



PROCEEDINGS OF THE LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY

Room 525

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

701 Ocean Street  
Santa Cruz, California

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

ROLL CALL

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

\* Commissioner Coonerty arrives.

CLOSED SESSION

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

OPEN SESSION

Chairperson Friend says there is no report from closed session.

\* Alternate Leopold leaves.

MINUTES

MOTION AND ACTION

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

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

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

PUBLIC HEARING

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

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

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

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

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

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

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

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

MOTION

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

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

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

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

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

MOTION

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

MOTION

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

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

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

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

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

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

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

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

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

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

Alternate Bobbe asks where the bill stands.

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

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

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

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

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

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

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

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

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

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

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

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

He does not have the same concerns for AB 1532.

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

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

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

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

MOTION

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

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

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

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

Mr. McCormick says that is correct.

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

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

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

Commissioner LaHue was suggesting something different than opposing it.

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

MOTION

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

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

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

SPECIAL DISTRICTS RISK MANAGEMENT ASSOCIATION BOARD ELECTION

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

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

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

MOTION AND ACTION

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

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

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

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

MOTION AND ACTION

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

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CHAIRPERSON ZACH FRIEND

Attest:

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Patrick M. McCormick, Executive Officer