

LOCAL AGENCY FORMATION COMMISSION

701 Ocean St. #318D

Santa Cruz CA 95060

831-454-2055

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LAFCO AGENDA

Wednesday, April 6, 2016

10:00 a.m.

Room 525

701 Ocean Street, Santa Cruz

1) ROLL CALL	PAGE
2) MINUTES	
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3) ORAL COMMUNICATIONS	
a) Anyone may briefly address the Commission concerning items not on the agenda.	
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7) ADJOURNMENT

- a) The next regular meeting is scheduled for 10:00 a.m. Wednesday, May 4, 2016 at the Santa Cruz County Building.

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

Room 525, Supervisors Chambers

Wednesday, March 2, 2016

701 Ocean Street

10:00 a.m.

Santa Cruz, California

.....

The March 2, 2016 Santa Cruz Local Agency Formation Commission meeting is called to order by declaration of Chairperson Friend.

ROLL CALL

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

MINUTES

MOTION AND ACTION

Motion: Friend	To approve January 6, 2016 minutes.
Second: J. Anderson	Motion carries with Commissioners Coonerty and R. Anderson abstaining.

PUBLIC HEARINGS

LAFCO No. 959, EXTRATERRITORIAL WATER SERVICE TO 525 BLAKERIDGE LANE, CORRALITOS FROM CITY OF WATSONVILLE

Mr. McCormick reports that the site is located behind the Corralitos Meat Market and is designated as Parcel A. The County has authorized a minor land division so that the existing house would be on one lot and a new building site would be on the other lot. The identified building envelope is on a lower slope. The City of Watsonville has a water line that is looped on Blake Avenue nearby, so there is no need for an extension, and there is adequate water supply in the Corralitos area.

The original 13-acre parcel's land division would split the parcel in half with 6.5 acres in each new parcel. Parcel B is already served by the City and Parcel A is the subject of the current application for new service.

The City has issued a will serve letter and the County has prepared a Negative Declaration for Environmental Review. The building site is in oak woodlands.

The Commission's water policy is on page 9 of the agenda packet. The City of Watsonville is participating with the Pajaro Valley Water Management Agency (PVWMA) to address the overdraft in the Pajaro Valley. The City has water conservation standards for new service. The County has water conservation standards for new buildings.

Staff recommends applying the one house policy to authorize the City to provide water service to this site anytime in the next two years.

Commissioner LaHue reads a water policy standard on page 9: "Any new water demand in a stressed basin must incrementally improve the overall impact on water resources." He knows that Soquel Creek Water District has a water demand offset program. He asks if Watsonville has such an opportunity to offset use somewhere else in their area to account for their use.

Mr. McCormick answers that they do not have the same type of program. They take part of their connection fees to pay for their water conservation program which includes toilet replacement and artificial turf. It is a more standard program and is not as aggressive as Soquel Creek's.

Commissioner LaHue asks how LAFCO can enforce any overall impact on water resources.

Mr. McCormick replies that on a bigger project, LAFCO would look for some project specific offsets. When the Commission developed its water policies, there was discussion about minimal projects where it might be impractical to improve the water system one house at a time. The Commission decided to set up a one house exception that any new water use that used no more than one house's worth did not have to incrementally improve the basin, as long as there was a water conservation program in place by the water agency. The amount of analysis that might need to be done for a single family house and perhaps the impracticality of implementing a solution on a single house supported this decision.

Commissioner LaHue asks if they can bring this item up later about how to deal with future offsets for new developments.

Mr. McCormick says the Commission is free to schedule reviews of their policies on any future agenda.

Commissioner Friend is familiar with the water demand offset program. PVWMA does not have this program. Since the County approved the land division, it will either be on a well which is not metered, or it will be on a more tightly-controlled system. With water conservation in mind, it would be more ideal to have it on a more controlled system through PVWMA and the City of Watsonville versus a private well.

Commissioner LaHue agrees with Commissioner Friend.

Chairperson Roger Anderson asks if Mr. McCormick can review the policy's criteria for granting extraterritorial water service.

Mr. McCormick says the Commission's policy for an extraterritorial application with larger projects more than a single house will not be approved unless there is an adequate, reliable, and sustainable water supply. Any additional service must incrementally improve water resources. This could mean participating in an aggressive program, shifting from one water source to another, helping to fund conservation, or timing new development with new supply.

When the Commission's water policies were developed, a committee held a series of hearings and there was a lot of input. Santa Cruz County has unique situations from basin to basin, and any singular solution such as the Soquel Creek model, would probably not be the best solution in a different water system. The committee recommended and the Commission approved the one house exception feeling that it would be a good administrative tool as long as there was a water conservation program in place.

Charlie Eadie, a consultant representing the applicant Lisa Burgstrom, states that they have been working on this project for five years. The issues have been resolved and the mitigation plans are in place. The County unanimously approved this land division. LAFCO is the last step in the process before the parcel map is filed and finalized.

MOTION AND ACTION

Motion: Friend Second: Coonerty	To approve LAFCO No. 959 as recommended by staff. Motion carries with a unanimous voice vote.
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RELEASE OF PUBLIC REVIEW DRAFT: SERVICE REVIEW AND SPHERE OF INFLUENCE REVIEW FOR ALBA, BOULDER CREEK, LA SELVA BEACH, AND OPAL CLIFFS RECREATION AND PARK DISTRICTS

Mr. McCormick reports that he will prepare a different version of the draft review document for the four recreation and park districts if the Commissioners schedule it for a public hearing next month.

His main conclusions in the report are that the four districts are each unique and important to the quality of life in each community. The two smallest districts, Alba and Opal Cliffs, are so small that they cannot practically run as a public district. They do not have the resources to do all the normal tasks a district should do.

Boulder Creek Recreation and Park District is big enough to function properly. They use financial disclosure forms, follow the Brown Act, and maintain a website that contains applicable information, so they are a great example of a well functioning district.

La Selva is functioning fine, but their audit report shows they have audit items that need to be fixed.

Every part of the County has one park and recreation service. Each of the four cities has their own recreation service covered by their city; each park district covers their own district. The rest of the County is covered by County Parks. None of these districts overlap.

The Boulder Creek and Alba recreation districts adjoin one another. Alba maintains, but does not own a schoolhouse used as a meeting room. The schoolhouse is owned by the local school district and the district has a 25-year lease to maintain it.

Alba has several future options; they could go with County Parks, they could go with Boulder Creek's Recreation and Park District, or they could go with Ben Lomond's Park Hall.

The Park Hall is a non-profit that has operated in a community trust since 1923. The Park Hall gets a lot of use and it is bigger in size than Alba's schoolhouse. The Park Hall is available to rent and it is set up for community theater. By the terms of the trust, anyone who lives within 1.5 miles of Park Hall is eligible to be on the board of trustees. They have insurance and know how to maintain the building. Alba District could be added to the Park Hall district as the second hall in that district.

Boulder Creek Recreation and Park District is the biggest park district, and it has a number of facilities which are in good shape.

All of the park districts have a variety of funding sources. All but Alba have a share of the property tax. All of them rent out buildings. They all have park dedication fees. When any residential building is built, the County collects a park dedication fee from the building permit and holds it in trust for the agencies.

La Selva Recreation and Park District has a playground, a park, clubhouse, and a small bit of beach cliff access.

Opal Cliffs Recreation District has access to Privates Beach with a keyed gate and the facility is in good shape. Day use keys are available through a surf shop on 41st Avenue. The Coastal Commission has authorized continued use of the gate subject to day use keys being cheap and easy for the general public to obtain.

Commissioner LaHue is surprised that the Coastal Commission thinks that coastal access is adequate.

Mr. McCormick will include a summary of the Coastal Commission's authorization in the report next month.

Alternate Bobbe asks why the gate is locked.

Mr. McCormick answers that the area was not well maintained for many years and there was vandalism.

Commissioner LaHue thinks it may be logical for County Parks to take it over.

Alternate Bobbe thinks most beach access has similar problems, but the access is not usually locked.

Mr. McCormick replies that the findings made in the coastal permit were that day use access keys would be available for \$5 from Freeline Surf Shop on 41st Avenue which is comparable to paying for parking at other beach access points. \$5 is not a financial burden for most people in California to pay for day use. The \$5 fee is a per group entry; it is not a per person charge. The Coastal Commission found the fee helped defray maintenance costs and it did not limit access to the beach much.

Chairperson Roger Anderson asks if there are any records of annual permits versus daily permits.

Mr. McCormick will ask.

MOTION AND ACTION

Motion: J. Anderson Second: Lind	To agendize a public hearing next month for the recreation and park districts. Motion carries with a unanimous voice vote.
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LAFCO WORK PROGRAM AND BUDGET FOR FISCAL YEAR BEGINNING JULY 1, 2106

Mr. McCormick recommends not adopting the first reading of the budget at this hearing. He wants to slow down and collectively discuss the work program for the next few years.

* Commissioner Friend leaves.

State law requires the Commission and staff to complete service and spheres of influence reviews. The law says the Commission should review each agency's sphere of influence every five years along with an existing service review that has been prepared previously or concurrently. This Commission is behind schedule on completing these reviews. They got behind during the recession and have not yet caught up. There is a \$100,000 Professional Services reserve that has been built up since then. It is available to hire consultants to help finish the project.

Staff has been doing service and sphere reviews in response to applications or in anticipation of applications. For example, staff received an application from the County to add parking services to one of their County Service Areas (CSAs). That application accelerated a service review for that CSA. There was a service review that was accelerated for both Lompico and the San Lorenzo Valley Water Districts in response to their recent application.

Staff was tied up with Lompico for more than a year and that slowed down the review projects. Staff has time to work on service reviews now. Assuming the Commission wants to accelerate the rate of completing the reviews over the next two years, he completed a survey to see how much \$100,000 buys.

He concluded that service reviews are cheaper per unit price if more agencies are done together. He also concluded that reviews seem to come in simple, moderate, and complicated forms. He estimated a price of \$4,000 for simple reviews, \$10,000 for moderate reviews, and \$30,000 for the complicated reviews.

He made a rough estimate that it would cost about \$225,000 using a consultant to complete all the sphere and service reviews in the next two years to supplement what would otherwise be done by staff. There is \$100,000 available.

He asks the Commission if they want to increase their budget to collect more money for using consultants to get up-to-date with the service review studies. He wonders if work is done by staff, would the Commission accept having a simpler format than what has been used in the past. A simpler format with less information could still be adequate to make the determinations State law requires. The Commission has tremendous discretion over the level of detail in these studies. Staff can work on these studies faster if the Commission decides that less information is adequate enough.

There are parts of the existing budget dedicated for other uses that could be used to accelerate the completion of the reviews. He recommends that \$20,000 be used to pay down the PERS side fund with the intention of paying \$20,000 each of the next four years until it is paid off, assuming money is available to pay it off. The Commission could also decide to hold off on paying the side fund down this year, and use that money for studies using a consultant.

There is also a \$110,000 litigation reserve which has been maintained even through the recession. It is important to be able to respond to any litigation should it arise without worrying about running out of money mid-year. He does not suggest using much of the \$110,000 for service and sphere reviews, but it is certainly available if the Commission decides that it is important to get the programs done as soon as possible.

If the Commission decides to stay with the status quo, reviews would need to be done as needed for some upcoming and pending applications. There is an application from the San Lorenzo Valley Water District pending. There is a current service review for them so it will not require any more work. He is expecting applications from the City of Scotts Valley and the Scotts Valley Water District to amend their spheres. The Commission is soliciting an application for the Phippen Apartments in Watsonville and that would require only a service review to be up-to-date because the Phippen Apartments are currently inside the City's sphere of influence.

The City of Santa Cruz plans on submitting an application for the Carbonera area. The land from Highway 17 to Branciforte Drive is inside the City's sphere of influence. It has an irregular boundary. There are mostly developed parcels to the east and undeveloped parcels to the west. There is some development interest to the west. The City is gearing up to prepare an annexation application. It is an excellent opportunity to clean up some of the irregularities in the City's boundary. There is an applicant with development interest that would help defer some of the costs. A service review would need to be done for the City of Santa Cruz since the current review expires in about a year.

Chairperson Roger Anderson asks how much it costs for the in-house MSRs that have already been done this year. He knows there is a standard recharge rate that is charged to the applicants.

Mr. McCormick says he will put together some numbers for the next meeting.

Commissioner LaHue would like to use the reserve that already exists to catch up on the priority agencies rather than taking money from other places. It is worth consideration if the reviews can be done in a simpler format and still be effective. He would like to accelerate the completion of the reviews, but not borrow money from other funds.

Commissioner Coonerty wonders how much interest there is from the agencies themselves versus this Commission's interest since that could dictate how much energy to put forth. If LAFCO's participation is welcome, then a more in-depth service review might be worthwhile. If the review is important, but people are not really interested in LAFCO's recommendations, then it should not be as much of a priority, and it should be done in the most cost-effective way possible.

Commissioner Lind knows Scotts Valley is interested in moving forward so their review should be a priority.

Mr. McCormick has been working with the City of Scotts Valley and the Scotts Valley Water District on a comprehensive, coordinated update that may be accomplished with a simple environmental document. LAFCO would just move their project up the priority list on LAFCO's regular work program.

Commissioner Lind has heard of agencies interested in these reviews. Agencies should be asking to be a priority on LAFCO's work program.

Commissioner Bottorff says the Commission should look at what can be done this year using staff. He thinks there is enough information in the last two reviews to allow the Commission to make a reasonable decision. He wants Mr. McCormick to return with what he thinks is reasonable for staff to accomplish this year, and based on that, the Commission can decide whether to allocate more funds for larger projects such as Scotts Valley.

Chairperson Anderson thinks there have been several good suggestions. He asks what the consequences are for not doing service reviews. He also wonders if it is possible to have a trigger methodology set up to identify where a review will be necessary without doing a full blown review. There are some agencies that move along for several years without many changes. Other agencies have had serious changes in such factors as funding or demographics. He wonders if any of these factors will be indicators where the money should be spent on studies.

Doing the studies in-house or with outside help is important to consider. He thinks the University could provide economics or graduate students to help work on the studies and it could be much cheaper than using a consultant.

Alternate Bobbe thinks finding interns to help with some of the busy work involved in the studies would be a wise option to consider so money could be saved for consultants needed on bigger, more complicated projects.

Commissioner Jim Anderson thinks there are probably agencies who do not think studies for their agency would be that beneficial, even though LAFCO does.

OTHER BUSINESS

CONSIDERATION OF MAKING A PAYMENT TO REDUCE SIDE FUND LIABILITY IN PERS PENSION PLAN

Mr. McCormick says the current side fund on the pension requires spending about \$9,000 per year to pay it down. This is included in the normal monthly pension payments made with payroll. He recommends paying an additional \$20,000 contribution this spring. \$20,000 has been budgeted, but the Commission could increase or decrease that payment amount. Every dollar paid saves the public 7.5% interest minus whatever the market interest rate for the bank account.

Commissioner Jim Anderson remembers discussing this possibility of another entity providing a lower interest loan.

Mr. McCormick shopped around and did not get very far with private banks or the County of Santa Cruz. The City of Santa Cruz was willing to consider a short term loan, but not a 20-year loan. LAFCO had a major pending application from the City of Santa Cruz at the time. He thought it could be misinterpreted to go to Santa Cruz for a loan, so he did not pursue it further.

Commissioner Jim Anderson asks if the \$20,000 is paid this fiscal year, would it impact the funding agencies that pay an annual fee to LAFCO.

Mr. McCormick answers no.

Chairperson Roger Anderson would like the Commission to investigate a loan with the City of Santa Cruz again. Even a five-year loan at a lower interest rate would be preferable to paying off a 7.5% interest rate loan in five years, and those savings could be used. It is similar to refinancing a mortgage rather than paying it off. He is hesitant to commit to a \$20,000 payoff with the pending service reviews that need to be completed.

He is familiar with pension fund problems including CalPers in terms of their long term financial viability. The Commission needs to look at the present value of that money in terms of agency contributions.

Commissioner Jim Anderson asks how long before the loan is paid off at the current rate of \$9,000 per month.

Mr. McCormick replies that it will be paid off in 20 years.

Commissioner Jim Anderson worries about dealing with CalPers and having an outstanding balance with a 7.5% interest.

Alternate Bobbe thinks the pending application with the City of Santa Cruz is still very controversial. She is concerned about the appearance of conflict.

Commissioner Coonerty thinks it is highly unlikely that they will have an application. If there is no item before LAFCO, then there would be no appearance of conflict.

Alternate Bobbe says the conflict still exists because the application is still pending.

Commissioner LaHue says his water district has been working to pay down their loan to avoid the interest build up.

MOTION AND ACTION

Motion: LaHue Second: Lind	To make a \$20,000 payment towards the side fund. Motion carries 5-1 with Chairperson Roger Anderson opposing.
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AMENDMENTS TO MEETING RULES

Mr. McCormick reports that he and Counsel are proposing some minor amendments to the Meeting Rules.

MOTION AND ACTION

Motion: LaHue Second: J. Anderson	To adopt Resolution 2016-3, amending the Meeting Rules as recommended by staff. Motion carries with a unanimous voice vote.
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BEGIN APPOINTMENT PROCESS OF PUBLIC MEMBER AND PUBLIC ALTERNATE

Mr. McCormick says the public member and public alternate terms end in May, 2016. The normal process is for staff to advertise both of the vacancies and receive applications. Both incumbents are eligible to reapply. Applications will be supplied to the Commission at the next meeting when the Commission will decide whether to solicit more applications, make a decision, or to invite the applicants to a subsequent meeting for interviews.

MOTION AND ACTION

Motion: LaHue Second: Lind	To proceed with the Public Member and Public Alternate application process and advertise the upcoming terms. Motion carries with Chairperson Roger Anderson abstaining.
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STATUS OF PROPOSALS

Mr. McCormick reports that the Lompico County Water District has an assessment election pending. It is their second try to raise \$2.75 million to close the merger with San Lorenzo Valley Water District. The ballots will be opened and counted the evening of March 16, 2016 at the Zayante Fire Station.

The Watsonville City Council has not yet considered the City Planning Commission's recommendation to not prezone the Phippen Apartments. LAFCO has given the property owner and Mid-Peninsula Housing until late spring to initiate an annexation. He hopes the City Council overrules the Planning Commission's recommendation. If not, it puts Mid-Pen in a bind and the Commission will have to decide whether there is still a way to accommodate them.

CONNECTING THE DROPS WATER FORUM

Mr. McCormick thought the forum was a very successful event.

Commissioner LaHue adds that there were about 150 to 200 people and many asked good questions.

Alternate Bobbe asks if the forum was videoed because she was unable to attend.

Mr. McCormick answers yes. It is available online at www.santacruzirwmp.org/DROPS. John Laird was the key speaker.

Chairperson Roger Anderson enjoyed the presentations and the multiple booths focusing on various aspects of the County's water planning.

Meeting is adjourned at 11:24 a.m. The next LAFCO meeting is scheduled for 10:00 a.m. on Wednesday, April 6, 2016.

CHAIRPERSON ROGER ANDERSON

Attest:

Patrick M. McCormick, Executive Officer



RECREATION AND PARK DISTRICTS

Date: March 25, 2016 for April 6th Agenda

To: LAFCO Commissioners

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

Subject: Service Review and Sphere of Influence Reviews for the Four Recreation and Park Districts in Santa Cruz County

Summary: The Commission will conduct a public hearing and will consider approving a service review and confirming the current spheres of influence for the four recreation and park districts in Santa Cruz County.

Recommendation: Conduct a public hearing and adopt the five attached resolutions (one accepting the service review, and one for each district confirming the existing sphere of influence for the district).

State law requires that each LAFCO periodically review the agencies subject to LAFCO's boundary regulation. At its March 2, 2016 meeting, LAFCO released a draft of a service review and sphere of influence review for the four independent park and recreation districts in Santa Cruz County. The districts are:

- The Alba Park, Recreation, and Parkway District,
- The Boulder Creek Recreation and Park District,
- The La Selva Beach Recreation and Park District,
- The Opal Cliffs Recreation District.

The main conclusions of this service and sphere review are:

- The four recreation and park districts are operating as small, independent local governmental agencies to provide important services that contribute to the unique quality of life in each of the communities.
- It is a challenge for the two smallest districts (Alba and Opal Cliffs) to function as governmental agencies. Despite the honorable efforts of the respective board members, the districts do not have the financial resources to comply with the myriad of state laws that apply to independent districts in California. Over the next five years, the two small districts should consider options to transition their services to other governmental or non-profit entities.

- The Boulder Creek Recreation and Park District has the highest budget, largest population, and only full-time staff of the four recreation districts. Collectively, these features foster the successful governance of the district as an independent local governmental agency.

In the last month, the staff has met with the board of directors of the four districts and has corrected and supplemented the draft report.

The staff recommends that the Commission:

- Receive an oral presentation from staff,
- Conduct a public hearing to receive public comments,
- Adopt the following resolutions:
 - Resolution No. 2016-4, Accepting the Review Document
 - Resolution No. 2016-5, Alba Sphere
 - Resolution No. 2016-6, Boulder Creek Sphere
 - Resolution No. 2016-7, La Selva Beach Sphere
 - Resolution No. 2016-8, Opal Cliffs Sphere

cc: Board of Directors, Alba Park, Recreation and Parkway District
 Board of Directors, Boulder Creek Recreation and Park District
 Board of Directors, La Selva Beach Recreation and Park District
 Board of Directors, Opal Cliffs Recreation District
 City Manager, City of Capitola
 County of Santa Cruz
 Auditor-Controller-Tax Collector
 County Administrative Officer
 Director of Parks, Open Space and Cultural Services

Attachments

SANTA CRUZ LOCAL AGENCY FORMATION COMMISSION
RESOLUTION NO. 2016-4

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

APPROVING THE 2016 SERVICE REVIEW OF
RECREATION AND PARK DISTRICTS IN SANTA CRUZ COUNTY

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

1. In accordance with Government Code sections 56425, 56427 and 56430, the Commission has initiated and conducted the 2016 Review of Recreation and Park Districts Services and Spheres of Influence.
2. The Commission's Executive Officer has given notice of a public hearing by this Commission upon the service review and sphere of influence in the form and manner prescribed by law.
3. The Commission held a public hearing on this matter on April 6, 2016; and at the hearing the Commission heard and received all oral and written protests, objections, and evidence that were presented.
4. The Commission hereby approves the 2016 Service Review for the Alba Park, Recreation and Parkway District; the Boulder Creek Recreation and Park District; the La Selva Beach Recreation Park District; and the Opal Cliffs Recreation District.
5. The Commission hereby approves the Service Review Determinations as shown on Exhibit A.

PASSED AND ADOPTED by the Local Agency Formation Commission of Santa Cruz County this sixth day of April 2016.

AYES:

NOES:

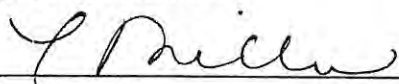
ABSENT:

ROGER W. ANDERSON, CHAIRPERSON

Attest:

Patrick M. McCormick
Executive Officer

Approved as to form:



T. Brooke Miller, LAFCO Counsel

Exhibit A
Santa Cruz LAFCO Resolution No. 2016-4
Recreation and Park District
Service Review Determinations

-ALBA PARK, RECREATION AND PARKWAY DISTRICT-

1) *Population and Growth*

The Alba Park, Recreation and Parkway District has an estimated population of 220 people. No growth is planned in the County General Plan.

2) *Disadvantaged Unincorporated Communities*

There are no disadvantaged unincorporated communities within or contiguous to the sphere of influence of the Alba Park, Recreation and Parkway District.

3) *Capacity of Facilities*

The Alba Park, Recreation and Parkway District is maintaining the Alba Schoolhouse and is making it available for community use.

4) *Financial Ability of Agencies*

The Alba Park, Recreation and Parkway District relies on donations for revenue. In the last ten years, the District has built up its fund balance to more than \$18,000.

5) *Shared Facilities*

The Alba Park, Recreation and Parkway District leases the Alba Schoolhouse from the San Lorenzo Valley Unified School District.

6) *Accountability*

The Alba Park, Recreation and Parkway District is governed by a five-person Board of Directors who live within the District and are accountable to the District residents.

7) *Matters Required by Local LAFCO Policies*

LAFCO maintains a file of meeting rules that is available for review by any local agency.

-BOULDER CREEK RECREATION AND PARK DISTRICT-

1) *Population and Growth*

The Boulder Creek Recreation and Park District has an estimated population of 7,743 people. Slow growth is planned in the County General Plan.

2) *Disadvantaged Unincorporated Communities*

There are no disadvantaged unincorporated communities within or contiguous to the sphere of influence of the Boulder Creek Recreation and Park District.

3) *Capacity of Facilities*

The Boulder Creek Recreation and Park District is maintaining a recreation hall and four parks which get extensive use by residents of the District. The District also operates a low-frequency radio station which has the capacity to expand programming to serve the Boulder Creek and Brookdale communities.

4) *Financial Ability of Agencies*

The Boulder Creek Recreation and Park District is funded through property taxes and program charges. In the last ten years, the District has rehabilitated several of its parks and has increased its year-end fund balance to \$526,031.

5) *Shared Facilities*

The Boulder Creek Recreation and Park District leases its Recreation Hall from the Boulder Creek Fire Protection District.

6) *Accountability*

The Boulder Creek Recreation and Park District is governed by a five-person board elected by voters of the District.

7) *Matters Required by Local LAFCO Policies*

The Boulder Creek Recreation and Park District has adopted meeting rules and a mission statement.

-LA SELVA BEACH RECREATION AND PARK DISTRICT-

1) *Population and Growth*

The La Selva Recreation and Park District has an estimated population of 1,613 people. A very small amount of residential growth is planned in the County General Plan.

2) *Disadvantaged Unincorporated Communities*

There are no disadvantaged unincorporated communities within or contiguous to the sphere of influence of the La Selva Beach Recreation and Park District.

3) *Capacity of Facilities*

The La Selva Beach Recreation and Park District is maintaining a community hall and two parks which get extensive use by residents of the District and by people who live outside the District.

4) *Financial Ability of Agencies*

The La Selva Beach Recreation and Park District is funded through property taxes and program charges. In the last ten years, the District has maintained its facilities and has increased its year-end fund balance to \$274,101.

5) *Shared Facilities*

The La Selva Beach Recreation and Park District cooperates with the Aptos/La Selva Fire Protection District, which has a fire station next to the Community Hall, and with the La Selva Beach Improvement Association, which owns community common areas in La Selva Beach.

6) *Accountability*

The La Selva Beach Recreation and Park District is governed by a five-person board of directors.

7) *Matters Required by Local LAFCO Policies*

Santa Cruz LAFCO has adopted a policy that it will inquire whether public agencies have adopted meeting rules and a mission statement. LAFCO maintains a file of meeting rules that is available for review by any local agency.

-OPAL CLIFFS RECREATION DISTRICT-

1) *Population and Growth*

The Opal Cliffs Recreation District has an estimated population of 690 people. The District is nearly built out under the County General Plan designations; however, the District is experiencing replacement of modest homes with larger homes.

2) *Disadvantaged Unincorporated Communities*

There are no disadvantaged unincorporated communities within or contiguous to the sphere of influence of the Opal Cliffs Recreation District.

3) *Capacity of Facilities*

The Opal Cliffs Recreation and Park District is maintaining a small park and a beach access. In the last ten years, the facilities have been upgraded and are being maintained well.

4) *Financial Ability of Agencies*

Opal Cliffs Recreation District is funded through property taxes and gate fee charges. In the last ten years, the District has maintained its facilities and has increased its year-end fund balance to \$66,428. The District continues to address accounting deficiencies identified in audit reports.

5) *Shared Facilities*

The Opal Cliffs Recreation and Park District does not share any facilities. Both the City of Capitola and Santa Cruz County Parks maintain coastal accesses downcoast and upcoast of Opal Cliffs.

6) *Accountability*

The Opal Cliffs Recreation District is governed by a five-person board of directors.

7) *Matters Required by Local LAFCO Policies*

Santa Cruz LAFCO has adopted a policy that it will inquire whether public agencies have adopted meeting rules and a mission statement. LAFCO maintains a file of meeting rules that is available for review by any local agency. LAFCO's records were used by the District's governmental consultant when the District's policies and procedures were recently updated.

SANTA CRUZ LOCAL AGENCY FORMATION COMMISSION
RESOLUTION NO. 2016-5

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

CONFIRMING THE SPHERE OF INFLUENCE OF THE
ALBA PARK, RECREATION AND PARKWAY DISTRICT

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

1. In accordance with Government Code sections 56425, 56427 and 56430, the Commission has initiated and conducted the 2016 Review of Recreation and Park Districts Services and Spheres of Influence.
2. The Commission's Executive Officer has given notice of a public hearing by this Commission upon the service review and sphere of influence in the form and manner prescribed by law.
3. The Commission held a public hearing on this matter on April 6, 2016; and at the hearing the Commission heard and received all oral and written protests, objections, and evidence that were presented.
4. Pursuant to State CEQA Guidelines section 15061(b)(3), this LAFCO action does not change the services or the planned service area of the Alba Park, Recreation, and Parkway District. There is no possibility that the activity may have a significant impact on the environment. This LAFCO action qualifies for a Notice of Exemption under the California Environmental Quality Act.
5. The Commission hereby makes the Sphere of Influence Determinations as shown on Exhibit A.
6. The Commission hereby confirms the Sphere of Influence of the Alba Park, Recreation and Parkway District to continue to be the current boundaries of the District, as shown on Exhibit B.

PASSED AND ADOPTED by the Local Agency Formation Commission of Santa Cruz County this sixth day of April 2016.

AYES:

NOES:

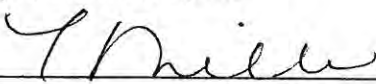
ABSENT:

ROGER W. ANDERSON, CHAIRPERSON

Attest:

Patrick M. McCormick
Executive Officer

Approved as to form:



T. Brooke Miller, LAFCO Counsel

Exhibit A
Santa Cruz LAFCO Resolution No. 2016-5
Alba Park, Recreation and Parkway District
Sphere of Influence Determinations
Government Code Section 56425(e)

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

The County General Plan applies to the Alba Road area. The present and planned land uses in the Alba Road area are mountain residential uses.

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

The probable need for public recreational facilities in the Alba Road area is continuing to keep the Alba Schoolhouse available for public uses.

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

The Alba Schoolhouse has the capacity to handle a small community meeting or gathering.

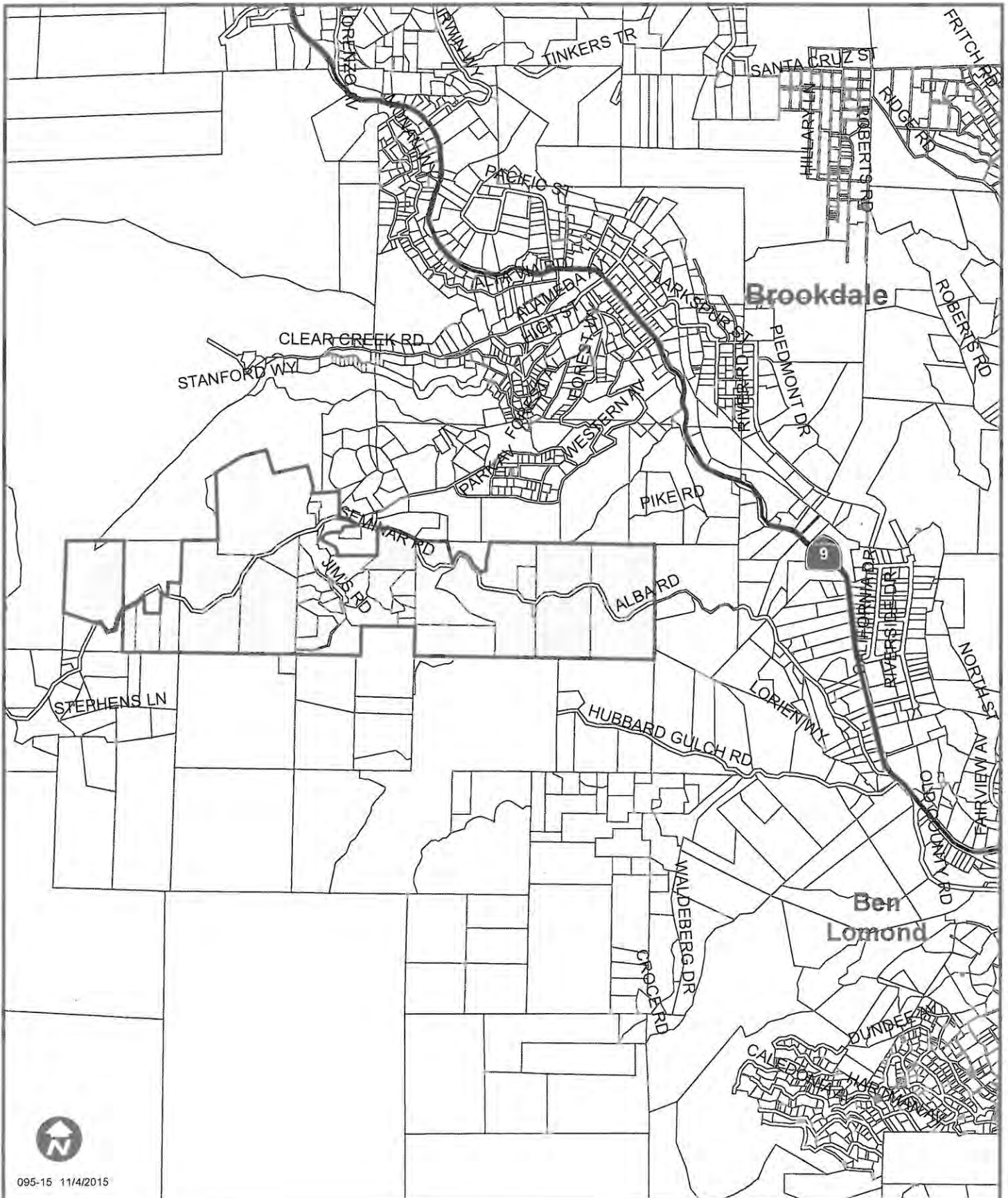
4) *The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.*

The Alba Road community that is served by the District has a strong tradition of local autonomy. The community is part of the larger Ben Lomond community and the San Lorenzo Valley



ALBA RD RECREATION DISTRICT

SANTA CRUZ COUNTY, CALIFORNIA



SANTA CRUZ LOCAL AGENCY FORMATION COMMISSION
RESOLUTION NO. 2016-6

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

CONFIRMING THE SPHERE OF INFLUENCE OF THE
BOULDER CREEK PARK AND RECREATION DISTRICT

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

1. In accordance with Government Code sections 56425, 56427 and 56430, the Commission has initiated and conducted the 2016 Review of Recreation and Park Districts Services and Spheres of Influence.
2. The Commission's Executive Officer has given notice of a public hearing by this Commission upon the sphere of influence review for the Boulder Creek Recreation and Park District in the form and manner prescribed by law.
3. The Commission held a public hearing on this matter on April 6, 2016; and at the hearing the Commission heard and received all oral and written protests, objections, and evidence that were presented.
4. Pursuant to State CEQA Guidelines section 15061(b)(3), this LAFCO action does not change the services or the planned service area of the Boulder Creek Recreation and Park District. There is no possibility that the activity may have a significant impact on the environment. This LAFCO action qualifies for a Notice of Exemption under the California Environmental Quality Act.
5. The Commission hereby makes the Sphere of Influence Determinations as shown on Exhibit A.
6. The Commission hereby confirms the Sphere of Influence of the Boulder Creek Recreation and Park District to continue to be the current boundaries of the District, as shown on Exhibit B.

PASSED AND ADOPTED by the Local Agency Formation Commission of Santa Cruz County this sixth day of April 2016.

AYES:

NOES:


ABSENT:

ROGER W. ANDERSON, CHAIRPERSON

Attest:

Patrick M. McCormick
Executive Officer

Approved as to form:



T. Brooke Miller, LAFCO Counsel

Exhibit A

Santa Cruz LAFCO Resolution No. 2016-6

Boulder Creek Recreation and Park District

Sphere of Influence Determinations

Government Code Section 56425(e)

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

The County General Plan applies to the Boulder Creek and Brookdale areas. The present and planned land uses in the District are a mix of mountain residential, rural residential, commercial, public use, and resource conservation uses.

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

The probable need for public recreational facilities in the District is continuing to keep the current facilities maintained and programs operating.

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

The Boulder Creek Recreation and Park District is providing a variety of recreation programs including playgrounds, sports fields, river access, natural parks, recreation classes, and a community radio station. The facilities and adequate are well-sized to the community's needs.

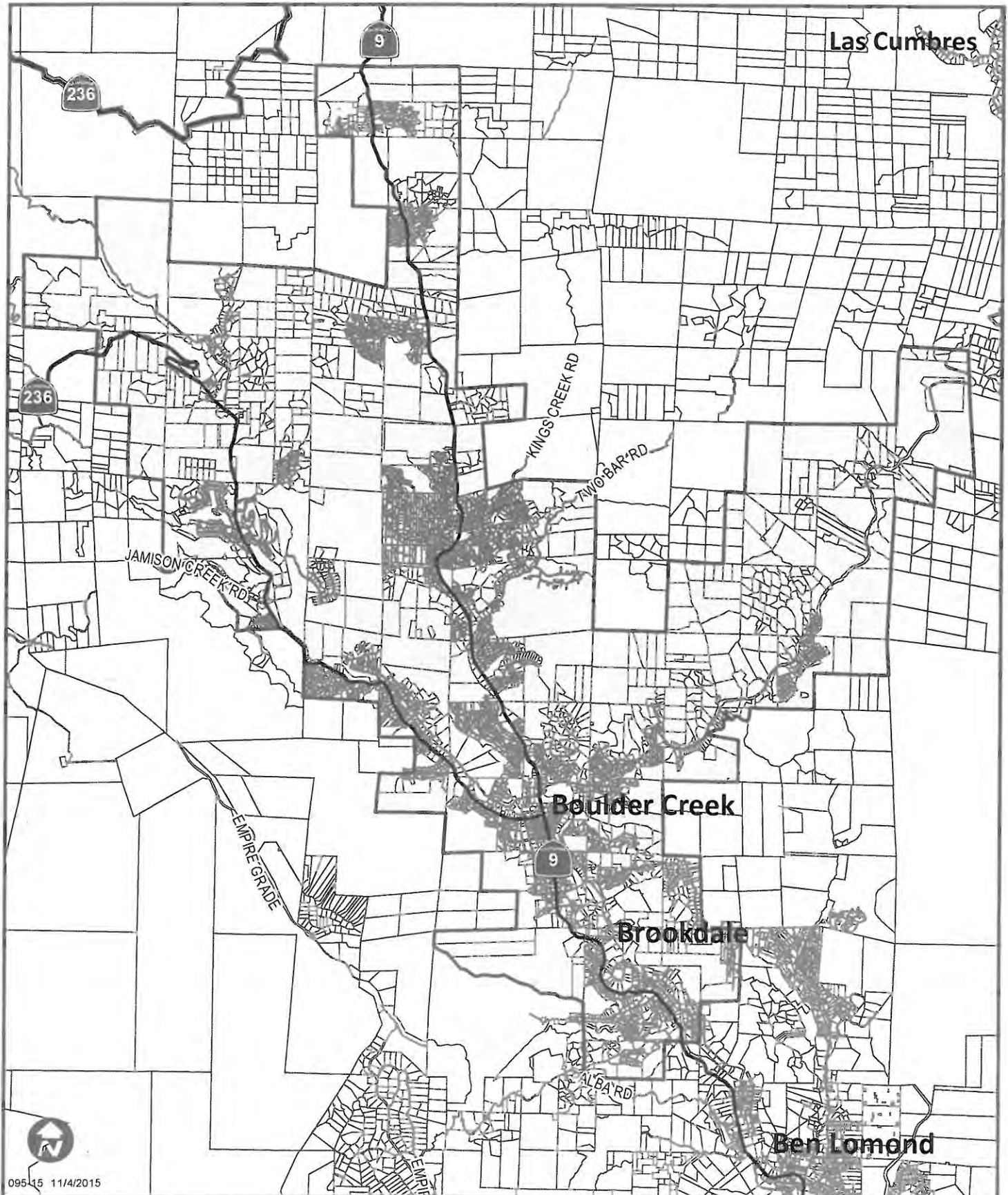
4) The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.

The District serves greater Boulder Creek and Brookdale. The District is located in the San Lorenzo Valley, which is served by local fire districts, a regional water district, and a regional and school district.



BOULDER CREEK RECREATION DISTRICT

SANTA CRUZ COUNTY, CALIFORNIA



SANTA CRUZ LOCAL AGENCY FORMATION COMMISSION
RESOLUTION NO. 2016-7

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

CONFIRMING THE SPHERE OF INFLUENCE OF THE
LA SELVA BEACH PARK AND RECREATION DISTRICT

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

1. In accordance with Government Code sections 56425, 56427 and 56430, the Commission has initiated and conducted the 2016 Review of Recreation and Park Districts Services and Spheres of Influence.
2. The Commission's Executive Officer has given notice of a public hearing by this Commission upon the sphere of influence review for the La Selva Beach Recreation and Park District in the form and manner prescribed by law.
3. The Commission held a public hearing on this matter on April 6, 2016; and at the hearing the Commission heard and received all oral and written protests, objections, and evidence that were presented.
4. Pursuant to State CEQA Guidelines section 15061(b)(3), this LAFCO action does not change the services or the planned service area of the La Selva Beach Recreation and Park District. There is no possibility that the activity may have a significant impact on the environment. This LAFCO action qualifies for a Notice of Exemption under the California Environmental Quality Act.
5. The Commission hereby makes the Sphere of Influence Determinations as shown on Exhibit A.
6. The Commission hereby confirms the Sphere of Influence of the La Selva Beach Recreation and Park District to continue to be the current boundaries of the District, as shown on Exhibit B.

PASSED AND ADOPTED by the Local Agency Formation Commission of Santa Cruz County this sixth day of April 2016.

AYES:

NOES:

ABSENT:

ROGER W. ANDERSON, CHAIRPERSON

Attest:

Patrick M. McCormick
Executive Officer

Approved as to form:



T. Brooke Miller, LAFCO Counsel

Exhibit A
Santa Cruz LAFCO Resolution No. 2016-7
La Selva Beach Recreation and Park District
Sphere of Influence Determinations
Government Code Section 56425(e)

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

The County General Plan applies to the La Selva Beach area. The present and planned land uses in the District are mostly residential, with small amounts of commercial, public use, and resource conservation uses. Agricultural uses are planned to continue outside the District both upcoast and downcoast from the District's boundary and sphere of influence.

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

The probable need for public recreational facilities in the District is continuing to keep the current facilities maintained and programs operating.

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

The La Selva Beach Recreation and Park District is providing a variety of recreation programs including playgrounds, community hall, and recreation classes. The facilities are adequate and well-sized to the community's needs.

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.***

La Selva Beach is relatively isolated for recreational activities. The District makes its community hall available for rental by non-district residents.



LA SELVA BEACH RECREATION DISTRICT

SANTA CRUZ COUNTY, CALIFORNIA



095-15 11/4/2015

SANTA CRUZ LOCAL AGENCY FORMATION COMMISSION
RESOLUTION NO. 2016-8

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

CONFIRMING THE SPHERE OF INFLUENCE OF THE
OPAL CLIFFS RECREATION DISTRICT

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

1. In accordance with Government Code sections 56425, 56427 and 56430, the Commission has initiated and conducted the 2016 Review of Recreation and Park Districts Services and Spheres of Influence.
2. The Commission's Executive Officer has given notice of a public hearing by this Commission upon the sphere of influence review for Opal Cliffs Recreation District in the form and manner prescribed by law.
3. The Commission held a public hearing on this matter on April 6, 2016; and at the hearing the Commission heard and received all oral and written protests, objections, and evidence that were presented.
4. Pursuant to State CEQA Guidelines section 15061(b)(3), this LAFCO action does not change the services or the planned service area of the Opal Cliffs Recreation District. There is no possibility that the activity may have a significant impact on the environment. This LAFCO action qualifies for a Notice of Exemption under the California Environmental Quality Act.
5. The Commission hereby makes the Sphere of Influence Determinations as shown on Exhibit A.
6. The Commission hereby confirms the "zero" Sphere of Influence of the Opal Cliffs Recreation District to continue.

PASSED AND ADOPTED by the Local Agency Formation Commission of Santa Cruz County this sixth day of April 2016.

AYES:

NOES:

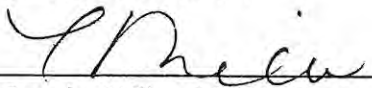
ABSENT:

ROGER W. ANDERSON, CHAIRPERSON

Attest:

Patrick M. McCormick
Executive Officer

Approved as to form:



T. Brooke Miller, LAFCO Counsel

Exhibit A
Santa Cruz LAFCO Resolution No. 2016-8
Opal Cliffs Recreation District
Sphere of Influence Determinations
Government Code Section 56425(e)

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

The County General Plan applies to the Opal Cliffs area. The present and planned land uses in the District are mostly urban residential, with small amounts of commercial and public uses. There are no agricultural uses in or adjacent to the District. The District is within the City of Capitola's Sphere of Influence. The City's General Plan would maintain the land uses similar to the current land uses, and the land uses as planned by the County.

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

The probable need for public recreational facilities in the District is continuing to maintain the current park and beach access.

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

The Opal Cliffs Recreation District is providing a small park and beach access. The facilities are well maintained. The key-access system is unique for a public facility in Santa Cruz County.

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.*

Opal Cliffs is an urban, beach neighborhood located between similar neighborhoods in the City of Capitola and unincorporated Live Oak. All these coastal neighborhoods are closely inter-related. Both the City and the County are maintaining nearby beach parks and accessways. Opal Cliffs is located within the adopted Sphere of Influence for the City of Capitola. The adopted Sphere of Influence for the Opal Cliffs Recreation District assumes that, if it annexes to Capitola, the District will go out of existence and that the City will take over the park and beach access.

Hearing Draft

Review of Recreation and Park Districts Services and Spheres of Influence



March 2016



Local Agency Formation Commission
of Santa Cruz County
701 Ocean Street, Room 318D
Santa Cruz CA 95060

RECREATION AND PARK DISTRICTS 2016

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Document's Purpose, Format, and Executive Summary

LAFCO periodically performs municipal service reviews¹ and updates, as necessary, the sphere of influence of each agency subject to LAFCO's boundary regulation². 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 four recreation and park districts in Santa Cruz County:

- The Alba Park, Recreation and Parkway District
- The Boulder Creek Recreation and Park District
- The La Selva Beach Recreation and Park District
- The Opal Cliffs Recreation District.

The last service review for these four districts was the Countywide Service Review adopted in 2007, and the last Sphere of Influence Review occurred in 2008.

The main conclusions of this service and sphere review are:

- The four recreation and park districts are operating as small, independent local governmental agencies to provide important services that contribute to the unique quality of life in each of the communities.
- It is a challenge for the two smallest districts (Alba and Opal Cliffs) to function as governmental agencies. Despite the honorable efforts of the respective board members, the districts do not have the financial resources to comply with the myriad of state laws that apply to independent districts in California. Over the next five years, the two small districts should consider options to transition their services to other governmental or non-profit entities.

¹ Government Code §56430 (Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000). The last service review of the four recreation and park districts was prepared by LAFCO in 2005: <http://www.santacruzlafo.org/wp-content/uploads/2016/02/Whole-Public-Review-Draft.pdf>

² Government Code §56427

- The Boulder Creek Recreation and Park District has the highest budget, largest population, and only full-time staff of the four recreation districts. Collectively, these features foster the successful governance of the district as an independent local governmental agency.

Recreation and Park Districts in State Law

Recreation and Park Districts are authorized in the Recreation and Park District Law (Public Resources Code sections 5780 – 5791.7). They may provide any combination of recreation, park, and open-space services. They are independent of city and county governments, and are governed by a 5-person elected board of directors. Their formation, boundary changes, and dissolution is subject to LAFCO's regulation under the Local Government Reorganization Act of 2000 (Government Code sections 56000 – 57550).

Recreation and Park Services in Santa Cruz County

In addition to the four Recreation and Park Districts, local recreational and park services are provided by five other agencies in the County:

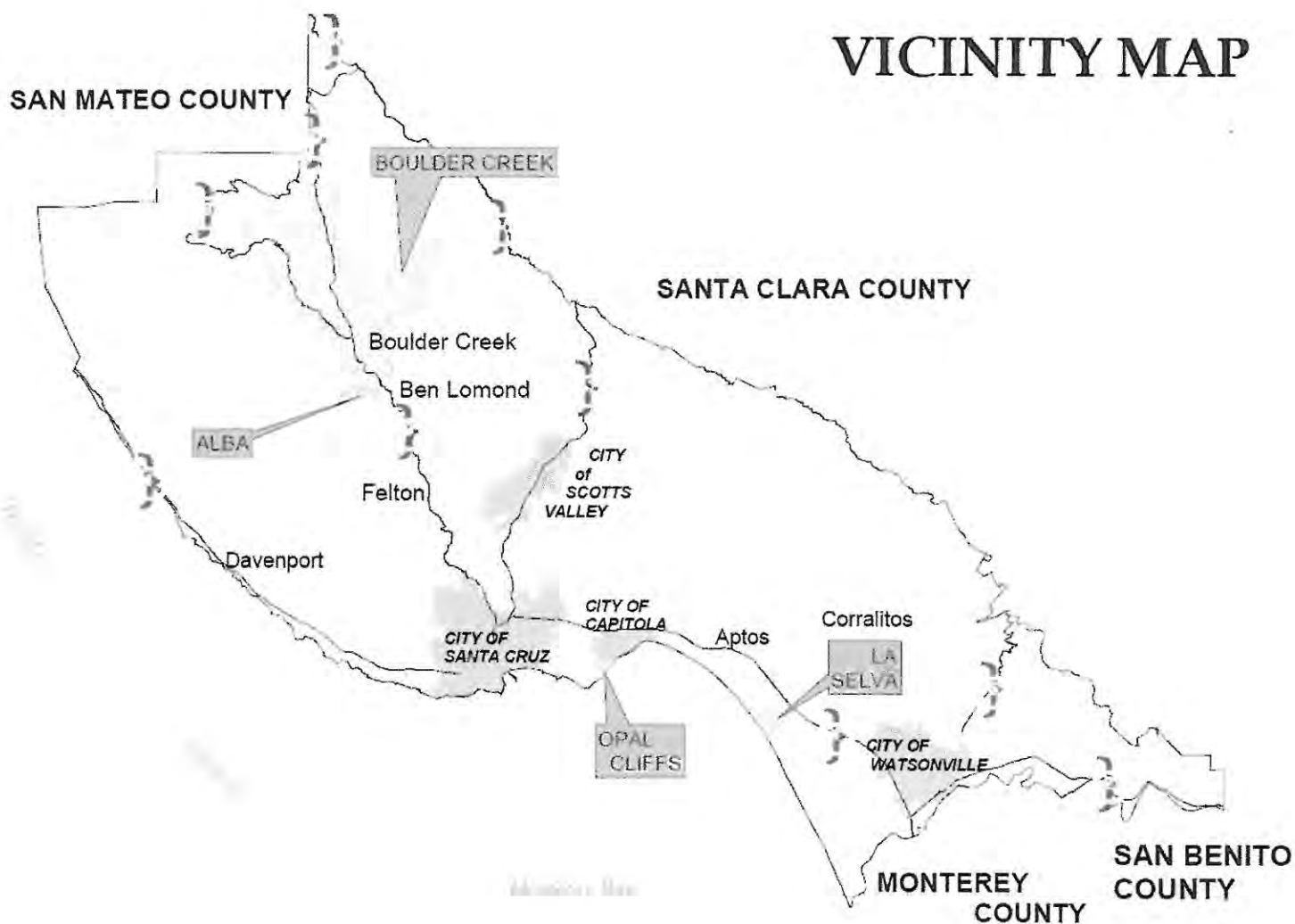
- City of Capitola
- City of Santa Cruz
- City of Scotts Valley
- City of Watsonville
- County Service Area 11 (County Parks).

Table 1 – Recreation and Park Agencies

2016 Service Review of Recreation and Park Districts Functions Provided	Parks	Recreational Facilities	Public Open Space
Cities			
City of Capitola	•	•	
City of Santa Cruz	•	•	•
City of Scotts Valley	•	•	•
City of Watsonville	•	•	•
Special Districts			
CSA 11 – Recreation and Parks	•	•	•
Alba Park, Recreation and Parkway District	•	•	
Boulder Creek Recreation and Park District	•	•	
La Selva Beach Recreation and Park District	•	•	
Opal Cliffs Recreation and Park District	•	•	•

The four agencies addressed in this report are in **Bold Type**.

Every square inch of land in Santa Cruz County is located in one, and only one, of these nine recreation and park agencies. No boundaries overlap. A small area of the Skyline, northwest of Highway 9 is located within the Midpeninsula Regional Open Space District, which provides open space service to portions of Santa Clara, San Mateo, and Santa Cruz counties. That small area is also located within County Service Area 11, which provides minor financial support for the Santa Cruz County Department of Parks, Open Space, and Cultural Services.



Alba Park, Recreation and Parkway District

The Alba Park, Recreation and Parkway District was formed in 1954. It maintains the former Alba School as a library and community center. Also, known as the “Little Red Schoolhouse”, the facility is located 2 miles up (west) Alba Road from Highway 9 in Ben Lomond. Its five-member board of directors serve four-year terms.

Table 2 - Alba Recreation and Park District Board of Directors

Board of Directors:	Title	Term Expiration	Compensation
Cindy Fairhurst-Thorpe	Director	Dec. 2017	None
Maggi Ghaffari	Director	Dec. 2017	None
Daniel Thorpe	Director	Dec. 2019	None
Amber Selene Turpin	Director	Dec. 2019	None
Steven Young	Director	Dec. 2017	None

The Alba Park, Recreation and Parkway District meets at 6:30 p.m. on the first Tuesday of the month at the Alba Schoolhouse at 12070 Alba Road, Ben Lomond.

The interior capacity of the meeting room ranges from 20 people seated at tables, to 50 people standing at a mixer. The rental rate for the hall is \$25 per hour. The schoolhouse property is owned by the San Lorenzo Valley School District. The Park District has leased the property until May 2028. The rate of \$1 per year was prepaid when the lease was executed on May 6, 2003. Information concerning the Alba Schoolhouse and booking its use is available on the District’s website:

<http://albaschoolhouse.com/>

Table 3 - Alba Recreation and Park District – Financial Summary

Finances	FY 02-03 Actual	FY 03-04 Actual	FY 12-13 Actual	FY 13-14 Actual	FY 14-15 Actual
Sources					
Interest	\$80	\$56	\$60	\$66	\$86
Contributions and Donations	\$1,904	\$1,726	\$426	\$422	\$273
Rents	\$0	\$0	\$1,485	\$1,490	\$810
Other	\$0	\$0	\$958	\$0	\$0
Total Sources	\$1,984	\$1,782	\$2,928	\$1,978	\$1,169
Uses					
Services & Supplies	\$969	\$1,912	\$1,450	\$1,622	\$1,589
Fixed Assets	\$0	\$0	\$0	\$0	\$0
Total Uses	\$969	\$1,912	\$1,450	\$1,622	\$1,598
Net Surplus/(Deficit)	\$1,015	(\$130)	\$1,479	\$356	(\$419)
Fund Balance, end of year	\$3,650	\$3,619	\$16,710	\$18,189	\$18,545

Division 76450

Facilities of the Alba Park, Recreation and Parkway District



The Alba Schoolhouse
12070 Alba Road
Ben Lomond



Audits

As is typical with districts with very small budgets, the Alba Park, Recreation and Parkway District has a hard time complying with audit recommendations. The County Auditor last performed an audit³ of the District in 2010 and issued a management letter on March 25, 2010. That audit noted that from the previous audit, thirteen of the recommendations had not been implemented, one had been partially implemented, and one had been implemented (posting meeting agendas at least 72 hours in advance of the meeting to comply with the Brown Act.). In the 2010 management letter⁴, the County Auditor made sixteen recommendations. Recommendations included:

- All payments be initiated through an invoice or a claim.
- Include in purchasing policies a requirement that expenditures be approved by the Board of Directors at a board meeting,
- That the Board adopt preliminary and final budgets on the deadlines specified in state law,
- That the Board adopt a policy regarding insurance coverage and maintain proof of insurance.

The District's Board of Directors notes that significant actions have been taken to respond to the 2010 audit, and that a newer audit is due to be released by the County Auditor in the near future.

Organizational Options

With 48 parcels and 220 residents, the Alba Park, Recreation and Parkway District is believed to be the smallest Recreation and Park District in the State of California. There are three potential changes of organization that are available and could continue the public use of the Alba Schoolhouse.

(1) Boulder Creek Recreation and Park District

The Alba Park, Recreation and Parkway District is located in northern Ben Lomond. As shown on the following map, the Alba district is adjacent to the Boulder Creek Park and Recreation District, which serves Boulder Creek and Brookdale. The Boulder Creek district also manages a rental hall and could operate the Alba Schoolhouse. The Alba district does not have a property tax; therefore the Boulder Creek District would have to review the assets and liabilities of annexing Alba and operating the Alba Schoolhouse.

³ Report on Audit of Alba Recreation District for the years ended June 30, 2004 through 2008, County of Santa Cruz Auditor-Controller, March 2010.

⁴ March 25, 2010 Management Letter from the County Auditor to the Board of Directors of the Alba Recreation District.

(3) Park Hall

Another organizational option for Alba would be merging into the Park Hall, a non-profit that operates Park Hall, a meeting room and performance space located at 9400 Mill Street in downtown Ben Lomond. In 1923, Park Hall was donated by the Brooks family into a trust. All property owners and residents within 1 ½ miles of Park Hall are eligible to serve on the non-profit board and participate in decisions of the trust, as provided for in the language of the trust:

"The Said Trustees above named, and their successors, receive and accept this conveyance with the understanding that the said above described property shall be used for the best interests and benefit of the community of Ben Lomond, and with the further covenant upon their part that in the matter of the use or the sale, or other disposition of said property, they will be controlled by a majority vote of the citizens of said Ben Lomond, present and voting at a town meeting duly called by posting notices in three prominent places in said Town, ten days before the holding of any such meeting. At any such meeting said citizens of Ben Lomond may, by a majority vote, name a successor to any Trustee who may have died or resigned, and may also authorize, direct and compel the sale or other disposition of said property, or any part thereof. By "citizens of Ben Lomond" is meant any and all persons residing or owning property within a radius of 1-1/2 miles of the herein above described property."

Park Hall has a capacity of 250 people. It is the home of the Mountain Community Theater and is available for rental for weddings, concerts, and other community uses. Park Hall's organizational information follows:

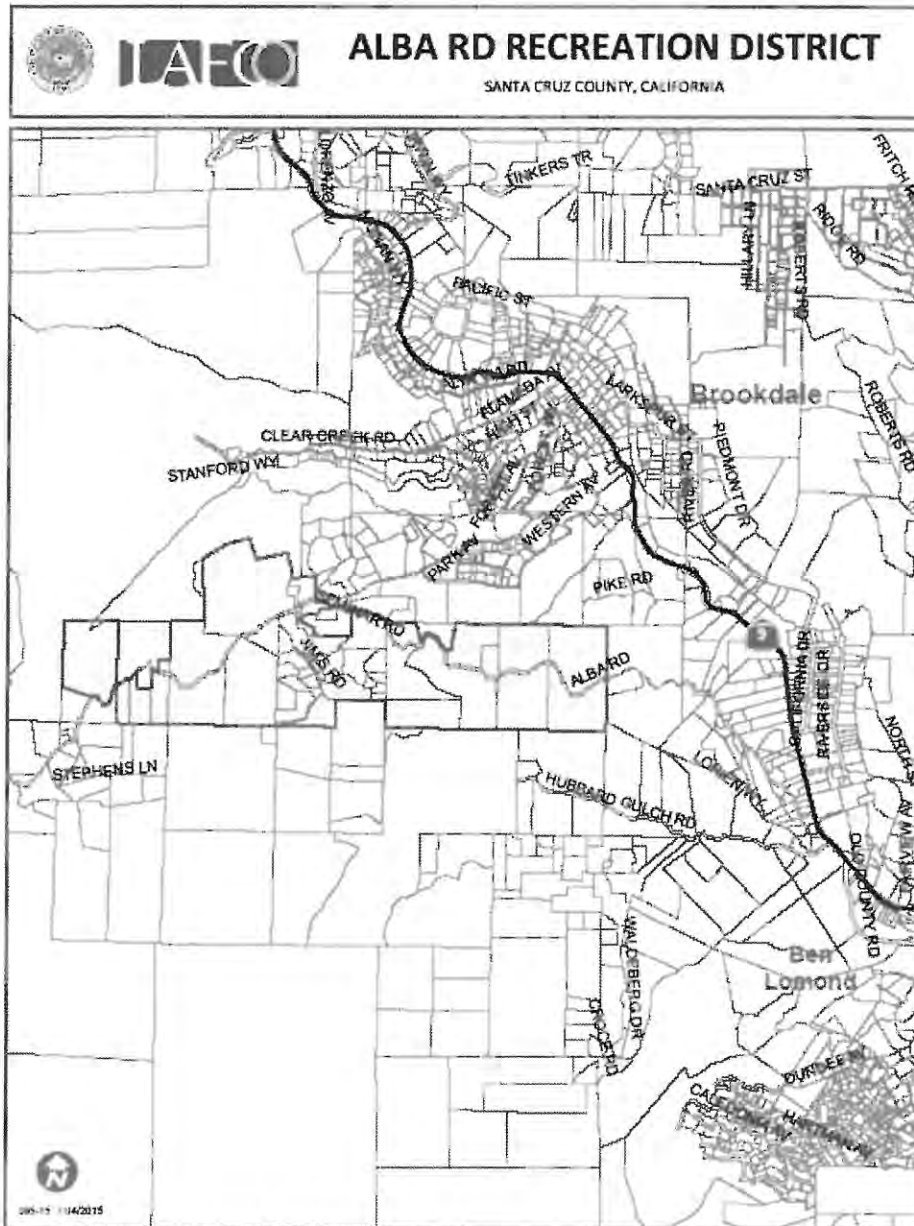
- Website: <http://parkhall.benlomond.org>
- Main Phone: (831) 336-2278
- Physical Address: 9400 Mill Street, Ben Lomond, CA
- Mailing Address: P.O.Box 1027, Ben Lomond, CA 95005
- Park Hall Manager: Sheila Bongiovan, Sheila@BenLomond.org or (831) 345-3835.
- Park Hall Trustees:
 - Ann Scott
 - Lyle Troxell – (831) 419-9659
 - Cathy Smith – (831) 247-3797
 - Dick Mills
 - Gil Sanchez
 - Denise Gorham
 - Steve Edmonds

Comments

On March 13, 2016, the Board of the Alba Park, Recreation and Parkway District sent two emails commenting on the February 2016 Public Review Draft. Their full comments are attached in the appendix. To summarize their comments, they note that the audits cited in the Public Review Draft are approximately ten years old and that the Alba Board is making progress to implement the audit recommendations. The Board believes that the district is adequately maintaining the historic building and making it available for community uses. The Board does not believe that any other organization, either a recreation agency or a non-profit would do a better job, and is concerned about a loss of local control.

Sphere of Influence

As shown on the following map, the current Sphere of Influence for the Alba Recreation and Park District is coterminous with its current boundaries. That means that when LAFCO took that action in 2008, LAFCO expected that the District would continue in existence and not change its boundaries. In the current review, the LAFCO staff has not identified any potential additions or deletions to the District's Sphere of Influence.



Boulder Creek Recreation and Park District

Formed in 1959, the Boulder Creek Recreation and Park District's service area contains approximately 16 square miles with the District primarily serving the communities of Boulder Creek and Brookdale. The District's four facilities are:

- Garrahan Park, 15530 Highway 9 in north Boulder Creek, Playfield, Playgrounds, Picnic Areas, Skateboard Ramp, Walking Path, Exercise Equipment
- Junction Park on Middleton Avenue at the junction of Boulder Creek and the San Lorenzo River, Picnic Area, River Access, Small Lawn
- Barbara Day Park on East Lomond Street at the dam site on San Lorenzo River, Passive Recreation, River Access
- Recreation Hall and office, 13333 Middleton Avenue, Boulder Creek, Office, Recreation Hall, Playground
- Boulder Creek Community Information and Visitor Center, 13200 Highway 9.

The Boulder Creek Recreation and Park District leases the Boulder Creek Recreation Hall from the Boulder Creek Fire Protection District for the sum of \$1 for a twenty-five year period that ends in 2018. At expiration, the Recreation District has the option to renew the lease for another 25 years for the additional sum of \$1. The Recreation District also has the option to purchase the building for \$1 if the Fire District is placed in control of persons outside the Boulder Creek community due to a consolidation, dissolution, or bankruptcy.

Table 4 – Boulder Creek Park and Recreation District Board of Directors

Board of Directors:	Title	Term Expiration	Compensation
Tess Fitzgerald	Director	Dec. 2016	None
George Galt	Director	Dec. 2018	None
Diana Hamilton	Director	Dec. 2018	None
Betsy Garties	Director	Dec. 2016	None
Brian Valdivia	Director	Dec. 2016	None

The District Manager is Hallie Greene (831-338-4144, BCRPD2@gmail.com).

The District's website: [bcrpd. http://www.bcrpd.org](http://www.bcrpd.org) .

The District Board meets at 7:00 p.m. on the second Wednesday of each month in the Recreation Hall at 13333 Middleton Avenue, Boulder Creek.

Facilities of the Boulder Creek Recreation and Park District



Garrahan Park

Recreation Hall



Junction Park

Finance

Table 5 -- Boulder Creek Recreation and Park District – Financial Summary

Finances	FY 02-03 Actual	FY 03-04 Actual	FY 12-13 Actual	FY 13-14 Actual	FY 14-15 Actual
Sources					
1% Property Tax	\$114,265	\$123,459	\$143,821	\$149,937	\$164,886
Service Charges	\$19,839	\$17,409	\$39,769	\$75,805	\$95,868
Park Dedication Fees	\$2,000	\$12,874	\$20,153	\$19,905	\$0
Rents and Concessions	\$3,708	\$1,966	\$21,378	\$20,994	\$24,886
Interest	\$8,965	\$6,025	\$1,793	\$1,839	\$2,319
Other Revenue, Contributions	\$5,693	\$1,693	\$3,207	\$3,456	6,609
Total Sources	\$154,469	\$163,426	\$230,120	\$271,935	\$294,367
Uses					
Salaries & Employee Benefits	\$75,439	\$82,024	\$127,040	\$162,337	\$185,704
Services & Supplies	\$59,567	\$54,748	\$81,872	\$93,218	\$91,083
Fixed Assets	\$2,572	\$21,646	\$19,572	\$21,705	\$20,347
Contingencies	\$0	\$0	\$0	\$0	\$0
Total Uses	\$137,578	\$158,419	\$228,484	\$277,260	\$297,139
Net Surplus/(Deficit)	\$16,892	\$5,008	\$1,637	(\$5,325)	\$2,766
Fund Balance, end of year	\$472,577	\$477,584	\$529,719	\$531,356	\$526,031

Division 76480

Audits

Since 2010, the Boulder Creek Recreation and Park District has had two audits⁵ prepared. The 2012 audit had three recommendations. These recommendations were apparently implemented since the 2014 audit did not contain any recommendations for improvements in the District's financial procedures. The District's Board of Directors notes that another audit is about to be performed.

Since the last service review, each of the three parks has been upgraded using state grant funds.

Organizational Options

The adjacent Alba Park, Recreation and Parkway District is quite small and has insufficient funding to operate in full compliance with the myriad of state laws that apply to independent districts. One of the

⁵ Boulder Creek Recreation and Park District, Financial Statements and Independent Auditor's Report, June 30, 2011 and 2010, Patricia A. Beckwith, CPA, February 21, 2012

Boulder Creek Recreation and Park District, Financial Statements and Independent Auditor's Report, June 30, 2013 and 2012, Fechter & Company, September 8, 2014

options for reorganizing Alba is to consolidate with the Boulder Creek Recreation and Park District (see page 6 earlier in this report). If approached by Alba, the Boulder Creek Recreation and Park District should evaluate the consolidation for its effects upon that district's governance and operations.

Comments

In an agendaized discussion at the BCR&PD meeting on March 2, 2016, the District Board and staff provided oral comments on the public review draft of this report. The Board highlighted their recent awards from the California Association of Parks and Recreation Districts, noted that the District had obtained a license and was operating a low-power radio station (KBCZ, FM 90.1) to serve the northern San Lorenzo Valley. Community adults and youths are programming the shows.

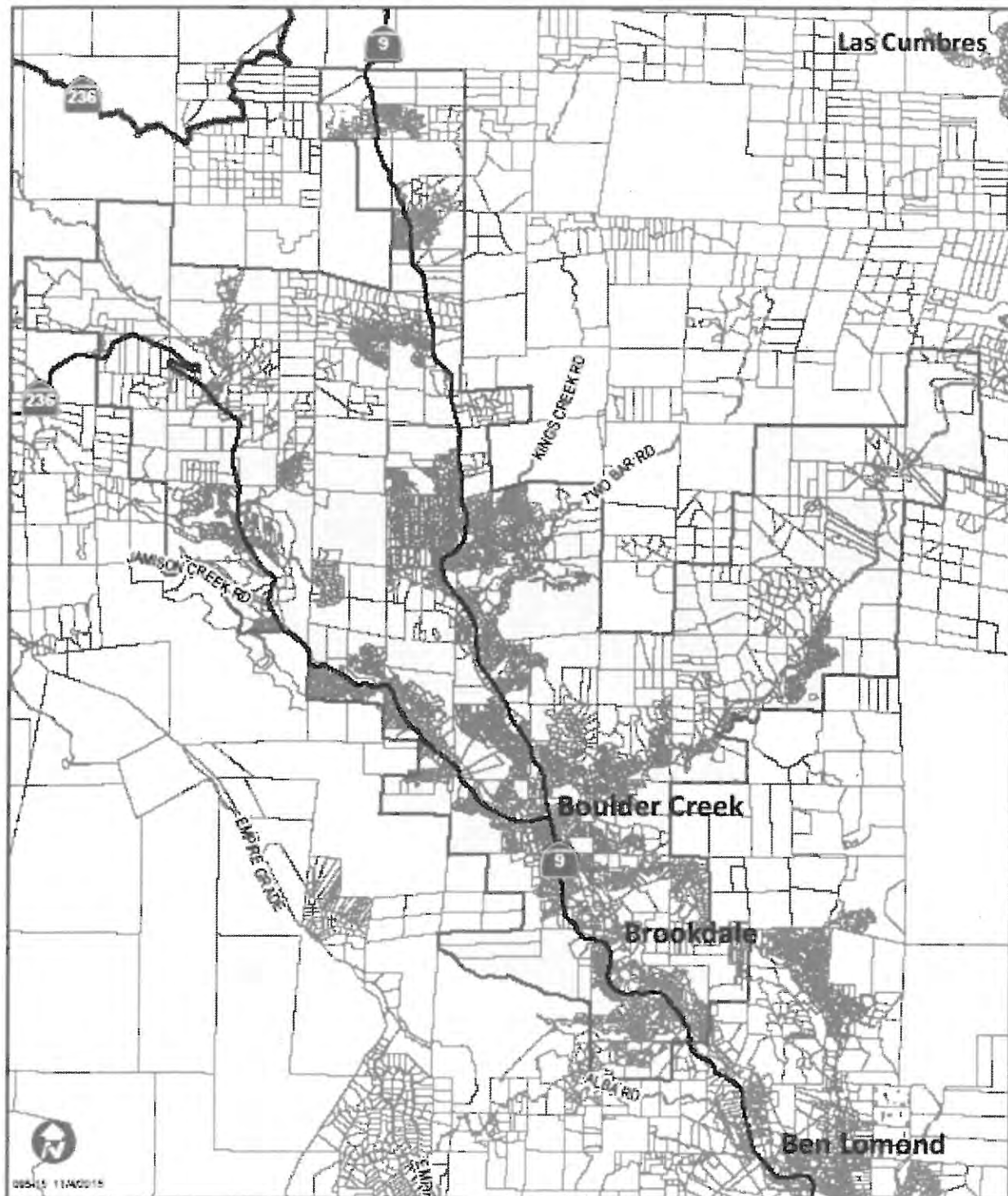
Sphere

The Boulder Creek Recreation and Park District's Sphere of Influence, last reviewed by LAFCO in 2008, is contiguous with the District's current boundary. LAFCO staff has identified no areas to consider adding or deleting from the District's Sphere. The Sphere map is shown on the following page.



BOULDER CREEK RECREATION DISTRICT

SANTA CRUZ COUNTY, CALIFORNIA



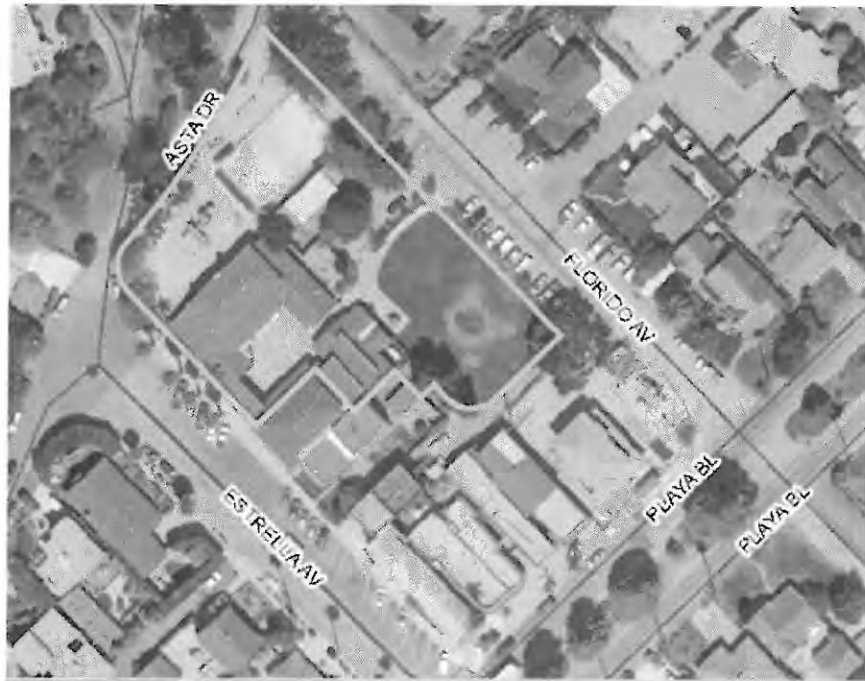
La Selva Beach Recreation and Park District

Formed in 1953, the La Selva Beach Recreation and Park District serves the community of La Selva Beach. Facilities include a clubhouse and playground on Estrella Avenue, Triangle Park on La Playa Blvd., open space at the entrance of the community near the corner of San Andreas Road and La Playa Blvd, road medians on Alta, and a bluff strip. The District is governed by a five-person board:

Table 6 -- La Selva Beach Recreation and Park District Board of Directors

Board of Directors:	Title	Term Expiration	Compensation
Marni Cook	Director	Dec. 2018	None
John Hunt	Director	Dec. 2018	None
Dagmar Leguillon	Director	Dec. 2016	None
Heiko Roppel	Director	Dec. 2016	None
Jakob Roppel	Director	Dec. 2016	None

Clubhouse and Playground on Estrella Avenue



Facilities of the La Selva Beach Recreation and Park District



Playground next to
Clubhouse

Clubhouse



Triangle Park

Table 7 -- La Selva Beach Recreation and Park District – Financial Summary

Finances	FY 02-03 Actual	FY 03-04 Actual	FY 12-13 Actual	FY 13-14 Actual	FY 14-15 Actual
Sources					
1% Property Tax	\$68,016	\$72,789	\$105,940	\$103,214	\$110,759
Park Dedication Fees from County	\$30,344	\$14,958	\$0	\$0	\$0
Rents & Concessions	\$41,346	\$45,306	\$33,091	\$52,150	\$43,584
Interest	\$2,133	\$582	\$1,234	\$880	\$1,320
Other Revenue, Contributions	\$1,000	\$3,000	\$82,319	\$2,251	\$830
Total Sources	\$142,839	\$136,635	\$222,584	\$158,495	\$156,493
Uses					
Salaries & Employee Benefits	\$16,401	\$18,164	\$23,358	\$25,706	\$25,043
Services & Supplies	\$68,553	\$58,989	\$114,085	\$92,267	\$81,992
Fixed Assets	\$134,057	\$31,084	\$5,500	\$23,278	\$6,065
Total Uses	\$219,011	\$108,237	\$142,943	\$140,796	\$113,100
Net Surplus/(Deficit)	(\$76,172)	\$28,398	\$79,641	\$17,699	\$43,393
Fund Balance, end of year	\$33,130	\$61,529	\$176,761	\$256,402	\$274,101

Division 76525

Audits

As it typical with small agencies, the La Selva Beach Recreation and Park District has a hard time complying with the recommendations of audits. The District's last two audits⁶ were prepared by the County Auditor. Management letters accompanied both audits. The 2012 management letter contained 22 recommendations. The 2014 management letter subsequently noted that 9 recommendations had been implemented, 3 recommendations had been partially implemented, and 9 recommendations had not been implemented, and 1 recommendation was ongoing. The 2014 management letter contained 19 recommendations, including that:

- The Board adopt preliminary and final budgets by the deadlines specified in State law, and documents such actions in the Board minutes,
- All budget adjustments need to have Board approval and be documented in the Board meeting minutes.
- The Board carefully review insurance requirements for contracts to assure that all certifications and endorsements are complete and accurate, and obtain proof of insurance.
- The Board adopt a policies and procedures manual to help ensure that procedures are handled consistently with there is staff or Board turnover.

⁶ Report on Audit of La Selva Beach Recreation and Park District for the years ended June 30, 2011 and 2010, County of Santa Cruz Auditor-Controller, June 2012.

Report on Audit of La Selva Beach Recreation and Park District for the years ended June 30, 2013 and 2012, County of Santa Cruz Auditor-Controller, April 2014.

Organizational Options

The District is functioning well and no organizational options have been studied for this service review. In the future, one potential option to study would be for the LSBRPD to consider a joint powers agreement (JPA) or contract with the County for County Parks to provide some operational support for the District. Under a JPA or contract, the LSBRPD Board would continue to exist and be responsible directly to the La Selva residents. The Board would chose what activities would be provided under the JPA or contract, would monitor those activities, and would periodically decide whether to re-negotiate or cancel the JPA or contact.

Comments

In an email dated March 23, 2016, the LSBR&PD Chair notes that the District is implementing the 2014 audit recommendations. The full text of the email is contained in the Appendix.

Sphere of Influence

The La Selva Beach Recreation and Park District's Sphere of Influence, last reviewed by LAFCO in 2008, is contiguous with the District's current boundary. In the previous round of service and sphere reviews, the potential of annexing down the coast to include Place de Mer, Sand Dollar, and Canyon del Sol was considered and rejected because it would not generate any property tax revenues for the District. LAFCO staff has identified no areas to consider adding or deleting from the current review of the District's Sphere. The District's sphere map is shown on the following page.



LA SELVA BEACH RECREATION DISTRICT

SANTA CRUZ COUNTY, CALIFORNIA



Opal Cliffs Recreation District

Formed in 1949, the Opal Cliffs Recreation District operates a 0.3 acre park at 4520 Opal Cliff Drive, Santa Cruz. The park contains several parking spots, an entrance gate, a coastal viewing area, a walkway down the cliff to Privates Beach. Electronic key cards to operate the gate are available from a local surf shop. The annual key rentals cost \$50 for district property owners and \$100 for others. A Coastal Commission permit provides that anyone may purchase a single day pass for \$5 at a nearby surf shop. The District is governed by a five-person board of directors:

Table 8 -- Board

Board of Directors:	Title	Term Expiration	Compensation
Michael Carlton	Director	Dec. 2017	None
David Cook	Director	Dec. 2019	None
Ted Donnelly	Director	Dec. 2017	None
John Griffith	Director	Dec. 2019	None
Craig Springbett	Director	Dec. 2019	None

Finance

Table 9-- Opal Cliffs Recreation District – Financial Summary

Finances	FY 02-03 Actual	FY 03-04 Actual	FY 12-13 Actual	FY 13-14 Actual	FY 14-15 Actual
Sources					
1% Property Tax	\$1,606	\$1,665	\$3,186	\$3,128	\$3,937
Service Charges	\$10,440	\$7,114	\$69,930	\$77,750	\$42,450
Park Dedication Fees from County	\$18,350	\$40			\$0
Interest	\$35	(\$29)	\$77	\$161	\$389
Other Revenue	(\$66)		\$33	\$128	\$167
Total Sources	\$30,365	\$8,750	\$73,226	\$81,157	\$46,943
Uses					
Services & Supplies	\$29,633	\$14,720	\$57,209	\$46,205	\$14,467
Fixed Assets	\$4,930	\$0	\$0	\$0	\$0
Total Uses	\$34,563	\$14,720	\$57,209	\$46,205	\$14,467
Net Surplus/(Deficit)	(\$4,198)	(\$5,970)	\$16,017	\$34,952	\$32,476
Fund Balance, end of year	\$256	(\$5,714)	\$15,459	\$31,476	\$66,428

Division 76535

Facilities of the Opal Cliffs Recreation District

Gate



Viewing Area at Top of Cliff

Stairs to Beach



Audits

As is typical with districts with very small budgets, the Opal Cliffs Recreation District has a hard time complying with audit recommendations. Since 2009, the County Auditor has performed three audits⁷ of the District in 2010, 2012, and 2014 and has issued a management letter⁸ with each audit. The 2014 management letter noted that of 15 recommendations:

- 2 recommendations had been partially implemented
- 11 recommendations had not been implemented
- progress on 2 recommendations could not be evaluated because the District did not keep records on ethics training, and the Auditor was unable to audit petty cash expenditures.

In the 2014 management letter, the County Auditor made 32 recommendations. Recommendations included:

- 1) Adopt a schedule of regular meeting and make it available to the public.
- 2) Post meeting agendas in compliance with the Brown Act.
- 3) Adopt preliminary and final budgets by the deadlines specified in State law.
- 4) Submit all expenditure documentation (invoices, receipts) to the County Auditor-Controller for their processing and payment.
- 5) Maintain records of certificates of insurance.
- 6) Continue working with the consultant the District Board hired to draft and adopt policies and procedures to process key card inventory, other revenues, expenditures, and petty cash.
- 7) Prepare and maintain minutes of Board meetings.
- 8) Hold meetings at least once every three months.
- 9) Require applications to be completed before key cards are issued.
- 10) Reconcile key card sales to revenues collected by surf shop.
- 11) Hire a bookkeeper.

Operations

In 2009, the OCRD obtained a Coastal Development Permit from the Coastal Commission for the current gate and other park improvements. A January 6, 2009 Sentinel article covering the permit is attached in the Appendix to this report. The Coastal Commission was concerned that a locked gate was not adequate public beach access under the Coastal Act. Since revenues from key sales are a significant source of funds to maintain the park, the Coastal Commission conditioned its authorization of the park improvements upon a park access management plan, which included a series of requirements. The rationale was that a modest maintenance fee was similar to the fee paid for day use parking at state parks.

⁷ Report on Audit of Opal Cliffs Recreation and Park District for the years ended June 30 2009 and 2008, County of Santa Cruz Auditor-Controller, June 2010.

Report on Audit of Opal Cliffs Recreation and Park District for the years ended June 30 2011 and 2010, County of Santa Cruz Auditor-Controller, September 2012.

Report on Audit of Opal Cliffs Recreation and Park District for the years ended June 30 2013 and 2012, County of Santa Cruz Auditor-Controller, November 2014.

⁸ Management Letters from County Auditor-Controller to Board of Directors of the Opal Cliffs Recreation and Park District dated June 14, 2010; September 24, 2012; and November 17, 2014.

Several of the Coastal Development Permit⁹ conditions are:

1. The \$100 annual gate pass would be available in lesser amounts prorated to half year and quarter year use.
2. A daily pass would be available for no more than \$5, good for a group of up to 10 people.
3. Passes would be available from a nearby business (currently Freeline Surf Shop, 821 41st Avenue) seven days a week, and from the gate attendant when the attendant was present.
4. Directions on how to obtain a gate pass would be posted on a sign near the access gate.
5. The OCRD would file an operations report every two years with the Coastal Commission.

Organizational Options

The Opal Cliffs Recreation District is wholly located within the City of Capitola's Sphere of Influence. If Opal Cliffs annexes to the City of Capitola, the Opal Cliffs Recreation District should dissolve and the City of Capitola should maintain the beach access.

Another organizational option would be for the Opal Cliffs Recreational District to dissolve and for County Service Area 11 (County Parks) to annex Opal Cliffs and maintain the beach access. County Parks maintains other beach access facilities in nearby Live Oak. Alternately, the Opal Cliffs District could enter a JPA or contract with the County for County Parks to operate the park and beach access. Under a JPA, the Opal Cliffs Recreation District would continue to exist, and the District Board's main functions would be to assure that the County was meeting performance standards, and to re-negotiate the JPA agreement or contract as needed.



⁹ Staff Report for Coastal Development Permit Amendment Application, P-80-393-A1, Privates Beach Accessway Improvements, Prepared for 1/7/2009 Coastal Commission Hearing.

Sphere

Opal Cliffs Recreation District's Sphere of Influence, last reviewed by LAFCO in 2008, is a zero sphere of influence, meaning that LAFCO expects that the District will go out existence at some point in the future. LAFCO staff has identified no changes for the Commission to consider in the current review.



Opal Cliffs Park Aerial



Comments

At their March 3, 2016 meeting, the Opal Cliffs Recreation District Board of Directors provided oral comments on the Public Review Draft of this report. In summary, their principal comments were:

- The current gate and fence configuration was needed to control partying and vandalism.
- The District engaged a governmental consultant to prepare a procedures manual.
- The District is actively seeking accounting help.
- When the gate attendant is present, the attendant is instructed to act as a beach access ambassador, rather than as a guard.

Comparison of Districts

Table 10
Recreation Program Expenditures Per Capita

District	Population Estimate 2010	Number of Parcels	Assessed Tax Roll Value	Parcel Acres ⁱ	Expenditures in FY 14-15	Expenditures per Capita
Alba	220	48	\$16,455,550	205	\$1,598	\$7.26
Boulder Creek	7,748	6,714	\$1,250,642,405	10,785	\$297,139	\$38.35
La Selva	1,613	814	\$365,747,786	331	\$113,100	\$70.12
Opal Cliffs	690	438	\$267,660,427	66	\$14,467	\$20.97

i. Excludes roads.

Table 11
Recreation Program Expenditures Per Capita

District	Expenditures per Capita FY 04-05	Expenditures per Capita FY 14-15	% Change in 10 years
Alba	\$10.63	\$7.26	-32%
Boulder	\$13.75	\$38.35	179%
La Selva Beach	\$108.00	\$70.12	-35%
Opal Cliffs	Not Calculated	\$20.97	Not Calculated

The County of Santa Cruz collects park dedication fees¹⁰ upon the issuance of residential building permits. The purpose of fee is to develop or rehabilitate community parks and recreation facilities. The fees are collected in each recreation and park district and are sequestered for use by the appropriate district. The County disburses the fees to a District upon request, and credits interest annually.

Table 12 -- Park Dedication Fees

District	Building Type	Fee Per Bedroom
Alba and Boulder Creek	Single-Family	\$800
	Multi-Family	\$600
Opal Cliffs and La Selva	Single-Family	\$1,000
	Multi-Family	\$750

Table 13 -- Park Dedication Fund (County Trust)

District	Fees Collected in FY 14-15	Balance 7/1/15
Alba Park, Recreation and Parkway District	\$0	\$481
Boulder Creek Recreation and Park District	\$6,400	\$7,410
La Selva Beach Recreation and Park District	\$0	\$61,838
Opal Cliffs Recreation District	\$0	\$6,645

¹⁰ Government Code 66477

Growth and Population

There are no growth projections available for the individual 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 14
Population

Public Agency	2010	2015	2020	2025	2030	2035	Annual Growth Rate
Santa Cruz County (unincorporated)	129,739 *	133,790 **	132,318 ***	134,879 ***	139,601 ***	144,227 ***	0.42% ***

Sources:

*2010 US Census

**State of California; Department of Finance E-5 Population Estimates for January 1, 2015

***AMBAG 2014 Regional Growth Forecast; June 11, 2014

Based upon the park dedication fees collected in the last two years, all of the districts are experiencing low or no growth.

Disadvantaged Communities

State law¹¹ 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 defined¹² as disadvantaged if it has an annual median household income that is less than 80 percent of the statewide annual median household income. In 2013, the California statewide median household income was \$61,094¹³, and 80% of that was \$48,875. None of the four recreation and park districts contain or abut any of the disadvantaged census tracts in Santa Cruz County. In its planning activities the County of Santa Cruz has not identified any disadvantaged areas within these four districts or contiguous to their spheres of influence.

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.

¹¹ Government Code §56430 for service reviews, and Government Code section 56425(e) for sphere reviews.

¹² Water Code §79505.5.

¹³ U.S. Census Bureau, 2009-2013 American Community Survey 5-Year Estimates.

Determinations

LAFCO staff has prepared a set of service review and sphere of influence determinations for each of the four recreation and park districts. After the April 6, 2016 public hearing, the Commission will consider adopting resolutions containing the determinations required by Government Code sections 56430 and 56425(e).

Alba Park, Recreation and Parkway District

Service Review Determinations

1) *Population and Growth*

The Alba Park, Recreation and Parkway District has an estimated population of 220 people. No growth is planned in the County General Plan.

2) *Disadvantaged Unincorporated Communities*

There are no disadvantaged unincorporated communities within or contiguous to the sphere of influence of the Alba Park, Recreation and Parkway District.

3) *Capacity of Facilities*

The Alba Park, Recreation and Parkway District is maintaining the Alba Schoolhouse and is making it available for community use.

4) *Financial Ability of Agencies*

The Alba Park, Recreation and Parkway District relies on donations for revenue. In the last ten years, the District has built up its fund balance to more than \$18,000.

5) *Shared Facilities*

The Alba Park, Recreation and Parkway District leases the Alba Schoolhouse from the San Lorenzo Valley Unified School District.

6) *Accountability*

The Alba Park, Recreation and Parkway District is governed by a five-person Board of Directors who live within the District and are accountable to the District residents.

7) *Matters Required by Local LAFCO Policies*

LAFCO maintains a file of meeting rules that is available for review by any local agency.

Alba Park, Recreation and Parkway District
Sphere of Influence Determinations

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

The County General Plan applies to the Alba Road area. The present and planned land uses in the Alba Road area are mountain residential uses.

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

The probable need for public recreational facilities in the Alba Road area is continuing to keep the Alba Schoolhouse available for public uses.

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

The Alba Schoolhouse has the capacity to handle a small community meeting or gathering.

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.*

The Alba Road community that is served by the District has a strong tradition of local autonomy. The community is part of the larger Ben Lomond community and the San Lorenzo Valley.

Boulder Creek Recreation and Park District
Service Review Determinations

1) *Population and Growth*

The Boulder Creek Recreation and Park District has an estimated population of 7,743 people. Slow growth is planned in the County General Plan.

2) *Disadvantaged Unincorporated Communities*

There are no disadvantaged unincorporated communities within or contiguous to the sphere of influence of the Boulder Creek Recreation and Park District.

3) *Capacity of Facilities*

The Boulder Creek Recreation and Park District is maintaining a recreation hall and four parks which get extensive use by residents of the District. The District also operates a low-frequency radio station which has the capacity to expand programming to serve the Boulder Creek and Brookdale communities.

4) *Financial Ability of Agencies*

The Boulder Creek Recreation and Park District is funded through property taxes and program charges. In the last ten years, the District has rehabilitated several of its parks and has increased its year-end fund balance to \$526,031.

5) *Shared Facilities*

The Boulder Creek Recreation and Park District leases its Recreation Hall from the Boulder Creek Fire Protection District.

6) *Accountability*

The Boulder Creek Recreation and Park District is governed by a five-person board elected by voters of the District.

7) *Matters Required by Local LAFCO Policies*

The Boulder Creek Recreation and Park District has adopted meeting rules and a mission statement.

Boulder Creek Recreation and Park District
Sphere of Influence Determinations

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

The County General Plan applies to the Boulder Creek and Brookdale areas. The present and planned land uses in the District are a mix of mountain residential, rural residential, commercial, public use, and resource conservation uses.

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

The probable need for public recreational facilities in the District is continuing to keep the current facilities maintained and programs operating.

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

The Boulder Creek Recreation and Park District is providing a variety of recreation programs including playgrounds, sports fields, river access, natural parks, recreation classes, and a community radio station. The facilities and adequate are well-sized to the community's needs.

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.*

The District serves greater Boulder Creek and Brookdale. The District is located in the San Lorenzo Valley, which is served by local fire districts, a regional water district, and a regional school district.

La Selva Beach Recreation and Park District
Service Review Determinations

1) *Population and Growth*

The La Selva Recreation and Park District has an estimated population of 1,613 people. A very small amount of residential growth is planned in the County General Plan.

2) *Disadvantaged Unincorporated Communities*

There are no disadvantaged unincorporated communities within or contiguous to the sphere of influence of the La Selva Beach Recreation and Park District.

3) *Capacity of Facilities*

The La Selva Beach Recreation and Park District is maintaining a community hall and two parks which get extensive use by residents of the District and by people who live outside the District.

4) *Financial Ability of Agencies*

The La Selva Beach Recreation and Park District is funded through property taxes and program charges. In the last ten years, the District has maintained its facilities and has increased its year-end fund balance to \$274,101.

5) *Shared Facilities*

The La Selva Beach Recreation and Park District cooperates with the Aptos/La Selva Fire Protection District, which has a fire station next to the Community Hall, and with the La Selva Beach Improvement Association, which owns community common areas in La Selva Beach.

6) *Accountability*

The La Selva Beach Recreation and Park District is governed by a five-person board of directors.

7) *Matters Required by Local LAFCO Policies*

Santa Cruz LAFCO has adopted a policy that it will inquire whether public agencies have adopted meeting rules and a mission statement. LAFCO maintains a file of meeting rules that is available for review by any local agency.

La Selva Beach Recreation and Park District
Sphere of Influence Determinations

- 1) ***The present and planned land uses in the area, including agricultural and open-space lands.***
The County General Plan applies to the La Selva Beach area. The present and planned land uses in the District are mostly residential, with small amounts of commercial, public use, and resource conservation uses. Agricultural uses are planned to continue outside the District both upcoast and downcoast from the District's boundary and sphere of influence.
- 2) ***The present and probable need for public facilities and services in the area.***
The probable need for public recreational facilities in the District is continuing to keep the current facilities maintained and programs operating.
- 3) ***The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.***
The La Selva Beach Recreation and Park District is providing a variety of recreation programs including playgrounds, community hall, and recreation classes. The facilities are adequate and well-sized to the community's needs.
- 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.***
La Selva Beach is relatively isolated for recreational activities. The District makes its community hall available for rental by non-district residents.

Opal Cliffs Recreation and Park District
Service Review Determinations

1) *Population and Growth*

The Opal Cliffs Recreation District has an estimated population of 690 people. The District is nearly built out under the County General Plan designations; however, the District is experiencing replacement of modest homes with larger homes.

2) *Disadvantaged Unincorporated Communities*

There are no disadvantaged unincorporated communities within or contiguous to the sphere of influence of the Opal Cliffs Recreation District.

3) *Capacity of Facilities*

The Opal Cliffs Recreation and Park District is maintaining a small park and a beach access. In the last ten years, the facilities have been upgraded and are being maintained well.

4) *Financial Ability of Agencies*

Opal Cliffs Recreation District is funded through property taxes and gate fee charges. In the last ten years, the District has maintained its facilities and has increased its year-end fund balance to \$66,428. The District continues to address accounting deficiencies identified in audit reports.

5) *Shared Facilities*

The Opal Cliffs Recreation and Park District does not share any facilities. Both the City of Capitola and Santa Cruz County Parks maintain coastal accesses downcoast and upcoast of Opal Cliffs.

6) *Accountability*

The Opal Cliffs Recreation District is governed by a five-person board of directors.

7) *Matters Required by Local LAFCO Policies*

Santa Cruz LAFCO has adopted a policy that it will inquire whether public agencies have adopted meeting rules and a mission statement. LAFCO maintains a file of meeting rules that is available for review by any local agency. LAFCO's records were used by the District's governmental consultant when the District's policies and procedures were recently updated.

Opal Cliffs Recreation District
Sphere of Influence Determinations

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

The County General Plan applies to the Opal Cliffs area. The present and planned land uses in the District are mostly urban residential, with small amounts of commercial and public uses. There are no agricultural uses in or adjacent to the District. The District is within the City of Capitola's Sphere of Influence. The City's General Plan would maintain the land uses similar to the current land uses, and the land uses as planned by the County.

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

The probable need for public recreational facilities in the District is continuing to maintain the current park and beach access.

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

The Opal Cliffs Recreation District is providing a small park and beach access. The facilities are well maintained. The key-access system is unique for a public facility in Santa Cruz County.

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.*

Opal Cliffs is an urban, beach neighborhood located between similar neighborhoods in the City of Capitola and unincorporated Live Oak. All these coastal neighborhoods are closely inter-related. Both the City and the County are maintaining nearby beach parks and accessways. Opal Cliffs is located within the adopted Sphere of Influence for the City of Capitola. The adopted Sphere of Influence for the Opal Cliffs Recreation District assumes that, if it annexes to Capitola, the District will go out of existence and that the City will take over the park and beach access.

APPENDIX

Comment emails of Alba Park, Recreation and Parkway District

Comment email of La Selva Beach Recreation and Park District

January 6, 2009 Sentinel article, Privates beach to open gates to daily visitors

July 10, 2013 Sentinel article, Privates beach problems on public view

Pat McCormick

From: stevey1950@aol.com
Sent: Sunday, March 13, 2016 5:50 PM
To: pat@santacruzlafco.org
Subject: Alba District response

3-13-2016

Dear Patrick McCormick/LAFCO,

The Alba District would like to thank you for giving us a copy of the February 2016 LAFCO public review draft of the report entitled Review of Recreation and Park Districts Services and Spheres of Influence, and for offering us organizational options. We understand the concern that the 3-25-10 County Auditor's letter to us (cited in the LAFCO report) contained 16 recommendations. We would like to point out that the said audit report referred to an audit period of about ten years ago. In the interim the majority of the recommendations have been implemented. All four of the recommendations spelled out on page six of the LAFCO report have been implemented.

Our board feels that we do not need help at this time, and that we do not want or need any other organization to replace us. We also feel that it is important and valuable for the Alba Schoolhouse to be managed and cared for by a board which comes from its immediate community. I am emailing you a separate letter which sums up many of the reasons that we feel this way.

Lastly, we do not want to pursue a change in our district boundaries at this time, but possibly in the future.

Thank you.

Sincerely,
Steven Young
Chairman
Alba Park, Recreation and Parkway District

-----Original Message-----

From: deathvalleydog <deathvalleydog@comcast.net>

To: stevey1950 <stevey1950@aol.com>

Sent: Mon, Mar 7, 2016 1:17 pm

Subject: Alba School House

The Little Red Alba School House is an amazingly well-preserved, iconic historical structure. It is also the center-piece of our neighborhood, acting as a community center for what is really an outlying area of the San Lorenzo Valley. As such, we feel very strongly that the administration of this facility needs to remain with us locally, if it is to continue to be effective.

Although the School House is only two miles up Alba Road from Highway 9---and from "downtown" Ben Lomond---those two miles represent some of the steepest and twistiest of any public road in the entire county: The average gradient for Alba Road is 10.3%, and there are many sections in well in excess of that, including one that is over 23%. The relative remoteness of the community on the upper portion of Alba Road is why in 1894 County Superintendent John W. Linscott decided it would be a good idea to have a school at this location.

These days, with automobiles driving on paved roads, "remote" is certainly a relative term. But as it relates to the administration, maintenance and care of this building, it is absolutely applicable.

Because our board is made up of locals from the immediate area, anyone of us can be on-scene at the School House to deal with any issue that might arise literally within just a few minutes, regardless of road conditions, weather, traffic, etc. This would NOT be the case if management were handed over to another entity.

Also, because our board is responsible for only ONE facility, we are able to focus our time and energies solely on this building. This would NOT be the case if the Alba School House became just one more of several facilities for which some other agency were responsible.

We are proud of our Little Red School House, proud of the fact that there is nothing else like it in the area, and proud of the work our community has done over the years to keep it both preserved *and* functional. Although we are a very small district (the smallest in California) this community has ALWAYS been able to come up with enough volunteers to fill board seats, and plenty of other volunteers who offer their time to help out with whatever needs to be done.

The proof of how effective our local board has been in managing the Little Red School House is illustrated in the preface of Lucia MacLean's 2010 publication, ***A HISTORY OF ALBA SCHOOL AND ITS DISTRICT:***

"It is not a decrepit building barely clinging to life as one would think after 118 years of history; it is in excellent condition. Then as now, Alba School provides a place of community in an area where road access can be cut off by tree falls and slides. ***It is the people in the surrounding area who have lovingly kept it going all these years, generation after generation.*** In today's world of broader communities, Alba School keeps it local."

It seems very clear there is no reason to change this; and every reason not to.

From: John Hunt [jwhunt@ucdavis.edu]
Sent: Wednesday, March 23, 2016 10:22 AM
To: Pat McCormick; Dagmar Legullion; Jakob Roppel; Zach Friend
Subject: LAFCO report for LSB Recreation District

Hello Pat,

Thank you for conducting the 2016 services and spheres of influence study, and for providing the La Selva Beach Recreation District with a copy of the draft report. All LSBRD directors received a copy of the draft report on February 28, and the report was discussed as an agenda item at our March meeting. No revisions to the report have been suggested.

I have reviewed the report and found minor discrepancies between the 2015 financial summary in the report and the financial summary as of 6/30/2015 that we approved at our July 2015 board meeting. I expect those discrepancies are related to year-end reconciliations. They are minor and do not affect the overall characterization of District finances.

I found the report to be a good description of District services and boundaries, and a helpful document for us to have on hand. As I mentioned earlier, we have made strides over the past year to implement additional recommendations from the 2014 Management Letter, particularly with regard to updating and documenting District policies, which are being kept in a manual along with copies of meeting minutes documenting policy approval resolutions.

I have the April 6 LAFCO meeting on my calendar, and plan to attend unless something urgent comes up in the meantime.

Please let us know how to access the final report when it becomes available. Thank you.

John Hunt
Chair
La Selva Beach Recreation and Park District

Santa Cruz Sentinel (<http://www.santacruzsentinel.com>)

Privates beach to open gate to daily visitors

By Kurtis Alexander - Sentinel Staff Writer

Tuesday, January 6, 2009

A small, gated beach that relatively few know about and even fewer have access to may soon open its gate to daily visitors. At the prodding of the California Coastal Commission, the neighborhood group that manages the aptly-named Privates beach likely will begin offering a daily gate pass to visitors for \$5.

The beach, popular with local surfers and accessed through a tiny park between Pleasure Point and Capitola, is currently reserved for those who pay an annual \$100 fee, something the Coastal Commission has called "exclusionary."

David King, general manager of the Opal Cliffs Recreation District that has long maintained Privates with its tradition of purchasing annual keys from a local surf shop, says he's OK with the change. "The more in the community we can get involved in the park, the better off we'll be in the future," he said. The beach's generally quiet affairs became the interest of the powerful Coastal Commission when state regulators discovered three years ago that the iron fence in front of Privates had been raised to 9 feet and topped with razor wire. The changes were not legal under the beach's 1981 permit.

While Privates is managed under a unique arrangement in which a special district, funded by neighborhood property taxes and beach dues, maintains the quarter-acre park and adjacent stairwell to the beach, the area is subject to the terms of the Coastal Commission.

The district, after learning its new fence did not have the commission's blessing, applied to amend its permit accordingly, a request that will be heard before the Coastal Commission on Wednesday. The district is also seeking approval for other landscaping improvements, including new irrigation, a concrete pathway and a shower.

Dan Carl, manager of the local Coastal Commission office, says his staff is recommending the board approve the district's changes, under the condition that the district open the beach to more people by offering a day pass.

"Hopefully, this will allow for the folks who come upon the access-way and don't want to pay the \$100 for the opportunity to get in," Carl said.

Daily admission likely would be charged at nearby Freeline Design Surf Shop, where some 600 annual passes are now purchased, and at Privates when an attendant is working. Annual key cards still will be available.

He said the commission would normally recommend removing any gate or fence that limits access to the beach, but said the state is required to honor the terms of the district's 1981 permit. Coastal Commission staff is also recommending that uniformed security be abolished at Privates. The district had briefly hired First Guard security employees to keep people from climbing the fence and avoiding admission fees, which the commission said had a "chilling effect."

King, who has long surfed at Privates, says it's never been the district's intent to limit visitors. He says the reason for the fence, and the security, is to make sure people pay the fee, which funds upkeep of the area.

"The beach is not run by parks and rec or anyone else, so the community has to do it," King said. "And we're all volunteers. The only way we can keep our head above ground is to charge a fee."

PRIVATES BEACH PROBLEMS ON PUBLIC VIEW: SMALL OPAL CLIFFS RECREATION DISTRICT CITED FOR LAX BOOKKEEPING

By Jason Hoppin

Santa Cruz Sentinel

Posted: 07/10/13, 12:01 AM PDT

OPAL CLIFFS -- The public agency that oversees Privates Beach has a history of questionable finances and poor management, including not being able to locate its own bylaws, according to audits reviewed by the Sentinel.

The Opal Cliff Recreation District oversees access to the small, gated Pleasure Point beach, which is the only public access to the ocean between the Hook and Capitola Village. It is overseen by an elected board, but some are now raising questions about everything from sloppy record-keeping to a bash at a local Chinese restaurant.

"I don't want to ascribe a motive to it, but it clearly results in a lack of accountability to the public," Supervisor John Leopold said of the practices at Opal Cliffs.

Leopold, who represents the area, sent a stern letter June 26 to the district urging it to clean up its finances and management practices. But the county Board of Supervisors has no official authority over the district, and some local officials have spent years trying to get Opal Cliffs to shape up.

John Griffith, Opal Cliffs board president, said the district is taking the county's concerns seriously. The board met with county officials last week and is changing how it handles revenues and is in contact with a consultant about bringing the district into compliance with state rules.

"It feels like we're on the right track here," Griffith said.

The district generates revenue through neighborhood property taxes, state park bond revenues and the sale of beach access cards at Freeline Design Surf Shop. It is the latter, which are deposited in the county treasury, which Santa Cruz County Auditor-Controller Mary Jo Walker has raised the most questions about.

For fiscal year 2010-11, the county determined \$11,090 was unaccounted for. The district was able to document \$5,121 in spending, including \$1,000 held as petty cash. But that leaves nearly \$6,000 unaccounted for, and the county was not exactly pleased with receipts for the spending that was documented.

One board member apparently paid for the district's \$1,442 insurance bill out of the member's own pocket and was at least partially reimbursed. One \$650 bill went for "bluff protection" -- apparently for labor costs, which has potential income tax implications -- but no further explanation was noted.

And one receipt was for \$772.81 in food at Capitola's Canton restaurant. The receipt said \$337.90 was spent on alcohol, but did not explain the purpose of the spending. However, a handwritten note on a May 2011 district agenda reads "June 9th -- Freeline party," which coincides with the receipt.

Focused on issues

Griffith said the board previously was focused on fixing public safety issues at Privates, which included everything from discarded hypodermic needles to a reputation as a party spot. With that done, he said the board has implemented a tighter key card system, blaming financial discrepancies on bad bookkeeping rather than malfeasance.

"We believe the families that live around here or anywhere really do appreciate having a safe, family-oriented beach," Griffith said. "And so now it's a matter of tackling all the governance stuff and getting all the paperwork in order."

Griffith also said the board has dispatched what he described as an "independent contractor," who previously handled cash management duties. He said the board also holds an annual party for Freeline, which handles the key cards for no charge, and said the board would look to scale down the next event.

"It's just been a thank you party that we've done annually for them," Griffith said.

Griffith also said he is looking to bring on a new board member who has experience dealing with the county, and wants to come into compliance with governance rules, which he said can be hard to ascertain for a volunteer board.

"That's the hardest stuff for us. We all have real jobs and this is what we do in our free time," he said.

Lax oversight

There are more than 90 special self-governing districts throughout the county. They can oversee water, parks, firefighting, facilities and other services, and they are subject to the same open meeting laws and accounting standards as city councils and other government entities.

But it can be tough to attract leadership, and lax adherence to financial standards is not unusual. A 2009 Santa Cruz County Grand Jury report found larger districts functioned well, but that smaller ones "may fall into gray areas of minimal compliance with guidelines and statutes in the operation of their districts."

The problems at Opal Cliffs have been raised repeatedly, with county officials -- including the county's top lawyer -- meeting with the district and even offering the name of a bookkeeper to help keep things in order.

The Opal Cliff Recreation District dates to the post-World War II era, and its management of Privates Beach has been controversial. Prior to 2009, it allowed the public access to the stairway leading to beach for an annual membership of \$100.

The state Coastal Commission saw that as exclusionary, and in 2009 agreed to approve bluff-top improvements, including a shower, if the district sold daily passes to members of the public. Those passes cost \$5, with revenues kept separate from the register at Freeline, which has not been accused of wrongdoing.

It is the handling of those revenues that are raising the most questions. While the district is subject to county audits, it does not fall under the control of the county Board of Supervisors. Even if Opal Cliffs fails to clean up its books, the county has no power to act.

But the Local Area Formation Commission, or LAFCO, does oversee aspects of special districts, including their dissolution. That can occur through the district's own initiative, a petition, or a lengthy, LAFCO-initiated process.

If Opal Cliffs were dissolved, it appears Privates Beach would revert to county management and be subject to the same rules as other county parks. Leopold said he doesn't think the issue needs to go that far.

"I think there are qualified people who would be committed to running the district efficiently that live in the neighborhood," he said. "I've talked to many of them."

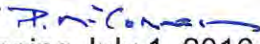
Two Opal Cliffs board members, famed surfer Robert "Wingnut" Weaver and Michael Carlton, are up for re-election in November.

When asked, Griffith said he did not think the county was targeting Opal Cliffs in order to take over Privates.

"Not at all, and they don't want to take it over either," Griffith said,

Follow Sentinel reporter Jason Hoppin at [Twitter.com/scnewsdude](https://twitter.com/scnewsdude)



Date: February 23, 2016 for March 2nd Agenda
To: LAFCO Commissioners
From: Patrick M. McCormick, Executive Officer 
Subject: Proposed Budget for Fiscal Year beginning July 1, 2016

Summary: State law requires that LAFCO adopt a proposed budget no later than May 1st and a final budget no later than June 15th. The staff has noticed a public hearing for March 2nd in order for the Commission to consider the proposed budget.

Staff Recommendation: Conduct a public hearing, discuss the work program, give direction to staff for further evaluation of budget options, and continue consideration of the budget to the next meeting on April 6th.

State law (Attachment B—Government Code 56381) specifies the budget process. It requires LAFCO to hold two noticed public hearings and adopt a proposed budget by May 1 and a final budget by June 15.

After LAFCO adopts a final budget, the County Auditor is required to apportion LAFCO net operating expenses (new funding) into thirds. The County pays a third. The four Cities pay a third, pro-rated by their total operating revenues as published by the State Controller. The twenty-four Independent Special Districts pay a third, pro-rated by their operating revenues as published by the State Controller.

STATE MANDATES

The Local Government Reorganization Act of 2000 requires that each LAFCO process all boundary change applications that are submitted, prepare service reviews before or concurrently with sphere of influence reviews, and review spheres of influence every five years for all cities and districts subject to LAFCO's boundary regulation. Text of the laws can be found in Attachment C. The State does not provide any funding for LAFCOs. During the recession, LAFCO reduced its budget and depleted reserves to assist the funding agencies in responding to their budget difficulties. LAFCO is now behind schedule in completing service reviews and sphere of influence updates. Over the last several years, LAFCO has been incrementally rebuilding its reserves with the most improvement in the last two years.

The Status List for the sphere and service reviews is Attachment D.

WORK PROGRAM

The Commission annually reviews its work program (Attachment E) during the budget review.

The Commission is continuing to hold public hearings on the current round of service and sphere of influence reviews. The approach in the recent years has been for staff to prepare these documents for agencies as prioritized by the Commission, and to advance studies for individual agencies if boundary change applications are filed. The professional services reserve of \$100,000 is available to contract with consultants to prepare some service and sphere reviews. It has not yet been used in the current round of reviews. In order to estimate how many service reviews can be prepared with that reserve, the staff has put together municipal service review costs conducted around the state during the last three years:

COSTS TO PERFORM MUNICIPAL SERVICE REVIEWS USING CONSULTANTS 2013-2016

Cost	LAFCO	\$ per agency	\$ per city	\$ per district	Description
\$75,000	Alameda	\$3,800		\$3,800	21 special districts including 12 CSAs
\$75,000	Santa Clara	\$5,000	\$5,000		15 cities
\$80,000	Yolo	\$5,300		\$5,300	15 fire protection districts
\$67,000	San Mateo	\$8,400			8+ agencies (4 cities, 4+ districts)
\$43,000	Nevada	\$8,600			5 water agencies (2 cities, 3 districts)
\$40,000	Nevada	\$10,000			4 wastewater agencies (2 cities, 2 districts)
\$60,000	Sonoma	\$10,000		\$10,000	6 fire agencies (1 city, 2 districts, county, tribe, CAL Fire)
\$62,000	Napa	\$12,400	\$14,000	\$7,000	5 agencies (3 cities, 2 districts)
\$40,000	Yolo	\$10-13,000			\$40,000 for typical MSR for 3-4 agencies
\$35,000	Fresno	\$30,000		\$30,000	1 large city
\$38,000	San Mateo	\$38,000		\$38,000	1 complicated and contentious district

The per agency cost can be summarized as \$4,000 for a basic level of complexity, \$10,000 for moderately complex agencies, and \$30,000 for complex agencies. Per agency cost is lower when many agencies are grouped into a single contract. Using these estimates, the Commission's professional services reserve could pay for studies of 25 simple agency studies, 10 moderately complex agency studies, or 3 complex agency studies. The State law requires that certain subjects be analyzed and that a series of determinations be made (such as adequacy of services, opportunities to share services, and accountability). Each LAFCO has wide discretion to vary the scope of each service review. Costs increase with complexity.

The requirement for the preparation of municipal service reviews was added into State law in 2000. There now has been fifteen years of experience with them both locally and statewide. This helps to predict where simple service reviews can be prepared, and where more complex studies will be needed. The following worksheet estimates some costs for consultants to complete the current round of service reviews. The range of costs is derived from the costs survey. The inventory of service reviews can be found in Attachment D. Although the Commission may wish to prioritize staff-prepared reviews differently than in its current work program, the worksheet presumes that in the next fiscal year, staff will prepare five service reviews that are currently under preparation or

will be required to consider the pending or anticipated boundary change applications filed with LAFCO in FY 2016-17.

LAFCO has responsibility to review the services of 82 local agencies in Santa Cruz County. Service reviews have been completed in the last five years for 15 agencies. Using the priorities in the current work program, 5 service reviews are tentatively scheduled to be prepared by staff in FY 2016-17. That leaves 62 agencies' reviews to be prepared. Several approaches are presented to estimate costs if consultants are used to complete the service reviews. In the final column, staff has estimated a likely hybrid cost based upon the complexity of the actual mix of agencies in the respective categories.

WORKSHEET OF CONSULTANT COST ESTIMATES

<u>Category</u>	<u># of Agencies</u>	<u>Basic</u> <u>\$4,000</u> <u>per</u> <u>agency</u>	<u>Moderate</u> <u>\$10,000</u> <u>per</u> <u>agency</u>	<u>Complex</u> <u>\$30,000</u> <u>per</u> <u>agency</u>	<u>Staff Estimate</u> <u>Hybrid</u>
Cities	1	\$4,000	\$10,000	\$30,000	\$15,000
Fire Districts	12	\$48,000	\$120,000	\$360,000	\$60,000
Water Districts	4	\$16,000	\$40,000	\$120,000	\$50,000
Sanitation Districts	7	\$28,000	\$70,000	\$210,000	\$40,000
Miscellaneous	2	\$8,000	\$20,000	\$60,000	\$20,000
County Service Areas	36	\$144,000	\$360,000		\$40,000
Total	62	\$248,000			\$225,000

AGENCIES USED FOR WORKSHEET ESTIMATE

<u>Cities</u>	<u>Fire</u>	<u>Water</u>	<u>Sanitation</u>	<u>Misc.</u>	<u>County Services Area</u>
Capitola	Aptos/La Selva	Central	Davenport	Port District	3 Aptos Seascape
	Aromas	PVWMA	Freedom	Mid-Pen Open	11 County Parks
	Ben Lomond	Soquel Creek	County Sanitation		38 Sheriff's Patrol
	Boulder Creek	CSA 54 Summit West	CSA 2 Place de Mer		53 Mosquito/Vector
	Branciforte		CSA 5 Sand Dollar		plus 32 road CSAs
	Central		CSA 7 B.C. County Club		
	CSA 4 Pajaro Dunes		CSA 20 Trestle Beach		
	CSA 48 County Fire				
	Felton				
	Pajaro Valley				
	Scotts Valley				
	Zayante				

To begin the budget review, the staff has prepared a status quo budget that involves a 2% increase over the current fiscal year in the county, city, and district contributions. At the March meeting, the Commission should discuss work program priorities and whether to accelerate the number of service and sphere reviews that can be done using the current approach. Options for increasing the number of studies that can be performed are outlined below.

- (A) Increase the level of funding from agency contributions. Doubling the professional services budget to \$200,000 would require increasing the agencies' annual contributions 30% from \$337,600 to \$437,600.
- (B) For the staff-prepared reviews, utilize a simpler format and process so that more reviews can be performed in a year.
- (C) Shift some funding to augment the consultant-prepared reviews. For instance, the Commission could decide not accelerate paying down the PERS Pension Side Fund. That would free \$20,000 in both the current and next fiscal year that could be shifted from pensions to professional services.
- (D) Use part of the \$110,000 litigation reserve in the attorney services account.

Based upon applications which have been filed in the office or which have a high to moderate likelihood of being filed in 2016 – 2017, there are three service reviews that would be prioritized using the priorities in the current work program.

<u>Agency</u>	<u>Sphere Amendment</u>	<u>Service Review</u>	<u>Area</u>
San Lorenzo Valley Water	No	2014	E. Zayante
Scotts Valley Water	Yes	Needed	Monte Fiore +
City of Scotts Valley	Yes	Needed	Glen Canyon +
City of Watsonville	No	Needed	Pippin
City of Santa Cruz	No	2011	Carbonera

If the current priorities are applied in FY 16-17, staff would prepare these service reviews, while scoping and conducting consultant selection for the projects which the Commission chooses to contact for the work.

PROPOSED BUDGET DOCUMENTS

The proposed budget is detailed in the following documents:

- Multi-year spreadsheet (Attachments F and G)
- Narrative, line-item explanation of FY 2016-17 budget (Attachment H)
- Revenues, re-budgets, and new funding (Attachment I)
- LAFCO budgets 2006-2016 (Attachment J)
- LAFCO reserves 2006-2016 (Attachment K)

LEGISLATION TO PONDER

Going forward, the Commission may want to consider whether to propose to CALAFCO that the 5-year review cycle for spheres of influence be changed to 8 or 10 years. At least in the slow growth rates experienced and projected in the Monterey Bay area, not much changes in 5 years. A longer review cycle would help to control LAFCO's future costs without sacrificing the oversight and the big-picture functions intended in the State law.

RECOMMENDATION

It is RECOMMENDED that the Commission:

1. Conduct a public hearing on the proposed budget, discuss the work program, give staff direction on budget approach (**ow) and additional information, and continue consideration of the proposed budget to the next meeting on April 6, 2016.

cc: County of Santa Cruz
Board of Supervisors
Auditor-Controller
County Administrative Officer
Cities:
Capitola
Santa Cruz
Scotts Valley
Watsonville
24 Independent Special Districts

Attachments:

- A. Draft Resolution No. 2016-2 Adopting a Proposed Budget
- B. Government Code Section 56381 Regarding LAFCO Funding
- C. Government Code Sections Regarding Sphere and Service Review Timelines
- D. Sphere and Service Review Status List
- E. Work Program Recommendation
- F. Multi-Year Spreadsheet Expenses
- G. Multi-Year Spreadsheet Revenues
- H. Narrative, Line-Item Budget for FY 2016-17
- I. Revenues, Re-Budgets, and New Funding
- J. Budget Chart 2006-2016
- K. Reserves Chart 2006-2016

ATTACHMENT A

**LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY
RESOLUTION NO. 2016-2**

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

**ADOPTING A PROPOSED BUDGET
FOR THE FISCAL YEAR BEGINNING JULY 1, 2016**

WHEREAS, the Santa Cruz Local Agency Formation Commission wishes to provide for a budget to fulfill its purposes and functions that are set by State law;

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

1. In accordance with Government Code section 56381(a), the Commission adopts a proposed budget for the fiscal year beginning July 1, 2016 in the amount of \$701,100 with the net amount to be funded by the participating agencies of \$337,600.
2. The Executive Officer is directed to transmit the proposed budget to the County Auditor, the county, the cities, and the independent districts as specified in Government Code section 56381(a), and to notice a public hearing for the purpose of adopting a final budget pursuant to state law.
3. The budget will allow the Commission to fulfill the programs and purposes of the Cortese-Knox-Hertzberg Local Government Reorganization Act because it will increase its budget to prepare the required studies in a timely manner.

PASSED AND ADOPTED by the Santa Cruz Local Agency Formation Commission this second day of March 2016 by the following vote:

AYES:

NOES:

ABSENT:

ROGER W. ANDERSON, CHAIRPERSON

Attest:

Approval as to form:

Patrick M. McCormick
Executive Officer

T. Brooke Miller
LAFCO Counsel

ATTACHMENT B
GOVERNMENT CODE SECTION 56381
LAFCO BUDGETING

56381. (a) The commission shall adopt annually, following noticed public hearings, a proposed budget by May 1 and final budget by June 15. At a minimum, the proposed and final budget shall be equal to the budget adopted for the previous fiscal year unless the commission finds that reduced staffing or program costs will nevertheless allow the commission to fulfill the purposes and programs of this chapter. The commission shall transmit its proposed and final budgets to the board of supervisors, to each city, and to each independent special district.

(b) After public hearings, consideration of comments, and adoption of a final budget by the commission pursuant to subdivision (a), the auditor shall apportion the net operating expenses of a commission in the following manner:

(1) (A) In counties in which there is city and independent special district representation on the commission, the county, cities, and independent special districts shall each provide a one-third share of the commission's operational costs.

(B) The cities' share shall be apportioned in proportion to each city's total revenues, as reported in the most recent edition of the Cities Annual Report published by the Controller, as a percentage of the combined city revenues within a county, or by an alternative method approved by a majority of cities representing the majority of the combined cities' populations.

(C) The independent special districts' share shall be apportioned in proportion to each district's total revenues as a percentage of the combined total district revenues within a county. Except as provided in subparagraph (D), an independent special district's total revenue shall be calculated for nonenterprise activities as total revenues for general purpose transactions less intergovernmental revenue and for enterprise activities as total operating and nonoperating revenues less intergovernmental revenue, as reported in the most recent edition of the "Special Districts Annual Report" published by the Controller, or by an alternative method approved by a majority of the agencies, representing a majority of their combined populations. For the purposes of fulfilling the requirement of this section, a multicounty independent special district shall be required to pay its apportionment in its principal county. It is the intent of the Legislature that no single district or class or type of district shall bear a disproportionate amount of the district share of costs.

(D) (i) For purposes of apportioning costs to a health care district formed pursuant to Division 23 (commencing with Section 32000) of the Health and Safety **Code** that operates a hospital, a

health care district's share, except as provided in clauses (ii) and (iii), shall be apportioned in proportion to each district's net from operations as reported in the most recent edition of the hospital financial disclosure report form published by the Office of Statewide Health Planning and Development, as a percentage of the combined independent special districts' net operating revenues within a county.

(ii) A health care district for which net from operations is a negative number may not be apportioned any share of the commission's operational costs until the fiscal year following positive net from operations, as reported in the most recent edition of the hospital financial disclosure report form published by the Office of Statewide Health Planning and Development.

(iii) A health care district that has filed and is operating under public entity bankruptcy pursuant to federal bankruptcy law, shall not be apportioned any share of the commission's operational costs until the fiscal year following its discharge from bankruptcy.

(iv) As used in this subparagraph "net from operations" means total operating revenue less total operating expenses.

(E) Notwithstanding the requirements of subparagraph (C), the independent special districts' share may be apportioned by an alternative method approved by a majority of the districts, representing a majority of the combined populations. However, in no event shall an individual district's apportionment exceed the amount that would be calculated pursuant to subparagraphs (C) and (D), or in excess of 50 percent of the total independent special districts' share, without the consent of that district.

(F) Notwithstanding the requirements of subparagraph (C), no independent special district shall be apportioned a share of more than 50 percent of the total independent special districts' share of the commission's operational costs, without the consent of the district as otherwise provided in this section. In those counties in which a district's share is limited to 50 percent of the total independent special districts' share of the commission's operational costs, the share of the remaining districts shall be increased on a proportional basis so that the total amount for all districts equals the share apportioned by the auditor to independent special districts.

(2) In counties in which there is no independent special district representation on the commission, the county and its cities shall each provide a one-half share of the commission's operational costs. The cities' share shall be apportioned in the manner described in paragraph (1).

(3) In counties in which there are no cities, the county and its special districts shall each provide a one-half share of the commission's operational costs. The independent special districts'

share shall be apportioned in the manner described for cities' apportionment in paragraph (1). If there is no independent special district representation on the commission, the county shall pay all of the commission's operational costs.

(4) Instead of determining apportionment pursuant to paragraph (1), (2), or (3), any alternative method of apportionment of the net operating expenses of the commission may be used if approved by a majority vote of each of the following: the board of supervisors; a majority of the cities representing a majority of the total population of cities in the county; and the independent special districts representing a majority of the combined total population of independent special districts in the county. However, in no event shall an individual district's apportionment exceed the amount that would be calculated pursuant to subparagraphs (C) and (D) of paragraph (1), or in excess of 50 percent of the total independent special districts' share, without the consent of that district.

(c) After apportioning the costs as required in subdivision (b), the auditor shall request payment from the board of supervisors and from each city and each independent special district no later than July 1 of each year for the amount that entity owes and the actual administrative costs incurred by the auditor in apportioning costs and requesting payment from each entity. If the county, a city, or an independent special district does not remit its required payment within 60 days, the commission may determine an appropriate method of collecting the required payment, including a request to the auditor to collect an equivalent amount from the property tax, or any fee or eligible revenue owed to the county, city, or district. The auditor shall provide written notice to the county, city, or district prior to appropriating a share of the property tax or other revenue to the commission for the payment due the commission pursuant to this section. Any expenses incurred by the commission or the auditor in collecting late payments or successfully challenging nonpayment shall be added to the payment owed to the commission. Between the beginning of the fiscal year and the time the auditor receives payment from each affected city and district, the board of supervisors shall transmit funds to the commission sufficient to cover the first two months of the commission's operating expenses as specified by the commission. When the city and district payments are received by the commission, the county's portion of the commission's annual operating expenses shall be credited with funds already received from the county. If, at the end of the fiscal year, the commission has funds in excess of what it needs, the commission may retain those funds and calculate them into the following fiscal year's budget. If, during the fiscal year, the commission is without adequate funds to operate, the board of supervisors may loan the commission funds. The commission shall appropriate sufficient funds in its budget for the subsequent fiscal year to repay the loan.

ATTACHMENT C

TIMELINES FOR SPHERES AND MUNICIPAL SERVICE REVIEWS CALIFORNIA GOVERNMENT CODE

SPHERES

56425. (a) In order to carry out its purposes and responsibilities for planning and shaping the logical and orderly development and coordination of local governmental agencies subject to the jurisdiction of the commission to advantageously provide for the present and future needs of the county and its communities, the commission shall develop and determine the sphere of influence of each city and each special district, as defined by Section 56036, within the county and enact policies designed to promote the logical and orderly development of areas within the sphere.

....

(g) On or before January 1, 2008, and every five years thereafter, the commission shall, as necessary, review and update each sphere of influence.

MUNICIPAL SERVICE REVIEWS

56430. (a) In order to prepare and to update spheres of influence in accordance with Section 56425, the commission shall conduct a service review of the municipal services provided in the county or other appropriate area designated by the commission. The commission shall include in the area designated for service review the county, the region, the subregion, or any other geographic area as is appropriate for an analysis of the service or services to be reviewed, and shall prepare a written statement of its determinations with respect to each of the following:

- (1) Growth and population projections for the affected area.
- (2) The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.
- (3) Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the sphere of influence.
- (4) Financial ability of agencies to provide services.
- (5) Status of, and opportunities for, shared facilities.
- (6) Accountability for community service needs, including governmental structure and operational efficiencies.
- (7) Any other matter related to effective or efficient service delivery, as required by commission policy.

....

(e) The commission shall conduct a service review before, or in conjunction with, but no later than the time it is considering an action to establish a sphere of influence in accordance with Section 56425 or 56426.5 or to update a sphere of influence pursuant to Section 56425.

ATTACHMENT D

SPHERE AND SERVICE REVIEWS

Status as of February 22, 2016

Agency	Date of First Sphere	Last Sphere Review Completed	Last MSR Completed	Tentative Schedule MSR and Sphere
CITIES				
Capitola	1975	2008	2007	
Santa Cruz	1983	2008	2011	
Scotts Valley	1985	2008	2007	2016
Watsonville	1977	2008	2007	2016
FIRE AGENCIES				
Aptos/La Selva	1977	2008	2007	
Aromas	1989	2008	2007	
Ben Lomond	1994	2008	2007	
Boulder Creek	1994	2008	2007	
Branciforte	1987	2008	2007	
Central	1987	2008	2007	
County Service Area 4-Pajaro Dunes	1989	2008	2007	
County Service Area 48-County Fire	1985	2008	2007	
Felton	1994	2008	2007	
Pajaro Valley	1989	2008	2007	
Scotts Valley	1976	2008	2007	
Zayante	1994	2008	2007	

ATTACHMENT D

Agency	Date of First Sphere	Last Review Completed	Last MSR Completed	Tentative Schedule MSR and Sphere
WATER AGENCIES				
Central	1986	1993	2007	
Lompico	1985	2008	2014	
Pajaro Valley Water Management			2007	
San Lorenzo Valley	1985	2008	2014	
Scotts Valley	1985	1993	2007	2016
Soquel Creek	1986	2010	2007	
CSA 54 Summit West	1996	2008	2007	
RECREATION AND PARK DISTRICTS				
Alba Park, Rec., and Parkway District	1988	2016	2016	
Boulder Creek Recreation and Park District	1988	2016	2016	
La Selva Recreation and Park District	1990	2016	2016	
Opal Cliffs Recreation Dist.	1998	2016	2016	

ATTACHMENT D

Agency	Date of First Sphere	Last Sphere Review Completed	Last MSR Completed	Tentative Schedule MSR and Sphere
SANITATION DISTRICTS				
Davenport	1984	2008	2007	
Freedom	1975	2011	2007	
Salsipuedes	1987	2016	2016	
Santa Cruz Co. Sanitation District	1983	2011	2007	
2 Place de Mer	1988	2008	2007	
5 Sand Dollar	1988	2008	2007	
7 Boulder Creek Country Club	1985	2008	2007	
10 Rolling Woods	1984	2008	2013	
12 Septic Maintenance	1988	1992	2007	2016
20 Trestle Beach	1988	2008	2007	
57 Graham Hill	2001	2008	2013	
MISCELLANEOUS INDEPENDENT DISTRICTS				
Mid-Pen. Reg. Open Space		2008	2007	
Pajaro Valley Cemetery	1988	2015	2015	
Reclamation District 2049	1988	2008	2007	2016
Resource Conservation District	1983	2015	2015	
Santa Cruz Port District	1991	1991	2007	

ATTACHMENT D

Agency	Date of First Sphere	Last Sphere Review Completed	Last MSR Completed	Tentative Schedule MSR and Sphere
COUNTY SERVICE AREAS				
2 (under sanitation)				
3 Aptos Seascape	1983	2008	2007	
4 (under fire)				
5 (under sanitation)				
7 (under sanitation)				
9 County Public Works	1985	2015	2015	
10 (under sanitation)				
11 County Parks	1985	2008	2007	
12 (under sanitation)				
13 Hutchinson Road	1988	2005	2007	
15 Huckleberry Woods	1988	2008	2014	
16 Robak Road	1988	2008	2007	
17 Empire Acres	1988	2008	2007	
20 (under sanitation)				
21 Westdale	1988	2008	2007	

ATTACHMENT D

Agency	Date of First Sphere	Last Sphere Review Completed	Last MSR Completed	Tentative Schedule MSR and Sphere
COUNTY SERVICE AREAS (continued)				
22 Kelly Hill	1988	2008	2007	
23 Old Ranch Road	1988	2008	2007	
24 Pine Ridge	1988	2008	2007	
25 Viewpoint Road	1988	2008	2007	
26 Hidden Valley	1988	2008	2007	
28 Lomond Terrace	1988	2008	2007	
30 Glenwood Acres	1988	2008	2007	
32 View Circle	1983	2008	2007	
33 Redwood Drive	1983	2008	2007	
34 Larsen Road	1983	2008	2007	
35 Country Estates	1983	2008	2007	
36 Forest Glen	1983	2008	2007	
37 Roberts Rd.	1983	2008	2007	
38 Extended Police (Sheriff)	1985	2008	2007	
39 Reed Street	1983	2008	2007	
40 Ralston Way	1983	2008	2007	
41 Loma Prieta Drive	1983	2008	2007	
42 Sunlit Lane	1983	2008	2007	
43 Bonita Encino	1983	2008	2007	

ATTACHMENT D

Agency	Date of First Sphere	Last Sphere Review Completed	Last MSR Completed	Tentative Schedule MSR and Sphere
COUNTY SERVICE AREAS (continued)				
22 Kelly Hill	1988	2008	2007	
23 Old Ranch Road	1988	2008	2007	
24 Pine Ridge	1988	2008	2007	
25 Viewpoint Road	1988	2008	2007	
26 Hidden Valley	1988	2008	2007	
28 Lomond Terrace	1988	2008	2007	
30 Glenwood Acres	1988	2008	2007	
32 View Circle	1983	2008	2007	
33 Redwood Drive	1983	2008	2007	
34 Larsen Road	1983	2008	2007	
35 Country Estates	1983	2008	2007	
36 Forest Glen	1983	2008	2007	
37 Roberts Rd.	1983	2008	2007	
38 Extended Police (Sheriff)	1985	2008	2007	
39 Reed Street	1983	2008	2007	
40 Ralston Way	1983	2008	2007	
41 Loma Prieta Drive	1983	2008	2007	
42 Sunlit Lane	1983	2008	2007	
43 Bonita Encino	1983	2008	2007	

ATTACHMENT D

Agency	Date of First Sphere Adoption	Last Sphere Review Completed	Last MSR Completed	Tentative Schedule MSR and Sphere
COUNTY SERVICE AREAS (continued)				
44 Sunbeam Woods	1983	2008	2007	
46 Pinecrest Dr.	1983	1983	2007	
47 Braemoor	1985	2008	2007	
48 (under fire agencies)				
50 The Vineyard	1987	2008	2007	
51 Hopkins Gulch	1989	2008	2007	
52 Pleasant Valley	1990	2008	2007	
53 Mosquito Abatement	1992	2008	2007	
54 (under water agencies)				
55 Riverdale Park	1996	2008	2007	
56 Felton Grove	1997	2008	2007	
57 (under sanitation)				
58 Ridge Road	2001	2008	2007	
59 McGaffigan Mill Road	2002	2008	2007	
60 Huckleberry Woods	2015	2015	2015	

ATTACHMENT E

Work Program

Last Reviewed March 4, 2015

--Highest Priority

- Complete processing of Lompico Reorganization (likely time frame: Feb. – June 2015)
- Assist public in questions about boundary change procedures (Feb. 2015 – June 2016)
- Complete eight small districts service and sphere reviews (February – June 2015)
- Process new applications (February 2015 – June 2016)
- Assist Personnel Committee in annual review (February – June 2015)

--Second Priority

- Complete consultations and Commission determination whether to initiate major study (April - August 2015)
- Conduct consultant selection for major study (August – October 2015)
- Assist consultant in major study (October 2015 – June 2016)
- Prepare next set of in-house service and sphere reviews (October 2015 – June 2016)

--Third Priority

- Participate in CALAFCO Training Panels (February – September 2015)
- Update Indemnification Policy (April 2015)
- Update Employment Policy (May 2015 – June 2016)
- Participate with Regional Water Management Forum and water agencies in organizing a regional water forum (January – June 2016)

--Beyond June 30, 2016

- Use in-house staff as time permits, and consultants to complete all service reviews and sphere updates by June 30, 2017.

EXPENDITURES DESCRIPTION	13-14 BUDGET	13-14 ACTUAL	14-15 BUDGET	14-15 ACTUAL	15-16 BUDGET	15-16 ESTIMATE	16-17 PROPOSED
Regular Pay	\$188,000	\$171,378	\$193,700	\$168,908	\$226,600	\$187,800	\$236,700
Overtime Pay	2,000	187	2,000	-37	2,000	200	2,000
Extra Help	1,000	0	1,000	0	1,000	0	1,000
Sick Leave	3,000	0	3,000	445	2,000	400	2,000
Holiday Pay	7,400	8,548	8,500	7,877	8,600	8,300	8,600
Social Security	13,200	13,804	13,500	13,755	14,500	14,900	15,000
PERS	30,000	31,952	33,400	33,522	56,500	56,000	60,000
Insurances	36,200	35,535	37,500	39,385	41,800	45,200	49,700
Unemployment	400	350	400	322	400	400	400
Workers Comp	700	736	900	749	1,000	1,000	1,000
Salaries Sub.Tot.	\$281,900	\$262,490	\$293,900	\$264,925	\$354,400	\$314,200	\$376,400
Telecom	1,800	1,757	1,800	1,725	1,800	2,200	2,200
Office Equipment	1,000	168	500	172	300	200	200
Memberships	3,300	3,305	4,000	5,797	4,000	3,800	4,700
Hardware	0	0	0	0	1,200	1,400	0
Duplicating	2,400	791	2,400	699	900	1,000	1,000
PC Software	800	0	1,100	13	700	600	600
Postage	1,600	518	2,100	3,172	3,000	800	3,200
Subscriptions	800	0	800	290	600	400	400
Supplies	1,100	145	1,600	858	1,600	1,000	1,000
Accounting	1,200	1,034	1,100	887	1,100	1,100	1,100
Attorney	142,500	8,950	142,500	6,250	150,000	12,500	150,000
Data Process GIS	8,600	14,864	9,300	15,850	13,100	21,300	21,300
Director Fees	6,000	2,890	6,000	2,610	6,000	2,700	6,000
Surveyor	1,000	0	1,000	0	1,000	500	1,000
Prof. Services	45,000	0	75,000	0	100,000	1,600	100,000
Legal Notices	1,600	1,129	1,700	1,139	1,700	1,300	1,300
Rents	8,000	7,919	8,000	8,315	8,400	8,500	8,500
Misc. Expenses	3,000	3,013	3,000	2,973	5,900	5,100	5,100
Books	300	0	300	0	300	300	300
Air Fare	1,800	748	3,000	1,158	3,000	1,100	3,000
Auto Rental	0	0	0	0	0	100	200
Training	800	0	800	0	800	900	900
Lodging	3,500	5,199	5,200	1,569	5,200	3,800	5,200
Meals	400	0	400	199	400	400	400
Mileage	2,000	989	1,000	1,544	1,200	1,200	1,600
Travel-Other	1,000	66	200	173	200	200	200
Registrations	4,100	3,967	4,100	5,312	4,000	4,800	5,300
Principal on Lease	1,200	981	1,500	1,096	1,100	1,200	0
Interest on Lease	400	295	400	180	200	100	0
Supplies Sub.Tot.	\$245,200	\$58,728	\$278,800	\$61,981	\$317,700	\$80,100	\$324,700
Assets Sub.Tot.	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL EXPENDITURES	\$527,100	\$321,218	\$572,700	\$326,906	\$672,100	\$394,300	\$701,100

	13-14 BUDGET	13-14 ACTUAL	14-15 BUDGET	14-15 ACTUAL	15-16 BUDGET	15-16 ESTIMATE	16-17 PROPOSED
REVENUES							
Interest	1,000	1,307	1,200	2,182	1,900	2,500	2,500
Contributions from Other Governmental Agencies	367,385	418,274	331,000	280,112	331,000	331,000	337,600
LAFC Processing Fees	5,000	32,794	24,000	100,318	24,000	31,000	24,000
Medical Charges- Employee	2,100	2,221	2,300	2,221	2,300	2,400	13,100
Copy Charges	100	1	0	54	100	100	100
REVENUES	375,585	454,597	358,500	384,886	359,300	367,000	377,300
Re-budget from Fund Balance	151,515	151,515	214,200	214,200	312,800	312,800	323,800
TOTAL REVENUES	\$527,100	\$606,112	\$572,700	\$599,086	\$672,100	\$679,800	\$701,100

ATTACHMENT H NARRATIVE OF LINE ITEMS

SANTA CRUZ LOCAL AGENCY FORMATION COMMISSION NARRATIVE BUDGET 2016-17

SALARIES & BENEFITS

51000 Regular Pay \$236,700

Executive Officer - The current salary is \$10,116 per month.

Secretary-Clerk - The current salary is \$5,434 per month.

Salary Reserve - The budgeted amount allows for possible adjustments to staff salaries, cash out of administrative leave, and payment of unused leave upon termination of employment. It is budgeted as a lump sum of \$50,103.

The salaries total:

Executive Officer	\$121,389
Secretary-Clerk	\$65,208
Salary Reserve	<u>\$50,103</u>
Total	\$236,700

51005 Overtime Pay \$2,000

The Secretary-Clerk works overtime during periods of major projects and night meetings.

51010 Extra Help \$ 1,000

These funds will be used if needed for temporary clerical assistance during the Secretary-Clerk's absence. Five days, \$200 per day.

51015 Sick Leave \$2,000

Sick leave is budgeted as a lump sum.

51035 Holiday Pay \$8,600

Holiday pay is budgeted as a lump sum.

52010 Social Security \$15,000

This figure is calculated at the rate of 7.65% of each salary.

ATTACHMENT H NARRATIVE OF LINE ITEMS

52015 PERS \$60,000

This amount covers the Commission's contributions to the Public Employees Retirement System. The Commission matches the benefit levels provided to comparable County employees. Effective July 1, 2016 the employer's share will be 8.880% of salaries plus a \$22,662 payment of unfunded liability. On September 24, 2016, the Commission's pick up of the Secretary-Clerk employee contribution will decrease from 3.5% to 0%. This amount includes a second year of making a \$20,000 payment to reduce the side fund liability.

52010 Employee Insurance \$49,700

This amount provides for health insurance through PERS and for dental, eye care, life insurance, and limited disability insurance through the County's program. The employees pay part of these costs. The employees' contributions are budgeted as revenue, and reduce the net cost of this benefit to the Commission from the gross amount shown in this line item by approximately \$13,100 in FY 2016-17. The total line item is based upon estimates provided by the vendors and is 10.0% above the estimated FY 2015-16 amount

53015 Unemployment \$400

This is budgeted at the same amount as the estimated FY 2015-16 amount.

54010 Workers' Comp. \$1,000

The Commission obtains this coverage from the Special District Risk Management Authority. The FY 2016-17 amount is an estimate of SDRMA dues and premiums, net of any credits.

SUBTOTAL SALARIES AND BENEFITS

\$376,400

SUPPLIES AND SERVICES

61220 Telecom \$2,200

The telephone cost is calculated at the highest expenditure over the last three years.

61725 Maintenance of Office Equipment \$200

This amount represents the extra copies cost as well as maintenance of the copier and other office equipment.

ATTACHMENT H NARRATIVE OF LINE ITEMS

- 62020 Memberships \$4,700
This amount provides for membership in the California Associations of LAFCOs and the California Special Districts Association.
- 62111 Computer Hardware \$0
Neither of the two computers in the office is scheduled for replacement this year.
- 62214 Duplicating \$1,000
This amount provides for production photocopying of reports done at the county's duplicating shop or at a local printing shop. It is budgeted at the highest expenditure during the last three years.
- 62219 Software \$600
This is budgeted at the highest amount over the last three years.
- 62221 Postage \$3,200
This is the cost of mailing notices and regular correspondence. It is budgeted at the highest expenditure during the last three years.
- 62222 Subscriptions \$400
It is budgeted at the highest expenditure during the last three years.
- 62223 Supplies \$1,000
It represents office supplies. It is budgeted at the highest expenditure of the last three years.
- 62301 Accounting and Auditing \$1,100
This amount is the cost of accounting services from the County Auditor. It includes payroll, vendor payments, and auditing. It is budgeted at the highest expenditure during the last three years.
- 62304 Attorney \$150,000
This amount represents routine legal services from County Counsel's office or a private law firm (\$40,000), and a litigation reserve (\$110,000).
- 62325 Data Processing \$21,300
The County Information Services Department charges LAFCO with its share of the staffing overhead used to support LAFCO's computers, printers, and access to the County's geographic

ATTACHMENT H NARRATIVE OF LINE ITEMS

mapping system, accounting, fiscal, and other data bases.
The amount is budgeted at the estimated FY 15-16 costs.

- 62327 Director Fees \$6,000
This amount is calculated based upon seven commissioners and four alternates being paid a meeting stipend for eleven meetings per year.
- 62330 Surveyor \$1,000
This amount covers map checking by the County Surveyor and map prints from the County Public Works Department.
- 62381 Professional Services \$100,000
This amount provides for outside assistance when preparing spheres of influence, municipal service reviews, reorganization studies, and other special studies. The Local Government Reorganization Act requires LAFCO to prepare municipal service reviews and update all spheres periodically.
- 62420 Legal Notices \$1,300
This amount is used to pay for public hearing notices and other legal advertising. It is calculated at the highest expenditure during the last three years.
- 62610 Rents \$8,500
The County charges LAFCO rent for its office on the third floor of the Governmental Center. The annual rent is \$7,925 with no additional costs. Additionally, the County charges LAFCO to store LAFCO's old records in the County warehouse and to retrieve them when requested. This amount is calculated at the current year costs.
- 62856 Miscellaneous Expenses \$5,100
This object is used for paying web-hosting costs, State Board of Equalization filing fees, California Department of Fish and Wildlife environmental fees. It is calculated at the highest expenditure over the last three years.
- 62890 Books \$300
This entry is used to purchase books and other written materials. The budgeted amount is budgeted as a lump sum.

ATTACHMENT H NARRATIVE OF LINE ITEMS

- 62910 Airfare \$3,000
Airfare is used to attend meetings that are in distant locales in California, usually southern California. The budgeted amount is estimated at ten round trip flights at \$300 per trip.
- 62912 Auto Rental \$200
The budgeted amount is estimated at 2 trips, 2 days, \$50 per day.
- 62914 Education and Training \$900
This represents staff development courses and seminars. It is budget at three classes of \$300 each.
- 62922 Lodging \$5,200
Lodging is budgeted to allow Commissioners and staff members to attend training sessions and meetings. It is budgeted as a lump sum.
- 62924 Meals \$400
Meals are budgeted at the highest expenditure over the last three years.
- 62926 Mileage \$1,600
This includes mileage for staff delivery of agendas, office errands, and allowance for Commissioners and staff to attend conferences, seminars, CALAFCO Board meetings, and other meetings. It is budgeted at the highest expenditure over the last three years.
- 62928 Travel Other \$200
These are miscellaneous travel costs such as train fares, bus fares, parking, and bridge tolls.
- 62930 Registrations \$5,300
Workshop and conference registrations are budgeted to pay for Commissioners and staff members to attend conferences and workshops. It is budgeted at the highest expenditure over the last three years.
- 74230 Principal on Lease \$0
The copier lease was paid off in FY 2015-16.
- 74470 Interest on Lease \$0
The copier lease was paid off in FY 2015-16.

ATTACHMENT H NARRATIVE OF LINE ITEMS

SUBTOTAL SUPPLIES AND SERVICES \$317,700

RECAP OF PROPOSED BUDGET:

SALARIES AND BENEFITS	\$376,400
SUPPLIES AND SERVICES	\$324,700
FIXED ASSETS	<u>\$ 0</u>
TOTAL	\$701,100

ATTACHMENT I REVENUES, RE-BUDGETS, AND NEW FUNDING 2016-17

RECAP OF PROPOSED BUDGET:

SALARIES AND BENEFITS	\$376,400
SUPPLIES AND SERVICES	\$324,700
FIXED ASSETS	\$ 0
TOTAL	\$701,100

CALCULATION OF AMOUNT OF NEW FUNDING

MAJOR ASSUMPTIONS:

- Maintain litigation reserve
- Continue with service review and sphere update program using available staff time
- Utilize professional services reserve to contact with consultants to accelerate preparation of service and sphere reviews

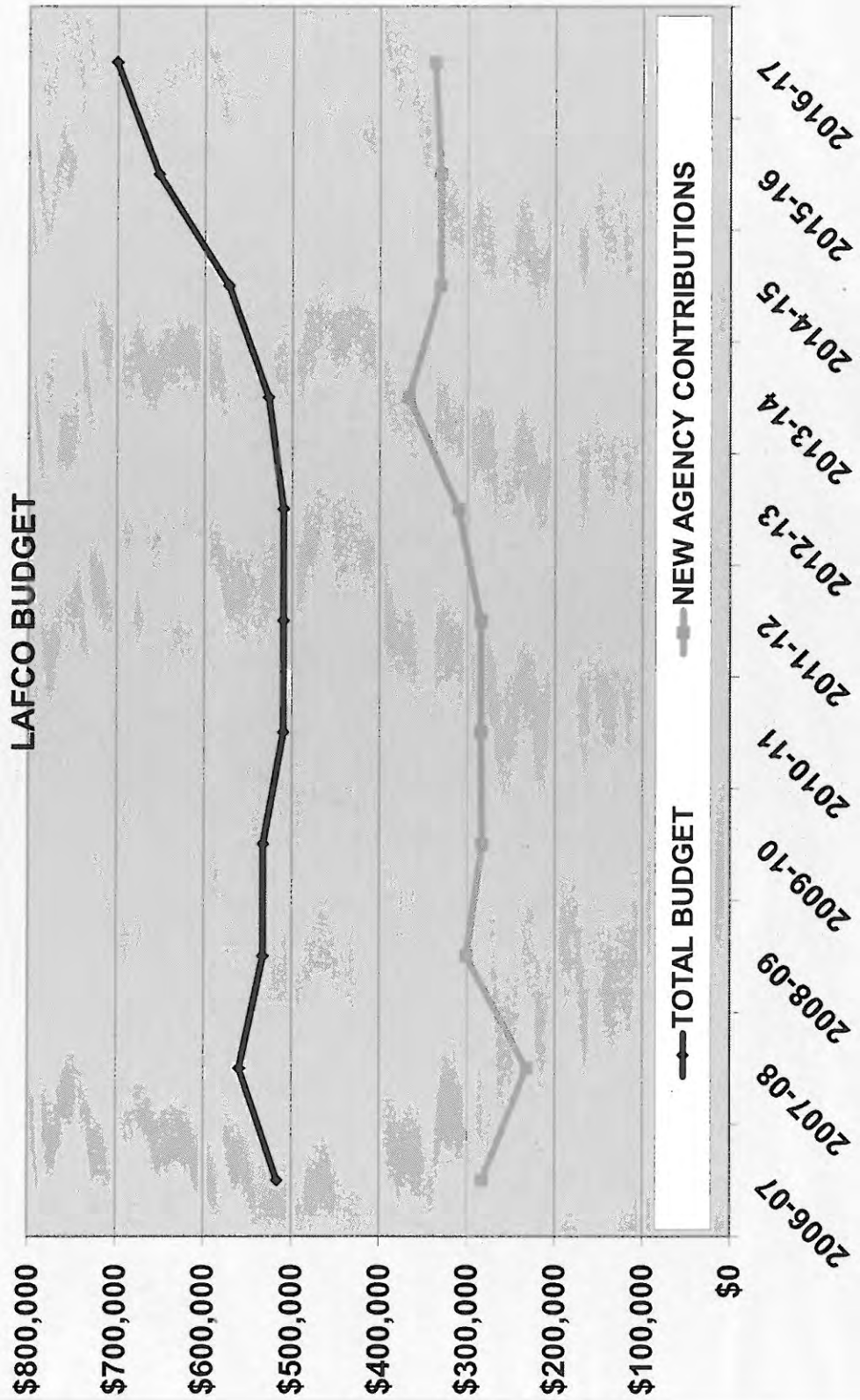
TOTAL BUDGET	\$701,100
RE-BUDGET FROM FUND BALANCE	-\$323,800
TOTAL TO BE FUNDED IN FY 2016-17	\$377,300

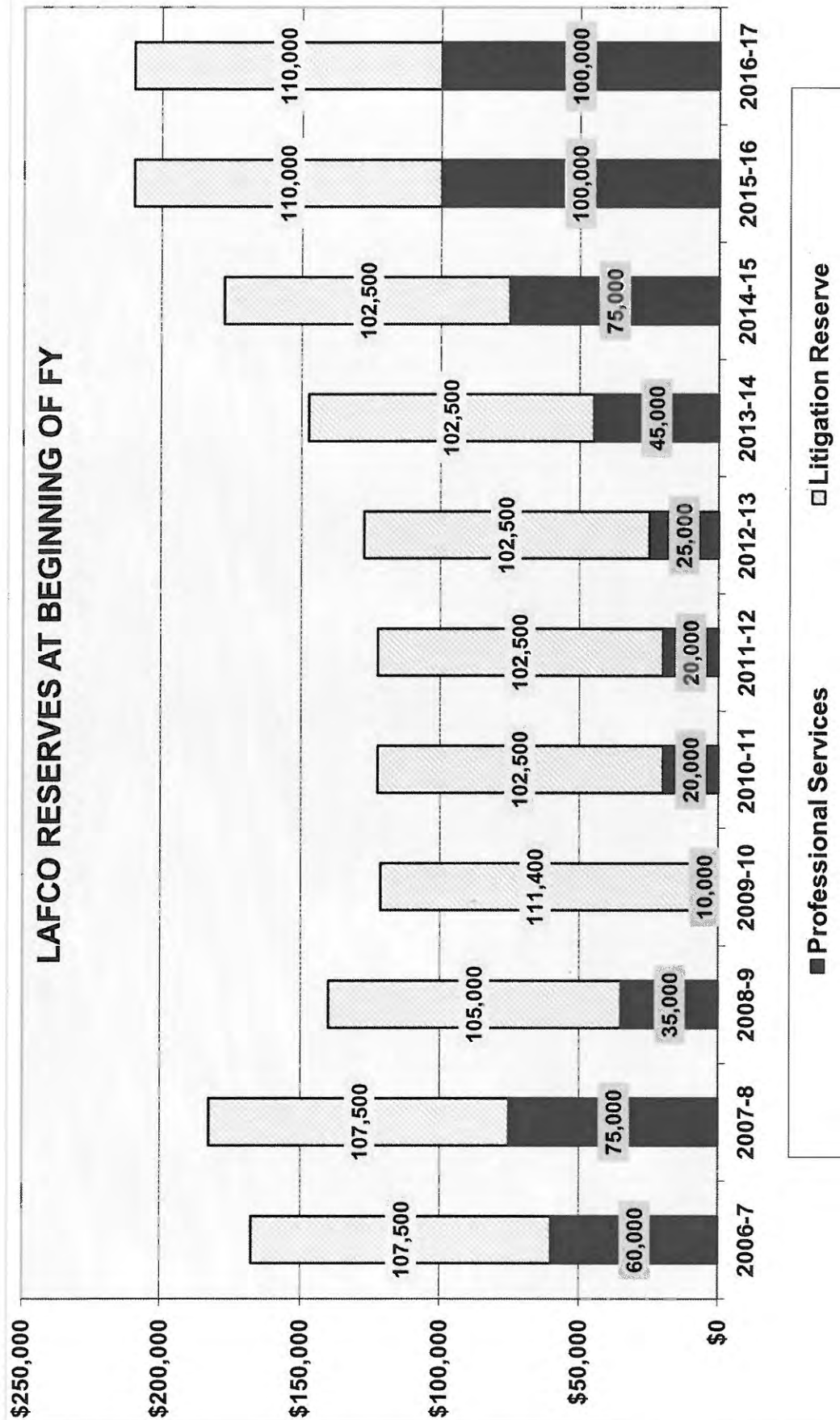
REVENUE HISTORY	Actual 13-14	Actual 14-15	YTD 2/19/16	Proposed FY 16-17
Application Processing Fee	\$32,794	\$100,318	\$4,970	\$24,000
Interest	\$1,307	\$2,182	\$1,864	\$2,500
Employee Health	\$2,221	\$2,221	\$1,318	\$13,100
Copy Charges	\$1	\$54	\$109	\$100
Total	\$36,323	\$104,775	\$8,251	\$39,700

CALCULATION OF CONTRIBUTIONS TO BE PAID BY FUNDING AGENCIES:

TOTAL TO BE FUNDED IN FY 2016-17	\$377,300
BUDGETED REVENUES	-\$ 39,700
DUES TO BE PAID BY FUNDING AGENCIES *	\$337,600

* Subject to increase by Auditor's charges.







Date: March 28, 2016 for April 6th Agenda
To: Commissioners
From: Executive Officer *P. ~ ~ C.*
Subject: Public Member and Public Alternate Application Review

Summary: Six members of the Commission appoint the Public Member and Public Alternate to four year terms.

Recommendation: Proceed with the appointment process by either making the appointments, inviting the candidates to make oral presentations at the May meeting, or reopening the application period.

The terms of the Public Member and Public Alternate end May 2, 2016. The next terms last to May 2020--four years. Government Code Section 56325(d) states that the public member and alternate are appointed by a majority vote of the other six members of the commission (two city, two county, and two district) and must get at least one vote from a commissioner in each of these appointing categories. Government Code Section 56331 states that the public members and public alternates may not be employees or officers of the County of Santa Cruz, any city within the county, or any special district within the county.

In addition to the statutory provisions, Santa Cruz LAFCO has adopted the attached policy that specifies the appointment process. At the April 6th meeting, the Commission is at Step 5 in the appointment process:

- a. To make an appointment from the list of candidates, or
- b. To invite all candidates to make oral presentations at a subsequent LAFCO meeting, or
- c. To reopen the application period.

The application period closed on March 28th. The applicants could apply for one or both of the positions. The current applicants for each position follow.

Regular Member

Roger W. Anderson
Mark D. Lee
William Schultz

Alternate

Cherie L. Bobbe
Mark D. Lee
William Schultz

RECOMMENDATION: Proceed with the appointment process.

cc: Applicants

Attachments

Policy Regarding Appointment of Public Member and Alternate

Exhibit A

Santa Cruz LAFCO Resolution No. 2004-6

1. When the public member or public alternate position becomes vacant during a term, or two months in advance of either of these terms ending, the Chairperson and Executive Officer shall place on the agenda a memo advising the Commission of the need to advertise for candidates to apply for the position.
2. At the meeting, the Commission shall direct staff to advertise the vacancy and receive applications. Unless the Commission gives alternate directions:
 - a. The staff will advertise the vacancy as soon as possible on the LAFCO website and in at least two newspapers of general circulation which jointly have broad coverage throughout Santa Cruz County. The notice shall include a summary of the qualifications for the position as specified in Government Code Section 56331 (e.g., can't be an officer or employee of the county, city, or district).
 - b. The deadline for applications shall be at least 21 days following the meeting at which the Commission authorizes the advertising.
 - c. Persons interested in the position shall apply by completing a form provided by LAFCO staff and returning the form to the LAFCO office before the deadline.
3. The Executive Officer shall compile the applications and present them to the Commission as part of the agenda of the meeting following the application deadline.
4. A candidate may withdraw an application before or after the application deadline. If a candidate withdraws an application after the deadline, the candidate shall not be considered for the appointment unless the Commission votes to reopen the process and the person reapplies.
5. Upon receiving and reviewing the application, the Commission in open session by majority vote shall choose one of the following three courses of actions:
 - a. To make an appointment from the list of candidates,
 - b. To invite all candidates to make oral presentations at a subsequent LAFCO meeting, or
 - c. To reopen the application period.

56325. There is hereby continued in existence in each county a local agency formation commission. Except as otherwise provided in this chapter, the commission shall consist of members selected as follows:

(a) Two appointed by the board of supervisors from their own membership. The board of supervisors shall appoint a third supervisor who shall be an alternate member of the commission. The alternate member may serve and vote in place of any supervisor on the commission who is absent or who disqualifies himself or herself from participating in a meeting of the commission.

If the office of a regular county member becomes vacant, the alternate member may serve and vote in place of the former regular county member until the appointment and qualification of a regular county member to fill the vacancy.

(b) Two selected by the cities in the county, each of whom shall be a mayor or council member, appointed by the city selection committee. The city selection committee shall also designate one alternate member who shall be appointed and serve pursuant to Section 56335. The alternate shall also be a mayor or council member. The city selection committee is encouraged to select members to fairly represent the diversity of the cities in the county, with respect to population and geography.

(c) Two presiding officers or members of legislative bodies of independent special districts selected by the independent special district selection committee pursuant to Section 56332. The independent special district selection committee shall also designate a presiding officer or member of the legislative body of an independent special district as an alternative member who shall be appointed and serve pursuant to Section 56332. The independent special district selection committee is encouraged to make selections that fairly represent the diversity of the independent special districts in the county, with respect to population and geography.

(d) One representing the general public appointed by the other members of the commission. The other members of the commission may also designate one alternate member who shall be appointed and serve pursuant to Section 56331. Selection of the public member and alternate public member shall be subject to the affirmative vote of at least one of the members selected by each of the other appointing authorities. Whenever a vacancy occurs in the public member or alternate public member position, the commission shall cause a notice of vacancy to be posted as provided in Section 56158. A copy of this notice shall be sent to the clerk or secretary of the legislative body of each local agency within the county. Final appointment to fill the vacancy may not be made for at least 21 days after the posting of the notice.

56331. When appointing a public member pursuant to Sections 56325, 56326, and 56329, the commission may also appoint one alternate public member who may serve and vote in place of a regular public member who is absent or who disqualifies himself or herself from participating in a meeting of the commission.

If the office of a regular public member becomes vacant, the alternate member may serve and vote in place of the former regular public member until the appointment and qualification of a regular public member to fill the vacancy.

No person appointed as a public member or alternate public member pursuant to this chapter shall be an officer or employee of the county or any city or district with territory in the county, provided, however, that any officer or employee serving on January 1, 1994, may complete the term for which he or she was appointed.

**SANTA CRUZ LOCAL AGENCY FORMATION COMMISSION
APPLICATION FOR POSITION OF
PUBLIC MEMBER AND/OR ALTERNATE PUBLIC MEMBER**

If you are interested in serving as the Public Member or Public Alternate on LAFCO, please complete the following application and return it to LAFCO, 701 Ocean Street, Room 318-D, Santa Cruz, California 95060. The application deadline is 4:00 p.m. on Monday, March 28, 2016.

Thank you for your interest in the Local Agency Formation Commission.

I am applying for (CHECK ONE):

Public Member ONLY	<input checked="" type="checkbox"/>
Public Alternate ONLY	<input type="checkbox"/>
Either Position	<input type="checkbox"/>

RECEIVED

MAR 11 2016

Santa Cruz LAFCO

NAME: Roger Anderson

MAILING ADDRESS: Street 311 Dickens Way

City: Santa Cruz Zip 95064

PHONE Home: (831) 426-0522 Business: (831) 459-2854

EMAIL: anderso@ucsc.edu

LENGTH OF RESIDENCE IN AREA: 47 yr ARE YOU A REGISTERED VOTER? yes

PREVIOUS BOARD, COMMISSION, OR COMMITTEE SERVED:

<u>Organization</u>	<u>Term</u>
<u>Santa Cruz LAFCO Public Member</u>	<u>1994 - 2016</u>
<u>Chairperson CALAFCO Board</u>	<u>2008 - 2010</u>
<u>CALAFCO Board (Public Member)</u>	<u>2002 - 2010</u>
<u>Advisory Committee for Monterey Bay Air Pollution Control District</u>	<u>1989 - 1999</u>
<u>Member City Council, Scotts Valley, California</u>	<u>1984 - 88</u>

WORK / VOLUNTEER EXPERIENCE:

<u>Organization</u>	<u>Term</u>
<u>Chair, Council of University of California Emeriti Associations</u>	<u>2014 - 2016</u>
<u>Member UC Retirement System Advisory Board</u>	<u>2014 - 2016</u>
<u>Member UC Systemwide Committee on Faculty Welfare</u>	<u>2014 - 2016</u>
<u>Chair, UCSC Committee on Emeriti Relations</u>	<u>2012 - 2015</u>
<u>Emeritus Professor of Chemistry, University of California</u>	<u>2011 -</u>
<u>Professor of Chemistry, University of California</u>	<u>1968 - 2011</u>
<u>Member UC Systemwide Committee on Faculty Welfare</u>	<u>2001-2, 2003-5</u>
<u>Chair, Academic Senate, UCSC</u>	<u>1999 - 2001</u>
<u>Vice Chair, Academic Senate, UCSC</u>	<u>1997 - 1999</u>
<u>Chair, UC Systemwide Committee on Planning and Budget</u>	<u>1995 - 1996</u>

STATEMENT OF QUALIFICATIONS:

Please attach a brief statement indicating why you are interested in serving on the Local Agency Formation Commission and why you are qualified for the appointment.

CERTIFICATION:

I certify that I am not an officer or employee of the County of Santa Cruz, any city in Santa Cruz County, or any district in Santa Cruz County.

I certify that this information is true and correct and I authorize the verification of the information in the application in the event I am a finalist for the appointment.


Signature

3/10/2016
Date

Roger Anderson

Applicant for the Santa Cruz LAFCO Public Member position, March 2016

I am applying for reappointment to LAFCO as its Public Member, because I believe that LAFCO will continue to benefit from my extensive experience, skills, and deep interest in public service.

I am a 47 year resident of Santa Cruz County and California. I came to California with a Ph.D. from Harvard to become a Chemistry Professor at the University of California, Santa Cruz, where I enjoyed my teaching and research in semiconductor materials, design and implementation of achromatic lenses for molecules, experimental physical and theoretical chemistry. I became Emeritus Professor in July 2011 although I remain active in my research programs, and the Academic Senate.

Santa Cruz Experience: I have been the public member of Santa Cruz LAFCO since 1994, and I have served about half of this period as Vice Chair or Chair. I have actively participated as Santa Cruz County has grappled with recurring issues such as the preservation of prime agricultural land and assurance of adequate water supplies while considering the needs of the county for housing and economic development. I testified on behalf of the Santa Cruz LAFCO at a hearing of the Commission on Local Governance. I have extensive additional experience as a member of the Scotts Valley City Council (1984-88) and as a member of the Monterey Bay Air Pollution Control District advisory committee (1989-1999).

I have had related experience at the University of California, Santa Cruz. There I served as the Chair of the UCSC planning and budget committee (1994-95), and I was the Vice chair and the Chair of the UCSC Academic Senate (1997-99 and 1999-2001). I also chaired the Physical Sciences Building Committee and the University Club Committee at UCSC. Recently I was the Chair of the Academic Senate Committee on Emeriti Relations (2012 - 2015).

Statewide Experience: I was elected to the CALAFCO Board in 2002, and from August 2008 until Fall 2010 I was Chairman of this important organization. Since I left the CALAFCO board, I have continued my active participation in the CALAFCO annual conferences.

I have additional experience as Chair of the system-wide University of California planning and budget committee (1995-96), and currently I am Chair of the University of California Emeriti Associations (2014 - 2016). Concurrent with being CUCEA Chair I also serve as a member of the system-wide University of California committee on faculty welfare and the University of California Retirement System Advisory Board.

I will continue to bring my openness, constructive participation, and record of accomplishment to LAFCO. I believe that I will help find the solutions for the important problems including water and efficient provision of services that confront Santa Cruz.

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Public Member ONLY	<input type="checkbox"/>
Public Alternate ONLY	<input checked="" type="checkbox"/>
Either Position	<input type="checkbox"/>

RECEIVED

MAR 10 2016

Santa Cruz LAFCO

NAME: CHERIE L. BOBBE

MAILING ADDRESS: Street 775 SEACLIFF DR.

City APTOS Zip 95003

PHONE Home: 831-688-1821 Business: 831-334-2200

EMAIL: cbobbe@me.com

LENGTH OF RESIDENCE IN AREA: 42 YRS ARE YOU A REGISTERED VOTER? YES

PREVIOUS BOARD, COMMISSION, OR COMMITTEE SERVED:

<u>Organization</u>	<u>Term</u>
• <u>CURRENT LAFCO PUBLIC ALTERNATE</u>	<u>2012 - PRESENT</u>
• <u>LAFCO PUBLIC ALTERNATE</u>	<u>2003 - 2005</u>
• <u>BOARD MEMBER, COMMUNITY ACTION BRO</u>	<u>2010 - 2014</u>

WORK / VOLUNTEER EXPERIENCE:

<u>Organization</u>	<u>Term</u>
• PUBLIC DEFENDER	1986 - 2008
• LANDSCAPE DESIGNER	2010 - PRESENT

VOLUNTEER:

- SIERRA CLUB WATER RESOURCES, CHAIR
- SEACLIFF COMMUNITY PARK EFFORTS
- COMMUNITY ORGANIZER FOR VARIOUS LAND USE ISSUES, BOTH IN SEACLIFF AND COUNTY WIDE.

STATEMENT OF QUALIFICATIONS:

Please attach a brief statement indicating why you are interested in serving on the Local Agency Formation Commission and why you are qualified for the appointment.

CERTIFICATION:

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Signature

3/3/16
Date

Dear Members of the LAFCO Commission,

I have had the wonderful opportunity to sit as your Public Alternate on two occasions. I presume you all have surmised that I find this work to be interesting and compelling. In other words, I confess to being a "policy wonk".

To some, the mandate and goals of LAFCO may seem boring, dry or uneventful. But to me, I believe it to be one of the most important Commissions in this county. We are in the grips of a perfect storm, in that Growth is constantly pitted against the desire to maintain the Small town feel of Santa Cruz County. I doubt there is any need to describe further this push and pull to this Commission. However, I view LAFCO as a body that takes both sides into account and ultimately strives to find a compromise that protects our environment while addressing the real world demands of advancing development.

The UCSC expansion is a perfect example of LAFCO accomplishments in this conflict. The formula for additional water use requires that it be Adequate, Reliable and Sustainable. Such a formula clearly demonstrates that both goals are addressed fairly and reasonably. If a development has been approved, it must contain the elements mentioned above.

I realize that I could be perceived as one those "environmentalist" that will say No to everything. But that is not quite true. I am a realist and understand that thousands of people want to live in Santa Cruz County. They want and need housing and jobs. However, there must be some restraints in place. LAFCO is the gatekeeper. And I am proud to be part of a rational approach to the demands of all who need our assistance to blend the myriad of interests.

Thank you,
Cherie Bobbe

Mark D. Lee

220 East Terrace Drive
Ben Lomond, CA 95005-9667

(831) 335-4997 / (831) 818-1472
markdlee4125@sbcglobal.net

March 28th, 2016

Santa Cruz Local Agency Formation Commission
701 Ocean Street, Room 318-D
Santa Cruz, CA 95060

RE: Public and/or Public Alternate Commission Member Openings

Hi Mr. Patrick McCormick;

After reviewing the new public volunteer recruitment to work as a member of the Santa Cruz Local Agency Formation Commission under your direction to serve as a public member acting as the general eyes and ears in helping the public understand what LAFCO actually does in a thoughtful and informed manner of discussing the facts of approving continuing or denying LAFCO permit, I am compelled to apply for both positions and wish to serve as a County layperson with an outstanding technical and educational background. I think I would be an excellent pick for reviewing land use and LAFCO boundary issues technical reports written by staff and or LAFCO's consultants. I also enjoy coordinating and meeting tight LAFCO milestones and agenda objectives in a professional manner; and managing the review of pending municipality and special district boundary adjustments. In addition I will always follow LAFCO meeting guidelines, per the California Brown Act. I am compelled to apply for this dynamic public volunteer opportunity in my home county of Santa Cruz, where I have been living for 21 years. Therefore I arrive prepared to work for the LAFCO Commission as a Public Member and the opportunity to serve the various incorporated cities, towns and special districts of Santa Cruz County with over twenty three years of successful hands on day to day land use and environmental analysis experience, as a former planning staffer and manager in both the private residential, commercial and industrial development and public enforcement fields in rapidly growing cities and towns in California, Oregon and Washington State. I have not only run my own planning firm, but I also have excellent land use, environmental, habitat conservation and historic preservation planning experience as a former Assistant, Associate, Senior, Principal and Planning Unit Manager have worked in California planning agencies and privately under contracts for civil engineers, providing detailed environmental impact report writing and environmental and historic preservation integrated into development review by local developers preparing large and medium size planned mixed use housing and commercial projects in tastefully designed site plans with dedicated open space..

Additionally I bring to the LAFCO Commission Public Members position excellent public speaking, writing and research in preparing for the review of jurisdiction boundary mergers, annexations or separations by understand the LAFCO finding required to make appropriate deliberation on LAFCO applications. I am very experienced in reviewing and analyzing zoning ordinance and general plans for local cities within the County and within the jurisdiction of the California Coastal Commission. I even wrote my Master's thesis on the major boundary decision environmental, urban services, and political implications between the City of Escondido's major annexation of several dozen square miles of fringe lands from the County of San Diego, while employed with San Diego County Planning.

Therefore in closing, it is with great interest, that I submit my attached credentials for your consideration. As a new Public Commission Member or Public Commissioner Member Alternate. I am sure you will be very pleased with my "can do" competent work ethic which encourages the best technical review and accountability and excellence as well as team collaboration and team building, communication, and transparency skills, when sitting with the rest of the LAFCO Commission You will also find that I am a dynamic, well-motivated and cooperative planning department leader and I bring with me a to LAFCO an unwavering commitment to excellence in municipal public agency service.

Thank You in Advance.

Mark D. Lee

Attachments: Application and Resume

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Thank you for your interest in the Local Agency Formation Commission.

I am applying for (CHECK ONE):

Public Member ONLY	<input type="checkbox"/>
Public Alternate ONLY	<input type="checkbox"/>
Either Position	<input checked="" type="checkbox"/>

NAME: MARK D. LEE

MAILING ADDRESS: Street 220 EAST TERRACE DRIVE

City BEN LOMOND CA Zip 95005-9667

PHONE Home: (831) 335-4997 Business: (831) 335-4997

EMAIL: MARKDLEE4125@SBCGLOBAL.NET

LENGTH OF RESIDENCE IN AREA: 21 YRS ARE YOU A REGISTERED VOTER? YES

PREVIOUS BOARD, COMMISSION, OR COMMITTEE SERVED:

Organization

Term COCO-DANER WATZ
CHAIRPERSON
2015 - PRESENT

(CNCD) CROSSON NORTH COUNTY DEMOCRATS CLUB

(WE MEET ONCE A MONTH FOR GENERAL MEETING PLUS 1 EVENING MEETING AS A MEMBER OF EXECUTIVE BOARD) - MY ROLE IS CLUB TREASURER, ACCOUNTANT AND PERSONAL BANKER) VOLUNTEER MEMBER

(AEP) ASSOCIATION OF ENVIRONMENTAL PROFESSIONALS - CENTRAL COAST CHAPTER
CEQA EDUCATION COMMITTEE - ANNUAL CEQA 2005-2012

LAW UPDATE SEMINARS

MIKE COLEMAN
CENTRAL COAST DIRECTOR

WORK / VOLUNTEER EXPERIENCE:

Organization

Term

2012 - 2016

2002 - 2016

(SLVWD) SAN LORENZO VALLEY WATER DISTRICT (NON-MEMBER PUBLIC

PARTICIPANT AT FACILITIES-PLANNING, BUDGET & FINANCE

ADMINISTRATIVE COMMITTEE MEETINGS) VOLUNTEER PUBLIC PARTICIPANT

for PUBLIC EDUCATION

DIRECTOR HUCK BAUGHMAN

BRIAN LEE - GENERAL MANAGER

STATEMENT OF QUALIFICATIONS:

Please attach a brief statement indicating why you are interested in serving on the Local Agency Formation Commission and why you are qualified for the appointment.

CERTIFICATION:

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I certify that this information is true and correct and I authorize the verification of the information in the application in the event I am a finalist for the appointment.

Myale D. Lee
Signature

MARCH 28TH 2016
Date

Mark D. Lee

220 East Terrace Drive, Ben Lomond, CA 95005-9667 (831) 335-4997 mobile: (831) 818-1472

Objective

Santa Cruz Local Agency Formation Commission Public/Public Alternate Member

Skills

- Twenty years of solid Land Use Planning, Zoning and Environmental Planning administration experience in California, Oregon and Washington State local government and planning and civil engineering firms.
- Long Term General Plan And Neighborhood Plans Coordination, Research, Public Hearings through The Formal Approval Process Under California Land Use and LAFCO Law Environmental Impact Reports administration & writing Community & General Plans Preparation and Amendments Public Agency Relations & Permitting Subcontractor Consulting and Contract Administration Federal and State grant application writing solicitation and awards. Practical knowledge and experience with the Brown Act; orderly public hearing process and records request FOIA.
- Ground water sustainability and coastal management planning; Citizen planning group coordination; and Project leadership skills; Facilities and Building Enforcement and Landscape Design. Extraordinary Knowledge Of California State Zoning, General Planning And Environmental Preservation Ordinance Permit Processing, Writing And Administration Excellent Public Speaking, and Planning presentation skills and Effective and personal customer relations and program improvement analysis. Budgeting and Accounting skills and ERP software. Knowledge of the uses of all Microsoft software; ESRI GIS software and GIS Mapping applications. Planner, Building Inspector and Code Enforcement training Program Management skills using effective intergovernmental relations

Experience

Project Manager - Principal Planner Policy and Permits Analyst 04/2013 to Present
Coastal Mountain Environmental Planning Advisory Group – Ben Lomond/Oceanside, CA
Providing ongoing current and long range environmental impact assessment, facilities improvement plans; land use planning, shorelines; water resources planning and offer volunteer administrative-citizen consulting services for neighborhoods, planning groups governmental agencies, and project stakeholders of the County of Santa Cruz and San Lorenzo Valley Water District.

- Use computers for various applications, such as database management or word processing.
- Create, maintain, and enter information into databases. Schedule and confirm appointments for clients, customers, or supervisors and coordinate conferences
- Prepare Planning Commission and Board of Supervisor or City Council staff reports for development or public citizen groups, using Microsoft Word, Excel and Facebook
- Work with citizen's groups and volunteer as well.
- Review land use and district service applications for annexation and merger issues compliance; make public presentation before decision making boards and advise government officials and the general public of various policy options and associated environmental and fiscal impact analysis; as well as prepare report and map graphics.

Facilities Quality Assurance Director (Contractor) 1/2012 to 04/2013
• **Transpacific Technologies & Emcor Government Services at JPL/NASA** – Pasadena. La Canada Flintridge, CA

- Hired on an interim basis to manage the QA Department inside of plant facilities including supervising one Auditor, who reported me to find discrepancies in services and scheduling provided by (22) twenty two JPL/NASA Lab technicians.
- Reported on scheduled and un-scheduled trouble calls and preventative maintenance on all aspects roads, parking structures, grounds and irrigation systems on the 150 acre campus at JPL/NASA.
- Audited over 90 buildings per month to monitor and recommended facilities repairs; identify obvious environmental impact issues such as new exposures to toxic materials, improvement of water conservation, installing energy light saving LEDs, adding new air cleaning technologies, making daily landscaping maintenance work orders with an
- emphasize on planting drought resistant plants and low water use lawns by installing low flow sprinklers, as well as reducing water usage through campus wide usage of urinal cartridges and using recycling rain and gray water for recycling to new building water storage tanks; improving winter and fall season steep hillside flood control techniques such as installing jute rolls and divergence pipes with all new measures made to protect adjacent Arroyo Seco River basin.
- Coordinated the annual ISO-9001:2008 re-certification efforts by EMCOR - Government Services Corporate Auditors; met with JPL Building and Land Use Department officials to coordinate new improvements in JPL/NASA Lab
- Updated environmental landscape plan which is used to saved millions of dollars of plants during a drought at NASA Planetary Mission buildings so they could become eventually achieve LEED standards and pass annual operation standards of Federal NASA contract requirements

Facilities Environmental Management Officer

04/2007 to 04/2010

Hewlett Packard Corporation thru Securitas Corporation – Palo Alto, CA

- Evaluated and monitored day to day facility and contractor services by auditing and communicating on computer terminals using real time monitoring software from a centrally located management headquarters at Hewlett Packard Corporate HQ.
- Monitored and fulfilled requests instantly for employees, security upper management, airline pilots and maintenance contractors by ensuring and reporting their arrival and departure times, completion of facilities maintenance tasks and emergencies problem solutions from a remote video conference campus intelligence center that was gathered and responded to rapidly in real time for multiple Hewlett Packard campuses in the Cities of Palo Alto, Cupertino, Fremont, Mayfield, Roseville, Vancouver, WA, Rancho Bernardo, San Diego, Corvallis, Oregon and Littleton, Colorado.
- Prepared logistical, facilities and maintenance reports weekly, monthly and quarterly HP's upper management.

Product Engineering & Facilities Supervisor & Engineer

01/2003 to 12/2006

ISIS Surface Mounting Inc. – Fremont, CA

Designed original new industrial building layout; planned and numerous work tasks simultaneously, to ensure facility improvement budgets, coordinated review and approval of architectural drawing changes; established and maintained governmental relations as a specialist for industrial plant tenant improvements, construction coordination, landscape planning, and building expansion as well as other environmental

- planning tasks

Prepared a new HAZMAT Plan for hazardous circuit board materials to save the ISIS from being sued by disgruntled employees in their accidental usage, transport, and

- recycling of hazardous materials

Prepared development applications and coordinated the preparation of tenant

- improvement architectural plans and permits with the City of San Jose.

Forecasted capital improvement finances on spreadsheets to justify rate of return and funding for new capital manufacturing equipment as well as processed building tenant improvement plans for proposed industrial capacity expansion-through the City's

- Building Department.

My other career responsibility as a Sr. Manufacturing-Facilities Planning and QA

Engineer was to ensure that customer requirements were being met; preparing accurate and understandable manufacturing instructions; verifying product manufacturing design flaws; troubleshooting problems on the assembly floor; ensuring that Design Engineering

- completed engineering updates or original design drawings.

Reviewed architectural drawings and revisions of Tenant Improvement Plans of the new factory building; initiated engineering change orders (ECOs) as required to ensure overall on time manufacturing as well as work closely with Quality Assurance to implement QA control plans.

- Responsible for coordinating and preparing monthly MPI-Process Improvement plans to really define general and specific traffic and manufacturing process steps; forecasted daily production line capacities; organizing and fine tuning optimal throughput to ensure on first time, on-time 100% quality yields.

Saved this circuit board and medical devices manufacturing company \$5 million in losses by trouble shooting the origins and solutions to gold ball solder techniques and saved the contract from going elsewhere.

Senior Industrial, Manufacturing, Production Facilities Sustainability Engineer**FCI Electronics Division – Fremont, CA**

01/1997 to 12/2002

Responsible for industrial plant redesign, landscape design, governmental relations; facilitated successful solutions, answering to obtain permit approval regulations of the City of Fremont to increase the usage and expanded use of the FCI's industrial buildings, increasing the efficient uses of our buildings for manufacturing of electronics and sophisticated connectors.

- We produced different product lines of circuit board assembly connectors, sockets, multi-level boards, cable circuit assemblies, small scale fine pitch Application Specific Modules (ASMs), Flip Chip, and pin socket connector sub-assemblies for various well know customers circuit boards and systems of large commercial, personal computer and telecommunications corporate customers.
- My role as a Sr. Manufacturing Engineer & Facilities Planner was to ensure that customer requirements were being met by preparing accurate and understandable manufacturing instructions; verify product throughput; troubleshooting problems on the assembly floor.
- Chosen as main Lead to work directly with Design Engineering too ensure completion of engineering updates, original design drawings; initiate Engineering Change Orders as required to ensure overall on time manufacturing as well as work closely with Quality Assurance to implement QA control plans.
- As Sr. Manufacturing Industrial Engineer-Tenant Improvement Planner within the ME-Facilities Planning Dept., I also coordinated and prepared Process Plans, Tooling concepts; planned manpower and production line capacities for optimal throughput to ensure on time delivery with first time quality yields at a 6 Sigma level of performance.
- Additionally, I prepared financial spreadsheets to justify rate of return and funding for new SMT equipment as well as make the new San Jose building site plan make sense to the City of San Jose Building Inspectors and Urban Planners, processing the building improvement permits.

**Senior Industrial, Manufacturing, Production Facilities Tenant Improvement Engineer
Industrial Facilities Sustainability Manager – Fremont, CA** 01/1995 to 01/1997

- Provided environmental analysis, safety permitting-training, tenant improvement engineering, local and state governmental relations services for an electronics manufacturing company.
 - High technology circuit board assembly company–environmental waste management and Permitting of numerous kinds of hazardous materials pursuant to California and Federal regulations.
 - Responsible for industrial and plant safety management and shepherding Altron Systems plant and supplemental building expansion through development review, architectural, landscape, and engineering design application permit approval processed through the City of Fremont.
 - Successfully completed numerous state, county, regional, and federal environmental discharge and operating permit reviews, pertaining to water quality, air emissions, fire protection, hazardous materials storage, labeling, and disposal.
- I contributed to Altron Systems participation in intergovernmental agency review and the Warm Springs Community Plan awareness program regarding Altron's role in industrial housekeeping activities, required within the adjacent residential neighborhood of Warm Springs District Community Planning Group and Planning Commission of the City of Fremont.

Industrial and Facilities Sustainability Management Manager 02/1993 to 12/1994
Advanced Membrane Technologies – San Diego, CA

- As the Industrial and Quality Manager, I was successful in completing a new Quality Improvement Plan to train manufacturers in the proper safe handling, automated coating, gluing and trimming of hundreds of different kinds of reverse osmosis water filter systems for desalination plants help increase AMT's \$10 million dollars in revenue and
- increased employment opportunities by expanding markets in San Diego, CA
 - Increased manufacturing productivity by 12% per year without accidents and loss of manpower hours.
 - Introduced Total Quality Management that integrated comprehensive strategies in Sales Management, Facilities building re-organization to optimize manufacturing Kaizen with digital on-line production travelers; instructions; and visual aides describing in detail manufacturing steps
 - Interfaced with Customer contacts in the water purification, wine, paint, medical devices for nephrology devices, agricultural corn syrup; and other industries requiring filtration services.

- Sought out vendors to test quality control and logistics software coordinating the final candidate selection and contract details.

Community Development Planning & Environmental Manager

06/1991 to 01/1993

R.A Edwards Inc – Seattle, WA

- R.A Edwards 40 year old Civil Engineering and Surveying and Land Use / Environmental Planning consulting firm in headquartered in Seattle and Vancouver, WA.
Worked here under a year to year contract between 1991-1993, providing environmental
- and land use planning, tentative subdivision map design, and environmental impact analysis services for both public agencies and private land owners within the Puget Sound and Columbia River Gorge regions;
As Planning Manager, I coordinated all land planning; land use consulting; environmental
- consulting services including meeting with both government agency planners and private developers
Managed checklists for the US Army Corp projects including, Shoreline Environmental
- Assessment (SEPA) Permits and Washington State EIRs for Washington State Dept of Ecology; saved clients tens of thousands of dollars by streamlining all planning permit application simultaneously for specific planned communities nearby sensitive habitat lands Canadian Geese, Egret, and Bald Eagle nesting preserve wetlands and forest lands for, open space-hiking parks, trails and golf courses exceeding \$60 million in contracts.
In addition prepared planning and resource studies for regional open space and scenic
- park projects for State and local municipal agencies within the Puget Sound.
Recommended and hired EIR specialty biological, archaeological, riparian hydrologist
- consultants; prepared planning budgets for 21 company staff professional engineers, environmental specialists, hydrologists, civil engineers and surveyors.
Monitored and evaluated contracts with public agencies, prepared weekly
- correspondence and worked directly with private developers and their staffs. Negotiated on behalf of developers, long term growth management act policy strategies within the jurisdictions of King, Skagit, Snohomish, Pierce, and Skamania Counties; obtained local, State, and Federal permits.
Managed a department of planners, environmentalists, wetlands specialists, surveyors
- and civil engineers; making site assessment decisions affecting large scale developments.
My year-to year contract was finally concluded, after the founder of the firm passed
- away and the Edward family agreed to sell the firm and all of its long term contracts to a larger engineering and planning firm, after 25 years in business in Washington State.

Associate Environmental-Land Use Planner

04/1990 to 05/1991

City of Ontario Planning Dept – Ontario, CA

- Responsible for coordinating assigned current planning applications; reviewed
- environmental impact reports, initial studies analysis including air and water quality.
Prepared Planning Commission/City Council reports and policy recommendations;
- coordinated the review of large scale residential commercial and industrial Site Development Plans, Conditional Use Permits, Zone Changes, and conducted complex planning and environmental impact studies, of projects by preparing governmental documents, preliminary background studies, policy research, exhibits, development concept maps, and planning reports on specific projects awaiting public deliberation by the City Planning Commission.
Reviewed and supervised the technical assignments of two assistant planners, as
- required. (Left the City within the year to take a once in a lifetime opportunity of running a planning and environmental management department within a 30 year old civil engineering firm headquartered in Seattle and Washington.).

Senior Project Planner

02/1989 to 03/1990

The Planning Center – Newport Beach, CA

- Newport Beach, CA (1990-1990 1 year contract) Working within the Contract Planning

Services Group I was tasked to prepare several significant RFQs for several municipal contracts to re-write General Plans, Zoning Ordinance Updates; EIR Report Writing; and CDBG HUD Grant writing was awarded \$12 million dollars to help construct a 200 unit low income housing project and central park administration building in downtown Garden Grove.

- Prepared proposals and site plans for future land developments as well as prepared the coordinated writing of environmental impact reports, initial studies, and community plans for private clients and public agencies, such as the Cities of Dana Point, Huntington Beach, Burbank, Garden Grove, Industry, Glendora, and Santa Monica. Research and develop graphics-maps; coordinate with clients and government planners; and prepared written reports and exhibits.
- Consulted and managed assigned projects with environmental and government policy team members within this dynamic and well-respected planning firm.
- Assigned and to coordinate land development projects and policy documents with site planners, wetland biologists and environmental-land use planning team members on large complex Federal, State and local government projects "Bolsa Chica Wetlands Preliminary Study DEIR/NEPA as well as many other local south bay projects in Los Angeles, Riverside and Orange Counties related to land use feasibility, general planning and environmental impacts.

Senior Project Planner

01/1988 to 01/1989

ADL Planning Associates – Carlsbad, CA

- Urban Design-Specific Plans-Planning Program Management Acted as a Senior Project Planner to the Principal-Owner-Tony Lawson, I was hired under contract to prepare applications, subdivision designs, hillside issues maps, environmental constraints maps, master plans, and feasibility studies throughout San Diego County and the City of Carlsbad and City of Oceanside.
- Assisted the ADL planning team in completion of the Arroyo La Costa Master Plan and helped prepare the project EIR design element, and environmental analysis, and application processing of Rancho Verde, a 174-single family detached large-scale planned project, with bicycle right of ways, pedestrian bridges, recreational parks and neighborhood commercial shopping centers.
- The largest environmental challenge facing this residential development was maintain sufficient canyon habitat for the California Black Tailed Gnat Catcher bird. Continuously improved and facilitated the ADL Planning, Administrative and project processing systems, in a management advisory capacity.
- Established excellent governmental relations with the Cities of Carlsbad, Oceanside, and Escondido during the tenure of this career position. Maintained excellent relationships with several civil engineering firms and development companies, including Brighton Homes and Fieldstone, while working at ADL.

Associate Environmental Planner

12/1985 to 01/1988

RANPAC Engineering Corporation – Temecula (Riverside Cty), CA

Temecula (Rancho California, Riverside County, CA In Rancho California, Riverside County, I was hired into a very large civil engineering, surveying, and land planning, EIR writing Services Corporation to research and prepare residential, office space, and commercial development applications, designs, and prepared comprehensive written

- environmental impact reports, per CEQA.
Coordinated effective land use presentations, graphics, and planning studies (i.e., Southwest Area Plan or SWAP for the County of Riverside Planning Department) to support zone changes, specific plans, and site plans for shopping centers and residences.
- Coordinated with Civil Engineering, Traffic, Soils, Development, Public Works and Survey departments within the company. Another important aspect of this dynamic position involved meeting with property owners, community planning groups, consultants and County PC officials to develop technical information to augment the environmental impact report writing and public review process per Office of Planning & Research. Prepared and processed specific plan comprehensive EIRs for RANPAC Engineering for

Home builder companies such as Kaufman-Broad, Sunland Communities, and Bedford Properties in Rancho California, worth hundreds of millions of dollars in construction.

Industrial & Facilities Engineer

01/1984 to 01/1986

General Dynamics - Electronics Division – San Diego, CA

- Joined GDE in 1984 for a few years to use my experience at GDE facilities planning improvement up on Keany Mesa and next to the San Diego International Airport.
- Prepared GDE tenant improvement plans and prepared them for City of San Diego Community Development - Planning and Building Department approval. GDE's large industrial buildings were completely remodeled and upgraded to meet the needs of new electronics manufacturing, which I was directly involved facilitating approvals and permits for, saving GDE \$ millions of dollars in saved time in contractor and maintenance retrofit planned milestones to completion.
- Remodeling all of GDE's 2 million square feet was completed on time to commence major retrofitting of new electronic manufacturing equipment and assembly lines for hundreds of assembly and machine shops to help support the manufacturing of F16, B1B and Tomahawk Cruise Missile and Phalanx weaponry.
- After these contracts came to and end, our Facilities Quality Industrial group of industrial engineers and planners, began redesigning the buildings for new commercial non-military tenants including new preliminary designs for conversion to brand new Keary Mesa and downtown MCRD commercial and residential mixed uses.

Senior Planner – Assistant to Planning Director

01/1982 to 12/1984

Skamania County Planning Dept – Stevenson, WA

- Was offered a wonderful career opportunity to work in the famous Columbia Gorge at Skamania County for 4 years to re-write the General Plan and County Zoning Ordinance for a beautiful scenic area in the heart of the Columbia River Gorge.
- Researched and prepared regional environmental data; and colored topo and land use parcel maps' coordinated assessment of natural resources along the Columbia River Gorge; established regional (national) scenic area development and natural resources preservation standards directly assisting the Skamania County Board and Planning Commissions in their prioritization of land use policies, zoning of (8) eight development communities sphere of influence sub areas, along the Columbia Gorge.
- Prepared environmental impact statement to evaluate future impacts of proposed zoning regulations on going land development proposed projects against the County General plan goals and guidelines per State of Washington's Dept of Ecology EIR and Federal US Army Core of Engineers NEPA guidelines pertaining to impacts on fisheries and hydroelectric dam construction.
- Conducted fully transparent public meetings with all the community planning groups, PC, Board of County Commissioners, and Colombia Gorge Commission to ensure adoption of the newly approved land use regulations, which were under significant pressure for review by local, regional, state and federal agencies.

Development Review Planner

01/1980 to 12/1981

City of Hillsboro Planning Dept – Hillsboro, Oregon

- While working at the City of Hillsboro, I utilized the already adopted City's Zoning and Development Review Ordinance review to write reports on approving or modifying Commercial and Industrial Development Specific Plans to accommodate urban development as well as providing direction for retention of drainage basins, among a predominantly newer residential and industrial tract developed surrounding a smaller main street downtown, carved out of historically lush flat agricultural farm lands.
- As a Development Review Planner, I also reviewed and evaluated subdivision map requests, downtown community redevelopment permits and plans, open spaces policies; processed conditional use permits and prepared environmental impact reports with consultants; statements to meet Oregon Environmental Quality review requirements. Prepared many biweekly Planning Commission meeting agendas and resolutions for local land use applications while coordinating with the City's own Civil Engineering, Public Works, and Parks and Recreation Departments to obtain Planning Commission recommendations

- Drafted the City's first Standing Sign Ordinance, Wetlands-Flood Stream Protection Ordinance (using FEMA Guidelines) and Open Space-Recreation as part of the General Plan and Zoning Ordinance regulations, to protect local sensitive riparian run off streams, creeks, and small rivers, running adjacent and around this City at the north end of the Willamette Valley, Oregon, 30 minutes west of Portland, Oregon

Senior Planner IV

01/1977 to 12/1978

San Bernardino County Environmental Improvement Agency – San Bernardino, CA

- San Bernardino, CA (1977-1979) successfully promoted through the selection process of the San Bernardino County Planning Department-East Valley Planning Team where I personally reviewed, evaluated, analyzed, and prepared many written Planning and County Commissioner development review applications.
- Processing numerous community General Plan Amendments, Subdivision Map Act applications and prepared special LAFCO annexation studies for major development requests adjacent to city boundaries within the County near Redlands, Grand Terrace, Yucaipa, Loma Linda and East San Bernardino. Coordinated with public works and the engineering departments on most projects.
- As a member of the East Valley Geographical Planning Team, I evaluated and processed subdivision maps, zone changes, plan amendments for major development companies, including Lewis Homes, Lusk Development, Fieldstone, Presley Homes, and other major southern California development firms, which included processing CEQA, mandated environmental checklists and negative declarations.
- Many projects that resulted in complex environmental impacts required full CEQA EIR report writing, which I often participated in significant review and comment, prior to Planning Commission hearings.
- Met with Community Planning groups; facilitated unincorporated community plan revisions; identified historic sites for County of San Bernardino preservation and archaeological indexing and made numerous Planning Commission and County Board of Supervisor hearings. Supervised the work of Assistant Planners and assigned work as required.

Planning Aide II and Assistant Planner I

01/1973 to 12/1976

San Diego County Planning & Land Use Dept – San Diego, CA

- After completing my graduate thesis on the "Growth Factors and Metrics Affecting the Urban Fringe by Development Adjacent to the City of Escondido Planning Area", I obtained entrance into County of San Diego Integrated Planning Office (IPO) through an employment grant by one of my graduate advisers who was also the Deputy Director of Long Range Community Plans and land use policy administration.
- Initially assigned to the unincorporated Community Plan Amendments section in the Advanced Planning Group of the Integrated Planning Office (1600 Pacific Highway), where I researched and prepared quarterly General Plan community plan updates, zoning map updates and associated EIRS per CEQA.
- Prepared a dozen unincorporated community plans throughout the County of San Diego, including the planning areas of Escondido Sub-area, Vista-Sub-area, Oceanside Sub-area, Solano Beach, Encinitas, Cardiff Township, Carlsbad Sub-area, Poway, Alpine, Ramona, Julian, Lakeside, Valle-de-Oro and Otay Mesa Sub-areas (now all part of Chula Vista). All of these unincorporated land use plans which was used by LAFCO prior to formal incorporation of these areas in the later 1970s and 1980s, carved from San Diego County.
- Many of my specific duties included prepared alternative land use density maps; presentation of conceptual land use growth pattern alternatives for policies and land use maps before local community planning groups.
- Obtained consensus from citizen planning groups while preparing land use and environmental alternatives which led to making final presentation staff reports of these recommendations before the County of San Diego Planning Commission and County Board of Supervisors for final community plan adoption with complimentary zoning regulations.

Education

MS: Urban Planning & Community Environmental Management

Alliant International University - San Diego/San Francisco, CA

Urban development, land use planning, water distribution, ground water basin planning, native habitat conservation, coastal and estuary right of way planning, CEQA/NEPA environmental impact analysis, transportation planning, and California zoning and general planning law.

MBA: Operations Management

National University - San Diego, CA

Corporate and industrial management; project management; logistics; production control, quality assurance; reliability; international corporate finance; and export import regulations.

BA: Urban Studies/History and Ecology coursework

University of California - Davis, CA

AA: Paralegal Studies + California State Paralegal Certificate by State of California
De Anza College - Cupertino, CA

Certifications

Licensed Certified Residential Real Estate Appraiser with State of California 1992-2016

Licensed State of California Paralegal Certificate 2007-Present (ABA Approved) ARC ABA

GIS and Geospatial Mapping courses toward an AS Degree in GIS at West Valley College

2012-2016 SR/WA - Environmental Certificate candidate.

Volunteer Organizations

Crosson North County Democrat Club (Santa Cruz County) – Treasurer 2015-Present
62 member citizen's environmental and public issues education, political candidate endorsement club. As a member of the Executive Board responsible for all fiduciary responsibilities for maintaining monthly accounting, reporting, coordination of fund raising; collections; expenses management and banking functions)

**SANTA CRUZ LOCAL AGENCY FORMATION COMMISSION
APPLICATION FOR POSITION OF
PUBLIC MEMBER AND/OR ALTERNATE PUBLIC MEMBER**

If you are interested in serving as the Public Member or Public Alternate on LAFCO, please complete the following application and return it to LAFCO, 701 Ocean Street, Room 318-D, Santa Cruz, California 95060. The application deadline is 4:00 p.m. on Monday, March 28, 2016.

Thank you for your interest in the Local Agency Formation Commission.

I am applying for (CHECK ONE):

Public Member ONLY	<input type="checkbox"/>
Public Alternate ONLY	<input type="checkbox"/>
Either Position	<input checked="" type="checkbox"/>

RECEIVED

MAR 11 2016

NAME: William Schultz Santa Cruz LAFCO

MAILING ADDRESS: Street 802 Almar Ave.
City Santa Cruz Zip 95060

PHONE Home: 831 212-1812 Business: 831 423-3140

EMAIL: bill@schultzbuildz.com

LENGTH OF RESIDENCE IN AREA: 38 yrs ARE YOU A REGISTERED VOTER? yes

PREVIOUS BOARD, COMMISSION, OR COMMITTEE SERVED:

<u>Organization</u>	<u>Term</u>
<u>Zoning Board City of Santa Cruz</u>	<u>4 yrs</u>
<u>Planning Commission City of Santa Cruz</u>	<u>8 yrs</u>

WORK / VOLUNTEER EXPERIENCE:

Organization

Term

I am a self-employed General Building Contractor, and have been for 40 yrs. Santa Cruz County is where most of the projects of our company have been built. I am familiar with most local administrative processes. I am not an ideologue. I'd say I'm ~~more~~ more of a pragmatist. Compromise is not a dirty word in my book. I'm also interested in water issues.


STATEMENT OF QUALIFICATIONS:

Please attach a brief statement indicating why you are interested in serving on the Local Agency Formation Commission and why you are qualified for the appointment.

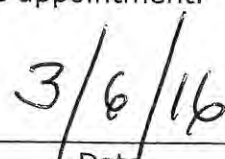
CERTIFICATION:

I certify that I am not an officer or employee of the County of Santa Cruz, any city in Santa Cruz County, or any district in Santa Cruz County.

I certify that this information is true and correct and I authorize the verification of the information in the application in the event I am a finalist for the appointment.



Signature



Date



STATUS OF PROPOSALS
as of March 28, 2016

LAFCO APPLICATIONS

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

LAFCO HEARINGS

	<u>DATE</u>	<u>STATUS</u>
RECREATION and PARK DISTRICTS' SERVICE and SPHERE REVIEWS	4/6/16	2 nd Hearing

LAFCO HEARINGS COMPLETE

	<u>DATE</u>	<u>STATUS</u>
LOMPICO REORGANIZATION LAFCO No. 953		Extension approved to 8/6/16



Legislative Report for April 6, 2016 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 report, and take one position in opposition to SB 1318 (Wolk) regarding water and wastewater services to disadvantaged communities.

Submitted by: Patrick McCormick, Executive Officer *P.M.C.*

The Legislature has reconvened back in the second year of the session. Committee hearings have started, and new bills must clear the policy committee in the house of introduction by May 6. The web site for bill information is <http://leginfo.legislature.ca.gov/>

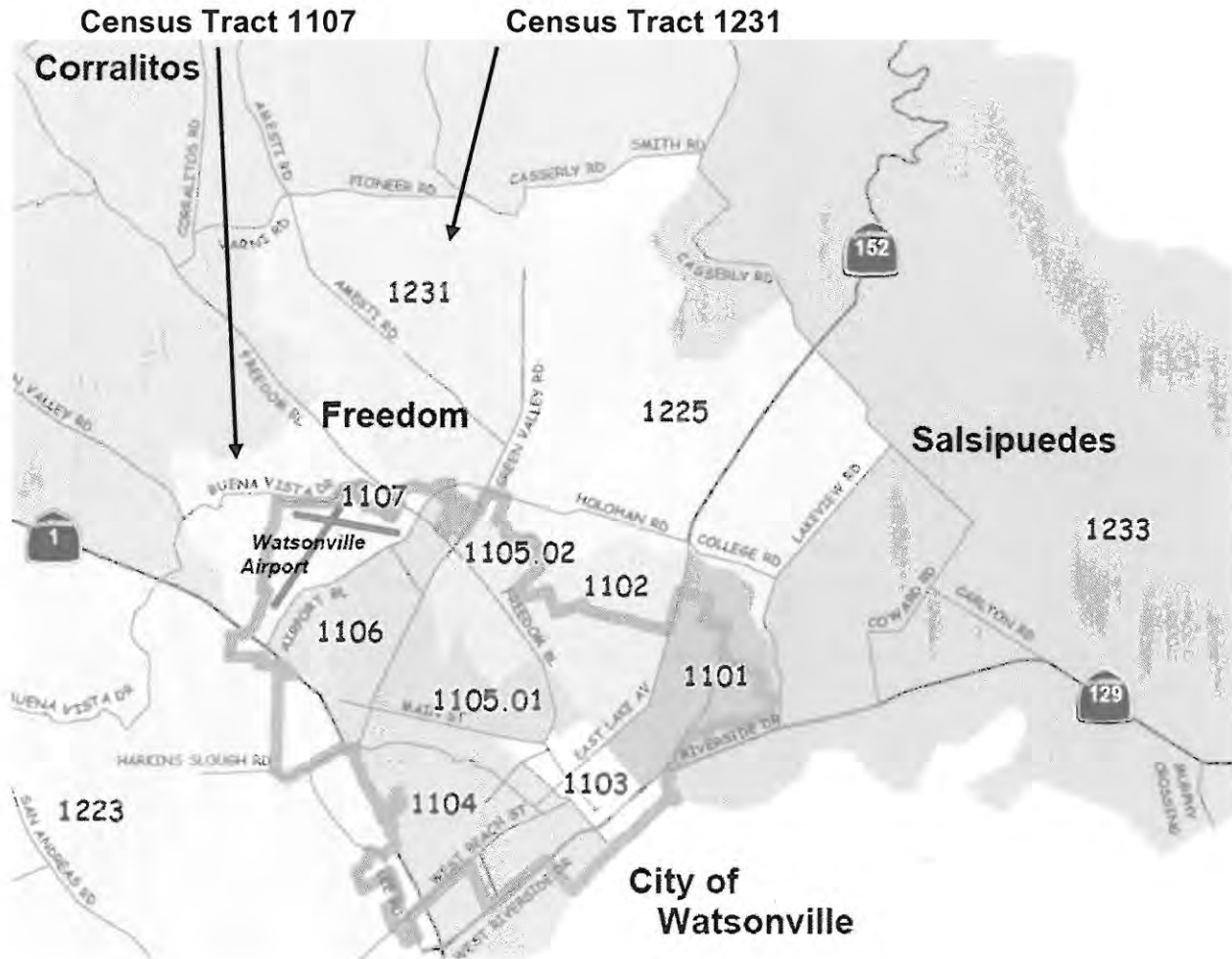
The LAFCO staff is tracking seventeen bills of interest to Santa Cruz LAFCO. These are listed on the attached tracking sheet.

SB 1318, authored by Senator Wolk from Yolo County, is scheduled for a hearing in the Senate Government and Finance Committee on March 30. This bill would prohibit LAFCOs from approving a city's or district's annexation or an extraterritorial service extension of water or sewer service unless the agency has entered into an agreement to extend those services to any disadvantaged unincorporated community within or adjacent to the agency's sphere of influence. The bill would also prohibit LAFCO from approving an agency's sphere of influence update if there is a disadvantaged community that lacks adequate water to sewer service within or adjacent to the agency's sphere of influence unless specified conditions are met. Those conditions are:

1. A prior annexation of the disadvantaged community was attempted in the last five years and was opposed by a majority of the registered voters in the community.
2. The agency has entered into a agreement to extend services to the community within five years.

Section 79505.5 of the Water Code defines a disadvantaged community as having an annual median household income that is less than 80 percent of the statewide annual median household income. In 2013, the state median household income was \$61,094 and 80% of that was \$48,875. Median household income data is available from the US Census in geographically mapped areas titled "census tracts." There are 53 census tracts in Santa Cruz County. Nine have median household incomes below the 80% level. Four are located within the City of Watsonville and have excellent water and sewer service from the City. Two are located within the City of Santa Cruz and have excellent water and sewer service from the City. Of the two disadvantaged census tracts outside city limits, one is located in the Twin Lakes neighborhood of Live Oak (7th Avenue, 17th Avenue, Portola Drive). That area receives water service from the City of

Santa Cruz and sewer service from the Santa Cruz County Sanitation District. The two census tracts in Santa Cruz County that contain unincorporated territory have a complex pattern of water and sewer services. One is Census Tract 1231 located in the Freedom area (Green Valley Road, Amesti Road, Pioneer Road). The other is Census Tract 1107 located in the vicinity of the Watsonville Airport (Freedom Blvd, Buena Vista Road, Manfre Road).



The two tracts contain a significant percentage of commercial agricultural land uses. The City of Watsonville provides extraterritorial water service along the main roads. Off the main roads, private wells serve agricultural and rural residential uses. The Freedom County Sanitation District provides sewer service to the urbanized neighborhoods off Green Valley Road and the Buena Vista neighborhoods closer to town. The remainder of the census tracts utilize septic systems. The one site in the census tracts that at one time had poor services to a disadvantaged neighborhood was the former Marmo's RV Park off Amesti Road. More than ten years ago a non-profit housing corporation redeveloped the park into a modern residential community with adequate water and sanitation.

The County of Santa Cruz, in updating the Housing Element of the General Plan, and the Santa Cruz Integrated Regional Water Management Program, in preparing grant applications for State Water Bond funds, will look for small pockets of underserved disadvantaged households. If SB 1318 passes, the City of Watsonville and the Freedom County Sanitation could become subject to this bill.

Many cities and districts in the Central Valley and Southern California expect immediate widespread application of SB 1318 if it passes. CALAFCO, the League of California Cities, and the California Special Districts Association have taken positions to oppose the bill. They anticipate major problems and side effects, such as:

- a. Cities and districts that are ready to provide services to a disadvantaged area on one side of their jurisdiction backing out because they are not ready to solve the sewer and water problems for all other disadvantaged areas around the perimeter of the jurisdiction.
- b. Cities and districts would apply to LAFCO to shrink their spheres of influence away from any disadvantaged community solely so that the bill doesn't apply them.
- c. The bill would increase the review time and costs when preparing service reviews and spheres of influence, and could outweigh other policies (agricultural land preservation, orderly growth, efficient services, etc.).
- d. Non-disadvantaged areas, with only slightly higher household incomes than disadvantaged areas, within a city's or district's sphere of influence would be delayed or denied services until all adjacent disadvantaged unincorporated communities were served or agreements were in place.

The drought has highlighted the problems of many poor communities in California lacking adequate water and sanitation systems. The sponsor of the bill is clearly concerned that the current State law and practices are not effecting service improvements fast enough. There are several high-profile communities in the Central Valley in which the State has made financial assistance available and local political roadblocks have appeared to delay service improvements.

In the last decade, the State has passed a series of laws regarding disadvantaged communities. It may be desirable for the State to pass additional laws, both carrots and sticks, to accelerate the provision of adequate water and sanitation to underserved poor communities. While the bill currently would have limited applicability to Santa Cruz County, it would set up a series of issues throughout the State. The bill could create more problems, centered at the core work of the 58 LAFCOs, than problems it solves. Therefore, staff recommends that the Commission take a position in opposition to SB

1318 and direct the staff to communicate that position to the Legislature, while encouraging the State to develop other incentives and penalties to accelerate provision of adequate water and sanitation services to disadvantaged communities.

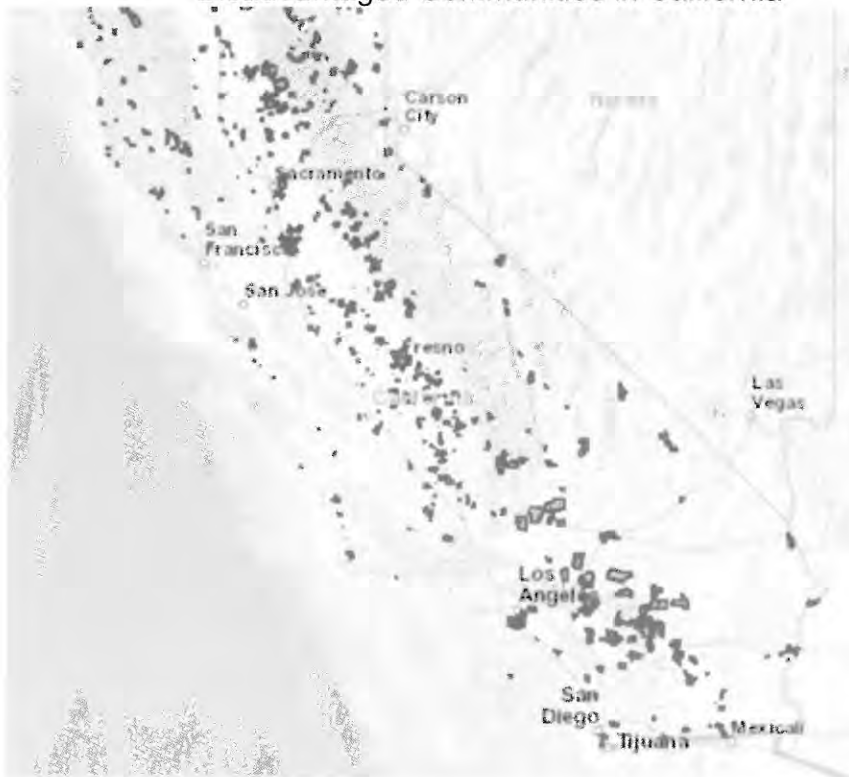
John Leopold serves as CALAFCO Board Chair and on the CALAFCO Legislative Committee. He may wish to provide the commission with an oral report concerning active legislation.

cc: City of Watsonville, City Manager
Freedom County Sanitation District, District Engineer

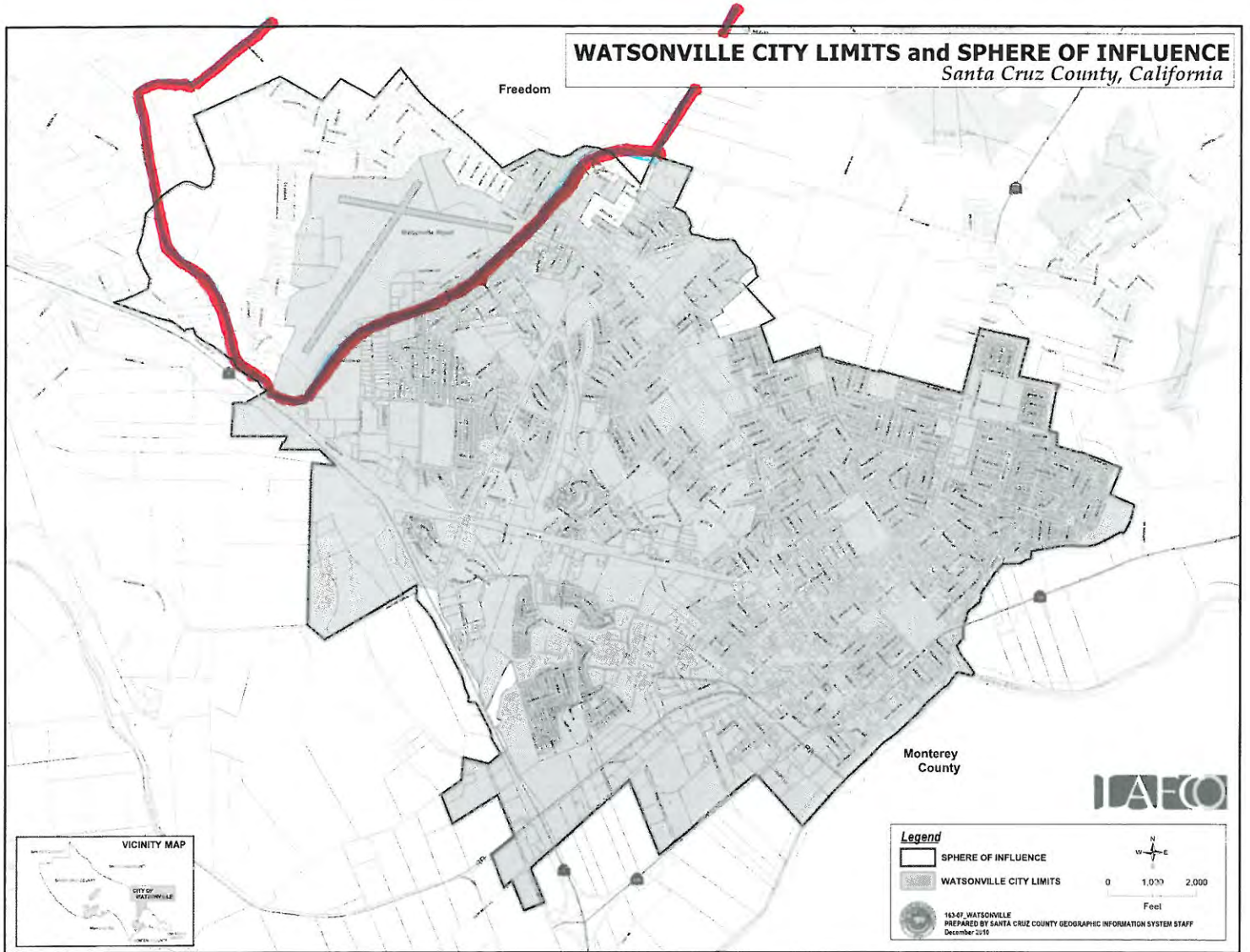
Attachments:

Tracking Sheet
Text of SB1318
CALAFCO Letter of Opposition
CSDA Letter of Opposition

Disadvantaged Communities in California

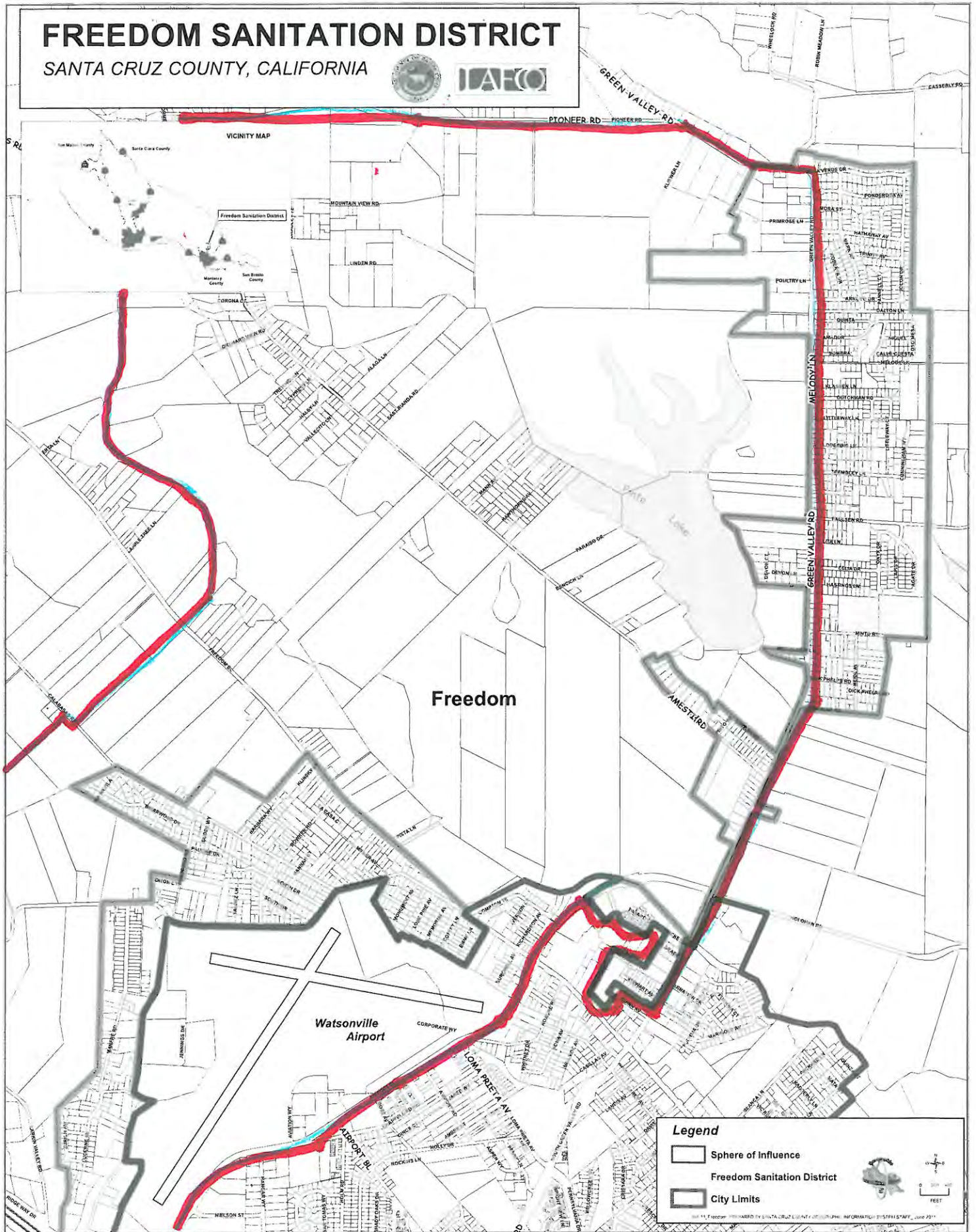


Link: <http://arcg.is/1UHHpqq>



FREEDOM SANITATION DISTRICT

SANTA CRUZ COUNTY, CALIFORNIA



LAFCO Bills
March 25, 2016

BILL	AUTHOR	SUMMARY Assembly Bills	STATUS
AB 115	Assem. Bud. Com.	<u>Water</u> Among many provisions, this bill would authorize the State Water Resources Control Board to order consolidation of public water systems involving a disadvantaged community. This authority includes the extension of service to areas that do not have safe drinking water. These processes would be separate from changes of organization reviewed by LAFCOs. CALAFCO Position: Oppose	Inactive
AB 448	Brown	<u>Vehicle License Fees</u> This bill would reinstate property tax payments, in lieu of vehicle license fee subventions, to recently incorporated cities and areas annexed by cities since 2004. CALAFCO Position: Support	Passed Assembly, In Sen. Appropriations Committee
AB 1707	Linder	<u>Public Records Response</u> This bill would expand the extent of an agency's response to a public records act request.	In Assembly Judiciary Committee
AB 2032	Linder	<u>Disincorporations</u> This bill would make changes to modernize the city disincorporation process. It follows AB 851 (Mayes) of 2015 concerning the same subject. CALAFCO Position: Oppose	In Assembly Local Government Committee
AB 2257	Maienchin	<u>Agenda Notice</u> This bill would the online notice of an agency's meeting to have a prominent link to the agenda.	In Assembly Local Government Com.
AB 2277	Melendez	<u>Vehicle License Fees</u> Similar to AB 448, this bill would reinstate vehicle license fee subventions to cities incorporated after 2004. CALAFCO Position: Support	In Assembly Local Government Committee
AB 2414	Garcia	<u>Desert Healthcare District</u> This bill would require the Riverside County Board of Supervisors to apply to LAFCO to annex the eastern Coachella Valley to the Desert Healthcare District, and requires LAFCO to approve the application.	In Assembly Local Government Committee

LAFCO Bills
March 25, 2016

AB 2471	Quirk	<u><i>Health Care Districts</i></u> This bill would allow LAFCOs to authorize the dissolution of health care districts without holding an election. There are no health care districts in Santa Cruz County.	In Assembly Local Gov. Committee
AB 2853	Gatto	<u><i>Public Records</i></u> This bill would expand the definition of public records to include any information relating to an agency's business on a board member's or a staff member's private cell phone.	In Assembly Judiciary Committee
AB 2910	Assem. Local Gov. Com.	<u><i>LAFCO Law Omnibus Bill</i></u> This will would make a series of tecgnical, non-controversial changes to the LAFCO law. CALAFCO Position: Sponsor	At Assembly Desk
Senate Bills			
SB 552	Wolk	<u><i>Ordering Water System Consolidations</i></u> This bill would allow a mobilehome park to be treated as a disadvantaged community under the new consolidation authorities granted to the State Water Resources Control Board.	Passed Senate and failed to pass Assembly Policy Committee in 2015
SB 817	Roth	<u><i>Vehicle License Fees</i></u> Similar to AB 448 and AB 2277, this bill would restore property taxes, in lieu of vehicle license fees, to cities incorporated after 2004. CALAFCO Position: Support	March 30 hearing at Senate Government and Finance Committee
SB 974	Sen. Gov. & Finance Com.	<u><i>Local Government Omnibus Bill</i></u> This bill is the annual omnibus bill that makes a series of minor non-controversial changes to the laws regarding local governments. To date, no provisions directly affect LAFCOs.	In Senate Government and Finance Committee

SB 1262 Pavley	<u>Water Supply Planning</u> This bill would interlink local water planning processes and documents. It would require that, if a project is subject to the California Environmental Quality Act, that the lead agency include information in the environmental review document if the water source quality does not meet state drinking water standards.	In Senate Government and Finance Committee, and Nat. Res. and Water Committee, March 29 hearing
SB 1266 McGuire	<u>Joint Power Authorities</u> Sponsored by the CALAFCO, this bill would require joint powers authorities to inform LAFCOs when they are formed. CALAFCO POSITION: SUPPORT	In Senate Government and Finance Committee
SB 1292 Jeff Stone	<u>Grand Jury Reports</u> Sponsored by the California Special Districts Association, this bill would require that grand jury reports to be provided to public agencies before release, and for the agency's comments to be included in the reports when they are released to the public.	April 12 hearing at Senate Public Safety Committee
SB 1318 Wolk	<u>Local Agencies and Water Infrastructure</u> This bill would prohibit LAFCOs from approving a city's or district's annexation or extension of sewer or water services until the city has agreed to serve all the disadvantaged communities within or adjacent to its sphere of influence. CALAFCO Position: Oppose	March 30 hearing at Senate Government and Finance Committee



California
LEGISLATIVE INFORMATION

SB-1318 Local government: drinking water infrastructure or services: wastewater infrastructure or services.
(2015-2016)

CALIFORNIA LEGISLATURE— 2015–2016 REGULAR SESSION

SENATE BILL

No. 1318

Introduced by Senator Wolk

February 19, 2016

An act to amend Sections 56133, 56133.5, 56375, 56425, and 56430 of the Government Code, relating to local government.

LEGISLATIVE COUNSEL'S DIGEST

SB 1318, as introduced, Wolk. Local government: drinking water infrastructure or services: wastewater infrastructure or services.

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 governs the procedures for the formation and change of organization of cities and special districts.

Existing law authorizes a city or district to provide new or extended services by contract or agreement outside its jurisdictional boundaries only if the city or district requests and receives permission to do so from the local agency formation commission in the affected county. Under existing law, the commission may authorize a city or district to provide new or extended services outside both its jurisdictional boundaries and its sphere of influence under specified circumstances.

This bill would prohibit the commission from authorizing a city or a district to extend drinking water infrastructure or services or wastewater infrastructure or services until it has extended those services to all disadvantaged communities within or adjacent to its sphere of influence, as specified, or has entered into an agreement to extend those services to those disadvantaged communities, unless specified conditions are met. The bill would prohibit the commission from approving a sphere of influence update where there exists a disadvantaged unincorporated community within or adjacent to the city or special district's sphere of influence that lacks safe drinking water infrastructure or services or adequate wastewater infrastructure or services unless specified conditions are met.

Existing law establishes a pilot program for the Napa and San Bernardino local agency formation commissions that permits those commissions to authorize a city or district to provide new or extended services outside both its jurisdictional boundaries and its sphere of influence under specified circumstances.

This bill would prohibit those commissions from authorizing a city or a district to extend drinking water infrastructure or services or wastewater infrastructure or services until it has extended services to all disadvantaged communities within or adjacent to its sphere of influence, as specified, or has entered into an

agreement to extend those services to those disadvantaged communities.

Existing law, except as otherwise provided, prohibits a local agency formation commission from approving an annexation to a city of any territory greater than 10 acres, or as determined by commission policy, where there exists a disadvantaged unincorporated community, as specified, unless an application to annex the disadvantaged unincorporated community to the subject city has been filed with the executive officer.

This bill would extend that prohibition to the annexation to a qualified special district. The bill would additionally prohibit a commission from approving an annexation to a city or qualified special district of any territory greater than 10 acres, or as determined by commission policy, where there exists a disadvantaged unincorporated community within or adjacent to the sphere of influence of a city or qualified special district that lacks safe drinking water infrastructure or services or adequate wastewater infrastructure or services, unless the city or special district has entered into an enforceable agreement to extend those services into the disadvantaged community or communities, as specified. The bill would define "qualified special district" to mean a special district with more than 500 service connections.

Existing law requires a local agency formation commission to develop and determine the sphere of influence of each city and each special district within the county and to enact policies designed to promote the logical and orderly development of areas within the sphere. Existing law authorizes the commission, in determining a sphere of influence, to assess the feasibility of governmental reorganization of particular agencies and recommend reorganization of those agencies, as provided.

This bill would instead require the commission to assess the feasibility of governmental reorganization of particular agencies and recommend reorganization of those agencies. The bill would prohibit a commission from approving a sphere of influence update that removes a disadvantaged community from a city's sphere of influence unless a majority of the voters in the disadvantaged community approve of the proposed sphere of influence.

Existing law requires a commission, in preparing and updating spheres of influence, to conduct a service review of the municipal services provided in the county or other area designated by the commission. Existing law authorizes the commission, in conducting the review, to assess various alternatives for improving efficiency and affordability of infrastructure and service delivery, as specified, and to include a review of whether the agencies under review are in compliance with the California Safe Drinking Water Act.

This bill would instead require the commission to make the assessment of alternative and to include the safe drinking water review described above.

By imposing new duties on local government officials, this bill would impose a state-mandate local program.

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

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

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

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

SECTION 1. 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 outside its 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 jurisdictional 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 extended services outside its jurisdictional boundary and outside its sphere of influence to respond to an existing or impending threat to the health or safety of the public or the residents of the affected territory, if both of the following requirements are met:

(1) The entity applying for approval has provided the commission with documentation of a threat to 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 defined in Section 241 of the Public Utilities Code, that has filed a map and a statement of its service capabilities with the commission.

(d) The commission shall not authorize a city or a district to extend drinking water infrastructure or services or wastewater infrastructure or services pursuant to this section until it has extended those services to all disadvantaged communities within or adjacent to its sphere of influence that are facing existing or impending threats to the public health or safety or has entered into an agreement to extend those services to those disadvantaged communities that are facing existing or impending threats to the public health or safety, unless either of the following conditions are met:

(1) The commission finds, based upon written evidence, that a majority of the residents of the affected disadvantaged community or communities are opposed to receiving the identified service or services.

(2) The extension of services is authorized pursuant to subdivision (c).

~~(d)~~

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

~~(e)~~

(f) 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 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 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, incidental residential structures, for projects that serve conservation purposes or that directly support agricultural industries. However, prior to extending surplus water service to any project that will support or induce development, the city 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, providing electric services that do not involve the acquisition, construction, or installation of electric distribution facilities by the local publicly owned electric utility, outside of the utility's jurisdictional boundary.

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

~~(f)~~

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

(h) The commission shall not approve a sphere of influence update where there exists a disadvantaged unincorporated community within or adjacent to the city or special district's sphere of influence that lacks safe drinking water infrastructure or services or adequate wastewater infrastructure or services unless the city or special district has entered into an enforceable agreement to extend those services into the disadvantaged community or communities within five years of the sphere of influence change or the commission finds, based

upon written evidence, that a majority of the residents of the affected disadvantaged community or communities are opposed to receiving the identified service or services.

SEC. 2. Section 56133.5 of the Government Code is amended to read:

56133.5. (a) A pilot program is hereby established for the Napa and San Bernardino commissions. If consistent with adopted policy, the Napa and San Bernardino commissions may authorize a city or district to provide new or extended services outside its jurisdictional boundary and outside its sphere of influence to support existing or planned uses involving public or private properties, subject to approval at a noticed public hearing in which the commission makes all of the following determinations:

(1) The extension of service or services deficiency was identified and evaluated in a review of municipal services prepared pursuant to Section 56430.

(2) The extension of service will not result in either (1) adverse impacts on open space or agricultural lands or (2) growth inducing impacts.

(3) A sphere of influence change involving the subject territory and its affected agency is not feasible under this division or desirable based on the adopted policies of the commission.

(b) Subdivision (d) of Section 56133 shall apply to any request for new or extended services pursuant to this section.

(c) The Napa and San Bernardino commissions shall not authorize a city or a district to extend drinking water infrastructure or services or wastewater infrastructure or services pursuant to this section until it has extended those services to all disadvantaged communities within or adjacent to its sphere of influence that are facing existing or impending threats to the public health or safety or has entered into an agreement to extend those services to those disadvantaged communities that are facing existing or impending threats to public health or safety.

{e}

(d) For purposes of this section, "planned use" means any project that is included in an approved specific plan as of July 1, 2015.

{d}

(e) The Napa and San Bernardino commissions shall submit a report before January 1, 2020, to the Legislature on their participation in the pilot program, including how many requests for extension of services were received pursuant to this section and the action by the commission to approve, disapprove, or approve with conditions. The report required to be submitted pursuant to this subdivision shall be submitted in compliance with Section 9795 of the Government Code.

{e}

(f) The pilot program established pursuant to this section shall be consistent with Chapter 8.5 (commencing with Section 1501) of the Public Utilities Code.

{f}

(g) This section shall remain in effect only until January 1, 2021, and as of that date is repealed.

SEC. 3. Section 56375 of the Government Code is amended to read:

56375. The commission shall have all of the following powers and duties subject to any limitations upon its jurisdiction set forth in this part:

(a) (1) To review and approve with or without amendment, wholly, partially, or conditionally, or disapprove proposals for changes of organization or reorganization, consistent with written policies, procedures, and guidelines adopted by the commission.

(2) The commission may initiate proposals by resolution of application for any of the following:

(A) The consolidation of a district, as defined in Section 56036.

(B) The dissolution of a district.

(C) A merger.

(D) The establishment of a subsidiary district.

(E) The formation of a new district or districts.

(F) A reorganization that includes any of the changes specified in subparagraph (A), (B), (C), (D), or (E).

(3) A commission may initiate a proposal described in paragraph (2) only if that change of organization or reorganization is consistent with a recommendation or conclusion of a study prepared pursuant to Section 56378, 56425, or 56430, and the commission makes the determinations specified in subdivision (b) of Section 56881.

(4) A commission shall not disapprove an annexation to a city, initiated by resolution, of contiguous territory that the commission finds is any of the following:

(A) Surrounded or substantially surrounded by the city to which the annexation is proposed or by that city and a county boundary or the Pacific Ocean if the territory to be annexed is substantially developed or developing, is not prime agricultural land as defined in Section 56064, is designated for urban growth by the general plan of the annexing city, and is not within the sphere of influence of another city.

(B) Located within an urban service area that has been delineated and adopted by a commission, which is not prime agricultural land, as defined by Section 56064, and is designated for urban growth by the general plan of the annexing city.

(C) An annexation or reorganization of unincorporated islands meeting the requirements of Section 56375.3.

(5) As a condition to the annexation of an area that is surrounded, or substantially surrounded, by the city to which the annexation is proposed, the commission may require, where consistent with the purposes of this division, that the annexation include the entire island of surrounded, or substantially surrounded, territory.

(6) A commission shall not impose any conditions that would directly regulate land use density or intensity, property development, or subdivision requirements.

(7) The decision of the commission with regard to a proposal to annex territory to a city shall be based upon the general plan and rezoning of the city. When the development purposes are not made known to the annexing city, the annexation shall be reviewed on the basis of the adopted plans and policies of the annexing city or county. A commission shall require, as a condition to annexation, that a city prezone the territory to be annexed or present evidence satisfactory to the commission that the existing development entitlements on the territory are vested or are already at build-out, and are consistent with the city's general plan. However, the commission shall not specify how, or in what manner, the territory shall be rezoned.

(8) (A) Except for those changes of organization or reorganization authorized under Section 56375.3, and except as provided by subparagraph (B), a commission shall not approve an annexation to a city *or to a qualified special district* of any territory greater than 10 acres, or as determined by commission policy, where ~~there exists a~~ *either of the following exists*:

(i) (I) A disadvantaged unincorporated community that is contiguous to the area of proposed annexation, unless an application to annex the disadvantaged unincorporated community to the subject city has been filed with the executive officer.

~~(B)~~

(II) An application to annex a contiguous disadvantaged community shall not be required if either of the following apply:

~~(i)~~

(ia) A prior application for annexation of the same disadvantaged community has been made in the preceding five years.

~~(ii)~~

(ib) The commission finds, based upon written evidence, that a majority of the registered voters within the

affected territory disadvantaged community are opposed to annexation.

(ii) A disadvantaged unincorporated community within or adjacent to the sphere of influence of a city or qualified special district that lacks safe drinking water infrastructure or services or adequate wastewater infrastructure or services unless the city or qualified special district has entered into an enforceable agreement to extend those services into the disadvantaged community or communities within five years of the completion of the annexation.

(B) For purposes of this paragraph, "a qualified special district" means a special district with more than 500 service connections.

(b) With regard to a proposal for annexation or detachment of territory to, or from, a city or district or with regard to a proposal for reorganization that includes annexation or detachment, to determine whether territory proposed for annexation or detachment, as described in its resolution approving the annexation, detachment, or reorganization, is inhabited or uninhabited.

(c) With regard to a proposal for consolidation of two or more cities or districts, to determine which city or district shall be the consolidated successor city or district.

(d) To approve the annexation of unincorporated, noncontiguous territory, subject to the limitations of Section 56742, located in the same county as that in which the city is located, and that is owned by a city and used for municipal purposes and to authorize the annexation of the territory without notice and hearing.

(e) To approve the annexation of unincorporated territory consistent with the planned and probable use of the property based upon the review of general plan and rezoning designations. No subsequent change may be made to the general plan for the annexed territory or zoning that is not in conformance to the rezoning designations for a period of two years after the completion of the annexation, unless the legislative body for the city makes a finding at a public hearing that a substantial change has occurred in circumstances that necessitate a departure from the rezoning in the application to the commission.

(f) With respect to the incorporation of a new city or the formation of a new special district, to determine the number of registered voters residing within the proposed city or special district or, for a landowner-voter special district, the number of owners of land and the assessed value of their land within the territory proposed to be included in the new special district. The number of registered voters shall be calculated as of the time of the last report of voter registration by the county elections official to the Secretary of State prior to the date the first signature was affixed to the petition. The executive officer shall notify the petitioners of the number of registered voters resulting from this calculation. The assessed value of the land within the territory proposed to be included in a new landowner-voter special district shall be calculated as shown on the last equalized assessment roll.

(g) To adopt written procedures for the evaluation of proposals, including written definitions consistent with existing state law. The commission may adopt standards for any of the factors enumerated in Section 56668. Any standards adopted by the commission shall be written.

(h) To adopt standards and procedures for the evaluation of service plans submitted pursuant to Section 56653 and the initiation of a change of organization or reorganization pursuant to subdivision (a).

(i) To make and enforce regulations for the orderly and fair conduct of hearings by the commission.

(j) To incur usual and necessary expenses for the accomplishment of its functions.

(k) To appoint and assign staff personnel and to employ or contract for professional or consulting services to carry out and effect the functions of the commission.

(l) To review the boundaries of the territory involved in any proposal with respect to the definiteness and certainty of those boundaries, the nonconformance of proposed boundaries with lines of assessment or ownership, and other similar matters affecting the proposed boundaries.

(m) To waive the restrictions of Section 56744 if it finds that the application of the restrictions would be detrimental to the orderly development of the community and that the area that would be enclosed by the annexation or incorporation is so located that it cannot reasonably be annexed to another city or incorporated as a new city.

(n) To waive the application of Section 22613 of the Streets and Highways Code if it finds the application would

deprive an area of a service needed to ensure the health, safety, or welfare of the residents of the area and if it finds that the waiver would not affect the ability of a city to provide any service. However, within 60 days of the inclusion of the territory within the city, the legislative body may adopt a resolution nullifying the waiver.

(o) If the proposal includes the incorporation of a city, as defined in Section 56043, or the formation of a district, as defined in Section 2215 of the Revenue and Taxation Code, the commission shall determine the property tax revenue to be exchanged by the affected local agencies pursuant to Section 56810.

(p) To authorize a city or district to provide new or extended services outside its jurisdictional boundaries pursuant to Section 56133.

(q) To enter into an agreement with the commission for an adjoining county for the purpose of determining procedures for the consideration of proposals that may affect the adjoining county or where the jurisdiction of an affected agency crosses the boundary of the adjoining county.

(r) To approve with or without amendment, wholly, partially, or conditionally, or disapprove pursuant to this section the annexation of territory served by a mutual water company formed pursuant to Part 7 (commencing with Section 14300) of Division 3 of Title 1 of the Corporations Code that operates a public water system to a city or special district. Any annexation approved in accordance with this subdivision shall be subject to the state and federal constitutional prohibitions against the taking of private property without the payment of just compensation. This subdivision shall not impair the authority of a public agency or public utility to exercise eminent domain authority.

SEC. 4. Section 56425 of the Government Code is amended to read:

56425. (a) In order to carry out its purposes and responsibilities for planning and shaping the logical and orderly development and coordination of local governmental agencies subject to the jurisdiction of the commission to advantageously provide for the present and future needs of the county and its communities, the commission shall develop and determine the sphere of influence of each city and each special district, as defined by Section 56036, within the county and enact policies designed to promote the logical and orderly development of areas within *or adjacent to* the sphere.

(b) Prior to a city submitting an application to the commission to update its sphere of influence, representatives from the city and representatives from the county shall meet to discuss the proposed new boundaries of the sphere and explore methods to reach agreement on development standards and planning and zoning requirements within the sphere to ensure that development within the sphere occurs in a manner that reflects the concerns of the affected city and is accomplished in a manner that promotes the logical and orderly development of areas within the sphere. If an agreement is reached between the city and county, the city shall forward the agreement in writing to the commission, along with the application to update the sphere of influence. The commission shall consider and adopt a sphere of influence for the city consistent with the policies adopted by the commission pursuant to this section, and the commission shall give great weight to the agreement to the extent that it is consistent with commission policies in its final determination of the city sphere.

(c) If the commission's final determination is consistent with the agreement reached between the city and county pursuant to subdivision (b), the agreement shall be adopted by both the city and county after a noticed public hearing. Once the agreement has been adopted by the affected local agencies and their respective general plans reflect that agreement, then any development approved by the county within the sphere shall be consistent with the terms of that agreement.

(d) If no agreement is reached pursuant to subdivision (b), the application may be submitted to the commission and the commission shall consider a sphere of influence for the city consistent with the policies adopted by the commission pursuant to this section.

(e) In determining the sphere of influence of each local agency, the commission shall consider and prepare a written statement of its determinations with respect to each of the following:

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

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

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

(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.

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

(f) Upon determination of a sphere of influence, the commission shall adopt that sphere.

(g) On or before January 1, 2008, and every five years thereafter, the commission shall, as necessary, review and update each sphere of influence.

(h) In determining a sphere of influence, the commission ~~may~~ *shall* assess the feasibility of governmental reorganization of particular agencies and recommend reorganization of those agencies when reorganization is found to be feasible and if reorganization will further the goals of orderly development and efficient and affordable service delivery. The commission shall make all reasonable efforts to ensure wide public dissemination of the recommendations.

(i) When adopting, amending, or updating a sphere of influence for a special district, the commission shall establish the nature, location, and extent of any functions or classes of services provided by existing districts.

(j) When adopting, amending, or updating a sphere of influence for a special district, the commission may require existing districts to file written statements with the commission specifying the functions or classes of services provided by those districts.

(k) The commission shall not approve a sphere of influence update that removes a disadvantaged community from a city's sphere of influence unless a majority of the voters in the disadvantaged community approve of the proposed sphere of influence.

SEC. 5. Section 56430 of the Government Code is amended to read:

56430. (a) In order to prepare and to update spheres of influence in accordance with Section 56425, the commission shall conduct a service review of the municipal services provided in the county or other appropriate area designated by the commission. The commission shall include in the area designated for service review the county, the region, the subregion, or any other geographic area as is appropriate for an analysis of the service or services to be reviewed, and shall prepare a written statement of its determinations with respect to each of the following:

(1) Growth and population projections for the affected area.

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

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

(4) Financial ability of agencies to provide services.

(5) Status of, and opportunities for, shared facilities.

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

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

(b) In conducting a service review, the commission shall comprehensively review all of the agencies that provide the identified service or services within the designated geographic area. The commission ~~may~~ *shall* assess various alternatives for improving efficiency and affordability of infrastructure and service delivery within and contiguous to the sphere of influence, including, but not limited to, the consolidation of governmental agencies, ~~agencies or the extension of services, or both.~~

(c) In conducting a service review, the commission ~~may~~ *shall* include a review of whether the agencies under review, including any public water system as defined in Section 116275, are in compliance with the California Safe Drinking Water Act (Chapter 4 (commencing with Section 116270) of Part 12 of Division 104 of the Health

and Safety Code). A public water system may satisfy any request for information as to compliance with that act by submission of the consumer confidence or water quality report prepared by the public water system as provided by Section 116470 of the Health and Safety Code.

(d) The commission may request information, as part of a service review under this section, from identified public or private entities that provide wholesale or retail supply of drinking water, including mutual water companies formed pursuant to Part 7 (commencing with Section 14300) of Division 3 of Title 1 of the Corporations Code, and private utilities, as defined in Section 1502 of the Public Utilities Code.

(e) The commission shall conduct a service review before, or in conjunction with, but no later than the time it is considering an action to establish a sphere of influence in accordance with Section 56425 or 56426.5 or to update a sphere of influence pursuant to Section 56425.

SEC. 6. If the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.

18 March 2016

Senator Lois Wolk
California State Senate
State Capitol Room 5114
Sacramento, CA 95814

RE: **OPPOSITION TO SB 1318**

Dear Senator Wolk:

The California Association of Local Agency Formation Commissions (CALAFCO) regretfully must oppose your bill SB 1318. Local Agency Formation Commissions (LAFcos) are aware of and concerned about the disparity of local public services, especially for residents and properties located within disadvantaged unincorporated communities (DUCs). All Californians deserve adequate and safe drinking water and wastewater facilities. CALAFCO supports your ongoing efforts to address these problems, which persist in many counties, and would like to partner with you to find the appropriate solutions.

Our primary concern is that the outcome of this legislation does not result in any changes to community services or facilities, or address the root causes of the lack of acceptable drinking water and wastewater facilities to these communities. We've shared our concerns with your staff and the bill's sponsor, and offer our comments below. While these comments address only the primary concerns, additional concerns exist.

Specific primary concerns include:

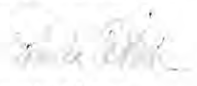
1. **Creates a Significant Unfunded Mandate to LAFco and Local Agencies.** The studies, analysis and preparation of recommendations regarding underserved disadvantaged communities that would be required imposes an unfunded mandate on all LAFcos. By law LAFco is forced to pass those costs on to cities, counties – and in 30 counties – special districts which fund the commissions. In these challenging economic times for local agencies this is a difficult proposition. LAFcos have no other revenue source to fund the required studies. With limited staff, many of these studies will require outside consultants at an added cost.
2. **Studies Outside of a Sphere.** The legislation would require LAFcos, for the first time, to study territory outside of an agency's sphere of influence (sphere). This is a significant new requirement and costly study process. The term "adjacent" is undefined and since these communities have no boundary it is impossible to know what constitutes "adjacent."
3. **Studies of Non-Public Agencies.** The legislation would also require LAFcos, for the first time, to identify the level of water and wastewater services provided by public or private utilities and mutual water companies that serve disadvantaged communities and DUCs. LAFco has no authority over these entities, and would be prohibited from allowing an extension of service from a city or public agency within or adjacent to a sphere for influence if a private company, public or private utility or mutual water company provided unsafe drinking water or inadequate wastewater infrastructure or services within or adjacent to the same sphere of influence. While LAFcos support efficient delivery of public services to all residents, the Legislature has not granted LAFco the authority to regulate or approve service extensions of the non-public service providers included in this legislation. This will surely lead to confusion, potential conflict and likely litigation.

4. **Precedent-setting Change in Final Authority of Spheres.** The bill changes existing law by removing from LAFCo authority the final sphere approval and instead puts that authority in the hands of the voters. This is in direct conflict with the existing definition of a sphere. The legislature has established a framework that gives voters and landowners the final say in changes of jurisdiction. Spheres are not jurisdictional changes; they are planning tools. Planning functions are not typically delegated to voters. In addition, the bill proposes an inconsistent use of the term "voters" and "residents", thereby creating confusion as to the intent.
5. **Removes LAFCo Discretion.** When considering a change of organization pursuant to Government Code Section 56133, LAFCo has the discretion to consider the unique local circumstances and conditions that exist. This is an important and basic construct within the legislatively stated purpose of LAFCos. This bill removes that discretion and authority.
6. **One size does not fit all.** We are concerned that the bill has unintended consequences in the ability to provide necessary services to an existing DUC. For example, if it is reasonable to extend services to a particular DUC but not to others, this bill prevents the extension of services to the area that can reasonably be serviced. The same is true for those areas currently contained within a city's sphere, where it may make better sense to have another service provider providing the service. In the latter case, the bill proposes an election, and we are concerned not only with the precedent-setting nature of a voter-approved sphere, but also the cost of the election. These changes are complicated by the fact the bill interchangeably uses the term "disadvantaged community" and "disadvantaged unincorporated community".
7. **Changes Governmental Reorganization Recommendations from May to Shall.** The amended language requires LAFCo to assess governmental reorganizations and non- governmental service provisions in all sphere determinations, rather than allowing commission discretion. This will add costly, time consuming and often wasted studies to every sphere review and can create unintended litigation issues. Current law allows LAFCo to determine those cases where a reorganization study may be appropriate to further the goals of orderly development as well as efficient and affordable service delivery. To require it in all cases creates costly, unnecessary studies.

CALAFCO remains committed to help find solutions to the disparities in service delivery to disadvantaged communities. We recognize, however, that simply changing the boundaries or spheres of local agencies does little to ensure adequate services are actually delivered. A major obstacle remains the infrastructure and operational funding for these services. We believe that addressing the needs of disadvantaged communities through the planning process and finding tools to support the infrastructure deficiencies remain a very important part of the solution.

To that end, we are happy to work with you and your staff on finding appropriate solutions to these challenges. Please contact us if we can answer any questions or be of assistance.

Yours sincerely,


Pamela Miller
Executive Director

Cc: Members, Senate Governance & Finance Committee
Anton Favorini-Csorba, Consultant, Senate Local Governance and Finance Committee
Ryan Eisberg, Consultant, Senate Republican Caucus

18 March 2016

Senator Lois Wolk
California State Senate
State Capitol Room 5114
Sacramento, CA 95814

RE: OPPOSITION TO SB 1318

Dear Senator Wolk:

The California Association of Local Agency Formation Commissions (CALAFCO) regretfully must oppose your bill SB 1318. Local Agency Formation Commissions (LAFcos) are aware of and concerned about the disparity of local public services, especially for residents and properties located within disadvantaged unincorporated communities (DUCs). All Californians deserve adequate and safe drinking water and wastewater facilities. CALAFCO supports your ongoing efforts to address these problems, which persist in many counties, and would like to partner with you to find the appropriate solutions.

Our primary concern is that the outcome of this legislation does not result in any changes to community services or facilities, or address the root causes of the lack of acceptable drinking water and wastewater facilities to these communities. We've shared our concerns with your staff and the bill's sponsor, and offer our comments below. While these comments address only the primary concerns, additional concerns exist.

Specific primary concerns include:


1. **Creates a Significant Unfunded Mandate to LAFco and Local Agencies.** The studies, analysis and preparation of recommendations regarding underserved disadvantaged communities that would be required imposes an unfunded mandate on all LAFcos. By law LAFco is forced to pass those costs on to cities, counties – and in 30 counties – special districts which fund the commissions. In these challenging economic times for local agencies this is a difficult proposition. LAFcos have no other revenue source to fund the required studies. With limited staff, many of these studies will require outside consultants at an added cost.
2. **Studies Outside of a Sphere.** The legislation would require LAFcos, for the first time, to study territory outside of an agency's sphere of influence (sphere). This is a significant new requirement and costly study process. The term "adjacent" is undefined and since these communities have no boundary it is impossible to know what constitutes "adjacent."
3. **Studies of Non-Public Agencies.** The legislation would also require LAFcos, for the first time, to identify the level of water and wastewater services provided by public or private utilities and mutual water companies that serve disadvantaged communities and DUCs. LAFco has no authority over these entities, and would be prohibited from allowing an extension of service from a city or public agency within or adjacent to a sphere for influence if a private company, public or private utility or mutual water company provided unsafe drinking water or inadequate wastewater infrastructure or services within or adjacent to the same sphere of influence. While LAFcos support efficient delivery of public services to all residents, the Legislature has not granted LAFco the authority to regulate or approve service extensions of the non-public service providers included in this legislation. This will surely lead to confusion, potential conflict and likely litigation.

4. **Precedent-setting Change in Final Authority of Spheres.** The bill changes existing law by removing from LAFCo authority the final sphere approval and instead puts that authority in the hands of the voters. This is in direct conflict with the existing definition of a sphere. The legislature has established a framework that gives voters and landowners the final say in changes of jurisdiction. Spheres are not jurisdictional changes; they are planning tools. Planning functions are not typically delegated to voters. In addition, the bill proposes an inconsistent use of the term "voters" and "residents", thereby creating confusion as to the intent.
5. **Removes LAFCo Discretion.** When considering a change of organization pursuant to Government Code Section 56133, LAFCo has the discretion to consider the unique local circumstances and conditions that exist. This is an important and basic construct within the legislatively stated purpose of LAFCos. This bill removes that discretion and authority.
6. **One size does not fit all.** We are concerned that the bill has unintended consequences in the ability to provide necessary services to an existing DUC. For example, if it is reasonable to extend services to a particular DUC but not to others, this bill prevents the extension of services to the area that can reasonably be serviced. The same is true for those areas currently contained within a city's sphere, where it may make better sense to have another service provider providing the service. In the latter case, the bill proposes an election, and we are concerned not only with the precedent-setting nature of a voter-approved sphere, but also the cost of the election. These changes are complicated by the fact the bill interchangeably uses the term "disadvantaged community" and "disadvantaged unincorporated community".
7. **Changes Governmental Reorganization Recommendations from May to Shall.** The amended language requires LAFCo to assess governmental reorganizations and non- governmental service provisions in all sphere determinations, rather than allowing commission discretion. This will add costly, time consuming and often wasted studies to every sphere review and can create unintended litigation issues. Current law allows LAFCo to determine those cases where a reorganization study may be appropriate to further the goals of orderly development as well as efficient and affordable service delivery. To require it in all cases creates costly, unnecessary studies.

CALAFCO remains committed to help find solutions to the disparities in service delivery to disadvantaged communities. We recognize, however, that simply changing the boundaries or spheres of local agencies does little to ensure adequate services are actually delivered. A major obstacle remains the infrastructure and operational funding for these services. We believe that addressing the needs of disadvantaged communities through the planning process and finding tools to support the infrastructure deficiencies remain a very important part of the solution.

To that end, we are happy to work with you and your staff on finding appropriate solutions to these challenges. Please contact us if we can answer any questions or be of assistance.

Yours sincerely,


Pamela Miller
Executive Director

Cc: Members, Senate Governance & Finance Committee
Anton Favorini-Csorba, Consultant, Senate Local Governance and Finance Committee
Ryan Eisberg, Consultant, Senate Republican Caucus



**California Special
Districts Association**
Districts Stronger Together

March 9, 2016

The Honorable Lois Wolk
California State Senate
State Capitol
Sacramento, CA 95814

Re: Senate Bill 885 (Wolk) – Oppose [As Introduced]

Dear Senator Wolk:

The California Special Districts Association (CSDA), representing over 1,000 special districts and affiliate organizations throughout the state, must respectfully oppose SB 885 related to contract indemnity. CSDA represents all types of special districts, which provide millions of Californians with essential local services such as fire protection, water, health care, sanitation, and parks and recreation.

SB 885 eliminates the ability of a public agency to contract with engineers and architects, known as design professionals, for upfront legal defense costs against claims related to a project's design work. When contracting with a design professional, public agencies often place a clause in the agreement requiring the design professional to legally defend the public agency if a claim or lawsuit directly related to the design services work is filed against the agency. This current practice fosters an environment of collaboration between the public agency and the design professional who both have the same incentive to resolve the lawsuit or claim.

This bill instead imposes a "one size fits all" constraint on contractual negotiations by prohibiting a public agency from requiring the design professional to defend a claim directly connected to the work of the design professional. Requiring the public agency to defend the actions of the design professional creates a "reimbursement only" process that results in the public agency defending the actions of the design professional and shouldering upfront all of the associated costs. The public agency would then have to seek reimbursement from the design professional, to the extent the design professional is found negligent, once the claim is fully litigated and a court or arbitrator renders a final decision. This process not only requires a public entity to front the costs for a private entity, it also creates conflict within the public-private partnership, effectually eliminating the incentive to work together towards a settlement, rather than the more costly process of litigation.

Requires Taxpayers to Defend Private Companies

SB 885 forces taxpayers and ratepayers to front the legal costs to defend the private sector, even for claims where the design professional is 100 percent at fault. The bill is currently crafted in a manner that would result in special districts and other local agencies covering the upfront legal costs of a dispute where the design professional has liability exposure and/or the design professional has some responsibility to defend. Instead of receiving an upfront defense, public agencies will have to first wait for a judgement by the court and then ask for reimbursement for the defense costs from the design professional. In these circumstances, which we fear will arise more often than not, the burden will be placed on the local agency to substantiate that the design professional must reimburse the local agency for their share of the legal costs, even when there is clearly a shared duty to defend.

The new process proposed by this bill will tie-up public dollars in the legal system until an official judgement is made. This will further increase the enormous backlog of deferred maintenance public agencies face and restrict investment in new infrastructure projects. It is well documented that California is in dire need of hundreds of billions of dollars in infrastructure investment, whether it be for water, roads, hospitals, or

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schools. This bill will have a major chilling effect on public improvements as state and local agencies become more vulnerable to litigation and are forced to devote scarce public resources to defending private entities.

Favors Litigation Over Negotiation

SB 885 *encourages* new litigation, rather than the current focus on resolution, and manufactures unnecessary conflict in public works projects. Because this bill would create a reimbursement only system that hinges upon an official adjudication, settling a lawsuit or claim would become an unviable option in most cases. Currently, it is common practice for all affected parties to come to the table and enter into a settlement, avoiding a long, drawn-out lawsuit that could cost all parties significant legal fees. This bill removes the incentive for settlement because design professionals would only be liable for defense costs after a full trial or arbitration process. In effect, this bill will force the public agency to side with the claimant against the design professional, rather than working with the design professional to disprove or settle the claim.

Restricts Contract Flexibility


Local agencies include indemnity agreements in contracts because they ultimately protect the taxpayer against expensive litigation costs, oftentimes litigation arising from circumstances in which the agency was not at fault. Parties to a contract should have the flexibility to tailor the requirements to meet the needs of the specific project, including the ability to allocate responsibilities as most appropriate. Long-standing practice when negotiating contract terms is to include indemnification provisions. SB 885 would stifle the flexibility inherent in current law and require public agencies to shoulder the burden of legal fees to protect private sector design professionals against claims that may result from inadequate plans and specifications.

Reverses Course on Previous Compromise

SB 885 seeks to reverse a unanimous 2008 California Supreme Court decision, *Crawford v Weathershield*, on an indemnification statute that has changed very little since 1872. The decision confirmed the ability of public agencies to place indemnification clauses in public works contracts that require the design professional to defend the public agency when a lawsuit directly related to the design services is filed. In 2010, SB 972 (Wolk) originally sought to overturn the court's decision, similar to SB 885. Ultimately, public agencies and the design professional community agreed to a compromise on this issue, creating Civil Code Section 2782.8. This code section protects design professionals from unreasonable liability requirements placed upon them by public agencies, while protecting taxpayers from defending lawsuits related to the work of design professionals. SB 885 moves well beyond 2010's compromise and would undo all previous negotiations.

In conclusion, SB 885 removes contract flexibility from special districts, while, in effect, transferring responsibility and risk for a project's design work from design professionals to the public. This will result in taxpayer dollars funding litigation related to the negligence of the design professionals, increasing the costs of public works projects, and limiting available resources for services and other infrastructure. For these reasons, CSDA respectfully opposes SB 885. Please do not hesitate to contact me if you have any questions regarding our position.

Sincerely,


Jimmy MacDonald
Legislative Representative

LAFCO denials leave property owners, city wondering what's next

Posted: Monday, March 14, 2016 4:48 pm

Morgan Hill's boundaries won't be expanding by more than 300 acres any time soon, after the Santa Clara County Local Agency Formation Commission voted March 11 to deny two annexation requests by city officials.

Following four hours of public comment and discussion, the seven-member commission voted 5-2 to deny the city's proposal to expand its Urban Service Area around 229 acres of farmland in the Southeast Quadrant (SEQ).

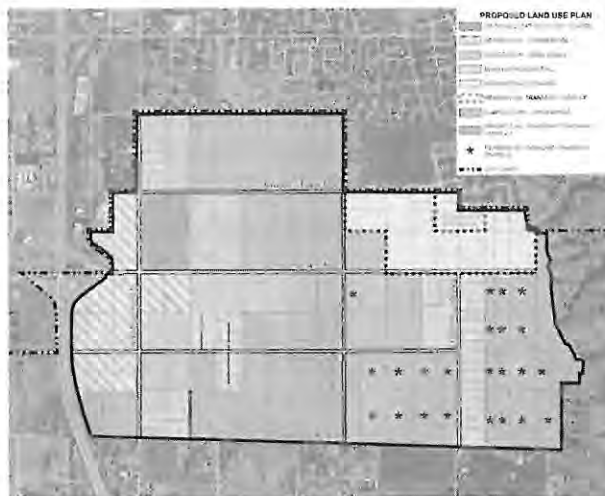
That motion followed a failed effort by three of the commissioners to annex only the 40-acre portion of the SEQ project that is tagged as the future site of the private St. John XXIII Catholic High School. Commissioner Johnny Khamis (San Jose City Councilmember) joined Commissioners Mike Wasserman (county supervisor) and Cat Tucker (Gilroy Councilmember) to support that partial annexation.

Only Wasserman and Tucker opposed the denial of the entirety of the SEQ plan—a motion made by Commissioner Susan Vicklund Wilson.

Ultimately, the majority of the commission agreed that the SEQ annexation would violate LAFCO's primary duties: to limit urban sprawl, encourage infill development in existing city boundaries and to preserve farmland and open space.

Although the LAFCO decision was not a complete surprise—the commission's staff issued a scathing report in February recommending denial of the city's proposals—the dismay among SEQ proponents was palpable in the county meeting chambers following the vote. City officials, farmers, SEQ property owners, youth sports advocates and the San Jose Diocese spoke in favor of the plan during the March 11 public comments.

"We are obviously disappointed that what's been a 10-year planning process has been denied in such



Proposed land use plan, Southeast Quadrant

This map, produced by the City of Morgan Hill, shows the proposed land uses in the 1,200-acre Southeast Quadrant.

a dismissing fashion,” City Councilmember Larry Carr said. “But that doesn’t mean Morgan Hill is going to stop trying to preserve agriculture. The landowners have hung in there for 10 years, and now a yet-to-be-defined county process is going to ask them to hang on longer.”

The county-led process Carr referred to is the Sustainable Agricultural Conservation Framework. The county and the Santa Clara Valley Open Space Authority received a \$100,000 grant last year to work on the framework, which would apply a regional effort to preserve prime farmland on urban edges throughout Santa Clara County—similar to the SEQ properties the city proposes developing into sports fields and related commercial uses (with a new Sports-Recreation-Leisure zoning).

The draft countywide framework won’t be complete until 2017, after which the county will compete for a share of \$40 million in public cap-and-trade funds to preserve farmland.

This countywide effort to preserve ag and the city’s ag mitigation plan in the SEQ have been seen by observers as competing interests leading up to the March 11 vote.

“It’s really troubling that the city has been at this for 10 years, and yet haven’t heeded the siren call of so many organizations and individuals” who have consistently pointed out the SEQ project’s shortfalls, Commissioner Linda LeZotte said at the March 11 meeting. “The city is part of a region and state that has an interest in preserving agriculture. There are a whole slew of things this project doesn’t conform to.”

LeZotte and other commissioners said the city’s boundary expansion request and proposed “conversion of prime farmland” are “premature.”

Added Commissioner Sequoia Hall, “I know (the city) is dedicated to a path of a sustainable living community, but I don’t think this plan gets us all the way there... We should be focusing on more regional cooperation, and get rid of this ‘doing it yourself’ mentality. This (SEQ) ag preservation plan is a little more ‘do it yourself.’”

And while most of the commissioners agreed there is a need for a new high school in South County, as well as more youth sports facilities in Morgan Hill, a motion by Wasserman to annex only the future Catholic high school property failed.

“I want to support the high school, I want to see ball fields, but they need to be aware of where they are going in the community,” Hall added. “Ball fields are commercial. The (proposed) SRL complex should be treated more commercially. Sports fields should be planned where the community is... You should not go outside your jurisdiction—rezone and be creative within your jurisdiction.”

City Manager Steve Rymer said in his 15-minute presentation on the SEQ plan that a key aspect of the project is to embrace the already growing reputation of Morgan Hill as a regional youth sports destination, and build more facilities that can achieve that goal. Last year, the city paid \$5.3 million to purchase 22 acres of farmland in the SEQ to build baseball/softball fields (next to the intersection

of Tennant Avenue and U.S. 101).

Development of these facilities in the 229-acre SRL district would finance agricultural preservation farther east in the SEQ with mitigation fees, which would be supplemented by up to \$6 million in the city's open space fund.

Although LAFCO staff and commissioners noted that the city has plenty of vacant land inside its city limits on which to build sports facilities, Rymer noted most of this land is commercial and industrial, and thus not suitable for such uses.

"We don't believe using our vacant commercial lands (for sports) is a responsible use of those lands moving forward," Rymer told the commission.

A total of 50 members of the public spoke during the March 11 public hearing before the commission voted on the SEQ proposal. Those opposed to the plan included environmental and open space advocates as well as interested residents.

Bible Church, mushroom farm annexation denied again

Not to be overlooked on the March 11 LAFCO agenda was another application by the city to expand the USA around about 70 acres in southwest Morgan Hill, south of Watsonville Road.

The commission voted 4-3 in favor of denying the request, with Wasserman, Tucker and Khamis opposed.

The annexation request of the area known as "Area 2" included Royal Oaks Mushrooms' property, Oakwood School, Morgan Hill Bible Church, adjacent residential properties, a strip mall and other remaining farmland.

The city wanted to expand the USA in order to make its borders more orderly, and bring in some of the properties to the USA that are already in the city limits, according to the city's application.

Owners of the Morgan Hill Bible Church property supported the annexation because they want to take advantage of nearby city services and infrastructure.

During commission discussion, Khamis said it is "almost ridiculous" to not allow the church to hook up to nearby sewer lines, which would eliminate their need to maintain a septic leach field on the property.

Royal Oaks owner Don Hordness plans to move his agricultural operation to another area and sell his Morgan Hill site for a 123-unit senior housing complex. He presented LAFCO with an executed agreement with the city to pay mitigation fees to permanently preserve an equal acreage of agricultural land elsewhere in town in exchange for building on top of his existing farmland.

"It should be stated this (agreement) is the first of its kind in the county," Hordness told the

commission. He added that the area surrounding the mushroom farm on Watsonville Road is no longer compatible with agriculture, with increasing traffic and the “odiferous effects” on growing residential neighborhoods and the K-12 school.

Carr said after the meeting that the commission’s vote on Area 2 was “even more shocking” than the denial of the SEQ plan. He added that LAFCO, county planning, the OSA and others keep telling the city that its agricultural mitigation plan is inadequate, but they have never specified exactly what is missing or how it could be improved.

In 2013, LAFCO considered an earlier request to annex the same properties. That request was denied because the city and Hordness did not have a plan to mitigate the loss of agriculture. Now that such a plan is in place, LAFCO staff and a majority of commissioners think it doesn’t do enough to preserve farmland.

Ballot problem stalls Lompico vote tally

WATER ASSESSMENT

Customer who didn't receive ballot asks for 45 days before new hearing

By Jondi Gumz

jgumz@santacruzsentinel.com @jondigumz on Twitter

LOMPICO >> Votes cast on a proposed \$2.9 million assessment for repairs and upgrades in the Lompico County Water District were not counted Wednesday night, to the surprise of 50 people who came to the Zayante fire station expecting results.

The outcome could lead to merging Lompico County Water District's 500 customers with San Lorenzo Valley Water District's 8,800 customers, which supporters see as a way to comply with increasingly strict state requirements.

Opponents say it's too expensive and not all the projects are needed. The cost for each Lompico hookup is \$5,867 to be paid over 10 years, which amounts to \$587 per year on property tax bills.

Wednesday was supposed to be a final hearing to question the Lompico board and San Lorenzo Valley Water District staff, Aptos civil engineer Michael Freitas, who developed the cost estimate, and Scott Ferguson of Jones Hall, a San Francisco law firm hired to help form the assessment district.

Instead, Lois Henry, the Lompico water board president, announced a vote-counting delay until May 4.

She found out about the ballot problem Tuesday.

A customer came in requesting a ballot because she had not received one. The district mailed ballots in January. Proposition 218 requires fee information be mailed to every property owner and a hearing be held at least 45 days after the mailing.

That customer could have waived the 45 days and voted. She did not, so another

hearing is set for May 4.

“The ballots are still good,” Henry said.

Sean Wharton, a former Lompico water board member, said, “This is driving people crazy.”

When he was treasurer 16 years ago, he saw 70 percent of revenue going for salaries and benefits, leaving little for upgrades.

“We don’t have enough money to do things we need to be doing,” said John Schneider, a current Lompico board member. “Proper maintenance hasn’t been done.”

Lompico’s water district has four employees, two are part-time, and keeping them is a challenge. Recently an employee left after three years for a job with the city of Santa Cruz, according to Henry.

The delay gives more people time to vote, and Henry said people can change their votes if they wish until the votes are counted May 4.

Chris St. Germain, the water district’s part-time secretary, said Thursday about 335 ballots were cast.

If a majority is in favor, the merger could take three to four weeks, according to Patrick McCormick of the Local Agency Formation Commission, noting details such as bank signature cards and office keys.

Wednesday night, Todd Russo, who set up a website against the assessment, asked Brian Lee, general manager of the San Lorenzo Valley Water District, if his district will supply water to Santa Cruz or Soquel Creek Water District.

There is no contract, Lee said, adding, “We have no intention of selling them water. Lompico doesn’t have excess water.”

A new intertie between San Lorenzo Valley and Scotts Valley “goes both ways” for emergencies, he said, noting the San Lorenzo Valley district owns 13 percent of Loch Lomond but has not accessed it due to drought.

Kathy Moyer asked, “If this doesn’t pass, is the Lompico Water District doomed to failure?”

Henry answered, “That’s up to the state.”

Groundwater law, winter rain trigger flood of aquifer-recharge experiments around California

By Emily Benson, ebenson@mercurynews.com

WATSONVILLE -- A historic 2014 law requiring water agencies across California to replenish the state's imperiled aquifers created a new problem: Many local officials just weren't sure how to do it.

But this winter's abundant rains are triggering a flood of experiments that have turned the state's agricultural regions into aquifer-recharge laboratories.

Farmers in Modesto inundated an almond orchard with the city's stormwater. Water managers in and around Fresno have more than 20 new groundwater recharge projects in the works. On the Central Coast, researchers in the Pajaro Valley are carefully designing percolation basins to capture rainfall before it gushes out into the Pacific.

"Groundwater has kind of been out of sight, out of mind for a long time," said UC Santa Cruz hydrologist Andy Fisher, who's leading the research team in the Pajaro Valley. "Suddenly it's on people's radar again."

Californians still don't know if this winter's rains will be enough to refill the state's reservoirs and bring an end to the historic drought. But one thing we do know is that even if Gov. Jerry Brown declares the dry spell over this spring, California's underground water woes will still be with us.

For decades, water has been sucked from aquifers faster than nature can replenish it -- and the drought has only intensified the thirst for groundwater. Scientists agree that it will be decades before a future governor can declare California's groundwater problems solved.

The state has designated 21 groundwater basins throughout the state "critically overdrafted." Most of them are in the Central Valley, but three basins on the Central Coast -- in the Pajaro, Soquel and Salinas valleys -- are also on the list.

California was the last Western state to regulate groundwater. And it took the state's most punishing drought ever to force the Legislature to finally act.

The Sustainable Groundwater Management Act requires local governments to come up with written plans by 2020 that ensure that basins are kept in balance. It aims to make overdrawn aquifers a relic of the past by 2040.

Overpumping groundwater can cause the overlying surface to sink. Last summer, sections of the San Joaquin Valley were collapsing by two inches a month, threatening roads, pipelines and canal linings.

In coastal locations, however, seawater intrusion is a bigger menace than land subsidence. The ocean has crept miles inland in parts of the Soquel, Pajaro and Salinas valleys, turning groundwater into unusable brine.

Fisher and his team got a jump on some colleagues working on recharge projects because they began monitoring one percolation basin in the Pajaro Valley in 2011, just as the drought began.

With Fisher's help, the owners of the property and the company farming the land teamed up to build a series of ditches to capture runoff, the water that collects and flows across the ground when it rains. The ditches direct that water into a sediment-settling pond; then a culvert funnels

it into a 2-acre infiltration basin. From there, the water drains through sandy soil to refresh the aquifer below.

Pressure sensors at key points track how much water flows into the basin, and a rain gauge -- its top ringed with prong-up plastic forks to keep birds away -- monitors precipitation. A digital camera mounted on the hillside takes a picture every few minutes to serve as a "gut check" that the flow and rain measurements reflect reality, said Fisher's graduate student Sarah Beganskas, a Ph.D. candidate in hydrology.

Recharging groundwater supplies with surface water isn't a new idea: The Santa Clara Valley Water District maintains 99 percolation ponds, which together total about 265 acres, according to district spokesman Marty Grimes.

Between 1915 and 1965, groundwater overdraft in the Santa Clara Valley led to about 13 feet of land subsidence in parts of San Jose. The district stopped the sinking by replenishing the aquifer below, and the groundwater level has largely rebounded since then.

The Santa Clara Valley district's percolation basins are fed partly by water from the state and federal water projects. The Pajaro Valley and its neighboring basins along Monterey Bay lack a connection to the project pipelines. They depend on other sources of water for groundwater recharge, like recycled wastewater or stormwater runoff.

Fisher and Beganskas are developing other percolation ponds in the Pajaro Valley. Based on maps of soil types and water runoff simulations, they estimate that the valley could support about a dozen sites like the one they're monitoring. Together, the researchers say, the sites could supply about 10 percent of the annual groundwater deficit in the Pajaro Valley.

They've also learned that how hard the rain falls affects how much water the basin collects. During drizzly showers, rain has time to soak back into the soil, then naturally filter down to the aquifer. But during heavy storms, precipitation rushes into rivers and to the ocean -- unless a stormwater collection system is there to catch it.

"During a big storm, that's when you're going to get the most bang for your buck," Beganskas said.

Roughly the same amount of rain fell during the winters of 2011-12 and 2013-14, for example, but in 2011-12 it was mostly light and moderate rain, while the winter two years later saw fewer but more severe storms. The experimental basin collected about 7½ times as much water in the latter year.

Last winter, the infiltration basin gathered more than 100 acre-feet of water, much of it during a single December storm. That's enough to supply 200 families with water for a year.

Months earlier, Fisher and Beganskas had calculated that a large downpour could overwhelm the final culvert leading into the basin, creating a flooding hazard. So acting on the researchers' recommendation, the farming company replaced the pipe with a larger one three months before the December deluge.

That may seem like an easy fix, but it's a crucial one -- and it was only possible because someone was keeping track of the rainfall and runoff data, Beganskas said.

Because of climate change, intense rainstorms may become more common along the Central Coast in the coming decades, said Howard Franklin, a senior hydrologist at the Monterey

County Water Resources Agency.

"We're going to see many more drought periods interspersed with extreme events," he said.

Those deluges could be a significant source of water in the Salinas and Soquel Valley groundwater basins, which are overdrawn by up to 28,000 acre-feet per year.

Small field projects such as the ones in the Pajaro Valley supply researchers with knowledge and data they can apply across different kinds of landscapes, as long as they take local conditions into account, said UC Davis groundwater hydrologist Thomas Harter.

"Andy's work has statewide implications and even beyond that," he said.

Fisher and Beganskas certainly hope so.

"You can't just dig a hole in the ground," Beganskas said. "You have to be smart about it."

Contact Emily Benson at 408-920-5764. Follow her at [Twitter.com/erbenson1](https://twitter.com/erbenson1)

