



PROCEEDINGS OF THE
LOCAL AGENCY FORMATION COMMISSION
OF SANTA CRUZ COUNTY

Wednesday
November 6, 2019
10:00 a.m.

Supervisors Chambers, Room 525
701 Ocean Street
Santa Cruz, CA 95060

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The November 6, 2019 Santa Cruz LAFCO meeting is called to order by declaration of Chairperson Jim Anderson.

ROLL CALL

Present and Voting:	Commissioners R. Anderson, Lather, Leopold, and Chairperson Jim Anderson
Absent:	*Estrada, Friend
Alternates Present:	Hunt
Alternates Absent:	Banks, Brooks, Coonerty
Staff:	Joe A. Serrano, Executive Officer Jason Heath, Acting LAFCO Counsel Debra Means, Secretary-Clerk

MINUTES

MOTION

Motion: Leopold Second: Lather	To approve August 7 th minutes with a minor correction. Motion carries with a unanimous voice vote.
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ORAL COMMUNICATIONS

Counsel Heath reports that the new LAFCO Counsel will be introduced at the January meeting. He has enjoyed being acting LAFCO Counsel over the last six months.

PUBLIC HEARING

SERVICE AND SPHERE REVIEW FOR THE MIDPENINSULA REGIONAL OPEN SPACE DISTRICT

Mr. Serrano notes that Stefan Jaskulak, Chief Financial Officer for Midpeninsula Regional Open Space District (Midpen), is in attendance and was very helpful in completing this service review.

Midpen was formed in 1972 to preserve open space lands in Santa Clara County. Over the past 48 years, it expanded into Santa Cruz and San Mateo Counties. Since Midpen is a multi-county district, State law designates one principal LAFCO to oversee boundary changes, including annexations. This designation is based on assessed land value for the service areas in each county. Santa Clara LAFCO is the principal LAFCO because that county's assessed land value is the largest between the three counties at \$177 billion. San Mateo County's assessed value is \$74 billion and Santa Cruz County's is about \$660,000.

Staff's analysis focused on Midpen's service area in Santa Cruz County. The parcels within the District's boundary in Santa Cruz County were annexed in 1992 to align with Long Ridge Open Space Preserve. A sphere was also adopted and included 11 parcels, 10 of which were part of the annexation. The remaining parcel is currently owned by a branch of the Boy Scouts of America.

* Commissioner Estrada arrives.

In September, LAFCO met with Midpen to discuss the draft service review and see if the district would like to annex the remaining parcel within its sphere boundary or any other lands in Santa Cruz County. Midpen representatives indicated that they do not have any interest in annexing at this time. If they were to consider annexation, it would be for five parcels they already own in Santa Cruz County.

These five parcels have similar characteristics to the parcels included in the 1992 annexation. They are located at the southern end of existing open space preserves, are owned and maintained by Midpen, and are currently outside the District's jurisdictional and sphere boundaries.

If annexation does occur, it would be processed by Santa Clara LAFCO. This service review provides detailed information about the five parcels and indicates what the process will be if an annexation occurs between Midpen and Santa Cruz County.

Staff received a letter from Supervisor Ryan Coonerty expressing some concerns with the draft service review. This service review fulfills the Commission's adopted work program which required staff to complete five service reviews this year, including one for Midpen.

The completion of service reviews is a statutory mandate under the Cortese-Knox-Hertzberg Act. State law requires LAFCOs to conduct a service review for each city and special district in the County every five years. Midpen's last service review was completed in 2008. Adopting this service review complies with State law and brings this LAFCO up to date with the service review cycle.

This service review reiterates the initial findings identified in the Principal LAFCO's 2013 service review. Santa Cruz LAFCO's findings and recommendations suggest that further analysis be conducted should an annexation be initiated by Midpen.

This service review does not propose any boundary changes or promote or encourage any annexation beyond the five parcels owned by Midpen. It does not prevent residents or local agencies to voice their opinion on any possible boundary changes involving Midpen or Santa Cruz County.

This service review can be used as a platform for residents, this Commission, or any affected party to share their input on proposed boundary changes. It is beneficial to have input and community outreach to gauge interest in the possibility of having an open space district provide services in Santa Cruz County.

MOTION AND ACTION

<p>Motion: R. Anderson Second: Leopold</p>	<p>As recommended by staff,</p> <ul style="list-style-type: none"> • To find this review exempt from CEQA, • To find this review fulfills the requirements outlined in LAFCO law, • To adopt Resolution No. 2019-21 with three terms and conditions: <ul style="list-style-type: none"> ○ Reaffirm the district’s current sphere of influence, ○ Analyze possible annexations or sphere changes involving those five parcels, and ○ Direct Executive Officer to share a hard copy of the service review to any interested or affected parties, including but not limited to Supervisor Coonerty’s office, Santa Clara LAFCO (the Principal LAFCO), and the Land Trust. <p>Motion passes with a unanimous voice vote.</p>
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Stefan Jaskulak is the Chief Financial Officer for Midpeninsula Regional Open Space District. On behalf of Midpen, he fully supports the findings and recommendations. He has enjoyed working with LAFCO Commissioners and staff on this collaborative effort and looks forward in maintaining communication between the organizations. In the past, Midpen has been mostly focused on Santa Clara and San Mateo Counties, but it has been worthwhile renewing communications with Santa Cruz County as well.

Commissioner Roger Anderson thinks the review is well done. Midpen expressed interest in obtaining an easement that would allow a trail to Nisene Marks State Park, and he supports this potential easement to connect existing trails.

Commissioner Leopold agrees with Commissioner Roger Anderson. Some of the identified parcels owned by Midpen are in his supervisory jurisdiction (District 1). As County Supervisor, the connector trail with Nisene Marks would go through his district. There is interest from Santa Cruz Mountains and Summit area residents about connecting these trails together. There are ongoing discussions about trails and access points within the Soquel Demonstration Forest.

In the service review, there is mention about creating an open space district. There was legislation from Senator Joe Simitian to create an open space district, but it excluded LAFCO. Santa Cruz LAFCO did not support the bill. The Board of Supervisors hired Fred Keeley, the former County Treasurer, to research creating such an open space district, but it did not go anywhere. Mr. Leopold had discussions with the Land Trust about creating an open space district in the future, and it may be revisited in a few years.

There is a real need to have an ongoing source of funding for parks and open space in this County. During a recession, park funding is the first to go. If there was a dedicated funding source, it would make a huge difference.

Commissioner Estrada asks what some pros and cons are for annexing these five parcels.

Mr. Serrano replies that these parcels are already part of an existing open space preserve. Midpen currently owns and maintains these parcels so annexing them would simply reflect the services already being provided by the District.

OTHER BUSINESS

SERVICE AND SPHERE REVIEW MULTI-YEAR WORK PROGRAM

Mr. Serrano reports that there are 81 local agencies that fall under this LAFCO's purview. In order to ensure that this Commission conducts service reviews in a timely manner, staff is recommending a multi-year work program be adopted to clearly show when a service review is required. It will also allow local agencies to know when their service review is scheduled. At the end of each year, staff will propose a schedule of hearing dates for upcoming service reviews.

Commissioner Leopold thinks it is important to maintain this schedule. The quality of work done in-house has been very good, but there are some agencies that may need outside consultants' help, so money should be set aside.

Mr. Serrano adds that having this discussion at the end of each year can help the Commission decide whether additional funds for outside assistance is needed for any future service review.

Commissioner Leopold says funds have been set aside each year to build up a reserve for service reviews or white papers.

MOTION AND ACTION

Motion: Leopold Second: Lather	To adopt a multi-year work program. Motion carries by a unanimous vote.
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LAFCO MEETING SCHEDULE FOR 2020

Mr. Serrano presented the proposed meeting schedule for the 2020 calendar year. The Commission had a discussion about changing the meeting start time from 10:00am to 9:00am.

MOTION AND ACTION

Motion: Lather Second: Leopold	To adopt the 2020 LAFCO Meeting Schedule and change the meeting time to 9:00 a.m. Motion carries by a unanimous vote.
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CALAFCO ANNUAL CONFERENCE – ELECTION RESULTS

Mr. Serrano reports that the annual conference had a great turnout with more than 250 attendees and 48 out of 58 LAFCOs attending. There were two elections held at the conference. One election addressed several open seats on the CALAFCO board. CALAFCO has four regions and there is representation from each region on the board. The Coastal Region had two seats with upcoming vacancies. Margie Mohler from Napa LAFCO and Tom Murray from San Luis Obispo LAFCO won the city seat and public seat, respectively.

The second election involved the proposed membership dues structure. The new fee structure passed with 38 LAFCOs in favor and 10 opposed. This Commission supported the proposal. The new fee structure is expected to address CALAFCO's ongoing operational deficit.

Commissioner Roger Anderson enjoyed the quality of presentations and diverse session topics at the conference.

Commissioner Leopold thought the Sativa Water District presentation was very interesting. The presentation was held at the State Capitol. The speakers presented a powerful story about LAFCO helping to take care of a water district that was not doing its job.

He also attended a worthwhile session about service reviews. It provided good information and discussed how other LAFCOs were handling the state mandate.

He thought the dues discussion was not unexpected. Small, rural LAFCOs generally have the biggest opposition toward changes in the dues structure, with Ventura as an exception. He did not hear about these LAFCOs organizing any helpful changes or alternatives to the dues structure. If they wanted to make any changes, it would have come up at the regional meetings.

A smaller Northern California LAFCO representative whose LAFCO voted no said that it was the smaller LAFCOs that get the most out of CALAFCO. The smaller LAFCOs directly benefit from CALAFCO by networking with Executive Officers, receiving representation in Sacramento, and learning best practices from conferences and workshops.

Commissioner Lather found the conference enlightening, interesting and a good investment of her time. She went to the LAFCO 101, attended the Sativa Water District discussion, and the sessions on water and housing. She appreciated networking with other LAFCOs.

Chairperson Jim Anderson attended the water and service review sessions. He noted that it is worth being frank with the districts when completing service reviews. He enjoyed the mobile workshop about the port in West Sacramento.

Commissioner Roger Anderson appreciated the keynote speaker and author, Mark Arax at Thursday's luncheon.

Alternate Hunt thought the conference was worthwhile. He thought the session with Kate Gordon and Ellen Hanak about treating climate change as a macro-economic trend was an interesting perspective. He liked Bill Connelly's comments describing service reviews as what could be, and how they can improve, rather than what currently exists. LAFCOs' knowledge can really help other agencies do a better job. The regional roundtable was informative to hear what other LAFCOs are doing, particularly with consolidation of fire districts.

ADJOURNMENT

The next LAFCO meeting is scheduled for **9:00 a.m. (1 hour earlier)** on Wednesday, January 8, 2020. There is no LAFCO meeting in December.



CHAIRPERSON JAMES W. ANDERSON

Attest:



Joe A. Serrano, Executive Officer