

LOCAL AGENCY FORMATION COMMISSION

701 Ocean St. #318D

Santa Cruz CA 95060

831-454-2055

website: [www.santacruzlafco.org](http://www.santacruzlafco.org)

email: [info@santacruzlafco.org](mailto:info@santacruzlafco.org)



LAFCO AGENDA

Wednesday, August 3, 2016

10:00 a.m.

Room 525

701 Ocean Street, Santa Cruz

1) ROLL CALL	PAGE
2) MINUTES	
a) May 4, 2016.....	4
3) ORAL COMMUNICATIONS	
a) Anyone may briefly address the Commission concerning items not on the agenda.	
4) PUBLIC HEARINGS	
a) Formation of Huckleberry Island County Service Area, LAFCO No. 957.....	12
(1) Time Extension	
b) Atkinson Lane / Pippin Apartments Extraterritorial Water and Sewer Service.....	21
from the City of Watsonville, LAFCO No. 952	
(1) Revision of Conditions for Approval	
(2) Correspondence between Watsonville City Manager and LAFCO Executive Officer	
c) Service and Sphere of Influence Reviews for Fire Districts.....	80
(1) Aptos / La Selva Fire Protection District	
(2) Aromas Tri-County Fire Protection District	
(3) Ben Lomond Fire Protection District	
(4) Boulder Creek Fire Protection District	
(5) Branciforte Fire Protection District	
(6) Central Fire Protection District	
(7) County Service Area 4, Pajaro Dunes Fire Protection	
(8) County Service Area 48, County Fire	
(9) Felton Fire Protection District	
(10) Pajaro Valley Fire Protection District	
(11) Scotts Valley Fire Protection District	
(12) Zayante Fire Protection District	

5) OTHER BUSINESS	PAGE
a) Request from City of Scotts Valley and Scotts Valley Water District.....	85
to Perform Service and Sphere Reviews	
b) Employment Policies.....	88
c) Appoint Personnel Committee.....	101
d) Legislation.....	103
e) Status of Proposals.....	107
f) CALAFCO Annual Conference and Business Meeting.....	108
6) PRESS ARTICLES	
<u>Opal Cliffs Recreation and Park District</u>	
a) June 27 <sup>th</sup> Sentinel article:	
Push to open Privates Beach near Pleasure Point divides residents.....	114
b) July 13 <sup>th</sup> Sentinel article:	
Privates Beach fence to remain.....	117
c) July 14 <sup>th</sup> Sentinel article:	
Privates Beach visitors now charged \$5 daily.....	120
d) July 20 <sup>th</sup> Pajaronian article:	
Neighbors battling to keep beach gated.....	123
<u>Lompico Water</u>	
e) May 6 <sup>th</sup> Sentinel article:	
Lompico votes for water merger.....	126
f) June 2 <sup>nd</sup> Sentinel article:	
Lompico merger with San Lorenzo Valley Water District is complete.....	129
<u>Miscellaneous Water</u>	
g) May 12 <sup>th</sup> Capistrano Dispatch article:	
San Juan Capistrano's Groundwater Recovery Plant.....	131
h) June 1 <sup>st</sup> Fresno Bee article:	
Residents in Tulare County community open taps to clean water.....	132
i) June 19 <sup>th</sup> Monterey Herald article:	
Should state limit small water agencies?.....	135
<u>Development</u>	
j) June 15 <sup>th</sup> Morgan Hill Times article:	
LAFCO rejects Catholic high school, again.....	138
k) July 6 <sup>th</sup> Pajaronian article:	
City considering major development.....	141
<u>Fire</u>	
l) July 19 <sup>th</sup> Sentinel article:	
Central firefighters' pay cut delayed.....	143

## 7) ADJOURNMENT

- a) The next regular meeting is scheduled for 10:00 a.m. Wednesday, September 7, 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](http://www.fppc.ca.gov). Questions regarding FPPC material, including FPPC forms, should be directed to the FPPC's advice line at 1-866-ASK-FPPC (1-866-275-3772).

### Accommodating People with Disabilities

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

### Late Agenda Materials

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



PROCEEDINGS OF THE LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY

Wednesday, May 4, 2016  
10:00 a.m.

Supervisors Chambers  
701 Ocean Street, Room 525  
Santa Cruz, California

.....  
The May 4, 2016 Santa Cruz Local Agency Formation Commission meeting is called to order by declaration of Chairperson Roger Anderson.

ROLL CALL

Present and Voting:	Commissioners J. Anderson, Leopold, LaHue, Bottorff, Friend and Chairperson R. Anderson
Absent:	* Lind
Alternates Present:	Bobbe, Smith
Alternates Absent:	Coonerty
Staff:	Patrick M. McCormick, Executive Officer Brooke Miller, LAFCO Counsel Debra Means, Secretary-Clerk

MINUTES

MOTION AND ACTION

Motion: Leopold Second: LaHue	To approve April 6, 2016 minutes. Motion carries with a unanimous voice vote.
----------------------------------	--

ORAL COMMUNICATIONS

Becky Steinbruner, resident of Aptos, is interested in local water issues. She has been attending the Mid-County Groundwater Sustainability Committee meetings. At their last meeting, they discussed their proposed \$1.3 million budget. She wants to know where that money will come from. She also attended a water forum event several months ago which had representatives from local water municipalities and it was co-hosted by LAFCO. She asks if LAFCO will be involved in the possible boundaries of this new water basin management group, and if it will involve taxation from the people who reside within those boundaries.

\*Commissioner Lind arrives.



Commissioner Leopold replies that when legislation was written, LAFCOs were written out of the establishment of these new groundwater sustainability agencies.

The Santa Cruz Mid-County Groundwater Agency will pay for its budget. The agencies are contributing funding by percentages. In the future, there may be a need for the rate payers or users to help pay for groundwater replenishment.

Commissioner LaHue adds that the agency has submitted their boundaries to the State Water Resources Control Board for approval.

Ms. Steinbruner thinks that if someone does not contribute monetarily, they are not able to vote. Until the by-laws are approved for that organization, the private well owners and small water companies will not be allowed to vote on issues that affect them. In the future, those people might want to vote. She thinks there should be a mechanism for them to buy in. If LAFCO has been written out of this process, she wants to know if the State is responsible.

Commissioner Leopold says LAFCO will not be involved in this process. The Santa Cruz Mid-County Groundwater Agency has worked to be inclusive of private well owners in all discussions. In fact, a private well owner was a main facilitator in those public education meetings. They are not voting on financial matters, but they vote on everything else.

Ilia Bulaich is a Watsonville resident. During LAFCO's last meeting, there was an agenda item about the selection of its public member and alternate. The acting chair at that time was Commissioner LaHue, and he did not ask for any public input. The Commission subsequently voted to select the incumbents. He requests that the Commissioners give thought to the procedure that was used.

LAFCO's procedure says that the current public members do not participate in the vote of selecting future members. There is controversy about this in other jurisdictions. He asks why the public member is not allowed to vote in his/her selection and whether the Commission could provide an explanation to an interested member of the public the justification for this process.

## PUBLIC HEARING

### WORK PROGRAM AND FINAL BUDGET FOR FISCAL YEAR BEGINNING JULY 1, 2016

Mr. McCormick reports that this is the 3<sup>rd</sup> public hearing on the budget and action must be taken on the final budget no later than June 15<sup>th</sup>. The final budget of \$701,100 will necessitate a 2% increase in the funding agencies' contributions for next year to \$337,600.

There was additional information requested by the Commission regarding how staff might approach an accelerated program of sphere and service reviews. The Commission is currently behind schedule on 66 out of 77 LAFCO regulated agencies. He suggests doing a six month sprint to do brief reviews of as many agencies as possible. As they come to a public hearing, the Commission can decide to slow individual reviews down to get additional information. This is a different approach than before, so there would be more standardized



brief reports. He provided a sample of a model from the City of Winters in Yolo County that he thinks would be good to start off with.

There is a handout about the year 2000 analysis of all annexation laws and the performance of LAFCOs. There was a major rewrite of the LAFCO law called the Cortese-Knox-Herzberg Local Government Reorganization Act. The handout discusses what the Blue Ribbon Committee's intent was for what service reviews were supposed to produce. They were recommending State funding for them, but the legislation adopted the requirement without funding. LAFCO's budget went up in response to this State mandate. There has not been a legislative, CALAFCO, or academic attempt to analyze these service reviews to evaluate whether they are worth the effort. These reviews are still in the original implementation phase and it should be addressed whether these reviews are useful.

Commissioner Leopold supports the budget and the "sprint idea" to catch up. It will be interesting to see whether more questions will need to be asked. Long term, he wonders if it would be wise to look into some of the resources used for white papers to get a closer look.

About ten years ago, this Commission looked at fire services in South County. It was a thorough review with suggestions, but most of the suggestions were not put to good use. He thinks this type of review is more useful than the individual municipal service reviews. He thinks it is worth considering what type of bigger review could be useful and could be used by the categories of services such as CSAs, cities, sanitation agencies, or water agencies.

Alternate Bobbe supports the "sprint idea" as well. She wonders about taking a more regional approach at the various services.

Commissioner Leopold responds that the "sprint idea" allows for individual reviews, as required by law, and this protects the Commission long term. He would like to consider more detailed research later.

Alternate Bobbe asks what the fire service review covered ten years ago.

Commissioner Leopold says the review looked at all of the independent fire districts and made suggestions about mergers and using services more efficiently.

Commissioner Friend agrees with Commissioner Leopold. The City of Winters' checklist has basically the same information and provides most of the substance in a review. Most of the background and historical information takes some time to provide.

The fire service review provided a valuable look at the potential for fire service consolidation throughout South County.

He supports the budget and the "sprint idea."

Commissioner Lind agrees.



Commissioner LaHue thinks it is a good idea to check in more regularly. If there is a district that wants a more detailed look and it needs a more detailed look, then they can focus energy there.

Ms. Steinbruner asks what “white papers” are.

Mr. McCormick replies that LAFCO is allowed by law to study anything in local government. The State requires that certain studies called spheres of influence and service reviews be done periodically. White papers are not mandated studies, but they are permitted studies. LAFCO can study a particular region, service, or a problem. One example this LAFCO studied ten years ago was fire protection in Pajaro Valley. It looked at costs of providing fire protection services and different ways to organize these services.

Ms. Steinbruner asks what initiates “white paper,” who asks for it, and who reviews the information.

Mr. McCormick answers that typically LAFCO identifies them as part of their long-term work program so they can budget for it. The next budget cycle would be a good time to suggest a study that would benefit the community, and then the Commission could decide whether to prioritize that into their work program.

Commissioner Leopold says they chose not to do a “white paper” in order to concentrate staff time on completing the mandated municipal service reviews. A new plan has surfaced so they can finish the mandated responsibility they have.

Ms. Steinbruner asks if the mandated responsibility is from the Cortese-Knox-Herzberg Reorganization law required by the State.

Commissioner Leopold replies that Cortese-Knox-Herzberg was a redo of the legislation for LAFCOs statewide. It included this new element of municipal service reviews.

Chairperson Roger Anderson thinks service reviews are valuable for LAFCOs, the public, and prospective people interested in developing within the County. It can be useful to have relatively up-to-date information about services that might support their proposal.

He supports the “sprint idea,” but he thinks there should be three or four different versions of the survey depending on the type of agency. Many of the agencies are County Service Areas, so the County Supervisors are responsible for them. He would like to simplify a format that will be easy for them to use. He wants to get these surveys ready for Commission review as soon as possible.

Mr. McCormick would like to get 66 surveys out before the next meeting. He will give the agencies a reasonable amount of time to complete the surveys. The City of Scotts Valley and the Scotts Valley Water District are in the process of updating their spheres. He will be working on their service and sphere review and it will be a moderate project.



The next project will be the entire set of sphere reviews for the City of Watsonville as it relates to the Pippin Apartments annexation. Should an application be filed to annex, the service and sphere reviews could quickly move up for the City of Watsonville and the districts that would be detached if the annexation goes through. These are projects that are currently at the top of the work program.

Commissioner Leopold asks Chairperson Roger Anderson what additional information he would like on the form.

Chairperson Roger Anderson thinks audit reports, how often the board meets, and assets that might have changed are very important and should be included. The Winters survey asks if there will be any significant development. He thinks "significant" has to be defined, and perhaps defined differently for different agencies.

He would like Mr. McCormick to draft a few surveys to circulate to the Commission. He wants to make sure the form is easy to draft for the final municipal service review (MSR). He does not want to ask any impossible or confusing questions.

Commissioner Leopold suggests that a sub-committee be formed to work on the details and bring back to the next meeting. Some agencies will be punctual about returning surveys and some will need persuasion or help from staff to complete.

Chairperson Roger Anderson thinks a sub-committee would be a good way to move forward quickly.

Commissioner Jim Anderson says that in the past, staff sent the agencies the information, and then scheduled a meeting with their board to help them complete the survey. It became pretty comprehensive by the time it came back to the Commission. It would not have to be approved at that meeting if there are further questions.

Commissioner Friend is comfortable with a sub-committee to expedite the process so it does not add an extra month to the process.

Commissioner Leopold says this is a new method. This LAFCO is way behind on finishing reviews.

Chairperson Roger Anderson does not see a reason why the board has to approve these. He wants these questionnaires sent out and answered as soon as possible.

#### MOTION AND ACTION

Motion: LaHue Second: Friend	To approve the final budget and adopt Resolution No. 2016-9. Motion carries with a unanimous voice vote.
---------------------------------	---

#### MOTION AND ACTION

Motion: Leopold Second: Friend	To form a sub-committee with Chairperson Roger Anderson, Commissioner Leopold, and Alternate Bobbe to work with Mr. McCormick on the survey questions, and to approve a final draft before the questionnaire is sent out. Motion carries with a unanimous voice vote.
-----------------------------------	--

#### AMENDMENT TO CAL PERS HEALTH INSURANCE CONTRACT

Mr. McCormick reports that at the last review of staff compensation, the Commission directed him to change staff's contributions for health insurance to match equivalent County employee positions. There are two CalPERS contracts for different employee groups to provide health insurance for a total of two employees. Both employee groups have the same level of deductions.

#### MOTION AND ACTION

Motion: Leopold Second: J. Anderson	To adopt Resolution No. 2016-10 for the General Employee Group and Resolution No. 2016-11 for the Management Employee Group. Motion carries with a unanimous voice vote.
--	---

#### STATUS OF PROPOSALS

Mr. McCormick reports that the Lompico County Water District will be discussing their proposed assessment this evening before County Elections staff counts the ballots. It requires one more than 50%, based upon the assessments that would be collected from the property owners. The necessary paperwork to complete the Lompico Reorganization should be done within the next three weeks if the vote is positive.

Two years ago, this Commission authorized extraterritorial water and sewer service from the City of Watsonville to a low income housing project called the Pippin Apartments on Atkinson Lane. Half the project is in the County and the other half is in the City. The developer, Mid-Peninsula Housing Corporation (Mid-Pen), agreed to follow up with an annexation of the unincorporated half of their project so that the whole project would be in the City and all its residents would be City voting members.

Completing this project has taken longer than expected. In the meantime, there has been a turnover of three key City staff members; the City Manager, the Planning Director, and the Assistant Planning Director. The Planning Commission recommended that the City not annex the unincorporated half of the project. This item has been delayed getting to the City Council, but it should be on the agenda soon.



## LEGISLATION

Mr. McCormick says the Commission previously opposed SB 1318 and since then, Wolk's bill has gotten worse. It is well-intended to try to make sure every resident in the State has safe water and sewer service. The bill is not the most efficient way to tackle the problem.

CALAFCO has a committee working on this bill with the intent to suggest an alternative that might solve the problem more directly, rather than shifting to a more complicated process through LAFCO. The legislature has said they want to hammer against the agencies that are not cooperating and they are proposing to have LAFCO do it. Fortunately, Santa Cruz County does not have significant disadvantaged communities that are underserved; most of them in this county have great water and sanitation service. The proposed bill may still affect this County.

Commissioner Leopold says the CALAFCO legislative committee had a two-hour discussion about this bill. It stems from Senator Wolk's original bill, SB 244, which was her first attempt to help Disadvantaged Unincorporated Communities (DUCs). A sub-committee of Executive Officers in counties that have many DUCs was created. The committee is looking into how Senator Wolk's concerns, which is how to get these DUCs the resources they need.

This bill is strongly opposed by the League and CSAC. They realize that these underserved communities need to be addressed, but the proposed bill would affect everyone in some way rather than focusing on those in need.

Alternate Bobbe asks what the main argument in support of the bill is.

Commissioner Leopold replies that there are DUCs who lack services and should receive services from their neighboring city or district. For reasons usually very local and some reasons that are not good, they do not receive services. Sometimes DUCs do not want the service. They fight the service because their ruralness defines who they are.

Chairperson Roger Anderson asks when this will be resolved.

Mr. McCormick answers that it should be resolved when the last day of legislative session is over and when or if the Governor signs the bill. The bill is in the Senate Appropriations Committee. There are deadlines to clear it out of the Committee by the end of May. He will keep the Commission updated.



Meeting is adjourned at 11:02 a.m. The next LAFCO meeting is scheduled for 10:00 a.m. on Wednesday, June 1, 2016.

---

CHAIRPERSON ROGER ANDERSON

Attest:

---

Patrick M. McCormick, Executive Officer



Date: July 25, 2016 for August 3<sup>rd</sup> Agenda  
To: LAFCO Commissioners  
From: Patrick M. McCormick, Executive Officer *P.M.C.*  
Subject: Time Extension for Formation of Huckleberry Island County Service Area,  
LAFCO No. 957-A

---

*Summary: The Commission will consider requests from the petitioners for a time extension to complete proceedings to form the Huckleberry Island County Service Area.*

*Staff Recommendation: Grant a time extension to August 5, 2018.*

---

On August 5, 2015, the Commission conducted a public hearing upon an application to form a County Service Area for Huckleberry Island in Brookdale. The purpose of the proposed county service area is to replace an old bridge that is the only road access to the homes at Huckleberry Island. The standard authorization period is one year. This normally allows enough time to go through protest hearings upon the formation, and to conduct a Proposition 218 process for the proposed funding for the proposed new service. The formation hearing was conducted by the Executive Officer on October 7, 2015, and insufficient protest was filed to terminate the formation process.

Three of the Huckleberry Island landowners, representing the original petitioners, have filed letters requesting a two-year extension to LAFCO's authorization to form the Huckleberry Island County Service Area (LAFCO No. 957-A). They are working with a local engineering firm to complete the plans for the new bridge. Those plans are needed for the County Public Works Department to conduct the Proposition 218 process among the affected property owners.

Government Code Section 57001 allows a Local Agency Formation Commission to grant a time extension for any period deemed reasonable for the completion of any necessary prerequisite actions by any party. Santa Cruz LAFCO has typically granted time extensions in situations similar to this one. If a time extension is not granted, the CSA formation authorized in Resolution No. 957-A will be automatically terminated.

The staff RECOMMENDS that the Commission grant an extension of Resolution No. 957-A to August 5, 2018.

cc: Martha Breed  
Peter Dessau, Huckleberry Island Homes Association  
Allen Breed  
Brad Darbo  
Yvette and Kevin Curran  
Santa Cruz County Public Works Department, County Service Areas

Attachments:

Letters requesting extensions from Martha Breed, Peter Dessau, and Allen Breed

Resolution No. 957-A, Formation of Huckleberry Island County Service Area

HUCKLEBERRY ISLAND HOMES ASSOCIATION  
P.O. BOX 232  
BROOKDALE, CA 95007

June 14, 2016

RECEIVED

JUN 20 2016

Santa Cruz LAFCO

Patrick M. McCormick, Executive Officer  
LAFCO  
701 Ocean Street, Rm. 318-D  
Santa Cruz, CA 95060

Re: Formation of Huckleberry Island County Service Area, LAFCO No. 957  
Request For Two Year Extension


To Whom It May Concern,

The Huckleberry Island Owner's Association hereby requests a two year extension of the CSA.

The reason for the extension is we are currently in the design phase of the project and are working closely with Mesiti-Miller Engineering. We anticipate and are hopeful that we are on schedule to commence construction in the 2017 building season.

Please contact the undersigned if you have any questions or comments.

Peter Dessau, Officer

  
Huckleberry Island Homes Association

PVD/smz

cc: Debra Means, LAFCO  
Brad Darbo  
Allen Breed  
Martha Breed



June 14, 2016

To: LAFCO  
Santa Cruz Local Agency  
701 Ocean Street, Room 318-D  
Santa Cruz, Ca. 95060  
Attn: Patrick M. McCormick, Executive Officer

From: Allen Breed  
210 Alexander Ave  
Los Gatos, Ca. 95030

RECEIVED

JUN 20 2016

Santa Cruz LAFCO

Reference: LAFCO Letter to Petitioners dated June 3, 2016

Subject: Formation of Huckleberry Island County Service Area, LAFCO No. 957

Dear Mr. McCormick:

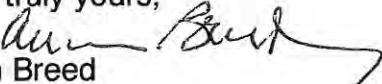
I am a petitioner of record to form a county service area at Huckleberry Island in Brookdale for the purpose of replacing our existing bridge.

I am requesting a TWO YEAR time extension for the CSA formation process. At present, our Homes Association is working on obtaining the following:

Easements  
Bridge Design Documents  
Bank Funding

Our present timeline is to start construction in 2017 but we feel it is prudent to allow for unforeseen delays, hence the request for a two year time extension.

Very truly yours,

  
Allen Breed

cc: Huckleberry Island Homes Association, PO Box 232 Brookdale, Ca. 95007  
Martha H. Breed

MARTHA H. BREED  
1285 Clover Lane  
Walnut Creek, CA 94595

RECEIVED

JUN 13 2016

June 9, 2016

Santa Cruz LAFCO

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

Subject: Formation of Huckleberry Island County Service Area, LAFCO # 957

Dear Mr McCormick,

As a petitioner of record to form a county service area at Huckleberry Island,  
I am requesting a TWO Year time extension due to the time it is taking to obtain

Easements  
Bridge and Foundation designs  
Bank Funding

It is our plan to build in 2017, but to allow for unforeseen delays, I am requesting  
a TWO YEAR extension.

Yours truly,



Martha H. Breed

cc: Huckleberry Island Homes Association, PO Box 232, Brookdale, CA 95007  
Allen Breed



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

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

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

\*\*\*\*\*

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

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

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

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

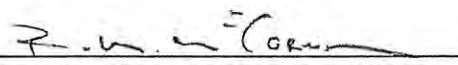
AYES: Commissioners J. Anderson, Smith, R. Anderson, Bottorff, Lind, Leopold and Chairperson Friend

NOES: None

ABSENT: Commissioner Coonerty and Commissioner LaHue

  
\_\_\_\_\_  
ZACH FRIEND, CHAIRPERSON

Attest:

  
\_\_\_\_\_  
Patrick M. McCormick, Executive Officer

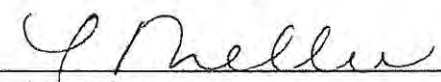
  
\_\_\_\_\_  
Approved as to form:  
T. Brooke Miller, LAFCO Counsel



EXHIBIT A, LAFCO No. 957 and 957-A





Date: July 25, 2016 for August 3, 2016 Agenda  
To: LAFCO Commissioners  
From: Patrick M. McCormick, Executive Officer *P. McCormick*  
Subject: Atkinson Lane/Pippin Apartments and Related Correspondence

---

*Summary: The Commission will consider revising the conditions of approval of LAFCO No. 952—Atkinson Lane/Pippin Extraterritorial Water and Sewer Service from the City of Watsonville*

---

*Recommendation: Delete the condition that the property owner pursue annexation of the site, and give any further direction regarding the matters covered in my letter of June 16, 2016 to the Watsonville City Manager.*

---

On May 7, 2014, the Commission reviewed an application by MidPen Housing Corporation to receive city water and sewer services for part of a housing project located outside the City of Watsonville. The Pippin Apartments project is located at 56 Atkinson Lane, with 20 units planned on the portion of the site inside the city limits and 26 units planned on the portion of the site outside the city limits. The site is planned as a single project, with a single-driveway off Atkinson Lane.

At the hearing, there was extensive discussion about the benefits of the entire site being within the city limits. The city staff member present and the city council member on LAFCO indicated that the city did not want to be the applicant for the annexation because the city had insufficient staff to assign to this project. The city representatives indicated that the property would be annexed in the regular course of business at some later date. A representative from MidPen said that they were in a hurry to secure all local approvals so that they could apply for financing in an upcoming grant cycle. MidPen said that they would be willing to be the annexation applicant and pay for the annexation costs through the city and LAFCO processes, if the extraterritorial approvals were granted immediately. The Commissioners discussed the offer and the timing of the follow-up annexation. The motion, which was unanimously approved, granted the extraterritorial water and sewer services, and conditioned the approval upon "the intention of the Commission to require the property owner to file an annexation application within two years" (May 7, 2016).

MidPen subsequently asked LAFCO for a time extension. LAFCO extended the approval to May 17, 2017.



LAFCO policy requires a pre-zoning resolution from a city as part of any municipal annexation application. A pre-zoning process involves noticing the neighboring property owners, a Planning Commission recommendation, and a City Council hearing. Pre-zoning tentatively adopts a zoning designation, which will become effective when the annexation is recorded. Pre-zoning also allows for LAFCO to evaluate the services needed for the range of land uses that fit within the zoning. In this case, pre-zoning could be a routine action, given that the city and county had collectively issued entitlements to fully develop the site with 46 units. There was no un-entitled vacant property remaining at the Pippin site. At the Planning Commission hearing, the City staff recommended that the City deny any pre-zoning, thereby terminating the annexation process before the property filed the annexation application with LAFCO. At the Planning Commission hearing on November 3, 2015, I spoke on behalf of the good-government reasons for annexing the whole site and encouraged the Planning Commission to take any action that got the matter before the City Council. The Planning Commission voted 4-1 to support the staff recommendation to deny any pre-zoning.

The Planning Commission's recommendation has not been submitted to the City Council. On March 14, 2016, I wrote the new City Manager a note regarding the Pippin Apartments and the pending pre-zoning. On May 10, 2016, the City Manager sent me a letter saying that the City would consider annexing the unincorporated portion of the Pippin site if LAFCO would agree to drop conditions in the Manabe-Ow Covenant. I responded with a letter, dated June 16, 2016, stating that the Commission would review the conditions of the Pippin project, and that the Manabe-Ow Covenant was instrumental to the properties being annexed.

MidPen has secured financing and is preparing to begin construction of the Pippin Apartments. The City has shown no interest in approving a pre-zoning to facilitate the annexation process. MidPen had shown good faith following through with their offer to be the proponent of the annexation, but cannot proceed further without the cooperation of the City. Staff therefore RECOMMENDS that the Commission drop its condition that the unincorporated Pippin site be annexed. The Commission has previously extended its extraterritorial sewer and water authorization to May 7, 2017 and does not need to take action on another time extension. Staff further RECOMMENDS that the Commission review the letter I sent to the City Manager on June 16, 2016 and give any further direction on matters addressed in the letter.

cc: Elizabeth Wilson, MidPen Housing,  
Charles A. Montoya, Watsonville City Manager  
Tom Sharp, Watsonville Department of Public Works  
Susan A. Mauriello, County Administrative Officer  
Julie Conway, Santa Cruz County Planning Department

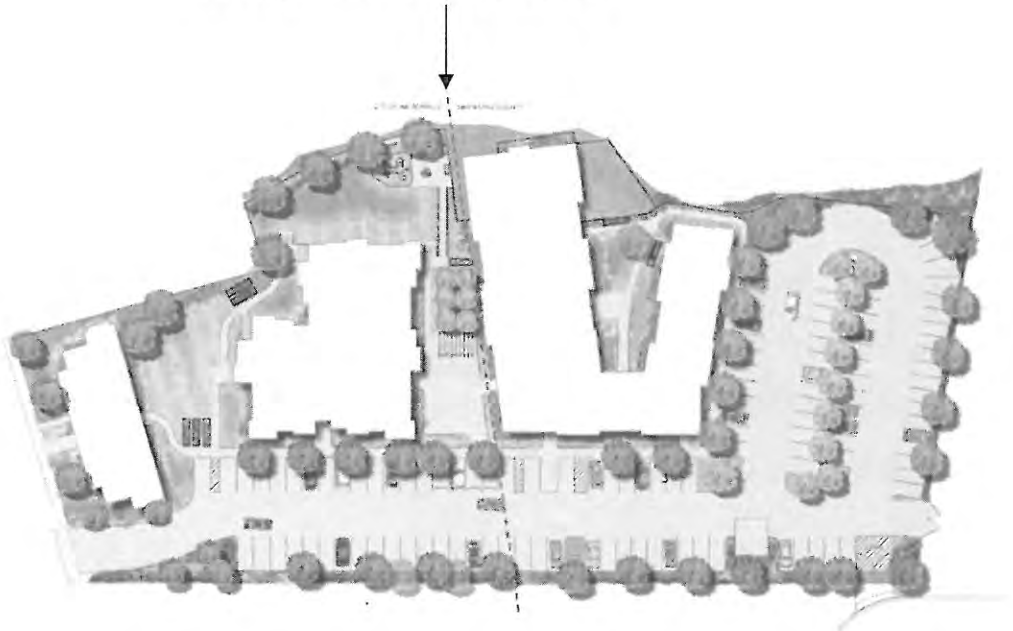


Attachments:

- Pippin Site Plan
- July 8, 2016 email from Betsy Wilson, MidPen
- June 16, 2016 letter from Patrick M. McCormick to Charles A. Montoya, Watsonville City Manager
- May 10, 2016 letter from Charles A. Montoya to Pat McCormick
- March 14, 2016 letter from Pat McCormick to Charles Montoya
- Minutes of November 3, 2015 Watsonville Planning Commission Meeting
- CALAFCO newsletter article: A New Tool for the LAFCo Toolbox
- Manabe-Ow Covenant
- Illustrative Plan for Manabe-Ow Business Park
- 2016 Aerial Photo of Manabe-Ow Business Park
- March 2, 2006 Sentinel article: Watsonville secures land for business park

# SITE PLAN

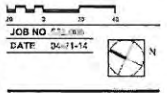
CURRENT CITY BOUNDARY



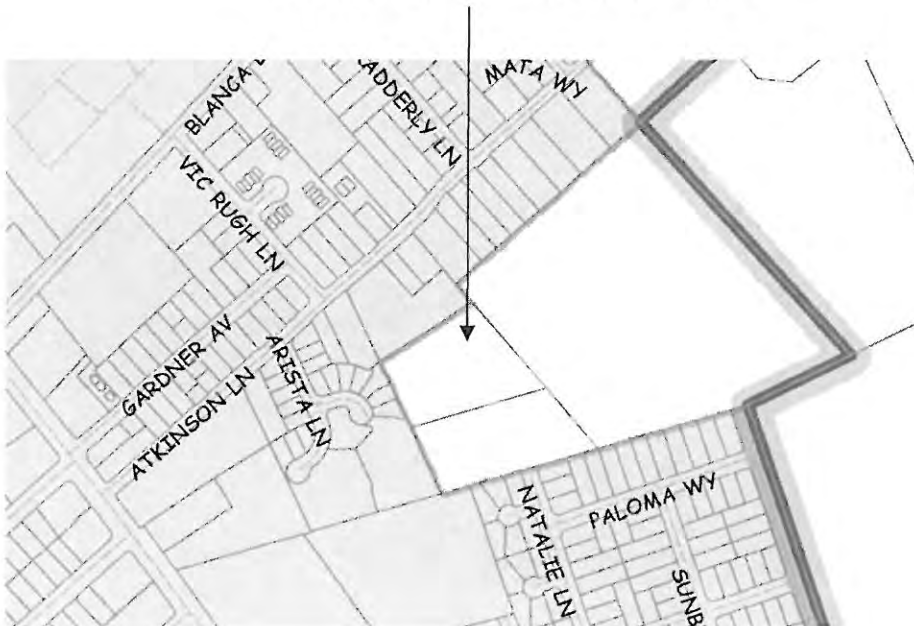
PIPPIN APARTMENTS  
ATKINSON LANE, WATSONVILLE, CA  
MIDPEN PENINSULA THE FARM, INC.

PLANTING PLAN

AP-11  
CITY: D130754-02  
G000V014021402



UNINCORPORATED PIPPIN SITE







## Pat McCormick

---

**From:** Elizabeth Betsy Wilson [ewilson@midpen-housing.org]  
**Sent:** Friday, July 08, 2016 10:52 AM  
**To:** Pat McCormick  
**Cc:** Luis Preciado  
**Subject:** Update on Pippin Apartments - 56 Atkinson Lane

Pat:

I'm writing to let you know that the 46 units proposed at 56 Atkinson Lane and referred to as Pippin Apartments received an award of Low Income Housing Tax Credits last month, and is scheduled to commence construction before the end of the year. We submitted our building permit application and plans to the County on July 1<sup>st</sup> and are commencing work on all aspects of the financing closing. Low income families will be calling this community home in early 2018. We are very excited!

Thank you for your responsiveness and assistance with all LAFCO related matters on this project. I'm sorry it hasn't gone as smoothly as desired, but I hope you feel that we at MidPen have done everything we can to facilitate the process in a positive way.

Warmly, Betsy

**Elizabeth (Betsy) Nahas Wilson | Director of Housing Development**  
**MidPen Housing Corp.**

Watsonville Development Office  
275 Main Street, Suite 204, Watsonville, CA 95076  
t. (831) 707-2134 c. (831) 818-4861 f. (831) 761-7218  
e. [ewilson@midpen-housing.org](mailto:ewilson@midpen-housing.org)





Santa Cruz Local Agency  
Formation Commission  
701 Ocean Street, Room 318-D  
Santa Cruz, California 95060  
Phone: (831) 454-2053

Via Certified Mail

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

June 16, 2016

Mr. Charles A. Montoya  
City Manager  
City of Watsonville  
275 Main Street, Suite 400  
Watsonville, CA 95076

Subject: Pippin Apartments/Manabe-Ow

Dear Mr. Montoya:

Thank you for your letter dated May 10, 2016 concerning the 46-unit Pippin Apartments project on Atkinson Lane. LAFCO continues to believe that the apartment project would provide housing needed in the community and that the best result would involve the whole project being annexed into the City. The future residents of the 26 units in the County portion of the project should be able to participate on City advisory bodies and in City elections as full citizens of the City of Watsonville. Also, future administrative difficulties would be avoided in conducting elections, distributing state subventions, collecting taxes, and obtaining building permits if the project were in only one jurisdiction.

#### Pippin Apartments History

On May 7, 2014, MidPen Housing's application for water and sewer service was heard by LAFCO. LAFCO considered its approval before either the City Council or the County Board of Supervisors. MidPen was in a hurry to line up its local approvals. At that meeting, the LAFCO Commissioners agreed that the most desirable end point was that the whole project be annexed to the City. MidPen offered to apply to annex the portion of the project outside the City limits, and LAFCO agreed to give extraterritorial water and sewer service conditioned upon the annexation application being filed within two years (May 7, 2016). In that manner MidPen could proceed to put their financing package together, the City would not incur the expense of paying the processing fees for the annexation, and the certified EIR on the project could be utilized for LAFCO's annexation review. The LAFCO Commission, including the LAFCO Commissioner from Watsonville, voted unanimously to approve the water and sewer service and to proceed with the annexation process within two years. MidPen subsequently applied to the City for pre-zoning, which is normally a routine procedure by which the City adopts a zoning classification for a property in advance of an annexation hearing at LAFCO. The County Board of Supervisors voted unanimously to support the annexation on November 10, 2015. Apparently,



the City has delayed processing MidPen's pre-zoning application. No pre-zoning hearing was set by the City Council within 2 years of LAFCO's authorization for the project.

LAFCO will work directly with MidPen Housing regarding the status of their water and sewer connection authorizations from LAFCO and will consult with the City as necessary. If, at anytime now or in the future, the City wishes to process an annexation of the 26 units, please contact me and we will jointly figure out how to proceed.

#### Manabe-Ow Covenant

In your letter, you propose major changes to the Manabe-Ow Covenant. The Covenant resulted from significant, long-term debates about the urbanization of prime agricultural lands on the west side of Watsonville. This debate has been occurring for more than four decades, and it continues today.

LAFCO's mission statement in State law includes preserving prime agricultural lands for productive agricultural use. The LAFCO in each county has the responsibility to weigh the state policies in light of local conditions. In 1978, the people of Santa Cruz County adopted Measure J, a growth-control initiative that, among several goals, called for the preservation of agricultural lands. In 2002, the people of Watsonville adopted Measure U, a growth-control initiative that valued the preservation of agricultural lands and identified certain agricultural lands close to the city boundary that should be annexed and urbanized to addresses housing and employment needs. Measure U resulted from the visioning process by which diverse community stakeholders came to a comprehensive agreement on the future growth of the City. The subsequent vote on Measure T in 2013 confirmed the values adopted by the City in Measure U.

Under state law, a city's general plan applies within the city limits and a county's general plan applies outside the limits. Neither is superior to the other. In making a decision on an annexation application, LAFCO is choosing which general plan will apply. In most cases in Santa Cruz County, the city and the county general plans are similar around the perimeter of the city. This is also the case for most of the perimeter of Watsonville. There are a few dissimilarities because the County General Plan completely prohibits the conversion of productive agricultural lands; and, consistent with Measure U, the City's General Plan calls for converting a small amount of prime agricultural land to urban uses.

The Manabe-Ow property is one example where the two general plans differ. In 2005, the City presented the Manabe-Ow annexation application as consistent with Measure U, and an opportunity for the City to have a location for a business park which would accommodate large-acreage projects and which would provide many good jobs. As a sign of their intentions, the City and the property owners offered to promise to develop the properties for large-scale, job-intensive businesses. The offer was converted into an enforceable agreement (the "Covenant");




and LAFCO approved the Manabe-Ow annexation unanimously, including the City's representative on LAFCO. In large part due to the Covenant, LAFCO chose to favor the City General Plan over the County General Plan.

The FedEx facility's recent construction in the Manabe-Ow Business Park is an example of a large business that is envisioned in the Covenant. The many good jobs provided by that facility will benefit the City and the region. Similarly, the City is promoting re-use of commercial and industrial properties elsewhere in the City. The hotel project at the former Indalex aluminum extrusion plant is a good example of re-using underutilized properties in the City.

LAFCO continues to believe that the Covenant is important to maintain the intent of the annexation approval. Any potential amendments to the Covenant must maintain the intent of the Covenant and should be reviewed both with technical data and through a robust community dialogue. The potential amendments contained in your letter of May 10, 2016 would not maintain the substance of the Covenant. If the purpose of your letter is to begin the Covenant amendment process, please be advised that LAFCO does not consent to the proposed amendments.

LAFCO is aware that Watsonville is still recovering from the recession. LAFCO remains interested in promoting governmental efficiencies and economic development. Feel free to contact me to discuss these mutual goals.

Very truly yours,



Patrick M. McCormick  
Executive Officer

cc: Santa Cruz County Board of Supervisors  
LAFCO Commissioners

# CITY OF WATSONVILLE

*"Opportunity through diversity; unity through cooperation"*



To: Pat McCormick, Executive Director  
LAFCO

**RECEIVED**

Cc: Santa Cruz County Board of Supervisors

**MAY 16 2016**

From: Charles A. Montoya, City Manager  
City of Watsonville

**Santa Cruz LAFCO**

Date: May 10<sup>th</sup>, 2016

Re: Atkinson Lane Project

Thank you for your letter dated March 14, 2016 regarding the annexation of the 26 units associated with the Pippin Apartment Complex on Atkinson Lane. This project provides 46 much needed affordable housing units and will help Watsonville and the County meet their affordable housing goals. The City, County, and MidPen have entered into MOU's regarding municipal services to the entire project, and MidPen has agreed to pay a mitigation fee to the City to cover a portion of the cost to provide services throughout the life of the project. Annexation of the County units will further burden the City with monitoring the County's affordable units. Due to the agreements already in place, the City is not interested in considering annexation at this time.

If LAFCO and the County would consider actions that would provide the City with additional revenue to allow the City to pay for such services, the City may be willing to consider annexation of Pippin apartments. We have identified several actions that could be taken in conjunction with this action that may justify annexation of Pippin Apartments by minimizing the impacts on City resources.

As you are aware, when the Manabe-Ow property was annexed by the City, there were significant restrictions placed on the development of the site. These restrictions include hard limits on retail development, revenue sharing measures for sales and transient occupancy tax (TOT), limits on automotive sales and limits on store sizes. Our understanding is that these restrictions are set to be released in 2030. If LAFCO and the County would agree to remove these restrictions as part of the annexation of the Pippin apartments, the City may be able to support moving forward with the Annexation.

Restrictions to be replaced:

1. Section 3.02 of the recorded covenants (City of Watsonville Resolution 147-06). Replaced with covenants allowing retail and auto dealerships up



# CITY OF WATSONVILLE

*"Opportunity through diversity; unity through cooperation"*



- to 50% of the approved total floor area of the Manabe Ow Business Park subject to all other General Plan restrictions for Floor Area Ratio and other zoning restrictions.
2. Section 3.03 of the recorded covenants (City of Watsonville Resolution 147-06). Replaced with no single retail store shall be more than 180,000 square feet in size.
  3. Revise the Tax Sharing Agreement to include an initial share of 50% all sales tax going to the County from the date of the first sales tax generated for the first four years, and a 10% reduction in County share each year for the subsequent 5 year period. (City of Watsonville Resolution 149-05)

Please consider this a formal request from the City of Watsonville to ease the restrictions on the Manabe-Ow property.

Thank you for your assistance in this matter. We look forward to working with LAFCO and the County to resolve this issue and to ensure that Watsonville has the flexibility needed to continue to increase jobs and revenues. If you have any questions, please contact me at (831) 768-3010 or email me at [charles.montoya@cityofwatsonville.org](mailto:charles.montoya@cityofwatsonville.org).

Sincerely,

Charles A. Montoya  
City Manager

A handwritten signature in black ink, appearing to read 'Charles A. Montoya', with a long horizontal line extending to the right.





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

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

March 14, 2016

Dear Charles,

It was good to meet you and begin to get to know one another. I am writing a personal note today concerning the Pippen Apartments project on Atkinson Lane.

The proposed Pippen Apartments are split by the City boundary. 20 units have been permitted by the City, and 26 units have been permitted by the County. In a November 16, 2015 letter to the Mayor, the County Board of Supervisors encouraged the City to facilitate the annexation of the County portion of the site so that all the apartments would be under one jurisdiction at the time of occupancy.

LAFCO also supports the entire project being inside the City limits. I intend to attend the future City Council meeting at which the Rezoning Application is considered, and to support the City adopting a rezoning. This will facilitate the landowner's annexation application to LAFCO.

If it would be helpful to have LAFCO's position in the written record, I would be happy to draft and send a letter similar in nature to the County's letter. Please let me know if you would like such a letter. Also, please contact me if the City has questions about the annexation process.

Very truly yours,

A handwritten signature in black ink, appearing to read "P. McCormick".

Patrick M. McCormick  
Executive Officer

## MINUTES

REGULAR MEETING OF THE PLANNING COMMISSION  
OF THE CITY OF WATSONVILLECOUNCIL CHAMBERS  
275 MAIN STREET, 4<sup>th</sup> FLOOR, WATSONVILLE, CALIFORNIA

Tuesday, November 3, 2015

6:00 P.M.

*In accordance with City policy, all Planning Commission meetings are recorded on audio and videotapes in their entirety, and the tapes are available for review in the Community Development Department (CDD). These minutes are a brief summary of action taken.*

**1.0 ROLL CALL OF COMMISSIONERS**

Present were Commissioners Marty Corley, Nick Rivera, Anna Kammer, Jenny Sarmiento and Chair Rick Danna. Absent were Commissioners Dobie Jenkins and Aurelio Gonzalez.

Staff members present were Acting Secretary Keith Boyle, Acting Principal Planner Suzi Merriam, Recording Secretary Deborah Muniz, Administrative Assistant II Mindy Esqueda and City Interpreter Sofia Vasquez-Quintero.

**5.3 A PUBLIC HEARING TO CONSIDER AN APPLICATION FOR A PRE-ZONING (PP2015-151), FOR A 2.4 +/- ACRE PARCEL IN THE UNINCORPORATED AREA OF SANTA CRUZ COUNTY, AT 56 ATKINSON LANE (APN: 048-211-25), FILED BY MID-PENINSULA THE FARM, INC., APPLICANT/OWNER.**

M:\CDD\PC PACKET\PCPKT 2015\11-3-15\Minutes 110315

4

**a) Staff Presentation**

Commissioner Danna returned.

Acting Principal Planner Merriam explained the application is to pre-zone a property to allow future annexation to the City. A Memorandum of Understanding has been created which details the services the City will provide. LAFCO required an application to allow the City to provide service to a project located outside the City system. The Annexation Process states in order to consider annexation of property, the property must first be pre-zoned. If pre-zoning is not approved, the territory to be annexed will be classified as EM-A-A (Exclusive Agriculture District) upon annexation. As there is no incentive, and the City has no plans to develop another Specific Plan for the Atkinson Area, staff is recommending that the Planning Commission adopt a resolution to deny the application.

Commissioner Corley asked if we have a need for housing in Watsonville.

Mr. Boyle replied yes, there is a need.

Commissioner Corley asked how we can come up with a plan to make it work.

Mr. Boyle said the City already has a Memorandum of Understanding of how the area will be serviced by the City and the project has approvals. The annexation is a burden being placed on the City, with no incentive, and the Specific Plan which would be required was previously denied.

Commissioner Danna asked if the application is denied, will it kill the project.

Mr. Boyle said no, that the water service provided by the City is already approved. **33**



Commissioner Sarmiento asked if the City has any leverage on requiring that the units be market rate instead of affordable.

Mr. Boyle replied no, this was approved as an affordable housing project.

Commissioner Sarmiento confirmed that there really is no benefit to the City.

Mr. Boyle agreed.

**b) Applicant Presentation**

Betsy Wilson, Director of Housing Development with Mid-Peninsula Housing Corporation commented that whether the pre-zoning application is approved or not, they will proceed with building the 46 unit community. Ms. Wilson explained that the project does create complications since one parcel is in the City of Watsonville while the other is in the County. Being in two different jurisdictions will be confusing for residents as well. Since LAFCO felt that annexation by the City was very important, she wanted their representative to speak as well.

---

Patrick McCormick, executive officer of LAFCO, explained that LAFCO is a mandated boundary commission in each county that regulated the boundaries and service areas of cities and special districts. Mr. McCormick said that LAFCO asked for this boundary change and acknowledged that City staff did say they were not in support of the annexation. He explained that some annexations make money for the City, but not all will. Mid-Peninsula Housing has agreed to make a lump sum payment to the City, since an annexation would be revenue neutral. Mr. McCormick shared that he has seen the City and the County work great together for the last 15 years and encouraged the Commissioners to maintain that great working relationship by approving the application.

Commissioner Corley asked when LAFCO decided to make this recommendation.

Mr. McCormick answered when Mid-Peninsula Housing applied for water and sewer service.

Commissioner Danna asked about the lump sum of money that Mid-Peninsula Housing has offered to provide the City.

Mr. McCormick confirmed that Mid-Peninsula Housing has signed an agreement for the lump sum payment.

Commissioner Danna asked how much of the costs the lump sum payment would cover.

Mr. McCormick referred the answer to City staff.

Commissioner Kammer asked Ms. Merriam to see the map of the proposed project site for clarification on the other proposed sites within the map.

Ms. Merriam clarified which parcels are within City and County zoning.

Commissioner Danna asked for clarification of the main argument of City.

Ms. Merriam explained that the General Plan does not allow annexation of this area without a Specific Plan, which the City does not have due to a lawsuit.

Mr. Boyle added that the City would prefer to proceed with the annexation at a later date, when it would include the larger project.



Commissioner Danna asked if the application is denied, what would happen next on this project.

Ms. Merriam said the project would go before the City Council for final approval but that LAFCO is only requiring Mid-Peninsula Housing to apply for annexation, not to receive it.

**c) Public Hearing**

Chairperson Danna opened the Public Hearing.

Jose Marquez, a property owner on Atkinson Lane, spoke against the project due to his concerns that an affordable housing project will negatively affect property values and the environment in the neighborhood.

Seeing no further public comments, Chairperson Danna closed the Public Hearing.

**d) Commission Discussion**

Commissioner Corley confirmed that the County will be providing services for the 26 units and the City providing for 20 units.

Ms. Merriam replied yes.

Commissioner Danna asked what the Specific Plan would entail.

Mr. Boyle said that the previous Specific Plan had identified specific housing, infrastructure and parks but it was dropped due to a lawsuit. The City has no need to move forward with annexation at this time, and prefers to pursue it a later date in conjunction with the larger project.

Commissioner Sarmiento said the applicant has already confirmed they will complete the project regardless of the annexation, and made a motion to deny the application.

**e) Motion:**

It was moved by Commissioner Sarmiento, seconded by Commissioner Kammer, and carried by the following vote to adopt a resolution denying Application (PP2015-151) for a Pre-zoning.

AYES: COMMISSIONERS: Kammer, Rivera, Sarmiento, Danna

NOES: COMMISSIONERS: Corley

ABSENT: COMMISSIONERS: Jenkins, Gonzalez





When completed, Pippin Apartments aims to provide housing for people earning up to 60 percent of the county area median income, which is \$59,160 for a family of four in 2015.

MidPen operates 11 properties in Santa Cruz County and will be breaking ground on a 12th project in March 2015. That new community will consist of 40 homes for seniors on a vacant lot behind the St. Stephens Lutheran Church in Live Oak.



*Ryan Masters*

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

- [Full bio and more articles by Ryan Masters](#)
- [Back to top](#)





PROCEEDINGS OF THE  
LOCAL AGENCY FORMATION COMMISSION  
SANTA CRUZ COUNTY

Wednesday, May 7, 2014  
9:30 a.m.

Room 525  
701 Ocean Street  
Santa Cruz, California

---

The May 7, 2014 Santa Cruz Local Agency Formation Commission meeting is called to order by declaration of Chairperson Jim Anderson.

ROLL CALL

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

LAFCO APPLICATION No. 952 ATKINSON LANE / PIPPIN APARTMENTS AUTHORIZATION FOR CITY OF WATSONVILLE TO PROVIDE WATER AND SEWER SERVICES OUTSIDE CITY LIMITS TO ASSESSOR'S PARCEL NUMBER 048-211-25

Mr. McCormick reports that this application is from the Mid-Peninsula Housing Corporation to get water and sewer service from the City of Watsonville for a parcel outside the City limits. The project contains two parcels, a City parcel and a County parcel. The 2.4 acre County parcel is the subject of this application, the address is 56 Atkinson Lane, and it is planned for 26 units.

The County has been processing its land use entitlement for 26 units. It was recommended by the County Planning Commission last week. Last night, the City Planning Commission considered the entitlement for the 20 units on the City parcel, and it was approved.

This parcel is part of what was the Atkinson Lane Specific Plan, which was a joint effort between the City and the County. That concerned a much larger area. The surrounding area is built up with single and multi-family residential. Much of the Atkinson Lane study area was agricultural land and it is not subject to this hearing. The adjacent Lamb parcel is in the unincorporated area and does not have any land use entitlements, but it is potentially the next parcel to be developed in the neighborhood.

The City has a water main and a sewer main in Atkinson Lane. The front two buildings of the project are inside the City limits and the back building is outside the City limits. There is a single driveway with parking scattered on both parcels. Most of the community facilities for the project are on the back parcel. The buildings closest to the street are smaller buildings in scale with the other residential uses along Atkinson Lane.

Mid-Peninsula Housing Corporation (Mid-Pen) is a non-profit. They have a presentation about the nature of their project.

This LAFCO prioritizes extending service by means of annexation. LAFCO's policies say that annexation is preferred if it is practical. The property is within the County's Urban Limit Line and within the sphere of influence that LAFCO adopted for the City of Watsonville. It is also within the growth area adopted by Watsonville's own growth initiative, Measure U. The property is adjacent to the City's boundary, so there is no real impediment to annex the property. The development has a very complicated entitlement history. The City, the County, and the developer have cooperated to structure a project, presuming that the front



parcel be in the City and the back parcel be in the County.

There will be a service agreement among the three parties for the City to provide a full range of urban services to the property, more than just water and sewer. A copy of that draft agreement is in the agenda packet starting on page 95.

This Commission has water policies. This project would save 1.2 gallons in the City's system for every new additional gallon that the project would increase demand on the City. The intent of LAFCO'S water policies is to not make the water situation worse, but make it better. The Pajaro Valley aquifers are overdrafted. The City, the Pajaro Valley Water Management Agency (PVWMA), and several other parties are trying to address the problem. This extraterritorial service approval would not make the water problem any worse, just a small amount better incrementally. The project could be considered consistent with this Commission's water policies.

Staff solicited public agencies for comments. Comments were received from the City and the County that support the extraterritorial service. The County Elections Officer, Gail Pellerin, wrote a letter supporting an annexation because it is much easier to administer elections to a project if people are not split between different ballot types and different precincts.

He recommends continuing this matter until next month. The Commission's policy prefers annexation over extraterritorial service. This project has a lot of support and has gone through a complicated path to get here. He hopes to include an annexation solution.

Alternate Leopold wonders about the Memorandum of Understanding (MOU) that has not been finalized, but is included as Attachment M. It involves the City providing fire, police, water, solid waste, and sewer. He thinks annexation would not only be practical, but warranted.

Mr. McCormick replies that the parties have tried to structure the service agreement so that the City would be the full provider of a full range of services. There is another agreement that is not in the record that involves Mid-Pen paying the City a series of impact fees. Mid-Pen would make some prepayments upfront because they would not be paying property taxes to the City. It is being negotiated privately, but it anticipates that the City would be the service provider to these 46 units forever.

Alternate Leopold asks if the project is located in a Watsonville school district.

Mr. McCormick replies that the children would go to school in the Pajaro Valley Unified School District.

Commissioner Dodge says they would probably attend Hyde and Macquiddy elementary schools.

Commissioner Rapoza says the report indicates the City and the County entered into an MOU. Part of it was to jointly oversee the planning and environmental review of this project. If the project is moved from extraterritorial service to annexation, he asks where the County



stands in terms of the future of this project, such as the changes in the planning or inspections.

Mr. McCormick says this is why he is recommending a one-month continuance. If they knew the timing of the annexation and the permits, then the agreements could either stand or be amended. Hopefully, they could figure out a logical schedule.

Mid-Pen had a housing project before LAFCO for extraterritorial service called Schapiro Knolls, off of Green Valley Road. It was a simple approval because it was for water service only. The City had a water main in the street, it was outside the sphere of influence and the City's growth area, and it was not practical to annex it.

Alternate Bobbe asks if the 1.2 gallons for the demand offset is set in stone.

Mr. McCormick answers that it was a requirement in the settlement agreement. It has been incorporated into the City and the County's development approvals.

Alternate Bobbe says that most water districts that have a water demand offset have discovered long ago that the 120% goes to development. She disagrees about not making the situation worse. Most districts that have a demand offset have realized that at least 160% is needed. Soquel Creek Water District now has 200%. This agreement was made in 2011 and a lot has been learned in the last three years. This is an old style offset agreement.

Regarding the annexation issue that Commissioner Rapoza was referring to, she looks at such issues as contamination going into the soils and pervious surfaces, and who is going to mitigate that. She asks if they will find out within a month who will oversee the mitigation from these various significant impacts mentioned in the EIR.

Mr. McCormick says if she asking whether this meets the Commission's water policies, this Commission has total discretion to decide this. When the water policies were adopted, the Commission felt strongly that there should not be a single formula that applied from Boulder Creek to La Selva Beach. The area's aquifers are sufficiently different that a specific formula would not work because there are different problems with different types of solutions. This Commission has not seen this type of mitigation in the Pajaro Valley before. His staff recommendation is based upon the Commission having accepted this level of mitigation in other watersheds. If the bar needs to be raised on this type of mitigation, the Commission should discuss this. In the mitigation monitoring program, the responsibility has been assigned.

Chairperson Jim Anderson wonders about the calculations for saving water in the EIR. There were some estimates because some of the water the calculations were based upon were not metered, but based upon averages.

Commissioner Dodge says that about 85% of all the water in Pajaro Valley is used for agribusiness. This is only minor when pertaining to the overall saltwater intrusion issue. The City's water usage has not gone up significantly in the last five years.



Commissioner Roger Anderson says that the environmental checklist is a difficult document to read because of all the crossouts, especially for large financial items concerning onramp improvements to Highway 1 and other street improvements. He could not tell who was responsible for the financial parts of all those improvements. He would like to see the relative contributions from the County and the City.

He recalls the Commission discussing this project before. The County had some low and very low income housing funds that they could spend. There was some question about who would get credit for this housing. He understood that after this project was built, it would be moved to the City.

He would like to see more information about the target population for which this housing is being built. The settlement agreement, as a result of the lawsuit with the Farm Bureau, clearly stated they wanted farm workers and agricultural processors included in that population. He asks if that is the primary purpose of this housing.

Mr. McCormick says that the environmental document was purposely structured so that the parties could see that the settlement agreement was being implemented. He decided to leave the crossouts in to maintain the integrity of the document.

The mitigation monitoring program includes impact fees. It tracks the responsible party for who will pay the fees and who will make the improvements.

Commissioner Roger Anderson says there were amounts that charged the project, but the overall costs were much more than that. He does not know where the remainder comes from.

Betsy Wilson is the director of housing development for Mid-Peninsula Housing Corporation (Mid-Pen). She oversees the Watsonville office which works on projects in Santa Cruz, Monterey, and San Benito Counties. She has a PowerPoint slide presentation for the Commission.

Mid-Pen is a non-profit organization. They build housing for seniors, families, and people with special needs. This project is being built for families. In their portfolio, they have over 4,000 family units in 61 properties. They manage all of their properties and they provide on-site services.

They have 11 properties with 86 units in Santa Cruz County. Two are in entitlements; one is St. Stevens, a senior property behind the St. Stevens Lutheran Church in Live Oak, and the other is the Pippin Apartments.

In Watsonville, they have six existing properties. Three are replacements for trailer parks and labor camps. One is a 200-unit renovation they recently completed, which included several water-saving measures that contributed to the offset requirements for the proposed project. They retrofitted those 200 units with efficient fixtures.



Schapiro Knolls was recently finished and it is the project that had extraterritorial approval for water service, as previously mentioned. Via del Mar is a family project next to the transit center.

The proposed project site is 2.3 acres. They also control 1.3 acres in front. As a whole, the 46 units represent less than 10% of original entire Specific Plan area and about 25% of the remaining planning area that is referenced in the revised EIR, which is in place as a result of the settlement with the Farm Bureau.

These projects need to be built together. They will not be able to move forward with the City component without the County component of this project. The community facilities are in the large building in the back. Some of the parking needed for the City units is located on the County parcel. The funding that they have committed to date is all on the County parcel. There is some former County Redevelopment money and some State funds that are committed to the 26 units in the County component.

The project is proposed to look more like a single family dwelling from Atkinson Lane. The units get taller towards the back with 2-story elevations, then 3-story further back. The lower 1-story elevation is community space for offices, a community room with a kitchen, and a computer lab.

Mid-Pen is hoping that at this meeting, they can work this out and move forward with this project. They have a funding application due to the State in early July and that is their last piece of competitive funding to move the project forward. These opportunities come around once per year. If they are not able to move forward and be ready, they will not score as well as they would need to be competitive. For their chance to compete, they would be delayed at a minimum of another year.

From there, they would go through a federal environmental review process and it will take a while to start construction. It is important that they reach some sort of agreement today. The decision is important to them, but they do not have much control over what ultimately happens.

There was some question about overseeing the EIR mitigations. With their recently completed Aptos property, as well as this property, they will have a storm water management maintenance agreement, which she believes is a recorded document. They enter into a contract with a third party consultant engineer who oversees all of the storm water mitigations they put in place. On a monthly or annual basis, depending on how they need to be maintained, they check on them to make sure they are getting cleaned out and they are operating correctly. It is an obligation the County requires them to meet.

Regarding the traffic mitigation, they are paying impact fees that represent their proportionate share of the costs to make the upgrades needed if and when the rest of the development happens. They are at about 25% of what is remaining.

Regarding target population, Schapiro Knolls is a good bellwether of what should be expected. It is less than two miles away from this project and it has 88 units. 95% of the tenants who moved in there were from Watsonville and 30% of those are farm workers.



There were 1300 applications for that property. There was an overwhelming need in the community.

They have met with the Farm Bureau and they can do targeted marketing where they market specifically to the agricultural businesses. They applied for USDA farm worker funding that would have restricted this to farm workers in the fields, not for people in affiliated industries; but they were not successful with that application. At this time, they do not have any funding that restricts who lives in those units, but they often do target marketing to reach out to those people. Schapiro Knolls was successful with that because 30% of them are farm workers.

Commissioner Friend asks what percentage of the funding is from the County.

Ms. Wilson answers that the County funding is associated with the construction costs on the County parcel. The goal is to apply for the State Home funding that would be used to finance the City parcel in front.

Commissioner Friend asks if this were delayed, and it was required that this be an annexation, would the County funding not be available because there would be no County component.

Ms. Wilson replies that if LAFCO does not give extraterritorial approval, or reach some other agreement with the City, they will not be able to build either the City or the County project.

Commissioner Friend asks if LAFCO were to approve staff recommendation and delay the application another month, and it was determined to be an annexation only, would the County Redevelopment money still be available for a City annexation.

Ms. Wilson thinks it would depend on the timing of the annexation.

Julie Conway, from County Planning, says this project has always anticipated eventual annexation. It will be built before the annexation is complete. They will get credit for both RHNA numbers and what they need to report to the State on affordable units. She does not believe it will matter.

Commissioner Friend does not understand the need for the delay. If the goal is to annex eventually, it meets a County housing need now where they can help fund the project, and there is a clear need for this kind of housing in South County; so he is confused what the value of the month delay recommendation would be.

Mr. McCormick says the policy word is "practical." If it is practical, it should be done. If it is infeasible, it should not be annexed. Another way should be found to provide services or say no. The recommended continuance is to try to figure out the timing by which an annexation could occur, how that would be successfully folded into the existing agreements, and keep the project going with more than a good intention to annex at some future indefinite date.

Commissioner Friend wonders if the State funding could potentially be jeopardized if it is delayed one month.



Mr. McCormick does not believe one month would cause irreparable harm.

Ms. Wilson has talked to the City extensively and they talked about annexation a year ago. They do not believe there is anything more to add to the conversation that they cannot have at this meeting. If this matter is continued until June, and there is some agreement that needs to be negotiated to get an outcome, then there could be a problem not having that agreement done in time for their application. If an agreement can be reached today to come back with some specific document in June, she does not believe that would jeopardize their funding. She is concerned about continuing it without an actual path.

Marcela Tavantzis, the Assistant City Manager for the City of Watsonville, states that the City has considered annexation for this property, which was included in the Measure U urban limit line since 2004. The future annexation of this property is not in question; it is the timing. The City has very limited resources since they lost about half of their staff. They are still dealing with work furloughs and being closed on Fridays. Adding more work to their load is not in the best interest of the community.

The City will provide services to the apartments. They are reluctant to enter into an annexation process at this time. When they come back to fulfill Measure U in the future, update the Specific Plan and the EIR, and proceed with the annexation of Atkinson Lane, they are committed to annex at that time. LAFCO would make it a condition if they annexed any adjacent parcel, they would have to take the inhabited piece that is in the middle. They would never be able to proceed with Atkinson Lane without annexing this in the future.

The City will have to proceed with Atkinson Lane as they complete infill in the community and the RHNA numbers come up. They do not expect to do it this cycle, but they may need to do it by next cycle. They may need to work out the differences, redo the EIR and the Specific Plan, and address the rest of Atkinson Lane. At that time, LAFCO can require that they annex it.

A very detailed agreement has been worked out among the County, the City, and the developer. They are paying traffic impact fees to the County for the County portion to be used in South County intersections. They are paying City traffic impact fees for the City portion to be used to mitigate the impacts of this project in the City limits. All of the impact fees have been worked out.

The City is satisfied with providing police, fire, and solid waste services to the subdivision. Both jurisdictions are fine with providing services. The project will look like it is in the City. An annexation process is time consuming and the City does not want to commit to that process now. They have a General Plan hearing on June 20<sup>th</sup> and several big issues to deal with. Since this has worked out so well, there is no need to withhold water service pending an annexation since LAFCO will always have the opportunity to require that.

Commissioner Coonerty asks if the City Council has taken any action that would prevent annexation.

Ms. Tavantzis replies no.



Commissioner Coonerty asks if she means it is not practical because of financial considerations.

Ms. Tavantzis answers, for financial and staffing reasons, it is not practical. She does not have the staff to process something that is not a direct benefit to the current residents.

Commissioner Rapoza is troubled that the City issued a will serve letter in August of 2013. LAFCO's water policies are fairly clear that they prefer annexation in similar situations like this. Somehow LAFCO is being put in a box because someone else did not realize that there is a LAFCO policy that prefers annexation, and this could have been addressed almost one year ago.

Ms. Tavantzis says they are not allowed to deny a will serve letter for water to an affordable housing project. The will serve letter is a matter of law.

Mr. McCormick adds that the EIR started out for the whole Atkinson Lane project, including many acres that have been dropped out of it since. A lot of the action was in the CEQA litigation and the settlement agreement. There was not a clear opportunity to for the parties to think out of that box, or for him or the Commission to add LAFCO's input. There is no blame to be assigned, but the parties had major litigation. The Farm Bureau, the property owner, the City, and the County each had separate interests, and they were trying to solve that rather than thinking about how their steps might fall into place. LAFCO commented on the original EIR that contemplated annexation in a phased manner.

Commissioner Roger Anderson asks if there is any way of conditioning the extraterritorial service with a definite date for annexation.

Counsel McRae answers yes. She believes that staff is recommending a month to work out what that condition might be, and to work with the City on such a condition.

Ms. Tavantzis thinks the onus of the annexation falls on the City as a condition for a County project. They will come back to LAFCO for Atkinson Lane in the future, but she does not know when. To condition the approval for the City to provide water to a County project, and annex by a certain date, puts the City of Watsonville in a difficult position.

Alternate Leopold asks when would be a good date for the City to do this. The next RHNA cycle is in seven or eight years.

Ms. Tavantzis answers when they have \$250,000 to do a Specific Plan and EIR. An annexation process will be the first indication that they are ready. They do not have \$250,000 now. They cannot promise when they would have it; it is when the money is available. The EIR will cost more than \$100,000.

Alternate Leopold thinks everyone is in agreement that they want this project to go forward. LAFCO's policies are well thought out because this is an appropriate project to be annexed into the City. The City clearly anticipated this. It is in the sphere of influence, and it was always part of the discussion of the project. The question is when the annexation should take place. To look out on an eight-year cycle, there has to be some reasonableness if an



annexation is required. Annexation is the most appropriate response. There should be a definite time that annexation happens rather than just saying that they will get to it when they can.

Commissioner Coonerty asks staff if the City of Watsonville is the only agency that can apply for annexation.

Mr. McCormick answers no. The property owner can also apply.

Ms. Tavantzis asks what the City's involvement would be with the application. She asks if they would have to go to the Planning Commission and the City Council.

Mr. McCormick says the City's obligation is to hold a rezoning hearing in front of the Planning Commission and hold a rezoning hearing in front of the City Council. He anticipates they would use the existing environmental document. There would be the cost of holding two hearings. They can charge the applicant or not charge the applicant, based upon their own fee schedule.

Commissioner Coonerty asks if Mid-Pen is the owner of the property.

Commissioner Rapoza asks what the timeframe would be for the LAFCO process and what the costs for the applicant would be if the City or the property owner were to submit an application for annexation.

Mr. McCormick replies that on an accelerated basis, six months would be the minimum. Six to nine months would be a safe range.

Commissioner Coonerty adds that LAFCO's policy in an emergency situation is that within two years, there should be an annexation.

Ms. Tavantzis says that when the City applies for any other Atkinson Lane annexation, that would be a condition of the City's application for this parcel to be annexed. The effort would be combined, a one-time process and expense that would all be done at the same time.

Commissioner Rapoza agrees with Commissioner Coonerty about LAFCO's policy. When they authorize emergency provisional water or sanitary services via extraterritorial service outside an agency's boundaries, and annexation is practical, the Commission will require annexation to be complete within two years.

Mr. McCormick says this Commission has only applied that policy to true public health emergencies where there was a failed well or septic system. The Commission has never considered institutional or entitlement urgencies as an emergency. The same principal can apply, but it is broader than how he interpreted the policies.

Commissioner Coonerty says there is still the question of whether it is practical. The City of Watsonville has no barrier to prevent annexation. There is no policy or action the City Council has taken to prevent annexation.



Commissioner Dodge adds that there have been informal discussions pertaining to Atkinson Lane. The City is interested in the Specific Plan and an EIR that may be necessary for this project. This area has been the subject of litigation in the past. The City is interested in pursuing the whole Atkinson Lane annexations.

Commissioner Coonerty understands that it may not be practical for the City of Watsonville to apply for an annexation. He asks Ms. Wilson, as the property owner, if they could apply for annexation.

Ms. Wilson thinks it would still obligate the City to take certain steps which they may not be financially prepared to do, such as writing staff reports and having hearings. Mid-Pen would be willing to write an application. If it were a condition that Mid-Pen apply for annexation, they would do it.

Commissioner Friend thinks, if the initial EIR would stand, there would not be the cost of a \$100,000 EIR. That would mitigate a significant portion of the cost or the burden upon the City of Watsonville, minus staff time.

Mr. McCormick hopes that the City would use the existing EIR. It is pretty bullet proof since it has a settlement agreement. The litigant is not objecting to the implementation at LAFCO and they did not object before the County Planning Commission or the City Planning Commission. The EIR would be handled as much as it was in the LAFCO materials; by attaching the addendum and proving the permit conditions are consistent with the addendum and the settlement agreement.

Commissioner Coonerty asks if LAFCO is allowed to condition an application for annexation within two years, whether it could be done by the property owner. He asks whether LAFCO is allowed to designate what agency would file for an annexation.

Mr. McCormick responds that State law specifically states that the City can apply by resolution and the property owner can apply by petition. Each party has a right by law to be the applicant.

#### MOTION

Motion: Coonerty Second: Dodge	<p>The project meets several of the Commission's criteria for approving extraterritorial service requests, specifically:</p> <ul style="list-style-type: none"><li>a) The City's water and sewer mains are located in the Atkinson Lane right-of-way in front of the project site, and therefore, the water and sewer facilities are already in place.</li><li>b) The project has been conditioned upon 1.2 gallons of water being saved in the City's water service area for each 1.1 gallon of new demand from the Pippin project.</li><li>c) The City is willing to provide the requested water and sewer services.</li></ul> <p>The policy question is whether the services should be provided by annexation which, under LAFCO's policy 9.1, is a preferred method for which services are extended. However at this time,</p>
-----------------------------------	--



	while annexation is not prevented by the City of Watsonville, it is not practical; and therefore, it is the intention of the Commission to require the property owner to file an application for annexation within two years.
--	---

Commissioner Roger Anderson asks Commissioner Coonerty if he meant to file a completed application.

Commissioner Coonerty answers that is correct.

Commissioner Friend asks whether this would grant the extraterritorial service and state the intention of this body that an application for annexation be implied within two years by the property owner. It is not a requirement, but it is the intention of the body.

Commissioner Coonerty says that is correct.

Commissioner Rapoza thinks it puts the application and the annexation process two years from now. Construction begins July of 2015. If this annexation application is before LAFCO by May of 2016, he wonders if this Commission is willing to say that all the work done over the previous year is for naught, and not authorize the extraterritorial service.

Commissioner Coonerty thinks this is one of the "Catch 22s" of the policy. This Commission allows these projects to go forward with the provision that in an emergency situation, that they apply within two years. If they do not apply, he wonders what the cure is.

Mr. McCormick says this policy has never been applied to a proposed construction project. The policy has only been applied to an existing structure with a failed septic system or a failed well. The Commission has never had to enforce non-compliance at the end of the two years. This policy has never been applied to a vacant, unbuilt parcel because there is no public health emergency. This Commission has granted extraterritorial service and obligated a property owner with an existing problem to follow through and they did.

Chairperson Jim Anderson thinks that, as proposed, it seems nebulous.

Commissioner Friend understands the intention of the Commission and that it is not a requirement. He thinks it should be exceptionally clear to the City of Watsonville and Mid-Pen that people want the annexation, as Commissioner Leopold stated. They support the project and the annexation, and they are trying to work within the financial constraints that the City of Watsonville is dealing with. A public agency and a non-profit should be able to work together and follow through so that the funding can still occur.

Commissioner Roger Anderson agrees with Commissioner Friend. Commissioner Rapoza brings up an interesting point. He would like to see an agreement from Mid-Pen that they are willing to do this within the allotted period of time. He suggests this as a friendly amendment to the motion. If Mid-Pen is prepared to make such a commitment now, it may not be necessary.

Commissioner Rapoza thinks that absent of some agreement, the motion should be amended to read that an application for annexation be filed either by the City or Mid-Pen prior to construction beginning. He does not see the expenditures that are anticipated being that high and thus impractical to annex.

Commissioner Dodge disagrees with Commissioner Rapoza and will not second the suggested amendments. He believes Mid-Pen has serious intentions to follow through. Since 2001, Watsonville has looked at this as a growth area under the passage of Measure U. The City has raised no objections to providing water and sanitary services to this project. The City would have many challenges with an annexation.

Ms. Wilson from Mid-Pen understands these concerns. Mid-Pen wants to continue a relationship with the County and the City. Their mission is to help with good, decent-quality housing for low-income people. They will definitely make the application.

Commissioner Bottorff asks when they would make the application.

Ms. Wilson answers replies that they will do it quickly.

Alternate Leopold asks if it would be realistic to make the application by July 2015 when construction begins.

Ms. Wilson replies that there is a HOME application that is due in early July. After that, they would figure out how to make the application.

Commissioner Coonerty says he will leave the motion as is.

Alternate Bobbe asks, if Mid-Pen becomes the applicant, will it alleviate the City of Watsonville's concerns with the load on their staff.

Ms. Tavantzis answers that it will still force her to process the application. She will still have to have hearings and prepare staff reports. Obligating them to do work is very difficult at this time.

Alternate Lind wonders if Mid-Pen makes the application, whether it will remove a large financial burden from the City because there would not be EIR costs.

Ms. Tavantzis answers that is correct. She was referring to the EIR costs for the entire Atkinson Lane area, not the annexation costs. She was addressing the timing of their future annexation proposal.

Alternate Lind thinks a large burden would be removed if the City did not have to complete a new EIR. Mid-Pen making the application would alleviate or mitigate a large portion of the burden. Staff time would be less significant.

Ms. Tavantzis agrees. The production of all the documents is their financial responsibility.



Commissioner Rapoza thinks the project is great and needs to go forward. Much of the discussion around this policy came from the unwillingness of LAFCO to disenfranchise people from the providers of their service. Without an annexation, the residents of these 26 units would have no say in City water issues, City sanitation issues, and all the other services that Watsonville is going to provide them. He does not want this to be lost in the discussion.

Commissioner Roger Anderson does not believe the motion has changed.

Commissioner Coonerty says that is correct.

Mr. McCormick states that his understanding of the original motion unamended is the approval of extraterritorial services, making the CEQA findings, and requiring the property owner file a completed application within two years.

Commissioner Coonerty clarifies that it is not “shall,” it is the “intent” of the Commission that they would file an application within two years.

#### MOTION AND ACTION

Motion: Coonerty Second: Dodge	<p>This project meets several of the Commission’s criteria for approving extraterritorial service requests, specifically:</p> <ul style="list-style-type: none"><li>a) The City’s water and sewer mains are located in the Atkinson Lane right-of-way in front of the project site, and therefore, the water and sewer facilities are already in place.</li><li>b) The project has been conditioned upon 1.2 gallons of water being saved in the City’s water service area for each 1.1 gallon of new demand from the Pippin project.</li><li>c) The City is willing to provide the requested water and sewer services.</li></ul> <p>The policy question is whether the services should be provided by annexation which, under LAFCO’s policy 9.1, is a preferred method for which services are extended. However at this time, while annexation is not prevented by the City of Watsonville, it is not practical; and therefore, it is the intention of the Commission to require the property owner to file an application for annexation within two years.</p> <p>Motion carries with a unanimous voice vote.</p>
-----------------------------------	--



December, 2006

## The Sphere

# A New Tool for the LAFCo Toolbox

By Pat McCormick, Executive Officer, Santa Cruz LAFCo

### Context

The City of Watsonville is a Latino majority city of 50,000 people substantially surrounded by prime agricultural lands and wetlands. In 2005, the City applied for a 90-acre annexation titled "Manabe-Burgstrom" after the two long-term family partnerships that owned the land. LAFCo had previously denied municipal annexation of these lands in 1977 and 1997 because they are prime agricultural lands and

LAFCo believed that there were other sites upon which the potential industrial uses could be developed or redeveloped.

On LAFCo's part, the proposed annexation area had been a purposeful "peninsula" of unannexed agricultural land bordered on 2½ sides by longstanding industrial lands and 1 side by newly developing residential lands, both within the city limits. The County of Santa Cruz adopted a growth management referendum in 1978 that prohibits the conversion of commercial agricultural lands, such as Manabe-Burgstrom, out of agricultural use. The City of Watsonville rezoned the lands for industrial and other job-development uses along with the restoration of a degraded wetland on the site. So,

LAFCo's decision on this site involved a de facto land use decision.

LAFCo's denial of the annexation in 1999 led to the City rethinking its planning process. Instead of litigating, approaching the Legislature, or reapplying, City officials joined with the agricultural, environmental, and labor opponents of the Manabe-Burgstrom annexation in a multi-year consensus project led by a non-profit entitled "Action Pajaro Valley." Action Pajaro Valley promulgated a Growth Management Strategy that proposed a 25-year urban limit line. The only "greenfield"

sites for major new employers were on the Manabe-Burgstrom properties. All the other new jobs would occur on infill development and redevelopment. This growth strategy was turned into an initiative, which the voters of Watsonville approved in 2002.

### The Hearing

The LAFCo hearing was held on October 19, 2005. As a product of the Action Pajaro Valley consensus project, there was overwhelming local support for the annexation. The LAFCo Commissioners acknowledged the broad support, but also kept their "LAFCo hats" on. The Commissioners remembered the 200 acres immediately north of Manabe-Burgstrom, for which LAFCo had approved annexations for industrial development in the 1970's. This acreage hadn't found a market for industrial development, and, after rezoning, was in the process of being developed for residential uses. The Commissioners were concerned that the same scenario would happen on the Manabe

Burgstrom site. If so, the job-creating potential of the Manabe-Burgstrom site would be lost, and the other potential "greenfield"

sites are located outside the city's 25-year urban growth boundary, are farther from the urban center, and have more constraints and significant political opposition.

At the hearing, the property owners made an offer to covenant their properties to become a long-term center for job growth. This covenant had the potential to address the Commission's concerns about rezoning while avoiding a situation of directly regulating land use as prohibited by the Local Government Reorganization Act. The motion directed staff to return

The covenant is  
a new tool for  
annexations in  
situations where  
future land uses  
are an issue



Burgstrom Property



## New Tool for the LAFCo Toolbox

*Continued from Cover*

with a covenant that was acceptable to the City and property owners and was enforceable, if one could be crafted. If such a covenant could be prepared, the property owners would voluntarily record the covenant prior to the LAFCo Executive Officer recording the Certificate of Completion.



Manabe ("ma-NAH-be") Property

If no covenant could be prepared to implement the property owners' promises, then the matter would return to the Commission for further motions on the disposition of the proposed reorganization.

### Covenant

The development of a covenant turned out to be a state-of-the-art exercise in California annexation practice. In order to increase the future number of parties who could enforce the covenant, two additional parties were asked to become signatories: the County of Santa Cruz and the Watsonville Wetlands Watch, a local environmental group that

had opposed the Manabe-Burgstrom Reorganization in 1999 and had signed the Action Pajaro Valley consensus growth strategy in 2002.

### Conclusion

After much hard work by representatives of all the parties in the negotiation, a covenant was successfully drafted. LAFCo unanimously found the covenant to be acceptable in March 2006. As stated in Article 3 of the covenant, through the year 2030 the principal uses of the annexed lands will be for a business park. Big boxes and auto sales are prohibited. A freshwater wetland will be restored. The covenant and reorganization were recorded on August 1, 2006. The covenant is a new tool available for use in annexations in a small number of situations where future land uses are an issue.

For more information please visit the Santa Cruz LAFCo website at:

<http://santacruzlafco.org/pages/agendas.html#Manabe>



Site Map

Recorded at the Request of and When  
recorded, mail to:

Resolution 147 -06 (CM)  
City Clerk  
City of Watsonville  
Post Office Box 50000  
Watsonville, CA 95077-5000

Space above for Recorder's Use Only

### PREAMBLE

The intent and purpose of this Declaration is to establish mutual covenants, conditions, and restrictions as provided in Section 1468 of the California Civil Code, equitable servitudes as provided in California law, to facilitate and maintain job creating uses and to prohibit other uses on property located north of the Union Pacific Railroad tracks and east of State Highway One in the unincorporated area of Santa Cruz County for the term of this Declaration.

The quality and economic vitality of future development depends on the people, increased employment opportunities and a healthy business community in the Pajaro Valley. The covenants in this Declaration are directed toward the goal of creating a job producing Business Park where businesses will desire to locate, own or lease, and prosper.

### DECLARATION AND ESTABLISHMENT OF PROTECTIVE COVENANTS AND RESTRICTIONS

This Declaration is made this 28<sup>th</sup> day of June, 2006, by and among the following parties:

- George Ow, Jr., David L. Ow and Terry L. Ow, as Trustees of that certain Declaration of Trust Dated July 10, 1984 between George Ow as Settlor; George Ow Jr., David L. Ow and Terry L. Ow, as Trustees of that certain Declaration of Trust



Dated July 10, 1984 between Emily Lee Ow as Settlor; George Ow, Jr., David L. Ow and Terry L. Ow, as Trustees of that certain Declaration of Trust dated December 24, 1985, between George Ow as Settlor; and George Ow, Jr., David L. Ow and Terry L. Ow, as Trustees of that certain Declaration of Trust dated December 24, 1985, between Emily Lee Ow as Settlor (collectively, the "Ow Trusts").

- City of Watsonville, a municipal corporation ("Watsonville").
- M F Farming Company, a corporation ("MF").
- Watsonville Wetlands Watch, a corporation ("Wetlands Watch").
- County of Santa Cruz, a political subdivision of the State of California ("County").

#### RECITALS

WHEREAS, the above identified property owners, hereafter "Declarants", own certain real property described in Article 1 of this Declaration; and

WHEREAS, Declarants intend by this Declaration to establish restrictions, limitations and covenants that run with the land and will be binding on owners of the MF Property and the Ow Trusts Property and their Successor Owners having or acquiring any right, title, or interest in the real property described in Article 1; and

WHEREAS, it is the desire and intention of Declarants to impose upon the Property described in Article 1, mutual, beneficial restrictions under a general plan or scheme of improvement for the benefit of all the property described in Article 1 and the future owners of that property; and

WHEREAS, it is the intent to benefit the City Property, County Property and the Wetlands Watch Property and encumber the MF Property and the Ow Trusts Property described in Article 1 to

ensure that the purposes set forth herein are enforced and enforceable, and that this Declaration remains in effect and is not rescinded or modified; and

WHEREAS, said County Property consists of approximately 20 acres located off Buena Vista Drive south of Harkins Slough Road in southern Santa Cruz County consisting largely of bottom and wetlands, and assigned Santa Cruz County Tax Assessor's Parcel Numbers 52-531-04 and 52-531-05, the location of which two parcels is more particularly identified on Santa Cruz County Assessors Map Book 52, page 53 which are described on Exhibit E attached hereto and incorporated at this point as if set forth in full; and

WHEREAS, Wetlands Watch is a legally existing and properly constituted corporation, dedicated to the protection, restoration and appreciation of the wetlands of the Pajaro Valley; and

WHEREAS, Wetlands Watch is the owner of a parcel of land, commonly called "Tarplant Hill" and more particularly described in the deed from Alvin King and Penelope King and APASK Corporation, a corporation, to Wetlands Watch, dated December 15, 2005, and recorded January 3, 2006, as document number 2006-0000002 in the Office of the Santa Cruz County Recorder; and

WHEREAS, the land between the proposed annexation and the County Property is primarily dedicated to commercial agricultural uses and serves as a buffer between urban uses; and

WHEREAS, Declarants agree that the restrictions on uses in this Declaration will substantially lessen the pressure to develop more intense urban uses in the vicinity, and will thus help preserve this agricultural buffer from development; and



WHEREAS, Declarants agree that the restrictions on uses on the MF Property and the Ow Trusts Property in this Declaration will substantially lessen the pressure to develop more intense urban uses in the vicinity of the Tarplant Hill parcel owned by Wetlands Watch; and

WHEREAS, portions of Declarants' properties contain wetlands, including a portion of Struve Slough, a habitat for wildlife; and

WHEREAS, Declarants agree that the restrictions on uses of the MF Property and Ow Trusts Property set forth in this Declaration will substantially lessen potential adverse impacts on the wetlands areas within Declarants' properties by minimizing traffic and the number of persons on these properties, which will help enhance and preserve the wetlands on Declarants' properties and the Wetlands Watch Property.

#### DECLARATION

NOW THEREFORE, Declarants declare that the parcels described in subdivisions (a) and (b) of Article 1 are held and will be held, conveyed, hypothecated, encumbered, leased, rented, used, occupied, and improved subject to the following limitations, restrictions, covenants, and reservations, all of which are declared and agreed to be in furtherance of a plan for the subdivision, improvement, use and sale of such properties, and are established and agreed on for the purpose of enhancing and protecting the value, desirability and commercial attractiveness of such parcels and every part thereof.

All of the limitations, restrictions and covenants will run with the land and will be binding on all parties having or acquiring any right, title or interest in the properties described in Article 1 or any part thereof, and will inure to the benefit of the properties described in Article 1, and the future owners of such properties or any portion thereof. Each grantee of a conveyance or purchaser under

a contract or agreement of sale covering any right, title, or interest in the properties described in Article 1, by accepting a deed or a contract of sale or agreement of purchase, accepts the document subject to, and agrees to be bound by, any and all of the benefits, burdens, restrictions, covenants, and limitations set forth in this Declaration.

The preamble and recitals set forth at the beginning of this Declaration of any matters or facts shall be conclusive proof of the truthfulness thereof and the terms and conditions set forth in the preamble and recitals, if any, shall be deemed a part of the Declaration.

#### **ARTICLE 1 PROPERTY**

The Property burdened by this Declaration is identified below in this Article as subdivisions (a) and (b). The property benefited by this Declaration is identified below in subdivisions (c) through (e) inclusive.

- (a) M F Farming Company parcels – See Exhibit A, attached hereto and incorporated at this point as if set forth in full ("MF Property").
- (b) Ow Trusts parcels - See Exhibit B, attached hereto and incorporated at this point as if set forth in full ("Ow Trusts Property").
- (c) City of Watsonville parcel - See Exhibit C attached hereto and incorporated at this point as if set forth in full ("Watsonville Property").
- (d) Wetlands Watch parcel - The real property described in the deed from Alvin King and Penelope King and APASK Corporation, a corporation, to Wetlands Watch, dated December 15, 2005, and recorded January 3, 2006, as document number 2006-0000002 in the Office of the Santa Cruz County Recorder ("Wetlands Watch



Property"). A copy of the legal description from said deed is attached hereto and identified as Exhibit D.

- (e) County of Santa Cruz bottom land and wetlands parcels - Two parcels near Buena Vista Drive and Harkins Slough Road, Santa Cruz County Tax Assessor's parcel numbers 052-531-04 and, 052-531-05, the location of which is more particularly identified on Santa Cruz County Assessors Maps Book 52, page 53. The legal description of said parcels is set forth on Exhibit E, attached hereto and incorporated by reference. ("County Property").

## ARTICLE 2 DEFINITIONS

For purposes of this Declaration, the following definitions shall apply:

- (a) "Ancillary Retail and Personal Services" means uses that provide retail or personal services primarily serving the needs of those employed in the Business Park. Examples of these uses include restaurants, delicatessens, pastry shops and coffee shops, bank service centers, ATM machines, accounting services, legal services, utility company offices, health and fitness and related facilities, health care providers, day care centers, dry cleaning and laundry services, service stations, convenience stores, copy centers, personal care services such as tanning salons, barber and/or beauty shops, small scale repair shops, and other uses of a similar nature.

- (b) "Automobile Sales" means the retail sale and leasing of automobiles, trucks, motorcycles, off road vehicles, tractors, farm implements, boats or recreational vehicles including incidental repair and maintenance.
- (c) "Big Box Store" means a structure or single retail business establishment (including Discount Store, Discount Superstore, Discount Club store or Building Materials/Garden Supply Store) with a gross floor area exceeding (inclusive of outdoor storage, display and sales areas) 20,000 square feet.
- (d) "Business Park" means a grouping of two or more structures intended for job producing flex- industrial type uses including, but not limited to, manufacturing, wholesaling, distribution, warehousing and employment activities such as research and development, business and professional services, businesses requiring offices and/or flexible workspace, corporate offices and campuses and banking centers. Ancillary Retail And Personal Services are permitted to serve primarily the needs of the Business Park and help reduce vehicle miles traveled.
- (e) "Building Materials/Garden Supply Store" means a store that offers building materials, home maintenance supplies, nursery materials and other garden supplies. These stores typically maintain extended store hours (10-24 hours) and are typically open seven (7) days a week.
- (f) "Declarant" means any of the parties identified above as owners of the parcels of property identified in Article 1 above.



- (g) "Discount Club" means a discount store or warehouse where shoppers pay a membership fee in order to take advantage of discounted prices on a wide variety of items such as food, clothing, tires, and appliances; many items are sold in large quantities or bulk.
- (h) "Discount Store" means a store that offers a variety of services, centralized cashing, and a wide range of retail products. Discount Stores typically maintain extended store hours (10-24 hours) and are typically open seven (7) days a week.
- (i) "Discount Superstore" means a store that is similar to a "Discount Store" described above, except that it also contains a full service grocery department under the same roof that shares entrances and exits with the discount store area. Such retail stores typically exceed 100,000 square feet of gross floor area and devote at least five (5%) percent of the total sales floor area to the sale of non-taxable merchandise. These stores usually offer a variety of customer services, centralized cashing, and a wide range of products including grocery and sundry goods. Discount Superstores maintain extended store hours (10-24 hours) and are typically open seven (7) days a week.
- (j) "Property" means the parcels described in Article 1, or any portion of that Property as the context may require, whether or not subdivided.
- (k) "Successor Owner" means a person who acquires any of the Property, or any portion thereof, whether by grant, gift, testate or intestate succession, foreclosure, or any other form of transfer, including a New Owner, as defined in Section 7.01 below.

- (l) "Third Party" means the Santa Cruz County Local Agency Formation Commission and/or Wetlands Watch (should Wetlands Watch cease to own Tarplant Hill). In case the Santa Cruz County Local Agency Formation Commission or Wetlands Watch ceases to exist, upon application of any Declarant or Successor or Third Party, the Presiding Judge of the Santa Cruz County Superior Court may appoint a successor by a reference pursuant to Code of Civil Procedure Section 638 and Section 8.03 of this Declaration.
- (m) "Workforce Housing" means housing (including live/work housing) that may be purchased or rented by a household ranging from 50% to 200% of annual County median household income.

### ARTICLE 3 COVENANTS

3.01 PRINCIPAL PERMITTED USE(S). The principal permitted use for the Ow Trusts Property and the MF Property is a Business Park.

3.02 ANCILLARY RETAIL AND PERSONAL SERVICES USES. Ancillary Retail and Personal Services Uses are permitted on the Ow Trusts Property and the MF Property primarily to serve the Business Park subject to the following:

- (a) Ancillary Retail And Personal Services Uses shall not cumulatively exceed five percent (5%) of the anticipated maximum gross floor area of the Business Park.
- (b) Ancillary Retail And Personal Services Uses shall not exceed 20,000 square feet in any single structure, inclusive of outdoor storage, display and sales areas.



- (c) A Special Use Permit shall be required by Watsonville for any Ancillary Retail or Personal Services Use subject to an additional finding by Watsonville that the use qualifies as an Ancillary Retail or Personal Services Use as defined in this Declaration and meets the criteria of Section 3.02 (a) and (b) above.

3.03 PROHIBITED USES. Big Box Stores and Automobile Sales are prohibited on the Ow Trusts Property and the MF Property.

3.04 RESIDENTIAL USES. No residential use shall be permitted on the Ow Trusts Property and the MF Property except that Workforce Housing shall be permitted on that portion of the MF Property which is described in Exhibit F, consisting of 7.509 acres more or less.

3.05 NO OTHER USES. No uses of the Ow Trusts Property and the MF Property other than those permitted by this Article 3 shall be allowed on the Ow Trusts Property or the MF Property.

#### ARTICLE 4 AMENDMENT

4.01 AMENDMENT. Subject to any right of a "Mortgagee" and subject to the approval requirements of this Article, amendments to this Declaration may be approved from time to time, by an instrument in writing and only as provided in this Article 4.

4.02 OW TRUSTS AND MF APPROVAL. Any approval of any proposed amendment shall require written consent signed by the Ow Trusts and MF, or Successor Owners, as applicable, owning in the aggregate three-fourths of the total gross land area contained within the boundaries of what are now the Ow Trusts Property and the MF Property.

4.03 BENEFITED PARCELS APPROVAL OF AMENDMENT. Any approval of any proposed amendment shall require the written consent of Watsonville, Wetlands Watch and County or their

Successor Owners, as applicable, of the Watsonville Property, the Wetlands Watch Property and the County Property.

4.04 CITY OF WATSONVILLE APPROVAL OF AMENDMENT. Any approval by Watsonville of any amendment shall be invalid unless approved by a vote of at least five of the seven members of the Watsonville City Council at a duly noticed meeting of the City Council.

4.05 THIRD PARTY APPROVAL OF AMENDMENT. Any approval of any proposed amendment shall require the written consent of the Santa Cruz County Local Agency Formation Commission and, if Wetlands Watch no longer owns the Wetlands Watch Property, the written consent of Wetlands Watch.

4.06 NOTICE. Notwithstanding the foregoing, any Declarant, Successor Owner or Third Party shall have 60 days from receipt of a copy of any proposed amendment to review the same before such amendment may be voted upon or consented to as provided below.

4.07 LACK OF CONSENT. During such 60-day period, any Declarant, Successor Owner or Third Party may refuse to consent to a proposed amendment to this Declaration which would change this Declaration by giving written notice to Declarants of consent or lack thereof and describing within said 60-day period with reasonable particularity, the reason for a refusal to consent to such amendment.

4.08 PROCEDURE TO AMEND. Amendments to this Declaration shall be accomplished only by complying with the following procedure:



- (a) If a Declarant, Successor Owner or Third Party desires to propose an amendment to the Declaration, such party shall provide a copy of the text of the proposed amendment to the other Declarants, any Successor Owners and any Third Parties.
- (b) The other Declarants, Successor Owners and Third Parties shall have the 60-day period described above within which to object in writing to some or all of the proposed amendment.
- (c) Unless a written objection is received within such 60-day period as provided above, all objections are deemed waived as to any Declarant, Successor Owner or Third Party which has not so objected within such 60-day period.
- (d) All objections to any proposed amendment shall be in writing and must state all reasons for each such objection.
- (e) After the expiration of sixty days from the date of the last receipt by the owners of the Watsonville Property, the Wetlands Watch Property, the County Property, by the Santa Cruz County Local Agency Formation Commission and by Wetlands Watch should it no longer own the Wetlands Watch Property, the proposed amendments to this Declaration may be voted upon pursuant to Section 4.02 above and if approved as provided therein may be executed, acknowledged and recorded.

4.09 REASONS FOR OBJECTIONS TO AMENDMENTS. For purposes of this Article 4, any objection to an amendment to this Declaration must be based upon one or more of the following reasons in order to prevent the proposed amendment from being approved:

- (a) The proposed, amendment would change the Property benefited and burdened by this Declaration, or
- (b) The proposed amendment would modify provisions of this Declaration which affect the ability of the benefited parties under this Declaration to enforce those provisions of this Declaration which are of legitimate concern to the objecting party including, but not limited to Article 2 and Article 3.

#### ARTICLE 5 SCOPE AND DURATION

5.01 PLAN. All the covenants and restrictions of this Declaration are imposed on the Ow Trusts Property and the MF Property for the direct benefit of the Watsonville Property, the Wetlands Watch Property and the County Property as covenants running with the land and as a part of a general plan of improvement, development, building, occupation, and maintenance of the Property.

5.02 EFFECTIVE DATE. This Declaration shall become effective upon execution but will expire automatically if the Santa Cruz County Local Agency Formation Commission Annexation No. 895 is not completed by August 1, 2006.

5.03 SUCCESSORS; TERM. These covenants and restrictions will run with the land and will be binding on and benefit all of the Declarants, any Successor Owners, and all persons claiming under them, and continue to be in full force and effect. This Declaration, and all of the covenants and restrictions contained in this Declaration, shall automatically terminate on December 31, 2030, unless this Declaration expires earlier pursuant to Section 5.02 above.

5.04 ASSUMPTION AGREEMENT. Each Successor Owner shall execute and acknowledge an agreement in writing assuming all of the terms, covenants and conditions of this Declaration



(including the status of the Third Parties as a beneficiary of this Declaration as specified in Section 6.01 below), which assumption agreement shall be recorded in the Official Records of County concurrently with the transfer of the affected interest in the affected property to such Successor Owner. Failure by a Successor Owner to execute such acknowledgement of assumption shall constitute a default of this Declaration and give rise to a right in favor of all Declarants, Successors and Third Parties to enforce all remedies available under this Declaration.

5.05 SALE BY ANY PARTY. Except as otherwise provided by this Declaration, upon the assignment, conveyance, sale or other transfer by a Declarant of its entire interest in the Property, that Declarant shall be released from the obligations of this Declaration accruing after the effective date of such transfer, if such Declarant has given to the other Parties notice of such transfer and delivered the assumption agreement required by Section 5.04 concurrently with the filing for record of the instrument effecting the transfer.

#### ARTICLE 6 ENFORCEMENT

6.01 COVENANTS BENEFIT AND BIND. The provisions in this Declaration will inure to the benefit of and bind and be enforceable by a Declarant, a Successor Owner or a Third Party. It is the intent of the Declarants to make this Declaration enforceable by any Third Party identified above, and the Declarants hereby declare each Third Party as a third party beneficiary of the covenants and restrictions contained in this Declaration with the status of a creditor beneficiary in accordance with California law. Notwithstanding anything to the contrary contained in this Declaration, no Third Party shall have the right to reassign this Declaration, or any of its rights under this Declaration, unless a substitute Third Party is designated pursuant to the definition of Third Party contained in subsection (l) of Article 2 above.

6.02 EQUITABLE ENFORCEMENT. This Declaration vests in any one or more Third Parties and each Declarant and Successor Owner the right to bring a proceeding in equity to enforce the general and specific intent of this Declaration.

6.03 ENFORCEMENT. Third Parties identified in this Declaration, each Declarant or any Successor Owner, including any bona fide purchaser for value under contract, in the event of a breach of any restriction or covenant in this Declaration or a continuance of any such breach may, by appropriate legal or equitable proceedings, take steps to enjoin, abate, or remedy the breach. It is agreed that damages are not an adequate remedy for breach.

6.04 NUISANCE. Every act or omission that violates in whole or in part any of the covenants contained in this Declaration is declared to be and constitutes a nuisance, and every remedy allowed by law or in equity against a nuisance, either public or private (except damages), will be applicable and may be exercised by any Third Party, Declarant or Successor Owner of any portion of the Property.

6.05 REMEDIES. The remedies provided in this Declaration for breach of the covenants contained in this Declaration are cumulative; none of the remedies will be deemed exclusive.

6.06 DAMAGES. The parties acknowledge that it will be impossible to measure in money the damage to them caused by any failure to comply with the covenants set forth herein, that each such covenant is material, and that in the event of any such failure, the injured party will not have an adequate remedy at law or in damages. Therefore, the parties consent to the issuance of an injunction or the enforcement of other equitable remedies against them at the suit of the other, without bond or other security, to compel performance of all of the terms herein, and waive the defense of the availability of relief in damages.



**ARTICLE 7 PROTECTION FOR MORTGAGES AND TITLE INSURANCE COMPANIES**

7.01 NEW OWNER. For purposes of this Declaration, "Mortgage" means a bona fide deed of trust, mortgage, leasehold mortgage, sale and leaseback, or other financing or security instrument or encumbrance securing a financing (and all documents executed in connection therewith), made for fair value, encumbering any of the Property. "Mortgagee" means any one or more institutional holders of the beneficial interest and secured position under any Mortgage. For purposes of the foregoing, "institutional" means a life insurance company, bank, CMBS lender, mortgage banker, or similar commercial lender, and also includes seller carry-back financing. In the event of foreclosure of a Mortgage, whether by power of sale or by court action, or upon a transfer of any of the Property by conveyance in lieu of foreclosure (the purchaser at foreclosure or the transferee in lieu of foreclosure, being herein called "New Owner"), this Declaration shall continue in full force and effect and New Owner shall be subject to all of the terms, covenants, conditions and agreements set forth herein.

7.02 PRIORITY; SUCCESSORS. This Declaration, and the rights, obligations, covenants, conditions, restrictions and easements hereunder with respect to each Declarant and the Property, shall be superior and senior to any lien placed upon any portion of or interest in the Property, including the lien of any Mortgage, but no breach of this Declaration shall defeat, render invalid, diminish or impair the lien of any Mortgage made in good faith and for value. This Declaration, and all of the covenants, conditions, and restrictions hereunder, shall benefit and be binding upon and effective against any New Owner (including any Mortgagee) who acquires title to any portion of or interest in the Property, by foreclosure, trustee's sale, deed in lieu of foreclosure or otherwise. Notwithstanding the foregoing, no Mortgagee or New Owner shall be bound by any amendment or

modification of the Declaration made after the date of recordation with the County of the Mortgage, without the prior written consent of Mortgagee.

7.03 BREACH. A breach of the covenants contained in this Declaration will not affect or impair the lien or charge of any Mortgage made in good faith and for value on any portion of the Property.

7.04 REPRESENTATIONS AND WARRANTIES CONCERNING TITLE. MF Farming and Ow Trusts each represents and warrants that it has good fee simple title to the MF Property and the Ow Trusts Property, respectively, free from any and all Mortgages as defined in Section 7.01, above, but otherwise subject to all other matters of record; and MF Farming and Ow Trusts each promises to defend against all claims that conflict with these representations and warranties.

7.05 NO TERMINATION. No breach of this Declaration shall entitle any party, person, or entity to cancel, rescind or otherwise terminate this Declaration, or any conditions, covenants, or restrictions hereunder.

#### **ARTICLE 8 COSTS, LIABILITIES AND TAXES**

8.01 COSTS, LEGAL REQUIREMENTS, AND LIABILITIES. Other than as specified herein, this Declaration is not intended to impose any legal or other responsibility on Wetlands Watch, and it is agreed that Wetlands Watch exercises no control over the ownership, management, operation, upkeep or maintenance of the MF Property and the Ow Trusts Property. MF Farming and Ow Trusts retain all responsibilities and shall bear all costs and liabilities of any kind related to the ownership, management, operation, upkeep and maintenance of the MF Property and the Ow Trusts Property, respectively, including, but not limited to, the payment of taxes and compliance with federal, state and local law. MF Farming and Ow Trusts remain, respectively, solely responsible for



obtaining any applicable governmental permits and approvals for any construction or other activity or use permitted on the MF Property and the Ow Trusts Property, respectively.

8.02 CONTROL UNDER ENVIRONMENTAL LAWS. Nothing in this Declaration shall be construed as giving rise to any right or ability in Wetlands Watch to exercise physical or managerial control over the day-to-day operations of the MF Property and/or the Ow Trusts Property, or any of the activities on the MF Property and/or the Ow Trusts Property, or otherwise to become an owner, operator or responsible person with respect to the MF Property and/or the Ow Trusts Property within the meaning of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended ("CERCLA"), California Hazardous Substance Account Act (California Health and Safety Code Section 25300 et seq.), 42 U.S.C. Section 9607 or any other environmental law (which includes, without limitation, any federal, state or local law ordinance, rules or regulation now in effect or enacted after the effective date of this Declaration).

## ARTICLE 9 GENERAL PROVISIONS

9.01 AUTHORITY. Each party represents and warrants to the others that the execution and delivery of this Declaration and the performance of such party's obligations hereunder have been duly authorized and that this Declaration is a valid and legal agreement binding on such party and enforceable in accordance with its terms.

9.02 EXHIBITS. Each and every Exhibit identified herein is incorporated into this Declaration as if set forth in full at the place of reference.

9.03 REFERENCE. All questions of interpretation or construction of any of the terms or restrictions in this Declaration will be resolved by the reference procedures herein specified, and that decision

will be final, binding, and conclusive on all parties affected. Any action brought to interpret or enforce this Declaration shall be tried by the reference procedures set forth in California Code of Civil Procedure Section 638, et seq., upon motion by a party to this Declaration before the Superior Court for the County. A single referee shall be appointed to consider the matter and such referee shall be a retired judge of the California Superior Court, California Court of Appeals, or California Supreme Court, or an attorney licensed to practice law in the State of California with at least ten years experience emphasizing real estate and land use law, particularly the interpretation and enforcement of covenants running with the land and equitable servitudes. Any affected party may reject two referees appointed by the Superior Court. The referee shall be compensated at the rate per hour charged by senior attorneys in major Santa Cruz County law firms. During the pendency of the reference proceeding, each affected party shall pay a proportionate share of the cost thereof.

9.04 PARTIAL INVALIDITY. If any term or provision of this Declaration is determined to be illegal, unenforceable, or invalid in whole or in part for any reason, such illegal, unenforceable, or invalid provisions or part thereof shall be stricken from this Declaration, and such provision shall not affect the legality, enforceability, or validity of the remainder of this Declaration. If any provision or part thereof of this Declaration is stricken in accordance with the provisions of this Section, then the stricken provision shall be replaced, to the extent possible, with a legal, enforceable, and valid provision that is as similar in tenor to the stricken provision as is legally possible.

9.05 WORDS AND PHRASES. Wherever the context of this Declaration requires, all words used in the singular shall be construed to have been used in the plural, and vice versa, and the use of any gender specific pronoun shall include any other appropriate gender. The term "person" shall refer to any individual, corporation or legal entity having standing to bring an action in its own name under



California law. The use of the conjunctive "or" shall mean "and/or" unless otherwise required by the context in which the conjunctive "or" is used. The term "including" shall mean "including without limitation" and "including but not limited to" unless otherwise required by the context in which the term "including" is used.

9.06 INTERPRETATION. This Declaration has been negotiated at arm's length and each party has been represented or has had the opportunity to be represented by independent legal counsel in this transaction. Accordingly, each party hereby waives any benefit under any rule of law (including Section 1654 of the California Civil Code) or legal decision that would require interpretation of any ambiguities in this Declaration against the party drafting it.

9.07 HEADINGS. In this Declaration, Articles are distinguished by article numbers having no decimal point or no numbers to the left of the decimal point (i.e., "Article 12" or "12.") Sections are distinguished by Section numbers on both sides of a single decimal point (i.e., "12.02"). Reference to an "Article" shall include the terms and provisions of each Section under such Article. Article, Section, and Subsection titles and captions contained in this Declaration are inserted as a matter of convenience and for reference and in no way define, limit, extend or describe the scope of this Declaration or the intent of any of its provisions.

9.08 WAIVER. The failure to enforce any covenant or restriction in this Declaration will not be deemed a waiver of the right to enforce thereafter.

9.09 NOTICES. All notices and other communications under this Declaration shall be in writing, addressed to the parties who are to receive such notices pursuant to the terms of this Declaration, at the addresses set forth below, and delivered by personal service, overnight delivery service or by registered or certified mail, postage prepaid, return receipt requested.

DECLARANTS:

Ow Trusts  
Atten: George Ow, Jr.  
203 Highland Avenue  
Santa Cruz, CA 95060

City of Watsonville  
Atten: City Clerk  
Post Office Box 50000  
Watsonville, CA 95077-5000

M F Farming Company  
Atten: Louis Jemison  
Post Office Box 2512  
Watsonville, CA 95077-2512

County of Santa Cruz  
Atten: Clerk of the Board of Supervisors  
Clerk of the Board  
701 Ocean Street, Room 500  
Santa Cruz, CA 95060

Watsonville Wetlands Watch  
Atten: President or Secretary  
PO Box 1239  
Freedom, CA 95019-1239

THIRD PARTIES:

Santa Cruz County Local  
Agency Formation Commission  
Atten: Executive Officer  
701 Ocean Street,  
Room 318-D  
Santa Cruz, CA 95060

Watsonville Wetlands Watch  
  
(See above address)

Any such notice shall be deemed delivered as follows: (a) if personally delivered, the date of delivery to the address of the person to receive such notice; (b) if sent by courier service, the date of delivery to the address of the person to receive such notice; (c) if mailed, the date of delivery or attempted delivery to the address of the person to receive such notice shown by the return receipt.

Any party may change its address for notice by written notice given to the other at least five (5) calendar days before the effective date of such change in the manner provided in this Section.

9.10 ESTOPPEL CERTIFICATE. A party may, from time to time in connection with a sale or transfer of the party's interest in the Property, or the financing or refinancing of such interest by Mortgage sale-leaseback made in good faith and for value, request the other parties to certify that



based upon actual knowledge and without duty of inquiry (i) this Declaration is in full force and effect, (ii) this Declaration has not been amended or modified, either orally or in writing, or, if so amended, identifying the amendments, and (iii) to the knowledge of the certifying party, no party is in default of its obligations under this Declaration, or, if in default, describing the nature of such default. Each party receiving such request shall provide such certificate within thirty (30) days following such request. No party shall be liable to the requesting party, or third person or entity requesting or receiving a certificate hereunder, on account of any information therein contained, notwithstanding the omission for any reason to disclose correct and/or relevant information, but such party shall be estopped with respect to the requesting party, or such third person or entity, from asserting any right or obligation, or utilizing any defense, which contravenes or is contrary to any such information.

9.11 GOVERNING LAW. This Declaration shall be governed by and construed in accordance with the laws of California without giving effect to the choice of law provisions thereof.

9.12 COSTS, LEGAL REQUIREMENTS, AND LIABILITIES. Other than as specified herein, this Declaration is not intended to impose any legal or other responsibility on Wetlands Watch, and it is agreed that Wetlands Watch exercises no control over the ownership, management, operation, upkeep and maintenance of the MF Property and the Ow Trusts Property. MF and the Ow Trusts retain all responsibilities and shall bear all costs and liabilities of any kind related to the ownership, management, operation, upkeep and maintenance of the MF Property and the Ow Trusts Property, including, but not limited to, the payment of taxes and compliance with federal, state and local law. MF and the Ow Trusts remain solely responsible for obtaining any applicable governmental permits and approvals for any construction or other activity or use permitted by this Declaration.







000108

March 2, 2006

## Watsonville secures land for business park

**BY DONNA JONES**  
SENTINEL STAFF WRITER

SANTA CRUZ — Lisa Dobbins, the executive director of Action Pajaro Valley, had just one word when, after a decade of trying, Watsonville finally received the go-ahead Wednesday to annex roughly 90 acres on its western edge.

"Wow!" Dobbins exclaimed, after the unanimous vote by the Santa Cruz Local Agency Formation Commission.

The long struggle to annex the property has reshaped city politics, and the victory opens the door to new economic possibilities.

Action Pajaro Valley, a nonprofit land-use advisory group, was born from a failed attempt to annex the property in the late 1990s. The idea was to bring together various interest groups — farmers, business people, environmentalists, developers and elected officials — to craft a compromise on future city growth.

The effort resulted in Measure U, a ballot initiative approved by city voters in 2002 that spells out where the city can grow, and the unprecedented coalition of support for the Manabe-Burgstrom proposal when it came before LAFCO in October.

The city wants the land so that private interests can develop a business park, and, hopefully, create at least 2,000 new jobs.

Some LAFCO commissioners were concerned the property would be used to build more housing like that in subdivisions constructed nearby in recent years or for a shopping center filled with big-box stores, such as Wal-Mart.

The L-shaped tract near Highway 1 and West Beach Street is now used for growing strawberries and lettuce.

The approval Wednesday included a legally binding agreement that bans from the site until 2030 large retailers and auto sales, as well as housing on all but about 5 acres. The city also promised to restore 25 acres of wetlands.

City Manager Carlos Palacios, who also is co-chairman of Action Pajaro Valley, has been working on the annexation since he took over the helm at the city nine years ago. The unanimous vote was gratifying, he said.

"For the city it's great to see the economic development that's going to happen," Palacios said.

Santa Cruz County Supervisor Mardi Wormhoudt, who sits on LAFCO, noted the "striking difference" between current support for the proposal and the contentious divisions in the community the last time around. She credited Action Pajaro Valley for creating a climate of cooperation that couldn't be denied.

"I don't like the loss of agricultural land, and I'm not entirely convinced ... that all the land will be needed between now and 2030," Wormhoudt said Wednesday. "But I don't think my personal opinion should be the basis of this decision. I do believe we have a proposal that reflects the sentiment in Watsonville."

William Ow, a member of the family that owns part of the Manabe-Burgstrom property, said it's too early to tell exactly how the land will be developed since there's a lot to be done before any building can take place, including working through a city planning process that will decide details such as how the property will be



Watsonville secures land for business park - By Donna Jones - Sentinel Staff Writer - March 2, 2... Page 2 of 2  
carved up and where roads will go. Any project will be market driven and what's in demand now might not be the same thing needed two or three years down the line, he said.

000109

Wednesday's action was somewhat anti-climatic. In October, dozens of community members packed a LAFCO hearing on the annexation at the Pajaro Valley Unified School District office, and more than 40 spoke in favor of the proposal. The commission gave tentative approval then, pending the creation of the agreement to restrict development. Wednesday, only a scattering of people were in the county supervisors chamber in Santa Cruz to witness the vote.

Nor did city leaders get to bask in the glow of victory for very long.

A few minutes after the vote, the Watsonville Pilots Association took aim in what is expected to be the next city annexation proposal: 400 acres on and around Buena Vista Road.

During a presentation before LAFCO, pilots said city plans to build hundreds of homes in the area would compromise the safety of pilots and people on the ground, as well as create noise conflicts between the airport and new neighborhoods.

"We're asking you to step in and prevent the city from making this mistake," said John Cowan of the pilots group.

Contact Donna Jones at [djones@santacruzsentinel.com](mailto:djones@santacruzsentinel.com).

 Print Article

---

You can find this story online at:

<http://www.santacruzsentinel.com/archive/2006/March/02/local/stories/02local.htm>

---

Copyright © Santa Cruz Sentinel. All rights reserved.



## FIRE AGENCIES STUDY

Date: July 26, 2016 for August 3<sup>rd</sup> Agenda

To: LAFCO Commissioners

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

Subject: Service Review and Sphere of Influence Reviews for the Twelve Fire  
Protection 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 twelve fire protection districts in Santa Cruz County.*

*Recommendation: Conduct a public hearing and direct that resolutions be prepared for consideration at the next LAFCO meeting to accept the 2016 Review of Fire Districts Services and Spheres of Influence and to maintain the twelve fire agencies' existing spheres of influence.*

---

State law requires each LAFCO to periodically prepare a service review and a sphere of influence review for each agency subject to LAFCO's boundary regulation. Staff has prepared and released the attached public hearing draft of the 2016 Fire Agencies Service and Sphere Review. The draft is also accessible from the home page of LAFCO's website: [www.santacruzlafco.org](http://www.santacruzlafco.org) .

The agencies addressed in the review are:

- Aptos/La Selva Fire Protection District,
- Aromas Tri-County Fire Protection District,
- Ben Lomond Fire Protection District,
- Boulder Creek Fire Protection District,
- Branciforte Fire Protection District,
- Central Fire Protection District,
- County Service Area 4 Pajaro Dunes,
- County Service Area 48 County Fire,
- Felton Fire Protection District,
- Pajaro Valley Fire Protection District,
- Scotts Valley Fire Protection District,
- Zayante Fire Protection District.



The main conclusions of this service and sphere review are:

- *The agencies are generally providing the same levels of service that they were providing when the last comprehensive service review was performed in 2005-2007.*
- *The principal organizational changes since 2005-2007 are:*
  - *County Service Area 48 County Fire has moved its Fall Creek Station from Felton to Bonny Doon and is staffing the station all year.*
  - *The Branciforte Fire Protection District has contracted with the Scotts Valley Fire Protection District to provide administrative services (chief, accounting, purchasing, incident command).*
- *The call types remain constant with emergency medical calls in 2014 comprising the largest share of calls (67%).*
- *Response times continue to be within standards for urban and rural companies.*
- *Most agencies costs have gone up faster than their revenues. Some agencies have structural deficits that threaten maintenance of the current service levels.*
- *County Service Area 48 County Fire was unsuccessful in 2007 in raising its fire suppression assessment, and it projects that its fund balance will be exhausted by the end of FY 2017-18.*
- *The Central Fire Protection District does not have sufficient revenue to maintain current staffing levels and pay for salaries, increasing pension costs, post-retirement health insurance liabilities, and other operating costs.*
- *The Aromas Tri-County Fire Protection District has reduced staffing from 3-person companies to 2-person companies in order to keep costs within available revenues.*
- *The Branciforte Fire Protection District has a small revenue base, a low fund balance, an existing loan that was used to purchase an engine, and insufficient funds in its capital reserve to purchase a new engine.*
- *The Boulder Creek Fire Protection District does not have sufficient reserves to pay for projected equipment costs, other capital needs, and a reserve for contingencies.*

In the preparation of this study, the LAFCO staff has adapted a survey format utilized by some other LAFCOs. The survey covers the entire range of issues that LAFCOs consider during the preparation of service reviews and sphere of influence reviews. The surveys have started with a self-evaluation by each agency. LAFCO staff has edited each survey and prepared supplemental information, including summaries of recent audits and grand jury reports. The survey process is structured to highlight issues that warrant more thorough review, either now to complete the pending review, or in greater detail as part of a future study.

At the public hearing, the Commissioners and the public have a chance to either add their concurrence to the analysis in the public review draft, or to identify issues that may warrant further study either now or in the future. Also, since this is the first time Santa Cruz LAFCO has used this survey methodology, staff would welcome Commissioner and public comments regarding the method and the level of information presented.

These reviews qualify for an exemption from review under the California Environmental Quality Act. The exemption document is attached.

Finally, I thank the staffs of the fire agencies and the Santa Cruz County Auditor-Controller for assisting in the preparation of the reviews.

The staff recommends that the Commission:

- Receive an oral presentation from staff,
- Conduct a public hearing to receive public comments,
- Discuss the review document and the new methodology, and
- Direct staff to return at the next meeting with resolutions accepting the service review and maintaining the current spheres of influence of the twelve fire protection agencies.

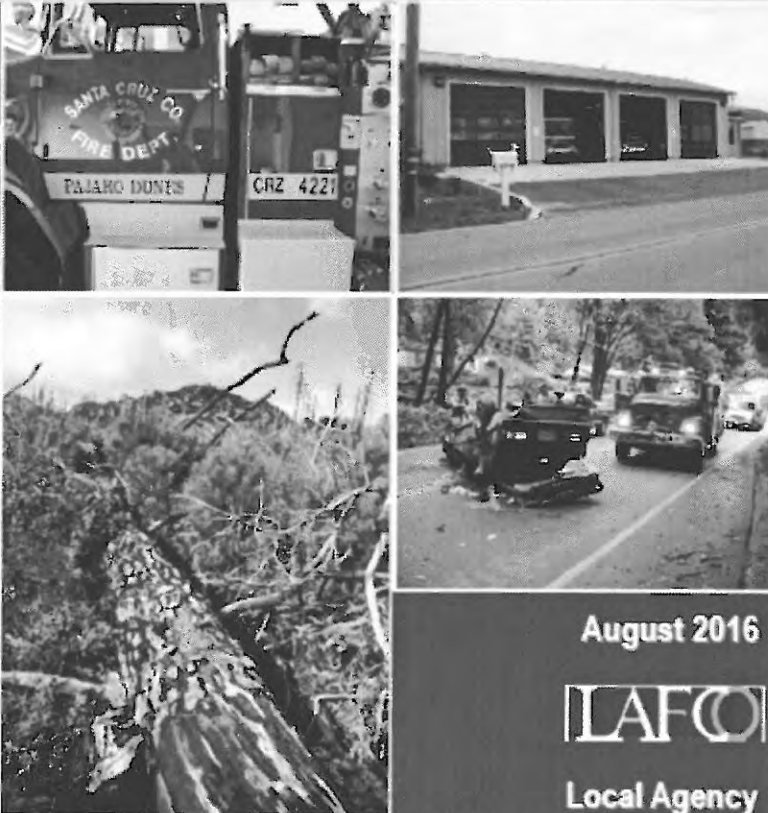
cc: Chiefs and Board of Directors of each agency  
Katherine Archer Bowden, Pajaro Dunes Homeowners Association

Attachments



THE HEARING DRAFT OF THE 2016 REVIEW OF FIRE DISTRICTS SERVICES AND SPHERES OF INFLUENCE  
CAN BE OPENED FROM THE HOME PAGE OF LAFCO'S WEBSITE:

**[www.santacruzlafco.org](http://www.santacruzlafco.org)**

	<p>Hearing Draft</p> <p><b>Review of Fire Districts Services and Spheres of Influence</b></p>
	
	<p>August 2016</p> <p><b>LAFCO</b></p> <p>Local Agency Formation Commission of Santa Cruz County 701 Ocean Street, Room 318D Santa Cruz CA 95060</p>



## California Environmental Quality Act Exemption

Project Title: 2016 Service Reviews and Sphere of Influence Reviews for Santa Cruz County Fire Agencies

Project Location: Assessor's Parcels No. 051-431-09 and 051-431-10, Pajaro Valley Rod and Gun Club, 557 ½ Lakeview Road, Watsonville, located adjacent to and north of north end of Cutter Drive, Santa Cruz County.

1. Description of Nature, Purpose, and Beneficiaries of the Project:

Review services and spheres of influence of twelve fire agencies in Santa Cruz County:

- a. Aptos/La Selva Fire Protection District
- b. Aromas Tri-County Fire Protection District
- c. Ben Lomond Fire Protection District
- d. Boulder Creek Fire Protection District
- e. Branciforte Fire Protection District
- f. Central Fire Protection District
- g. County Service Area 4 Pajaro Dunes
- h. County Service Area 48 County Fire
- i. Felton Fire Protection District
- j. Pajaro Valley Fire Protection District
- k. Scotts Valley Fire Protection District
- l. Zayante Fire Protection District.

Name of Public Agency Approving the Project: Santa Cruz Local Agency Formation Commission

Name of Person or Agency Carrying Out Project: Santa Cruz Local Agency Formation Commission

Exempt Status:

Type: No possible environmental effect

Section Number: 15061(b)(3)

Reasons why project is exempt:

- Service Reviews study financing, interagency cooperation, and governance.
- No Sphere of Influence amendment is proposed for any of the agencies.

Dated: July 8, 2016

By: Patrick M. McCormick

Patrick M. McCormick, Executive Officer  
Santa Cruz Local Agency Formation Commission,  
701 Ocean Street, Room 318-D, Santa Cruz, CA  
(831) 454-2055  
pat@santacruzlafco.org





## REQUEST FROM SCOTTS VALLEY

---

Summary: The Commission will consider a request from the City of Scotts Valley and the Scotts Valley Water District for LAFCO to prioritize LAFCO's periodic service and sphere review for these two agencies.

Staff Recommendation: Approve request and move up these two agencies' service and sphere reviews to the top of the projects list.

Prepared: July 25, 2016 for August 3<sup>rd</sup> Agenda by: Patrick McCormick, Executive Officer *P.M.C.*

---

For quite some time, I have been in consultation with the staffs of the City of Scotts Valley and the Scotts Valley Water District concerning potential sphere of influence amendments for both agencies. Consideration of any sphere amendments will require an update of each agency's service review. The Scotts Valley City Council and the Scotts Valley Water District Board of Directors have authorized their proposals, and transmitted them to LAFCO by the attached letter dated June 3, 2016.

LAFCO staff is conducting accelerated service and sphere reviews of all cities and special districts that haven't been studied in the last five years. The reviews of the fire agencies are on the August 3, 2016 agenda for public hearing and possible action. Staff believes that the amount of work to conduct the Scotts Valley City and Water District service and sphere reviews is moderate and that the staff work on this project could be done simultaneously with the next set of service and sphere reviews. As covered in another item on the August 3, 2016 agenda, it no longer appears that the City of Watsonville service and sphere review is needed to be completed as a high priority item because the Pippin Apartments annexation is not proceeding.

Therefore, staff RECOMMENDS that the Commission approve the request and move up City of Scotts Valley and the Scotts Valley Water District service and sphere reviews to the top of the projects list.

cc: City of Scotts Valley, Attention: City Manager  
Scotts Valley Water District, Attention: General Manager

Attachment: June 3, 2016 letter from Charles Comstock, City of Scotts Valley, and Piret Harmon, Scotts Valley Water District



SCOTTS VALLEY  
WATER DISTRICT

June 3, 2016

Santa Cruz LAFCO  
Attn: Pat McCormick  
701 Ocean Street, Room 318-D  
Santa Cruz, CA 95060

Re: Sphere of Influence Review

Dear Mr. McCormick,

On behalf of the City of Scotts Valley and the Scotts Valley Water District, we are requesting that LAFCO prioritize the sphere of influence reviews of the two agencies. The City and the District have identified areas adjacent to their current spheres where an adjustment to the spheres, and future annexations, would increase the uniformity of the service areas and improve the responsiveness to the constituents.

Attached is the map of the proposed sphere amendment areas.

Sincerely,

City of Scotts Valley

Charles Comstock  
Interim City Manager

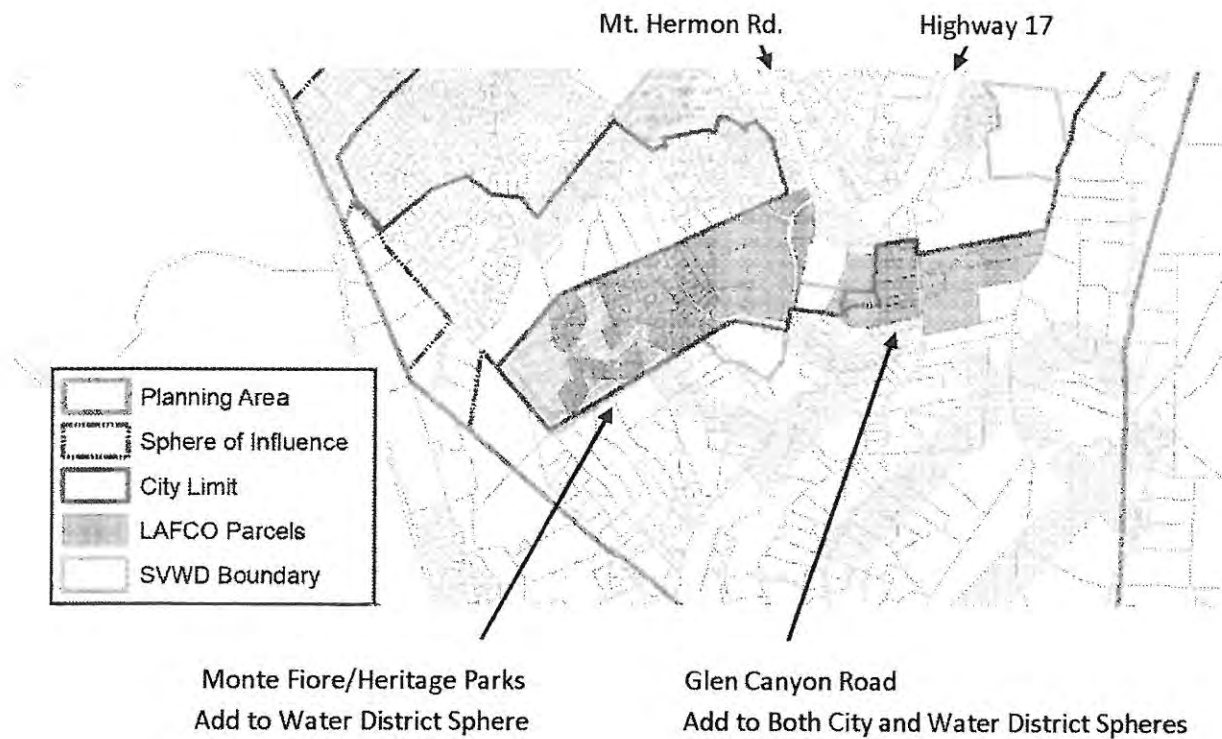
Scotts Valley Water District

Piret Harmon  
General Manager



## Detail Map

June 3, 2016 Sphere Amendment Requests from City of Scotts Valley and Scotts Valley Water District





## EMPLOYMENT POLICY

Date: July 22, 2016 for August 3, 2016 Agenda

To: LAFCO Commissioners

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

Subject: Employment Policy

---

*Summary: The Commission will consider revising the Employment Policy.*

---

*Recommendation: Adopt draft Resolution No. 2016-12 revising the Employment Policy.*

---

The Commission has adopted and revised a set of employment policies that covers the conditions of employment for its employees. The subjects include non-discrimination, tenure, job descriptions, performance reviews, working hours, leave, salaries, and benefits. The current Employment Policies were adopted by Resolution No. 141-DD on June 4, 1986 and have been revised sixteen times. The current version reflects the cut-and-paste nature of sixteen amendments and has some antiquated language. Some sections go into more detail than is common in a policy document.

Staff has worked with the County Counsel's office to modernize the Employment Policy. The recommended version is better organized than the current policy. It does not make any material changes to the conditions of employment of the current employees. Any future changes to the salaries, benefits, or other conditions of employment would be made by resolution adopted on a regular agenda.

It is RECOMMENDED that the Commission adopt Resolution No. 2016-12 revising the Employment Policy.

### Attachments:

- Draft Resolution No. 2016-12 with Exhibit A (recommended new policy)
- Current Employment Policies, Resolutions No. 141-DDD through No. 2015-12



SANTA CRUZ LOCAL AGENCY FORMATION COMMISSION  
RESOLUTION NO. 2016-12

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

RESCINDING CURRENT EMPLOYMENT POLICY AND ADOPTING NEW EMPLOYMENT POLICY

\*\*\*\*\*

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

1. The Commission has an Employment Policy adopted by Resolution No. 141-DD on June 4, 1986 and amended through Resolution No. 2015-12 on December 9, 2015.
2. The Commission wishes to clarify and update its Employment Policy.
3. The Commission hereby rescinds its current Employment Policy, and adopts a new Employment Policy, as shown in Exhibit A.

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

AYES:

NOES:

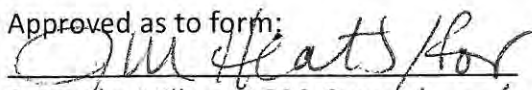
ABSENT:

\_\_\_\_\_  
ROGER W. ANDERSON, CHAIRPERSON

Attest:

\_\_\_\_\_  
Patrick M. McCormick  
Executive Officer

Approved as to form:

  
T. Brooke Miller, LAFCO Counsel

7/22/16

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

EMPLOYMENT POLICY

SECTION I  
EMPLOYEES AND CONDITIONS OF EMPLOYMENT

A. INTRODUCTION

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

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

B. EQUAL EMPLOYMENT OPPORTUNITY

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

C. EMPLOYMENT

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



#### D. JOB CLASSIFICATIONS

LAFOSC has established the following employee classifications:

##### 1. Executive Officer

###### a. Position Responsibilities

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

###### b. Typical Duties

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

##### 2. Secretary-Clerk

###### Position Responsibilities

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

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

3. Administrative Analyst

Position Responsibilities

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

E. SALARIES

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

F. WORKING HOURS

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



G. EXPENSES AND TRAVEL

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

H. TERMINATION OF EMPLOYMENT

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

SECTION II  
PAID LEAVES

A. Executive Officer

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

B. Other LAFCOSC Employees

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

SECTION III  
RETIREMENT AND INSURANCE

A. RETIREMENT

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

B. INSURANCE

The following insurance benefits shall be provided to LAFCOSC employees:

1. Executive Officer

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

2. Other LAFOSC Employees

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

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

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

C. DEFERRED COMPENSATION

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



SECTION I  
EMPLOYEES AND CONDITIONS OF EMPLOYMENT

A. EMPLOYMENT

1. All employees of the Commission shall be employed by and serve at the will and pleasure of the Commission.

B. JOB CLASSIFICATION

1. There are established the following job classifications:

- a. Executive Officer

- (1) Position Responsibilities

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

- (2) Typical Duties

Analyzes and evaluates information on administrative and policy matters and advises the Commission on recommended action; conducts studies on governmental reorganization; complies with all legal requirements relating to the Commission's hearings, staffs advisory committees to the Commission; prepares correspondence and supervises the maintenance of the Commission's files, attends all Commission meetings, and City Council, County Board of Supervisors, and Special District Board meetings as necessary; performs as liaison officer between the Commission and cities, special districts, the County, State institutions and the general public; prepares the annual budget for the Commission; supervises the Commission's staff, reviews proposed local and State legislature (sic) and staff (sic) and appears at legislative hearings to represent the position of the Commission.

b. Stenographer/Clerk

(1) Position Responsibilities

Record and transcribe minutes of all public hearings conducted by the Commission; take and transcribe correspondence, memoranda and reports by use of shorthand/dictaphone maintain files and records of each submitted petition, of budget and personnel matters, as well as related correspondence; execute LAFCO's contracts and P.E.R.S., health insurance, health and rental vendors and State compensation; act as purchasing agent for fixed assets as well as maintaining office supplies; determine whether action relating to visitors or phone calls should be taken immediately or deferred pending attention of the Executive Officer; prepare monthly attendance and travel and staff travel expense (sic?); arrange meetings and conferences for the Commission, its advisory bodies and the State Association as required.

c. Administrative Analyst

(1) Position Responsibilities

Under the direction of the Executive Officer, the administrative analyst conducts investigations and special studies and makes recommendations on local agency boundary change proposals to the Commission; collects data relating to proposals; and processes proposals in accordance with state law, the Commission's procedures, and the Commission's policies.

C. SALARIES

1. Effective July 1, 2015, the Executive Officer is granted a 5.00% increase in salary (\$58.36 per hour).
2. The salaries of other employees may also be set by resolution. Effective July 1, 2015, the Secretary-Clerk is granted a 7.00% increase in salary.

D. WORKING HOURS

1. The office of the Commission shall be open on all days and during the hours that the County Governmental Center is open to the public for business.



2. Full-time employees shall work not less than 40 hours per seven day work week, and half-time employees shall work not less than 20 hours per seven day work week. The work week commences at 12:01 a.m. every Saturday.
3. The Executive Officer may authorize other employees' overtime work. Overtime is any authorized time worked in excess of 40 hours per week in a seven consecutive day work week. Paid time off from work for any purpose shall not count as time worked for purposes of overtime. Overtime shall be paid at the rate of 1.5 times the employee's hourly rate. Scheduling regular and overtime work shall be done only with the prior approval of the Executive Officer.
4. The Executive Office is declared exempt from the overtime pay requirements of the Fair Labor Standards Act.
5. In the event of a natural disaster or equivalent event, all LAFCO employees shall be compensated in a manner consistent with the memorandum of understanding for County employees in the general representation unit at the time of the disaster.
6. Any work by a half-time employee exceeding 20 hours per week shall be paid at a rate consistent with the current provisions that apply to employees in the General Representation Unit for the County of Santa Cruz.

#### E. TERMINATION OF EMPLOYMENT

1. Any full-time employee whose employment is terminated by the Commission for any reason shall be entitled to not less than two weeks notice of two weeks pay before such employment is terminated.

### SECTION II PAID LEAVES

1. Executive Officer  
The same paid leave provisions as apply to appointed County department heads shall apply to the Executive Officer. These paid leaves provisions are: vacation; sick leave; administrative leave; bereavement leave; and holidays.
2. Other LAFCO Employees  
The same paid leave provision as apply to County employees in the General Representation Unit with benefit status 41 shall apply to LAFCO employees other

than the Executive Officer. These paid leave provisions are: annual leave; holidays; and natural disaster leave.

3. Consistent with Section II of the Commission's Employment Policies, the Executive Officer and the Secretary-Clerk shall accumulate annual leave at the rate of an additional 40 hours each year, effective upon the completion of ten years of service, as calculated pursuant to Government Code Section 56385. (note: out of state code section)

### SECTION III RETIREMENT AND INSURANCE

#### A. RETIREMENT

1. Full-time employees and half-time employees must participate in the California Public Employees Retirement System.
2. Effective December 19, 2015, the Secretary-Clerk shall pay 3.50% of salary in CalPERS pension contributions.
3. Effective September 24, 2016, the Secretary-Clerk shall pay 7.00% of salary in CalPERS pension contributions.

#### B. INSURANCE

The employee insurance described below shall apply to LAFCO employees.

1. Executive Officer

The employee insurance provisions which apply to appointed department heads of the County shall apply to the Executive Officer. These provisions are for health coverage; dental insurance; life insurance; and long-term disability insurance.



2. Other LAFCO Employees

The employee insurance provisions which apply to County employees in the General Representation Unit shall apply to LAFCO employees other than the Executive Officer.

These employee insurance provisions are health coverage; dental insurance, life insurance, long-term disability insurance; and vision-care insurance.

3. LAFCO employees who retire after 7/19/77 will be eligible to participate in the County health plan for its retired employees with the payment of premium to be paid by the retired employee, provided the employee meets the same criteria for participation as retired employees of the County.
4. Effective July 1, 2016, all employees' health insurance contributions will be adjusted to match the contributions made by employees in comparable jobs with the County of Santa Cruz.

C. WORKERS' COMPENSATION

1. Workers' Compensation Insurance will be furnished to full-time employees.

D. SOCIAL SECURITY

1. Employees are covered by Social Security the same as County employees.

E. UNEMPLOYMENT INSURANCE

1. Employees are covered by unemployment insurance the same as County employees.

SECTION IV  
EXPENDITURES

A. PART TIME EMPLOYEES

1. The Executive Officer may employ part-time employees as necessary to expedite the business of the Commission. Part-time employees are defined as those working less than 20 hours per week or not to exceed three months.
2. Part-time employees shall be paid at the same rate as comparable positions in County employment.





## Appointment of Personnel Committee

Date: July 25, 2016 for August 3<sup>rd</sup> Agenda

To: LAFCO Commissioners

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

Subject: Personnel Committee

---

*Summary: The Commission's Personnel Policy provides that a Personnel Committee review the Executive Officer's performance and recommend any changes in compensation for both employees.*

*Staff Recommendation: It is recommended that the Chairperson appoint a Personnel Committee.*

*Submitted by: Patrick McCormick, Executive Officer*

---

The Commission utilizes a Personnel Committee to lead the review of the Executive Officer's performance and to recommend any changes to the compensation provided to both employees.

The last Personnel Committee was appointed on March 4, 2015, and the Commission acted upon their reviews on December 9, 2015. The last Personnel Committee members were John Leopold, Jim Anderson, and Roger Anderson.

Under the Commission's rules, committees are appointed by the Chairperson and are subject to the approval of the Commission as a whole.

It is RECOMMENDED that the Chairperson appoint a Personnel Committee for 2016.

Attachment: Personnel Policy



## SANTA CRUZ LOCAL AGENCY FORMATION COMMISSION

### PERSONNEL POLICY

Adopted June 7, 2000

Revised January 9, 2008

1. Personnel evaluations of the Executive Officer will be made at least annually by the Commission. To assist in this process, in February of each year, the Executive Officer will submit to the Commission a report documenting his or her accomplishments for the prior year and his or her goals for the upcoming year. This report, and any other pertinent information, will be reviewed by the Personnel Committee and forwarded to the Commission with its recommendation.
2. Personnel evaluations of the Executive Officer will be made annually by the Commission at the April meeting.
3. Personnel evaluations of staff personnel other than the Executive Officer will be made by the Executive Officer.
4. The Personnel Committee will include its annual report on staff salaries and benefits on the agenda of the May meeting.
5. At the June meeting, the Commission will consider a salary adjustment for staff to bring staff salaries into alignment with other comparable positions. This review may include a report by a personnel consultant when indicated.
6. Personnel Committee membership should include the Chair and should change at least every two years.





## Legislative Report for August 3, 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 no new positions.*

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

---

The Legislative returns from its summer break on August 1<sup>st</sup>. Bills must clear the appropriations committee in the second house by August 12<sup>th</sup>. The Legislative session ends August 31<sup>st</sup>. The web site for bill information is <http://leginfo.legislature.ca.gov/>

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

On April 6, 2016, Santa Cruz LAFCO took a position in opposition to SB 1318, authored by Senator Wolk from Yolo County. Among other provisions, the early version of the bill would have prohibited 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 was substantially amended twice. The last amendments changed the bill, based upon CALAFCO's recommendations, to set up a process by which all LAFCOs would map disadvantaged unincorporated communities that lacked critical public services. The non-profit sponsoring the bill wanted significant other actions and prohibitions returned to the bill. With a lack of progress toward a consensus among the interest groups that had taken positions on the bill, the author chose not to advance the bill.

Realizing that the disadvantaged community issues are serious and that the issues will be back before the Legislature in the 2017-18 session, the CALAFCO Board is discussing the preparation of a white paper on disadvantaged unincorporated communities to explore efficient and effective steps that can be taken to improve services in disadvantaged communities.

Commissioner Leopold is the Chair of the CALAFCO Board and can report on CALAFCO's reactions to the 2015-16 Legislative Session.

Attachments:

Tracking Sheet

BILL	AUTHOR	SUMMARY Assembly Bills	STATUS
AB 448	Brown	<p><u>Vehicle License Fees</u></p> <p>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.</p> <p><b>CALAFCO Position: Support</b></p>	Passed Assembly, In Sen. Appropriations Committee
AB 1707	Linder	<p><u>Public Records Response</u></p> <p>This bill would expand the extent of an agency's response to a public records act request.</p> <p><b>CALAFCO Position: Oppose</b></p>	Dead
AB 2032	Linder	<p><u>Disincorporations</u></p> <p>This bill would make changes to modernize the city disincorporation process. It follows AB 851 (Mayes) of 2015 concerning the same subject.</p> <p><b>CALAFCO Position: Support</b></p>	Passed Assembly, In Senate Approp. Committee
AB 2257	Maienchlein	<p><u>Agenda Notice</u></p> <p>This bill would require the online notice of an agency's meeting to have a prominent link to the agenda.</p>	Passed Assembly, In Senate Approp. Committee
AB 2277	Melendez	<p><u>Vehicle License Fees</u></p> <p>Similar to AB 448, this bill would reinstate vehicle license fee subventions to cities incorporated after 2004.</p> <p><b>CALAFCO Position: Support</b></p>	Dead
AB 2414	Garcia	<p><u>Desert Healthcare District</u></p> <p>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.</p> <p><b>CALAFCO Position: Oppose</b></p>	Passed Assembly, In Senate Approp. Committee
AB 2471	Quirk	<p><u>Health Care Districts</u></p> <p>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.</p> <p><b>CALAFCO Position: Oppose unless amended</b></p>	Passed Assembly, In Senate Approp. Committee



AB 2853	Gatto	<u>Public Records</u> This bill would allow an agency to respond to a public records act request with links to information it posts on its website.	Passed Assembly, In Senate Approp. Committee
---------	-------	--	--

AB 2910	Assem. Local Gov. Com.	<u>LAFCO Law Omnibus Bill</u> This will would make a series of technical, non-controversial changes to the LAFCO law. <b>CALAFCO Position: Sponsor</b>	Passed Assembly, On Senate Floor
---------	------------------------	--	----------------------------------

### Senate Bills

SB 552	Wolk	<u>Ordering Water System Consolidations</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, In Assembly Approp. Committee
--------	------	---	--

SB 817	Roth	<u>Vehicle License Fees</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. <b>CALAFCO Position: Support</b>	Passed Senate, In Assembly Approp. Committee
--------	------	---	--

SB 974	Sen. Gov. & Finance Com.	<u>Local Government Omnibus Bill</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.	Passed Senate , On Assembly Floor
--------	--------------------------	---	-----------------------------------

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 standard. Does not allow a proposed water supply to include an overdrafted aquifer. <b>CALAFCO Position: Letter of Concern</b>	Passed Senate, In Assembly Approp. Committee
---------	--------	--	--

SB 1263	Wieckowski & Pavley	<u>New Water Systems</u>  This bill would require applicants for new public water systems to prepare reports to demonstrate technical, managerial and financial capacity to operate the proposed water system. If the state determines that it is feasible for an existing public agency to serve the area, the permit for the new system would be denied.	Passed Senate, In Assembly Approp. Committee
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. <b>CALAFCO Position: Sponsor</b>	Passed Senate, On Assembly Floor
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.	Dead
SB 1318	Wolk	<u>Local Agencies and Water Infrastructure</u> The initial bill would have prohibited LAFCOs from approving a city's or district's annexation greater than 10 acres unless the agency has applied to annex all the disadvantaged communities within or adjacent to its sphere of influence. The bill was significantly amended to focus on LAFCO's mapping disadvantaged communities with inadequate services. The sponsors and the author could not agree on how to proceed with the amended bill. <b>CALAFCO Position: Oppose</b> <b>Santa Cruz LAFCO Position: Oppose</b>	Dead
SB 1374	Lara	<u>Lower Los Angeles River</u> This bill would set up the Lower Los Angeles River Park and Recreation District without LAFCO review. <b>CALAFCO Position: Oppose</b>	Passed Senate, At Assembly Local Gov. Committee





## STATUS OF PROPOSALS as of July 25, 2016

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

<u>LAFCO HEARINGS</u>	<u>DATE</u>	<u>STATUS</u>
FORMATION of HUCKLEBERRY ISLAND COUNTY SERVICE AREA #6o LAFCO No. 957	8/3/16	Extension request

<u>LAFCO HEARINGS COMPLETE</u>	<u>DATE</u>	<u>STATUS</u>
LOMPICO REORGANIZATION LAFCO No. 953	5/4/16	Merger complete



## CALAFCO 2016 ANNUAL CONFERENCE

---

Date: July 25, 2016 for August 3<sup>rd</sup> Agenda

To: LAFCO Commissioners

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

Subject: California Association of LAFCOs Business

---

*Summary: Santa Cruz LAFCO is a member of the California Association of LAFCOs (CALAFCO). The Commission should attend to various business items in advance of the CALAFCO Annual Business Meeting and Conference.*

*Recommendation: Discuss attendance at the CALAFCO Conference, designate a Voting Member at the Business Meeting, and discuss whether to make any board or award nominations.*

---

The Commission has business items to handle concerning its membership in the California Association of LAFCOs (CALAFCO). The annual business meeting and conference will be held October 25-28 in Santa Barbara.

### (1) ATTENDANCE

The Commission has budgeted a fixed amount that permits some commissioners and staff to attend the annual CALAFCO conference. In the past, the CALAFCO conferences have offered significant educational value for both commissioners and staff. Commissioners who are interested in attending the 2016 conference should let the Secretary-Clerk know before or at the August 3<sup>rd</sup> LAFCO meeting.

### (2) BOARD NOMINATIONS

Board nominations are due September 26, 2016. Two seats are open from the Coastal Region. John Leopold currently holds a County Member position on the CALAFCO Board, and is CALAFCO's Board President.

### (3) VOTING DELEGATE

In advance of the business meeting at the annual conference, each LAFCO

designee traditionally consults with the other attending commissioners and attempts to establish a consensus position before casting any vote.

### (4) AWARDS

Achievement award nominations are due August 31<sup>st</sup>.

Attachments





June 27, 2016

**To:** Local Agency Formation Commission  
Members and Alternate Members

**From:** Jim Curatalo, Committee Chair  
Board Recruitment Committee  
CALAFCO Board of Directors

**CALAFCO  
ELECTION  
2016**

**RE: Nominations for 2016/2017 CALAFCO Board of Directors**

Nominations are now open for the fall elections of the CALAFCO Board of Directors. Serving on the CALAFCO Board is a unique opportunity to work with other commissioners throughout the state on legislative, fiscal and operational issues that affect us all. The Board meets four to five times each year at alternate sites around the state. Any LAFCo commissioner or alternate commissioner is eligible to run for a Board seat.

CALAFCO's Recruitment Committee is accepting nominations for the following seats on the CALAFCO Board of Directors:

**Northern Region**

City Member  
Public Member

**Central Region**

County Member  
District Member

**Coastal Region**

County Member  
District Member

**Southern Region**

City Member  
Public Member

The election will be conducted during regional caucuses at the CALAFCO annual conference prior to the Annual Membership Meeting on Thursday, October 27, 2016 at the Fess Parker DoubleTree in Santa Barbara, CA.

**Please inform your Commission that the CALAFCO Recruitment Committee is accepting nominations for the above-cited seats until *Monday, September 26, 2016*.**

Incumbents are eligible to run for another term. Nominations received by September 26 will be included in the Recruitment Committee's Report and on the ballot, copies of which will be distributed to LAFCo members no later than October 12 and made available at the Annual Conference. Nominations received after this date will be returned; however, nominations will be permitted from the floor during the Regional Caucuses or during at-large elections, if required, at the Annual Membership Meeting.

For those member LAFCos who cannot send a representative to the Annual Meeting an electronic ballot will be made available if requested in advance. The ballot request must be made no later than Monday, September 26, 2016. Completed absentee ballots must be returned by October 21, 2016.

*Should your Commission nominate a candidate, the Chair of your Commission must complete the attached Nomination Form and the Candidate's Resume Form, or provide the specified information in another format other than a resume. Commissions may also include a letter of recommendation or resolution in support of their nominee.*

**The nomination forms and materials must be received by the CALAFCO Executive Director no later than *Monday, September 26, 2016***

Here is a summary of the deadlines for this year's nomination process:

- **June 27** – Nomination Announcement and packet sent to LAFCo membership and posted on the CALAFCO website.
- **September 26** – Completed Nomination packet due
- **September 26** – Request for an absentee/electronic ballot due
- **September 26** – Voting delegate name due to CALAFCO
- **October 12** – Distribution of the Recruitment Committee Report (includes all completed/submitted nomination papers)
- **October 12** – Distribution of requested absentee/electronic ballots.
- **October 21** – Absentee ballots due to CALAFCO
- **October 27** - Elections

Returning the nomination form prior to the deadline ensures your nominee is placed on the ballot. Please forward nominations to:

CALAFCO Recruitment Committee c/o Executive Director  
California Association of Local Agency Formation Commissions  
1215 K Street, Suite 1650  
Sacramento, California 95814  
FAX: 916-442-6535

Electronic filing of nomination forms and materials is encouraged to facilitate the recruitment process. Please send e-mails with forms and materials to [info@calafco.org](mailto:info@calafco.org). Alternatively, nomination forms and materials can be mailed or faxed to the above address.

Questions about the election process can be sent to the Chair of the Committee, Jim Curatalo, at [jcuratalo@calafco.org](mailto:jcuratalo@calafco.org) or by calling him at 909-261-7005. You may also contact CALAFCO Executive Director Pamela Miller at [pmiller@calafco.org](mailto:pmiller@calafco.org) or by calling 916-442-6536.

Members of the 2016/2017 CALAFCO Recruitment Committee are:

James Curatalo, Chair <a href="mailto:jcuratalo@calafco.org">jcuratalo@calafco.org</a>	San Bernardino LAFCo (Southern Region) 909-261-7005
Bill Connelly <a href="mailto:bconnelly@calafco.org">bconnelly@calafco.org</a>	Butte LAFCo (Northern Region) 530-538-2134
John Marchand <a href="mailto:jmarchand@calafco.org">jmarchand@calafco.org</a>	Alameda LAFCo (Coastal Region) 925-960-4020
Anita Paque <a href="mailto:apaque@calafco.org">apaque@calafco.org</a>	Calaveras LAFCo (Central Region) 408-893-4353

Attached please find a copy of the CALAFCO Board of Directors Nomination and Election Procedures.

*Please consider joining us!*

Enclosures



## 7. LOSS OF ELECTION IN HOME LAFCO

Board Members and candidates who lose elections in their home office shall notify the Executive Director within 15 days of the certification of the election.

## 8. FILLING BOARD VACANCIES

Vacancies on the Board of Directors may be filled by appointment by the Board for the balance of the unexpired term. Appointees must be from the same category as the vacancy, and should be from the same region.

*These policies and procedures were adopted by the CALAFCO Board of Directors on 12 January 2007 and amended on 9 November 2007, 8 February 2008, 13 February 2009, 12 February 2010, 18 February 2011, and 29 April 2011. They supersede all previous versions of the policies.*

### CALAFCO Regions



**Date:** 20 June 2016

**To:** LAFCo Commissioners and Staff  
CALAFCO Members  
Other Interested Organizations

**From:** CALAFCO Achievement Awards Committee

**Subject:** **2016 CALAFCO Achievement Award Nominations**



Each year, CALAFCO recognizes outstanding achievements by dedicated and committed individuals and/or organizations from throughout the state at the Annual Conference Achievement Awards Ceremony.

Recognizing individual and organizational achievements is an important responsibility. It provides visible recognition and support to those who go above and beyond in their work to advance the principles and goals of the Cortese-Knox-Hertzberg Act. We invite you to use this opportunity to nominate the individuals and organizations you feel deserve this important recognition. *The nomination procedures have changed this year, so please review the instructions below carefully.*

To make a nomination, please use the following procedure:

1. Nominations may be made by an individual, a LAFCo, a CALAFCO Associate Member, or any other organization. There is no limit to the number of nominations you can submit.
2. Please use a separate form (attached) for each nomination. Nominations must be submitted with a completed nomination form. The form is your opportunity to highlight the most important points of your nomination.
3. Nominations must be limited to no more than 1500 words or 3 pages in length maximum. You are encouraged to write them in a clear, concise and understandable manner. If the Awards Committee members require additional information, you will be contacted with that request.
4. All supporting information (e.g. reports, news articles, etc.) must be submitted with the nomination. Please limit supporting documentation to no more than 5 pages. If the Awards Committee members require additional information, you will be contacted with that request.
5. All nomination materials must be submitted at one time and must be received by the deadline. Electronic submittals are encouraged.
6. **Nominations and supporting materials must be received no later than 5:00 p.m., Wednesday, August 31, 2016.** Send nominations via e-mail, or U.S. mail to:

Pamela Miller, Executive Director  
CALAFCO  
1215 K Street, Suite 1650  
Sacramento, CA 95814  
pmiller@calafco.org

Members of the 2016 CALAFCO Board of Directors Awards Committee are:

Larry Duncan, Committee Chair (Butte LAFCo, Northern Region)  
John Leopold, CALAFCO Board Chair (Santa Cruz LAFCo, Coastal Region)  
Cheryl Brothers (Orange LAFCo, Southern Region)  
Michael Kelley (Imperial LAFCo, Southern Region)  
William Kirby (Placer LAFCo, Central Region)

lduncan@calafco.org  
jleopold@calafco.org  
cbrothers@calafco.org  
mkelley@calafco.org  
wkirby@calafco.org

Please contact Pamela Miller, CALAFCO Executive Director, at pmiller@calafco.org or (916) 442-6536 with any questions. A list of the previous Achievement Award recipients is attached to this announcement.





## 2016 Achievement Award Nominations

### CALAFCO ACHIEVEMENT AWARD CATEGORIES

CALAFCO recognizes excellence within the LAFCo community and the full membership by presenting the *Achievement Awards* at the CALAFCO Annual Conference. Nominations are being accepted until **Monday, July 20, 2015**, in the following categories:

<b>Outstanding CALAFCO Member</b>	Recognizes a CALAFCO Board Member or staff person who has provided exemplary service during the past year.
<b>Distinguished Service Award</b>	Given to a member of the LAFCo community to recognize long-term service by an individual.
<b>Most Effective Commission</b>	Presented to an individual Commission to recognize innovation, streamlining, and/or initiative in implementing LAFCo programs; may also be presented to multiple Commissions for joint efforts.
<b>Outstanding Commissioner</b>	Presented to an individual Commissioner for extraordinary service to his or her Commission.
<b>Outstanding LAFCo Professional</b>	Recognizes an Executive Officer, Staff Analyst, or Legal Counsel for exemplary service during the past year.
<b>Outstanding LAFCo Clerk</b>	Recognizes a LAFCo Clerk for exemplary service during the past year.
<b>Outstanding CALAFCO Associate Member</b>	Presented to an active CALAFCO Associate Member (person or agency) that has advanced or promoted the cause of LAFCos by consistently producing distinguished work that upholds the mission and goals of LAFCos, and has helped elevate the roles and mission of LAFCos through its work. Recipient consistently demonstrates a collaborative approach to LAFCo stakeholder engagement.
<b>Project of the Year</b>	Recognition for a project-specific program that involved complex staff analysis, community involvement, or an outstanding solution.
<b>Government Leadership Award</b>	Presented to a decision-making body at the city, county, special district, regional or state level which has furthered good government efforts in California.
<b>Legislator of the Year</b>	Presented to a member of the California State Senate or Assembly in recognition of leadership and valued contributions in support of LAFCo goals. Selected by CALAFCO Board.
<b>Mike Gotch Courage and Innovation in Local Government Award</b>	Presented to an individual who has taken extraordinary steps to improve and innovate local government. This award is named for Mike Gotch: former Assembly Member, LAFCo Executive Officer and CALAFCO Executive Director responsible for much of the foundations of LAFCo law and CALAFCO. He is remembered as a source of great inspiration for staff and legislators from throughout the state.
<b>Lifetime Achievement Award</b>	Recognizes any individual who has made extraordinary contributions to the LAFCo community in terms of longevity of service, exemplary advocacy of LAFCo-related legislation, proven leadership in approaching a particular issue or issues, and/or demonstrated support in innovative and creative ways of the goals of LAFCOs throughout California. At a minimum, the individual should be involved in the LAFCo community for at least ten years.

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

## Push to open Privates Beach near Pleasure Point divides residents

### Coastal Commission enforcement action renews old debate

*By Stephen Baxter, Santa Cruz Sentinel*

Saturday, June 25, 2016



PLEASURE POINT >> For people who hold a key to the black metal gate at Privates Beach on Opal Cliff Drive, the well-kept park is a safe place to leave a bike and enjoy a beach and surf spot without the crowds of nearby beaches in Pleasure Point and Live Oak.

For others who can't or won't pay \$100 for a key and one year of access, it's an exclusive beach that violates the California Coastal Act's mandate to "maximum access" to the shoreline.

The debate about its access dates to the gate's installation in the 1940s. But a June 7 letter from a California Coastal Commission enforcement supervisor renewed that debate. It demanded that the Opal Cliffs Recreation District that manages the gate and park to remove the fence and stop charging for access.

Although anyone can buy a key at Freeline Design Surf Shop on 41st Avenue, the recreation district is similar to a homeowners association for residents of the Opal Cliff Drive neighborhood.

"They've got a locked gate and fence between the public and the ocean, and that locked gate and fence doesn't have a permit," said Pat Veasart, the Coastal Commission's Northern California enforcement supervisor. "The Coastal Commission's mandate is maximum access. It's in violation of the Coastal Act and the Santa Cruz County Local Coastal Program, which is the county's plan for coastal access."

Veasart's 11-page letter outlined the history of the fence, some earlier agreements with the Coastal Commission and a Thursday deadline to remove the fence and stop charging for access. If the recreation district leaders fail to comply, the letter threatened fines of up to \$11,250 per day.

Veasart said in an interview with the Sentinel on Friday that such a fine is unlikely if "everyone's working in good faith to resolve the issue."

He said, "We're trying to have a serious conversation with the district."

Veasart said he started as the enforcement supervisor in the Coastal Commission's office at 725 Front St. in Santa Cruz about 18 months ago. He said staff sent the letter in June because staff finally had some time to tackle the issue. There are six enforcement officers in the state.

Mark Massara, a San Francisco-based attorney who represents the Opal Cliffs Recreation District, said he was blindsided by the June 7 letter to dismantle the fence. He said the Coastal Commission approved a fence on the property in 1981 and renewed it in 1991.

"I think what's going on is the staff revisited their decisions and their trying to rewrite the rules," Massara said Friday.



The fence was 6 feet tall during the 1990s. People often jumped it, vandalized the park and had bonfires on the beach, according to Massara and neighbors. Pieces of the wooden staircase to the beach sometimes were hacked off and burned in the beach fires, Massara said.

District leaders responded by building a 9-foot wrought iron fence, improving the park and rebuilding the staircase. The fee for the gate keys was raised from \$20 to \$100. People in the neighborhood now can show a utility bill at the surf shop and pay \$50 rather than \$100.

In 2006, the recreation district applied for a Coastal Commission permit for the fence that they already had built, Veasart said. There also was a proposal to charge a \$5 entry fee at the gate.

The Coastal Commission held a hearing about the permit in San Diego in 2009, but the issue was tabled. Coastal Commission staff nor the recreation district followed up on it, Massara said.

Veasart reopened the issue in spring 2015 with a letter to the district. Massara met him in June 2015 and sent a letter a few weeks later that proposed to file for a new permit for the fence. There was no communication for nearly a year, then came the recent letter to remove the fence or pay fines.

"It's a lovely beach and I'd hate to see it go the way of Sunny Cove," Massara said. By comparison, Massara said, Santa Cruz County sheriff's deputies respond to about 700 calls for service for various scofflaws at that beach.

Massara said there are 300 to 500 keys sold annually. The recreation district also receives some tax revenue from more than 400 homes in the area. It manages an annual budget from \$40,000 to \$70,000, Massara said. The money goes toward upkeep of the park and pays \$10 an hour or more for "gate ambassadors" to open and close the gate, watch bikes and help people carry stand-up paddleboards and other gear to the beach.

Sloppy accounting by the district came to light in 2013 when about \$11,000 went missing from the budget, according to audits reviewed by the Sentinel. Included in one budget was a \$337 bar tab and \$772 food bill from Capitola's Canton Chinese restaurant with a note that read "June 9th -- Freeline party."

Outside the gate on Saturday morning, some residents argued about access rules next to a sign that stated "Emergency Alert" about the proposed fines. The sign was posted by leaders of the recreation district. A gate ambassador said that he and others collected more than 500 signatures on a recent petition to keep the fence.

"I've seen the devastation before the (new) fence," said Shawna Griffith, a 52-year-old resident of the Opal Cliffs neighborhood. When the old staircase had been dismantled by vandals, Griffith said, kids stepped on nails on the beach and others were injured from falling down the stairs. Syringes were found in the sand. Now it's clean and safe.

"It's a blessing. It's a positive thing for families and anyone who wants to come," said Griffith.

Cara Finn, a 56-year-old who lives in Capitola, said she often walks by the park and wished it were free to enter. "A hundred dollars, that's a lot. It's obviously a club," Finn said.

Massara also has been on the other side of beach access battles. He has represented the Surfrider Foundation in legal proceedings to reopen Martins Beach in San Mateo County after Silicon Valley billionaire Vinod Khosla tried to prevent access. Massara said that case was different because no access was offered at Martins Beach. Massara added that surfers such as himself can get to Privates easily by paddling from another staircase at The Hook.

When asked if provincialism from surfers played a role in the recreation district's stance to keep the gate, Massara replied, "I'm not going to say it's not part of this."

Veasart, the Coastal Commission enforcement supervisor, said there are surfers who like the restricted access to

Privates because it's a less crowded surf spot.

"It's a funny thing where surfers want to have access to 100 percent of the California coast, but they also want their own surf spots," Veesart said.

---

URL: <http://www.santacruzsentinel.com/environment-and-nature/20160625/push-to-open-privates-beach-near-pleasure-point-divides-residents>

© 2016 Santa Cruz Sentinel (<http://www.santacruzsentinel.com>)



## PRIVATES BEACH FENCE TO REMAIN

Attorney meets with Coastal Commission enforcement supervisor, access talks continue

## COASTAL RULES

By Stephen Baxter

*[@sbaxter\\_sc](mailto:sbaxter@santacruzsentinel.com) on Twitter*

**PLEASURE POINT** >> A fence and locked gate at Privates Beach on Opal Cliffs Drive will remain for the foreseeable future as a California Coastal Commission enforcement supervisor and Opal Cliffs Recreation District leaders discuss potential access alternatives for the beach.

Recreation District Board Member Ted Donnelly and the district's attorney, Mark Massara, met with Coastal Commission Enforcement Supervisor Pat Veesart at Veesart's Santa Cruz office Thursday. Veesart has said the locked gate violates the Coastal Act's mandate of maximum access to the shoreline. Massara has said the Coastal Commission approved the gate in 1981 and reaffirmed it in 1991.

Anyone can buy a \$100 key at Freeline Design Surf Shop for one year of access to the beach.

"We asked them to open the gate and let the public in while we talk, and they declined," Veesart said Tuesday. "I think as long as we're still talking and making progress then we're OK."

Veesart in June threatened the Recreation District with a daily fine of up to \$11,250 if the fence was not taken down by June 30. Since discussions about potential gate changes have restarted, Veesart said no fines would be levied as he and Massara continue talks. They plan to talk again in about two weeks.





Part of the reason for the 9-foot wrought-iron fence is to eliminate vandalism to the park and beach that was rampant in the 1990s. The fence then was 6 feet tall and topped with barbed wire. Yet people often jumped it and sometimes had bonfires on the beach with wood piled from the staircase, Massara and neighbors have said.

119

Some opponents of the fence say it should be locked only at night since that is when vandalism happens. Santa Cruz County Sheriff Jim Hart wrote in a June 17 letter to Veesart that keeping the fence and gate locked at night is "critical" to preventing vandalism and other problems.

Tuesday morning, about 10 people attended a meeting of the Opal Cliffs Recreation District at Opal Cliffs Park where Massara and Donnelly updated people on the case. Donnelly said updates are coming to the Recreation District's soon to be launched website at [OpalCliffsPark.org](http://OpalCliffsPark.org) including meeting minutes.

Pleasure Point surfer Robert "Wingnut" Weaver said at the meeting that the name "Privates" was coined for the occasional nudists on the beach rather than for its perceived exclusivity.

"It's not a private beach. Anyone can come here," Weaver said.

## Privates Beach visitors now charged \$5 daily

### SHORELINE ACCESS

By Stephen Baxter

*[sbaxter@sanlacruzsentinel.com](#) @sbaxter\_sc on Twitter*

**PLEASURE POINT** >> Contrary to what was discussed at an Opal Cliffs Recreation District meeting Tuesday, a gate ambassador at Privates Beach began collecting a \$5 daily fee from visitors on Wednesday.

The Recreation District manages the locked gate at Opal Cliffs Park and access to the beach between The Hook and Capitola. A California Coastal Commission enforcement supervisor said in June that the fence and locked gate must come down because it violates the Coastal Act's mandate to "maximum access" to beaches. Anyone can buy a \$100 key for one year of access.

Mark Massara, an attorney for the Recreation District, said leaders of the recreation district decided to start the daily fee after the meeting. Massara also said he spoke to county leaders about it.

"We wanted to do something immediate to address their (Coastal Commission) concerns while we continue to collaborate with the interested parties," Massara said Wednesday. "We've determined that it's better to do this given that it's been discussed for many years and rather than and lose the opportunity to provide daily low-cost access this summer."

Massara had said at a Recreation District meeting at Opal Cliffs Park on Tuesday morning that it would not start to collect a daily fee because that would constitute a "coastal development" as it is broadly defined by the Coastal Commission enforcement staff.

The daily fee will be collected through Labor Day, Massara said. The annual keys, costing \$100, will continue to work. Massara said the gate ambassador will collect the daily fee in cash or preferably by check for security reasons. Gate



ambassadors are there 9 a.m to 6 p.m. daily.

The \$5 daily fee was first proposed by the Recreation District to the Coastal Commission in 2009. The Coastal Commission considered it that year then tabled the proposal.

121

Coastal Commission Enforcement Supervisor Pat Veesart said Wednesday that he had not heard of the new daily fee until contacted by the Sentinel.

“We told him quite clearly that this (daily fee) requires a coastal development permit from the county,” Veesart said. “That permit is appealable by the Coastal Commission. We’ll see what to do next.”

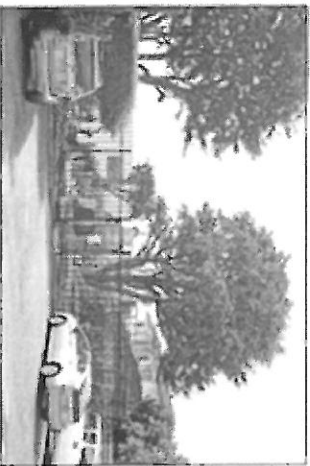
Veesart had threatened the district with daily fines of more than \$11,000 if the fence remained. He has said since then that the district will not be fined as long as talks continue.

Because Santa Cruz County leaders manage the recreation district as well as other recreation districts, Massara said he spoke to Santa Cruz County Auditor-Controller Edith Driscoll, County Administrative Officer Susan Mauriello, a county attorney and Director of Parks, Open Space and Cultural Services Jeff Gaffney about the daily fee.

However, Santa Cruz County spokesman Jason Hoppin said a county permit was not issued for the daily fee.

“We are involved as a facilitator to try to help those two sides reach an agreement on what to do about access to Privates. Nothing has been finalized yet,” Hoppin said Wednesday.

Massara announced the new daily fee during an appearance on KSCO-AM 1080’s Off The Lip radio show Tuesday night. He was a guest at the radio station’s Live Oak studio.



Opal Cliffs Park, commonly known as Privates, is a park, beach and surf spot accessible with a new \$5daily fee at the gate. Money collected is used to pay gate ambassadors and maintain the grounds and staircase to the beach.

DAN COYRO — SANTA CRUZ SENTINEL

122



REGISTER-PAJARONIAN

## Neighbors battling to keep beach gated

*Posted: Wednesday, Jul 20th, 2016*

BY: TODD GUILD and TARMO HANNULA



Tarmo Hannula/Register-Pajaronian A woman walks her dog past Opal Cliffs Neighborhood Beach, also known as Privates Beach in Santa Cruz.

### **Coastal Commission: Fence, fees not permitted**

**OPAL CLIFFS** Residents of a Pleasure Point neighborhood are still fighting to keep a fence that restricts public access to a small park and a small stretch of beach, even as the California Coastal Commission demands they remove it.

Meanwhile, a lawyer for the Opal Cliffs Recreation District says the gate is permitted and in fact helps keep the park and beach safe and clean.

Members of the district, which oversees access to the small, gated Pleasure Point beach, have long contended that they have a permit for the fence.

They charge \$100 per year for a gate, and recently began charging a \$5 daily use fee.

But the Coastal Commission says none of that is permitted.

Veesart said that the district has applied for a costal development permit to the Santa Cruz County Development Department for the \$5 fee, but that the permit has not been approved.

The Coastal Commission set a date of June 30 to have the fence removed and said the Opal Cliffs Recreation District faced fines of more than \$11,000 a day if the gate did not come down.

That fee was tabled while talks were going on, bur Veesart said those talks have ceased.

said.

Veesart said a six-foot fence was approved in 1981, but that permit has since expired and has not been renewed.

In addition, the district put up a nine-foot wrought-iron fence without authorization.

That is not true, according to Opal Cliffs Recreation District attorney Mark Massara.

Soon after the commission ordered the district to remove the fence, members put up a sign stating

Hundreds of residents have signed a petition demanding that the commission allow the fence to remain.

Neighbors deny the gate is exclusionary, and point out that anyone can buy a key to the gate at a nearby surf shop, or pay the daily \$5 fee.

Many say they like the gate because it gives a level of security not available at other beaches. Others claim the beach is clean and free of graffiti and leftover party trash thanks to the fence.

Approximately 700 people currently purchase annual passes, Massara said.

Massara said.

Massara described the OCRD as an all-



one of the most well-

The Coastal Commission authorized a Coastal Development Permit in 1992 authorizing the fence, gate and keycard program, Massara said.

Santa Cruz County approved the fence and keycard program in 2008, and the OCRD brought the issue to the California Coastal Commission for additional review as a courtesy, he said.

Commission staffers then reviewed it and recommended approval, but a hearing never occurred, Massara said.

the district to dissolve.

That, he said, would place maintenance and upkeep costs in the lap of the county, which he said cannot afford such a responsibility.

The district is already reeling from the ongoing legal battle, he said.

said.

He also said that removing the fence would decrease safety in the area.

He pointed to Sunny Cove Beach, which he said has no gate or maintenance and has become a high-crime area.

In a June 17 letter, Santa Cruz County Sheriff Jim Hart urged the California Coastal Commission to reconsider its decision, saying that removing the fence

among other things.

## Lompico votes for water merger

### SANTA CRUZ MOUNTAINS

Property owners to pay 10-year assessment to join SLV Water District

**By Jondi Gumz**

*[jgumz@santacruzsentinel.com](mailto:jgumz@santacruzsentinel.com) @jondigumz on Twitter*

**LOMPICO** >> Counting the votes took longer than expected but the tally late Wednesday night showed Lompico property owners in favor of a 10-year assessment to pay for a \$2.9 million merger with its bigger neighbor, the San Lorenzo Valley Water District.

The vote was yes, 287, no, 74.

A year ago, a proposed \$3.2 million bond over 30 years that needed two-thirds yes to pass lost by one vote among ballots cast by Lompico's registered voters.

County elections chief Gail Pellerin said the count will be audited but she did not expect the end result to change.

After the count, the five Lompico board members voted for the merger. Board member Bill Smallman, who is running for county supervisor, got back in time to vote after putting his daughter to bed.

San Lorenzo Valley Water District general manager Brian Lee passed out baseball caps with an "SLV" logo to the five Lompico board members.

For Lompico board president Lois Henry, 77, who moved from Los Angeles in 1971 and appreciates the mountain community's beauty, the change is bittersweet.

"I asked myself, 'Will I mourn the loss of this water district? I will,' she said, adding, "I know the smart thing to do is merger with San Lorenzo Valley."

Dealing with increasing stringent state regulations was a challenge for Lompico, limited in revenue with 500 customers compared to 8,800 in the San Lorenzo Valley Water District.



“This is terrific, a tremendous ending to a threeyear process,” said county Supervisor Bruce McPherson.

Lompico residents with one hookup will pay \$5,786 over 10 years, about \$48 per month and paid in property tax bills mailed twice a year. The one-hookup vote was 267-72.

A handful with two hookups and will pay \$11,573 over 10 years. Their vote was 10-2 and those votes were doubled for the final tally.

Three dozen people watched at the Zayante fire station as Pellerin, who volunteered with assistant county clerk Tricia Webber to open and count ballots, ordered silence.

The assessment amount dipped from \$5,867 estimated for the March ballot deadline because seven more property owners surfaced, according to Chris St. Germain, the Lompico water district secretary. The vote tally was rescheduled because of the new voters. The mood in the room, tense on March 16, was lighter.

“We’re changing the keys,” Henry joked at one point, then complimented San Lorenzo Valley as “very modern” because customers can pay bills online.

Lee promised Badger Orion cellular meters that track daily water use for Lompico customers “the first year out.”

Pat McCormick of the boundary agency LAFCO said three more steps are needed to complete the merger, which could take three weeks.

The San Lorenzo Valley Water District must create a five-member citizens oversight committee, scheduled for May 19. Lompico residents can apply to serve for a year; applications will be on SLVWD. com.

Lee said his board will make nominations to the oversight committee during an open meeting.

Other steps involve verifying that Lompico’s debts are paid off and the rate structure is acceptable to San Lorenzo Valley and preparing and recording maps of the Lompico water district.



Lois Henry, president of the Lompico County Water District board and a Lompico resident for 45 years, awaits the merger vote count with fellow board member Rob Hansel, left, and Rick Rogers, on staff of San Lorenzo Valley Water District, which got approval late Wednesday night to take over Lompico water operations.

JONDI GUMZ — SANTA CRUZ SENTINEL



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

## **Lompico merger with San Lorenzo Valley Water District is complete**

**Mwrger complete; Lompico residents can apply to be on oversight committee**

*By Jondi Gumz, Santa Cruz Sentinel*

Wednesday, June 1, 2016

LOMPICO >> It's official: The merger of the Lompico County Water District with the San Lorenzo Valley Water District took effect Wednesday.

Patrick McCormick, executive officer of the Local Agency Formation Commission of Santa Cruz County, recorded the documents to finalize the \$2.9 million merger, which was approved by voters 287-74 on May 4 as a way to meet increasingly stringent state requirements.

Uniting Lompico's 500 customers with 8,800 San Lorenzo Valley Water District customers provides economy of scale with an assessment to pay for upgrading aging tanks and pipes.

Lompico residents with one hookup will pay \$5,786 over 10 years, about \$48 per month, paying in property tax bills mailed twice a year.

Lompico residents will get water bills monthly and can sign up to pay bills online. They can subscribe to online news updates from the San Lorenzo Valley Water District.

Applications are being sought for the five-member Lompico Oversight Committee. Applications are posted at [Slvwd.com](http://slvwd.com) and can be returned to the District Secretary Holly Morrison, 13060 Highway 9, Boulder Creek, California 95006 or [hmorrison@slvwd.com](mailto:hmorrison@slvwd.com). Nominations will be made during an open meeting.

The San Lorenzo Valley Water District board meets at 6 p.m. on the first and third Thursdays of the month at the Operations Building, 13057 Highway 9, Boulder

Creek.

Thursday's agenda includes accepting water utility easements for property from the Manana Woods Mutual Water Co., and an \$8.4 million budget for next year.

Emergencies after hours or weekends can be reported to the San Lorenzo Valley Water District's answering service at 831-438-2010.

---

URL: <http://www.santacruzsentinel.com/government-and-politics/20160601/lompico-merger-with-san-lorenzo-valley-water-district-is-complete>

© 2016 Santa Cruz Sentinel (<http://www.santacruzsentinel.com>)



- By Capo Dispatch  
On May 12, 2016



San Juan Capistrano's Groundwater Recovery Plant. File Photo.

*By Allison Jarrell*

The city will continue its investigation into reorganizing its utility services with a public hearing at the Utilities Commission's meeting on Tuesday, May 17. The city has been studying its utility services and reviewing its options for the groundwater recovery plant in light of increasing costs and complexities in providing water and wastewater services.

The Utilities Commission held its first hearing on April 26 and is tasked with making recommendations to the City Council regarding what criteria should be used to evaluate future reorganization proposals. The Council voted April 5 to hold the public hearings, implement a public outreach program, enlist the help of the Orange County Local Agency Formation Commission (LAFCO) in studying reorganization options, and appropriate \$150,000 from the city's water fund "to cover anticipated costs associated with the LAFCO review process and related professional services."

Utilities Commission meetings begin at 8 a.m. and are held at City Hall, located at 32400 Paseo Adelanto. For more information on the city's utilities reorganization study, visit [www.waterstudy.sanjuancapistrano.org](http://www.waterstudy.sanjuancapistrano.org).

**WATER & DROUGHT** JUNE 1, 2016 2:57 PM

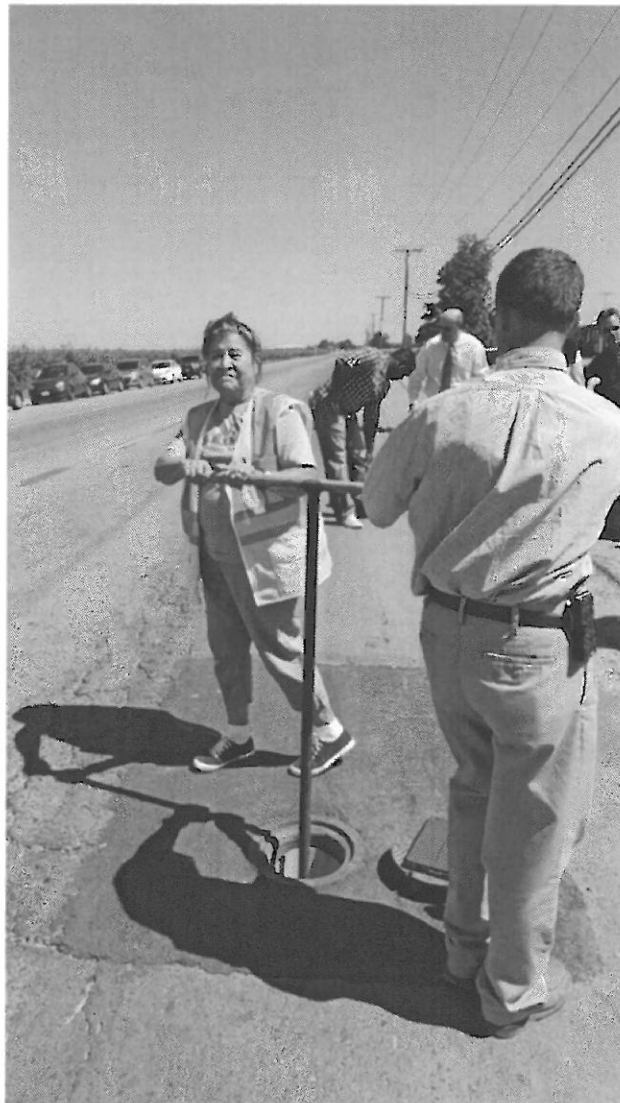
# Residents in Tulare County community open taps to clean water

## HIGHLIGHTS

Water had been contaminated with arsenic

State ordered Tulare to add Matheny residents to its water system

Clean water started flowing Tuesday







BY ANDREA CASTILLO

[acastillo@fresnobee.com](mailto:acastillo@fresnobee.com)

Matheny Tract residents can finally open their taps to clean water.

Water in the low-income community south of Tulare has long been contaminated with arsenic, forcing residents to buy bottled water. In March, the State Water Resources Control Board ordered Tulare to merge its water system with Matheny Tract under a new law.

At a ceremony Tuesday morning, Reinelda Palma and Tim Denney of the community action group Matheny Tract Committee turned the valve to let the municipal water begin flowing.

Tim Doyle, Tulare's water utility manager, said the old system will be disconnected and abandoned within the next month. From now on, Matheny Tract residents will pay into the city's tiered system. The average household pays around \$30 a month, Doyle said.

Matheny Tract resident Javier Medina, 48, told The Bee in March that he paid \$35 a month for the contaminated water that came out of his taps, plus around \$45 for bottled water so his family of six could cook and drink.

---

**\$30**

average amount households pay for water in Tulare – and now Matheny Tract

---

Tulare had until Wednesday to consolidate the city system with Pratt Mutual Water Co., which served the community of about 300 homes and 1,200 people. Half the homes are rentals, most residents are Latino, and 30 percent earn less than the federal poverty line.

Advocates, including the Leadership Counsel for Justice and Accountability, called the consolidation a big win.

"We are thrilled that, due to years of hard work and advocacy by residents, Matheny Tract residents secured their human right to clean drinking water today," said Ashley Werner, a lawyer with Leadership Counsel.

In 2014, a \$4.9 million water main the state paid for using Proposition 84 funds was installed between Tulare and Matheny Tract. Before the pipe was laid, Tulare agreed to deliver clean water from city wells. But the city later balked over unexpected system capacity issues and concerns about service connections outside city limits.

It sued Pratt Mutual and the Matheny Tract Committee to change the terms of the agreement, and the Matheny Tract Committee, represented by the Leadership Counsel, and Pratt countersued. The cases were settled out of court.

Doyle said Tuesday was historic, given that it's the first time any city in California has been ordered to provide safe drinking water to an area that doesn't have it.

But he worries about maintaining the system that already serves 62,000 people.

"We'll find out this week what an additional 331 addresses would do to our system, with it being 100 degrees," he said. "Typically that's when we see water use go up."

Doyle said that if the drought continues, the city might have to replace older infrastructure and drill deeper. Though residents have been conserving water, he said water flows have continued to decrease.

*Andrea Castillo: 559-441-6279, @andreamcastillo*



## MORE WATER & DROUGHT

---

### YOU MAY LIKE

Sponsored Links by Taboola

**Find out why more than 20 million people can't stop playing this game**

Stormfall: Free Online Game

**Arrested people continue to go viral because of attractiveness**

OddChatter



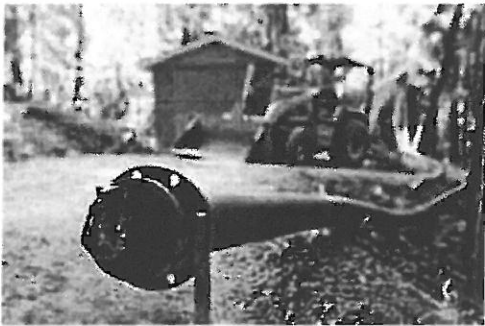
Monterey County Herald (<http://www.montereyherald.com>)

## Should state limit small water agencies?

**Senate bill would make it more difficult to add to the state's 7,500-plus systems**

*By Paul Rogers, [progers@bayareanewsgroup.com](mailto:progers@bayareanewsgroup.com)*

Sunday, June 19, 2016



California's drought has revealed that when it comes to water, not every community is equal.

Large urban areas, from the Bay Area to Los Angeles, asked residents to conserve, raised rates to buy water from other places and generally have gotten by without much inconvenience, other than brown lawns and shorter showers.

But communities served by smaller systems, from farm towns to forest hamlets — often lacking money, expertise and modern equipment — have struggled and, in some cases, nearly run out of water entirely.

Now, a bill by a Bay Area state lawmaker aims to slow the spread of little “mom and pop” water providers by making it very difficult to create new ones.

The problem, says state Sen. Bob Wieckowski, D-Fremont, is that California has 7,642 water systems. Some serve only campgrounds, prisons or schools. Of the ones in communities with full-time residents, 63 percent have 200 or fewer connections.

Many have no permanent employees. Some own only one well and have leaky, aging pipes and tanks. State records show they have far more health violations than large city water districts, involving everything from arsenic to bacteria levels in drinking water.

“We see a proliferation of these small districts, some with 100 homes, 200 homes, even 15 homes,” Wieckowski said. “Some of them are just putting in a well and saying, ‘this is a water district’ without the money or the technical expertise to operate it.”

### Current law

Under current law, in much of California anyone can create a private company or a new public agency to set up a water system with a vote from local officials, such as the county.

Wieckowski's bill, Senate Bill 1263, would require applicants instead to identify other water agencies within three miles, then meet with those agencies, and write a report comparing how much it would cost residents to simply connect to the existing, larger water system rather than creating a new one. Every new system would need a permit from the State Water Resources Control Board in Sacramento.

“There’s no rhyme or reason now,” he said. “We need to be more efficient.”

The bill, which passed the Senate 21-14 last month, also requires a study of how a new system’s supply would hold up over 20 years, including in droughts.

But the debate, pitting environmentalists against business interests, is raising questions about whether bigger is better, and how much local control matters.

Opponents include the California Chamber of Commerce, California Building Industry Association and Association of California Water Agencies. They note that it’s often developers who need to create new water systems, particularly if they can’t work out agreements with existing ones.

“In its current form, the bill would set up an open-ended bureaucratic process that could make it more expensive to build new homes and developments,” said Valerie Nera, a lobbyist with the California Chamber of Commerce.

Supporters cite a 2015 state water board report that showed systems with under 200 connections accounted for 69 percent of all arsenic violations in the state, 94 percent of nitrate violations and 92 percent of bacteria violations.

“Some of these smaller agencies are not able to provide people with clean water,” said Kathryn Phillips, director of Sierra Club California. “We’ve seen a lot of that happening in the San Joaquin Valley, and we want to make sure that doesn’t happen again. This provides more oversight.”

But others say having larger agencies provide water gives locals less say over rates and rules.

“We’ve seen what happens with consolidation of smaller business into larger corporations. Sometimes you don’t have the same level of service, and you can fall through the cracks,” said Tyler Boswell, who works as an operator for seven small water systems in the mountains between Los Gatos and the Santa Cruz County line.

### **Running out**

In 2014, as the drought worsened, Boswell watched as Aldercroft Heights, a small community near Lexington Reservoir whose water system serves 350 people, was told by San Jose Water Co., which serves 1 million people, that it might run out of water. The reason: San Jose Water was going to stop releases of water from Lake Elsman, which empties into Los Gatos Creek, the main source of water for Aldercroft Heights.

The tiny community dug a well, put in strict conservation rates and got by when natural springs continued to feed the creek. Other small areas had an even rougher time.

Lompico, a community of 480 people east of Boulder Creek in the Santa Cruz Mountains, saw its wells drying up in 2014.

“It was pretty bad. We were running out of water,” said Merrie Schaller, a former member of the Lompico Water District board. “We have old redwood tanks. Everything leaks. We had to tell people, ‘Don’t use water unless you have to.’ Nobody could grow a garden.”

The district, founded generations ago when the area was a collection of summer vacation cabins, raised rates and got a grant from the state to build an emergency pipeline connecting it with the larger San Lorenzo Valley



Water District. A vote to merge with that district failed by one vote, but then passed on a later vote, and took effect this month.

“A lot of it is emotional,” she said. “People here said it was cool to have our own water district. They thought nobody gets to tell us what to do. But the state tells us what to do. Everybody has to meet the public health standards, and it’s not cheap.”

*Paul Rogers covers resources and environmental issues. Contact him at 408-920-5045. Follow him at [Twitter.com/PaulRogersSJMN](https://twitter.com/PaulRogersSJMN).*

---

URL: <http://www.montereyherald.com/environment-and-nature/20160619/should-state-limit-small-water-agencies>

© 2016 Monterey County Herald (<http://www.montereyherald.com>)

# LAFCO rejects Catholic high school, again

**Posted: Wednesday, June 15, 2016 4:17 pm**

As education officials and growth experts predict a growing need for more schools in South County, one developer that has tried to build a new private high school in Morgan Hill for several years was recently shot down, again, by a local land use authority.

The Santa Clara County Local Formation Commission (LAFCO) voted 6-1 June 1 to reject a reconsideration of the Diocese of San Jose's request to annex 38 acres into the city limits of Morgan Hill in order to build St. John XXIII College Preparatory High School.

Commissioner Mike Wasserman, who serves as South County's representative on the Board of Supervisors, made the motion to reconsider the project, which LAFCO previously rejected at the March 11 meeting when it was presented as part of the city's Southeast Quadrant plan.

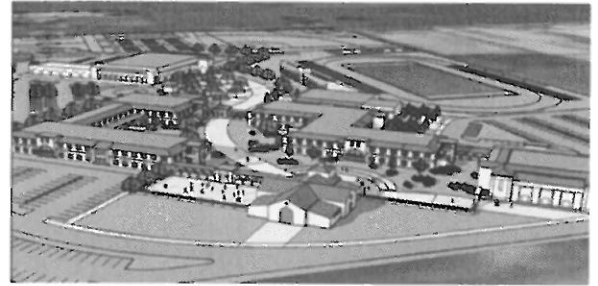
Wasserman said he was "disappointed" that his LAFCO colleagues overruled him.

"I thought the applicant should have had the opportunity to present their case," Wasserman said. "I'm a huge advocate for education, and to bring another high school to the county. The actual vote was for reconsideration, so we never even go to vote on the merits of the high school being there."

The Diocese asked LAFCO to reconsider the March 11 vote in which a motion to approve the portion of the city's 215-acre SEQ proposal that contained the high school project failed on a 4-3 vote.

If the June 1 vote had shifted in their favor, the Diocese would have been given a chance to present its case to extend the city's Urban Service Area around the 38 acres it owns near the intersection of Tennant and Murphy avenues. This is where they plan to build the new high school, which would be built in phases to eventually accommodate up to 1,600 students. The June 1 application also requested inclusion of three parcels adjacent to the Diocese' site, totaling 22 acres, into the USA. These are owned by other private parties who do not yet have specific plans for the sites. They were included with the Diocese' application in order to form a contiguous boundary for annexation.

At the March 11 meeting, LAFCO rejected the Diocese' "high school only alternative" carved out from the SEQ after the commissioners were informed by staff that approving it would require an acceptance of the Environmental Impact Report for the entire SEQ and Sports-Recreation-Leisure project. The commission had just rejected that proposal—in which the city hoped to develop a variety of sports-related facilities and commercial projects, while offsetting the loss of agricultural lands on the property with a mitigation program—on a 5-2 vote.



**St. John XXIII College Preparatory**

Conceptual renderings of the South County Catholic High School can be viewed at the website [stjohn23cp.com](http://stjohn23cp.com).



Commissioners Johnny Khamis, Cat Tucker and Wasserman were in the minority to approve the high school-only alternative March 11. But two of those commissioners have been replaced on LAFCO starting with the June 1 meeting, where San Jose City Councilmember Ash Kalra took Khamis' place, and Sunnyvale Councilmember Tara Martin-Milius took Tucker's place.

After the March 11 meeting, Diocese officials and their attorneys argued that LAFCO in fact did not have to approve the entire EIR for the SEQ. That document includes a "project level" analysis of the Catholic high school project, which the commission could accept in isolation from the rest of the study, according to a letter from Diocese attorney Bart Heckman to LAFCO.

But LAFCO attorney Mala Subramanian disagreed. She wrote in a May 16 memo to LAFCO staff that the project level portion of the EIR that considered only the impact of the Catholic high school did not analyze the impact of annexing the adjacent 22 acres submitted for consideration at the June 1 meeting.

Diocese spokesman Andy Pashby was not authorized to speak to the media after the June 1 vote, but church officials have said they remain committed to building a private high school in South County.

### **Does need surpass land availability?**

The need for at least one new high school in Morgan Hill is not likely to disappear any time soon, but the supply of land is dwindling, according to local school district and planning officials.

Pashby wrote to LAFCO that every day, up to 500 students leave South County to attend existing non-public schools outside the region.

"A new Catholic high school will bring educational choice to the South County and increase high school capacity for the area," Pashby wrote in the May 18 letter to LAFCO. "Keeping these students in the community will reduce the impact of their commute on our roads and on our environment."

Pashby's argument on behalf of the Diocese included a March 7 letter from Morgan Hill Unified School District Assistant Superintendent Kirsten Perez to City of Morgan Hill planning staff, decrying the city's General Plan draft update that "fails to recognize the city has been unable to identify sufficient land within the City of Morgan Hill to meet the district's needs" for future schools.

The city is currently planning for population growth up to a cap between 59,000 and 65,000 by 2035, but the General Plan and growth control documents have not been finalized.

Perez' letter notes that MHUSD expects its student body to grow up to 13,611 students by 2035, from the current population of 9,754. This will require the construction of at least four new elementary schools and two secondary schools, Perez added. She further notes that the California Department of Education requires a minimum of 10 acres for elementary schools, 25 acres for a middle school and 40 acres for a high school.

"In discussions with the City of Morgan Hill staff, it was determined that there are few available parcels within the city that currently meet the district's requirements," Perez' letter continues.

The availability of large vacant parcels within the city limits—for schools or recreational facilities—is not a new concern. The city argued March 11 there is not enough vacant commercial land for sports field in the

city limits, while the commissioners insisted they consider using industrial sites for such projects, even if they are not centrally located near each other.

Several South County parents of future and current private high school students submitted letters to LAFCO in support of the Diocese' June 1 annexation request.

LAFCO, an agency created by the state in the 1960s in order to limit the effects of urban sprawl, previously rejected the SEQ project because commissioners felt the city should develop vacant land within the city limits first, and the proposal would result in the loss of farmland.



July 6, 2016 Register-Pajaronian

## City considering major development

Modified: Wednesday, Jul 6th, 2016  
BY: ERIK CHALHOUB

Old City Hall, police department property could be redeveloped

WATSONVILLE — In a move that would dramatically change the downtown's landscape, a developer has approached city leaders about the possibility of redeveloping a portion of the area.

Capitola-based Envision Housing is eyeing 250 Main St. and the surrounding area for a mixed-used development that would include retail, housing, restaurants and government space. The location is currently home to the Old City Hall building and the Watsonville Police Department.

On Tuesday, the Watsonville City Council agreed to enter into an agreement with Envision Housing, who is expected to begin developing plans for the property and conduct a series of feasibility studies. The item passed on the consent agenda without discussion by the council.

Before the meeting, City Manager Charles Montoya said what the proposal would entail is still up in the air, as no plans have been drawn up yet. A timeline is unknown as well.

But he did add that the city needs to find ways to fill its coffers in order to meet the growing needs of the community.

"We do know that we have several million dollars in capital projects that we have to do, but we have no money," Montoya said. "Sitting around and doing nothing will not get it done."

According to the agreement, Tuesday's decision does not obligate the city to move forward with the plan that Envision Housing draws up, as it is subject to city council approval.

Also during Tuesday's meeting, the council approved two housing projects.

The council voted 6-1 for a 24-unit condominium project on a 1.77-acre vacant lot located on the corner of Freedom Boulevard and Atkinson Lane. Councilwoman Trina Coffman-Gomez dissented.



Tarmo Hannula/Register-Pajaronian City officials in Watsonville are looking at the possibility of razing the exiting City Hall and Watsonville Police Department, between Main and Union streets, and having a modern replacement built.



Councilman Jimmy Dutra cited concerns about traffic and lack of fenced back yards, while Coffman-Gomez said more outreach is needed to be conducted to inform surrounding neighbors of the project.

Councilman Lowell Hurst said the project demonstrated the "pinch" that Watsonville is in with lack of available land.

"We do have a housing crisis, and this will put 24 units on the market," he said.

The council unanimously approved a 49-unit townhome project on 221 Airport Blvd.

The site is currently the home of a community school operated by the Santa Cruz County Office of Education. A 1903 schoolhouse on the property would be renovated, but another building constructed in 1929 would be demolished.



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

## Central firefighters' pay cut delayed

### Contract talks continue

*By Stephen Baxter, Santa Cruz Sentinel*

Tuesday, July 19, 2016

LIVE OAK >> A proposed pay cut for Central firefighters has been delayed to August as contract negotiations continue, labor leaders said this week. In May, the Central Fire Protection District Board of Directors voted to cut its firefighters' base pay 7 percent starting in July and require firefighters to pay back 7 percent of their base salary for the past 12 months. The decision came with a caveat: If Central Fire and its labor union could negotiate a new contract by mid-July, there would be no pay cut or retroactive pay cut.

Anthony Cefaloni, president of IAFF Local 3605, said Tuesday that the pay cut has been extended until Aug. 13 as contract talks continue.

"While nothing has been formally approved I would say we are cautiously optimistic we can come to an agreement," Cefaloni said. "It appears we are making positive progress."

Cefaloni said more negotiations are scheduled this month with Central Fire leaders and its labor negotiator, Jack Hughes of the Liebert Cassidy Whitmore law firm in Sacramento. Hughes did not immediately return a call seeking comment Tuesday.

Central Fire serves Capitola, Live Oak and Soquel. No disruption in service is expected.

Central Fire Chief Jeff Maxwell said during a packed May 26 Central Fire Board meeting that the move was prompted in part by the Fire Department's long-term projected deficit. It faces more than \$30 million in unpaid liabilities related to health care and retirement benefits, according to a recent audit. The move would save the district \$360,711.

Central firefighters pay for none their health care benefits in all but three of the eight health plans they are offered, Cefaloni said. He said Tuesday that firefighters now are willing to pay a greater share of their health care costs and that is part of the contract negotiations.

The union represents 46 firefighters, captains and battalion chiefs at Central Fire. Firefighters' base pay ranges from about \$77,000 to \$94,000, according to public records.

Central Fire Board Members Bruce Betencourt has said that including health care benefits and pensions, the fire district pays more than \$100,000 annually for nearly every firefighter.

"We're getting some movement, and that's a good thing," Bettencourt said Tuesday of contract talks.

Bettencourt said the Central Fire Board's drive to be fiscally responsible is because the board serves taxpayers as well as firefighters.

"Hopefully this will all work out and everything will get back to normal," said Bettencourt.

Cefaloni said Tuesday that if a contract agreement is reached and its union members are satisfied with it, the Central Fire board might consider a new contract at its next meeting at 7 p.m. Aug. 9. It takes place at Central Fire's administration building at 930 17th Ave. in Live Oak.

URL: <http://www.santacruzsentinel.com/general-news/20160719/central-firefighters-pay-cut-delayed>

© 2016 Santa Cruz Sentinel (<http://www.santacruzsentinel.com>)