



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. SCWD is currently are not getting this information.

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 proceedings 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

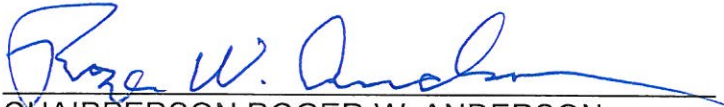
Chairperson Roger Anderson reports that staff's performance evaluations were reviewed. Clerk Means continues to do an excellent job and Mr. Serrano has performed far above expectations.

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.



CHAIRPERSON ROGER W. ANDERSON

Attest:



Joe A. Serrano, Executive Officer