



PROCEEDINGS OF THE LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY

Wednesday, June 6, 2018
10:00 a.m.

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

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The June 6, 2018 Santa Cruz Local Agency Formation Commission meeting is called to order by declaration of Chairperson Leopold.

ROLL CALL

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

Chairperson Leopold welcomes returning Council Member Lowell Hurst from Watsonville. City Council Member David Terrazas from Santa Cruz will also be joining this Commission.

He asks for a moment of silence to recognize the passing of long time LAFCO Commissioner, Jim Van Houten. He cared about the community and was a great environmentalist.

Commissioner Friend went to Mr. Van Houten’s memorial. He served in the Navy for about 30 years. He was born and raised right across from Santa Cruz High School. There are photos of him at Gilda’s and he is a Santa Cruz icon. He became a South County icon living in La Selva Beach and fought for access and protection of the wetlands, as well as for the residents of the City of Watsonville to have equal access to environmental educational programs.

Commissioner Roger Anderson adds that Mr. Van Houten served on LAFCO from about 1996 to 2000. He was good-humored and thoughtful.

Commissioner Hurst says that he was a fighter for environmental issues and access. He raised awareness in South County about the need for Wetlands preservation and access to the slough system.

Mr. McCormick says he was elected to be on LAFCO by his peers from the special districts. He served on the La Selva Beach Recreation and Park District. Water and fire districts usually outnumber the smaller districts and it was a rare situation for him to be elected from a non-water or non-fire district.

MINUTES

MOTION

Motion: Friend Second: Lind	To approve May 2, 2018 minutes. Motion carries with Commissioner Hurst abstaining.
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PUBLIC HEARINGS

SERVICE AND SPHERE REVIEW FOR CITY OF WATSONVILLE

Mr. McCormick reports that this is a continued public hearing. It is on the agenda now because the sphere of influence was last reviewed in 2008. State law requires a sphere review every five years. This Commission is catching up on their review schedule.

There is a pending annexation application involving the City of Watsonville and the Pippin Apartments on Atkinson Lane. It is timely to get the review complete and adopted so it can be a resource document for that annexation application which may be on August's agenda.

Watsonville's service review has some high points about the level of service the City is providing. There is a lot of budget information with some comparisons to other cities. There is acknowledgement that the City is doing a great job providing services such as water and sewer services.

There is no problem with disadvantaged communities inside or outside City limits. The disadvantaged economic groups are getting services equal to everyone else in the Pajaro Valley.

The City is not proposing any changes to the adopted sphere of influence. There are a few areas surrounding the City that would be eligible for annexation applications in the future.

At the last meeting, questions were raised about the City's general plan. In 2006, the City completed a general plan called the Watsonville Vista 2030 General Plan. That document was litigated and the court found the general plan and EIR to be inadequate. The City tried to address the court's concerns, but there was additional litigation and the court again invalidated the general plan and EIR. The EIR that was prepared is not sufficient.

For any annexation that comes to LAFCO, by law, there needs to be a rezoning by the City Council. Rezoning is a CEQA event, so the City becomes the lead on any environmental determination. The Pippin proposal had a specific plan with an EIR. It got litigated and there was a court settlement. Part of the settlement involved a portion of the potentially bigger project area being taken off the City's plans.

He is not anticipating any significant annexation applications by the City. They do not have an adequate environmental document to accompany a proposal in any of the other areas besides Pippin. Watsonville will have to make significant additional environmental and planning work and before a project, such as the Buena Vista area, can be considered.

There is a letter challenging the Negative Declaration. This is a status quo sphere of influence line. He recommends continuing the matter to the August meeting so staff can evaluate the letter that came from the attorney representing the Pilots Association and the Friends of Buena Vista. The letter asks for some potential additions to the Negative Declaration.

Commissioner Roger Anderson asks if the Commission has any obligation to add any of the suggestions or requirements in the letter to the Negative Declaration.

Counsel Miller says the letter was submitted on the last day of comments for the Negative Declaration and one day before the agenda deadline, so there has not been enough time to investigate. She can research the matter before the August meeting and that is why a continuance is recommended.

Natalie Kirkish, an attorney for Wittwer Parkin, says that Mr. McCormick accurately summarized the history of the litigation that resulted in the invalidation of the 2030 General Plan. The letter was written because this sphere of influence review is relying on the 2005 General Plan.

They have had several communications with the City of Watsonville about the approval of development projects in the Airport Influence Area under the 2005 General Plan. The City has acknowledged that the 2005 General Plan does not comply with the court decisions. This requires the City to incorporate the Airport Land Use Handbook as mandatory terms into the General Plan. Until the City takes a legally compliant general plan back to the court for their approval, they have taken the position that no development can be approved in the Airport Influence Area.

They are requesting an acknowledgement that the 2005 General Plan does not comply with the court decisions. A mitigation measure would say that the City is prohibited from any annexation or development approval in the Airport Influence Area until it has complied with mandates from the court.

Chairperson Leopold asks if the Pippin property is in the Airport Influence Area.

Ms. Kirkish answers no. They are not concerned with the Pippin annexation proposal; they are concerned with potential future annexations.

Chairperson Leopold adds that this Commission heard of Pippin's situation two years ago. They have encouraged the City to move forward and it is a positive step that the City is now moving forward to annex this property. It will give the residents a voice in City politics since they will be served by City services.

He asks if her concerns are with the Negative Declaration and not with the Pippin annexation.

Ms. Kirkish answers yes.

Commissioner Jim Anderson asks if the 2005 General Plan was invalidated by the court.

Ms. Kirkish answers no. It is the 2030 General Plan that does not comply with court decisions.

Commissioner Hurst says the term "Airport Influence Area" is a new term. Many urbanized areas exist within that area. He thinks the letter is extreme, but he understands the concerns. He does not want to hold up the Pippin annexation. There has been much effort from the City to cooperate with LAFCO.

MOTION AND ACTION

Motion: R. Anderson Second: LaHue	To review the matters raised in the letter and continue the matter to the August meeting, as recommended by staff. Motion carries with a unanimous voice vote.
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SERVICE AND SPHERE REVIEW FOR COUNTY SERVICE AREA 11, COUNTY PARKS

Mr. McCormick reports that the current sphere of influence encompasses the entire County. The sphere was drawn that way in case one of the recreation districts or cities wants to partner with the County to provide more integrated services. To date, none of the agencies have chosen to do that. Staff recommends keeping this concept because it may come in handy soon.

Opal Cliffs Recreation and Park District is dealing with major permit, revenue, and existential issues with the Coastal Commission. He suggests some slight policy language changes to make it clear that if Opal Cliffs can no longer operate, the County would be the first alternative to take the service over.

Commissioner LaHue asks what the Coastal Commission's status is on Opal Cliffs.

Mr. McCormick replies that the County's authorization of a Coastal Development permit was appealed. The Coastal Commission accepted the appeal so there will be a de novo hearing when they meet at the Scotts Valley Hilton later this summer in Santa Cruz County. There is no staff report available yet.

Commissioner LaHue is interested in seeing the staff report when it comes out.

MOTION AND ACTION

Motion: J. Anderson Second: LaHue	To continue the consideration of adopting of CSA 11, County Parks review to the August meeting, as recommended by staff. Motion carries with a unanimous voice vote.
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OTHER BUSINESS

TIME EXTENSION FOR LAFCO No. 961, WHARF ROAD / WRIGHT ANNEXATION TO SOQUEL CREEK WATER DISTRICT

Mr. McCormick reports that this application involves a single parcel at 2205 Wharf Road and it is being split into two parcels. The Commission approved the annexation one year ago. There is a will-serve letter from Soquel Creek Water District. The property owner has had to deal with an extensive review process with the City of Capitola on the lot split.

The applicant sent a letter asking for a one-year extension. He has recently cleared Capitola’s process and he is ready to go forward.

MOTION AND ACTION

<p>Motion: LaHue Second: R. Anderson</p>	<p>To approve a one-year extension, as recommended by staff. Motion carries with a unanimous voice vote.</p>
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STATUS OF PROPOSALS AND POTENTIAL PUBLIC HEARINGS IN JUNE, JULY AND AUGUST

Mr. McCormick says that a public hearing has been set for June 29th at 10:00 a.m. to be held at Central Fire Station on 17th Avenue. The hearing will concern the Upper Porter Gulch annexation proposal. Other items on the agenda that will be heard first will be about the reviews for County Service Area 48 (County Fire) and the Central Fire Protection District.

These reviews were deferred back in 2016 for bigger studies. The proposed annexation would take territory from CSA 48 and add it to Central Fire; therefore, both spheres need to be reviewed first.

The Upper Porter Gulch application is proposing to annex as many as five parcels to correct some boundary and fire response issues. The response time is better from Central Fire’s Soquel station than from the County Fire’s Burrell station. This proposal does not have a major financial impact on County Fire.

Central Fire’s board is asking for a condition of approval in the application. The term and condition is that they be authorized to reduce their board size from seven to five. It is currently the largest fire board in the County and they think reducing the board size sets up the potential for an easier consolidation with Aptos / La Selva FPD. If the consolidation is not successful, they are still confident they can operate their district with a five-member board.

As part of any boundary change approval, this Commission has the authority to apply a condition to change the number of board members. Central FPD is in a hurry to get this annexation done by July 5th in advance of the November election process.

Chairperson Leopold adds that this was a unanimous decision by their board to request this application.

Mr. McCormick says they vetted this within their community by holding a public meeting. No one spoke against the proposal and it passed by a unanimous vote.

Commissioner Hurst asks about the agencies concerned.

Chairperson Leopold says Chief Hall from Central FPD and Chief Larkin from County Fire are also supportive of this proposal.

Commissioner Jim Anderson adds that Central Fire already responds to these parcels.

Mr. McCormick continues that he will be asking the Chair to set up a special meeting sometime in July or August to receive the fire study for Mid-County. The plan is to get LAFCO Commissioners, Central's board and Aptos/La Selva's board together in a major community evening meeting.

Chairperson Leopold says the sub-committee asked the districts if they wanted to do individual presentations or a joint presentation, and they decided a joint presentation was preferred.

Mr. McCormick says that he hopes to have the Pippin Apartments ready for a public meeting possibly in Watsonville on August 1st. If Pippin annexes to the City, that property detaches from a series of County districts. Those districts have adopted spheres of influence and they have not been reviewed in the last five years; so, they must be reviewed before the Pippin annexation is considered. These districts include CSA 12 (septic maintenance) and the Sheriff's CSA 38. They are both financial vehicles that do not have a complicated service discussion to go with them.

LEGISLATION

Chairperson Leopold is very involved with AB 2258 which has passed out of the Assembly. He is going to Sacramento again to meet with the chair and staff of the committee.

The previous issues of concern have been from the California Special District Association (CSDA) about changing the protest provisions from 10% to 25%.

EXTRA PAYMENT TO CALPERS PENSION UNFUNDED LIABILITY

Mr. McCormick reports that this is an annual discussion about pension costs. He recommends not making an extra payment of the side fund liability this year. However, he is recommending that the Commission make its regular annual payment in early July 2018. It saves a few percentage points. The Commission has enough revenue available at the beginning of each fiscal year.

CLOSED SESSION

Prior to closed session, the public is invited to address the Commission regarding the subject of the closed session.

- a) The Commission will meet in closed session to consult with labor negotiators pursuant to Government Code Section 54957.6.
 - (1) Agency Negotiators: Personnel Committee:
 - (a) Jim Anderson
 - (b) John Leopold
 - (2) Unrepresented Employee, Executive Officer

The next LAFCO meeting is scheduled for 10:00 a.m. on Wednesday, June 29, 2018.

CHAIRPERSON JOHN LEOPOLD

Attest:

Patrick M. McCormick, Executive Officer