



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

701 Ocean Street, #318-D  
Santa Cruz, CA 95060  
Phone Number: (831) 454-2055  
Website: [www.santacruzlafco.org](http://www.santacruzlafco.org)  
Email: [info@santacruzlafco.org](mailto:info@santacruzlafco.org)

---

**REGULAR MEETING AGENDA**

**Wednesday, May 6, 2020  
9:00 a.m.**

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

**Attend Meeting by Conference Call:**

**Dial 1-877-853-5257**

(access code is 893 1438 6860)

**Attend Meeting by Internet:**

**<https://us02web.zoom.us/j/89314386860>**

(meeting link will be activated by 8:30am on May 6)

**TELECONFERENCE MEETING PROCESS**

Based on guidance from the California Department of Public Health and the California Governor's Office, in order to minimize the spread of the COVID-19 virus, Santa Cruz LAFCO has established a temporary meeting process:

- a) Commission Quorum: The Governor's Executive Order (N-29-20) indicates that a quorum can consist of Commissioners in person or via teleconference during these unique circumstances. A roll call vote will occur on each agenda item that requires Commission action.
- b) Social Distancing Measures: If you attend the LAFCO Meeting in person, you will be required to maintain appropriate social distancing, i.e. at least a 6-foot distance between yourself and other individuals. LAFCO staff encourages Commissioners, staff members, and the public to participate remotely at this time.
- c) Public Comments: For those wishing to make public comments remotely, please submit your comments by email to be read aloud at the meeting by the Commission Clerk. Email comments must be submitted to the Commission Clerk at [info@santacruzlafco.org](mailto:info@santacruzlafco.org). Email comments on matters not on the agenda must be submitted prior to the time the Chair call for Oral Communications. Email comments on agenda items must be submitted prior to the time the Chair closes public comments on the agenda item.

For those wishing to speak during the online meeting, you must inform LAFCO staff of this request prior to the start of the meeting. If that has occurred, and after being recognized by the Chair, the identified individual will be unmuted and given up to 3 minutes to speak. Following those 3 minutes, their microphone will be muted. Individuals attending the meeting in person will also have an opportunity to address the Commission during public comments.

- d) Accommodations for Persons with Disabilities: Santa Cruz 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 Board of Supervisors' Chambers, located at 701 Ocean Street, Room 525, Santa Cruz, California, is an accessible facility. If you are a person with a disability and wish to attend the meeting (remotely or in person) and you require special assistance in order to participate, please contact the Commission Clerk at (831) 454-2055 at least 24 hours in advance of the meeting to make arrangements. Persons with disabilities may request a copy of the agenda in an alternative format.

**1. EXECUTIVE OFFICER'S MESSAGE**

The Executive Officer may make brief announcements in the form of a written report or verbal update, and may not require Commission action.

**2. ROLL CALL**

**3. ADOPTION OF MINUTES.....Page 5**

The Commission will consider approving the minutes from the March 4th Meeting.

Recommended Action: Approve the minutes as presented with any desired changes.

**4. 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.

**5. 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. Proposed Policy Updates.....Page 10**

The Commission will review the proposed modifications to LAFCO's Conflict of Interest Policy, Disclosure Laws Policy, Public Member Selection Policy, and Independent Special District Selection Policy.

Recommended Action: Adopt the draft Resolutions (Nos. 2020-08, 2020-09, 2020-10, and 2020-11) approving the amendments to the four policies.

**b. Draft Budget for Fiscal Year 2020-21.....Page 111**

The Commission will consider the adoption of a draft budget for the upcoming year.

Recommended Action: Adopt the resolution (No. 2020-12) approving the draft budget for Fiscal Year 2020-21.

**6. OTHER BUSINESS**

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

**a. Public Member Selection Process.....Page 128**

The Commission will consider selecting two candidates to fill the open seats for LAFCO's Regular and Alternate Public Member.

Recommended Action: Select the Regular and Alternate Public Members in accordance to the Cortese-Knox-Hertzberg Act and the Commission's Policies.

**b. Comprehensive Quarterly Report – Third Quarter (FY 2019-20).....Page 144**

The Commission will receive an update on active proposals, the Commission's work program and adopted budget, recent and upcoming meetings, and other staff activities.

Recommended Action: No action required; Informational item only.

**c. UCSC Long Range Development Plan – Notice of Preparation.....Page 149**

The Commission will review a submitted letter outlining staff's initial comments on the scope of the University's Draft Program Environmental Impact Report.

Recommended Action: No action required; Informational item only.

**d. Legislative Update.....Page 164**

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

Recommended Action: No action required; Informational item only.

**7. 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. Letters from the California Association of Local Agency Formation Commissions and the California State Association of Counties.....Page 209**

The Commission will review recent correspondence from CALAFCO and CSAC.

Recommended Action: No action required; Informational item only.

**8. 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 March and April.....Page 222**

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.

## 9. 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.

## 10. ADJOURNMENT

LAFCO's next regular meeting is scheduled for Wednesday, June 3, 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  
March 4, 2020  
9:00 a.m.

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

.....

The March 4, 2020 Santa Cruz LAFCO meeting is called to order by declaration of Chairperson Roger Anderson.

**ROLL CALL**

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

**MINUTES**

**MOTION**

|                  |  |
|------------------|--|
| Motion: Cummings | To approve February 5 <sup>th</sup> minutes. |
| Second: Lather   | Motion carries with a unanimous voice vote.  |

**ORAL COMMUNICATIONS**

No comments from the public.

**PUBLIC HEARINGS**

**MEETING RULES AND RECORDS MANAGEMENT POLICIES – PROPOSED UPDATES**

Mr. Serrano reports that this is an ongoing effort to review and update LAFCO's policies. The Meeting Rules Policy was reviewed last October and the proposed edits include only minor updates. Specifically, the format will be standardized to conform with the other recently-updated policies. Descriptions have also been added to the agenda items listed in the policy.

The Records Management Policy has remained unchanged since its original adoption back in 2000. The policy only addresses audio retention. Audio retention is important but the policy should cover all types of LAFCO files. The revisions to the policy identify all the LAFCO files, how long they should be kept, and what the process will be to purge any files while following all state and federal regulations. The revised policy includes two attachments: a spreadsheet listing all LAFCO files with its retention schedule and a destruction form to complete if it is determined that a LAFCO file can be removed.

Chairperson Roger Anderson thinks the destruction form should clearly indicate the type of file being considered for purging and the legislative statute justifying the removal. He asks whether staff will be digitizing records.

Mr. Serrano adds that the form should include categories such as what is being destroyed or recycled, what criteria it meets, and what the state and federal regulations are. Staff's intent is to establish a thorough policy and then digitize all the hard copies of LAFCO files.

Commissioner Jim Anderson asks how many boxes of LAFCO files are in storage.

Mr. Serrano answers that LAFCO has a massive number of boxes in storage and the filing system is outdated.

Alternate Hunt hopes the digital files will be searchable.

Mr. Serrano says that one of his first projects as a LAFCO intern in 2008 was to digitize LAFCO documents. They used a platform called Laserfiche that made digitized documents easily searchable. Such software will help this office easily track and find documents.

Commissioner Estrada asks whether the public will be receiving any notice when any documents get deleted or archived.

Mr. Serrano answers that if any documents are being considered for purging, the Commission will be informed in a public setting and the public can have an opportunity to provide any comments.

Commissioner Roger Anderson asks if there will be any budgetary impact to digitize these documents.

Mr. Serrano will cover this topic when the draft budget is presented to the Commission in April. It will be an item identified as a potential cost. It should be a one-time cost and it would be handled in-house.

#### MOTION AND ACTION

|   |   |
|---|---|
| Motion: J. Anderson<br>Second: Cummings | To adopt Resolution No. 2020-04 and 2020-05 approving the proposed edits to the Meeting Rules and Records Management Policies, as recommended by staff.<br>Motion passes with a unanimous voice vote. |
|---|---|

## SERVICE AND SPHERE REVIEW FOR COUNTY SERVICE AREA 60

Mr. Serrano reports that CSA 60 is located just off Highway 9 in Brookdale and encompasses the unincorporated community of Huckleberry Island. CSA 60 was formed in 2015 to help fund the construction of a new bridge. Based on staff's analysis and confirmation from Public Works, CSA 60 has remained inactive since it was formed.

State law now requires a mandatory dissolution of inactive districts. The State Controller's Office identifies those inactive districts on an annual list. Staff anticipates seeing CSA 60 on State Controller's list which is scheduled to be published in November 2020.

Mr. Serrano took pictures of a brand-new bridge within CSA 60 two weeks ago. He confirmed with Public Works that the bridge was not funded or constructed by the County. He has posed the question to the County and the community whether CSA 60 is needed. If no action is taken, the State Controller's Office will direct this LAFCO to dissolve CSA 60. This staff report was sent to all the registered voters and landowners in Huckleberry Island and no comments have been received from them. Public Works says they will support whatever the community decides to do.

Commissioner Jim Anderson asks if an assessment was adopted to pay for the bridge.

Mr. Serrano answers yes. One of the conditions when CSA 60 was formed was that the Board of Supervisors adopt a benefit assessment which occurred in 2017. It was never implemented or charged to the residents. The CSA has been inactive since 2015. There are no assessments being collected and they have no adopted budgets, audits or scheduled capital improvement projects. There has not been one governance meeting by the Board of Supervisors on behalf of CSA 60. All of this meets the statutory criteria of an inactive district under SB 448.

Commissioner Lather asks if a CEQA document was completed.

Mr. Serrano replies that there were CEQA determinations and LAFCO was the lead agency for the formation of CSA 60. It was either an initial study or an exemption.

Commissioner Jim Anderson adds that most of the homes in CSA 60 are not occupied full time. The reason they came to LAFCO was that the fire department and the garbage company would not respond and drive over the bridge due to the weight of their trucks. He heard of litigation threats but has not heard of anything since. They must have found a way to fund the bridge some other way.

Mr. Serrano says CSA 60 is considered a district at this time but with this new law, the State will request that the CSA be dissolved unless some action takes place. The community and the County have been given enough time to figure out what to do.

Commissioner Roger Anderson says it is a mystery who paid for the bridge.

Mr. Serrano hopes to hear from some residents and coordinate with the County to figure out the best option.

Sonia Lykins, Public Works' Administrative Services Manager, says they support what the residents want. Their intention to use the CSA did not happen. Public Works has not been providing any services or collecting any fees.

Chairperson Roger Anderson asks Ms. Lykins if she knows how the bridge was built.

Ms. Lykins did not know the bridge was actually built until she saw the pictures provided by LAFCO.

Counsel Zazueta will follow up with this and any CEQA related documents.

#### MOTION AND ACTION

|                                    |  |
|------------------------------------|--|
| Motion: Cummings<br>Second: Lather | <p>To approve staff's recommendations:</p> <ul style="list-style-type: none"><li>• To find this service review to be exempt from CEQA and it meets the requirements under LAFCO law.</li><li>• To adopt Resolution No. 2020-06 with certain conditions:<ul style="list-style-type: none"><li>➤ Deter action on the sphere boundary until August 2020 and direct the Executive Officer to coordinate with the community and the County to develop an action plan. The goal of that plan is to begin funding and services for CSA 60.</li><li>➤ If an action plan is developed by the community and the County, the Commission may consider reaffirming the sphere and sending that information to the State Controller's Office to prevent it from being included on the inactive list in November.</li><li>➤ If an action plan is not developed, the Commission may consider adopting a zero sphere as a precursor to a mandatory dissolution.</li></ul></li></ul> <p>Motion passes with a unanimous voice vote.</p> |
|------------------------------------|--|

#### OTHER BUSINESS

##### EMPLOYEE PERFORMANCE EVALUATIONS

Mr. Serrano reports that the Commission reviewed staff's 2019 performance during a closed session at the last meeting. After reconvening, the Chair indicated that staff may be subject to a salary increase.

#### MOTION AND ACTION

|                                       |  |
|---------------------------------------|--|
| Motion: Lather<br>Second: J. Anderson | <p>To adopt Resolution No. 2020-07 approving a 2.75% salary increase for the Secretary-Clerk and a 3% increase for the Executive Officer, effective March 4, 2020.</p> <p>Motion passes with a unanimous voice vote.</p> |
|---------------------------------------|--|

## RECRUITMENT PROCESS FOR A NEW STAFF MEMBER

Mr. Serrano reports that Debra Means, LAFCO's Secretary-Clerk, will be retiring next year. Staff has developed a recruitment process that includes searching for potential candidates, conducting interviews, going through the hiring process and having a 3-month overlap transition period for the new hire.

The recruitment process will begin in early April. Applications will be reviewed in July and interviews will be conducted during the months of August and September. By April of next year, the new hire should be trained before Ms. Means officially retires.

Ms. Means could be rehired as an annuitant to help digitize all of LAFCO's stored files. This option may be discussed next year as part of a formal review and consideration by the Commission.

### MOTION AND ACTION

|                                       |  |
|---------------------------------------|--|
| Motion: J. Anderson<br>Second: Lather | To approve the recruitment process, as recommended by staff.<br>Motion passes with a unanimous voice vote. |
|---------------------------------------|--|

### LEGISLATIVE UPDATE

Mr. Serrano reports that the legislation has reconvened. There are about 20 LAFCO-related bills and most of them are bills from last year. If any of these bills get any future traction, the Commission may consider adopting official positions on such bills on a future date.

The bill he is most interested in is the grant-funding attempt to help other LAFCOs conduct special studies. CALAFCO has been advocating for this bill for several years.

### 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.

### ADJOURNMENT

The next LAFCO meeting is scheduled for 9:00 a.m. Wednesday, April 1, 2020.

---

CHAIRPERSON ROGER W. ANDERSON

Attest:

---

Joe A. Serrano, Executive Officer



**Santa Cruz Local Agency Formation Commission**

Date: May 6, 2020  
To: LAFCO Commissioners  
From: Joe Serrano, Executive Officer  
Subject: **Proposed Policy Updates**  
(LAFCO Project Nos. CPP 20-10, 20-11, 20-12, and 20-13)

**SUMMARY OF RECOMMENDATION**

This Commission adopted two policies to establish guidelines on how to address conflict of interest laws related to LAFCO actions, and two policies to establish a process when vacancies occur on the Commission. LAFCO staff believes that these four policies require updates: (1) Conflict of Interest, (2) Disclosure, (3) Public Member Selection Process, and (4) Independent Special Districts Selection Process.

It is recommended that the Commission adopt the draft resolutions (LAFCO Nos. 2020-08, 2020-09, 2020-10, and 2020-11) approving the amendments to four policies.

**EXECUTIVE OFFICER'S REPORT:**

This Commission began reviewing and updating LAFCO's existing policies earlier in the year. Four of 20 policies have already been reviewed and updated. The following table shows when the remaining policies are scheduled for Commission consideration. This report evaluates the four policies listed as #5-8, as shown below.

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

## **Conflict of Interest Policy**

This policy was adopted in September 1979 to address conflict of interest laws related to LAFCO actions. While this policy is important, the current version only displays the legal language found under the California Political Reform Act (see **Attachment 1**). Staff believes it would be beneficial to the Commission if the policy establishes guidelines on how to actually address conflict of interest laws related to LAFCO actions. LAFCO's legal counsel also reviewed the current policy and provided comments and recommendations.

### Legal Counsel Comments

The Political Reform Act requires every state and local government agency to biennially review its Conflict of Interest Code. The LAFCO Counsel's office has, therefore, reviewed the Santa Cruz LAFCO's code and determined that the following amendments are required:

- Incorporate the most recent Fair Political Practices Commission Model Code;
- Update disclosure categories; and
- Update titles of existing positions.

According to Santa Cruz LAFCO records, the Commission has not recently revised its Conflict of Interest Code. The first Conflict of Interest Code was adopted by the Commission on September 5, 1979. The Commission adopted a new Conflict of Interest Code on June 2, 2004, and it has not amended the Conflict of Interest Code since that date. It is therefore recommended that your Commission take the following actions:

1. Adopt the proposed Resolution to amend the Conflict of Interest Code, incorporate by reference the most recent FPPC Model Code, update disclosure categories, and update titles of existing positions.
2. Approve an updated LAFCO Conflict of Interest Policy.
3. Direct staff to bring LAFCO's Conflict of Interest Code back for review by the Commission in two years.

The revised policy, if approved, would clearly explain the purpose of the policy, address the legal authority between the California Political Reform Act and LAFCO, establish a process if a Commissioner believes a conflict may occur and outline the necessary steps for the Commission, legal counsel, and staff, and reflect the recommendations from legal counsel. The proposed edits are shown in tracked changes (see **Attachment 2**). A clean version of the revised policy is included with the draft resolution (see **Attachment 3**).

## **Disclosure Policy**

This policy was first introduced in March 2010 to ensure that Commissioners and staff disclose contributions and expenditures relating to LAFCO applications and proposals (see **Attachment 4**). Staff believes that the overall process outlined in the current policy is accurate and does not need any substantial modifications. The only amendment being proposed would be to implement the new standard format. The proposed edits are shown in tracked changes (see **Attachment 5**). A clean version of the revised policy is included with the draft resolution (see **Attachment 6**).

### **Public Member Selection Policy**

This policy was first introduced in April 2004 to establish a selection process for the regular and alternate public member on LAFCO (see **Attachment 7**). Staff believes that the overall process outlined in the current policy is accurate and does not need any substantial modifications. The only amendments being proposed would implement the new standard format. All proposed edits are shown in tracked changes (see **Attachment 8**). A clean version of the revised policy is included with the draft resolution (see **Attachment 9**).

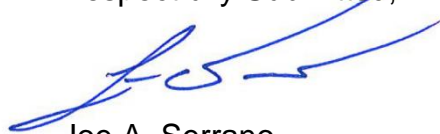
### **Independent Special Districts Selection Policy**

This policy was first introduced in September 1994 to establish a selection process for the regular and alternate independent special district member on LAFCO (see **Attachment 10**). Staff is recommending that the policy be updated to include the new standard format and other minor corrections. All proposed edits are shown in tracked changes (see **Attachment 11**). A clean version of the revised policy is included with the draft resolution (see **Attachment 12**).

### **STAFF RECOMMENDATION**

The Commission has established significant policies that help staff be productive and efficient. It is also important to regularly review these policies and update, when necessary. That is why staff is recommending that the Commission review these four policies and adopt the resolutions approving the proposed edits (refer to **Attachments 3, 6, 9, and 12**).

Respectfully Submitted,



Joe A. Serrano  
Executive Officer

Attachments:

#### Conflict of Interest Policy

1. Conflict of Interest Policy (Current Version)
2. Conflict of Interest Policy (Proposed Version with tracked changes)
3. Draft Resolution No. 2020-08 (with “clean version” of Conflict Policy as Exhibit A)

#### Disclosure Policy

4. Disclosure Policy (Current Version)
5. Disclosure Policy (Proposed Version with tracked changes)
6. Draft Resolution No. 2020-09 (with “clean version” of Disclosure Policy as Exhibit A)

#### Public Member Selection Policy

7. Public Member Selection Policy (Current Version)
8. Public Member Selection Policy (Proposed Version with tracked changes)
9. Draft Resolution No. 2020-10 (with “clean version” of Public Policy as Exhibit A)

#### Independent Special Districts Selection Policy

10. Special Districts Selection Policy (Current Version)
11. Special Districts Selection Policy (Proposed Version with tracked changes)
12. Draft Resolution No. 2020-11 (with “clean version” of District Policy as Exhibit A)



SANTA CRUZ LOCAL AGENCY FORMATION COMMISSION  
RESOLUTION NO. 2004-9

On the motion of Commissioner Wormhoudt  
Duly seconded Commissioner Ramos  
The following resolution is adopted

**RESOLUTION ADOPTING A NEW CONFLICT OF INTEREST CODE  
PURSUANT TO THE POLITICAL REFORM ACT**

\*\*\*\*\*

WHEREAS, the Political Reform Act, Government Code Sections 81000, et seq., requires the Santa Cruz Local Agency Formation Commission to adopt a Conflict of Interest Code; and

WHEREAS, on September 5, 1979, this Commission adopted Resolution No. 141-H approving a Conflict of Interest Code; and

WHEREAS, this body has determined that it wishes to update its Conflict of Interest Code;

NOW, THEREFORE, the Santa Cruz Local Agency Formation Commission does hereby resolve, determine, and order as follows:

1. The Conflict of Interest Code adopted by Resolution No. 141-H is hereby rescinded.
2. The Conflict of Interest Code attached and labeled “Exhibit A” is hereby adopted, including appendices labeled:
  - “Exhibit B”, Model Code
  - “Exhibit C”, Designated Positions
  - “Exhibit D”, Disclosure Categories.
3. Any future filings required of commissioners, alternates, employees, or staff by the Political Reform Act shall be consistent with the Conflict of Interest Code adopted by this resolution.

PASSED AND ADOPTED by the Local Agency Formation Commission of the County of Santa Cruz this second day of June 2004, by the following vote:

AYES: Commissioners Anderson, Wormhoudt, Reilly, Doering-Nielsen, Ramos, Rapoza

NOES: None

ABSENT: Beautz, Campos

original signed  
JAMES W. RAPOZA, CHAIRPERSON

Attest:  
original signed  
Patrick M. McCormick, Executive Officer

Approved as to form:  
original signed  
David Kendig, LAFCO Counsel

## **EXHIBIT A, SANTA CRUZ LAFCO RESOLUTION NO. 2004-9**

### **CONFLICT OF INTEREST CODE OF THE SANTA CRUZ LOCAL AGENCY FORMATION COMMISSION**

#### **SECTION 100. Incorporation of Model Code.**

The terms of 2 C.C.R. 18730 (Attached as Exhibit B) and any amendments to it duly adopted by the Fair Political Practices Commission along with the attached two Appendices (Attached as Exhibits C and D) in which officials and employees are designated and disclosure categories are set forth, are hereby incorporated by reference and constitute the Conflict of Interest Code of this Commission.

#### **SECTION 200. Designated Positions.**

The positions listed on Exhibit C are designated positions. Officers and employees holding those positions are deemed to make or participate in the making of decisions that may foreseeably have a material effect on a financial interest.

#### **SECTION 300. Disclosure Statements.**

A person holding a designated position shall be assigned to the disclosure category set forth on Exhibit D unless such persons are already required to file disclosure statements of economic interests under the provisions of Section 87200 of the California Government Code. Each person assigned a disclosure category shall file an annual statement disclosing that person's interest in investments, real property, and income designated as reportable under the category to which the person's position is assigned in Exhibit C.

#### **SECTION 400. Place and Time of Filing.**

- (a) Filing Originals. All persons holding designated positions with an assigned disclosure category shall file the original statement of economic interests with this agency.
- (b) Filing Copies. This agency shall make and retain a copy and forward the originals of these statements to the County Clerk.
- (c) Annual and Other Statements. Persons holding designated positions with an assigned disclosure category shall file annual statements of economic interest and other required statements pursuant to Section 5 of the Conflict of Interest Code provisions contained in 2 C.C.R. 18730.

## **EXHIBIT B, SANTA CRUZ LAFCO RESOLUTION NO. 2004-9**

### **MODEL CONFLICT OF INTEREST CODE**

DIVISION 6. FAIR POLITICAL PRACTICES COMMISSION  
CHAPTER 7. CONFLICTS OF INTEREST  
ARTICLE 2. DISCLOSURE  
2 CCR 18730 (2004)

§ 18730. Provisions of Conflict of Interest Codes

(a) Incorporation by reference of the terms of this regulation along with the designation of employees and the formulation of disclosure categories in the Appendix referred to below constitute the adoption and promulgation of a conflict of interest code within the meaning of Government Code section 87300 or the amendment of a conflict of interest code within the meaning of Government Code section 87306 if the terms of this regulation are substituted for terms of a conflict of interest code already in effect. A code so amended or adopted and promulgated requires the reporting of reportable items in a manner substantially equivalent to the requirements of article 2 of chapter 7 of the Political Reform Act, Government Code sections 81000, et seq. The requirements of a conflict of interest code are in addition to other requirements of the Political Reform Act, such as the general prohibition against conflicts of interest contained in Government Code section 87100, and to other state or local laws pertaining to conflicts of interest.

(b) The terms of a conflict of interest code amended or adopted and promulgated pursuant to this regulation are as follows:

(1) Section 1. Definitions.

The definitions contained in the Political Reform Act of 1974, regulations of the Fair Political Practices Commission (2 Cal. Code of Regs. sections 18100, et seq.), and any amendments to the Act or regulations, are incorporated by reference into this conflict of interest code.

(2) Section 2. Designated Employees.

The persons holding positions listed in the Appendix (Exhibit C) are designated employees. It has been determined that these persons make or participate in the making of decisions which may foreseeably have a material effect on financial interests.

(3) Section 3. Disclosure Categories.

This code does not establish any disclosure obligation for those designated employees who are also specified in Government Code section 87200 if they are designated in this code in that same capacity or if the geographical jurisdiction of this agency is the same as or is wholly included within the jurisdiction in which those persons must report their financial interests pursuant to article 2 of chapter 7 of the Political Reform Act, Government Code sections 87200, et seq. In addition, this code does not establish any disclosure obligation for any designated employees who are designated in a conflict of interest code for another agency, if all of the following apply:

(A) The geographical jurisdiction of this agency is the same as or is wholly included within the jurisdiction of the other agency;

(B) The disclosure assigned in the code of the other agency is the same as that required under article 2 of chapter 7 of the Political Reform Act, Government Code section 87200; and

(C) The filing officer is the same for both agencies. Such persons are covered by this code for disqualification purposes only. With respect to all other designated employees, the disclosure categories set forth in the Appendix specify which kinds of financial interests are reportable. Such a designated employee shall disclose in his or her statement of economic interests those financial interests he or she has which are of the kind described in the disclosure categories to which he or she disclosure is assigned in the Appendix (Exhibit D). It has been determined that he or she foreseeably can affect materially through the conduct of his or her office's financial interests set forth in a designated employee's categories are the kinds of financial interests which he or she foreseeably can affect materially through the conduct of his or her office.

(4) Section 4. Statements of Economic Interests: Place of Filing.

The code reviewing body shall instruct all designated employees within its code to file statements of economic interests with the agency or with the code reviewing body, as provided by the code reviewing body in the agency's conflict of interest code.

(5) Section 5. Statements of Economic Interests: Time of Filing.

(A) Initial Statements. All designated employees employed by the agency on the effective date of this code, as originally adopted, promulgated and approved by the code reviewing body, shall file statements within 30 days after the effective date of this code. Thereafter, each person already in a position when it is designated by an amendment to this code shall file an initial statement within 30 days after the effective date of the amendment.

(B) Assuming Office Statements. All persons assuming designated positions after the effective date of this code shall file statements within 30 days after assuming the designated positions, or if subject to State Senate confirmation, 30 days after being nominated or appointed.

(C) Annual Statements. All designated employees shall file statements no later than April 1.

(D) Leaving Office Statements. All persons who leave designated positions shall file statements within 30 days after leaving office.

(5.5) Section 5.5. Statements for Persons Who Resign Prior to Assuming Office.

Any person who resigns within 12 months of initial appointment, or within 30 days of the date of notice provided by the filing officer to file an assuming office statement, is not deemed to have assumed office or left office, provided he or she did not make or participate in the making of, or use his or her position to influence any decision and did not receive or become entitled to receive any form of payment as a result of his or her appointment. Such persons shall not file either an assuming or leaving office statement.

(A) Any person who resigns a position within 30 days of the date of a notice from the filing officer shall do both of the following:

(1) File a written resignation with the appointing power; and

(2) File a written statement with the filing officer declaring under penalty of perjury that during the period between appointment and resignation he or she did not make, participate in the making, or use the position to influence any decision of the agency or receive, or become entitled to receive, any form of payment by virtue of being appointed to the position.

(6) Section 6. Contents of and Period Covered by Statements of Economic Interests.

(A) Contents of Initial Statements.

Initial statements shall disclose any reportable investments, interests in real property and business positions held on the effective date of the code and income received during the 12 months prior to the effective date of the code.

(B) Contents of Assuming Office Statements.

Assuming office statements shall disclose any reportable investments, interests in real property and business positions held on the date of assuming office or, if subject to State Senate confirmation or appointment, on the date of nomination, and income received during the 12 months prior to the date of assuming office or the date of being appointed or nominated, respectively.

(C) Contents of Annual Statements. Annual statements shall disclose any reportable investments, interests in real property, income and business positions held or received during the previous calendar year provided, however, that the period covered by an employee's first annual statement shall begin on the effective date of the code or the date of assuming office whichever is later.

(D) Contents of Leaving Office Statements.

Leaving office statements shall disclose reportable investments, interests in real property, income and business positions held or received during the period between the closing date of the last statement filed and the date of leaving office.

(7) Section 7. Manner of Reporting.

Statements of economic interests shall be made on forms prescribed by the Fair Political Practices Commission and supplied by the agency, and shall contain the following information:

(A) Investment and Real Property Disclosure.

When an investment or an interest in real property is required to be reported, the statement shall contain the following:

1. A statement of the nature of the investment or interest;
2. The name of the business entity in which each investment is held, and a general description of the business activity in which the business entity is engaged;
3. The address or other precise location of the real property;
4. A statement whether the fair market value of the investment or interest in real property exceeds two thousand dollars (\$ 2,000), exceeds ten thousand dollars (\$ 10,000), exceeds one hundred thousand dollars (\$ 100,000), or exceeds one million dollars (\$ 1,000,000).

(B) Personal Income Disclosure. When personal income is required to be reported, the statement shall contain:

1. The name and address of each source of income aggregating five hundred dollars (\$ 500) or more in value, or fifty dollars (\$ 50) or more in value if the income was a gift, and a general description of the business activity, if any, of each source;
2. A statement whether the aggregate value of income from each source, or in the case of a loan, the highest amount owed to each source, was one thousand dollars (\$ 1,000) or less, greater than one thousand dollars (\$ 1,000), greater than ten thousand dollars (\$ 10,000), or greater than one hundred thousand dollars (\$ 100,000);
3. A description of the consideration, if any, for which the income was received;
4. In the case of a gift, the name, address and business activity of the donor and any intermediary through which the gift was made; a description of the gift; the amount or value of the gift; and the date on which the gift was received;
5. In the case of a loan, the annual interest rate and the security, if any, given for the loan and the term of the loan.

(C) Business Entity Income Disclosure. When income of a business entity, including income of a sole proprietorship, is required to be reported,<sup>6</sup> the statement shall contain:

1. The name, address, and a general description of the business activity of the business entity;
2. The name of every person from whom the business entity received payments if the filer's pro rata share of gross receipts from such person was equal to or greater than ten thousand dollars (\$ 10,000).

(D) Business Position Disclosure. When business positions are required to be reported, a designated employee shall list the name and address of each business entity in which he or she is a director, officer, partner, trustee, employee, or in which he or she holds any position of management, a description of the business activity in which the business entity is engaged, and the designated employee's position with the business entity.

(E) Acquisition or Disposal During Reporting Period. In the case of an annual or leaving office statement, if an investment or an interest in real property was partially or wholly acquired or disposed of during the period covered by the statement, the statement shall contain the date of acquisition or disposal.

(8) Section 8. Prohibition on Receipt of Honoraria.

(A) No member of a state board or commission, and no designated employee of a state or local government agency, shall accept any honorarium from any source, if the member or employee would be required to report the receipt of income or gifts from that source on his or her statement of economic interests. This section shall not apply to any part-time member of the governing board of any public institution of higher education, unless the member is also an elected official.

Subdivisions (a), (b), and (c) of Government Code Section 89501 shall apply to the prohibitions in this section.

This section shall not limit or prohibit payments, advances, or reimbursements for travel and related lodging and subsistence authorized by Government Code section 89506.

(8.1) Section 8.1. Prohibition on Receipt of Gifts in Excess of \$340.

(A) No member of a state board or commission, and no designated employee of a state or local government agency, shall accept gifts with a total value of more than \$340 in a calendar year from any single source, if the member or employee would be required to report the receipt of income or gifts from that source on his or her statement of economic interests. This section shall not apply to any part--time member of the governing board of any public institution of higher education, unless the member is also an elected official. Subdivisions (e), (f), and (g) of Government Code section 89503 shall apply to the prohibitions in this section.

(8.2) Section 8.2. Loans to Public Officials.

(A) No elected officer of a state or local government agency shall, from the date of his or her election to office through the date that he or she vacates office, receive a personal loan from any officer, employee, member, or consultant of the state or local government agency in which the elected officer holds office or over which the elected officer's agency has direction and control.

(B) No public official who is exempt from the state civil service system pursuant to subdivisions (c), (d), (e), (f), and (g) of Section 4 of Article VII of the Constitution shall, while he or she holds office, receive a personal loan from any officer, employee, member, or consultant of the state or local government agency in which the public official holds office or over which the public official's agency has direction and control. This subdivision shall not apply to loans made to a public official whose duties are solely secretarial, clerical, or manual.

(C) No elected officer of a state or local government agency shall, from the date of his or her election to office through the date that he or she vacates office, receive a personal loan from any person who has a contract with the state or local government agency to which that elected officer has been elected or over which that elected officer's agency has direction and control. This subdivision shall not apply to loans made by banks or other financial institutions or to any indebtedness created as part of a retail installment or credit card transaction, if the loan is made or the indebtedness created in the lender's regular course of business on terms available to members of the public without regard to the elected officer's official status.

(D) No public official who is exempt from the state civil service system pursuant to subdivisions (c), (d), (e), (f), and (g) of Section 4 of Article VII of the Constitution shall, while he or she holds office, receive a personal loan from any person who has a contract with the state or local government agency to which that elected officer has been elected or over which that elected officer's agency has direction and control. This subdivision shall not apply to loans made by banks or other financial institutions or to any indebtedness created as part of a retail installment or credit card transaction, if the loan is made or the indebtedness created in the lender's regular course of business on terms available to members of the public without regard to the elected officer's official status. This subdivision shall not apply to loans made to a public official whose duties are solely secretarial, clerical, or manual.

(E) This section shall not apply to the following:

1. Loans made to the campaign committee of an elected officer or candidate for elective office.
2. Loans made by a public official's spouse, child, parent, grandparent, grandchild, brother, sister, parent--in--law, brother--in--law, sister--in--law, nephew, niece, aunt, uncle, or first cousin, or the spouse of any such persons, provided that the person making the loan is not acting as an agent or intermediary for any person not otherwise exempted under this section.
3. Loans from a person which, in the aggregate, do not exceed five hundred dollars (\$ 500) at any given time.
4. Loans made, or offered in writing, before January 1, 1998.

(8.3) Section 8.3. Loan Terms.

(A) Except as set forth in subdivision (B), no elected officer of a state or local government agency shall, from the date of his or her election to office through the date he or she vacates office, receive a personal loan of five hundred dollars (\$ 500) or more, except when the loan is in writing and clearly states the terms of the loan, including the parties to the loan agreement, date of the loan, amount of the loan, term of the loan, date or dates when payments shall be due on the loan and the amount of the payments, and the rate of interest paid on the loan.

(B) This section shall not apply to the following types of loans:

1. Loans made to the campaign committee of the elected officer.
2. Loans made to the elected officer by his or her spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, sister-in-law, nephew, niece, aunt, uncle, or first cousin, or the spouse of any such person, provided that the person making the loan is not acting as an agent or intermediary for any person not otherwise exempted under this section.
3. Loans made, or offered in writing, before January 1, 1998.

(C) Nothing in this section shall exempt any person from any other provision of Title 9 of the Government Code.

(8.4) Section 8.4. Personal Loans.

(A) Except as set forth in subdivision (B), a personal loan received by any designated employee shall become a gift to the designated employee for the purposes of this section in the following circumstances:

1. If the loan has a defined date or dates for repayment, when the statute of limitations for filing an action for default has expired.
2. If the loan has no defined date or dates for repayment, when one year has elapsed from the later of the following:
  - a. The date the loan was made.
  - b. The date the last payment of one hundred dollars (\$ 100) or more was made on the loan.
  - c. The date upon which the debtor has made payments on the loan aggregating to less than two hundred fifty dollars (\$ 250) during the previous 12 months.

(B) This section shall not apply to the following types of loans:

1. A loan made to the campaign committee of an elected officer or a candidate for elective office.
2. A loan that would otherwise not be a gift as defined in this title.
3. A loan that would otherwise be a gift as set forth under subdivision (A), but on which the creditor has taken reasonable action to collect the balance due.
4. A loan that would otherwise be a gift as set forth under subdivision (A), but on which the creditor, based on reasonable business considerations, has not undertaken collection action. Except in a criminal action, a creditor who claims that a loan is not a gift on the basis of this paragraph has the burden of proving that the decision for not taking collection action was based on reasonable business considerations.
5. A loan made to a debtor who has filed for bankruptcy and the loan is ultimately discharged in bankruptcy.

(C) Nothing in this section shall exempt any person from any other provisions of Title 9 of the Government Code.

(9) Section 9. Disqualification.

No designated employee shall make, participate in making, or in any way attempt to use his or her official position to influence the making of any governmental decision which he or she knows or has reason to know will have a reasonably foreseeable material financial effect, distinguishable from its effect on the public generally, on the official or a member of his or her immediate family or on:



(A) Any business entity in which the designated employee has a direct or indirect investment worth two thousand dollars (\$ 2,000) or more;

(B) Any real property in which the designated employee has a direct or indirect interest worth two thousand dollars (\$2,000) or more;

(C) Any source of income, other than gifts and other than loans by a commercial lending institution in the regular course of business on terms available to the public without regard to official status, aggregating five hundred dollars (\$ 500) or more in value provided to, received by or promised to the designated employee within 12 months prior to the time when the decision is made;

(D) Any business entity in which the designated employee is a director, officer, partner, trustee, employee, or holds any position of management; or

(E) Any donor of, or any intermediary or agent for a donor of, a gift or gifts aggregating \$340 or more provided to, received by, or promised to the designated employee within 12 months prior to the time when the decision is made.

(9.3) Section 9.3. Legally Required Participation.

No designated employee shall be prevented from making or participating in the making of any decision to the extent his or her participation is legally required for the decision to be made. The fact that the vote of a designated employee who is on a voting body is needed to break a tie does not make his or her participation legally required for purposes of this section.

(9.5) Section 9.5. Disqualification of State Officers and Employees.

In addition to the general disqualification provisions of section 9, no state administrative official shall make, participate in making, or use his or her official position to influence any governmental decision directly relating to any contract where the state administrative official knows or has reason to know that any party to the contract is a person with whom the state administrative official, or any member of his or her immediate family has, within 12 months prior to the time when the official action is to be taken:

(A) Engaged in a business transaction or transactions on terms not available to members of the public, regarding any investment or interest in real property; or

(B) Engaged in a business transaction or transactions on terms not available to members of the public regarding the rendering of goods or services or 18705.2(c) totaling in value one thousand dollars (\$ 1,000) or more.

(10) Section 10. Disclosure of Disqualifying Interest.

When a designated employee determines that he or she should not make a governmental decision because he or she has a disqualifying interest in it, the determination not to act may be accompanied by disclosure of the disqualifying interest.

(11) Section 11. Assistance of the Commission and Counsel.

Any designated employee who is unsure of his or her duties under this code may request assistance from the Fair Political Practices Commission pursuant to Government Code section 83114 or from the attorney for his or her agency, provided that nothing in this section requires the attorney for the agency to issue any formal or informal opinion.

(12) Section 12. Violations.

This code has the force and effect of law. Designated employees violating any provision of this code are subject to the administrative, criminal and civil sanctions provided in the Political Reform Act, Government Code sections 81000--91015. In addition, a decision in relation to which a violation of the disqualification provisions of this code or of Government Code section 87100 or 87450 has occurred may be set aside as void pursuant to Government Code section 91003.

---

1 Designated employees who are required to file statements of economic interests under any other agency's conflict of interest code, or under article 2 for a different jurisdiction, may expand their statement of economic interests to cover reportable interests in both jurisdictions, and file copies of this expanded statement with both entities in lieu of filing separate and distinct statements, provided that each copy of such expanded statement filed in place of an original is signed and verified by the designated employee as if it were an original. See Government Code section 81004.

2 See Government Code section 81010 and 2 Cal. Code of Regs. section 18115 for the duties of filing officers and persons in agencies who make and retain copies of statements and forward the originals to the filing officer.

3 For the purpose of disclosure only (not disqualification), an interest in real property does not include the principal residence of the filer. 4 Investments and interests in real property which have a fair market value of less than \$2,000 are not investments and interests in real property within the meaning of the Political Reform Act. However, investments or interests in real property of an individual include those held by the individual's spouse and dependent children as well as a pro rata share of any investment or interest in real property of any business entity or trust in which the individual, spouse and dependent children own, in the aggregate, a direct, indirect or beneficial interest of 10 percent or greater. 5A designated employee's income includes his or her community property interest in the income of his or her spouse but does not include salary or reimbursement for expenses received from a state, local or federal government agency. 6 Income of a business entity is reportable if the direct, indirect or beneficial interest of the filer and the filer's spouse in the business entity aggregates a 10 percent or greater interest. In addition, the disclosure of persons who are clients or customers of a business entity is required only if the clients or customers are within one of the disclosure categories of the filer.

#### AUTHORITY:

Note: Authority cited: Section 83112, Government Code. Reference: Sections 87103(e), 87300--87302, 89501, 89502 and 89503, Government Code.

#### HISTORY:

1. New section filed 4--2--80 as an emergency; effective upon filing (Register 80, No. 14). Certificate of Compliance included.
2. Editorial correction (Register 80, No. 29).
3. Amendment of subsection (b) filed 1--9--81; effective thirtieth day thereafter (Register 81, No. 2).
4. Amendment of subsection (b)(7)(B)1. filed 1--26--83; effective thirtieth day thereafter (Register 83, No. 5).
5. Amendment of subsection (b)(7)(A) filed 11--10--83; effective thirtieth day thereafter (Register 83, No. 46).
6. Amendment filed 4--13--87; operative 5--13--87 (Register 87, No. 16).
7. Amendment of subsection (b) filed 10--21--88; operative 11--20--88 (Register 88, No. 46).
8. Amendment of subsections (b)(8)(A) and (b)(8)(B) and numerous editorial changes filed 8--28--90; operative 9--27--90 (Reg. 90, No. 42).
9. Amendment of subsections (b)(3), (b)(8) and renumbering of following subsections and amendment of Note filed 8--7--92; operative 9--7--92 (Register 92, No. 32).
10. Amendment of subsection (b)(5.5) and new subsections (b)(5.5)(A)--(A)(2) filed 2--4--93; operative 2--4--93 (Register 93, No. 6).
11. Change without regulatory effect adopting Conflict of Interest Code for California Mental Health Planning Council filed 11--22--93 pursuant to title 1, section 100, California Code of Regulations (Register 93, No. 48). Approved by Fair Political Practices Commission 9--21--93.
12. Change without regulatory effect redesignating Conflict of Interest Code for California Mental Health Planning Council as chapter 62, section 55100 filed 1--4--94 pursuant to title 1, section 100, California Code of Regulations (Register 94, No. 1).

13. Editorial correction adding History 11 and 12 and deleting duplicate section number (Register 94, No. 17).
14. Amendment of subsection (b)(8), designation of subsection (b)(8)(A), new subsection (b)(8)(B), and amendment of subsections (b)(8.1)--(b)(8.1)(B), (b)(9)(E) and Note filed 3--14--95; operative 3--14--95 pursuant to Government Code section 11343.4(d) (Register 95, No. 11).
15. Editorial correction inserting inadvertently omitted language in footnote 4 (Register 96, No. 13).
16. Amendment of subsections (b)(8)(A)--(B) and (b)(8.1)(A), repealer of subsection (b)(8.1)(B), and amendment of subsection (b)(12) filed 10--23--96; operative 10--23--96 pursuant to Government Code section 11343.4(d) (Register 96, No. 43).
17. Amendment of subsections (b)(8.1) and (9)(E) filed 4--9--97; operative 4--9--97 pursuant to Government Code section 11343.4(d) (Register 97, No. 15).
18. Amendment of subsections (b)(7)(B)5., new subsections (b)(8.2)--(b)(8.4)(C) and amendment of Note filed 8--24--98; operative 8--24--98 pursuant to Government Code section 11343.4(d) (Register 98, No. 35).
19. Editorial correction of subsection (a) (Register 98, No. 47).
20. Amendment of subsections (b)(8.1), (b)(8.1)(A) and (b)(9)(E) filed 5--11--99; operative 5--11--99 pursuant to Government Code section 11343.4(d) (Register 99, No. 20).
21. Amendment of subsections (b)(8.1)--(b)(8.1)(A) and (b)(9)(E) filed 12--6--2000; operative 1--1--2001 pursuant to the 1974 version of Government Code section 11380.2 and Title 2, California Code of Regulations, section 18312(d) and (e) (Register 2000, No. 49).
22. Amendment of subsections (b)(3) and (b)(10) filed 1--10--2001; operative 2--1--2001. Submitted to OAL for filing pursuant to Fair Political Practices Commission v. Office of Administrative Law, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements) (Register 2001, No. 2).
23. Amendment of subsections (b)(7)(A)4., (b)(7)(B)1.--2., (b)(8.2)(E)3., (b)(9)(A)--(C) and footnote 4. filed 2--13--2001. Submitted to OAL for filing pursuant to Fair Political Practices Commission v. Office of Administrative Law, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements) (Register 2001, No. 7).
24. Amendment of subsections (b)(8.1)--(b)(8.1)(A) filed 1--16--2003; operative 1--1--2003. Submitted to OAL for filing pursuant to Fair Political Practices Commission v. Office of Administrative Law, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements) (Register 2003, No. 3).
25. Editorial correction of 24 (Register 2003, No. 12).

**EXHIBIT C, SANTA CRUZ LAFCO RESOLUTION NO. 2004-9**

**CONFLICT OF INTEREST CODE  
DESIGNATED POSITIONS**

Appendix, 2 C.C.R. 18730  
As adopted **by** reference.

See Section 2 of Model Code.

Disclosure Category 1:

- Commissioners, Governing Board
- Alternates, Governing Board
- Executive Officer
- LAFCO Counsel
- Special Counsel

## **EXHIBIT D, SANTA CRUZ LAFCO RESOLUTION NO. 2004-9**

### **CONFLICT OF INTEREST CODE**

#### **DISCLOSURE CATEGORIES**

Appendix, 2 C.C.R. 18730

As adopted by reference

#### **DISCLOSURE CATEGORIES.**

CATEGORY 1. Interests in Real Property, Sources of Income, Investments and Business Positions Designated Officer or Employee.

All interests in real property located within the County of Santa Cruz or within the boundaries, adopted spheres of influence, or proposed spheres of influence of the Pajaro Valley Water Management Agency and the Pajaro Valley Cemetery District.

All income (including loans and gifts) from any source which contracts with or may foreseeable contract with the commission to provide services, supplies, equipment, or other property. All investments in any business entity or trust in which the designated officer or employee is a director, officer, partner, trustee, employee, or holds any position of management, which contracts with or may foreseeable contract with the commission to provide services, supplies, equipment, or other property.



## LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY

### CONFLICT OF INTEREST POLICY

Adopted on September 5, 1979 (Resolution No. 141-H)

Previous Revision on June 2, 2004 (Resolution No. 2004-9)

Last Revision on April 1, 2020 (Resolution No. 2020-08)

#### 1. OVERVIEW

The purpose of this policy is to LAFCO's Conflict of Interest Policy outlines conflicts of interest rules and the consistent processes for Commissioners to seek conflict of interest advice from role of LAFCO's legal counsel. The goal of this policy is to and provide consistency and fairness to the Commission's decision-making process. on how matters are handled involving potential conflicts of interest Involving LAFCO decisions made by a Commissioner. Commissioners have a personal responsibility to comply with are charged individually with responsibility for compliance with conflict of interest laws regulations as promulgated by the California Fair Political Practices Commission ("FPPC"), but they may consult with LAFCO's legal counsel to assist in making decisions free from bias caused by personal financial interests in the event of a potential conflict of interest.

#### 2. LEGAL AUTHORITY THE CALIFORNIA POLITICAL REFORM ACT

The California Political Reform Act (Government Code Ssection 81000, et seq.) (the "Act") requires state and local government agencies to adopt—and promulgate establish a Cconflict of linterest Ccodes. The FPPC, as the state agency responsible for administering and enforcing the Act, enacted regulations to implement the law. The Fair Political Practices Commission ("FPPC") has FPPC adopted a rRegulation, section 18730 (Tit. 2, Div. 6, Cal. Code of Regs.) 2 Cal. Code Regs. Section 18730, which states that contains the terms of a standard Conflict of Interest Code an agency, which can be incorporated by reference its model conflict of interest code, and which may be which the FPPC -amend sed from time to time by the Fair Political Practices Commission to conform to amendments in the Political Reform Act after public notice and hearings. LAFCO adopted and incorporated this model code along with the designation of positions and formulation of disclosure categories in section 18730. These statutory guidelines prohibit Commissioners' participation in decisions in which they have a financial interest. Government Code Section 10901 prohibits LAFCO's entering into contracts in which Commissioners have financial interests.

The Act prohibits a Commissioner from using their official position to influence a governmental decision in which they have a financial interest. To help identify potential conflicts of interest, the Act and the FPPC Regulations require Commissioners to report their financial interests (i.e., reportable investments, real

property interests, business positions, income and its sources, and other financial interests that may give rise to a conflict of interest) on a form called Statement of Economic Interests ("Form 700"). The conflict of interest code and the Form 700s provide transparency in local government and are fundamental tools in ensuring that officials are acting in the public's best interest and not their own.

## **BACKGROUND CONFLICTS OF INTEREST RULES**

### **3.**

Under the Act, a Commissioner has a disqualifying conflict of interest in a LAFCO decision if it is foreseeable that the decision will have a financial impact on their personal finances or other financial interests. A Commissioner with a disqualifying conflict of interest must not make, participate in making, or use their position to influence a LAFCO decision. Commissioners must publicly identify the presence of a conflict of interest and recuse themselves from participating in the affected decision. Recusal allows Commissioners to avoid actual biased decision-making or any appearance of improprieties in favor of the public's interest over their own.

There are five types of interests that might result in disqualification:

- *Business Entity.* A business entity in which a Commissioner has an investment of \$2,000 or more and is a director, officer, partner, trustee, employee, or manager.
- *Real Property.* Real property in which a Commissioner has an interest of \$2,000 or more, including leaseholds.
- *Income.* An individual or an entity from whom a Commissioner has received income or promised income aggregating to \$500 or more in the previous 12 months, including the Commissioner's community property interest in the income of their spouse or registered domestic partner.
- *Gifts.* An individual or an entity from whom a Commissioner has received gifts aggregating to \$500 or more in the previous 12 months.
- *Personal Finances.* A Commissioner's personal finances, including their expenses, income, assets, or liabilities, as well as those of their immediate family.

The financial impact or effect on any of the above interests disqualifies a Commissioner from a LAFCO decision if: (1) the financial impact or effect is foreseeable, and (2) the financial impact or effect is significant enough to be considered material. The FPPC has rules called "materiality standards" to inform which financial effects are important enough to trigger a conflict of interest.

There are two limited exceptions to the conflict of interest rules:

- *The Public Generally Exception.* A Commissioner is not disqualified from a decision if the effect on the Commissioner's interests is indistinguishable from the effect on the public.
- *Legally Required to Participate.* In certain rare circumstances, a Commissioner may be randomly selected to take part in a decision if a quorum cannot be reached because too many Commissioners are disqualified under the Act.

The California Political Reform Act makes Commissioners individually responsible for understanding and following the duties and responsibilities of their office. These duties include determining whether they have disqualifying conflicts of interest in LAFCO decisions. AB 1234 (Government Code Section 53235) requires that all Commissioners receive regular training on recognizing, reporting, and avoiding conflicts of interest. In addition to this training, Commissioners may research and learn conflict of interest laws on their own, consult publications by the FPPC, seek informal or informal advice from the FPPC, or seek assistance from LAFCO legal counsel. Only good faith reliance on formal advice from the FPPC can serve as a complete defense in an enforcement proceeding. Because LAFCO legal counsel represents LAFCO as an agency governed by the Commission as a corporate body, individual consultations with legal counsel are not separately protected by the attorney-client privilege.

#### **4. PROCESSROLE OF LEGAL COUNSEL**

- A.** Commissioners are individually responsible for understanding and following the duties and responsibilities of their office, including making determinations on whether they have disqualifying conflicts of interest in LAFCO decisions. Commissioners are encouraged to consult with legal counsel regarding potential conflicts, exceptions, and recusal. However, counsel's advice cannot provide a Commissioner with any immunities from criminal or civil prosecutions. Only good faith reliance upon written advice from the FPPC on a specific situation can protect a Commissioner. Legal counsel will provide assistance in obtaining an advice letter from the FPPC. Legal counsel is authorized to engage experts, such as appraisers or business consultants in an amount not to exceed \$5,000 if counsel deems such experts are necessary to provide this assistance.
- B.** Legal counsel represents LAFCO as an agency governed by the Commission as a corporate body. Therefore, individual consultations with legal counsel are not separately protected by the attorney-client privilege. LAFCO Commissioners (or their authorized representatives) subject to the Political Reform Act and Government Code Section 1090 may seek conflict of interest advice from LAFCO legal counsel regarding their participation or disqualification in LAFCO decisions. Examples of authorized representatives include Commissioners (Regular and Alternate), their staff, agency counsel, and personal attorneys.
- C.** Upon consultation, legal counsel will respond directly to the individual Commissioner seeking advice and shall not share the advice with the entire Commission, unless the advice provided involves a Commissioner with a



disqualifying interest who intends to participate in a LAFCO decision notwithstanding that advice.

D. Counsel is not available to provide advice relating to past conduct, to investigate conflicts of interest, or to enforce conflict of interest laws.

E. Legal Counsel is not available to provide advice to one Commissioner about the actions of someone other than the Commissioner seeking advice about their own conduct. (For example, counsel cannot provide advice to Commissioner A about the implications of Commissioner B's another Commissioner's financial interest). However, at the request of the Commission, legal counsel may provide the Commission advice about the validity of its decisions under Government Code Section 1090, which restricts Commissioners and designated employees from making a contract in which they are financially interested.

Counsel is not available to provide advice relating to past conduct, to investigate conflicts of interest, or to enforce conflict of interest laws.

Commissioners seeking assistance in determining whether they have a disqualifying interest under either the Political Reform Act or a prohibited interest in a contract under Government Code Section 1090 may contact legal counsel to: (1) obtain advice from legal counsel, or (2) seek legal counsel's assistance in obtaining an advice letter from the FPPC. Legal counsel is authorized to engage experts, such as appraisers or business consultants in an amount not to exceed \$5,000 if counsel deems such experts are necessary to provide this assistance.

Legal counsel will respond directly to the individual Commission seeking advice and shall not share the advice with the entire Commission, unless the advice provided to the individual Commission is the Commissioner that has a disqualifying interest and it appears that the Commissioner intends to participate in a LAFCO decision notwithstanding that advice.

F. When a member of the public or a Commissiongovernment agency submits an inquiry about whether a Commissioner has a disqualifying interest under the Political Reform Act or a financial interest in a contract under Government Code sSection 1090, that inquiry will be forwarded to the entire Commission, with a copy to legal counsel. It shall be the responsibility of the individual Commissioner, who is the subject of the inquiry, to determine whether they will seek advice from legal counsel, the FPPC, or their own counsel in addressing these inquiries.

A.—

SECTION 100. Incorporation of Model Code.

The terms of 2 C.C.R. 18730 (Attached as Exhibit B) and any amendments to it duly adopted by the Fair Political Practices Commission along with the attached two Appendices (Attached as Exhibits C and D) in which officials and employees are

~~designated and disclosure categories are set forth, are hereby incorporated by reference and constitute the Conflict of Interest Code of this Commission.~~

~~SECTION 200. Designated Positions.~~

~~The positions listed on Exhibit C are designated positions. Officers and employees holding those positions are deemed to make or participate in the of decisions that may foreseeably have a material effect on a financial interest.~~

~~SECTION 300. Disclosure Statements.~~

~~A person holding a designated position shall be assigned to the disclosure category set forth on Exhibit D unless such persons are already required to file disclosure statements of economic interests under the provisions of Section 87200 of the California Government Code. Each person assigned a disclosure category shall file an annual statement disclosing that person's interest in investments, real property, and income designated as reportable under the category to which the person's position is assigned in Exhibit C.~~

~~SECTION 400. Place and Time of Filing.~~

~~(a) Filing Originals. All persons holding designated positions with an assigned disclosure category shall file the original statement of economic interests with this agency.~~

~~(b) Filing Copies. This agency shall make and retain a copy and forward the originals of these statements to the County Clerk.~~

~~(c) Initial Statements. After Code A person holding a designated position with an assigned disclosure category shall submit an initial statement of economic interest within 30 days after the effective date of this Code.~~

~~(d) Annual and Other Statements. Persons holding designated positions with an assigned disclosure category shall file annual statements of economic interest and other required statements pursuant to Section 5 of the Conflict of Interest Code provisions contained in 2 C.C.R. 18730.~~

~~EXHIBIT B, SANTA CRUZ LAFCO RESOLUTION NO. 2004-9~~

~~MODEL CONFLICT OF INTEREST CODE~~

~~DIVISION 6. FAIR POLITICAL PRACTICES COMMISSION~~

~~CHAPTER 7. CONFLICTS OF INTEREST~~

~~ARTICLE 2. DISCLOSURE~~

~~2 CCR 18730 (2004)~~

~~§ 18730. Provisions of Conflict of Interest Codes~~

~~(a) Incorporation by reference of the terms of this regulation along with the designation of employees and the formulation of disclosure categories in the Appendix referred to below constitute the adoption and promulgation of a conflict of interest code within the meaning of Government Code section 87300 or the~~

~~amendment of a conflict of interest code within the meaning of Government Code section 87306 if the terms of this regulation are substituted for terms of a conflict of interest code already in effect. A code so amended or adopted and promulgated requires the reporting of reportable items in a manner substantially equivalent to the requirements of article 2 of chapter 7 of the Political Reform Act, Government Code sections 81000, et seq. The requirements of a conflict of interest code are in addition to other requirements of the Political Reform Act, such as the general prohibition against conflicts of interest contained in Government Code section 87100, and to other state or local laws pertaining to conflicts of interest.~~

~~(b) The terms of a conflict of interest code amended or adopted and promulgated pursuant to this regulation are as follows:~~

~~(1) Section 1. Definitions.~~

~~The definitions contained in the Political Reform Act of 1974, regulations of the Fair Political Practices Commission (2 Cal. Code of Regs. sections 18100, et seq.), and any amendments to the Act or regulations, are incorporated by reference into this conflict of interest code.~~

~~(2) Section 2. Designated Employees.~~

~~The persons holding positions listed in the Appendix (Exhibit C) are designated employees. It has been determined that these persons make or participate in the making of decisions which may foreseeably have a material effect on financial interests.~~

~~(3) Section 3. Disclosure Categories.~~

~~This code does not establish any disclosure obligation for those designated employees who are also specified in Government Code section 87200 if they are designated in this code in that same capacity or if the geographical jurisdiction of this agency is the same as or is wholly included within the jurisdiction in which those persons must report their financial interests pursuant to article 2 of chapter 7 of the Political Reform Act, Government Code sections 87200, et seq. In addition, this code does not establish any disclosure obligation for any designated employees who are designated in a conflict of interest code for another agency, if all of the following apply:~~

~~(A) The geographical jurisdiction of this agency is the same as or is wholly included within the jurisdiction of the other agency;~~

~~(B) The disclosure assigned in the code of the other agency is the same as that required under article 2 of chapter 7 of the Political Reform Act, Government Code section 87200; and~~

~~(C) The filing officer is the same for both agencies. Such persons are covered by this code for disqualification purposes only. With respect to all other designated employees, the disclosure categories set forth in the Appendix specify which kinds of financial interests are reportable. Such a designated employee shall disclose in his or her statement of economic interests those financial interests he or she has which are of the kind described in the disclosure categories to which he or she disclosure~~

is assigned in the Appendix (Exhibit D). It has been determined that he or she foreseeably can affect materially through the conduct of his or her office's financial interests set forth in a designated employee's categories are the kinds of financial interests which he or she foreseeably can affect materially through the conduct of his or her office.

~~(4) Section 4. Statements of Economic Interests: Place of Filing.~~

~~The code reviewing body shall instruct all designated employees within its code to file statements of economic interests with the agency or with the code reviewing body, as provided by the code reviewing body in the agency's conflict of interest code.~~

~~(5) Section 5. Statements of Economic Interests: Time of Filing.~~

~~(A) Initial Statements. All designated employees employed by the agency on the effective date of this code, as originally adopted, promulgated and approved by the code reviewing body, shall file statements within 30 days after the effective date of this code. Thereafter, each person already in a position when it is designated by an amendment to this code shall file an initial statement within 30 days after the effective date of the amendment.~~

~~(B) Assuming Office Statements. All persons assuming designated positions after the effective date of this code shall file statements within 30 days after assuming the designated positions, or if subject to State Senate confirmation, 30 days after being nominated or appointed.~~

~~(C) Annual Statements. All designated employees shall file statements no later than April 1.~~

~~(D) Leaving Office Statements. All persons who leave designated positions shall file statements within 30 days after leaving office.~~

~~(5.5) Section 5.5. Statements for Persons Who Resign Prior to Assuming Office.~~

~~Any person who resigns within 12 months of initial appointment, or within 30 days of the date of notice provided by the filing officer to file an assuming office statement, is not deemed to have assumed office or left office, provided he or she did not make or participate in the making of, or use his or her position to influence any decision and did not receive or become entitled to receive any form of payment as a result of his or her appointment. Such persons shall not file either an assuming or leaving office statement.~~

~~(A) Any person who resigns a position within 30 days of the date of a notice from the filing officer shall do both of the following:~~

~~(1) File a written resignation with the appointing power; and~~

~~(2) File a written statement with the filing officer declaring under penalty of perjury that during the period between appointment and resignation he or she did not make, participate in the making, or use the position to influence any decision of the agency or receive, or become entitled to receive, any form of payment by virtue of being appointed to the position.~~

~~(6) Section 6. Contents of and Period Covered by Statements of Economic Interests.~~

~~(A) Contents of Initial Statements.~~

~~Initial statements shall disclose any reportable investments, interests in real property and business positions held on the effective date of the code and income received during the 12 months prior to the effective date of the code.~~

~~(B) Contents of Assuming Office Statements.~~

~~Assuming office statements shall disclose any reportable investments, interests in real property and business positions held on the date of assuming office or, if subject to State Senate confirmation or appointment, on the date of nomination, and income received during the 12 months prior to the date of assuming office or the date of being appointed or nominated, respectively.~~

~~(C) Contents of Annual Statements. Annual statements shall disclose any reportable investments, interests in real property, income and business positions held or received during the previous calendar year provided, however, that the period covered by an employee's first annual statement shall begin on the effective date of the code or the date of assuming office whichever is later.~~

~~(D) Contents of Leaving Office Statements.~~

~~Leaving office statements shall disclose reportable investments, interests in real property, income and business positions held or received during the period between the closing date of the last statement filed and the date of leaving office.~~

~~(7) Section 7. Manner of Reporting.~~

~~Statements of economic interests shall be made on forms prescribed by the Fair Political Practices Commission and supplied by the agency, and shall contain the following information:~~

~~(A) Investment and Real Property Disclosure.~~

~~When an investment or an interest in real property is required to be reported, the statement shall contain the following:~~

- ~~1. A statement of the nature of the investment or interest;~~
- ~~2. The name of the business entity in which each investment is held, and a general description of the business activity in which the business entity is engaged;~~
- ~~3. The address or other precise location of the real property;~~
- ~~4. A statement whether the fair market value of the investment or interest in real property exceeds two thousand dollars (\$ 2,000), exceeds ten thousand dollars (\$ 10,000), exceeds one hundred thousand dollars (\$ 100,000), or exceeds one million dollars (\$ 1,000,000).~~

~~(B) Personal Income Disclosure. When personal income is required to be reported, the statement shall contain:~~

- ~~1. The name and address of each source of income aggregating five hundred dollars (\$ 500) or more in value, or fifty dollars (\$ 50) or more in value if the income was a gift, and a general description of the business activity, if any, of each source;~~
- ~~2. A statement whether the aggregate value of income from each source, or in the case of a loan, the highest amount owed to each source, was one thousand dollars (\$ 1,000) or less, greater than one thousand dollars (\$ 1,000), greater than ten~~



~~thousand dollars (\$ 10,000), or greater than one hundred thousand dollars (\$ 100,000);~~

~~3. A description of the consideration, if any, for which the income was received;~~

~~4. In the case of a gift, the name, address and business activity of the donor and any intermediary through which the gift was made; a description of the gift; the amount or value of the gift; and the date on which the gift was received;~~

~~5. In the case of a loan, the annual interest rate and the security, if any, given for the loan and the term of the loan.~~

~~(C) Business Entity Income Disclosure. When income of a business entity, including income of a sole proprietorship, is required to be reported,<sup>6</sup> the statement shall contain:~~

~~1. The name, address, and a general description of the business activity of the business entity;~~

~~2. The name of every person from whom the business entity received payments if the filer's pro rata share of gross receipts from such person was equal to or greater than ten thousand dollars (\$ 10,000).~~

~~(D) Business Position Disclosure. When business positions are required to be reported, a designated employee shall list the name and address of each business entity in which he or she is a director, officer, partner, trustee, employee, or in which he or she holds any position of management, a description of the business activity in which the business entity is engaged, and the designated employee's position with the business entity.~~

~~(E) Acquisition or Disposal During Reporting Period. In the case of an annual or leaving office statement, if an investment or an interest in real property was partially or wholly acquired or disposed of during the period covered by the statement, the statement shall contain the date of acquisition or disposal.~~

~~(8) Section 8. Prohibition on Receipt of Honoraria.~~

~~(A) No member of a state board or commission, and no designated employee of a state or local government agency, shall accept any honorarium from any source, if the member or employee would be required to report the receipt of income or gifts from that source on his or her statement of economic interests. This section shall not apply to any part-time member of the governing board of any public institution of higher education, unless the member is also an elected official.~~

~~Subdivisions (a), (b), and (c) of Government Code Section 89501 shall apply to the prohibitions in this section.~~

~~This section shall not limit or prohibit payments, advances, or reimbursements for travel and related lodging and subsistence authorized by Government Code section 89506.~~

~~(8.1) Section 8.1. Prohibition on Receipt of Gifts in Excess of \$340.~~

~~(A) No member of a state board or commission, and no designated employee of a state or local government agency, shall accept gifts with a total value of more than~~

~~\$340 in a calendar year from any single source, if the member or employee would be required to report the receipt of income or gifts from that source on his or her statement of economic interests. This section shall not apply to any part-time member of the governing board of any public institution of higher education, unless the member is also an elected official.~~

~~Subdivisions (e), (f), and (g) of Government Code section 89503 shall apply to the prohibitions in this section.~~

~~(8.2) Section 8.2. Loans to Public Officials.~~

~~(A) No elected officer of a state or local government agency shall, from the date of his or her election to office through the date that he or she vacates office, receive a personal loan from any officer, employee, member, or consultant of the state or local government agency in which the elected officer holds office or over which the elected officer's agency has direction and control.~~

~~(B) No public official who is exempt from the state civil service system pursuant to subdivisions (c), (d), (e), (f), and (g) of Section 4 of Article VII of the Constitution shall, while he or she holds office, receive a personal loan from any officer, employee, member, or consultant of the state or local government agency in which the public official holds office or over which the public official's agency has direction and control. This subdivision shall not apply to loans made to a public official whose duties are solely secretarial, clerical, or manual.~~

~~(C) No elected officer of a state or local government agency shall, from the date of his or her election to office through the date that he or she vacates office, receive a personal loan from any person who has a contract with the state or local government agency to which that elected officer has been elected or over which that elected officer's agency has direction and control. This subdivision shall not apply to loans made by banks or other financial institutions or to any indebtedness created as part of a retail installment or credit card transaction, if the loan is made or the indebtedness created in the lender's regular course of business on terms available to members of the public without regard to the elected officer's official status.~~

~~(D) No public official who is exempt from the state civil service system pursuant to subdivisions (c), (d), (e), (f), and (g) of Section 4 of Article VII of the Constitution shall, while he or she holds office, receive a personal loan from any person who has a contract with the state or local government agency to which that elected officer has been elected or over which that elected officer's agency has direction and control. This subdivision shall not apply to loans made by banks or other financial institutions or to any indebtedness created as part of a retail installment or credit card transaction, if the loan is made or the indebtedness created in the lender's regular course of business on terms available to members of the public without regard to the elected officer's official status. This subdivision shall not apply to loans made to a public official whose duties are solely secretarial, clerical, or manual.~~

~~(E) This section shall not apply to the following:~~

- ~~1. Loans made to the campaign committee of an elected officer or candidate for elective office.~~
- ~~2. Loans made by a public official's spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, sister-in-law, nephew, niece, aunt, uncle, or first cousin, or the spouse of any such persons, provided that the person making the loan is not acting as an agent or intermediary for any person not otherwise exempted under this section.~~
- ~~3. Loans from a person which, in the aggregate, do not exceed five hundred dollars (\$ 500) at any given time.~~
- ~~4. Loans made, or offered in writing, before January 1, 1998.~~

~~(8.3) Section 8.3. Loan Terms.~~

~~(A) Except as set forth in subdivision (B), no elected officer of a state or local government agency shall, from the date of his or her election to office through the date he or she vacates office, receive a personal loan of five hundred dollars (\$ 500) or more, except when the loan is in writing and clearly states the terms of the loan, including the parties to the loan agreement, date of the loan, amount of the loan, term of the loan, date or dates when payments shall be due on the loan and the amount of the payments, and the rate of interest paid on the loan.~~

~~(B) This section shall not apply to the following types of loans:~~

- ~~1. Loans made to the campaign committee of the elected officer.~~
- ~~2. Loans made to the elected officer by his or her spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, sister-in-law, nephew, niece, aunt, uncle, or first cousin, or the spouse of any such person, provided that the person making the loan is not acting as an agent or intermediary for any person not otherwise exempted under this section.~~
- ~~3. Loans made, or offered in writing, before January 1, 1998.~~

~~(C) Nothing in this section shall exempt any person from any other provision of Title 9 of the Government Code.~~

~~(8.4) Section 8.4. Personal Loans.~~

~~(A) Except as set forth in subdivision (B), a personal loan received by any designated employee shall become a gift to the designated employee for the purposes of this section in the following circumstances:~~

- ~~1. If the loan has a defined date or dates for repayment, when the statute of limitations for filing an action for default has expired.~~
- ~~2. If the loan has no defined date or dates for repayment, when one year has elapsed from the later of the following:~~
  - ~~a. The date the loan was made.~~
  - ~~b. The date the last payment of one hundred dollars (\$ 100) or more was made on the loan.~~
  - ~~c. The date upon which the debtor has made payments on the loan aggregating to less than two hundred fifty dollars (\$ 250) during the previous 12 months.~~



~~(B) This section shall not apply to the following types of loans:~~

- ~~1. A loan made to the campaign committee of an elected officer or a candidate for elective office.~~
- ~~2. A loan that would otherwise not be a gift as defined in this title.~~
- ~~3. A loan that would otherwise be a gift as set forth under subdivision (A), but on which the creditor has taken reasonable action to collect the balance due.~~
- ~~4. A loan that would otherwise be a gift as set forth under subdivision (A), but on which the creditor, based on reasonable business considerations, has not undertaken collection action. Except in a criminal action, a creditor who claims that a loan is not a gift on the basis of this paragraph has the burden of proving that the decision for not taking collection action was based on reasonable business considerations.~~
- ~~5. A loan made to a debtor who has filed for bankruptcy and the loan is ultimately discharged in bankruptcy.~~

~~(C) Nothing in this section shall exempt any person from any other provisions of Title 9 of the Government Code.~~

~~(9) Section 9. Disqualification.~~

~~No designated employee shall make, participate in making, or in any way attempt to use his or her official position to influence the making of any governmental decision which he or she knows or has reason to know will have a reasonably foreseeable material financial effect, distinguishable from its effect on the public generally, on the official or a member of his or her immediate family or on:~~

~~(A) Any business entity in which the designated employee has a direct or indirect investment worth two thousand dollars (\$ 2,000) or more;~~

~~(B) Any real property in which the designated employee has a direct or indirect interest worth two thousand dollars (\$2,000) or more;~~

~~(C) Any source of income, other than gifts and other than loans by a commercial lending institution in the regular course of business on terms available to the public without regard to official status, aggregating five hundred dollars (\$ 500) or more in value provided to, received by or promised to the designated employee within 12 months prior to the time when the decision is made;~~

~~(D) Any business entity in which the designated employee is a director, officer, partner, trustee, employee, or holds any position of management; or~~

~~(E) Any donor of, or any intermediary or agent for a donor of, a gift or gifts aggregating \$340 or more provided to, received by, or promised to the designated employee within 12 months prior to the time when the decision is made.~~

~~(9.3) Section 9.3. Legally Required Participation.~~

~~No designated employee shall be prevented from making or participating in the making of any decision to the extent his or her participation is legally required for the decision to be made. The fact that the vote of a designated employee who is on a voting body is needed to break a tie does not make his or her participation legally required for purposes of this section.~~

~~(9.5) Section 9.5. Disqualification of State Officers and Employees.~~

~~In addition to the general disqualification provisions of section 9, no state administrative official shall make, participate in making, or use his or her official position to influence any governmental decision directly relating to any contract where the state administrative official knows or has reason to know that any party to the contract is a person with whom the state administrative official, or any member of his or her immediate family has, within 12 months prior to the time when the official action is to be taken:~~

~~(A) Engaged in a business transaction or transactions on terms not available to members of the public, regarding any investment or interest in real property; or~~

~~(B) Engaged in a business transaction or transactions on terms not available to members of the public regarding the rendering of goods or services or 18705.2(c) totaling in value one thousand dollars (\$ 1,000) or more.~~

~~(10) Section 10. Disclosure of Disqualifying Interest.~~

~~When a designated employee determines that he or she should not make a governmental decision because he or she has a disqualifying interest in it, the determination not to act may be accompanied by disclosure of the disqualifying interest.~~

~~(11) Section 11. Assistance of the Commission and Counsel.~~

~~Any designated employee who is unsure of his or her duties under this code may request assistance from the Fair Political Practices Commission pursuant to Government Code section 83114 or from the attorney for his or her agency, provided that nothing in this section requires the attorney for the agency to issue any formal or informal opinion.~~

~~(12) Section 12. Violations.~~

~~This code has the force and effect of law. Designated employees violating any provision of this code are subject to the administrative, criminal and civil sanctions provided in the Political Reform Act, Government Code sections 81000-91015. In addition, a decision in relation to which a violation of the disqualification provisions of this code or of Government Code section 87100 or 87450 has occurred may be set aside as void pursuant to Government Code section 91003.~~

~~1 Designated employees who are required to file statements of economic interests under any other agency's conflict of interest code, or under article 2 for a different jurisdiction, may expand their statement of economic interests to cover reportable interests in both jurisdictions, and file copies of this expanded statement with both entities in lieu of filing separate and distinct statements, provided that each copy of such expanded statement filed in place of an original is signed and verified by the designated employee as if it were an original. See Government Code section 81004.~~

~~2 See Government Code section 81010 and 2 Cal. Code of Regs. section 18115 for the duties of filing officers and persons in agencies who make and retain copies of statements and forward the originals to the filing officer.~~

~~3 For the purpose of disclosure only (not disqualification), an interest in real property does not include the principal residence of the filer. 4 Investments and interests in real property which have a fair market value of less than \$2,000 are not investments and interests in real property within the meaning of the Political Reform Act. However, investments or interests in real property of an individual include those held by the individual's spouse and dependent children as well as a pro rata share of any investment or interest in real property of any business entity or trust in which the individual, spouse and dependent children own, in the aggregate, a direct, indirect or beneficial interest of 10 percent or greater. 5A designated employee's income includes his or her community property interest in the income of his or her spouse but does not include salary or reimbursement for expenses received from a state, local or federal government agency. 6 Income of a business entity is reportable if the direct, indirect or beneficial interest of the filer and the filer's spouse in the business entity aggregates a 10 percent or greater interest. In addition, the disclosure of persons who are clients or customers of a business entity is required only if the clients or customers are within one of the disclosure categories of the filer.~~

#### **AUTHORITY:**

~~Note: Authority cited: Section 83112, Government Code. Reference: Sections 87103(e), 87300--87302, 89501, 89502 and 89503, Government Code.~~

#### **HISTORY:**

- ~~1. New section filed 4--2--80 as an emergency; effective upon filing (Register 80, No. 14). Certificate of Compliance included.~~
- ~~2. Editorial correction (Register 80, No. 29).~~
- ~~3. Amendment of subsection (b) filed 1--9--81; effective thirtieth day thereafter (Register 81, No. 2).~~
- ~~4. Amendment of subsection (b)(7)(B)1. filed 1--26--83; effective thirtieth day thereafter (Register 83, No. 5).~~
- ~~5. Amendment of subsection (b)(7)(A) filed 11--10--83; effective thirtieth day thereafter (Register 83, No. 46).~~

- ~~6. Amendment filed 4--13--87; operative 5--13--87 (Register 87, No. 16).~~
- ~~7. Amendment of subsection (b) filed 10--21--88; operative 11--20--88 (Register 88, No. 46).~~
- ~~8. Amendment of subsections (b)(8)(A) and (b)(8)(B) and numerous editorial changes filed 8--28--90; operative 9--27--90 (Reg. 90, No. 42).~~
- ~~9. Amendment of subsections (b)(3), (b)(8) and renumbering of following subsections and amendment of Note filed 8--7--92; operative 9--7--92 (Register 92, No. 32).~~
- ~~10. Amendment of subsection (b)(5.5) and new subsections (b)(5.5)(A)--(A)(2) filed 2--4--93; operative 2--4--93 (Register 93, No. 6).~~
- ~~11. Change without regulatory effect adopting Conflict of Interest Code for California Mental Health Planning Council filed 11--22--93 pursuant to title 1, section 100, California Code of Regulations (Register 93, No. 48). Approved by Fair Political Practices Commission 9--21--93.~~
- ~~12. Change without regulatory effect redesignating Conflict of Interest Code for California Mental Health Planning Council as chapter 62, section 55100 filed 1--4--94 pursuant to title 1, section 100, California Code of Regulations (Register 94, No. 1).~~
- ~~13. Editorial correction adding History 11 and 12 and deleting duplicate section number (Register 94, No. 17).~~
- ~~14. Amendment of subsection (b)(8), designation of subsection (b)(8)(A), new subsection (b)(8)(B), and amendment of subsections (b)(8.1)--(b)(8.1)(B), (b)(9)(E) and Note filed 3--14--95; operative 3--14--95 pursuant to Government Code section 11343.4(d) (Register 95, No. 11).~~
- ~~15. Editorial correction inserting inadvertently omitted language in footnote 4 (Register 96, No. 13).~~
- ~~16. Amendment of subsections (b)(8)(A)--(B) and (b)(8.1)(A), repealer of subsection (b)(8.1)(B), and amendment of subsection (b)(12) filed 10--23--96; operative 10--23--96 pursuant to Government Code section 11343.4(d) (Register 96, No. 43).~~
- ~~17. Amendment of subsections (b)(8.1) and (9)(E) filed 4--9--97; operative 4--9--97 pursuant to Government Code section 11343.4(d) (Register 97, No. 15).~~
- ~~18. Amendment of subsections (b)(7)(B)5., new subsections (b)(8.2)--(b)(8.4)(C) and amendment of Note filed 8--24--98; operative 8--24--98 pursuant to Government Code section 11343.4(d) (Register 98, No. 35).~~
- ~~19. Editorial correction of subsection (a) (Register 98, No. 47).~~
- ~~20. Amendment of subsections (b)(8.1), (b)(8.1)(A) and (b)(9)(E) filed 5--11--99; operative 5--11--99 pursuant to Government Code section 11343.4(d) (Register 99, No. 20).~~
- ~~21. Amendment of subsections (b)(8.1)--(b)(8.1)(A) and (b)(9)(E) filed 12--6--2000; operative 1--1--2001 pursuant to the 1974 version of Government Code section 11380.2 and Title 2, California Code of Regulations, section 18312(d) and (e) (Register 2000, No. 49).~~
- ~~22. Amendment of subsections (b)(3) and (b)(10) filed 1--10--2001; operative 2--1--2001. Submitted to OAL for filing pursuant to Fair Political Practices Commission v.~~

~~Office of Administrative Law, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements) (Register 2001, No. 2).~~

~~23. Amendment of subsections (b)(7)(A)4., (b)(7)(B)1.--2., (b)(8.2)(E)3., (b)(9)(A)--(C) and footnote 4. filed 2--13--2001. Submitted to OAL for filing pursuant to Fair Political Practices Commission v. Office of Administrative Law, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements) (Register 2001, No. 7).~~

~~24. Amendment of subsections (b)(8.1)--(b)(8.1)(A) filed 1--16--2003; operative 1--1--2003. Submitted to OAL for filing pursuant to Fair Political Practices Commission v. Office of Administrative Law, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements) (Register 2003, No. 3).~~

~~25. Editorial correction of 24 (Register 2003, No. 12).~~

~~EXHIBIT C, SANTA CRUZ LAFCO RESOLUTION NO. 2004-9~~

~~CONFLICT OF INTEREST CODE  
DESIGNATED POSITIONS~~

~~Appendix, 2 C.C.R. 18730  
As adopted by reference.~~

~~See Section 2 of Model Code.~~

~~Disclosure Category 1:~~

~~Commissioners, Governing Board  
Alternates, Governing Board  
Executive Officer  
LAFCO Counsel  
Special Counsel~~

~~EXHIBIT D, SANTA CRUZ LAFCO RESOLUTION NO. 2004-9~~

~~CONFLICT OF INTEREST CODE~~

~~DISCLOSURE CATEGORIES~~

Appendix, 2 C.C.R. 18730  
As adopted by reference

**DISCLOSURE CATEGORIES.**

~~CATEGORY 1. Interests in Real Property, Sources of Income, Investments and Business Positions Designated Officer or Employee. All interests in real property located within the County of Santa Cruz or within the boundaries, adopted spheres of influence, or proposed spheres of influence of the Pajaro Valley Water Management Agency and the Pajaro Valley Cemetery District. All income (including loans and gifts) any source which contracts with or may foreseeable contract with the commission to provide services, supplies, equipment, or other property. All investments in any business entity or trust in which the designated officer or employee is a director, officer, partner, trustee, employee, or holds any position of management, which contracts with or may foreseeable contract with the commission to provide services, supplies, equipment, or other property.~~

LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY  
RESOLUTION NO. 2020-08

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 CONFLICT  
OF INTEREST CODE AND CONFLICT OF INTEREST POLICY

\*\*\*\*\*

WHEREAS, the provisions of the Political Reform Act of 1974, Government Code section 81000, *et seq.* ("Act"), and the regulations of the Fair Political Practices Commission, Title 2, Division 6, of the California Code of Regulations ("CCR") section 18110, *et seq.* ("FPPC Regulations"), require every state and local agency to adopt a Conflict of Interest Code; and

WHEREAS, on September 5, 1979, the Local Agency Formation Commission of Santa Cruz County ("LAFCO" or "Commission") adopted Resolution No. 141-H, approving a Conflict of Interest Code; and

WHEREAS, section 87306 of the Act requires that every agency amend its Conflict of Interest Code when change is necessitated by changed circumstances; and

WHEREAS, the FPPC Regulations state that incorporation by reference of the terms of CCR section 18730, along with the designation of positions and formulation of disclosure categories in the Exhibit referred to therein, constitute amendment of a Conflict of Interest Code within the meaning of section 87306 of the Act, if the terms of the regulation are substituted for the terms of a Conflict of Interest Code already in effect; and

WHEREAS, on June 2, 2004, the Commission rescinded Resolution No. 141-H and adopted Resolution No. 2004-9 to incorporate the FPPC's model Conflict of Interest Code set forth in CCR section 18730; and

WHEREAS, the Commission finds and determines that the adoption of the terms of CCR section 18730, by reference, and future amendments thereto, will preserve public resources including staff time by reducing the need to update the Conflict of Interest Code of the District to maintain conformity with the Act; and

WHEREAS, on May 6, 2020, the Commission determined that amendments to the existing policy are warranted.



NOW, THEREFORE, BE IT RESOLVED, the Local Agency Formation Commission of Santa Cruz County hereby amends its Conflict of Interest Code to incorporate by reference the model Conflict of Interest Code promulgated by the FPPC, attached hereto as Exhibit A, and set forth in CCR section 18730, which, together with the list of designated positions and disclosure categories applicable to each designated position as set forth in Exhibits B and C attached hereto, respectively, shall constitute the Conflict of Interest Code of the Local Agency Formation Commission of Santa Cruz County, as amended.

BE IT FURTHER RESOLVED, that, as the model Conflict of Interest Code of the FPPC set forth in CCR section 18730 is amended from time to time by State law, regulatory action of the FPPC, or judicial determination, the portion of the Commission's Conflict of Interest Code comprising the model code shall be deemed automatically amended without further action to incorporate by reference such amendments. Nothing in this Resolution shall supersede the independent applicability of Government Code section 87200.

BE IT FURTHER RESOLVED, the Commission hereby amends its Conflict of Interest Policy, attached hereto as Exhibit D, to outline conflicts of interest rules, outline the role of legal counsel, and to provide consistency and fairness to the Commission's decision-making process.

PASSED AND ADOPTED by the Local Agency Formation Commission of Santa Cruz County this 6th day of May 2020.

AYES:

NOES:

ABSENT:

---

ROGER W. ANDERSON, CHAIRPERSON

Attest:

Approved as to form:

---

Joe A. Serrano  
Executive Officer

---

Daniel H. Zazueta  
LAFCO Counsel

## EXHIBIT A

(Regulations of the Fair Political Practices Commission, Title 2, Division 6, California Code of Regulations.)

### **§ 18730. Provisions of Conflict of Interest Codes.**

(a) Incorporation by reference of the terms of this regulation along with the designation of employees and the formulation of disclosure categories in the Appendix referred to below constitute the adoption and promulgation of a conflict of interest code within the meaning of Section 87300 or the amendment of a conflict of interest code within the meaning of Section 87306 if the terms of this regulation are substituted for terms of a conflict of interest code already in effect. A code so amended or adopted and promulgated requires the reporting of reportable items in a manner substantially equivalent to the requirements of article 2 of chapter 7 of the Political Reform Act, Sections 81000, et seq. The requirements of a conflict of interest code are in addition to other requirements of the Political Reform Act, such as the general prohibition against conflicts of interest contained in Section 87100, and to other state or local laws pertaining to conflicts of interest.

(b) The terms of a conflict of interest code amended or adopted and promulgated pursuant to this regulation are as follows:

#### (1) Section 1. Definitions.

The definitions contained in the Political Reform Act of 1974, regulations of the Fair Political Practices Commission (Regulations 18110, et seq.), and any amendments to the Act or regulations, are incorporated by reference into this conflict of interest code.

#### (2) Section 2. Designated Employees.

The persons holding positions listed in the Appendix are designated employees. It has been determined that these persons make or participate in the making of decisions which may foreseeably have a material effect on economic interests.

(3) Section 3. Disclosure Categories.

This code does not establish any disclosure obligation for those designated employees who are also specified in Section 87200 if they are designated in this code in that same capacity or if the geographical jurisdiction of this agency is the same as or is wholly included within the jurisdiction in which those persons must report their economic interests pursuant to article 2 of chapter 7 of the Political Reform Act, Sections 87200, et seq.

In addition, this code does not establish any disclosure obligation for any designated employees who are designated in a conflict of interest code for another agency, if all of the following apply:

(A) The geographical jurisdiction of this agency is the same as or is wholly included within the jurisdiction of the other agency;

(B) The disclosure assigned in the code of the other agency is the same as that required under article 2 of chapter 7 of the Political Reform Act, Section 87200; and

(C) The filing officer is the same for both agencies.<sup>1</sup>

Such persons are covered by this code for disqualification purposes only. With respect to all other designated employees, the disclosure categories set forth in the Appendix specify which kinds of economic interests are reportable. Such a designated employee shall disclose in his or her statement of economic interests those economic interests he or she has which are of the kind described in the disclosure categories to which he or she is assigned in the Appendix. It has been determined that the economic interests set forth in a designated employee's disclosure categories

are the kinds of economic interests which he or she foreseeably can affect materially through the conduct of his or her office.

(4) Section 4. Statements of Economic Interests: Place of Filing.

The code reviewing body shall instruct all designated employees within its code to file statements of economic interests with the agency or with the code reviewing body, as provided by the code reviewing body in the agency's conflict of interest code.<sup>2</sup>

(5) Section 5. Statements of Economic Interests: Time of Filing.

(A) Initial Statements. All designated employees employed by the agency on the effective date of this code, as originally adopted, promulgated and approved by the code reviewing body, shall file statements within 30 days after the effective date of this code. Thereafter, each person already in a position when it is designated by an amendment to this code shall file an initial statement within 30 days after the effective date of the amendment.

(B) Assuming Office Statements. All persons assuming designated positions after the effective date of this code shall file statements within 30 days after assuming the designated positions, or if subject to State Senate confirmation, 30 days after being nominated or appointed.

(C) Annual Statements. All designated employees shall file statements no later than April 1. If a person reports for military service as defined in the Servicemember's Civil Relief Act, the deadline for the annual statement of economic interests is 30 days following his or her return to office, provided the person, or someone authorized to represent the person's interests, notifies the filing officer in writing prior to the applicable filing deadline that he or she is subject to that federal statute and is unable to meet the applicable deadline, and provides the filing officer verification of his or her military status.

(D) Leaving Office Statements. All persons who leave designated positions shall file statements within 30 days after leaving office.

(5.5) Section 5.5. Statements for Persons Who Resign Prior to Assuming Office.

Any person who resigns within 12 months of initial appointment, or within 30 days of the date of notice provided by the filing officer to file an assuming office statement, is not deemed to have assumed office or left office, provided he or she did not make or participate in the making of, or use his or her position to influence any decision and did not receive or become entitled to receive any form of payment as a result of his or her appointment. Such persons shall not file either an assuming or leaving office statement.

(A) Any person who resigns a position within 30 days of the date of a notice from the filing officer shall do both of the following:

(1) File a written resignation with the appointing power; and

(2) File a written statement with the filing officer declaring under penalty of perjury that during the period between appointment and resignation he or she did not make, participate in the making, or use the position to influence any decision of the agency or receive, or become entitled to receive, any form of payment by virtue of being appointed to the position.

(6) Section 6. Contents of and Period Covered by Statements of Economic Interests.

(A) Contents of Initial Statements.

Initial statements shall disclose any reportable investments, interests in real property and business positions held on the effective date of the code and income received during the 12 months prior to the effective date of the code.

(B) Contents of Assuming Office Statements.

Assuming office statements shall disclose any reportable investments, interests in real property and business positions held on the date of assuming office or, if subject to State Senate confirmation or appointment, on the date of nomination, and income received during the 12 months prior to the date of assuming office or the date of being appointed or nominated, respectively.

(C) Contents of Annual Statements. Annual statements shall disclose any reportable investments, interests in real property, income and business positions held or received during the previous calendar year provided, however, that the period covered by an employee's first annual statement shall begin on the effective date of the code or the date of assuming office whichever is later, or for a board or commission member subject to Section 87302.6, the day after the closing date of the most recent statement filed by the member pursuant to Regulation 18754.

(D) Contents of Leaving Office Statements.

Leaving office statements shall disclose reportable investments, interests in real property, income and business positions held or received during the period between the closing date of the last statement filed and the date of leaving office.

(7) Section 7. Manner of Reporting.

Statements of economic interests shall be made on forms prescribed by the Fair Political Practices Commission and supplied by the agency, and shall contain the following information:

(A) Investment and Real Property Disclosure.

When an investment or an interest in real property<sup>3</sup> is required to be reported,<sup>4</sup> the statement shall contain the following:

1. A statement of the nature of the investment or interest;

2. The name of the business entity in which each investment is held, and a general description of the business activity in which the business entity is engaged;
3. The address or other precise location of the real property;
4. A statement whether the fair market value of the investment or interest in real property equals or exceeds \$2,000, exceeds \$10,000, exceeds \$100,000, or exceeds \$1,000,000.

(B) Personal Income Disclosure. When personal income is required to be reported,<sup>5</sup> the statement shall contain:

1. The name and address of each source of income aggregating \$500 or more in value, or \$50 or more in value if the income was a gift, and a general description of the business activity, if any, of each source;
2. A statement whether the aggregate value of income from each source, or in the case of a loan, the highest amount owed to each source, was \$1,000 or less, greater than \$1,000, greater than \$10,000, or greater than \$100,000;
3. A description of the consideration, if any, for which the income was received;
4. In the case of a gift, the name, address and business activity of the donor and any intermediary through which the gift was made; a description of the gift; the amount or value of the gift; and the date on which the gift was received;
5. In the case of a loan, the annual interest rate and the security, if any, given for the loan and the term of the loan.

(C) Business Entity Income Disclosure. When income of a business entity, including income of a sole proprietorship, is required to be reported,<sup>6</sup> the statement shall contain:

1. The name, address, and a general description of the business activity of the business entity;

2. The name of every person from whom the business entity received payments if the filer's pro rata share of gross receipts from such person was equal to or greater than \$10,000.

(D) Business Position Disclosure. When business positions are required to be reported, a designated employee shall list the name and address of each business entity in which he or she is a director, officer, partner, trustee, employee, or in which he or she holds any position of management, a description of the business activity in which the business entity is engaged, and the designated employee's position with the business entity.

(E) Acquisition or Disposal During Reporting Period. In the case of an annual or leaving office statement, if an investment or an interest in real property was partially or wholly acquired or disposed of during the period covered by the statement, the statement shall contain the date of acquisition or disposal.

(8) Section 8. Prohibition on Receipt of Honoraria.

(A) No member of a state board or commission, and no designated employee of a state or local government agency, shall accept any honorarium from any source, if the member or employee would be required to report the receipt of income or gifts from that source on his or her statement of economic interests.

(B) This section shall not apply to any part-time member of the governing board of any public institution of higher education, unless the member is also an elected official.

(C) Subdivisions (a), (b), and (c) of Section 89501 shall apply to the prohibitions in this section.

(D) This section shall not limit or prohibit payments, advances, or reimbursements for travel and related lodging and subsistence authorized by Section 89506.

(8.1) Section 8.1. Prohibition on Receipt of Gifts in Excess of \$500.



(A) No member of a state board or commission, and no designated employee of a state or local government agency, shall accept gifts with a total value of more than \$500 in a calendar year from any single source, if the member or employee would be required to report the receipt of income or gifts from that source on his or her statement of economic interests.

(B) This section shall not apply to any part-time member of the governing board of any public institution of higher education, unless the member is also an elected official.

(C) Subdivisions (e), (f), and (g) of Section 89503 shall apply to the prohibitions in this section.

(8.2) Section 8.2. Loans to Public Officials.

(A) No elected officer of a state or local government agency shall, from the date of his or her election to office through the date that he or she vacates office, receive a personal loan from any officer, employee, member, or consultant of the state or local government agency in which the elected officer holds office or over which the elected officer's agency has direction and control.

(B) No public official who is exempt from the state civil service system pursuant to subdivisions (c), (d), (e), (f), and (g) of Section 4 of Article VII of the Constitution shall, while he or she holds office, receive a personal loan from any officer, employee, member, or consultant of the state or local government agency in which the public official holds office or over which the public official's agency has direction and control. This subdivision shall not apply to loans made to a public official whose duties are solely secretarial, clerical, or manual.

(C) No elected officer of a state or local government agency shall, from the date of his or her election to office through the date that he or she vacates office, receive a personal loan from any person who has a contract with the state or local government agency to which that elected

officer has been elected or over which that elected officer's agency has direction and control.

This subdivision shall not apply to loans made by banks or other financial institutions or to any indebtedness created as part of a retail installment or credit card transaction, if the loan is made or the indebtedness created in the lender's regular course of business on terms available to members of the public without regard to the elected officer's official status.

(D) No public official who is exempt from the state civil service system pursuant to subdivisions (c), (d), (e), (f), and (g) of Section 4 of Article VII of the Constitution shall, while he or she holds office, receive a personal loan from any person who has a contract with the state or local government agency to which that elected officer has been elected or over which that elected officer's agency has direction and control. This subdivision shall not apply to loans made by banks or other financial institutions or to any indebtedness created as part of a retail installment or credit card transaction, if the loan is made or the indebtedness created in the lender's regular course of business on terms available to members of the public without regard to the elected officer's official status. This subdivision shall not apply to loans made to a public official whose duties are solely secretarial, clerical, or manual.

(E) This section shall not apply to the following:

1. Loans made to the campaign committee of an elected officer or candidate for elective office.

2. Loans made by a public official's spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, sister-in-law, nephew, niece, aunt, uncle, or first cousin, or the spouse of any such persons, provided that the person making the loan is not acting as an agent or intermediary for any person not otherwise exempted under this section.

3. Loans from a person which, in the aggregate, do not exceed \$500 at any given time.

4. Loans made, or offered in writing, before January 1, 1998.

(8.3) Section 8.3. Loan Terms.

(A) Except as set forth in subdivision (B), no elected officer of a state or local government agency shall, from the date of his or her election to office through the date he or she vacates office, receive a personal loan of \$500 or more, except when the loan is in writing and clearly states the terms of the loan, including the parties to the loan agreement, date of the loan, amount of the loan, term of the loan, date or dates when payments shall be due on the loan and the amount of the payments, and the rate of interest paid on the loan.

(B) This section shall not apply to the following types of loans:

1. Loans made to the campaign committee of the elected officer.

2. Loans made to the elected officer by his or her spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, sister-in-law, nephew, niece, aunt, uncle, or first cousin, or the spouse of any such person, provided that the person making the loan is not acting as an agent or intermediary for any person not otherwise exempted under this section.

3. Loans made, or offered in writing, before January 1, 1998.

(C) Nothing in this section shall exempt any person from any other provision of Title 9 of the Government Code.

(8.4) Section 8.4. Personal Loans.

(A) Except as set forth in subdivision (B), a personal loan received by any designated employee shall become a gift to the designated employee for the purposes of this section in the following circumstances:

1. If the loan has a defined date or dates for repayment, when the statute of limitations for filing an action for default has expired.

2. If the loan has no defined date or dates for repayment, when one year has elapsed from the later of the following:

- a. The date the loan was made.
- b. The date the last payment of \$100 or more was made on the loan.
- c. The date upon which the debtor has made payments on the loan aggregating to less than \$250 during the previous 12 months.

(B) This section shall not apply to the following types of loans:

- 1. A loan made to the campaign committee of an elected officer or a candidate for elective office.
- 2. A loan that would otherwise not be a gift as defined in this title.
- 3. A loan that would otherwise be a gift as set forth under subdivision (A), but on which the creditor has taken reasonable action to collect the balance due.
- 4. A loan that would otherwise be a gift as set forth under subdivision (A), but on which the creditor, based on reasonable business considerations, has not undertaken collection action. Except in a criminal action, a creditor who claims that a loan is not a gift on the basis of this paragraph has the burden of proving that the decision for not taking collection action was based on reasonable business considerations.
- 5. A loan made to a debtor who has filed for bankruptcy and the loan is ultimately discharged in bankruptcy.

(C) Nothing in this section shall exempt any person from any other provisions of Title 9 of the Government Code.

(9) Section 9. Disqualification.

No designated employee shall make, participate in making, or in any way attempt to use his or her official position to influence the making of any governmental decision which he or she knows or has reason to know will have a reasonably foreseeable material financial effect, distinguishable from its effect on the public generally, on the official or a member of his or her immediate family or on:

(A) Any business entity in which the designated employee has a direct or indirect investment worth \$2,000 or more;

(B) Any real property in which the designated employee has a direct or indirect interest worth \$2,000 or more;

(C) Any source of income, other than gifts and other than loans by a commercial lending institution in the regular course of business on terms available to the public without regard to official status, aggregating \$500 or more in value provided to, received by or promised to the designated employee within 12 months prior to the time when the decision is made;

(D) Any business entity in which the designated employee is a director, officer, partner, trustee, employee, or holds any position of management; or

(E) Any donor of, or any intermediary or agent for a donor of, a gift or gifts aggregating \$500 or more provided to, received by, or promised to the designated employee within 12 months prior to the time when the decision is made.

(9.3) Section 9.3. Legally Required Participation.

No designated employee shall be prevented from making or participating in the making of any decision to the extent his or her participation is legally required for the decision to be made. The

fact that the vote of a designated employee who is on a voting body is needed to break a tie does not make his or her participation legally required for purposes of this section.

(9.5) Section 9.5. Disqualification of State Officers and Employees.

In addition to the general disqualification provisions of section 9, no state administrative official shall make, participate in making, or use his or her official position to influence any governmental decision directly relating to any contract where the state administrative official knows or has reason to know that any party to the contract is a person with whom the state administrative official, or any member of his or her immediate family has, within 12 months prior to the time when the official action is to be taken:

(A) Engaged in a business transaction or transactions on terms not available to members of the public, regarding any investment or interest in real property; or

(B) Engaged in a business transaction or transactions on terms not available to members of the public regarding the rendering of goods or services totaling in value \$1,000 or more.

(10) Section 10. Disclosure of Disqualifying Interest.

When a designated employee determines that he or she should not make a governmental decision because he or she has a disqualifying interest in it, the determination not to act may be accompanied by disclosure of the disqualifying interest.

(11) Section 11. Assistance of the Commission and Counsel.

Any designated employee who is unsure of his or her duties under this code may request assistance from the Fair Political Practices Commission pursuant to Section 83114 and Regulations 18329 and 18329.5 or from the attorney for his or her agency, provided that nothing in this section requires the attorney for the agency to issue any formal or informal opinion.

(12) Section 12. Violations.

This code has the force and effect of law. Designated employees violating any provision of this code are subject to the administrative, criminal and civil sanctions provided in the Political Reform Act, Sections 81000-91014. In addition, a decision in relation to which a violation of the disqualification provisions of this code or of Section 87100 or 87450 has occurred may be set aside as void pursuant to Section 91003.

---

<sup>1</sup> Designated employees who are required to file statements of economic interests under any other agency's conflict of interest code, or under article 2 for a different jurisdiction, may expand their statement of economic interests to cover reportable interests in both jurisdictions, and file copies of this expanded statement with both entities in lieu of filing separate and distinct statements, provided that each copy of such expanded statement filed in place of an original is signed and verified by the designated employee as if it were an original. See Section 81004.

<sup>2</sup> See Section 81010 and Regulation 18115 for the duties of filing officers and persons in agencies who make and retain copies of statements and forward the originals to the filing officer.

<sup>3</sup> For the purpose of disclosure only (not disqualification), an interest in real property does not include the principal residence of the filer.

<sup>4</sup> Investments and interests in real property which have a fair market value of less than \$2,000 are not investments and interests in real property within the meaning of the Political Reform Act. However, investments or interests in real property of an individual include those held by the individual's spouse and dependent children as well as a pro rata share of any investment or interest in real property of any business entity or trust in which the individual, spouse and dependent children own, in the aggregate, a direct, indirect or beneficial interest of 10 percent or greater.

<sup>5</sup> A designated employee's income includes his or her community property interest in the income of his or her spouse but does not include salary or reimbursement for expenses received from a state, local or federal government agency.

<sup>6</sup> Income of a business entity is reportable if the direct, indirect or beneficial interest of the filer and the filer's spouse in the business entity aggregates a 10 percent or greater interest. In addition, the disclosure of persons who are clients or customers of a business entity is required only if the clients or customers are within one of the disclosure categories of the filer.

Note: Authority cited: Section 83112, Government Code. Reference: Sections 87103(e), 87300-87302, 89501, 89502 and 89503, Government Code.

#### HISTORY

1. New section filed 4-2-80 as an emergency; effective upon filing (Register 80, No. 14).  
Certificate of Compliance included.
2. Editorial correction (Register 80, No. 29).
3. Amendment of subsection (b) filed 1-9-81; effective thirtieth day thereafter (Register 81, No. 2).
4. Amendment of subsection (b)(7)(B)1. filed 1-26-83; effective thirtieth day thereafter (Register 83, No. 5).
5. Amendment of subsection (b)(7)(A) filed 11-10-83; effective thirtieth day thereafter (Register 83, No. 46).
6. Amendment filed 4-13-87; operative 5-13-87 (Register 87, No. 16).
7. Amendment of subsection (b) filed 10-21-88; operative 11-20-88 (Register 88, No. 46).
8. Amendment of subsections (b)(8)(A) and (b)(8)(B) and numerous editorial changes filed 8-28-90; operative 9-27-90 (Reg. 90, No. 42).



9. Amendment of subsections (b)(3), (b)(8) and renumbering of following subsections and amendment of Note filed 8-7-92; operative 9-7-92 (Register 92, No. 32).
10. Amendment of subsection (b)(5.5) and new subsections (b)(5.5)(A)-(A)(2) filed 2-4-93; operative 2-4-93 (Register 93, No. 6).
11. Change without regulatory effect adopting Conflict of Interest Code for California Mental Health Planning Council filed 11-22-93 pursuant to title 1, section 100, California Code of Regulations (Register 93, No. 48). Approved by Fair Political Practices Commission 9-21-93.
12. Change without regulatory effect redesignating Conflict of Interest Code for California Mental Health Planning Council as chapter 62, section 55100 filed 1-4-94 pursuant to title 1, section 100, California Code of Regulations (Register 94, No. 1).
13. Editorial correction adding History 11 and 12 and deleting duplicate section number (Register 94, No. 17).
14. Amendment of subsection (b)(8), designation of subsection (b)(8)(A), new subsection (b)(8)(B), and amendment of subsections (b)(8.1)-(b)(8.1)(B), (b)(9)(E) and Note filed 3-14-95; operative 3-14-95 pursuant to Government Code section 11343.4(d) (Register 95, No. 11).
15. Editorial correction inserting inadvertently omitted language in footnote 4 (Register 96, No. 13).
16. Amendment of subsections (b)(8)(A)-(B) and (b)(8.1)(A), repealer of subsection (b)(8.1)(B), and amendment of subsection (b)(12) filed 10-23-96; operative 10-23-96 pursuant to Government Code section 11343.4(d) (Register 96, No. 43).
17. Amendment of subsections (b)(8.1) and (9)(E) filed 4-9-97; operative 4-9-97 pursuant to Government Code section 11343.4(d) (Register 97, No. 15).

18. Amendment of subsections (b)(7)(B)5., new subsections (b)(8.2)-(b)(8.4)(C) and amendment of Note filed 8-24-98; operative 8-24-98 pursuant to Government Code section 11343.4(d) (Register 98, No. 35).

19. Editorial correction of subsection (a) (Register 98, No. 47).

20. Amendment of subsections (b)(8.1), (b)(8.1)(A) and (b)(9)(E) filed 5-11-99; operative 5-11-99 pursuant to Government Code section 11343.4(d) (Register 99, No. 20).

21. Amendment of subsections (b)(8.1)-(b)(8.1)(A) and (b)(9)(E) filed 12-6-2000; operative 1-1-2001 pursuant to the 1974 version of Government Code section 11380.2 and Title 2, California Code of Regulations, section 18312(d) and (e) (Register 2000, No. 49).

22. Amendment of subsections (b)(3) and (b)(10) filed 1-10-2001; operative 2-1-2001.

Submitted to OAL for filing pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements) (Register 2001, No. 2).

23. Amendment of subsections (b)(7)(A)4., (b)(7)(B)1.-2., (b)(8.2)(E)3., (b)(9)(A)-(C) and footnote 4. filed 2-13-2001. Submitted to OAL for filing pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements) (Register 2001, No. 7).

24. Amendment of subsections (b)(8.1)-(b)(8.1)(A) filed 1-16-2003; operative 1-1-2003.

Submitted to OAL for filing pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District,

nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements) (Register 2003, No. 3).

25. Editorial correction of History 24 (Register 2003, No. 12).

26. Editorial correction removing extraneous phrase in subsection (b)(9.5)(B) (Register 2004, No. 33).

27. Amendment of subsections (b)(2)-(3), (b)(3)(C), (b)(6)(C), (b)(8.1)-(b)(8.1)(A), (b)(9)(E) and (b)(11)-(12) filed 1-4-2005; operative 1-1-2005 pursuant to Government Code section 11343.4 (Register 2005, No. 1).

28. Amendment of subsection (b)(7)(A)4. filed 10-11-2005; operative 11-10-2005 (Register 2005, No. 41).

29. Amendment of subsections (a), (b)(1), (b)(3), (b)(8.1), (b)(8.1)(A) and (b)(9)(E) filed 12-18-2006; operative 1-1-2007. Submitted to OAL pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements) (Register 2006, No. 51).

30. Amendment of subsections (b)(8.1)-(b)(8.1)(A) and (b)(9)(E) filed 10-31-2008; operative 11-30-2008. Submitted to OAL for filing pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements and not subject to procedural or substantive review by OAL) (Register 2008, No. 44).

31. Amendment of section heading and section filed 11-15-2010; operative 12-15-2010. Submitted to OAL for filing pursuant to *Fair Political Practices Commission v. Office of*

*Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements and not subject to procedural or substantive review by OAL) (Register 2010, No. 47).

32. Amendment of section heading and subsections (a)-(b)(1), (b)(3)-(4), (b)(5)(C), (b)(8.1)-(b)(8.1)(A) and (b)(9)(E) and amendment of footnote 1 filed 1-8-2013; operative 2-7-2013.

Submitted to OAL for filing pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements and not subject to procedural or substantive review by OAL) (Register 2013, No. 2).

33. Amendment of subsections (b)(8.1)-(b)(8.1)(A), (b)(8.2)(E)3. and (b)(9)(E) filed 12-15-2014; operative 1-1-2015 pursuant to section 18312(e)(1)(A), title 2, California Code of Regulations.

Submitted to OAL for filing and printing pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements) (Register 2014, No. 51).

34. Redesignation of portions of subsection (b)(8)(A) as new subsections (b)(8)(B)-(D), amendment of subsections (b)(8.1)-(b)(8.1)(A), redesignation of portions of subsection (b)(8.1)(A) as new subsections (b)(8.1)(B)-(C) and amendment of subsection (b)(9)(E) filed 12-1-2016; operative 12-31-2016 pursuant to Cal. Code Regs. tit. 2, section 18312(e). Submitted to OAL for filing pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision,

April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements and not subject to procedural or substantive review by OAL) (Register 2016, No. 49).

35. Amendment of subsections (b)(8.1)-(b)(8.1)(A) and (b)(9)(E) filed 12-12-2018; operative 1-11-2019 pursuant to Cal. Code Regs., tit. 2, section 18312(e). Submitted to OAL for filing and printing pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements and not subject to procedural or substantive review by OAL) (Register 2018, No. 50).

## EXHIBIT B

### Designated Positions

| <u>Position</u>               | <u>Disclosure Category</u> |
|-------------------------------|----------------------------|
| Commissioners and Alternates* | 1                          |
| LAFCO Executive Officer**     | 1                          |
| Legal Counsel**               | 1                          |
| Consultants***                | 1                          |

\*Commissioners who are members of the Santa Cruz County Board of Supervisors need not file a separate disclosure statement but must include their position on this Board on their disclosure statements filed with the County.

\*\*Staff members and Counsel who are County employees need not file separate disclosure statements but must include their position as a LAFCO employee on their disclosure statement filed with the County.

\*\*\*Consultants and newly created positions that make or participate in the making of decisions that may foreseeably have a material effect on any financial interest are subject to the broadest disclosure category in this Conflict of Interest Code, unless Santa Cruz LAFCO determines that the broadest disclosure is not necessary and sets disclosure that is more tailored to the position, including a description of the position's duties and, based upon that description, a statement of the extent of disclosure requirements.

## EXHIBIT C

### **Disclosure Categories**

#### *CATEGORY 1 – Full Disclosure*

A designated employee in this category must report the following:

- All interests in real property located within the County or within the boundaries, adopted spheres of influence, or proposed spheres of influence of the Pajaro Valley Water Management Agency and the Pajaro Valley Cemetery District; and
- All income (including loans and gifts) from any source which contracts with or may foreseeably contract with the Commission to provide services, supplies, equipment, or other property; All investments in any business entity or trust in which the designated officer or employee is a director, officer, partner, trustee, employee, or holds any position of management, which contracts with or may foreseeably contract with the Commission to provide services, supplies, equipment, or other property.

#### *CATEGORY 2 – Full Disclosure, excluding interests in real property*

A designated employee in this category must report the following:

- All income (including loans and gifts) from any source which contracts with or may foreseeably contract with the Commission to provide services, supplies, equipment, or other property; All investments in any business entity or trust in which the designated officer or employee is a director, officer, partner, trustee, employee, or holds any position of management, which contracts with or may foreseeably contract with the Commission to provide services, supplies, equipment, or other property.

#### *CATEGORY 3 – Interests in Real Property*

A designated employee in this category must report the following:

- All interests in real property located within the County or within the boundaries, adopted spheres of influence, or proposed spheres of influence of the Pajaro Valley Water Management Agency and the Pajaro Valley Cemetery District.



LOCAL AGENCY FORMATION COMMISSION  
OF SANTA CRUZ COUNTY

**CONFLICT OF INTEREST POLICY**

Adopted on September 5, 1979 (Resolution No. 141-H)

Previous Revision on June 2, 2004 (Resolution No. 2004-9)

Last Revision on April 1, 2020 (Resolution No. 2020-08)

**1. OVERVIEW**

LAFCO's Conflict of Interest Policy outlines conflicts of interest rules and the role of LAFCO's legal counsel. The goal of this policy is to provide consistency and fairness to the Commission's decision-making process. Commissioners have a personal responsibility to comply with conflict of interest regulations as promulgated by the California Fair Political Practices Commission ("FPPC"), but they may consult with LAFCO's legal counsel to assist in making decisions in the event of a potential conflict of interest.

**2. THE CALIFORNIA POLITICAL REFORM ACT**

The California Political Reform Act (Government Code section 81000, *et seq.*) (the "Act") requires state and local government agencies to establish a conflict of interest code. The FPPC, as the state agency responsible for administering and enforcing the Act, enacted regulations to implement the law. FPPC Regulation section 18730 (Tit. 2, Div. 6, Cal. Code of Regs.) states that an agency can incorporate by reference its model conflict of interest code, which the FPPC amends from time to time. LAFCO adopted and incorporated this model code along with the designation of positions and formulation of disclosure categories in section 18730.

The Act prohibits a Commissioner from using their official position to influence a governmental decision in which they have a financial interest. To help identify potential conflicts of interest, the Act and the FPPC Regulations require Commissioners to report their financial interests (i.e., reportable investments, real property interests, business positions, income and its sources, and other financial interests that may give rise to a conflict of interest) on a form called Statement of Economic Interests ("Form 700"). The conflict of interest code and the Form 700s provide transparency in local government and are fundamental tools in ensuring that officials are acting in the public's best interest and not their own.

**3. CONFLICTS OF INTEREST RULES**

Under the Act, a Commissioner has a disqualifying conflict of interest in a LAFCO decision if it is foreseeable that the decision will have a financial impact on their personal finances or other financial interests. A Commissioner with a disqualifying conflict of interest must not make, participate in making, or use their position to



## EXHIBIT D

influence a LAFCO decision. Commissioners must publicly identify the presence of a conflict of interest and recuse themselves from participating in the affected decision. Recusal allows Commissioners to avoid actual biased decision-making or any appearance of improprieties in favor of the public's interest over their own.

There are five types of interests that might result in disqualification:

- *Business Entity.* A business entity in which a Commissioner has an investment of \$2,000 or more and is a director, officer, partner, trustee, employee, or manager.
- *Real Property.* Real property in which a Commissioner has an interest of \$2,000 or more, including leaseholds.
- *Income.* An individual or an entity from whom a Commissioner has received income or promised income aggregating to \$500 or more in the previous 12 months, including the Commissioner's community property interest in the income of their spouse or registered domestic partner.
- *Gifts.* An individual or an entity from whom a Commissioner has received gifts aggregating to \$500 or more in the previous 12 months.
- *Personal Finances.* A Commissioner's personal finances, including their expenses, income, assets, or liabilities, as well as those of their immediate family.

The financial impact or effect on any of the above interests disqualifies a Commissioner from a LAFCO decision if: (1) the financial impact or effect is foreseeable, and (2) the financial impact or effect is significant enough to be considered material. The FPPC has rules called "materiality standards" to inform which financial effects are important enough to trigger a conflict of interest.

There are two limited exceptions to the conflict of interest rules:

- *The Public Generally Exception.* A Commissioner is not disqualified from a decision if the effect on the Commissioner's interests is indistinguishable from the effect on the public.
- *Legally Required to Participate.* In certain rare circumstances, a Commissioner may be randomly selected to take part in a decision if a quorum cannot be reached because too many Commissioners are disqualified under the Act.

#### **4. ROLE OF LEGAL COUNSEL**

- A.** Commissioners are individually responsible for understanding and following the duties and responsibilities of their office, including making determinations on whether they have disqualifying conflicts of interest in LAFCO decisions. Commissioners are encouraged to consult with legal counsel regarding potential conflicts, exceptions, and recusal. However, counsel's advice cannot provide a Commissioner with any immunities from criminal or civil prosecutions. Only good faith reliance upon written advice from the FPPC on a specific situation can protect a Commissioner. Legal counsel will provide assistance in obtaining an advice letter from the FPPC. Legal counsel is authorized to engage experts, such as appraisers or business consultants in an amount not to exceed \$5,000 if counsel deems such experts are necessary to provide this assistance.
- B.** Legal counsel represents LAFCO as an agency governed by the Commission as a corporate body. Therefore, individual consultations with legal counsel are not separately protected by the attorney-client privilege.
- C.** Upon consultation, legal counsel will respond directly to the individual Commissioner seeking advice and shall not share the advice with the entire Commission, unless the advice provided involves a Commissioner with a disqualifying interest who intends to participate in a LAFCO decision notwithstanding that advice.
- D.** Counsel is not available to provide advice relating to past conduct, to investigate conflicts of interest, or to enforce conflict of interest laws.
- E.** Legal Counsel is not available to provide advice to one Commissioner about the implications of another Commissioner's financial interest. However, at the request of the Commission, legal counsel may provide the Commission advice about the validity of its decisions under Government Code section 1090, which restricts Commissioners and designated employees from making a contract in which they are financially interested.
- F.** When a member of the public or government agency submits an inquiry about whether a Commissioner has a disqualifying interest under the Act or a financial interest in a contract under Government Code section 1090, that inquiry will be forwarded to the entire Commission, with a copy to legal counsel. It shall be the responsibility of the individual Commissioner, who is the subject of the inquiry, to determine whether they will seek advice from legal counsel, the FPPC, or their own counsel in addressing these inquiries.

**EXHIBIT A, RESOLUTION NO. 2010-1**

SANTA CRUZ LAFCO  
POLICIES AND PROCEDURES FOR  
DISCLOSURE OF POLITICAL CONTRIBUTIONS AND EXPENDITURES  
REGARDING LAFCO PROCEEDINGS

1. EFFECTIVE DATE

These amended policies and procedures shall apply effective March 3, 2010.

2. POLICY

The Commission finds that the public interest would be served by adoption of procedures for the public disclosure of contributions and expenditures relating to Commission proposals, and further finds that adopting the process is consistent with State law, including the Political Reform Act of 1974, as amended.

3. DEFINITIONS

Unless otherwise provided, definitions of the terms used herein shall be those contained in the Political Reform Act of 1974, as amended.

"Contribution" as used herein shall have the same definition as provided in Government Code Section 82015, as amended.

"Expenditure" as used herein shall have the same definition as provided in Government Code Section 82025, as amended.

"Independent expenditure" as used herein shall have the same definition as provided in Government Code Section 82031, as amended, except that the term "measure" as used in Section 82031 shall be replaced with the term "LAFCO Proposal."

"Political purposes" as used herein shall mean for the purpose(s) of: (i) influencing public opinion and/or actions of voters; (ii) lobbying public officials including LAFCO Commissioners; and/or, (iii) influencing legislative or administrative action as defined in Government Code § 82032. It shall not include for the purpose(s) of complying with legal requirements and LAFCO rules for the processing of a proposal, including, but not limited to and by way of example only, preparation of a comprehensive fiscal analysis for an incorporation (Government Code Section 56800) or documents necessary to comply with the California Environmental Quality Act, Public Resources Code Section 21000 et seq., such as a mitigated negative declaration or environmental impact report.

4. APPLICABILITY

These policies and procedures are applicable to LAFCO Proposals, as defined in Government Code § 82035.5, and sphere of influence adoption, amendment or review, when applications for same are submitted for filing with Executive Officer. LAFCO proposals include but are not limited to:

- Annexation to a city or district
- Incorporation to a city
- Formation or dissolution of a district

## 5. GENERAL REQUIREMENTS OF DISCLOSURE

Any person or combination of persons who directly or indirectly makes an expenditure or independent expenditure for political purposes of \$1,000 or more in support of, or in opposition to, a change of organization, reorganization, or sphere of influence adoption or amendment proposal submitted to the commission shall comply with the reporting and disclosure requirements of Article 2.5 (commencing with Section 84250) of Chapter 4 of the Political Reform Act (Government Code §§ 81000 et seq.). Such reporting and disclosure requirements, except as otherwise excluded herein, extend to those required by the Fair Political Practices Commission Regulations regarding such disclosures and shall include disclosure of contributions, expenditures and independent expenditures.

A committee primarily formed to support or oppose a LAFCO proposal shall file all statements required under Chapter 4 of the Political Reform Act except that, in lieu of the statements required by Sections 84200 and 84202.3, the committee shall file monthly campaign statements from the time circulation of a petition begins until a measure is placed on the ballot or, if a measure is not placed on the ballot, until the committee is terminated pursuant to Section 84214. The committee shall file an original and one copy of each statement on the 15th day of each calendar month, covering the prior calendar month, with the clerk of the county in which the measure may be voted on. If the petition results in a measure that is placed on the ballot, the committee thereafter shall file campaign statements required by Chapter 4. In addition to any other statements required by Chapter 4, a committee that makes independent expenditures in connection with a LAFCO proposal shall file statements pursuant to Section 84203.5.

## 6. CERTAIN REPORTS AND DISCLOSURES

This policy also requires that the persons subject to it comply with the regulations regarding the names of campaign committees, disclosures of the sources of mass mailings, and disclosures of the source of automated telephone calls under Government Code Sections 84501 et seq. and the regulations of the Fair Political Practices Commission implementing those sections.

## 7. FILING OFFICE

All reports and disclosures required hereunder shall be filed with the Santa Cruz County elections official, who the Santa Cruz LAFCO hereby designates as a deputy of Santa Cruz LAFCO for purposes of receiving and filing such reports. Disclosures required hereunder shall be filed at:

Santa Cruz County Elections Department  
701 Ocean Street #210  
Santa Cruz CA 95060  
Phone: 831-454-2060

For this purpose, forms developed by the Fair Political Practices Commission for disclosures relating to ballot measures shall be used as specified by the Santa Cruz County Elections Office. Acceptable methods of filing or delivery shall conform to those applicable to elections relating to ballot measures. Copies of filed statements will be available to any person upon payment of 10¢ per page.

## 8. FILING SCHEDULE

Prior to a LAFCO decision by resolution on an application, any required disclosures shall be filed with the Santa Cruz County Elections Department no later than twelve days before the noticed date of the public hearing or continued deliberation or discussion on the proposal at LAFCO. The period covered by this report shall be from any prior filing period to seventeen days preceding the LAFCO hearing date.

Additionally, contributions and expenditures for the period commencing sixteen days before the LAFCO meeting and ending one day before the LAFCO meeting shall also be filed with the Santa Cruz County Elections Department within 24 hours of receipt or expenditure but in no event later than 24 hours before the LAFCO meeting begins.

Should the LAFCO hearing or deliberation or discussion be continued to additional dates, or be accepted for reconsideration, the foregoing periods apply for expenditures or contributions received after the initial date and prior to the subsequent dates. Additionally, contributions and expenditures from any prior filing period to seven days after a decision has been made, shall be filed with the Elections Department no later than fourteen days after a decision has been made.

After a final LAFCO decision by resolution and until the completion of protest and election proceedings, disclosures shall conform to all requirements for campaign committees pursuant to the Political Reform Act.

For purposes of determining the deadlines by which such reports and disclosures must be filed, the term "election" as used in the Political Reform Act for determining such deadlines shall mean the date of the originally scheduled commission hearing on a proposal for organization, reorganization, or sphere of influence adoption or amendment. If no hearing date has been scheduled at the time a person becomes subject to disclosure under this policy, he or she shall request that the executive officer establish a date to serve as the "election" date for this purpose. The executive officer shall establish a date, such as, but not limited to, the date which is 6 months after the first filing with the commission regarding the proposal, and inform the requestor of that date in writing.

## 9. NOTICE

The following notice shall be printed on the Commission's application forms, the resulting notices of public hearing, the agenda of each meeting, and the Commission's website:

"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). "

#### 10. AMENDMENT

These policies and procedures may be further amended from time to time by Santa Cruz LAFCO following a noticed public hearing pursuant to State law.

#### 11. REPORTING REQUIREMENTS ARE NON-EXCLUSIVE

The disclosure and reporting requirements herein are in addition to any other requirements that may be otherwise applicable under provisions of the Political Reform Act or by local ordinance.

#### 12. ENFORCEMENT

Enforcement and penalties for violation of these policies and procedures shall be pursuant to the Political Reform Act of 1974 and its corresponding regulations, to the extent permitted by law.



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

**DISCLOSURE OF POLITICAL CONTRIBUTIONS POLICY**

Adopted on March 3, 2010 (Resolution No. 2010-1)

Last Revision on April 1, 2020 (Resolution No. 2020-09) **EXHIBIT A, RESOLUTION  
NO. 2010-1**

**SANTA CRUZ LAFCO  
POLICIES AND PROCEDURES  
FOR  
DISCLOSURE OF POLITICAL CONTRIBUTIONS AND  
EXPENDITURES REGARDING LAFCO  
PROCEEDINGS**

**1. EFFECTIVE DATE**

**These amended policies and procedures shall apply effective March 3, 2010.**

**2. POLICY OVERVIEW**

**1.**

The Commission finds that the public interest would be served by adoption of procedures for the public disclosure of contributions and expenditures relating to Commission proposals, and further finds that adopting the process is consistent with State law, including the Political Reform Act of 1974, as amended.

**3.2. DEFINITIONS**

Unless otherwise provided, definitions of the terms used herein shall be those contained in the Political Reform Act of 1974, as amended.

“Contribution” as used herein shall have the same definition as provided in Government Code Section 82015, as amended.

“Expenditure” as used herein shall have the same definition as provided in Government Code Section 82025, as amended.

“Independent expenditure” as used herein shall have the same definition as provided in Government Code Section 82031, as amended, except that the term “measure” as used in Section 82031 shall be replaced with the term “LAFCO Proposal.”

“Political purposes” as used herein shall mean for the purpose(s) of: (i) influencing public opinion and/or actions of voters; (ii) lobbying public officials including LAFCO Commissioners; and/or, (iii) influencing legislative or administrative action

as defined in Government Code § 82032.

It shall not include for the purpose(s) of complying with legal requirements and LAFCO rules for the processing of a proposal, including, but not limited to and by way of example only, preparation of a comprehensive fiscal analysis for an incorporation (Government Code Section 56800) or documents necessary to ~~comply~~comply with the California Environmental Quality Act, Public Resources Code Section 21000 et seq., such as a ~~mitigated~~mitigated negative declaration or environmental impact report.

#### **4. APPLICABILITY**

##### **3.**

These policies and procedures are applicable to LAFCO Proposals, as defined in Government Code § 82035.5, and sphere of influence adoption, amendment or review, when applications for same are submitted for filing with Executive Officer.

LAFCO proposals include but are not limited to:

Annexation to a city or district, i

Incorporation ~~to a city,~~

or Formation or dissolution of a special district, ~~district~~



#### **5.4. GENERAL REQUIREMENTS OF DISCLOSURE**

Any person or combination of persons who directly or indirectly makes an expenditure or independent expenditure for political purposes of \$1,000 or more in support of, or in opposition to, a change of organization, reorganization, or sphere of influence adoption or amendment proposal submitted to the commission shall comply with the reporting and disclosure requirements of Article 2.5 (commencing with Section 84250) of Chapter 4 of the Political Reform Act (Government Code §§ 81000 et seq.). Such reporting and disclosure requirements, except as otherwise excluded herein, extend to those required by the Fair Political Practices Commission Regulations regarding such disclosures and shall include disclosure of contributions, expenditures and independent expenditures.

A committee primarily formed to support or oppose a LAFCO proposal shall file all statements required under Chapter 4 of the Political Reform Act except that, in lieu of the statements required by Sections 84200 and 84202.3, the committee shall file monthly campaign statements from the time circulation of a petition begins until a measure is placed on the ballot or, if a measure is not placed on the ballot, until the committee is terminated pursuant to Section 84214.

The committee shall file an original and one copy of each statement on the 15th day of each calendar month, covering the prior calendar month, with the clerk of the county in which the measure may be voted on. If the petition results in a measure that is placed on the ballot, the committee thereafter shall file campaign statements required by Chapter 4. In addition to any other statements required by Chapter 4, a committee that makes independent expenditures in connection with a LAFCO proposal shall file statements pursuant to Section 84203.5.

#### **6. CERTAIN REPORTS AND DISCLOSURES**

##### **5.**

This policy ~~yy~~ also requires that the persons subject to it comply with the regulations regarding the names of campaign committees, disclosures of the sources of mass mailin~~gs~~, and disclosures of the source of automated telephone calls under Government Code Sections 84501 et seq. and the reg~~g~~ulations of the Fair Political Practices Commission implementing those sections.

#### **7. FILING OFFICE**

##### **6.**

All reports and disclosures required hereunder shall be filed with the Santa Cruz County elections official, who the Santa Cruz LAFCO hereby designates as a deputy of ~~Santa Cruz~~ LAFCO for purposes of receiving and filing such reports. LAFCO Commissioners (Regular and Alternate) and staff (Executive Officer,

Legal Counsel, Commission Clerk, and Analysts) submit their annual Statement of Economic Interests (Form 700) by using the County's e-filing system. This online platform is managed and operated by the County Clerk/Elections Department.

Disclosures required hereunder shall be filed at:

~~**Santa Cruz County Elections Department** 701 Ocean Street #210  
Santa Cruz CA 95060 Phone: 831-454-2060~~

For this purpose, forms developed by the Fair Political Practices Commission for disclosures relating to ballot measures shall be used as specified by the Santa Cruz County Elections Office. Acceptable methods of filing or delivery shall conform to those applicable to elections relating to ballot measures. Copies of filed statements will be available to any person upon payment of 10¢ per page.

DRAFT

## **8.7. FILING SCHEDULE**

Prior to a LAFCO decision by resolution on an application, any required disclosures shall be filed with the Santa Cruz County Elections Department no later than twelve days before the noticed date of the public hearing or continued deliberation or discussion on the proposal at LAFCO. The period covered by this report shall be from any prior filing period to seventeen days preceding the LAFCO hearing date.

Additionally, contributions and expenditures for the period commencing sixteen days before the LAFCO meeting and ending one day before the LAFCO meeting shall also be filed with the Santa Cruz County Elections Department within 24 hours of receipt or expenditure but in no event later than 24 hours before the LAFCO meeting begins. Should the LAFCO hearing or deliberation or discussion be continued to additional dates, or be accepted for reconsideration, the foregoing periods apply for expenditures or contributions received after the initial date and prior to the subsequent dates. Additionally, contributions and expenditures from any prior filing period to seven days after a decision has been made, shall be filed with the Elections Department no later than fourteen days after a decision has been made.

After a final LAFCO decision by resolution and until the completion of protest and election proceedings, disclosures shall conform to all requirements ~~for~~for campaign committees pursuant to the Political Reform Act.

For purposes of determining the deadlines by which such reports and disclosures must be filed, the term “election” as used in the Political Reform Act for determining such deadlines shall mean the date of the originally scheduled commission hearing on a proposal for organization, reorganization, or sphere of influence adoption or amendment. If no hearing date has been scheduled at the time a person becomes subject to disclosure under this policy, he or she shall request that the executive officer establish a date to serve as the “election” date for this purpose. The executive officer shall establish a date, such as, but not limited to, the date which is 6 months after the first filing with the commission regarding the proposal, and inform the requestor of that date in writing.

## **9. NOTICE**

### **8.**

The following notice shall be printed on the Commission’s application forms, the resulting notices of public hearing, the agenda of each meeting, and the Commission’s website:

“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).“

~~The following notice shall be printed on the Commission’s application forms, the resulting notices of public hearing, the agenda of each meeting, and the Commission’s website:~~

~~“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).“~~

#### **10.9. AMENDMENT**

These policies and procedures may be further amended from time to time by Santa Cruz LAFCO following a noticed public hearing pursuant to State law.

~~These policies and procedures may be further amended from time to time by Santa Cruz LAFCO following a noticed public hearing pursuant to State law.~~

#### **11.10. REPORTING REQUIREMENTS ARE NON-EXCLUSIVE**

The disclosure and reporting requirements herein are in addition to any other requirements that may be otherwise applicable under provisions of the Political Reform Act or by local ordinance.

#### **12.11. ENFORCEMENT**

Enforcement and penalties for violation of these policies and procedures shall be pursuant to the Political Reform Act of 1974 and its corresponding regulations, to the extent permitted by law.

LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY  
RESOLUTION NO. 2020-09

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 DISCLOSURE  
OF POLITICAL CONTRIBUTIONS POLICY

\*\*\*\*\*

WHEREAS, on March 2, 2010, the Local Agency Formation Commission of Santa Cruz County ("LAFCO" or "Commission") adopted a Disclosure Policy pursuant to state law, including but not limited to the Political Reform Act of 1974; and

WHEREAS, on May 6, 2020, the Commission determined that amendments to the existing policy are warranted.

NOW, THEREFORE, BE IT RESOLVED, the Commission hereby amends its Conflict of Interest Policy, as shown in Exhibit A, to establish procedures for the public disclosure of contributions and expenditures relating to Commission proposals.

PASSED AND ADOPTED by the Local Agency Formation Commission of Santa Cruz County this 6th day of May 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

**DISCLOSURE OF POLITICAL CONTRIBUTIONS POLICY**

Adopted on March 3, 2010 (Resolution No. 2010-1)  
Last Revision on April 1, 2020 (Resolution No. 2020-09)

**1. OVERVIEW**

The Commission finds that the public interest would be served by adoption of procedures for the public disclosure of contributions and expenditures relating to Commission proposals, and further finds that adopting the process is consistent with State law, including the Political Reform Act of 1974, as amended.

**2. DEFINITIONS**

Unless otherwise provided, definitions of the terms used herein shall be those contained in the Political Reform Act of 1974, as amended.

“Contribution” as used herein shall have the same definition as provided in Government Code Section 82015, as amended.

“Expenditure” as used herein shall have the same definition as provided in Government Code Section 82025, as amended.

“Independent expenditure” as used herein shall have the same definition as provided in Government Code Section 82031, as amended, except that the term “measure” as used in Section 82031 shall be replaced with the term “LAFCO Proposal.”

“Political purposes” as used herein shall mean for the purpose(s) of: (i) influencing public opinion and/or actions of voters; (ii) lobbying public officials including LAFCO Commissioners; and/or, (iii) influencing legislative or administrative action as defined in Government Code § 82032.

It shall not include for the purpose(s) of complying with legal requirements and LAFCO rules for the processing of a proposal, including, but not limited to and by way of example only, preparation of a comprehensive fiscal analysis for an incorporation (Government Code Section 56800) or documents necessary to comply with the California Environmental Quality Act, Public Resources Code Section 21000 et seq., such as a mitigated negative declaration or environmental impact report.

**3. APPLICABILITY**

These policies and procedures are applicable to LAFCO Proposals, as defined in Government Code § 82035.5 and sphere of influence adoption, amendment or review, when applications for same are submitted for filing with Executive Officer. LAFCO proposals include but are not limited to annexation to a city or district, incorporation, or formation or dissolution of a special district.

#### **4. GENERAL REQUIREMENTS OF DISCLOSURE**

Any person or combination of persons who directly or indirectly makes an expenditure or independent expenditure for political purposes of \$1,000 or more in support of, or in opposition to, a change of organization, reorganization, or sphere of influence adoption or amendment proposal submitted to the commission shall comply with the reporting and disclosure requirements of Article 2.5 (commencing with Section 84250) of Chapter 4 of the Political Reform Act (Government Code §§ 81000 et seq.). Such reporting and disclosure requirements, except as otherwise excluded herein, extend to those required by the Fair Political Practices Commission Regulations regarding such disclosures and shall include disclosure of contributions, expenditures and independent expenditures.

A committee primarily formed to support or oppose a LAFCO proposal shall file all statements required under Chapter 4 of the Political Reform Act except that, in lieu of the statements required by Sections 84200 and 84202.3, the committee shall file monthly campaign statements from the time circulation of a petition begins until a measure is placed on the ballot or, if a measure is not placed on the ballot, until the committee is terminated pursuant to Section 84214.

The committee shall file an original and one copy of each statement on the 15th day of each calendar month, covering the prior calendar month, with the clerk of the county in which the measure may be voted on. If the petition results in a measure that is placed on the ballot, the committee thereafter shall file campaign statements required by Chapter 4. In addition to any other statements required by Chapter 4, a committee that makes independent expenditures in connection with a LAFCO proposal shall file statements pursuant to Section 84203.5.

#### **5. CERTAIN REPORTS AND DISCLOSURES**

This policy also requires that the persons subject to it comply with the regulations regarding the names of campaign committees, disclosures of the sources of mass mailings, and disclosures of the source of automated telephone calls under Government Code Sections 84501 et seq. and the regulations of the Fair Political Practices Commission implementing those sections.

#### **6. FILING OFFICE**

All reports and disclosures required hereunder shall be filed with the Santa Cruz County elections official, who the Santa Cruz LAFCO hereby designates as a deputy of LAFCO for purposes of receiving and filing such reports. LAFCO Commissioners (Regular and Alternate) and staff (Executive Officer, Legal Counsel, Commission Clerk, and Analysts) submit their annual Statement of Economic Interests (Form 700) by using the County's e-filing system. This online platform is managed and operated by the County Clerk/Elections Department.

For this purpose, forms developed by the Fair Political Practices Commission for disclosures relating to ballot measures shall be used as specified by the Santa Cruz County Elections Office. Acceptable methods of filing or delivery shall conform to those applicable to elections relating to ballot measures. Copies of filed statements will be available to any person upon payment of 10¢ per page.



## **7. FILING SCHEDULE**

Prior to a LAFCO decision by resolution on an application, any required disclosures shall be filed with the Santa Cruz County Elections Department no later than twelve days before the noticed date of the public hearing or continued deliberation or discussion on the proposal at LAFCO. The period covered by this report shall be from any prior filing period to seventeen days preceding the LAFCO hearing date.

Additionally, contributions and expenditures for the period commencing sixteen days before the LAFCO meeting and ending one day before the LAFCO meeting shall also be filed with the Santa Cruz County Elections Department within 24 hours of receipt or expenditure but in no event later than 24 hours before the LAFCO meeting begins. Should the LAFCO hearing or deliberation or discussion be continued to additional dates, or be accepted for reconsideration, the foregoing periods apply for expenditures or contributions received after the initial date and prior to the subsequent dates. Additionally, contributions and expenditures from any prior filing period to seven days after a decision has been made, shall be filed with the Elections Department no later than fourteen days after a decision has been made.

After a final LAFCO decision by resolution and until the completion of protest and election proceedings, disclosures shall conform to all requirements for campaign committees pursuant to the Political Reform Act. For purposes of determining the deadlines by which such reports and disclosures must be filed, the term "election" as used in the Political Reform Act for determining such deadlines shall mean the date of the originally scheduled commission hearing on a proposal for organization, reorganization, or sphere of influence adoption or amendment. If no hearing date has been scheduled at the time a person becomes subject to disclosure under this policy, he or she shall request that the executive officer establish a date to serve as the "election" date for this purpose. The executive officer shall establish a date, such as, but not limited to, the date which is 6 months after the first filing with the commission regarding the proposal, and inform the requestor of that date in writing.

## **8. NOTICE**

The following notice shall be printed on the Commission's application forms, the resulting notices of public hearing, the agenda of each meeting, and the Commission's website:

"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)."

## **9. AMENDMENT**

These policies and procedures may be further amended from time to time by Santa Cruz LAFCO following a noticed public hearing pursuant to State law.

## **10. REPORTING REQUIREMENTS ARE NON-EXCLUSIVE**

The disclosure and reporting requirements herein are in addition to any other requirements that may be otherwise applicable under provisions of the Political Reform Act or by local ordinance.

## **11. ENFORCEMENT**

Enforcement and penalties for violation of these policies and procedures shall be pursuant to the Political Reform Act of 1974 and its corresponding regulations, to the extent permitted by law.

DRAFT

## **Policy Regarding Appointment of Public Member and Alternate**

### **Exhibit A**

#### **Santa Cruz LAFCO Resolution No. 2004-6**

1. When the public member or public alternate position becomes vacant during a term, or two months in advance of either of these terms ending, the Chairperson and Executive Officer shall place on the agenda a memo advising the Commission of the need to advertise for candidates to apply for the position.
2. At the meeting, the Commission shall direct staff to advertise the vacancy and receive applications. Unless the Commission gives alternate directions:
  - a. The staff will advertise the vacancy as soon as possible on the LAFCO website and in at least two newspapers of general circulation which jointly have broad coverage throughout Santa Cruz County. The notice shall include a summary of the qualifications for the position as specified in Government Code Section 56331 (e.g., can't be an officer or employee of the county, city, or district).
  - b. The deadline for applications shall be at least 21 days following the meeting at which the Commission authorizes the advertising.
  - c. Persons interested in the position shall apply by completing a form provided by LAFCO staff and returning the form to the LAFCO office before the deadline.
3. The Executive Officer shall compile the applications and present them to the Commission as part of the agenda of the meeting following the application deadline.
4. A candidate may withdraw an application before or after the application deadline. If a candidate withdraws an application after the deadline, the candidate shall not be considered for the appointment unless the Commission votes to reopen the process and the person reapplies.
5. Upon receiving and reviewing the application, the Commission in open session by majority vote shall choose one of the following three courses of actions:
  - a. To make an appointment from the list of candidates,
  - b. To invite all candidates to make oral presentations at a subsequent LAFCO meeting, or
  - c. To reopen the application period.



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

**PUBLIC MEMBER SELECTION POLICY**

Adopted on April 7, 2004 (Resolution No. 2004-6)

Last Revision on May 6, 2020 (Resolution No. 2020-10)

**Policy Regarding Appointment of Public Member and Alternate**

Exhibit A

~~Santa Cruz LAFCO Resolution No. 2004-6~~

**1. OVERVIEW**

~~The Public Member Selection Policy establishes guidelines towards the appointment of LAFCO's regular and alternate public members. As stipulated in the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, if the office of a regular public member becomes vacant, the alternate member may serve and vote in place of the former regular public member until the appointment and qualification of a regular public member to fill the vacancy. Pursuant to Government Code Section 56334, the term of office of each member shall be four years and until the appointment and qualification of his or her successor.~~

**2. PROCEDURAL GUIDELINES**

~~When the public member or public alternate position becomes vacant during a term, or two months in advance of either of these terms ending, the Chairperson and Executive Officer shall place on the agenda a memo advising the Commission of the need to advertise for candidates to apply for the position.~~

~~At the meeting, the Commission shall direct staff to advertise the vacancy and receive applications. Unless the Commission gives alternate directions:~~

~~The staff will advertise the vacancy as soon as possible on the LAFCO website and in at least two newspapers of general circulation which jointly have broad coverage throughout Santa Cruz County. The notice shall include a summary of the qualifications for the position as specified in Government Code Section 56331 (e.g., can't be an officer or employee of the county, city, or district).~~

~~The deadline for applications shall be at least 21 days following the meeting at which the Commission authorizes the advertising.~~

~~Persons interested in the position shall apply by completing a form provided by LAFCO staff and returning the form to the LAFCO office before the deadline.~~

~~The Executive Officer shall compile the applications and present them to the Commission as part of the agenda of the meeting following the application deadline.~~

~~A candidate may withdraw an application before or after the application deadline. If a candidate withdraws an application after the deadline, the candidate shall not be considered for the appointment unless the Commission votes to reopen the process and the person reapplies.~~

~~Upon receiving and reviewing the application, the Commission in open session by majority vote shall choose one of the following three courses of actions:~~

~~To make an appointment from the list of candidates,  
To invite all candidates to make oral presentations at a subsequent LAFCO meeting,  
or  
To reopen the application period.~~When the regular public member and/or alternate public member position becomes vacant during a term, or two months in advance of either of these terms ending, the Chairperson and Executive Officer shall place on the agenda a memo advising the Commission of the need to advertise for candidates to apply for the position(s).

At the meeting, the Commission shall direct staff to advertise the vacancy and receive applications. Unless the Commission gives alternate directions, the following steps will be completed:

- a. Vacancy Notification: Staff will advertise the vacancy as soon as possible on the LAFCO website and in at least two newspapers of general circulation which jointly have broad coverage throughout Santa Cruz County. The notice shall include a summary of the qualifications for the position as specified in Government Code Section 56331 (e.g. can't be an officer or employee of the county, city, or district). Pursuant to Government Code Section 56325(d), a copy of the notice will also be sent to all city clerks, to all independent special districts secretaries, and to the clerk of the Board of Supervisors.
- b. Deadline Establishment: The deadline for applications shall be at least 21 days following the meeting at which the Commission authorizes the solicitation.
- c. Candidate Application: Individuals interested in the position shall apply by completing a form provided by LAFCO staff and submitting the application before the deadline.

### **3. CANDIDATE REVIEW**

The Executive Officer shall compile the applications and present them to the Commission as part of the meeting agenda following the application deadline.

Candidates may withdraw an application before or after the application deadline. If a candidate withdraws an application after the deadline, the candidate shall not be considered for the appointment unless the Commission votes to reopen the process and the person reapplies.

#### **4. SELECTION PROCESS**

Final appointment for the regular public member and/or alternate public member shall be conducted during an open session at a regularly scheduled LAFCO Meeting. Upon receiving and reviewing the applications, the Commission by majority vote shall choose one of the following three courses of actions:

- a. Make an appointment from the list of candidates;
- b. Invite all candidates to make oral presentations at a subsequent LAFCO Meeting; or
- c. Reopen the application process.

In the event no candidate from the applicants submitted receives a majority vote and an affirmative vote of at least one county, city, and special district member, the Commission shall conduct a run-off vote of two candidates receiving the most votes. In the event that neither candidate receive a majority vote and an affirmative vote of at least one county, city, and special district member, the Chair shall direct the Executive Officer to re-advertise that a vacancy (ies) exist(s) in the manner set forth in these procedures.

LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY  
RESOLUTION NO. 2020-10

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 PUBLIC MEMBER SELECTION POLICY

\*\*\*\*\*

WHEREAS, on April 7, 2004, the Local Agency Formation Commission of Santa Cruz County ("LAFCO" or "Commission") adopted a Public Member Selection Policy in accordance with Government Code Section 56331; and

WHEREAS, on May 6, 2020, the Commission determined that amendments to the existing policy are warranted.

NOW, THEREFORE, BE IT RESOLVED, the Commission hereby amends its Public Member Selection Policy, as shown in Exhibit A, to outline the process of appointing a regular and alternate public member.

PASSED AND ADOPTED by the Local Agency Formation Commission of Santa Cruz County this 6th day of May 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

**PUBLIC MEMBER SELECTION POLICY**

Adopted on April 7, 2004 (Resolution No. 2004-6)

Last Revision on May 6, 2020 (Resolution No. 2020-10)

**1. OVERVIEW**

The Public Member Selection Policy establishes guidelines towards the appointment of LAFCO's regular and alternate public members. As stipulated in the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, if the office of a regular public member becomes vacant, the alternate member may serve and vote in place of the former regular public member until the appointment and qualification of a regular public member to fill the vacancy. Pursuant to Government Code Section 56334, the term of office of each member shall be four years and until the appointment and qualification of his or her successor.

**2. PROCEDURAL GUIDELINES**

When the regular public member and/or alternate public member position becomes vacant during a term, or two months in advance of either of these terms ending, the Chairperson and Executive Officer shall place on the agenda a memo advising the Commission of the need to advertise for candidates to apply for the position(s).

At the meeting, the Commission shall direct staff to advertise the vacancy and receive applications. Unless the Commission gives alternate directions, the following steps will be completed:

- a. Vacancy Notification: Staff will advertise the vacancy as soon as possible on the LAFCO website and in at least two newspapers of general circulation which jointly have broad coverage throughout Santa Cruz County. The notice shall include a summary of the qualifications for the position as specified in Government Code Section 56331 (e.g. can't be an officer or employee of the county, city, or district). Pursuant to Government Code Section 56325(d), a copy of the notice will also be sent to all city clerks, to all independent special districts secretaries, and to the clerk of the Board of Supervisors.
- b. Deadline Establishment: The deadline for applications shall be at least 21 days following the meeting at which the Commission authorizes the solicitation.
- c. Candidate Application: Individuals interested in the position shall apply by completing a form provided by LAFCO staff and submitting the application before the deadline.



### **3. CANDIDATE REVIEW**

The Executive Officer shall compile the applications and present them to the Commission as part of the meeting agenda following the application deadline. Candidates may withdraw an application before or after the application deadline. If a candidate withdraws an application after the deadline, the candidate shall not be considered for the appointment unless the Commission votes to reopen the process and the person reapplies.

### **4. SELECTION PROCESS**

Final appointment for the regular public member and/or alternate public member shall be conducted during an open session at a regularly scheduled LAFCO Meeting. Upon receiving and reviewing the applications, the Commission by majority vote shall choose one of the following three courses of actions:

- a. Make an appointment from the list of candidates;
- b. Invite all candidates to make oral presentations at a subsequent LAFCO Meeting; or
- c. Reopen the application process.

In the event no candidate from the applicants submitted receives a majority vote and an affirmative vote of at least one county, city, and special district member, the Commission shall conduct a run-off vote of two candidates receiving the most votes. In the event that neither candidate receive a majority vote and an affirmative vote of at least one county, city, and special district member, the Chair shall direct the Executive Officer to re-advertise that a vacancy (ies) exist(s) in the manner set forth in these procedures.

INDEPENDENT SPECIAL DISTRICT SELECTION COMMITTEE  
OF SANTA CRUZ COUNTY  
RULES OF PROCEDURE

ADOPTED AS EXHIBIT B OF RESOLUTION NO. 801-B OF  
THE LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY  
SEPTEMBER, 7, 1994

**I. PURPOSE**

The purpose of the Independent Special District Selection Committee shall be to appoint the regular and alternate special district members of the Local Agency Formation Commission (LAFCO) and to fill unexpired terms when vacancies occur.

**II. MEMBERSHIP**

Membership of the Independent Special District Selection Committee shall be composed of the presiding officer or designated board member of the legislative body of each independent special district either located wholly within Santa Cruz County or containing territory within the county that represents 50% or more of the assessed value of taxable property of the district.

**III. MEETINGS**

**a) Notification and Solicitation of Nominations**

- (i) The Executive Officer of the Commission shall give written notice to all eligible independent special districts of any meeting of the Independent Special District Selection Committee, specifying the date, time, and place.
- (ii) Any person qualified to serve as an Independent Special District representative to LAFCO shall be qualified to submit a nomination which shall be accompanied by a brief resume on the form provided by LAFCO.
- (iii) Each district shall be encouraged to submit nominations.

b) Registration

- (i) Each member of the Selection Committee shall be entitled to one vote for each independent special district of which he or she is the presiding officer.
- (ii) In the event that the presiding officer is unable to attend a meeting of the Committee, the legislative body may appoint one of its members to attend in the presiding officer's place. Such a designated member shall submit written authorization at the time of registration.
- (iii) Each voting member shall register and complete a declaration of qualification. The voting member will then be given the required number of ballots and other voting materials.

c) Quorum

- (i) Members representing a majority of the eligible districts shall constitute a quorum for the conduct of Committee business.
- (ii) No meeting shall be called to order
  - 1. Earlier than the time specified in the notice, and
  - 2. Until a quorum has been declared to be present.
- (iii) Before calling the meeting to order, the Executive Officer shall announce that a quorum is present and request that any voting member who has not yet registered do so at that time.
- (iv) Only those eligible members registered and present shall be allowed to vote.

d) Sequential Balloting

- (i) If there is more than one position to fill, sequential balloting will be held in the following order using a ballot with names of all eligible nominees:
  - 1. Full term, regular member;
  - 2. Partial term, regular member;
  - 3. Alternate member.
- (ii) If a candidate is elected to a position, his or her name will be crossed out on the subsequent ballots.

e) Majority to Win

- (i) In order for a candidate to be elected, that candidate must receive a majority of the votes being cast.
- (ii) If no candidate receives a majority, a subsequent round of voting shall be conducted with the eligible candidates limited to the two candidates who received the most votes in the previous round and any candidates who received the same number of votes as the second candidate.

IV. COMPOSITION OF SPECIAL DISTRICT REPRESENTATION ON LAFCO

- a) It is desirable that the special district members on LAFCO have a broad cross-section of duties and experience in district matters. Therefore, the following four classes of districts are established:

- 1. Class 1: Fire Protection Districts
  - Aptos/La Selva Fire Protection District
  - Ben Lomond Fire Protection District
  - Boulder Creek Fire Protection District
  - Branciforte Fire Protection District
  - Central Fire Protection District
  - Felton Fire Protection District
  - Pajaro Valley Fire Protection District \*
  - Scotts Valley FPD
  - Zayante FPD
- 2. Class 2: Water Districts
  - Central Water District
  - San Lorenzo Valley Water District \*\*
  - Scotts Valley Water District
  - Soquel Creek Water District
- 3. Class 3: Recreation and Park Districts
  - Alba Recreation and Park District
  - Boulder Creek Recreation and Park District
  - La Selva Beach Recreation and Park District
  - Opal Cliffs Recreation and Park District

4. Class 4: Miscellaneous Districts

- Pajaro Valley Cemetery District
- Pajaro Valley Water Management Agency
- Reclamation District No. 2049 (College Lake)
- Salsipuedes Sanitary District
- Santa Cruz County Resource Conservation District
- Santa Cruz Port District

- b) At no time shall the two regular special district members on LAFCO come from the same class of districts.
- c) Where feasible, nominations for vacancies on LAFCO may not come from the class that already has a regular member sitting on LAFCO.
- d) Any election that would result in the two regular special district members being from the same class of district shall be immediately deemed invalid, and a subsequent ballot will be prepared excluding the conflicting class of candidates and voted upon.

V. MAILED-BALLOT ELECTIONS

a) Authority

- (i) A mailed-ballot election may be conducted if the Executive Officer has determined that a meeting of the Special District Selection Committee is not feasible.

b) Notification and Solicitation of Nominations

- (i) The Executive Officer of the Commission shall give written notice to all eligible independent special districts of the intention to conduct a mailed-ballot election.
- (ii) Each district shall acknowledge receipt of the Executive Officer's notice.
- (iii) Each district shall be encouraged to submit nominations, accompanied by a brief resume on the form provided by LAFCO.
- (iv) All nominations must be received by a specified date that shall be at least six weeks from the date of notification.

- (v) Faxed copies of nominations may be submitted, if necessary, to meet the established deadline; however, replacement originals must be submitted as soon thereafter as possible.

c) Distribution and Return of Ballots

- (i) All eligible districts shall be sent, by certified mail, return receipt requested, the following materials:
  - 1. copies of all nominations received by the deadline,
  - 2. ballot(s) as required to vote for Commission members, and,
  - 3. voting instructions.
- (ii) The ballots shall include the names of all nominees.
- (iii) Each ballot shall be accompanied by a certification sheet to be completed by the presiding officer or designated alternate who cast that district's vote.
- (iv) A specified period of time, not less than six weeks, shall be allowed for the districts to cast their votes and return their ballots.
- (v) Ballots shall be sent by certified mail, return receipt requested.
- (vi) Faxed copies of ballots may be submitted, if necessary, to meet the established deadline; however, replacement originals must be submitted as soon thereafter as possible.
- (vii) All ballots received by the deadline shall be counted and the results announced within seven days.
- (viii) Certified ballots representing a simple majority of the eligible districts must be returned for a valid election.
- (ix) A candidate for a regular or alternate member of the Commission must receive at least a majority of the votes cast in order to be selected.
- (x) In the event that no candidate receives the required number of votes, a run-off election shall be conducted, either by a second mailed ballot or a meeting of the Independent Special District Selection Committee, at the discretion of the Executive Officer.

## VI. STATE LAW

Nothing in these Rules of Procedure shall supercede Section §56332 of the California Government Code, which governs the establishment of the Independent Special District Selection Committee.

- \* The original resolution listed the Freedom Fire Protection District and the Salsipuedes Fire Protection District, which were subsequently consolidated into the Pajaro Valley Fire Protection District.
- \*\* The original resolution listed the Lompico County Water District which was subsequently dissolved and annexed into the San Lorenzo Valley Water District.



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

**INDEPENDENT SPECIAL DISTRICTS SELECTION POLICY**

Adopted on September 7, 1994 (Resolution No. 801-B)

Last Revision on May 6, 2020 (Resolution No. 2020-11)

**INDEPENDENT SPECIAL DISTRICT SELECTION COMMITTEE  
OF SANTA CRUZ COUNTY  
RULES OF PROCEDURE**

**ADOPTED AS EXHIBIT B OF RESOLUTION NO. 801-B OF  
THE LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY  
SEPTEMBER, 7, 1994**

**1. PURPOSE OVERVIEW**

The purpose of the Independent Special District Selection Committee shall be to appoint the regular and alternate special district members of the Local Agency Formation Commission (LAFCO) and to fill unexpired terms when vacancies occur. It is important to note that nothing in these Rules of Procedure shall supersede Government Code Section 56332, which governs the establishment of the Independent Special District Selection Committee.

**2. MEMBERSHIP**

Membership of the Independent Special District Selection Committee shall be composed of the presiding officer or designated board member of the legislative body of each independent special district either located wholly within Santa Cruz County or containing territory within the county that represents 50% or more of the assessed value of taxable property of the district.

**3. MEETINGS**

**3.1 Notification and Solicitation of Nominations**

The Executive Officer of the Commission shall give written notice to all eligible independent special districts of any meeting of the Independent Special District Selection Committee, specifying the date, time, and place.



Any person qualified to serve as an Independent Special District representative to LAFCO shall be qualified to submit a nomination which shall be accompanied by a brief resume on the form provided by LAFCO.

Each district shall be encouraged to submit nominations.

### **3.2 Registration**

Each member of the Selection Committee shall be entitled to one vote for each independent special district of which he or she is the presiding officer.

In the event that the presiding officer is unable to attend a meeting of the Committee, the legislative body may appoint one of its members to attend in the presiding officer's place. Such a designated member shall submit written authorization at the time of registration.

Each voting member shall register and complete a declaration of qualification. The voting member will then be given the required number of ballots and other voting materials.

### **3.3 Quorum**

Members representing a majority of the eligible districts shall constitute a quorum for the conduct of Committee business.

No meeting shall be called to order ~~earlier than the time specified in the notice and until a quorum has been declared to be present.~~

~~Earlier than the time specified in the notice, and  
Until a quorum has been declared to be present.~~

Before calling the meeting to order, the Executive Officer shall announce that a quorum is present and request that any voting member who has not yet registered do so at that time.

Only those eligible members registered and present shall be allowed to vote.

### **3.4 Sequential Balloting**

If there is more than one position to fill, sequential balloting will be held in the following order using a ballot with names of all eligible nominees: (1)

Full term, regular member; (2)

Partial term, regular member; and (3)

Alternate member.

If a candidate is elected to a position, his or her name will be crossed out on the subsequent ballots.

### **3.5 Majority to Win**

In order for a candidate to be elected, that candidate must receive a majority of the votes being cast.

If no candidate receives a majority, a subsequent round of voting shall be conducted with the eligible candidates limited to the two candidates who received the most votes in the previous round and any candidates who received the same number of votes as the second candidate.

## **4. COMPOSITION OF SPECIAL DISTRICT REPRESENTATION ON LAFCO**

It is desirable that the special district members on LAFCO have a broad cross-section of duties and experience in district matters. Therefore, the following four classes of districts are established:

### **Class 1: Fire Protection Districts**

- Aptos/La Selva Fire Protection District
- Ben Lomond Fire Protection District
- Boulder Creek Fire Protection District
- Branciforte Fire Protection District
- Central Fire Protection District
- Felton Fire Protection District
- Pajaro Valley Fire Protection District<sup>1 \*</sup>
- Scotts Valley FPD
- Zayante FPD

### **Class 2: Water Districts**

- Central Water District
- San Lorenzo Valley Water District<sup>2 \*\*</sup>
- Scotts Valley Water District

---

<sup>1</sup> The original resolution listed the Freedom Fire Protection District and the Salsipuedes Fire Protection District, which were subsequently consolidated into the Pajaro Valley Fire Protection District.

<sup>2</sup> The original resolution listed the Freedom Fire Protection District and the Salsipuedes Fire Protection District, which were subsequently consolidated into the Pajaro Valley Fire Protection District.

- Soquel Creek Water District

### **Class 3: Recreation and Park Districts**

- Alba Recreation and Park District
- Boulder Creek Recreation and Park District
- La Selva Beach Recreation and Park District
- Opal Cliffs Recreation and Park District

### **Class 4: Miscellaneous Districts**

- Pajaro Valley Cemetery District
- Pajaro Valley Water Management Agency
- Reclamation District No. 2049 (College Lake)
- Salsipuedes Sanitary District
- Santa Cruz County Resource Conservation District
- Santa Cruz Port District

#### **4.1 Overlapping Classes**

At no time shall the two regular special district members on LAFCO come from the same class of districts.

#### **4.2 Class Diversity**

Where feasible, nominations for vacancies on LAFCO may not come from the class that already has a regular member sitting on LAFCO.

#### **4.3 Conflicting Classes**

Any election that would result in the two regular special district members being from the same class of district shall be immediately deemed invalid, and a subsequent ballot will be prepared excluding the conflicting class of candidates and voted upon.

## **5. MAILED-BALLOT ELECTIONS**

### **5.1 Authority**

A mailed-ballot election may be conducted if the Executive Officer has determined that a meeting of the Special District Selection Committee is not feasible.

### **5.2 Notification and Solicitation of Nominations**

The Executive Officer of the Commission shall give written notice to all eligible independent special districts of the intention to conduct a mailed-ballot election.

Each district shall acknowledge receipt of the Executive Officer's notice.

Each district shall be encouraged to submit nominations, accompanied by a brief resume on the form provided by LAFCO.

All nominations must be received by a specified date that shall be at least six weeks from the date of notification.

~~Faxed~~ Emailed copies of nominations may be submitted, if necessary, to meet the established deadline; however, replacement originals must be submitted as soon thereafter as possible.

### **5.3 Distribution and Return of Ballots**

All eligible districts shall be sent, by certified mail, return receipt requested, the following materials: (1)

copies of all nominations received by the deadline, (2)  
ballot(s) as required to vote for Commission members, and (3)  
voting instructions.

The following outlines the necessary information and steps to submit a complete ballot:

1. The ballots shall include the names of all nominees.
2. Each ballot shall be accompanied by a certification sheet to be completed by the presiding officer or designated alternate who cast that district's vote.
3. A specified period of time, not less than six weeks, shall be allowed for the districts to cast their votes and return their ballots.
4. Ballots shall be sent by certified mail, return receipt requested.
5. ~~Faxed~~ Emailed copies of ballots may be submitted, if necessary, to meet the established deadline; however, replacement originals must be submitted as soon thereafter as possible.
6. All ballots received by the deadline shall be counted and the results announced within seven days.
7. Certified ballots representing a simple majority of the eligible districts must be returned for a valid election.

### **5.4 Appointment by Majority Vote**

A candidate for a regular or alternate member of the Commission must receive at least a majority of the votes cast in order to be selected. Results of the election will be reviewed and adopted by the Commission during an open session of a regularly scheduled LAFCO Meeting.

In the event that no candidate receives the required number of votes, a run-off election shall be conducted, either by a second mailed ballot or a meeting of the Independent Special District Selection Committee, at the discretion of the Executive Officer.

## **~~6. STATE LAW~~**

~~Nothing in these Rules of Procedure shall supercede Section §56332 of the California Government Code, which governs the establishment of the Independent Special District Selection Committee.~~

~~\* The original resolution listed the Freedom Fire Protection District and the Salsipuedes Fire Protection District, which were subsequently consolidated into the Pajaro Valley Fire Protection District.~~

~~\*\* The original resolution listed the Lompico County Water District which was subsequently dissolved and annexed into the San Lorenzo Valley Water District.~~

LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY  
RESOLUTION NO. 2020-11

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 PUBLIC MEMBER SELECTION POLICY

\*\*\*\*\*

WHEREAS, on September 7, 1994, the Local Agency Formation Commission of Santa Cruz County ("LAFCO" or "Commission") adopted an Independent Special Districts Selection Policy following the initiation by a majority of districts in Santa Cruz County to be represented on LAFCO; and

WHEREAS, on May 6, 2020, the Commission determined that amendments to the existing policy are warranted.

NOW, THEREFORE, BE IT RESOLVED, the Commission hereby amends its Independent Special Districts Selection Policy, as shown in Exhibit A, to outline the process of appointing a regular and alternate independent special district member.

PASSED AND ADOPTED by the Local Agency Formation Commission of Santa Cruz County this 6th day of May 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

**INDEPENDENT SPECIAL DISTRICTS SELECTION POLICY**

Adopted on September 7, 1994 (Resolution No. 801-B)

Last Revision on May 6, 2020 (Resolution No. 2020-11)

**1. OVERVIEW**

The purpose of the Independent Special District Selection Committee shall be to appoint the regular and alternate special district members of the Local Agency Formation Commission (LAFCO) and to fill unexpired terms when vacancies occur. It is important to note that nothing in these Rules of Procedure shall supersede Government Code Section 56332, which governs the establishment of the Independent Special District Selection Committee.

**2. MEMBERSHIP**

Membership of the Independent Special District Selection Committee shall be composed of the presiding officer or designated board member of the legislative body of each independent special district either located wholly within Santa Cruz County or containing territory within the county that represents 50% or more of the assessed value of taxable property of the district.

**3. MEETINGS**

**3.1 Notification and Solicitation of Nominations**

The Executive Officer of the Commission shall give written notice to all eligible independent special districts of any meeting of the Independent Special District Selection Committee, specifying the date, time, and place.

Any person qualified to serve as an Independent Special District representative to LAFCO shall be qualified to submit a nomination which shall be accompanied by a brief resume on the form provided by LAFCO. Each district shall be encouraged to submit nominations.

**3.2 Registration**

Each member of the Selection Committee shall be entitled to one vote for each independent special district of which he or she is the presiding officer.

In the event that the presiding officer is unable to attend a meeting of the Committee, the legislative body may appoint one of its members to attend in the presiding officer's place. Such a designated member shall submit written authorization at the time of registration.

Each voting member shall register and complete a declaration of qualification. The voting member will then be given the required number of ballots and other voting materials.

### **3.3 Quorum**

Members representing a majority of the eligible districts shall constitute a quorum for the conduct of Committee business. No meeting shall be called to order earlier than the time specified in the notice and until a quorum has been declared to be present.

Before calling the meeting to order, the Executive Officer shall announce that a quorum is present and request that any voting member who has not yet registered do so at that time. Only those eligible members registered and present shall be allowed to vote.

### **3.4 Sequential Balloting**

If there is more than one position to fill, sequential balloting will be held in the following order using a ballot with names of all eligible nominees: (1) Full term, regular member; (2) Partial term, regular member; and (3) Alternate member.

If a candidate is elected to a position, his or her name will be crossed out on the subsequent ballots.

### **3.5 Majority to Win**

In order for a candidate to be elected, that candidate must receive a majority of the votes being cast.

If no candidate receives a majority, a subsequent round of voting shall be conducted with the eligible candidates limited to the two candidates who received the most votes in the previous round and any candidates who received the same number of votes as the second candidate.

## **4. COMPOSITION OF SPECIAL DISTRICT REPRESENTATION ON LAFCO**

It is desirable that the special district members on LAFCO have a broad cross-section of duties and experience in district matters. Therefore, the following four classes of districts are established:

### **Class 1: Fire Protection Districts**

- Aptos/La Selva Fire Protection District
- Ben Lomond Fire Protection District
- Boulder Creek Fire Protection District
- Branciforte Fire Protection District
- Central Fire Protection District
- Felton Fire Protection District
- Pajaro Valley Fire Protection District<sup>1</sup>
- Scotts Valley FPD
- Zayante FPD

---

<sup>1</sup> The original resolution listed the Freedom Fire Protection District and the Salsipuedes Fire Protection District, which were subsequently consolidated into the Pajaro Valley Fire Protection District.



### **Class 2: Water Districts**

- Central Water District
- San Lorenzo Valley Water District<sup>2</sup>
- Scotts Valley Water District
- Soquel Creek Water District

### **Class 3: Recreation and Park Districts**

- Alba Recreation and Park District
- Boulder Creek Recreation and Park District
- La Selva Beach Recreation and Park District
- Opal Cliffs Recreation and Park District

### **Class 4: Miscellaneous Districts**

- Pajaro Valley Cemetery District
- Pajaro Valley Water Management Agency
- Reclamation District No. 2049 (College Lake)
- Salsipuedes Sanitary District
- Santa Cruz County Resource Conservation District
- Santa Cruz Port District

#### **4.1 Overlapping Classes**

At no time shall the two regular special district members on LAFCO come from the same class of districts.

#### **4.2 Class Diversity**

Where feasible, nominations for vacancies on LAFCO may not come from the class that already has a regular member sitting on LAFCO.

#### **4.3 Conflicting Classes**

Any election that would result in the two regular special district members being from the same class of district shall be immediately deemed invalid, and a subsequent ballot will be prepared excluding the conflicting class of candidates and voted upon.

## **5. MAILED-BALLOT ELECTIONS**

### **5.1 Authority**

A mailed-ballot election may be conducted if the Executive Officer has determined that a meeting of the Special District Selection Committee is not feasible.

### **5.2 Notification and Solicitation of Nominations**

The Executive Officer of the Commission shall give written notice to all eligible independent special districts of the intention to conduct a mailed-ballot election. Each district shall acknowledge receipt of the Executive Officer's notice.

---

<sup>2</sup> The original resolution listed the Freedom Fire Protection District and the Salsipuedes Fire Protection District, which were subsequently consolidated into the Pajaro Valley Fire Protection District.

Each district shall be encouraged to submit nominations, accompanied by a brief resume on the form provided by LAFCO. All nominations must be received by a specified date that shall be at least six weeks from the date of notification. Emailed copies of nominations may be submitted, if necessary, to meet the established deadline; however, replacement originals must be submitted as soon thereafter as possible.

### **5.3 Distribution and Return of Ballots**

All eligible districts shall be sent, by certified mail, return receipt requested, the following materials: (1) copies of all nominations received by the deadline, (2) ballot(s) as required to vote for Commission members, and (3) voting instructions.

The following outlines the necessary information and steps to submit a complete ballot:

1. The ballots shall include the names of all nominees.
2. Each ballot shall be accompanied by a certification sheet to be completed by the presiding officer or designated alternate who cast that district's vote.
3. A specified period of time, not less than six weeks, shall be allowed for the districts to cast their votes and return their ballots.
4. Ballots shall be sent by certified mail, return receipt requested.
5. Emailed copies of ballots may be submitted, if necessary, to meet the established deadline; however, replacement originals must be submitted as soon thereafter as possible.
6. All ballots received by the deadline shall be counted and the results announced within seven days.
7. Certified ballots representing a simple majority of the eligible districts must be returned for a valid election.

### **5.4 Appointment by Majority Vote**

A candidate for a regular or alternate member of the Commission must receive at least a majority of the votes cast in order to be selected. Results of the election will be reviewed and adopted by the Commission during an open session of a regularly scheduled LAFCO Meeting.

In the event that no candidate receives the required number of votes, a run-off election shall be conducted, either by a second mailed ballot or a meeting of the Independent Special District Selection Committee, at the discretion of the Executive Officer.



---

**Santa Cruz Local Agency Formation Commission**

Date: May 6, 2020  
To: LAFCO Commissioners  
From: Joe Serrano, Executive Officer  
Subject: **Draft Budget for Fiscal Year 2020-21 (LAFCO Project No. CPP 20-12)**

---

**SUMMARY OF RECOMMENDATION**

State law requires that LAFCO adopt a draft budget by May 1st and a final budget by June 15th. Staff originally noticed a public hearing for April 1, 2020 in order for the Commission to consider a draft budget for the upcoming fiscal year. However, due to the ongoing pandemic and the Governor's shelter-in-place order, the April meeting was cancelled. The draft budget was moved to the May 6 regular meeting.

It is recommended that the Commission take the following actions:

1. Adopt the resolution (LAFCO No. 2020-10) approving the draft budget for Fiscal Year 2020-21, with the following conditions:
    - a. Direct staff to distribute the draft budget for review and comment to the Board of Supervisors, cities, and special districts; and
    - b. Direct staff to schedule a public hearing, pursuant to Government Code Section 56381, for consideration and adoption of a final budget for Fiscal Year 2020-21 at the June 3, 2020 regular meeting.
- 

**EXECUTIVE OFFICER'S REPORT:**

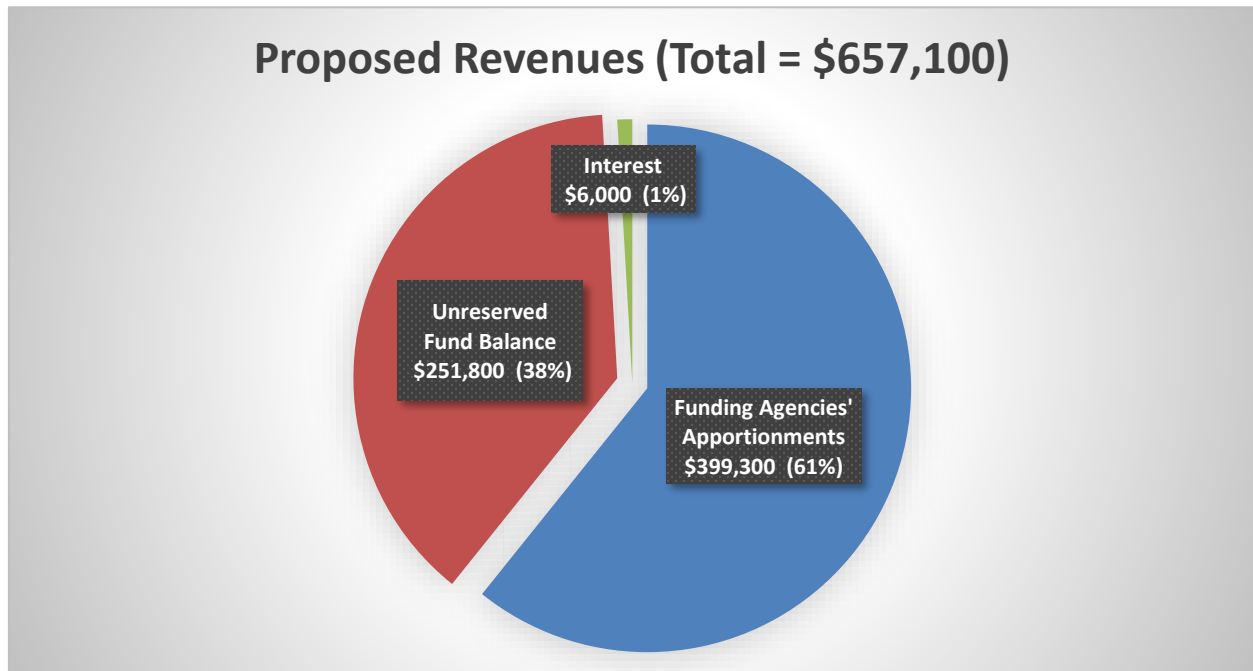
Government Code Section 56381(a) requires the Commission to hold a public hearing to adopt a draft and final budget each year. The proposed FY 2020-21 draft budget is presented in line-item detail for the Commission's review and consideration (refer to **Attachment 1**). If the draft budget is approved by the Commission, it will be distributed to the Board of Supervisors, the cities, and the independent special districts for review and comment. Subsequently, the final budget with any submitted comments, will be considered by the Commission at a second public hearing during the June 3, 2020 regular meeting.

The proposed FY 2020-21 draft budget is balanced; the expected expenditures are funded by the projected revenues together with a drawdown from the unreserved fund balance. The draft budget totals \$657,100 which represents a slight decrease of 1% from the current budget (FY 2019-20 = \$662,400). The following pages provide a description and discussion of the revenues, expenditures, and unreserved fund balance contained in the FY 2020-21 draft budget.

## REVENUES

The revenues in the proposed draft budget total \$657,100. There are three categories that comprise of LAFCO's revenue: (1) County, Cities, and Special Districts Apportionments, (2) Interest, and (3) Unreserved Fund Balance. As depicted in **Figure 1**, the apportionments from the funding agencies constitute 61% of total revenues. The remaining revenue source derive from unreserved fund balance (38%) and interest (1%).

**Figure 1: Proposed Revenue Amount (FY 2020-21 Draft Budget)**



### County, Cities, and Special Districts Apportionments

The apportionments from the funding agencies are LAFCO's primary source of revenue. The total apportionment for FY 2020-21 is \$399,300, representing a zero increase when compared to the current budget for FY 2019-20 (\$399,300). The projected apportionments for each funding agency is shown in **Attachment 2**. Pursuant to state law, the total apportionment of \$399,300 is equally divided amongst the County, cities, and independent special districts. The apportionments for the individual cities and special districts are calculated by the County Auditor-Controller using the formula outlined in Government Code Section 56381(b)(1)(A), as discussed below.

- **Cities:** The cities' share shall be apportioned in proportion to each city's total revenues, as reported in the most recent edition of the Cities Annual Report published by the Controller, as a percentage of the combined city revenues within a county, or by an alternative method approved by a majority of cities representing the majority of the combined cities' populations.
- **Districts:** The independent special districts' share shall be apportioned in proportion to each district's total revenues as a percentage of the combined total district revenues within a county. A district's total revenue shall be calculated for non-enterprise activities as total revenues for general purpose transactions less intergovernmental revenue and for enterprise activities as total operating and nonoperating revenues less intergovernmental revenue, as reported in the most recent edition of the "Special Districts Annual Report" published by the Controller.

## Interest

This revenue category includes interest earned from the agency's payroll account. Since the Commission receives an influx of revenues in the beginning of each fiscal year from the funding agencies, the apportionments are deposited into one account which earns interest year-round. Staff withdraws funds from this account throughout the fiscal year to cover the agency's operational expenses. Given the current trends in rates, the draft budget for FY 2020-21 assumes that the interest accrued on the agency's payroll account will generate approximately \$6,000 this upcoming year.

## Unreserved Fund Balance

The Commission designates funds for all budget line items in order to operate the LAFCO office, including large expenses such as legal services (\$150,000) and outside consultants (\$50,000). If the Commission experiences any surplus at the end of the fiscal year, that carryover or "unreserved" amount is maintained in the agency's payroll account. Historically, the Commission uses this unreserved amount to help balance the upcoming budget, if needed. Over the past several years, the use of unreserved funds as part of the revenue assumptions has helped avoid large fluctuations in the annual apportionments to the funding agencies. The unreserved fund balance for the last three fiscal years are shown below.

**Table 1: Unreserved Fund Balance**

|   | <b>FY 16-17<br/>(Actual)</b> | <b>FY 17-18<br/>(Actual)</b> | <b>FY 18-19<br/>(Actual)</b> | <b>FY 19-20<br/>(Projected)</b> |
|---|------------------------------|------------------------------|------------------------------|---------------------------------|
| Unreserved Fund Balance (Year-End)              | \$359,610                    | \$385,040                    | \$309,687                    | \$368,999                       |
| Unreserved Funds used to Balance Budget         |                              |                              |                              | <u>\$251,800</u>                |
| <b>Remaining Unreserved Fund Balance Amount</b> |                              |                              |                              | <b>\$117,199</b>                |

Staff anticipates utilizing \$251,800 of unreserved funds to balance the FY 2020-21 draft budget. Based on these budget projections, and assuming all unreserved funds are used, it is anticipated that the total unreserved fund balance will remain around \$117,000 or approximately 18% of the total budget for FY 2020-21.

## Previous Revenue Line Items

In past budgets, this LAFCO would anticipate other revenue streams, including filing fees from applications, employee contribution towards medical costs, and copy fees when the public requests for LAFCO documents. Due to their fluctuations, as shown below, staff believes that the stoppage of budgeting for these funds would be a more conservative approach. Therefore, the proposed budget does not factor in these revenue line items.

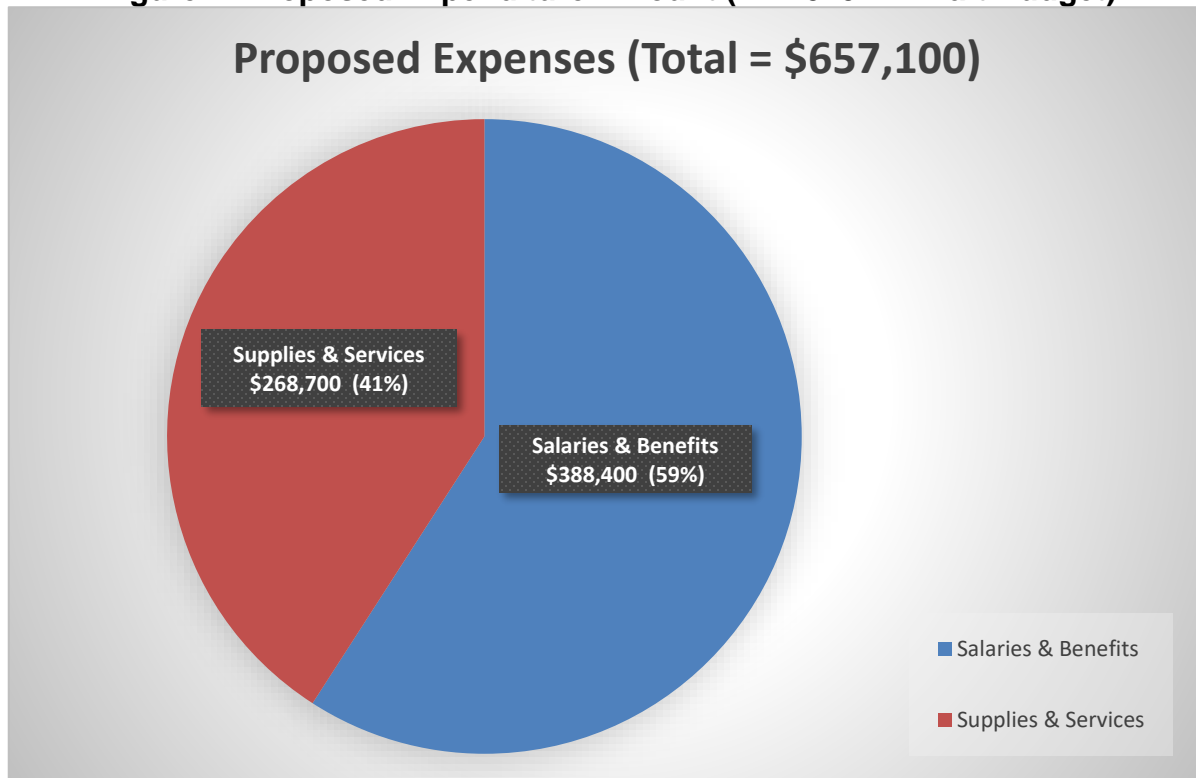
**Table 2: Previously Anticipated Revenue**

|                           | <b>FY16-17<br/>(Budget)</b> | <b>FY16-17<br/>(Actual)</b> | <b>FY17-18<br/>(Budget)</b> | <b>FY17-18<br/>(Actual)</b> | <b>FY18-19<br/>(Budget)</b> | <b>FY18-19<br/>(Actual)</b> |
|---------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Processing Fees           | \$24,000                    | \$3,266                     | \$10,000                    | \$20,027                    | \$6,500                     | \$20,031                    |
| Medical Charges: Employee | \$13,100                    | \$6,478                     | \$4,760                     | \$3,162                     | \$9,500                     | \$2,043                     |
| Copy Charges              | \$100                       | \$0                         | \$100                       | \$0                         | \$0                         | \$52                        |

## EXPENDITURES

The proposed budget expenditures reflect the necessary resources to support LAFCO's operations and to effectively manage the mandated projects that are not supported by applicant fees, such as preparing updates of agencies' spheres of influence, conducting municipal service reviews, and other staff assignments. The draft budget includes adjustments to specific budget categories based past trends and actual expenditures. The Commission expenses are described in two categories: (1) Salaries & Benefits, and (2) Supplies & Services. The percentage of each category is depicted in **Figure 2** and described briefly in the following sections. **Attachment 3** provides a detailed narrative of all LAFCO expenses within these two categories.

**Figure 2: Proposed Expenditure Amount (FY 2020-21 Draft Budget)**



### Salaries

Santa Cruz LAFCO has two full-time professional staff members. The proposed salaries and benefits for the upcoming fiscal year totals \$245,400, which represents a zero increase when compared to the current budget for FY 2019-20 (\$245,400). The projections in the proposed budget reflect recently approved adjustments to the annual salaries for LAFCO's Executive Officer and Secretary-Clerk. The following table shows the salary breakdown for Fiscal Years 2019-20 and 2020-21.

**Table 3: LAFCO Staff Salary**

|                            | FY 19-20<br>(Adopted) | FY 20-21<br>(Proposed) |
|----------------------------|-----------------------|------------------------|
| Executive Officer          | \$140,000             | \$144,204              |
| Secretary-Clerk            | \$75,005              | \$77,064               |
| Salary Reserve             | <u>\$30,395</u>       | <u>\$24,132</u>        |
| <b>Total Salary Amount</b> | <b>\$245,400</b>      | <b>\$245,400</b>       |

Historically, the Commission has maintained a salary reserve balance to ensure that LAFCO has enough funds to cover salaries. Staff expects to have around \$24,000 in salary reserve for FY 2020-21. As the Commission is aware, staff will begin the recruitment process this month in anticipation of Debra Means' retirement in April 2021. Staff believes that \$15,000 of the salary reserve amount should be earmarked to cover the salary for the new hire during the three-month transition period (February-April 2021).

### **Benefits**

The assumptions for the employee benefits (health, dental, life, and insurance) are typically based on information provided by the County of Santa Cruz which provides these benefits to LAFCO staff through a contractual agreement. The benefits for LAFCO staff mirror the benefits provided by the County to its employees. Also, the proposed budget contains assumptions for retirement costs that are based on budgetary trends and figures provided by the California Public Employees' Retirement System (CalPERS). Similar to salaries, staff is not proposing any additional increases to the overall benefit cost amount.

### **Supplies & Services**

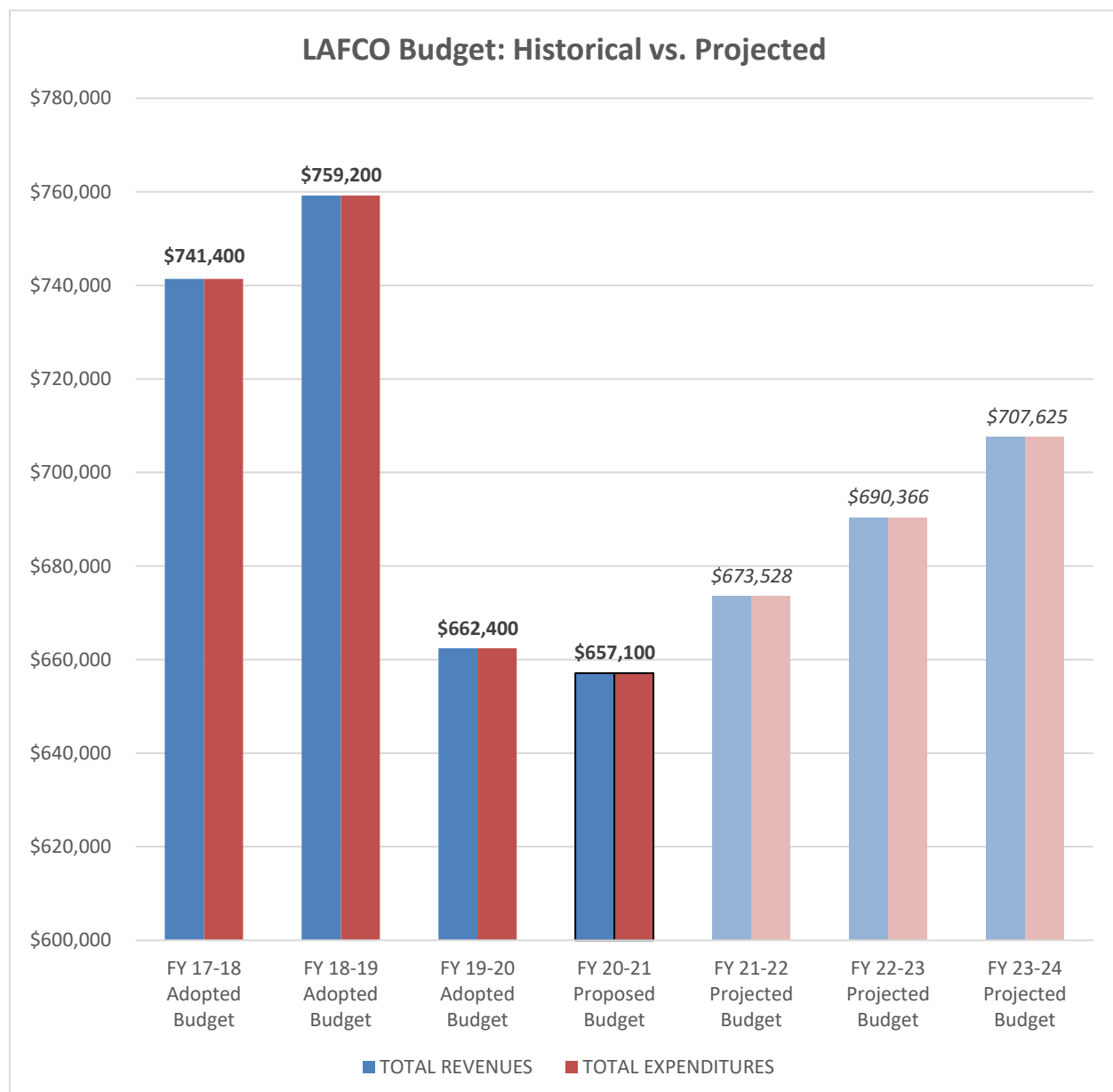
Overall, the Commission's operation demonstrates prudent management of agency expenses. Most of the identified expenditures in the draft budget for FY 2020-21 are the same amount as the current budget (FY 2019-20). The following provides a brief discussion of the key areas that incorporate proposed changes in the draft budget:

- **Memberships:** This item contains the costs for membership renewals with CALAFCO and the California Special Districts Association. The proposed increase of \$1,900 (now totaling \$6,400) reflects the recent increases in membership dues.
- **Duplicating:** This item covers copying of reports at the county's duplicating station or local print shop. The proposed increase of \$400 (now totaling \$1,600) reflects staff's in-house preparation and distribution of service reviews.
- **Postage:** This item contains the costs of mailing public notices and other correspondence. The proposed decrease of \$400 (now totaling \$1,000) reflects the budgetary trend in recent years.
- **Supplies:** This item covers all office supplies. The proposed decrease of \$500 (now totaling \$1,000) reflects the budgetary trend in recent years.
- **Data Services:** This item covers the charges from the County I.T. Department regarding LAFCO's computers, printers, mapping system, and other data bases. The proposed decrease of \$6,700 (now totaling \$10,000) reflects the budgetary trend in recent years and staff's takeover of mapping responsibilities.
- **Miscellaneous Expenses:** This item pays for the use of LAFCO's current office space and record storage in the County Warehouse. The proposed increase of \$500 (now totaling \$9,000) reflects the recent lease agreement extension.
- **Miscellaneous Expenses:** This item is used to address variable costs such as one-time expenses (ex. new office laptop; webinar participation). The proposed decrease of \$500 (now totaling \$6,000) reflects the budgetary trend in recent years.

## LAFCO BUDGET: PAST AND FUTURE PERSPECTIVE

This Commission strives to maximize funding and resources while maintaining an effective level of productivity. **Figure 3** shows how prudent management, coupled with staff changes, has resulted in significant decreases in overall expenses in the current budget (FY 2019-20) and the proposed draft budget (FY 2020-21). Projections can also help anticipate future changes to the LAFCO budget. **Attachment 4** offers a three-year budgetary outlook. The projections can be used as an informational tool for our funding agencies in preparation towards potential increases in apportionments. For purposes of the three-year budget projection, expenditures were increased by 2.5% each year. This percentage is based on the most recent Consumer Price Index (CPI) available. Please note that the projections shown are subject to change and should be used for discussion purposes only.

**Figure 3: Overview of Past and Future LAFCO Budgets**

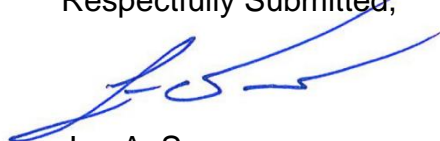




## STAFF RECOMMENDATION

The draft budget for FY 2020-21 is virtually identical with the current budget, with only a slight decrease of 1% or \$5,300. Anticipated staff changes is the primary reason why the proposed budget did not experience any significant modifications. Assuming a new hire is in place by April 2021, the next budget (FY 2021-22) may see an increase in overall expenses. As a result, the funding agencies' apportionments may increase at that time. In the interim, staff believes that the adopted work program, current level of operations, and any other activities can be accomplished with this proposed budget. Therefore, staff recommends that the Commission adopt the resolution (refer to **Attachment 5**) approving the draft budget for FY 2020-21. A final budget will be presented to the Commission on June 3.

Respectfully Submitted,



Joe A. Serrano  
Executive Officer

### Attachments:

1. FY 2020-21 Draft Budget
2. FY 2020-21 Apportionments for Funding Agencies
3. Narrative of Budget Line Items
4. Three-year Budget Projections
5. Draft Resolution (LAFCO No. 2020-10)

cc: County of Santa Cruz (Board of Supervisors, Auditor-Controller, and CAO)  
Cities (Capitola, Santa Cruz, Scotts Valley, and Watsonville)  
Independent Special Districts (23 in total)

| FISCAL YEAR 2020-21              | FY 19-20<br>Adopted Budget | FY 20-21<br>Proposed Budget | Budget<br>Variance<br>(\$) | Budget<br>Variance<br>(%) |
|----------------------------------|----------------------------|-----------------------------|----------------------------|---------------------------|
| <b>REVENUE DESCRIPTION</b>       |                            |                             |                            |                           |
| Interest                         | \$ 6,000                   | \$ 6,000                    | \$ -                       | 0%                        |
| Funding Agencies' Apportionments | \$ 399,300                 | \$ 399,300                  | \$ -                       | 0%                        |
| LAFCO Processing Fees            | \$ 6,500                   | \$ -                        | \$ (6,500)                 | -100%                     |
| Medical Charges-Employee         | \$ 1,000                   | \$ -                        | \$ (1,000)                 | -100%                     |
| Copy Charges                     | \$ 100                     | \$ -                        | \$ (100)                   | -100%                     |
| Unreserved Fund Balance          | \$ 249,500                 | \$ 251,800                  | \$ 2,300                   | 1%                        |
| <b>TOTAL REVENUES</b>            | <b>\$ 662,400</b>          | <b>\$ 657,100</b>           | <b>\$ (5,300)</b>          | <b>-1%</b>                |
| <b>EXPENDITURE DESCRIPTION</b>   |                            |                             |                            |                           |
| Regular Pay                      | \$ 245,400                 | \$ 245,400                  | \$ -                       | 0%                        |
| Overtime Pay                     | \$ 1,000                   | \$ 1,000                    | \$ -                       | 0%                        |
| Extra Help                       | \$ 1,000                   | \$ 1,000                    | \$ -                       | 0%                        |
| Sick Leave                       | \$ 1,000                   | \$ 1,000                    | \$ -                       | 0%                        |
| Holiday Pay                      | \$ 10,100                  | \$ 10,100                   | \$ -                       | 0%                        |
| Social Security                  | \$ 18,200                  | \$ 18,200                   | \$ -                       | 0%                        |
| PERS                             | \$ 59,800                  | \$ 59,800                   | \$ -                       | 0%                        |
| Insurances                       | \$ 50,500                  | \$ 50,500                   | \$ -                       | 0%                        |
| Unemployment                     | \$ 400                     | \$ 400                      | \$ -                       | 0%                        |
| Workers Comp                     | \$ 1,000                   | \$ 1,000                    | \$ -                       | 0%                        |
| <b>Salaries Sub-total</b>        | <b>\$ 388,400</b>          | <b>\$ 388,400</b>           | <b>\$ -</b>                | <b>0%</b>                 |
| Telecom                          | \$ 2,000                   | \$ 2,000                    | \$ -                       | 0%                        |
| Office Equipment                 | \$ 200                     | \$ 200                      | \$ -                       | 0%                        |
| Memberships                      | \$ 4,500                   | \$ 6,400                    | \$ 1,900                   | 42%                       |
| Hardware                         | \$ 300                     | \$ 300                      | \$ -                       | 0%                        |
| Duplicating                      | \$ 1,200                   | \$ 1,600                    | \$ 400                     | 33%                       |
| PC Software                      | \$ 600                     | \$ 600                      | \$ -                       | 0%                        |
| Postage                          | \$ 1,400                   | \$ 1,000                    | \$ (400)                   | -29%                      |
| Subscriptions                    | \$ 500                     | \$ 500                      | \$ -                       | 0%                        |
| Supplies                         | \$ 1,500                   | \$ 1,000                    | \$ (500)                   | -33%                      |
| Accounting                       | \$ 1,500                   | \$ 1,500                    | \$ -                       | 0%                        |
| Attorney                         | \$ 150,000                 | \$ 150,000                  | \$ -                       | 0%                        |
| Data Service                     | \$ 16,700                  | \$ 10,000                   | \$ (6,700)                 | -40%                      |
| Director Fees                    | \$ 6,000                   | \$ 6,000                    | \$ -                       | 0%                        |
| Surveyor                         | \$ 1,000                   | \$ 1,000                    | \$ -                       | 0%                        |
| Prof. Services                   | \$ 50,000                  | \$ 50,000                   | \$ -                       | 0%                        |
| Legal Notices                    | \$ 1,700                   | \$ 1,700                    | \$ -                       | 0%                        |
| Rents                            | \$ 8,500                   | \$ 9,000                    | \$ 500                     | 6%                        |
| Misc. Expenses                   | \$ 6,500                   | \$ 6,000                    | \$ (500)                   | -8%                       |
| Books                            | \$ 200                     | \$ 200                      | \$ -                       | 0%                        |
| Air Fare                         | \$ 3,000                   | \$ 3,000                    | \$ -                       | 0%                        |
| Auto Rental                      | \$ 200                     | \$ 200                      | \$ -                       | 0%                        |
| Training                         | \$ 1,800                   | \$ 1,800                    | \$ -                       | 0%                        |
| Lodging                          | \$ 5,200                   | \$ 5,200                    | \$ -                       | 0%                        |
| Meals                            | \$ 600                     | \$ 600                      | \$ -                       | 0%                        |
| Mileage                          | \$ 3,000                   | \$ 3,000                    | \$ -                       | 0%                        |
| Travel-Other                     | \$ 500                     | \$ 500                      | \$ -                       | 0%                        |
| Registrations                    | \$ 5,400                   | \$ 5,400                    | \$ -                       | 0%                        |
| <b>Supplies Sub-total</b>        | <b>\$ 274,000</b>          | <b>\$ 268,700</b>           | <b>\$ (5,300)</b>          | <b>-2%</b>                |
| <b>TOTAL EXPENDITURES</b>        | <b>\$ 662,400</b>          | <b>\$ 657,100</b>           | <b>\$ (5,300)</b>          | <b>-1%</b>                |

|  |                      |                          | Apportionment<br>Basis Revenue<br>latest Published<br>State Controller's<br>Report | Deduct<br>Intergovernmental | Total less<br>Intergovernmental | Calculate<br>Proportionate<br>Share | Fee Percentage<br>Projection | Auditor<br>Administration<br>Costs | Total      |
|--|----------------------|--------------------------|--|-----------------------------|---------------------------------|-------------------------------------|------------------------------|------------------------------------|------------|
| Description  | Operating<br>Revenue | Non-Operating<br>Revenue |  |                             |                                 |                                     |                              |                                    |            |
| LAFCO Total 2020-2021 Working Budget   |                      |                          | 399,300  |                             |                                 |                                     |                              | 2,500.00                           | 401,800.00 |
| Allocate 1/3 fee to County of Santa Cruz   |                      |                          |  |                             |                                 |                                     |                              |                                    |            |
| County of Santa Cruz   |                      |                          | 133,100  |                             |                                 | 133,100.00                          | 33.333%                      | 833.33                             | 133,933.33 |
| Allocate 1/3 fee to all Cities Revenue Factor  |                      |                          | 133,100  |                             |                                 |                                     |                              |                                    |            |
| 2018-2019 Cities Annual Report   |                      |                          |  |                             |                                 |                                     |                              |                                    |            |
| City of Capitola   |                      |                          | 18,641,037   | (871,210)                   | 17,769,827                      | 6,443.03                            | 1.614%                       | 40.34                              | 6,483.37   |
| City of Santa Cruz   |                      |                          | 224,775,290  | (4,565,091)                 | 220,210,199                     | 79,844.43                           | 19.996%                      | 499.90                             | 80,344.33  |
| City of Scotts Valley  |                      |                          | 17,202,167   | (1,043,364)                 | 16,158,803                      | 5,858.90                            | 1.467%                       | 36.68                              | 5,895.58   |
| City of Watsonville  |                      |                          | 115,958,875  | (3,009,109)                 | 112,949,766                     | 40,953.64                           | 10.256%                      | 256.41                             | 41,210.05  |
|  |                      |                          | 376,577,369  | (9,488,774)                 | 367,088,595                     | 133,100.00                          | 33.333%                      | 833.33                             | 133,933.33 |
| Allocate 1/3 fee to Independent Districts -<br>Revenue Factor 2018-2019 Special Districts<br>Annual Report |                      |                          | 133,100  |                             |                                 |                                     |                              |                                    |            |
| Non-Enterprise   |                      |                          |  |                             |                                 |                                     |                              |                                    |            |
| Alba Park & Rec  |                      |                          | 4,536  | 0                           | 4,536                           | 5.64                                | 0.001%                       | 0.04                               | 5.68       |
| Aptos/La Selva Fire Protection   |                      |                          | 12,638,663   | (481,540)                   | 12,157,123                      | 15,106.74                           | 3.783%                       | 94.58                              | 15,201.32  |
| Ben Lomond Fire Protection   |                      |                          | 906,877  | (5,079)                     | 901,798                         | 1,120.60                            | 0.281%                       | 7.02                               | 1,127.62   |
| Boulder Creek Fire Protection  |                      |                          | 1,265,797  | (5,664)                     | 1,260,133                       | 1,565.87                            | 0.392%                       | 9.80                               | 1,575.67   |
| Boulder Creek Park & Rec   |                      |                          | 434,768  | (1,247)                     | 433,521                         | 538.70                              | 0.135%                       | 3.37                               | 542.07     |
| Branciforte Fire Protection  |                      |                          | 1,300,812  | (409,387)                   | 891,425                         | 1,107.71                            | 0.277%                       | 6.94                               | 1,114.65   |
| Central Santa Cruz County Fire Protection  |                      |                          | 18,559,561   | (590,728)                   | 17,968,833                      | 22,328.47                           | 5.592%                       | 139.81                             | 22,468.28  |
| Felton Fire Protection   |                      |                          | 822,550  | (6,997)                     | 815,553                         | 1,013.43                            | 0.254%                       | 6.35                               | 1,019.78   |
| La Selva Beach Park & Rec  |                      |                          | 259,547  | (792)                       | 258,755                         | 321.54                              | 0.081%                       | 2.01                               | 323.55     |
| Opal Cliffs Park & Rec   |                      |                          | 64,971   | (22)                        | 64,949                          | 80.71                               | 0.020%                       | 0.51                               | 81.22      |
| Pajaro Valley Fire Protection  |                      |                          | 1,890,155  | (16,989)                    | 1,873,166                       | 2,327.64                            | 0.583%                       | 14.57                              | 2,342.21   |
| Pajaro Valley Public Cemetery  |                      |                          | 1,183,814  | (4,691)                     | 1,179,123                       | 1,465.21                            | 0.367%                       | 9.17                               | 1,474.38   |
| Pajaro Valley Water Management Agency  |                      |                          | 14,404,141   | (1,365,994)                 | 13,038,147                      | 16,201.52                           | 4.057%                       | 101.44                             | 16,302.96  |
| Reclamation District 2049  |                      |                          | 47,000   | 0                           | 47,000                          | 58.40                               | 0.015%                       | 0.37                               | 58.77      |
| Santa Cruz County Resource Conserv.  |                      |                          | 2,293,417  | (1,394,683)                 | 898,734                         | 1,116.79                            | 0.280%                       | 6.99                               | 1,123.78   |
| Scotts Valley Fire Protection  |                      |                          | 7,850,569  | (708,236)                   | 7,142,333                       | 8,875.24                            | 2.223%                       | 55.57                              | 8,930.81   |
| Zayante Fire Protection  |                      |                          | 672,494  | (148,852)                   | 523,642                         | 650.69                              | 0.163%                       | 4.07                               | 654.76     |
| Non-Enterprise Subtotal  |                      |                          | 64,599,672   | (5,140,901)                 | 59,458,771                      | 73,884.90                           | 18.504%                      | 462.61                             | 74,347.51  |
| Enterprise - Operating plus Non-Operating<br>Revenue   | Operating<br>Revenue | Non-Operating<br>Revenue | Total Revenue  |                             |                                 |                                     |                              |                                    |            |
| Central Santa Cruz County Water  | 1,072,708            | 127,546                  | 1,200,254  | (696)                       | 1,199,558                       | 1,490.60                            | 0.373%                       | 9.33                               | 1,499.93   |
| Salsipuedes Sanitary   | 376,170              | 35,736                   | 411,906  | (125)                       | 411,781                         | 511.69                              | 0.128%                       | 3.20                               | 514.89     |
| San Lorenzo Valley County Water*   | 9,215,364            | 1,176,221                | 10,391,585   | (4,104)                     | 10,387,481                      | 12,907.74                           | 3.233%                       | 80.81                              | 12,988.55  |
| Santa Cruz Port District   | 9,070,740            | 802,790                  | 9,873,530  | (661,419)                   | 9,212,111                       | 11,447.19                           | 2.867%                       | 71.67                              | 11,518.86  |
| Scotts Valley County Water   | 6,270,621            | 1,116,701                | 7,387,322  | (5,162)                     | 7,382,160                       | 9,173.25                            | 2.297%                       | 57.43                              | 9,230.68   |
| Soquel Creek Water District  | 18,691,864           | 368,304                  | 19,060,168   | 0                           | 19,060,168                      | 23,684.63                           | 5.932%                       | 148.29                             | 23,832.92  |
| Enterprise Subtotal  |                      |                          | 48,324,765   | (671,506)                   | 47,653,259                      | 59,215.10                           | 14.830%                      | 370.73                             | 59,585.83  |
| Special District Total   |                      |                          | 112,924,437  | (5,812,407)                 | 107,112,030                     | 133,100.00                          | 33.333%                      | 833.34                             | 133,933.34 |
| Grand total  |                      |                          |  |                             |                                 | 399,300.00                          | 100.000%                     | 2,500.00                           | 401,800.00 |



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

**NARRATIVE BUDGET FY 2020-21**

---

**SALARIES & BENEFITS**

Object

51000 Regular Pay \$245,400

Executive Officer: The current salary is \$12,017 per month.

Secretary-Clerk: The current salary is \$6,422 per month.

Salary Reserve: The budgeted amount allows for possible adjustments to staff salaries, cash out of administrative leave, and payment of unused leave upon termination of employment. It is budgeted as a lump sum of \$24,132.

The salaries total:

|                   |                 |
|-------------------|-----------------|
| Executive Officer | \$144,204       |
| Secretary-Clerk   | \$77,064        |
| Salary Reserve    | <u>\$24,132</u> |
| Total             | \$245,400       |

51005 Overtime Pay \$1,000

The Secretary-Clerk works overtime during periods of major projects and night meetings.

51010 Extra Help \$ 1,000

These funds will be used if needed for temporary clerical assistance during the Secretary-Clerk's absence. Five days, \$200 per day.

51015 Sick Leave \$1,000

Sick leave is budgeted as a lump sum.

51035 Holiday Pay \$10,100

Holiday pay is budgeted as a lump sum.

52010 Social Security \$18,200

This figure is calculated at the rate of 7.65% of each salary.

PERS \$59,800

This amount covers the Commission's contributions to the Public Employees Retirement System. Effective July 1, 2020, the employer's share of the normal costs will increase from 10.221% of salaries to 11.031%, and the employer's lump sum payment of unfunded liability will increase from \$35,565 to \$52,786 per year.

|                    |          |
|--------------------|----------|
| Employee Insurance | \$50,500 |
|--------------------|----------|

This amount provides for health insurance through PERS and for dental, eye care, life insurance, and limited disability insurance through the County's program. The employees pay part of these costs. The employees' contributions are budgeted as revenue, and reduce the net cost of this benefit to the Commission. The total line item is based upon estimates provided by the vendors, and includes an estimated 5% PERS health insurance premium increase effective January 1, 2020.

Unemployment    \$400

This amount is budgeted at the same amount shown in the adopted budget for FY 2019-20.

Workers' Comp. \$1,000

The Commission obtains this coverage from the Special District Risk Management Authority. The FY 2020-21 amount is an estimate of SDRMA dues and premiums, net of any credits.

|                                       |                  |
|---------------------------------------|------------------|
| <b>SUBTOTAL SALARIES AND BENEFITS</b> | <b>\$388,400</b> |
|---------------------------------------|------------------|

## **SUPPLIES AND SERVICES**

Telecom \$2,000

The telephone cost is estimated at the highest expenditure during the last three years.

|                                 |       |
|---------------------------------|-------|
| Maintenance of Office Equipment | \$200 |
|---------------------------------|-------|

This amount represents maintenance of other the copier and other office equipment.

Memberships      \$6,400

This amount provides for membership in the California Associations of LAFCOs and the California Special Districts Association.

- 62111 Computer Hardware \$300  
This amount is budgeted at the same amount shown in the adopted budget for FY 2019-20.
- 62214 Duplicating \$1,600  
This amount provides for copying of reports done at the county's duplicating shop or at a local print shop. It is budgeted as a lump sum.
- 62219 Software \$600  
This amount is budgeted at the same amount shown in the adopted budget for FY 2019-20.
- 62221 Postage \$1,000  
This is the cost of mailing public notices and regular correspondence. Amount reflects the budgetary trend in recent years.
- 62222 Subscriptions \$500  
This amount is budgeted at the same amount shown in the adopted budget for FY 2019-20.
- 62223 Supplies \$1,000  
This amount represents office supplies. Amount reflects the budgetary trend in recent years.
- 62310 Accounting and Auditing \$1,500  
This amount is the cost of accounting services from the County Auditor. It includes payroll, vendor payments, and auditing. It is budgeted as a lump sum.
- 62304 Attorney \$150,000  
This amount represents routine legal services from County Counsel's office or a private law firm (\$40,000), and a litigation reserve (\$110,000).
- 62325 Data Services \$10,000  
This amount covers the charges from the County I.T. Department regarding LAFCO's computers, printers, mapping system, and other data bases. Amount reflects the budgetary trend in recent years and staff's takeover of mapping responsibilities.
- 62327 Director Fees \$6,000  
This amount is calculated upon seven commissioners and four alternates being paid a \$50 meeting stipend for eleven meetings per year.

- 62330 Surveyor \$1,000  
This amount covers map checking by the County Surveyor and map prints from the County Public Works Department.
- 62381 Professional Services \$50,000  
This amount provides outside assistance when preparing sphere of influence reviews, municipal service reviews, reorganization studies, and other special studies. The Local Government Reorganization Act requires LAFCO to prepare municipal service reviews and update all spheres periodically.
- 62420 Legal Notices \$1,700  
This amount is used to pay for public hearing notices and other legal advertising. It is budgeted at the highest expenditure during the last three years.
- 62610 Rents \$9,000  
The County charges LAFCO rent for its office on the third floor of the Governmental Center. The annual rent has been increased from \$7,905 to \$8,415. Additionally, the County charges LAFCO to store LAFCO's old records in the County warehouse and to retrieve them when requested.
- 62856 Miscellaneous Expenses \$6,000  
This sub-object is used for paying web-hosting costs, State Department of Tax and Fee Administration filing fees, and State Department of Fish and Wildlife environmental fees.
- 62890 Books \$200  
This entry is used to purchase books and other written materials. This amount is budgeted at the same amount shown in the adopted budget for FY 2019-20.
- 62910 Airfare \$3,000  
This amount is used to attend meetings that are in distant locales in California, usually southern California. The budgeted amount is estimated at ten round trip flights at \$300 per trip.
- 62912 Auto Rental \$200  
This is budgeted as a lump sum.
- 62914 Education and Training \$1,800  
This represents staff development courses and seminars. It is budgeted at three classes at \$400 each, and one at \$600.

- 62922 Lodging \$5,200  
This amount is budgeted to allow Commissioners and staff members to attend training sessions, workshops, and annual conferences. It is budgeted as a lump sum.
- 62924 Meals \$600  
This amount is budgeted at the same amount shown in the adopted budget for FY 2019-20.
- 62926 Mileage \$3,000  
This includes mileage for staff office errands, and allowance for Commissioners and staff to attend conferences, seminars, CALAFCO Board meetings, and other meetings. It is budgeted as a lump sum.
- 62928 Travel Other \$500  
These are miscellaneous travel costs such as train fares, bus fares, parking, and bridge tolls. This amount is budgeted at the same amount shown in the adopted budget for FY 2019-20.
- 62930 Registrations \$5,400  
Workshop and conference registrations are budgeted to pay for Commissioners and staff members to attend conferences and workshops. This amount is budgeted at the same amount shown in the adopted budget for FY 2019-20.

**SUBTOTAL SUPPLIES AND SERVICES \$268,700**

**RECAP OF PROPOSED BUDGET:**

|                              |                         |
|------------------------------|-------------------------|
| <b>SALARIES AND BENEFITS</b> | <b>\$388,400</b>        |
| <b>SUPPLIES AND SERVICES</b> | <b><u>\$268,700</u></b> |
| <b>TOTAL</b>                 | <b><u>\$657,100</u></b> |



## 5B: ATTACHMENT 4

| FISCAL YEAR 2020-21              | FY 18-19<br>Adopted Budget | FY 19-20<br>Adopted Budget | FY 20-21<br>Proposed Budget | FY 21-22<br>Projected Budget | FY 22-23<br>Projected Budget | FY 23-24<br>Projected Budget |
|----------------------------------|----------------------------|----------------------------|-----------------------------|------------------------------|------------------------------|------------------------------|
| <b>REVENUE DESCRIPTION</b>       |                            |                            |                             |                              |                              |                              |
| Interest                         | \$ 6,000                   | \$ 6,000                   | \$ 6,000                    | \$ 6,150                     | \$ 6,304                     | \$ 6,461                     |
| Funding Agencies' Apportionments | \$ 383,900                 | \$ 399,300                 | \$ 399,300                  | \$ 409,283                   | \$ 419,515                   | \$ 430,002                   |
| LAFCO Processing Fees            | \$ 6,500                   | \$ 6,500                   | \$ -                        | \$ -                         | \$ -                         | \$ -                         |
| Medical Charges-Employee         | \$ 9,500                   | \$ 1,000                   | \$ -                        | \$ -                         | \$ -                         | \$ -                         |
| Copy Charges                     | \$ -                       | \$ 100                     | \$ -                        | \$ -                         | \$ -                         | \$ -                         |
| Unreserved Fund Balance          | \$ 353,300                 | \$ 249,500                 | \$ 251,800                  | \$ 258,095                   | \$ 264,547                   | \$ 271,161                   |
| <b>TOTAL REVENUES</b>            | <b>\$ 759,200</b>          | <b>\$ 662,400</b>          | <b>\$ 657,100</b>           | <b>\$ 673,528</b>            | <b>\$ 690,366</b>            | <b>\$ 707,625</b>            |
| <b>EXPENDITURE DESCRIPTION</b>   |                            |                            |                             |                              |                              |                              |
| Regular Pay                      | \$ 269,700                 | \$ 245,400                 | \$ 245,400                  | \$ 251,535                   | \$ 257,823                   | \$ 264,269                   |
| Overtime Pay                     | \$ 1,000                   | \$ 1,000                   | \$ 1,000                    | \$ 1,025                     | \$ 1,051                     | \$ 1,077                     |
| Extra Help                       | \$ 1,000                   | \$ 1,000                   | \$ 1,000                    | \$ 1,025                     | \$ 1,051                     | \$ 1,077                     |
| Sick Leave                       | \$ 1,000                   | \$ 1,000                   | \$ 1,000                    | \$ 1,025                     | \$ 1,051                     | \$ 1,077                     |
| Holiday Pay                      | \$ 9,800                   | \$ 10,100                  | \$ 10,100                   | \$ 10,353                    | \$ 10,611                    | \$ 10,877                    |
| Social Security                  | \$ 20,700                  | \$ 18,200                  | \$ 18,200                   | \$ 18,655                    | \$ 19,121                    | \$ 19,599                    |
| PERS                             | \$ 65,300                  | \$ 59,800                  | \$ 59,800                   | \$ 61,295                    | \$ 62,827                    | \$ 64,398                    |
| Insurances                       | \$ 43,300                  | \$ 50,500                  | \$ 50,500                   | \$ 51,763                    | \$ 53,057                    | \$ 54,383                    |
| Unemployment                     | \$ 400                     | \$ 400                     | \$ 400                      | \$ 410                       | \$ 420                       | \$ 431                       |
| Workers Comp                     | \$ 1,000                   | \$ 1,000                   | \$ 1,000                    | \$ 1,025                     | \$ 1,051                     | \$ 1,077                     |
| <b>Salaries Sub-total</b>        | <b>\$ 413,200</b>          | <b>\$ 388,400</b>          | <b>\$ 388,400</b>           | <b>\$ 398,110</b>            | <b>\$ 408,063</b>            | <b>\$ 418,264</b>            |
|                                  |                            |                            |                             |                              |                              |                              |
| Telecom                          | \$ 2,100                   | \$ 2,000                   | \$ 2,000                    | \$ 2,050                     | \$ 2,101                     | \$ 2,154                     |
| Office Equipment                 | \$ 200                     | \$ 200                     | \$ 200                      | \$ 205                       | \$ 210                       | \$ 215                       |
| Memberships                      | \$ 4,400                   | \$ 4,500                   | \$ 6,400                    | \$ 6,560                     | \$ 6,724                     | \$ 6,892                     |
| Hardware                         | \$ -                       | \$ 300                     | \$ 300                      | \$ 308                       | \$ 315                       | \$ 323                       |
| Duplicating                      | \$ 1,200                   | \$ 1,200                   | \$ 1,600                    | \$ 1,640                     | \$ 1,681                     | \$ 1,723                     |
| PC Software                      | \$ 600                     | \$ 600                     | \$ 600                      | \$ 615                       | \$ 630                       | \$ 646                       |
| Postage                          | \$ 1,400                   | \$ 1,400                   | \$ 1,000                    | \$ 1,025                     | \$ 1,051                     | \$ 1,077                     |
| Subscriptions                    | \$ 800                     | \$ 500                     | \$ 500                      | \$ 513                       | \$ 525                       | \$ 538                       |
| Supplies                         | \$ 1,700                   | \$ 1,500                   | \$ 1,000                    | \$ 1,025                     | \$ 1,051                     | \$ 1,077                     |
| Accounting                       | \$ 1,200                   | \$ 1,500                   | \$ 1,500                    | \$ 1,538                     | \$ 1,576                     | \$ 1,615                     |
| Attorney                         | \$ 150,000                 | \$ 150,000                 | \$ 150,000                  | \$ 153,750                   | \$ 157,594                   | \$ 161,534                   |
| Data Service                     | \$ 16,700                  | \$ 16,700                  | \$ 10,000                   | \$ 10,250                    | \$ 10,506                    | \$ 10,769                    |
| Director Fees                    | \$ 6,000                   | \$ 6,000                   | \$ 6,000                    | \$ 6,150                     | \$ 6,304                     | \$ 6,461                     |
| Surveyor                         | \$ 1,000                   | \$ 1,000                   | \$ 1,000                    | \$ 1,025                     | \$ 1,051                     | \$ 1,077                     |
| Prof. Services                   | \$ 125,000                 | \$ 50,000                  | \$ 50,000                   | \$ 51,250                    | \$ 52,531                    | \$ 53,845                    |
| Legal Notices                    | \$ 1,700                   | \$ 1,700                   | \$ 1,700                    | \$ 1,743                     | \$ 1,786                     | \$ 1,831                     |
| Rents                            | \$ 8,400                   | \$ 8,500                   | \$ 9,000                    | \$ 9,225                     | \$ 9,456                     | \$ 9,692                     |
| Misc. Expenses                   | \$ 5,900                   | \$ 6,500                   | \$ 6,000                    | \$ 6,150                     | \$ 6,304                     | \$ 6,461                     |
| Books                            | \$ 300                     | \$ 200                     | \$ 200                      | \$ 205                       | \$ 210                       | \$ 215                       |
| Air Fare                         | \$ 3,000                   | \$ 3,000                   | \$ 3,000                    | \$ 3,075                     | \$ 3,152                     | \$ 3,231                     |
| Auto Rental                      | \$ 200                     | \$ 200                     | \$ 200                      | \$ 205                       | \$ 210                       | \$ 215                       |
| Training                         | \$ 900                     | \$ 1,800                   | \$ 1,800                    | \$ 1,845                     | \$ 1,891                     | \$ 1,938                     |
| Lodging                          | \$ 5,200                   | \$ 5,200                   | \$ 5,200                    | \$ 5,330                     | \$ 5,463                     | \$ 5,600                     |
| Meals                            | \$ 600                     | \$ 600                     | \$ 600                      | \$ 615                       | \$ 630                       | \$ 646                       |
| Mileage                          | \$ 1,600                   | \$ 3,000                   | \$ 3,000                    | \$ 3,075                     | \$ 3,152                     | \$ 3,231                     |
| Travel-Other                     | \$ 500                     | \$ 500                     | \$ 500                      | \$ 513                       | \$ 525                       | \$ 538                       |
| Registrations                    | \$ 5,400                   | \$ 5,400                   | \$ 5,400                    | \$ 5,535                     | \$ 5,673                     | \$ 5,815                     |
| <b>Supplies Sub-total</b>        | <b>\$ 346,000</b>          | <b>\$ 274,000</b>          | <b>\$ 268,700</b>           | <b>\$ 275,418</b>            | <b>\$ 282,303</b>            | <b>\$ 289,361</b>            |
|                                  |                            |                            |                             |                              |                              |                              |
| <b>TOTAL EXPENDITURES</b>        | <b>\$ 759,200</b>          | <b>\$ 662,400</b>          | <b>\$ 657,100</b>           | <b>\$ 673,528</b>            | <b>\$ 690,366</b>            | <b>\$ 707,625</b>            |

Footnote: 2.5% increase based on January 2020 Consumer Price Index (CPI)

**LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY  
RESOLUTION NO. 2020-12**

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

**RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION  
ADOPTING A DRAFT BUDGET FOR FISCAL YEAR 2020-21**

\*\*\*\*\*

WHEREAS, California Government Code Section 56381(a) requires the Local Agency Formation Commission of Santa Cruz County ("LAFCO" or "Commission") to adopt draft and final budgets each year by May 1st and June 15th, respectively; and

WHEREAS, the Commission's Executive Officer prepared a written report outlining recommendations with respect to anticipated work activities and budgetary needs in Fiscal Year 2020-21; and

WHEREAS, the proposed budget was originally advertised in the Santa Cruz Sentinel Newspaper on March 11 for consideration at the April 1st LAFCO Meeting, however, the meeting was cancelled to protect the public health and slow the transmission of the Coronavirus (COVID-19); and

WHEREAS, the Commission heard and fully considered all the evidence on a draft budget during a public hearing held on May 6, 2020; and

WHEREAS, the draft and final budget will allow the Commission to fulfill the programs and purposes of the Cortese-Knox-Hertzberg Act because it will allow the Commission to prepare the state-mandated service reviews in a timely manner; and

WHEREAS, the Commission will consider adoption of a final budget for Fiscal Year 2020-21 during a public hearing scheduled for June 3, 2020.

NOW, THEREFORE, BE IT RESOLVED, the Commission hereby adopts a draft budget for the fiscal year beginning July 1, 2020 in the amount of \$657,100 with the new amount to be funded by the participating agencies of \$399,300 plus the County Auditor-Controller's fee to calculate and collect the participating agencies' apportionments.

PASSED AND ADOPTED by the Local Agency Formation Commission of Santa Cruz County this 6th day of May 2020.

AYES:

NOES:

ABSENT:

---

ROGER W. ANDERSON, CHAIRPERSON

Attest:

Approved as to form:

---

Joe A. Serrano  
Executive Officer

---

Daniel H. Zazueta  
LAFCO Counsel

DRAFT



---

**Santa Cruz Local Agency Formation Commission**

Date: May 6, 2020  
To: LAFCO Commissioners  
From: Joe Serrano, Executive Officer  
Subject: **Public Member Selection Process**

---

**SUMMARY OF RECOMMENDATION**

Santa Cruz LAFCO has representatives from the county, cities, independent special districts, and the general public. Pursuant to Government Code Section 56334, the term of office of each member shall be four years and until the appointment and qualification of his or her successor. The term limits for both the Regular and Alternate Public Member are set to expire in May 2020. The Commission is now tasked to select two public representatives for terms ending in May 2024.

It is recommended that the Commission select the Regular and Alternate Public Members in accordance to the Cortese-Knox-Hertzberg Act and the Commission's Policies.

---

**EXECUTIVE OFFICER'S REPORT:**

The current policy regarding the selection of a regular and alternate public member required the solicitation of candidates. Request for applications were published in two newspapers on February 10. The advertisement indicated that applications were due on March 13. Staff received a total of 3 applications before the March deadline. This report provides an overview of the candidates and the next steps in the selection process.

**Statutory Qualifications**

Government Code Section 56331 states that "no person appointed as a public member or alternate public member pursuant to this chapter shall be an officer or employee of the county or any city or district with territory in the county..."

It is staff's determination that the following three candidates meet the statutory qualifications to become a public member on this Commission:

- **Roger Anderson** (incumbent): 51-year County resident and registered voter
- **John Hunt** (incumbent): 39-year County resident and registered voter
- **Becky Steinbruner**: 35-year County resident and registered voter

**Attachments 1-3** provide copies of each candidates' applications, which include past achievements, local government experience, and reasons for their desire to serve on LAFCO.

### **Next Steps**

In accordance to the current policy, the Commission shall choose one of the following courses of action during this open session:

1. Make an appointment from the list of candidates;
2. Invite all candidates to make oral presentations at a subsequent LAFCO meeting; or
3. Reopen the application period.

Since the terms for both seats are set to expire in May, staff is recommending that the Commission make a selection during today's open session. Candidates will have up to 3 minutes to address the Commission during public comments. The Chairperson, unless otherwise changed by a motion and vote from the Commission, may set a different time limit. If one or both incumbents are selected, they may reconvene with the entire Commission for the remainder of the meeting. If a non-incumbent is selected, they will be seated at the next Commission meeting when the Secretary-Clerk will administer the Oath of Office at that time.

Respectfully Submitted,



Joe A. Serrano  
Executive Officer

### **Attachments:**

1. Roger Anderson Application
2. John Hunt Application
3. Becky Steinbruner Application



**LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY  
APPLICATION FOR POSITION OF  
REGULAR AND ALTERNATE PUBLIC MEMBER**

If you are interested in serving as the Regular or Alternate Public Member on LAFCO, please complete the following application and return it to LAFCO, 701 Ocean Street, Room 318-D, Santa Cruz, California 95060. The application deadline is **4:00 p.m. on Friday, March 13, 2020**. Please note that you may apply for both positions.

Thank you for your interest in the Local Agency Formation Commission of Santa Cruz County.

I am applying for (CHECK ONE):

|                              |                                     |
|------------------------------|-------------------------------------|
| Regular Public Member ONLY   | <input checked="" type="checkbox"/> |
| Alternate Public Member ONLY | <input type="checkbox"/>            |
| Either Position              | <input type="checkbox"/>            |

NAME: Roger Anderson

MAILING ADDRESS: 311 Dickens Way, Santa Cruz, CA 95064

PHONE (Home): (831) 426-0522 (Business): \_\_\_\_\_

EMAIL: anderso@ucsc.edu

LENGTH OF RESIDENCE IN AREA: 51

ARE YOU A REGISTERED VOTER? yes

**PREVIOUS BOARD, COMMISSION, OR COMMITTEE SERVED:**

Organization

Term

Santa Cruz LAFCO Public Member 1994-2020

Chairperson, CALAFCO Board 2008-2010

CALAFCO Board 2002-2010

Advisory Committee for Monterey Bay Air Pollution Control District, 1989-1999

Member, City Council, Scotts Valley, CA 1984-1988

WORK / VOLUNTEER EXPERIENCE:

| Organization   | Term               |
|--|--------------------|
| <u>NEW: Member, Systemwide UC Healthcare Advisory Committee</u>        | <u>2019 - 2020</u> |
| <u>NEW: Member, Systemwide UC Group on Retiree Healthcare</u>          | <u>2018</u>        |
| <u>NEW: Chair, Joint Benefits Committee (CUCEA/CUCRA)</u>              | <u>2017 -</u>      |
| <u>Chair, Council of University of California Emeriti Associations</u> | <u>2014 - 2016</u> |
| <u>Member UC Retirement System Advisory Board</u>                      | <u>2014 - 2016</u> |
| <u>Chair, UCSC Committee on Emeriti Relations</u>                      | <u>2012 - 2015</u> |
| <u>Emeritus Professor of Chemistry, University of California</u>       | <u>2011 -</u>      |
| <u>Professor of Chemistry, University of California</u>                | <u>1968 - 2011</u> |
| <u>Chair, Academic Senate, UCSC Chair, Academic Senate, UCSC</u>       | <u>1999 - 2001</u> |
| <u>Chair, UC Systemwide Committee on Planning and Budget</u>           | <u>1995 - 1996</u> |

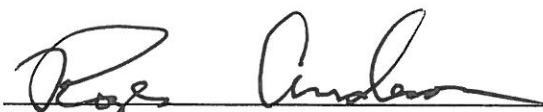
STATEMENT OF QUALIFICATIONS:

Please attach a brief statement indicating why you are interested in serving on the Local Agency Formation Commission and why you are qualified for the appointment.

CERTIFICATION:

I certify that I am not an officer or employee of the County of Santa Cruz, any city in Santa Cruz County, or any district in Santa Cruz County.

I certify that this information is true and correct and I authorize the verification of the information in the application in the event I am a finalist for the appointment.

  
Signature

10 Feb 2020  
Date



Roger Anderson

Applicant for the Santa Cruz LAFCO Public Member position, February 2020

I am applying for reappointment to LAFCO as its Public Member, because I believe that LAFCO will continue to benefit from my extensive experience, skills, and deep interest in public service.

I came to California with a Ph.D. from Harvard to become a Chemistry Professor at the University of California, Santa Cruz, where I enjoyed my teaching and research in semiconductor materials, design and implementation of achromatic lenses for molecules, experimental physical and theoretical chemistry. I became Emeritus Professor in July 2011, but I remain active in my research programs, the Academic Senate and the Council of the University of California Emeriti Associations (CUCEA).

**Santa Cruz Experience:** I have been the public member of Santa Cruz LAFCO since 1994, and I have served almost half of this period as Vice Chair or Chair. I have actively participated as Santa Cruz County has grappled with recurring issues such as the preservation of prime agricultural land and assurance of adequate water supplies while considering the needs of the county for housing and economic development. I have extensive additional experience as a member of the Scotts Valley City Council (1984-88) and as a member of the Monterey Bay Air Pollution Control District advisory committee (1989-1999).

I have had related experience at the University of California, Santa Cruz. I served as the Chair of the UCSC Planning and Budget Committee (1994-95), and as Vice chair and Chair of the UCSC Academic Senate (1997-2001). I chaired the Physical Sciences Building Committee and the University Club Committee at UCSC. I was Chair for the UCSC Committee on Emeriti Relations (2012 - 2015).

**Statewide Experience:** I was elected to the CALAFCO Board in 2002, and from August 2008 until Fall 2010 I was the Chairman of this Important organization. Since I left the CALAFCO board, I have continued participation in the CALAFCO annual conferences.

I have also been Chair of the system-wide University of California planning and budget committee (1995-96), and as Chair of CUCEA (2014 - 2016). While CUCEA Chair I served as a member of the University of California Retirement System Advisory Board. During the past three years I am the Chair of the Joint Benefits Committee for CUCEA and the Council of University of California Retiree Associations (CUCRA). I have also served and continue to serve as a member of two advisory committees on Retiree and Active employee health care for all of UC.

I will continue to bring my openness, constructive participation, and record of accomplishment to LAFCO. I believe that I will help find the solutions for the Important problems including water and efficient provision of services that confront Santa Cruz.





**LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY  
APPLICATION FOR POSITION OF  
REGULAR AND ALTERNATE PUBLIC MEMBER**

If you are interested in serving as the Regular or Alternate Public Member on LAFCO, please complete the following application and return it to LAFCO, 701 Ocean Street, Room 318-D, Santa Cruz, California 95060. The application deadline is **4:00 p.m. on Friday, March 13, 2020**. Please note that you may apply for both positions.

Thank you for your interest in the Local Agency Formation Commission of Santa Cruz County.

I am applying for (CHECK ONE):

|                              |                                     |
|------------------------------|-------------------------------------|
| Regular Public Member ONLY   | <input type="checkbox"/>            |
| Alternate Public Member ONLY | <input type="checkbox"/>            |
| Either Position              | <input checked="" type="checkbox"/> |

NAME: John W. Hunt

MAILING ADDRESS: 21 Benito Avenue, La Selva Beach, CA 95076

PHONE (Home): 831-684-1203 (Business): 831-566-0044

EMAIL: jwhunt@ucdavis.edu

LENGTH OF RESIDENCE IN AREA: 39 years

ARE YOU A REGISTERED VOTER? Yes

**PREVIOUS BOARD, COMMISSION, OR COMMITTEE SERVED:**

| <u>Organization</u>                                | <u>Term</u>     |
|--|-----------------|
| Santa Cruz LAFCO, Alternate Public Member          | 2019 to present |
| SC County Commission on Environment, Member, Chair | 2013 to present |
| Research Activity Panel, MBNM Sanctuary, Chair     | 2007 to present |

Approximately 25, total. Please see attached resume with Statement of Qualifications

**WORK / VOLUNTEER EXPERIENCE:**

| <u>Organization</u>   | <u>Term</u>                    |
|---|--------------------------------|
| La Selva Beach Recreation District, Chair and Treasurer     | 2010 to 2018                   |
| Sanctuary Advisory Council, MBNMS, Research Primary         | 2008 to 2010; 2012 to present. |
| East San Joaquin Water Quality Expert Panel, Chair          | 2019 to present                |
| Research Toxicologist, UC Davis                             | 1987 to present                |
| Chief Science Officer, Aqaix                                | 2018 to present                |
| Please see attached resume with Statement of Qualifications |                                |

**STATEMENT OF QUALIFICATIONS:**

Please attach a brief statement indicating why you are interested in serving on LAFCO and why you are qualified for the appointment.

**CERTIFICATION:**

I certify that I am not an officer or employee of the County of Santa Cruz, any city in Santa Cruz County, or any district in Santa Cruz County.

I certify that this information is true and correct, and I authorize the verification of the information in the application in the event I am a finalist for the appointment.



---

Signature

February 13, 2020

---

Date

## **Statement of Qualifications**

John Hunt

Application for Position of Alternate Public Member

Local Agency Formation Commission of Santa Cruz County

I am interested in serving as the alternate public member on the Local Agency Formation Commission of Santa Cruz County because LAFCO performs a number of essential functions for the long-term prosperity of the County and I believe I can provide independent, objective and considerate representation for the public in the Commission's deliberations. LAFCO's core mission of facilitating efficient public services and guiding orderly development are best served by commissioners with a breadth of knowledge and experience covering natural resources, social issues, regional economic drivers and cultural heritage. The cities and special districts that LAFCO supports must be able to adapt to changing conditions as they provide public services, and LAFCO commissioners must consider a variety of evolving interrelationships to administer organizational improvements by existing and newly created agencies.

I have lived in Santa Cruz County for nearly 40 years and have served on several commissions, councils, boards and advisory committees. These range from the board of directors of a special district to the County Commission on the Environment and the Advisory Council of the Monterey Bay National Marine Sanctuary. I have served and continue to serve on many scientific advisory committees for local, state and federal programs addressing water pollution research and policy. My education has been focused on the varied and complex interactions between society and the natural world, including a bachelor's degree in Geography from UC Berkeley, a master's degree in Marine Science from the Moss Landing Marine Laboratories and a Ph.D. in Environmental Studies from UC Santa Cruz. Please see the attached resume for details.

I have enjoyed serving as the alternate public member on LAFCO this past year and have learned much about the commission's regulatory and planning functions by talking with commissioners and staff, studying the thorough agenda packets, participating in meetings and attending the CALAFCO annual conference last fall.

Thank you for considering this application and for your service to the County.

## CURRICULUM VITAE

**John W. Hunt**

### **Education**

1979 **B.A.**, Geography, University of California, Berkeley

1987 **M.S.**, Marine Science, Moss Landing Marine Laboratories

2009 **Ph.D.** Environmental Studies, University of California, Santa Cruz

**Dissertation:** *Monitoring and resource management: streams, land cover, and the use of water quality information in public policy*

- US EPA Science to Achieve Results (STAR) Fellowship
- University of California Regents Fellowship

### **Professional Employment**

**Chief Science Officer**, AqaiX (2018 to present)

Provide scientific direction, conceptual models, data sets and connections to the scientific community to develop a water data platform that integrates information from multiple sources to drive advanced analytics of water management issues and facilitate financing of water resource management projects.

**Research Toxicologist**, UC Davis Dept of Environmental Toxicology (2012 to present)

Project lead for central coast regional assessment of landscape and aquatic habitat health. Coordinate with staff and managers of the Central Coast Regional Water Quality Control Board to assess landscape, habitat, water quality and ecological data to address the Board's vision goals and management information needs. Translate resource management objectives into specific assessment questions, select appropriate metrics and indices to interpret monitoring data collected over the past decade, devise schema to aggregate metrics into broad indicators of habitat and landscape health, and present the results in an automatically updating website that makes the most vital information readily available to Regional Board and other water resource managers and the public.

**Director**, Central Coast Water Resources Center (2017 to present)

Provide leadership, strategic direction, and program management to the CCWRC. Build partnerships with state and local agencies, municipalities, and agricultural and environmental communities to create broad-based programs to assess water quality, implement treatment practices, improve aquatic habitat, and promote innovative water supply options for the central coast.

**Project Manager**, Greater Monterey County Storm Water Resource Plan (2017 – 2019 )

Write a successful proposal and manage the project to use hydrologic modeling and quantitative analysis to identify opportunities and evaluate projects to characterize, capture, treat, store and reuse urban and agricultural storm water to provide benefits for water supply, water quality, flood protection, habitat enhancement and social opportunity.

**Deputy Superintendent**, Monterey Bay National Marine Sanctuary (2011 – 2012)

Direct the MBNMS resource protection and science programs to promote ecosystem-based management of the sanctuary. Supervise resource protection and water quality protection staff, direct the coordination of research program objectives with resource protection needs, assist the superintendent and national office directors with decisions on program direction, and collaborate with outside scientists, agency managers, and stakeholders to advance the mission of the sanctuary.

**Specialist** (Research Faculty), Dept of Environmental Toxicology, UC, Davis (1997 – 2011)  
and

**Co-Director**, Marine Pollution Studies Laboratory at Granite Canyon (1995 – 2011)

Manage a small marine laboratory (staffing level from 8 to 23 over the years), including program planning, budget development, staff supervision, maintenance oversight, proposal writing and journal publication for an entirely grant-funded research facility that has operated successfully for over 25 years.

Design, obtain funding for, and conduct research projects to assess ambient water and sediment quality in marine, estuarine, and freshwater environments. Design regional and statewide water quality monitoring programs and facilitate their external scientific review. Provide coordination between State and Regional Water Boards, stakeholders, and partner programs to integrate goals and data from multiple sources into policy-relevant information for resource management.

**Associate Specialist**, University of California, Santa Cruz. (1992 – 1997)

Conduct research projects on the toxicity of estuarine sediments, and evaluate contaminant sources in tributary watersheds. Develop experimental approaches to compare field-collected test sediments with those from reference sites. Develop toxico/chemical techniques to identify chemicals causing toxicity in environmental samples containing complex chemical mixtures.

**Assistant Specialist**, University of California, Santa Cruz. (1987 – 1992)

Develop toxicity test methods for abalone, mysids, topsmelt, and giant kelp, and produce protocols for those tests that are currently used in US EPA and California State Water Resources Control Board waste-water monitoring programs.

**Service and Scientific Advisory Committees**

Santa Cruz County Local Agency Formation Commission, Alternate Public Member, current.

Santa Cruz County Commission on the Environment, Chair and Commissioner for 2<sup>nd</sup> District, 2013 to present.

East San Joaquin Surface Water Quality Expert Panel, Chair, current

Research Activity Panel, Monterey Bay National Marine Sanctuary, Chair and Water Quality Representative, 2007 to present.

Sanctuary Advisory Council, Monterey Bay National Marine Sanctuary, Research Primary Member, 2008 to 2010; 2012 to present.

La Selva Beach Recreation and Park District, Chair (2012 to 2018) and Treasurer (2010 – 2012)

Pinto Lake Restoration Project, Technical Advisory Committee, Member, 2017 to 2018.

Water Quality Protection Program Committee, Monterey Bay National Marine Sanctuary, Research Member, 2012 to present.

California Water Quality Monitoring Council, Ocean Health Workgroup member, 2012 to 2014.

Central Coast Regional Water Quality Control Board, Technical Advisory Committee for Rapid Assessment Methodology, Member, 2013 to 2015.

US EPA and CA State Water Resources Control Board Healthy Streams Partnership, Technical Advisory Panel Member, 2012 to 2015.

Monterey Bay Integrated Regional Ocean Discharge Monitoring Program, core technical planning team member (2012 to 2014).

Agricultural Advisory Panel, Agricultural Waiver Order, Regional Water Quality Control Board, Central Coast Region, Science Member, 2004 and 2009 permit cycles

Farm Water Quality Planning Project, UC Cooperative Extension, Committee Member

Statewide Aquatic Life Assessment Monitoring Design Committee, California Surface Water Ambient Monitoring Program, Member

Technical Advisory Committee, Central Coast Water Quality Data Synthesis, Assessment, and Management (SAM) Project, Member

Technical Advisory Committee, Non-point Source Pollution Projects Fund and Monitoring Fund, Regional Water Quality Control Board, Central Coast Region, Member

Scientific Planning and Review Committee, California Surface Water Ambient Monitoring Program, State Water Resources Control Board, Organizer and Facilitator

La Selva Beach Improvement Association, President, 2001 – 2002

Board of Directors, Society of Env Toxicology and Chemistry, N California Chapter, Elected Member

Annual Meeting Committee, Society of Env Toxicology and Chemistry, N California Chapter, Member

Technical Advisory Committee, Pescadero-Butano Watershed Assessment Project, San Mateo County Resource Conservation District, Invited Member

Scientific Advisory Group, Surface Waters Ambient Monitoring Program, California State Water Resources Control Board, Invited Member

Society of Environmental Toxicology and Chemistry Technical Workshop on Toxicity Identification and Reduction Evaluations, held at Pensacola, Florida, sponsored by the U.S. EPA and American Petroleum Institute, Invited Participant.

U.S. EPA and Society of Environmental Toxicology and Chemistry course on whole effluent toxicity testing, Instructor.

**Peer-Reviewed Publications**

Author or co-author of 60 scientific journal articles. List available on request.

**Reports**

Author or co-author of 43 reports to resource management agencies and other organizations. List available on request.

**Presentations at Scientific Meetings**

First author and presenter on 50 presentations at scientific conferences, agency meetings and other public venues.

**Personal Information**

I am a US citizen, born in Santa Monica, California, on August 22, 1955. I have lived in Santa Cruz County and worked in the Monterey Bay area for 39 years. I am happily married to Teresa Clayton, who has been a bilingual teacher in the area for over 30 years. We have two children: Meghan is a research consultant with Engage R&D, advising nonprofit organizations in the US; Rylan recently graduated from UC Berkeley (Physics and Mathematics) and is currently teaching in Santa Cruz County. We travel as a family whenever we can. (Aside from being accomplished distance runners, Teresa, Meghan and Rylan are all fluent in Spanish. My Spanish is rusty but passable.) For five years in my 20s I was a whitewater river guide in the Sierra, Oregon, and Idaho, and still row whitewater trips a few times a year. Other favorite pursuits include rowing an ocean dory, surfing, biking, diving, and playing upright string bass for the Troubledoors.



**LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY  
APPLICATION FOR POSITION OF  
REGULAR AND ALTERNATE PUBLIC MEMBER**

If you are interested in serving as the Regular or Alternate Public Member on LAFCO, please complete the following application and return it to LAFCO, 701 Ocean Street, Room 318-D, Santa Cruz, California 95060. The application deadline is **4:00 p.m. on Friday, March 13, 2020**. Please note that you may apply for both positions.

Thank you for your interest in the Local Agency Formation Commission of Santa Cruz County.

**RECEIVED**

I am applying for (CHECK ONE):

|                              |                                     |
|------------------------------|-------------------------------------|
| Regular Public Member ONLY   | <input type="checkbox"/>            |
| Alternate Public Member ONLY | <input type="checkbox"/>            |
| Either Position              | <input checked="" type="checkbox"/> |

MAR 13 2020

**Santa Cruz LAFCO**

NAME: Becky Steinbruner

MAILING ADDRESS: 3441 Redwood Drive, Aptos, CA 95003

PHONE (Home): 831) 685-2915 (Business): -

EMAIL: KI6TKB@<sup>(SIX)</sup>yahoo.com

LENGTH OF RESIDENCE IN AREA: 35 years

ARE YOU A REGISTERED VOTER? yes

**PREVIOUS BOARD, COMMISSION, OR COMMITTEE SERVED:**

Organization

Term

|   |                          |
|---|--------------------------|
| <u>Sage 1 Fire Safe Council Board</u>   | <u>2000 - 2013(?)</u>    |
| <u>Fire Safe Santa Cruz Board (and Chair of Education &amp; Outreach Committee)</u> | <u>2018 to present</u>   |
| <u>Santa Cruz County Amateur Radio Club</u>   | <u>Board 2009 - 2011</u> |
|   | <u>2018 to present</u>   |
|   | <u>current President</u> |



## WORK / VOLUNTEER EXPERIENCE:

Organization

Term

4th volunteer - Corralitos / Camp Loma  
County Service Area (CSA) 33 1988<sup>1988</sup> - 2015  
Community Emergency Response Team 2009? varied  
County Fire CSA 48 volunteer 1990-1992  
Greenbelt Water Customer Revolt 1988-1997<sup>auxiliary 1992-1996?</sup>  
community advocate 2015 to present


## STATEMENT OF QUALIFICATIONS:

Please attach a brief statement indicating why you are interested in serving on LAFCO and why you are qualified for the appointment.

## CERTIFICATION:

I certify that I am not an officer or employee of the County of Santa Cruz, any city in Santa Cruz County, or any district in Santa Cruz County.

I certify that this information is true and correct, and I authorize the verification of the information in the application in the event I am a finalist for the appointment.

  
\_\_\_\_\_  
Signature

3/12/2020  
\_\_\_\_\_  
Date

Statement of Qualifications  
Becky Steinbruner

Dear Commissioners,

I am interested in serving on LAFCO as either a Regular or Alternate Public Member because I would enjoy volunteering my time and energy to serve the public as a liaison. Because of my long-term and positive experience with LAFCO as a member of County Services Areas (CSA) 33 and 48, I feel that I would bring a voice of reason and citizen experience to the Commission.

With future consolidations of smaller agencies being mandated by the State, I would work hard to bring critical informed and meaningful public input to the Commission. Conversely, I would work equally hard to ensure the public is aware of LAFCO studies and procedures so that those affected by decisions and policies would be informed and able to participate in a positive and thoughtful manner. I am especially interested in working to improve current work and informational flows between the Department of Public Works and the road maintenance CSA's.

I would be honored to serve my community as a Public Member of LAFCO.

Respectfully submitted,  
Becky Steinbruner  
3441 Redwood Drive  
Aptos, CA 95003  
[KI6TKB@yahoo.com](mailto:KI6TKB@yahoo.com)  
831-685-2915





---

**Santa Cruz Local Agency Formation Commission**

Date: May 6, 2020  
To: LAFCO Commissioners  
From: Joe Serrano, Executive Officer  
Subject: **Comprehensive Quarterly Report – Third Quarter (FY 2019-20)**

---

**SUMMARY OF RECOMMENDATION**

This report provides an overview of projects currently underway, the status of the Commission's Work Program and Annual Budget, and information regarding staff's recent outreach efforts. 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 Cortese-Knox-Hertzberg Act delegates LAFCOs with regulatory and planning duties to coordinate the logical formation and development of local governmental agencies. The following sections summarize how several of these statutory mandates are being met through the consideration of boundary changes, development of several service reviews, and staff's ongoing collaboration with local agencies.

**Active Proposals**

Santa Cruz LAFCO currently has three active applications:

- **"Roaring Camp Annexation" (Project No. 967):** This application was initiated by petition and proposes to annex approximately 170 acres to the San Lorenzo Valley Water District. The purpose of the annexation is for the provision of water services to an unincorporated area, commonly known as Roaring Camp.

**Latest Status:** This application is pending. LAFCO staff is still waiting for several documents from the applicant in order to deem the application complete. Pending items include an environmental document, map and legal description, and clarification of whether additional parcels will be included as part of the annexation.

- **"Central & Aptos/La Selva Fire Consolidation" (Project No. DC 20-02):** This application was initiated by the two affected districts as a joint application. The purpose of the application is to facilitate the efficient delivery of fire protection to individual and property owners within the subject territory.

**Latest Status:** The Board of Supervisors adopted a property tax exchange agreement on March 24. This action ensures that the existing property tax revenue be transferred over to the successor agency. The two fire districts are still addressing several other factors including pension liabilities and budget projections. It is unknown when these items will be completed.

- **“Pasatiempo Drive/Clubhouse Road Annexation” (Project No. DA 20-06):** This application was initiated by petition and proposes to annex approximately 42 acres to County Service Area 10. The purpose of the annexation is for the provision of sewer services to existing buildings within the Pasatiempo Golf Course.

**Latest Status:** The Board of Supervisors adopted a property tax exchange agreement on April 14. We are currently working on the final items, such as addressing the CEQA requirements. The proposal is tentatively scheduled for Commission consideration during the June 3rd LAFCO Meeting.

### **Multi-Year Work Program (Service Reviews)**

The multi-year work program adopted by the Commission identifies 5 separate service reviews to be completed by the end of the calendar year. Below is a status update on each scheduled review.

1. **CSA 60** – This County Service Area was formed in 2015 for the purpose of providing funds towards a bridge replacement, road maintenance, and common area maintenance for an unincorporated community in Brookdale known as Huckleberry Island.

Hearing Date: A service review was adopted by the Commission on March 4.

2. **CSA 9 (including all zones)** – This County Service Area was formed in 1968 to provide County Public Works services to unincorporated communities. Such services include road maintenance, street lighting, street sweeping, landscaping maintenance, school crossing guards, refuse disposal, recycling, trash transfer, and landfill operations.

Tentative Hearing Date: A service and sphere review was originally scheduled to be presented to the Commission on May 6, however, in light of the ongoing pandemic the review has been moved to August 5.

3. **Pajaro Valley Public Cemetery District** – This cemetery district was formed in 1955 to provide efficient, cost effective burial services for the community and provide maintenance to the cemeteries.

Tentative Hearing Date: A service and sphere review is scheduled to be presented to the Commission on September 2.

4. **Resource Conservation District of Santa Cruz County** – This special district was formed in 1978 following the consolidation of two existing conservation districts. Its purpose is to help people protect, conserve, and restore natural resources through information, education, and technical assistance programs.

Tentative Hearing Date: A service and sphere review is scheduled to be presented to the Commission on October 7.

5. **San Lorenzo Valley Water District** – This water district was formed in 1941 and currently provides water service to over 7,000 connections in the communities of Boulder Creek, Brookdale, Ben Lomond, Felton, Zayante, and southern Scotts Valley.

Tentative Hearing Date: A service and sphere review is scheduled to be presented to the Commission on November 4.

### Budget Report

The third quarter of Fiscal Year 2019-20 ended on March 31, 2020. During this 3-month period, the Commission received approximately \$14,000 in revenue. This amount is primarily from interest earned and the recent application fee for the proposed CSA 10 annexation. Anticipated revenue for the entire year has exceeded the budgeted amount by approximately \$10,000. During the same third quarter period, the Commission incurred \$96,000 in total expenses. Approximately 44% of the estimated costs for the entire year has been accrued. The following table shows a breakdown of LAFCO's financial performance during the first and second quarter.

|               | FY 19-20<br>(1st Qtr.) | FY 19-20<br>(2nd Qtr.) | FY 19-20<br>(3rd Qtr.) | Amount<br>from<br>Reserves | Total<br>Amount<br>(as of 3/31) | FY 19-20<br>Adopted<br>Budget | Percentage<br>(Accrued<br>vs. Budget) |
|---------------|------------------------|------------------------|------------------------|----------------------------|---------------------------------|-------------------------------|---------------------------------------|
| Total Revenue | \$402,320              | \$6,381                | \$14,347               | \$249,500                  | \$672,549                       | \$662,400                     | 102%                                  |
| Total Expense | <u>\$108,222</u>       | <u>\$84,445</u>        | <u>\$96,308</u>        | -                          | <u>\$288,976</u>                | <u>\$662,400</u>              | 44%                                   |
| Difference    | <b>\$294,098</b>       | <b>\$(78,064)</b>      | <b>\$(81,961)</b>      | <b>\$249,500</b>           | <b>\$465,535</b>                | -                             | -                                     |

A more detailed review of LAFCO's financial performance during the first and second quarter is attached to this report (refer to **Attachment 1**).

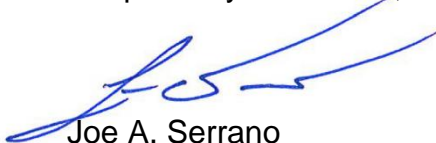
### Recent & Upcoming Meetings

LAFCO staff values the benefits from collaborating with local agencies, members of the public, and other LAFCOs that explore and initiate methods to improve efficiency in the overall delivery of municipal services. During the months of January to March, LAFCO staff met with local representatives to discuss potential and/or upcoming LAFCO projects. A summary of those and more recent meetings are discussed below.

1. **Supervisor McPherson:** Staff participated in multi-county department meeting on February 5 to discuss a potential development in unincorporated county territory. Supervisor McPherson hosted the meeting and invited LAFCO to identify any issues related to service provisions. The LAFCO Executive Officer informed the group that the subject area was outside CSA 10's jurisdictional and sphere boundaries as well as the County's Urban Services Line.

2. **Connecting the Drops**: Staff attended the February 7th planning committee meeting for the upcoming Connecting the Drops Forum. During the meeting, the group tentatively scheduled the forum to occur on Saturday, May 9.
3. **Application Status Update (DA 20-06)**: Staff met with the applicant on February 10 to discuss the remaining items under the proposed "Pasatiempo Drive/Clubhouse Road Annexation" to CSA 10.
4. **Association of Monterey Bay Area Governments (AMBAG)**: Staff met with an AMBAG representative on February 21 to discuss their upcoming population projections within Santa Cruz County. This was an opportunity for LAFCO to discuss any future proposals that may affect the population for any of the four cities. LAFCO staff does not anticipate any city annexations in the foreseeable future.
5. **Fire Consolidation**: Staff met with representatives from Aptos/La Selva Fire Protection District on February 27 to discuss the remaining items still pending as part of their consolidation application.
6. **Santa Cruz County Farm Bureau**: Staff was invited to present at the Santa Cruz County Farm Bureau meeting on March 4. This was an opportunity for staff to provide an overview of LAFCO's role and responsibilities.
7. **San Lorenzo Valley Water District Event**: Staff was invited to attend the water district's new probation tank ribbon-cutting even on March 5. This event celebrated the completion of a new 500,000-gallon water tank located near the Santa Cruz County Juvenile Probation / Juvenile Detention Facility off Graham Hill Road.
8. **UCSC Long Range Development Plan Study Session**: Staff participated in the University's online study session on March 12. The event provided an overview of the long range development plan. Comments regarding the Notice of Preparation were due on April 8. LAFCO staff submitted a comment letter on March 27.
9. **CALAFCO Conference Call (COVID-19 Impact)**: Staff participated on a conference call with other LAFCO Executive Officers on March 24. This was an opportunity to discuss and learn how the ongoing pandemic has affected the LAFCO offices around the state. These conference calls are scheduled to occur on a regular basis.

Respectfully Submitted,



Joe A. Serrano  
Executive Officer

Attachment:

1. LAFCO FY 2019-20 Budget Review (Third Quarter: January to March)

**LAFCO Budget - Fiscal Year 2019-20**  
**Actuarial Data (by quarter)**

**6B: ATTACHMENT 1**

| FISCAL YEAR 2019-20                    | FY 19-20<br>First Qtr<br>(Jul - Sep) | FY 19-20<br>Second Qtr<br>(Oct - Dec) | FY 19-20<br>Third Qtr<br>(Jan - Mar) | FY 19-20<br>Adopted<br>Budget | Difference<br>(\$) | Budget Line<br>Item Notes                             |
|--|--------------------------------------|---------------------------------------|--------------------------------------|-------------------------------|--------------------|---|
| <b>REVENUES DESCRIPTION</b>            |                                      |                                       |                                      |                               |                    |   |
| Interest                               | \$ 2,635                             | \$ 3,086                              | \$ 2,345                             | \$ 6,000                      | \$ 2,066           | Surplus Funds   |
| Contributions from Other Govt Agencies | \$ 399,300                           | \$ -                                  | \$ -                                 | \$ 399,300                    | \$ -               | All Dues Received                                     |
| LAFC Processing Fees                   | \$ -                                 | \$ 2,750                              | \$ 12,150                            | \$ 6,500                      | \$ 8,400           | Surplus Funds   |
| Medical Charges-Employee               | \$ 386                               | \$ 546                                | \$ 546                               | \$ 1,000                      | \$ 477             | Surplus Funds   |
| Copy Charges                           | \$ -                                 | \$ -                                  | \$ -                                 | \$ 100                        | \$ 100             | Anticipated Funds                                     |
| Re-budget from Fund Balance            | \$ -                                 | \$ -                                  | \$ -                                 | \$ 249,500                    | \$ 249,500         | Net Position Funds (if needed)                        |
| <b>TOTAL REVENUES</b>                  | <b>\$ 402,320</b>                    | <b>\$ 6,381</b>                       | <b>\$ 15,041</b>                     | <b>\$ 662,400</b>             | <b>\$ 260,080</b>  | <b>Anticipated Funds in<br/>Total Revenue</b>         |
| <b>EXPENDITURES DESCRIPTION</b>        |                                      |                                       |                                      |                               |                    |   |
| Regular Pay                            | \$ 42,962                            | \$ 46,310                             | \$ 54,065                            | \$ 245,400                    | \$ 102,063         | Remaining Funds                                       |
| Overtime Pay                           | \$ -                                 | \$ -                                  | \$ -                                 | \$ 1,000                      | \$ 1,000           | Remaining Funds                                       |
| Extra Help                             | \$ -                                 | \$ -                                  | \$ -                                 | \$ 1,000                      | \$ 1,000           | Remaining Funds                                       |
| Sick Leave                             | \$ -                                 | \$ -                                  | \$ -                                 | \$ 1,000                      | \$ 1,000           | Remaining Funds                                       |
| Holiday Pay                            | \$ 1,115                             | \$ 3,308                              | \$ 4,135                             | \$ 10,100                     | \$ 1,542           | Remaining Funds                                       |
| Social Security                        | \$ 3,372                             | \$ 3,849                              | \$ 4,529                             | \$ 18,200                     | \$ 6,450           | Remaining Funds                                       |
| PERS                                   | \$ 38,892                            | \$ 5,071                              | \$ 5,949                             | \$ 59,800                     | \$ 9,888           | Remaining Funds                                       |
| Insurances                             | \$ 9,602                             | \$ 9,869                              | \$ 10,227                            | \$ 50,500                     | \$ 20,802          | Remaining Funds                                       |
| Unemployment                           | \$ 86                                | \$ -                                  | \$ 224                               | \$ 400                        | \$ 90              | Remaining Funds                                       |
| Workers Comp                           | \$ 463                               | \$ -                                  | \$ -                                 | \$ 1,000                      | \$ 537             | Remaining Funds                                       |
| <b>Salaries Sub-total</b>              | <b>\$ 96,493</b>                     | <b>\$ 68,407</b>                      | <b>\$ 79,128</b>                     | <b>\$ 388,400</b>             | <b>\$ 144,372</b>  | <b>Remaining Funds in Salaries<br/>&amp; Benefits</b> |
|  |                                      |                                       |                                      |                               |                    |   |
| Telecom                                | \$ 314                               | \$ 474                                | \$ 474                               | \$ 2,000                      | \$ 738             | Remaining Funds                                       |
| Office Equipment                       | \$ -                                 | \$ 21                                 | \$ 35                                | \$ 200                        | \$ 143             | Remaining Funds                                       |
| Memberships                            | \$ 3,261                             | \$ 1,446                              | \$ -                                 | \$ 4,500                      | \$ (207)           | Amount Over Budget                                    |
| Hardware                               | \$ -                                 | \$ -                                  | \$ -                                 | \$ 300                        | \$ 300             | Remaining Funds                                       |
| Duplicating                            | \$ 89                                | \$ 929                                | \$ -                                 | \$ 1,200                      | \$ 182             | Remaining Funds                                       |
| PC Software                            | \$ -                                 | \$ 382                                | \$ 327                               | \$ 600                        | \$ (109)           | Amount Over Budget                                    |
| Postage                                | \$ 254                               | \$ 112                                | \$ 124                               | \$ 1,400                      | \$ 909             | Remaining Funds                                       |
| Subscriptions                          | \$ -                                 | \$ -                                  | \$ 56                                | \$ 500                        | \$ 444             | Remaining Funds                                       |
| Supplies                               | \$ 25                                | \$ 132                                | \$ 122                               | \$ 1,500                      | \$ 1,222           | Remaining Funds                                       |
| Accounting                             | \$ -                                 | \$ -                                  | \$ -                                 | \$ 1,500                      | \$ 1,500           | Remaining Funds                                       |
| Attorney                               | \$ 1,250                             | \$ 2,125                              | \$ 1,688                             | \$ 150,000                    | \$ 144,938         | Remaining Funds                                       |
| Data Process GIS                       | \$ 483                               | \$ 4,806                              | \$ 2,971                             | \$ 16,700                     | \$ 8,440           | Remaining Funds                                       |
| Director Fees                          | \$ -                                 | \$ 700                                | \$ 1,000                             | \$ 6,000                      | \$ 4,300           | Remaining Funds                                       |
| Surveyor                               | \$ -                                 | \$ -                                  | \$ -                                 | \$ 1,000                      | \$ 1,000           | Remaining Funds                                       |
| Prof. Services                         | \$ -                                 | \$ -                                  | \$ -                                 | \$ 50,000                     | \$ 50,000          | Remaining Funds                                       |
| Legal Notices                          | \$ 160                               | \$ 98                                 | \$ 995                               | \$ 1,700                      | \$ 447             | Remaining Funds                                       |
| Rents                                  | \$ -                                 | \$ -                                  | \$ 8,233                             | \$ 8,500                      | \$ 267             | Remaining Funds                                       |
| Misc. Expenses                         | \$ 1,600                             | \$ 220                                | \$ (913)                             | \$ 6,500                      | \$ 5,593           | Remaining Funds                                       |
| Books                                  | \$ -                                 | \$ -                                  | \$ -                                 | \$ 200                        | \$ 200             | Remaining Funds                                       |
| Air Fare                               | \$ -                                 | \$ -                                  | \$ 222                               | \$ 3,000                      | \$ 2,778           | Remaining Funds                                       |
| Auto Rental                            | \$ -                                 | \$ -                                  | \$ -                                 | \$ 200                        | \$ 200             | Remaining Funds                                       |
| Training                               | \$ -                                 | \$ -                                  | \$ 1,000                             | \$ 1,800                      | \$ 800             | Remaining Funds                                       |
| Lodging                                | \$ -                                 | \$ 2,771                              | \$ -                                 | \$ 5,200                      | \$ 2,429           | Remaining Funds                                       |
| Meals                                  | \$ -                                 | \$ 364                                | \$ -                                 | \$ 600                        | \$ 236             | Remaining Funds                                       |
| Mileage                                | \$ 84                                | \$ 1,397                              | \$ -                                 | \$ 3,000                      | \$ 1,519           | Remaining Funds                                       |
| Travel-Other                           | \$ -                                 | \$ 61                                 | \$ -                                 | \$ 500                        | \$ 439             | Remaining Funds                                       |
| Registrations                          | \$ 4,210                             | \$ -                                  | \$ 1,035                             | \$ 5,400                      | \$ 155             | Remaining Funds                                       |
| <b>Supplies Sub-total</b>              | <b>\$ 11,729</b>                     | <b>\$ 16,038</b>                      | <b>\$ 17,369</b>                     | <b>\$ 274,000</b>             | <b>\$ 228,864</b>  | <b>Remaining Funds in Services<br/>&amp; Supplies</b> |
|  |                                      |                                       |                                      |                               |                    |   |
| <b>TOTAL EXPENDITURES</b>              | <b>\$ 108,222</b>                    | <b>\$ 84,445</b>                      | <b>\$ 96,497</b>                     | <b>\$ 662,400</b>             | <b>\$ 373,236</b>  | <b>Remaining Funds in<br/>Total Expenditures</b>      |





---

**Santa Cruz Local Agency Formation Commission**

Date: May 6, 2020  
To: LAFCO Commissioners  
From: Joe Serrano, Executive Officer  
Subject: **UCSC Long Range Development Plan – Notice of Preparation**

---

**SUMMARY OF RECOMMENDATION**

The University of California, Santa Cruz (“UCSC”) has prepared a new Long Range Development Plan for 2020-2040 and has issued a Notice of Preparation for the upcoming Draft Environmental Impact Report. Comments on the Notice of Preparation were due no later than Wednesday, April 8. LAFCO staff submitted a comment letter on Friday, March 27.

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.

---

**EXECUTIVE OFFICER’S REPORT:**

A new Long Range Development Plan (“LRDP”) has been created by the University to help guide the physical development and land use within the campus boundary. The University is self-governing for planning, and the LRDP is equivalent to a general plan developed by a county or city. The University first introduced a LRDP back in 1988, which planned for 15,000 students. The 2005 LRDP planned for an increase of approximately 6,600 students to an enrollment of 21,000 by 2020. The proposed LRDP estimates that the campus population will reach 28,000 students, with an additional 5,000 full-time faculty and staff in the foreseeable future. To accommodate the projected increase in campus population, the LRDP proposes to add 8,500 student housing beds, up to 550 employee housing units, and approximately 2.8 million assignable square feet (ASF) of academic and administrative building space.

The University is the Lead Agency under the California Environmental Quality Act (CEQA) and will prepare an Environmental Impact Report (EIR) for the LRDP as required by state law. The EIR for the University’s LRDP will function as a Program EIR, which can be used to tier the environmental review of subsequent campus development projects during implementation of the LRDP. The first step in the environmental review is to distribute a Notice of Preparation to all interested and affected agencies for review and comments. **Attachment 1** provides a copy of the University’s Notice of Preparation.

As a Responsible Agency under CEQA Guidelines, staff believes that LAFCO will have regulatory authority towards the delivery of municipal services to UCSC in developments outside the jurisdictional and sphere boundaries of the City of Santa Cruz. It is in this role that LAFCO should comment on the Notice of Preparation and other upcoming CEQA documents related to the LRDP. The following sections identify how the LRDP may require LAFCO action and how the Commission may convey that information in a timely manner.

### **Proposed Development Sites**

The majority of the proposed developments are located within the campus area. However, some of the development sites seem to be located outside the city limits and sphere boundary of the City of Santa Cruz (refer to **Attachment 3**). Development of currently unincorporated territory would be subject to LAFCO's approval for the delivery of municipal services, including but not limited to water, sewer, and fire.

### **LAFCO's Comment Letter**

As discussed above, the LRDP's development sites include areas that are outside the City's current jurisdictional and sphere of influence boundaries and would therefore be subject to future LAFCO approvals in order to receive municipal services. CEQA clearance for future sphere amendment and boundary change proposals will rely upon either the Draft EIR currently being prepared or a subsequent environmental document, potentially "tiered" from the current EIR. It will therefore be necessary for the current, or a subsequent, CEQA document to include a detailed analysis of the project's conformance to applicable LAFCO-related state legal requirements and LAFCO's locally adopted policies.

The attached comment letter to the University requests that the Draft EIR include an analysis of the LRDP's conformance to LAFCO-related state laws and locally adopted policies, to the extent such analysis is possible based on information currently available about potential long-term future development of currently unincorporated sites (refer to **Attachment 2**).

A more detailed, site-specific, and updated analysis to LAFCO laws and policies should also be anticipated as a required part of subsequent, project-level CEQA documents when future proposals brought forward to LAFCO. Provision of this information in current and future CEQA documents will help ensure that the Commission will have adequate information to act in its role as a CEQA Responsible Agency, when future sphere amendments or boundary change proposals for areas within the LRDP are submitted to LAFCO. Additionally, the letter also requests that the Draft EIR include an analysis of the LRDP's conformance to the County's Urban Services Line.

Respectfully Submitted,



Joe A. Serrano  
Executive Officer

#### **Attachments:**

1. UCSC's Notice of Preparation
2. LAFCO Comment Letter
3. Vicinity Map



PHYSICAL PLANNING, DEVELOPMENT &amp; OPERATIONS

SANTA CRUZ, CALIFORNIA 95064

February 25, 2020

State of California  
Office of Planning and Research  
1400 Tenth Street  
Sacramento, CA 95814

## NOTICE OF PREPARATION ENVIRONMENTAL IMPACT REPORT

|                          |   |
|--------------------------|---|
| <b>Project Title:</b>    | UC Santa Cruz Long Range Development Plan   |
| <b>Project Location:</b> | UC Santa Cruz Main Residential Campus & Westside Research Park (2300 Delaware Avenue), Santa Cruz (see Figures 1 and 2) |
| <b>County</b>            | Santa Cruz County   |

### Project Overview

The University of California, Santa Cruz (UC Santa Cruz), Long Range Development Plan (LRDP) is a comprehensive land use plan that guides the physical development necessary to achieve the campus' mission. The LRDP establishes a land use framework for, academic and administrative space needs, housing, open space, circulation and other land uses that ultimately facilitate the appropriate siting of capital projects. All UC campuses are required to prepare a Long Range Development Plan to guide physical campus development.

The proposed UC Santa Cruz LRDP would replace the 2005 LRDP for the campus and identifies land uses to support the academic mission of UC Santa Cruz through 2040. The LRDP campus population forecast is 28,000 Full-Time Equivalent (FTE) students<sup>1</sup> and 5,000 FTE faculty and staff. To accommodate the projected increase in campus population, the LRDP proposes to add 8,500 student housing beds,<sup>2</sup> up to 550 employee housing units, and approximately 2,800,000 assignable square feet (ASF) of academic and administrative building space. The LRDP land use plan supports potential growth on the UC Santa Cruz main residential campus and the Westside Research Park located at 2300 Delaware Avenue in the City of Santa Cruz.

### Environmental Review and Comment

The University of California is the Lead Agency under the California Environmental Quality Act (CEQA) (PRC, § 21000 et seq.) and will prepare an Environmental Impact Report (EIR) for the LRDP as required by PRC § 21080.09. The LRDP EIR will function as a Program EIR (pursuant to CEQA Guidelines Section 15168) that can be used to tier the environmental review of subsequent campus development projects during implementation of the LRDP. Because UC Santa Cruz has determined that an EIR will be required for the project, and as allowed by CEQA when the decision to prepare an EIR has already been made, an Initial Study has not been prepared. This Notice of Preparation (NOP) has been prepared pursuant to Sections 15082 and 15083 of the CEQA Guidelines.

UC Santa Cruz requests input from responsible and trustee agencies and the public regarding the proposed scope of the LRDP EIR analysis. UC Santa Cruz requests that responses to this NOP identify: 1) the significant environmental

<sup>1</sup> An FTE student is (1) an undergraduate student who enrolls for 45 credit hours per academic year; or (2) a graduate student (master's level or doctoral student not yet advanced to candidacy) enrolled in 36 hours per year; or (3) a graduate doctoral student who has been advanced to candidacy. This does not include students studying at locations other than the main residential campus and the Westside Research Park.

<sup>2</sup> UC Santa Cruz has provided student beds up to 15,000 FTE students and will continue to provide student beds for 67 percent of FTE students between 15,000 and 19,500 enrollment, in accordance with the 2008 Comprehensive Settlement Agreement (CSA). The proposed LRDP will provide 100 percent of student beds for 8,500 additional FTE students and enrollment of above 19,500.

issues, reasonable alternatives, and reasonable mitigation measures that should be explored in the Draft EIR; and 2) where submitted by an agency, whether that agency will be a responsible or trustee agency for the project.

**COMMENT PERIOD:** Written comments on the NOP will be accepted anytime during the NOP review period, which begins **Tuesday, February 25, 2020** and ends **Monday, March 30, 2020 at 5:00 pm**. The NOP comment period is extended by five days in order to close during the first day of Spring Quarter at UC Santa Cruz. Please state "LRDP NOP Comments" in the subject line, and send your written or electronic responses, with appropriate contact information, to the following address:

Erika Carpenter  
Senior Environmental Planner  
Physical Planning, Development, and Operations  
University of California, Santa Cruz  
1156 High Street, Santa Cruz, CA 95064  
Email: [eircomment@ucsc.edu](mailto:eircomment@ucsc.edu)

**SCOPING SESSIONS:** Written comments on the NOP may also be provided at two public scoping sessions on **Thursday, March 12, 2020:**

**Location:** Merrill Cultural Center  
**Address:** UC Santa Cruz, 200 McLaughlin Dr., Santa Cruz, CA  
**Time:** 12:00 to 2:00 pm  
**Location:** Louden Nelson Community Center, Room 3  
**Address:** 301 Center Street, Santa Cruz, CA  
**Time:** 6:00 to 8:00 pm

At each scoping session, project information will be presented by UC Santa Cruz staff and NOP comments will be accepted. If you have questions regarding this NOP, the scoping sessions, and/or require accommodation to participate in the scoping meeting, please contact Erika Carpenter at [escarpen@ucsc.edu](mailto:escarpen@ucsc.edu) or (831) 212-0187.

**Attachments:**

- A Detailed Project Information
- B Impact Analysis Areas and Probable Environmental Effects of the EIR
- C Draft Land Use Map, February 2020

# ATTACHMENT A

## UC SANTA CRUZ

### LONG RANGE DEVELOPMENT PLAN

### DETAILED PROJECT INFORMATION

#### 1. Project Title

UC Santa Cruz Long Range Development Plan

#### 2. Project Contact

Erika Carpenter  
Senior Environmental Planner  
Physical Planning, Development, and Operations  
University of California, Santa Cruz  
1156 High Street, Santa Cruz, CA 95064  
Email: eircomment@ucsc.edu

#### 3. Lead Agency

The Board of Regents of the University of California  
1111 Franklin Street, 12<sup>th</sup> Floor  
Oakland, California 94607

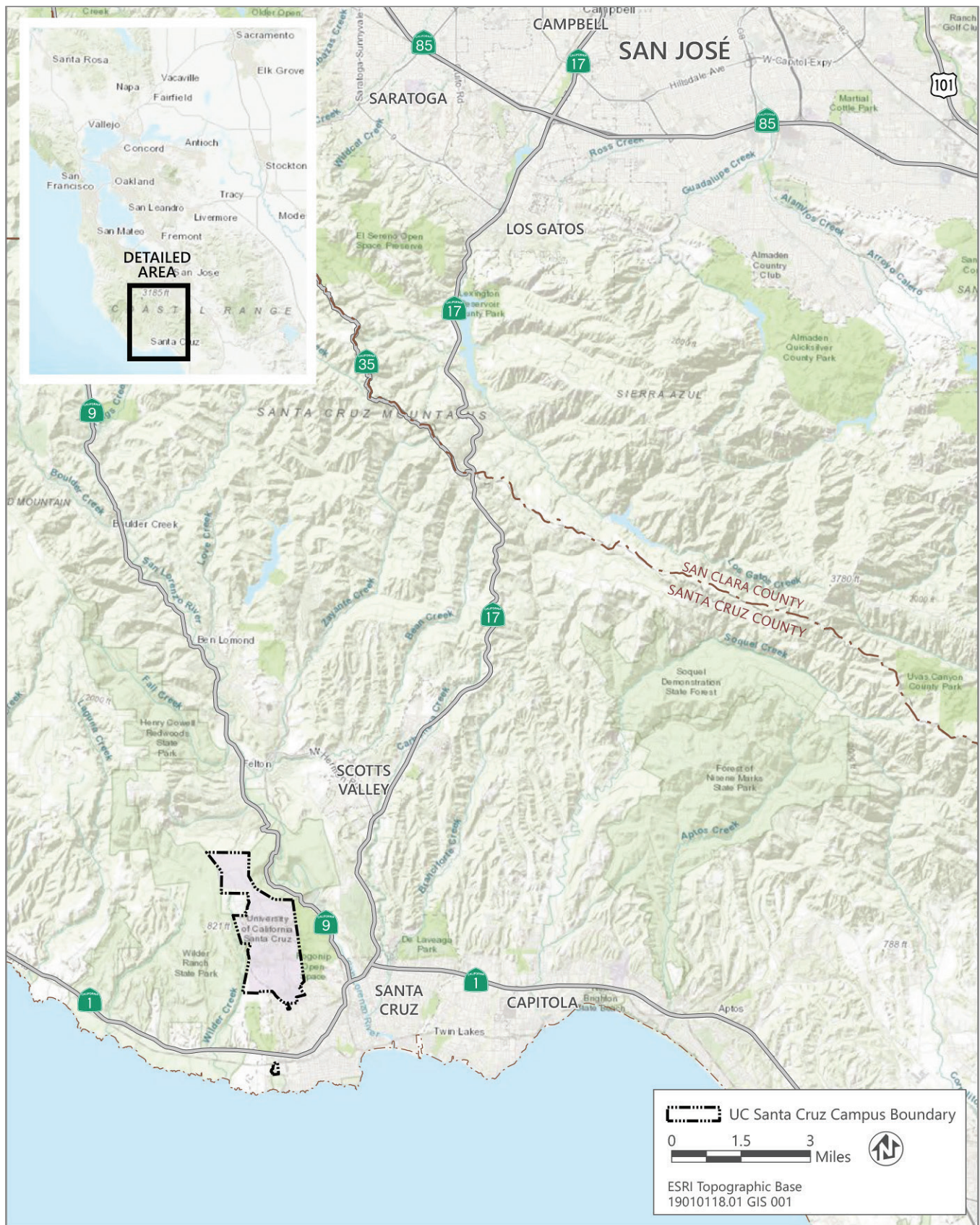
#### 4. Project Location and Setting

The main residential campus is located in Santa Cruz County, along the northern coast of the Monterey Bay, and approximately 70 miles south of the city/county of San Francisco, 30 miles southeast of the city of San Jose, and 30 miles north of the city of Monterey (see Figure 1). Approximately 53 percent of the main residential campus (as shown in Figure 2), including the majority of the on-campus structures and facilities, is located within the city of Santa Cruz with the remaining acreage located within unincorporated Santa Cruz County. The main residential campus is bounded on the east by the Pogonip City Park and the Henry Cowell Redwoods State Park, on the north by privately held land, on the west by Wilder Ranch State Park and the Cave Gulch neighborhood and on the south by residential neighborhoods located in the city of Santa Cruz.

In addition to the main residential campus, UC Santa Cruz owns two other properties in the city of Santa Cruz. The Westside Research Park is located at 2300 Delaware Avenue on the west side of Santa Cruz and is included in the LRDP. The Westside Research Park is adjacent to the Natural Bridges State Park to the south, city properties zoned as mixed use to the west and north, and Antonelli Pond and the UC Santa Cruz Coastal Science Campus to the west. The surrounding area includes a mix of industrial, commercial, and housing uses, and natural areas.

UC Santa Cruz's Coastal Science Campus is a 100-acre property on the west side of the city and is governed by a Coastal Long Range Development Plan (CRLDP) that was adopted by the Board of Regents of the University of California (The Regents) and certified by the California Coastal Commission in 2008. As a result, the Coastal Science Campus is not included in the LRDP.

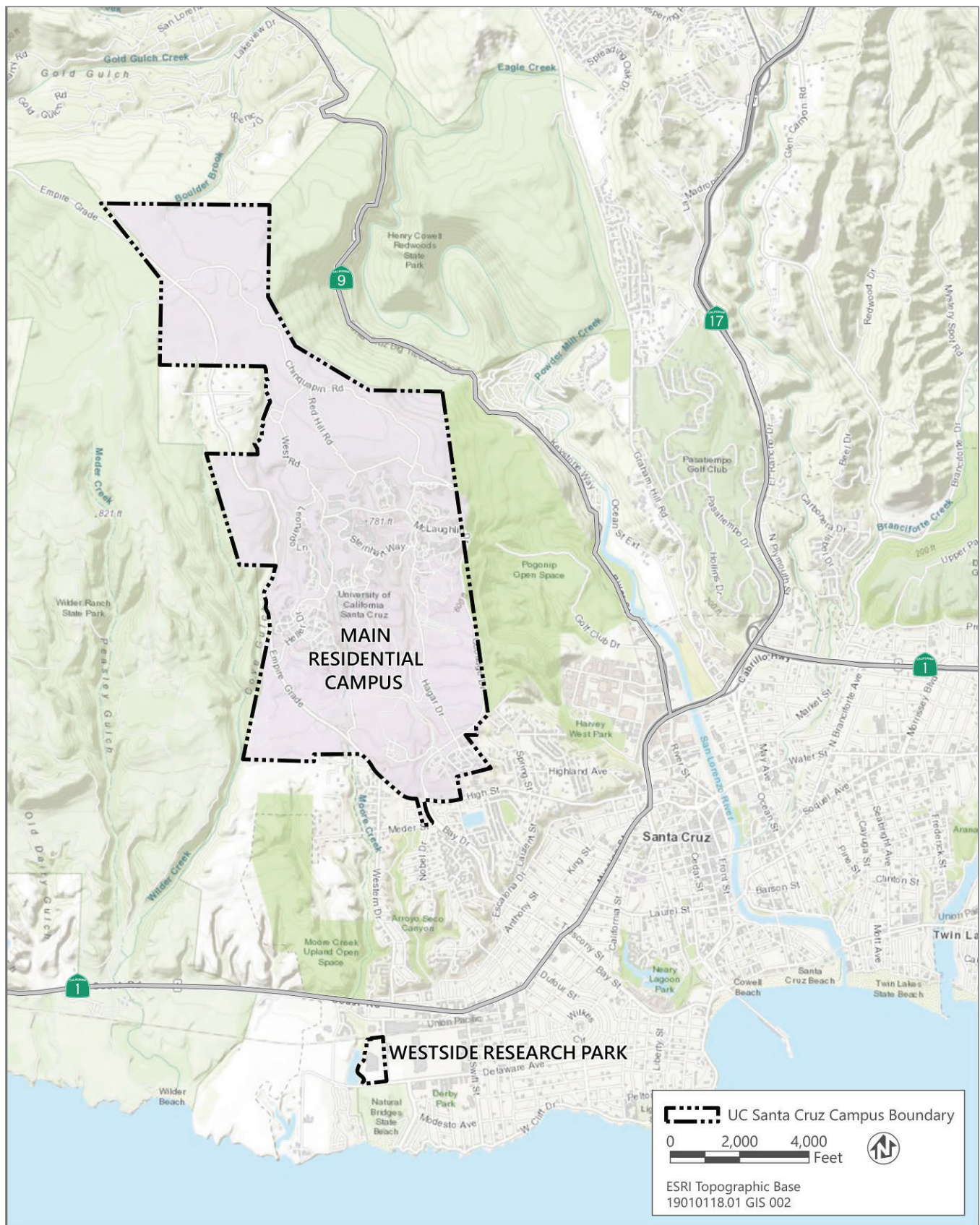




Source: data downloaded from Santa Cruz County in 2019

**Figure 1** Regional Location





Source: data downloaded from Santa Cruz County in 2019

**Figure 2** Project Location

## 5. Description of Project

### Planning Process

UC Santa Cruz began the planning process for the LRDP in the Fall of 2017 by conducting a series of meetings and interviews with campus and community stakeholders. The planning process was steered by the the LRDP Planning Committee, made up of students, staff, faculty, and community members and the Executive Committee. Expert workgroups engaged and provided feedback on planning efforts for specific topics. The campus also engaged regularly with a Community Advisory Group, consisting of city, county, and community representatives, to maintain an ongoing exchange of ideas and information and explore common goals and to discuss issues that confront both the campus and the surrounding community.

In the Spring of 2018, public workshops were held on the main residential campus and in the community, focusing on current concerns around the topics of housing, water, transportation, infrastructure and sustainability. The campus shared current planning efforts and sought feedback to help shape the approach to the LRDP. In Fall 2018, three initial land use scenarios were released for consideration and feedback through a public survey and an online visioning activity. In Fall 2019, UC Santa Cruz hosted several community and campus workshops and met with various campus stakeholders, in an effort to garner community input on potential land use plans. The draft land use map that is currently under consideration will be the proposed project considered in the EIR and is provided in Attachment C to this NOP.

### Draft Project Goals

The overall objective of the LRDP is to support the teaching, research, and public service missions of UC Santa Cruz. The plan's growth assumptions are based on campus population projections and an understanding of campus needs and goals beyond the 19,500 FTE planned for within the 2005 LRDP. However, the LRDP does not commit UC Santa Cruz to any specific enrollment level, campus population, or development. The LRDP planning effort projects on-campus student population growth from approximately 18,518 FTE students (2018–2019 academic year) to approximately 28,000 FTE students by the 2040–2041 academic year, and faculty and staff population growth from approximately 2,800 FTE to approximately 5,000 FTE in the same timeframe. Because of housing challenges in the region, UC Santa Cruz plans to accommodate 100 percent of the increase in students and up to 25 percent of the increase of the anticipated 2,200 FTE faculty/staff members in on-campus housing.<sup>3</sup>

### Proposed Project

The LRDP embraces a compact academic core with housing around the periphery. The plan incorporates employee housing that would be strategically located to allow access to community resources. An enhanced historic district at the entrance to the main residential campus would provide an improved community interface. Designated reserve areas would be set-aside for ecological, cultural, and educational uses and natural space would protect wildlife corridors and scenic views. To improve circulation, the LRDP includes an improved and more efficient roadway network and enhanced alternative transportation throughout the main residential campus. Finally, the Westside Research Park would incorporate mixed use academic, research, and housing on the west side of Santa Cruz.

The 2005 LRDP land use plan established a mix of land use categories to accommodate academic, open-space, residential, and infrastructural uses. Under the proposed LRDP, these types of land use categories would be maintained but have been further refined through the LRDP planning process to reflect campus needs and functions today. The proposed land use map for the LRDP is shown in Attachment C. The LRDP identifies the following land use categories to support anticipated campus growth:

- ▶ Academic Land Use Designations (approximately 200-300 acres)
  - Academic & Support—structures that facilitate teaching, research, student support and public service mission activities

---

<sup>3</sup> For more detail on the commitment to onsite housing, please see Footnote 2 on page 1.



- Outdoor Research—active landscapes for teaching, research and community education, including the following existing research programs: Center for Agroecology and Sustainable Food Systems farm, the Arboretum and Botanic Garden, and the Chadwick Garden.
- Historic District—land and structures intended to express the unique historic and cultural context for academic & support facilities, community-facing programs, and visitor resources.
- ▶ Open Space Land Use Designations (Approximately 1,350-1,550 acres)
  - Campus Natural Reserve—land preserved to protect natural features and processes for the purposes of teaching and research
  - Recreation & Athletics—indoor and outdoor athletic fields and facilities
  - Natural Space—land preserved as open space to maintain special campus landscapes due to scenic value, special vegetation and wildlife continuity
- ▶ Residential Land Use Designations (Approximately 250 – 400 acres)
  - Colleges and Student Housing—colleges and student housing, academic, and support spaces
  - Employee Housing— staff and faculty housing, and support space
  - Mixed Use—employee housing, academic and support space
- ▶ Other Campus Support—operations-oriented functions (Approximately 10-30 acres)

# ATTACHMENT B UC SANTA CRUZ LONG RANGE DEVELOPMENT PLAN IMPACT ANALYSIS AREAS AND PROBABLE ENVIRONMENTAL EFFECTS OF THE EIR

UC Santa Cruz has determined that PRC § 21080.09 requires that an EIR be prepared for this project. Therefore, as allowed under Section 15060 of the CEQA Guidelines (Title 14 Cal. Code Regs.), UC Santa Cruz has not prepared an Initial Study and will instead begin work directly on the EIR process described in Article 7 of the CEQA Guidelines, commencing with Section 15080. As required, the EIR will focus on the significant effects of the project and will document the reasons for concluding that other effects will be less-than-significant. Where significant or potentially significant environmental impacts are identified, the EIR will also discuss mitigation measures that may make it possible to avoid or reduce these impacts, when feasible.

The LRDP EIR will evaluate the probable environmental effects, including cumulative effects, of the project, in accordance with the following CEQA issue areas:

- ▶ **Aesthetics** – The EIR will evaluate the potential changes in the visual characteristics and quality of the main residential campus and the Westside Research Park and surrounding area.
- ▶ **Agricultural and Forestry Resources** – The EIR will evaluate the potential impacts to agricultural and forestry resources, including the conversion of agricultural uses to non-agricultural (educational/administrative) uses, associated with construction and operation under the LRDP.
- ▶ **Air Quality** – The EIR will evaluate the potential impacts resulting from implementation of the LRDP (during construction and operation) to air quality conditions, locally and regionally, and the potential for the LRDP to conflict with local and regional air quality planning efforts.
- ▶ **Biological Resources** – The EIR will evaluate the potential for implementation of the LRDP (including construction and operation of new/modified uses) to have a substantial adverse effect on sensitive biological species and/or habitat, as well as potential conflicts with local/regional conservation planning efforts.
- ▶ **Cultural and Tribal Cultural Resources** – The EIR will evaluate the potential for implementation of the LRDP (including construction and operational activities) to cause a substantial adverse change, either directly or indirectly, in the significance of archeological, historical, and tribal cultural resources.
- ▶ **Energy** – The EIR will evaluate potential impacts to energy resources and capacity associated with development under the LRDP.
- ▶ **Geology, Soils, Paleontology, and Mineral Resources** – The EIR will evaluate the potential for construction and operational activities associated with the LRDP to involve unstable geologic/soil conditions that could expose people and/or structures to substantial adverse effects. In addition, the EIR will also evaluate the potential for implementation of LRDP to affect paleontology and mineral resources.
- ▶ **Greenhouse Gas Emissions** – Implementation of the LRDP may result in the generation of additional greenhouse gas emissions during construction and operational activities. The EIR will evaluate the potential increase in emissions, as well as the LRDP's consistency with applicable planning efforts.
- ▶ **Hazards & Hazardous Materials** – The EIR will evaluate the potential for construction and operational activities associated with the LRDP to increase hazards on campus and in the area and the potential for increased risk of exposure to hazards and hazardous materials.

- ▶ **Hydrology & Water Quality** – The EIR will evaluate the potential for construction and operational activities associated with the LRDP to affect water quality (surface and groundwater supplies) and modify existing drainage patterns.
- ▶ **Land Use & Planning** – The EIR will evaluate the potential for implementation of the LRDP to affect established communities and conflict with applicable plans and policies adopted for the purpose of reducing or avoiding environmental impacts.
- ▶ **Noise** – The EIR will evaluate the potential for construction and operational activities associated with implementation of the LRDP to increase noise levels on-campus and in the area.
- ▶ **Population & Housing** – The EIR will evaluate the potential for implementation of the LRDP to induce (directly or indirectly) unplanned substantial population growth or displace substantial housing or residents.
- ▶ **Public Services** – The EIR will evaluate the potential for implementation of the LRDP to necessitate the construction of new or modified public facilities, including fire and police stations, which could result in environmental impacts as a result of their construction.
- ▶ **Recreation** – The EIR will evaluate the potential for implementation of the LRDP to increase the use of existing recreational facilities such that the condition of the facilities would be substantially and adversely affected and whether the construction and/or operation of any additional/modified recreational facilities resulting from implementation of the LRDP could result in similar effects.
- ▶ **Transportation** – The EIR will evaluate the potential for implementation of the LRDP to increase vehicle miles traveled (VMT) locally and in the region and whether such increases would conflict with applicable plans, policies, or regulations related to the effectiveness of the local/regional circulation system. The EIR will also include a discussion of emergency access adequacy, and potential transportation hazards resulting from or increased by implementation of the LRDP.
- ▶ **Utilities & Service Systems** – The EIR will evaluate the potential increases in demand for utilities and service systems as a result of implementation of the LRDP.
- ▶ **Wildfire** – The EIR will evaluate the potential increases in wildfire risk as a result of implementation of the LRDP.

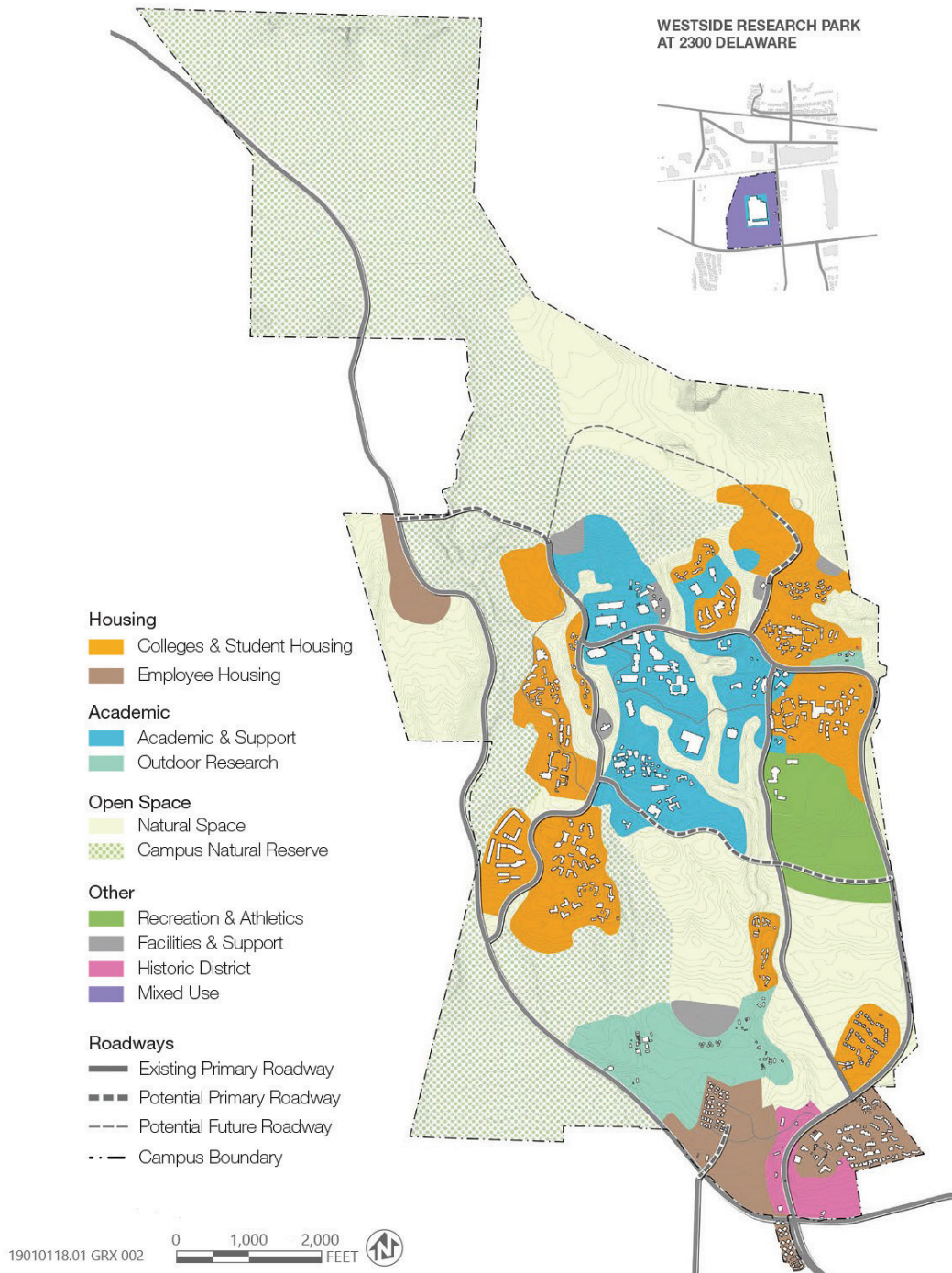
# ATTACHMENT C

## UC SANTA CRUZ

### LONG RANGE DEVELOPMENT PLAN

### DRAFT LAND USE PLAN

### FEBRUARY 2020





Santa Cruz Local Agency  
Formation Commission  
701 Ocean Street, Room 318-D  
Santa Cruz, California 95060  
Phone: (831) 454-2055

Email: [info@santacruzlafco.org](mailto:info@santacruzlafco.org)  
Website: [www.santacruzlafco.org](http://www.santacruzlafco.org)

March 27, 2020

Erika Carpenter, Senior Environmental Planner  
Physical Planning, Development, and Operations  
University of California, Santa Cruz  
1156 High Street  
Santa Cruz, California 95064

**RE: Notice of Preparation of a Draft Program Environmental Impact Report (EIR) for the  
Proposed UC Santa Cruz Long Range Development Plan**

Dear Ms. Carpenter:

Thank you for this opportunity to comment on the Notice of Preparation (NOP) of a Draft EIR for the Long Range Development Plan (LRDP), which is expected to replace the current version that was established back in 2005. The proposed LRDP envisions adding 8,500 student housing beds, up to 550 employee housing units, and approximately 2.8 million assignable square feet (ASF) of academic and administrative building space. These developments are scheduled to be built within the campus area. However, it appears that some development sites are located outside the City of Santa Cruz's jurisdictional and sphere boundaries (refer to attached Vicinity Map). These boundaries are designated by the Local Agency Formation Commission of Santa Cruz County (LAFCO). Development of currently unincorporated territory would be subject to LAFCO's approval for the delivery of municipal services, such as water, at a future date.

Under the California Environmental Quality Act (CEQA), LAFCO is a Responsible Agency for this proposal, and will have regulatory authority towards future applications involving boundary changes for the delivery of municipal services. It is in this role that LAFCO is commenting on this NOP for the anticipated Draft EIR.

**Initial Comments on Scope of the Draft Program Environmental Impact Report:**

**1. Conformance to State LAFCO Law and Locally Adopted LAFCO Policies**

(Please provide an analysis in the Draft EIR)

LAFCO's statutory authority is derived from the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Section 56000, et seq.). Among LAFCO's purposes are: discouraging urban sprawl, preserving open space and prime agricultural lands, efficiently providing government services, and encouraging the orderly formation and development of local agencies based upon local conditions and circumstances (Government Code Section 56301). The Cortese-Knox-Hertzberg Act identifies factors that must be considered, and determinations that must be made, as part of LAFCO's review of boundary changes requesting the delivery of municipal services.

These provisions of law are the legislative basis for LAFCO's locally adopted Policies and Procedures Relating to Spheres of Influence and Changes of Organization and Reorganization ("LAFCO Policies") which guide LAFCO's review and consideration of requests for annexation and other boundary changes. The full text of LAFCO's adopted Policies is available on LAFCO's web site: <https://www.santacruzlafco.org/policies-rules/>.



If the LRDP is approved, LAFCO will likely be requested to consider the approval of one or more applications requesting the delivery of municipal services for any unincorporated territory in the LRDP, in accordance with the Cortese-Knox-Hertzberg Act and local LAFCO policies. As a CEQA Responsible Agency, LAFCO plans to use the University's environmental document to fulfill CEQA clearance for such applications, and to support the evaluation of the proposal's consistency with the applicable LAFCO laws and policies, including the adopted "Water" and "Standards for Evaluating Proposals" policies.

The University's Notice of Preparation does recognize that the EIR will evaluate "the potential for implementation of the LRDP to necessitate the construction of new or modified public facilities, including fire and police stations, which could result in environmental impacts as a result of their construction" and "the potential increases in demand for utilities and service systems as a result of implementation of the LRDP" (NOP - Attachment B; page B-2).

LAFCO requests that the Draft EIR currently being prepared evaluate the service provisions of all municipal services, including but not limited to sewer and water. The Draft EIR should also include an analysis of the LRDP's conformance to the full range of LAFCO's adopted policies and related State laws, to the extent such analysis is possible based on information currently available about future development in unincorporated territory.

A more detailed, site-specific, and updated analysis to LAFCO laws and policies should also be anticipated as a required part of subsequent, project-level CEQA documents when future proposals are brought forward to LAFCO. Provisions of this information in current and future CEQA documents will help ensure that the Commission will have adequate information to act in its role as a CEQA Responsible Agency when future boundary changes for areas within the LRDP are submitted to LAFCO.

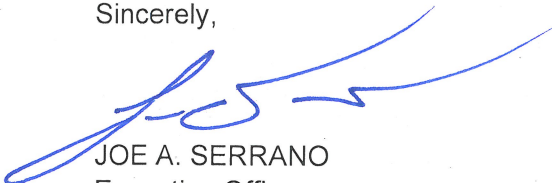
## **2. Conformance to the County Urban Services Line (USL)**

(Please address the LRDP's consistency with the USL)

Please include in the Draft EIR an analysis of the LRDP's consistency with the established County USL, which does not appear to be discussed in the Notice of Preparation. The attached vicinity map depicts the USL in relation to the City of Santa Cruz and the University's campus area. Implementation of the LRDP may require revisions to the established USL. Because such revisions would likely involve the potential for future sphere amendments or other boundary changes, and would directly pertain to LAFCO's legislative purposes, LAFCO would like to have a role in any future modifications to the established USL.

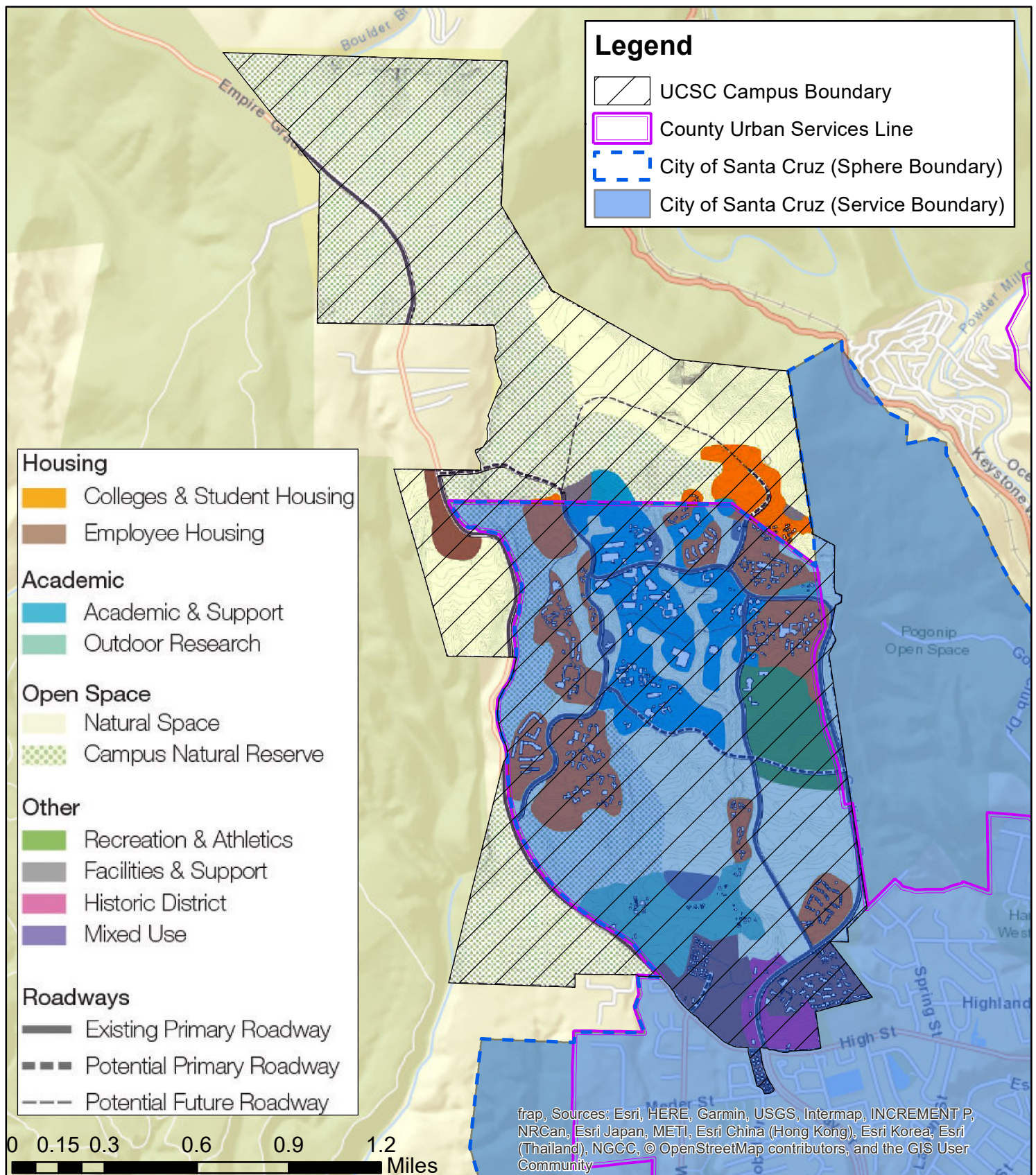
Thank you again for this opportunity to comment on this proposal. Please continue to keep us informed throughout your process. I would be happy to meet with you and your staff for more detailed discussions.

Sincerely,



JOE A. SERRANO  
Executive Officer

Attachment: Vicinity Map



## UCSC Campus Boundary in relations to the City of Santa Cruz's Service and Sphere Boundaries

Vicinity Map created on March 24, 2020





**Santa Cruz Local Agency Formation Commission**

Date: May 6, 2020  
To: LAFCO Commissioners  
From: Joe Serrano, Executive Officer  
Subject: **Legislative Update**

---

**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.

---

**EXECUTIVE OFFICER'S REPORT:**

Due to the ongoing virus pandemic, the Legislature has been placed on hold. It is unclear when the Legislature will reconvene. The California Association of LAFCOs (CALAFCO) has been instrumental in keeping all LAFCOs aware of any legislative action as it unfolds.

A prime example of CALAFCO's contribution is the circulation of legislative newsletters offered by Hurst, Brooks, & Espinosa LLC. These newsletters have provided insight on how the State of California is addressing this ongoing crisis and other important issues. A total of 10 newsletters are included in this report as attachments. The topics in each newsletter are listed below:

- **March 2nd Topics** – (1) Greenhouse Gas Emissions, (2) Retiring “13” as a Ballot Measure Number, (3) Budget Subcommittee Hearings, (4) Governor's Behavioral Health Task Force, (5) COVID-19 Outbreak Response, (6) CalAIM Proposal, (7) Jail Inspections, and (8) LAO Reports
- **March 9th Topics** – (1) COVID-19 Response, (2) Health Care Affordability Proposal, (3) Health Care Workforce, (4) Children Enrolled in Medi-Cal, (5) Long-Term Services and Support Report, (6) Jail Inspections and Regulations, and (7) LAO Reports on Aspects of the State Budget
- **March 15th Topics** – (1) New State Guidance to Reduce Spread of COVID-19
- **March 16th Topics** – (1) Emergency Bills, (2) New Executive Orders, (3) Local Jurisdictions' Responses, and (4) State Treasurer Announces Relief Measures
- **March 19th Topics** – (1) Statewide Shelter in Place Order, (2) State Legislative and Budget Horizon, (3) Governor Extends Requests to Feds for Additional Assistance, and (4) New Online COVID-19 Resources Now Available



- **March 24th Topics** – (1) Plan for Workload Budget, (2) Executive Order on State Prisons and Juvenile Detention Facilities, (3) State’s Section 1135 Waiver Request, and (4) Chief Justice Revises Direction to Courts and Suspends Jury Trials
- **April 1st Topics** – (1) Governor Updates, and (2) Revisions to State Budget Process
- **April 6th Topics** – (1) New State Budget Process, (2) Local Streets and Roads Funding, (3) Executive Order on Child Care, (4) Governor’s Press Conference, (5) Judicial Council Adopts Temporary Emergency Actions, (6) Board of State and Community Corrections Meeting, and (7) LAO Issues Two New Reports
- **April 8th Topics** – (1) Impacts to Sales & Use Tax, (2) SB 89 Allocations, (3) State Controller’s Office Revenue Tracker, (4) New Executive Orders Addressing Purchase of Essential Materials and Social Services, and (5) State Efforts to Address Supplies
- **April 15th Topics** – (1) New Senate Special Committee on Pandemic Announced, (2) CalAIM Formally Postponed, and (3) New Executive Order Addresses California Workers
- **April 17th Topics** – (1) Senate’s Special Budget Subcommittee Hearing, (2) Assembly Budget Subcommittee Hearing, (3) Governor Names Economic Recovery Task Force, (4) More Counties Issue Face Mask Orders, and (5) Governor Signs New Executive Order with Assorted Actions.
- **April 24th Topics** – (1) Legislature’s Plan for Return, (2) New Information regarding CARES Act Funding, (3) Supporting Older Californians in Isolation, and (4) New Executive Orders

Respectfully Submitted,



Joe A. Serrano  
Executive Officer

Attachments:

1. HBE Newsletter (March 2nd Edition)
2. HBE Newsletter (March 9th Edition)
3. HBE Newsletter (March 15th Edition)
4. HBE Newsletter (March 16th Edition)
5. HBE Newsletter (March 19th Edition)
6. HBE Newsletter (March 24th Edition)
7. HBE Newsletter (April 1st Edition)
8. HBE Newsletter (April 6th Edition)
9. HBE Newsletter (April 8th Edition)
10. HBE Newsletter (April 15th Edition)
11. HBE Newsletter (April 17th Edition)
12. HBE Newsletter (April 24th Edition)



HURST+BROOKS+ESPINOSA

# This Week in Sacramento

INFORMATION &amp; INSIGHTS FROM HURST BROOKS ESPINOSA ■ WEEK OF MARCH 2, 2020

## Putting the Breaks on California's Rising Transportation Emissions

The Senate Environmental Quality Committee met jointly with the Senate Transportation Committee this week to hear from [state officials, academia, and practitioners](#) about California's climate challenge and specifically greenhouse gas (GHG) emissions from the transportation sector, which remain the state's largest source of emissions and are actually growing. The thoughtful [background paper](#) suggested the Committee explore several of questions, including what existing state programs are most effective and should be invested in more heavily to get us to our climate goals and faster. While the [entire hearing](#) was informative, we thought the following comments, observations, and discussions were particularly illuminating and interesting:

When asked what the Legislature could do to make SB 375 – the 2008 landmark legislation that requires regional agencies to develop sustainable communities strategies (SCSs) that integrate planning for housing and transportation together to spur land use changes that will result in fewer GHGs from the transportation sector – more effective, Mary Nichols, Chair of the California Air Resources Board (CARB) opined that cities and counties need greater buy-in into the regional plans presumably so that local land use decisions are consistent with SCSs.

What was not explicitly said was that, while local land use decision making is a key to success of SB 375, so is funding. And, importantly, since its enactment, regions have received no new dedicated, predictable funding to build critical transformative projects.

When asked how much it would cost the state to reach its transportation-related air quality and climate goals, Secretary of the California State Transportation Agency David Kim said he'd have to get back to the committee with a number but that it likely is in the "hundreds of billions of dollars"

## Worth Noting: Senate Leader Announces Committee Changes

Senate President pro Tempore Toni Atkins announced policy committee assignment changes last week, primarily due to the resignation of Senator Jeff Stone (R-Temecula) in late 2019. Several new vice chairs were appointed – Senator Jim Nielsen (R-Red Bluff) will be the vice chair of the Senate Health Committee, while Senator Brian Jones (R-Santee) will serve as vice chair of the Senate Human Services Committee.

Additionally, the makeup of several Senate budget subcommittees has changed with the reassignment of Republican members. Senator Mike Morrell (R-Rancho Cucamonga) will join Subcommittee No. 1 on Education; Senator Brian Dahle (R-Bieber) will join Subcommittee No. 2 on Resources, Environmental Protection, Energy and Transportation; and Senator Andreas Borgeas (R-Fresno) will join Subcommittee No. 3 on Health and Human Services. Finally, Senator Maria Elena Durazo (D-Los Angeles) is now a member of Subcommittee No. 4 on State Administration and General Government, a subcommittee she chaired last year.

Details on all of Senator Atkins' committee assignment changes can be found [here](#).

range. Recall that SB 1 generates approximately \$5.4 billion a year for maintenance and rehabilitation of the existing transportation system and cap and trade around \$2 billion a year.

Dr. David Roland-Holst from U.C. Berkeley Department of Agricultural and Resource Economics delivered fascinating research that found that electric vehicle (EV) adoption is not only good for our air quality and climate change but is also, “a potent catalyst for economic growth for the State of California.” His research shows that EVs save consumers \$4,000 over the life of the vehicle (9-11 years) compared to conventional fuel vehicles. If widespread EV adoption occurs, those savings across the entire population (35 million people) means significant resources for households to spend on other things such as housing, education, and other services that propel our economy. His research also found the cost differential of an EV will reach parity with conventional fuel vehicles by the middle of this decade which is good news for those in the market for a new vehicle in the next few years.

If you feel like diving deeper into the information presented to the committees, copies of the presentations can be found [here](#).

### **Effort to ‘Retire’ 13 as a Ballot Measure Number**

As this year’s Proposition 13 – a \$15 billion school facilities bond – is struggling to pass, Assembly Member Patrick O’Donnell has proposed “retiring” the number 13 as a ballot measure, suggesting that confusion with the famous Proposition 13 (1978) that capped local property taxes may be a reason for voters’ reluctance to support the bond. While supporters are hopeful that remaining uncounted ballots will move their way, the measure is, as of this writing, at 44.6% support.

### **Focus on This Week’s HHS-Related Budget Subcommittee Hearings**

The Assembly and Senate began their respective budget subcommittee hearings this week to assess elements of the Governor’s January budget. In addition, subcommittees also are hearing stakeholder proposals for spending augmentations.

Assembly Budget Subcommittee No. 1 on Health and Human Services (HHS) kicked off the week with a hearing focused on public health budget items. In addition to budget requests from the California Department of Public Health (CDPH), the subcommittee asked for an update on the state of the state’s health. Members posed several questions on the coronavirus as well. (See more on the state and federal governments’ response to the COVID-19 outbreak later in this update.)

CDPH provided an update on the budget augmentations from the 2019-20 state budget, including discussion about when the \$40 million appropriated for local health departments’ communicable disease infrastructure would be disbursed. Additionally, the subcommittee heard several stakeholder proposal, including the request from the County Health Executives Association of California’s (CHEAC) for \$20 million in ongoing funding to address sexually transmitted disease (STD) complex cases and reinfections. The End the Epidemics coalition – working to end HIV, Hepatitis C, and STDs – has a package of \$50 million in requests. All items were held open.

Senate Budget and Fiscal Review Subcommittee No. 3 also held its first budget hearing of the year this week during which aging, In-Home Supportive Services, SSI/SSP, and Adult Protective Services (APS) budget items were discussed.

A coalition of county organizations, aging advocates, labor unions, and others are requesting \$100 million General Fund to augment APS funding to do all of the following:

- 1) **Provide long-term case management, including for those who are homeless and have cognitive impairments, and allow APS to serve highly vulnerable adults aged 60-65 (\$65 million General Fund).** While not all older adults served in APS will require longer-term case management, those who have more complex needs do require more attention than staffing levels currently permit. Lowering the age served would align the APS program with programs administered through Area Agencies on Aging and allow for earlier interventions.
- 2) **Expand the APS Home Safe Program (\$25 million General Fund).** In July 2019, APS Home Safe launched in 25 counties as a pilot program and it is demonstrating success in preventing homelessness among APS consumers. APS Home Safe should be expanded to other interested counties and modified to assist victims of abuse and neglect who have become homeless or who need longer-term housing support as a bridge to other housing programs.
- 3) **Encourage Collaborative, Multi-Disciplinary Best-Practices Across the State (\$10 million General Fund).** Financial Abuse Specialist Teams (FAST) and Forensic Centers are considered best practices in APS. They allow for a collaborative and targeted rapid-response approach to the most complex cases. Currently, only a few counties have either model, but those that do have seen great success in interceding and stopping financial abuse and stabilizing victims who require a cross-systems response.

Additionally, UDW/AFSCME Local 3930 submitted three proposals related to collective bargaining issues:

- 1) **Increase penalty for counties to seven percent annually.** UDW/AFSCME is asking the Legislature to increase the penalty for counties that refuse to bargain in good faith from one percent to seven percent of the county's IHSS MOE and from a one-time penalty to an annual penalty so long as the contract remains at an impasse.
- 2) **Require transparency in collective bargaining expenditures.** The labor groups also are requesting that the Legislature ensure transparency in taxpayer funding for IHSS collective bargaining by mandating public disclosure of costs paid by counties for vendor contracts for IHSS negotiations. In addition, UDW is requesting that the state ensures these costs do not exceed 80 percent of the total cost of the wage and benefit increase proposed by the union.
- 3) **Reverse 2019 change to state/county cost sharing in IHSS wage and benefit increases.** Currently, the non-federal share of cost for negotiated wage and benefit increases in IHSS is 65 percent (state) and 35 percent (county). In the 2019-20 budget, the state reversed this formula to flip to 65 percent county/35 percent state, beginning on January 1, 2022. UDW is requesting that the Legislature rescind the changes enacted in last year's budget and to retain the current share of cost formula at 35 percent county/65 percent state.

The subcommittee held all the above items open.

## **Governor's Behavioral Health Task Force Meets**

The Governor's Behavioral Health Task Force convened for the first time this week. The task force's mission includes two main planks: (1) creating the California 2025 Behavioral Health Plan, and (2) planning for and helping implement a behavioral health system that meets the diverse needs of all

Californians with a specific focus on services for children, people experiencing or at risk of homelessness, and people with criminal justice involvement.

To create the California 2025 Behavioral Health Plan, the Task Force will do all of the following:

- Consider the current prevailing models of behavioral health care and funding, which include but are not limited to Realignment, Mental Health Services Act, criminal justice related funding, employer-funded and private health insurance, federal Medicaid matching funds, federal grants, and housing funds.
- Determine where outcome data is already being collected throughout the state, define the highest priority outcomes, and consider how to hasten efforts to record, collect, and assess data with a specific focus on the three priority populations listed above.
- Determine how California can build needed infrastructure to provide a full continuum of care that offers more services in the community rather than institutional settings.
- Determine how California can build a behavioral health workforce sufficient to meet the needs of the state.
- Determine what prevention and early intervention strategies should be part of the California 2025 Behavioral Health Plan.
- Determine how the State can better support improved access to and quality of behavioral health services for people with private health insurance. These efforts include reviewing enforcement of federal and state parity laws and timely access standards.
- Determine how to improve integration of behavioral health, primary, and other specialty care in community settings for individuals with mild to serious conditions throughout their life course.

After introductions, updates from state departments and agencies on behavioral health efforts, and a history and financing presentation, the task force members engaged in a discussion about the mission statement and objections. Issues and questions raised in the discussion include:

- Where did the focus on three populations in the mission statement come from (children, people experiencing or at risk of homelessness, and people with criminal justice involvement)? Did the Administration talk to stakeholders?
- What is the role of the task force in creating the plan?
- Why are the public and private institutions that serve people not specified in the task force plans?
- Is there someone from OSHPD on the task force since workforce is on the list of discussion items?
- Appreciation of the focus on continuum of care, including early intervention and prevention, as well as the focus on ACES.
- Important to determine that the task force's focus is based on the data — not based on anecdote. Concerned that the focus on specific populations takes prevention off the table. Suggest a focus on unserved, underserved, and individuals not served with high risk for behavioral health issues (instead of children, people experiencing or at risk of homelessness, and people with criminal justice involvement).

- Important to acknowledge we're talking about behavioral health in all places (justice, social service, education). Suggest a need for a more cross-disciplinary lens.
- A lot of challenges for community-based organizations in the contracting process with DHCS for Medi-Cal. What are the policy barriers? And workforce issues (like peer specialists)?
- Outcomes and accountability. Look at similar accountability measures across public and private systems.
- How do we get at non-traditional services? Workforce is critical. MSW and LCSW schools are not producing enough professionals and that has broad impacts to the social safety net, in addition to behavioral health.
- The state doesn't serve individuals at risk for incarceration very well. Will the task force identify targets to achieve within 5 years? If not, the task force should identify them.
- Parity issues include poverty and access, as well as urban and rural issues.
- The plan should provide a roadmap for state entities regarding what they need to do better to meet local needs to improve outcomes.
- Civil and human rights of consumers.

## Responding to the COVID-19 Outbreak

Below we summarize various aspects of the federal and state governments' response to the COVID-19 outbreak.

**Health Plans.** Yesterday, the Department of Managed Health Care (DMHC) directed all commercial and Medi-Cal health plans that they regulate to immediately reduce cost-sharing to zero for all medically necessary screening and testing for the COVID-19. This includes waiving cost-sharing for emergency room, urgent care, or provider office visits when the purpose of the visit is to be screened and tested for COVID-19. The Department of Insurance also issued similar direction to the health plans they regulate yesterday.

DMHC also directed health plans to increase capacity to screen and treat COVID-19 as needed to minimize further transmission by encouraging health plans to expand telehealth services and to take steps to ensure patients receive medically necessary medication if there is a shortage of a particular drug. These orders from the DMHC and the Department of Insurance do not apply to individuals in self-insured health coverage products.

**Employer and Workers.** Yesterday, the California Employee Development Department announced support services to individuals affected by COVID-19 in California. Individuals who are unable to work due to having been exposed to COVID-19 (certified by a medical professional) can file a Disability Insurance (DI) claim. Californians who are unable to work because they are caring for an ill or quarantined family member with COVID-19 (certified by a medical professional) can file a Paid Family Leave (PFL) claim.

Employers experiencing a slowdown in their businesses or services as a result of the Coronavirus impact on the economy may apply for the Unemployment Insurance (UI) Work Sharing Program. This program allows employers to seek an alternative to layoffs – retaining their trained employees by reducing their hours and wages that can be partially offset with UI benefits.



**State of Emergency Declaration.** On Wednesday, Governor Gavin Newsom declared a State of Emergency to make additional resources available, formalize emergency actions already underway across multiple state agencies and departments, and help the state prepare for broader spread of COVID-19. The emergency proclamation includes provisions that protect consumers against price gouging, allow for health care workers to come from out of state to assist at health care facilities, and give health care facilities the flexibility to plan and adapt to accommodate incoming patients. His emergency proclamation can be found [here](#). Additionally, the Governor will be requesting that the Legislature appropriate \$20 million in emergency funding to support state services connected to the COVID-19 response.

**Federal Funding.** The House and Senate passed an \$8.3 billion bipartisan funding package for COVID-19 this week. Among the provisions is an appropriation of \$950 million to support state and local health agencies. Half of that money would be disbursed within 30 days, with each state receiving no less than \$4 million. The measure, HR 6704, also includes \$61 million to fund the FDA's work on developing a vaccine and other efforts to counter the virus, as well as addressing shortages in medical products and trying to boost U.S. manufacturing of those items. Additionally, the bill waives certain Medicare rules to allow the use of telehealth so patients can stay at home and providers can be reimbursed for services. President Trump signed the funding package this morning.

### **More on CalAIM from the Last Week**

The Department of Health Care Services (DHCS) wrapped up stakeholder meetings on CalAIM at the end of February. Various parts of their CalAIM proposal will require approvals through a 1915b waiver, an 1115 waiver, state plan amendments, and plan contracts (and presumably legislation); DHCS staff will be developing a "cheat sheet" regarding which CalAIM component requires which type(s) of approval. DHCS anticipates posting final revised proposals that reflect stakeholder engagement at the end of March or early April. There will be a 30-day public comment period in May. DHCS plans to submit the elements of CalAIM requiring federal approvals (the 1115 waiver and 1915b waiver) to CMS in June of this year.

The following provides additional updates about various elements of the CalAIM proposal:

- **Enhanced Care Management (ECM).** DHCS will offer a phased approach to give plans without Whole Person Care (WPC) and Health Homes Programs (HHP) experience additional time to prepare for the transition to enhanced care management. The implementation date for plans in counties with WPC pilots and/or HHP is January 1, 2021; plans in counties without either will have until July 1, 2021 to implement but may implement earlier. Additionally, at the February 26 Senate informational hearing, DHCS also was very clear that their ECM proposal will require high-touch case management "outside four walls, in the community." Dr. Brad Gilbert, the DHCS director, acknowledged that each of populations that the enhanced care management benefit will target will require different work, perhaps with different partners. He noted, in particular, community entities and counties. Dr. Gilbert also commented that he is not expecting managed care plans to build ECM models out themselves, but to partner with CBOs, counties, public hospital systems, as well as providers in the community. It's worth noting that Senator Pan also expressed some concerns with rate setting for new services, as well as how complicated the proposal is, and the time required to build out services.

- **Population Health Management.** DHCS has determined that managed care plans should have additional time to design and implement their Population Health Management Strategies, delaying the effective date to January 1, 2022.
- **Technical Assistance.** DHCS has scheduled a series of CalAIM Regional Meetings to provide technical assistance to health plans, counties, and community-based organizations as they prepare to implement the enhanced care management benefit and in lieu of services. Health plans, lead entities for WPC, county behavioral health agencies, county public health agencies, and Tribal Health Programs will be invited to attend the meeting in their region. DHCS will be sending formal invitations to these meetings, which are not open to the public.

| Partnership<br>HealthPlan Counties<br>Fairfield, 4/16   | Southern California<br>Riverside, 4/21   | Bay Area and<br>Central California<br>Oakland, 5/1  | Northern California<br>Chico, 5/4  |
|---|--|---|--|
| Del Norte<br>Humboldt<br>Lake<br>Lassen<br>Marin<br>Mendocino<br>Modoc<br>Napa<br>Shasta<br>Siskiyou<br>Solano<br>Sonoma<br>Trinity<br>Yolo | Imperial<br>Los Angeles<br>Orange<br>Riverside<br>San Bernardino<br>San Diego<br>San Luis Obispo<br>Ventura<br>Kern<br>Santa Barbara | Alameda<br>Contra Costa<br>Fresno<br>Kings<br>Madera<br>Mariposa<br>Merced<br>Mono<br>Monterey<br>Sacramento<br>San Benito<br>San Francisco<br>San Mateo<br>Santa Clara<br>Santa Cruz<br>Stanislaus<br>Tulare<br>Tuolumne | Alpine<br>Amador<br>Butte<br>Calaveras<br>Colusa<br>El Dorado<br>Glenn<br>Inyo<br>Nevada<br>Placer<br>Plumas<br>Sierra<br>Sutter<br>Tehama<br>Yuba |

- **Updated Dual Eligible Special Needs Plans (D-SNP) Policy Proposal.** The CalAIM webpage has been updated, based upon stakeholder feedback, with a revised memo entitled, [Expanding Access to Integrated Care for Dual Eligible Californians](#). This memo outlines the Department's transition plan for dual eligibles and the Coordinated Care Initiative.

The LAO released a comprehensive [analysis](#) of CalAIM late last week, which generally urged caution – suggesting that the Legislature consider slowing down the timeline. While Newsom's plan has great promise, it carries financial risk and great uncertainty – particularly regarding whether Medi-Cal managed care plans are prepared for the changes. The LAO acknowledged that certain changes reliant on federal waivers may need to start next year but said "some elements of the proposal could be postponed or implemented in phases." The LAO also raised concerns about cost increases in Medi-Cal and suggested that California could face "significantly higher costs" in future years than the Newsom administration has projected. However, the LAO noted that CalAIM could simplify administration of the \$104 billion program and improve mental health and substance abuse services across California.



## BSCC Hosts Three Listening Sessions on Jail Inspections and Regulations Review Next Week

As noted in last week's *This Week*, the Board of State and Community Corrections (BSCC) has announced three forums in which the public can offer comments on two separate but related items: (1) BSCC's plan to revise the jail inspection process and (2) the biennial update of regulations governing adult detention facility operations. Details on the listening sessions are as follows:

|   |  |  |
|---|--|--|
| <b>Tue., March 10 ✕ 5:30–7:30 p.m.</b><br>BSCC Offices<br>2590 Venture Oaks Way<br>Sacramento, CA 95833 | <b>Wed., March 11 ✕ 5:30–7:30 p.m.</b><br>Kern County Administrative Center<br>Board of Supervisors Chambers<br>1115 Truxtun Avenue<br>Bakersfield 93301 | <b>Wed., March 18 ✕ 5:30–7:30 p.m.</b><br>San Diego (location TBD)<br><br>(Check BSCC <a href="#">website</a> for updates) |
|---|--|--|

Recall that the BSCC – consistent with direction provided by the Governor in his January budget proposal – approved an initial plan earlier this month to strengthen the jail inspection oversight process by (1) establishing steps to more proactively engage counties in addressing issues of noncompliance identified as part of the inspection process and (2) defining as a formal timeframe to correct any deficiencies. BSCC staff will use input and perspectives shared during the listening session to help inform a final recommendation to the Board at its June meeting regarding an inspection process that requires greater accountability on counties for addressing deficiencies more timely. For more details on the recommended jail inspection process changes, see the BSCC staff report [here](#).

Finally, one of the BSCC's core functions is to establish minimum standards for the design, construction, and operation of local jails and detention facilities. The Title 15 regulation review and amendment process is currently underway, so the listening sessions offer an opportunity to seek public comment on this topic as well. More details on the Title 15 review process can be found [here](#). Public comments also can be submitted by [email](#).

## Recent LAO Reports on Aspects of the State Budget

At this time of year, it's important to recall that 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. One new LAO assessment of interest was published this week, as noted below.

| Subject Area                                       | Topics  |
|--|---|
| Excess ERAF (March 6, 2020)   <a href="#">link</a> | ▪ Review of Calculations Affecting School Funding |

## Upcoming Hearings

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

| Date              | Committee  | Topic  |
|-------------------|--|--|
| Tuesday, March 10 | Joint Hearing of the Joint Legislative Audit Committee, Senate Environmental Quality | <i>Oversight Hearing</i> – Childhood Lead Levels: Millions of Children in Medi-Cal |

| Date                        | Committee  | Topic  |
|-----------------------------|--|--|
|                             | Committee, Senate health Committee, Assembly Environmental Safety and Toxic Materials Committee, and Assembly Health Committee | 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 |
|                             | Senate Select Committee on Missing and Unidentified Persons  | <i>Informational Hearing</i> – Overview of Missing Persons Reporting, Response, and Databases  |
| Friday, March 13<br>Anaheim | Senate Select Committee on Career Technology and the New Economy   | <i>Informational Hearing</i> – Strengthening California's Workforce through Career Education and Apprenticeship                              |

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

JEAN HURST  
916-272-0010 | [jkh@hbeadvocacy.com](mailto:jkh@hbeadvocacy.com)

KELLY BROOKS  
916-272-0011 | [kbl@hbeadvocacy.com](mailto:kbl@hbeadvocacy.com)

ELIZABETH ESPINOSA  
916-272-0012 | [ehe@hbeadvocacy.com](mailto:ehe@hbeadvocacy.com)



HURST+BROOKS+ESPINOSA

# This Week in Sacramento

INFORMATION & INSIGHTS FROM HURST BROOKS ESPINOSA ■ WEEK OF MARCH 9, 2020

## COVID-19 Response Swamps All Else

As is undoubtedly the case in your communities, the local, state, national, and global response to the COVID-19 spread has nearly eclipsed most other policy conversations in Sacramento. The latest from the state and federal Capitol follows ...

President Trump today declared a national emergency due to COVID-19, which will free up \$50 billion in additional federal funding and would allow the federal Department of Health and Human Services to waive certain regulations and laws to more quickly deliver testing and care for coronavirus.

At the time of this writing, it appears that House Speaker Nancy Pelosi and Treasury Secretary Steven Mnuchin continue to negotiate on a coronavirus response package. Rumors of a deal from earlier this afternoon indicated that the package could include paid leave for workers, expanded food assistance, and support for widespread testing at no cost to patients. No word yet on what the Medicaid component may look like. We continue to monitor the situation.

Here in California, Governor Newsom issued two Executive Orders this week. Today, the Governor issued [Executive Order N-26-20](#), outlining directives for schools during school closures. While schools will continue to receive state funding, schools are directed to deliver high-quality educational opportunities through distance learning or independent study; schools must continue to provide school meals; arrange for supervision for students during ordinary school hours, to the extent feasible; and must continue to pay employees. Earlier this week, Governor Newsom issued [Executive Order N-25-20](#) to further enhance California's ability to respond to COVID-19. The order includes the following:

- Waives the one-week waiting period for people who are unemployed and/or disabled as result of COVID-19;
- Delays the deadline for state tax filings by 60 days for individuals and businesses unable to file on time based on compliance with public health requirements related to COVID-19;

### Worth Noting: Unclear How Longer-Term Capitol Activities Impacted by COVID Outbreak

On Wednesday, Senate and Assembly Health Committees held a COVID-19 briefing for legislative staff. In the first sign of movement restriction, it has just been reported late this afternoon that the State Capitol will be closed to the public this weekend. No further details on longer-term closures or restricted have been released.

We'll keep you posted as soon as we hear any news.

- Directs residents to follow public health directives and guidance on gatherings (Please note that during the press conference the Governor indicated that the order does not carry the force of law but that he believes counties will issue orders that include enforcement.);
- Readies the state to commandeer property — like hotels — for temporary residences and medical facilities for quarantining, isolating, or treating individuals;
- Allows state and local legislative bodies to hold meetings via teleconference and to make meetings accessible electronically; and allows state and local emergency administrators to act quickly to protect public health.

Senate Budget and Fiscal Review Subcommittee No. 3 included a COVID-19 panel at its hearing on Thursday. Panelists included representatives from county health offices, public hospitals, hospitals, primary care clinics, and nursing homes. We summarize below the input and perspectives offered by these essential stakeholders.

The health officers outlined their needs and concerns, including:

- Messaging to outpatient facilities about who to prioritize for testing
- More lab tests and equipment
- Staff at alternate care sites
- A statewide call center
- In the containment phase, local health departments will need more staff for contact tracing and quarantine (Please note local health departments have been tasked with follow-up to all Californians arriving from Europe.)
- Facilities for isolation and quarantine for individuals without housing
- CDPH guidance on jails and casinos
- More personal protective equipment (PPE)
- Generally, local health departments need continued funding for communicable disease infrastructure, workforce, training and development, and a pipeline for workforce.
- Support for public health laboratories, noting that 11 labs have closed in the last 15 years

The clinics noted that they cannot bill for telephonic visits unless a federal disaster has been declared. The California Hospital Association (CHA) noted that CDC guidance on droplet precautions is not clear; they recommend following guidance from the state of Washington. CHA is recommending health care workers who are not sick continue to work. Further, CHA is seeking statewide rather than county guidance, which often differs by county making it difficult for health systems that span multiple counties to comply. Finally, CHA advocated for access to the National Stockpile for a variety of supplies, not just for masks.

For its part, the California Association of Public Hospitals and Health Systems (CAPH) talked about the unique role public hospitals play as public providers, serving large numbers of Medicaid and Medicare patients. Additionally, they highlighted the local collaboration between hospitals and public health. They also pointed to the work the University of California is doing to make testing available.

Finally, skilled nursing facilities also are seeking statewide guidance and want more conservative guidance on visitors to nursing homes. The nursing facilities do not have sufficient PPE, and it is difficult to order because of shortages.

Subcommittee chair Dr. Pan was very engaged in the discussion and interacted extensively with the panelists and CDPH regarding current and ongoing resource needs. He is very interested in ongoing support for public health infrastructure so it can withstand emergencies.

## **More Details on Administration's Office of Health Care Affordability Proposal**

The Newsom Administration released its [trailer bill](#) for the Governor's Office of Health Care Affordability budget proposal on Monday, just hours before the Assembly Budget Subcommittee No. 1 on Health and Human Services (HHS) hearing convened to discuss, among other things, this item. The budget subcommittee chair, Assembly Member Joaquin Arambula, noted that his committee proceeded with hearing the Office of Health Care Affordability proposal at the urging of labor groups and other stakeholders. The subcommittee plans to revisit the proposal at its May 4 hearing.

The Senate Budget and Fiscal Review Subcommittee No. 3 on HHS also took up the Office of Health Care Affordability budget proposal this week. Alice Chen from the California Health and Human Services Agency outlined the Office, which she referred to as one of the Newsom Administration's signature proposals. The proposal is crafted around four main themes:

- 1) The state needs a clear goal, which is the statewide per capita cost target;
- 2) We're all in (i.e. the Office will look at all costs across all sectors);
- 3) A focus on accountability, with a mechanism for progressive enforcement; and
- 4) The principle that savings accrue back to consumers.

The Administration is starting with data submissions from payers – not providers. Members of the Legislature asked questions about when provider data will be included in the data; Ms. Chen responded that because of the need to stand up the Office quickly, payer data is more readily available. Provider data is more varied, which makes it harder to tackle, and an issue to be addressed over time.

The proposal attracted significant testimony including consumer advocates, health plans, physicians, labor, hospitals, and other. All sectors supported the concept of the Office. CHA noted some concerns about consequences and the timelines. The Service Employees International Union while supporting the Office, believes the proposal falls short on transparency and public access to data.

Assembly Member Jim Wood, who also chairs the Assembly Health Committee, is carrying a bill separate from the Governor's proposal – [AB 2817](#) – to create an Office of Health Care Affordability. The competing proposals will be discussed on separate budget and policy tracks and will likely be discussed as the budget gets negotiated in June.

On a related item, the Office of Statewide Health Planning and Development (OSHPD) announced on Monday that they released its Health Care Payments Data Program [report](#) now, instead of in July because of the health care affordability conversation. Please recall that [AB 1810](#) (Statutes of 2018) required OSHPD to examine the costs of establishing a system to collect information regarding the

cost of health care and a process for aggregating the data from many disparate systems. The report lays out 36 recommendations across several domains. Based on experiences in other states, OSHPD is estimating that supporting a health care data system will cost approximately \$15 million annually. AB 1810 requires the Health Care Payments Data System to be substantially complete by July 1, 2023. OSHPD acknowledges that the timeline is ambitious.

## **Legislative and Stakeholder Interest in Health Care Workforce**

The Senate and Assembly heard several proposals this week in budget subcommittees to address health care workforce issues in California. Items discussed, and held open, include:

- \$10.5 million (one-time General Fund) to OSHPD for scholarship support to enable primary care providers in underserved areas to pay the tuition to enroll in the one-year joint UC Davis, UC Irvine fellowship: Train New Trainers in Primary Care Psychiatry (TNT PCP).
- The California Hospital Association (CHA) is requesting a one-time budget augmentation of \$22.2 million to be used to increase and maintain psychiatry graduate medical education slots through a grant program administered by OSHPD's Psychiatry Residency Grant Program.
- A proposal for \$25 million General Fund (\$5 million annually for 5 years) for OSHPD for the purpose of funding the creation of new residency programs in rural counties across Northern California.
- A one-time General Fund investment in health care workforce, totaling \$126.7 million for: 1) training and practice of advance practice clinicians in underserved communities (\$49.7 million); and 2) debt relief to reduce or eliminate the level of accrued educational debt for underrepresented physicians, behaviorists, and care team members (\$77 million).
- \$4.72 million for the development and implementation of a three-year workforce, education, and training plan to expand the substance use disorder (SUD) workforce.
- Creation of a pilot in rural areas to implement an e-consult program, with \$1.5 million/year for five years.
- \$42.6 million one-time General Fund to expand primary care and psychiatry residency programs, including: 1) \$20.4 million to OSHPD for new primary care residency programs via Song-Brown Healthcare Workforce Training Programs, and 2) \$22.2 million to OSHPD for psychiatry residency.

## **Blood Lead Testing of Children Enrolled in Medi-Cal**

This week, the Legislature held a joint oversight hearing of five committees – the Joint Legislative Audit Committee, Assembly Environmental Safety and Toxic Materials Committee, Assembly Health Committee, Senate Environmental Quality Committee, and Senate Health Committee. The purpose of the hearing was to review and hear perspectives on a recent State Auditor's report, *Childhood Lead Levels: Millions of Children in Medi-Cal Have Not Received Required Testing for Lead Poisoning* ([Report Number 2019-105](#)).

The committees heard from the State Auditor providing an overview of the audit and resulting report; responses from both the California Department of Public Health (CDPH) and the Department of Health Care Services (DHCS); as well as the perspective of Dr. Robert Byrd, Medical Director of Pediatric Ambulatory Clinics at UC Davis Health.

A local panel had been invited to provide information about local programs and lead abatement efforts, however, due to local COVID-19 response efforts, the participation on that panel was pared down significantly. Legislators raised several issues over the course of the hearing, including questions about the link to housing, lead abatement activities, economic and social justice, and health impacts. Several members expressed deep and serious concerns with CDPH's and DHCS' oversight as well as failures regarding testing and reporting of lead blood levels of low-income children enrolled in Medi-Cal.

Assembly Member Rudy Salas, who chaired the hearing, noted several bills intended to address the concerns raised in the Auditor's report, including:

- [AB 2278](#) (Quirk): Leading Screening.
- [AB 2279](#) (C. Garcia): Childhood Lead Poisoning Prevention.
- [AB 2422](#) (Grayson): Lead Testing.
- [AB 2276](#) (Reyes) Medi-Cal: Blood lead screening tests.
- [SB 1008](#) (Leyva): Childhood Lead Poisoning Prevention Act: Online Lead Information Registry.

## **Long-Term Services and Support Report**

On March 9, the Long-Term Services and Supports (LTSS) Subcommittee of the Master Plan for Aging released a [final draft](#) of the March report for the subcommittee to review. The subcommittee was required by the Governor's Executive Order creating the Master Plan for Aging to look at the challenges and policy opportunities related to the California's LTSS system. The report recommends 37 actions and system-wide investments, which are contained under five statewide objectives:

- 1) A system that all Californians can easily navigate
- 2) Access to LTSS in every community
- 3) Affordable LTSS choices
- 4) Highly valued, high-quality workforce.
- 5) Streamlined state and local administrative structures

One of the recommendations under workforce includes consolidating IHSS collective bargaining to one entity at the state level. The report also recommends expanding the Program for All Inclusive Care for the Elderly (PACE), especially in underserved regions of the state and including PACE in a local blueprint for LTSS infrastructure. Another recommendation is for localities to explore integrating aging and adult services — Area Agencies on Aging, IHSS, Regional Centers, Adult Protective Services and Public Guardian/Conservators — in order to streamline access to services at the county level. The LTSS report will be finalized and released to the Legislature this month. The Master Plan for Aging Committee continues to meet, and, per the Executive Order, the Administration will be releasing recommendations regarding the Master Plan in October 2020.

## **BSCC Cancels Third Listening Session on Jail Inspection and Regulations**

The Board of State and Community Corrections (BSCC) announced today that given concerns regarding COVID-19 and in keeping with the Newsom Administration's recent executive order (detailed above), it has cancelled its third and final listening session planned for March 18 in San

Diego. The forums had been organized to elicit input on proposed jail inspection procedures and the biennial update of the adult regulations governing jail operations. Written comments are encouraged to be submitted via [email](#). Two listening sessions were held this week – one in Sacramento and the other in Bakersfield; the Sacramento forum can be [viewed](#) online.

## Recent LAO Reports on Aspects of the State Budget

Please see below one new LAO report published this week.

| Subject Area   | Topics  |
|--|---|
| Certified Nurse Midwives (March 11, 2020)   <a href="#">link</a> | <ul style="list-style-type: none"> <li>Analysis of California's Physician-Supervision Requirement for Certified Nurse Midwives</li> </ul> |

## Upcoming Hearings

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

| Date                | Committee   | Topic  |
|---------------------|---|--|
| Monday, March 16    | Assembly Budget Subcommittee No. 1 on HHS   | <b>Budget Item No. 4260</b> – Department of Health Care Services (Medi-Cal issues)   |
|                     | Assembly Budget Subcommittee No. 5 on Public Safety   | Governor's Probation Proposal<br><b>Budget Item No. 0250</b> - Judicial Branch issues<br><b>Budget Item No. 8140</b> – State Public Defender |
| Tuesday, March 17   | Assembly Aging and Long-Term Care Committee   | <i>Informational Hearing</i> – Update on the Master Plan on Aging  |
| Wednesday, March 18 | Joint Hearing of the Senate Health and Assembly Health Committees                                   | <i>Informational Hearing</i> – Prescription Drug Pricing: A Review of Efforts to Address Rising Costs  |
| Thursday, March 19  | Senate Budget and Fiscal Review Subcommittee No. 5 on Corrections, Public Safety, and the Judiciary | <b>Budget Item No. 0690</b> – Office of Emergency Services   |

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

JEAN HURST  
916-272-0010 | [jkh@hbeadvocacy.com](mailto:jkh@hbeadvocacy.com)

KELLY BROOKS  
916-272-0011 | [kbl@hbeadvocacy.com](mailto:kbl@hbeadvocacy.com)

ELIZABETH ESPINOSA  
916-272-0012 | [eh@hbeadvocacy.com](mailto:eh@hbeadvocacy.com)





HURST+BROOKS+ESPINOSA

# This Week in Sacramento

**INFORMATION & INSIGHTS FROM HURST BROOKS ESPINOSA ■ SPECIAL UPDATE: MARCH 15, 2020**

## New State Guidance to Reduce Spread of COVID-19

Governor Gavin Newsom held a press conference today to announce a wave of new measures the state is putting in place to help limit the spread of COVID-19. Two high-ranking officials in his Administration then addressed county questions in a subsequent conference call. A summary of the essential points is provided below.

### ✦ **Home isolation for elderly/at risk –**

In recognition of the increased risks the virus presents to the elderly and those with underlying health conditions, the Newsom Administration is recommending home isolation for those aged 65 and older as well as those who are at higher risk given underlying health conditions.

### ✦ **Recommended closure of non-essential commerce –**

Bars, nightclubs, wineries, brew pubs, and other similarly situated businesses are being asked to close until further notice.

### ✦ **Increased social distancing for restaurants –**

Recommended guidance for restaurants is more nuanced, given the need to ensure that access to food is maintained for those unable to cook for themselves. The Governor is requesting that increased social distancing protocols be put in place for restaurants, which includes reducing by half its seating capacity.

In keeping with previous guidance and actions announced by the Governor, his Administration confirmed that they are continuing to increase capacity to house the unsheltered and increase social distancing in shelters and other facilities serving the homeless.

The Newsom Administration will be putting out formal guidance in writing on these points; we will share that information when we receive it.

## **Worth Noting: Dramatic Reductions in Activities at Capitol**

The Assembly and Senate appear to have cancelled most – if not absolutely all – legislative activities planned for the week of March 16. It is not clear what the houses' longer-term plan may be; we certainly will keep you posted about developments.

Your HBE team remains active and engaged as this situation evolves. While we may limit our in-office time this week in keeping with social distancing protocols, we are keeping current on all developments and remain available to you at all times. Our contact information is provided at the end of this document. Do not hesitate to reach out at any time.

Thank you and continued wishes for good health for all our readers!

In the meantime, CSAC has requested – as outlined in the attached correspondence – additional assistance from Governor Newsom to provide needed flexibility to ensure local governments can meet the changing demands required by the COVID-19 response. The Governor’s Office confirmed that they appreciate receiving the input and would be giving all due consideration to the suggestions. We will share more information as we learn it. Thank you for all that you are doing in managing your local responses during this difficult and rapidly evolving situation.

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

JEAN HURST  
916-272-0010 | [jkh@hbeadvocacy.com](mailto:jkh@hbeadvocacy.com)

KELLY BROOKS  
916-272-0011 | [kbl@hbeadvocacy.com](mailto:kbl@hbeadvocacy.com)

ELIZABETH ESPINOSA  
916-272-0012 | [ehe@hbeadvocacy.com](mailto:ehe@hbeadvocacy.com)



HURST+BROOKS+ESPINOSA

# This Week in Sacramento

**INFORMATION & INSIGHTS FROM HURST BROOKS ESPINOSA ■ SPECIAL UPDATE: MARCH 16, 2020**

## Senate and Assembly Send Emergency Bills to the Governor

Today, the Assembly and Senate approved two measures in response to the COVID-19 Proclamation of Emergency. To do so, each house had to waive the constitutional requirements for the 72-hour public notice for bills for the first time since the passage of Proposition 54 (2016). Earlier, the Governor [requested](#) that the Legislature waive the 72-hour rule in order to pass legislation that amends the 2019-20 Budget Act to assist in the response to the COVID-19 Proclamation of Emergency.

[SB 89](#) (Senate Budget and Fiscal Review Committee): Provides the Governor with additional expenditure authority to address the COVID-19 Proclamation of Emergency with a \$500 million General Fund appropriation for, including but not limited to, the following:

- Securing additional hospital facilities.
- Securing and providing hotel beds for people experiencing homelessness.
- Supporting local government to reduce the spread of COVID-19 in the homeless population.
- Acquiring hospital and public health surge equipment.
- Assisting hospitals, nursing homes, and other facilities as they manage the crisis.
- Cleaning of child care facilities so they remain open.
- Supporting IHSS/APS services.

A 72-hour written notice to the Joint Legislative Budget Committee (JLBC) is required prior to any expenditures from this appropriation. The appropriation may be increased in \$50 million increments up to a total not to exceed \$1 billion, with a 72-hour notice to the JLBC.

SB 89 also contains \$84.1 million in funds for the California Department of Resources Recycling and Recovery for costs associated with debris removal during the Camp Fire.

### Worth Noting: After Passing Spending Bills, Houses Recess Until Mid-April

Today, the Senate approved rule changes to authorize flexibility for the upper house to conduct business via remote participation from senators. [SR 86](#) would allow for this flexibility only during a state or local emergency and at the authorization of the Senate President pro Tempore.

Additionally, both houses approved [ACR 189](#) that authorizes a joint recess effective immediately through April 13, the day the Legislature would have returned from its regularly scheduled spring break. Provisions in the resolution permit the houses to return sooner if conditions were to change. Reportedly, the Legislature will skip or dramatically truncate their planned July summer recess to make up for the lost time this spring. We will share more details as we learn them.

Additionally, SB 89 includes intent language that directs the Administration to work with the federal government and with the Legislature to develop strategies that can be included in the 2020-21 state budget to assist individuals, nonprofit organizations, and small businesses experiencing economic hardships due to the impacts of COVID-19.

[SB 117](#) (Senate Budget and Fiscal Review Committee): Enacts various statutory changes to implement the Governor's executive order related to COVID-19 outbreak:

- Appropriates \$100 million Proposition 98 General Fund for local educational agencies to purchase protective equipment and supplies and labor related to cleaning school sites.
- Clarifies that average daily attendance (ADA) will be reflected and averaged only through February 29, 2020.
- Requires schools to certify closings due to COVID-19 outbreak.
- Extends deadline for English learner assessment, statewide testing assessments, and physical performance tests.
- Waives certain special education timelines.
- Holds harmless after school and school child care programs.

### **Governor Newsom Issues New Executive Orders; Makes Other Announcements to Expand State's Response to COVID-19 Outbreak**

This evening, Governor Gavin Newsom issued Executive Order [N-28-20](#) relating to protecting renters and homeowners during the COVID-19 outbreak. Specifically, the order provides protections against residential evictions through May 31, 2020 and suspends any state law that would preclude a local government from providing similar protections from residential or commercial evictions for nonpayment of rent or foreclosure. Additionally, the order requests that public housing authorities extend deadlines for housing assistance applicants to provide records or documents related to their eligibility for programs. The order directs the Department of Business Oversight to engage with financial institutions to identify tools to avoid threats of foreclosure and urges financial institutions to impose an immediate moratorium on foreclosures and foreclosure-related evictions when they arise from COVID-19-related impacts. Finally, the order directs the California Public Utilities Commission (CPUC) to monitor measures undertaken by public and private utility providers to implement customer service protections for critical utilities and report to the Administration on a weekly basis.

We also would note that in follow-up to the his recommended actions announced yesterday regarding [self-isolation](#) for higher-risk groups, the Governor issued Executive Order [N-27-20](#) to address the health and safety needs of vulnerable Californians residing in health care, residential, and non-residential facilities licensed by the state.

In a Facebook live address this evening, the Governor also made a range of new announcements – including a statewide directive to halt in-person dining at restaurants (while allowing take-out dining to continue) as well as relaxing of enforcement for expired registration tags and other technical violations to ease the demand on the Department of Motor Vehicles.

Expect additional Executive Orders and gubernatorial announcements in the future as the pandemic response progresses.

## Local Jurisdictions Takes Steps to Limit Transmission of Virus

At the local level, the situation remains fluid. We know of a number of counties have taken action to shelter in place and will continue to monitor as the week progresses. (Santa Clara County – one of eight Bay Area jurisdictions that took similar action today – issued this shelter in place [order](#).) Other local jurisdictions have taken steps to close non-essential services.

## State Treasurer Announces COVID-19 Relief Measures

State Treasurer Fiona Ma [announced](#) efforts to assist taxpayers and businesses during the COVID-19 outbreak. The Franchise Tax Board announced an extension to file 2019 California tax returns and make payments until June 15. Partnerships and LLCs who are taxed as partnerships and whose returns are due on March 15 now have a 90-day extension to file and pay by June 15. Individual filers whose returns are due on April 15 now have a 60-day extension to file and pay by June 15.

Treasurer Ma is urging the Governor and the Legislature to take the following actions over the next six months:

- Suspend the \$800 LLC tax and the LLC fee for the prepayment of the 2020 calendar tax filing year.
- Extend the state sales tax filing deadlines without interest, penalties, or fines on late payment.

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

JEAN HURST  
916-272-0010 | [jkh@hbeadvocacy.com](mailto:jkh@hbeadvocacy.com)

KELLY BROOKS  
916-272-0011 | [kbl@hbeadvocacy.com](mailto:kbl@hbeadvocacy.com)

ELIZABETH ESPINOSA  
916-272-0012 | [ehe@hbeadvocacy.com](mailto:ehe@hbeadvocacy.com)



HURST+BROOKS+ESPINOSA

# This Week in Sacramento

INFORMATION & INSIGHTS FROM HURST BROOKS ESPINOSA ■ SPECIAL UPDATE: MARCH 19, 2020

---

## Governor Announces Statewide Shelter in Place Order

Governor Gavin Newsom announced this evening that, effective immediately, the entire state is under a shelter in place order in an effort to control the spread of the COVID-19 virus. Executive Order [N-33-20](#) states, in part, that the directive is necessary to “ensure that we mitigate the impact of COVID-19 ... [and] ... disrupt the spread of the virus.” It makes clear that Californians will continue to have access to necessities such as food, prescriptions, and health care, but requires that previously described social distancing practices be adhered to at all times. The statewide order remains in place until further notice.

## State Legislative and Budget Horizon: Preparing for the Long Haul

As you are well aware, the Legislature – as of Monday evening – is on hiatus for the foreseeable future. While the members’ expected return date is April 13, there is some speculation that – if the country is still gripped by the pandemic at that time – the houses’ return to Sacramento could be further delayed.

So what does this uncertainty mean from a legislative and budgetary perspective? A few things to consider ...

**Bill process** – Under normal circumstances, the months of March and April feature heavy policy committee hearing activity in the run-up to two major legislative deadlines in late April and early May. By mid-May, all bills (fiscal and non-fiscal) would have to be moved to the floor, and each house would be required to move all bills to the other house by May 29. Given the suspension of all legislative activity for at least a month, we offer the following observations:

- Clearly, the capacity of the houses to process more than a thousand bills newly introduced in 2020 in – under the best case scenario – a short four-week window is unlikely, if not impossible. We have already have heard that members have been asked to dramatically pare back their bill loads.
- When the members do return, it is likely they will focus nearly exclusively (in addition to the state budget, as discussed below) on legislation directly linked or responsive to the COVID-19 response and/or recovery.
- Presumably some of the bill deadlines could be adjusted and/or the Governor could call a special (or extraordinary) session that would be able to meet up through November 30, which is the last day of the 2019-20 session (“adjournment sine die”).
- The Legislature’s planned recess from July 3 to August 3 may also be cancelled.

**State budget impacts** – As outlined in the Legislative Analyst’s perspective shared yesterday evening, a number of factors will upend the normal state budget process. Beyond the market impacts, we face the practical reality that the May Revision – the Governor’s January spending plan updated to reflect the April tax receipts – will have to be barebones at best, given the 90-day delay in tax filing deadlines. Presumably, the Legislature and Administration will be in sync about getting a status quo spending plan in place by June 15, as required by the state constitution. Other cascading impacts we would anticipate:

- Whatever form the 2020-21 spending plan takes, we have to assume that there will be **no new spending** ... certainly nothing beyond what the Governor set forth in his proposed 2020-21 budget. Any new expenditures laid out in the January budget also are likely at risk, unless the investment or initiative could be tied in some way to the COVID-19 response or recovery.
- It is unclear how the state budget process will proceed once members return, but we have heard in our travels that some are speculating that the budget subcommittee process may well be suspended. That suggests the houses will focus only on the absolute necessities.

While we are somewhat hesitant to share rumors at a time when the future remains rather uncertain, it is our responsibility to ensure that folks engaged in the advocacy process are prepared for a vastly different reality when the Legislature is able to safely return to Sacramento. We all need to expect significant disruptions in the normal legislative and budget processes in the near-term.

We remain engaged and active in conversations around Sacramento and will continue to responsibly and honestly share information with you so we can all be prepared for the next phase of advocacy.

Finally, we want to advise that you document all costs associated with your local COVID-19 response so that you are prepared when funding and/or reimbursement opportunities become available down the line.

## **Governor Newsom Extends Requests to Feds for Additional Assistance**

The Newsom Administration released two letters today that were sent to the federal government requesting additional assistance with COVID-19. The first [letter](#) requests federal assistance to support COVID-19 surge. Addressed to the House and Senate leadership, this request seeks all of the following:

- \$1 billion in ongoing pandemic response for the state counties, hospitals and health systems;
- Additional funding to increase unemployment insurance benefits and extension of benefits beyond 26 weeks;
- An additional increase to the Medicaid Federal Medical Assistance Percentage;
- Halting the Medicaid Financial Accountability Rule;
- Increasing the Temporary Assistance for Needy Families (TANF) blocks grant and increased flexibility;
- Increased funding for all major federal food assistance programs;
- Expanding funding for housing and homelessness programs;
- Expanding funding for state-subsidized early learning and childcare programs;

- Funding for tribal communities;
- Creation of a new Treasury Authority to provide guaranteed loans made by banks to small and medium-sized businesses;
- Direct cash assistance and zero-interest loans to small businesses;
- Rental assistance for businesses;
- Additional funding for schools and universities to delivery instruction through technology;
- Direct financial support to stabilize state and local government budgets impacted by the economic downturn.

The second [letter](#) requests President Trump deploy the USNS Mercy Hospital ship to the Port of Los Angeles through September 1, 2020 to help address the COVID-19 impact on the health care delivery system in the Los Angeles area. The letter includes a Newsom Administration projection that more than 50 percent of Californians could be infected with COVID-19 over an eight week period.

### **ICYMI: New Online COVID-19 Resources Available**

In case you missed it in our previous publication, here's a quick reminder about a few online resources that could be helpful in the days ahead. The state has launched a one-stop [website](#) for information on the COVID-19 outbreak, including links to services and information as well as a [toolkit](#) that offers videos and social media messages to get the word out on available resources. Additionally, CSAC has developed an interactive [map](#) that tracks individual counties' responses to the pandemic, including emergency declarations and shelter-in-place orders. Finally, the Governor has been providing daily updates via [Facebook](#) Live or his Twitter feed (@CAGovernor), should you be interested in watching these broadcasts in real time.

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

**JEAN HURST**  
916-272-0010 | [jkh@hbeadvocacy.com](mailto:jkh@hbeadvocacy.com)

**KELLY BROOKS**  
916-272-0011 | [kbl@hbeadvocacy.com](mailto:kbl@hbeadvocacy.com)

**ELIZABETH ESPINOSA**  
916-272-0012 | [ehe@hbeadvocacy.com](mailto:ehe@hbeadvocacy.com)





HURST+BROOKS+ESPINOSA

# This Week in Sacramento

**INFORMATION & INSIGHTS FROM HURST BROOKS ESPINOSA ■ SPECIAL UPDATE: MARCH 24, 2020**

## DOF to Legislative Leaders, State Departments: Plan for a Workload Budget

Citing the widespread decline in economic activity across all sectors associated with the COVID-19 pandemic, the Department of Finance released a [budget letter](#) to state departments today, outlining plans for a workload budget for purposes of a May Revision. DOF also informed the Joint Legislative Budget Committee of the same news ([here](#)) and communicated that they will not propose any April 1 Finance Letter adjustments, nor will they propose any May 1 adjustments to appropriations for capital outlay. All budget changes will be reevaluated in the context of a workload budget, meaning that any April 1, May 1, May Revision, and even adjustments proposed in the Governor's January budget will be reconsidered. DOF is prepared to meet the constitutional obligation to enact a balanced budget for 2020-21, but has made it clear that the upcoming state budget will be scaled back considerably.

### Worth Noting: LAO Posts New Update on Federal COVID-19 Assistance

The Legislative Analyst's Office (LAO) [posted](#) a budget update today providing additional details on federal disaster assistance available to states following the President's emergency and major disaster declarations. The LAO indicates it likely will be updating the post, given the rapidly changing environment.

## Governor Issues Executive Order on State Prisons and Juvenile Detention Facilities

In Executive Order [N-36-20](#) released this evening, Governor Newsom issued direction to the state's correctional institutions – the state prisons under the California Department of Corrections and Rehabilitation (CDCR) and the juvenile facilities under the Division of Juvenile Justice (DJJ) – to further limit the risks associated with COVID-19. Notable in the Executive Order are the following provisions:

- Intake of inmates into CDCR facilities and wards into DJJ facilities is suspended for 30 days;
- Direction to the Board of Parole Hearings to (1) develop a process for conducting parole hearings via videoconference no later than April 13, 2020 and (2) cease any in-person parole hearings for 60 days;
- Detailed instructions regarding how parolees currently in the queue for a parole hearing – and any others who have a right to be present at a parole hearing – may proceed.

We would note that the state has already taken similar action to suspend intake at the Department of State Hospitals.

Additionally, CDCR has a dedicated, comprehensive information [page](#) spelling out all the steps the department has taken in the face of the COVID-19 outbreak. To date, six COVID-19 cases (five staff and one inmate) have been identified at four separate prison facilities, as detailed [here](#).

## **Feds Approve Portions of State's Section 1135 Waiver Request**

The Centers for Medicare and Medicaid Services (CMS) [responded](#) yesterday to California's Section 1135 waiver request, taking action to approve portions of it. CMS is approving all of the following aspects of the state's request to:

- Waive or modify prior authorization requirements and processes for benefits administered through the fee-for-service delivery system.
- Extend pre-existing authorizations for which a beneficiary has previously received prior authorization through the end of the public health emergency. CMS interprets prior authorization requirements to be a type of pre-approval requirement for which waiver and modification authority under section 1135(b)(1)(C) of the Act is available.
- Modify state fair hearing request and approval timeline, including:
  - Modification of the timeframe for managed care entities to resolve appeals under 42 C.F.R. §438.408(f)(1) before an enrollee may request a State fair hearing to no less than one day; this allows managed care enrollees to proceed almost immediately to a state fair hearing without having a managed care plan resolve the appeal first by permitting the state to modify the timeline for managed care plans to resolve appeals to one day so the impacted appeals satisfy the exhaustion requirements.
  - Modification of the timeframe under 42 C.F.R. §438.408(f)(2) for enrollees to exercise their appeal rights to allow an additional 120 days to request a fair hearing when the initial 120th day deadline for an enrollee occurred during the period of this section 1135 waiver.
  - Modification of the timeframe, under 42 C.F.R. §438.408(f)(2), for managed care enrollees to exercise their appeal rights. Specifically, any managed care enrollees for whom the 120-day deadline described in 42 C.F.R. §438.408(f)(2) would have occurred between March 1, 2020 through the end of the public health emergency, are allowed up to an additional 120 days to request a State Fair Hearing.
- Modify provider enrollment:
  - Authorization to provisionally, temporarily enroll providers who are enrolled with another State Medicaid Agency (SMA) or Medicare for the duration of the public health emergency.
  - Authorization to reimburse out-of-state providers for multiple instances of care to multiple participants, so long as the other criteria are met.
  - Permission to provisionally, temporarily enroll the out-of-state provider for the duration of the public health emergency in order to accommodate participants who were displaced by the emergency.
  - Ability to waive screening requirements under 1135(b)(1) and (b)(2) of the Act, so the state may provisionally, temporarily enroll the providers for the duration of the public health emergency:

- Permission to enroll providers who are not currently enrolled with another SMA or Medicare so long as the state meets specified minimum requirements.
- Ability to temporarily cease revalidation of providers who are located in California or are otherwise directly impacted by the emergency.
- Application of the provider enrollment emergency relief efforts also apply to the Children's Health Insurance Program (CHIP).
- Authorize services in alternate settings. CMS is allowing facilities, including nursing facilities (NFs), intermediate care facilities for individuals with intellectual and developmental disabilities (ICF/IDDs), psychiatric residential treatment facilities (PRTFs), and hospital NFs, to be fully reimbursed for services rendered to an unlicensed facility (during an emergency evacuation or due to other need to relocate residents where the placing facility continues to render services) provided that the State makes a reasonable assessment that the facility meets minimum standards, consistent with reasonable expectations in the context of the current public health emergency, to ensure the health, safety and comfort of beneficiaries and staff.

The section 1135 waivers are effective March 1, 2020 and will cease upon termination of the public health emergency, including any extensions.

### **Chief Justice Revises Direction to Courts; Suspends Jury Trials for 60 Days**

Last night, [word broke](#) that Chief Justice Tani Cantil-Sakauye has taken more additional actions to facilitate courts' adherence to the strict social distancing directives in place to curtail the spread of the COVID-19 virus. The statewide order suspends all jury trials in the trial courts for 60 days and permits courts to immediately adopt new or modify existing local court rules meant to address the pandemic without advance circulation for public comment. Review the Chief's full order [here](#).

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

JEAN HURST  
916-272-0010 | [jkh@hbeadvocacy.com](mailto:jkh@hbeadvocacy.com)

KELLY BROOKS  
916-272-0011 | [kbl@hbeadvocacy.com](mailto:kbl@hbeadvocacy.com)

ELIZABETH ESPINOSA  
916-272-0012 | [ehe@hbeadvocacy.com](mailto:ehe@hbeadvocacy.com)



HURST+BROOKS+ESPINOSA

# This Week in Sacramento

INFORMATION &amp; INSIGHTS FROM HURST BROOKS ESPINOSA ■ SPECIAL UPDATE: APRIL 1, 2020

## Updates from Governor's Noon Address

**COVID-19 Updates.** The Governor shared at his noon press conference today that in the last six days the number of COVID-19 positive cases in Intensive Care Units (ICUs) have quadrupled, and the number of COVID-19 related hospitalizations has tripled. The Newsom Administration is planning for an increase in the number of hospitalizations, based on modeling unique to California. The Governor also stated that the shelter in place order will last well into May — and potentially into June and July.

### **Worth Noting: Volunteers Continue to Raise Hand for Health Corps**

The Governor reported at his press conference today that over 34,000 Californians have volunteered through the Health Corps [website](#) launched Monday, representing an additional 9,000 volunteers for emergency staffing roles in the last 24 hours.

Health and Human Services Agency Secretary Mark Ghaly walked through the Administration's modeling slides. With five to six days of data available, the slide shows hospitalizations slightly below what the model expected; however, Secretary Ghaly cautioned that the numbers are highly variable and that California remains at risk to exceed the model. The model predicts that California will hit Phase 1 surge capacity in mid-May, needing to secure an additional 50,000 hospital beds, including 27,000 ICU beds. By the end of May, the state projects it will need an estimated 66,000 additional hospital beds. The Administration believes the state will need 10,000 ventilators to meet Phase 1 surge capacity; they have secured 4,252 ventilators to date.

**Face Coverings.** California Department of Public Health Director Sonia Angell, MD provided a briefing on face coverings. She stated that face coverings are not a substitute for physical distancing or staying at home. However, face coverings may reduce asymptomatic infections and are a signal to others to stay away. There may be some benefit if the face coverings are used well, along with social distancing. Individual counties are introducing recommendations; Riverside County was specifically mentioned during the question and answer period following the Governor's address. State guidelines are anticipated to be issued later today.

## Senate Communication on Revised State Budget Process

In a memo released this week, the state Senate outlines changes to its budget process to account for the considerable disruption – both procedurally and financially – caused by the COVID-19 pandemic. The revisions are not dissimilar to the new guidance released last week by the Assembly Budget Committee chair. A few key points to note:

- Senate President pro Tem Toni Atkins' office has circulated a "COVID-19 Response Proposal" form to members for purposes of collecting budget, policy, or combined proposals related to the

pandemic response and/or recovery. Suggested deadline for submission is no later than mid-May (the timeframe for the May Revision release).

- Budget staff advises that expectations for budget requests outside of the COVID-19 response should be “significantly recalibrated to a ‘baseline’ budget,” although members are still permitted to submit such requests before the end of this week.
- The memo also indicates that it is expected for the time being that the customary May Revision release timeframe remains unchanged, but also acknowledges that circumstances could change.

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

JEAN HURST  
916-272-0010 | [jkh@hbeadvocacy.com](mailto:jkh@hbeadvocacy.com)

KELLY BROOKS  
916-272-0011 | [kbl@hbeadvocacy.com](mailto:kbl@hbeadvocacy.com)

ELIZABETH ESPINOSA  
916-272-0012 | [ehe@hbeadvocacy.com](mailto:ehe@hbeadvocacy.com)



# This Week in Sacramento

INFORMATION & INSIGHTS FROM HURST BROOKS ESPINOSA ■ SPECIAL UPDATE: APRIL 6, 2020

## Assembly Budget Letter Sets Forth New Budget Process

Assembly Member Phil Ting, Chair of the Assembly Budget Committee, just released a [letter](#) that provides additional specificity regarding the Assembly's plans with respect to the 2020-21 budget process. Recognizing the reality that once the Legislature returns from its prolonged recess, there will be fewer resources and less time to take action on a state budget, Chair Ting outlines the following expected process changes:

- **June 15 Baseline Budget** – The Governor's May Revision is expected to be a "workload" budget, reflecting current (2019-20) service levels. When the Legislature resumes its work, it will not consider new spending priorities or stakeholder ideas, with the exception of COVID-19 related costs, wildfire prevention, and homelessness funding. In fact, it may be necessary to revisit reductions to existing state programs depending on the state's fiscal condition. Assembly budget subcommittees will be directed to agendize only items necessary to build a baseline budget or those associated with the recovery and response efforts (i.e., COVID-19, wildfire, and homelessness). Finally, Assembly Member Ting indicates all deliberations on special fund programs – such as those that receive Greenhouse Gas Reduction Funds – will be deferred until after June 15.
- **"August" Revision** – Given the three-month delay in the deadline for personal income taxes, Chair Ting points out that the state will not have a complete picture of available revenues until August. Accordingly, he expects that a second round of budget deliberations in August will be necessary. Again, the need to revisit potential programmatic reductions is a possibility.
- **Deferring the Promises of 2020** – Finally, his memo reiterates that the January budget reflected a small ongoing surplus that would have permitted commitment of resources to new services, but any new spending proposals will not be considered. Despite today's starkly different reality, Chair Ting points out that the state is in far better shape to weather an economic downturn given the responsible decision making and planning that have taken place in the last eight or so years.

### Worth Noting: Governor Offers Praise to Counties Following Statement on April 10 Property Tax Deadline

As discussed in our weekend update, following growing focus by various interest groups on the April 10 deadline for the second installment in property tax payments, CSAC and the association of the county treasurers and tax collectors put out a [statement](#) on Saturday affirming that counties remain committed to using all existing authority to cancel penalties and other charges for homeowners, small businesses, and other property owners unable to pay their property taxes due to circumstances caused by COVID-19. The Governor subsequently issued a [statement](#) lauding counties for assuring economic relief to those in need.

## **CTC Considers Alternative Schedule for FY 2020-21 SB 1 Local Streets and Roads Funding**

The California Transportation Commission (Commission) is holding two workshops on Thursday, April 9 to gather input from impacted counties, cities, and other stakeholders regarding the SB 1 Local Streets and Roads Program schedule for FY 2020-21. In order to be eligible for funding from the Road Maintenance and Rehabilitation Account (RMRA) each fiscal year, cities and counties must first submit to the Commission a planned project list approved by their governing body. Specifically, due to the COVID-19 pandemic, many local governments have postponed public meetings or otherwise reallocated resources and staff to COVID-19 related purposes, thereby delaying the process for adopting the required annual list of potential SB 1 funded projects and associated resolution by the May 1 deadline.

Local government associations have specifically requested the deadline be extended to at least July 1, 2020. There is an approximately two-month delay between collection and disbursement of RMRA revenues. (For example, the first allocation of fiscal year 2019-20 RMRA revenues was made to local governments on September 20, 2019.) Therefore, a July 1<sup>st</sup> deadline extension would provide local governments with needed flexibility, allow the Commission and State Controller's office sufficient time to confirm eligibility, and *not delay* the first allocation of Fiscal Year 2020-21 revenues in September.

The first workshop on April 9 from 1:00 - 2:30 p.m. is at maximum capacity (500 participants!). The Commission will now host a second workshop from 3:00 – 4:30 p.m. You can register for the second workshop using [this link](#).

## **Newsom Issues Executive Order on Child Care**

Over the weekend, Governor Newsom issued an Executive Order [N-45-20](#) to facilitate child care for children of essential critical infrastructure workers by waiving programmatic and administrative requirements. Provisions in the executive order do all of the following:

- Allow the Department of Education (CDE) to suspend provisions of state law for 60 days to allow essential critical infrastructure workers to access child care.
- Allow CDE to waive eligibility requirements for child care programs for critical infrastructure workers administered by CDE.
- Require CDE and the Department of Social Services (DSS) by April 7, 2020 to issue guidance to prioritize enrollment for children of critical infrastructure workers.
- Require CDE and DSS by April 7, 2020 to issue guidance on group size, physical distancing, food safety, and other healthy practices in child care settings.
- Suspend CDE's fee authority for preschool and child care for 60 days.
- Allow limited data sharing between CDE and DSS to identify students who may be eligible for the Pandemic SNAP benefit.
- Allow DSS to waive licensing, contractual and payment requirements related to CalWORKs Stage One Child Care, Emergency Child Care Bridge for Foster Children, and Child Care Provider Registry.
- Extend the period to fill a vacancy on the Delta Stewardship Council by 60 days.



## Governor's Press Conference Today

Governor Newsom focused his noon press conference, held at the Sleep Train Arena in Sacramento, on discussing health care delivery system expansion to prepare for the COVID-19 surge. He talked about existing hospital systems preparing to expand by 30,000 beds and detailed state efforts to secure an additional 20,000 beds. The state has secured over 4,000 beds and is currently negotiating for an additional 5,000 beds. The following chart details state secured alternative care sites and hospitals.

| Type                  | Facility                         | Beds   |
|-----------------------|----------------------------------|--|
| Alternative Care Site | Eight federal medical stations   | 250 beds each  |
| Alternative Care Site | Former Sleep Train Arena         | Up to 400 beds                                       |
| Alternative Care Site | Fairview Developmental Center    | Up to 520 beds                                       |
| Alternative Care Site | Porterville Developmental Center | Up to 246 beds                                       |
| Alternative Care Site | San Carlos Hotel                 | Up to 150 beds                                       |
| Alternative Care Site | CPMC – Pacific Campus            | Up to 291 beds                                       |
| Hospital              | Seton Medical Center             | Up to 220 beds                                       |
| Hospital              | St. Vincent Medical Center       | Up to 266 beds                                       |
| Hospital              | USNS Mercy                       | Up to 550 beds (up to 1,000 capacity with bunk beds) |
| <b>TOTAL</b>          |                                  | <b>Up to 4,643</b>                                   |

The alternate care sites will be staffed by a number of sources, including the California Health Corps. The Governor also noted that 81,879 have enrolled in the California Health Corps program via the state website.

California also announced today that they are loaning 500 ventilators to New York, via the National Stockpile. The loan is conditioned on changing health care needs in California (the ventilators will be returned if conditions in California change and necessitate their return).

## Judicial Council Adopts Additional Temporary Emergency Actions

The Judicial Council held another emergency meeting this afternoon – see the associated [agenda](#), [discussion item](#), and [circulating orders](#) – according additional authority and flexibility to the appellate and trial courts during the ongoing public health emergency. Actions approved today include the adoption of [temporary rules of court](#) to: suspend the entry of defaults in unlawful detainer actions; suspend judicial foreclosures; provide for remote appearance via technology; adopt a statewide emergency bail schedule that sets bail at \$0 for most misdemeanor and lower-level felony 2 offenses; provide for personal appearance through counsel for defendants in pretrial criminal proceedings; prioritize for juvenile dependency and juvenile delinquency proceedings various hearing and orders and set a structure for remote hearings and continuances; extend the timeframes for specified temporary restraining orders; and adopt miscellaneous civil proposals, including suspending the statutes of limitations governing civil actions. An audio recording and post-meeting recap are now available [here](#).



## BSCC Meets April 9

The Board of State and Community Corrections (BSCC) will meet [remotely](#) Thursday, April 9 at 10 a.m. An agenda with links to staff reports can be reviewed [here](#). Board members will receive updates on COVID-19 impacts, including resulting adjustments in adult and juvenile facility operations and associated BSCC guidance provided to the field. Additionally, the Board will be asked to consider a number of actions, including extension of grant deadlines and adoption of other operational flexibility necessitated by the pandemic.

## LAO Issues Two New Reports

The Legislative Analyst's Office released two reports today. This [post](#) discusses the three primary factors associated with the pandemic – higher costs associated with responding to the public health emergency, higher indirect costs resulting from changes in the economy, and decreased revenue levels – that will drive budget problems and then assesses how recent federal legislation could help mitigate these factors. The second [update](#) assesses the status of the state and school district reserves.

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

JEAN HURST  
916-272-0010 | [jkh@hbeadvocacy.com](mailto:jkh@hbeadvocacy.com)

KELLY BROOKS  
916-272-0011 | [kbl@hbeadvocacy.com](mailto:kbl@hbeadvocacy.com)

ELIZABETH ESPINOSA  
916-272-0012 | [eh@hbeadvocacy.com](mailto:eh@hbeadvocacy.com)



HURST+BROOKS+ESPINOSA

# This Week in Sacramento

INFORMATION &amp; INSIGHTS FROM HURST BROOKS ESPINOSA ■ SPECIAL UPDATE: APRIL 8, 2020

## Summing Up Actions that Impact the Sales and Use Tax

The Newsom Administration has taken some actions that will impact the receipt and allocation of sales and use taxes. Below, we summarize and further explain the processes associated with each of these recent actions along with the expected effect on local agencies.

### Worth Noting: LAO Releases New Post on Assistance from National Guard

As part of its efforts to share information related to COVID-19 related responses, the Legislative Analyst's Office (LAO) released a [report](#) today on the assistance states are receiving from the federal government through the National Guard.

First, Governor Newsom issued Executive Order [N-40-20](#), an omnibus executive order that included a number of provisions meant to provide relief to California small businesses (among other things). Notably, this executive order authorizes the California Department of Tax and Fee Administration (CDTFA) to provide a **90-day extension** on the filing of sales and use tax payments and tax returns for those businesses filing a return of less than \$1 million. This means that small businesses will have until the **end of July** to file their returns.

For local agencies, this extension means that revenue from eligible retailers that would normally be received in May, June, and July will instead come in August/September, as the order authorizes the deferral of any payment due from the effective date of the order (March 30, 2020) through July 31, 2020.

Second, Governor Newsom announced that he had directed the California Department of Tax and Fee Administration (CDTFA) to provide assistance to small businesses (with taxable sales of \$5 million or less) in the state, including allowing small businesses to **defer remittance** of their sales and use taxes for up to one year to July 2021. The state estimates that about 360,000 filers will be eligible for deferral of up to \$50,000 at an estimated total cost of \$3 billion, in what is essentially an interest-free loan from the state and local agencies. Retailers taking advantage of this assistance will be required to provide a **monthly payment of 1/12<sup>th</sup>** the amount owed **starting July 2020 through July 2021**. Local agencies, of course, will be directly impacted by this plan, as estimated in the table to the right.

| Fund                  | Share of \$3 billion |
|-----------------------|----------------------|
| State General Fund    | \$ 1,398,938,879     |
| County Bradley-Burns  | \$ 43,948,886        |
| City Bradley-Burns    | \$ 311,337,178       |
| 2011 Realignment      | \$ 377,491,444       |
| 1991 Realignment      | \$ 177,643,032       |
| Proposition 172       | \$ 177,643,032       |
| County Transportation | \$ 88,821,516        |
| City Add-ons          | \$ 63,560,677        |
| County Add-ons        | \$ 360,615,355       |
|                       | \$ 3,000,000,000     |

We caution that we understand the \$3 billion estimate to be a worse-case scenario and that the state anticipates far fewer retailers to avail themselves of the deferral, so the impact would be reduced proportionally. Most critically, however, moving the receipt of payments to the next fiscal year has the potential to have a profound effect on both 2011 and 1991 realignments, as it will impact current year base and growth distributions, in addition to impacting base calculations for the budget year.

Note that there is no executive order associated with the sales tax deferral action, as CDTFA already has existing statutory authority to assist retailers on a case-by-case basis via payment plans. We anticipate that CDTFA will work with some retailers that are not eligible for the interest-free deferral of \$50,000 to provide payment plans with interest. Important to note, too, is that CDTFA has a robust collections mechanism to ensure that amounts deferred are eventually paid. Finally, we have communicated to CDTFA and to the Department of Finance the importance of understanding the potential fiscal impact of the deferral program as soon as the state can assess the universe of deferrals, likely some time in August.

## **SB 89 Allocations Summarized**

Many of you have asked how the SB 89 funds approved by the Legislature have been spent. Today, the Department of Finance posted an allocation summary and links to the various letters sent to the Joint Legislative Budget Committee advising the Legislature as to the various expenditures. Check out the link [here](#).

## **SCO Announces Revenue Tracker**

The State Controller's Office (SCO) announced the launch of their [annual online tracker](#) for April personal income tax (PIT) receipts. While April 15 is usually the PIT filing deadline – and April is the highest-grossing month for PIT receipts – the Franchise Tax Board has extended the filing deadline for returns and payments on 2019 income to July 15 in conformity with the Internal Revenue Service.

While nearly 10.2 million Californians already have filed, the SCO notes that it is too early to forecast how many will wait until July.

## **Two New Executive Orders: Sales Tax Suspension on Government Purchase of Essential Materials; Social Services**

The Governor issued two Executive Orders last evening. Executive Order [N-46-20](#) suspends the sales tax on state government purchases of masks, gloves, eye protection, gowns and other essential material during the COVID-19 emergency.

Executive Order [N-47-20](#) is related to social services issues. The order allows the Department of Social Services for up to 60 days to waive required activities related to the In-Home Supportive Services (IHSS) program. Additionally the order revises portions of previously issues Executive Order [N-45-20](#) pertaining to child care.

## State Efforts to Address Supplies

Governor Newsom announced last night that he has secured an agreement with a consortium to provide 200 million medical masks per month for California. The consortium is comprised of a California-based nonprofit, which will be providing masks; a California-based manufacturer, with suppliers in Asia; and a technology that the state is acquiring that allows N95 masks to be cleaned and reused as many as 20 times.

Department of Finance sent a [letter](#) to the Joint Legislative Budget Committee informing them the Administration plans to spend \$990 million on the protective equipment. Initially, the state is providing a down payment of \$495 million in the next 48 hours, including \$188 million in SB 89 funds and \$307 million from the Disaster Response Emergency Operations Account at California Office of Emergency Services (CalOES). The letter does not detail when the remaining \$495 million will be paid or from what source.

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

JEAN HURST  
916-272-0010 | [jkh@hbeadvocacy.com](mailto:jkh@hbeadvocacy.com)

KELLY BROOKS  
916-272-0011 | [kbl@hbeadvocacy.com](mailto:kbl@hbeadvocacy.com)

ELIZABETH ESPINOSA  
916-272-0012 | [eh@hbeadvocacy.com](mailto:eh@hbeadvocacy.com)



HURST+BROOKS+ESPINOSA

# This Week in Sacramento

INFORMATION & INSIGHTS FROM HURST BROOKS ESPINOSA ■ SPECIAL UPDATE: APRIL 15, 2020

## New Senate Special Committee on Pandemic Announced; Senate Budget Subcommittee Releases Tomorrow's Hearing Agenda

Today, Senate President pro Tempore Toni Atkins [released](#) details on a newly established Senate Special Committee on Pandemic Emergency Response. Convened to review and assess the state's response to the ongoing COVID-19 public health crisis, the committee will also make findings and recommendations for future preparedness – either for a second wave of the coronavirus later this year or for any subsequent pandemic. Eleven Senators have been appointed to the special committee: Senators Lena Gonzalez (chair), Patricia Bates (vice-chair), Andreas Borgeas, Anna Caballero, Bill Dodd, Hannah-Beth Jackson, Brian Jones, Mike McGuire, Richard Pan, Thomas Umberg, and Scott Wiener.

### Worth Noting: LAO Post on Federal Stimulus Funds for Transit

In a [post](#) released today, the Legislative Analyst's Office discusses additional transit funding made available through the CARES Act– \$25 billion to transit agencies nationwide – and its application in California.

Additionally, members have been named to the recently formed Senate's special budget [subcommittee](#), which is focused on expenditures and funding related to the COVID-19 response: Senators Holly Mitchell (chair), Anna Caballero, Brian Dahle, John Moorlach, Jim Nielsen, Richard Pan, Richard Roth, Nancy Skinner, and Bob Wieckowski. The committee will meet tomorrow at 2 p.m. for its first hearing; see the agenda [here](#). While focus will be given to the state's expenditures under the emergency appropriations measure passed in mid-March ([SB 89](#)), each Senate budget subcommittee also prepared a write-up of COVID-19 related impacts within their respective jurisdiction. We will report back on the substance and tone of tomorrow's hearing.

## CalAIM Formally Postponed

The Department of Health Care Services (DHCS) announced today that due to the COVID-19 public health emergency, they are postponing CalAIM implementation timelines. Additionally, DHCS will be seeking extensions from the federal government of the existing 1115 waiver (expires December 31, 2020) and the 1915b Special Mental Health waiver (expires June 30, 2020).

DHCS outlined the following immediate changes to CalAIM implementation activities:

- **CalAIM "Redline" Proposals and Summary of Changes:** DHCS will be delaying the release of the "redline" version of the CalAIM proposals that reflects changes informed by the CalAIM

Workgroup process and stakeholder feedback. The proposals will be finalized later this summer – not in April as originally planned.

- **CalAIM Regional Meetings and Technical Assistance Process:** The in-person Regional Meetings on CalAIM Enhanced Care Management (ECM) and In Lieu of Services (ILOS) implementation have been postponed. DHCS is also delaying the launch of our CalAIM Targeted Technical Assistance teams. No dates have been announced for future meetings.
- **ECM/ILOS Transition Plans:** The ECM/ILOS Transition Plans will no longer be due to DHCS on July 1, 2020. DHCS is working to set a new deadline, which will be announced in the future.
- **Medi-Cal Section 1115 Waiver Public Hearings:** Public hearings for the Section 1115 waiver renewal and consolidated Section 1915(b) hearings are currently scheduled for May 18 and May 27, 2020. DHCS is keeping these hearings on the calendar as scheduled; however, DHCS notes that the dates are subject to change based on the COVID-19 situation and/or discussions with the Centers for Medicare & Medicaid Services.
- **Foster Care Workgroup:** The Foster Care Model of Care workgroup is being launched on June 26 instead of April 21. DHCS and the Department of Social Services will be reviewing the applications submitted for workgroup membership and finalizing the workgroup by May 15, 2020.

## New Executive Order Addresses California Workers

Governor Newsom's most recent Executive Order [N-50-20](#) issued today outlines several new initiatives meant to assist and support California workers who have been affected by the pandemic. New service delivery models to be offered by the Employment Development Department (EDD) include a new call center on that will be open 12 hours daily starting next week as well as a one-stop shop for accessing the new federal Pandemic Unemployment Assistance (PUA) program that will be up and running on April 28. The Governor also announced a public-private partnership that will make available \$125 million in disaster relief assistance for working undocumented Californians. These resources will be distributed through a network of community-based regional nonprofits.

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

JEAN HURST  
[916-272-0010](tel:916-272-0010) | [jkh@hbeadvocacy.com](mailto:jkh@hbeadvocacy.com)

KELLY BROOKS  
[916-272-0011](tel:916-272-0011) | [kbl@hbeadvocacy.com](mailto:kbl@hbeadvocacy.com)

ELIZABETH ESPINOSA  
[916-272-0012](tel:916-272-0012) | [ehe@hbeadvocacy.com](mailto:ehe@hbeadvocacy.com)



HURST+BROOKS+ESPINOSA

# This Week in Sacramento

INFORMATION &amp; INSIGHTS FROM HURST BROOKS ESPINOSA ■ SPECIAL UPDATE: APRIL 17, 2020

## Observations on Senate's Special Budget Subcommittee Hearing

As reported yesterday, the Senate's Special Budget and Fiscal Review Subcommittee on COVID-19 Response met Thursday afternoon into the evening. The hearing went just past four hours, with the last hour or more devoted to the public comment period during which testimony was taken telephonically. While the hearing featured far more questions than answers, we can share a few observations and take-aways of note.

The LAO talked about mild and more severe recession scenarios. Under a mild recession, the LAO forecasts state budget revenues drop by \$20 billion. Under a more severe recession — akin to the Great Recession — the LAO forecasts that state budget revenues drop by \$35 billion in the budget year and another \$85 billion over the out years. Based on limited unemployment data, the LAO believes the more severe recession scenario may be more likely.

The LAO emphasized that federal actions will affect state (and local) budgets, continuing to highlight the need for visible advocacy at the federal level and close communication about federal efforts with the Administration and Legislature.

Both Senators Caballero and Pan asked several health-related questions during the hearing — inquiring about rural hospitals; the fiscal health of hospitals, clinics, and physician providers; public health; testing; and contact tracing. It is very clear that their respective local health communities are talking to these Senators directly about their specific circumstances, underscoring the importance for local conversations during the pandemic emergency.

## Assembly Budget Subcommittee Hearing Scheduled for Monday

The Assembly Budget Subcommittee No. 6 on Budget Process, Oversight, and Program Evaluation will meet on Monday, April 20 at 10:00 a.m. to discuss the state's response to the COVID-19 outbreak. Chaired by Assembly Member Phil Ting, the committee's membership includes Dr. Joaquin

### Worth Noting: HCD Updates Guidance for SB 35 Implementation

SB 35 (Chapter No. 366, Statutes of 2017) requires counties and cities that have not met certain milestones towards meeting their share of the regional housing needs allocation to provide for a streamlined, ministerial development approval process. The California Department of Housing and Community Development (HCD) just announced an update to its implementation guidance to incorporate new statutory changes that passed the Legislature in 2019 and other clarifications. Both the [Draft Streamlined Ministerial Approval Process Guidelines](#) and [Statement of Reasons](#) are now available for public comment through May 18, 2020. HCD is also offering a webinar on May 1, 2020 at 2:00 pm to provide an overview of the changes to the guidelines. You can access the webinar [here](#).



Arambula, Richard Bloom, Bill Brough, Jim Cooper, Vince Fong, Kevin McCarty, Jay Obernolte, and Dr. Shirley Weber. The agenda for the meeting is available [here](#), and the hearing will be streamed [online](#). Like this week's Senate hearing, public participation will be limited to telephone conference call with instructions shared at the start of the hearing.

One interesting budget-related note, California's Franchise Tax Board reports that personal and corporate income tax receipts are down 97% from this day last year. Withholding, however, was slightly above the same week in 2019; hard to say that this is a trend, but something hopeful to hold onto for a bit.

## **Governor Newsom Names Economic Recovery Task Force**

During his noon briefing, Governor Newsom announced that he has named members of a new Task Force on Business and Jobs Recovery, including a number of California luminaries. Chaired by billionaire and former presidential candidate Tom Steyer and Newsom Chief of Staff Ann O'Leary, the [80-member task force](#) includes Apple CEO Tim Cook, Disney Chairman Bob Iger, and the former chair of the Federal Reserve Janet Yellen. The task force will also include the state's four living former governors – Jerry Brown, Arnold Schwarzenegger, Gray Davis, and Pete Wilson – as well as labor and business leaders.

The Governor acknowledged today that “We are now in a pandemic-induced recession here in the state of California.” Expect announcements from the Administration to begin to focus on economic recovery in the coming weeks.

## **More Counties Issue Face Mask Orders**

Today, San Francisco, Alameda, Contra Costa, and Marin Counties each issued orders requiring employees and individuals shopping at essential businesses or using public transit and facilities to wear a mask. Earlier this week, Sonoma and Los Angeles Counties took similar action, while Riverside and San Bernardino Counties issued orders requiring facial coverings earlier this month.

## **Governor Newsom Signs New Executive Order with Assorted Actions**

Late yesterday, Governor Newsom signed Executive Order [N-52-20](#), which addresses a range of COVID-related issues. The order touches on all of the following: adjustments to admissions requirements for the California State University system, modifications to certain background check procedures for essential workers, new allowances for licensed food trucks operating in rest areas, and specifications for how federal stimulus checks will be disbursed to custodial parents who are owed back child support.

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

JEAN HURST  
916-272-0010 | [jkh@hbeadvocacy.com](mailto:jkh@hbeadvocacy.com)

KELLY BROOKS  
916-272-0011 | [kbl@hbeadvocacy.com](mailto:kbl@hbeadvocacy.com)

ELIZABETH ESPINOSA  
916-272-0012 | [eh@hbeadvocacy.com](mailto:eh@hbeadvocacy.com)





HURST+BROOKS+ESPINOSA

# This Week in Sacramento

INFORMATION & INSIGHTS FROM HURST BROOKS ESPINOSA ■ SPECIAL UPDATE: APRIL 24, 2020

## Legislature's Plans for Return to Sacramento Begin to Take Shape

More information from the houses regarding their planned return to Sacramento became available this week. The Assembly appears committed to a May 4 return and has begun to announce policy committee hearing plans and protocols, which clearly are seeking to balance the need to return to legislative business; to facilitate participation of advocates, stakeholders, and the public in the deliberative process; and to assure good public health practices, including appropriate social distancing.

The *Sacramento Bee* [reported](#) this afternoon that the Sacramento County Health Department is recommending that legislators and at least one staff person from each member's office be tested for the virus, even if they are asymptomatic. It remains to be seen whether that guidance will in any way hinder the Assembly's planned return.

As we have mentioned previously, the two houses have taken different approaches to resuming their business. During recent hearings, the Senate permitted its members to join remotely, while the Assembly – apparently based on advice from their attorney – required members to appear in-person. It is rumored that the Senate will not return on May 4, but more likely in mid-May. No details on a specific date have yet been confirmed; we will share new information and any announced decisions on the Senate's return as we learn it.

Additionally, we understand that certain legislators have been discussing a constitutional amendment – that would be considered on the November 2020 ballot – to permit remote voting. Apparently, other states allow for off-site participation under certain extraordinary circumstances. More to come on this topic as well.

Finally, the Assembly Budget Subcommittee No. 6 on Budget Process, Oversight, and Program Evaluation – chaired by Assembly Budget Chair, Phil Ting – will meet again on Monday, April 27 to discuss options for economic stimulus. The hearing agenda can be reviewed [here](#).

### Worth Noting: New Webinar from CDIAC – Disclosures in the Time of COVID-19

The California Debt and Investment Advisory Commission (CDIAC) announced a new [webinar](#) designed to assist municipal borrowers navigate disclosures associated with the COVID-19 pandemic. Join Brooke Abola, Deputy City Attorney, Office of the San Francisco City Attorney, and Daniel Deaton, Partner at Nixon Peabody for strategies as to how to navigate this challenging dilemma. Join the webinar (for free!) on Friday, May 1 at 10:00 a.m.; those interested in participating should register via the CDIAC website [here](#).

## New Information from US Treasury Regarding CARES Act Funding

To assist entities that have received a direct allocation from the Coronavirus Relief Fund, the United States Department of Treasury has provided additional information regarding the use of CARES Act funding. [Guidance](#) for states, local agencies, and tribes outlines Treasury's interpretation of limitation on the appropriate use of funds and the [Frequently Asked Questions](#) document makes clear that states may pass along CARES Act Funding to local governments.

## Today's Press Briefing: Supporting Older Californians in Isolation

Governor Newsom's noon press today conference was focused on supporting vulnerable older Californians who are isolating at home during California's shelter in place order. Approximately 1.2 million Californians over the age of 65 live alone. The Governor detailed the following initiatives:

- **Restaurants Deliver: Home Meals for Seniors.** This new program will ensure vulnerable older Californians have consistent access to nutritious meals while staying safe at home. The Restaurants Deliver: Home Meals for Seniors program will enlist community restaurants to prepare meals that will be delivered to older Californians who are isolating at home during California's stay at home order. The program will also support local restaurant workers and owners who have lost business during the pandemic. The state and the Federal Emergency Management Agency will cover the majority of the cost, which would amount to roughly \$66 for three meals a day (locals will be required to match 75% of the 25% non-federal share). During his remarks, the Governor opined that the program would be particularly beneficial in rural counties – providing assistance to both seniors and the restaurants that are struggling financially. The program will be administered by counties and cities and will serve older Californians who are ineligible for other nutrition programs. Press reports from this afternoon indicate that the program will be locally administered because of internal disagreement within the Newsom Administration about which state agency should oversee the program.
- **Social Bridging Project.** The Social Bridging Project will mobilize more than 1,000 callers to proactively reach out to older Californians who are isolating at home. The project will combat social isolation through direct, one-on-one communication with older Californians, many living alone and isolated. The Project is a partnership with Listos California, the California Department of Aging, United Airlines, Community Emergency Response Teams (CERT), and Sacramento State University to make calls to older Californians. Callers will check on the individual's well-being, connect them to resources, and connect with them on a personal level.
- **Friendship Line California: 1-888-670-1360.** California is expanding Friendship Line California to support lonely and isolated older Californians across the state. Friendship Line California is toll-free and available to provide emotional support to older Californians facing loneliness, isolation and anxiety. The California Department of Aging is partnering with the Institute on Aging to support this effort.

## Executive Orders Galore!

Governor Newsom has issued four executive orders in recent days, each of which is summarized below:

Executive Order [N-54-20](#), an omnibus order, includes provisions that authorize the following:

- Grants a 60-day extension for certain Department of Motor Vehicle deadlines, including recently expired drivers' licenses and identification cards, and suspends late fees from being applied to expired vehicle registrations.
- Allows certain posting, filing, and notice requirements under the California Environmental Quality Act (CEQA) to be satisfied through electronic means to allow public access and involvement.
- Temporarily allows retailers, particularly grocery stores, to provide bags to consumers without charge, and to pause redemption of beverage containers in store.
- Temporarily suspends the requirement for recycling centers to hold a minimum number of hours of operation.

Executive Order [N-55-20](#) provides additional flexibilities for health and human services programs. Specifically, the order:

- Extends the deadlines for Medi-Cal providers to submit and for Department of Health Care Services (DHCS) to review a cost report, change in scope of service request, or reconciliation request for 90 days beyond the date on which such action would otherwise be due.
- Extends the timelines for DHCS to conduct administrative hearings and issue final decisions related to the administration or services of Medi-Cal. The order encourages DHCS to meet the timelines in existing law to the extent reasonably possible.
- Allows grievances and appeals for the California Children's Services program to be via phone or video conference.
- Suspends state regulations to the extent they would prevent the California Children's Services Medical Therapy Program from offering physical and occupational therapy services in non-school settings.
- Suspends signature requirements on deliveries of certain Medi-Cal covered drugs.
- Clarifies that the use of the Laboratory Services Reservation System shall not be required in connection with COVID-19 testing.
- Allows DHCS – for purpose of responding to COVID-19 – to issue bulletins or guidance related to provider enrollment without advance notice or public hearing.
- Allows DHCS to authorize licensed substance abuse disorder services residential treatment facilities to operate beyond the conditions and limitations otherwise imposed by their license in order to ensure sufficient bed capacity. Suspends the requirement of a physical site visit in connection with an application for a license to operate such a facility.
- Suspends Short-Term Residential Treatment Program (STRTP) regulations that would restrict DHCS from granting STRTPs, Special Treatment Programs, Psychiatric Health Facilities, Mental Health Rehabilitation Centers, Community Treatment Facilities, Community Residential Treatment Systems/Social Rehabilitation Programs and Psychiatric Health Facilities flexibility related to staffing requirements and suspending on-site program reviews.
- Allows DHCS to reimburse county behavioral health departments for administrative costs related to specialty mental health services up to 30 percent of the total actual cost of direct client services.
- Suspends state regulations to the extent they prevent a patient from receiving psychiatric medication without the patient's physical signature.

- Suspends state regulations to the extent they would prevent DHCS from providing Alcohol or Other Drug (AOD) counselors an extension of time to complete their certification if their efforts to become certified are impacted by the COVID-19 emergency.
- Allows DHCS to temporarily delay or suspend – and may permit Medi-Cal managed care plans to temporarily delay or suspend – annual medical audits, surveys of physician offices, facility site reviews, plan and county data collection from providers, and similar audit or review activities.
- Allows DHCS to allow Medi-Cal managed care plans to conduct beneficiary risk assessments according to any timeframe approved by DHCS not to exceed an additional 90 days after existing timeframes. Clarifies such assessments can be done by phone or video conference.
- Suspends state regulations to the extent they would prevent DHCS from extending the deadline for Medi-Cal fee-for-service providers to submit information required for a Medical Exemption Request. Extends timeframes by 90 days.

Executive Order [N-56-20](#) extends deadlines for local educational agencies to submit Local Control and Accountability Plans (LCAP), which are multi-year planning documents tied to budget projections. Local educational agencies will instead be required to publish a written report to their communities explaining how they are responding to COVID-19, including steps they have taken to deliver high-quality distance learning opportunities, provide school meals in non-congregate settings, and arrange for supervision of students during ordinary school hours. They will also be required to explain the steps they have taken to meet the needs of low-income students, English learners, and foster youth. The order also waives required physical education minutes and annual fitness testing that requires on-site instruction.

Executive Order [N-57-20](#) exempts garnishment for any individuals receiving federal, state, or local government financial assistance in response to the COVID-19 pandemic, including recovery rebates under the CARES Act. Funds may still be garnished for child support, family support, spousal support, or criminal restitution for victims. In addition to this order, the Governor announced an initiative to provide students with commercially owned Federal Family Education Loan or privately held student loans who are struggling to make payments due to the pandemic potential for expanded relief, including 90 days forbearance, waiving late payment fees, ensuring that no borrower is subject to negative credit reporting, and state support to help eligible borrowers to enroll in other assistance programs.

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

JEAN HURST  
916-272-0010 | [jkh@hbeadvocacy.com](mailto:jkh@hbeadvocacy.com)

KELLY BROOKS  
916-272-0011 | [kbl@hbeadvocacy.com](mailto:kbl@hbeadvocacy.com)

ELIZABETH ESPINOSA  
916-272-0012 | [ehe@hbeadvocacy.com](mailto:ehe@hbeadvocacy.com)



**Santa Cruz Local Agency Formation Commission**

Date: May 6, 2020  
To: LAFCO Commissioners  
From: Joe Serrano, Executive Officer  
Subject: **Correspondence from Statewide Organizations**

---

**SUMMARY OF RECOMMENDATION**

LAFCO staff received various written correspondences. 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:**

Written correspondence were shared by the California Association of Local Agency Formation Commissions (CALAFCO), the California State Association of Counties (CSAC) and the League of California Cities (League) in the months of March and April. These documents are attached to this staff report and summarized below:

- **CALAFCO Letter** – notes that the 2020 Staff Workshop has been cancelled;
- **CSAC Letter** – identifies several actions requested by the California counties involving communities and the workforce;
- **CALAFCO Bulletins** – discusses a number of items including but not limited to the Form 700 deadline extension and the Governor's Executive Order affecting public agency meetings.
- **CALAFCO Events Calendar** – identifies changes to upcoming CALAFCO events.
- **League Summary Report** – highlights the fiscal impacts by the pandemic on California cities' economies and increased emergency costs.

Respectfully Submitted,

A blue ink signature of Joe A. Serrano, written in a cursive style.

Joe A. Serrano  
Executive Officer

**Attachments:**

1. CALAFCO Letter dated 3-12-20
2. CSAC Letter dated 3-15-20
3. CALAFCO Bulletins (March 30, April 6, and April 20)
4. CALAFCO Events Calendar
5. League Summary Report (Fiscal Impacts on CA Cities)

---

## 7A: ATTACHMENT 1

March 12, 2020

Dear CALAFCO Membership, Workshop Speakers and Sponsors:

These are extraordinary times we find ourselves in, dealing with the challenges relating to COVID-19 and how to protect ourselves, our families, our staff and our communities. The CALAFCO Board of Directors and executive staff believe one of CALAFCO's top responsibilities as an ethical and responsible Association is to protect the health and safety of our members and our communities.

**After careful thought and consideration, CALAFCO has decided to cancel this year's staff workshop which was scheduled for March 25 - 27 in Newport Beach.** The Board, executive and regional staff, and co-hosts (Orange and Imperial LAFcos) supported by their commissions, all agree this is the appropriate and responsible thing to do to protect and support our members, workshop guests, speakers, and all of their families and communities.

This decision supports the recommended [State](#) (as announced today by the Governor and the CA Dept. of Public Health) and local guidelines to help mitigate the spread of the virus and be a part of containment efforts. We know that many local agencies (perhaps even some of yours) have put into place containment strategies including telecommuting for employees, bans for all non-essential travel and meetings and encouraging anyone who feels ill to stay at home. CALAFCO has and will continue to monitor federal, state and local guidelines for this unprecedented pandemic.

We wish to thank our co-hosts and the program planning committee who have all done a remarkable job in planning for this annual workshop. The program is so solid that it will be used for the 2021 workshop.

We also thank our sponsors for this event for their partnership and support. Our sponsors are a huge reason why CALAFCO can bring high quality educational and networking opportunities to our membership.

So, what's next?

- CALAFCO is working with the hotel (Hyatt Regency Newport Beach John Wayne Airport) to reschedule the workshop to March 17 - 19, 2021.
- We will work with each of you who are registered for the workshop and mobile workshop to either provide you a full refund or carry-over your registration to the 2021 workshop. (We no longer have a policy allowing credits, but we are making an exception for this rare circumstance.) Please advise Jeni Tickler at [jtickler@calafco.org](mailto:jtickler@calafco.org) whether you would like a full refund or transfer your registration to the 2021 workshop. Again - we will be at the same location and the program will be the same.
- All hotel reservations at the Hyatt can be cancelled. You are responsible for cancelling your own reservations, and you are encouraged to do that ASAP to avoid any possible late cancellation fee because this was a detail left undone.
- We will reach out to all of our sponsors and work with you as to whether or not you would like to carry-over your sponsorship to 2021 or prefer a full refund.

March 12, 2020  
2020 Staff Workshop  
Page 2 of 2

We thank our members and partners for your support and understanding. CALAFCO will continue to move forward with our Annual Conference in October as planned and will keep you informed should things change as we continue to monitor the situation and updates.

On behalf of the Board, we thank you for the leadership and integrity you demonstrate as local government leaders every day, and especially in difficult times such as this.

Yours sincerely,

A handwritten signature in blue ink, appearing to read "Mike McGill".

Mike McGill  
Chair of the Board

A handwritten signature in blue ink, appearing to read "Pamela Miller".

Pamela Miller  
Executive Director

CC: CALAFCO Board of Directors





## 7A: ATTACHMENT 2

### OFFICERS

#### **President**

Lisa A. Bartlett  
Orange County

#### **1st Vice President**

James Gore  
Sonoma County

#### **2nd Vice President**

Ed Valenzuela  
Siskiyou County

#### **Past President**

Virginia Bass  
Humboldt County



#### **EXECUTIVE DIRECTOR**

Graham Knaus

March 15, 2020

The Honorable Gavin Newsom  
Governor, State of California  
State Capitol Building  
Sacramento, CA 95814

### **RE: Local Government Requests Related to Coronavirus Pandemic**

Dear Governor Newsom,

Thank you for your actions and partnership in the early days of this crisis. As a follow up to our letter dated March 13, we make the following requests on behalf of California's counties. Like you and your staff, counties are doing their utmost to lead their communities and workforce during this time of uncertainty. The following actions would greatly assist in those efforts.

- The public health and welfare is dependent upon adequate staffing at the local level to meet the needs of the public during this emergency. Therefore, consistent with applicable federal law, work hour limitations and waiting periods for retired annuitants, and permanent and intermittent personnel found in Government Code section 7522.56, subdivisions (b), (d), (f), and (g) are suspended. Further, consistent with applicable federal law, California Code of Regulations, Title 2, section 586.2, and Government Code section 31485.21, a separation of service of at least XX days/hours shall constitute a bona fide separation of service.
- The provisions of Government Code section 20305, subdivision (a)(2) and (3) are suspended for employees covered by this section work during the period of the State of Emergency declared by the Governor of the State of California.
- An employee shall remain a temporary employee for CalPERS purposes for the remainder of the fiscal year after the termination of a State Emergency. The statutory provisions shall resume effective the first full fiscal year after the termination of the local emergency, or if the local emergency is terminated between July 1st and September 30th of a fiscal year, the fiscal year in which the State Emergency is terminated.
  - Retired annuitants and temporary workers can serve important roles under multiple possible scenarios. For example, retirees who worked in senior positions prior to their departure can bring valuable expertise, especially in highly impacted fields like public health, healthcare, and emergency services. Temporary workers of any position will be useful if county employees are required to stay home in large numbers for any reason, such as quarantine, to care for a family member, or because their children's schools or child care centers have been temporarily closed. Retired annuitants and temporary workers who were already planning to work part of the year are the most valuable, but also the first to be denied further work under the current regulations.



- The meet and confer requirements of Government Code section 3505 are suspended as applied to any ordinance, rule, resolution, regulation or policy adopted or implemented to address employee health and safety related to COVID-19, provided that such newly adopted or implemented ordinances, rules, resolutions, regulations or policies terminate upon termination of the local emergency.
- Notwithstanding Government Code section 54952.2, subdivision (b)(1), a legislative body may receive state and local emergency updates from state and local officials in order for members of the legislative body to stay apprised of emergency operations and the impact of the emergency on their constituents. Nothing in this Order permits the legislative body to take action on any item of business that is within the subject matter jurisdiction of the legislative body without complying with all other Brown Act requirements.
  - Providing a limited and temporary exception to this rule will facilitate the dissemination of critical information during this crisis. California's deliberative rules around local agency meetings are not suited to the fluid and quickly changing situation in which we find ourselves. It is of utmost importance for all members of legislative bodies to be apprised directly from official sources of information as soon as possible, instead of relying on secondhand accounts after the fact. Excepting only the part of the law related to receiving information, and not those about deliberation or decisions, ensure that the public's interest in transparent decision-making is preserved.
- If a public agency's workforce is reduced or redirected for purposes of emergency response, the time in which to provide the notification required in Government Code section 6253, subdivision (c) shall be extended to 30 days. This extension expires 10 days after the expiration of the State of Emergency in the State of California as a result of the threat of COVID-19.
  - In a time of crisis, counties must focus on core operations. If staff must be reduced or redirected to confront that crisis, requests for public documents and records are among the functions that can be delayed, without denying requestors the transparency guaranteed by the California Constitution. Unlike most non-core functions, however, access to public records is governed by strict statutory timelines, necessitating the waiver we are requesting.
- In light of the need to focus public employees on emergency response and in recognition of the possibility to temporary public staffing shortages resulting from social distancing, self-quarantine or self-isolation, the following provisions, which would otherwise create automatic entitlements for failure of a public agency to act, shall be suspended for the duration of the State of Emergency in the State of California as a result of the threat of COVID-19:
  - (i) Government Code section 65956, subdivision (b) [Permit Streamlining Act]
  - (ii) Labor Code sections 5401, 4650, 4060, 4061, 4062, 4610 and 5814 [Workers' Compensation]
  - (iii) Revenue and Taxation Code section 1604, subdivision (c) [Property Tax Assessment Appeals]

- These laws have “shot clocks” that automatically approve petitions that are not decided after a certain number of days. In normal times, these time limits guarantee timely action by government agencies; however, in times of crisis, when the public workforce might be reduced by necessity, these requirements have the potential to decide issues in a manner contrary to the public good. For example, property tax values can be permanently reduced with no basis in fact, or permits that do not adhere to local regulations can be approved despite their effect on the environment or public rights of way.
- If needed based on staff unavailability, the elections official may have up to an additional 60 days to complete the canvassing required in Elections Code sections 10261, 10262, 10263(a), 15372 and 15375.
- Section 11 of Executive Order N-25-20 is hereby amended to read:

Notwithstanding any other provision of state or local law, including the Bagley-Keene Act or the Brown Act, a local legislative body or state body is authorized to hold public meetings via teleconferencing and to make public meetings accessible telephonically or otherwise electronically to all members of the public seeking to attend and to address the local legislative body or state body, during the period in which state or local public officials impose or recommend measures to promote social distancing, including but not limited to limitations on public events. All requirements in both the Bagley-Keene Act and the Brown Act expressly or impliedly requiring the physical presence of members, the clerk or other personnel of the body, or of the public as a condition of participation in or quorum for a public meeting are hereby waived.

In particular, any otherwise-applicable requirements that

- (i) state and local bodies notice each teleconference location from which a member will be participating in a public meeting;
- (ii) each teleconference location be accessible to the public;
- (iii) members of the public may address the body at each teleconference location;
- (iv) state and local bodies post agendas at all teleconference locations;
- (v) at least one member of the state body be physically present at the location specified in the notice of the meeting; and
- (vi) during teleconference meetings, at least a quorum of the members of the local body participate from locations within the boundaries of the territory over which the local body exercises jurisdiction

are hereby suspended, on the condition that each state or local body must give advance notice of each meeting, according to the timeframe otherwise prescribed by the Bagley-Keene Act or Brown Act, and using the means otherwise prescribed by the Bagley-Keene Act or the Brown Act, as applicable.

In addition, all state and local bodies are urged to use sound discretion and to make reasonable efforts to adhere as closely as reasonably possible to provisions of the Bagley-Keene Act and the

Brown Act, including providing at least one publicly accessible location from which members of the public have the right to observe and offer public comment at the public meeting unless so doing would place the public health at risk, and other applicable local laws regulating the conduct of public meetings, in order to maximize transparency and provide the public access to their meetings.

Thank you for your consideration of these urgent requests.

Respectfully,

A handwritten signature in blue ink, appearing to read 'GKnaus', is positioned above the printed name.

Graham Knaus  
CSAC Executive Director

# CALAFCO BULLETIN

March 30, 2020



*As a way to continue sharing information with our member LAFcos on changing statutes and requirements due to the COVID-19 pandemic, in addition to forwarding critical email updates, we will provide a weekly (or more frequent as necessary) bulletin sharing information you should know. Some of the information contained in this bulletin you are already aware of.*

*This bulletin is not intended to be legal advice and each LAFco is encouraged to consult your legal counsel when responding to issues and creating policies.*

## FPPC EXTENDS FORM 700 FILING DEADLINE

On March 26, 2020 the [FPPC announced a 60-day extension](#) until June 1, 2020 for those required to file a 2019 annual Statement of Economic Interest (Form 700). The extension will apply to officials required to file in April pursuant to Commission Regulations 18723 and 18730. The FPPC still encourages filers to file when they can, as soon as they are able.

## EXECUTIVE ORDER PROVIDES BROWN ACT FLEXIBILITY FOR LOCAL PUBLIC AGENCY MEETINGS

On March 17, 2020, Governor Gavin Newsom issued [Executive Order N-29-20](#). This updated order supersedes [Executive Order N-25-20](#), issued on March 12, 2020. The provisions of the N-29-20 order apply during the period in which state or local public officials impose or recommend measures to promote social distancing, including limitations on public events.

Among other items, the order states that “a local legislative body or state body is authorized to hold public meetings via teleconferencing and to make public meetings accessible telephonically or otherwise electronically to all members of the public seeking to observe and to address the local legislative body[.]” Section 3 of the executive order waives or relaxes several requirements related to teleconferencing of public meetings, while still seeking to strike a balance between public health and the public’s interest in the conduct of their government and their right to access.

In particular, the March 17 executive order states that a legislative body “need not make available any physical location from which members of the public may observe the meeting and offer public comment.” The order also exempts (among other things) requiring public access to each location participating in the meeting remotely and that such locations be included in the notice and agenda postings at each remote location. However, local agencies must ensure they have complied with the Americans with Disabilities Act (ADA) accessibility requirements and the notice requirements outlined in the executive order.

This means that during the time this order is in effect, the commissioners of LAFco are allowed to each teleconference or web conference from a remote location without the requirement to include the commissioners’ remote locations on the agenda, post an agenda at that location or open that location to the public.

Timing of posting of meeting notices and agendas pursuant to the Brown Act have not changed.

For more information, see the [March 18, 2020 Legal Alert](#) from Best Best & Krieger.

# CALAFCO BULLETIN

March 30, 2020



## FEDERAL PAID LEAVE FOR WORKERS IMPACTED BY COVID-19

On March 27, 2020, the Legislative Analysts Office (LAO) posted an [update](#) on the federal paid leave provisions of the Families First Coronavirus Response Act (H.R. 6201).

According to the bulletin, the 2-weeks emergency paid sick leave applies to public sector employers as well as private. Additionally, the 12-weeks emergency paid FMLA applies to public and private sector employers. While it is clear from the bulletin that businesses would receive federal tax credits to cover the paid sick leave and FMLA leave, it is unclear how (or even if) public employers are assisted by the measure as private sector employers are.

CALAFCO has made inquiries about this with people in Sacramento and will provide you with any updates as they are received.

## LOCAL SHELTER-IN-PLACE ORDERS BEING EXTENDED

In a [press announcement today by the Mercury News](#), six Bay Area counties will extend their shelter-in-place order to at least May 1 in an effort to slow the spread of the virus. The state's shelter-in-place order, issued by Governor Newsom on March 19, 2020 through [Executive Order N-33-20](#), is in effect "until further notice."

## RESOURCES FOR REMOTE MEETINGS

CALAFCO previously provided members various resources to assist you in planning for remote access for commission meetings. As a reminder, here are some resources for you to check out for best practices and tools:

### Virtual Meeting Resources:

- Institute for Local Government <https://www.ca-ilg.org/covid-19>
- Regional Government Services <https://www.rgsjpa.org/covid-19-2/>
- Streamline <https://engage.getstreamline.com/communicating-during-crisis>
- Remote meeting tool comparison document  
<https://cdn2.hubspot.net/hubfs/4515944/Comparison%20of%20popular%20remote%20meeting%20tools.pdf>

# CALAFCO BULLETIN

April 6, 2020



As a way to continue sharing information with our member LAFcos on changing statutes and requirements due to the COVID-19 pandemic, in addition to forwarding critical email updates, we will provide a weekly (or more frequent as necessary) bulletin sharing information you should know.

Some of the information contained in this bulletin you are already aware of.

*This bulletin is not intended to be legal advice and each LAFco is encouraged to consult your legal counsel when responding to issues and creating policies.*

## LEGISLATURE EXTENDS RECESS

On April 3, 2020, the Legislature confirmed they will extend their recess and reconvene in Sacramento on May 4. It is unclear how this extension will impact policy processes, but a revised schedule will be required. The Governor has made it clear the next fiscal year's budget will have severely limited new expenditures and "nothing is off the table". There is currently no indication the budget deadline will be extended.

## EMERGENCY STAFFING - TEMPORARY RELAXATION OF RETIRED ANNUITANT RULES

[Executive Order N-25-20](#), Section 7, suspends reinstatement and the retired annuitant work hour limitation of 960 hours per fiscal year during the state of emergency. Any hours worked by a retired annuitant to ensure adequate staffing during the state of emergency will not be counted toward the 960-hour limit for the fiscal year.

## LEGISLATIVE ANALYST'S OFFICE BULLETINS

The Legislative Analyst's Office (LAO) released two documents on April 3 related to COVID-19 response and resources. [This post](#) discusses cash assistance provisions in the federal CARES Act in the context of existing income support programs, particularly during this time of economic contraction. [The second post](#) relates to federal financial assistance available to businesses.

## BALANCING TRANSPARENCY WITH LIMITED PUBLIC ACCESS

The Institute for Local Government (ILG) conducted a webinar April 1 on this topic. If you were unable to attend, the webinar was recorded and can be [accessed on their website here](#).

## RESOURCES FOR REMOTE MEETINGS

CALAFCO previously provided members various resources to assist you in planning for remote access for commission meetings. As a reminder, here are some resources for you to check out for best practices and tools:

### Virtual Meeting Resources:

- Institute for Local Government <https://www.ca-ilg.org/covid-19>
- Regional Government Services <https://www.rgsjpa.org/covid-19-2/>
- Streamline <https://engage.getstreamline.com/communicating-during-crisis>
- Remote meeting tool comparison document  
<https://cdn2.hubspot.net/hubfs/4515944/Comparison%20of%20popular%20remote%20meeting%20tools.pdf>

# CALAFCO BULLETIN

April 20, 2020



*As a way to continue sharing information with our member LAFcos on changing statutes and requirements due to the COVID-19 pandemic, in addition to forwarding critical email updates, we will provide a weekly (or more frequent as necessary) bulletin sharing information you should know. Some of the information contained in this bulletin you are already aware of.*

*This bulletin is not intended to be legal advice and each LAFco is encouraged to consult your legal counsel when responding to issues and creating policies.*

## LEGISLATIVE BUDGET COMMITTEE HEARINGS

Last Thursday the Senate Special Budget & Fiscal Review Subcommittee on COVID-19 Response met for over four (4) hours. There were a great number of questions from committee members that were left unanswered for a number of reasons. What was made very clear is that the State budget is going to be significantly impacted by the pandemic for several years.

Today the Assembly Budget Subcommittee 6 (Budget Process, Oversight & Program Evaluation) met to discuss oversight of COVID-19 response, again with many questions from committee members. Local government funding was addressed with the LAO reporting agencies over 500,000 in population can apply directly for Federal funding but those under that population threshold had to rely on the Governor to allocate funding. It was reported the State requested \$1 trillion in Federal funding for assistance at the state and local level.

## UPDATES FROM THE GOVERNOR

For the past several days in the Governor's daily briefings he has reported that while the "curve" is beginning to flatten, the number of reported infections, hospital admissions, ICU admission and lives lost continue to rise. He reiterated this is not the direction those numbers need to go for shelter in place restrictions to ease.

The Governor announced today that on Wednesday he and his team will provide more details on what will be required within the six categories of the six-point plan for the Roadmap to Recovery. Those six-points are:

- *The ability for the state to care for older and medically vulnerable Californians, who are most at risk of suffering severe effects from the virus, as they continue to isolate at home.*
- *The capacity for hospitals to handle a potential surge in patients, plus resume normal preventive and other medical care.*
- *The identification of promising treatments.*
- *The development of guidelines for businesses and schools to allow physical distancing even as they reopen.*
- *The creation of a data-tracking system that provides an early warning if the state needs to reinstate a stay-at-home order.*

He also announced today new partnerships and investments to [support distance learning and bridge the digital divide](#) for hundreds of thousands of California households.

The Governor has appointed an impressive team of people to a new [Economic Recovery Task Force](#), which will focus on the economic recovery of the State. Led by billionaire Tom Steyer and Newsom Chief of Staff Ann O'Leary, the Task Force includes all four living former Governors of the State and a host of business and labor leaders.

# 2020 Events Calendar

7A: ATTACHMENT 4

## JANUARY

- 13** CALAFCO University course (Orange County)
- 17** CALAFCO Legislative Committee (Irvine)
- 21-23** CA Assn. of Sanitation Agencies Conference (Indian Wells)
- 22-24** League New Mayor & Council Academy (Sacramento)

## FEBRUARY

- 21** CALAFCO Board of Directors Meeting (San Diego)

## MARCH

- 5-8** Local Government Commission Ahwahnee Conference (Yosemite)
- 6** CALAFCO Legislative Committee (Sacramento)
- 12** Assn. of CA Water Agencies Legislative Symposium (Sacramento)
- 24** CALAFCO University course (Newport Beach) **CANCELED**
- 25-27** CALAFCO Staff Workshop (Newport Beach) **CANCELED**

## APRIL

- 3** CALAFCO Legislative Committee (San Diego) **CANCELED**
- 22** League of Cities Legislative Day (Sacramento) **CANCELED**

## MAY

- 1** CALAFCO Board of Directors Meeting (Sacramento) **Conference Call**
- 8** CALAFCO Legislative Committee (Conference call)
- 19-20** CA Special Districts Assn. Legislative Days (Sacramento) **CANCELED**
- 27-28** CA State Assn. of Counties Legislative Days (Sacramento)

## JUNE

- 12** CALAFCO Legislative Committee (Conference call)
- 17-18** League Mayor & Council Executive Forum (Monterey)

## JULY

- 17** CALAFCO Legislative Committee (Conference call)
- 24** CALAFCO Board of Directors Meeting (San Diego)
- 28-31** Assn. of CA Water Agencies Conference (Monterey)

## AUGUST

- 12-14** CA Assn. of Sanitation Agencies Annual Conference (Squaw Valley)
- 24-27** CA Special Districts Assn. Annual Conference (Palm Desert)

## SEPTEMBER

- 16-17** Regional Council of Rural Counties Annual Conference (Napa)

## OCTOBER

- 2** CALAFCO Legislative Committee (2021) (Conference call)
- 7-9** League Annual Conference (Long Beach)
- 21-23** CALAFCO Annual Conference (Monterey)
- 22** CALAFCO Annual Business Meeting (Monterey)
- 23** CALAFCO Board of Directors Meeting (Monterey)
- 28-30** Fire District Assn. Annual Meeting (Napa)

## NOVEMBER

- 6** CALAFCO Legislative Committee (2021) (Sacramento)
- 13** CALAFCO Board of Directors Meeting (Sacramento)

## DECEMBER

- 1-4** CA State Assn. of Counties Annual Conference (Los Angeles)
- 1-4** Assn. of CA Water Agencies Conference (Indian Wells)

### Sharing Information and Resources

CALIFORNIA ASSOCIATION OF  
LOCAL AGENCY FORMATION  
COMMISSIONS

1020 12<sup>th</sup> Street, Suite 222  
Sacramento, CA 95814  
916-442-6536

For current information and other CALAFCO resources please visit [www.calafco.org](http://www.calafco.org)



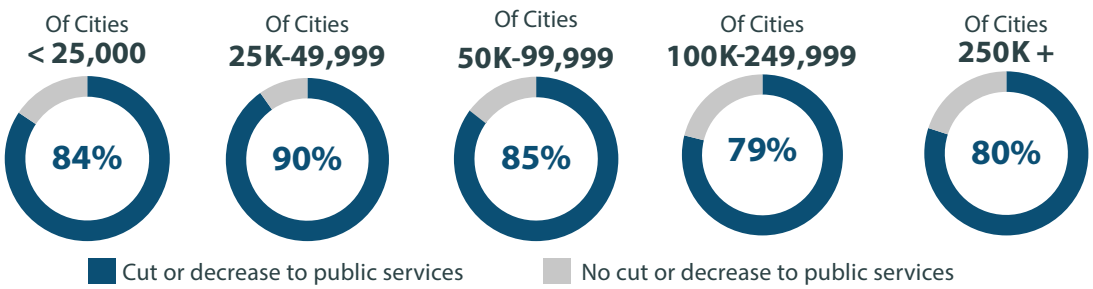
COVID-19  
Fiscal Impact on California Cities

LEAGUE  
OF CALIFORNIA  
CITIES

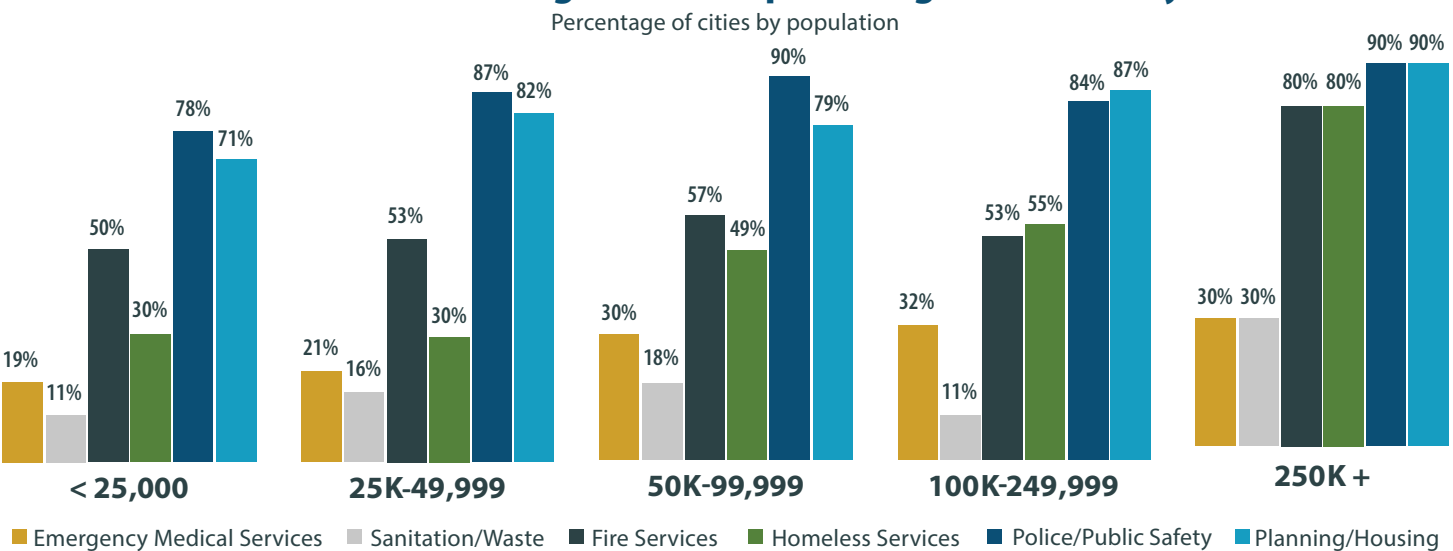
7A: ATTACHMENT 5

California cities face severe revenue shortfalls due to the impact of the COVID-19 pandemic on their economies and increased emergency costs. As a result, cities will be forced to make significant reductions or cuts to a broad range of core public services and staff, regardless of population size. Given current and projected revenue shortfalls, cities need fiscal assistance to stabilize local government operations to offset the devastating impacts the crisis is having on California's communities. These findings are part of a new data analysis\* by the League of California Cities.

Public Services Will Be Impacted By Drastic Revenue Loss



Core Services Face Significant Impacts Regardless of City Size



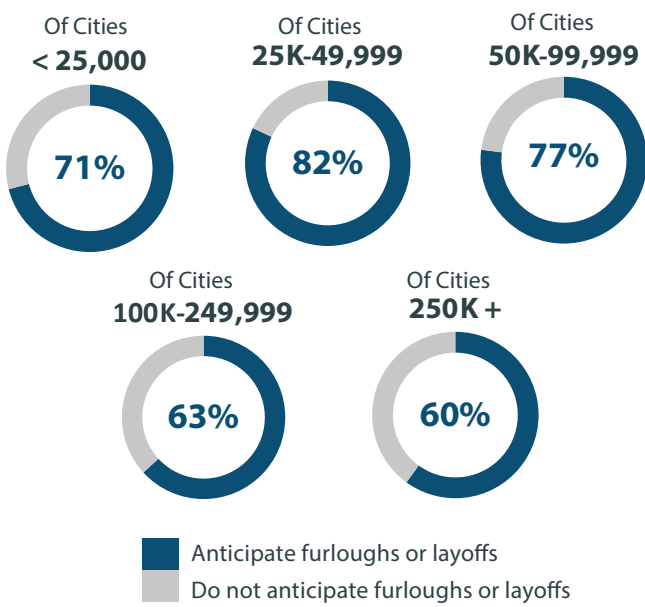
Cities anticipate a nearly **\$7 BILLION GENERAL REVENUE SHORTFALL** over the next two fiscal years. This shortfall will grow by billions of dollars if COVID-19 stay-at-home orders extend into the summer months and beyond.

City Leaders Report Immediate Impact to Core Revenue Sources

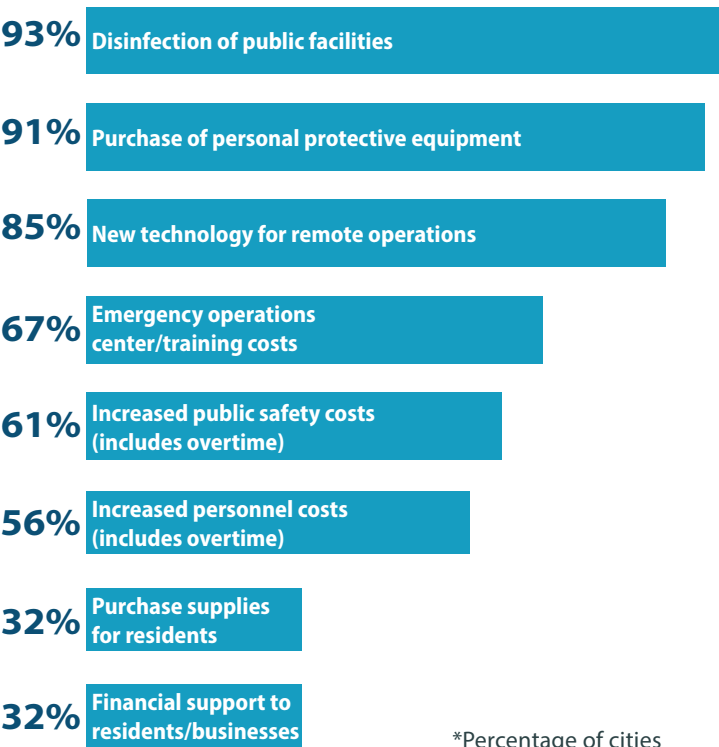
- 100% Sales Taxes
- 89% Hotel/Bed Taxes
- 72% Property Transfer Taxes
- 42% Utility Taxes
- 15% Investments, Forfeitures, and Fines
- 4% Parking and Admissions

12% of cities report spending **> \$500k** to help control the COVID-19 pandemic

COVID-19 Has Staggering Impact on City Workforce



Unanticipated COVID-19 Expenses



Over **90%** of cities are considering **LAYOFFS OR EMPLOYEE FURLOUGHS**, or **CUTTING PUBLIC SERVICES**. **72%** are considering doing **BOTH**.

Cities Key Revenue Loss by Source through FY 21-22



**100%** of California cities, regardless of population size, **face projected revenue loss this year**

For more information email [communications@cacities.org](mailto:communications@cacities.org).

**\*Data and Assumptions:** The current revenue shortfall projections assume the ending of strict stay-at-home orders by the end of May 2020 with a transition to normalcy and a gradual return to taxable activities. The revenue shortfall projections include FY 2021-22, as there will be delayed revenue impacts from multiple sources, including business license taxes (based on prior year receipts). If strict stay-at-home orders remain in place through the summer of 2020, there will be additional significant revenue losses – adding billions to overall city shortfalls. Over 260 cities, encompassing all of California's diverse geographies and city sizes, participated in the League's COVID-19 Fiscal Impact Survey. The survey requested primary source data on projected revenue losses in key, general revenue categories, and local impacts to city services and operations. The survey data reinforces projections produced from an in depth financial model built from annual reports by the State Controller and the California Department of Tax and Fee Administration, survey data, granular analysis by government revenue specialists, industry specific outlooks, and forecasts from respected economists.

221 of 249



---

**Santa Cruz Local Agency Formation Commission**

Date: May 6, 2020  
To: LAFCO Commissioners  
From: Joe Serrano, Executive Officer  
Subject: **Press Articles during the Months of March and April**

---

**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.

---

**EXECUTIVE OFFICER'S REPORT**


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

1. **"Focus Ag Announces New Class"**: The article, dated March 2nd, identifies the 21 local community leaders selected for Focus Agriculture's class of 2020. LAFCO's Executive Officer was one of the selected few allowed to participate and learn more about the agriculture in Santa Cruz County and the Pajaro Valley in this year's session.
2. **"San Lorenzo Valley bolsters water supply resiliency"**: The article, dated March 6th, highlights the ribbon-cutting ceremony for San Lorenzo Valley Water District's new 534,000 gallon tank. This new water supply replaces an aging smaller tank and represents a multi-year collaborative effort that has now come to fruition.
3. **"The race to dissolve the Palm Drive district"**: The article, dated March 14th, discusses the potential dissolution of a healthcare district in Sonoma County. The article focuses on the District Board's action plan to complete the dissolution application and how to fulfill all LAFCO requirements.
4. **"Mayor's message | We must come together as a community"**: The article, dated March 14th, was a joint message from the four city mayors in regard to the global pandemic. Their message discusses how local leaders are tackling this crisis and how this county has overcome previous disasters.
5. **"Watsonville's Tap Water Remains Safe To Consume"**: The article, dated March 16th, highlights how the City of Watsonville continues to protect the health and safety of its residents during the ongoing pandemic. The City of Watsonville's Water Division remains in compliance with the EPA's strict regulations in potable water treatment for public water systems.

6. **“Carlsbad desal plant workers begin shelter-in-place to keep water on”**: The article, dated March 20th, explains how 10 workers have been quarantined inside the Claude “Bud” Lewis Carlsbad Desalination Plant for weeks monitoring and adjusting gauges and switches, watching for leaks, and any other necessary steps to safeguard San Diego County’s only significant local source of drinking water.
7. **“What Does California Housing Look Like In A Post-COVID World?”**: The article, dated March 22nd, discusses the housing opportunities and challenges that may be faced throughout California after the pandemic is resolved. The economy, statewide politics, local leadership, and other factors will play a role in future housing plans.
8. **“Everything you need to know about California’s historic water law”**: The article, dated March 27th, explores the State’s 2014 water law known as the Sustainable Groundwater Management Act (SGMA). The article discusses what SGMA does, why it was enacted, and how it affects the use and oversight of groundwater in California.
9. **“New California rules anger water agencies, environmental groups”**: The article, dated April 1st, notes that California has set new rules for the State Water Project that differ from the existing rules placed by the federal government. The new rules focus on how much water can be taken from the State’s largest rivers.
10. **“What’s the Plan to End Groundwater Overdraft in the San Joaquin Valley?”**: The article, dated April 6th, examines the 36 groundwater sustainability plans submitted to the State Department of Water Resources. These plans address the 11 critically overdrafted basins in the San Joaquin Valley which is California’s largest farming region.
11. **“View Eugene Friend’s Obituary”**: The article, dated April 10th, acknowledges the passing of Eugene Friend on March 25, 2020. Mr. Friend was a community leader in south county and a pillar in the Watsonville community with various titles such as Watsonville Fire Chief. He is survived by various family members, including Commissioner Ed Banks.
12. **“Woodmansee Named Capitola’s Interim City Clerk”**: The article, dated April 10th, indicates that the City of Capitola has selected Chloe Woodmansee to be the city’s interim city clerk. This fills the vacancy left by Linda Fridy, who retired after eight years with the city and four years as the City Clerk.
13. **“Justin Cummings, Mayor’s Message | Making progress with COVID-19”**: The article, dated April 11th, provides an overview on the progress made by local municipalities and communities towards the ongoing pandemic. Commissioner Cummings thanks everyone for their sacrifices and reiterates the importance of minimizing the risk of transmitting or contracting the virus by following state and local orders.

14. **“Amid COVID-19, Essential Work Continues with Commitment to Public Engagement and Transparency”**: The article, dated April 13th, summarizes how the State Department of Water Resources is implementing practices to ensure the delivery of reliable water. These practices include extending comment periods, maintaining direct communication with local residents, arranging live participation in meetings, utilizing digital tools, and ensuring all public meeting requirements are upheld and kept up-to-date with any new guidelines.
15. **“Pandemic And Wildfire: California Is Preparing For A Crisis Within A Crisis”**: The article, dated April 16th, discusses how the upcoming fire season may impact the state and how fire districts are preparing for any anticipated wildfires while also addressing the COVID-19 situation. The article highlights potential issues, necessary steps for individuals in fire zone areas, and how to evacuate from a wildfire during the coronavirus pandemic.

Respectfully Submitted,



Joe A. Serrano  
Executive Officer

Attachments:

1. “Focus Ag Announces New Class”
2. “San Lorenzo Valley bolsters water supply resiliency”
3. “The race to dissolve the Palm Drive district”
4. “Mayor’s message | We must come together as a community”
5. “Watsonville’s Tap Water Remains Safe to Consume”
6. “Carlsbad desal plant workers begin shelter-in-place to keep water on”
7. “What Does California Housing Look Like In A Post-COVID World?”
8. “Everything you need to know about California’s historic water law”
9. “New California rules anger water agencies, environmental groups”
10. “What’s the Plan to End Groundwater Overdraft in the San Joaquin Valley?”
11. “View Eugene Friend’s Obituary”
12. “Woodmansee Named Capitola’s Interim City Clerk”
13. “Justin Cummings, Mayor’s Message | Making progress with COVID-19”
14. “Amid COVID-19, Essential Work Continues with Commitment to Public Engagement and Transparency”
15. “Pandemic And Wildfire: California Is Preparing For A Crisis Within A Crisis”

## 8A: ATTACHMENT 1



[HOME](#)   [OUR TOWN](#) ▾   [E-EDITIONS](#) ▾   [OPINION](#) ▾   [COLUMNISTS](#)   [EVENTS CALENDAR](#) ▾   [OUR COUNTY](#)

[Home](#) > [Our Town](#) > [Watsonville](#) > [Focus Ag Announces New Class](#)

## WATSONVILLE

## Focus Ag Announces New Class

written by See Below | March 2, 2020



Focus Agriculture has announced the 21 community leaders selected for Class 31 to learn about agriculture in Santa Cruz County and the Pajaro Valley.

The class includes: Raymon Cancino, Chief Executive Officer Community Bridges, Stephanie Connor Kent, Chief Nurse Executive, Sutter Maternity & Surgery Center/Sutter Health, Michelle Navarro, Business Development Officer, Santa Cruz County Bank, Anita Aguirre, Chief Compliance Officer & Deputy Director, Salud Para La Gente, John Bargetto, vice president, Bargetto Winery, Belinda Barr, Business Services Manager, Economic Development Coordinator, Workforce Board Development (County of Santa Cruz), Evan Benevento, senior Accountant, Wheeler Accountants, LLP, Chris Bley, entrepreneur, Insight Up Solutions, Edan Cassidy, managing member, Cassidy Insurance Agency, LLC, ...





*Stephanie Connor Kent*

Manu Koenig, platform partnership lead, Paystand, Mary Maselli, self employed financial advisor & financial planner, Michelle Montalvo, Legal Manager, Driscoll's, Inc., Khalil Moutawakkil, founder & CEO, KindPeoples, Peter Nell, Government Affairs Manager, CCOF, Gilda Rall, parliamentarian & member of Governing Board of Directors, Pajaro Dunes North Association, Sergio Parra, attorney, Head of Labor & Employment Department, JRG Attorneys at Law, Joe Serrano,



*Michelle Navarro*

Executive Officer, LAFCO of Santa Cruz County, Jerry Souza, Director Cardiovascular Services, Dignity Health Dominican, Tiffany Turner, Director of Operations, Dientes Community Dental, Jessica Vaughan, Director of Operations & Grower Consulting, LumiGrow, Inc., Danielle Wong, Healthy Food for Seniors Program, Grey Bears.



*Raymon Cancino*

The program consists of once-a-month, daylong seminars, over a period of nine months. The first session was March 13.

Speakers ranging from farmers to elected officials to representatives from environmental groups will address the class. The sessions will cover such topics as ethnic groups in agriculture, new technology and diversity of commodities locally grown. There are many farm tours and hands on experiences, and participants spend one day working on a farm.

In announcing the participants, Agri-Culture President Steve Bontadelli, said, "Community leaders will find this program beneficial and, in turn, growers who present information to the class will learn the public's current perspective of local agriculture. "

The Focus Agriculture program received a national award for its innovated approach to bringing the public and the agricultural community together.

0 comment



NEWS > ENVIRONMENT

## San Lorenzo Valley bolsters water supply resiliency

New 'probation tank' a five-fold increase over redwood predecessor



Jim Furtado, director of operations for the San Lorenzo Valley Water District, cuts the ribbon on their new 534,000-gallon tank which replaces a leaky 100,000-gallon redwood tank riddled with woodpecker holes. (Dan Coyro — Santa Cruz Sentinel)

FELTON — After years of negotiating, planning and saving, San Lorenzo Valley has taken a half-a-million-gallon weight off its mind.

The San Lorenzo Valley Water District on Thursday celebrated completion of a new 500,000-gallon water tank, christened, like its immediate predecessor as “Probation Tank” in a nod to the facility’s proximity to the Santa Cruz County Juvenile Probation / Juvenile Detention Facility off Graham Hill Road. This time, the water tank — with five times the capacity of the district’s previous heavily leak-prone redwood tank — is made of modern welded steel.

San Lorenzo Valley Water District board Vice Chairwoman Lois Henry said she and the board were “very proud of this 534,000-gallon-tank” serving some 700 households in the district’s south system in need of about 300,000 gallons daily.

“Just look at how beautiful it is. I don’t know if tanks are called male or female or whatever, but this tank is definitely female,” Henry said to audience chuckles. “It’s beautiful, it’s strong and it’s gonna serve the community for many years to come.”

5th District Santa Cruz County Supervisor Bruce McPherson commended the water district’s “truly remarkable achievement” in upgrading the aging tank while earning an environmental construction award from the American Public Works Association Monterey Bay Chapter. In San Lorenzo Valley, where a secure water supply is paramount, he said, the new project also offers additional firefighting capacity and water redundancy opportunities. The tank pipeline connects San Lorenzo Valley Water District with Mount Hermon and the Scotts Valley Water District’s regional water system emergency intertie in a collaborative partnership, he said. The larger tank also lowers power costs by allowing for Pacific Gas and Electric pumping, McPherson said.

“That redwood tank was constructed in ’65 and it belonged to the Probation Center,” McPherson said. “I guess it’s about time that we did this. And you had some big hurdles to do this.”

## **Rocky road**

During opening statements at this week’s ceremony, District Manager Rick Rogers summed up the challenges leading the district to unveil the nearly \$1.9 million drinking water storage project, saying, “It seems like it took forever to get to this point.”



The former 100,000-gallon-capacity redwood Probation Tank, riddled with woodpecker holes and semi-continuously gushing water, was among the most visible symbols of the former Lompico Water District's aging infrastructure. Years of drought-underscored water shortages forced a hard lesson on the tiny former Lompico district in 2014, finally leading to the district's merger two years later with the neighboring San Lorenzo Valley district. Rogers said the replacement of an additional six Lompico redwood tanks with sealed containers was "basically shovel-ready" to begin next month.

In order to not only rebuild but expand the water tank amidst Mount Hermon's sandhills, the water district faced some environmental hurdles such as protecting endangered species and sensitive habitat, according to environmental consultant and ecologist Jodi McGraw.

## **Saving sandhills**

"It's a unique ecosystem that's found only in Santa Cruz County on uplifted marine sediments that were laid down about 15 million years ago, when this area was underneath a vast sea," McGraw said. "The unique sand soil combines with the moist maritime climate that we have here to create unique conditions for plants and animals that are found nowhere else in the world."

To offset environmental impacts, construction workers were restricted to strict work conditions and sandhill slope sites around the tank will be reseeded with native species, McGraw said. The district went above-and-beyond in setting aside 6.7 acres of permanently protected habitat in the Olympia Watershed property off East Zayante Road, via a conservation easement with the Land Trust of Santa Cruz County. The district also contributed to an endowment fund for ongoing management and monitoring of the habitat into perpetuity. The site will become a defacto "conservation bank" for the district's future construction projects.

"I regard it as a win-win for both the human communities and their need for a public water supply that's reliable and robust and also for the natural biological communities that we have at this site, with the sandhills that we're sort of unique stewards up here in Santa Cruz County," McGraw said.

---

Tags: [Newsletter](#), [Water](#)

## **Jessica A. York | Reporter**

Jessica A. York covers Santa Cruz government, water issues and homelessness for the Sentinel. She has been a working journalist, on both coasts, since 2004.

## 8A: ATTACHMENT 3

# The race to dissolve the Palm Drive district

Laura Hagar Rush, Sonoma West Editor, [laura@sonomawest.com](mailto:laura@sonomawest.com)

## Frustrated by the health district's slow pace of dissolution and its continued spending on community health projects, petitioners redouble their efforts

*UPDATE: Because of the coronavirus, the group organizing a petition to dissolve the district has cancelled their drive-by petition drive today. Petition gatherer Gayle Bergmann said, "We are advising folks to download the petition in letter form, fill it out, sign it and mail it in. <https://drive.google.com/file/d/18IOI5njCl-qljyUvUmPIiYqrDFdGyhir/view>."*

At the PDHCD board meeting on March 2, the board handed out a draft calendar for dissolution that showed the district dissolving by July 15 of this year.

Between now and then, the calendar spells out the slow bureaucratic steps involved in the unwinding of a 20-year-old public entity. (See calendar in the sidebar of this article at [sonomawest.com](http://sonomawest.com).)

At the last board meeting, board member Richard Power expressed his hope that the board could vote on a resolution to dissolve at its March 2 meeting, but that was not to be.

Instead, there will be a draft resolution to dissolve, a submission of the draft resolution to LAFCO and the office of the Sonoma County Auditor-Controller-Treasurer-Tax Collector for comments, updates to the draft resolution, a notice of intent to interested parties of the district's plan to adopt a resolution, and, at their May 4 board meeting, a vote on a final resolution.

Attorney Bill Adams, representing the district, gave a long and detailed explanation of the dissolution process, calling it "a tight timeline." Some of the issues at play include how to turn the bankruptcy over to the county, what to do with medical records and how to wrap up the 26 contracts that the district currently has with other business and agencies

The response in public comment was scathing.

"You guys either oversimplify or overcomplicate, and over-complication is what's happening now," board watcher Michele McDonell said.

"To my mind, there's a difference between doing the resolution and doing all of the activities that need to be done for the dissolution," district opponent and former PDHCD board member Jim Horn said. "I don't think anybody ever said that the dissolution would be simple. I think everybody recognizes there's a lot of stuff to wrap up, but I do agree with Michelle, I think it's being overly complicated."

The basic disagreement came down to this: district opponents wanted the district to make a resolution to dissolve and then deal with the details involved in the dissolution application. The district intends to do the dissolution resolution and the dissolution application package together.

According to the district timeline, the district is scheduled to vote on the dissolution resolution and application package at its May 4 meeting and to submit the whole package to LAFCO on May 5.

LAFCO is scheduled to vote on the dissolution of the PDHCD at its July 1 meeting, with the actual effective date of dissolution scheduled for July 15, at which point, the district would become in the words of LAFCO's Mark Bramfitt, "a dead parrot."

One of the reasons opponents of the district want it to dissolve as soon as possible is the board's

continued spending on community health programs. At its March 2 meeting, it was revealed that the district had given out two more community health grants: approximately \$15,000 to Park Village for counseling programs and \$15,000 to the Community Cultural Center for a monitor for the Sebastopol Skate Park. (This latter grant drew particular derision from the audience.)

“How did these things get approved?” Board Member Richard Power asked. “When did the board vote on them? I didn’t vote on either of these things.”

It turns out that, at an earlier meeting in 2018, the board had granted PDHCD Executive Director Alanna Brogan the power to approve grants on her own, without a vote of the board, as long as she stayed within budgetary limits.

“Can we at least get an agreement to stop spending money?” implored Michelle Kelly, who during public comment identified herself as a new homeowner and taxpayer.

Horn pointed out several expenditures, including \$200,000 for community services, budgeted in the next fiscal year — after the district is supposedly dissolved.

“There seems to be a basic misunderstanding of what happens when the dissolution becomes effective,” Horn said during public comment. “Once the dissolution is effective on June 30 or July 15 or whatever, all of the money at the district becomes the property of the successor agency,” namely the office of the Sonoma County Auditor-Controller-Treasurer-Tax Collector. “The county will use that money to administer the estate, if you will, and pay off the debts, and that’s it.”

“I don’t see any reason why you would budget these expenses: the county will do any accounting, the county legal team will do any legal services. And, in particular, the item down near the bottom of the few hundred thousand dollars for Community Services.”

Opponents of the district are particularly aggrieved by this item, which they view as the district illegally funding Gravenstein Health Action on its way out the door. They view this as illegal because they say its beyond the scope of Measure W, the parcel tax measure that voters passed to support the hospital.

“You’ve obtained an independent legal opinion about allowable uses of Measure W. You’re keeping it secret, claiming attorney client privilege,” said Horn. “The only reason I can see why you would do that is either the district has already spent money that it shouldn’t have or you want to spend money in the future that you shouldn’t. And what I see here is probably the latter. And I cannot believe or imagine that an independent opinion of Measure W would allow you to basically write a blank check for \$200,000 for services that were not part of Measure W at all.”

After the meeting, the district’s opponents vowed to redouble their petition efforts to dissolve the district. The group had planned a drive-by petition drive on Saturday, March 14, but, because of the coronavirus, petition gatherer Gayle Bergmann said, “We are advising folks to download the petition in letter form, fill it out, sign it and mail it in. <https://drive.google.com/file/d/18IOI5njCl-qljyUvUmPIiYqrDFdGyhir/view>.”

The next meeting of the Palm Drive Health Care District board is April 6 at 5:30 p.m. in the conference room at Sonoma Specialty Hospital.

## Mayor's message | We must come together as a community

The COVID-19 virus, also known as coronavirus, has been spreading rapidly across the globe. This highly transmissible new virus strain currently has no treatment or vaccine. On March 5, California Gov. Gavin Newsom declared a state of emergency in response to the presence of the coronavirus for California. Shortly thereafter a local health emergency was declared in the city and County of Santa Cruz and on Friday, President Donald Trump declared a national state of emergency.

The health and safety of our community is our top priority. As your elected officials and city leaders, we are united and committed to work together to reduce and contain the spread of the coronavirus. Staff at the city and county level, along with elected officials, have been developing and implementing protocols, action plans and providing recommendations to help reduce the spread of this virus and address the concerns of the community. For information on impacts to businesses and city services, and guidelines for preventing the spread of the virus, visit the [city of Santa Cruz's website](#). For general information, updates on coronavirus, and links to state and federal guidance please visit the county's [Health Agency Services website](#) call 211, or text coronavirus to 211211.

One of the most critical ways we can reduce the spread of this virus is to suspend all large gatherings. The city has canceled all of its upcoming events, closing its libraries and suspending all non-essential services. Many of our local businesses, nonprofits and partners have joined us in our efforts by postponing or canceling events, closing temporarily, or have adjusted their services to minimize large gatherings to help prevent the spread of the virus. UC Santa Cruz and Cabrillo College have switched to online instruction to reduce large group gatherings. We are grateful for the sacrifice and support of our local businesses, nonprofits, and community partners to reduce the spread of coronavirus and encourage all businesses, nonprofits and community partners to join us in postponing or canceling all large gatherings in the near future.

As the city and county implement local action plans and state mandates, we are also concerned with the impact that these policies can have on employees and businesses. We understand the concerns that businesses have around losing revenue and the concerns of employees who may need to take time off to care for ill family members, experience a loss of work due to a closure, or may need to go into quarantine. Federal and state resources are coming online and changing rapidly. Employees and businesses that may be impacted by the coronavirus can find resources on the city's ["Choose Santa Cruz" website](#).

The city and county are also working on protocols for managing the potential spread of coronavirus in our homeless populations. The city and county are planning on deploying more portable toilets and handwashing stations to provide hygiene services to our unsheltered citizens and will be exploring quarantine options for unsheltered individuals.

Santa Cruz is a resilient community that is known for coming together during times of crisis. When Santa Cruz was rocked by the 1989 earthquake, the community came together to support one another and rebuild together. This virus threatens everyone in our community and preventing its spread will require following the advice of our health professionals to minimize spread and protect our community, especially our most vulnerable; senior citizens and community members with underlying health conditions.

We must also work together to support families who may need child care during school closures and find creative solutions for many of our emerging issues. As the situation unfolds and opportunities arise for partnerships and volunteering, we will be looking to our community for ongoing help and support.

We are grateful for the dedication of our health professionals, city employees, public safety

officers, first responders and our community partners who are stepping up to help prevent the spread of the Coronavirus. As the mayor, I ask that we remain calm, patient, supportive, flexible and work together to develop effective solutions. The safety and wellbeing of our community will require unity and partnerships across all sectors, and as a community, united, we will overcome the threat of the coronavirus.

*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.*



## Watsonville's Tap Water Remains Safe To Consume

[community corner](#)

**There is no higher priority for the City of Watsonville than protecting the health and safety of our community.**

By [Press Release Desk, News Partner](#)

Mar 17, 2020 9:04 am PT

[From City of Watsonville:](#)

March 16, 2020



Our Public Works & Utility Department is providing this important information about COVID-19 as it relates to your drinking water to provide clarity to our customers. Residents can continue to use and drink water from their tap as usual.

**There is no higher priority for the City of Watsonville than protecting the health and safety of our community.** Our Public Works & Utility Department is providing this important information about COVID-19 as it relates to your drinking water to provide clarity to our customers. ***Residents can continue to use and drink water from their tap as usual.***

The City of Watsonville's Water Division has and will continue to comply with the EPA's strict regulations in potable water treatment for public water systems. COVID-19 is a type of virus that is particularly susceptible to disinfection. Standard treatment and chlorine disinfection processes that our Water Division follows are expected to be effective in disinfecting the COVID-19 virus.

For detailed information about the relationship between COVID-19 and drinking water, you can visit the EPA's new webpage Q&A and the CDC section on water transmission and COVID-19; as well as the American Water Works Association new coronavirus resource page, which is updated as new information becomes available.

**8A: ATTACHMENT 6**

## **Carlsbad desal plant workers begin shelter-in-place to keep the water on**

*By Phil Diehl*

As of Friday, 10 workers are quarantined inside the Claude “Bud” Lewis Carlsbad Desalination Plant for the next three weeks, monitoring and adjusting gauges and switches, watching for leaks, and doing whatever is needed to safeguard San Diego County’s only significant local source of drinking water.

“We asked some employees to be locked down at the plant for 21 days to isolate the risk of infection,” said Gilad Cohen, CEO of IDE Americas, the global company that operates the Carlsbad plant and others around the world.

The request for volunteers was a precaution against the spread of the COVID-19 pandemic.

The “mission critical” employees will work 12-hour shifts, sleep in rented recreational vehicles in the parking lot, and be resupplied with fresh food left for them at the plant’s gate. They will be furnished with washers and dryers to do their own laundry, and the desalination plant’s kitchen and cafeteria are available to them.

“There is a whole routine of lab sampling throughout the plant to ensure the quality of the water in production and monitor discharge into the ocean,” Cohen said. “All these routines must remain in place, and that’s a big part of the work on a daily basis.”

The Carlsbad plant began operating in 2015 and produces 50 million gallons of desalinated seawater a day, enough for about 400,000 people, or 10 percent of the potable water distributed by the San Diego County Water Authority. The locally produced water helps reduce the area’s dependence on imported water, which comes from Northern California and the Colorado River.

The Water Authority and its 24 member agencies have taken additional steps to ensure the coronavirus pandemic does not affect the safe delivery of water throughout the county. Last week, like most cities in the region, it activated its Emergency Operations Center and reviewed plans for member agencies to assist each other should key personnel be unable to work.

“In these unprecedented times, the region’s water agencies are collaborating in complete solidarity to perform our vital mission of providing safe and reliable water supplies,” said Sandra L. Kerl, general manager of the Water Authority. “We are taking strategic, precautionary steps to ensure the region’s water security.”

Normally, the Carlsbad plant operates with about 40 employees who come and go daily. Some of those employees work at the offices of Poseidon Water, the plant’s manager, about two blocks away.

More than 10 people volunteered for the lock-down, Cohen said, and all offered to do it “no questions asked.”

Administrative operations will continue at the off-site offices, he said. None of the plant staff will be laid off, though some could take leaves or training time because of the unique situation.

Working 12-hour days is an intense experience and leaves little time for recreation, Cohen said. During their down time, the lock-down employees can do as they please, but they can’t leave the premises and their only contact with families will be electronic.

The shelter-in-place plan was developed in about 10 days to meet the rapidly unfolding coronavirus situation, he said. What happens after the initial 21 days is yet to be decided.

“These are exceptional times, and there is not a guidebook,” Cohen said. “We are trying to come up with a plan.”

IDE Americas also operates one other desalination plant on the California coast at Santa Barbara. Cohen said that plant is smaller and there are no plans to place employees there on lock-down.

## What Does California Housing Look Like In A Post-COVID World? - CP&DR

*CP&DR*

So on top of everything else, California now has to try to build lots of housing in the face of COVID-19. Good luck.

It's impossible to estimate how many people will be affected by the virus directly. But everybody will be affected by the economic fallout from the situation. Basically, there's no economy at all right now. So how are is the state going to make progress on the housing situation – especially since housing starts went down last year, when the economy was really good?

At least three good things are happening now. The first one is that Gov. Newsom and big-city mayors, now on a war footing, are finally moving aggressively to house the homeless wherever they can. That's not new construction but at least the homeless are moving inside. The second – a short-term move – is the temporary prohibition on evictions in many places. And the third is the fact that – so far at least – construction of projects under way [is continuing](#). That will increase the housing supply.

But those are short-term moves. What about the long term?

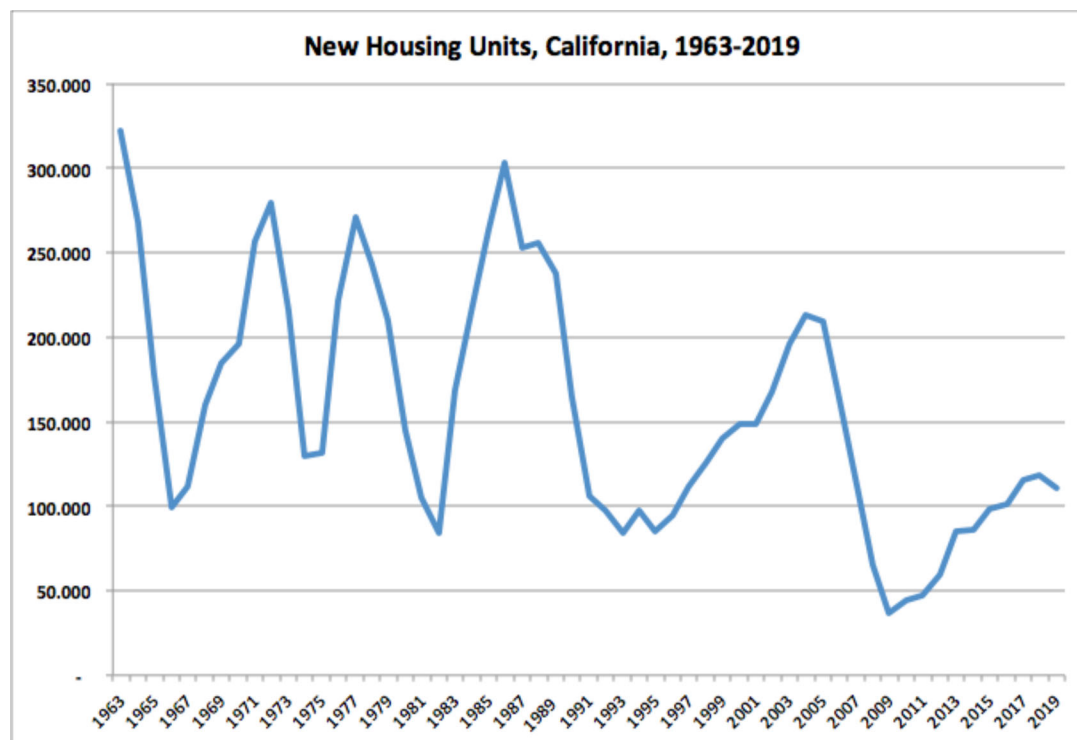
Throughout the entire housing crisis, local governments have rightly shouldered a lot of blame for the long-term problem, having discouraged housing construction for the last 30 years with a wide variety of slow-growth policies. There's some evidence that this is turning around, especially in the Bay Area, where the YIMBY movement is strongest. But there's still strong evidence of ongoing resistance to more housing, especially in Southern California. Our report this week on [an appellate court ruling on a mixed-use project](#) in the notoriously slow-growth city of Agoura Hills is a good example.

Yet we're quickly getting to the point where all the approvals in the world won't make much difference, because the market's not going to build anything anytime soon – much less the half-million units per year that Gov. Newsom was talking about during the campaign in 2018.

The history of California housing construction isn't encouraging. The chart below is derived from 56 years of data from the Department of Finance. It shows at least four important facts:

1. California housing starts have only twice hit 300,000 per year since 1963.
2. Housing starts are choppy – they rarely stay at a high level for several years in a row.
3. Even during strong economy from 2017 to 2019, housing starts were still stuck in the basement.
4. Housing starts tank in a recession – just look at 1982, 1991, and 2009.





There are many reasons that housing construction plays out this way. Housing – and real estate development generally – is vulnerable to a wide variety of external factors. These include the price of construction materials, the availability of construction workers, and the ability to maintain financing during hard times.

The cost of construction materials fluctuates on a worldwide basis – materials can be cheap or expensive at any given time. Everybody recognizes that there aren't enough construction workers in California to meet Newsom's target. Therefore construction workers are expensive, and they are much more likely – if they have the option – to work in inland locations near where they live than in the expensive coastal areas where housing is most needed. And, of course, developers often lose their financing – and their property – in a recession.

It's also important to understand that lower housing prices – which theoretically make housing more affordable to people who need it – don't necessarily mean more construction. In fact, in California it's often the opposite: Housing construction increases when prices are high. That's because the cost of entitlements is so high that developers can't make projects pencil out when prices are low. It's also true that in a recession more prospective renters and homebuyers are in dire financial straits and therefore can't get good credit or quality for mortgages.

This is exactly what happened in the early 2000s. Prices went through the roof – and housing starts reached their highest level since the 1980s. When the recession came, prices plummeted – but so did housing starts.

So even after the COVID crisis passes, the lingering economic effects are likely to stifle housing construction – no matter how much housing local governments approve in the meantime.

One other long-term pattern in California is worth mentioning: Since the first real estate runup in the '70s, what we've seen several times is a rapid climb in housing prices followed by a very long period of levelling off. This occurred after the recession of 1990-91 and again after the recession of 2008 (prices actually dropped but were more or less stagnant for close to a decade). If history is any guide, this levelling off is likely to happen again. Coming out of the COVID recession, that should allow incomes to catch up to housing prices, as occurred in the 1990s – thus making housing more affordable to more people. That's not 3.5 million units in six years, but it's a start.

# Everything you need to know about California's historic water law

*Susie Cagle*

[California](#) began regulating surface water in rivers and streams in 1914, but it took the state another 100 years to look underground.

In 2014, for the first time in its history, California passed a law regulating the use of groundwater – the resource on which 85% of its population and much of its \$50bn agriculture industry rely.

This year marks the first big deadline for the Sustainable Groundwater Management Act (Sgma), as dozens of agencies complete initial plans to protect overdrafted water resources.

Here's what you need to know:

## What were groundwater rights like before Sgma?

California's underground basins are a key component of the state's complex and fragile water system. For all of the state's history, the rights to groundwater had come with land ownership: if one had an access point to an aquifer, one had the right to drill into it and pump out its contents. No regulatory entity would track, let alone limit how much water any pump sent up.

This anarchy persisted for decades. Aquifers were drained lower and lower and the land above them sank – a phenomenon called “subsidence” that wreaks havoc on infrastructure and compresses the soil, making it even more difficult for some aquifers to recharge with water.

## What prompted lawmakers to take action?

Pumping reached a fever pitch during the drought that began in 2011, when growers across California received less and less water from the rivers and canals meted out by regulatory agencies and irrigation districts. To make up the difference, farmers who could afford it drilled new wells and lowered existing ones.

Aquifers became increasingly overdrawn as more and more water was pumped out without being replaced by rainfall. As the drought continued for the next six years, smaller farmers and domestic water users with more shallow personal wells found the groundwater had retreated past their pumps, many of which now sent up only sand.

The Sustainable Groundwater Management Act or Sgma (pronounced “sigma”) aimed to address this seemingly sudden crisis, which in reality was over a century in the making. The package of three bills was passed over vocal criticism from some local governments in the Central Valley – California's agricultural heartland – agribusiness and the California Farm Bureau Federation, which warned of “huge long-term economic impacts”.

## What does Sgma do?

Sgma essentially upholds the right to groundwater access and use, but considers water to be a shared asset and imposes rules on its use. Those restrictions also apply to California's powerful agriculture industry, which uses roughly 80% of all the state's water.

Sgma relies on local oversight. The law established local groundwater sustainability agencies to oversee the development and implementation of plans to manage groundwater resources in California's 450 underground basins. The first round included more than 260 agencies for more than 140 of the state's most high-priority basins, 21 of which are “critically overdrafted”. Of those, 11 are in the San Joaquin Valley.

Those agencies are tasked with developing and overseeing groundwater sustainability plans, with the power to gather data on how much water is being pumped and where and set limits on it. Analysts have estimated that between those limits on groundwater pumping and less available water due to climate change, anywhere between 500,000 and 1m acres of California farmland will have to be fallowed.

Many of the groundwater sustainability agencies in the Central Valley share their borders and board members with the local irrigation districts, reflecting agriculture's interests. But these agencies and plans must “consider the interests of” beneficial users, including groundwater rights holders and disadvantaged communities served by private wells and small community water systems. Those communities won't face pumping limits like their farming neighbors under Sgma, but they will face impacts nonetheless. Some of the sustainability plans call for allowing aquifers to drain to the worst levels seen during the drought before pumping limits would be imposed – levels that left many residents without any water at all.

## When does it go into effect?

Although Sgma was passed in 2014, agencies in particularly high-priority, overdrafted basins had until 31 January 2020 to file their plans to make groundwater resources sustainable by 2040. Those plans are subject to review and approval by the state's department of water resources, and will be reassessed every five years.

That doesn't mean the sustainability process will begin right away. Instead of imposing immediate limits on new wells and water pumping, the plans will “glide” toward sustainability in 2040.

## Why does Sgma matter?

A framework for healthy groundwater resources and storage is key to California's ability to weather the more extreme drought and flood cycles the state will experience due to climate change. With less water stored in the form of snowpack in the Sierra Nevada mountains, there will be less surface water to meet agricultural demand – putting yet more pressure on overdrafted aquifers.

Sgma was widely hailed as a necessary and long-overdue regulatory step toward making California's water usage remotely sustainable. But it will also have significant impacts on the state's agriculture industry, rural communities and endangered wetlands.

## What else is California doing to solve its water problems?

Over the last near-decade of drought and recovery, California has tried to plan for a drier future. Just weeks after the state passed Sgma in 2014, voters approved a \$7.5bn water bond to pay for water infrastructure upgrades for storage, ecosystem protection and drinking water. It was not enough.

More than 1 million state residents live with water too toxic to drink. In 2019, the state passed the Safe and Affordable Drinking [Water](#) Fund, which allocates \$1.4bn over 11 years to projects and programs to bring clean water to disadvantaged communities statewide.

This January, Gavin Newsom, the California governor, released his [Water Resilience Portfolio](#), “a comprehensive strategy to build a climate-resilient water system”.

“California's water challenges are daunting, from severely depleted groundwater basins to vulnerable infrastructure to unsafe drinking water in far too many communities. Climate change magnifies the risks,” Newsom said in announcing the plan.

## We've got an announcement...

... on our progress as an organisation. In service of the escalating climate emergency, we have made an important decision – [to renounce fossil fuel advertising](#), becoming the first major global news organisation to institute an outright ban on taking money from companies that extract fossil fuels.

In October we outlined our pledge: that the Guardian will give global heating, wildlife extinction and pollution the urgent attention and prominence they demand. This resonated with so many readers around the world. We promise to update you on the steps we take to hold ourselves accountable at this defining point in our lifetimes. With climate misinformation rife, and never more dangerous than now, the Guardian's accurate, authoritative reporting is vital – and we will not stay quiet.

We chose a different approach: to keep Guardian journalism open for all. We don't have a paywall because we believe everyone deserves access to factual information, regardless of where they live or what they can afford to pay.

Our editorial independence means we are free to investigate and challenge inaction by those in power. We will inform our readers about threats to the environment based on scientific facts, not driven by commercial or political interests. And we have made several important changes to our style guide to ensure the language we use accurately reflects the environmental emergency.

The Guardian believes that the problems we face on the climate crisis are systemic and that fundamental societal change is needed. We will keep reporting on the efforts of individuals and communities around the world who are fearlessly taking a stand for future generations and the preservation of human life on earth. We want their stories to inspire hope.

We hope you will consider supporting us today. We need your support to keep delivering quality journalism that's open and independent. Every reader contribution, however big or small, is so valuable. **Support the Guardian from as little as \$1 – and it only takes a minute. Thank you.**

## New California rules anger water agencies, environmental groups

ADAM BEAM ASSOCIATED PRESS April 1, 2020, 8:31AM

The "Follow This Story" feature will notify you when any articles related to this story are posted.

When you follow a story, the next time a related article is published — it could be days, weeks or months — you'll receive an email informing you of the update.

If you no longer want to follow a story, click the "Unfollow" link on that story. There's also an "Unfollow" link in every email notification we send you.

This tool is available only to subscribers; please make sure you're logged in if you want to follow a story.

[Log In](#)

Please note: This feature is available only to subscribers; make sure you're logged in if you want to follow a story.

[Log In Subscribe](#)

SACRAMENTO — California regulators on Tuesday set new rules about how much water can be taken from the state's largest rivers, angering water agencies for restricting how much they can take and environmental groups for not making those limits low enough to protect endangered species.

Most of California's water comes from snow that melts in the Sierra Nevada and flows through a series of rivers and streams to the San Francisco Bay. The state has two complex systems of canals, dams and reservoirs that deliver and store the water. The state operates one system that mostly provides drinking water for 27 million people while the federal government runs the other system that mostly provides water for the state's \$50 billion agriculture industry.

Historically, the federal government has set the rules for both systems in cooperation with state officials. But this year, California says the federal government's rules do too much harm to the environment and have sued to block them.

Tuesday, California finished its own rules for the State Water Project. But those rules have angered both water agencies and environmental groups for different reasons and will likely be challenged in court.

The federal government's rules do not limit how much water can be pumped out of the rivers during storms or months when there is a lot of rain. The state's rules do, limiting agencies at pumping no more than 6,250 cubic feet per second. One cubic foot per second equals more than 1.5 million gallons (5.8 million liters.)

That means different rules for state and federal water agencies that are both taking water from the same source. The Metropolitan Water District of Southern California, a regional wholesaler that provides water to 26 public agencies who deliver it to nearly 19 million people, is already considering a lawsuit.

"We have to put restrictions and not take water, but our neighbor is free to take it," said Jeffrey Kightlinger, general manager for the Metropolitan Water District of Southern California. "Obviously we want to work closely with the (Gov. Gavin) Newsom administration, but we're pretty disappointed by this result. We don't think it's based on sound science and it's going to be hard for us just to let it go."

The purpose of the pumping limits is to protect four endangered species of fish: The delta smelt, longfin smelt and both winter-run and spring-run chinook salmon. If the water agencies pull too much water from the rivers too fast, the fish aren't strong enough to swim away and they get sucked up into the pumps and killed.

But the state's new pumping limits are 25% higher than the old limits, which environmental groups say are too high and warn will put the endangered species in even more peril. Some scientists say the delta smelt are already "effectively extinct" because there are too few of them left to monitor.

"I think that the Newsom administration is employing some cold, political triangulation and their position here is that, 'We don't have to protect our endangered species, we don't have to protect water quality in the delta or the San Francisco Bay estuary fisheries, we just have to be better than Trump,'" said Jon Rosenfield, senior scientist for San Francisco Baykeeper.

California Department of Fish and Wildlife Director Chuck Bonham says the old pumping limits were set more than 10 years ago and were "somewhat arbitrary." He said state scientists now believe the new limits are safe to keep fish from being sucked into the pumps, which environmental groups dispute.

Bonham also noted the rules let the state store blocks of water during wet months they can release in the spring and summer to help the fish. The rules allow for the state to release 150,000 acre feet of water in the spring and another 100,000 acre feet in the summer. One acre foot of water (43,560 cubic feet) is more than 325,000 gallons, the amount of irrigation water that would cover one acre to a depth of one foot.

The State Water Project removes more than 3 million acre-feet of water per year.

"I would ask that all those parties just take a breath and think long term," Bonham said. "If you really think about the long term stability, the long term needs of the species here that are involved, this permit is pretty creative. And it's going to do right by both water supply and environmental protection."

# What's the Plan to End Groundwater Overdraft in the San Joaquin Valley? - Public Policy Institute of California

Jelena Jezdimirovic, Ellen Hanak, Alvar Escriva-Bou April 6, 2020

In the midst of the COVID-19 crisis, [work on managing groundwater for long-term sustainability continues](#), as required by California's landmark Sustainable Groundwater Management Act (SGMA). In January, water users in 21 critically overdrafted basins delivered their groundwater sustainability plans to the state Department of Water Resources. In [this series](#), we examine the 36 plans submitted for 11 critically overdrafted basins in the San Joaquin Valley—California's largest farming region. PPIC has done [extensive work on what SGMA means for this region](#), where excess pumping is a major challenge. This post examines how the plans propose to end overdraft.

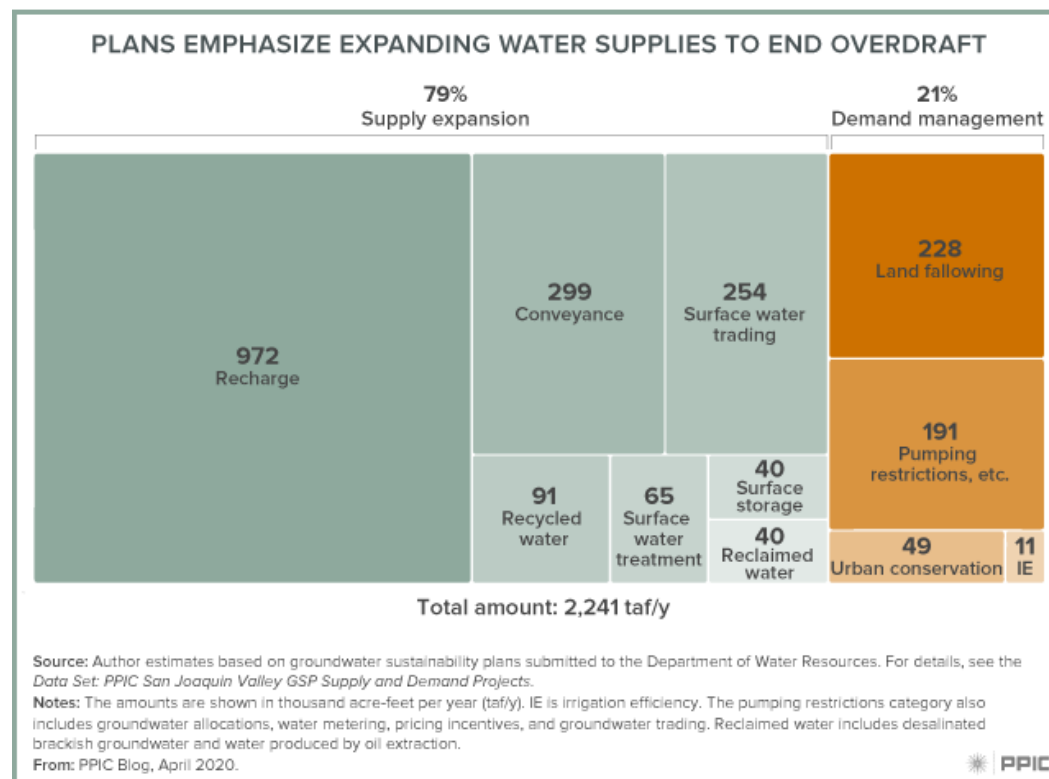
## What are the options for ending overdraft?

SGMA requires water users to bring their groundwater basins into long-term balance over the next two decades. Although there are no easy solutions, the math is simple: bringing these basins into balance will require expanding water supplies, reducing water demands, or a combination of these two approaches.

Our [in-depth study of water solutions for the San Joaquin Valley](#) found that about a quarter of the region's 1.8 million acre-feet (maf) of annual overdraft could be filled with new supplies at a cost that local water users can afford. Among supply options, by far the most promising approach is expanding groundwater recharge: storing more of the runoff from large storms in underground aquifers. Filling the remaining three-quarters of the gap will likely require demand reductions. Since agriculture is the predominant water user, this will entail taking some farmland—at least 500,000 acres—[out of production](#). Giving farmers the flexibility to trade water—so it can be used on the most productive lands—can [reduce the costs of ending overdraft by two-thirds](#).

## What do the new groundwater sustainability plans propose to do?

As the figure below shows, the plans consider a range of projects on both the supply and demand sides. Together, these projects would yield roughly 2.2 maf per year—in principle, enough to end regional overdraft. However, the plans invert our estimates: they assume that new supplies will account for more than three-quarters of the total, while demand management will save less than one-quarter. In line with our analysis, the single biggest new supply is recharging groundwater basins with more floodwater: the plans target roughly 1 million acre-feet annually, primarily through many small, local projects. Big infrastructure investments—such as new surface reservoirs and regional aqueducts and canals—are largely left out.



### **Are the goals for expanding supplies realistic?**

Probably not. When it comes to recharge, water users will be competing for floodwater that can be feasibly captured—likely a much smaller volume than the total envisaged by the plans. Although that total might be [physically available for recharge](#), there are serious capacity constraints to getting it underground. A central challenge is moving very large volumes of water to storage sites quickly. Addressing this challenge is likely to require regional investments in conveyance, and greater efforts to coordinate the management of surface and groundwater storage infrastructure in order to expand their combined impact. Even then, it is probably not feasible to capture all available water in very wet years.

There are also limitations for the other supply options. Most surface storage and surface water treatment projects will be looking to capture the same high flow water as recharge projects—heightening the competition for these supplies. And most surface water trading and recycled water projects will shift available supplies from some water users to others within the region, rather than causing an overall increase in regional supplies.

### **What about the plans for reducing demand?**

For the most part, the plans fall short on their analysis of demand management. Since reducing water use in this region largely means reducing the amount of irrigated cropland, there's been reluctance to seriously consider the demand side at this early stage of SGMA implementation. But it's encouraging that at least some plans are starting to look at such options. Several plans propose tools for managing demand flexibly—for example, groundwater trading, fees tied to volumes pumped, and monetary incentives for land fallowing.

### **What's next?**

These new plans are an early step on the path toward groundwater sustainability. As implementation gets under way, early actions—such as piloting new approaches to manage demand flexibly and coordinating on smart and affordable supply investments—can lay the foundation for long-term success.

Note: The underlying data and additional notes on supply and demand options identified in these plans can be found in [Data Set: PPIC San Joaquin Valley GSP Supply and Demand Projects](#).



## View Eugene Friend's Obituary on santacruzsentinel.com and share memories

Eugene Friend

Dec. 30, 1923 ~ Mar. 25, 2020

Watsonville, CA

Eugene R. Friend December 30, 1923 – March 25, 2020

Gene Friend, 96, passed away on March 25, 2020. Born in Dinuba, CA, Gene, his parents, Grace, and Ralph, along with sister Geraldine (Gerry) moved to Watsonville in the summer of 1927. Gene attended local schools, Mintie White Elementary, East Lake Grammar, and Watsonville High School. It was at Watsonville High where Gene met his future wife, Shirley Stephenson. Gene graduated WHS in 1941 and attended Salinas Jr. College (Hartnell) before moving on to attend San Jose State. His time at SJSU was cut short due to [World War 2](#), and he ended up spending 3 years in the Army utilizing his drafting skills, finishing training at an Army engineering school at St Norbert College, Wisconsin before being transferred to Signal Corps School. It was then, in 1944, Gene and Shirley were married in Joplin, Missouri, with Gene soon being shipped to the South Pacific and Shirley returning home to Watsonville. Upon Gene's completion of Army service, he returned to Watsonville, working alongside his wife and father in the family hardware store on Peck Street until it closed in 1962.

Gene's community service began in the mid-1950s, joining the Chamber of Commerce and becoming a volunteer [fireman](#). Gene's commitment to community service and the City of Watsonville saw him become an ardent supporter of the Fire Department, rising to the rank of Assistant Chief, performing a variety of duties, including Acting Chief when the chief's position was vacant or awaiting a new appointee. His service in the fire department spanned over 50 years, from 1954 to 2006. He was a longstanding member of the Monterey Bay Fire Chiefs' Association. One of his greatest pleasures involved administering and managing the "reserve" firefighter program from where many future full-time Watsonville firefighters came. His dedication to the history of the department is evident in the exhibits displayed in the Watsonville Fire Department Chief Gene Friend Fire Museum.

Gene's professional life included partnering with long-time friend Stanley Martin to form Martin & Friend Insurance Agency in the early 1960s and retiring in 1983. He was a director and board chair of the former Watsonville Federal Savings & Loan which he shepherded into becoming Monterey Bay Bank, as its Chief Executive Officer, and eventually Union Bank. He also served on the Planning Commission (including Chairperson) for the city of Watsonville.

Gene was a Watsonville [Rotarian](#), (past President 1964-65) as well as a board member and chairperson of Pajaro Valley Chamber of Commerce, including being honored as Man of the Year in 1975. He was a longstanding member of the United Presbyterian Church of Watsonville, serving on its finance committee as well as its governing Session. Additionally, he was a member of the former Watsonville Community Hospital board of directors.

Among Gene's hobbies, he raised Polled Hereford cattle – show and breeding stock. This hobby not only created new and varied friendships within the cattle world, but it also moved him into memberships of the Santa Cruz County Cattlemen's Association, California-Nevada Polled Hereford Association (Director and Board Chair) and ultimately the American Polled Hereford Association (Director and Board Chair), Kansas City, MO. He was an avid San Francisco Giants fan, taking many "road trips" with grandsons Josh & Rick Banks and son-in-law Ed Banks. He was the "stabilizing force" during those road trips often having to buy a round of scotch to settle some very animated discussions.


Gene was predeceased by his wife Shirley as well as son, Bill.

Gene is survived by a daughter, Kathleen and son-in-law Ed Banks; daughter-in-law Kathy Jones of Boise, Idaho; grandsons Josh (Brook) Banks of Escondido, CA and Rick (Lesa) Banks of Corvallis, OR; granddaughter Megan (Doug) Wongdock of Idaho; great-grandchildren Cooper, Chloe, Will, and John Banks, Grace and William Wongdock.

The family is grateful for the care and attention given Gene from the staff of Valley Convalescent Hospital, his physician, Dr. Christopher O'Grady and caregivers Mary and David.

Gene will be interred at the California Central Coast Veterans Cemetery in a private ceremony. Mehl's Colonial Chapel is handling arrangements. A celebration of Gene's life will be held later this year at the Watsonville Fire Chief Gene Friend Museum.

In lieu of flowers, the family suggests donations to the Cabrillo College Foundation-William R. Friend Memorial Scholarship, 6500 Soquel Drive, Aptos, CA 95003, or the Watsonville Firefighters Association Museum Fund, 115

Second Street, Watsonville, CA 95076, or [a favorite charity](#) .

[View the online memorial for Eugene Friend](#)

## Woodmansee Named Capitola's Interim City Clerk — TPG, Inc.

*by See Below*

*By Jondi Gumz*

Chloe Woodmansee has been tapped as the interim Capitola city clerk, succeeding Linda Fridy, who retired after eight years with the city and four as city clerk.



Chloe Woodmansee, interim Capitola city clerk.

Woodmansee, 30, who grew up in Scotts Valley, joined the city as records coordinator in 2017 after earning her master's degree in public history and cultural heritage at Trinity College in Dublin, Ireland.

She spearheaded a digitization initiative for Capitola and built the city's presence on social media.

"We have more than 1,700 followers on Instagram, which is about a tenth of our city population," she said.

There's a photo of Surfing Santa, the sea lion sculpture and the beach for which Capitola is famous.

"You have some great shots in your gallery," wrote a follower from Junior Achievement Australia.

There's also an announcement about council meeting changes due to the outbreak of coronavirus COVID-19, which is contagious. To slow the spread, presentations have been postponed. Members of the public are not invited to attend meetings in person but are welcome to comment via email instead.

In years past, the city clerk toiled behind the scenes preparing agendas, duly recording minutes and meeting deadlines for city elections. Now electronic systems make agendas and reports accessible to anyone with a computer and Internet.

"In light of the current health crisis, I am doing what I can as interim city clerk to help staff, City Council, and Capitola residents," Woodmansee said.



She added, "I was lucky to work closely with our previous City Clerk, Linda, and to have



learned a lot from her. Of course, stepping into this role for the city, even on an interim basis, is a challenge. But, especially knowing I have support from the entire management team, I am confident that I can rise to the occasion.”

Woodmansee sees social media as an especially valuable tool these days.

“I hope that during this time of unknowns and social-distancing, our residents can benefit from our posts to stay informed and connected,” she said.

Woodmansee is part of a wave of millennials stepping into responsible roles in municipal government, according to Patrice Olds, San Mateo city clerk and president of the City Clerks Association of California.

Asked if Woodmansee might be one of the youngest city clerks in California, Olds said she didn't know but data may be on the way.

“We're doing our first statistically valid survey of membership,” she said.

Anecdotally, Olds has already seen a shift from the dais, looking out at clerks attending the group's meetings.

“I personally may be the last “baby boomer” president (of the association),” she said. “The next president will be a millennial.”

That's Anthony Mejia, city clerk for Palm Springs, who as first vice president of the association is in line to become president.

“Energy and passion is coming from millennials,” Olds said, referring to young people 20-38. “They are our future.”

## Justin Cummings, Mayor's Message | Making progress with COVID-19

I would like to start by expressing my gratitude for all of the amazing work that members of our essential workforce are providing for our community during these difficult times. We as a community are grateful for putting yourselves at risk every day to ensure the health and safety of our community as we navigate our way through such difficult times. As we enter week five of the shelter in place order, many of us realize that there is a long road ahead of us and the best thing we can do is prepare ourselves.

The people of Santa Cruz County should be proud of how their sacrifices are helping to flatten the curve and reduce transmission of COVID-19. Although we do not have enough tests to understand how prevalent the virus is in our community, what we do know is that our mortality rate has stayed flat along with the hospitalization rate. To date, only one person has died of COVID-19 and only 15 have been hospitalized in the entire County. Not only does this suggest that sheltering in place and our social distancing has been working, but this also ensures that there are plenty of beds, ventilators, and care available for individuals who need it the most.

By sheltering in place and practicing social distancing to flatten the curve, we are buying ourselves time as testing, the potential for community surveillance, and protective personal equipment becomes more available. Last week I was in close communication with a group of researchers at UCSC who have been developing testing on campus and are in the final stages of development. This lab would be the first lab in Santa Cruz County that would be able to provide COVID-19 testing and we hope to support them any way we can.

Although there is always risk when leaving your home, it is important that we minimize risk of transmitting or contracting COVID-19 to the greatest extent possible when conducting our daily business. Wearing gloves is especially important when touching objects in public places. Face masks are helpful to prevent symptomatic and asymptomatic carriers of COVID-19 from spreading the virus to others.

Maintaining a distance of 6 feet or more between individuals is critical for reducing the potential transmission of the virus and slowing the spread. Unfortunately, there are some situations that might violate that 6-foot distancing. In order to be at risk, the CDC suggests that the duration of time needs to be a prolonged exposure within that 6-foot distance and, although this has not been precisely defined, prolonged exposure is suggested to be for more than 10 – 30 minutes. So if you happen to walk past someone in the grocery store, on the sidewalk, or on the beach, and you are within that 6-foot distance for a very brief moment in time, the likelihood that you will be at risk of spreading or contracting the virus is very low.

By following the guidelines set forth by the County Health Officer Dr. Gail Newell, we are seeing tremendous progress in our community. As we continue to make progress we would like to remind residents to play and stay where you live. Please do not travel unless it is for essential purposes. Traveling creates an opportunity where you could introduce the virus to a new community, or the virus could be contracted and brought back to Santa Cruz. We are also launching numerous educational campaigns to let people from outside our community know that with many of our businesses, boardwalk, AirBnB, VRBO and hotels closed we do not want visitors at this time.

As you continue to do your part to prevent the spread of the virus, know that your city staff, essential workers, local, state and federally elected officials are doing everything they can to advocate for you and provide you with all the resources you need to care for yourselves and your loved ones during these difficult times. Please visit the City, County, and 211 websites, call 211, text COVID19 to 211 211 or call 831-454-4242 for more information and resources.

We're making progress together and thank you for doing your part.

*Mayor's message is a Sunday column by Watsonville Mayor Rebecca Garcia, Santa Cruz Mayor Justin Cummings, Scotts Valley Mayor Randy Johnson and Capitola Mayor Kristen Petersen.*

**8A: ATTACHMENT 14**

# **Amid COVID-19, Essential Work Continues with Commitment to Public Engagement and Transparency**

*State of California*

The COVID-19 pandemic underscores the need to protect public health and safety. For the Department of Water Resources (DWR), this means continuing essential functions such as reliable water delivery, flood protection, dam safety, infrastructure maintenance and environmental enhancement, while maintaining the highest standards for transparency.

While the pandemic makes it clear the state cannot proceed with business as usual, that does not mean we should pause efforts that are critical to the state. Climate change, sea level rise, flashy storms, atmospheric rivers and earthquakes will not pause for a pandemic. But while work continues during this crisis, it must not do so at the expense of public involvement and transparency.

The challenge we all face is that employees, partner agencies, project stakeholders, tribes, environmental justice communities and the public-at-large are under stay-at-home orders. It is incumbent on us to provide ongoing access to public information and opportunities for public engagement and comment.

The moment requires creativity and a commitment to transparency. We believe the best approach is to: 1) take advantage of California's ingenuity, and deploy high-tech, online solutions, and 2) go old-school, simplify, and get back to basics.

To that end, DWR has already begun to utilize the following practices to ensure that while we continue our work in today's circumstances, we do so in ways that provide reasonable accommodations and hopefully even increase public participation in our collective new normal. When feasible, and while following all public health protocols, DWR will:

1. Extend comment periods
2. Reach out to community-based organizations and other stakeholders who may be in direct communication with local residents to enlist their help in using multiple channels to notify residents of remote options for public meetings.
3. Arrange for live participation in meetings via telephone and online tools, and record for later viewing
4. Provide ample time for public comment during meetings and offer multiple ways for the public to submit comments, including email, voice messages and other means.
5. Utilize digital tools like surveys, videos and virtual online "office hours" to expand ways to gain public input
6. Provide telephone access to staff, and ensure that there is direct staff response
7. Provide delivery of hard copy materials for those without access to the internet
8. Provide a written record of online meetings, including documentation of any Q&A or supporting materials
9. Help publicize telephone or online meetings being hosted by our partner or regulatory agencies
10. Provide telephone access to staff for technical assistance
11. Utilize social media channels for interaction with staff
12. Simplify and streamline processes to reduce the volume of information
13. Take communications back to basics: utilizing radio for publicizing meeting information; posting flyers at essential service locations (e.g. grocery stores, post offices); and allowing for telephone public comment.
14. Ensure all public meeting requirements are upheld and keep up to date with any new guidance or changes to meeting terms.

Public engagement in government-led processes is critical and we need to find ways to enable every member of the community to have access. People living their everyday lives don't often have time for public meetings. But with the expansion of online and telephone resources, we have enhanced opportunities to engage and participate from home in ways we never have had before. Our anecdotal experience in the last few weeks is that the number of community members participating in meetings has significantly increased with options to join meetings by telephone and internet. We are hopeful that this may have the unexpected but welcome result of improving access and boosting participation, in a way that might even minimize our collective carbon footprint.

Californians are leaders; bold and creative. If we can work together to expand public information and public participation opportunities by harnessing technology and ingenuity, we will have contributed to paving a path for a better California. We welcome your ideas as we chart a better course in response to our new normal.

# Pandemic And Wildfire: California Is Preparing For A Crisis Within A Crisis

*Ezra David Romero*

**Updated April 16, 5:35 p.m.**

California is bracing for what could be a crisis within a crisis — that's if a wildfire, flood or other emergency takes place during the coronavirus pandemic.

CapRadio listeners are wondering about how this could impact people that live in wildfire zones. Gillian Biedler, from Sacramento, asked CapRadio: "We are supposed to have a fierce and early fire season this year. How can we contain the virus while evacuating people?"

Wildfires and housing the people who are evacuated from them isn't new in California. But what is new is this double whammy of a global pandemic and potential fires or other disasters, said Kim Zagaris, with the [California Office of Emergency Services](#).

"We deal with this type of stuff all the time, but what we don't deal with is probably the magnitude that we're dealing with currently today," he said.

Agencies across the state are preparing for that possibility, figuring out how to deal with evacuations if physical distancing orders remain. Zagaris worked for the agency for more than three decades and was pulled out of retirement to help plan during the existing crisis.

"I'm the guy that they break the glass in case of an emergency," said Zagaris.

He says the state is preparing for disasters, but that generally fires are usually handled by the local level first. But if a blaze gets large enough or outside help is needed that's when agencies like Cal OES get involved.

Zagaris says the agency is already taking precautions at its offices by reducing entrances to one main door, temperature checks, constant cleaning and a series of questions about sickness and exposure.

"Then we give them a wristband," Zagaris said. "Local governments will probably need to think through these issues as well when they set up evacuation shelters and whatever emergency they're dealing with."

## How Bad Will Fire Season Be?

All this is important because the snowpack statewide is measuring at about [63 percent](#) of normal for this time of year. Even with late season storms keeping the Sierra Nevada moist California could see fires early as grasses dry this spring.

"It's kind of hard to predict what the fire season is going to look like," said [Leroy Westerling](#), a UC Merced professor and expert on management issues and climate change. "It's gonna be a combination of how hot it gets and whether or not we get any more storms."

One agency paying attention to all these ingredients that determine how intense fire season could be is the [California Department of Forestry and Fire Protection](#), or Cal Fire. The agency is already taking extra precautions with COVID-19 at play. Crews are using masks, sanitizing equipment often and limiting the number of people per vehicle.

But Scott McLean, Cal Fire's deputy communications chief, says there's still uncertainty because "we're still a few months away for the potential of any major fires to break out. So, we really don't know where this virus is going to be at as far as spread at that time either."

When a fire ignites and forces evacuations, McLean says crews will follow Center for Disease Control and Prevention guidelines, like washing hands, using sanitizer and maintaining a six-foot distance from others. He says that also goes for the public as they evacuate.

McLean says he's heard reports that the agency will be short staffed, but he says that's not true and that 2,600 seasonal crew members are training.

"We're evaluating the situation in the state for wildfire reasons and for the virus aspects. Everyday leadership makes note as to what's taking place," McLean said.

But Tim Edwards — president of [Cal Fire Local 2881](#), the union that represents 6,000 Cal Fire firefighters — doesn't agree that the state is prepared. He says the 2,600 seasonal workers are regular hires and there aren't enough firefighters yearly.

Edwards says the pandemic also means inmate crews won't be available.

"We lost 600 [inmates], so we're going to be down almost 40 inmate crews going into this fire season," said Edwards. "That's going to put a burden back on to the firefighters."

There have been over [700 wildfires in 2020](#) so far in California, but they've only burned around 1,200 acres. That could change fast if a major wildfire begins.

"Crews right now have a lot of anxiety going into this, not just because of a possible exposure to the COVID-19 virus, but to the long hours and days that they're going to spend now away from home," said Edwards.

He is also concerned about whether social distancing can actually be achieved at fire crew camps.

"Picture 1,300 firefighters on five acres," Edwards said. "How do you keep six feet apart and feed them and shower them. So, they're not going to be able to social distance unless they come up with a better way."

He says larger areas will be needed to house crews if social distancing is still recommended.

“With lack of staffing in the longer work periods that individuals are going to be assigned to in these fires, it’s going to create more exposure time to these viruses and other smoke and toxic chemicals,” Edwards said.

Cal Fire did not immediately respond to requests to comment on Edwards’ concerns.

There have been over [700 wildfires in 2020](#) so far in California, but they’ve only burned around 1,200 acres. That could change fast if a major wildfire begins.

To protect human health, prescribed burns are not allowed for the time being on Forest Service land. But [Ryan Tompkins](#), a forest advisor with the UC Cooperative Extension for Plumas, Sierra, and Lassen counties, says it’s still early enough to prepare for wildfire with other tools like thinning and in some cases burning.

“It is really difficult because of the concerns about smoke and COVID, but sort of now is our chance to be prepared,” said Tompkins.

### **"A Role To Play"**

This delicate balance of preparing forests for wildfire while living under the stay-at-home order is why it’s important, Tompkins says, for people who live in fire zones to take personal responsibility for their homes and properties. ([Here are some resources on how to prepare your home](#)).

“We know the agencies are going to have maybe limited capacity, limited resources, they’re going to have other strains on their organizations while dealing with this crisis,” Tompkins said. “So, I think it emphasizes in a silver lining way that we all have a piece to play or a role to play.”

[Susie Kocher](#), a forest adviser for the Lake Tahoe region with the UC Cooperative Extension, is concerned about a triple threat of COVID-19, wildfires, and power shutoffs.

“These two potential situations just could stack on top of the uncertainty of what people need to do,” she said.

That’s why Kocher, who works out of South Lake Tahoe, says it’s important that people put in the work now to make their homes withstand fire, because if that triple threat happens it could be too late.

“Maybe you can’t leave the house,” said Kocher. “So, you might as well be working on those things around the home, getting your go bag ready, getting your defensible space, doing any kind of home upgrading you can do right now since you’re home.”

### **How To Evacuate In A Pandemic**

But when a wildfire does rage, groups like the [American Red Cross](#) are already preparing how to set-up evacuation centers.

“We are very concerned that people will hesitate to evacuate because they’re worried about the pandemic,” said [Trevor Rikken](#), senior vice president of disaster cycle services for the group.

“We want to make sure when they have that risk in front of them like a fire or tornado or hurricane, that we’re giving them enough information that they can make an informed decision and get to safety quickly,” Rikken said.

During a wildfire the group usually opens a couple evacuation spots, but with the pandemic the non-profit is focusing on getting people into hotel rooms. The goal is to keep people socially distant.

If there is a massive evacuation, Rikken says evacuees will need to go through temperature and symptom checks while adhering to CDC guidelines. As a last resort, Rikken says the group would temporarily house people in shelters like gyms, but spread six feet apart. Also, the group has stopped taking bulk donations because of contamination risk.

“The time and resources it would take to clean each individual item could be overwhelming,” said Rikken. “Our first priority is always going to be the safety of the people in our care, whether it be clients or volunteers and so we’re trying to minimize as much of that as possible.”

### **"We felt that we were safer here"**

For Kathy and Doug Houston, the idea of a wildfire burning down their home is something they actively prepare to prevent all year long. They live on a ridge outside the town of Paradise where the Camp Fire devastated the community in 2018. (For more on their story check out [this CapRadio story](#)).

The couple didn’t evacuate because after spending thousands of dollars and time preparing their home they stayed and put out embers that landed on their property.

“We felt that we were safer here than trying to get up into the evacuation where many people were trapped,” said Doug Houston.

They and their home survived. In addition to water tanks, fire hoses and generators, the Houstons have cleared acres and acres of land around their home and a neighbor’s property. He wants to go a step further and create a system that will hose down his house automatically if a fire takes place while no one is home.

All this work allows them to feel like they can weather COVID-19, wildfire and power shutoffs.

But that’s also because they could afford to go the extra mile to prepare their property.

“My wife and I have the means and the time to put into the preparation,” Houston said. “But many of those that have started to move back into the town of Paradise are people that are still not going to have the means to do this.”