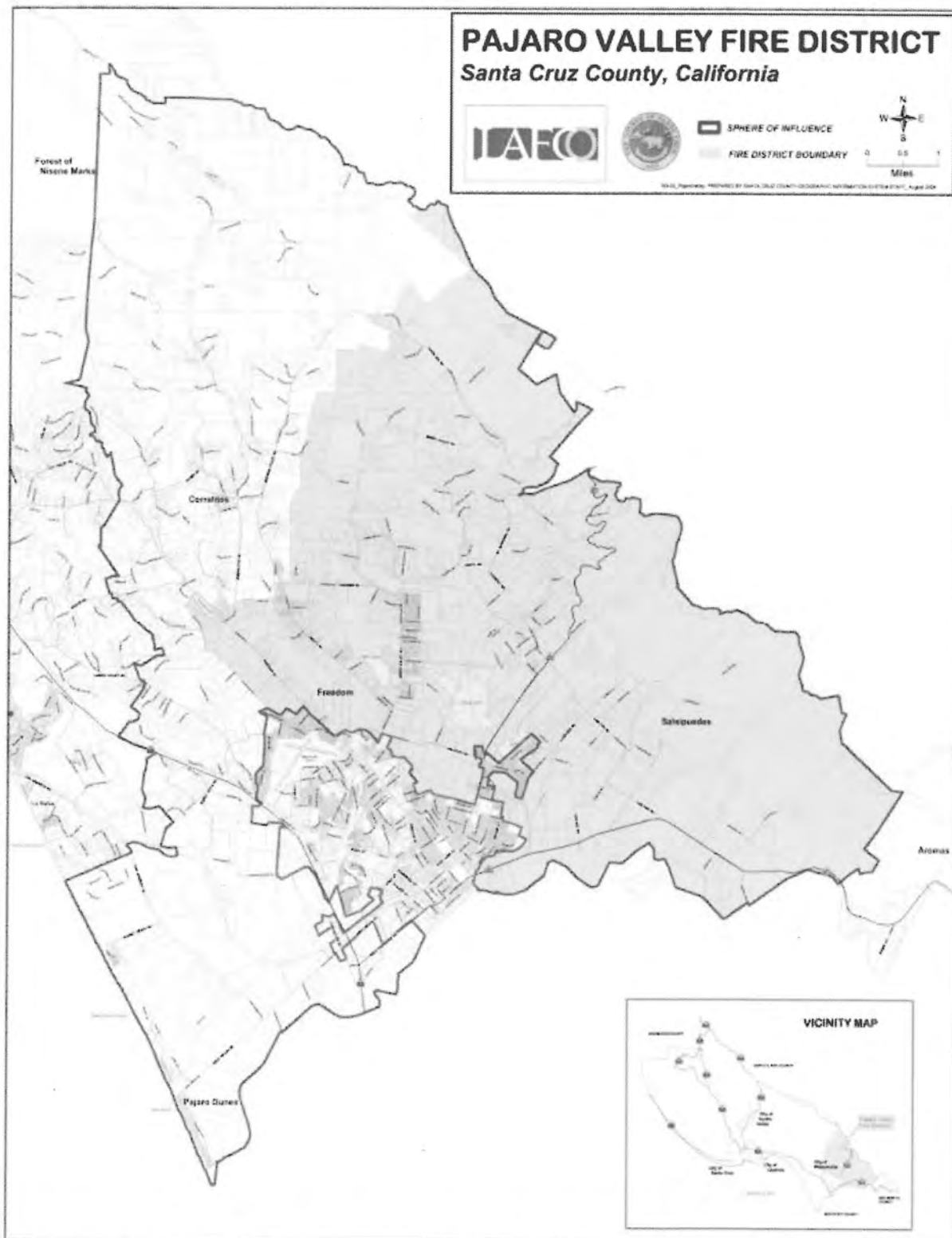
ZFPD uses paid staff during the day to cut down their response time on calls. During the night they use a sleeper program that houses three volunteers at Station 1. These sleepers live at the station in exchange for work at the station and a set number of hours of availability during the evening hours.

### ***Pajaro Valley Fire Protection District***

The Pajaro Valley Fire Protection District (PVFPD) was formed in 1994 by consolidation of the Freedom and Salsipuedes Fire Protection Districts. The district serves a rural portion of the unincorporated area covering approximately 52 square miles, making it the largest fire district in the county. This area encompasses both Local Responsibility Area (LRA) and State Responsibility Area (SRA) lands. The population of the district is approximately 18,000.<sup>[42]</sup> PVFPD responded to 702 calls in 2014.<sup>[36]</sup>

PVFPD differs from the other Fire Protection Districts in the county in that they have elected to contract with Cal Fire to provide fire and EMS services to the residents. This contract has been in place since 1997. Because of the contract with Cal Fire, PVFPD is dispatched through the Cal Fire command center in Felton<sup>[43]</sup> rather than the SCR911 dispatch center. The district is staffed by 9 full-time firefighters. The district participates in mutual aid, most frequently with the city of Watsonville and County Fire, which is also dispatched by Cal Fire. PVFPD has contracted with CFPD to use their Fleet Maintenance services.

SCR911 data show that 702 calls for service were transferred to Cal Fire's dispatch center for PVFPD. Since PVFPD's dispatch is handled by Cal Fire's dispatch center, statistics regarding types of calls are not included in this report.



Source: Santa Cruz County LAFCo: Countywide Service Review, 2005<sup>[1]</sup>

## Appendix B

### SCR911 End of year report: Calls-for-Service by Station and Type (All Agencies)

District	Station	Structure Fire	Vehicle Fire	Wildland Fire	Other Fire	EMS	Hazmat	Vehicle Accident	Alarms	Service	Rescue (Technical)	Other	Total Calls
ALSFPD	Station 1	17	7	1	9	631	21	52	99	68	6	12	923
ALSFPD	Station 2	13	10	6	5	542	13	86	97	102	0	15	889
ALSFPD	Station 3	7	15	9	5	250	7	32	70	78	10	3	486
CFPD	Station 1	35	14	4	28	1200	27	88	110	131	34	23	1694
CFPD	Station 2	7	7	1	2	902	7	49	99	45	0	10	1129
CFPD	Station 3	17	9	5	7	680	26	122	86	128	2	22	1104
CFPD	Station 4	27	12	3	15	1203	27	93	118	117	14	18	1647
SVFPD	Station 1	22	40	20	23	1258	43	171	118	221	2	24	1942
BFPD	Station 1	4	3	2	1	59	3	8	5	70	0	4	159
BLFPD	Station 1	9	4	3	4	232	7	33	10	82	0	4	388
FFPD	Station 1	15	3	8	10	347	12	63	47	165	1	12	683
ZFPD	Station 1	10	4	5	6	81	6	23	11	81	0	9	236
BCFPD	Station 1	14	4	5	13	364	15	60	17	159	1	19	671
BCFPD	Station 2	4	0	2	4	93	8	8	7	28	1	3	158
SCFD	Station 1	45	18	3	47	2711	73	177	241	209	16	70	3610
SCFD	Station 2	40	23	9	35	2368	45	266	170	190	7	51	3204
SCFD	Station 3	41	4	10	33	1186	74	140	344	201	55	49	2137
SCFD	Station 4	8	1	0	1	110	19	12	45	35	0	6	237

District	Station	Structure Fire	Vehicle Fire	Wildland Fire	Other Fire	EMS	Hazmat	Vehicle Accident	Alarms	Service	Rescue (Technical)	Other	Total Calls
WFD	Station 1	41	15	26	52	2082	42	176	247	213	1	45	2940
WFD	Station 2	32	22	14	19	1240	30	139	244	122	0	16	1878
Totals		408	215	136	319	17539	505	1798	2185	2455	150	415	26120

Source: SCR911 Fire Incident Recap by Station and Incident Type Reports 2014

## Appendix C

### Fire Protection District Statistics

	Stations	Firefighters	Volunteers	Income	Expense	Calls
<b>Aptos/La Selva</b>	3	30	0	\$9,106,204	\$8,906,593	2182
<b>Ben Lomond</b>	1	1	28	\$706,315	\$678,971	384
<b>Boulder Creek</b>	2	1	35	\$1,099,241	\$688,785	782
<b>Branciforte</b>	2	4	18	\$713,528	\$675,210	153
<b>Central</b>	4	44	11	\$13,847,260	\$12,743,057	5372
<b>Felton</b>	1	2	28	\$572,697	\$977,574	644
<b>Pajaro Valley</b>	1	9	0	\$1,724,804	\$1,870,111	702
<b>Scotts Valley</b>	2	16	15	\$5,724,649	\$5,686,060	1848
<b>Zayante</b>	3	1	30	\$542,136	\$556,005	266

Source: Grand Jury Interviews, District websites, Board of Directors Packets, California State Controller's Office Website (2013 data), and SCR911 Fire Incident Totals 2014



## Appendix D

### Aptos/La Selva Fire Protection District Public Records Act Requests

Aptos Fire received 22 PRA requests during the period of November 2013 through May 20, 2015:

- 19 from a district resident (including one from a PRA advocate working on behalf of a district resident)
- 1 from a lawyer connected to a district resident's request
- 1 from a news group
- 1 from a website that helps issue anonymous PRA requests

\$11,000 estimated cost of PRA requests. The cost estimate is largely based on staff time to cull through thousands of emails and review several years worth of Board audio tapes. This cost estimate is not inclusive of postage, paper, ink or copying time.

Source: Aptos/La Selva Fire Protection District Records 11/2013--5/15/15

Note: Actual names removed

### Central Fire Protection District Public Records Act Requests

PRA Requestor	Number of Requests	Employee Hours	Employee Cost	Attorney Cost	Total per Requestor
Aptos Resident	1	9	\$554.15	\$333.00	<b>\$877.15</b>
Employee	16	100.7	\$4,441.08	\$943.50	<b>\$5,384.58</b>
Individual	1	0.5	\$46.74		<b>\$46.74</b>
CALPERs board	1	1	\$27.64		<b>\$27.64</b>
News Group	1	2	\$55.28		<b>\$55.28</b>
PRA Website	1	1	\$27.64		<b>\$27.64</b>
Oversight Website	1	1	\$27.64		<b>\$27.64</b>
Aptos Resident	20	85.5	\$5,297.93	\$943.50	<b>\$6,241.43</b>
<b>Totals</b>	<b>42</b>	<b>200.7</b>	<b>\$10,478.10</b>	<b>\$2,220.00</b>	<b>\$12,688.10</b>

Source: Central Fire Protection District Records 4/1/14--4/20/15

Note: Actual names removed



**STATUS OF PROPOSALS**  
**as of July 28, 2015**

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

<u><b>LAFCO HEARINGS</b></u>	<u><b>DATE</b></u>	<u><b>STATUS</b></u>
EXTEND SCOPE OF SERVICES for COUNTY SERVICE AREA 9, PUBLIC WORKS LAFCO No. 956	8/5/15	Hearing
FORMATION OF HUCKLEBERRY ISLAND COUNTY SERVICE AREA 6o LAFCO No. 957	8/5/15	Hearing
SANTA CRUZ COUNTY RESOURCE CONSERVATION DISTRICT SERVICE and SPHERE REVIEW	8/5/15	Hearing

<u><b>LAFCO HEARINGS COMPLETE</b></u>	<u><b>DATE</b></u>	<u><b>STATUS</b></u>
LOMPICO REORGANIZATION LAFCO No. 953		Extension Approved to 8/6/16

## STRATEGIC PLANNING

### Customers: Water rates 'too cheap'

### Community workshop participants favor recycled water project

By Jessica A. York

[jjork@santacruzsentinel.com](mailto:jjork@santacruzsentinel.com) @ReporterJess on Twitter

**APTOS >>** As a group, the nearly two dozen people who turned out for Soquel Creek Water District's afternoon workshop Wednesday were not characterized by their shyness.

Firing questions and occasional factual clarifications at the water district's staff from the start of the two-hour event, the audience quickly dove into the task at hand: the future of the district's water supply. Attendees separated into three groups primarily were quizzed for opinions on continued water use reductions, investing in new alternative water supplies and financing and rates issues.

General discussion summaries at the event's end revealed that attendees thought conservation measures alone will not suffice into the future, that water was "too cheap" at 2 cents a gallon and replenishing aquifers with recycled was most favored.

Don Sullivan of Aptos said the district must continue to educate customers on the issues.

"Make sure you keep everybody's hair on fire, because otherwise, nothing will get done," Sullivan said.

Water supply options such as joining in the regional Moss Landing desalination project, some attendees said, was "very controversial" and raised

**WATER >> PAGE 3**



## Water

### FROM PAGE 2

concerns about cost and environmental impact.

Buying excess surface water from Santa Cruz or joining other agencies in building a recycled water plant also elicited concerns over reliability and cost, respectively.

The workshop, one of two held Wednesday at the Community Foundation of Santa Cruz County, is a piece of the district's larger strategic planning process. Soquel Creek's water district stretches from Capitola in the north to La Selva Beach in the south, and includes Aptos and Soquel.

General Manager Ron Duncan outlined the dangers of a having only a below- ground water supply close to the ocean. Drinking wells that draw the aquifer levels below sea level allow saltwater to rush in and permanently contaminate portions of the drinking supply, he said. Saltwater intrusion has not spread as far inland as the district's monitoring wells, leaving officials guessing at how fast and far the problem is spreading, Duncan and others said.

"It's not a figment of our imaginations, it's not a hypothetical," Duncan said. "It's slow, it's silent, it's underground."

Noreen Feuss, a Soquel mobile home park resident, said she wants to see even more efforts to involve those receiving the district's water. She told the district that because she and all her immediate mobile park neighbors are considered only "one" water customer, they hear little about district conservation efforts, coming plans and how they are doing on individual water usage.

"There's been no outreach to us," Feuss said.

A customer survey is available online for others wishing to weigh in, at [soquelcreekwater.org](http://soquelcreekwater.org) under "Important News." District officials also will lead a discussion on purified recycled water from 6 to 8 p.m., June 17, at the Santa Cruz Police Department's Community Room, 155 Center St.

Santa Cruz County residents discuss water conservation, finance and funding and supplemental supply at Soquel Creek Water District's Strategic Plan Community Workshop on Wednesday.

ARIELLE BERGER — SANTA CRUZ SENTINEL

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## Santa Cruz fisheries negotiations a big variable in supply planning

By JM Brown , Santa Cruz Sentinel

SantaCruzSentinel.com



Felton Diversion Dam is being inflated to capture San Lorenzo River water and pump it to Loch Lomond for storage, and the fish ladder will be activated. (Dan Coyro -- Santa Cruz Sentinel)

SANTA CRUZ >> The city's water director will push to see measurable improvement in the fish population in exchange for agreeing to a new flow regime in the San Lorenzo River and North Coast streams that is designed to bolster habitat for threatened and endangered species.

As Santa Cruz looks to resume negotiations with state and federal regulators, Rosemary Menard said it's important that watershed components other than flow — such as groundwater levels and habitat for spawning and rearing — be improved to support all life stages for fish.

"It's really about, how do we make sure we get the results we need," Menard said. "The answers are water and an ecosystem that functions."

Regulators say they agree with the holistic approach, which is likely to require the city to invest in habitat restoration and monitor how fish respond. Meanwhile, the agencies are working to determine varying flow standards that reduce city diversions on the river and streams for steelhead trout and coho salmon while offering leeway during periods of drought.

"We also want to know that the flows we are proposing are beneficial to steelhead," said Joyce Ambrosius, Central Coast branch supervisor for the National Oceanic and Atmospheric Administration's National Marine Fisheries. "If they're too high or too low, we would want to know that. I totally understand (Menard's) side that she wants to not feel like the city is wasting water for no benefit."

Santa Cruz first opened talks with the agencies more than a decade ago in acknowledgement that its take from the river and streams — where the majority of drinking water comes from — have negatively impacted fish and could lead to state and federal enforcement if a habitat conservation plan and related permit process aren't resolved.

The fish issue may seem esoteric, but it's critical for the public at large to understand because it represents a major unknown variable in the city's effort to protect and possibly expand its water supply.

The city's Water Supply Advisory Committee is expected by October to offer recommendations that may include producing, storing and conserving more water. Yet, it is unclear whether the fish talks, which have no deadline, will be completed by then.

In years with normal or heavy levels of rain, the river and streams produce enough water to

supply customers and provide for fish. But during dry and critically dry years, the city has difficulty doing either.

"It's not unusual to have drought criteria in place for municipalities," said Corinne Gray, a senior environmental scientist for California Fish and Wildlife. "The fish aren't doing that well anyway at that time, so you have to look at what the natural conditions are."

## Advertisement

The city and agencies are fairly far apart in their proposals.

Menard said the city's plan would make a worst-case shortage, one similar to the historic 1977 drought, 11 percent worse. The current proposal from regulators would make the city's worst-year shortage nearly 38 percent worse, Menard said.

However, the city has agreed on an interim basis to test greater flows with an emphasis on Laguna Creek, the purest source on the North Coast, and the lower river.

Chris Berry, the city's watershed compliance manager, said the steelhead population appeared low during surveys in the San Lorenzo lagoon but more favorable between Water Street and Highway 1. In the Laguna Creek lagoon, he said surveys showed "the highest density of steelhead we've ever seen" though that result may be due partially to the fact that the sandbar closed early.

No coho were observed during the surveys.

Reach the author at [jbrown@santacruzsentinel.com](mailto:jbrown@santacruzsentinel.com) or follow JM on Twitter: [@jmbrownreports](https://twitter.com/jmbrownreports).

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- Back to top

**FELTON****Lompico officials await word from state**

New law could force the water district to consolidate

**By Calvin Men**

*[calvinmen@santacruzsentinel.com](mailto:calvinmen@santacruzsentinel.com) @calvinmenatwork on Twitter*

**FELTON >>** Though Gov. Jerry Brown signed a bill into law empowering the state to force failing water districts to consolidate, the implications for Lompico Water District, which has seen financial and water woes in recent years, are unclear.

“This is a whole new program being administered out of the State Water Resources Control Board. No one in the state of California that I know of has any ability to predict what consolidations the state will start ordering,” said Pat McCormick, executive director for the county’s Local Agency Formation Commission.

For years, Lompico officials worked with Mc-Cormick and San Lorenzo Valley Water District officials on a plan to merge the two agencies. But efforts were halted after a \$3.2 million bond measure to fund the merge failed was voted down by customers, falling short by one vote.

Before the law passed, each county local agency formation commission was charged with any reorganization of jurisdictions, including annexations and consolidations. Merging and annexation are processes that takes years to complete and requires mutual cooperation from both agencies.

The new law, pushed through by Brown as one of many means to address the state’s drought issue, was signed June 24 by the governor. Since then, local officials are awaiting direction from the State Water Resources Control Board.

**LOMPICO >> PAGE 5**

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**Lompico****FROM PAGE 1**

Under the law, the state would identify water districts and send notices to them indicating consolidation as an option, McCormick said.

Within the process are opportunities for voluntary consolidation, public hearings, local agencies offering and studies of proposed consolidations, said Andrew DiLuccia, a spokesman for the state water board, in an email to the Sentinel.

“The state water board is currently reviewing data on water systems that meet the criteria specified in the bill, but has not developed a list at this time,” he said.

The law also requires the board to provided funding consolidation costs, though it’s unclear how much would be funded and where it would come from.

Lompico's tiny water district, with an aging infrastructure and diminishing water supply, has roughly 500 customers and has been plagued with financial woes a number of years. Merge efforts have drawn opposition from a group of Lompico customers, who criticized the it as a costly and ineffective way to solve the water district's problems. But members of the board say there are few options to fix the district's problems.

Of the law, board member Merrie Schaller said it could help.

"We will look into whether that will help us merge," Schaller said. "It's certainly something to keep in mind while we're examining our options. It may open another avenue for us."

With more than 400 districts and cities managing water around the state, Mc-Cormick also Lompico isn't the only ailing water agencies in the state.

"They are scattered all over the state. Some are drought related. Some aren't drought related," he said. "I'm just going to wait and see how the state uses this authority. Whether they do it lightly or much more extensively."



A trickle of water flows down Lompico Creek in 2014as Lompico resident Natasha Zavala stands on the bridge at the mountain community's park with her daughters.

SHMUEL THALER — SANTA CRUZ SENTINEL FILE



**SANTA CRUZ****Branciforte fire to begin talks with SV fire**

Discussions would focus on keeping rural fire station open, independent

**By Calvin Men**

*[calvinmen@santacruzsentinel.com](mailto:calvinmen@santacruzsentinel.com) @calvinmenatwork on Twitter*

**SANTA CRUZ >>** The board for the Branciforte Fire Protection District voted Thursday to open discussions with Scotts Valley Fire District about having providing managerial oversight for the rural fire department.

The move, approved at the board's monthly meeting, comes one week after a community meeting about the department's financial issues. It also comes in response to a report from a Santa Cruz County Grand Jury that criticized the district for having a lack of reserve funds to pay for its chief, opening the agency up to being unable to pay its bills.

Board members and the district's fire chief were clear that the discussions would not mean a merger, according to board members.

"Right now it's just discussions," said Branciforte Fire Chief Pat O'Connell. Scotts Valley Fire District's board also voted to open discussions, O'Connell said. But he added that the board would not likely want a merge.

**FIRE >> PAGE 3**

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**Fire****FROM PAGE 2**

"What they're talking about is they want to do whatever they can not to be forced to merge with us. They don't want to take on the liability that we would cost them," he said.

The Branciforte Fire board also voted on a formal response to the grand jury report, which outlined four findings about the district. The board agreed with the report for the most part except for finding that outlined the chief not being paid as a primary liability for insolvency.

One big-ticket issue addressed by the board during the meeting, which drew more than 30 people. Most in the crowd voiced concern about the possibility of the fire district closing, leaving the community subject to longer response times for disasters and emergencies.

Michelle McKinny, principal and superintendent at Happy Valley Elementary School, voiced her worries about not having a local fire agency.

"Not once in my five years have we had to wait for more than five minutes for a response," she said.

Reading a letter to the board and audience, she urged the community to work together and fundraise for



the fire district.

"I think it is time for a group of committed citizens who are on the ground to take up this worthy endeavor and I would be happy to be a part of it," she said.

Many in the audience came seeking answers about how they could help and what the shortfall in the budget is.

Chief O'Connell said the preliminary budget for the 2015-16 year was \$78,000 short on revenue. He added even if the community raised the amount, the district would be vulnerable still because there is a lack of reserve funds. To put the agency in good shape, the fire district would need \$125,000.

The board's next meeting is slated for 7 p.m. Aug. 20 at the fire station, 2711 Branciforte Drive in Santa Cruz.

**WATSONVILLE****FedEx plans to expand at Manabe-Ow property****By Ryan Masters***newsroom@santacruzsentinel.com @RyanMasters831 on Twitter*

**WATSONVILLE >>** When the Manabe-Ow Business Park Specific Plan was approved in 2010, it was expected to generate 2,000 jobs in two decades and become a crucial piece of plans for Watsonville's economic future.

Five years later, the property may gets its first tenant.

FedEx has proposed a 194,000-square-foot expansion facility on the property between Highway 1, the Seaview Ranch housing complex and Ohlone Parkway.

The new facility will be built on 25 acres owned by the Ow family. It would replace FedEx's existing facility at 165 Technology Drive.

Benjamin Ow said his family has a longstanding relationship with the Tennessee- based shipping company.

"We currently own the facility they're in now and have been in touch with them for years about this potential new site," Ow said.

Ow described FedEx's site selection process as "long

**FEDEX >> PAGE5**

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**FedEx****FROM PAGE 1**

and complex." Watsonville was competing with multiple other sites around the region for the expansion facility, Ow said.

"There was at least one site in Salinas, one in the Marina, and another in Castroville," he said. "We were afraid that FedEx could leave Santa Cruz County altogether, which would have been a huge loss economically."

According to Acting Community Development Director Keith Boyle, the new facility will generate three times as many jobs.

"The existing facility employs about 120," Boyle said. "The expansion will provide somewhere between 300 to 600 jobs."

As important, the infrastructure needed for the proposed FedEx project will also serve as a catalyst to develop Manabe-Ow's remaining 70 acres.

“One of the main impediments to the Manabe-Ow Business Park’s success has been its lack of infrastructure,” Ow said. “It required a project of this size and magnitude to warrant the initial build out.”

Infrastructure to be built includes power, water, sewer, a road and a bridge over wetlands from Ohlone Parkway. The bridge is designed to minimize traffic through the Seaview Ranch complex.

“During the public review, the residents at Seaview made it clear that they were very worried about the main access to the facility coming through Loma Vista,” Ow said. “This is a huge win for the neighbors.”

Once roads are built, other parcels in Manabe-Ow will be accessible and prime for development by additional businesses, Ow said.

“This will create a lot more jobs and investment down the road,” he said.

According to Boyle, the Manabe-Ow infrastructure plan had been designed prior to FedEx’s proposal.

“We’ve been working hard behind the scenes to get this up and running. We knew it was only a matter of time before someone came along with a viable idea,” Boyle said.

If all goes according to plan, the new facility will open by the end of 2016.

“As long as FedEx’s proposal is determined to be consistent with the Manabe-Ow Business Park Specific Plan, I don’t foresee any issues,” Boyle said.