LOCAL AGENCY FORMATION COMMISSION
701 Ocean St. #318D
Santa Cruz CA 95060
831-454-2055
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LAFCO AGENDA

Wednesday, November 4, 2015
9:30 a.m.
Room 525
701 Ocean Street, Santa Cruz

1) ROLL CALL

2) MINUTES

3) ORAL COMMUNICATIONS
   a) Anyone may briefly address the Commission concerning items not on the agenda.

4) PUBLIC HEARINGS

5) OTHER BUSINESS

6) CORRESPONDENCE

7) PRESS ARTICLES

8) CLOSED SESSION
a) Performance Evaluation of LAFCO Executive Officer pursuant to Government Code Section 54957
b) Agency designated representatives:
(1) Personnel Committee: J. Anderson, R. Anderson, J. Leopold
(2) Unrepresented Employees: Executive Officer and Secretary-Clerk

9) REPORT FROM CLOSED SESSION

10) ADJOURNMENT
a) Due to a conflict with an important scheduled conference, December's LAFCO meeting will be held on the second Wednesday instead of the usual first Wednesday of December. The next LAFCO meeting is scheduled for Wednesday, December 9, 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. Questions regarding FPPC material, including FPPC forms, should be directed to the FPPC's advice line at 1-866-ASK-FPPC (1-866-275-3772).

Accommodating People with Disabilities
The Santa Cruz Local Agency Formation Commission does not discriminate on the basis of disability, and no person shall, by reason of a disability, be denied the benefits of its services, programs or activities. The Commission meetings are held in an accessible facility. If you wish to attend this meeting and you will require special assistance in order to participate, please contact the LAFCO office at 831-454-2055 at least 72 hours in advance of the meeting to make arrangements. For TDD service the California State Relay Service 1-800-735-2929 will provide a link between the caller and the LAFCO staff.

Late Agenda Materials
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, August 5, 2015
9:30 a.m.

Room 525
701 Ocean Street
Santa Cruz, California

The August 5, 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, Smith, R. Anderson, Lind, Leopold and Chairperson Friend
Absent:	* Bottorff, R. Coonerty
Alternates Present:	None
Alternates Absent:	Bobbe
Staff:	Patrick M. McCormick, Executive Officer Brooke Miller, LAFCO Counsel Debra Means, Secretary-Clerk

MINUTES

MOTION AND ACTION

Motion: J. Anderson Second: Leopold	To approve June 3, 2015 minutes. Motion carries with a unanimous voice vote.

PUBLIC HEARINGS

LAFCO No. 956, COUNTY SERVICE AREA 9 (COUNTY PUBLIC WORKS), SERVICE AND SPHERE OF INFLUENCE REVIEWS AND ACTIVATION OF LATENT POWERS, SOQUEL PARKING

Mr. McCormick reports that there are a number of different services provided. This application has been triggered by the County's request for LAFCO to authorize the County to provide parking lot services. The County intends to notice a parking lot assessment in Soquel Village where the County has been maintaining four lots using a business-based assessment. Since the Redevelopment Agency no longer exists, the County is looking to change the financing over to a property-based assessment.

This is one of the first steps where this Commission would be authorizing the County Service Area (CSA) to provide parking lot services and it is called "activation of a latent power". Once the Commission activates this, the County can choose to implement it in zones anywhere in the County. The County's current intention is to only apply it where they have existing parking lots that they maintain in Soquel Village.

Staff has completed a sphere and service review which looks at this specific service as well as a broad range of services that CSA 9 provides, such as street lighting and road maintenance.

Resolution No. 956 would reaffirm the existing sphere of influence for CSA 9 and accept the service review. Resolution No. 956-A would authorize the County to provide parking lot services via CSA 9.

Commissioner Roger Anderson sees no problem approving this increase in latent powers for this CSA. It costs about $35,000 to operate the parking lots. The County has considered several different ways to raise this money, including this assessment which is currently being proposed. Other options are putting in parking meters or pay by space parking. He thinks a specified time during which an assessment district would be set up would be prudent. Otherwise, the County will be stuck with that $35,000 for some time.

* Commissioner Bottorff arrives.

Commissioner Leopold says the Soquel parking areas are within his jurisdiction as a County Supervisor. They have been talking with Soquel business owners about creating this and assessing fees. Some prefer to form a district, and some may prefer to have parking meters or some other paid parking. There is no other paid parking area except the Live Oak parking area. This would be a new area and he is not sure the Soquel businesses want to be the first to start charging for parking. He will be meeting again with the Soquel business owners to find out what their preferences are.

Commissioner Roger Anderson wonders about the scope of the municipal services review. This item only involves a change to parking lots, but there are many other activities within CSA 9 such as road maintenance. There are comments that the roads are fair based upon an engineering assessment. There is no real information about what would be required to bring the roads up to standard, but this information may exist in the County's general plan. He wonders if this service review should be worked on some more.

Mr. McCormick says the Commission has obligations to do service reviews on all of the agencies subject to LAFCO's boundary and service regulations. The level of detail in each service review is up to the Commission's discretion. The Commission can keep the service review open to add more detail.

John Presleigh, Director of Public Works, says they do not anticipate changing CSA 9 other than for the Soquel parking area. They have been working at the State and Federal level to increase road funding, primarily an increase in a gas tax, and it may happen within six months to a year. This could bring in $5 million to $7 million per year to the County for roads.

They are also working with the Regional Transportation Commission on a possible sales tax measure which could bring in an additional $2 million. Unless a tax measure is enacted, the County will continue to live with the roads in their current condition.

Commissioner Leopold adds that there are two reports about the County's pavement condition index. One report indicates the index went up modestly because there was some money to fix roads. If the resources are available, there can be an increase in the County's road work. There are better roads in the Live Oak / Soquel area due to the efforts of the Redevelopment Agency where $1 million to $3 million per year was spent over 25 years.

Mr. Presleigh says when the Redevelopment Agency ended, they lost $3 million that last year. They had to incorporate 60 miles of the Live Oak and Soquel redevelopment area into the overall County system, so there was even less money to spread over the whole County system. They are currently engaged with the State and working with the legislators. They anticipate good news that will improve the roads within the next six months to a year.

Commissioner Leopold adds that there is a special session in the legislature going on now.

MOTION

Motion: Leopold Second: J. Anderson	To approve Resolution No. 956 and 956-A, as recommended by staff. Motion carries with a unanimous voice vote.

LAFCO No. 957, SERVICE AND SPHERE OF INFLUENCE REVIEWS FOR FORMATION OF HUCKLEBERRY ISLAND, COUNTY SERVICE AREA 60

Mr. McCormick reports that Huckleberry Island is off Highway 9 in Brookdale. Huckleberry Island is not a real island; it is a huge bend in the San Lorenzo River. The only way to access the Huckleberry Island neighborhood is by a bridge.

There are 16 developed parcels. One parcel has two units on it, making a total of 17 units. There are several undeveloped parcels. 10 of the 16 developed property owners have submitted an application to form a County Service Area (CSA).

CSAs are typically used for road maintenance and there are many CSAs in this County. The two CSAs that exist as a model for Huckleberry Island are Roberts Road in Ben Lomond and McGaffigan Mill Road in northern Boulder Creek. Both CSAs involve a bridge at the beginning of their road. With McGaffigan Mill Road CSA, they used an assessment available to CSAs to secure a long-term bank loan so they could borrow the money and replace the bridge. This is what the proponents for Huckleberry Island CSA would like to do.

Currently, the fire department will not cross the bridge into Huckleberry Island because it does not meet the standards for weight. If the fire department has to go to a fire, they have to stop short of the bridge and begin a manual hose lay similar to a wildland fire. Fortunately, there has not been a catastrophic fire.

The proposal to form this CSA includes bridge replacement, bridge maintenance, common road maintenance, and common area maintenance. There are protests coming from a couple of developed property homeowners. The only way to get to their properties is via the bridge and the common road.

There is also a suggested revised resolution from Counsel and staff. They suggest that the authorized service that is proposed for the "common area" be revised to "vegetation management" which would involve cutting brush and removing dangerous trees. The revised term is more descriptive and narrower than the original term.

One issue is whether the proposal is a proper configuration of properties that would benefit from the proposed CSA. Staff is recommending that five parcels be deleted because they have direct access from Highway 9 and do not use the bridge. There is a large canyon and the river between them.

Chairperson Friend adds that additional correspondence has been received by the Commissioners.

Kevin Curran and his wife Yvette purchased property on Huckleberry Island in April, 2012. They are one of five owners who live full time on the island. 7 of the 17 properties are rentals, 3 are vacation or secondary homes, and 1 home is in foreclosure. He and his wife own #11 and do not own the bridge or any portion of any common area. They do not belong to any group designated as a homeowners association. They would like to see the responsible parties build the bridge and assess them as a user of the easement for their proportional share (Civil Code 845).

They believe the proposal to form a CSA around Huckleberry Island is not practical or cost-effective. The proposal contains inaccurate facts and statements. The extended process time and cost for LAFCO services is unbearable when added to the cost of replacing the bridge. The proponents have led some of the 16 homeowners to believe that the formation of the CSA will help obtain a construction loan with an assumed repayment agreement period over the property tax lien period.

The proposal's boundaries do not make sense and include eight lots that have no future or current use of the bridge. The Mesiti-Miller Engineer bridge assessment reports evidence that supports decades of neglect, substandard materials, and unpermitted attempts to repair the existing bridge.

Land title expert reports conclude that the bridge is actually owned by four owners who live at #1 and #17 owned by the Breeds, and Howard and Stone who live on Pacific Street. For these reasons, they do not wish to proceed.

Martin McGuire lives at #9 on Huckleberry Island. He is most concerned about trying to save costs for the homeowners. He does not want to pay at least an additional 40% to get the bridge repaired or replaced.

Since the common area service has been revised to vegetation management, the proposal has changed. According to the County Assessor, the common area is not a common area; it is owned by one or two people. He asks if the Commission can provide more information than the Assessor.

Kris Dessau and her husband own #13 on the island. When they agreed to sign the petition to form a CSA, they thought they were applying specifically for a bridge. It was not their intention to sign a petition that would include additional APNs that belong to #16, nor the common area or road maintenance. As a result, they will withdraw their names from the petition if those items are not excluded.

Brad Darbro is the newly elected treasurer to the island's homeowners association. They want to request that an amendment be considered for the focus of the CSA to replace and maintain the bridge only. The common area and the roads on the island can be dealt with later. There are many homeowners on the island who will not be able to pay for the bridge upfront. They need to secure a loan and the funds, have a billing method to rebuild the bridge, and maintain it in the future.

Kevin McClish is the Boulder Creek fire chief. The bridge is unacceptable for adequate fire protection. It has been inaccessible for about three years. He knows the homeowners have have struggled to get it fixed. The fire district currently cannot provide them with adequate fire service. There is a contingency plan, but it is not adequate. If there were a fire on the island, the most they could probably do is keep it from spreading to another building. He supports the formation of this CSA.

Commissioner Bottorff heard that they are not allowing any fire apparatus over the bridge. He asks if they could use a Type 4 or a Type 3.

Chief McClish answers no. The bridge is not safe enough to cross with fire apparatus. They have been trying to get a temporary rating upgrade so they can get a smaller engine across the bridge, but they have been unsuccessful. The best option is for the homeowners to purchase a trailer, some fire hose that they can tow across with a utility truck, and work off that from a fire engine on the other side of the bridge, or from the fire hydrants inside the island. However, this would still not be a very adequate form of fighting fire.

Chairperson Friend says they have received a request for a modification to the application. The resolution states bridge and road construction, operation, and maintenance and common areas. There is a revised resolution that makes "common area" "vegetation management." He asks Counsel if it is possible to make that type of modification given what the petition was provided, or whether it needs additional time and review.

Counsel Miller answers that the applicants have agreed to make this change. The applicants have agreed that it meets the intent of the application to limit it to "vegetation management." There are no other common areas or facilities that need to be maintained. It is more of a wording change than a substantive change.

Chairperson Friend clarifies that there was a request that seemed to come from the applicants, as well as someone who signed the petition that "vegetation management" and "road maintenance" be removed. He asks if the Commission can have those items deleted.

Counsel Miller answers yes. It is within the Commission's discretion to limit the scope of the CSA.

Commissioner Lind asks if they can approve the resolution as amended to cover only the bridge.

Counsel Miller answers yes.

Commissioner Roger Anderson says cost is an important issue. There is a specific value to rebuild a bridge. He heard that there could be up to 40% decrease in cost. He wonders about the status of that estimate.

Mr. McCormick replies that the homeowners have been investigating the replacement/repair of the bridge for a long time. Public Works staff has a unit that deals with CSA operations such as assessment hearings, budgets, claims, and contracts. One of the advantages of forming a CSA is that the County's tax collector is a good collection agent. One of the disadvantages of a CSA over a private association is that a CSA has to follow all of the public agency bidding laws. CSAs have higher costs; 30% to 40% is the typical estimate and that is a major negative. There are a number of CSAs in this County because they have weighed the positives over the negatives, such as the professional management of Public Works and the knowledge about how to make repairs.

Commissioner Lind asks if there is any difference between a CSA and an assessment being able to get the funding.

Mr. McCormick says that the proponents are using Roberts Road and McGaffigan Mill Road CSAs as models for their new CSA. In order to secure a private bank loan, the bank is comfortable with an approved CSA assessment as security. The bank may be less willing to grant a loan to a private party who does not have a collection mechanism.

Commissioner Lind says that if the fire department cannot adequately battle a fire on the island, she wonders whether fire insurance coverage would be an issue, and whether approving the CSA will help with the coverage.

Mr. McCormick does not have any of that information.

Commissioner Jim Anderson wonders about the useful life of the bridge in its current condition with just vehicle traffic.

An unidentified man states that the bridge should be replaced as soon as possible. They bought some time by renting steel plates to cover up the decking. They pay a monthly fee to a private entity to keep the bridge usable. They are concerned about the upcoming threat of El Niño. They are fortunate the bridge is not in the water now. Garbage trucks as well as fire trucks cannot cross the bridge. The natural gas line that services the homes goes on that bridge.

MOTION

Motion: Leopold Second: Bottorff	To approve Resolution No. 957 and 957-A as amended to include that the services authorized for the Huckleberry Island CSA 60 are bridge construction only. Motion carries with a unanimous voice vote.

RESOURCE CONSERVATION DISTRICT (RCD) OF SANTA CRUZ COUNTY SERVICE AND SPHERE OF INFLUENCE REVIEW

Mr. McCormick reports that the RCD used to be called the Soil Conservation District. They renamed it because they do more than soil conservation; they do a range of environmental remediation services.

There are RCDs all over California, some are within a whole county, and some are sub-county. In Santa Cruz County, the RCD's sphere of influence is the entire county and the boundary is Santa Cruz County's unincorporated area and the City of Capitola. All of the other RCDs in the surrounding counties were used as comparables.

RCDs are highly reliant on grants. Their budgets fluctuate, sometimes radically, depending on whether a grant was obtained. He asked the other adjacent RCDs if they could work together more, and whether they could share a grant writer, for example. He brought up consolidation as an option.

It is possible for RCDs to cover more than one county. The RCDs in other counties vary in size, some have increased in size recently, and some are operating marginally.

Chris Coburn is the director of Santa Cruz' RCD. His RCD has done a lot of work in resource conservation. They have expanded beyond the scope of just working on private lands. They are working primarily on erosion control to broadly express resource concerns. They offer a variety of programs and efforts. Their principal feature is that they are non-regulatory. Landowners can feel confident that they will not be turned in to a regulator if any RCD representative visits their property. That enables the RCD to do more than other entities are able to do.

Grants are very important to RCD. They have received an annual $25,000 in property tax increments, plus an additional discretionary $28,000 given by the Board of Supervisors over the past couple of years. They have leveraged that into about $2.5 million to $3.5 million annually in grant funding.

They are currently working with a private property owner to restore about 1500 linear feet of Soquel Creek by addressing a significant erosion problem and improving habitat and fish passage within the creek.

They are also in partnership with CalPoly Swanton Ranch working on Scotts Creek's habitat restoration. They will be collaborating with POST and Sempervirens in the San Vicente Redwoods and a portion of the BLM Coast Dairies property

They are working with the agricultural community. They will be sharing staff and adding an irrigation specialist and agronomist who will work with growers on irrigation efficiency and other measures to use water as efficiently and effectively as possible. This is a position they could potentially share with other districts and there have been some preliminary discussions about this. This would be a grant funded position.

They have been working with the adjoining districts, mostly Monterey RCD, in the community water dialogue about overdraft and the Pajaro Valley. The obvious challenge is getting grants. What is not so obvious are the challenges the grants impose when they try to recover their administrative costs or their indirect costs since it is no longer allowable. It is difficult to run a district on grants that do not allow the money to be used to pay for rent or utilities.

They generally do not get their funding up front. They incur the expense and submit the expense to the grant. It can take sometimes more than a year to get reimbursed for such expenses to pay for employees and have cash available. They are looking for opportunities to stabilize their baseline funding and are working actively with partners.

Their Integrated Watershed Restoration Program has been expanded to San Mateo and Monterey Counties. That is a collaborative program that is being implemented in all three counties. They just received a $1.1 million grant from the Coastal Conservancy for these three counties to implement that program.

<u>Commissioner Roger Anderson</u> asks about the sources of their grants besides the Coastal Conservancy, and whether they get any federal money.

<u>Mr. Coburn</u> replies yes. They have a partnership with the Natural Resource Conservation Service, the old Soil Conservation Service. They are the contact between them and the local land owners. Their partnership is usually funded with $50,000 to $100,000 per year. The USDA is also a big funder for numerous grants.

Their primary state funders are the Coastal Conservancy. The Wildlife Conservation Board recently gave them a $500,000 grant. They also work with some of the regulatory funders such as the State Water Resources Control Board and Department of Fish and Wildlife.

Given RCD's non-regulatory status, some of those grant relationships can be difficult because they have had to negotiate how to report for some of those grants. Generally, they get grants from public agencies. They are trying to get funding from private donations and see if they can increase donations to the district. They recently completed an Ecosystem Services Report that was funded largely by the Bechtel Foundation. They have found that private individuals are not that interested in donating to a public agency.

<u>Commissioner Roger Anderson</u> wonders about the difficulty in getting indirect costs reimbursed and how they anticipate the spread for delayed payments.

<u>Mr. Coburn</u> says they received additional funding from the County last year, and they used some of that money to hire a consulting firm to help them develop a cost allocation plan to establish an indirect rate. It justifies that rate so they can report to the funders what the indirect costs are. Even if there is an approved cost allocation plan, many funders do not allow it. It does open the door for some grants to help recover those costs.

They were audited by the Department of Water Resources through a main grant recipient. They were the sub-grantee. They passed that audit, but it illustrated the need to be able to document and establish billable rates.

MOTION AND ACTION

Motion: J. Anderson Second: Leopold	To approve 2015-10 as recommended by staff. Motion carries with a unanimous voice vote.

Commissioner Leopold adds that he found the review very helpful. It is impressive what this RCD does environmentally and how finances are acquired. This RCD represents a small county, it is receiving millions of dollars in grants, and it is a real credit to RCD's staff for their efforts.

OTHER BUSINESS

LEGISLATION

Commissioner Leopold reports that SB 88 passed. It was a heavy-handed way for the State Water Resources Control Board (SWRCB) to work on water district consolidations. He spent a lot of time in Sacramento over the last few months trying to negotiate something that would work with LAFCOs. CALAFCO told the SWRCB the bill would create a mess. The bill passed as a trailer bill and now they are trying to clean up what they have done.

CALAFCO originally took a position of opposition to SB 239, but the author Bob Hertzberg made all of the changes CALAFCO suggested. The bill has passed and it is on the Governor's desk. Cal Fire does not like this bill.

SANTA CRUZ GRAND JURY REPORT: SANTA CRUZ COUNTY FIRE PROTECTION DISTRICTS; RESPONSE TIMES, MUTUAL AID, AND CONSOLIDATION

Commissioner Roger Anderson notices that LAFCO was not mentioned in the latest Grand Jury report.

Mr. McCormick says they were mentioned, but LAFCO is not required to respond to any of their points in the report.

STATUS OF PROPOSALS

Mr. McCormick reports that the Scotts Valley Water District is looking at a sphere of influence proposal. If they submit an application, it would move them up on the work program for service reviews.

PRESS ARTICLES

Commissioner Leopold thinks the news about the Manabe Ow property shows that LAFCO can come up with a strategy that works.

Meeting is adjourned at 10:34 a.m. There will be no LAFCO meeting in September due to the CALAFCO Conference, so the next regular scheduled meeting is Wednesday, October 7, 2015.

CHAIRPERSON ZACH FRIEND

Attest:

Patrick M. McCormick, Executive Officer

Santa Cruz Local Agency
Formation Commission
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SALSIPUEDES SANITARY DISTRICT

Date: October 28, 2015 for November 4, 2015 Meeting

Summary: As part of the Commission work program to review the services and spheres of the cities and districts in Santa Cruz County, staff has drafted a service and sphere review for the Salsipuedes Sanitary District.

Staff Recommendation: Receive staff presentation, release service and sphere report, schedule a public hearing for December 9, 2015 to review public comments and consider accepting the report and confirming the current sphere of influence map.

Submitted by: Patrick McCormick, Executive Officer

The LAFCO staff has prepared a draft of a service review and sphere of influence review for the Salsipuedes Sanitary District, which operates a sanitary sewer collection system in the unincorporated area northeast of the City of Watsonville. There are 510 connections to their system, located along East Lake Avenue (Highway 152) and College Road.

The main conclusions of this document are:

- The Salsipuedes Sanitary District is a well-governed small agency with a functional board, noticed meetings, and a trained part-time staff member.
- In the ten years since the last service review was conducted, the District's rates have gone from the lowest of all Pajaro Valley sewer agencies to the highest.
- In the next few years, the District should evaluate whether lower rates could be realized through a reorganization, and whether the loss or reduction in local control of the sewer system would be acceptable.
- Neither the LAFCO staff nor the District is recommending any changes in the District's Sphere of Influence map.

The staff recommends that the Commission:

- Receive an oral presentation from staff,
- Release the service and sphere report,
- Schedule a public hearing for December 9, 2015 to review public comments and consider accepting the report and confirming the current sphere of influence map.

cc: Salsipuedes Sanitary District
Freedom County Sanitation District
City of Watsonville, Attention: Director of Public Works and Utilities

Attachment:
--2015 Service Review and Sphere of Influence Review, Salsipuedes Sanitary District

2015 SERVICE REVIEW AND SPHERE OF INFLUENCE REVIEW

Salsipuedes Sanitary District

SALSIPUEDES SANITARY DISTRICT

Document's Purpose, Format, and Executive Summary

LAFCO periodically performs municipal service reviews[1] and updates, as necessary, the sphere of influence of each agency subject to LAFCO's boundary regulation[2]. 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 Salsipuedes Sanitary District. Specific service review and sphere determinations are listed at the end of the report.

The main conclusions of this document are:

- The Salsipuedes Sanitary District is a well-governed small agency with a functional board, noticed meetings, and a trained part-time staff member.
- In the ten years since the last service review was conducted, the District's rates have gone from the lowest of all sewer agencies in the Pajaro Valley to the highest.
- In the next few years, the District should evaluate whether lower rates could be realized through a reorganization, and whether the loss or reduction in local control of the sewer system would be acceptable.
- Neither the LAFCO staff nor the District are recommending any changes in the District's Sphere of Influence map.

Agency Overview

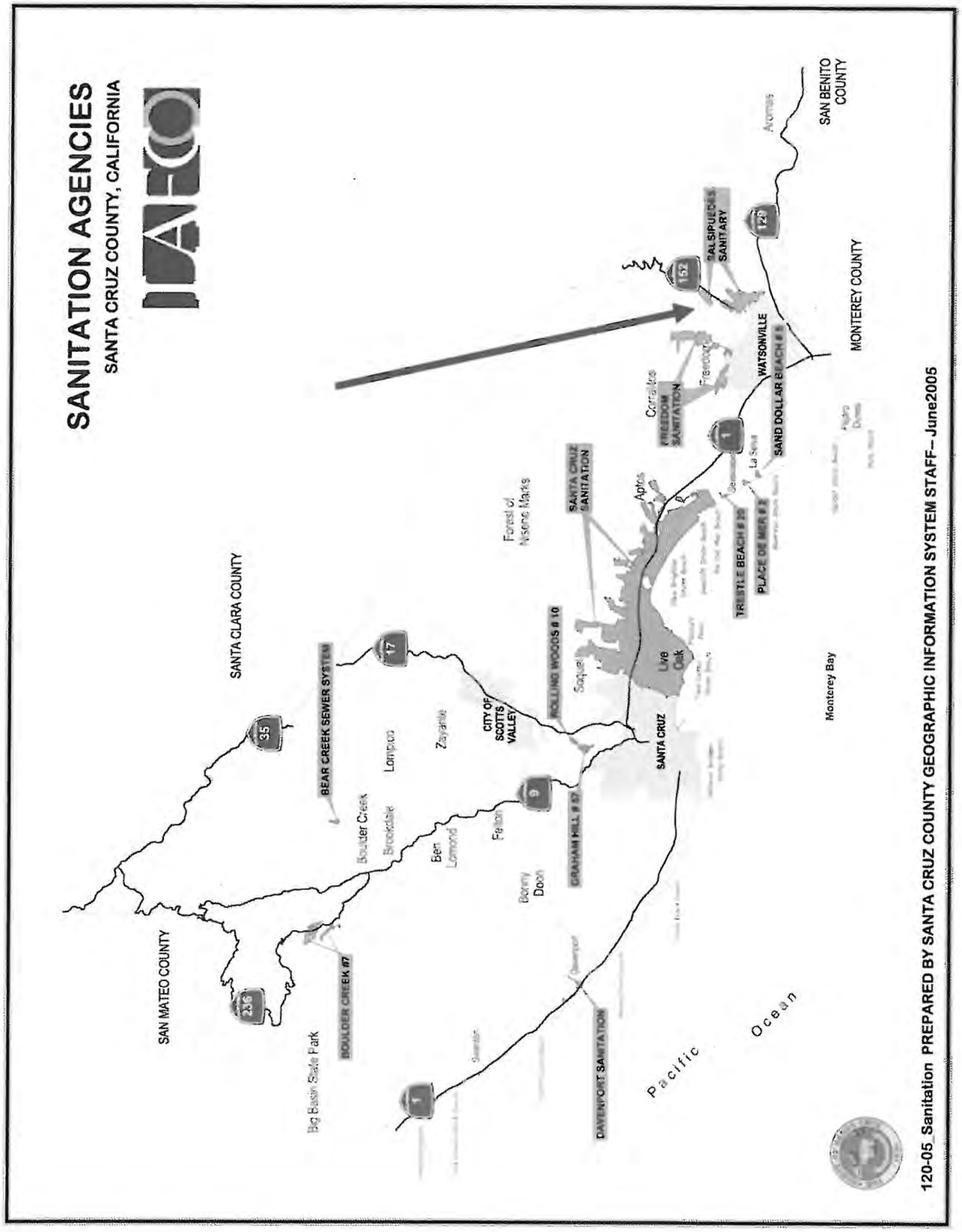
The Salsipuedes Sanitary District was formed[3] in 1965 in order to provide wastewater collection services to the unincorporated area northeast of Watsonville. The main streets in the district are East Lake Avenue (Highway 152) and College Road. In addition to residential areas, the district provides wastewater service to Lakeview Middle School, St. Francis High School, Our Lady Help of Christians Catholic Church, the Santa Cruz County Fairgrounds, and several commercial businesses. The district has 510 connections, and rents an office at 739 East Lake Avenue in Watsonville. The district has a five-person board of directors and employs a part-time Secretary-Manager. The district has a contract with the City of Watsonville to treat, re-cycle and/or dispose sewage at the City's plant on Beach Road.

Table 1 – Services Provided

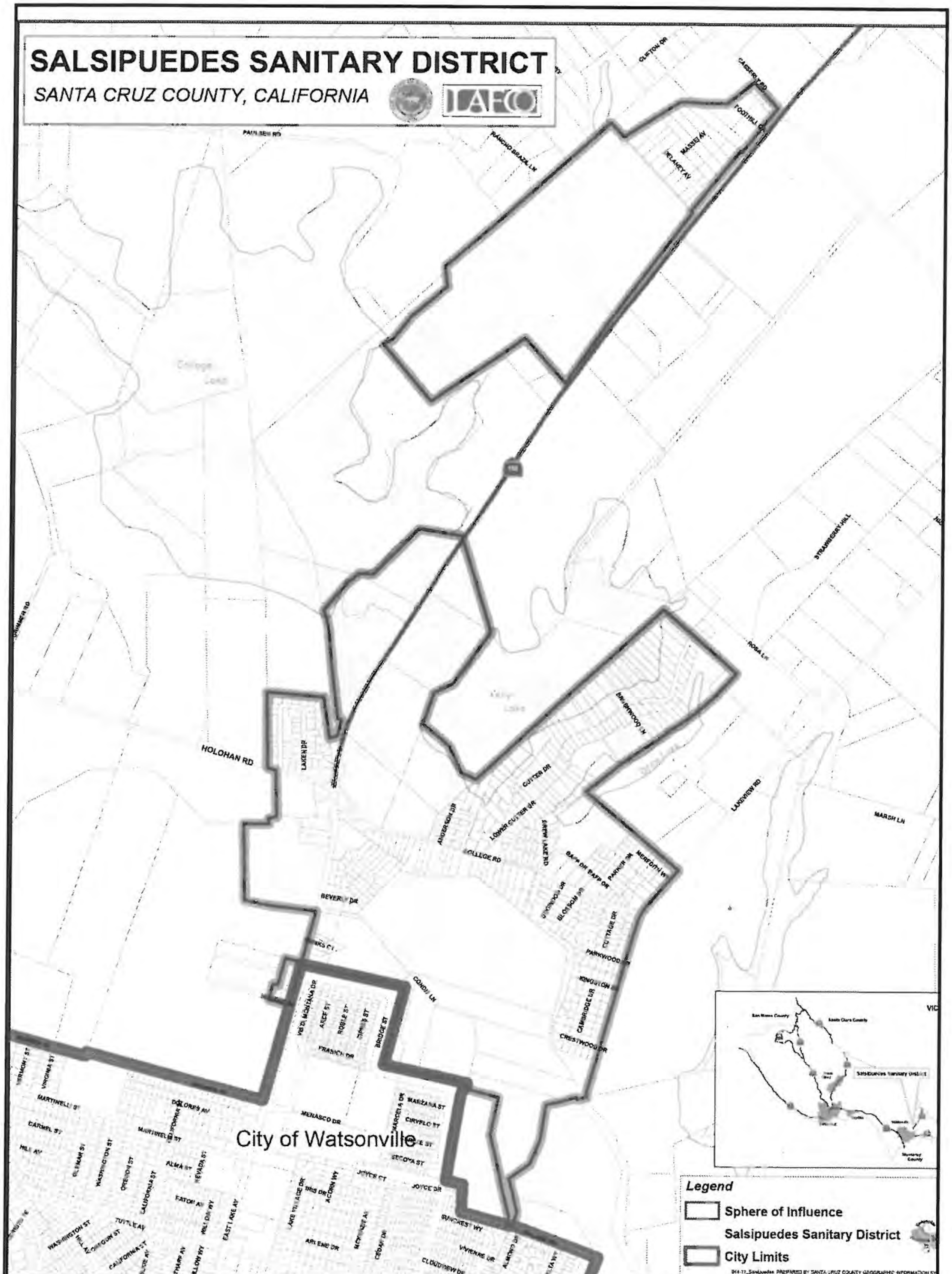
2015 Salsipuedes Sanitary District Service Review	Sanitary Sewer Collection	Sanitary Sewer Treatment	Recycled Water	Septic System Monitoring/Maint.
Special Districts				
Salsipuedes Sanitary District	•			

[1] Government Code §56430 (Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000)
[2] Government Code §56427
[3] Health and Safety Code §6400 et seq. (Sanitary District Act of 1923)

The district's location is shown on the following map:



The district's current boundary and adopted sphere of influence are shwon on the following map:



Growth and Population

There are no growth projections available for the Salsipuedes Sanitary District. In general, the Santa Cruz County unincorporated area is projected to have slow to moderate growth over the next twenty years. The projections are as follows:

Table 2
Population

Public Agency	2010	2015	2020	2025	2030	2035	Annual Growth Rate
Santa Cruz County (unincorporated)	129,739	132,318	142,132	134,879	139,601	144,227	0.42%

Source: 2010 US Census and AMBAG 2014 Regional Growth Forecast

In recent years, the Salsipuedes Sanitary District has grown slowly with 3 new connections in the last ten years. The County General Plan applies in this area. A similar slow rate of new connections can be projected for the next ten years, unless the St. Francis Subdivision (Delaney and Massei Streets) passes an assessment to pay for a collection system and main extension along East Lake Avenue to the current Salsipuedes main at the entrance to the Fairgrounds. The subdivision property owners considered an assessment district in 1999-2004 and it did not go forward.

With approximately 500 residential connections and a 2010 U. S. Census average household size of 4.27 people in the Interlaken Census Designated Place (which contains the Salsipuedes Sanitary District, but is bigger), a rough estimate of the resident population is 2,135. In the daytime, the population in the district increases from attendance at the schools, church, and fairgrounds.

The County General Plan anticipates only a small amount of additional growth within the district. The County General Plan designates some of the larger parcels in the southern portion of the district for agricultural uses. The agricultural parcels along Condit Lane were included within the District's sphere of influence because the residences and businesses there already had sanitary sewer service connections from the Salsipuedes Sanitary District prior to LAFCO adopting the District's first sphere of influence in 1987.

Disadvantaged Communities

State law[4] requires that LAFCOs address disadvantaged unincorporated communities within or contiguous to the subject agency's sphere of influence. The purpose is to evaluate the feasibility of extending public services to poor communities. A community is defined[5] as disadvantaged if it has an annual median household income that is less than 80 percent of the statewide annual median household income. In 2014, the California statewide median household income was $61,094[6], and 80% of that was $48,875. The Salsipuedes Sanitary District is located in two census tracts (1101 and 1225). Neither of these has a

[4] Government Code §56430 for service reviews, and Government Code section 56425(e) for sphere reviews.
[5] Water Code §79505.5.
[6] U.S. Census Bureau, 2009-2013 American Community Survey 5-Year Estimates.

median household lower than $48,875. The tract located west of Green Valley Road (1231) does have a median household income that is less than $48,875. This tract is partially served by the Freedom County Sanitation District. The Salsipuedes Sanitary District does not have any mains located close to tract 1231. In its planning activities, the County of Santa Cruz has not identified any sub-areas within the Salsipuedes Sanitary District or contiguous to its sphere of influence that it has identified as disadvantaged.

(continues on next page)

The heavy black line is the adopted Sphere of Influence.)

Boundary History of Salsipuedes Sanitary District

The Salsipuedes Sanitary District was formed in 1965 following an election in which there were 187 votes in favor of forming the district and 27 votes opposed. Upon formation, the district boundary extended from the Watsonville City limits at Hushbeck Avenue to the north end of Cutter Drive. The district has experienced a series of boundary changes of which the principal annexations were along East Lake Avenue (Highway 152) to include what is now Lakeview Middle School, Mary Help of Christians Catholic Church, St. Francis High School, two cemeteries, and the Santa Cruz County Fairgrounds. Detachments have occurred as land was annexed to the City of Watsonville, which took over the sanitary sewer service. Another detachment occurred in 1987, when LAFCO conditioned the Fairgrounds Reorganization to detach 200 acres of commercial agricultural land that was annexed to the district in the 1960's in anticipation of suburban growth, but was unlikely to need sewer service because of agricultural land preservation policies enacted by the County in the 1970's and 1980's. A list of the LAFCO actions involving the Salsipuedes Sanitary District follows:

Table 3 -- LAFCO Actions

Action Date	LAFCO File Number and Title		Location	Acreage	Action
7/21/1965	56	Formation of Salsipuedes Sanitary District	College Rd., Cutter Dr., Holohan Rd., Beverly Dr.	642	Approved
11/15/1967	117	Nugent Tract Annexation No. 1967-1	West side of East Lake Ave., north of Nugent	2.3	Approved
4/17/1968	128	Salsipuedes Sanitary District Annexation 1967-2	Both sides of East Lake Ave., south of College	Approx 3	Approved
2/18/1970	201	Watsonville Levee Detachment	Bridge Street, north of Beck Street	39	Approved
8/19/1970	227	1969-1 Annexation	Both sides of East Lake Ave. from Holohan Road to fairgrounds entrance	183	Approved
9/16/1970	227-A	1969-1 Annexation (adding condition)	"	183	Approved
7/21/1971	284	Tynan Lake Annexation	East side of Lakeview Drive near College Road	85	Approved
5/17/1972	313-A	Levee Two Detachment	Bay Village and Pajaro Village	123	Approved
7/19/1972	331	East Lake Ave. Detachment	East side of East Lake Ave. near Martinelli St.	3.7	Approved
9/20/1972	331-A	Amendment to Res. 331 (adding condition)	"	3.7	Approved
3/7/1984	672	Nugent Ave. / Holmes Annexation	Nugent Avenue	0.2	Approved
10/7/1987	709	Sphere of Influence Adoption	Entire District		Approved
11/8/1987	700	Fairgrounds Reorganization (Both Annex to and Detach from Sal. San. Dist.)	Annex fairgrounds; Detach agricultural parcels along East Lake Ave. and Lakeview	Annex 100 Detach 200	Approved
4/6/1988	734	East Lake / Apple City Annexation	West side of East Lake Ave., next to creek	1	Approved
2/10/1994	624-B	East Lake Ave./Franich Reorganization (Detach from Salsipuedes Sanitary District)	East side of East Lake Ave., north of Martinelli Street	74	Approved
7/15/1998	843	Village Associates II Reorganization (Detach from Salsipuedes Sanitary District)	North end of Delta Way	14.4	Withdrawn 7/15/98
12/1/1999	864	St. Francis Subdivision Annexation	Delaney and Massei Avenues	24	Denied Time Ext. 5/4/05
5/1/2002	883	Village Associates / Delta Way Reorganization (Detach from Salsipuedes Sanitary District)	North end of Delta Way	14.4	Approved
2/5/2007	2007-9	Countywide Service Review	Entire District		Approved
1/9/2008	2008-1	Sphere of Influence Review	Entire District		Approved

St. Francis Subdivision

The St. Francis Subdivision contains houses with septic systems. The soil conditions allow only slow percolation. Septic failures are common, and the repairs require expensive engineered systems. In 1999, the St. Francis Subdivision was outside the boundary of the Salsipuedes Sanitary District, and inside the District's Sphere of Influence adopted by LAFCO. LAFCO authorized the St. Francis Subdivision Annexation (Delaney Ave., Massei Ave., and a few adjacent small parcels). There were no sewer mains to collect sewage in the subdivision, and the closest Salsipuedes Sanitary District main was located at the main entrance to the Fairgrounds on East Lake Avenue. A condition of the authorization was that the property owners in the annexation area needed to approve an assessment district to pay for the collection system and main extension. The assessment district was not approved, and LAFCO never recorded the annexation.

The subdivision remains within the District's sphere of influence. This is the biggest known sewer-related capital need in the areas adjacent to the District. The District was willing to accept and serve the subdivision in 1999, but only if the affected property owners paid for the system improvements.

Fairgrounds (inside Salsipuedes San. Dis.) St. Francis Subdivision (outside District, inside Sphere)

End of main

Infrastructure Needs and Deficiencies

The following table summarizes the wastewater infrastructure within the Pajaro Valley:

Table 4
Pajaro Valley Wastewater Infrastructure Summary

Agency	Type of System	Treatment Level	No. of Connections	No. of Lift Stations	Miles of Sewer Line
City of Watsonville	Collection/Treatment/ Re-Cycling	Secondary / Adv.Tertiary	13,214	12	150.0
Freedom County Sanitation District	Collection	NA	1,687	8	25.0
Salsipuedes Sanitary District	Collection	NA	510[7]	2	7.0
Pajaro County Sanitation District (Mont. Co.)[8]	Collection	NA	922	6	20.2

The regional wastewater treatment plant is owned and operated by the City of Watsonville. The plant treatment capacity, Salsipuedes' share, and the annual flow are as follows:

Table 5 Treatment

Treatment Facility / Areas Served	Permitted Capacity (Secondary) mg/d	2003-2004 Actual mg/d	2014-2015 Actual mg/d	% Avg. Annual Change 2003-2014
Watsonville Wastewater Treatment Facility	12.1	7.6	6.7	-1.1%
City of Watsonville				
Salsipuedes Sanitary District	0.281			
Freedom County Sanitation District	1.570			
Pajaro County Sanitation District (Mont. Co.)				

mg/d = million gallons per day

In 2009, in cooperation with the Pajaro Valley Water Management Agency, the City of Watsonville began treating part of its effluent flow to an advanced tertiary level, and providing it to the Pajaro Valley Water Management Agency to mix with inland well water and distribute through its Coastal Distribution System to irrigate farms in the coastal area of the Pajaro Valley. This recycled water use is a major component in reducing salt water intrusion into the groundwater aquifers. The tertiary plant has a capacity of 7.7 million gallons per day. On October 1, 2015, the Pajaro Valley Water Management Agency broke ground on a 1.5 million gallon storage tank that will increase tertiary water deliveries during the peak irrigation periods.[9]

The Salsipuedes Sanitary District does not have any major projects on its Capital Improvement Program. It utilizes the capital reserve to perform maintenance and repair projects such as putting a liner in a section of main, or replacing a pump at a pump station.

[7] Up from 507 connections in 2005.
[8] 2005 Final Municipal Service Review for the North County Area of Monterey County, LAFCO of Monterey County.
[9] Register-Pajaronian, October 2, 2015

Operations

The Salsipuedes Sanitary District provides wastewater collection services for 510 connections within an unincorporated area northeast of Watsonville. Treatment is provided by the Watsonville Wastewater Treatment Plant. The District has two lift stations and seven miles of sewer pipeline. The only reported sewer spill in the last ten years occurred in May 2014 when forty gallons spilled in the Beverly Drive neighborhood. To avoid a repeat spill, the district added that sewer segment to its preventive maintenance program.

The District utilizes a private contract, Green Line, to perform the maintenance on the mains and pump stations.

Financing Constraints and Opportunities

The Salsipuedes Sanitary District is funded through service charges, connections fees, and the District's share of the property tax. The County Auditor-Controller performs the accounting functions for the District. The following summarizes the District's finances:

Table 6
Salsipuedes Sanitary District Budget

Finances	FY 03-04 Actual	FY 14-15 Actual	% CHANGE FY 03-04 to FY 14-15	FY 15-16 Budget
Revenue				
Sewer Service Charges and Inspection Fees	$95,069	$343,594	261	$356,704
Connection Fees	$6,250	$0	-100	$3,173
Property Tax	$13,019	$17,248	32	$17,724
Other Revenues	$5,862	$4,238	-28	$0
Interest	$9,584	$3,663	-62	$1,000
Total Revenue	**$129,783**	**$368,743**	**184**	**$378,601**
Expenditures				
Salaries & Benefits	$38,449	$42,710	11	$34,900
Services & Supplies	$233,234	$273,029	17	$284,072
Equipment	$142	$0	-100	$26,631
Contingencies / Other Expenses	$640	$505	-21	$32,998
Total Expenditures	**$272,465**	**$316,244**	**16**	**$378,601**
Net Surplus/(Deficit)	**($142,682)**	**$52,499**		**-0-**
Fund Balance, end of year	**$676,086**	**$477,452**	**-29**	

Index 684410, Fund 76580

The District has no long-term debt; capital improvements and equipment are financed through reserves. In its FY 2015-16 budget, the District has restricted $482,254 to be used for this purpose.

Cost Avoidance Opportunities

The Salsipuedes Sanitary District is working to reduce the amount of grease and entering the sewer system through letters, public outreach and service announcements. Since the last service review, the district has initiated these outreach services in Spanish.

Management Efficiencies

The type of wastewater system and the degree to which it is integrated with other facilities has an impact on management efficiencies. The agencies reported the following staff levels:

Table 6
Staffing Levels

Agency	# of Full Time Equivalent Staff	# of Certified System Operators
City of Watsonville	22.6	7
Freedom County Sanitation District	8	NA
Salsipuedes Sanitary District	0.5	NA

NA – Not Applicable

The District operates with one employee: a Secretary-Manager. It contracts for sewer maintenance and repair, legal services, and engineering. It utilizes the County Auditor-Controller for claims and payroll.

Opportunities for Shared Facilities

The Salsipuedes Sanitary District's sewage is treated at the regional treatment plant operated by the City of Watsonville. The City also treats sewage from the Freedom County Sanitation District, the Pajaro County Sanitation District in Monterey County, and Pajaro Dunes.

Opportunities for Rate Restructuring

Wastewater service rates include flat residential rates with commercial and institutional accounts charged a base rate plus a quantity charge. A comparison of single-family residential rates in the Pajaro Valley follows.

Table 7
Wastewater Rates for Single-Family Dwellings in the Pajaro Valley

Agency	2004-2005 Wastewater Rates (monthly)	2015 Wastewater Rates
Salsipuedes Sanitary District	$12.00	$53.53
City of Watsonville	$16.66	$28.25
Freedom County Sanitation District	$27.93	$39.16
Pajaro County Sanitation District (Mont. County)		
Zone 1 Pajaro	$25.73	$25.00
Zone 2 Las Lomas		$35.00
Zone 3 Sunny Mesa		$31.35
Zone 4 Bay Farms		$26.00

Government Structure Options

With the district's rate going from the lowest in the Pajaro Valley in 2004 to the highest in 2015, there may be benefit to studying whether lower rates could be realized by:

- Merging the Salsipuedes Sanitary District system with the Watsonville system by either:
  - Dissolving the Salsipuedes Sanitary District and authorizing the City of Watsonville to provide extraterritorial sewer services to Salsipuedes in a fashion similar to how the City currently water service to most of Salsipuedes.
  - The Salsipuedes Sanitary District contracting with the City of Watsonville to perform all district functions.
- Consolidating the Salsipuedes Sanitary District and the Freedom County Sanitation District in an effort to maintain some economies of scale in sewer systems outside the City of Watsonville.

The major disadvantage of dissolving the district or consolidating with the Freedom County Sanitation District is loss of local control. The option of contracting with the City does not have this disadvantage. The issues facing the Salsipuedes Sanitary District are similar to those of the Freedom County Sanitation District. The Salsipuedes Sanitary District should work with the other sewer agencies in the Pajaro Valley and LAFCO to determine the most cost-effective, efficient means to provide wastewater services to the residents.

Local Accountability and Governance

The Salsipuedes Sanitary District is an independent special district governed by a five member Board of Directors elected at large by the voters within the District. When candidates run unopposed, they are appointed by the County Board of Supervisors in lieu of conducting the election. The current Board is as follows:

Table 8
Board of Directors

Board Member	Title	Term of Office	Compensation
David Ferracane	Board President	11/2015	$150 per mtg.
Miguel Cisneros	Director	11/2017	$100 per mtg.
Robert Roberts	Director	11/2017	$100 per mtg.
Allen Rusler	Director	11/2017	$100 per mtg.
Priscilla Stumbaugh	Director	11/2015	$100 per mtg.

The Board of Directors meets the third Wednesday of each month at 7:00 PM at the District's offices. Public notice is provided through posting. The District does not have a website. The District contacts for independent audits. As part of the 2010 audit, the auditing firm identified two material weaknesses typical to small districts:

1. Failure to prepare internal financial statements and related notes.
2. A lack of segregation of accounting duties since substantially all of the accounting functions are performed by the District's Secretary-Manager.

It is not cost effective to expand the District's staffing to prepare internal financial statement and employ additional people who would perform accounting controls. The District is addressing these issues through financial training and board oversight.

Santa Cruz LAFCO Policies

Santa Cruz LAFCO has a policy that it maintains a file of agency mission statements and meeting rules. These can be accessed by agency boards and community members when discussing agency goals and board meeting procedures. The Salsipuedes Sanitary District has not adopted a mission statement or meeting rules.

– SALSIPUEDES SANITARY DISTRICT-

<u>Service Review Determinations[10]</u>

1) Population and Growth

Growth and population projections for the affected area.

Determination:

> ***NOTE: DRAFT DETERMINATIONS WILL BE PREPARED AND INCLUDED IN THE NEXT DRAFT OF THIS REPORT, WHICH WILL BE CIRCULATED IN ADVANCE OF THE DECEMBER 9th PUBLIC HEARING.***

2) Disadvantaged Unincorporated Communities

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

Determination:

3) Capacity of Facilities

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 communities within or contiguous to the sphere of influence.

Determination:

4) Financial Ability of Agencies

Financial ability of agencies to provide services.

Determination:

5) Shared Facilities

Status of, and opportunities for, shared facilities.

Determination:

6) Accountability

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

Determination:

[10] Government Code Section 56430

7) Matters Required by Local LAFCO Policies

Any other matter related to effective of efficient service delivery, as required by commission policies.

Santa Cruz LAFCO has adopted the following policy:

Determination:

Sphere of Influence Determinations[11]

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

Determination:

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

Determination:

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

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.

Determination:

[11] Government Code Section 56425(e)

Agency Profile

Salsipuedes Sanitary District			
Contact:	Delia N. Brambila, Secretary/Manager		
Mailing Address:	739 East Lake Avenue, Ste. 2, Watsonville, CA 95076		
Site Address:	Same		
Phone Number:	(831) 722-7760		
Fax Number:	None		
Email/Website	salsan@sbcglobal.net		
Types of Services:	Wastewater collection / Treatment provided by City of Watsonville		
Population Served:	Unknown		
Size of Service Area (sq miles):	7 sq miles		
Staff and Infrastructure			
Staff: FTE	0.5		
Miles of pipeline (lateral and main)	7		
Volume of Sewage Spills	40 gallons – 2014		
Financial Information			
Budget: (FY 2014-2015)	**Revenues**	**Expenses**	**Fund Balance (June 30, 2014)**
	$368,743	$316,244	$477,452

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Financial Summary and Balance Sheet for Salsipuedes Sanitary District, accessed online on October 14, 2015 at: http://www.simplersystems.net/countyofsantacruz/finance/login.html

City of Watsonville website, accessed on October 19, 2015 at: http://cityofwatsonville.org/download/Public%20Works/solid_waste/Sewer%20Rates%20Public%20Edition_2015_16.pdf

LAFCO

Legislative Report for November 4, 2015 Agenda

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: Receive final report, t*ake no new positions.*

Submitted by: Patrick McCormick, Executive Officer P. McC.

The Legislature has recessed its regular session, and the Governor has finished reviewing bills. The web site for bill information is http://leginfo.legislature.ca.gov/ .

The LAFCO staff has tracked fourteen bills of interest to Santa Cruz LAFCO. These are listed on the attached tracking sheet.

SB 239 (Hertzberg) requires 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 the last LAFCO meeting, the bill passed the Legislature. Consistent with the Commission's position opposed to the bill, on September 10, 2015, I sent a letter to the Governor requesting that he veto the bill. He subsequently signed the bill.

The Governor did veto SB 25 (Roth) which would change the vehicle license fee allocation for recently incorporated cities on the brink of bankruptcy. The Governor's veto message said that a one-time appropriation was made in SB 107, and that he could not support a permanent re-allocation vehicle license fees as that would impact the State General Fund.

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:

- Tracking Sheet
- Executive Officer's letter of September 10 requesting veto of SB 239
- Text and Legislative Analysis of SB 239

Final Report 2015 Legislative Session

BILL	AUTHOR	SUMMARY	STATUS
		ASSEMBLY BILLS	
AB 3	Williams	*Isla Vista Community Services District* This is a bill to facilitate the formation of a Community Services District in the Isla Vista community of Santa Barbara County. **CALAFCO Position: Oppose unless amended**	Passed Legislature, Signed by Governor
AB 168	Maienshein	*Local Governance Finance* This is a spot bill.	At Assembly Desk
AB 369	Steinorth	*Local Government* This is a spot bill.	At Assembly Desk
AB 402	Dodd	*Extraterritorial Services* 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.	Passed Legislature, Signed by Governor
AB 448	Brown	*Property Taxes and Vehicle License Fees* Increases the vehicle license fees granted to cities in areas annexed since 2004 to match fees in other incorporated areas. **CALAFCO Position: Support**	At Sen. Approp. Com.
AB 851	Mayes	*Disincorporations* This bill would update the laws by which cities are disincorporated. **CALAFCO Position: Sponsor and Support**	Passed Legislature, Signed by Governor
AB 1532	Local Gov. Com.	*Omnibus Bill for LAFCO Law* This bill would make a series of non-controversial clean-up changes to the LAFCO law. **CALAFCO Position: Sponsor and Support** **Santa Cruz LAFCO Position: Support**	Passed Legislature, Signed by the Governor

BILL	AUTHOR	SUMMARY	STATUS
		SENATE BILLS	
SB 25	Roth	*Vehicle License Fees* 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. **CALAFCO Position: Support**	Passed Legislature, Vetoed by Governor
SB 88	Budget Com.	*Water* 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. **CALAFCO Position: Oppose** **Santa Cruz LAFCO Position: Remove from budget process and consider as a policy bill**	Passed Legislature, Signed by the Governor
SB 107	Budget Com.	*New Cities on Verge of Bankruptcy* As part of a bill regarding the closing down of redevelopment agencies, this bill appropriates $23,750,000 from the State General Fund to the Department of Forestry and Fire Protection contingent upon the County of Riverside agreeing to forgive amounts owed to it by three recently-incorporated cities.	Passed Legislature, Signed by Governor
SB 184	Gov. & Fin. Com.	*Local Government Omnibus Bill* 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.	Passed Legislature, Signed by Governor

Final Report 2015 Legislative Session

BILL	AUTHOR	SUMMARY	STATUS
SB 239	Hertzberg	*Fire Protection Service Contracts* 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. **Santa Cruz LAFCO Position: Oppose**	Passed Legislature, Signed by Governor
SB 272	Hertzberg	*Public Records Act* This bill would require each local government agency to catalogue and make publicly available information kept on their data systems.	Passed Legislature, Signed by Governor
SB 552	Wolk	*Water* 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.	Passed Senate, At Assembly Rules Committee

LAFCO

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

September 10, 2015

The Honorable Governor Edmund G. Brown, Jr.
State of California
State Capitol Building
Sacramento, CA 95814

Subject: Request for a Veto—Senate Bill 239

Dear Governor Brown:

I am writing on behalf of the Santa Cruz Local Agency Formation Commission (LAFCO) to request that you veto Senate Bill 239 (Hertzberg) concerning contracts for fire protection services. The bill proposes to greatly complicate the process by requiring LAFCO review and approval for each new contract. Adding the time and cost of a LAFCO review process is not likely to improve the resulting contracts. Also, the Comprehensive Fiscal Analysis called for in the bill only occurs now when a new city is proposed to be incorporated. City incorporations involve an agency that doesn't exist and doesn't have a staff and board experienced with financial analysis. Since fire contracts are negotiated between existing agencies, these agencies have the ability to conduct the appropriate level of analysis.

If the principle of this bill 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.

If the bill were limited to a public notice process at the local fire agency, our Commission would not oppose it.

Very truly yours,

Patrick M. McCormick
Executive Officer

cc: Camille Wagner, Office of the Governor
Pamela Miller, CALAFCO
Chief Jeff Maxwell, Central Fire Protection District of Santa Cruz County

SB-239 Local services: contracts: fire protection services. (2015-2016)

Senate Bill No. 239

CHAPTER 763

An act to amend Sections 56017.2 and 56133 of, and to add Section 56134 to, the Governmen relating to local services.

[Approved by Governor October 10, 2015. Filed with Secretary of State October 10, 2(

LEGISLATIVE COUNSEL'S DIGEST

SB 239, Hertzberg. Local services: contracts: fire protection services.

Existing law prescribes generally the powers and duties of the local agency formation commission in ea with respect to the review approval or disapproval of proposals for changes of organization or reorgar cities and special districts within that county. Existing law permits a city or district to provide extended se defined, outside its jurisdictional boundaries only if it first requests and receives written approval from agency formation commission in the affected county. Under existing law, the commission may authorize district to provide new or extended services outside both its jurisdictional boundaries and its sphere of under specified circumstances.

This bill would, with certain exceptions, permit a public agency to exercise new or extended services o public agency's jurisdictional boundaries pursuant to a fire protection contract, as defined, only if the pub receives written approval from the local agency formation commission in the affected county. The require that the legislative body of a public agency that is not a state agency adopt a resolution of applic submit the resolution along with a plan for services, as provided, that a proposal by a state agency be ir the director of the agency with the approval of the Director of Finance, and that a proposal by a local ag is currently under contract for the provision of fire protection services be initiated by the local ag approved by the Director of Finance. The bill would require, prior to adopting the resolution or subm proposal, the public agency to enter into a written agreement for the performance of new or extende pursuant to a fire protection contract with, or provide written notice of a proposed fire protection contrac affected public agency and recognized employee organization representing firefighters in the affected ar conduct a public hearing on the resolution.

The bill would require the commission to approve or disapprove the proposal as specified. The bill wou the commission to consider, among other things, a comprehensive fiscal analysis prepared by the execut in accordance with specified requirements.

The California Constitution requires local agencies, for the purpose of ensuring public access to the m public bodies and the writings of public officials and agencies, to comply with a statutory enactment th or enacts laws relating to public records or open meetings and contains findings demonstrating that the e furthers the constitutional requirements relating to this purpose.

This bill would make legislative findings to that effect.

This bill would incorporate additional changes to Section 56133 of the Government Code proposed by AE would become operative if this bill and AB 402 are both enacted and this bill is enacted last.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: no

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 56017.2 of the Government Code is amended to read:

56017.2. "Application" means any of the following:

(a) A resolution of application or petition initiating a change of organization or reorganization with s documentation as required by the commission or executive officer.

(b) A request for a sphere of influence amendment or update pursuant to Section 56425.

(c) A request by a city or district for commission approval of an extension of services outside the jurisdictional boundaries pursuant to Section 56133.

(d) A request by a public agency for commission approval of an extension of services outside the jurisdictional boundaries pursuant to Section 56134.

SEC. 2. Section 56133 of the Government Code is amended to read:

56133. (a) A city or district may provide new or extended services by contract or agreement o jurisdictional boundaries only if it first requests and receives written approval from the commission in th county.

(b) The commission may authorize a city or district to provide new or extended services outside its jur boundaries but within its sphere of influence in anticipation of a later change of organization.

(c) The commission may authorize a city or district to provide new or extended services outside its jur boundaries and outside its sphere of influence to respond to an existing or impending threat to the public safety of the residents of the affected territory if both of the following requirements are met:

(1) The entity applying for the contract approval has provided the commission with documentation of a the health and safety of the public or the affected residents.

(2) The commission has notified any alternate service provider, including any water corporation as (Section 241 of the Public Utilities Code, or sewer system corporation as defined in Section 230.6 of ' Utilities Code, that has filed a map and a statement of its service capabilities with the commission.

(d) The executive officer, within 30 days of receipt of a request for approval by a city or district of a c extend services outside its jurisdictional boundary, shall determine whether the request is com| acceptable for filing or whether the request is incomplete. If a request is determined not to be com executive officer shall immediately transmit that determination to the requester, specifying those pa request that are incomplete and the manner in which they can be made complete. When the request i complete, the executive officer shall place the request on the agenda of the next commission meeting adequate notice can be given but not more than 90 days from the date that the request is deemed unless the commission has delegated approval of those requests to the executive officer. The comn executive officer shall approve, disapprove, or approve with conditions the contract for extended servic contract is disapproved or approved with conditions, the applicant may request reconsideration, citing th for reconsideration.

(e) This section does not apply to any of the following:

(1) Contracts or agreements solely involving two or more public agencies where the public service to be is an alternative to, or substitute for, public services already being provided by an existing public servic and where the level of service to be provided is consistent with the level of service contemplated by th service provider.

(2) Contracts for the transfer of nonpotable or nontreated water.

(3) Contracts or agreements solely involving the provision of surplus water to agricultural lands and including, but not limited to, incidental residential structures, for projects that serve conservation purpos directly.support agricultural industries. However, prior to extending surplus water service to any projec support or induce development, the city or district shall first request and receive written approval commission in the affected county.

(4) An extended service that a city or district was providing on or before January 1, 2001.

(5) A local publicly owned electric utility, as defined by Section 9604 of the Public Utilities Code, providir services that do not involve the acquisition, construction, or installation of electric distribution facilities by publicly owned electric utility, outside of the utility's jurisdictional boundaries.

(6) A fire protection contract, as defined in subdivision (a) of Section 56134.

SEC. 2.5. Section 56133 of the Government Code is amended to read:

56133. (a) A city or district may provide new or extended services by contract or agreement o jurisdictional boundary only if it first requests and receives written approval from the commission.

(b) The commission may authorize a city or district to provide new or extended services outside its jur boundary but within its sphere of influence in anticipation of a later change of organization.

(c) If consistent with adopted policy, the commission may authorize a city or district to provide new or services outside its jurisdictional boundary and outside its sphere of influence to respond to an e impending threat to the health or safety of the public or the residents of the affected territory, if bc following requirements are met:

(1) The entity applying for approval has provided the commission with documentation of a threat to the h safety of the public or the affected residents.

(2) The commission has notified any alternate service provider, including any water corporation as (Section 241 of the Public Utilities Code, that has filed a map and a statement of its service capabilitie: commission.

(d) The executive officer, within 30 days of receipt of a request for approval by a city or district to exten outside its jurisdictional boundary, shall determine whether the request is complete and acceptable fo whether the request is incomplete. If a request is determined not to be complete, the executive of immediately transmit that determination to the requester, specifying those parts of the request incomplete and the manner in which they can be made complete. When the request is deemed com executive officer shall place the request on the agenda of the next commission meeting for which adequ can be given but not more than 90 days from the date that the request is deemed complete, u commission has delegated approval of requests made pursuant to this section to the executive of commission or executive officer shall approve, disapprove, or approve with conditions the extended servi new or extended services are disapproved or approved with conditions, the applicant may request recons citing the reasons for reconsideration.

(e) This section does not apply to any of the following:

(1) Two or more public agencies where the public service to be provided is an alternative to, or subs public services already being provided by an existing public service provider and where the level of ser provided is consistent with the level of service contemplated by the existing service provider.

(2) The transfer of nonpotable or nontreated water.

(3) The provision of surplus water to agricultural lands and facilities, including, but not limited to, residential structures, for projects that serve conservation purposes or that directly support agricultural i However, prior to extending surplus water service to any project that will support or induce developmen or district shall first request and receive written approval from the commission in the affected county.

(4) An extended service that a city or district was providing on or before January 1, 2001.

(5) A local publicly owned electric utility, as defined by Section 9604 of the Public Utilities Code, providir services that do not involve the acquisition, construction, or installation of electric distribution facilities b publicly owned electric utility, outside of the utility's jurisdictional boundary.

(6) A fire protection contract, as defined in subdivision (a) of Section 56134.

(f) This section applies only to the commission of the county in which the extension of service is proposed

SEC. 3. Section 56134 is added to the Government Code, to read:

56134. (a) (1) For the purposes of this section, "fire protection contract" means a contract or agreeme exercise of new or extended fire protection services outside a public agency's jurisdictional bound authorized by Chapter 4 (commencing with Section 55600) of Part 2 of Division 2 of Title 5 of this c Article 4 (commencing with Section 4141) of Chapter 1 of Part 2 of Division 4 of the Public Resources Coc those contracts entered into pursuant to Sections 4143 and 4144 of the Public Resources Code, that does the following:

(A) Transfers responsibility for providing services in more than 25 percent of the area within the jur boundaries of any public agency affected by the contract or agreement.

(B) Changes the employment status of more than 25 percent of the employees of any public agency a the contract or agreement.

(2) A contract or agreement for the exercise of new or extended fire protection services outside a public jurisdictional boundaries, as authorized by Chapter 4 (commencing with Section 55600) of Part 2 of Div Title 5 of this code or Article 4 (commencing with Section 4141) of Chapter 1 of Part 2 of Division 4 of Resources Code, except those contracts entered into pursuant to Sections 4143 and 4144 of the Public Code, that, in combination with other contracts or agreements, would produce the results des subparagraph (A) or (B) of paragraph (1) shall be deemed a fire protection contract for the purpos section.

(3) For the purposes of this section, "jurisdictional boundaries" shall include the territory or lands pursuant to a fire protection contract entered into on or before December 31, 2015. An extension protection contract entered into on or before December 31, 2015, that would produce the results de subparagraph (A) or (B) of paragraph (1) shall be deemed a fire protection contract for the purpos section.

(b) Notwithstanding Section 56133, a public agency may provide new or extended services pursuant protection contract only if it first requests and receives written approval from the commission in the county pursuant to the requirements of this section.

(c) A request by a public agency for commission approval of new or extended services provided pursuan protection contract shall be made by the adoption of a resolution of application as follows:

(1) In the case of a public agency that is not a state agency, the application shall be initiated by the ado resolution of application by the legislative body of the public agency proposing to provide new or extende outside the public agency's current service area.

(2) In the case of a public agency that is a state agency, the application shall be initiated by the direc state agency proposing to provide new or extended services outside the agency's current service are approved by the Director of Finance.

(3) In the case of a public agency that is a local agency currently under contract with a state agen provision of fire protection services and proposing to provide new or extended services by the expans existing contract or agreement, the application shall be initiated by the public agency that is a local agen approved by the Director of Finance.

(d) The legislative body of a public agency or the director of a state agency shall not submit a res application pursuant to this section unless both of the following occur:

(1) The public agency does either of the following:

(A) Obtains and submits with the resolution a written agreement validated and executed by each affec agency and recognized employee organization that represents firefighters of the existing and propose providers consenting to the proposed fire protection contract.

(B) Provides, at least 30 days prior to the hearing held pursuant to paragraph (2), written notice to eac public agency and recognized employee organization that represents firefighters of the existing and service providers of the proposed fire protection contract and submits a copy of each written notice resolution of application. The notice shall, at minimum, include a full copy of the proposed contract.

(2) The public agency conducts an open and public hearing on the resolution, conducted pursuant to the Brown Act (Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5) or the Bag Open Meeting Act (Article 9 (commencing with Section 11120) of Chapter 1 of Part 1 of Division 3 of T applicable.

(e) A resolution of application submitted pursuant to this section shall be submitted with a plan which sh all of the following information:

(1) The total estimated cost to provide the new or extended fire protection services in the affected territo

(2) The estimated cost of the new or extended fire protection services to customers in the affected territo

(3) An identification of existing service providers, if any, of the new or extended services proposed to be and the potential fiscal impact to the customers of those existing providers.

(4) A plan for financing the exercise of the new or extended fire protection services in the affected territo

(5) Alternatives for the exercise of the new or extended fire protection services in the affected territory.

(6) An enumeration and description of the new or extended fire protection services proposed to be exten affected territory.

(7) The level and range of new or extended fire protection services.

(8) An indication of when the new or extended fire protection services can feasibly be extended to th
territory.

(9) An indication of any improvements or upgrades to structures, roads, sewer or water facilities, conditions the public agency would impose or require within the affected territory if the fire protection c completed.

(10) A determination, supported by documentation, that the proposed fire protection contract meets tl established pursuant to subparagraph (A) or (B) of paragraph (1) or paragraph (2), as applicable, of s (a).

(f) The applicant shall cause to be prepared by contract an independent comprehensive fiscal analy submitted with the application pursuant to this section. The analysis shall review and document following:

(1) A thorough review of the plan for services submitted by the public agency pursuant to subdivision (e)

(2) How the costs of the existing service provider compare to the costs of services provided in service a similar populations and of similar geographic size that provide a similar level and range of services an reasonable determination of the costs expected to be borne by the public agency providing new or ext protection services.

(3) Any other information and analysis needed to support the findings required by subdivision (j).

(g) The clerk of the legislative body of a public agency or the director of a state agency adopting a res application pursuant to this section shall file a certified copy of the resolution with the executive officer.

(h) (1) The executive officer, within 30 days of receipt of a public agency's request for approval of a fire contract, shall determine whether the request is complete and acceptable for filing or whether the i incomplete. If a request does not comply with the requirements of subdivision (d), the executive of determine that the request is incomplete. If a request is determined incomplete, the executive off immediately transmit that determination to the requester, specifying those parts of the request incomplete and the manner in which they can be made complete. When the request is deemed com executive officer shall place the request on the agenda of the next commission meeting for which adequ can be given but not more than 90 days from the date that the request is deemed complete.

(2) The commission shall approve, disapprove, or approve with conditions the contract for new or services following the hearing at the commission meeting, as provided in paragraph (1). If the c disapproved or approved with conditions, the applicant may request reconsideration, citing the re reconsideration.

(i) (1) The commission shall not approve an application for approval of a fire protection contract u commission determines that the public agency will have sufficient revenues to carry out the exercise of t extended fire protection services outside its current area, except as specified in paragraph (2).

(2) The commission may approve an application for approval of a fire protection contract where the cc has determined that the public agency will not have sufficient revenue to provide the proposed new or functions or class of services, if the commission conditions its approval on the concurrent approval of revenue sources pursuant to Section 56886. In approving a proposal, the commission shall provide tl revenue sources pursuant to Section 56886 are not approved, the authority of the public agency to provi extended fire protection services shall not be exercised.

(j) The commission shall not approve an application for approval of a fire protection contract u commission determines, based on the entire record, all of the following:

(1) The proposed exercise of new or extended fire protection services outside a public agency's curre area is consistent with the intent of this division, including, but not limited to, the policies of Sections 5 56300.

(2) The commission has reviewed the comprehensive fiscal analysis prepared pursuant to subdivision (f).

(3) The commission has reviewed any testimony presented at the public hearing.

(4) The proposed affected territory is expected to receive revenues sufficient to provide public ser facilities and a reasonable reserve during the three fiscal years following the effective date of the c agreement between the public agencies to provide the new or extended fire protection services.

(k) At least 21 days prior to the date of the hearing, the executive officer shall give mailed notice of th to each affected local agency or affected county, and to any interested party who has filed a written r notice with the executive officer. In addition, at least 21 days prior to the date of that hearing, the officer shall cause notice of the hearing to be published in accordance with Section 56153 in a new general circulation that is circulated within the territory affected by the proposal proposed to be adopted post the notice of the hearing on the commission's Internet Web site.

(l) The commission may continue from time to time any hearing called pursuant to this section. The cc shall hear and consider oral or written testimony presented by any affected local agency, affected coun interested person who appears at any hearing called and held pursuant to this section.

(m) This section shall not be construed to abrogate a public agency's obligations under the Meyers-Mil Act (Chapter 10 (commencing with Section 3500) of Division 4 of Title 1).

SEC. 4. The Legislature finds and declares that, with respect to fire protection contracts subject to thi provisions of this act are not intended to change, alter, or in any way affect either of the following:

(a) The existing jurisdiction of a local agency formation commission over proceedings that involve the pr prehospital emergency medical services.

(b) Mutual aid agreements, including mutual aid agreements entered into pursuant to the California E Services Act (Chapter 7 (commencing with Section 8550) of Division 1 of Title 1 of the Government Co Fire Protection District Law of 1987 (Part 2.7 (commencing with Section 13800) of Division 12 of the H Safety Code).

SEC. 5. The Legislature finds and declares that Section 3 of this act, which adds Section 56134 to the Go Code, furthers, within the meaning of paragraph (7) of subdivision (b) of Section 3 of Article I of the Constitution, the purposes of that constitutional section as it relates to the right of public access to the m local public bodies or the writings of local public officials and local agencies. Pursuant to paragra subdivision (b) of Section 3 of Article I of the California Constitution, the Legislature makes the following

This act provides for notice to the public in accordance with existing provisions of the Cortese-Knox- Local Government Reorganization Act of 2000 and will ensure that the right of public access to loc meetings is protected.

SEC. 6. Section 2.5 of this bill incorporates amendments to Section 56133 of the Government Code pr both this bill and Assembly Bill 402. It shall only become operative if (1) both bills are enacted an effective on or before January 1, 2016, (2) each bill amends Section 56133 of the Government Code, ar bill is enacted after Assembly Bill 402, in which case Section 2 of this bill shall not become operative.

SENATE RULES COMMITTEE

Office of Senate Floor Analyses

(916) 651-1520 Fax: (916) 327-4478

SB 239

UNFINISHED BUSINESS

Bill No: SB 239
Author: Hertzberg (D)
Amended: 9/2/15
Vote: 21

SENATE GOVERNANCE & FIN. COMMITTEE: 5-0, 4/29/15
AYES: Hertzberg, Beall, Hernandez, Lara, Pavley
NO VOTE RECORDED: Nguyen, Moorlach

SENATE APPROPRIATIONS COMMITTEE: 5-2, 5/28/15
AYES: Lara, Beall, Hill, Leyva, Mendoza
NOES: Bates, Nielsen

SENATE FLOOR: 26-12, 6/2/15
AYES: Allen, Beall, Block, Cannella, De León, Galgiani, Hall, Hancock, Hernandez, Hertzberg, Hill, Hueso, Jackson, Lara, Leno, Leyva, Liu, McGuire, Mendoza, Mitchell, Nguyen, Pan, Pavley, Roth, Wieckowski, Wolk
NOES: Anderson, Bates, Berryhill, Fuller, Gaines, Huff, Moorlach, Morrell, Nielsen, Runner, Stone, Vidak
NO VOTE RECORDED: Glazer, Monning

ASSEMBLY FLOOR: 54-23, 9/08/15 - See last page for vote

SUBJECT: Local services: contracts: fire protection services

SOURCE: California Professional Firefighters

DIGEST: This bill requires a local agency formation commission (LAFCO) to review a contract or agreement for new or extended fire service outside of a public agency's jurisdictional boundaries.

Assembly Amendments:

1) Replace references to a public agency's "service area" with references to an agency's "jurisdictional boundaries," as defined.

2) Exempt cooperative agreements entered into by the California Department of Forestry and Fire Protection (CAL FIRE) and a city, county, special district, or political subdivision for the purpose of preventing and suppressing fires, pursuant to specified statutes, from the definition of a "fire protection contract."

3) Change the required elements that must be included in an independent comprehensive fiscal analysis submitted pursuant to this bill's provisions.

4) Add double-jointing language to avoid chaptering out conflicts in the event that both this bill and AB 402 (Dodd), which also amends Section 56133 of the Government Code, are enacted into law.

ANALYSIS:

Existing law:

1) Pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act, delegates the Legislature's power to control the boundaries of cities and special districts to LAFCOs.

2) Requires that cities and districts must get a LAFCO's written approval before they can serve territory outside their boundaries (AB 1335, Gotch, Chapter 1307, Statutes of 1993). However, 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.

3) Allows cities and fire protection districts to contract with a county to provide fire protection services within the local agency's jurisdiction.

4) Allows local governments to contract with the California Department of Forestry and Fire Protection (CAL FIRE) to provide fire protection services.

This bill:

1) Requires a public agency to obtain a LAFCO's approval to provide new or extended services under a fire protection contract, pursuant to a specified approval process.

2) Defines a "fire protection contract" as a contract or agreement that:

a) Is for the exercise of new or extended fire protection services outside a public agency's jurisdictional boundaries;

b) Is executed pursuant to specified statutes allowing local governments and CALFIRE to enter into fire protection service contracts and agreements; and,

c) Does either of the following:

i) Transfers responsibility for providing services in more than 25% of the jurisdictional boundaries of any public agency affected by the contract or agreement.

ii) Changes the employment status of more than 25% of the employees of any public agency affected by the contract or agreement.

3) Applies the definition of a fire protection contract to a contract or agreement that, in combination with other contracts or agreements, meets the bill's definition of a fire protection contract.

4) Requires a public agency to initiate a request for LAFCO approval of services provided under a fire protection contract by adopting a resolution of application as follows:

a) The legislative body of a public agency that is not a state agency must adopt a resolution of application proposing to provide new or extended services outside the public agency's current service area.

b) The director of a state agency must initiate an application, which must be approved by the Director of Finance.

5) Defines "jurisdictional boundaries" as include the territory or lands protected pursuant to a fire protection contract entered into on or before December 31, 2015.

6) Directs that an extension of a fire protection contract entered into on or before December 31, 2015, that would meet the definition of a fire protection contract must be deemed a fire protection contract for the purposes of this bill.

7) Specifies the manner in which a request by a public agency for commission approval of new or extended services provided pursuant to a fire protection contract must be initiated and approved.

8) Requires that the legislative body of a public agency or the director of a state agency must do all of the following before submitting a resolution of application to the LAFCO:

   a) Conduct an open and public hearing on the resolution, and

   b) Do either of the following:

      i) Obtain and submit 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 change of organization.

      ii) At least 30 days before the public hearing, provide 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 submit a copy of each written notice with the resolution of application. The notice must include a full copy of the proposed contract.

9) Requires that a proposal for a change of organization must be submitted with a plan prepared pursuant to specified statutory requirements. The plan must include ten specified elements.

10) Requires a public agency to cause to be prepared by contract an independent comprehensive fiscal analysis that reviews and documents:

   a) The plan for services submitted to the LAFCO by the public agency.

   b) How the costs of the existing service provider compare to the costs of services provided in service areas with similar populations and of similar geographic size that provide a similar level and range of services and make a reasonable determination of the costs expected to be borne by the public agency providing new or extended fire protection services.

   c) Any other information and analysis needed to support the findings that a LAFCO must make to approve services under a fire protection contract.

11) 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 executive officer. This bill specifies how a LAFCO must process resolutions of application submitted to the executive officer.

12) Requires a LAFCO to review and approve, disapprove, or approve with conditions a fire protection reorganization contract after a public hearing called and held for that purpose. This bill allows an applicant to request reconsideration if a contract is disapproved or approved with conditions.

13) Prohibits a LAFCO from approving an application unless the LAFCO determines that the public agency will have sufficient revenues to carry out the exercise of the new or extended services outside its current area. However, if the LAFCO has determined that the public agency will not have sufficient revenue to provide the proposed new or different functions or class of services, this bill allows a LAFCO to approve an application if the LAFCO conditions its approval on the concurrent approval of sufficient revenue sources pursuant to state law. In approving an application, the LAFCO must provide that if the revenue sources are not approved, the public agency's authority to provide new or extended services must not be exercised.

14) Prohibits a LAFCO from approving an application for approval of a fire protection reorganization contract unless the LAFCO makes specified determinations, based on the entire record.

15) Specifies the manner in which a LAFCO executive officer must provide public notice by mail, in a newspaper, and on the Internet, of a hearing to review an application for approval of a fire protection contract. This bill allows a LAFCO to continue a hearing and requires that a LAFCO must hear and consider oral or written testimony presented by any affected local agency, affected county, or any interested person who appears at the hearing.

16) Specifies that a fire protection contract is exempt from the statute that governs LAFCOs' approval of extraterritorial service contracts.

17) Directs that its provisions must not be construed to abrogate a public agency's obligations under the Meyers-Milias-Brown Act.

18) Makes additional technical and conforming changes to the Cortese-Knox-Hertzberg Act.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: No

According to the Assembly Appropriations Committee:

- Unknown increased GF costs to the Department of Forestry and Fire Protection (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 (GF). 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. 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.

SUPPORT: (Verified 9/8/15)

California Professional Firefighters (Source)
CAL FIRE, Local 2881
California Labor Federation

OPPOSITION: (Verified 9/8/15)

Alameda County Local Agency Formation Commission
California Building Industry Association
California Business Properties Association
California Special Districts Association
California State Association of Counties
Cities of Calimesa, Coalinga, Colton, El Centro, Fortuna, Fremont, Hesperia, Highland, Indio, Lakewood, Montclair, Rancho Mirage, and Seaside

Contra Costa County
Contra Costa County Local Agency Formation Commission
El Dorado County Local Agency Formation Commission
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
Pebble Beach Community Services 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
San Mateo County Local Agency Formation Commission
Santa Cruz Local Agency Formation Commission
Sausalito-Marin City Sanitary District
Sonoma Local Agency Formation Commission

ARGUMENTS IN SUPPORT: When a contract or agreement between two public agencies makes substantial changes to the administration of fire protection services in a community, it deserves to be scrutinized by LAFCO in a manner that is similar to how a detachment and annexation of fire protection services would be scrutinized under current law. When the Legislature enacted the 1993 Gotch bill requiring LAFCO review of some extraterritorial service contracts, it did so in response to concerns that local governments were using service contracts to circumvent LAFCO review of major changes to local service delivery. However, the review requirement for extraterritorial service contracts contained a substantial loophole for contracts that only involved public agencies. SB 239 will narrow that loophole. Some recent fire protection service contracts between public agencies have resulted in costly litigation and generated deep divisions among community members. Other agreements have been jeopardized by public officials' reliance on financial data that later was determined to be inaccurate. Problems like these can be avoided by providing more opportunities for the public to review and consider independent analyses of proposed changes to fire service delivery in their communities. By requiring a public agency to submit a plan for extended services for fire protection to LAFCO for review and approval, this bill will ensure that the details of service delivery and costs are thoroughly and independently examined, which will benefit the residents, the public agency and the firefighters in all of the affected areas.

ARGUMENTS IN OPPOSITION: Local voters elect county supervisors, city council members, and special district board members to make public policy in response to local needs. Local elected officials strive to provide their communities' residents with the best services at the most reasonable cost. They have to answer to residents who are displeased with the quality and cost of their services. As a result, a decision to enter into a contract with another public agency to provide fire protection services is a decision that elected officials make only after considering the fiscal, administrative, and service delivery implications for their communities. By requiring LAFCO review of fire protection reorganization contracts, this bill diminishes local officials' autonomy to contract for fire protection services in the manner that they determine will best serve their constituents, potentially disrupting fire services and increasing local costs.

ASSEMBLY FLOOR: 54-23, 9/08/15
AYES: Alejo, Bloom, Bonilla, Bonta, Brown, Burke, Calderon, Campos, Chau, Chiu, Chu, Cooley, Cooper, Dababneh, Daly, Dodd, Eggman, Frazier, Cristina Garcia, Eduardo Garcia, Gatto, Gipson, Gomez, Gonzalez, Gray, Roger Hernández, Holden, Irwin, Jones-Sawyer, Linder, Lopez, Low, Maienschein, McCarty, Medina, Mullin, Nazarian, O'Donnell, Patterson, Perea, Quirk, Rendon, Ridley-Thomas, Rodriguez, Salas, Santiago, Steinorth, Mark Stone, Thurmond, Ting, Weber, Williams, Wood, Atkins
NOES: Achadjian, Travis Allen, Baker, Bigelow, Brough, Dahle, Beth Gaines, Gallagher, Grove, Hadley, Harper, Jones, Kim, Lackey, Levine, Mathis, Mayes, Melendez, Obernolte, Olsen, Wagner, Waldron, Wilk
NO VOTE RECORDED: Chang, Chávez, Gordon

Prepared by: Brian Weinberger / GOV. & F. / (916) 651-4119
9/8/15 20:10:33

****** END ******

Reports from 2015 CALAFCO Conference

Summary: The Annual CALAFCO Conference was held September 2-4 in Sacramento.

Staff Recommendation: Receive oral reports from the commissioners and staff who attended.

Submitted by: Patrick McCormick, Executive Officer P. McC.

The California Association of Local Agency Formation Commissions (CALAFCO) held its annual conference and business meeting from September 2 to September 4 in Sacramento.

John Leopold was elected to serve as CALAFCO Board Chair for an unprecedented second year.

Commissioners and staff members who attended can report orally on the other high points of the conference.

Attachments:
--Program
--August 12. 2015 letter regarding dues increase

Wednesday - September 2, 2015

7:30am - 12:30pm — **Mobile Workshop**

Bus leaves promptly at 7:30 am

Come along on the Mobile Workshop as we have a special look at the physical confluence of the Sacramento & American rivers, followed by a tour of the largest and most progressive inland Waste Water Treatment Plant west of the Mississippi, and close with a tour of the Delta levee & habitat. Lunch at the historic Old Sugar Mill included.

10:00am - 12:00pm — **LAFCo 101** - Regency Ballroom A/B/C

Approved for 2.0 AICP CM Credits

This informative presentation is intended to assist elected officials and staff members of counties, cities, and special districts who may be new to the LAFCo process. Panelists will discuss the basics; the LAFCo review process; required Spheres of Influence and Municipal Service Reviews; and the latest requirements for Disadvantaged Unincorporated Communities.

Speakers: Michael Colantuono, Attorney, Colantuono, Highsmith & Whatley, PC
Carolyn Emery, Executive Officer, Orange LAFCo
Mary Jane Griego, Commissioner, Yuba LAFCo

Moderator: Lou Ann Texeira, Executive Officer, Contra Costa LAFCo

1:15pm - 2:00pm — **Conference Opening (Welcoming Remarks)** - Regency Ballroom

John Leopold, Chair, CALAFCO Board
Gay Jones, Commissioner, Sacramento LAFCo and CALAFCO Conference Chair
Angelique Ashby, Chair, Sacramento LAFCo and City of Sacramento Mayor Pro Tem
Pamela Miller, Executive Director, CALAFCO
Sacramento Area Firefighters Local 552 Honor Guard and Sacramento Firefighters Pipes and Drums

2:00pm - 3:30pm — **At the Confluence of Agriculture, Planning, and Resources** - Regency Ballroom A/B/C

Approved for 1.5 AICP CM Credits

Join us as we hear from top officials in the Governor's administration including the Office of Planning and Research (OPR), Natural Resources, and Food & Agriculture on critical issues facing LAFCos and the state. We will hear about the role each of these departments has in the planning and execution of drought-related solutions, the alignment of land use planning and integrated regional water management, and how LAFCos may be a partner in these solutions. We will hear about Sustainable Communities Strategies, the new authorities of the State Water Resources Control Board, and how the drought has impacted the preservation of agricultural lands.

Speakers: Ken Alex, Director, CA Office of Planning & Research
John Laird, Secretary, CA Natural Resources Agency
Karen Ross, Secretary, CA Department of Food & Agriculture

Moderator: John Leopold, Chair, CALAFCO Board

3:30pm - 3:45pm — **Refreshment Break** - Regency Ballroom Corridor

3:45pm - 5:00pm — **GSAs, GSPs and SGMA: Coming to a Basin Near You!** - Regency Ballroom A/B/C

Approved for 1.25 AICP CM Credits

In 2014, the Groundwater Sustainability Act was enacted to strengthen the sustainability of California's groundwater resources. California's groundwater basins and sub-basins make up approximately 38% of the State's total water supply in average rainfall years, 46% in dry years, and up to 100% in certain communities that rely exclusively on groundwater. Learn about the Act's implementation efforts to date and explore how LAFCos could be affected and why LAFCos should pay attention.

Speakers: David Church, Executive Officer, San Luis Obispo LAFCo
Mark Cowin, Director, CA Dept. of Water Resources
Jill Duerig, General Manager, Zone 7 Water Agency
Matt Hurley, Board Member, ACWA

Moderator: Dr. Roger Welt, Commissioner, Santa Barbara LAFCo

6:00pm - 7:30pm — **Bounty of Your County** - Poolside

CALAFCO 9th Annual Beer & Wine Competition/Reception

Thursday - September 3, 2015

7:00am - 9:00am — **Continental Breakfast** - Regency Ballroom Corridor

8:00am - 8:45am — **Regional Caucus Meetings & Elections**

Northern Region - Carmel A
Southern Region - Carmel B
Coastal Region - Golden State
Central Region - Big Sur A/B

9:00am - 10:15am — **CALAFCO Annual Business Meeting** - Regency Ballroom A/B/C

John Leopold, Chair, CALAFCO Board

Thursday - September 3, 2015 (continued)

10:15am - 10:30am **Refreshment Break** - Regency Ballroom Corridor

10:30am - 11:15am **Breakout Session - Regional, Legal and Associate Member Roundtables**
Northern Region - Carmel A
Southern Region - Carmel B
Coastal Region - Golden State
Central Region - Big Sur A/B
LAFCo Counsel (only) - Capitol Board Room
Associate Members - Trinity

12:00pm - 1:30pm **Luncheon and Keynote Address** - Regency Ballroom D/E/F
Luncheon Keynote Speaker: Ted Gaebler, Retired City Manager and Co-Author of *Reinventing Government*

1:45pm - 3:15pm **Broadband: Which Side of the Digital Divide is Your LAFCo On?** - Regency Ballroom A

Approved for 1.5 AICP CM Credits

Broadband is rapidly becoming an essential piece of infrastructure and local governments are coming together to fill the gaps left open by market forces. FCC Chairman Tom Wheeler stated the internet should be "fast, fair and open" and that faster broadband starts with competition. So where do LAFCos fit in? This session will provide an overview of broadband and why it's important for education/training, social equity, economic development, public safety, and numerous other government priorities. We will explore why government is getting increasingly involved and playing a role in the expansion of broadband infrastructure, and why it's important for local agencies to get more engaged in this issue. We'll talk about LAFCos' role, from the need for LAFCos to authorize latent powers or approve out of agency services to creating countywide broadband strategies.

Speakers: P. Scott Browne, Attorney
Lina Hernandez, Early Learning Associate, Knights Landing Yolo Center for Families
Maria Eugene Martinez, English Language and Response to Intervention Specialist, Woodland Joint Unified School District
Michael Ort, President and CEO, Praxis Assoc. Inc.
Sunne Wright McPeak, President and CEO, CA Emerging Technology Fund

Moderator: Sblend Sblendorio, Commissioner, Alameda LAFCo

1:45pm - 3:15pm **CKH and the Bell Curve: LAFCo and California's Changing Culture** - Regency Ballroom B

Approved for 1.5 AICP CM Credits & 1.5 AICP Ethics Credits

This session will explore the evolution of the State, its population, and its governance since LAFCos were created in 1963 and examine what influence these may have on LAFCos underlying principles and the practice of LAFCos into the future. The focus will be on predicting ethical challenges LAFCos may face as they evaluate the needs of emerging communities and the ethics of decisions as LAFCos implement CKH and local policies. We will begin with a summary of the broad and profound transformation of circumstances since 1963 including the culture, demographics, material standards, and expectations of Californians all of which affect LAFCos' implementation of the statute. We will peer into the future far enough ahead to articulate necessary changes to LAFCo law and to ascertain the ethical challenges that may face LAFCos as they sort out statute, policy, and the needs of emerging communities.

Speakers: Hans Johnson, Senior Fellow and Bren Fellow, Public Policy Institute of CA
Stephen Lucas, Executive Officer, Butte LAFCo
Holly Whatley, Attorney, Colatuono, Highsmith & Whatley, PC

Moderator: David Fey, AICP, Executive Officer, Fresno LAFCo

1:45pm - 3:15pm **Financing Municipal Services: Find the Right Financial Fit for Your Project** - Regency Ballroom C

Approved for 1.5 AICP CM Credits

This session will explore the various public financing options available to agencies and tools for choosing the best fit for a project. Specific financing alternatives to be discussed include bonds as well as State financing available through the Infrastructure State Revolving Loan Program, CA Pollution Control Financing Authority, and the Department of Resources Recycling and Recovery. Several case studies will be presented to demonstrate how to weigh financing options and successfully finance public projects, such as street light installation and replacement projects, water treatment plants, and the non-profit public benefit B Street Theatre in Sacramento.

Speakers: Diane Cummings, Dep. Director of Credit and Chief Credit Officer, IBank
Alice Scott, Dep. Director of Internal Affairs, IBank

Moderator: Gay Jones, Commissioner, Sacramento LAFCo

3:15pm - 3:30pm **Refreshment Break** - Regency Ballroom Corridor

3:30pm - 5:00pm **Fiscal Analysis Tools for New Development** - Regency Ballroom A

Approved for 1.5 AICP CM Credits

New fiscal impact analysis tools can help local governments and LAFCos determine whether new developments will move a community forward or drive it into debt. This session will highlight how these emerging tools are ushering in a new era of fiscal responsibility and strategic planning. Statewide representative will discuss the use of these tools and the importance of examining fiscal sustainability throughout the planning and LAFCo processes.

Speakers: Jeffrey Goldman, Principal, AECOM
Raef Porter, Climate and Energy Team Manager, SACOG

Moderator: Kate Meis, Executive Director, Local Government Commission

Thursday - September 3, 2015 (continued)

3:30pm - 5:00pm — **Urban Growth Boundaries and LAFCos - Regency Ballroom B**

Approved for 1.5 AICP CM Credits

This session will look at various boundary tools used by LAFCos and how these boundaries and tools align with LAFCo decisions. Join us to share ideas, techniques and interpretations from various LAFCos throughout the state.

Speakers: Steve Brandt, Principal Planner, Quad Knopf
Ben Giuliani, Executive Officer, Tulare LAFCo
Jerome Keene, Senior Planner, Quad Knopf
Neelima Palacherla, Executive Officer, Santa Clara LAFCo

Moderator: Dr. William Kirby, Commissioner, Placer LAFCo

3:30pm - 5:00pm — **LAFCos Role in Planning for Climate Change - Regency Ballroom C**

Approved for 1.5 AICP CM Credits

Join us as we explore climate change and its increasing impact on municipal service planning in California. This session will include a discussion on key trends underlying climate change on a statewide level, as well as the policies and priorities for the Governor's Office and impact on local government. We will look at a case-study on local climate change planning in Marin County. We will focus on generating ongoing discussion with regard to appropriately connecting LAFCos' responsibilities and powers – existing and future – to facilitating orderly municipal growth and development with the increasing realities of climate change.

Speakers: Louise Bedsworth, Dep. Director, CA Office of Planning & Research
Kate Sears, Commissioner, Marin LAFCo
Will Travis, Former Director, Bay Area Conservation and Development Commission

Moderator: Keene Simonds, Executive Officer, Marin LAFCo

6:00pm - 6:30pm — **Banquet Reception - Vines Restaurant**

6:30pm - 8:30pm — **Dinner and Achievement Awards Ceremony - Regency Ballroom D/E/F**

Friday - September 4, 2015

7:30am - 9:00am — **Breakfast Buffet - Regency Ballroom Corridor**

7:30am - 8:45am — **CALAFCO Board of Directors Meeting and Breakfast - Big Sur A/B**

9:00am - 10:30am — **Leadership in a World of VUCA:**
Volatility, Uncertainty, Complexity, and Ambiguity - Regency Ballroom A/B/C

Approved for 1.5 AICP CM Credits

In uncertain times we often turn to people in leadership roles for order, direction and protection. Yet in the volatile and ambiguous times we find ourselves it is difficult to provide any of these. This session explores the practices to achieve the public value we desire in "VUCA" times. The conversation highlights leadership in complex 21st century organizations, what it takes to be successful in doing the public good, what to look for in spotting 21st century talent, and an opportunity to reflect on your practice of leadership.

Speaker: Bill Chiat, Dean and Manager, CSAC Institute

Moderator: Pamela Miller, Executive Director, CALAFCO

10:30am - 10:45am — **Refreshment Break - Regency Ballroom Corridor**

10:45am – Noon — **CALAFCO Legislative Update:**
The Good, The Bad, and Everything In-between - Regency Ballroom A/B/C

Approved for 1.25 AICP CM Credits

It has been a full legislative year...and it isn't over yet! Join us as we recap the 2015 legislative year and highlight adopted legislation that impacts LAFCos. We will also provide a sneak peek at potential legislation CALAFCO is focusing on for 2016-17.

Speakers: Misa Lennox, Associate Consultant, Assembly Local Government Committee
Pamela Miller, Legislative Chair, CALAFCO
Stephen Lucas, Legislative Vice Chair, CALAFCO
Paul Novak, AICP, Legislative Omnibus Lead, CALAFCO

CALIFORNIA ASSOCIATION OF
LOCAL AGENCY FORMATION COMMISSIONS

CALAFCO

August 12, 2015

TO: Member LAFCO Executive Officers

Dear Executive Officer:

In January of this year the Board held its biennial retreat to review our Strategic Plan and enhance it to address the organizations future needs. As the economy has picked up, there has been renewed interest in the Legislature for ways to work with and work around the LAFCo process. As we looked at our Strategic Plan we saw a need to both improve services to our members and address some long-standing issues with the infrastructure of the organization itself.

Over its 44-year existence, CALAFCO has matured from a volunteer organization to a professional educational organization that has helped the state better understand CKH and the LAFCo process. At different periods in the lifetime of the organization, the Board has looked for ways to continually evolve CALAFCO to address current circumstances and conditions.

One of the areas that the Board has been working on is how to improve the Annual Conference. An important feature of CALAFCO, the conference also presents a great deal of responsibility for host communities. In working to keep the conference in accessible locations, the conference sometimes impacts the same LAFCos time and again. In addition, as the conference has grown, managing all aspects of it has become challenging for a part time staff. The Board formed a subcommittee in January to delve into the issue of evolving the conference, and that subcommittee worked diligently over the past six months exploring the issues and generating a series of options and solutions for the Board to consider. Working over six months, the Board considered a number of changes that will enhance the conference and reduce the dependence upon member LAFCos to act as host. At our July meeting, the Board unanimously approved a number of changes in the evolution of the current annual conference model.

Those changes include the hiring of a part-time Sponsorship Coordinator who will help raise funds from organizations within the CALAFCO universe to support the conference, which will in turn help bring notable speakers and programing requested by LAFCos around the state. Further, they will help us to better brand and market ourselves as an organization. In addition to augmenting the CALAFCO staff for conferences, it is the intent of the organization to provide discounted registrations to LAFCos whose staff members can assist with registration, conference planning and support during the conference.

CALAFCO will transition away from the LAFCo volunteer "host" model currently used to a CALAFCO-hosted model beginning in 2017. With these changes we also intend to hold the conferences in three primary locations: Sacramento, Monterey and San Diego, with a rotating list of locations every fourth year. We anticipate this will allow for greater long term planning and help manage the costs of the conference. Additionally, it will relieve the burden of work for those LAFCos who volunteer to host the annual conference. In order for this all to be accomplished and after careful review of what our sister organizations charge for their annual conference, the Board unanimously approved a modest raise in the registration fee for the conference by $95 over the next three years.

With increasing requests from the Legislature to provide input on bills and calls for consultation with the administration, CALAFCO has witnessed the strain of leading a statewide organization with a very part-time staff. We currently only pay for 24 hrs/wk for our Executive Director, but we still need representation the better part of the week to manage the growing professional demands of the organization. Juggling the aforementioned responsibilities with maintaining our relationships with our sister organizations and meeting the needs of all 58 LAFCos is no longer tenable and we tasked our Executive Committee with the difficult job of developing sustainable solutions for CALAFCO.

1215 K Street, Suite 1650, Sacramento, CA 95814
Voice 916-442-6536 Fax 916-442-6535
www.calafco.org

After months of work, the Executive Committee (John Leopold, Coastal region; Gay Jones, Central region; Josh Susman, Northern region; and Jim Curatalo, Southern region) brought recommendations to the full Board for consideration at the July 31 meeting. After much deliberation, the Board unanimously approved a series of changes to the organizational structure.

First, the Board approved an increase in the hours of our Executive Director effective January 1, 2016 to 32 hrs/wk to better represent the organization. Desiring to also increase resources for our members, the Board is also committing to adding to our White Papers series to support our LAFCos. By increasing our staffing and providing new resources to our members, the Board is committing to evolving the organization to meet the needs of the 21st century and ensuring continued high levels of service to our members.

Current service levels are not sustainable without additional funding and the Board recognizes that the services provided by CALAFCO are valuable tools for all LAFCos and help all of us fulfill our missions. This comes with a cost and after very lengthy discussion at the July 31 Board meeting, the Board unanimously approved an increase in dues that will be as little as $55/yr for small LAFCos and $530/yr for our larger LAFCos. This dues increase will be spread over a two-year period, beginning in FY 2016-17. The increase reflects a seven (7) percent in year one, and a seven (7) percent increase in year two. The total increase over the two-year period equates to a range of $114 to $1,098. The Board also declared its intention to not raise the dues by the CPI during these two years.

Raising fees and dues at any time is a difficult proposition. Our work at CALAFCO does not differentiate between small and large LAFCos when meeting the needs of our members. During the worst years of the recession, CALAFCO held the lines on dues. With effective fiscal management and new efforts to raise sponsorship funds, the organization is in a strong fiscal position and we are not contemplating these changes out of crisis. We are committed to continually enhancing the services of CALAFCO and fulfilling our mandate "to assist member LAFCos with educational and technical resources that otherwise would not be available." I hope you will agree when we discuss this at our annual membership meeting at this year's conference.

Next Steps - Your Help is Needed!

This is an important element in the growth of our Association, the profession, and the role of LAFCo. We recognize that for some LAFCos these changes represent a financial increase. However, we also realize that the current service levels are not sustainable without additional funding, and that evolving and expanding our service levels are not possible without additional resources. We trust that you see this as an investment in the Association and your Commission, and that we have demonstrated through our actions the value of your membership. Your positive support and assistance in securing the support of your Commission is greatly appreciated. We are providing you with a one-page summary of the organizational changes and the reasons for them, along with a copy of the DRAFT minutes of the July 31, 2015 Board meeting, at which all of these actions were taken.

I and the rest of the Board are available to answer any questions you may have. You are encouraged to seek out the feedback of your regional Board members.

On behalf of the CALAFCO Board of Directors,

John Leopold

John Leopold
Chair of the Board

Cc: CALAFCO Board of Directors
enclosures

Dues Increase Summary

CALIFORNIA ASSOCIATION OF LOCAL AGENCY FORMATION COMMISSIONS **CALAFCO**

Sharing information and resources

WHAT'S THE ISSUE?

- Desired membership needs and expectations requires additional funding to allow CALAFCO to effectively deliver services and expanded efforts to meet expectations.
- CALAFCO's current part-time contracted staff hours are insufficient to meet the current and evolving needs and expectations.
- Dues do not fully cover the operational and staff costs of the organization (and have not for some years).
- Heavy reliance on carry-over fund balances and annual conference profit each year to balance the budget.

HOW DID WE GET HERE?

1. Availability of volunteer staff to provide services has diminished; workload shifting to CALAFCO staff.
   - Natural evolution in a volunteer-based organization that faces ever increasing responsibilities
   - Current annual conference "host model" not as effective as it once was (not as many LAFCos able to or wanting to act as host)
   - Legislative monitoring and participation have grown substantially and created additional workload
   - CALAFCO assuming "host" responsibilities for annual conference starting in 2017
   - Member LAFCo volunteer staff (CALAFCO Executive Officer and Deputy Executive Officers) roles have expanded and stipends have not kept pace (not increased since 2001/2002)
2. No increase in dues since 2008/2009 (except CPI increases beginning in 2012/2013)
3. Increased demand for services from member LAFCos and stakeholders
   - Increase in requests for CALAFCO to serve on state policy workgroups (e.g. water and land use)
   - Expanding legislative agenda and efforts
   - Research (e.g. implementation of 2014 groundwater and 2015 water system consolidation legislation)
   - Website upgrades (upgrading of existing CALAFCO website, increase in online resources and addition of technical support)
   - Increasing revenue opportunities for CALAFCO through increased conference sponsorships (hiring specialized firm to assist with branding message and solicitations)

WHAT WILL THE DUES INCREASE PROVIDE?

1. Add and expand services in the current year and beyond
   - Expand Executive Director hours from 24/wk to 32/wk (to meet expectations beyond contracted scope of work and better align compensation with hours worked)
   - Improved website and ongoing technical support for web services to ensure reliable accessibility and functionality
   - Increase external education and outreach about LAFCo
   - Add professional assistance in conference branding, marketing and increase sponsorship outreach
   - Reasonable compensation for LAFCos who provide volunteer staff (EO and DEOs)
   - Maintaining the increased legislative effort
   - Enhanced partnerships with sister organizations to increase CALAFCO credibility and effectiveness
2. Reduce dependence upon member LAFCos to act as conference host
   - Transfer to CALAFCO all current local LAFCo host responsibilities (effective 2017 conference)
   - Provide incentives for CALAFCO volunteers (partial conference registration compensation for LAFCos who provide volunteer staff at conferences)

SUMMARY

1. CALAFCO members should commit to funding professional staff at appropriate funding to ensure continued high levels of service.
2. CALAFCO members should recognize that the current service levels are not sustainable without additional funding.
3. CALAFCO members should consider that excellent service is a valuable tool for all LAFCOs and helps us fulfill our missions.

HOW WAS THE RECOMMENDED DUES INCREASE DEVELOPED?

Board worked on various approaches over the course of the past six months

- Began discussions at biennial strategic planning retreat on January 29, 2015
- Formed two subcommittees, conducted extensive research, reported to the full Board on May 8, subcommittees did further work and considered a number of options for implementation
- Final recommendations made to full Board on July 31, receiving unanimous Board of Directors support

California Association of
Local Agency Formation Commissions

CALAFCO

September 10, 2015

Santa Cruz LAFCo
701 Ocean Street, #318D
Santa Cruz, CA 95060

Dear Chair and Commission:

On behalf of the California Association of Local Agency Formation Commissions (CALAFCO), I would like to thank your commission for allowing some of your members and/or staff the opportunity to attend the CALAFCO 2015 annual conference in Sacramento.

We know how lean budgets and resources are and understand that prioritizing expenditures can be difficult. Ensuring you and your staff have access to ongoing professional development and specialized educational opportunities, allows all of you the opportunity to better serve your commission and fulfill the mission of LAFCo. The sharing of information and resources among the LAFCo commissioners and staff statewide serves to strengthen the LAFCo network and creates opportunities for rich and value-added learning that is applied within each LAFCo.

We would also like to thank Commissioner Leopold for his dedication and outstanding leadership on the CALAFCO Board of Directors. He has done an amazing job this past year as Chair (so much so, in fact, the Board asked him to do it again this year!), and we are grateful for his leadership.

Thank you again for your participation in the CALAFCO 2015 annual conference, I hope you found it a valuable experience. We truly appreciate your membership and value your involvement in CALAFCO.

Yours sincerely,

Pamela Miller
Executive Director

CONFLUENCE...
LAFCo - Merging Ideas... with Solutions!
CALAFCO 2015 CONFERENCE
★ SACRAMENTO ★

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STATUS OF PROPOSALS
as of October 28, 2015

LAFCO APPLICATIONS	DATE	STATUS
EAST ZAYANTE / RIVERA ANNEXATION to SAN LORENZO VALLEY WATER DISTRICT LAFCO No. 958	8/26/15	Received

LAFCO HEARINGS	DATE	STATUS
SALSIPUEDES SANITARY DISTRICT SERVICE and SPHERE REVIEW	11/4/15	Hearing

LAFCO HEARINGS COMPLETE	DATE	STATUS
FORMATION OF HUCKLEBERRY ISLAND COUNTY SERVICE AREA 60 LAFCO No. 957	8/5/15	Approved
EXTEND SCOPE OF SERVICES for COUNTY SERVICE AREA 9, PUBLIC WORKS LAFCO No. 956	8/5/15	Approved
LOMPICO REORGANIZATION LAFCO No. 953		Extension Approved to 8/6/16

LAFCO

POSSIBLE STUDY SESSION ON GROUNDWATER SUSTAINABILITY AGENCIES

Date: October 26, 2015 for November 4, 2015 Agenda
To: LAFCO Commissioners
From: Patrick M. McCormick, Executive Officer P.M.C.
Subject: Possible Study Session on Formation of Groundwater Sustainability Agencies

Summary: The Commission should discuss whether to schedule a study session outlining the formation of groundwater sustainability agencies in Santa Cruz County.

Recommendation: No recommendation.

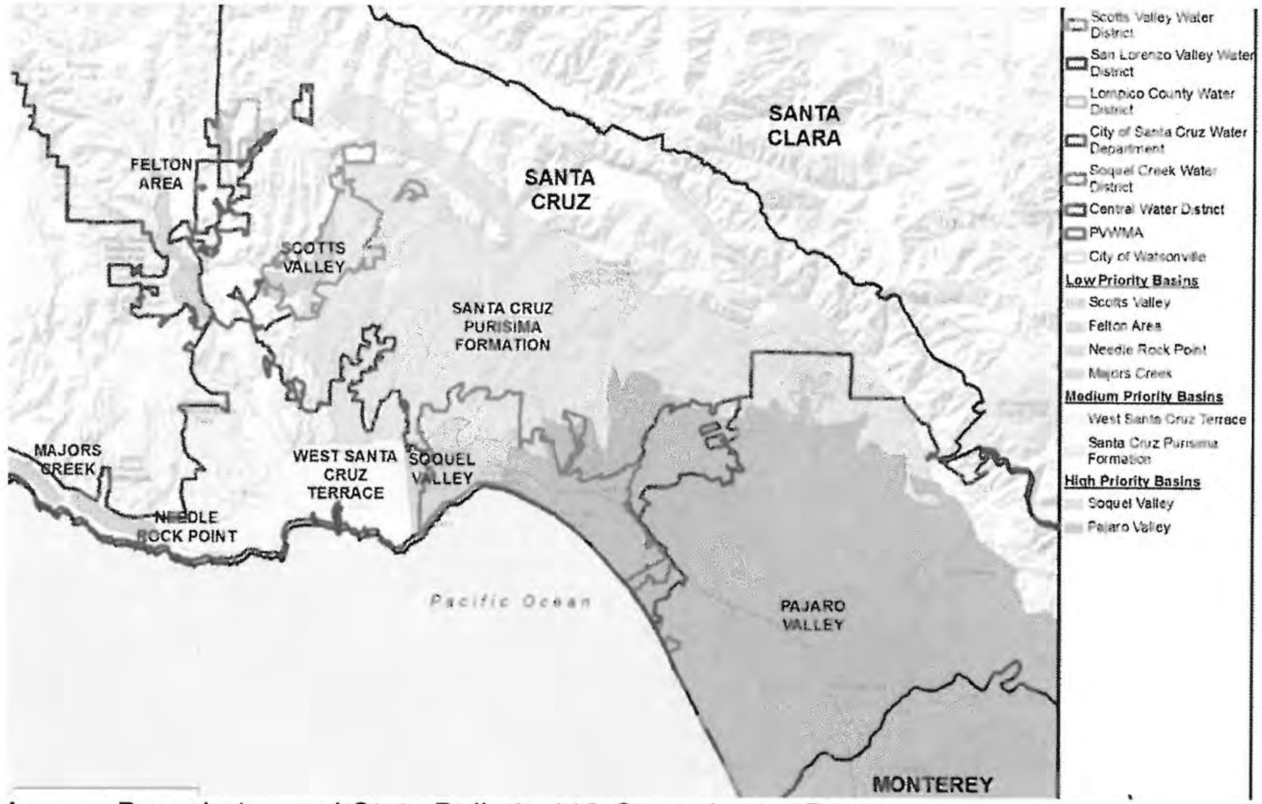
One of the most significant resource issues addressed by the Legislature and the Governor's administration in recent sessions has been California's minimal coordination and regulation of groundwater basins, compared to other western states. The Groundwater Sustainability Act of 2014 sets up a process to get overdrafted basins into sustainable equilibrium principally by empowering local agencies to cooperate and implement programs to eliminate overdraft over many years. Groundwater makes up 38% of the state's water supply in average rainfall years, and 46% in dry years. In 2012, groundwater comprised 78% of the water used in Santa Cruz County.

A session at the CALAFCO Annual Conference addressed the formation of sustainable groundwater agencies. In Santa Cruz County and many other counties, the formation of sustainable groundwater management agencies is being accomplished through joint powers agreements, which are not subject to LAFCO review.

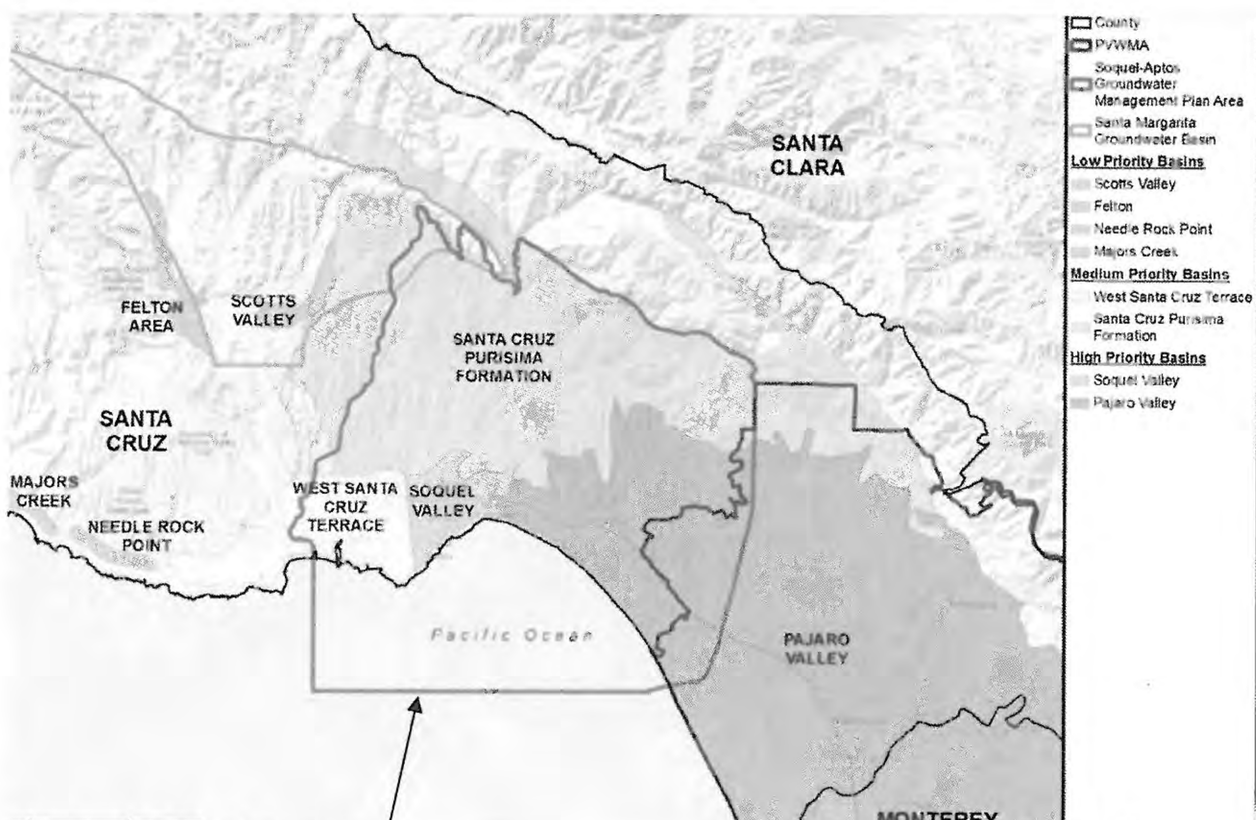
Through their directly elected positions of Water District Board Member, City Council Member, or County Supervisor, some LAFCO Commissioners are actively involved in setting up the SGMAs in Santa Cruz County. Other LAFCO Commissioners are less familiar with these agencies and may gain a better understanding of the groundwater management efforts if a briefing were held at a LAFCO meeting.

The Commissioners should discuss whether to schedule a study session on sustainable groundwater management agencies, or to direct staff to provide information to commissioners in some other manner.

Maps on next page from:
http://www.soquelcreekwater.org/sites/default/files/documents/public-meeting/packets/08-20-15_BIG_%20packet_secured.pdf



Agency Boundaries and State Bulletin 118 Groundwater Basins



Potential SGMA Boundary

Pat McCormick

From: Pat McCormick
Sent: Tuesday, October 13, 2015 1:32 PM
To: 'kcandyc@comcast.net'
Subject: RE: Huckleberry Island CSA 60 (957/957A)
Attachments: McGaffigan formation and assessment at BoS.pdf

Mr. Curran:
I shall pass this correspondence on to the LAFCO Commissioners as written correspondence on the next Commission agenda.

If a CSA is ultimately implemented, it will be after a Proposition 218 ballot has been conducted on the CSA benefit assessments. The Huckleberry Island CSA proposal has some similarities to the McGaffigan Mill Road CSA, which was formed in 2002-3. I have attached the Board of Supervisors agenda materials at which the McGaffigan Mill ballot process was begun in 2002. From reviewing the attachment, you can see the type of information that will be available to the landowners later in the formation proceedings.

At this point, the boundary approval has cleared LAFCO, and the CSA formation is subject to additional proceedings by the County of Santa Cruz. The benefit assessment information will be developed in advance of the matter being placed on a Board of Supervisors agenda. Please direct questions about the benefit assessment process to the County Public Works Department.

Patrick M. McCormick
Executive Officer
Local Agency Formation Commission of Santa Cruz County
pat@santacruzlafco.org
phone (831) 454-2055

From: kcandyc@comcast.net [mailto:kcandyc@comcast.net]
Sent: Tuesday, October 13, 2015 10:38 AM
To: Pat McCormick
Cc: Martin McGuire
Subject: Re: Huckleberry Island CSA 60 (957/957A)

Mr McCormick, please pass along this correspondence to the Commissioners

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From: kcandyc@comcast.net
To: "Pat McCormick" <Pat.McCormick@santacruzcounty.us>
Cc: "Martin McGuire" <martinm@soundtech-lg.com>
Sent: Tuesday, October 13, 2015 10:28:33 AM
Subject: Re: Huckleberry Island CSA 60 (957/957A)

I completely disagree, but I'm sure it's all about county "records" !
#10 Huckleberry just sold for 1.1 million dollars but records indicate an appraised value of $400K?
or #15 @ 35K is truly laughable.

This had better not be the basis for per owner share....IF the CSA is approved. The only "fair" thing would be to have ALL properties Re-Assessed to current

Please advise if the CSA is approved, who establishes the per owner "share"

Kevin & Yvette Curran

From: "Pat McCormick" <Pat.McCormick@santacruzcounty.us>
To: kcandyc@comcast.net
Sent: Tuesday, October 13, 2015 9:55:59 AM
Subject: RE: Huckleberry Island CSA 60 (957/957A)

There is $5,910,093 of assessed value within the area LAFCO authorized for formation proceedings. There are two protests. Your assessed value is $386,285. The McGuire's assessed value is $738,774. Summing the protest value and dividing by the total results in a protest of 0.19036 or 19%. I have attached the clerk's spreadsheet.

From: kcandyc@comcast.net [mailto:kcandyc@comcast.net]
Sent: Saturday, October 10, 2015 8:01 AM
To: Pat McCormick
Subject: Re: Huckleberry Island CSA 60 (957/957A)

Mr. McCormick
Thank you for the contact information. Can you please explain how you arrived at the 19%? We anticipated that it would be less than 50%, but need to know how 19% was landed on.

Thank You
Kevin & Yvette Curran

From: "Pat McCormick" <Pat.McCormick@santacruzcounty.us>
To: kcandyc@comcast.net
Sent: Friday, October 9, 2015 5:01:46 PM
Subject: RE: Huckleberry Island CSA 60 (957/957A)

Dear Mr. Curran:

The LAFCO Chairperson's contact information is:
email Zach.Friend@santacruzcounty.us
phone (831) 454-2200

The LAFCO Vice Chairperson, Roger Anderson, prefers to be contacted by email:
symmetrictop@yahoo.com

The results of the Huckleberry Island protest are now reported on the home page of LAFCO's website:
www.santacruzlafco.org

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

pat@santacruzlafco.org
phone (831) 454-2055

From: kcandyc@comcast.net [mailto:kcandyc@comcast.net]
Sent: Thursday, October 08, 2015 7:37 AM
To: info@santacruzlafco.org
Cc: Martin McGuire
Subject: Huckleberry Island CSA 60 (957/957A)

LAFCO Staff

Please provide email addresses and telephone numbers for Chairman Zach Friend and Vice Chairman Rodger Anderson

Kevin Curran
#11 Huckleberry Island
Brookdale CA 95007
831-703-4081

FORMATION OF HUCKLEBERRY ISLAND CSA #60

APN	APNNODASH	ASSESSED VALUE	PROTEST FILED 10/7/15	ACREAGE	USE CODE	SITE ADDRESS	REGISTERED VOTERS	OWNERS	OWNER ADDRESS	CITY	STATE	ZIP
079-061-02	07906102	$35,101		0.121	020 Single Res	15 Huckleberry Island		Martha Breed	1285 Clover Lane	Walnut Creek	CA	94595
079-061-03	07906103	$1,918		0.049	011 Unbldbl Lot			Martha Breed	1285 Clover Lane	Walnut Creek	CA	94595
079-061-05	07906105	$128,472		1.428	020 Single Res	14 Huckleberry Island	Patricia Kiner	Norma Jean Lewis	55 Woodhaven Dr.	Laguna Niguel	CA	92677
079-061-07	07906107	$386,285	X	0.402	020 Single Res	11 Huckleberry Island		Kevin & Yvette Curran	4227 Sequoia Dr.	Oakley	CA	94561
079-061-20	07906120	$423,275		0.898	020 Single Res	13 Huckleberry Island		Peter & Kristin Dessau	95 S. 12th St.	San Jose	CA	95112
079-061-21	07906121	$139,451		0.826	020 Single Res	12 Huckleberry Island		Michael McCredy	PO Box 16	Brookdale	CA	95007
079-061-33	07906133	$202,824		0.370	020 Single Res	17 Huckleberry Island		Alan & Vonda Lee Breed	210 Alexander Ave.	Los Gatos	CA	95030
079-061-34	07906134	$3,026		0.303	011 Unbldbl Lot			Alan & Vonda Lee Breed	210 Alexander Ave.	Los Gatos	CA	95030
079-061-35	07906135	$2,564		0.396	011 Unbldbl Lot			Alan & Vonda Lee Breed	210 Alexander Ave.	Los Gatos	CA	95030
079-061-36	07906136	$5,981		0.251	011 Unbldbl Lot			Martha Breed	1285 Clover Lane	Walnut Creek	CA	94595
079-061-37	07906137	$10,000		0.559	050 Lot Rural			Martha Breed	1285 Clover Lane	Walnut Creek	CA	94595
079-061-38	07906138	$11,947		0.376	050 Lot Rural			Martha Breed	1285 Clover Lane	Walnut Creek	CA	94595
079-061-39	07906139	$10,932		0.294	050 Lot Rural			Martha Breed	1285 Clover Lane	Walnut Creek	CA	94595
079-061-41	07906141	$430,577		1.696	020 Single Res	10 Huckleberry Island	Jan Furman	~~Janice Furman~~ NEW OWNERS	PO Box 546	Brookdale	CA	95007
079-061-44	07906144	$137,590		1.524	020 Single Res	16 Huckleberry Island		George Breed Trustee	1142 Union St.	San Francisco	CA	94109
079-061-45	07906145	$18,425		6.131	052 5-19.9 Acre Rural			George Breed Trustee	1142 Union St.	San Francisco	CA	94109
079-081-01	07908101	$2,015		2.823	051 1-4.99 Acre Rural			Huckleberry Homeowners Assoc.	PO Box 232	Brookdale	CA	95007
079-082-01	07908201	$676,704		1.691	061 1-4.99 Acre Home	1 Huckleberry Island		Robert & Shelley Silva	PO Box 140	Brookdale	CA	95007
079-082-02	07908202	$402,315		0.849	020 Single Res	2 Huckleberry Island	Kelsey Cervine	Maura & Orbrad Darbro	404 Vista Dr.	Watsonville	CA	95076
079-082-03	07908203	$474,901		0.926	020 Single Res	3 Huckleberry Island	Crista Marie Harrington, Glenda McCredy	Rosemarie Caven	401 Hames Rd.	Watsonville	CA	95076
079-082-04	07908204	$158,352		2.903	061 1-4.99 Acre Home	4 Huckleberry Island	George & Linda Malloch	Linda Malloch Trustee	PO Box 922	Brookdale	CA	95007
079-082-06	07908206	$505,158		0.511	020 Single Res	8 Huckleberry Island	Mark Hubbard & Mark Peterson	Catherine Winskee	PO Box 651	Brookdale	CA	95007
079-082-07	07908207	$738,774	X	0.682	020 Single Res	9 Huckleberry Island	Martin McGuire	Martin McGuire	PO Box 911	Brookdale	CA	95007
079-082-14	07908214	$308,994		1.852	031 2 SFRs 1 APN	6 Huckleberry Island		Robert & Ruth Rees Trustees	428 Marin Ave.	Mill Valley	CA	94941
079-082-15	07908215	$694,512		1.473	020 Single Res	5 Huckleberry Island		Levine Family Partnership	2601 Russell St.	Berkeley	CA	94705
		$5,910,093		29.334			10 registered voters	24 owners				

AGRICULTURE

PAJARO FARMERS CURB WATER USE 19 PERCENT

Drought intensifies groundwater problems

By Samantha Clark

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WATSONVILLE >> Pajaro Valley farmers reduced water consumption 19 percent so far this year compared to 2014's exceptionally high use due to the drought.

Use dropped from 18,349 to 14,770 acre feet. An acrefoot is equivalent to 326,000 gallons and is enough to grow a half-acre of strawberries or supply two families of four for a year.

"It's really good news, but the tough reality is we're still pumping this basin way too hard," said Mary Bannister, director of the Pajaro Valley Water Management Agency. "If these drought conditions are really the new future, we're going to have to come up with more solutions and more reductions."

Conservation is key here, where water problems go beyond the drought. Agriculture

WATER >> PAGE 7

Javier Zamora, at his farm in Royal Oaks on Thursday, stands next to one of his water-saving sprinkler heads that he uses to water organic strawberries on his 18acres.

PHOTOS BY KEVIN JOHNSON — SANTA CRUZ SENTINEL

Lakeside Organic Gardens has one field near Watsonville using solely recycled water and is looking at how to bring purple pipes to more of its land.

Water

FROM PAGE 1

depends on a short supply of groundwater, and uses 80 percent of it. For decades, the aquifers have been pumped in excess of annual rainfall recharge, depleting groundwater levels and leading to saltwater contamination of wells up to 3 miles inland.

So while the unprecedented drought is making water problems worse, farmers around Watsonville have been changing their established ways in recent years.

"Our water-saving measures are not a reaction to the drought, but an evolution," said berry grower Dan Balbas. "This just makes the basin overdraft more real than ever before."

More farmers are laying down long thin rubber tubes of drip tape, which isn't new technology. Water seeps out from tiny slits close to the plant. It's a tried-andtrue tactic that uses less water than sprinklers, but Balbas takes his drip lines one step further.

On his sloping fields, gravity pulls the water downhill and makes wetter and drier patches. To use just the right amount of water, he's been gradually swapping in more efficient drip tape that measures water pressure and compensates for different flow distributions.

"We're trying to create greater uniformity so you're not overwatering any particular area, and that goes a long way," Balbas said. "Initially, we saw a 30 percent reduction on areas that we measured."

Like Balbas, farmers throughout Pajaro Valley have set aside some land to experiment with new conservation strategies.

Lakeside Organic Gardens in Watsonville has one field that solely uses recycled water. The old well sits next to new shiny purple pipes that pump in water from the city. To use it, farmers have to place an order with the water district in advance.

It's an extra step that's becoming routine for Lakeside Organic Gardens, which has two other fields using a mix of well and recycled water and is looking at how to bring the purple pipes to more land.

"Even if it's not less water, it's less ground water," said Dick Peixoto, who heads Lakeside Organics, the largest family owned organic operation in the state. "It's tough for us to cut back, but we've been doing it."

For farmer Javier Zamora, how much water he's saved over the past year is a point of pride. And his water bill, which shows that he uses nearly 40 percent less water, is like a diploma.

Because of the drought, he turned his 20 acres in Royal Oaks into a laboratory to test a number ways to save water. In one corner, strawberry plants grow on pyramid- shaped structures.

"Pretty cool, huh?" Zamora said excitedly while watering the top plant and watching the water trickle down to others below.

He's also focused on more water-wise vegetables and flowers and installed drip everywhere, more efficient sprinklers and sensors that help him better measure moisture.

In all, his costs rang up at $1,200 each acre. But the initial investment will soon pay for itself.

15.08.2015 Pag.A01

DROUGHT

SLV water board OKs rate bump

Group also approves merge with Lompico Water District

By Calvin Men

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BOULDER CREEK >> San Lorenzo Valley Water District customers are looking at a drought surcharge in 2016 as the district's board of directors unanimously approved the matter Thursday night.

The surcharge will not be final until the district holds a public hearing on the matter and offers land owners a chance to protest the rate increase. The meeting is set for 7 p.m. Nov. 19 at the operations building, 13057 Highway 9 in Boulder Creek.

The board also unanimously approved a memo that would move the merge between SLV Water and Lompico Water District forward.

The approval of the potential surcharge came in light of a budget shortfall by the district because of the drought. Though customers have conserved water and met the district's water reduction

RATES >> PAGE 3

Rates

FROM PAGE 2

goal, the result is reduced revenue that fell short of projections. With several capital improvement projects already underway, the district is aiming to gain enough revenue to complete the projects with a drought surcharge.

SLV Water District Manager Brian Lee said the projects are already underway and cannot be stopped, despite the revenue shortfall directly related to the drought.

"Unwinding anyone of those agreements would be problematic," he said.

With the surcharge, customers would see an addition of $1 per unit of water — with one unit equating to 748 gallons. The average customer uses four to six units of water each month.

Board President Margaret Bruce commented that the projected revenue — estimated at $334,000 — could prevent the district from dipping into reserve funds.

Property owners affected would have a chance to submit letters of protest to stop the rate increase, requiring more than 50 percent to reject it.

Some attendees expressed skepticism that the surcharge would continue even if the drought ended.

But Bruce said as the board considers the matter, it will also openly discuss the parameters of the surcharge.

Customers will already see a $5.85 base rate increase in their monthly bill beginning Jan. 1. The increase was approved by voters and the board three years ago and is the last of three 11 percent increases set to kick in.

The board also approved a memo that would commit the water district to merging with the Lompico County Water District if it forms an assessment district.

With the approval, one of the next steps would be the water districts working to set up an assessment district to collect annual taxes to repair Lompico's infrastructure.

But Lompico residents will once again decide if the two will merge as the establishment of an assessment district requires a vote.

In February, when a bond measure that would have cemented a merger was put to customers, it was rejected by one vote.

In the aftermath, Lompico's water board raised rates by $50 a month to keep up with repair costs. With the assessment district, funds would come from the rate increase.

"Their water bill would go down by $50 a month and their property tax bill would go up by $50 a month," said San Lorenzo Valley Water District Manager Brian Lee in July.

21.08.2015 Pag.A02

SOQUEL CREEK WATER

District examines future rates

Board unanimously approves Santa Cruz supply sharing plan

By Jessica A. York

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CAPITOLA >> In a time of changing water costs and a recent legal ruling throwing traditional water utility billing into flux, Soquel Creek Water District is in the midst of reviewing its water rates.

The district's board of directors heard from a Hawksley Consulting project manager on Tuesday about ways to better recover the cost of providing water to its nearly 15,700 customers as it moves toward potential construction of a recycled water treatment facility. Later, the board unanimously supported a five-year agreement to purchase drinking water from the city of Santa Cruz, in a small-scale test project.

The district consultant's initial findings showed its cost for multifamily home customers were overestimated by nearly 17 percent and commercial by about 2 percent, while fire protection district fees were significantly underestimated, by about 300 percent, and

single-family customers by about 1.6 percent.

Consultant project manager Mark Hildebrand said it is common for water agencies to overestimate the cost of multifamily customers. Often, he said, multifamily properties have less outdoor space for irrigation, and even if there is significant irrigation, that water use is on a separate irrigation account.

The study also looked at the one-time cost for adding new water customers to the system, suggesting an increase from the current $11,800 charge for a 5/8-inch diameter service, standard for many single family homes, be increased to $17,870 by the year 2020.

The study is also examining how the district's tiered water rates for higher water-using customers can remain legally defensible in the wake of an Orange County Appeals Court ruling in April against San Juan Capistrano's tiered fee plan. The 4th District Court of Appeal ruling said San Juan Capistrano's fees violated Proposition 218, which prohibits government agencies from charging more for a service than it costs to provide it.

Hildebrand suggested the district break apart its commercial customers into irrigation, business and government categories, to better look at the cost for each to receive service, an idea that gained traction with board members.

The district board, however, took no vote Tuesday on the study, as it remains in draft form.

Later in the meeting, the board voted to ratify a draft agreement to purchase up to about 978,000 gallons of Santa Cruz's excess treated water a year. The Santa Cruz City Council similarly approved the agreement last week.

Interim General Manager Ron Duncan said the agreement allows the two agencies to "test the waters" on a potential future relationship that would allow Santa Cruz to sell its excess winter surface water while Soquel Creek rests its overdrafted groundwater supplies. Later, Santa Cruz could potentially purchase water back from the district during its peak water- use periods, though the initial agreement does not provide specific provisions for such an exchange.

"I just want to thank everyone for working on this – I like seeing progress," board member Tom LaHue said Tuesday.

No members of the public stood to comment on the discussion.

... the agreement allows the two agencies to "test the waters" on a potential future relationship that would allow Santa Cruz to sell its excess winter surface water while Soquel Creek rests its overdrafted groundwater supplies.

16.09.2015 Pag.A02

Tiny mountain community finally gives up its old-school water district

By ROSANNA XIA

SEPTEMBER 29, 2015, 3:00 AM | LOMPICO, CALIF.

In the mountains north of Santa Cruz, water is managed, as they say, "the old-school" way.

Bills are written out every two months and volunteers stuff envelopes at mailing parties. Chlorine levels are checked by hand and well pressure is calculated by a 21-year-old who got the job responding to a newspaper ad.

Residents fought for years to hang on to this way of life. But last year, state health officials announced that the Lompico County Water District's drinking supply was one of the "most vulnerable" in California. Then a pump broke on one of the community's aging wells, cutting off a major source of water. And with so little rain, the creek slowed to a gurgle.

Now, after four years of drought, Lompicans have accepted that it's time to get out of the water business.

Last winter, residents agreed to have the neighboring San Lorenzo Valley Water District take over their mom-and-pop operation. First, though, residents have to figure out how 494 households will come up with $2.75 million to upgrade the infrastructure.

It would be the latest of several water annexations in recent years in this area's mountain communities — and a glimpse of what state officials say is the future for California's smallest water districts. At least 18 districts have been consolidated since 2013, according to the State Water Resources Control Board.

The idea of merging had come up before, "like 20 years ago, and people said no, no, no," said Merrie Schaller, a Lompico resident and water board director, "because it's cool to have your own water district."

Founded in the 1920s after the logging era, Lompico is now home to Silicon Valley commuters as well as longtime residents who open conversations by touting the number of years they have lived here. Many point up the road to Janis Joplin's old hangouts and say that Jerry Garcia's middle finger, chopped off accidentally before his Grateful Dead days, is still around somewhere.

For decades, managing Lompico's water was simple. There are three wells, Lompico Creek and a network of tanks and pipes that bring fresh water to sinks and showers. In addition to the cost of the water, homeowners paid about $50 each month for a handful of staff to keep the system running.

The state's warning last year fueled rumors that Lompico was running out of water. The real problem, Schaller said, is outdated infrastructure to deliver the water.

Unlike most districts today, which use steel tanks, Lompico still stores its water in ones made from redwood trees. One of the tanks is leaking "so bad that you could basically save water by taking a shower underneath it," Schaller joked.

For Aidan Robinson and Ricardo Villa, two of Lompico's three water system operators, most mornings begin with a trek uphill in a 1995 Toyota Tacoma that could give out at any moment. The $15,000 they had saved up for a less taped-together truck instead had to be spent fixing a well.

One recent morning, Robinson turned on a pump to refill two tanks that deliver water to homes. Farther up the unpaved road, Villa determined that water levels in the tanks had dropped almost 2 feet overnight.

Robinson quickly calculated that they would need to keep the pump running for 40 minutes.

"Everything's manual. Our automation is fried," Robinson said. "Our problem isn't water, it's money."

Talk of merging with San Lorenzo Valley began in 2010, when board members came to realize that revenue from fewer than 500 customers was not enough to sustain the aging system.

The San Lorenzo Valley district, which surrounds Lompico, saw benefits to merging but did not want to inherit its broken infrastructure. Lompico would be a good place to store more water, general manager Brian Lee said, and folding Lompico Creek into the district's system of eight streams would make water management more efficient.

Lompico residents, having long cherished their water independence, were wary. Conspiracy theories abounded, and the cost made it a hard sell. Each household will probably pay an extra $6,000 over 10 years to fund infrastructure upgrades.

But after years of meetings, most came to understand the need to modernize.

Back in Lompico, in the crowded bungalow that serves as water headquarters, Schaller answered one phone call after another — a board member volunteering as fill-in secretary.

Robinson and Villa imagined how their jobs might change, wondering if the day might come when they could check water meters with their smartphones.

The mail arrived. One envelope, handwritten, stated its destination in two words: "Lompico Water." Robinson handed it to Schaller, who began to process the bill.

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ALSO

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Compton selected to receive federal aid to reduce violent crime

James Doti to step down as head of Chapman University next year

"We have to bring this system back up to snuff," said Sean Wharton, who has lived for more than 45 years in the cabin built by his great-grandparents. "There are necessary changes that people have to make for us to have water into the next generation."

Like many drought-conscious residents, Wharton has been careful with water. At one point, he was down to 13 gallons a day. (In Los Angeles, the average is 77 gallons.)

"We conserve to the point of ridiculousness," Schaller said. But having residents use less water also means less revenue to pay for repairs.

It's like you can't win, Schaller said, adding, "It makes sense to go regional."

To get a sense of what's coming, Lompicans could look three miles down the road. Olympia Mutual Water Co., which once pumped spring water to 51 homes, recently was folded into the San Lorenzo Valley district.

Ward Willats, the last resident to oversee his tiny community's water, said his neighbors have gone through the "stages of denial, anger, acceptance, grief."

After more than 60 years of the community's self-sufficiency, state officials kept raising water quality requirements, and the volunteer-run district couldn't keep up, Willats said.

"Despite the romantic notion of a band of scrappy neighbors getting together and running their own water system ... there were some impractical parts of it that weren't so great either," Willats said.

New pipes, wireless water meters and other infrastructure — costing almost $1 million — were installed to link up to San Lorenzo Valley's system. Residents will pay about $500 more a year until they clear the debt.

The spring is now abandoned. The Sunday water operations meetings, where neighbors would meet and become friends, are no more. Residents wax nostalgic for their spring water, which Willats said tasted "a little sweet." For months, he kept a bottle of it on his kitchen counter.

The water pressure is better, Willats acknowledged, and the new fire hydrants are a relief. Years ago, a fire engulfed the home next door, he recalled. Neighbors rushed out with garden hoses, but by the time the firetruck came back with more water from a nearby district, the house had burned down.

"The San Lorenzo water guys are pretty good," Willats said. "There was a lot of mistrust at first, but they were very honest and direct and helpful, and it was mostly a win-win situation."

PAJARO VALLEY

New infrastructure to help solve water problems

Agency secures grants sooner, speeds project timelines

By Samantha Clark

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WATSONVILLE >> Thanks to the drought in a limited sense, water officials secured grants sooner than expected, speeding up projects that'll combat Pajaro Valley's biggest water problems: groundwater overdraft and saltwater intrusion. The city of Watsonville and the Pajaro Valley Water Management Agency celebrated Thursday the groundbreaking of a new 1.5 million gallon storage tank and two new pipelines, which will increase the amount of recycled water available to about 35 growers on more than 50 ranches.

"We need more water supply," said Brian Lockwood, senior water resources hydrologist for PV Water. "The overall demand is 10,000 acre feet a year. When everything is maxed out, we can only deliver 7,000 acre feet."

An acre foot of water is roughly 326,000 gallons — and enough to irrigate a half-acre of strawberries or supply water to two families of four for a year.

Building the storage tank, which is expected to take a year, will allow the local water recycling plant on Beach Road to rev up production. Since growers irrigate during the day, the recycling plant currently doesn't process nighttime flows because it doesn't have anywhere to store the water.

The water agency is also building another pipeline that will blend ground water with recycled water to reduce salts in the supply. The other new pipeline will expand the infrastructure delivering recycled water to another 180 acres of farmland. Construction for both is set to finish by the end of the year.

"These are important projects part of the Basin Management Plan for bringing the ground water basin into balance," said Mary Bannister, the water agency's general manager. "They will make about 1,000 acre feet available each year and allow us to provide water to those who've been suffering from impacted and intruded wells."

Pajaro Valley Water Management Agency on Thursday celebrated a groundbreaking for three projects to deal with water problems.

DAN COYRO — SANTA CRUZ SENTINEL

been very important to us," Kitayama Bros.' Stuart Kitayama said before speaking at the event. "I don't think we could cover our water needs right now if we didn't have it."

As the perpetual problem of groundwater shortage, which leads to saltwater intrusion, continues to worsen, PV Water has Since a few of his wells became salty, Kitayama Bros., a flower farm near Watsonville, has become somewhat of an advocate for recycled water.

"Delivered water has according to the U.S. been working to fund projects that will help solve the problem.

First state groundwater regulations signed last November require that basins are brought back into balance by 2040. The Pajaro Valley's basin needs an average of 12,100 acre feet of water returning back into it each year to balance its deficit, Geological Survey.

PV Water recently rec eived several grants made available by Gov. Jerry Brown's emergency drought response efforts and is pursuing more. The projects cost $11.2 million, and the agency so far has received $4.58 million in grants.

02.10.2015 Pag.A02

WATER SUPPLY

Santa Cruz committee approves final 75-page report

Advisory committee supports aquifer storage with recycling backup

By Jessica A. York

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SANTA CRUZ >> The 18 months it took a group of community members to research and recommend potential future water supply options for Santa Cruz were convoluted, complicated and often contentious.

That reality was born out even at the final meeting of the Santa Cruz Water Supply Advisory Committee on Friday afternoon, where tweaking of the body's final 75-page document was wrestled with for the first half of the meeting. Just before 6 p.m., the group gave unanimous consensus over its report, agreeing to promote its approval around the community.

An audience of about two dozen onlookers burst into applause at the emotional conclusion, as committee member and former Santa Cruz Mayor Mike Rotkin took a victory lap around the room, high-fiving and hugging peers.

The committee, following closely in line with preferences expressed at last month's meetings, recommend the city add new conservation programs and develop new groundwater storage strategies. At set thresholds established by the committee, efforts to investigate water recycling will begin in parallel with the aquifer recharge project. Water desalination was added to the portfolio of recommendations as well, as a final fallback.

The 14 members of the committee raised green, yellow and red cards to indicate their comfort level with each discussed item throughout their time together. As the end of Friday's meeting drew near, green cards more consistently and quickly flew up.

The group had representation from the Santa Cruz Chamber of Commerce, Coastal Watershed Council, Desal Alternatives, Santa Cruz Business Council, Sierra Club, Surfrider Foundation, Sustainable Water Coalition, Think Local First, Santa Cruz Water Commission and several Santa Cruz/ Live Oak at-large members.

Bill Tysseling, Chamber of Commerce executive director, gave his "unequivocal thanks" for the committee's efforts.

"I'm going to trust that by 6 o'clock, you all have are going to green cards so you can leave," Tysseling said to the group.

Former mayor and committee member Rotkin responded in jest, "Most people have green cards so they can stay. We have them so we can leave."

Two areas the committee grappled with at the last included what constituted expert consultation and about the potential creation of a new public oversight committee. Ultimately, the group came to consensus on having an open and public review process, in particular for oversight of a water recycling program, but not specifically suggesting a committee's creation.

Audience member Barbara Birdsong, who has been to at least six committee meetings and said she was very interested in the water supply issue, said after Friday's conclusion that she said she was amazed at how far the group had come in the past year and a half. She did not favor the city's earlier plan to build a desalination plant, saying the change in direction was welcome.

"This is fascinating — it's the most inspiring show in town," Birdsong said. "This is democracy at work."

The committee's recommendations and strategies next will be forwarded to the Santa Cruz City Council for review.

03.10.2015 Pag.A02

UNIVERSITY OF CALIFORNIA SANTA CRUZ

NEWSCENTER

Campus exceeds goal for water savings, seeks to do more

UC Santa Cruz, which has reduced its water usage by more than 25 percent, was recently recognized nationally as a top performer in water conservation

October 19, 2015

By Scott Hernandez-Jason

Today, total annual campus water use is 20 million gallons less than 20 years ago, even though campus population has grown.

Like cities across California, UC Santa Cruz has been working hard to further reduce its water usage in the midst of the state's historic drought.

In the past fiscal year, the campus cut water use by 27 percent, exceeding the city's Stage 3 Water Emergency reduction goal of 25 percent, and water managers continue to look for ways to save even more.

The campus and its efforts were recognized as a top performer in conserving water and protecting water quality by the Association for the Advancement of Sustainability in Higher Education and is featured in its 2015 Sustainable Campus Index.

The success is the result of hard work from people across campus who stepped up to help lower campus consumption in a variety of ways - reducing irrigation, encouraging behavior modification, sharing more information with users, and installing low-flow faucets, toilets, and pumps.

"Conserving water on campus is everyone's job," said Elida Erickson, interim director of sustainability. "In addition to reducing usage, the campus is looking at ways to harvest and reuse water."

Since spring 2014, a group of staff and students, has met monthly as the Water Working Group. Members come from all parts of campus - labs, the farm, the arboretum, housing and more. Santa

Cruz Water Department conservation manager Toby Goddard offers an update on the city's usage and the status of the San Lorenzo River and the Loch Lomond reservoir.

The group shares campus usage and savings, and explores ways to do more.

In a recent meeting, Energy Manager Patrick Testoni reported that the campus is off to a strong start for the 2015-16 year, lowering its summer months' usage by a cumulative 24.3 percent.

"Achieving water reduction targets on campus requires effective engagement of students, staff, and faculty," Testoni said, "and our success speaks to the collaborative approach we have had between these groups on campus."

The Water Working Group put together a list of projects that could quickly reduce usage. The projects included laboratory equipment and ultra-low-flow toilets and faucets retrofits in some of the busiest campus areas.

Additionally, low-flow shower heads were installed in campus residence halls along with reminders to aim for a 5-minute shower.

The campus also has invested in cellular broadcasters connected to its 400 water meters that allows it to track usage across campus by the hour. This level of detail also alerts water managers to identify potential leaks. Several have been detected - and fixed - since the retrofits began in May.

Campus water use per capita has declined for more than a decade. The campus baseline use - a three-year average from fiscal years 2003-2005 - is 14,200 gallons per person a year.

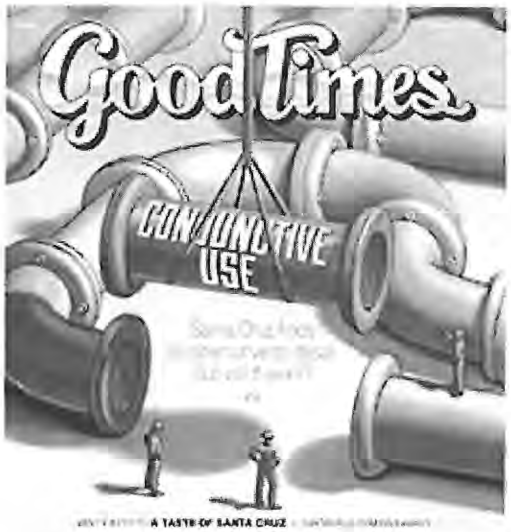
In fiscal year 2012, the campus used 9,100 gallons per person, a 36 percent reduction from the baseline. Today's per capita use is at about 8,400 gallons per year, a 40 percent decline from the baseline.

Today, total annual campus water use is 20 million gallons less than 20 years ago, even though campus population has grown.

The Water Diviners

| Print |

WEDNESDAY, 28 OCTOBER 2015 08:52 JACOB PIERCE
COVER STORIES - COVER STORIES



Conjunctive use is being touted by the city's advisory committee as the last great hope for Santa Cruz's water supply. But will it work, and at what cost?

Somewhere between the rolling foothills of Soquel and the famous surf spots along East Cliff Drive lies what might be Santa Cruz County's biggest reservoir. It isn't as awe-inspiring as Loch Lomond, which reflects towering evergreens of the San Lorenzo Valley, nor as well understood.

The Purisima Aquifer, which stretches from Seabright to Corralitos, has the capacity to store a few billion gallons, according to latest estimates, all of it lying beneath the streets of Mid-County.

But this groundwater basin has been depleted faster than it could be replenished by rainfall. A lesson in the dangers of over-pumping, the aquifer is Soquel Creek Water District's only source of potable water, and the threat of drinking-water contamination looms as seawater intrusion creeps slowly in from the shores around Pleasure Point. Once a well has been contaminated, it's basically ruined.

The aquifer has also become a symbol of hope, however, for water activists from groups like Desal Alternatives. They're enthusiastic about plans to pump winter water from nearby rivers, like the San Lorenzo, and store it underground in this "virtual reservoir," as it's been called, so that it can be pumped back out for use in droughts and dry summers.

The roots of this idea, known in policy circles as "conjunctive use," stretch back more than three decades. Over that time, politicians and residents have watched the excess river water flow out to the ocean each winter through the city of Santa Cruz without getting stored, as the massive underground basin dwindles just a couple of miles south. Now, in the midst of a crippling drought, many believe they can both be part of one big solution.

When the city of Santa Cruz put plans for a controversial regional desalination plant with the Soquel Creek Water District on hold, it created the Water Supply Advisory Committee (WSAC) to further investigate ideas like this one. Now conjunctive use is a core part of the WSAC's recommendations to the City Council. They're proposing to take the water that would be stored in the Purisima Aquifer and inject it into the ground around Soquel or Capitola—a process called aquifer storage and recharge (ASR). The numbers have fluctuated over the years, but the latest estimates project that Santa Cruz might be able to store 500 million gallons a year this way.

The Cost of Dewing Business

Rick Longinotti, the leader of Desal Alternatives and one of 14 members on the committee, says he's excited about the possibilities of this new approach, and relatively confident it will solve the city's water shortage problems—even eliminating some of Soquel Creek Water District's issues, too.

Sarah Mansergh, who represented the Surfrider Foundation on the WSAC, cites several reasons why she considers the option top-tier, including the possibility of it reducing saltwater intrusion, its significance as a regional solution, and its seemingly clear path to political acceptance. "The beauty of this aquifer approach is that it offers a lot more value in the end, and provides the scalability where we can deal with the uncertainty of the future," she says.

Conjunctive use sounds simple enough, but there are a few unknowns in the process, and some experts have reservations about a plan that, with most recent estimates hovering around $159 million, could easily end up costing more than desal, which was lampooned as an overly expensive boondoggle by many of the same activists who now support conjunctive use.

Longinotti insists that some of the upgrades being attached to the cost of conjunctive use aren't essential, and that the plan may end up costing closer to $70 million. "Those numbers have been jumping around a lot," he says.

Others aren't so sure.

"Great. Show me. If it only costs half, I'm 100 percent in," says Mark Mesiti-Miller, who also served on the WSAC. "I'm an engineer, and I know that whenever engineers put together cost estimates they're always higher. It's impossible to project what the cost of this is going to be."

Storage Wars

"ASR is not as simple as storing water in a bathtub."

That is how a team of water consultants qualified underground water storage in a memo about recharge projects around the nation, successful and otherwise, to the committee this past summer.

"Some projects have been successful at meeting anticipated goals," the consultants wrote, "whereas others prove marginal or wholly unsuccessful at different stages in the planning process, and even after implementation."

The WSAC has presented a three-pronged set of recommendations, including ASR, to ensure reliability and a variety of options. The City Council will take action on their recommendations next month.

The first piece is increased conservation, which will save 200 million to 250 million gallons a year by 2035 on top of what the city is already rolling out. That's more than just puddle water, but still less than a quarter of the projected shortfall in a worst-case scenario drought year of 1.2 to 1.4 billion gallons. The estimate takes into account the uncertainties posed by global warming and the changes coming down the pipe requiring the city to take less water from its rivers and streams to protect endangered salmon.

The second piece is ASR and what the committee is calling "in-lieu recharge," a plan to pump excess winter flows, sharing them with nearby districts' customers. In theory, Santa Cruz would be able to reclaim some of this water if needed.

The city will be trying out a small-scale version of this plan as early as this winter. The city water director has worked out an agreement with Soquel Creek Water District's interim director to send excess flows from North Coast streams to the neighboring district.

The final prong of the strategy is further consideration of recycled wastewater, with desal as a backup.

State health officials are currently studying the feasibility and safety of recycled water for potable use. With the drought as an imperative, many experts expect them to OK a practice that's commonplace in the Middle East and parts of Texas. Still, even cautious supporters of recycled water are worried about the "yuck" factor and how it will be received in Santa Cruz. Activists like Longinotti want it to only be used as a "last resort," partly because of its higher energy cost.

That leaves conjunctive use and aquifer recharge front-and-center in discussions, but some questions about its feasibility remain. For instance, the city's treated water could foul and undergo chemical reactions in the basins of either Scotts Valley or Soquel Creek water districts. The treated water could be rejected by the ground itself. There could also be roadblocks to drafting long-term agreements with neighboring districts for how much water the city would be able to get back and when. Huge portions of the injected water could seep deep into the aquifer and basically disappear, although proponents argue that isn't a bad problem to have. In theory, if the water isn't available to withdraw, that means it has leaked into nearby creeks or is preventing saltwater intrusion.

"In a way, those are all good reasons," says Doug Engfer, a retired software developer who sat on the WSAC.

But the goal at the end of the day is to have a couple billion gallons stored away for use in droughts. And engineer Mesiti-Miller says that with so many unknowns, conjunctive use will be hard to bet on going forward. But if the community really wants to do this, he says, there are ways to make it happen.

"The only building material that matters is money. You can make anything," says Mesiti-Miller. "We went to the moon. It cost us 10 years and I don't know how many millions of dollars. You can make this groundwater solution work. How much are you willing to spend to do it?"

The estimates for its cost have jumped around, going as high as $200 million in June, according to some consultants.

Jan Bentley, the city's former water production superintendent, agrees with Longinotti that even the more recent estimates around $159 million are probably high.

More than a third of the projected cost is for improvements to the Graham Hill Water Treatment Plant, which might require upgrades to increase its capacity up to 14 million gallons per day. As far as anyone knows for sure, the current capacity of the plant is about 10 million gallons a day—only enough to send one or two million gallons daily to Soquel or Scotts Valley after meeting Santa Cruz's needs. (The plan calls for five million gallons per day to Soquel Creek Water District.)

A longtime supporter of Desal Alternatives, Bentley says the 10-million-gallon estimate is way too low and that 12 million gallons daily "would be a fairer, conservative number."

Terry McKinney, the department's current production superintendent, says that he too thinks "this water transfer thing is going to work," and that the cost estimates sound to him like they're on the high side.

"They might be overestimating some costs. If you tell everyone it's going to cost $80 million, and it ends up costing $120 million, then there's an argument," he says. "If you tell them it's going to cost $120 million, and it costs $80 million, you look good."

Either way, the plant will likely need some upgrades to treat dirtier, more "turbid" river water. Normally, the city switches to reservoir water whenever turbidity is high. But under conjunctive use, water officials would harness that water so that it can be used and shared. Longinotti says that regional partners could share in costs for a solution to problems like this.

The process of the WSAC itself cost about $2 million, with most of the money going to outside consultants.

One thing Engfer, the software engineer, has learned this past year and a half on the committee is that water isn't a cheap commodity—at least not when it comes to planning for the future.

"It was amusing. When we started out, Rosemary [Menard, the city's water director] joked that all water projects are $100 million. And we kind of laughed about it," Engfer says. "All water projects are kind of $100 million. I mean, it's a lot of money. The good news is that these kinds of improvements generally have long, effective lives, so you can finance them and spread the cost over 20 or 30 years. And we spread the cost over all of our customer base, and it ends up being relatively affordable, certainly more affordable to deal with it now than it would be to wait another generation. And in this way, I think we are solving the problem for generations to come, which is good work from a societal perspective."

From the Ground Up

Engfer, a longtime skeptic of desal, came into the first WSAC meeting over 18 months ago practically overflowing with big ideas.

"My favorite solution coming into the whole process was off-stream storage in the old played-out quarries," Engfer says of proposals to use abandoned lime quarries as reservoirs. "It seemed a natural way to be able to take advantage and in essence remediate or approve some land that has been disturbed."

Committee members looked at four or five quarries, and they soon learned they all had problems. For starters, limestone dissolves in water, so engineers would have to find some way to cover and seal the entire pits. Even after that, the quarries would not have been seismically sturdy enough to support the water's weight.

But when it comes to fixing water shortfall of over a billion gallons, there will always be uncertainties, pros and cons.

It would be unfair, for instance, to characterize conjunctive use as the only proposal with question marks this early in the process. Recycled water has its unknowns, too, even aside from the pending decision of state health officials. At this point, no one can say where a treatment plant would go—for instance, whether or not it could fit into the current wastewater treatment facility on California Avenue and Bay Street, assuming that the current location has a big enough footprint to accommodate more operations, which may or may not be the case.

"There have been some discussions talking about ideas, but there's not been anything I'm aware of that's been concrete," says Dan Seidel, the superintendent of wastewater collection, which is in the city's public works department.

Under the WSAC's recommendations, water department staff will work on a couple of different ideas at the same time. Staff can begin building pilot wells to test the feasibility of aquifer recharge, and meanwhile do preliminary studying on recycled water—the "plan B" option, as committee members call it. Experts should know more about each of these plans this time next year.

"There's work to do that won't cost a gazillion dollars, but will help get us in a better situation to really understand what those options are, and to evaluate how they would fit here," says Menard.

The council might provide direction on the best way to prioritize the different options.

The WSAC's document outlines a few triggers spread out over the next 10 years to indicate how long the city should pursue the aquifer recharge strategy before changing gears.

Some of the triggers have to do with how much customers would be paying per unit of water under the various plans. Others have to do with the amount of water production that the different options could provide and how quickly.

Metrics aside, there is still some subjectivity and wiggle room left in the WSAC's report.

The question remains: Once Santa Cruzans have pinned their hopes on aquifer recharge and begun to investigate, how or when will we know if it's time to switch over to a plan B, like recycled water?

"The performance measurement—the 'threshold,' it's called—is enormous," says Greg Pepping, who represented the Coastal Watershed Council on the WSAC. "Everybody agrees that at some point, we're going to have to do a climate-independent option *if* something doesn't work. What's the 'if?' The rest of it wasn't easy, but eventually it was clear. The 'if' part for the threshold, some people wanted to invest in those backup plans right now, robustly. Not really anybody wanted to put them first, but we had different approaches for when to do the climate-independent option. For sure, that could be a sticking point on the implementation of that threshold. But we're optimistic that we've dialed that in. It's a policy document. It's a guiding document with enough detail to be useful, but not too prescribed. We tried to really strike that balance."

Surface Tension

The WSAC process, although gratifying in the end, was no easy task. David Baskin, a retired attorney, says it was "like reading *War and Peace* every month." Engfer compares it to a part-time job.

Pepping says he "knew it would be time-consuming," but it was "more demanding" than he thought. "And honestly, it's more satisfying than I thought," he says.

At the end of the day, Pepping says the portfolio's "solutions honor the values of Santa Cruz" with a mix of creative, environmental solutions, like aquifer recharge, with some pragmatic fallbacks, if needed.

These projects are bigger than the engineering plans, themselves. The city already has an intertie with Soquel Creek Water District, but it doesn't have one with Scotts Valley. "Part of the conversation with Scotts Valley will be, 'Are they serious enough about that that [Santa Cruz] should go ahead and build that infrastructure?" Menard says.

It's too early to say what role, if any, Soquel Creek Water District would play in a conjunctive use strategy, and officials don't care to elaborate a whole lot at this point.

"We're interested in solving the problem, you know," says Ron Duncan, interim water director for the Soquel Creek Water District. "We're interested in the fact that seawater intrusion has occurred in 60 to 70 percent of the world's communities that use groundwater."

Soquel Creek Water District isn't the only group stressing the aquifer beneath its feet.

The district pulls only 50 to 60 percent of the total water out of the Purisima basin each year. The rest of the water in the basin supplies Central Water District in Aptos, a couple of private pumpers, including Cabrillo College and Seascape Golf Club, and even the city of Santa Cruz. Still, because the aquifer is Soquel Creek's only water source and because of its proximity to the ocean, the Mid-County district doesn't want to find itself between a rock and a hard place.

At the same time, staff and board members alike are reluctant to commit to anything with the city after Santa Cruz pulled the plug two years ago on a desal plant that both districts would have shared. So, Soquel Creek Water District staff are looking into other options, including deep-water desal and a recycling plant of their own.

Soquel Creek Water District board president Bruce Daniels says they owe it to their customers to keep those options open.

"We cannot risk getting at another deal and letting that fail. We have to be careful so we can solve our water supply problems in relatively short order," Daniels says. "That's another thing about doing a deal with the city, it can't be just a handshake agreement. It has to be firm."

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FIRE POLITICS

Fire districts at odds over agreement

Plan to extend cooperative fire program stalls

By Ryan Masters

rmasters@santacruzsentinel.com @ryanmasters831 on Twitter

SANTA CRUZ >> The Central Fire Protection District board balked at a memorandum of understanding presented by Aptos-La Selva Fire Protection District last week, potentially ending a cooperative fire protection effort between the two districts.

In June, the Central and Aptos- La Selva boards had tentatively agreed to extend a yearlong pilot program through 2018, contingent on the approval of a renewed memorandum of understanding.

The cost-saving pilot program combined Central and Aptos-La Selva resources and was overseen by a shared fire marshal, Carol Wallace. Both districts considered the program a success and appeared headed for the three-year extension as recently as August.

The disconnect between the two districts occurred when the Aptos-La Selva board presented a memorandum to the Central board for approval on Sept. 8 that outlined a program nearly identical to the pilot program. The Central board had expected a number of clauses amended to the original agreement.

Aptos-La Selva board president Mike Weatherford said the Central Fire board should not have been surprised by the memorandum as it was agreed upon in June and drafted by a subcommittee that consisted of two representatives from each district.

Yet Central Fire District chief Jeff Maxwell said the districts had agreed on a centralized organizational structure, which located the program at a single site. The Sept. 8 memorandum did not reflect this amendment.

"The model proposed by Aptos- La Selva is disjointed. It creates communication challenges," Maxwell said.

A cyclist rides past the Soquel fire station 3 on Soquel Drive. A plan to extend a cooperative pilot program between Aptos-La Selva Fire and Central Fire is in jeopardy.

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Additional points of contention included shared healthcare costs and the inclusion of a non-binding agreement that would have provided either district with a 180-day exit clause, according to Maxwell.

"Aptos-La Selva felt it should be a three-year binding agreement with no exit clause," Maxwell said. "We already share a computer network with Aptos and that agreement has a similar 180-day exit clause in it."

Weatherford disagrees.

"We felt it was an agreement that was consistent with what was presented in June," he said.

Maxwell said Aptos-La Selva is withdrawing fire marshal Carol Wal-lace's services by Sept. 30, but Weatherford expressed hope that an agreement could still be reached.

"Aptos-La Selva voted to approve the agreement and allow for a period of 90 days to give Central an opportunity to countersign and extend the program," he said.

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Plan to extend cooperative fire program stalls

By Ryan Masters , Santa Cruz Sentinel

SantaCruzSentinel.com

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Ryan Masters

Ryan Masters is an award-winning journalist with over a decade of experience reporting on both sides of the Monterey Bay. His primary beats at the Santa Cruz Sentinel include South County and higher education. Reach the author at rmasters@santacruzsentinel.com or follow Ryan on Twitter: @RyanMasters831.

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WILL CSU EVER GRADUATE FROM CEQA SCHOOL?
POSTED ON 2015-09-09 12:37:03-04

By William W. Abbott

***City of San Diego v. Board of Trustees of the California State University*, S199557, Supreme Court of California, 2015 Cal. LEXIS 5291, August 3, 2015**

The California Supreme Court cleared the air over one of its earlier CEQA decisions concerning the responsibility of CSU to consider and mitigate for offsite impacts. In 2006, the Court determined that CSU Monterey was not precluded from mitigating for offsite impacts occurring in the City of Marina. *City of Marina v. Board of Trustees of California State University* (2006) 39 Cal.4th 341. In the *Marina* decision, the court stated "[A] state agency's power to mitigate its project's effects through voluntary mitigation payments is ultimately subject to legislative control; if the Legislature does not appropriate the money, the power does not exist." The University system is directed by a Board of Trustees, who, in reliance upon the above quoted language in *Marina*, determined that the University was not authorized to engage in offsite mitigation absent a specific legislative appropriation.

At roughly the same time as the *Marina* decision, CSU San Diego was in the midst of planning for a significant expansion to accommodate an additional 10,000 students, part of the State University's statewide efforts to add 107,000 more students. In 2005, the Board of Trustees certified and EIR for a significant increase in on-campus facilities. The EIR acknowledged that the proposed project would generate significant offsite traffic impacts. At the time of project approval, the Trustees determined that expenditure of funds for offsite mitigation would be an illegal use of public funds. The City of San Diego challenged the decision, and following the *Marina* decision, the trial court issued a writ directing that the EIR certification be set aside. In 2007, the Trustees recirculated a revised EIR. The proposed project now included a 348 unit townhome/condominium project; 612,000 square feet of faciliti es devoted to academic, research and medical use; 552,000 square foot parking structure; hotel; campus conference center; housing for 3,400 students (1.4 million square feet); and renovation and expansion of the student center. The 2007 DEIR documented the offsite circulation impacts. The EIR also calculated fair share contributions for the University, but in relying upon the *Marina* decision, noted that payments for offsite mitigation were subject to appropriation by the Legislature. If that appropriation was not assured, the DEIR took the position that the offsite circulation impacts would be significant and unavoidable. Before certifying the EIR in 2007, the University submitted an appropriation request to the Department of Finance for San Diego and other campuses. The appropriation request was not included in the Governor's budget. (Similar requests were made the following two years and in both cases were similarly not included in the budget.) The City of San Diego, SANDAG and the Metropolitan Transit System opposed the University's decision to categorically exclude offsite mitigation absent legislative appropriation and following EIR certification and project approval, filed suit. The trial court rejected the legal challenges and discharged the earlier writ. The appellate court reversed in part, and the Supreme Court took up the issue of the legal significance of legislative appropriation on the duty to mitigate and its earlier language in *Marina*.

The Supreme Court first resolved that the prior language in *Marina* was *dictum*, that is a statement of principle not necessary to the resolution of the earlier decision. In any event, looking at the language most favorably to the University, there was nothing in the *Marina* opinion to support the interpretation that legislative funding was a condition precedent to offsite mitigation. No other state agencies apparently took a similar position, and there was nothing in the Education Code which would support a special rule for the state university system. The Supreme Court noted the consequences of the University's position: if the University was excluded from mitigation, impacted communities would not be able to shift the funding shortfall to other parties due to requirements of nexus under the Mitigation Fee Act. After concluding that the University must re-analyze strategies for mitigating impacts including how it discharged its core educational function, the Court concluded by underscoring the University's duty to include all feasible mitigation.

It makes me wonder. Are CliffsNotes available for EIRs?

William W. Abbott is a partner at Abbott & Kindermann, LLP. For questions relating to this article or any other California land use, real estate, environmental and/or planning issues contact Abbott & Kindermann, LLP at (916) 456-9595.