



**LOCAL AGENCY FORMATION COMMISSION  
OF SANTA CRUZ COUNTY**

701 Ocean Street, #318-D  
Santa Cruz, CA 95060  
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**REGULAR MEETING AGENDA**

**Wednesday, March 4, 2020  
9:00 a.m.**

**Board of Supervisors Chambers  
701 Ocean Street, Fifth Floor (Room 525)  
Santa Cruz, California**

**1. ROLL CALL**

**2. ADOPTION OF MINUTES.....Page 5**

The Commission will consider approving the minutes from the February 5th meeting.  
Recommended Action: Approve the minutes as presented with any desired changes.

**3. ORAL COMMUNICATIONS**

This is an opportunity for members of the public to address the Commission on items not on the agenda, provided that the subject matter is within the jurisdiction of the Commission and that no action may be taken on an off-agenda item(s) unless authorized by law.

**4. PUBLIC HEARINGS**

Public hearing items require expanded public notification per provisions in State law, directives of the Commission, or are those voluntarily placed by the Executive Officer to facilitate broader discussion.

**a. Meeting Rules and Records Management Policies – Proposed Updates**

The Commission will review the proposed modifications to LAFCO’s Meeting Rules Policy and the Records Management Policy.....**Page 12**

Recommended Action: Adopt the two draft Resolutions (Nos. 2020-04 and 2020-5) approving the amendments to the Meeting Rules and Records Management Policies.

**b. Service and Sphere Review for County Service Area 60.....Page 45**

The Commission will consider the adoption of a service and sphere of influence review for County Service Area 60 (Huckleberry Island).

Recommended Actions:

- 1) Find that pursuant to Section 15061(b)(3) of the State CEQA Guidelines, LAFCO has determined that the service and sphere of influence review is not subject to the environmental impact evaluation process because it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, and the activity is not subject to CEQA;
- 2) Determine, pursuant to Government Code Section 56425, the Local Agency Formation Commission of Santa Cruz County is required to develop and determine a sphere of influence for County Service Area 60, and review and update, as necessary;
- 3) Determine, pursuant to Government Code Section 56430, the Local Agency Formation Commission of Santa Cruz County is required to conduct a service review before, or in conjunction with an action to establish or update a sphere of influence; and
- 4) Adopt a Resolution (LAFCO No. 2020-06) approving the 2020 Service and Sphere of Influence Review for County Service Area 60 with the following conditions:
  - a. Defer action towards CSA 60's sphere of influence until August 5, 2020; and
  - b. Direct the Executive Officer to coordinate with the County Public Works Department and Huckleberry Island community to develop an action plan that will begin CSA 60's services and funding operations:
    - i. If an action plan is developed, the Commission will submit the action plan to the State Controller and consider reaffirming CSA 60's current sphere of influence; or
    - ii. If an action plan is not developed, the Commission should consider adopting a "zero" sphere of influence for CSA 60.

**5. OTHER BUSINESS**

Other business items involve administrative, budgetary, legislative, or personnel matters and may or may not be subject to public hearings.

**a. Employee Performance Evaluations.....Page 84**

The Commission will consider adjusting staff's salary based on their annual performance evaluations.

Recommended Action: Adopt a resolution approving the proposed salary adjustments for LAFCO's Executive Officer and Secretary-Clerk.

**b. Recruitment Process – New LAFCO Staff Member.....Page 87**

The Commission will review a proposed recruitment process to address the anticipated retirement of LAFCO’s Secretary-Clerk.

Recommended Action: Approve the proposed recruitment process.

**c. Legislative Update.....Page 93**

The Commission will receive a status update on LAFCO-related legislation.

Recommended Action: No action required; Informational item only.

**6. WRITTEN CORRESPONDENCE**

LAFCO staff receives written correspondence and other materials on occasion that may or may not be related to a specific agenda item. Any correspondence presented to the Commission will also be made available to the general public. Any written correspondence distributed to the Commission less than 72 hours prior to the meeting will be made available for inspection at the hearing and posted on LAFCO’s website.

**a. CALAFCO Quarterly Report.....Page 114**

The Commission will receive CALAFCO’s latest quarterly newsletter.

Recommended Action: No action required; Informational item only.

**7. PRESS ARTICLES**

LAFCO staff monitors newspapers, publications, and other media outlets for any news affecting local cities, districts, and communities in Santa Cruz County. Articles are presented to the Commission on a periodic basis.

**a. Press Articles during the Months of January and February.....Page 118**

The Commission will receive an update on recent LAFCO-related news occurring around the county and throughout California.

Recommended Action: No action required; Informational item only.

**8. COMMISSIONERS’ BUSINESS**

This is an opportunity for Commissioners to comment briefly on issues not listed on the agenda, provided that the subject matter is within the jurisdiction of the Commission. No discussion or action may occur or be taken, except to place the item on a future agenda if approved by Commission majority. The public may address the Commission on these informational matters.

**9. ADJOURNMENT**

LAFCO’s next regular meeting is scheduled for Wednesday, April 1, 2020 at 9:00 a.m.

**ADDITIONAL NOTICES:**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

Pursuant to Government Code Section 54957.5 public records that relate to open session agenda items that are distributed to a majority of the Commission less than seventy-two (72) hours prior to the meeting will be available to the public at Santa Cruz LAFCO offices at 701 Ocean Street, #318D Santa Cruz CA 95060 during regular business hours. These records when possible will also be made available on the LAFCO website at [www.santacruzlafco.org](http://www.santacruzlafco.org). 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  
February 5, 2020  
9:00 a.m.

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

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The February 5, 2020 Santa Cruz LAFCO meeting is called to order by declaration of Chairperson Roger Anderson.

**ROLL CALL**

Present and Voting:	Commissioners Banks, Brooks, Friend, Lather, Leopold and Chairperson Roger Anderson
Absent:	J. Anderson, Cummings and Estrada
Alternates Present:	Hunt
Alternates Absent:	Coonerty
Staff:	Joe A. Serrano, Executive Officer Daniel H. Zazueta, LAFCO Counsel Debra Means, Secretary-Clerk

**MINUTES**

**MOTION**

Motion: Leopold	To approve January 8 <sup>th</sup> minutes.
Second: Friend	Motion carries with Commissioners Lather and Bank abstaining.

**ORAL COMMUNICATIONS**

None

**PUBLIC HEARING**

PERSONNEL POLICY UPDATE (LAFCO PROJECT No. CPP 20-03)

Mr. Serrano reports that staff is revising their tracking system for projects and any resolutions that require Commission actions. Project numbers are now being created for all actions that staff conducts. "CPP" stands for "Commission Policies and Procedures".

The Personnel Policy update kickstarts staff's efforts to review the Commission's 20 adopted policies. At the end of the review process, all of the policies will be combined into one cohesive

Policies and Procedures Handbook. This will allow the Commission to easily review all policies at once to help ensure each policy is updated and/or reviewed on a regular basis.

Staff has identified two primary updates to the Personnel Policy; one update is to align the dates involved in staff performance evaluations with the budget preparation process, and the other update is to establish a standard format for all other LAFCO policies.

Commissioner Leopold appreciates the thoughtfulness and organization.

**MOTION AND ACTION**

Motion: Lather Second: Banks	To adopt draft Resolution No. 2020-02 approving amendments to the Personnel Policy. Motion passes with a unanimous voice vote.
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**FINANCIAL POLICY UPDATE (LAFCO PROJECT No. CPP 20-04)**

Mr. Serrano reports that staff identified two primary edits to the Financial Policy; one edit is to outline the budget preparation process in more detail, and the other edit is to continue the new standard format.

**MOTION AND ACTION**

Motion: Banks Second: Brooks	To adopt draft Resolution No. 2020-03 approving amendments to the Financial Policy. Motion passes with a unanimous voice vote.
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**OTHER BUSINESS**

**PERSONNEL COMMITTEE MEMBERSHIP**

Mr. Serrano reports that this LAFCO has at least two Commissioners on the Personnel Committee. Their role is to conduct staff's performance evaluations and assist in any human resources matters.

**MOTION AND ACTION**

Motion: Friend Second: Leopold	To reaffirm having Roger Anderson and John Leopold on the Personnel Committee for this calendar year. Motion passes with a unanimous voice vote.
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**REGULAR AND ALTERNATE PUBLIC MEMBER SELECTION PROCESS**

\* Chairperson Roger Anderson abstains from this item since he is the regular public member and Commission Lather chairs this item.

Mr. Serrano reports that the regular and alternate public member seats will become vacant in May. In order to refill those seats, staff is recommending that the Commission follow the selection process outlined in state law and the Commission's adopted policy. Under this process, the public will be informed of the openings by advertising on the LAFCO website and in two local newspapers. The two incumbents, Roger Anderson and John Hunt are encouraged to reapply.

**MOTION AND ACTION**

Motion: Leopold Second: Friend	To direct staff to advertise the two public member seats in at least two circulating newspapers and on LAFCO's website. Motion passes with a unanimous voice vote.
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**COMPREHENSIVE QUARTERLY REPORT**

\* Roger Anderson returns as Chairperson.

Mr. Serrano reports that at the end of each quarter, staff updates the Commission on active proposals, the work program, the annual budget and recent meetings.

There are currently three active proposals. The Roaring Camp annexation to the San Lorenzo Valley Water District is still pending. In late December, another application was received for the consolidation of Central and Aptos/La Selva Fire Districts. Staff anticipates presenting this proposal for consideration as early as April. The third application was received recently and requests that two existing facilities in Pasatiempo Golf Course be annexed to CSA 10 (Rolling Woods). If approved, it would allow the landowner to shut down existing septic tanks and receive sewer service from CSA 10.

This Commission has four scheduled service reviews in the adopted work program. CSA 60's review will be presented in March, CSA 9 and all of its zones will be presented in May, Pajaro Valley Public Cemetery District's review will be presented in August, and San Lorenzo Valley Water District's review will be presented in November.

December 31<sup>st</sup> marked the end of the second quarter for FY 2019-20. 99% of the anticipated revenues have already been received. Approximately 30% of anticipated costs have been incurred so far. LAFCO's budget is doing financially well at this time.

During the months of October through December, staff participated in 12 staff level meetings. In January, staff also participated in three additional meetings that are noteworthy. The first meeting was with the Community Water Center (CWC), a non-profit organization whose goal is to help disadvantaged communities with water issues. This meeting was spearheaded by Commissioner Estrada. CWC is willing to attend an upcoming LAFCO meeting and provide a brief presentation to the Commission.

The second meeting involved LAFCO's Personnel Committee which recently conducted staff's performance evaluations. The Committee will be presenting their findings to the Commission during today's closed session.

The third meeting focused on staff's participation in the upcoming Connecting the Drops water forum. LAFCO was helpful for the last two water forums in 2016 and 2018. The 2020 forum is

anticipated to be held in May. The next planning committee meeting between the County, water agencies, and LAFCO will be held on February 7.

Commissioner Leopold asks how the Community Water Center is contacting mutual water companies and how they are doing the water testing.

Mr. Serrano says CWC is currently focused in the Watsonville area but they want to expand out into Santa Cruz County. One of the reasons for having the meeting was because CWC wanted to find out where these mutual water companies are located and how many there are in Santa Cruz County. AB 54 requires mutual water companies to indicate their existence to LAFCO. Since this LAFCO has a comprehensive list of their contact information and maps, staff shared the information with CWC.

Commissioner Leopold thinks CWC has been useful around the State but they have been controversial at times.

This LAFCO has water policies with three parts; one is regulation, second is information, and the third is education. Connection the Drops water forum is an effort to provide more information to the community every other year.

This LAFCO does not spend all the money in their budget every year. Money is set aside for white papers or consultants. The expenses will probably never get to 100%. This is how a small organization like LAFCO builds reserves to account for legal expenses, consultant services or white papers since they can be a large expense.

Chairperson Roger Anderson adds that the 29% expenditure is probably closer to 65% at the end of the year.

Mr. Serrano will continue to report the latest figures as the fiscal year progresses.

Commissioner Lather went to a workshop that had a presentation about the State's drinking water. Over 95% of drinking water standard violations were from mutual water companies. It is important to have water testing done.

Commissioner Banks asks if the fire consolidation proposal will come to the Commission in May and when to expect full consolidation.

Mr. Serrano anticipates that the proposal will be before the Commission in April or May. Last year, staff developed a timeline for them. They are anticipating that the consolidation will be in effect by July 1, 2020, assuming they meet all criteria and terms and conditions in the LAFCO application.

Commissioner Banks adds that Aptos / La Selva Fire Protection District is a client of his so he will not participate in their proposal.

Commissioner Leopold says there is an active group working on the details of consolidation. He hears that Central Fire District thinks the consolidation is doable.

Commissioner Lather asks if Soquel Creek Water District (SCWD) will need to modify or write a new agreement with the new consolidated fire district for water service. SCWD wants to require that water usage information be provided by the fire department when they use SCWD water.

Mr. Serrano says that, as part of the terms and conditions, the successor agency typically assumes all existing contracts and liabilities. He will relay this information to the fire districts to ensure this issue is addressed.

Commissioner Leopold thinks SCWD should contact the two fire districts in writing. He wants this consolidation to continue moving along without controversy.

Commissioner Lather says a letter has already been sent.

Mr. Serrano says the consolidation process is currently at the affected/interested agencies comment period of the application and SCWD was invited to provide comments. Any SCWD issues should be addressed before the proposal is presented to the Commission.

Alternate Hunt adds that the free drinking water and well testing is being done and funded by the Central Coast Regional Water Quality Control Board. Community Water Center is helping with outreach. Their staff presented the drinking water well testing's first round of results to the regional board about two weeks ago. There is now some good data on the drinking water.

Chairperson Roger Anderson asks what the future role of LAFCO will be if the consolidation is approved.

Mr. Serrano answers that once the consolidation is complete, it is a new special district. LAFCO will keep track of the terms and conditions and continue to update their service reviews and any future boundary changes. Assuming the consolidation is approved by the Commission, and the request for reconsideration and protest proceeding periods are completed, the proposal will be recorded which will officially complete the LAFCO process.

Chairperson Roger Anderson asks the Commission to consider sponsoring any future workshops on any issues where LAFCO's input would be of use. Water and housing are big issues worth considering.

Commissioner Leopold thinks potential workshops and forums could be considered when the annual work program is revisited. The subject of water seems like the most logical subject since this Commission has water policies and water agencies are reviewed under LAFCO's purview. It would be interesting to figure out what LAFCO's role could be with the subject of housing because it is more of a land use decision rather than what LAFCO considers.

Mr. Serrano says that staff has been considering whether to do a white paper on housing. The Association of Monterey Bay Area Governments (AMBAG) is currently working on its projections and LAFCO will be meeting with AMBAG representatives to see if there are any synergy possibilities. There could be a white paper that is jointly created by AMBAG and LAFCO. San Luis Obispo LAFCO recently held a forum on housing with its Commission. A joint effort between the coastal region LAFCOs and AMBAG could also be an option.

## WRITTEN CORRESPONDENCE

Mr. Serrano reiterates that the Commissioners' Form 700 needs to include LAFCO.

## PRESS ARTICLES

Commissioner Leopold notes the article about Lake County LAFCO and how two county members and an alternate at one meeting may conflict with the Brown Act. If Supervisor Coonerty was present as an alternate, there would be a majority of the Supervisors board. It does not happen often that all three Supervisors are present at the LAFCO meeting.

Mr. Serrano says that LAFCO meetings are noticed in newspapers and on the LAFCO website so the Brown Act requirement would be fulfilled. Even if all three supervisors were present at a LAFCO meeting, their Supervisor "hat" has been replaced with a LAFCO "hat".

Chairperson Roger Anderson still wonders if there would still be a Brown Act issue if all three Commissioners representing the County were present.

Mr. Serrano does not think it is a Brown Act issue because LAFCO meeting agendas are available online and the public has the opportunity to attend and participate in these meetings.

Commissioner Leopold notes that in a closed session, alternates do not participate unless they are sitting as a Commissioner.

## COMMISSIONERS' BUSINESS

Mr. Serrano says that he has been selected to participate in this year's Focus Agriculture Program. The first meeting will be held in March.

## CLOSED SESSION

### PUBLIC EMPLOYEE PERFORMANCE EVALUATION & CONFERENCE WITH LABOR NEGOTIATORS

Chairperson Roger Anderson reports that the closed session will cover the performance evaluations for the Executive Officer and Secretary-Clerk.

## ANNOUNCEMENTS FROM CLOSED SESSION

Chairperson Roger Anderson reports that staff's performance evaluations were reviewed. Clerk Means continues to do an excellent job and Mr. Serrano has performed far above expectations.

The Commission will consider a 2.75% raise for Clerk Means and a 3% raise for Mr. Serrano during the next regularly scheduled LAFCO meeting.

Commissioner Leopold appreciates LAFCO staff's performance. The retirement and new hiring process for the Executive Officer position has been extra work for everyone involved. Over the last year, several reviews have been completed, creative thought assisted CSA 26, extra efforts led to successful staff workshops, and recent LAFCO meeting presentations have been sharp.

**ADJOURNMENT**

The next LAFCO meeting is scheduled for 9:00 a.m. Wednesday, March 4, 2020.

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CHAIRPERSON ROGER W. ANDERSON

Attest:

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Joe A. Serrano, Executive Officer



**Santa Cruz Local Agency Formation Commission**

Date: March 4, 2020  
To: LAFCO Commissioners  
From: Joe Serrano, Executive Officer  
Subject: **Meeting Rules & Records Management Policies – Proposed Updates (LAFCO Project Nos. CPP 20-07 and 20-08)**

**SUMMARY OF RECOMMENDATION**

This Commission adopted the Meeting Rules and Records Management Policies to establish guidelines on how to govern LAFCO hearings and maintain LAFCO records, respectively. LAFCO staff believes that both policies require updates.

It is recommended that the Commission adopt the two draft resolutions (LAFCO Nos. 2020-04 and 2020-05) approving the amendments to the Commission’s Meeting Rules Policy and Records Management Policy.

**EXECUTIVE OFFICER’S REPORT:**

Santa Cruz LAFCO has 20 different policies. Many of them have not been updated or reviewed since their original adoption. This year, the Commission will have an opportunity to review all policies. Santa Cruz LAFCO officially began this collective review in February, which resulted in updates to the Personnel and Financial Policies. The table below shows when the remaining policies are scheduled for Commission consideration.

<b>LAFCO Policies</b>	<b>Commission Hearing Date</b>
1. Personnel Policy	February 5
2. Financial Policy	
3. Meeting Rules Policy	March 4
4. Records Management Policy	
5. Disclosure Laws Policy	April 1
6. Conflict of Interest Policy	
7. Public Member Selection Policy	May 6
8. Special Districts Member Selection Policy	
9. Employment Policy	June 3
10. Proposal Evaluation Policy	August 5
11. Environmental Review Policy	
12. Extraterritorial Policy	
13. Fee Schedule Policy	
14. Indemnification Agreement Policy	
15. Certificate of Filing Policy	
16. Protest Proceedings Policy	
17. Special Districts Governance Policy	October 7
18. City Incorporation Policy	
19. Sphere of Influence Policy	November 4
20. Water Policy	

## **Meeting Rules Policy**

The current version of this policy was last reviewed in October 2019 (see **Attachment 1**). Staff is now proposing that the policy reflect the new standard format that was first introduced in the Personnel Policy last month. Other minor edits involve changing the LAFCO meeting time from 10am to 9am and adding descriptions to the standard agenda items as additional information. All proposed edits are shown in tracked changes (see **Attachment 2**).

## **Records Management Policy**

This policy was first introduced in April 2000 and only focuses on the retention of LAFCO's audio recording of past meetings (see **Attachment 4**). Staff believes that the policy should cover the retention of all LAFCO records including but not limited to administrative, financial, and project-related files. Having a comprehensive policy offers guidance to staff and ensures that this Commission is in compliance with the minimum retention periods mandated by state and federal regulations.

The updated policy covers four main categories, as described below. All proposed edits are shown in tracked changes (see **Attachment 5**)

- **Overview** – explains the purpose of the policy;
- **Compliance** – outlines all the legal authorities associated with record retention;
- **Procedure** – indicates if and how a record can be removed from the office; and
- **General Guidelines** – outlines how staff should handle and maintain all records.

## **STAFF RECOMMENDATION**

The Commission has established significant policies that help staff be productive and efficient in all aspects of the LAFCO office. It is also important to regularly review these policies and update, when necessary. That is why staff is recommending that the Commission review these two policies and adopt the resolutions approving the proposed edits (refer to **Attachments 3 and 6**).

Respectfully Submitted,



Joe A. Serrano  
Executive Officer

### Attachments:

1. Meeting Rules Policy (Current Version)
2. Meeting Rules Policy (Proposed Version with tracked changes)
3. Draft Resolution No. 2020-04 (with "clean version" of Meeting Policy as Exhibit A)
4. Records Management Policy (Current Version)
5. Records Management Policy (Proposed Version with tracked changes)
6. Draft Resolution No. 2020-05 (with "clean version" of Records Policy as Exhibit A)

**EXHIBIT A: MEETING RULES**

LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY  
PREVIOUS REVISION: MARCH 2, 2016 (LAFCO RESOLUTION NO. 2016-3)  
LATEST REVISION: OCTOBER 2, 2019 (LAFCO RESOLUTION NO. 2019-20)

**1. TIME AND PLACE OF MEETINGS**

The Local Agency Formation Commission of Santa Cruz County shall hold regular meetings on the first Wednesday of each month at the hour of 10:00 o'clock A. M. in the Board of Supervisors Chambers in the County Governmental Center, 701 Ocean Street, Santa Cruz, California. Meetings may be cancelled at the Chairperson's discretion.

**2. AGENDA**

The agenda packet shall be available for the Commissioners by Thursday evening, six days preceding the Wednesday meeting. The agenda packet will also be made available on the LAFCO website for the general public.

The Chairperson or the Chairperson's designee shall determine the appropriate content of the agenda, and arrange the order of the agenda, or may delegate the same to the Executive Officer. A majority of the Commission may direct the placement of any item on a future agenda by action taken in a noticed public meeting of the Commission.

The agenda may be organized in the following manner:

1. Roll Call
2. Adoption of Minutes
3. Oral Communications
4. Public Hearings
  - a. Continued Items
  - b. Newly Scheduled Hearings
5. Other Business
6. Written Correspondence
7. Press Articles
8. Commissioners' Business
9. Adjournment

In some cases, special items may be added to the agenda, including but not limited to Oath of Office, Closed Sessions, or other non-periodic items. The agenda outline above may include such special items, when applicable.

All reports, communications, resolutions, or other matters to be submitted to the Commission shall be submitted to the Executive Officer no later than noon on Monday, nine days preceding a regular Commission meeting. Correspondence presented to the Commission after that date but before the regular meeting will be made available on the LAFCO website and at the meeting for public review.

Items not on the agenda should not be considered at the scheduled meeting, but should be set for the next available meeting, unless the Commission grants its consent for urgent matters consistent with the Ralph M. Brown Act (Government Code Section 54950.5 *et seq.*).

### 3. ELECTION OF CHAIRPERSON

The Commission shall, at its first regular meeting in January of each year, or as duly continued by action of the Commission, choose one of its members to serve as Chairperson and one of its members to serve as Vice-Chairperson, to serve the balance of the calendar year or until the election of their successors.

Should the office of Chairperson or Vice-Chairperson become vacant during the calendar year, the Commission shall, at the meeting at which the vacancy occurs, choose a successor to fill the vacancy for the balance of that calendar year, or until the election of a successor.

### 4. CHAIRPERSON TO PRESIDE

The Chairperson shall preside at the meetings of the Commission. If the Chairperson is absent or unable to act, the Vice-Chairperson shall serve until the Chairperson returns or is able to act. The Vice-Chairperson has the same powers and duties of the Chairperson while acting as Chairperson.

### 5. QUORUM

A majority of the regular members of the Commission shall constitute a quorum for the transaction of business. Alternate members, when seated in place of regular members, shall be considered a regular member for quorum determination. When there is no quorum, the Chairperson or Vice-Chairperson, or if no Commissioners are present, the Executive Officer shall adjourn the meeting.

### 6. MAJORITY VOTE

An affirmative vote of at least four members of the Commission, including alternate members when seated in place of regular members, shall be required to approve any motion before the Commission.

## 7. READING OF MINUTES

Unless a Commissioner requests a reading of the minutes, the Commission may approve minutes without formal reading if the Executive Officer has previously furnished each member with a draft of the minutes.

## 8. RULES OF DEBATE

Sturgis Rules of Order shall be followed by the Commission to the fullest extent possible; provided, procedural failure shall not invalidate an otherwise legal act of the Commission. In addition, the Chairperson may second motions and enter into debate regarding all Commission items.

Every member desiring to speak shall address the Chairperson, and, upon recognition by the Chairperson, shall speak to the question under debate.

## 9. MANNER OF ADDRESSING THE COMMISSION--TIME LIMIT

All persons addressing the Commission shall step up to the podium, give their name, geographical area (or City) of residence, and interest in the area under consideration in an audible tone for the record, and unless further time is granted by the Commission, shall limit their time to three minutes. The Chairperson, unless otherwise changed by a motion and vote from the Commission, may set a different time limit. All remarks shall be addressed to the Commission as a body and not to any member thereof. No person, other than the Chairperson and the person having the floor, shall be permitted to enter into any discussion, either directly or through a member of the Commission, without permission of the Chairperson. No question shall be asked of a Commissioner or staff member except through the Chairperson.

## 10. METHOD OF VOTING

The Commission shall vote by voice vote, unless one Commissioner requests a roll call vote.

Roll call voting shall be random with the Chairperson voting last.

Unless a member of the Commission states that they are disqualified or abstaining from voting, the silence shall be recorded as an affirmative vote.

## 11. ABSTAINING FROM VOTING

No Commissioner shall abstain from voting without first notifying the Chairperson of the Commissioner's intent to abstain from the vote.

## 12. DISQUALIFICATION FROM VOTING

Whenever any Commissioner is disqualified from voting, that Commissioner shall announce their disqualification to the extent required by law, step from the dais, and may then participate to the extent permitted by the California Political Reform Act.

## 13. ALTERNATE COMMISSIONERS

Whenever present at a Commission meeting, Alternate Commissioners shall take part in all of the proceedings of the Commission, but shall not vote on any matter before the Commission, nor attend a closed session unless seated in place of an absent or disqualified regular member of the Commission.

## 14. ORAL COMMUNICATIONS

The Commission will hear presentations from the public not to exceed three minutes on subjects within the Commission's jurisdiction and not on the agenda that day. No action will be taken by the Commission on any matter presented at that time. The Chairperson, subject to a motion and direction from the Commission, may set a different time limit.

## 15. SUMMARY ADJOURNMENT

The Chairperson is empowered to summarily, and without motion, second, or voting, declare a meeting of the Commission adjourned if the Chairperson is unable to enforce the proper decorum of a meeting.

## 16. RESOLUTION

No resolution shall be adopted by the Commission unless it is presented before the Commission in writing and read aloud. When each Commissioner has received a copy of the resolution, the reading of the resolution is automatically waived unless a Commissioner specifically requests that it is read.

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Any Commissioner shall have the right to have the reasons for their dissent from, or protest against, any action of the Commission, entered in the minutes.

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--end--



~~EXHIBIT A: MEETING RULES~~ LOCAL AGENCY FORMATION  
COMMISSION  
OF SANTA CRUZ COUNTY

~~LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ~~  
~~COUNTY~~ MEETING RULES POLICY

Adopted on May 5, 1999 (Resolution No. 1999-4)

Revised on October 2, 2019 (Resolution No. 2019-20)

Latest Revision on March 4, 2020 (Resolution No. 2020-04)

~~PREVIOUS REVISION: MARCH 2, 2016 (LAFCO RESOLUTION NO. 2016-3)~~

~~LATEST REVISION: OCTOBER 2, 2019 (LAFCO RESOLUTION NO. 2019-20)~~

**~~1.~~ TIME AND PLACE OF MEETINGS**

**~~1.~~**

The Local Agency Formation Commission of Santa Cruz County shall hold regular meetings on the first Wednesday of each month at the hour of ~~9~~<sup>9</sup>:00 o'clock A. M. in the Board of Supervisors Chambers in the County Governmental Center, 701 Ocean Street, Santa Cruz, California. Meetings may be cancelled at the Chair's discretion.

**~~2.~~ AGENDA**

**~~2.~~**

The agenda packet shall be available for the Commissioners by Thursday evening, six days preceding the Wednesday meeting. The agenda packet will also be made available on the LAFCO website for the general public.

The Chairperson or the Chairperson's designee shall determine the appropriate content of the agenda, and arrange the order of the agenda, or may delegate the same to the Executive Officer. A majority of the Commission may direct the placement of any item on a future agenda by action taken in a noticed public meeting of the Commission.

The agenda may be organized in the following manner:

<u>Agenda Item</u>	<u>Description</u>
<u>1) Roll Call</u>	<u>Identify Commissioners in attendance.</u>
<u>2) Adoption of Minutes</u>	<u>Consideration of previous meeting minutes.</u>
<u>3) Oral Communications</u>	<u>Opportunity for the public to address the Commission on items not on the agenda, provided that the subject matter is within the Commission's jurisdiction.</u>
<u>4) Public Hearing(s)</u>	<u>Items that require expanded public notification per provisions in state law, Commission direction, or voluntarily placed by the Executive Officer</u>
<u>5) Other Business</u>	<u>Items that involve administrative, budgetary, legislative, or personnel matters and may be subject to broader discussion</u>

<u>6) Written Correspondence</u>	<u>Any written correspondence distributed to the Commission less than 72 hours prior to the meeting will be made available for inspection at the hearing and posted on LAFCO's website</u>
<u>7) Press Articles</u>	<u>LAFCO staff monitors newspapers, publications, and other media outlets for any news affecting local cities, districts, and communities in Santa Cruz County</u>
<u>8) Commissioners' Business</u>	<u>Opportunity for Commissioners to comment briefly on issues not listed on the agenda, provided that the subject matter is within the jurisdiction of the Commission</u>
<u>9) Adjournment</u>	<u>Conclusion of LAFCO's open and closed session items</u>

In some cases, special items may be added to the agenda, including but not limited to Oath of Office, Closed Sessions, or other non-periodic items. The agenda outline above may include such special items, when applicable.

All reports, communications, resolutions, or other matters to be submitted to the Commission shall be submitted to the Executive Officer no later than noon on Monday, nine days preceding a regular Commission meeting. Correspondence presented to the Commission after that date but before the regular meeting will be made available on the LAFCO website and at the meeting for public review.

Items not on the agenda should not be considered at the scheduled meeting, but should be set for the next available meeting, unless the Commission grants its consent for urgent matters consistent with the Ralph M. Brown Act (Government Code Section 54950.5 *et seq.*).

### ~~3.~~ **ELECTION OF CHAIRPERSON**

~~3.~~

The Commission shall, at its first regular meeting in January of each year, or as duly continued by action of the Commission, choose one of its members to serve as Chairperson and one of its members to serve as Vice-Chairperson, to serve the balance of the calendar year or until the election of their successors.

Should the office of Chairperson ~~or~~ Vice-Chairperson become vacant during the calendar year, the Commission shall, at the meeting at which the vacancy occurs, choose a successor to fill the vacancy for the balance of that calendar year, or until the election of a successor.

### ~~4.~~ **CHAIRPERSON TO PRESIDE**

~~4.~~

The Chairperson shall preside at the meetings of the Commission. If the Chairperson is absent or unable to act, the Vice-Chairperson shall serve until the Chairperson returns or is able to act. The Vice-Chairperson has the same powers and duties of the Chairperson while acting as Chairperson.

### ~~5.~~ **QUORUM**

~~5.~~

A majority of the regular members of the Commission shall constitute a quorum for the transaction of business. Alternate members, when seated in place of regular members, shall be considered a regular member for quorum determination. When

there is no quorum, the Chairperson or Vice-Chairperson, or if no Commissioners are present, the Executive Officer shall adjourn the meeting.

## **~~6.~~ MAJORITY VOTE**

**~~6.~~**

An affirmative vote of at least four members of the Commission, including alternate members when seated in place of regular members, shall be required to approve any motion before the Commission.

## **~~7.~~ READING OF MINUTES**

**~~7.~~**

Unless a Commissioner requests a reading of the minutes, the Commission may approve minutes without formal reading if the Executive Officer has previously furnished each member with a draft of the minutes.

## **~~8.~~ RULES OF DEBATE**

**~~8.~~**

Sturgis Rules of Order shall be followed by the Commission to the fullest extent possible; provided, procedural failure shall not invalidate an otherwise legal act of the Commission. In addition, the Chairperson may second motions and enter into debate regarding all Commission items.

Every member desiring to speak shall address the Chairperson, and, upon recognition by the Chairperson, shall speak to the question under debate.

## **~~9.~~ MANNER OF ADDRESSING THE COMMISSION--TIME LIMIT**

**~~9.~~**

All persons addressing the Commission shall step up to the podium, give their name, geographical area (or City) of residence, and interest in the area under consideration in an audible tone for the record, and unless further time is granted by the Commission, shall limit their time to three minutes. The Chairperson, unless otherwise changed by a motion and vote from the Commission, may set a different time limit.

All remarks shall be addressed to the Commission as a body and not to any member thereof. No person, other than the Chairperson and the person having the floor, shall be permitted to enter into any discussion, either directly or through a member of the Commission, without permission of the Chairperson. No question shall be asked of a Commissioner or staff member except through the Chairperson.

## **10. METHOD OF VOTING**

The Commission shall vote by voice, unless one Commissioner requests a roll call vote. Roll call voting shall be random with the Chairperson voting last. Unless a member of the Commission states that they are disqualified or abstaining from voting, the silence shall be recorded as an affirmative vote.

**~~10.~~**

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~~The Commission shall vote by voice vote, unless one Commissioner requests a roll call vote.~~

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## ~~11. ABSTAINING FROM VOTING~~

### ~~11.~~

No Commissioner shall abstain from voting without first notifying the Chairperson of the Commissioner's intent to abstain from the vote.

## ~~12. DISQUALIFICATION FROM VOTING~~

### ~~12.~~

Whenever any Commissioner is disqualified from voting, that Commissioner shall announce their disqualification to the extent required by law, step from the dais, and may then participate to the extent permitted by the California Political Reform Act.

## ~~13. ALTERNATE COMMISSIONERS~~

### ~~13.~~

Whenever present at a Commission meeting, Alternate Commissioners shall take part in all of the proceedings of the Commission, but shall not vote on any matter before the Commission, nor attend a closed session unless seated in place of an absent or disqualified regular member of the Commission.

## ~~14. ORAL COMMUNICATIONS~~

### ~~14.~~

The Commission will hear presentations from the public not to exceed three minutes on subjects within the Commission's jurisdiction and not on the agenda that day. No action will be taken by the Commission on any matter presented at that time. The Chairperson, subject to a motion and direction from the Commission, may set a different time limit.

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### ~~15.~~

The Chairperson is empowered to summarily, and without motion, second, or voting, declare a meeting of the Commission adjourned if the Chairperson is unable to enforce the proper decorum of a meeting.

## ~~16. RESOLUTION~~

### ~~16.~~

No resolution shall be adopted by the Commission unless it is presented before the Commission in writing and read aloud. When each Commissioner has received a copy

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##### **21.**

Should any Regular Commissioner be absent for three consecutive regular meetings of the Commission without valid excuse, the Chairperson shall, through the Executive Officer, notify the appointing authority of such unexcused absences.

## **~~22.~~ COMMISSION STIPENDS AND EXPENSE REIMBURSEMENT**

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Commissioners receive a stipend payment of \$50 per posted meeting of the Commission and for attendance at any other Commission approved meetings (i.e. standing or special committee meeting). Commissioners may also receive reimbursement for expenses such as mileage or transportation costs, lodging, and food for approved travel associated with LAFCO business.

~~--end--~~

LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY  
RESOLUTION NO. 2020-04

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

RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION  
APPROVING THE AMENDMENTS TO THE MEETING RULES POLICY

\*\*\*\*\*

WHEREAS, Government Code Section 56375(i) authorizes each Local Agency Formation Commission (“LAFCO” or “Commission”) to make and enforce regulations for the orderly and fair conduct of hearings by the Commission; and

WHEREAS, the Commission maintains a set of rules to govern the conduct of its meetings; and

WHEREAS, the Commission previously reviewed and updated its Meeting Rules Policy in May 1999, September 2007, April 2008, March 2016, and October 2019.

NOW, THEREFORE, BE IT RESOLVED, the Commission hereby amends its Meeting Rules Policy, as shown in Exhibit A, to include minor clarifications and implement the new standard format for all LAFCO policies.

PASSED AND ADOPTED by the Local Agency Formation Commission of Santa Cruz County this 4th day of March 2020.

AYES:

NOES:

ABSENT:

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

Attest:

Approved as to form:

\_\_\_\_\_  
Joe A. Serrano  
Executive Officer

\_\_\_\_\_  
Daniel H. Zazueta  
LAFCO Counsel



## LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY

### MEETING RULES POLICY

Adopted on May 5, 1999 (Resolution No. 1999-4)  
Revised on October 2, 2019 (Resolution No. 2019-20)  
Latest Revision on March 4, 2020 (Resolution No. 2020-04)

#### 1. TIME AND PLACE OF MEETINGS

The Local Agency Formation Commission of Santa Cruz County shall hold regular meetings on the first Wednesday of each month at the hour of 9:00 o'clock A. M. in the Board of Supervisors Chambers in the County Governmental Center, 701 Ocean Street, Santa Cruz, California. Meetings may be cancelled at the Chair's discretion.

#### 2. AGENDA

The agenda packet shall be available for the Commissioners by Thursday evening, six days preceding the Wednesday meeting. The agenda packet will also be made available on the LAFCO website for the general public.

The Chairperson or the Chairperson's designee shall determine the appropriate content of the agenda, and arrange the order of the agenda, or may delegate the same to the Executive Officer. A majority of the Commission may direct the placement of any item on a future agenda by action taken in a noticed public meeting of the Commission.

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**SANTA CRUZ LOCAL AGENCY FORMATION COMMISSION  
RESOLUTION NO. 2000-2**

**SETTING A POLICY FOR RECORDS MANAGEMENT**

\*\*\*\*\*

WHEREAS, Government Code Section 56382 allows a LAFCO to authorize the destruction of any duplicate record which is older than two years as long as a copy is kept in some reliable format;

THEREFORE, BE IT RESOLVED by the Santa Cruz Local Agency Formation Commission as follows:

The Commission authorized staff to destroy the original tape recording of any LAFCO meeting if all of the following conditions exist:

- 1) The Commission has approved the written minutes of the meeting
- 2) No administrative or legal proceedings are pending for any of the matters discussed at the meeting, and
- 3) Five (5) years have passed since the meeting occurred.

PASSED AND ADOPTED by the Local Agency Formation Commission in the County of Santa Cruz this fifth day of April, 2000 by the following vote:

AYES: Commissioners Campos, Van Houten, Anderson, Gualtieri, Ainsworth,  
and Vice Chairperson Wormhoudt

NOES: None

ABSENT: None



~~SANTA CRUZ LOCAL AGENCY FORMATION~~  
~~COMMISSION~~COMMISSION RESOLUTION NO. 2000-2  
OF SANTA CRUZ COUNTY

SETTING A POLICY FOR RECORDS MANAGEMENT

\*\*\*\*\*

RECORDS MANAGEMENT POLICY

Adopted on April 5, 2000 (Resolution No. 2000-2)  
Last Revision on March 4, 2020 (Resolution No. 2020-05)

1. OVERVIEW

WHEREAS, The purpose of this policy is to provide guidelines to staff regarding the retention of Santa Cruz LAFCO files; provide for the identification, maintenance, and safeguarding of Santa Cruz LAFCO records and the destruction of obsolete documents in the normal course of business; ensure prompt and accurate retrieval of records; and ensure compliance with legal and regulatory requirements.;

2. COMPLIANCE

It is the policy of this Commission to retain Santa Cruz LAFCO documents and other records in accordance with the retention schedule established in the attached table (refer to **Figure 1**; page 3 of policy). The schedule is in compliance with the minimum retention periods mandated by the California Government Code, the California Code of Civil Procedure, the Code of Federal Regulations, the Secretary of State Local Government Records Management Guidelines, and other legal authorities cited.

3. PROCEDURE

Government Code Section 56382 allows LAFCO to authorize the destruction of any duplicate record which is older than two years as long as a copy is kept in some reliable format. This policy documents the records management of the organization. The following section outlines how LAFCO staff should determine if a document is obsolete and subject to potential destruction.

3.1 Request for Destruction Form

A LAFCO staff member must complete and sign a “Request for Destruction of Obsolete Records” form, listing the date and description of each document to be destroyed. A sample form is attached to this policy as **Figure 2**; page 4 of policy). The form must include the Executive Officer’s signature.

3.2 Approval of Form

After receiving the signed form from the Executive Officer, the Commission Clerk will oversee the destruction of the obsolete documents.

3.3 Records Log

The Commission Clerk will permanently retain a master log of all destroyed obsolete documents which includes the titles or brief descriptions of the purged files that were destroyed, the method of destruction and the date of destruction.

#### **4. GENERAL GUIDELINES**

The Commission Clerk shall be responsible for the administration of this policy and shall follow the general guidelines outlined in this document. The following general guidelines apply to all Santa Cruz LAFCO records.

##### **4.1 Duplicate Records**

The Commission may authorize the destruction of any duplicate records at any time (Government Code Sections 26201; 60200).

##### **4.2 Two-Year Threshold**

Unless otherwise required by State or Federal law, the Commission may authorize the destruction of any original document which is more than two (2) years old without retaining a copy of the document as long as the retention and destruction of the document complies with the retention schedule as set forth in this policy (Government Code Sections 26202; 60201).

##### **4.3 Significant Project Documents**

In addition to the retention periods required under this policy, the Commission shall retain original administrative, legal, fiscal, and/or historical records with continued value (i.e. records for long-term transactions and/or special projects) until all matters pertaining to such records are completely resolved or the time for appeals has expired (Government Code Sections 14755; 34090).

##### **4.4 Indestructible Files**

Pursuant to Government Code Section 60201, the Commission shall not destroy any of the following records:

- a) Records relating to the formation change of organization or reorganization of the Commission;
- b) Ordinances and resolutions, unless they have been repealed or have become invalid or otherwise unenforceable for five years;
- c) Minutes of any meeting of the Commission;
- d) Records relating to any pending claim, litigation, any settlement or other disposition of litigation within the past two (2) years;
- e) Records that are the subject of any pending request for records under the California Public Records Act, whether or not the record is exempt from disclosure, until the request has been granted or two (2) years after the request has been denied by the Commission;
- f) Records relating to any non-discharged debt of the Commission;
- g) Records relating to the title to real property in which the Commission has an interest;
- h) Records relating to any nondischarged contract to which the Commission is a party;
- i) Records that have not fulfilled the administrative, fiscal, or legal purpose for which they were created or received;
- j) Records less than seven (7) years old that specify the amount of compensation or expense reimbursement paid to Commission employees, officers, retired annuitant, or independent contractors.

THEREFORE, BE IT RESOLVED by the Santa Cruz Local Agency Formation-

~~Commission as follows:~~

~~The Commission authorized staff to destroy the original tape recording of any LAFCO meeting if all of the following conditions exist:~~

- ~~a) The Commission has approved the written minutes of the meeting~~
- ~~b) No administrative or legal proceedings are pending for any of the matters discussed at the meeting, and~~
- ~~c) Five (5) years have passed since the meeting occurred.~~

~~PASSED AND ADOPTED by the Local Agency Formation Commission in the County of Santa Cruz this fifth day of April, 2000 by the following vote:~~

~~AYES: Commissioners Campos, Van Houten, Anderson, Gualtieri, Ainsworth, and Vice Chairperson Wormhoudt~~

~~NOES: None ABSENT: None~~

~~Figure 1 – Records Retention Schedule~~

~~Figure 2 – Request for Destruction Form~~

LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY  
RESOLUTION NO. 2020-05

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

RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION  
APPROVING THE AMENDMENTS TO THE RECORDS MANAGEMENT POLICY

\*\*\*\*\*

WHEREAS, on April 5, 2000, the Local Agency Formation Commission of Santa Cruz County ("LAFCO" or "Commission") adopted a Records Management Policy to provide guidelines regarding the retention of LAFCO's audio files; and

WHEREAS, on March 4, 2020, the Commission determined that amendments to the existing policy is warranted.

NOW, THEREFORE, BE IT RESOLVED, the Commission hereby amends its Records Management Policy, as shown in Exhibit A, to establish a comprehensive retention procedure that addresses all LAFCO files.

PASSED AND ADOPTED by the Local Agency Formation Commission of Santa Cruz County this 4th day of March 2020.

AYES:

NOES:

ABSENT:

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

Attest:

Approved as to form:

\_\_\_\_\_  
Joe A. Serrano  
Executive Officer

\_\_\_\_\_  
Daniel H. Zazueta  
LAFCO Counsel



LOCAL AGENCY FORMATION COMMISSION  
OF SANTA CRUZ COUNTY

**RECORDS MANAGEMENT POLICY**

Adopted on April 5, 2000 (Resolution No. 2000-2)

Last Revision on March 4, 2020 (Resolution No. 2020-05)

**1. OVERVIEW**

The purpose of this policy is to offer guidelines to staff regarding the retention of Santa Cruz LAFCO files; provide for the identification, maintenance, and safeguarding of Santa Cruz LAFCO records and the destruction of obsolete documents in the normal course of business; ensure prompt and accurate retrieval of records; and ensure compliance with legal and regulatory requirements.

**2. COMPLIANCE**

It is the policy of this Commission to retain Santa Cruz LAFCO documents and other records in accordance with the retention schedule established in the attached table (refer to **Figure 1**; page 3 of policy). The schedule is in compliance with the minimum retention periods mandated by the California Government Code, the California Code of Civil Procedure, the Code of Federal Regulations, the Secretary of State Local Government Records Management Guidelines, and other legal authorities cited.

**3. PROCEDURE**

Government Code Section 56382 allows LAFCO to authorize the destruction of any duplicate record which is older than two years as long as a copy is kept in some reliable format. This policy documents the records management of the organization. The following section outlines how LAFCO staff should determine if a document is obsolete and subject to potential destruction.

**3.1 Request for Destruction Form**

A LAFCO staff member must complete and sign a "Request for Destruction of Obsolete Records" form, listing the date and description of each document to be destroyed. A sample form is attached to this policy as **Figure 2**; page 4 of policy). The form must include the Executive Officer's signature.

**3.2 Approval of Form**

After receiving the signed form from the Executive Officer, the Commission Clerk will oversee the destruction of the obsolete documents.

**3.3 Records Log**

The Commission Clerk will permanently retain a master log of all destroyed obsolete documents which includes the titles or brief descriptions of the purged files that were destroyed, the method of destruction and the date of destruction.

#### **4. GENERAL GUIDELINES**

The Commission Clerk shall be responsible for the administration of this policy and shall follow the general guidelines outlined in this document. The following general guidelines apply to all Santa Cruz LAFCO records.

##### **4.1 Duplicate Records**

The Commission may authorize the destruction of any duplicate records at any time (Government Code Sections 26201; 60200).

##### **4.2 Two-Year Threshold**

Unless otherwise required by State or Federal law, the Commission may authorize the destruction of any original document which is more than two (2) years old without retaining a copy of the document as long as the retention and destruction of the document complies with the retention schedule as set forth in this policy (Government Code Sections 26202; 60201).

##### **4.3 Significant Project Documents**

In addition to the retention periods required under this policy, the Commission shall retain original administrative, legal, fiscal, and/or historical records with continued value (i.e. records for long-term transactions and/or special projects) until all matters pertaining to such records are completely resolved or the time for appeals has expired (Government Code Sections 14755; 34090).

##### **4.4 Indestructible Files**

Pursuant to Government Code Section 60201, the Commission shall not destroy any of the following records:

- a) Records relating to the formation change of organization or reorganization of the Commission;
- b) Ordinances and resolutions, unless they have been repealed or have become invalid or otherwise unenforceable for five years;
- c) Minutes of any meeting of the Commission;
- d) Records relating to any pending claim, litigation, any settlement or other disposition of litigation within the past two (2) years;
- e) Records that are the subject of any pending request for records under the California Public Records Act, whether or not the record is exempt from disclosure, until the request has been granted or two (2) years after the request has been denied by the Commission;
- f) Records relating to any non-discharged debt of the Commission;
- g) Records relating to the title to real property in which the Commission has an interest;
- h) Records relating to any nondischarged contract to which the Commission is a party;
- i) Records that have not fulfilled the administrative, fiscal, or legal purpose for which they were created or received;
- j) Records less than seven (7) years old that specify the amount of compensation or expense reimbursement paid to Commission employees, officers, retired annuitant, or independent contractors.

Figure 1 – Records Retention Schedule

#	Type of Record	Description or Example of Record	Legal Authority	Minimum Legal Retention Period
1	Accident/Illness Reports (OSHA Reports)	<p>Not a public record;</p> <p>For Employee Medical Records &amp; Employee Exposure Records regarding exposure to toxic substances or harmful physical agents:</p> <p>*Includes Material Safety Data Sheets (MSDS)</p> <p>*Does NOT include: records of health insurance claims maintained separate from employer's records; first aid records of one-time treatments for minor injuries; records of employees who worked less than one (1) year if records are given to employee upon termination.</p>	GCS 6254(c); CCR 32304(d)(1)(A)(B)	Duration of employment plus 30 years
2	Accidents/Damage to LAFCO Property	Risk Management Administration	GCS 340901 CCP 337.15	10 years
3	Accounting Records – General Ledger	General Ledger	GCS 34090; CCP 337; Sec. of State Local Govt Records Mgmt. Guidelines	<p>Until audited +4 years</p> <p>Published articles show 4-7 years retention</p> <p>Sec. of State Guidelines recommends permanent retention</p>
4	Accounting Records – Permanent Books of Accounts	Records showing items of gross income, receipts and disbursement (including inventories per IRS regulations)	CFR 31.6001-1(c)&(e)	Permanent
5	Accounts Payable	<p>Journals, statements, asset inventories, account postings with supporting documents, vouchers, investments, invoices and back-up documents, purchase orders, petty cash, postage, OCERS reports, check requests, etc.</p> <p>Expense reimbursements to employees &amp; officers; travel expense reimbursements or travel compensation.</p>	CCP 337; CFR 31.6001-1(e)(2); Secretary of State Local Gov't. Records Mgmt. Guidelines	<p>Until audited + 4 years</p> <p>7 years after date of payment</p>
6	Accounts Receivable	Receipts for deposited checks, coins, currency; reports, investments, receipt books, receipts, cash register tapes, payments for fees, permits, etc.	CFR 31.6001-1(e)(2); Sec. of State Local Gov't Records Mgmt. Guidelines	Until audited +4 years
7	Affidavits of Publication / Posting	Legal notices for public hearings, publication of ordinances, etc.	GCS 34090	2 years
8	Agency Report of Public Official Appointments (FPPC Form 806)	Report of additional compensation received by LAFCO official when appointing themselves to committees, boards or commission of other public agencies, special districts, joint powers agencies or joint powers authorities. Current report must be posted on LAFCO's website.	CCR 18705.5; GCS 34090.5	Recommended retention; keep a copy of report for 2 years after removal from LAFCO's website
9	Agenda / Agenda Packets	<p>Original agendas, agenda packets, staff reports and related attachments, supplemental items and documentation submitted by staff/public in relation to agenda items.</p> <p>Paper copies of agenda packets should be maintained for 1 year as complete packets. Originals will later be imaged for permanent records retention; the imaged record may serve as the permanent record.</p>	GCS 34090, 34090.5	Current + 2 years

**Figure 1 – Records Retention Schedule**

#	Type of Record	Description or Example of Record	Legal Authority	Minimum Legal Retention Period
10	Agreements (see also Contracts)	Original contracts and agreements and back-up materials, including leases, service/maintenance agreements, etc.	CCP 337; 337.2; 343	4 years after termination/ completion
11	Annexations / Reorganizations	Notices, Resolutions, Certificates of Completion; documents may be imaged, but the originals can never be destroyed.	GCS 34090 GCS 60201(d)(1)	Permanent
12	Annual Financial Report	May include independent auditor analysis.	GCS 26201, 34090 GCS 34090, 60201 Sec of State Local Gov't Records Mgmt. Guidelines	Until audited + 7 years
13	Articles of Incorporation	Including but not limited to JPAs, mutual water companies, and changes of organization	GCS 34090(a)	Permanent
14	Audit Reports	Financial services; internal and/or external reports;	GCS 34090; CCP 337, 343; Sec. of State Local Gov't. Records Retention Guidelines	Minimum retention – Current + 4 years  Sec. of State Guidelines recommends permanent retention
15	Audit Hearing or Review	Documentation created and or received in connection with an audit hearing or review	GCS 26202, 34090	2 years
16	Ballots – Special District elections	Copies of ballots from elections of Special Districts (LAFCO members)	GCS 26202, 34090, 60201	2 years
17	Bank Account Reconciliations	Bank statements, receipts, certificates of deposit, etc.	CFR 31.6001-1(e)(2)	Until audited + 4 years; Secretary of State recommends until audited + 5 years
18	Brochures/Publications	Retain selected documents only for historic value	GCS 26202, 34090	2 years
19	Budget, Annual	Annual operating budget approved by LAFCO	GCS 26202, 34090; Sec. of State Local Gov't Records Mgmt. Guidelines	Until audited + 2 years; Sec. of State recommends permanent
20	Cal-OSHA	Personnel logs, supplementary records; annual summary (Federal and State-Cal-OSHA)	LAB 6410; CCR 14307	5 years
21	CalPERS - Employee Benefits	Retirement Plan	USC 1027	6 years
22	Checks (issued by LAFCO)	LAFCO checks paid – expense reimbursements; payments to independent contractors, etc. Includes check copies; canceled and voided checks; electronic versions of checks.  LAFCO check paid to vendors; other LAFCO payments - includes check copies; canceled or voided checks; electronic versions of checks.	GCS 60201(d)(12); CCP 337; Sec. of State Local Gov't Records Mgmt. Guidelines; CCP 31.6001-1(e)(2)	7 years  Until audited +4 years
23	Citizen Feedback	General correspondence	GCS 26202, 34090	2 years
24	Claims Against LAFCO	Paid/denied	GCS 60201(d)(4); GCS 25105.5	Until settled + 5 years
25	Complaints/Requests	Various files, not related to specific lawsuits involving the agency and not otherwise specifically covered by the retention schedule	GCS 26202, 34090	2 years
26	Contracts	Original contracts and agreements and back-up materials, including leases, service/maintenance contracts, etc.	CCP 337, 337.2, 343	4 years after termination/ completion
27	Correspondence	General correspondence, including letters and e-mail; various files, not otherwise specifically covered by the retention schedule	GCS 26202, 34090	2 years
28	Deferred Compensation Reports	Finance - pension/retirement funds	CFR 516.5; CFR 1627.3	3 years

Figure 1 – Records Retention Schedule

#	Type of Record	Description or Example of Record	Legal Authority	Minimum Legal Retention Period
29	Demographic/ Statistical Data	Including but not limited to special studies and boundary changes	GCS 26202, 34090	Current +2 years
30	Deposits, Receipts	Receipts for deposited checks, coins, currency	Sec. of State Local Gov't Records Mgmt. Guidelines; CCP 337	Until audited + 4 years
31	DMV Driver's Records, Reports (DMV Pull Notice System)	Part of personnel records – not a public record	GC 34090; GC 6254(c) VC 1808.1(c); Sec. of State Local Gov't Records Mgmt. Guidelines	Until superseded (should receive new report every 12 months)  Sec. of State recommends retention until termination + 7
32	Employee Files	Personnel - information - may include release authorizations, certifications, reassignments, outside employment, commendations, disciplinary actions, terminations, oaths of office, evaluations, pre- employee medicals, fingerprints, identification cards	GCS 12946 CFR 1627.3	While current + 3 years
33	Employee Information Applicant Identification Records	Personnel – data recording race, sex, national origin of applicants	CCR 7287(b)(c)(2)	2 years
34	Employee Information, General	Name, address, date of birth, occupation	GCS 12946 CFR 1627.3 LAB 1174	3 years
35	Employee Information, Payment	Rate of pay and weekly compensation earned	GCS 60201	7 years
36	Employee Programs	Includes EAP and Recognition	GCS 26202, 34090; GCS 12946	Current + 2 years
37	Employee, Recruitment	Alternate lists/logs, examination materials, examination answer sheets, job bulletins	GCS 12946; GCS 26202, 34090; CFR 1602 et.seq.; CFR 1627.3	Current + 2 years
38	Employee, Reports	Employee statistics, benefit activity, liability loss	GCS 26202, 34090	Current + 2 years
39	Employee Rights - General		GCS 12946; CFR 1602.31	Length of employment + 2 years
40	Employment Applications - Not Hired	Applications submitted for existing or anticipated job openings, including any records pertaining to failure or refusal to hire applicant	GCS 26202, 34090; GCS 12946; CFR 1627.3	2 years
41	Employment Eligibility Verification (I-9 Forms)	Federal Immigration and Nationality Act; Immigration Reform/Control Act 1986	USC 1324a(b)(3) Pub. Law 99-603	3 years after date of hire, or 1 year after date of termination, whichever is later
42	Employment - Surveys and Studies	Includes classification, wage rates	GCS 12946 GCS 26202, 34090 CFR 516.6	2 years
43	Employment - Training Records, Non-Safety	Volunteer program training - class training materials, internships	GCS 34090 GCS 12946	Length of employment + 2 years
44	Employment - Vehicle Mileage Reimbursement Rates	Annual mileage reimbursement rates	GCS 26202, 34090	Until superseded + 2 years
45	Environmental Quality California Environmental Quality Act (CEQA)	Exemptions, Environmental Impact Reports, mitigation monitoring, Negative Declarations, Notices of Completion and Determination, comments, Statements of Overriding Considerations	GCS 34090; 60201 CEQA Guidelines	Permanent
46	Environmental Quality Environmental Review	Correspondence, consultants, issues, conservation	GCS 26202, 34090	Completion + 2 years
47	ERISA Records	Employee Retirement Income Security Act of 1974 – plan reports, certified information filed, records of benefits due	USC 1027, 2059 <i>La Barbera v. A. Morrison Trucking, Inc.</i> 2011 US Dist. LEXIS 16343 (E.D.N.Y. Feb. 17, 2011)	6 years

Figure 1 – Records Retention Schedule

#	Type of Record	Description or Example of Record	Legal Authority	Minimum Legal Retention Period
48	Family and Medical Leave Act (FMLA) (Federal)	Records of leave taken, LAFCO policies relating to leave, notices, communications relating to taking leave	CFR 825.500; GCS 12946	While employed +3 years (Federal) or 2 years (State)
49	Fixed Assets Inventory	Reflects purchase date, cost, account number	GCS 26202, 34090	Until audited + 2 years
50	Fixed Assets Surplus Property	Auction, disposal, listing of property	GCS 26202, 34090; CCP 337	Until audited + 4 years
51	Forms	Including but not limited to administrative/project docs		Until Superseded
52	Fund Transfers	Internal; bank transfers & wires	GCS 26202, 34090	Until audited + 2 years
53	General Ledgers	All annual financial summaries	GCS 34090; CCP 337; Sec. of State Local Gov't. Records Retention Guidelines	Until audited +4 years Sec. of State Guidelines recommends permanent retention
54	Gift to Agency Report (FPPC Form 801)	FPPC form showing payment or donation made to Santa Cruz LAFCO or to a Santa Cruz LAFCO official and which can be accepted as being made to LAFCO	FPPC Reg.18944(c)(3)(F)(G); FPPC Fact Sheet: "Gifts to an Agency – Part 2"	Must be posted on LAFCO website for 4 years (per FPPC Fact Sheet)
55	Gifts/Bequests	Receipts or other documentation	GCS 34090	Until completed + 2 years
56	Grants - Successful Federal, State, or other grants	Grants documents and all supporting documents: applications, reports, contracts, project files, proposals, statements, sub- recipient dockets, environmental review, grant documents, inventory, consolidated plan, etc.	GCS 34090; CFR 570.502; CFR 85.42	Until completed + 4 years
57	Grants – Unsuccessful	Applications not entitled	GCS 26202, 34090	2 years
58	Insurance	Personnel related	GCS 26202, 34090	Current + 2 years
59	Insurance, Joint Powers Agreement	Accreditation, MOU, agreements and agendas	GCS 26202, 34090	Current + 2 years
60	Insurance Certificates	Liability, performance bonds, employee bonds, property; insurance certificates filed separately from contracts, includes insurance filed by licensees	GCS 26202, 34090	Current + 2 years
61	Insurance, Liability/Property	May include liability, property, Certificates of Participation, deferred, use of facilities	GCS 26202, 34090	Current + 2 years
62	Insurance, Risk Management Reports	Federal and State OSHA forms; loss analysis report; safety reports; actuarial studies	CFR 1904.44; GCS 26202, 34090	5 years (Federal) 2 years (State)
63	Investment Reports, Transactions	Summary of transactions, inventory and earnings report	GCS 34090, 60201; CCP 337; Sec. of State Local Gov't. Records Retention Guidelines	Until audited +4 years Sec. of State Guidelines recommends permanent retention
64	Invoices	Copies sent for fees owed, billing, related documents	GCS 26202, 34090	Until audited + 2 years
65	Legal Notices/ Affidavits of Publication	Notices of public hearings, proof of publication of notices	GCS 26202, 34090	2 years
66	Legal Opinions	Confidential - not for public disclosure (attorney-client privilege)	GCS 26202, 34090	Until superseded + 2 years
67	Litigation	Case files	GCS 26202, 34090	Until settled or addressed + 2 years
68	Maintenance Manuals	Equipment service/maintenance	GCS 26202, 34090	Current + 2 years
69	Maintenance/Repair Records	Equipment	GCS 26202, 34090	2 years
70	Marketing, Promotional	Brochures, announcements, etc.	GCS 26202, 34090	2 years
71	Minutes	Meeting minutes; paper records are to be maintained permanently by the agency.	GCS 34090, 60201(d)(3)	Permanent
72	Newsletters	May wish to retain permanently for historic reference	GCS 26202, 34090	2 years
73	Notices – Public Meetings	Including but not limited to regular and special meetings	GCS 26202, 34090	2 years
74	Oaths of Office	Elected and public officials – commissioners	GCS 26202, 34090; USC 1113; Secretary of State	Current plus 6 years

Figure 1 – Records Retention Schedule

#	Type of Record	Description or Example of Record	Legal Authority	Minimum Legal Retention Period
75	Occupational Safety and Health Administration (OSHA)	OSHA Log 200,Supplementary Record, Annual Summary (Federal & State- Cal-OSHA); OSHA 300 Log, privacy case list, annual summary, OSHA 301 incident report forms	LC 6410; CCR 14307; CFR 1904.2 -1904.6, 1904.33	5 years
76	Payroll - Federal/State Reports	Annual W-2's, W-4's, Form 1099s, etc.: quarterly and year-end reports	GCS 60201	7 years
77	Payroll Deduction/Authorizations	Finance	CFR 516.6(c); GCS 60201	While Current + 7 years
78	Payroll, registers	Finance – payroll, registers, payroll reports	CFR 516.5(a); LAB 1174(d); GCS 60201	7 years from date of last entry
79	Payroll records terminated employees	Finance files	CFR 516.5; GCS 60201	7 years from date of last entry
80	Payroll, timecards/sheets	Employee	CFR 516.6; LAB 1174; Sec. of State Local Gov't Records Mgmt. Guidelines	3 years Sec. of State recommendation – Until audited + 6 years
81	Payroll - Wage Rates / Job Classifications	Employee records	GCS 60201	le current + 7 years
82	Personnel Records	Other records (not payroll) containing name, address, date of birth, occupation, etc., including records relating to promotion, demotion, transfer, lay-off, termination	CFR 1627.3	3 years
83	Personnel Rules and Regulations	Including employee handbook, employee manuals, and other policies/procedures	CFR 516.6, 1627.3(a)	Current + 3 years
84	Petitions	Submitted to legislative bodies	GCS 26202, 34090	Current + 2 years
85	Policies & Procedures	All policies and procedures adopted by the Commission; directives rendered by the agency not assigned a resolution number; Commission Bylaws	GCS 26202, 34090	Current + 2 years
86	Political Support/Opposition, Requests & Responses	Related to legislation	GCS 26202, 34090	2 years
87	Press Releases	Related to LAFCO actions/activities	GCS 26202, 34090	2 years
88	Procedure Manuals	Administrative	GCS 26202, 34090	Current + 2 years
89	Public Records Request	Requests from the public to inspect or copy public documents	GCS 26202, 34090, 60201(d)(5)	2 years
90	Purchasing RFQs, RFPs	Requests for Qualifications; Requests for Proposals – regarding goods and services	GCS 26202, 34090	Current + 2 years
91	Purchasing, Requisitions, Purchase Orders	Original documents	GC 34090; CCP 337	Until audited + 4 years
92	Recordings - audio (e.g., for preparation of meeting)	Audio recordings of Commission meetings	GCS 54953.5	Minimum 30 days
93	Recordings, video meetings of legislative bodies	Video recordings of public meetings made by or at the direction of the Commission	GCS 54953.5	Minimum 30 days
94	Recordings, video, other events	Other than video recordings of public meetings; considered duplicate records if another record of the same event is kept (i.e., written minutes or audio recording)	GCS 53161	Minimum 90 days after event is recorded; if no other record of the event exists, the recording must be kept 2 years
95	Records Management Disposition/ Destruction	Documentation of final disposition/destruction of records	GCS 34090, 60201	Permanent
96	Records Retention Schedules		GCS 26202, 34090	Current + 2 years
97	Recruitments and Selection	Records relating to hiring, promotion, selection for training	CFR 1627.3	3 years
98	Requests for Qualifications (RFQs); Requests for Proposals (RFPs)	Requests for Qualifications, Requests for Proposals, and related responses	GCS 26202; CCP 337	Current + 4 years
99	Resolutions	Vital records – may be imaged, but originals can never be destroyed	GCS 34090, 60201	Permanent

**Figure 1 – Records Retention Schedule**

#	Type of Record	Description or Example of Record	Legal Authority	Minimum Legal Retention Period
100	Returned Checks	Finance – Adjustments – NSF, etc. (not LAFCO checks)	GCS 26202, 34090; CCP 337	Until audited + 4 years
101	Salary/Compensation Studies, Surveys	Studies of agencies regarding wages, salaries and other compensation benefits	GCS 26202,34090	While current + 2 years
102	State Controller	Annual reports	GCS 26202, 34090	2 years
103	Statement of Economic Interest (SEI) (FPPC Form 700) (originals – designated)	Original SEIs of officers and employees designated in LAFCO's Conflict of Interest Code	GCS 81009(e), (g)	7 years (can image after 2 years)
104	Stop Payments	Finance - bank statements	GCS 26202, 34090	2 years
105	Unemployment Insurance Records	Records relating to unemployment insurance – claims, payments, correspondence, etc.	USC 3301-3311; Calif. Unemployment Insurance Code; CCP 343	4 years
106	Vouchers - Payments	Account postings with supporting documents	GCS 26202, 34090; CCP 337	Until audited + 4 years
107	Wage Garnishment	Wage or salary garnishment	CCP 337	Active until garnishment is satisfied; then retain until audited + 4 years
108	Warrant Register/Check Register	Record of checks issued; approved by the Commission (copy is normally retained as part of agenda packet information)	GCS 26202, 34090	Until audited + 2 years
109	Workers Compensation Files	Work-injury claims (including denied claims); claim files, reports, etc.	CCR 10102; CCR 15400.2	Until settled + 5 years

**Footnotes:**

CCP - Code of Civil Procedure

CFR - Code of Federal Regulations

FPPC - California Fair Political Practices Commission

GCS - Government Code Section

LAB - Code of Labor

USC - Code of United States



LOCAL AGENCY FORMATION COMISSION  
OF SANTA CRUZ COUNTY

**“Request for Destruction of Obsolete Records”**

To: Joe A. Serrano, LAFCO Executive Officer  
From: \_\_\_\_\_  
Subject: Request for Destruction of Obsolete Records

I am requesting approval to destroy the obsolete records listed below.

DATE OF RECORD	DESCRIPTION OF RECORD

APPROVED:

\_\_\_\_\_  
Commission Clerk

\_\_\_\_\_  
Date

\_\_\_\_\_  
Executive Officer

\_\_\_\_\_  
Date

The obsolete records described above were destroyed under my supervision using the following method:

- Shredding
- Recycling
- Other (specify method)

I certify that such destruction meets the requirements of the Records Retention and Destruction Policy of LAFCO and all applicable requirements of State and federal law.

\_\_\_\_\_  
Commission Clerk

\_\_\_\_\_  
Date of Records Destruction



**Santa Cruz Local Agency Formation Commission**

Date: March 4, 2020  
To: LAFCO Commissioners  
From: Joe Serrano, Executive Officer  
Subject: **Service and Sphere of Influence Review for County Service Area 60**

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**SUMMARY OF RECOMMENDATION**

LAFCO periodically performs service reviews and sphere of influence updates for each agency that is subject to LAFCO's boundary regulations. As part of the Commission's Work Program, LAFCO staff has drafted a service and sphere review for County Service Area 60 ("CSA 60") and scheduled a public hearing.

It is recommended that the Commission take the following actions:

1. Find that pursuant to Section 15061(b)(3) of the State CEQA Guidelines, LAFCO has determined that the service and sphere of influence review is not subject to the environmental impact evaluation process because it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment and the activity is not subject to CEQA;
2. Determine, pursuant to Government Code Section 56425, the Local Agency Formation Commission of Santa Cruz County is required to develop and determine a sphere of influence for CSA 60, and review and update, as necessary;
3. Determine, pursuant to Government Code Section 56430, the Local Agency Formation Commission of Santa Cruz County is required to conduct a service review before, or in conjunction with an action to establish or update a sphere of influence; and
4. Adopt a Resolution (LAFCO No. 2020-06) approving the 2020 Service and Sphere of Influence Review for CSA 60 with the following conditions:
  - a. Defer action towards CSA 60's sphere of influence until August 5, 2020; and
  - b. Direct the Executive Officer to coordinate with the County Public Works Department and Huckleberry Island community to develop an action plan that will begin CSA 60's services and funding operations:
    - i. If an action plan is developed, the Commission will submit the action plan to the State Controller and consider reaffirming CSA 60's current sphere of influence; or
    - ii. If an action plan is not developed, the Commission may consider adopting a "zero" sphere of influence for CSA 60.

## **EXECUTIVE OFFICER'S REPORT:**

State law requires LAFCO to periodically review and update the services and spheres of influence of all cities and special districts, including county service areas. In accordance with the Commission's adopted Work Program, LAFCO staff prepared a service and sphere review for CSA 60. Key findings and recommendations are presented in the Executive Summary. The report includes an analysis of the District's ongoing operations, current financial performance, existing governance structure, and service responsibilities. The service and sphere review concludes with determinations required by State law. This staff report includes a summary of those findings, as shown below.

### **Environmental Review**

LAFCO staff conducted an environmental review for the draft service and sphere review in accordance to the California Environmental Quality Act ("CEQA"). Staff determined that the service and sphere review is exempt because it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment and the activity is not subject to CEQA (Section 15061[b][3]). A Notice of Exemption, as shown in **Attachment 1**, was recorded on February 10.

### **Public Notice & Agency Coordination**

A hearing notice for this draft service and sphere review was published in the February 11th issue of the Santa Cruz Sentinel (refer to **Attachment 2**). Advertising this notice in a newspaper continues staff's outreach efforts with local agencies and the public.

Another form of staff's outreach is to coordinate with the affected agency on the service review, in this case County Public Works on behalf of CSA 60. In late-January, an advanced copy of the report was shared with Sonia Lykins, Administrative Services Manager. This allowed Public Works an opportunity to review staff's findings and provide feedback. Ms. Lykins indicated that Public Works supports any decision made by the community – whether to keep the CSA in place or dissolve it. The final version of the draft report is attached (see **Attachment 3**). The service and sphere review is also available on LAFCO's website: <https://www.santacruzlafco.org/reviews/>

### **District Summary**

CSA 60 was formed on August 5, 2015 to provide funding for bridge replacement, road maintenance, and common area maintenance towards an unincorporated community known as "Huckleberry Island" in Brookdale. Huckleberry Island is a 30-acre residential community located in a bend of the San Lorenzo River. Access to this location is from Highway 9 and requires crossing over the existing Huckleberry Island bridge.

### **Key Findings**

The service and sphere review analyzed several factors to determine the performance of CSA 60. The main conclusions of the report are discussed below:

1. The CSA has been inactive since inception: CSA 60 was created by this Commission on August 5, 2015 to help fund replacement of a bridge and provide road maintenance to the Huckleberry Island community. Due to some delays, the recordation of the CSA did not go into effect until December 5, 2017. Since then, County Public Works has indicated that no work has been done, no benefit assessments have been collected, and there are no current plans for bridge construction or road maintenance.

2. The CSA does not have any current or previously adopted budgets, audits, or capital improvement plans: The Board of Supervisors authorized a benefit assessment for CSA 60 on August 22, 2017. This was a result of a mailed-in ballot election which received 66% of resident approval. However, to this date, no benefit assessment funds have been collected from the Huckleberry Island community for CSA 60 services. As a result, there are no audited financial statements, adopted budgets, or scheduled capital improvement projects.
3. The CSA may be subject to dissolution: Pursuant to Government Code Section 56879, CSA 60 meets the criteria of an “inactive district” and may be subject to mandatory dissolution if identified in the State Controller’s List of Inactive Districts. This list was first published in 2018, following the enactment of Senate Bill 448, and is updated annually. Senate Bill 448 requires inactive districts to be dissolved. Inactive districts are special districts that have no financial transactions in the previous fiscal year, have no assets and liabilities, and do not have any outstanding issues, such as debts or claims. Based on staff’s analysis, it is likely that CSA 60 will be in the November 2020 edition of the inactive district list.
4. The CSA currently has a coterminous sphere: CSA 60’s current sphere of influence was adopted subsequently when the CSA was formed back in 2015. The sphere boundary is coterminous with CSA 60’s service area. The CSA has remained inactive for several years and it may be designated as an inactive district by the State Controller’s Office. If that occurs, CSA 60 may be subject to a mandatory dissolution.

In order for the County and the Huckleberry Island community to dictate the future of CSA 60, it may be beneficial for the County and community to develop an action plan that will begin CSA 60’s services and funding operations. This plan should be presented to the Commission no later than August 2020. Therefore, the Commission should defer taking action on the sphere determination until then. Deferring Commission action until August allows the County and community to coordinate and determine CSA 60’s future before the State Controller’s Office takes official action.

### **Inactive Districts**

Senate Bill 448 was signed by the Governor on September 27, 2017 and went into effect the following year. This bill requires the State Controller, on or before November 1, 2018, and every year thereafter, to create a list of special districts that are inactive, based upon the financial reports received by the Controller. It also requires the Controller to publish the list of inactive districts on its website: [https://www.sco.ca.gov/Files-ARD-Local/LocRep/Special\\_Districts\\_Inactive\\_List\\_FY201718.pdf](https://www.sco.ca.gov/Files-ARD-Local/LocRep/Special_Districts_Inactive_List_FY201718.pdf).

It is important to note that the Controller’s Office has not identified CSA 60 as an inactive district at this time. However, the Controller’s list of inactive districts is based on the Special Districts Financial Transactions Reports from Fiscal Year 2017-18. As previously mentioned, CSA 60 was not officially recorded until December 2017.

### Definition of Inactive Districts

SB 448 defines an “inactive district” to mean a special district that meets all of the following:

1. The special district, as defined in LAFCO law, to mean an agency of the state, formed pursuant to general law or special act, for the local performance of governmental or proprietary functions within limited, as specified;
2. The special district has had no financial transactions in the previous fiscal year;
3. The special district has no assets or liabilities; and
4. The special district has no outstanding debts, judgments, litigation, contracts, liens, or claims.

If the State Controller’s Office has defined a district as inactive and places it on their list, SB 448 requires the Controller to notify the respective LAFCO(s) and initiate the dissolution process.

### LAFCO’s Role

SB 448 requires LAFCO to initiate dissolution of inactive districts by resolution within 90 days of receiving notification from the Controller, unless LAFCO determines that the district does not meet the criteria, as discussed above (Definition of Inactive Districts).

- If the LAFCO determines that the district in question does not meet the criteria under SB 448, then it is required to notify the Controller of their findings; or
- If the LAFCO determines that the district in question does meet the criteria under SB 448, then it is required to dissolve the inactive district and hold at least one public hearing on the proposed dissolution.

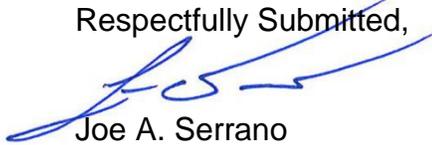
### **Staff Recommendation**

CSA 60 currently meets the criteria under SB 448. Based on staff’s analysis, it is likely that CSA 60 will be in the next edition of the Controller’s list which is scheduled to be published by November 1, 2020.

Staff highly recommends that Public Works and the community develop an action plan that will begin CSA 60’s services and funding operations. This plan should be presented to the Commission no later than August 2020. At the August Meeting, the Commission should take one of the following two actions:

1. If an action plan is developed, the Commission will submit the action plan to the State Controller and consider reaffirming the current sphere boundary; **or**
2. If an action plan is not developed, the Commission should consider adopting a “zero” sphere of influence. Adoption of a zero sphere would underscore the anticipated dissolution of CSA 60.

Respectfully Submitted,



Joe A. Serrano  
Executive Officer

Attachments:

1. Environmental Determination – Categorical Exemption
2. Public Hearing Notice
3. Service and Sphere Review – Administrative Draft
4. Draft Resolution No. 2020-06

cc: Sonia Lykins, County Public Works Department  
Huckleberry Homeowner's Association  
CSA 60 Residents (Registered Voters on File)  
CSA 60 Residents (Landowners on file):  
Alan & Martha Breed  
Rosemarie Caven  
Kevin & Yvette Curran  
Brad Darbo  
Kristin & Peter Dessau  
Joanna Levine  
Norma Jean Lewis  
George & Linda Malloch  
Michael McCredy  
Martin McGuire  
Robert & Ruth Rees  
Robert & Shelley Silva  
Catherine Winskee

To:  Office of Planning and Research  
1400 Tenth Street, Room 121  
Sacramento CA 95814

From: (Public Agency)  
Santa Cruz Local Agency Formation Commission  
701 Ocean Street, Room 318-D  
Santa Cruz CA 95060

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

**Project Title:** Service and Sphere of Influence Review for County Service Area 60

**Project Location:** CSA 60 was formed to provide funding for bridge replacement and road maintenance towards an unincorporated community known as "Huckleberry Island" in Brookdale. Huckleberry Island is a 30-acre residential area located in a bend of the San Lorenzo River. Access to this location is from Highway 9 and requires crossing over the existing Huckleberry Island bridge. A vicinity map depicting the CSA's jurisdictional and sphere boundaries is attached (refer to **Attachment A**).

**Project Location City:** N/A **Project Location County:** Santa Cruz

**Description of Nature, Purpose, and Beneficiaries of Project:** The report is for use by the Local Agency Formation Commission in conducting a statutorily required review and update process. The Cortese-Knox-Hertzberg Act requires that the Commission conduct periodic reviews and updates of spheres of influence of all cities and districts in Santa Cruz County (Government Code section 56425). It also requires LAFCO to conduct a review of municipal services before adopting Sphere updates (Government Code section 56430). Santa Cruz LAFCO has prepared a municipal service review, and sphere of influence update for CSA 60. The purpose of the report is to ensure the effectiveness and efficiency in the delivery of public services by CSA 60, in accordance to the statutory requirements outlined in the Cortese-Knox-Hertzberg Act.

**Name of Public Agency Approving Project:** Local Agency Formation Commission of Santa Cruz County. The LAFCO public hearing on this proposal is scheduled for 9:00 a.m. on March 4, 2020.

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

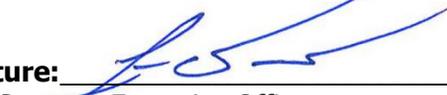
**Exempt Status:** (check one)

- Ministerial (Sec. 21080(b)(1); 15268);
- Declared Emergency (Sec. 21080(b)(3); 15269(a));
- Emergency Project (Sec. 21080(b)(4); 15269 (b)(c));
- Categorical Exemption: State type and section number
- Statutory Exemptions: State code number
- Other: The activity is not a project subject to CEQA.

**Reason Why Project is Exempt:** The LAFCO action does not change the services or the planned service area of CSA 60. There is no possibility that the activity may have a significant impact on the environment--State CEQA Guidelines Section 15061(b)(3).

**Lead Agency Contact Person:** Joe A. Serrano

**Area Code/Phone Extension:** 831-454-2055.

**Signature:**   
Joe A. Serrano, Executive Officer

**Date:** February 10, 2020

Signed by Lead Agency



**NOTICE OF PUBLIC HEARING  
LOCAL AGENCY FORMATION COMMISSION**

NOTICE IS HEREBY GIVEN that at 9:00 a.m., Wednesday, February 5, 2020, in Room 525 of the County Governmental Center, 701 Ocean Street, Santa Cruz, the Local Agency Formation Commission of Santa Cruz County (LAFCO) will hold a public hearing on the following items:

- **Service and Sphere of Influence Review for County Service Area 60:** Consideration of a service review for CSA 60 and analysis of its respective sphere of influence boundary. In compliance with the California Environmental Quality Act (CEQA), LAFCO staff has prepared a Categorical Exemption for the service and sphere review.
- **Meeting Rules and Records Management Policy Updates** – Consideration of proposed modifications to LAFCO's two policies. The proposed modifications include several non-substantive changes, removal of outdated language, and minor clarifications to reflect the Commission's current practices.

At the hearing, the Commission will consider oral or written comments from any interested person. Maps, written reports, environmental review documents and further information can be obtained by contacting LAFCO's staff at 701 Ocean Street, Room 318-D, Santa Cruz CA 95060, (831) 454-2055 or from LAFCO's website at [www.santacruzlafco.org](http://www.santacruzlafco.org).

LAFCO 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 least 48 hours in advance of the meeting to make arrangements.

A handwritten signature in blue ink, appearing to read 'Joe A. Serrano', is written over a horizontal line.

Joe A. Serrano  
Executive Officer  
Date: February 11, 2020

# COUNTY SERVICE AREA 60

## Service and Sphere of Influence Review

Administrative Draft (as of March 4, 2020)



Local Agency Formation Commission of Santa Cruz County

701 Ocean Street, Room 318-D, Santa Cruz CA 95060

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

Phone: (831) 454-2055



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## EXECUTIVE SUMMARY

### Introduction

This Service and Sphere of Influence Review provides information about the public services and boundaries involving County Service Area 60 (“CSA 60”). The report is for use by the Local Agency Formation Commission in conducting a statutorily required review and update process. The Cortese-Knox-Hertzberg Act requires that the Commission conduct periodic reviews and updates of spheres of influence for all cities and districts, including county service areas, in Santa Cruz County (Government Code Section 56425). It also requires LAFCO to conduct a review of municipal services before adopting sphere updates (Government Code Section 56430).

The municipal service review process does not require LAFCO to initiate changes of organization based on service review conclusions or findings; it only requires that LAFCO make determinations regarding the delivery of public services in accordance to the provisions of Government Code Section 56430. However, LAFCO, local agencies, and the public may subsequently use the determinations and related analysis to consider whether to pursue changes in service delivery, government organization, or spheres of influence.

Service and sphere reviews are informational documents and are generally exempt from environmental review. LAFCO staff has conducted an environmental review of this report pursuant to the California Environmental Quality Act (CEQA) and determined that the CSA’s service and sphere review is exempt from CEQA. Such exemption is due to the fact that it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment (Section 15061[b][3]).

### Sphere of Influence

State law requires that spheres of influence be updated at least once every five years, either concurrently or subsequently to the preparation of Municipal Service Reviews. Spheres are determined and amended solely at the discretion of the Commission. Based on staff’s evaluation, CSA 60 currently has a sphere of influence that is coterminous with its existing service area. The CSA’s sphere has remained unchanged since its original adoption in 2015.

### Key Findings

The following are key findings of the 2020 Service and Sphere Review for CSA 60:

#### 1. The CSA has been inactive since inception.

CSA 60 was created by this Commission on August 5, 2015 to help fund replacement of a bridge and provide road maintenance to the Huckleberry Island community. Due to some delays, the recordation of the CSA did not go into effect until December 5, 2017. Since then, County Public Works has indicated that no work has been done, no benefit assessments have been collected, and there are no current plans for bridge construction or road maintenance.

**2. The CSA does not have any current or previously adopted budgets, audits, or capital improvement plans.**

The Board of Supervisors authorized a benefit assessment for CSA 60 on August 22, 2017. This was a result of a mailed-in ballot election which received 66% of resident approval. However, to this date, no benefit assessment funds have been collected from the Huckleberry Island community for CSA 60 services. As a result, there are no audited financial statements, adopted budgets, or scheduled capital improvement projects.

**3. The CSA may be subject to dissolution.**

Pursuant to Government Code Section 56879, CSA 60 meets the criteria of an “inactive district” and may be subject to mandatory dissolution if identified in the State Controller’s List of Inactive Districts. This list was first published in 2018, following the enactment of Senate Bill 448, and is updated annually.

Senate Bill 448 requires inactive districts to be dissolved. Inactive districts are special districts that have no financial transactions in the previous fiscal year, have no assets and liabilities, and do not have any outstanding issues, such as debts or claims. CSA 60 meets this statutory criteria. Based on staff’s analysis, it is likely that CSA 60 will be in the November 1, 2020 edition of the inactive district list.

**4. The CSA currently has a coterminous sphere.**

CSA 60’s current sphere of influence was adopted subsequently when the CSA was formed back in 2015. The sphere boundary is coterminous with CSA 60’s service area. The CSA has remained inactive for several years and it may be designated as an inactive district by the State Controller’s Office. If that occurs, CSA 60 may be subject to a mandatory dissolution in accordance to state law.

In order for the County and the Huckleberry Island community to dictate the future of CSA 60, it may be beneficial for the County and community to develop an action plan that will begin CSA 60’s services and funding operations. This plan should be presented to the Commission no later than August 2020. Therefore, the Commission should defer taking action on the sphere determination until August.

If an action plan is developed, the Commission may consider reaffirming the current sphere boundary. If an action plan is not developed, the Commission may consider adopting a “zero” sphere of influence. A zero sphere (encompassing no territory) is adopted when the Commission has determined that the public service functions of an agency are either: nonexistent, no longer needed, or should be reallocated to some other agency of government. This designation would be the preliminary step towards dissolution.

Deferring Commission action until August allows the County and community to coordinate and determine CSA 60’s future before the State Controller’s Office takes action on their behalf.

## **Recommended Actions**

Based on the analysis and findings in the 2020 Service and Sphere of Influence Review, the Executive Officer recommends that the Commission:

1. Find that pursuant to Section 15061(b)(3) of the State CEQA Guidelines, LAFCO has determined that the service and sphere of influence review is not subject to the environmental impact evaluation process because it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, and the activity is not subject to CEQA;
2. Determine, pursuant to Government Code Section 56425, the Local Agency Formation Commission of Santa Cruz County is required to develop and determine a sphere of influence for County Service Area 60, and review and update, as necessary;
3. Determine, pursuant to Government Code Section 56430, the Local Agency Formation Commission of Santa Cruz County is required to conduct a service review before, or in conjunction with an action to establish or update a sphere of influence; and
4. Adopt a Resolution (LAFCO No. 2020-06) approving the 2020 Service and Sphere of Influence Review for County Service Area 60 with the following conditions:
  - a. Defer action towards CSA 60's sphere of influence until August 5, 2020; and
  - b. Direct the Executive Officer to coordinate with the County Public Works Department and Huckleberry Island community to develop an action plan that will begin CSA 60's services and funding operations:
    - i. If an action plan is developed, the Commission will submit the action plan to the State Controller and consider reaffirming CSA 60's current sphere of influence; or
    - ii. If an action plan is not developed, the Commission may consider adopting a "zero" sphere of influence for CSA 60.

## DISTRICT OVERVIEW

### History

County Service Areas (CSAs) are formed specifically to provide funding for enhanced or extended services that are not normally provided to the same extent on a county-wide basis. CSA 60 was formed on August 5, 2015 to provide funding for bridge replacement, road maintenance, and common area maintenance towards an unincorporated community known as “Huckleberry Island” in Brookdale. Due to some delays, CSA 60 did not become an official district until December 5, 2017. **Attachment A** shows the Commission’s adopted formation resolution.

### Service Area

Huckleberry Island is a 30-acre residential community located in a bend of the San Lorenzo River. Access to this location is from Highway 9 and requires crossing over the existing Huckleberry Island bridge. **Figure 1**, on page 6, provides a map of the CSA.

### Population & Growth

Huckleberry Island is substantially developed as a residential neighborhood. There are 24 parcels within the CSA – 16 of which have residential units currently in place. Official growth projections are not available for CSA 60. In general, unincorporated areas in Santa Cruz County are projected to have slow growth over the next fifteen years.

Under the assumption that there are 2.5 individuals per household, LAFCO staff estimates the current population of CSA 60 to be around 40. Based on the growth rate of approximately 1% for the unincorporated areas in the County, LAFCO staff projects that CSA 60’s entire population in 2035 will be approximately 42. The projected population growth for CSA 60 are as follows:

**Table 1: Projected Population**

	2020	2025	2030	2035	Growth Rate
Santa Cruz County (unincorporated)	136,891	137,896	139,105	140,356	1%
<b>CSA 60 (Huckleberry Island)</b>	<b>40</b>	<b>41</b>	<b>41</b>	<b>42</b>	<b>1%</b>

*Source: AMBAG 2018 Regional Growth Forecast*

### Disadvantaged Unincorporated Communities

State law requires LAFCO to identify and describe all “disadvantaged unincorporated communities” (DUC) located within or contiguous to the existing spheres of influence of cities and special districts that provide fire protection, sewer, and/or water services. DUCs are defined as inhabited unincorporated areas within an annual median household income that is 80% or less than the statewide annual median household income.

In 2017, the California statewide median household income was \$67,169, and 80% of that was \$53,735. Based on the criteria set forth by SB 244, staff’s analysis indicates that there are no areas in CSA 60 designated as a disadvantaged unincorporated community. In addition, CSA 60 does not provide fire, sewer, or water services to the community.

Figure 1: CSA 60 Vicinity Map



## County Service Area 60 (Huckleberry Island) Service and Sphere Boundaries

Original Sphere of Influence adopted on August 5, 2015

Sphere of Influence Review considered on March 5, 2020

## Inactive Districts (SB 448)

Senate Bill 448 was signed by the Governor on September 27, 2017 and went into effect the following year. This bill requires the State Controller, on or before November 1, 2018, and every year thereafter, to create a list of special districts that are inactive, based upon the financial reports received by the Controller. It also requires the Controller to publish the list of inactive districts on its website: [https://www.sco.ca.gov/Files-ARD-Local/LocRep/Special\\_Districts\\_Inactive\\_List\\_FY201718.pdf](https://www.sco.ca.gov/Files-ARD-Local/LocRep/Special_Districts_Inactive_List_FY201718.pdf).

It is important to note that the Controller's Office has not identified CSA 60 as an inactive district at this time. However, the Controller's list of inactive districts is based on the *Special Districts Financial Transactions Reports* from Fiscal Year 2017-18. As previously mentioned, CSA 60 was not officially recorded until December 2017. **Attachment B** provides the latest list of inactive districts.

### Definition of Inactive Districts

SB 448 defines an "inactive district" to mean a special district that meets all of the following:

1. The special district, as defined in LAFCO law, to mean an agency of the state, formed pursuant to general law or special act, for the local performance of governmental or proprietary functions within limited, as specified;
2. The special district has had no financial transactions in the previous fiscal year;
3. The special district has no assets or liabilities; and
4. The special district has no outstanding debts, judgments, litigation, contracts, liens, or claims.

If the State Controller's Office has defined a district as inactive and places it on their list, SB 448 requires the Controller to notify the respective LAFCO(s) and initiate the dissolution process.

### LAFCO's Role

SB 448 requires LAFCO to initiate dissolution of inactive districts by resolution within 90 days of receiving notification from the Controller, unless LAFCO determines that the district does not meet the criteria, as discussed above (Definition of Inactive Districts).

- If the LAFCO determines that the district in question does not meet the criteria under SB 448, then it is required to notify the Controller of their findings; or
- If the LAFCO determines that the district in question does meet the criteria under SB 448, then it is required to dissolve the inactive district and hold at least one public hearing on the proposed dissolution.

CSA 60 currently meets the criteria under SB 448. Based on staff's analysis, it is likely that CSA 60 will be in the next edition of the Controller's list which is scheduled to be published by November 1, 2020.

## Other Factors

SB 448 includes other actions and requirements, including the following:

- ❖ Prohibits the dissolution of an inactive district from being subject to protest and election requirements or determinations by LAFCO.
- ❖ Requires the Controller to remove a district from the inactive list, if the Controller receives substantial evidence that a district does not meet the criteria for an inactive district. Requires the Controller to notify the LAFCO in the county or counties in which the district is located, if the Controller removes the district from the inactive list.
- ❖ Prohibits the dissolution process for inactive districts in this bill from applying to a special district formed by special legislation during the period of time in which the district is authorized to obtain funding.
- ❖ Requires the Controller, on or before July 1, 2019, to publish on its website a comprehensive list of independent special districts. Requires the Controller to update the list every year thereafter.
- ❖ Requires special districts to file annual audits with the LAFCO in the county or counties in which the district is located.
- ❖ Adds the dissolution of an inactive district to the list of powers and duties granted to LAFCOs.
- ❖ Provides that no reimbursement is required by this bill because a local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this bill.

## **Opportunities & Challenges**

Based on the criteria under SB 448, LAFCO staff believes that CSA 60 will be identified in this year's List of Inactive Districts. If that occurs, it may trigger the mandatory dissolution process outlined in Government Code Section 56879. It may be beneficial for the County Public Works Department and the Huckleberry Island community to determine the future of CSA 60 before it is identified in the Controller's list.

Staff strongly encourages the County and the community to develop an action plan that will begin CSA 60's services and funding operations. This plan could be sufficient evidence to remove CSA 60 from the list and prevent the mandatory dissolution requirement. LAFCO staff is willing to assist in this effort. The publication of the next list is tentatively scheduled to be released by November 2020.

***Staff Recommendation:*** Complete and present an action plan to the Commission no later than August 2020.

## FINANCES

### Fiscal Situation

CSA 60 is inactive. This CSA does not presently provide any services, and based on the lack of bridge construction and road maintenance, it appears that CSA 60 has never provided services since its formation back in 2015. As a result, there are no audited financial statements or adopted budgets to analyze.

The only financial documentation available for CSA 60 was the Board of Supervisor's adopted resolution, approving the initiation of a benefit assessment for FY 2017-18. **Attachment C** provides a copy of that adopted resolution. Even though the benefit assessment was adopted, it is staff's understanding that the benefit assessment was never charged or collected from the Huckleberry Island residents.

## GOVERNANCE

### Legal Authority

CSA 60 is governed by the County Service Area Law (Government Code Section 25210 et seq.). The Legislature finds and declares all of the following:

- a) Population growth and development in unincorporated areas result in new and increased demands for public facilities and services that promote the public peace, health, safety, and general welfare.
- b) The residents and property owners in unincorporated areas should have reasonable methods available so that they can finance and provide these needed public facilities and services.
- c) The residents and property owners in some unincorporated areas may propose the incorporation of new cities or annexations to existing cities as a way to fulfill these demands for public facilities and services.
- d) In other unincorporated areas, independent special districts with directly elected or appointed governing boards can fulfill these demands for public facilities and services.
- e) County boards of supervisors need alternative organizations and methods to finance and provide needed public facilities and services to the residents and property owners of unincorporated areas.
- f) In enacting the County Service Area Law by this chapter, it is the intent of the Legislature to continue a broad statutory authority for county boards of supervisors to use county service areas as a method to finance and provide needed public facilities and services.
- g) Further, it is the intent of the Legislature that county boards of supervisors, residents, and property owners use the powers and procedures provided by the County Service Area Law to meet the diversity of local conditions, circumstances, and resources.

## Local Accountability & Structure

County Service Area 60 is a dependent special district governed by the County Board of Supervisors and managed by the Public Works Department. The current Board is as follows:

**Table 2: Board of Directors**

Board Member	Supervisory District	Term of Office
John Leopold	<b>First District</b> (Live Oak, Soquel, Summit, Santa Cruz Gardens, Carbonera, and parts of Scotts Valley & Capitola)	First Elected: 2008 Next Election: Primary 2020
Zach Friend	<b>Second District</b> (Aptos, Freedom, Corralitos, La Selva Beach, and parts of Capitola & Watsonville)	First Elected: 2012 Next Election: Primary 2020
Ryan Coonerty	<b>Third District</b> (Santa Cruz, Bonny Doon, North Coast)	First Elected: 2014 Next Election: Primary 2022
Greg Caput	<b>Fourth District</b> (Pajaro Valley, Watsonville)	First Elected: 2010 Next Election: Primary 2022
Bruce McPherson	<b>Fifth District</b> (San Lorenzo Valley, most of Scotts Valley, parts of Santa Cruz, and Paradise Park)	First Elected: 2012 Next Election: Primary 2020

It is staff's understanding that the Board of Supervisors has not conducted any meetings as the Board of Directors for CSA 60.

## SPHERE OF INFLUENCE

### Cortese-Knox-Hertzberg Act

City and special district spheres of influence define the probable physical boundaries and service area of a local agency, as determined by the Commission (Government Code Section 56076). The law requires that spheres be updated at least once every five years, either concurrently or subsequently to the preparation of Municipal Service Reviews. Spheres are determined and amended solely at the discretion of the Commission. In determining the sphere of influence for each local agency, the Commission is required by Government Code Section 56425(e) to consider certain factors, including:

- ❖ The present and planned uses in the area, including agricultural and open-space lands;
- ❖ The present and probable need for public facilities and services in the area;

- ❖ The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide;
- ❖ The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency; and
- ❖ For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

### **Current Sphere Boundary**

CSA 60's current sphere of influence was adopted subsequently when the CSA was formed back in 2015. The sphere boundary is coterminous with CSA 60's service area. **Figure 2**, on page 12, shows the current sphere boundary. As previously mentioned, the CSA has remained inactive for several years and it may be designated as an inactive district by the State Controller's Office. If that occurs, CSA 60 may be subject to a mandatory dissolution in accordance to Government Code Section 56879.

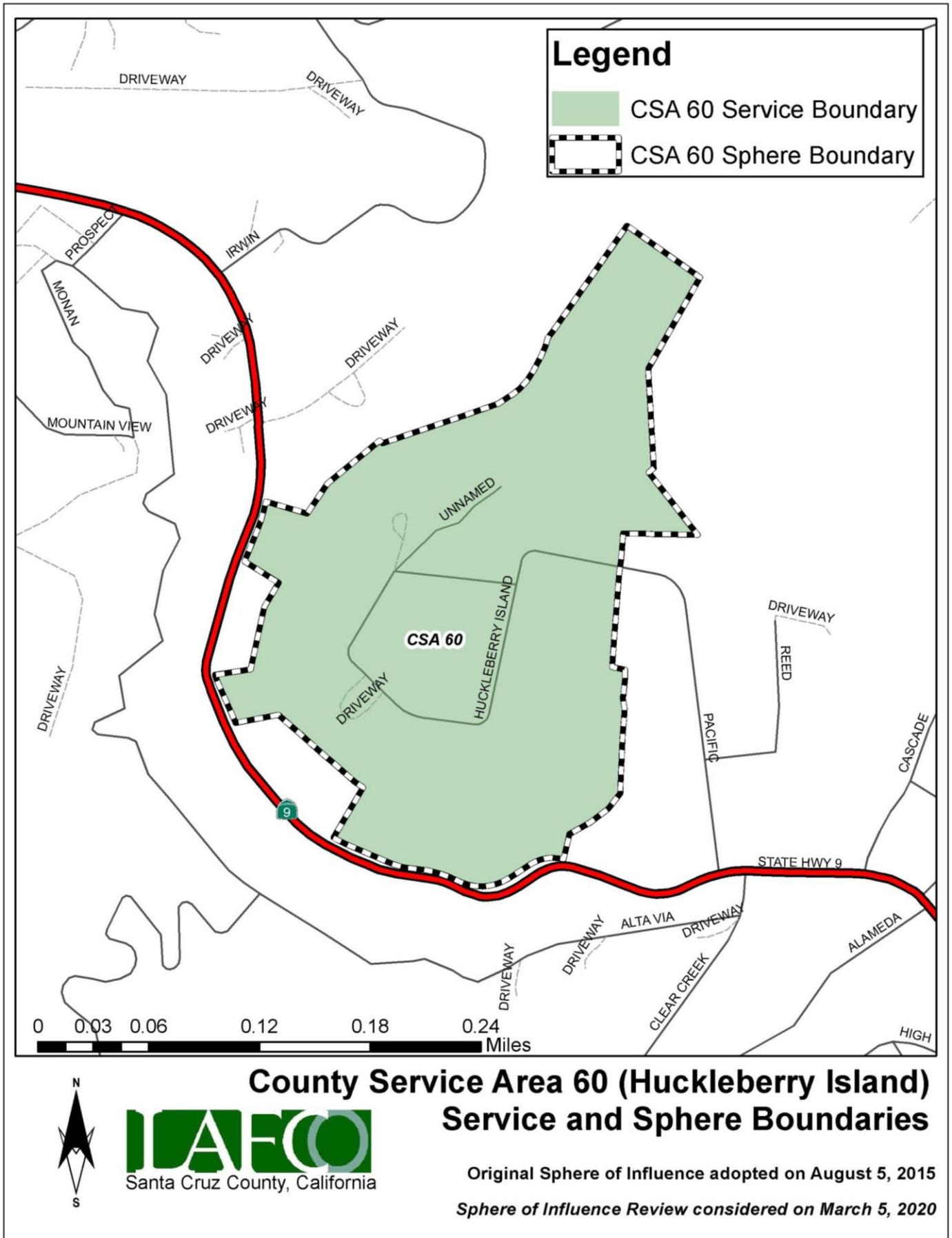
In order for the County and the Huckleberry Island community to dictate the future of CSA 60, it may be beneficial for the County and community to develop an action plan that will begin CSA 60's services and funding operations. This plan should be presented to the Commission no later than August 2020.

Therefore, the Commission should defer taking action on the sphere determination until August 5th. At the August Meeting, the Commission should take one of the following two actions:

1. If an action plan is developed, the Commission will submit the action plan to the State Controller and consider reaffirming the current sphere boundary; **or**
2. If an action plan is not developed, the Commission may consider adopting a "zero" sphere of influence.

The Commission may adopt a "zero" sphere of influence (encompassing no territory) for an agency when the Commission has determined that the public service functions of the agency are either: nonexistent, no longer needed, or should be reallocated to some other agency of government. This designation would be the preliminary step towards dissolution. Deferring Commission action until August allows the County and community to coordinate and determine CSA 60's future before the State Controller's Office takes action on their behalf.

Figure 2: CSA 60 – Proposed Sphere of Influence Boundary



## SERVICE & SPHERE DETERMINATIONS

The following service and sphere review determinations fulfill the requirements outlined in the Cortese-Knox-Hertzberg Act.

### Service Determinations

Government Code Section 56430 requires LAFCO to conduct a municipal service review before, or in conjunction with, an action to establish or update a sphere of influence. Written statements of determination must be prepared with respect to each of the following:

**1. Growth and population projections for the affected area.**

Official growth projections are not available for CSA 60. In general, the Santa Cruz County unincorporated areas are projected to have a slow growth over the next fifteen years. Under the assumption that there are 2.5 individuals per household, LAFCO staff estimates the current population of CSA 60 to be around 40. Based on the growth rate of approximately 1% for the unincorporated areas in the County, LAFCO staff projects that CSA 60's entire population in 2035 will be approximately 42.

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

Based on the criteria set forth by SB 244, staff's analysis indicates that there are no areas in CSA 60 designated as a disadvantaged unincorporated community.

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

CSA 60 was created by this Commission in August 5, 2015, to help fund replacement of a bridge and provide road maintenance. Due to some delays, the recordation of the CSA did not go into effect until December 5, 2017. Since then, County Public Works has indicated that no work has been done, no benefit assessments have been collected, and there are no current plans for bridge construction or road maintenance.

**4. Financial ability of agencies to provide services.**

The Board of Supervisors authorized a benefit assessment for CSA 60 on August 22, 2017. However, to this date, no benefit assessment funds have been collected from the Huckleberry Island community for CSA 60 services. As a result, there are no audited financial statements or adopted budgets.

**5. Status of, and opportunities for, shared facilities.**

CSA 60 is inactive. Staff encourages the County Public Works Department and Huckleberry Island community to develop an action plan that will begin CSA 60's services and funding operations. If such collaboration does not occur, CSA 60 may be subject to dissolution in accordance to Government Code Section 56879.

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

CSA 60 was formed in 2015 to provide funding for bridge replacement, road maintenance, and common area maintenance towards an unincorporated community known as “Huckleberry Island” in Brookdale. However, CSA 60 has remained inactive since inception.

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

No additional local LAFCO policies are specifically relevant to this service and sphere review.

## **Sphere Determinations**

Government Code Section 56425 requires LAFCO to periodically review and update spheres of influence in concert with conducting municipal service reviews. Spheres are used as regional planning tools to discourage urban sprawl and encourage orderly growth. Written statements of determination must be prepared with respect to each of the following:

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

The Huckleberry Island community is located in a bend of the San Lorenzo River and includes undeveloped parcels that remain as open space. CSA 60 does not have any agricultural lands within the service area.

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

CSA 60 was formed in 2015 to provide funding for bridge replacement, road maintenance, and common area maintenance towards an unincorporated community known as “Huckleberry Island” in Brookdale. However, CSA 60 has remained inactive since inception.

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

CSA 60 is inactive. County Public Works has indicated that no work has been done, no benefit assessments have been collected, and there are no current plans for bridge construction or road maintenance.

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

LAFCO staff is not aware of any social or economic communities of interest in the area. The CSA’s service area is primarily residential units.

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

CSA 60 does not provide services related to sewers, municipal and industrial water, or structural fire protection. Therefore, this determination is not applicable.

## APPENDICES

**A. Formation Resolution (No. 957-A)**

**B. State Controller's Office – List of Inactive Districts (FY 2017-18)**

**C. Benefit Assessment Resolution (No. 189-2017)**



**APPENDIX A:**

**FORMATION RESOLUTION**  
**(NO. 957-A)**

**RESOLUTION NO. 957-A-EO  
ORDERING FORMATION PROCEEDINGS FOR THE  
PROPOSED HUCKLEBERRY ISLAND COUNTY SERVICE AREA  
LAFCO NO. 957-A**

\*\*\*\*\*

WHEREAS, the Local Agency Formation Commission of Santa Cruz County adopted its Resolution No. 957-A on August 5, 2015 making determinations and ordering me, its Executive Officer, to conduct protest proceedings for the proposed formation of the Huckleberry Island County Service Area; and

WHEREAS the affected territory in the authorized Huckleberry Island County Service Area is shown on Exhibit A attached hereto and by reference incorporated herein; and

WHEREAS, I have conducted the protest proceedings in accordance with State law and Resolution No. 957-A concluding with a public hearing to receive landowner protest on October 7, 2015;

NOW, THEREFORE, I FIND that the value of written protests filed and not withdrawn is less than 50 percent of the assessed value within the affected territory; and

CONSEQUENTLY ORDER formation proceedings for the Huckleberry Island County Service Area as shown on Exhibit A; and

FURTHER DETERMINE as follows:

1. The approval of the county service area formation is conditioned upon the terms and condition stated in Section 6 of LAFCO Resolution No. 957-A:
  - a) The service to be performed by the County Service Area shall be limited to 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 are required when notices of environmental decisions are filed).
2. The purpose of the proposed formation is to provide for bridge replacement.
3. The regular county assessment roll will be utilized.

The LAFCO staff shall file the Certificate of Completion for this proposed County Service Area formation with the County Recorder and the State Board of Equalization when the terms and conditions are met, at which time the county service area formation shall be effective and final.

Signature Date: October 9, 2015



Patrick M. McCormick, Executive Officer  
Local Agency Formation Commission of Santa Cruz County

Attest:

  
Debra Means, LAFCO Secretary-Clerk

Approved as to form:

  
T. Brooke Miller, LAFCO Counsel



# **APPENDIX B:**

## **State Controller's Office List of Inactive Districts (as of FY 2017-18)**

**California State Controller's Office**

**List of Inactive Districts per Chapter 334, Statutes of 2017 (SB 448)**

**Source: Special Districts Financial Transactions Reports, Fiscal Year 2017-18**

#	District Name	District Type	City	County
1	County Service Area L-2 (Alameda)	Dependent	Oakland	Alameda
2	County Service Area S-1984-1 (Alameda)	Dependent	Oakland	Alameda
3	County Service Area No. 26 (Butte)	Dependent	Oroville	Butte
4	County Service Area No. 5 (Calaveras)	Dependent	San Andreas	Calaveras
5	County Service Area No. 6 (Calaveras)	Dependent	San Andreas	Calaveras
6	County Service Area No. 7 (Calaveras)	Dependent	San Andreas	Calaveras
7	County Service Area No. 11 (Calaveras)	Dependent	San Andreas	Calaveras
8	County Service Area No. 10 (Calaveras)	Dependent	San Andreas	Calaveras
9	County Service Area No. 3 (Colusa)	Dependent	Colusa	Colusa
10	Century Ranch Water District	Dependent	Colusa	Colusa
11	Hazel Court County Service Area (Colusa)	Dependent	Colusa	Colusa
12	Maintenance District No. 3 (Fresno)	Dependent	Fresno	Fresno
13	County Service Area No. 11 (Lake)	Dependent	Lakeport	Lake
14	County Service Area No. 12 (Lake)	Dependent	Lakeport	Lake
15	County Service Area No. 4 (Lake)	Dependent	Lakeport	Lake
16	County Service Area No. 9 (Lake)	Dependent	Lakeport	Lake
17	County Service Area No. 19 (Lake)	Dependent	Lakeport	Lake
18	Laguna Water District	Dependent	Dos Palos	Merced
19	Family Farms Water District	Dependent	Sacramento	Merced
20	Canby Community Services District	Dependent	Canby	Modoc
21	County Service Area No. 1 (San Benito)	Dependent	Hollister	San Benito
22	County Service Area No. 12 (San Benito)	Dependent	Hollister	San Benito
23	County Service Area No. 13 (San Benito)	Dependent	Hollister	San Benito
24	County Service Area No. 15 (San Benito)	Dependent	Hollister	San Benito
25	County Service Area No. 17 (San Benito)	Dependent	Hollister	San Benito
26	County Service Area No. 3 (San Benito)	Dependent	Hollister	San Benito
27	County Service Area No. 10 (San Benito)	Dependent	Hollister	San Benito
28	County Service Area No. 40 (San Benito)	Dependent	Hollister	San Benito
29	County Service Area No. 26 (San Benito)	Dependent	Hollister	San Benito

**California State Controller's Office**

**List of Inactive Districts per Chapter 334, Statutes of 2017 (SB 448)**

**Source: Special Districts Financial Transactions Reports, Fiscal Year 2017-18**

<b>#</b>	<b>District Name</b>	<b>District Type</b>	<b>City</b>	<b>County</b>
30	County Service Area No. 27 (San Benito)	Dependent	Hollister	San Benito
31	County Service Area No. 2 (San Benito)	Dependent	Hollister	San Benito
32	Nyjo Water District	Dependent	Stockton	San Joaquin
33	County Service Area No. 34 (San Joaquin)	Dependent	Stockton	San Joaquin
34	County Service Area No. 39 (San Joaquin)	Dependent	Stockton	San Joaquin
35	County Service Area No. 40 (San Joaquin)	Dependent	Stockton	San Joaquin
36	County Service Area No. 7 (San Joaquin)	Dependent	Stockton	San Joaquin
37	Dos Reis Storm Water District (San Joaquin)	Dependent	Lathrop	San Joaquin
38	County Service Area No. 10 (San Joaquin)	Dependent	Stockton	San Joaquin
39	County Service Area No. 19 (San Joaquin)	Dependent	Stockton	San Joaquin
40	County Service Area No. 32 (Santa Barbara)	Dependent	Santa Barbara	Santa Barbara
41	Fall River Valley Irrigation District	Dependent	Redding	Shasta
42	County Service Area No. S-1 (Solano)	Dependent	Fairfield	Solano
43	Meridian Cemetery District	Dependent	Yuba City	Sutter
44	County Service Area No. 33 (Ventura)	Dependent	Ventura	Ventura
45	County Service Area No. 56 (Yuba)	Dependent	Marysville	Yuba
46	County Service Area No. 57 (Yuba)	Dependent	Marysville	Yuba
47	County Service Area No. 58 (Yuba)	Dependent	Marysville	Yuba
48	River Highlands Community Service District	Dependent	Marysville	Yuba
49	Royal Pines County Service Area (Yuba)	Dependent	Marysville	Yuba

# **APPENDIX C:**

## **Benefit Assessment Resolution (No. 189-2017)**

BEFORE THE BOARD OF SUPERVISORS  
OF THE COUNTY OF SANTA CRUZ, STATE OF CALIFORNIA

RESOLUTION NO. 189-2017

On the motion of Supervisor Coonerty  
Duly seconded by Supervisor McPherson  
The following resolution is adopted

RESOLUTION AUTHORIZING AND LEVYING AN ASSESSMENT  
FOR BRIDGE CONSTRUCTION WITHIN  
COUNTY SERVICE AREA NO. 60, HUCKLEBERRY ISLAND  
FOR 2017/2018 AND EACH YEAR FOLLOWING

The Board of Supervisors of the County of Santa Cruz makes the following  
recitals:

1. Basic Policy. This Board has heretofore conducted proceedings under the statutes authorizing the levying of Special Assessments and desires to bring its assessments for road maintenance and operations services into conformity with the provisions of Article XIID of the California Constitution for the fiscal year 2017/2018, and each year following.

2. Engineer's Report. Article XIID. On June 6, 2017, this Board received for filing a written Engineer's Report supporting the proposed assessments, prepared by a registered professional engineer certified by the State of California, which pursuant to Article XIID, Section 4 of the Constitution contains all of the following:

A. Identifies and describes all parcels which have a special benefit conferred on them and on which the assessment will be imposed.

B. Determines the proportionate special benefit derived by each identified parcel in relationship to the entirety of the cost of the road maintenance and operations to be provided.

C. Determines that no assessment is imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel.

D. Determines that the only benefits assessed are special and that the general benefits have been separated from the special benefits conferred on each parcel.

3. Resolution of Intention. Based on the Engineer's Report, on June 6, 2017, 2017, this Board adopted its Resolution of Intention which:

A. Set a public hearing to hear any protest pursuant to Article XIID, Section 4 of the Constitution, and

B. Directed the Clerk to give a notice of the filing of the report and the time and place of the hearing set by the Board by publication, and directed Public Works to give notice to each property owner whose property would be subject to the assessment at least 45 days before the date set for the public hearings and specified the contents of the notice, all in the manner required by law.

4. Notice. The Clerk of this Board and the Department of Public Works gave notice in the manner directed by this Board and as required by law.

5. Public Hearing. At the time and place set forth in the notice, this Board conducted the public hearing in the manner required by law and heard and considered all objections and protests to the report referred to in the notice, heard and determined all protests as required by law, and tabulated all ballots.

6. Protest Failed. The ballots submitted in opposition to the assessment did not exceed the ballots submitted in favor of the assessment, weighting the ballots according to the proportional financial obligation of the affected property.

7. Finding. It is in the interest of County Service Area No. 60, Huckleberry Island, and its inhabitants, and its property owners to levy the assessment as proposed.

NOW, THEREFORE, BE IT RESOLVED, ORDERED, AND FOUND by the Board of Supervisors of the County of Santa Cruz as follows:

1. Findings. Each of the foregoing recitals is true and correct.
2. Authorization. This Resolution and the benefit assessment authorized herein is adopted pursuant to Government Code Section 25215 and Article XIID, Section 4 of the California Constitution.
3. Purpose of the Assessment. The express purpose for which this benefit assessment is levied is to provide a source of funding for County Service Area No. 60, Huckleberry Island, bridge construction.
4. Determination of Necessity. The level of road maintenance and operations which can be provided is determined to be reasonably adequate to meet current needs.
5. Limitation upon Expending Assessment Proceeds. Any funds collected from the benefit assessment authorized by this Resolution shall be expended only for such bridge construction to benefit County Service Area No. 60, Huckleberry Island. Any unexpended funds raised by the assessment remaining at the end of the fiscal year shall be carried over for the same purpose in the next fiscal year.
6. Levy. A benefit assessment to raise revenue to fund road maintenance and operations is hereby levied upon real property within County Service Area No. 60, Huckleberry Island, excepting any unimproved parcels, common areas, unbuildable parcels, and parcels with an assessed value of \$5,000 or less.

7. Assessment Rate. For the fiscal year 2017/2018 and each year thereafter the rate of assessment is as follows:

A. \$10,576

Unimproved parcels, common areas, parcels which have been determined to be unbuildable by the Planning Department or Environmental Health regulations, and parcels with an assessed valuation of \$5,000 or less, will not be charged.

B. For each fiscal year after 2017/2018, the assessment rate may be increased by a percentage which does not exceed the percentage increase in the Consumer Price Index, All Urban Consumers for the San Francisco-Oakland-San Jose, Metropolitan Area, as published by the U.S. Department of Labor, Bureau of Labor Statistics (or in any price index which replaces that index in the future) for the prior calendar year. The assessment rate will be increased only when necessary to meet approved expenses, and would not increase automatically each year. If in any year the assessment rate is not increased, or is increased by an amount less than the increase in the Consumer Price Index, the difference between the rate of the increase in the assessment rate and the rate of increase in the Consumer Price Index will remain available for use in future years to raise the assessment rate as necessary to meet approved expenses.

C. The lien date shall be that prescribed by law.

D. The foregoing schedules and rates are based upon a flat fee for each improved parcel. The assessment is proportional to the special benefit derived by each identified parcel in relationship to the entirety of the cost of the property related service being provided. No assessment exceeds the reasonable cost of the proportional special benefit conferred on that parcel.

8. Collection. The collection of the assessment determined and levied by this Resolution shall be by the County of Santa Cruz on behalf of County Service Area No. 60, Huckleberry Island, in the same manner, and subject to the same penalties, as other fees, charges, and taxes fixed and collected by or on behalf of all County Service Areas. The County may deduct its reasonable costs incurred for that service before resubmittal of the balance to the account of County Service Area No. 60, Huckleberry Island

RESOLUTION NO. 189-2017

Page -4-

PASSED AND ADOPTED by the Board of Supervisors of the County of Santa Cruz, State of California, this 22nd day of August, 2017, by the following vote:

AYES:	SUPERVISORS	Friend, Coonerty, Caput, McPherson, Leopold
NOES:	SUPERVISORS	None
ABSENT:	SUPERVISORS	None

\_\_\_\_\_  
Chairperson of the Board

ATTEST: \_\_\_\_\_  
Clerk of said Board

Approved as to form:

  
\_\_\_\_\_  
Office of County Counsel

Distribution: County Counsel  
Public Works

CSA 60 elections

LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY  
RESOLUTION NO. 2020-06

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

RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION APPROVING  
THE 2020 COUNTY SERVICE AREA 60 SERVICE AND SPHERE REVIEW

\*\*\*\*\*

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

- 1. In accordance with Government Code sections 56425, 56427, and 56430, the Commission has initiated and conducted the 2020 Service and Sphere of Influence Review for County Service Area 60 ("CSA 60").
- 2. The Commission's Executive Officer has given notice of a public hearing by this Commission of the service and sphere of influence review in the form and manner prescribed by law.
- 3. The Commission held a public hearing on March 4, 2020, and at the hearing, the Commission heard and received all oral and written protests, objections, and evidence that were presented.
- 4. Pursuant to California Environmental Quality Act ("CEQA") Guidelines section 15061(b)(3), this Commission action does not change the services or the planned service area of the subject agency. There is no possibility that the activity may have a significant impact on the environment. This action qualifies for a Notice of Exemption under CEQA.
- 5. The Commission hereby approves the 2020 Service and Sphere of Influence Review for CSA 60.
- 6. The Commission hereby approves the Service Review Determinations, as shown in Exhibit A attached hereto.
- 7. The Commission hereby approves the Sphere of Influence Determinations, as shown in Exhibit B attached hereto.

8. The Commission hereby defers action on the current sphere of influence until August 5, 2020, in order for the County Public Works Department and Huckleberry Island community to develop an action plan that will begin CSA 60's services and funding operations:
  - a. If an action plan is developed, the Commission will submit the action plan to the State Controller and consider reaffirming CSA 60's sphere boundary;
  - b. If an action plan is not developed, the Commission may consider adopting a "zero" sphere of influence for CSA 60.

PASSED AND ADOPTED by the Local Agency Formation Commission of Santa Cruz County this 4th day of March 2020.

AYES:

NOES:

ABSENT:

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ROGER W. ANDERSON, CHAIRPERSON

Attest:

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Joe A. Serrano  
Executive Officer

Approved as to form:

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Daniel H. Zazueta  
LAFCO Counsel

**EXHIBIT A**  
**2020 SERVICE REVIEW DETERMINATIONS**

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**1. Growth and population projections for the affected area.**

Official growth projections are not available for CSA 60. In general, the Santa Cruz County unincorporated areas are projected to have a slow growth over the next fifteen years. Under the assumption that there are 2.5 individuals per household, LAFCO staff estimates the current population of CSA 60 to be around 40. Based on the growth rate of approximately 1% for the unincorporated areas in the County, LAFCO staff projects that CSA 60's entire population in 2035 will be approximately 42.

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

Based on the criteria set forth by SB 244, staff's analysis indicates that there are no areas in CSA 60 designated as a disadvantaged unincorporated community.

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

CSA 60 was created by this Commission in August 5, 2015, to help fund replacement of a bridge and provide road maintenance. Due to some delays, the recordation of the CSA did not go into effect until December 5, 2017. Since then, County Public Works has indicated that no work has been done, no benefit assessments have been collected, and there are no current plans for bridge construction or road maintenance.

**4. Financial ability of agencies to provide services.**

The Board of Supervisors authorized a benefit assessment for CSA 60 on August 22, 2017. However, to this date, no benefit assessment funds have been collected from the Huckleberry Island community for CSA 60 services. As a result, there are no audited financial statements or adopted budgets.

**5. Status of, and opportunities for, shared facilities.**

CSA 60 is inactive. Staff encourages the County Public Works Department and Huckleberry Island community to develop an action plan that will begin CSA 60's services and funding operations. If such collaboration does not occur, CSA 60 may be subject to dissolution in accordance to Government Code Section 56879.

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

CSA 60 was formed in 2015 to provide funding for bridge replacement, road maintenance, and common area maintenance towards an unincorporated community known as "Huckleberry Island" in Brookdale. However, CSA 60 has remained inactive since inception.

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

No additional LAFCO policies are specifically relevant to this review.

**EXHIBIT B**  
2020 SPHERE OF INFLUENCE DETERMINATIONS

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

The Huckleberry Island community is located in a bend of the San Lorenzo River and includes undeveloped parcels that remain as open space. CSA 60 does not have any agricultural lands within the service area.

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

CSA 60 was formed in 2015 to provide funding for bridge replacement, road maintenance, and common area maintenance towards an unincorporated community known as "Huckleberry Island" in Brookdale. However, CSA 60 has remained inactive since inception.

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

CSA 60 is inactive. County Public Works has indicated that no work has been done, no benefit assessments have been collected, and there are no current plans for bridge construction or road maintenance.

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

LAFCO staff is not aware of any social or economic communities of interest in the area. The CSA's service area is primarily residential units.

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

CSA 60 does not provide services related to sewers, municipal and industrial water, or structural fire protection. Therefore, this determination is not applicable.



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**Santa Cruz Local Agency Formation Commission**

Date: March 4, 2020  
To: LAFCO Commissioners  
From: Joe Serrano, Executive Officer  
Subject: **Employee Performance Evaluations**

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**SUMMARY OF RECOMMENDATION**

The Commission reviews the performance of LAFCO staff on an annual basis. Recommendations from the Personnel Committee are also evaluated when considering changes to staff's salaries and benefits. Changes to these areas are discussed and voted upon in an open session. Any changes that occur to staff's salaries and benefits are implemented by resolution.

It is recommended that the Commission adopt the draft resolution (LAFCO No. 2020-07) approving the salary increases for LAFCO's Executive Officer and Secretary-Clerk.

---

**EXECUTIVE OFFICER'S REPORT:**

The Commission reviewed staff's performance evaluations in closed session during the February 5th LAFCO Meeting. After reconvening, the Commission indicated that the Executive Officer and Secretary-Clerk may be subject to a salary increase for their performance during the 2019 calendar year. The following section provides a summary of staff's recent evaluations.

Secretary-Clerk's Performance Evaluation

Historically, the Executive Officer has conducted a performance evaluation for the Secretary-Clerk without any supporting documentations on file. This year, staff created a performance evaluation form for the Secretary-Clerk to complete. This new process gave an opportunity for the Executive Officer and Secretary-Clerk to discuss her achievements in 2019 and goals for 2020. Additionally, this provides documentation for the Personnel Committee and Commission to justify any recommended salary increases. This internal review process will continue on an annual basis going forward.

In recent reviews, the Commission has typically set the Secretary-Clerk's salary to match the salary of Santa Cruz County employees working in the job title of "Senior Board Clerk", which is applied to the clerk for the Santa Cruz County Sanitation District. The Sanitation District has a higher budget, but the LAFCO Secretary-Clerk performs a broader range of tasks, including extensive interaction with the general public.

Last year, following the Personnel Committee's recommendations, the Commission approved a salary increase based on the approved raise to the County's Senior Board Clerk salary. If the Commission continues this practice, a proposed salary increase of 2.75% would be consistent with the County's raise to the Senior Board Clerk that occurred on September 21, 2019. This would increase the Secretary-Clerk salary from \$6,249 to \$6,421 per month.

### Executive Officer's Performance Evaluation

The Personnel Committee conducted a mid-year performance evaluation on September 4, 2019 to ensure that the new Executive Officer was fulfilling expectations. During that meeting, the Personnel Committee requested that a written narrative, outlining the Executive Officer's performance in 2019, be completed for review and discussion. A draft version of the written narrative was presented to the Personnel Committee on January 21. A final version of the written narrative was reviewed by the entire Commission during a closed session in February.

After reconvening from the closed session, the Chair indicated that the Executive Officer exceeded the Commission's expectations and earned a 3% salary increase. This change would increase the Executive Officer salary from \$11,667 to \$12,017 per month. The attached resolution outlines the proposed salary increases for the Executive Officer and Secretary-Clerk (see **Attachment 1**). If approved, the changes will go into effect starting March 4.

Respectfully Submitted,



Joe A. Serrano  
Executive Officer

Attachments:

1. Draft Resolution No. 2020-07

LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY  
RESOLUTION NO. 2020-07

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

RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION  
APPROVING THE ADJUSTMENTS TO STAFF’S SALARIES AND BENEFITS

\*\*\*\*\*

WHEREAS, on June 7, 2000, the Local Agency Formation Commission of Santa Cruz County (“Commission”) adopted a Personnel Policy specifying an annual process to review staff’s performance and their salaries and benefits; and

WHEREAS, pursuant to this Personnel Policy, the Personnel Committee conducted a performance evaluation for both the Executive Officer and Commission Clerk on January 21, 2020; and

WHEREAS, the Personnel Committee presented their findings and recommendations to the entire Commission during a Closed Session on February 5, 2020; and

WHEREAS, this Commission discussed the Personnel Committee’s report and determined that adjustment to staff’s salaries were warranted.

NOW, THEREFORE, BE IT RESOLVED that effective March 4, 2020, the Secretary-Clerk is granted a 2.75% increase in salary and the Executive Officer is granted a 3% increase in salary. The Auditor-Controller is requested to make the appropriate changes.

PASSED AND ADOPTED by the Local Agency Formation Commission of Santa Cruz County this 4th day of March 2020.

AYES:

NOES:

ABSENT:

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

Attest:

Approved as to form:

\_\_\_\_\_  
Joe A. Serrano  
Executive Officer

\_\_\_\_\_  
Daniel H. Zazueta  
LAFCO Counsel



**Santa Cruz Local Agency Formation Commission**

Date: March 4, 2020  
To: LAFCO Commissioners  
From: Joe Serrano, Executive Officer  
Subject: **Recruitment Process – New LAFCO Staff Member**

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**SUMMARY OF RECOMMENDATION**

The Santa Cruz LAFCO office consists of two staff members, including Debra Means as LAFCO’s Secretary-Clerk. Ms. Means is scheduled to retire in April 2021. The Commission experienced a successful recruitment process in 2019 after hiring a new Executive Officer. Staff believes that a similar recruitment process may also be beneficial. This staff report includes a recruitment schedule for Commission consideration.

It is recommended that the Commission approve the proposed recruitment process.

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**EXECUTIVE OFFICER’S REPORT:**

After 18 years of dedicated service, Debra Means plans on retiring from Santa Cruz LAFCO. While her retirement is well-deserved, it leaves staff with an upcoming vacancy. In order to have an efficient office, with proper “checks and balances,” it is critical to have a new staff member in place before Debra’s anticipated retirement date (April 30, 2021). Staff has developed a recruitment schedule, with 18 specific milestones, that will help guide us during the hiring process (refer to **Attachment 1**). Based on this schedule, solicitation of applications should be announced no later than April 6. A proposed advertisement of the job opening is also attached to this report (see **Attachment 2**).

Built-in Transition Period

When this Commission hired a new Executive Officer last year, a 3-month transition period was embedded in the hiring process. This allowed sufficient time for the new staff member to learn the internal and external dynamics of Santa Cruz LAFCO. The proposed recruitment schedule also includes a 3-month transition period. Staff believes this period will be valuable time spent between the current staff and the anticipated new hire.

Respectfully Submitted,

Joe A. Serrano  
Executive Officer

Attachments:

1. Recruitment Process (Tentative Schedule)
2. Now Hiring Advertisement (Draft Version)

Recruitment Process		
Step	Task	Deadline
1	<b>Performance Evaluations:</b> Personnel Committee will conduct performance evaluations	January 21, 2020
2	<b>Evaluations &amp; Upcoming Retirement:</b> Commission will review staff's evaluations and upcoming retirement during a Regular LAFCO Meeting (Closed Session)	February 5, 2020
3	<b>Recruitment Process:</b> Commission will review recruitment processes during a Regular LAFCO Meeting (Open Session)	March 4, 2020
4	<b>Draft Budget (FY 2020-21):</b> Commission will consider earmarking funds for recruitment process and the anticipated 3-month staffing overlap during a Regular LAFCO Meeting (Open Session)	April 1, 2020
5	<b>Application Deadline Begins:</b> LAFCO staff will distribute recruitment materials	April 6, 2020
6	<b>Final Budget (FY 2020-21):</b> Commission will consider finalizing earmarked funds for recruitment process and 3-month staffing overlap during a Regular LAFCO Meeting (Open Session)	May 6, 2020
7	<b>Employee Policy:</b> Commission will consider updating the policy, including staff descriptions, during a Regular LAFCO Meeting (Open Session)	June 3, 2020
8	<b>Application Deadline Ends:</b> LAFCO staff will close the application proceedings	June 30, 2020
9	<b>Applications Screened:</b> LAFCO staff will review and filter applications	July 2020
10	<b>Conduct Interviews:</b> Personnel Committee and LAFCO staff will conduct interviews	Aug - Sept 2020
11	<b>Consider Top Candidates:</b> Commission will review the top candidates during a Regular LAFCO Meeting (Closed Session)	October 7, 2020
12	<b>Hiring Process Begins:</b> Complete hiring steps (contact individual references, complete background checks, etc.)	Oct - Nov 2020
13	<b>Hiring Process Ends:</b> Offer job to top candidate	Dec 2020 - Jan 2021
14	<b>Introduction of New Staff Member:</b> Commission will meet new staff member during a Regular LAFCO Meeting (Open Session)	February 3, 2021
15	<b>Transition Period Begins:</b> LAFCO staff will begin the 3-month training period	February 8, 2021
16	<b>CALAFCO Staff Workshop:</b> New Hire attends CALAFCO conference to learn more about LAFCO's roles and responsibilities	March 2021
17	<b>Transition Period Ends:</b> LAFCO staff will conclude the 3-month training period	April 30, 2021
18	<b>Debra's Retirement:</b> Debra Means anticipated retirement date	April 30, 2021

*Foonote - For discussion purposes; dates subject to change*

# Local Agency Formation Commission of Santa Cruz County

*Are you interested in local government?*

*Are you passionate about public service?*

Santa Cruz LAFCO invites you to apply for the position of:

## *Commission Clerk*

*Santa Cruz LAFCO provides oversight over local governments to make Santa Cruz County a great place to live and work by balancing the preservation of agriculture and open space with the provision of sustainable municipal services and ensuring the orderly growth of local agencies including cities, special districts, and county service areas.*

**Apply Today:**

701 Ocean Street, Room 318-D,  
Santa Cruz CA 95060

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

(831) 454-2055



**Application Deadline: June 30, 2020**

## WHAT IS LAFCO?

The Local Agency Formation Commission, better known as LAFCO, was established in each county by State law. Santa Cruz LAFCO operates independently from the Cities, the County, and the State government to regulate the boundaries and service areas of the 4 cities, 23 independent districts, and 55 dependent districts in Santa Cruz County. The Commission, an 11-member board representing local agencies throughout the county, provides guidance to LAFCO staff in conducting service reviews, spheres of influence updates, and other studies to analyze options for improving the delivery of municipal services, such as water, sewer, and fire protection.

## THE POSITION

Under general direction, Commission Clerk provides a full range of administrative and secretarial services to Santa Cruz LAFCO involving a variety of matters that are complex and technical. Other roles include planning, organizing and managing office activities, and performing other related duties as required. This “at will” position is appointed by and serves at the pleasure of the LAFCO Executive Officer and the Commission.

### Typical Tasks include:

- Assemble LAFCO meeting agenda packets and notices of meetings; record LAFCO meetings and prepare resulting documents including minutes and resolutions;
- Develop, maintain and update LAFCO files and records systems for tracking applications, project activities, contracts, and other records;
- Requisition supplies and services and maintain records of expenditures;
- Prepare and proof correspondence, memoranda and other written materials;
- Track correspondence, filings, and materials with deadlines and expiration dates;
- Handle a wide variety of correspondence which requires knowledge of policies and procedures and research skills;
- Answer and screen telephone calls and visitors; and
- Serve as liaison between the Executive Officer, officials and staff, and the public and interact with Commissioners.

## THE QUALIFICATIONS

The Commission Clerk performs a wide variety of administrative and secretarial duties for Santa Cruz LAFCO, and reports to the LAFCO Executive Officer. The position requires a high degree of judgment, tact and discretion. This position is distinguished by the level of independence exercised by the Commission Clerk in maximizing the effective use of the Executive Officer’s time by screening calls and mail, coordinating office and clerical functions and relieving the Executive Officer of administrative detail.

**The ideal candidate will:**

- Possess strong interpersonal and public relations skills;
- Exercise discretion, good judgement and integrity in representing LAFCO;
- Demonstrate excellent written and verbal communication skills;
- Possess excellent follow-through and time management skills;
- Possess relevant office/computer skills to use a variety of equipment such as computers, copy machines and software programs (i.e. Microsoft Office); and
- Possess experience or understanding of local government, including LAFCO's role and responsibilities.

**Minimum Qualifications include:**

- Equivalent to graduation from a four-year college with an emphasis in administration, business or other related fields;
- Possession of a valid California Driver's License; and
- Three (3) years' experience related to the essential functions, knowledge and skills in administration. Up to four years of college may be substituted for three years of experience. Experience in working in a local government environment, including serving a clerk to a board or commission, would be highly desirable.

**SALARY & BENEFITS**

The salary range is \$55,000 to \$75,000. Within the range, the starting salary will be based upon experience and qualifications.

Santa Cruz LAFCO provides a benefit package that includes:

- CalPERS pension consistent with the Public Employees' Pension Reform Act;
- Social security;
- Medical insurance through CalPERS, employees pay part of the cost;
- Dental and vision insurance through Santa Cruz County;
- \$50,000 life insurance coverage, and long-term disability insurance;
- Vacation & Sick Time Leave; and
- 457 Deferred Compensation account is available through CalPERS.

## TO APPLY

To apply, email a cover letter and a resume so that they are received no later than **4:00 p.m. on Tuesday, June 30, 2020** to Joe A. Serrano, [joe@santacruzlafco.org](mailto:joe@santacruzlafco.org). To inquire about the job, please contact Mr. Serrano via email or phone (831) 454-2055.

Tentative Schedule	
Application Deadline Begins	April 6, 2020
Application Deadline Ends	June 30, 2020
Screening of Applications	July 2020
Interviews	August – September 2020

## CERTIFICATE OF APPLICANT

I hereby certify that all statements made in this application are true and I authorize investigation of all matters contained in this application. I understand that any misstatement or omission of material fact on this application will cause forfeiture on my part of employment with LAFCO of Santa Cruz County, and if employed, I will be terminated. I further agree to be fingerprinted, to submit to a complete medical examination by a County physician and to furnish such proof of age and citizenship as may be required.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Date



**Santa Cruz Local Agency Formation Commission**

Date: March 4, 2020  
To: LAFCO Commissioners  
From: Joe Serrano, Executive Officer  
Subject: **Legislative Update**

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**SUMMARY OF RECOMMENDATION**

LAFCO staff tracks bills during the legislative session and provides periodic updates. The Commission may take a position on any tracked bill. This agenda item is for informational purposes only and does not require any action at this time. Therefore, it is recommended that the Commission receive and file the Executive Officer's report.

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**EXECUTIVE OFFICER'S REPORT:**

The California Legislature reconvened the second year of a two-year cycle on January 6. Over 650 new bill proposals were introduced prior to the February 21 deadline for non-committee proposals. All bill proposals must pass out of the house of origin (Assembly or Senate) no later than May 29. Afterwards, all bills must pass through both houses by August 31 with a 30-day period for the Governor to either sign or veto passed bills. The website for additional bill information is <http://leginfo.legislature.ca.gov/>.

Tracked Bills

The California Association of LAFCOs (CALAFCO) monitors legislative matters that may impact the Commission's ability to effectively administer its regulatory responsibilities. At present, there are 21 bills that directly or indirectly impact LAFCOs. An overview of each of the 21 tracked bills is attached (refer to **Attachment 1**). Staff is currently watching these bills, including AB 1253 which may be reintroduced this year. As you may recall, AB 1253 would provide grant funding to LAFCOs to dissolve small districts and study reorganizations of local governmental services. Adoption of an official position on this bill or other bills may be considered by the Commission at the next regularly scheduled LAFCO meeting (April 1).

CALAFCO has also provided two newsletters from Hurst, Brooks, & Espinosa LLC that offers a detailed overview of other legislative activities, shown in **Attachment 2**.

Respectfully Submitted,

Joe A. Serrano  
Executive Officer

Attachment:

1. Tracking Sheet of LAFCO-related Bills (as of February 18)
2. Legislative Newsletters from Hurst, Brooks, & Espinosa LLC

**CALAFCO Daily Legislative Report  
as of Tuesday, February 18, 2020**

1

**AB 315 (Garcia, Cristina D) Local government: lobbying associations: expenditure of public funds.**

**Current Text:** Amended: 1/6/2020 [html](#) [pdf](#)

**Introduced:** 1/30/2019

**Last Amended:** 1/6/2020

**Status:** 2/3/2020-From committee: Filed with the Chief Clerk pursuant to Joint Rule 56.

Dead	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:**

Current law authorizes the legislative body of a local agency, defined as a county, city, or city and county, or a district, defined broadly to include other political subdivisions or public corporations in the state other than the state or a county, city and county, or city, to attend the Legislature and the Congress of the United States, and any committees thereof, and to present information regarding legislation that the legislative body or the district deems to be beneficial or detrimental to the local agency or the district. Current law also authorizes the legislative body of a local agency or a district to enter into an association for these purposes and specifies that the cost and expense incident to the legislative body’s or district’s membership in the association and the activities of the association are proper charges against the local agencies or districts comprising the association. This bill, with respect to moneys paid to or otherwise received by an association from a local agency or district member of the association, would prohibit an association of local agencies or districts from expending those moneys for any purpose other than the above-described activities and educational activities.

**Position:** Oppose

**CALAFCO Comments:** As gut and amended, this bill will have significant impact to CALAFCO in the uses of member LAFCo and certain Associate Member dues being limited to only direct educational activities or lobbying efforts (this means all administrative efforts not related to these two things including all travel not related to education or lobbying or public education campaign regarding LAFCo will have to cease).

CALAFCO joined a coalition of stakeholders to oppose the bill ahead of the January 15 hearing date in ALGC which was cancelled by the author.

**AB 1253 (Rivas, Robert D) Local agency formation commissions: grant program.**

**Current Text:** Introduced: 2/21/2019 [html](#) [pdf](#)

**Introduced:** 2/21/2019

**Status:** 7/10/2019-Failed Deadline pursuant to Rule 61(a)(10). (Last location was GOV. & F. on 6/6/2019)(May be acted upon Jan 2020)

Desk	Policy	Fiscal	Floor	Desk	2 year	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:**

This bill would require the Strategic Growth Council, until July 31, 2025, to establish and administer a local agency formation commissions grant program for the payment of costs associated with initiating and completing the dissolution of districts listed as inactive, the payment of costs associated with a study of the services provided within a county by a public agency to a disadvantaged community, as defined, and for other specified purposes, including the initiation of an action, as defined, that is limited to service providers serving a disadvantaged community and is based on determinations found in the study, as approved by the commission. The bill would specify application submission, reimbursement, and reporting requirements for a local agency formation commission to receive grants pursuant to the bill. The bill would require the council, after consulting with the California Association of Local Agency Formation Commissions, to develop and adopt guidelines, timelines, and application and reporting criteria for development and implementation of the program, as specified, and would exempt these guidelines, timelines, and criteria from the rulemaking provisions of the Administrative Procedure Act. The bill would make the grant program subject to an appropriation for the program in the annual Budget Act, and would repeal these provisions on January 1, 2026. This bill contains other existing laws.

**Attachments:**

- [LAFCo Support Letter Template](#)
- [CALAFCO Support letter Feb 2016](#)

**Position:** Sponsor

**Subject:** Disadvantaged Communities, LAFCo Administration, Municipal Services, Special District Consolidations

**CALAFCO Comments:** This is a CALAFCO sponsored bill following up on the recommendation of the Little Hoover Commission report of 2017 for the Legislature to provide LAFCOs one-time grant funding for in-depth studies of potential reorganization of local service providers. Last year, the Governor vetoed AB 2258 - this is the same bill. The Strategic Growth Council (SGC) will administer the grant program. Grant funds will be used specifically for conducting special studies to identify and support opportunities to create greater efficiencies in the provision of municipal services; to potentially initiate actions based on those studies that remove or reduce local costs thus incentivizing local agencies to work with the LAFCo in developing and implementing reorganization plans; and the dissolution of inactive districts (pursuant to SB 448, Wieckowski, 2017). The grant program would sunset on July 31, 2024.

The bill also changes the protest threshold for LAFCo initiated actions, solely for the purposes of actions funded pursuant to this new section. It allows LAFCo to order the dissolution of a district (outside of the ones identified by the SCO) pursuant to Section 11221 of the Elections code, which is a tiered approach based on registered voters in the affected territory (from 30% down to 10% depending).

The focus is on service providers serving disadvantaged communities. The bill also requires LAFCo pay back grant funds in their entirety if the study is not completed within two years and requires the SGC to give preference to LAFCOs whose decisions have been aligned with the goals of sustainable communities strategies.

We were unsuccessful in getting the \$1.5 M into the budget so the author has decided to make this a 2-year bill and try again in the next budget in a budget trailer bill.

**[AB 1389](#) (Eggman D) Special districts: change of organization: mitigation of revenue loss.**

**Current Text:** Introduced: 2/22/2019 [html](#) [pdf](#)

**Introduced:** 2/22/2019

**Status:** 2/3/2020-From committee: Filed with the Chief Clerk pursuant to Joint Rule 56.

Dead	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:**

Would authorize the commission to propose, as part of the review and approval of a proposal for the establishment of new or different functions or class of services, or the divestiture of the power to provide particular functions or class of services, within all or part of the jurisdictional boundaries of a special district, that the special district, to mitigate any loss of property taxes, franchise fees, and other revenues to any other affected local agency, provide payments to the affected local agency from the revenue derived from the proposed exercise of new or different functions or classes of service.

**Position:** Watch

**Subject:** CKH General Procedures

**CALAFCO Comments:** This bill allows LAFCo, when approving a proposal for new or different functions or class of service for a special district, to propose the district provide payments to any affected local agency for taxes, fees or any other revenue that may have been lost as a result of the new service being provided.

**[AB 1751](#) (Chiu D) Water and sewer system corporations: consolidation of service.**

**Current Text:** Amended: 7/5/2019 [html](#) [pdf](#)

**Introduced:** 2/22/2019

**Last Amended:** 7/5/2019

**Status:** 8/30/2019-Failed Deadline pursuant to Rule 61(a)(12). (Last location was APPR. SUSPENSE FILE on 8/12/2019)(May be acted upon Jan 2020)

Desk	Policy	Fiscal	Floor	Desk	Policy	2 year	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:**

The California Safe Drinking Water Act provides for the operation of public water systems and

imposes on the State Water Resources Control Board related responsibilities and duties. Current law authorizes the state board to order consolidation of public water systems where a public water system or state small water system serving a disadvantaged community consistently fails to provide an adequate supply of safe drinking water, as provided. This bill, the Consolidation for Safe Drinking Water Act of 2019, would authorize a water or sewer system corporation to file an application and obtain approval from the commission through an order authorizing the water or sewer system corporation to consolidate with a public water system or state small water system that has fewer than 3,300 service connections and serves a disadvantaged community, or to implement rates for the subsumed water system.

**Position:** Watch

**Subject:** Water

**CALAFCO Comments:** This bill would authorize a water or sewer system corporation to file an application and obtain approval from the PUC through an order authorizing the water or sewer system corporation to consolidate with a public water system or state small water system that has fewer than 3,300 service connections and serves a disadvantaged community, or to implement rates for the subsumed water system. The bill would require the commission to approve or deny the app. Unless the commission designates a different procedure because it determines a consolidation warrants a more comprehensive review, the bill would authorize a water or sewer system corporation to instead file an advice letter and obtain approval from the commission through a resolution authorizing the water or sewer system corporation to consolidate with a public water system or state small water system that has fewer than 3,300 service connections and serves a disadvantaged community, or to implement rates for the subsumed water system.

**AB 1850 (Gonzalez D) Employee classification.**

**Current Text:** Amended: 2/14/2020 [html](#) [pdf](#)

**Introduced:** 1/6/2020

**Last Amended:** 2/14/2020

**Status:** 2/14/2020- Referred to Com. on L. & E. From committee chair, with author's amendments: Amend, and re-refer to Com. on L. & E. Read second time and amended.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chapters
1st House				2nd House							

**Summary:**

Current statutory law establishes that, for purposes of the Labor Code, the Unemployment Insurance Code, and the wage orders of the Industrial Welfare Commission, a person providing labor or services for remuneration is considered an employee rather than an independent contractor unless the hiring entity demonstrates that the "ABC" test is met. Current law charges the Labor Commissioner with the enforcement of labor laws, including worker classification. Current law exempts specified occupations and business relationships from the application of Dynamex and these provisions. Current law instead provides that these exempt relationships are governed by the multifactor test previously adopted in the case of S. G. Borello & Sons, Inc. v. Department of Industrial Relations (1989) 48 Cal.3d 341. This bill would recast and reorganize those statutory provisions and would make nonsubstantive changes.

**Position:** Watch

**AB 2093 (Gloria D) Public records: writing transmitted by electronic mail: retention.**

**Current Text:** Introduced: 2/5/2020 [html](#) [pdf](#)

**Introduced:** 2/5/2020

**Status:** 2/6/2020-From printer. May be heard in committee March 7.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chapters
1st House				2nd House							

**Summary:**

Would, unless a longer retention period is required by statute or regulation, or established by the Secretary of State pursuant to the State Records Management Act, require a public agency, for purposes of the California Public Records Act, to retain and preserve for at least 2 years every public record, as defined, that is transmitted by electronic mail.

**Position:** Watch

**Subject:** Public Records Act

**SB 272 (Morrell R) Fire Protection District Law of 1987.**

**Current Text:** Amended: 4/4/2019 [html](#) [pdf](#)

**Introduced:** 2/13/2019

**Last Amended:** 4/4/2019

**Status:** 2/3/2020-Returned to Secretary of Senate pursuant to Joint Rule 56.

Dead	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:**

The Fire Protection District Law of 1987 provides that whenever a district board determines that it is in the public interest to provide different services, to provide different levels of service, or to raise additional revenues within specific areas of the district, it may form one or more service zones by adopting a resolution that includes specified information, fixing the date, time, and place for public hearing on the formation of the zone, publishing notice, as specified, hearing and considering any protests to the formation of the zone at the hearing, and, at the conclusion of the hearing, adopting a resolution ordering the formation of the zone. If a resolution adopted after the public hearing would substantially expand the provision of services outside of an existing service zone and the extension of service would result in those persons in the expanded area paying charges for the expansion of services, this bill would provide that the resolution does not become effective unless approved by a majority of the voters within the expanded service area.

**Position:** Watch

**CALAFCO Comments:** As amended, the bill amends the Health & Safety code regarding the formation of zones within a fire protection district by requiring the district hold an election, regardless of the protest level, if the district wants to substantially expand (as defined in the bill) services outside the zone. This is unrelated to 56133. CALAFCO will retain a Watch position.

**SB 414 (Caballero D) Small System Water Authority Act of 2019.**

**Current Text:** Amended: 6/25/2019 [html](#) [pdf](#)

**Introduced:** 2/20/2019

**Last Amended:** 6/25/2019

**Status:** 8/30/2019-Failed Deadline pursuant to Rule 61(a)(12). (Last location was APPR. SUSPENSE FILE on 8/21/2019)(May be acted upon Jan 2020)

Desk	Policy	Fiscal	Floor	Desk	Policy	2 year	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:**

Would create the Small System Water Authority Act of 2019 and state legislative findings and declarations relating to authorizing the creation of small system water authorities that will have powers to absorb, improve, and competently operate noncompliant public water systems. The bill, no later than March 1, 2020, would require the state board to provide written notice to cure to all public agencies, private water companies, or mutual water companies that operate a public water system that has either less than 3,000 service connections or that serves less than 10,000 people, and are not in compliance, for the period from July 1, 2018, through December 31, 2019, with one or more state or federal primary drinking water standard maximum contaminant levels, as specified.

**Position:** Support

**Subject:** Water

**CALAFCO Comments:** This bill is very similar to AB 2050 (Caballero) from 2018. Several changes have been made. This bill is sponsored by Eastern Municipal Water District and the CA Municipal Utilities Assoc. The intent is to give the State Water Resources Control Board (SWRCB) authority to mandate the dissolution of existing drinking water systems (public, mutual and private) and authorize the formation of a new public water authority. The focus is on non contiguous systems. The SWRCB already has the authority to mandate consolidation of these systems, this will add the authority to mandate dissolution and formation of a new public agency.

LAFCo will be responsible for dissolving any state mandated public agency dissolution, and the formation of the new water authority. The SWRCB's appointed Administrator will act as the applicant on behalf of the state. LAFCo will have ability to approve with modifications the application, and the new agency will have to report to the LAFCo annually for the first 3 years.

**SB 928 (Committee on Governance and Finance) Validations.**

**Current Text:** Introduced: 2/5/2020 [html](#) [pdf](#)

**Introduced:** 2/5/2020

**Status:** 2/12/2020-Referrred to Com. on GOV. & F.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:**

This bill would enact the First Validating Act of 2020, which would validate the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities.

**Position:** Watch

**CALAFCO Comments:** This is the first of three annual validating acts.

**[SB 929](#) (Committee on Governance and Finance) Validations.**

**Current Text:** Introduced: 2/5/2020 [html](#) [pdf](#)

**Introduced:** 2/5/2020

**Status:** 2/12/2020-Referred to Com. on GOV. & F.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:**

This bill would enact the Second Validating Act of 2020, which would validate the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities.

**Position:** Watch

**CALAFCO Comments:** This is the second of three annual validating acts.

**[SB 930](#) (Committee on Governance and Finance) Validations.**

**Current Text:** Introduced: 2/5/2020 [html](#) [pdf](#)

**Introduced:** 2/5/2020

**Status:** 2/12/2020-Referred to Com. on GOV. & F.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:**

This bill would enact the Third Validating Act of 2020, which would validate the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities.

**Position:** Watch

**CALAFCO Comments:** This is the third of three annual validating acts.

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**2**

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**[AB 213](#) ([Reyes D](#)) Local government finance: property tax revenue allocations: vehicle license fee adjustments.**

**Current Text:** Introduced: 1/15/2019 [html](#) [pdf](#)

**Introduced:** 1/15/2019

**Status:** 8/30/2019-Failed Deadline pursuant to Rule 61(a)(12). (Last location was APPR. SUSPENSE FILE on 8/19/2019)(May be acted upon Jan 2020)

Desk	Policy	Fiscal	Floor	Desk	Policy	2 year	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:**

Would, for the 2019–20 fiscal year, require the vehicle license fee adjustment amount to be the sum of the vehicle license fee adjustment amount in the 2018–19 fiscal year, the product of that sum and the percentage change in gross taxable assessed valuation within the jurisdiction of that entity between the 2018–19 fiscal year to the 2018–19 fiscal year, and the product of the amount of specified motor vehicle license fee revenues that the Controller allocated to the applicable city in July 2010 and 1.17.

**Attachments:**

[CALAFCO Support Letter](#)

**Position:** Support

**Subject:** Tax Allocation

**CALAFCO Comments:** Sponsored by the League, this bill will reinstate ERAF funding for inhabited annexations. This bill is the same as AB 2268 (Reyes) from 2018.

**[AB 818](#) ([Cooley D](#)) Local government finance: vehicle license fee adjustment amounts.**

**Current Text:** Introduced: 2/20/2019 [html](#) [pdf](#)**Introduced:** 2/20/2019**Status:** 2/3/2020-From committee: Filed with the Chief Clerk pursuant to Joint Rule 56.

Dead	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:**

Current property tax law, for the 2006–07 fiscal year, and for each fiscal year thereafter, requires the vehicle license fee adjustment amount to be the sum of the vehicle license fee adjustment amount for the prior fiscal year, if specified provisions did not apply, and the product of the amount as so described and the percentage change from the prior fiscal year in the gross taxable valuation within the jurisdiction of the entity. Current law establishes a separate vehicle license fee adjustment amount for a city that was incorporated after January 1, 2004, and on or before January 1, 2012. This bill would establish a separate vehicle license fee adjustment amount for a city incorporating after January 1, 2012, including an additional separate vehicle license fee adjustment amount for the first fiscal year of incorporation and for the next 4 fiscal years thereafter.

**Attachments:**[LAFCo Support letter template](#)[CALAFCO Support March 2019](#)**Position:** Support**Subject:** Financial Viability of Agencies**CALAFCO Comments:** Sponsored by the League, this bill will reinstate ERAF funding for cities incorporating after 2018. This is the same bill as AB 2491 from 2018.**[AB 1304](#) (Waldron R) Water supply contract: Native American tribes.****Current Text:** Amended: 5/6/2019 [html](#) [pdf](#)**Introduced:** 2/22/2019**Last Amended:** 5/6/2019**Status:** 7/12/2019-Failed Deadline pursuant to Rule 61(a)(11). (Last location was N.R. & W. on 5/29/2019)(May be acted upon Jan 2020)

Desk	Policy	Fiscal	Floor	Desk	2 year	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:**

Current law provides for the establishment and operations of various water districts. This bill would specifically authorize a water district, as defined, to enter into a contract with a Native American tribe to receive water deliveries from an infrastructure project on tribal lands. The bill would repeal its provisions on January 1, 2025.

**Position:** Watch**Subject:** Municipal Services, Water**CALAFCO Comments:** This bill amends the water code to allow a Native American tribe to sell/deliver water to a water district (as defined in the water code section 20200). The bill sunsets on January 1, 2025.

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**[AB 134](#) (Bloom D) Safe Drinking Water Restoration.****Current Text:** Amended: 5/20/2019 [html](#) [pdf](#)**Introduced:** 12/5/2018**Last Amended:** 5/20/2019**Status:** 7/10/2019-Failed Deadline pursuant to Rule 61(a)(10). (Last location was E.Q. on 6/12/2019)(May be acted upon Jan 2020)

Desk	Policy	Fiscal	Floor	Desk	2 year	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:**

Would require the State Water Resources Control Board to report to the Legislature by July 1, 2025, on its progress in restoring safe drinking water to all California communities and to create an internet website that provides data transparency for all of the board's activities described in this measure. The bill would require the board to develop metrics to measure the efficacy of the fund in ensuring safe and affordable drinking water for all Californians.

**Position:** Watch**Subject:** Water**[AB 1053](#) ([Dahle R](#)) **Fallen Leaf Lake Community Service District.******Current Text:** Amended: 3/25/2019 [html](#) [pdf](#)**Introduced:** 2/21/2019**Last Amended:** 3/25/2019**Status:** 7/12/2019-Failed Deadline pursuant to Rule 61(a)(11). (Last location was GOV. & F. on 5/22/2019)(May be acted upon Jan 2020)

Desk	Policy	Fiscal	Floor	Desk	2 year	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:**

Would prohibit, on and after January 1, 2020, the Fallen Leaf Lake Community Services District from providing any services or facilities except fire protection, including medical response and emergency services, and parks and recreation services or facilities.

**Position:** Watch**CALAFCO Comments:** CALAFCO will watch this bill to determine if the outcome of the State Audit on this district will have an impact on all CSDs.**[AB 1457](#) ([Reyes D](#)) **Omnitrans Transit District.******Current Text:** Amended: 5/24/2019 [html](#) [pdf](#)**Introduced:** 2/22/2019**Last Amended:** 5/24/2019**Status:** 7/10/2019-Failed Deadline pursuant to Rule 61(a)(10). (Last location was GOV. & F. on 6/25/2019)(May be acted upon Jan 2020)

Desk	Policy	Fiscal	Floor	Desk	2 year	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:**

Would create the Omnitrans Transit District in the County of San Bernardino. The bill would provide that the jurisdiction of the district would initially include the Cities of Chino, Chino Hills, Colton, Fontana, Grand Terrace, Highland, Loma Linda, Montclair, Ontario, Rancho Cucamonga, Redlands, Rialto, San Bernardino, Upland, and Yucaipa, and specified portions of the unincorporated areas of the County of San Bernardino. The bill would authorize other cities in the County of San Bernardino to subsequently join the district.

**Attachments:**[CALAFCO Oppose unless amended letter April 2019](#)**Position:** Neutral**CALAFCO Comments:** This is a special act district formation. The bill takes what is currently a JPA and transforms it into a special district. CALAFCO has been working with the author and sponsor on amendments and the May 24 version addresses the vast majority of concerns. CALAFCO continues to work with the author and sponsor on minor technical amendments.**[AB 2148](#) ([Quirk D](#)) **Climate change: adaptation: regional plans.******Current Text:** Introduced: 2/10/2020 [html](#) [pdf](#)**Introduced:** 2/10/2020**Status:** 2/11/2020-From printer. May be heard in committee March 12.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:**

Current law establishes the Integrated Climate Adaptation and Resiliency Program, administered by the Office of Planning and Research, to coordinate regional and local efforts with state climate adaptation strategies to adapt to the impacts of climate change, as specified. This bill would state the intent of the Legislature to enact legislation that would foster regional-scale adaptation, as specified; give regions a time to develop their regional plans, as specified; and consider, among other things, sea level rise and fire vulnerability.

**Position:** Watch**Subject:** Climate Change**[SB 654](#) ([Moorlach R](#)) **Local government: planning.******Current Text:** Introduced: 2/22/2019 [html](#) [pdf](#)

**Introduced:** 2/22/2019

**Status:** 2/3/2020-Returned to Secretary of Senate pursuant to Joint Rule 56.

Dead	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:**

Current law, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, makes certain findings and declarations relating to local government organizations, including, among other things, the encouragement of orderly growth and development, and the logical formation and modification of the boundaries of local agencies, as specified. This bill would make nonsubstantive changes to these findings and declarations.

**Position:** Watch

**CALAFCO Comments:** This is a spot bill. The author indicates he has no plans to use this for LAFCo law.

**SB 799 (Dodd D) Local agency services: contracts: Counties of Napa and San Bernardino.**

**Current Text:** Introduced: 1/7/2020 [html](#) [pdf](#)

**Introduced:** 1/7/2020

**Status:** 1/15/2020-Referred to Com. on GOV. & F.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:**

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 establishes a pilot program under which the commissions in the Counties of Napa and San Bernardino, upon making specified determinations at a noticed public hearing, may authorize a city or district to provide new or extended services outside its jurisdictional boundary and outside its sphere of influence to support existing or planned uses involving public or private properties, as provided. Current law repeals this pilot program as of January 1, 2021. This bill would delete the January 1, 2021, repeal date with regard to the pilot program, thereby continuing its operation indefinitely.

**Position:** Watch

**Subject:** CKH General Procedures

**CALAFCO Comments:** Originally created as a pilot program for San Bernardino and Napa LAFCos in 56133.5, the program is set to sunset January 1, 2021. This bill seeks to eliminate that sunset.

**SB 931 (Wieckowski D) Local government meetings: agenda and documents.**

**Current Text:** Introduced: 2/5/2020 [html](#) [pdf](#)

**Introduced:** 2/5/2020

**Status:** 2/12/2020-Referred to Com. on GOV. & F.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

**Summary:**

The Ralph M. Brown Act requires meetings of the legislative body of a local agency to be open and public and also requires regular and special meetings of the legislative body to be held within the boundaries of the territory over which the local agency exercises jurisdiction, with specified exceptions. Current law authorizes a person to request that a copy of an agenda, or a copy of all the documents constituting the agenda packet, of any meeting of a legislative body be mailed to that person. This bill would require a legislative body to email a copy of the agenda or a copy of all the documents constituting the agenda packet if so requested. By requiring local agencies to comply with these provisions, this bill would impose a state-mandated local program.

**Position:** Watch

**CALAFCO Comments:** This bill updates the Government Code to require a public agency to email the agenda or agenda items to anyone who requests it (current law requires the mailing of such documents upon request, this bill adds the option to email if requested).

Total Measures: 21

Total Tracking Forms: 21

# This Week in Sacramento

INFORMATION & INSIGHTS FROM HURST BROOKS ESPINOSA ■ WEEK OF FEBRUARY 10, 2020

## Assembly Budget Subcommittee Kicks Tires on Governor's Homelessness Proposal

The Assembly Budget [Subcommittee No. 6](#) on Budget Process Oversight and Program Review convened in San Francisco Thursday morning for the first hearing on the [Governor's homelessness proposals](#) since the release of the January State Budget. Recall that in his 2020-21 budget, the Governor proposes to (1) create a new program – the California Access to Housing and Services Fund (CAHS) – overseen by the Department of Social Services (DSS) and (2) make a one-time investment of \$750 million to fund various activities to curb street homelessness such as rental subsidies, the development or rehabilitation of affordable housing units, and investing in board and care facilities, to name a few. The [hearing agenda](#) also included a review of existing homelessness investments and programs including the Homeless Emergency Aid Program (HEAP) and the Homeless, Housing, Assistance and Prevention Program (HHAP) which are relatively new state programs as well, having only been established in 2018 and 2019, respectively.

While the severity of the homelessness crisis was not in dispute during the hearing, nor was the idea of investing additional general fund support to help solve the problem in the 2020-21 budget, the committee members were not convinced that creating another new program was the most effective next step for the state. Not only were they left wanting in terms of additional details on the Governor's proposal (what gaps does this new program fill that are not provided via existing programs, who will serve as regional administrators, why does the state need regional administrators, etc.), they were also concerned about the a lack of an overall vision for the state to comprehensively address homelessness. In fact, the Legislative Analyst's Office (LAO) released a [report on the Governor's homelessness proposals](#) earlier this week that raised the same concern and advised the Legislature to take one-time action this year by investing in existing homelessness mechanisms unless a clear strategy is developed in the next few months. (Have a look at the LAO's [handout](#) from this week's hearing as well.)

### Worth Noting: Senate Plans to Hold 10 Hearings on Wildfires and Related Issues

Senate President pro Tempore Toni Atkins announced this week the upper house's intention to hold ten oversight hearings over the next few months focused on enforced power shutoffs, the solvency of utilities, as well as impacts of wildfires on access to the insurance market. Per Senator Atkins, the purpose of the series of hearings is to produce a package of bills representing a "comprehensive wildfire climate action plan."

Specific hearing topics will be organized by committee jurisdiction as follows:

- ✦ *Senate Energy, Utilities and Communications Committee:* avoiding blackouts (Public Safety Power Shutoffs), exploring alternative business models for utilities, and overseeing the Public Utilities Commission
- ✦ *Senate Insurance Committee:* options for homeowners insurance in fire-prone areas
- ✦ *Senate Natural Resources and Water Committee:* considering the relative costs of taking action versus inaction.

At one point during the hearing, the Chair of the Assembly Budget Committee, Assembly Member Phil Ting noted that given the lack of more detailed information from the Administration, additional hearings were in order and more hearings are already scheduled. Next up, the Assembly Budget Subcommittee No. 1 on Health and Human Services and No. 4 on State Administration meet jointly to discuss the Governor's proposal on Wednesday, February 19. The full Senate Budget and Fiscal Review Committee will convene the following week for an informational hearing on housing and homelessness.

## **Managed Care Organization Tax – Take Two**

The Department of Health Care Services (DHCS) resubmitted a revised Managed Care Organization (MCO) tax to the Centers for Medicare and Medicaid Services (CMS) this week. The state believes the revised MCO tax will meet concerns raised by CMS with the first version that was submitted last fall. Please note that the revised MCO tax will raise approximately \$1.5 billion in revenue, which is about \$400 million less than the original submission.

## **Quick Takes on This Week's Informational Hearings**

### **INFECTIOUS DISEASES**

The Assembly Select Committee on Infectious Disease held a hearing this week to discuss rising rates of HIV, hepatitis C and Sexually Transmitted Diseases (STDs). The Committee invited state officials from the California Department of Public Health (CDPH), DHCS, and California Department of Corrections and Rehabilitation to talk about state efforts. CDPH is working on a statewide plan for HIV, hepatitis C and STDs. They heard from two subsequent of providers talking about challenges. Issues raised include: 1) where individuals are tested v. where individuals receive care (which may occur in different jurisdictions and impacts funding), 2) transportation, 3) slow funding streams, 4) training medical staff, 5) behavioral health referrals, 6) challenges with public health workforce and infrastructure, 7) health system transformation, 8) mandatory HIV testing, 9) need for PrEP navigators, and 10) stigma. Assembly Member Mike Gipson raised concerns about lack of coordination at the state level.

Panelists talked about legislative and budget efforts this year to address the rise in HIV, hepatitis C, and STDs, including the End the Epidemics coalition effort to secure \$50 million in ongoing state General Fund, SB 859 – Senator Scott Wiener's bill to create a master plan to end HIV, hepatitis C, and STDs – and local health departments' \$20 million request to assist with navigation and connection to services for individuals with multiple or reoccurring STDs.

### **VAPING**

The Senate Health Committee held an informational hearing this week on the rise in vaping. The Committee heard presentations on vaping rates and state efforts to address vaping products use and emerging health effects. The Committee also invited a panel of locals to talk about local government policies to decrease vaping, which included the health officers from San Francisco and Contra Costa counties and the Director of Public Health from Contra Costa County. More than 70 local governments have enacted flavor bans in California. Hearing materials can be accessed [here](#).

## **PUBLIC SAFETY BALLOT INITIATIVE**

The Assembly and Senate Public Safety Committees met jointly this week to discuss an initiative eligible for the November 2020 ballot. Pursuant to legislative changes a few years back, there is now an opportunity for a measure that has secured sufficient signatures to be pulled back before it qualifies for the statewide ballot. An **eligible initiative measure** – like the one reviewed in the Legislature this week – is one for which the required number of signatures have been submitted to and verified by the county elections officials. Eligible initiative measures become qualified for the ballot on the 131<sup>st</sup> day prior to the next Statewide General Election unless withdrawn by the proponents prior to its qualification by the Secretary of State.

Back to the measure at hand. As summarized by the LAO in this [handout](#), the proposed initiative would make changes in four primary areas: (1) increase criminal penalties for certain theft-related crimes (serial theft and organized retail theft), (2) change aspects of how offenders are supervised in the community, (3) modify the process created by Proposition 57 (2016) for considering the release of certain offenders from prison, and (4) expands DNA collection requirements to include adults who commit specified misdemeanors.

Notably, the proponents of the measure were not available to participate in the hearing. A number of opponents – mainly the reform groups that previously advocated for passage of Proposition 47 (2014) and Proposition 57 (2016) – spoke against the proposed initiative, which they would characterize as a rollback of successfully enacted and needed reforms. An agenda and materials, including the language of the initiative, for the hearing can be found [here](#).

## **Audit Request Forthcoming on 2011 Realignment Community Corrections Account**

Assembly Member Sydney Kamlager, who represents portions of Los Angeles County, [announced](#) this week that she intends to request an audit of three sheriffs departments' expenditures of AB 109 funding. Presumably, this audit request – which will be before the Joint Legislative Audit Committee at its February 26 meeting – would seek to capture details on the sheriffs' portion of the local Community Corrections Subaccount created as part of the 2011 Realignment fiscal structure. Assembly Member Kamlager has identified the Counties of Alameda, Fresno, and Los Angeles as the subjects of the requested audit. It is assumed that the audit request is an outgrowth of the joint reporting effort of the McClatchy papers and *ProPublica* that examined local detention facilities, with a specific focus on the post-Realignment era.

## **Board of State and Community Corrections Approves Plan for New Jail Oversight Process**

The Board of State and Community Corrections (BSCC) met this week and, among other actions, approved an initial plan to revise the local jail inspection process. Consistent with Governor Newsom's articulated intent in his January budget proposal to "more actively engage counties regarding deficiencies identified as part of its inspections through its public board meeting process and by more frequent follow-up inspections," the BSCC proposed a number of refinements to its existing inspection process. At its meeting this week, the Board approved a plan to establish proactive steps to engage counties in addressing issues of noncompliance identified as part of the inspection process as well as a formal timeframe to correct any deficiencies. Before finalizing the

new procedures at its June Board meeting, BSCC staff will seek public input on the changes through noticed hearings and its website. For more details on the recommended jail inspection process changes, see the BSCC staff report [here](#). .

## Recent LAO Reports on Aspects of State Budget

One of the primary responsibilities of the Legislative Analyst’s Office (LAO) is to provide a nonpartisan analysis of the state spending plan throughout the Legislature’s deliberative budget development process, beginning with the proposed budget introduced in January. Accordingly, February is a high-volume month for LAO publications as the office prepares for budget subcommittee hearings that will begin in early March. Below are links to reports and analyses recently released from the LAO.

Subject Area	Topics
Medi-Cal Budget (February 14, 2020)   <a href="#">link</a>	<ul style="list-style-type: none"> <li>• Overview of the Governor’s Budget</li> <li>• Medicaid Fiscal Accountability Regulation</li> <li>• Update on Medi Cal Pharmacy Services</li> <li>• Full Scope Expansion for Seniors Regardless of Immigration Status</li> <li>• SNF Rate Reform</li> <li>• County Administration</li> <li>• Proposal to End Dental Managed Care in the Two Pilot Counties</li> <li>• Summary of Recommendations</li> </ul>
Cannabis (February 14, 2020)   <a href="#">link</a>	<ul style="list-style-type: none"> <li>• Governor’s cannabis-related proposals</li> </ul>
California’s Recession Readiness (February 12, 2020)   <a href="#">link</a>	<ul style="list-style-type: none"> <li>• The LAO, Gabriel Petek, offers his perspectives on why and how the Legislature can continue to assess and strengthen the state’s fiscal capacity.</li> </ul>
Governor’s Homelessness Plan (February 11, 2020)   <a href="#">link</a>  ▶ <b>A must read!</b>	<ul style="list-style-type: none"> <li>• Background on the state’s homelessness challenges</li> <li>• Update on major recent state efforts to address homelessness; assesses the Governor’s 2020-21 homelessness plan</li> <li>• LAO’s recommended a framework to help the Legislature develop its own plan and funding allocations</li> <li>• An alternative to the Governor’s 2020-21 budget proposal</li> </ul>
Budget Structure (February 10, 2020)   <a href="#">link</a>	<ul style="list-style-type: none"> <li>• Sets out a framework for evaluating budget structure and evaluates Governor’s proposed 2020-21 spending plan through this framework.</li> </ul>
Transportation (February 10, 2020)   <a href="#">link</a>	<ul style="list-style-type: none"> <li>• Reviews the Governor’s 2020-21 budget proposals for transportation programs, including Caltrans, DMV, and high-speed rail, including a range of recommendations across departments.</li> </ul>
State Correctional Spending (February 4, 2020)   <a href="#">link</a>	<ul style="list-style-type: none"> <li>• CDCR’s correctional spending in context of substantial decrease in state prison populations</li> </ul>

## Upcoming Hearings

Please be sure to note the upcoming oversight and informational hearings on topics of interest.

Date	Committee	Topic
Tuesday, February 18	Senate Budget and Fiscal Review Committee	<i>Informational Hearing</i> – The Governor’s Climate Budget Proposals

<b>Date</b>	<b>Committee</b>	<b>Topic</b>
Wednesday, February 19	Joint Senate and Assembly Health Committees	<i>Informational Hearing</i> – Background on California’s Health Insurance Mandates and Essential Health Benefits
	Joint Hearing of the Assembly Budget Subcommittee No. 1 on Health and Human Services and Assembly Budget Subcommittee No. 4 on State Administration	<i>Informational Hearing</i> – Governor’s 2020 Budget Proposal on Homelessness 0530 – California Health and Human Services Agency 5180 – Department of Social Services 0515 – Business, Consumer Services and Housing Agency 2240 – Department of Housing and Community Development
Thursday, February 20	Senate Budget and Fiscal Review Committee	<i>Informational Hearing</i> – California’s Prison System: Past, Present and Future
Monday, February 24	Senate Human Services Committee	<i>Oversight Hearing</i> – State Oversight of Licensed Homes for Vulnerable Adults
Tuesday, February 25	Joint Hearing of Assembly Judiciary Committee and the Assembly Budget Subcommittee No. 5 on Public Safety	<i>Informational Hearing</i> – How Can California Improve Access to Justice for Unrepresented Litigants?
	Joint Hearing of the Senate Transportation and Judiciary Committees	<i>Informational Hearing</i> – More Mobility Options, More Data: Transportation and Privacy Issues in Shared-Mobility Data Use
	Assembly Health Committee	<i>Informational Hearing</i> – Cost Containment: Considerations for California
	Joint Hearing of Assembly Budget Subcommittee No. 4 on State Administration and Assembly Business and Professions Committee	<i>Informational Hearing</i> – Consolidation of Regulations and Identifying the Element of the Illicit Cannabis Market
	Joint Hearing of the Assembly Human Services Committee and the Assembly Housing and Community Development Committee	<i>Informational Hearing</i> – Homelessness Among California’s Youth: Addressing Critical Needs Through Prevention and Early Intervention
	Joint Hearing of the Assembly Judiciary Committee and the Assembly Budget Subcommittee No. 5 on Public Safety	<i>Informational Hearing</i> – How Can California Improve Access to Justice for Unrepresented Litigants?
Wednesday, February 26	Joint Legislative Audit Committee	<i>Hearing to consider new audit requests</i> (New audit requests due by January 21)
	Senate Select Committee on Aerospace and Defense	<i>Informational Hearing</i> – Drone Use in Emergency Management
	Assembly Budget Subcommittee No. 3 on Resources and Transportation	- Cap and Trade - Climate Resilience Bond - Climate Catalyst Fund
	Joint Hearing of the Senate Health Committee and Senate Budget Committee No. 3 on Health and Human Services	<i>Informational Hearing</i> - Medi-Cal: Oversight of Managed Care Plan Responsibilities and Medi-Cal Healthier California for All Proposal
Thursday, February 27	Senate Budget and Fiscal Review Committee	<i>Informational Hearing</i> – Housing and Homelessness

Date	Committee	Topic
Wednesday, March 4	Joint Hearing of the Joint Legislative Audit Committee, Joint Legislative Committee on Emergency Management, Senate Governmental Organization Committee, and Assembly Governmental Organization Committee	<i>Oversight Hearing</i> – California is Not Adequately Prepared to Protect Its Most Vulnerable Residents from Natural Disasters (Report No. 2019-103)

**Please feel free to contact any one of us at Hurst Brooks Espinosa with questions ...**

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# This Week in Sacramento

INFORMATION & INSIGHTS FROM HURST BROOKS ESPINOSA ■ WEEK OF FEBRUARY 17, 2020

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## Focus on Homelessness: Governor's State of the State

On Wednesday, Governor Gavin Newsom presented his State of the State address, reportedly the latest a Governor has made this address in more than a century. In a relatively short speech focused almost exclusively on the state's housing and homeless crisis, the Governor urged the Legislature to take quick action to implement a broad range of policies to assist those experiencing homelessness and support those on the brink of homelessness.

Below we summarize the perspectives the Governor's shared, his expectations for local governments, and his commitment to moving consequential legislation to help boost housing production.

**Emergency Response:** A second round of state-owned trailers are headed to Santa Clara, Riverside, Contra Costa, and Sonoma Counties and the City of Stockton. (This is after the first round were sent to Los Angeles and Oakland earlier this month.) The state is offering 286 properties – vacant lots, armories, fairgrounds, and other state buildings – that will be made available to local governments to be used (for free) to address homelessness. (An interactive map of these properties is available [here](#).)

**CEQA Exemption:** Last year, the Governor signed [AB 1197](#) (Santiago), which provided a CEQA exemption for shelters and supportive housing in the City of Los Angeles. In his speech, the Governor asked the Legislature to send him a bill to provide the same exemption on a statewide basis.

**CalAIM:** The Governor touted his proposed \$695 million investment in the state's proposed Medi-Cal reforms and focused on the integration of physical and behavioral health, targeting social determinants of health, and expanding Whole Person Care statewide.

## Worth Noting: Governor Newsom Appoints Council on Economic Advisors

Governor Gavin Newsom announced today that he has created a Council of Economic Advisors, which will advise both the Governor and Director of the Department of Finance Keely Bosler on a range of economic issues. Additionally, the hope is that the council – co-chaired Laura Tyson, with the University of California, Berkeley Haas School of Business, and Fernando Lozano, Professor of Economics at Pomona College – will create a bridge between the Administration and academic researchers. In making his announcement, the Governor acknowledged that California is in its longest period of economic expansion in history, and the council will help prepare for the next phase of the economic cycle. “[T]his expansion has unevenly benefited people across the state. We need to invest for the future, adapt to a changing climate and keep our budget balanced. This Council will keep its pulse on what’s happening in our economy while making policy recommendations to prepare us for what’s to come.”

Read more on the Governor's newly appointed council, including a full list of members, [here](#).

**Behavioral Health:** Laying out historical investments and disinvestments in the public mental health system, the Governor shared his view that decades-old policies were not relevant nor helpful to our current world. To that end, he proposes to (1) remove some of the conditions that make the implementation of Laura’s Law a challenge in some counties and (2) expand the counties authorized to utilize Housing Conservatorships (currently limited to Los Angeles, San Diego, and San Francisco) under the provisions of [SB 1045](#) (Wiener) from 2018. The Governor reiterated his interest in reforming the Mental Health Services Act (MHSA), directing funding to street homeless, at-risk and foster youth, and those involved in the criminal justice system, as well as expanding MHSA to substance use disorder treatment. He also called out counties’ MHSA reserves, indicating his interest in reducing the 33 percent reserve cap since, according to the Governor, 40 of 58 counties maintain reserves above that amount. “My message is this” said the Governor; “spend your mental health dollars by June 30th, or we’ll make sure they get spent for you.” (Recall that [SB 192](#) (Beall, 2018) set the prudent reserve rate at 33% and set a deadline of July 1, 2020 for counties to expend reserve funds to meet that cap or face reversion.)

**Consequences:** Governor Newsom spent a good amount of time discussing consequences, specifically calling out previous allocations of funding to locals, noting “the problem has gotten worse.” Reiterating his 2020-21 budget proposal to provide \$750 million to a new fund, the Governor touted his plan’s capacity for breaking down silos and incentivizing innovation. He noted specific metrics to enable evaluation that he feels is currently lacking from existing programs: number of new leases signed, number of new housing units converted or built, number of people stabilized with rent subsidies, and number of people moved off the streets. While he specifically did not embrace the “right to shelter,” the Governor is instead relying on “strict accountability, comprehensive audits, and a “do-it-or-lose-it” policy for accountability.

**Housing Production:** With the recent defeat of [SB 50](#) (Wiener), the Governor called for the Legislature to approve measures that will result in a massive increase in housing production. Governor Newsom wants California to “say yes to housing” and to hold local governments accountable to increase housing density and to ensure certainty that “units planned” become “units built.”

## **Roundup on Health Insurance and Essential Health Benefits Informational Hearing**

The Assembly and Senate Health Committees held a joint informational hearing this week on California’s health insurance mandates and essential health benefits, which provided a forum for members to explore the intersection of health insurance mandates, essential health benefits, premium costs and affordability. Materials from the hearing can be viewed [here](#).

The hearing stemmed in part from the passage of [AB 598](#) (Bloom, 2019), which would have required health insurance coverage of hearing aids. Had it been enacted, AB 598 would have been the first time California approved a health insurance mandate that exceeded California’s essential health benefits; it also would have required the state to pay costs associated with that benefit mandate. AB 598 was passed by both houses of the Legislature in 2019, but was withdrawn from the engrossing and enrolling process – meaning that it did not make it to the Governor’s desk.

The committees heard from a panel of state regulators – Department of Managed Health Care and Department of Insurance – as well as Covered California and the California Health Benefits Review

Program (CHBRP). Also included in the hearing were the perspectives of the California Association of Health Plans (CAHP), Health Access, and the Chronic Care Coalition.

CAHP offered several recommendations for discussing new insurance mandates and the essential health benefits, including: 1) re-opening the essential health benefits and benchmark plan consideration, which offers a comprehensive, analytical process; 2) putting mandate bills on a two-year cycle to allow for more time for analysis, including CHBRP analysis; 3) requiring health plans to report cost impacts through filings on health insurance mandates; 4) appropriating funding in the budget for plans to cover insurance mandate costs; and 5) including insurance mandates in special orders of business in committee so that the mandates can be discussed in totality.

## **Medi-Cal Healthier California for All Updates**

This week, the Department of Health Care Services (DHCS) announced changes to their upcoming Medi-Cal Healthier California for All workgroup meeting schedule, as summarized below.

- **Behavioral Health:** The Behavioral Health workgroup meeting scheduled for February 27 is being modified to only focus on payment reform. After reviewing stakeholder input about the serious mental illness (SMI) / serious emotional disturbance (SED) institutions for mental disease (IMD) demonstration opportunity, DHCS decided to cancel the planned afternoon discussion on this topic. DHCS will continue to gather information and will re-engage stakeholders on the SMI/SED IMD demonstration opportunity in the future.
- **Full Integration Plan:** DHCS also cancelled the Full Integration Plan workgroup meeting scheduled on February 28. DHCS is postponing this workgroup meeting until summer 2020.

## **DHCS Organizational Update**

DHCS announced this week that Behavioral Health Deputy Director Kelly Pfeifer will report to the Chief Deputy Director for Health Care Programs and State Medicaid Director Jacey Cooper. Additionally, the Medi-Cal Behavioral Health Division will move under Behavioral Health. Behavioral Health's Community Services Division and Licensing and Certification Division will continue to report to Dr. Pfeifer.

## **Proposition 64 Local Grant Program Opens for Eligible Counties and Cities**

Provisions in Prop 64 (2016), which legalized recreational cannabis, set aside specified tax revenue from legal cannabis sales for local government grants to be distributed through a competitive process by the Board of State and Community Corrections (BSCC). At its meeting last week, the BSCC [approved](#) the Request for Proposal (RFP), which provides extensive details on the purpose of the grant as well as a timeline for the application process. A few details to note:

- Agencies eligible to apply for grants are counties and cities that have **not** banned either the retail sale of cannabis or cannabis products or banned cultivation – including most outdoor personal and commercial cultivation.
- \$25 million is available over three years to communities that meet the strict eligibility requirements outlined in the RFP.

- The statutorily established purpose of the grants is to help local governments “assist with law enforcement, fire protection, or other local programs addressing public health and safety” that are impacted by cannabis sales and cultivation. Additionally, the Governor stipulated in the 2019-20 budget that youth intervention be included in allowable activities; projects addressing public health, public safety and environmental impacts also are eligible for funding.
- Applicant entities will compete against jurisdictions of similar size. Single applicants can seek up to \$1 million, while collaborative applications are eligible for up to \$2 million.
- **Deadline:** Proposals are due back to the BSCC on April 3, 2020. Funding begins July 1, 2020 and ends June 30, 2023. The BSCC will collect information from the field to help guide subsequent funding decisions for this ongoing revenue source.

For more details on the grant program, including BSCC staff contact information for this program, can be found [here](#).

## Recent LAO Reports on Aspects of State Budget

As noted last week, a chief responsibility of the Legislative Analyst’s Office (LAO) is to provide a nonpartisan analysis of the state spending plan throughout the Legislature’s deliberative budget development process, beginning with the proposed budget introduced in January. We continued to see publications this week on specific budget and policy areas as the Legislature prepares for budget subcommittee hearings that will begin in early March. Below are links to reports and analyses recently released from the LAO.

Subject Area	Topics
Governor’s Wildfire-Related Proposals (February 21, 2020)   <a href="#">link</a>	<ul style="list-style-type: none"> <li>▪ Part I: Assessing the State’s Approach to Addressing Wildfire Risks</li> <li>▪ Part II: Assessing the Governor’s Budget Proposals in Absence of Statewide Strategy</li> </ul>
Criminal Justice Proposals (February 18, 2020)   <a href="#">link</a>	<ul style="list-style-type: none"> <li>▪ Criminal Justice Budget Overview</li> <li>▪ Cross-Cutting Issues</li> <li>▪ California Department of Corrections and Rehabilitation</li> <li>▪ Department of Youth and Community Restoration</li> <li>▪ Judicial Branch</li> <li>▪ Department of Justice</li> <li>▪ Summary of Recommendations</li> </ul>

## Upcoming Hearings

Please be sure to note the upcoming oversight and informational hearings on topics of interest.

Date	Committee	Topic
Monday, February 24	Senate Human Services Committee	<i>Oversight Hearing</i> – State Oversight of Licensed Homes for Vulnerable Adults
	Senate Select Committee on Mental Health	<i>Informational Hearing</i> – Access and Inclusion: New Pathways to Addressing Youth and Family Mental Health

<b>Date</b>	<b>Committee</b>	<b>Topic</b>
Tuesday, February 25	Joint Hearing of Assembly Judiciary Committee and the Assembly Budget Subcommittee No. 5 on Public Safety	<i>Informational Hearing</i> – How Can California Improve Access to Justice for Unrepresented Litigants?
	Joint Hearing of the Senate Governance and Finance Committee, Senate Housing Committee, Assembly Local Government Committee, and Assembly Housing and Community Development Committee	<i>Informational Hearing</i> – The Price of Civilization: Benefits and Costs of Impact Fees on Housing in California
	Joint Hearing of the Senate Transportation and Judiciary Committees	<i>Informational Hearing</i> – More Mobility Options, More Data: Transportation and Privacy Issues in Shared-Mobility Data Use
	Assembly Health Committee	<i>Informational Hearing</i> – Cost Containment: Considerations for California
	Joint Hearing of Assembly Budget Subcommittee No. 4 on State Administration and Assembly Business and Professions Committee	<i>Informational Hearing</i> – Consolidation of Regulations and Identifying the Elements of the Illicit Cannabis Market
	Joint Hearing of the Assembly Human Services Committee and the Assembly Housing and Community Development Committee	<i>Informational Hearing</i> – Homelessness Among California’s Youth: Addressing Critical Needs Through Prevention and Early Intervention
	Joint Hearing of the Assembly Judiciary Committee and the Assembly Budget Subcommittee No. 5 on Public Safety	<i>Informational Hearing</i> – How Can California Improve Access to Justice for Unrepresented Litigants?
Wednesday, February 26	Joint Legislative Audit Committee	<i>Hearing to consider new audit requests</i> <ul style="list-style-type: none"> <li>Note that 17 audit requests have been put before the committee; information on approved audit requests will be publicly available after the hearing.</li> </ul>
	Senate Select Committee on Aerospace and Defense	<i>Informational Hearing</i> – Drone Use in Emergency Management
	Assembly Budget Subcommittee No. 3 on Resources and Transportation	- Cap and Trade - Climate Resilience Bond - Climate Catalyst Fund
	Joint Hearing of the Senate Health Committee and Senate Budget Committee No. 3 on Health and Human Services	<i>Informational Hearing</i> - Medi-Cal: Oversight of Managed Care Plan Responsibilities and Medi-Cal Healthier California for All Proposal
Thursday, February 27	Senate Budget and Fiscal Review Committee	<i>Informational Hearing</i> – Housing and Homelessness
Wednesday, March 4	Joint Hearing of Senate Environmental Quality Committee and Senate Transportation Committee	<i>Informational Hearing</i> – Putting the Brakes on California’s Rising Transportation Emissions

<b>Date</b>	<b>Committee</b>	<b>Topic</b>
Wednesday, March 4 <i>(cont.)</i>	Joint Hearing of the Joint Legislative Audit Committee, Joint Legislative Committee on Emergency Management, Senate Governmental Organization Committee, and Assembly Governmental Organization Committee	<i>Oversight Hearing</i> – California is Not Adequately Prepared to Protect Its Most Vulnerable Residents from Natural Disasters (Report No. 2019-103)
Tuesday, March 10	Joint Hearing of the Joint Legislative Audit Committee, Senate Environmental Quality Committee, Senate health Committee, Assembly Environmental Safety and Toxic Materials Committee, and Assembly Health Committee	<i>Oversight Hearing</i> – Childhood Lead Levels: Millions of Children in Medi-Cal Have Not Received Required Testing for Lead Poisoning
Wednesday, March 11	Joint Hearing of Senate Governance and Housing Committee and Senate Human Services Committee	<i>Oversight Hearing</i> – Confronting a California Crisis: Homelessness, Advancing Solutions to One of Our State’s Most Pressing Challenges

**Please feel free to contact any one of us at Hurst Brooks Espinosa with questions ...**

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**Santa Cruz Local Agency Formation Commission**

Date: March 4, 2020  
To: LAFCO Commissioners  
From: Joe Serrano, Executive Officer  
Subject: **CALAFCO Quarterly Report**

**SUMMARY OF RECOMMENDATION**

CALAFCO typically produces quarterly reports that offer recaps on a variety of LAFCO-related items. This agenda item is for informational purposes only and does not require any action. Therefore, it is recommended that the Commission receive and file the Executive Officer’s report.

**EXECUTIVE OFFICER’S REPORT:**

The February 2020 edition of CALAFCO’s Quarterly Report covers various topics including a legislative update, acknowledgement of certain associate members, and review of upcoming educational events. One of the upcoming events is the 2020 Staff Workshop, which will be held in Newport Beach in late-March. This year, Santa Cruz LAFCO will be represented by the Commission’s Clerk, Legal Counsel, and Executive Officer. Staff will also be part of a panel discussion that will teach how to conduct fiscal evaluations within a service review. A sneak peak of that presentation is available on the following link:

**Financial Health Indicators  
for Cities & Districts**  
Thursday, March 26, 2020 (9:00 - 10:30 am)

**Fruit: Service Review**

**Growth: Fiscal Analysis**

**Root: Financial Documents**

**Moderator: David Fey**

**Guest Speakers:**

- \*Cindy Byerrum
- \*Richard Berkson
- \*Joe Serrano

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Respectfully Submitted,

Joe A. Serrano  
Executive Officer

Attachment: CALAFCO Quarterly Report (February 2020)



# News from the Board of Directors

## CALAFCO QUARTERLY

February 2020

### CALAFCO Board Update

Results of the 2019 CALAFCO Board of Directors elections netted several new Board members for 2020. Current Board members include:

**Northern:** *Bill Connelly* (Butte), *David Couch* (Humboldt), *Blake Inscore* (Del Norte) and *Josh Susman* (Nevada).

**Southern:** *Cheryl Brothers* (Orange), *Mike Kelley* (Imperial), *Jo MacKenzie* (San Diego) and *David West* (Imperial).

**Coastal:** *Mike McGill* (Contra Costa), *Margie Mohler* (Napa), *Tom Murray* (San Luis Obispo) and *Jane Parker* (Monterey).

**Central:** *Shiva Frentzen* (El Dorado), *Gay Jones* (Sacramento), *Anita Paque* (Calaveras) and *Daniel Parra* (Fresno).

In October the Board said goodbye to *Debra Lake* (Humboldt) and *Susan Vicklund Wilson* (Santa Clara). We thank them for their service and many contributions to CALAFCO.

Additionally, a new Southern region DEO was appointed. We welcome *Gary Thompson* (Riverside) to the team and thank outgoing DEO *Keene Simonds* (San Diego) for his service. In November *Christine Crawford* (Yolo) was reappointed as the central region DEO and in December, *Martha Poyatos* (San Mateo) was reappointed as the coastal region DEO. Both will serve another two-year term.

### CALAFCO Board 2020 Officers and Committees

At their November 1 meeting, the CALAFCO Board elected their officers for 2020 as follows:

Chair – *Mike McGill* (Contra Costa - coastal)  
 Vice Chair – *Mike Kelley* (Imperial - southern)  
 Secretary – *Shiva Frentzen* (El Dorado - central)\*  
 Treasurer – *Bill Connelly* (Butte - northern)

\*Secretary Frentzen resigned her position as Secretary at the December 13 Board meeting as she will be termed out at the end of 2020. The Board unanimously appointed *Anita Paque* (Calaveras) as the new Secretary.

They also appointed members to the 2020 standing committees as follows:

#### Legislative Committee

Bill Connelly (North)  
 Shiva Frentzen (Central)  
 Jo MacKenzie (South)  
 Mike McGill (Coastal)  
 Gay Jones (At-Large)  
 Michael Kelley (a) (South)  
 Margie Mohler (a) (Coastal)  
 Anita Paque (a) (Central)  
 Josh Susman (a) (North)  
 Tom Murray (a) (At-Large)

#### Elections Committee

David Couch  
 Shiva Frentzen (Chair)  
 Jo MacKenzie  
 Tom Murray

#### Awards Committee

Cheryl Brothers  
 Blake Inscore  
 Mike Kelley (Chair)  
 Margie Mohler  
 Anita Paque

#### 2020 Annual Conference

Anita Paque  
 Jane Parker (Chair)  
 Daniel Parra  
 Josh Susman  
 David West

### 2019 Annual Business Meeting

At the October 31, 2019 Annual Business meeting, the CALAFCO membership discussed and voted on a proposed new dues structure. After almost two years of extensive discussion



about how to permanently close the structural deficit, in August 2019 the Board of Directors presented the membership with a proposed new dues structure for consideration at the Annual Business meeting. A large number of the LAFCo membership spoke on the matter and expressed various opinions on the proposed structure. After lengthy discussion and debate, the membership voted to approve the proposed new dues structure by a vote of 38 in favor, 10 against and 10 LAFCos absent. The new dues structure will take effect July 1, 2020.

The Board of Directors is set to discuss the member feedback and adopt policies relating to the new structure early in 2020.

### Other CALAFCO Board Actions

During their December 13, 2019 meeting, the CALAFCO Board considered a large number of items, some of which had to be tabled to the February 21, 2020 meeting.

In executive session, the Board considered the implications of AB 5 to CALAFCO and determined in order to comply with the new law, both the Executive Director and Administrator contract relationships needed to change to employee relationships. It will take some time to determine what that will look like for each of the two contractors and what that means for the Association.

The Board tabled discussions on a proposed dues structure from Tulare LAFCo until the February 21, 2020 meeting.

There was a lengthy discussion on the 2020 legislative priorities and after much debate the Board changed direction in legislative priorities for the year. Due to limited resources, the Board unanimously supported moving away from seeking LAFCo state funding (AB 1253) and towards making changes to Gov. Code Sec. 56133. The move will be preceded by a poll of the Executive Officers to ensure alignment and support of the proposal prior to making any legislative moves. The Board also approved keeping the work of the Protest Provision Rewrite Working Group at the top of the priority list and decided to forgo an Omnibus bill in 2020.

The Board approved the quarterly financial reports and received several verbal updates on a variety of other items.

The next CALAFCO Board meeting is scheduled for Friday, February 21, 2020 in San Diego.

### CALAFCO Congratulates the 2019 Annual Achievement Award Recipients

CALAFCO wishes to congratulate all of this year's nominees, and especially those who received the 2019 Achievement Award.



- ❖ Outstanding Commissioner – *Jim DeMartini* (Stanislaus LAFCo)
- ❖ Outstanding LAFCo Professional – *David Church* (San Luis Obispo LAFCo)
- ❖ Distinguished Service – *Charley Wilson* (formerly of Orange LAFCo)
- ❖ Project of the Year – *Orange LAFCo* (San Juan Capistrano Utilities MSR)
- ❖ Government Leadership – *CA State Water Resources Control Board, Los Angeles County* and *Los Angeles LAFCo* (Sativa Water District)



- ❖ Most Effective Commission – **Contra Costa LAFCo**
- ❖ Mike Gotch Courage & Innovation – **Butte LAFCo**
- ❖ Lifetime Achievement – **John Benoit** (various LAFCos), **Jurg Heuberger** (Imperial LAFCo)
- ❖ Legislator of the Year – **Assemblymember Mike Gipson**

### Conferences and Workshops Update

#### 2020 ANNUAL CONFERENCE

**MARK YOUR CALENDARS FOR THE 2020 ANNUAL CONFERENCE: October 21 - 23** in Monterey at the Hyatt Regency Monterey. Watch for registration information and hotel reservations coming very soon!

#### 2020 STAFF WORKSHOP

The 2020 Staff Workshop is set for **March 25 - 27** at the Hyatt Regency Newport Beach John Wayne Airport. Our hosts for this Workshop are **Orange and Imperial LAFCos**. All Workshop program, registration and hotel information can be found on the CALAFCO website at [www.calafco.org](http://www.calafco.org).

#### Other important Conference dates

Future CALAFCO Conference dates are:

- ❖ **2021 – October 6 – 8** at the Hyatt Regency Newport Beach John Wayne Airport
- ❖ **2022 – October 19 – 21** at the Tenaya Lodge in Yosemite

#### CALAFCO UNIVERSITY

On January 13, 2020, CALAFCO held a CALAFCO U session in Orange County on Demystifying Legacy Costs Associated with City and District Reorganizations. With an all-star panel of LAFCo, district and state representatives, the session was well received. Special thanks go to speakers **Cheryl Clary** (IRWD), **Michael Colantuono**, **Renee Ostrander** (CalPERS) and **Kathy Rollings McDonald**, as well as DEO **Martha Poyatos** who planned the session, and **Gavin Centeno** for his onsite support.



The next CALAFCO U is planned for **March 24, 2020** to coincide with the Staff Workshop. This afternoon session, scheduled the day before the start of the Workshop, will focus on building on the LAFCo basics including LAFCo 101, Brown Act and Public Records Act primers and a special Clerks 101. See all the details and register today online at [www.calafco.org](http://www.calafco.org). Join another all-star cast (**Scott Browne**, **David Church**, **Amanda Olivas** and **Terri Tuck**) for an interactive session that is definitely not your ordinary “just the basics” session!

#### CALAFCO Legislative Update

The Legislature convened the second year of the two-year cycle on January 6, 2020. Deadline to introduce new bills is February 21. Watch for a full legislative update in the next Quarterly report.

CALAFCO continues to lead the Protest Provision Rewrite Working Group, which met the majority of the year in 2019. With 19 members, this is a diverse group of stakeholders with members of CSDA (including fire and water agencies), member LAFCos from all four regions, and representatives from CSAC, the League and the Assembly Local Government and Senate Governance and Finance Committees.



#### CALAFCO Associate Members' Corner

This section highlights our Associate Members. The information below is provided to CALAFCO by the Associate member upon joining the Association. All Associate member information can be found in the CALAFCO Member Directory.



We are pleased to acknowledge our Gold Associate Members in this edition and thank all our Associate Members for their support and partnership.

#### Best Best & Krieger

In meeting the needs of public and private sector clients, **BB&K** offers unique experiences in handling complex, multi-disciplinary issues and providing solutions of common interest to leaders of both business and government, including LAFCo law. **BB&K** has been CALAFCO's legal counsel since 1982.



#### Colantuono, Highsmith & Whatley, PC

**Michael Colantuono** served on the Commission on Local Governance in the 21st Century and helped rewrite the CKH Act. He is General Counsel to Calaveras and Yuba LAFCos and conflict counsel for Nevada, Orange, San Diego and Yolo LAFCos. **Holly Whatley** was lead litigator in a challenge to San Diego LAFCo's denial of an annexation for Home Depot and Michael and Holly are defending San Luis Obispo LAFCo in a developer's challenge to the denial of an annexation to the City of Pismo Beach. David Ruderman serves as Assistant General Counsel to the Calaveras and Yuba LAFCos and is also working on the San Luis Obispo case. Michael was counsel to the Hacienda Heights incorporation effort in Los Angeles County in 2006. **Michael Colantuono** has been a Gold Associate member since July 2008. Learn more about **Colantuono, Highsmith & Whatley, PC** at [www.chwlaw.us](http://www.chwlaw.us).



#### CV Strategies

**CV Strategies** is a dedicated team helping companies with strategic planning, communications and training. **CV Strategies** joined the CALAFCO team in the fall of 2016. To learn more about their team and the services they offer, visit them at [www.cvstrategies.com](http://www.cvstrategies.com) or contact Erin Gilhuly at [erin@cvstrat.com](mailto:erin@cvstrat.com).



#### Meyers Nave

**Meyers Nave** is a law firm dedicated to providing California's public agencies both general counsel and specialized services in matters involving land use, annexations, incorporations, labor and employment, Brown Act, telecommunications, eminent domain and other critical areas. **Meyers Nave** has been a Gold Associate Member since February 2006. Learn more about **Meyers Nave** at [www.meyersnave.com](http://www.meyersnave.com).





CALAFCO wishes to thank all of our Associate Members for your support and partnership. We look forward to continuing to highlight our Associate Members in each Quarterly Report.

### Did You Know??



**CALAFCO is planning to migrate to a new mail server on Monday, February 24, 2020.** Email service may be temporarily interrupted for all CALAFCO emails including the list serves. This migration is needed to get us onto a more efficient cloud-based email server which will eliminate the email issues staff has been experiencing for the past year.

#### **CALAFCO University Course Library being updated**

The CALAFCO University Library is being updated. All session materials are in the process of being posted going back to 2006.

#### **The CALAFCO Biennial Survey results are out**

The Survey results were distributed to the membership and posted on the CALAFCO website in early December. We wish to thank all of the LAFCos who took the time to respond to the survey. CALAFCO will use the feedback on what CALAFCO resources you find valuable and what you want to see on the website to inform the 2020 strategic plan goals and work plans.

#### **Meeting Documents Online**

**Did you know** that all **CALAFCO Board of Directors and Legislative Committee meeting documents are online?** Visit the Boards & Committees pages in the Members Section of the site. Board documents date back to 2008 and Legislative Committee documents back to 2007.

#### **A full update of the CALAFCO online Library is planned for 2020**

Watch for information on the CALAFCO online Library updates throughout the year.

#### **Certificate of Recognition Program**

**Did you know** that CALAFCO has a **Certificate of Recognition Program** and offers it at no cost to our members (both LAFCo and Associate members)? The program has been in place several years and while a few of you utilize this service, most of you do not. For details, visit the CALAFCO website in the Member Services Section and upload the program packet or contact the CALAFCO



Executive Director.



**Santa Cruz Local Agency Formation Commission**

Date: March 4, 2020  
To: LAFCO Commissioners  
From: Joe Serrano, Executive Officer  
Subject: **Press Articles during the Months of January and February**

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**SUMMARY OF RECOMMENDATION**

LAFCO staff monitors local newspapers, publications, and other media outlets for any news affecting local agencies or LAFCOs around the state. Articles are presented to the Commission on a periodic basis. This agenda item is for informational purposes only and does not require any action. Therefore, it is recommended that the Commission receive and file the Executive Officer's report.

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**EXECUTIVE OFFICER'S REPORT**

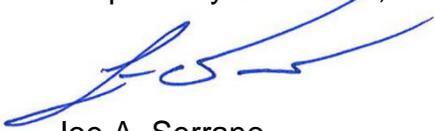
The following is a summary of recent press articles. Full articles are attached.

1. **"Public Law Newsletter – Winter 2020 Edition"**: LAFCO staff receives periodic newsletters from Colantuono, Highsmith & Whatley PC, a law firm familiar with LAFCO and the Cortese-Knox-Hertzberg Act. This edition focuses on a number of interesting topics including Proposition 13's reemergence in the March 2020 ballot, regulations towards "vaping," and the latest news in California's "water wars."
2. **"New water recycling projects will help battle Central Coast's seawater invasion"**: The article, dated January 26th, explains how coastal water agencies are now considering the addition of recycled water within groundwater basins to combat saltwater intrusion and low water supplies. The California Department of Water Resources has identified the Santa Cruz Mid-County Basin as one of the State's 21 critically over-drafted aquifers. In Santa Cruz County, Soquel Creek Water District and the City of Santa Cruz are collaborating on a \$90 million project that would pump recycled water into three wells by 2022.
3. **"Agua Caliente files new lawsuit against Coachella Valley water districts"**: The article, dated January 28th, discusses the lawsuits involving groundwater rights in Riverside County. A Native American tribe has filed legal claims against two water districts over rights to groundwater access as a sovereign nation. The tribe argues that they have rights to the aquifer below their reservation lands and are not subject to assessment charges from the water agencies.
4. **"Orange County Shuts Down Groundwater Wells Due to PFAS"**: The article, dated January 29th, notes that over 30% of groundwater wells in Orange County Water District's service area will be shut down by the end of the year due to contaminations. The water district, located in Southern California, has launched a pilot project to evaluate the best type of filter to remove such contaminants known as per- and polyfluoroalkyl substances (PFAS).

5. **“California moves forward with next steps in groundwater management”**: The article, dated February 1st, explains that certain groundwater basins around the state are required to submit plans indicating how they will achieve sustainability by 2040. These plans are a result of the 2014 law known as California’s Sustainable Groundwater Management Act (“SGMA”). Santa Cruz County has three basins that are regulated by SGMA: Santa Margarita, Mid-County, and Pajaro Valley.
6. **“Mayor’s message | Measure F serves Capitola well”**: The editorial, dated February 1st, discusses the benefits from Measure F, which was approved by the Capitola voters back in 2016 and is expected to last until 2026. Measure F provides funding to protect the City’s wharf, beach, and village. In addition to revitalization and repairs, Measure F also funds projects towards coastal resiliency, local ecosystem, and protection against the impacts from climate change.
7. **“Spring Trails project in limbo after San Bernardino declines annexation plan”**: The article, dated February 1st, explains how a 350-acre residential development in Southern California remains pending even though the annexation of the area was approved by San Bernardino LAFCO. The Commission’s resolution included a condition to annex an additional 26-acres to prevent the formation of an unincorporated island. LAFCO law prohibits the development of an island as a result of a boundary change, including annexation. The affected city is hesitant to annex the additional acreage due to the area’s infrastructure issues.
8. **“Laura Schmidt Appointed Assistant City Manager of Santa Cruz”**: The article, dated February 2nd, notes that Laura Schmidt was officially appointed as Assistant City Manager for the City of Santa Cruz. Ms. Schmidt was interim assistant city manager since May 2019 following the departure of Tina Shull. Ms. Schmidt has been with the City for over six years now.
9. **“LAFCO report recommends County taking over VC parks”**: The article, dated February 4th, examines a San Diego LAFCO service review that covers three agencies: a water district, fire district, and parks & recreation district. The service review recommended more joint efforts among the local entities. The article’s primary focus was towards the proposed changes of organization outlined in the service review, specifically consolidation.
10. **“Early Santa Cruz city water shows good supply, poor rainfall”**: The article, dated February 4th, highlights the status of the City of Santa Cruz’s water supply during the midpoint of the winter season. The article also refers to new legislation that will require the City and all water suppliers to better prepare for ongoing drought conditions by updating their Urban Water Management Plans.
11. **“Grey Bears, Santa Cruz County partner to reestablish recycling services”**: The article, dated February 4th, discusses the reestablishment of redemption services in the San Lorenzo Valley area. Redemption service providers exchange money for qualified beverage containers (ex. soda cans). Due to the recent decline in the global recycling market, many of these facilities have closed down in Santa Cruz County. This cooperative pilot project between the County and Grey Bears provides economic benefits to residents and supports countywide recycling goals.

12. **“Council hears options for NW Newman annexation vote”**: The article, dated February 6th, discusses the City of Newman’s upcoming election following the approval from Stanislaus LAFCO to annex 121 acres into the city. The election is a result of the number of oppositions received during the protest proceedings. The City is contemplating a special mail-in ballot or deferring until the November election.
13. **“Templeton explores what it takes to become a city”**: The article, dated February 13th, summarizes a recent townhall meeting with residents from an unincorporated community in San Luis Obispo County. Templeton community residents inquired about the steps towards incorporation. David Church, Executive Officer of San Luis Obispo LAFCO, outlined the statutory requirements. Mr. Church also noted the fiscal challenges associated with incorporation and how only 12 incorporations have been successful throughout California in the last 25 years.
14. **“Mayor’s message | A new year and a new start”**: The editorial, dated February 15th, was written by LAFCO Vice-Chair and Santa Cruz Mayor Justin Cummings. His message gave an overview of the City Council’s past, current, and future actions. The narrative also highlights how the City, in conjunction with the public’s support, will tackle issues facing the Santa Cruz community as a collectively body.

Respectfully Submitted,



Joe A. Serrano  
Executive Officer

Attachments:

1. “Public Law Newsletter – Winter 2020 Edition”
2. “New water recycling projects will help battle Central Coast’s seawater invasion”
3. “Agua Caliente files new lawsuit against Coachella Valley water districts”
4. “Orange County Shuts Down Groundwater Wells Due to PFAS”
5. “California moves forward with next steps in groundwater management”
6. “Mayor’s message | Measure F serves Capitola well”
7. “Spring Trails project in limbo after San Bernardino declines annexation plan”
8. “Laura Schmidt Appointed Assistant City Manager of Santa Cruz”
9. “LAFCO report recommends County taking over VC parks”
10. “Early Santa Cruz city water shows good supply, poor rainfall”
11. “Grey Bears, Santa Cruz County partner to reestablish recycling services”
12. “Council hears options for NW Newman annexation vote”
13. “Templeton explores what it takes to become a city”
14. “Mayor’s message | A new year and a new start”

COLANTUONO  
HIGHSMITH  
WHATLEY, PC

Newsletter | Winter 2020

## Update on Public Law What's Up with Prop. 13?

By Michael G. Colantuono

Proposition 13 is back in the news in a somewhat confusing way. A measure on the March 2020 ballot bears that number, but has nothing to do with property taxes. It authorizes \$15 billion in bonds for capital facilities for California school districts and universities. Two measures that do affect the 1978 ground-breaking constitutional amendment capping property taxes are in discussion, however.

The November 2020 ballot is now slated to include "The California Schools and Local Communities Funding Act of 2018," measure 17-055, to would impose a "split roll" valuing property for tax purposes differently as between commercial and other property. Proposed by a coalition of labor and social-justice groups, it would end Prop. 13's practice of assessing commercial property based on historic sales prices, adjusted for the lesser of inflation (or deflation) or 2 percent per year. Unlike natural persons, business entities can transfer title to property without a recorded sale (as by selling stock in a holding company) and, as a result, some business properties have escaped reappraisal for decades. This has distorted markets, with a news story reporting that two adjacent Beverly Hills hotels paid very different property tax bills.

However, perhaps because the measure polled badly, its framers are circulating an alternative. The changes suggest the political challenges the earlier initiative faced.

Measure No. 19-0008A1 achieved the 25-percent-signature threshold by December 14, 2019 and is still in circulation. It:

- Applies the local control funding formula to distribute school funding;
- Allocates city, county and non-school special district funding using AB 8 shares — which replicate the shares of property taxes agencies received in the 3 years before Proposition 13;

*(Continued on page 3)*

### WELCOME ANDREW JARED AND CHICO

CH&W is pleased to welcome the City of Chico to the ranks of its 10 general counsel cities. Chico City Attorney Andrew L. Jared joins us after 14 years as a City Attorney and Deputy City Attorney and brings a BS in Geology from UCLA, an MS in Environmental Management from the University of London, and a JD from Pepperdine. He teaches planning and environmental management at CSU Northridge.

Chico is the largest City in Butte County, made larger by the influx of those displaced by the Paradise fire. It is a full-service city providing police, fire, solid waste, wastewater and other services, including historic Bidwell Park, one of America's largest city parks at 3,670 acres. It is a charter city with a council-manager form of government and 7-member Council with a rotating mayor and vice mayor.

Andrew is based in our Pasadena office and will support our work for our Southern California clients, including the City of South Pasadena.

Welcome Andrew and Chico!

# Snuffing Vaping?

By *Nikhil S. Damle*

Electronic cigarettes (“e-cigarettes”) have become a hot button issue. They entered the marketplace around 2007 and are now the tobacco product youth most commonly use. These are battery-operated devices, often resembling cigarettes, using flavored tobacco to emit a nicotine-containing aerosol. They are frequently referred to as e-cigs, hookah pens, vapes and vape pens.

According to the Centers for Disease Control and Prevention, middle- and high-school students reporting use of tobacco products increased 36% between 2017 and 2018 from 3.6 million to 4.9 million students — driven largely by e-cigarette use.

**Federal Regulation.** Tobacco, smokeless tobacco and other tobacco products are subject to the Family Smoking Prevention and Tobacco Control Act (FSPTCA). In 2016, the FDA deemed e-cigarettes to be “tobacco products.” This allowed the FDA to regulate e-cigarettes just as traditional tobacco products are. In January 2020, the FDA issued guidance banning flavored e-cigarette products that appeal to children, including fruit and mint flavors.

**State Regulation.** California’s smoke-free laws govern e-cigarettes, which are prohibited in most workplaces and many public spaces, but allowed where smoking is. Governor Newsom signed an executive order directing the Department of Public Health to fund the development of recommendations for warning signs about the health risks of vaping, increased enforcement as to illegal sales, and establishing nicotine and packaging standards.

**Local Laws.** The FSPTCA allows local governments to adopt vaping regulations more stringent than federal law. California cities and counties have done so, banning e-cigarettes in many places. These vary in scope and approach. Beverly Hills has prohibited any sale of tobacco products in the city. Palo Alto limits sale of flavored tobacco to retailers that generate more than 60 percent of revenue from the tobacco

sales, do not sell food or alcohol for consumption on-site, and exclude those younger than 21.

Cities and counties considering regulating e-cigarettes may revise smoking ordinances or separately regulate e-cigarettes. The law in this area changes rapidly. As always, we’ll keep you posted!

For more information on this subject, contact *Nikhil* at [NDamle@chwlaw.us](mailto:NDamle@chwlaw.us) or (213) 542-5709.

## Webinars!

CH&W is offering webinars on (i) SB 1421 and AB 748, recent statutes granting greater public access to police personnel record, (ii) new laws governing zoning control of accessory dwelling units (ADUs), and (iii) new limits on utility fees for ADUs.

A webinar allows agency management and counsel advice and guidance and Q&A in an attorney-client-privileged setting.

The fee is \$1,000 per agency. To schedule a webinar, contact Bill Weech at [BWeech@chwlaw.us](mailto:BWeech@chwlaw.us) or (213) 542-5700.

# California Water Wars' Latest Chapter

By Conor W. Harkins

*City of Santa Maria v. Adam*, filed in 1997, recently completed its third trip to the Court of Appeal. It seeks to adjudicate groundwater rights in the Santa Maria Valley Groundwater Basin.

The trial court found disputed Twitchell Reservoir flows were "salvage water," not groundwater. The Bureau of Reclamation holds a State Water Resources Control Board license to collect seasonal flow from the Cuyama River in that reservoir and works with the Santa Maria Water Conservation District to distribute water by recharging the basin. Though it distributes water via the basin, the water remains salvaged surface water, not groundwater. The public agencies also proved a right to "return flows" from imports they store in the basin.

Public water providers stipulated with some basin landowners to waive prescription claims. A prescriptive right is an entitlement to use someone else's groundwater because one used it thinking it was her own and because the owner failed to act to protect his rights. The non-stipulating landowners would have to prove the public agencies had not prescribed against their rights.

The trial court also found the public agencies had prescribed against non-stipulating landowners. Those landowners appealed, seeking determination of the scope of their rights — if the public agencies prescribed rights to 7,000 acre-feet-per-year, how much groundwater do we have, they asked? The Basin is not in overdraft, so the Court concluded there was not yet need to make that determination.

Water law disputes are complex. The groundwater management required by the Sustainable Groundwater Management Act may provide opportunities to resolve such disputes by political negotiation. It might foment more water-rights litigation. Time will tell.

For more information on this subject, contact Conor at [CHarkins@chwlaw.us](mailto:CHarkins@chwlaw.us) or (530) 798-2416.

## Prop. 13 (cont.)

It remains to be seen whether significant demographic changes since 1978 will carry this measure to success or whether California remains more conservative as to government funding than might appear.

- Exempts residential and agricultural property;
- Exempts smaller commercial and industrial parcels (i.e., those worth \$3m or less);
- Allows reassessments to be phased in by statute (so as not to overwhelm County Assessors, who have not appraised market values in decades).

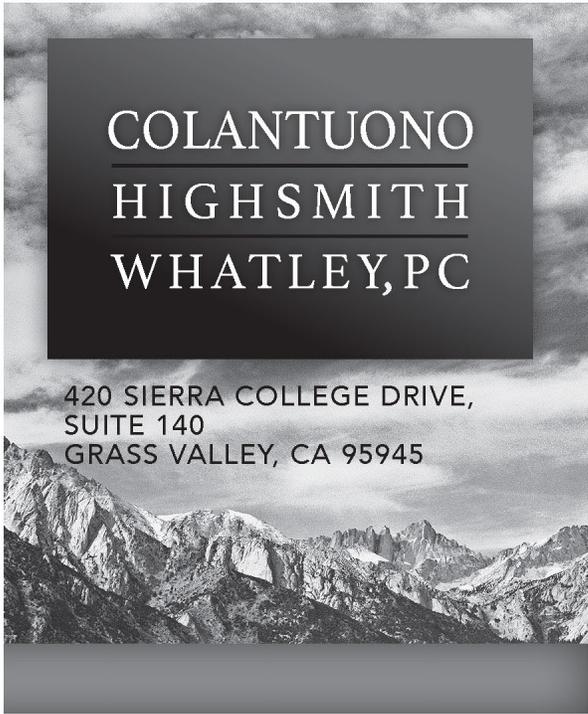
The measure seems likely to qualify. If so, the earlier measure will be withdrawn.

This will likely generate a political battle royale, with significant funding from business and real estate interests against the proposal and support from unions and progressive interests. The measure would generate billions of dollars in new funding for local governments and schools.

The measure would not change Proposition 13's protections for agricultural, small business and residential properties — single-family or multifamily.

It remains to be seen whether the significant demographic and political changes since voters approved Proposition 13 in 1978 will carry this measure to success or whether California remains more conservative as to government funding than might appear from the Democratic sweep of statewide offices and Democratic super-majorities in the Legislature.

For more information on this subject, contact Michael at [MColantuono@chwlaw.us](mailto:MColantuono@chwlaw.us) or (530) 432-7357.



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## **New water recycling projects will help battle Central Coast's seawater invasion**

For decades, California's coastal aquifers have been plagued by invading seawater, turning pristine wells into salty ruins.

But the state's coastal water agencies now plan to get more aggressive in holding back the invasion by injecting millions of gallons of treated sewage and other purified wastewater deep underground. The additional groundwater will both enhance potable water supplies and help prevent saltwater from seeping further into coastal California's massive subterranean reservoirs.

A decade ago, Orange County was the first in California to successfully employ this tactic — mocked by critics as a “toilet to tap” solution. Now, two Northern California water districts are following suit, arguing that there is little choice.

“Seawater intrusion is in about 70% of the populated coastal regions of the world that rely on groundwater,” said Ron Duncan, general manager of the Soquel Creek Water District. “The other 30% just haven't been hit yet.”

The encroachment occurs when the amount of water pumped from freshwater aquifers exceeds what winter rains can replenish, causing saltwater from the Pacific Ocean to march inland to fill the void.

In recent decades, California's water agencies have battled water shortages that can lead to seawater intrusion through conservation efforts such as low-flow shower heads and drip irrigation, reducing the amount of water pumped from coastal wells. But scientists say the problem is getting worse and that water districts need to do more.

“Historically you could just drill deeper,” said Meredith Goebel, a Stanford University geophysicist who has extensively studied saltwater intrusion in the Monterey Bay area. “Now, a lot of the time it's too expensive.”

More than two decades ago, the Salinas Valley won a victory in its long-running war against seawater intrusion after farmers experienced first-hand the damage it could do.

In Castroville, Ocean Mist Farms saw its fields of salt-sensitive strawberries as well as salt-tolerant artichokes wilting when saltwater surged inland. Improvements to a water treatment plant in 1998, however, made highly treated effluent safe to use on Castroville's crops.

Since then, “we have never suffered one sickness or one foodborne illness,” said Dale Huss, Ocean Mist's vice president of artichoke production. “If it isn't the safest, it's one of the safest waters for crop irrigation in the world.”

Mike McCullough of Monterey One Water take a sip of newly recycled wastewater at a new water purification plant near Marina, Calif. (Photo by Lara Streiff)

As a result, the saltwater intrusion slowed and the crops recovered in the northern stretch of the fertile Salinas Valley.

“We may not be farming along the coast if it weren’t for water reclamation projects,” Huss said.

Now, advancements in water treatment are taking recycling of the precious resource to a new level: An innovative project in the Monterey Peninsula area is about to go live, and a second is planned in Santa Cruz County.

In Monterey County, reducing saltwater intrusion is an added benefit of a project aimed at replenishing the Seaside Groundwater Basin to produce more potable water, helping the county to comply with a state mandate to reduce pumping from the Carmel River. But in the Soquel area, fighting intrusion is the main focus of the effort.

The California Department of Water Resources has identified the Santa Cruz Mid-County Basin and the Salinas Valley Basin as two of the state’s 21 critically overdrafted aquifers. Water districts are required to stabilize their water sources by 2040 to ensure a sustainable freshwater supply for their customers.

Without action, periods of drought or further overdrafting will allow additional seawater intrusion to taint more wells, with rippling effects that would threaten the agricultural industry and drinking water supplies. For the Seaside aquifer, which invading saltwater has not yet reached, replenishment will help prevent future intrusion.

Engineers at a new water treatment plant near Marina, Calif., inspect the purification process during testing. (Photo by Rachel Gaudoin/ Monterey One Water)

Monterey County's \$124 million project was born out of the regional collaboration of nine local entities, including the wastewater treatment agency Monterey One Water.

A new advanced treatment facility just north of Marina is expected to be up and running within the next few weeks, according to Mike McCullough, director of external affairs for Monterey One Water. A pipeline will then transport the treated water more than eight miles to two shallow wells and two deep wells on the Seaside Groundwater Basin.

Testing at the plant is nearing completion, and the agency is waiting for state water officials to sign off on the project — after which the aquifer will be replenished with purified water. Nine to 12 months later, water customers on the Monterey Peninsula will see the highly treated wastewater, mixed with existing groundwater, in their taps.

It's the first water recycling project in the state to use supplies from four different sources: wastewater, stormwater, food industry processing water and agricultural runoff. The project will pump 3,500 acre-feet of recycled water into the Seaside aquifer annually, roughly the equivalent of four feet of water flooding New York's Central Park.

The project's new water sources will also feed the recycled agricultural water project in the Castroville area, bolstering the battle there against seawater intrusion and providing more irrigation water to Salinas Valley farmers.

About 30 miles north in Soquel, the local water district and the city of Santa Cruz are collaborating on a \$90 million project that will pump treated sewage and other wastewater into three wells by 2022.

Santa Cruz currently dumps nine million gallons of wastewater treated at its plant next to Neary Lagoon into the Pacific Ocean every day. But in a few years, 25% of that water will go through a new advanced treatment facility off Soquel Avenue, where it will be further purified through microfiltration, reverse osmosis and ultraviolet light, then injected into the ground.

"It's probably overkill, but nothing trumps water quality," said the Soquel water district's Duncan of the treatment process.

Mixing treated wastewater with well water has long been controversial. Two decades ago, both San Diego and Los Angeles had plans for similar projects derailed by public perceptions when the projects "became politicized," said Ellen Hanak, director of the Water Policy Center at the San Francisco-based Public Policy Institute of California.

Mike McCullough of Monterey One Water inspects the micro-filtration step of the water treatment process at a demonstration facility at a new water purification plant near Marina. (Photo by Lara Streiff)

Some San Diego customers threatened to move out of state, with one proclaiming that if “my dog doesn’t drink out of a toilet ... why should I?” while supporters contended that the recycled water is cleaner than what currently comes out of the tap.

But scientists say that Monterey Bay area residents have nothing to worry about. Both the Soquel Creek Water District and Monterey Peninsula Water Management District held public meetings and even demonstrations at the new Marina plant to dispel misconceptions about the treatment processes. And little opposition emerged in a region known for its strong environmental ethos.

In 2017, Stanford University scientists used an innovative mapping technique and found that saltwater is perilously close to contaminating every clean well along the shoreline of Monterey Bay.

Never before attempted in waters as deep as the bay, the technique sought to graphically display saltwater intrusion along the coastline. A helicopter flew along 12.5 miles of the local coast along the top half of Monterey Bay, dragging a massive hexagonal ring. It detected electrical resistivity — a simple measure that distinguishes between saltwater and freshwater — of the water 200 meters below the ocean surface.

The results, Stanford’s Goebel said, confirmed the suspicions of just how extensive saltwater intrusion is around the bay.

“It’s been the holy grail of what we needed to know,” Duncan said.

Duncan and other water officials say that fast-rising water rates, government mandates, droughts and new technological advancements make wastewater treatment and aquifer replenishment a far more attractive solution than expensive new supply projects such as ocean desalination or much deeper drilling.

Monterey County’s new water purification plant emulates Orange County’s facility. But with an additional first step: Ozone — the same chemical that helps prevent ultraviolet rays in the atmosphere from scorching our skin — will be added to the wastewater acting as a powerful disinfectant to destroy bacteria and pathogens.

The Carmel River and Seaside Groundwater Basin, which currently supply 99% of the water for 100,000 customers on the Monterey Peninsula, have been overexploited for years. By introducing the new supply of recycled water and reducing the water removed from natural sources, the project will help protect the Seaside aquifer from the sea itself.

If successful, both Central Coast projects may expand. Soquel’s pipeline is designed to handle twice the planned capacity, and Monterey One Water has already launched expansion plans that would be implemented if controversial plans for an ocean desalination plant in Marina fall through.

With the availability of the new aquifer-replenishing technologies, Duncan said, “there is no need for any city to ever have saltwater intrusion again.”

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# Agua Caliente files new lawsuit against Coachella Valley water districts

Risa Johnson, Palm Springs Desert Sun

Published 4:48 p.m. PT Jan. 28, 2020 | Updated 6:00 p.m. PT Jan. 28, 2020

CLOSE 

Jeff Grubbe, Agua Caliente Band of Cahuilla Indians Tribal Chairman, discuss water agencies appealed to the Supreme Court in the Agua Caliente tribe’s lawsuit over groundwater rights. (August 4, 2017)

The Agua Caliente Band of Cahuilla Indians has filed a second lawsuit against the Coachella Valley Water District and Desert Water Agency over groundwater.

The first lawsuit filed by the tribe against the districts over rights to groundwater access has been pending since 2013, however courts have already agreed with the tribe's contention that it has a reserved right to groundwater from the aquifer below reservation. In the new complaint filed on Jan. 24, the tribe asserts that it and its members should not have to pay a ["replenishment assessment charge"](#) for groundwater production on land owned by the tribe and individual tribal members.

That charge helps cover the cost of replenishing the aquifer, according to the Desert Water Agency website. There are three different levels of charges [based on geographic area](#), from \$66 per acre-foot to \$144 per acre-foot of water.

Only big water users — like the Coachella Valley Water District and companies with farms, nurseries and golf courses — are charged the fee. Those are the entities that use a well or multiple wells that pump over 25 acre-feet from the aquifer annually. The average California household uses one-half acre-foot to one acre-foot of water per year, [according to the Water Education Foundation](#).

The tribe owes the water agency about \$230,000 in assessment fees, according to the lawsuit. The tribe argues that the charge infringes upon its authority, as a sovereign nation, to self-govern and on the tribe's federally reserved groundwater rights.

The tribe's rights to the aquifer below reservation land were confirmed by the court as part of the tribe's other pending lawsuit against the same water agencies, filed in 2013. However, portions of the complaint were struck down, including the tribe's claim of harm. After the court declined to reconsider a ruling in the case in August 2019, the tribe — with support of the federal government — moved to change and add to its existing complaint. The next hearing for that case is tentatively set for Feb. 24.

Dig Deeper

Native stories



**More:** [Judge won't reconsider ruling in Agua Caliente tribe's water case](#)

**More:** [Federal judge dismisses key pieces of tribe’s claim against local water districts](#)

In its new lawsuit, the tribe is asking that the court declares the fee assessment for the tribe federally illegal, covers attorneys' fees, and awards "further relief as deemed just and proper."

The case was filed in U.S. District Court for the Central District of California and assigned to Judge R. Gary Klausner.

The tribe is being represented by Catherine Munson, Keith Harper and Mark Reeves of Kilpatrick Townsend & Stockton LLP in Washington, D.C.; Steven Moore of the Native American Rights Fund in Boulder, Colorado;

and John Tabinaca Plata of the Agua Caliente tribe in Palm Springs. Plata is the lead attorney.

Mark Krause, general manager for the Desert Water Agency, said on Tuesday that the agency is reviewing the lawsuit.

"We will move forward focused on our community and sustainability," Krause said in a written statement sent to The Desert Sun.

Katie Evans, director of communications and conservation for the Coachella Valley Water District, said in a written statement: "As always, our top priority is protecting our groundwater supplies to ensure a sustainable, reliable water future for everyone in the Coachella Valley. We have an obligation to the entire community to manage our groundwater supplies responsibly and we will continue to do so."

A spokeswoman for the Agua Caliente tribe asked to confirm that The Desert Sun had a copy of the lawsuit and did not comment further.

CLOSE 

Desert Water Agency President James Cioffi discusses a Supreme Court appeal in the Agua Caliente tribe's landmark groundwater case.

*Desert Sun reporter Risa Johnson covers Native American affairs in the Coachella Valley and beyond. She can be reached at [risa.johnson@desertsun.com](mailto:risa.johnson@desertsun.com) or (760) 778-4737. Support local news, [subscribe to The Desert Sun](#).*

Read or Share this story: <https://www.desertsun.com/story/news/2020/01/28/agua-caliente-tribe-sues-coachella-valley-water-districts-again/4598200002/>

# Orange County Shuts Down Groundwater Wells Due to PFAS

By Cristina Tuser

Orange County, California will see groundwater wells shut down due to PFAS contamination.

Nearly a third of the 200 groundwater wells in the [Orange County Water District's](#) service area will be shut down by the end of 2020 because of per- and polyfluoroalkyl substances (PFAS).

Nine of the wells have already been closed and 32 more are expected to be closed in the next few weeks, [according to the OCRegister](#). Up to 31 additional wells could be shut down after testing is expanded. The district manages a [groundwater](#) basin that provides 77% of the water used by 19 member agencies, which pump water from wells in central and north Orange County.

The water district launched a \$1.4 million pilot treatment project in December 2019 to evaluate the best type of filter to remove PFAS, [reported the OCRegister](#). Treatment facilities will be constructed in each of its nine member districts and possibly two other districts that have reported PFAS in their well water. According to Michael Markus, general manager of the Orange County Water District, the district is hoping to have them up and running in two years.

In the meantime, the districts affected are importing more water from northern California and the Colorado River, [according to the OCRegister](#).

In July 2018, [the state Division of Drinking Water](#) established a requirement that cities and counties are to be notified by their water agencies if perfluorooctanoic acid (PFOA) appeared in water in concentrations of 14 parts per trillion (ppt) and 13 ppt for perfluorooctanesulfonic acid (PFOS), which were lowered to 5.1 ppt and 6.5 ppt respectively.

Since 2019, the state has recommended closing wells if combined levels of PFOA and PFAS reached 70 ppt, [according to the U.S. EPA](#).

State lawmakers passed a law effective Jan. 1 requiring water agencies to note the detection of any level of PFAS in the annual water quality reports issues to consumers, [reported OCRegister](#).

The Orange County Water District's pilot treatment project in Anaheim will likely be finished by the end of 2020. A coinciding study is identifying specific locations for the treatment facilities, [according to OCRegister](#).

Total construction costs are estimated at \$180 million to \$200 million and will initially be covered by the Orange County Water District. Construction-related increases in water costs will likely be shared by customers in all 19 member agencies, as well as the eight agencies that do not expect to find PFAS in their wells.

The average home in a district with PFAS treatment will likely pay \$3 more a month for water, while the average home in a non-PFAS district will likely pay \$1 more a month, [reported OCRegister](#).

## Read related content about PFAS in California:

- [PFAS Found in California's Water Sources Impacts 7.5 Million Residents](#)
- [The State of Water Regulations](#)
- [National Defense Authorization Act Regulates PFAS in Firefighting Foam](#)

## California moves forward with next steps in groundwater management

*LAKE COUNTY NEWS REPORTS*

In order to meet the requirements of a 2014 state bill, local agencies representing 19 of California's most stressed groundwater basins were required to submit plans to the state by 12 a.m. Saturday on how they will manage their basins to achieve sustainability by 2040.

Several plans were submitted early and were posted [online](#) Friday, starting a public comment period which closes on April 15.

The remaining plans will be posted online in the coming weeks for a 75-day public comment period.

The plans had to be submitted under the auspices of California's Sustainable Groundwater Management Act.

Overpumping of groundwater has led to a variety of negative effects including reduced groundwater levels, seawater intrusion, and degraded water quality. It has also led to subsidence, which causes damage to critical water infrastructure.

In some cases, years of overpumping have left entire California communities and farms without safe and reliable local water supplies.

"Groundwater is a critical component of the state's water supply resources," said Karla Nemeth, director of the California Department of Water Resources. "California's groundwater basins must be managed for long-term sustainability rather than for short-term need."

California's Sustainable Groundwater Management Act, or SGMA, signed into law in 2014, requires locally led groundwater sustainability agencies, or GSAs, to develop groundwater sustainability plans outlining actions and implementation measures to halt overdraft and bring groundwater basins into sustainable conditions.

Plans for critically overdrafted basins are were due on Friday.

High- and medium-priority basins have until 2022 to submit plans and are required to reach sustainability by 2042.

In Lake County, the Big Valley basin is listed as a medium priority, while the other 11 are listed as low priority.

SGMA allows for more than one groundwater sustainability plan to be prepared for a single basin as long as the GSAs demonstrate the plans work together through a coordination agreement.

"The premise of SGMA is that local agencies are best suited to craft plans to sustainably manage groundwater basins," said Joaquin Esquivel, chair of the State Water Resources Control Board. "If the state finds a groundwater plan is unlikely to achieve sustainability, the Water Board will temporarily step in to work with the local agency and DWR to bring the basin back into compliance."

GSAs are submitting plans to DWR, the lead state agency providing compliance and regulatory oversight. The State Water Resources Control Board can intervene in basins when local management of groundwater is not successful.

Once a plan is submitted, DWR has 20 days to post it on the website, at which point the plans are open to public comment for 75 days. GSAs will begin implementing their plans immediately after they adopt them.

SGMA directs DWR to evaluate and assess all plans to determine whether each plan is adequate, based on best available science and information, and whether implementation of the plan is likely to achieve the groundwater basin's sustainability goal.

More information about the plan submittal and review process and the significance of managing groundwater for long-term sustainability can be found on DWR's website.

Groundwater accounts for about 40 percent of the state's water use in a normal year and up to 60 percent during dry years.

Groundwater is the only water supply for approximately a third of California residents, and many municipal, agricultural, and disadvantaged communities rely on groundwater for all of their water supply needs. Implementation of SGMA is an important component of Gov. Gavin Newsom's recently released draft Water Resilience Portfolio.

"Groundwater storage will become even more important as California's changing climate produces less snow and more rain," Nemeth said. "Groundwater acts as a drought buffer by providing water that is available to use when surface water supplies are diminished."

## Mayor's message | Measure F serves Capitola well

In 2016, Capitola voters approved Measure F, which extended the sunset date of an existing a quarter-cent sales tax to 2026 in order to fund projects to protect the wharf, beach and village from storms and rising sea level, and to protect essential city services and facilities. To date, Measure F has generated approximately \$2 million in revenue that is being put to use for these purposes.

The original Capitola Wharf was built in 1857 and has undergone multiple reconstruction efforts throughout its life. As the wharf has aged and the impacts of climate change bring us larger and more powerful storms, wharf infrastructure has been facing more damage, more often.

Measure F has provided resources to address near-term repair work necessary to keep the wharf operational and also funded efforts to prepare a plan for major renovation that, when completed, will greatly enhance the wharf's resiliency. Additionally, because of the regional and historic significance of the Capitola wharf, Assemblyman Mark Stone was able to help the city secure \$1.9 million in additional state funding for help with the wharf renovation project.

It is worth noting that renovating a wharf in a highly regulated and delicate ecosystem such as the Monterey Bay requires very comprehensive environmental assessments in order to obtain the permits necessary to construct the project. The city has made progress in completing those environmental assessments and hopes to secure permits to build the project in the next 12 months. The renovations the city plans to complete will ensure the resiliency of the wharf for years to come.

In addition to wharf revitalization, Measure F funding has also been allocated for repairs to Capitola's other beach infrastructure, the jetty and flume. The jetty and flume work will improve public safety, maintain lagoon water levels, manage lagoon water quality, and help steelhead salmon migrate to the ocean. A solid jetty is important in helping to slow and hold sand on Capitola Beach. Without it, the city would likely not have a beach.

The flume allows the city to manage the flows in Soquel Creek to mimic the historical process whereby the creek would form a lagoon each summer, then breach into the ocean each winter. This lagoon is an important part of allowing tidewater goby and juvenile steelhead salmon to grow before entering the open ocean.

Along with these ongoing long-term projects, Measure F funding has also allowed the city to purchase a new beach loader that allows the city to manage the Soquel Creek closure each year and install an emergency storm drain to slow coastal erosion. Measure F funding is doing exactly what it was designed to do: promote coastal resiliency, revitalize the historic Capitola Wharf, and allow us to respond to urgent public works needs that protect the health and wellbeing of Capitola residents.

*Mayor's message is a Sunday column by Capitola Kristen Petersen, Scotts Valley Mayor Randy Johnson, Watsonville Mayor Rebecca Garcia and Santa Cruz Mayor Justin Cummings.*

## Spring Trails project in limbo after San Bernardino declines annexation plan

A previously-approved housing development bound for northern San Bernardino is in limbo three months after the county Local Agency Formation Commission moved the controversial project forward by [annexing 350 acres of unincorporated land into the city](#).

Until San Bernardino initiates a separate plan to assume responsibility for 26 additional acres of unincorporated land near the site, however, neither the larger annexation nor the Spring Trails project will go through, Sam Martinez, LAFCO executive officer, said by phone Friday, Jan. 31.

City leaders have declined to commit to such a plan at this time.

“The condition of approval is clear,” Martinez said. “It’s up to (San Bernardino) to take up a resolution” to take in the 26 acres.

Approved by the City Council in 2012, the Spring Trails project calls for the development of [215 residences on 199 acres in one of the northernmost parts of town](#). San Bernardino would be responsible for providing services to the area, even though the development could take years to come to fruition.

Since property owner Montecito Equities proposed the project more than two decades ago, residents of the Verdemon community have argued, in part, that building so many residences in a high wind- and high fire-hazard zone would put future homeowners in danger.

Furthermore, they’ve said, San Bernardino cannot afford the increased demand for services.

On Oct. 16, after hearing from Councilman Henry Nickel, who represents the area and backs his constituents, as well as about 20 Verdemon and Devore residents, a majority of LAFCO commissioners voted in favor of annexing the 350 acres into San Bernardino, pending the city’s cooperation on taking in the additional acreage.

San Bernardino leaders were asked to put their commitment in writing within a year.

Nickel, who last year called the annexation “ill-advised,” repeated that sentiment when discussing the item recently.

“Even if we pass a resolution” declaring an intent to annex the 26 acres, he asked of city staffers at a recent council meeting, “what are we committing ourselves to in terms of a timeline? And if we fail to follow, what are the consequences? I don’t know how this moves forward. I’m concerned about what we got ourselves into.”

Councilman Jim Mulvihill suggested discussing the annexation plan after the city [revises its general plan](#).

“My concern is the lack of infrastructure” in the area, he said. “There are problems there today, limitations. It’s a high-fire area. I would say in our general plan revision we address those issues, and recognize that if LAFCO comes back and asks when we plan to annex this (island), we can say we’ll annex it when we finish revising our general plan, at a later date.”

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# Laura Schmidt Appointed Assistant City Manager Of Santa Cruz

[community corner](#)

## Schmidt has been serving as the interim assistant city manager since May 31, 2019.

By [Press Release Desk, News Partner](#)

Feb 2, 2020 10:44 pm PT

[From the City of Santa Cruz:](#)

Post Date:01/31/2020

Laura Schmidt has been appointed assistant city manager for the City of Santa Cruz by City Manager Martin Bernal. Schmidt has been serving as the interim assistant city manager since May 31, 2019, while simultaneously fulfilling her role as the director of information technology for the City. Schmidt replaces previous assistant city manager, Tina Shull, who left the city May 30, 2019, to become city manager for neighboring Scotts Valley.

City Manager Martín Bernal made the announcement this afternoon stating that, "Laura has done an exceptional job serving as the interim Assistant City Manager these past months. She brings to this team an extensive background and experience in public and private sector strategy, operations, organizational development and management of multi-million dollar projects. Laura's skills and abilities are a valuable asset to this organization and her serving as our city's next assistant city manager is truly a benefit to both this administration and community."

Schmidt joined the city in 2014. Prior to Santa Cruz, she served as chief information management Officer for Washoe County in Nevada. Schmidt also held senior positions in information technology and program management for several private sector firms, including organizations such as Hewlett-Packard, PeopleSoft, Palm and Accenture.

Schmidt has a bachelor of arts degree from University of the Pacific and attended the prestigious Certified Government Chief Information Officers Program at the Chapel Hill School of Government. She lives with her family in Aptos.

The City of Santa Cruz is the county seat and largest city in Santa Cruz County. The city serves over 63,000 residents with full services including police, utility, waste, recreation, and library programs. Santa Cruz is a Charter City governed by a seven-member Council.

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*This press release was produced by [the City of Santa Cruz](#). The views expressed here are the author's own.*

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## LAFCO report recommends County taking over VC parks | Valley Roadrunner

By David Ross | on February 04, 2020

As expected, San Diego County LAFCO's Municipal Service Review of the Valley Center Municipal Water District, Valley Center Fire Protection District and VC Parks & Rec District (which is referred to in the report as VC Community Services District)—now available for public review—includes a recommendation that the County take over the parks district, and that the parks be put under a standalone County Service Area that would be run by the County, although with an advisory committee that would probably start with the current board of directors.

The report also calls for pushing the Valley Center Fire Protection District toward closer ties with the County Fire Authority.

The just released draft Municipal Services Review by LAFCO (Local Agency Formation Commission) is available for public review and can be found on the LAFCO website: [www.sdlafco.org](http://www.sdlafco.org)

At the January 6 meeting of the LAFCO board staffer Linda Zambito, local government analyst, presented a report to the LAFCO board. The board is made up of members of the Board of Supervisors and mayors and other public officials.

Among Zambito's five conclusions about the three organizations, which included Changing Community Character, Expanding Community Needs, Distinct and Valued Roles and Realigning Park and Recreation Services was "Variations in Financial Stress," where the report states:

"All three affected agencies in the Valley Center region have experienced financial stress during the five-year report period that merits additional LAFCO attention. The level of financial stress varies and reflected for both Valley Center MWD and Valley Center FPD incurring operating margin losses in all five years and contributing to sizable decreases in their respective net positions over the 60-month period. Valley Center CSD financial stress is more systemic given its diseconomies of scale to fund ongoing park and recreation amenities along with low reserves with the cumulative effect of leaving the District increasingly vulnerable to service disruptions."

Among Zambito's recommendations: "Future opportunities to share and/or consolidate resources between Valley Center FPD and the County of San Diego merit continued attention going forward. Exploring these future opportunities is consistent with San Diego LAFCO's standing policy objective to facilitate the orderly extension of the County Fire Authority in unincorporated San Diego County based on timing with community preferences."

That is a somewhat veiled recommendation for pushing the Valley Center Fire Protection District to join the San Diego Fire Authority, something that the district has so far declined to do, and has quite strongly resisted doing.

VC Fire Chief Joe Napier was one of several speakers commenting on the report. "I'm here to talk about the process and the district and what we've gone through since we separated from contract services [when Valley Center contracted with CalFire,]" said Napier.

Congratulating Zambito for her collaborative process of putting together the report, he said, "When I took over as the fire chief we were there with a 'time capsule.' Some of the 'financial stress' that you see in the report is our capital expenses to modernize equipment that was to point of not being safe and not being compliant. We are now fully compliant."

He noted that he recently celebrated his fifth anniversary as chief of VCFPD. "Our mantra is to grow responsibly as the community grows responsibly. Without subsidy from the county, I might add, and with a little bit of help from grants to help modernize the time capsule we are pulling out of."

He noted that some of the information the report takes information from is a 15-year old strategic on fire services that the County did. "I don't know any business model that would use a strategic plan that is over 15 years old, especially looking at the numbers then to consolidate services, and do look at the numbers now. They will be significantly different 15 years later."

Napier asked LAFCO "to continue its good work, to continue to work with special districts and that the

understand what our reality is now. We are not the fire department anymore. We are the department of the quality of life of the citizens of Valley Center, eighty-five square miles and two stations. We are working on a third station, with potentially a tax measure in 2020.”

Under some questioning from Jim Desmond, the Fifth District supervisor who serves on the LAFCO board, Napier said, “Everything we did after I took over was to take everything out of that time capsule. We established standards of cover, which response times, how many firefighters arrive on a scene to fight a fire, how many paramedics you have. A strategic plan went with that.

He was followed up by Fire Chief/CEO Stephen Abbott of the North County Fire Protection District, who commented that LAFCO should redo the 15 year-old report. “A lot has changed in the last 15 years since that report came out,” he said. At that time, he noted, there were 65 fire agencies in the county.

Valley Center Municipal Water District Gen. Mgr. Gary Arant spoke. In evaluating the Draft MSR, Arant stated, “On a very positive note, the Draft MSR was mostly accurate in evaluating all aspects of VCMWD water, wastewater and recycled water service provision, and found no service and capacity deficiencies for now or for the foreseeable future. It made no recommendations for changes in agency organization or service delivery; and stated that VCMWD’s Current Sphere of Influence should be ‘confirmed.’”

“However,” Arant pointed out, “the Draft MSR did contain several factual errors, statements and recommendations that we did need to address.”

In the discussion about Valley Center’s transition from agricultural to more urban, Arant pointed out that the draft states, “The transition (from agriculture to rural suburban) is primarily attributed to the combination of higher water rates for agricultural users due to reductions in subsidies caused by recent droughts...”

“This is not correct,” said Arant. “The dollar amount of the ‘subsidies’ has actually increased from \$33 per acre foot in 1990, to over \$550 per acre foot currently. Unfortunately, the wholesale price of water has also increased at the same time or even at a faster clip.”

Arant explained that, “In terms of rate differential, the discount then and now has represented a 27% to 30% differential to M&I rates. Further, these are not “subsidies” but reflect that, in exchange for a lower water rate, commercial agricultural users have accepted a lower level of reliability during droughts and emergencies by having no access to IID Transfer / Canal Lining or Desalinated Seawater supplies, reduced access to the SDCWA Emergency Storage Project Supply, and precluded from access to the SDCWA Carry-over Storage supply.”

He continued, “It has been the dramatic overall increase in the cost of wholesale water from MWD and the SDCWA (233% since 2000; from \$470/AF to \$1552/AF in 2019) which has reduced ag activity and associated water demand.”

It was also recommended in the Draft MSR, that the County require future development approvals connect to Valley Center MWD’s wastewater facilities and avoid the creation of new systems in the region unless unique and special conditions merit otherwise.

“While this recommendation points to an ‘ideal solution,’” Arant stated, “the reality is that for inland discharge systems like VCMWD, with limited and sometimes finite disposal or absorption capacity, requiring all development to connect to existing systems may not be practical or even feasible. Further, LAFCO should consider that Valley Center MWD has a large service area and it may not be practical or economically feasible to connect developments in the far-reaches of the service area to existing wastewater treatment facilities.

In evaluating water service reliability, the MSR stated, “Valley Center MWD has established interties with the City of Escondido, Rainbow MWD and Yuima MWD, as well as the San Pasqual Band of Mission Indians.....”

Arant pointed out that, “Not only does VCMWD have interties with adjacent agencies, it also has seven aqueduct connections on two aqueducts, tied to two treatment plants, one operated by MWD (Skinner), and the other operated by SDCWA (Twin Oaks).” He continued, “In addition, it has access to one 50 mgd Desal Plant and the almost 200,000 AF of SDCWA ESP and Carry-over Storage. Further, we also have a Mutual Aide Agreement with the SDCWA and all the 23 other SDCWA Member Agencies. Finally, the Aqueduct, Treatment, Conveyance and Storage system owned and operated by the SDCWA fully connects and integrates all of its 24 member agencies. This system, along with the cooperative nature and shared resources of its member agencies, has historically provided a very high degree of operational flexibility and reliability for the San Diego Region.”

Arant seemed especially concerned about a statement in a historical timeline section, that, “A statewide drought and cutback in Water Authority supplies (during the early 1990’s) prompts Valley Center MWD to eliminate agricultural supply supports....”

“This too is incorrect,” Arant said. “The price supports for commercial agriculture were provided by MWD under the Ag Discount Program passed through the SDCWA to the SDCWA Member Agencies. The MWD board stopped the discount in early 1990 in response to the drought, not Valley Center MWD.”

As an historical note, the MWD Board vote to resume the Agricultural Discount Program did resume in May of 1994 as the Interim Ag Water Program (IAWP), an action in which Valley Center MWD played a central role in advocating for and securing the program. The SDCWA added the Special Ag Water Rate (SAWR) Program on top of the IAWP in 1998 to offset the cost impact of the SDCWA Emergency Storage Project, expanded the SAWR in 2003 to offset the cost impact of the IID Transfer Agreement, again in 2007 to offset the cost of the SDCWA Carry-over Storage Project, and again in 2015 to offset the cost of the Carlsbad Desalination supply. MWD ended IAWP in 2012, but the SDCWA continued the SAWR which then later became the Transitional SAWR and has recently taken action to make it a permanent program.

Arant concluded, “On December 31, 2020, we submitted a letter of comment about these items, as well as a few others. We also testified about these issues at the January 6, 2020 LAFCO Commission Hearing on the Draft. LAFCO staff has been very responsive and has already, or will address these in things in the final draft. As we have to date, we look forward to working closely with Keene Simonds, LAFCO Executive Officer and Linda Zambito, Analyst, to come away with a very accurate, representative and meaningful MSR.”

## Early Santa Cruz city water shows good supply, poor rainfall

SANTA CRUZ — Were Santa Cruz to read its water future in a Magic 8 ball, the message would read “Outlook unclear.”

At the midpoint of the winter season, the city has seen a recent dry spell, especially when compared to last year’s rainy season. Prior to a discussion about how the city is working to update its water shortage response plan, Santa Cruz Water Conservation Manager Toby Goddard told the city Water Commission on Monday that the city has a “few things in our favor.”

“Everyone’s wondering what’s going on because it is dry and it’s been dry a long time and we’re on-trend. I think, from my perspective, having done this for years, is it’s not uncommon to get these dry spells, particularly in January,” Goddard said. “I think the good news on this report is we still have like three good, solid months of winter yet to come and also, we’re in good shape in respect to storage and also we have good strong flows in our flowing sources, through the end of last year, so that has some lingering effect coming into the current year.”

While November and early December precipitation boosted the season’s precipitation totals to slightly above average for this time of year, according to Goddard, the more recent trend has moved toward slightly below normal.

The water supply check-ins serve as a heads up to city leaders about whether or not they have to consider imposing some level of rationing on city water users’ consumption. Ultimately, such a decision is unlikely to be made before the traditional end of the rainy season, around April. While Santa Cruz has gone through this analysis for years, the practice — including an annual report to the California Department of Water Resources — will become codified as a state mandate for all urban water utilities, beginning in 2022.

Later in the meeting, water commissioners heard that a new state mandate will require the city and all water suppliers to better prepare for ongoing drought conditions through updates to their Urban Water Management Plans. New required across-the-board standards for levels of drought will require customers to reduce usage by 10% per level — meaning a 60% cutback under the driest conditions. The city would look at reductions with an eye toward prioritized usage, ranked in descending order by health and safety, commerce, irrigation and water waste.

Commissioner Jim Mekis observed that by a Stage 4 declaration, the city would be asking customers to cut back by 40%, asking if the city had ever asked such high conservation from its customers. The answer, he heard from Water Director Rosemary Menard was no, and she said she was unsure if it were an obtainable goal for a community that already has among the lowest per-customer average daily usage in the state. The city, she said, does not have the flexibility to ask for increased conservation it has enjoyed in the past, though water officials still will need to go through the process of planning for such conditions, Menard said.

“We have to do something for the state plan, but realistically, probably anything beyond stage 2 or stage 3, maybe, is not feasible here,” Menard said. “Which means that we need to be working really hard on the other side of it, which is to improve supply reliability. But also, manage to put together plans that we can use in the event that we have uncharted territory in front of us and we don’t really know what’s going to happen to us.”

## Grey Bears, Santa Cruz County partner to reestablish recycling services

BEN LOMOND — Nearly six months after California’s largest operator of recycling redemption centers closed all 284 of its centers, a recycling center is opening its doors in the San Lorenzo Valley.

The reestablishment of redemption services is in partnership with Santa Cruz County and Grey Bears, an area nonprofit that runs a thrift store, makes weekly grocery deliveries to some 4,500 seniors across Santa Cruz County weekly and also offers community classes, recycling and composting services and more.

“I’m thankful the county and Grey Bears have collaborated to restore CRV services in the San Lorenzo Valley, which was hit particularly hard by the recycling market collapse in recent years,” said Supervisor Bruce McPherson in a press release. “After three redemption sites closed in 2019, we saw the economic impact it had on SLV residents and businesses. We hope this cooperative pilot project will provide some relief and prevent recyclable materials from entering our waste stream.”

Due to declines in the global recycling market, numerous facilities accepting California Redemption Value products closed throughout California in recent years. The reestablishment of redemption services in partnership with Grey Bears fulfills an important community need while increasing convenience for residents, according to the county.

The loss of redemption centers, according to the county, not only undermines the County’s Zero Waste goals, but impacts small businesses by requiring them to begin providing funding and infrastructure for alternate redemption services.

Staffed by Grey Bears, the new CRV center operates from 10 a.m. to 3 p.m. Monday through Saturday at the Ben Lomond Transfer Station, 9835 Newell Creek Road.

Qualified beverage containers are eligible for cash vouchers redeemable at one of three locations: Ben Lomond Market, Wild Roots in Felton, and The Redwood Keg Liquor & Deli in Boulder Creek.

“We are excited to operate CRV redemption at Ben Lomond Transfer Station because it offers a win-win-win for our community,” said Grey Bears Executive Director Tim Brattan. “It supports Grey Bears environmental goals to expand recycling, provides economic benefits to residents by allowing them to redeem their beverage deposits, and helps retailers focus on their core services.”

In August, when RePlanet closed its centers, 750 employees were without jobs and many who relied on income from redeeming bottles and cans were left without options.

Santa Cruz wasn’t exempted from this loss.



A collector shows up with his load of cans and bottles at RePlanet in Harvey West Park to find that the facility has permanently closed. (Shmuel Thaler — Santa Cruz Sentinel file)

When the RePlanet in Harvey West Park closed without warning, several visitors with heaping bags and truck loads of recyclables left stunned after reading a sticky note left on the roll-up door.

“That’s hardly a posting,” said Bill Barnes, at the time, before he rode away on his bicycle.

Others at the location contemplated what to do next and confirmed it was likely a \$40-\$80 per week loss for them.

For the last six months, A&S Metals in Watsonville was the closest location in Santa Cruz County for recycling redemption.

For information, visit [greybears.org](http://greybears.org).

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**7A: ATTACHMENT 12****Council hears options for NW Newman annexation vote**

NEWMAN - The city has two options for holding the special election to determine the fate of the proposed Northwest Newman Phase I annexation, City Manager Michael Holland advised the City Council at its Jan. 28 meeting.

The city has spent several years and an estimated \$300,000 laying the groundwork for the annexation, which passed muster with the Stanislaus County Local Agency Formation Commission, a land use authority better known as LAFCO.

But whether the 121 acres is annexed to the city will fall to a vote of registered voters who reside within the annexation area, after enough protests were filed to force a special election.

Twenty-three of the fifty-five registered voters in that area objected to the annexation during the protest period which followed LAFCO approval, forcing the election.

Holland told the council that the city has 45 days to call

the election.

The city can opt for an all-mail election which would be held in late August or can put the matter on the November ballot, he stated.

Holland indicated the city has also looked into the possibility of foregoing the election altogether and instead amending the proposed annexation area based on which property owners protested, but expressed doubts to the council about the feasibility of doing so.

"I don't even know if that option is available," Holland told Mattos Newspapers Monday. "We may just have to play this hand out (with an election) and make informed decisions based on the result."

Holland said he will return to the council with more information this month.

"We will come back to you and talk a little about the pros and cons of each (option), and get some costs together," he stated. "In the next two meetings, we will make some decisions on how we are going to proceed with the Northwest Newman project."

The annexation represents the first phase of the city's planned Northwest Newman project, which encompasses about 360 acres designated for a mix of residential, business park and commercial uses.

The initial annexation extends northward to Stuhr Road on the west side of Highway 33, extending westward to a point just past Fig Lane.

The initial 121 acres is earmarked primarily for job-generating business park and commercial uses.

City officials have said that their goal is simply to lay the groundwork for future development and then let market demand determine what develops and when. No property owners would be compelled to develop their land, Holland has emphasized.

# Templeton explores what it takes to become a city

*Karen Garcia*

The seats were filled at the Templeton Community Services District meeting on Feb. 4, when the unincorporated area learned about what it would take to become a city.



[click to enlarge](#)

- Image Courtesy Of Templeton Community Services District
- **LOCAL CONTROL** Templeton will consider transitioning from a town to a city, but its sales and transient occupancy taxes may not be enough to make the switch.

District board president Geoff English said they called the community meeting because residents and board members had recently expressed wanting "greater control in our town" and "greater control over protecting and preserving our town."

According to the staff report, cities have general local control—meaning, decisions typically made by a county can be made by a locally elected city council. Cities have land-use authority, can establish general plans, set zoning, and have the authority to approve or condition development projects. Cities also have the responsibility of maintaining roads, setting funding levels for local law enforcement, engaging in economic development activities to enhance revenue for governmental services, and to provide jobs. Typically, cities also get involved with social matters such as homelessness, affordable housing, and environmental causes.

David Church, executive director of the San Luis Obispo Local Agency Formation Commission (LAFCO), said the incorporation process is estimated to take a minimum of three years.

"The time can depend on complexity and controversy," Church said.

It takes time for community members to wrap their arms around the concept, any proposed idea of change, and education on the incorporation process, he said.

That process involves creating a community supported and led group that advises, oversees, and fundraises for it. LAFCO would consult with the district throughout the process of preparing an application for the agency, exploring boundary alternatives to the district's existing boundary lines, undergoing an environmental review and other studies, and the creation of a comprehensive fiscal analysis. A fiscal analysis lays out the current and potential revenue, expenses, and feasibility of incorporation—the document is created and funded by LAFCO.

"My guess for Templeton is you don't have enough sales tax and you don't have quite enough TOT [transit occupancy tax]. Right now when cities are being incorporated, they have big-box stores or they have car sales, they have big sales tax generators," Church said.

A key component of incorporation is revenue neutrality—the revenues and expenditures of transferring the territory from the county to the city without "fiscally harming" the county's general fund. It's arguably, he said, the most challenging part of the process.

After developing the incorporation proposal and submitting it to LAFCO for review and approval, the proposal has to be put on the ballot for voter approval.

The LAFCO application fee alone is a \$15,000 deposit, plus fees for an environmental review. Church said the cost could be anywhere between \$50,000 and \$200,000.

Church said there have been 12 successful incorporations throughout the state since 1995. In addition, four incorporations were approved by local LAFCOs, but failed at the ballot, and two incorporation efforts were unable to complete the LAFCO process.

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## Mayor's message | A new year and a new start

On Dec. 10, after being sworn in as the first African American man to become mayor of Santa Cruz, I spoke about how our community and its leaders, needs to work to bring our community together after years of division. In 2019, meetings would last as long as 13 hours and go well after midnight, with charged emotions filling the chambers, and it was clear that the council and community were in need of a new start.

Since the beginning of 2020, the meetings have been off to a great start. As council members focus more on working toward a consensus, meeting times have gotten shorter and business is getting done before bedtime. In the spirit of our new Health In All Policy, the council has been working on numerous items that promote healthy environments, equity, and justice in our community, and this article highlights some of what has been accomplished and initiated in 2020.

The council has brought forward numerous resolutions and written letters to join other communities in our state to call for the transformation of Pacific Gas & Electric into a customer-owned utility, to oppose proposed oil drilling and fracking in California, and to protect the Amah Mutun Tribal Band's sacred lands of Juristac. In addition to these letters, the council also unanimously voted to write a letter to the chancellor of UC Santa Cruz in support of the UCSC graduate students movement for a living wage.

The council has worked on policy to address affordable housing and tenant protections. The council directed staff to continue working with partners at the Community Action Board and Housing Authority on a tenant's assistance housing support program and possible relocation assistance program to help low-income families experiencing no-fault evictions. Additionally, the council has also increased the affordable inclusionary percentage to 20%, which will help increase the development of affordable housing in our community.

To help protect our environment, the council updated its packaging and products ordinance for "to-go" containers. These changes redefined both compostable and biodegradable to include certified products from the Biodegradable Product Institute, which now includes only fiber-based, rather than bioplastic food ware, that eliminates intentionally added, and potentially harmful, Per- and polyfluoroalkyl substances, and require vendors to charge a fee of 25 cents on all disposable cups. These changes will help reduce plastic litter and promote the protection of wildlife, especially in the marine environment.

Working with Decriminalize Santa Cruz and the Santa Cruz Police Department, the council was able to unanimously passed a resolution declaring that the investigation and arrest of individuals 21 years of age and older involved with the adult personal use and personal possession of entheogenic psychoactive plants and fungi listed on the Federal Schedule 1 list be amongst the lowest priorities for the City of Santa Cruz.

This vote was overwhelmingly supported by members of the community who have personally benefitted from these substances by using them to treat debilitating and deleterious conditions including post-traumatic stress disorder, depression, drug and alcohol addiction, and anxiety among other conditions.

The council is also working with the police department on policy to protect our citizen's rights to privacy from live facial recognition technology, ban predictive policing, and create policy around transparency for the uses of surveillance technology for the purposes of law enforcement.

Finally, the council is building a stronger relationship with local unions as the city staff works with the Monterey/Santa Cruz Counties Building Construction Trades Council to create Community Workforce Agreements for city construction projects in the City of Santa Cruz. These types of agreements can help strengthen our local workforce by providing prevailing wages and union benefits, promote on local employment, provide union apprenticeships, and a career path for local young people interested in pursuing the trades.

As the new year begins, so does a new council focused on working together productively. We will continue to prioritize the environment, housing, homelessness and public safety. We have many committees and task forces to address these issues and we are eager to engage with, and hear from, the community on all of these topics. If there are issues that you would like the council to consider, please feel free to contact us at any time.

*Mayor's message is a Sunday column by Santa Cruz Justin Cummings, Scotts Valley Mayor Randy Johnson, Watsonville Mayor Rebecca Garcia and Capitola Mayor Kristen Petersen.*

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