



**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)

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**REGULAR MEETING AGENDA**

**Wednesday, August 5, 2020  
9:00 a.m.**

**Attend Meeting by Internet:** <https://us02web.zoom.us/j/83433959101?pwd=S3NQS1JnYnIld2hmRIJ4ekJrMHJMQT09>  
(Webinar ID: 834 3395 9101)

**Attend Meeting by Conference Call:** **Dial 1-669-900-6833**  
(passcode is 037855#)

**TELECONFERENCE MEETING PROCESS**

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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. This regular LAFCO meeting will be conducted remotely. A roll call vote will occur on each agenda item that requires Commission action.
- b) 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.

- c) 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. If you are a person with a disability and wish to attend the meeting 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. ROLL CALL

## 2. 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.

- a. **“Central and Aptos/La Selva Fire Consolidation” (Project No. DC 20-02)** The Commission will receive an oral update on the proposed fire consolidation involving Central and Aptos/La Selva Fire Protection Districts.

Recommended Action: No action required; Informational item only.

b. **Zoom Webinar Platform**

The Commission will receive an oral update on LAFCO's teleconference protocol.

Recommended Action: No action required; Informational item only.

## 3. ADOPTION OF MINUTES.....Page 6

The Commission will consider approving the minutes from the June 3rd 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. **Sphere of Influence Designation for County Service Area 60.....Page 11**

The Commission will consider the adoption of a zero sphere boundary for CSA 60.

Recommended Action: Adopt the draft resolution (No. 2020-17) approving the zero sphere of influence designation.

b. **Proposed Policy Updates.....Page 17**

The Commission will consider the proposed modifications to LAFCO's Proposal Evaluation, Environmental Review, and Fee Schedule Policies.

Recommended Action: Adopt the draft resolutions (No. 2020-18, 2020-19, and 2020-20) approving the amendments to the policies.



**c. Service and Sphere Review for County Service Area 9.....Page 103**

The Commission will consider the adoption of a service and sphere of influence review for County Service Area 9.

Recommended Actions:

- 1) Find that pursuant to Section 15061(b)(3) of the State CEQA Guidelines, LAFCO has determined that the service and sphere of influence review is not subject to the environmental impact evaluation process because it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, and the activity is not subject to CEQA;
- 2) Determine, pursuant to Government Code Section 56425, the Local Agency Formation Commission of Santa Cruz County is required to develop and determine a sphere of influence for County Service Area 9, and review and update, as necessary;
- 3) Determine, pursuant to Government Code Section 56430, the Local Agency Formation Commission of Santa Cruz County is required to conduct a service review before, or in conjunction with an action to establish or update a sphere of influence; and
- 4) Adopt the draft resolution (LAFCO No. 2020-21) approving the 2020 Service and Sphere of Influence Review for County Service Area 9.

**6. OTHER BUSINESS**

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

**a. Comprehensive Quarterly Report – Fourth Quarter (FY 2019-20).....Page 179**

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; Information item only.

**b. Recruitment Process.....Page 184**

The Commission will receive an update on the recruitment process in hiring a new Commission Clerk.

Recommended Action: No action required; Informational item only.

**c. CALAFCO Annual Conference.....Page 186**

The Commission will receive an update on this year's annual conference and upcoming CALAFCO Board election process.

Recommended Actions:

- 1) Designate a Voting Delegate for the upcoming election; and
- 2) Consider possible nominations for the Coastal Region's upcoming vacancies on CALAFCO's Board of Directors.

## 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. CALAFCO Correspondence.....Page 203

The Commission will review recent correspondence sent to the LAFCO Office.

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 May, June, and July.....Page 242

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, September 2, 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, June 3, 2020  
9:00 a.m.

Meeting Location: Virtual Setting (using Zoom)  
Teleconference: 1-877-853-5257

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The June 3, 2020 Santa Cruz LAFCO meeting is called to order by declaration of Chairperson Roger Anderson.

**ROLL CALL**

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

**EXECUTIVE OFFICER'S MESSAGE**

Mr. Serrano reports that all webcams have been automatically disabled. Commissioners and staff have the ability to enable their webcams if they choose. The microphones have also been automatically muted. Commissioners and staff can mute and unmute themselves as a way of preventing any background noise or unintended comments.

If there is an agenda item that requires Commission action, a roll call vote will occur. Members of the public may address the Commission on any item either by submitting an email that staff will read out loud, or by providing comments on the Zoom platform.

Staff requests everyone use the "raise hand button" if they have a question or comment. For those on a conference call, they can raise their hand by pressing \*9. Staff will unmute their microphone after the Chair acknowledges their request. These necessary steps will secure a productive meeting.

**MINUTES**

**MOTION**

|                 |   |
|-----------------|---|
| Motion: Leopold | To approve May 6 <sup>th</sup> minutes.                   |
| Second: Lather  | Motion carries with Commissioner Jim Anderson abstaining. |

**ORAL COMMUNICATIONS**

None

## PUBLIC HEARINGS

### PASATIEMPO DRIVE / CLUBHOUSE ROAD ANNEXATION TO COUNTY SERVICE AREA 10 (LAFCO Project No. DA 20-06)

Mr. Serrano reports on an application received last January requesting the annexation and concurrent sphere amendment involving County Service Area (CSA) 10. The uninhabited area is west of Highway 17 and north of Santa Cruz. It involves four parcels that are owned by the applicant, Pasatiempo Incorporation. The purpose of the application is to discontinue the use of septic tanks for the two existing buildings and allow the opportunity to connect to a public sewer system, which is CSA 10.

All of the affected and interested agencies were notified of the proposal, and to date, staff has not received any comments or issues with this proposal. LAFCO worked with the County to adopt a property tax exchange agreement in accordance with State law. A resolution was adopted by the Board of Supervisors in April and none of the property taxes will be transferred to CSA 10. Staff, as the lead agency under CEQA, recorded a Notice of Exemption in May.

Staff is requesting that protest proceedings be waived if the Commission approves this proposal. Protest proceedings can be waived if the registered voters and landowners within the subject area consent to this application.

Mr. Serrano thanks Scott Hoyt, the applicant, and Ashleigh Trujillo from Public Works for helping to complete this project.

Commissioner Lather is pleased to see that Pasatiempo has finally followed through. This project will help improve nitrate levels and the groundwater.

Chairperson Roger Anderson wonders where the two buildings are that will be hooked up to sewer.

Scott Hoyt is the applicant and Pasatiempo's General Manager. They will be hooking up McKenzie Bar and Grill, where their food service and golf shop is located, and the Hollins House Restaurant located at 18 and 20 Clubhouse Road. The line will be extended from these two buildings and across the golf course to an existing hookup. They will be connecting to an existing sewer line on Sims Road and Orchard Drive which will be about 1.5 to 2 miles long. They are eager to be abandoning a failing septic system. He has been working with Ms. Trujillo and Public Works to complete the process.

Ashleigh Trujillo, a civil engineer for Public Works, looked at how much flow they will be adding to the system. They do not foresee any capacity issues. This is a good project that will help the environment since the sewage will no longer be going into the groundwater.

Commissioner Lather wonders when they are going to connect the hotel.

Mr. Hoyt replies that the hotel is not owned by Pasatiempo Inc.

## MOTION AND ACTION

|                                   |   |
|-----------------------------------|---|
| Motion: Leopold<br>Second: Friend | To adopt the draft Resolution No. 2020-13 approving the 42-acre annexation and concurrent sphere amendment involving CSA 10, as recommended by staff.<br>Motion passes with a unanimous voice vote. |
|-----------------------------------|---|

## FINAL BUDGET FOR FISCAL YEAR 2020-21

Mr. Serrano reports that last month, the Commission directed staff to distribute the draft budget and proposed allocations to LAFCO's funding agencies for comments and review. No written correspondence with issues or concerns were received.

Commissioner Leopold appreciates staff's work on this budget.

### MOTION AND ACTION

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|--|--|
| Motion: Leopold<br>Second: J. Anderson | To adopt Resolution No. 2020-14 approving the final budget for FY 2020-21.<br>Motion passes with a unanimous voice vote. |
|--|--|

### PROPOSED POLICY UPDATES

Mr. Serrano reports that there is an ongoing effort to review all of LAFCO's policies this year. For policies regarding extraterritorial service, the updates were mostly formatting amendments. The employment policies needed some clarification of staff's duties and responsibilities, as well as insuring staff's safety and well-being. More in-depth guidelines and explanations were added to the previous version of employment policies. Legal counsel also reviewed the proposed modifications.

Commissioner Leopold appreciates Mr. Serrano's work on these policies. It provides a good opportunity for Commissioners to review all of the policies.

Commissioner Cummings wonders about at-will employment. The policy says that an employee can be terminated for zero cause.

Mr. Serrano replies that the at-will status is the standard practice for all LAFCOs. State law indicates that LAFCO employees are at-will employees. Either the Commission or the Executive Officer can terminate an employee for probable cause. He compared that specific language with other LAFCOs for consistency. Under this policy, if there is an employee considered for termination, it should be discussed with the Personnel Committee and the Commission prior to any action. The updates to this policy allow for more discussion.

Commissioner Jim Anderson asks if California is an at-will State.

Commissioner Leopold answers yes.

Commissioner Jim Anderson adds that with unions, there is protocol written in their contracts. If an organization chooses to follow any disciplinary action process, it preempts the at-will part.

Commissioner Leopold says there could be a separate personnel policy. A majority of the Commission could vote out the Executive Officer without any reason other than they do not like the person, so maybe there should be a process laid out. It helps to ensure that the Executive Officer (EO) is non-partisan and fair to all the cities, special districts, the Board of Supervisors, and the public.

Counsel Zazueta agrees that California is an at-will employment State. There is an at-will presumption, so absent an agreement, statutory or public policy exception, any employee can be terminated at any time.

Chairperson Roger Anderson asks what the major sources for generating these policy updates.

Mr. Serrano replies that when he worked for Orange LAFCO, he worked on updating outdated policies, including the Employment Policy. He compared what the issues were in that LAFCO and what is not being addressed in this LAFCO's current policy. He used his experience with other LAFCOs to help update these policies.

#### MOTION AND ACTION

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| Motion: J. Anderson<br>Second: Cummings | To adopt draft Resolutions No. 2020-15 and 2020-16 approving the amendments to the Extraterritorial Service Policy and the Employment Policy.<br>Motion passes with a unanimous voice vote. |
|---|---|

#### OTHER BUSINESS

##### CALPERS SIDE FUND

Mr. Serrano reports that last year, the Commission analyzed the side fund balance. The Commission considered an additional lump sum payment schedule. Staff's findings showed that it would be beneficial to pay beyond the minimum annual amount in order to save money in the long run. The first lump sum payment of \$10,000 was paid last year. If this lump sum payment schedule is followed, the side fund balance may be paid off in 2024 with \$53,000 in overall savings.

Commissioner Leopold supports this payment plan and it is a small amount of money out of the total budget.

Commissioner Jim Anderson agrees. The Commission shopped around to refinance the 7.5% interest rate, but they were unable to find any better options.

Chairperson Roger Anderson wonders if this is the right time considering the budgetary uncertainties around the pandemic. The Commission's latest approved budget is the lowest it has been in a long time, but it is unknown what will happen to the Commission's funding in the next few months.

Mr. Serrano says typically, 15% to 20% is preferable in the reserves for any unanticipated expenses. If the side fund balance is paid, the reserves would still be within 17% of the total budget. He is comfortable paying this additional \$10,000 knowing that there are still sufficient funds in the reserves.

Chairperson Roger Anderson asks that if it creates a hit on the reserves, it could be corrected in a later action.

Mr. Serrano is comfortable with the status of LAFCO's finances even if the side fund payment is executed.

#### MOTION AND ACTION

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| Motion: Leopold<br>Second: J. Anderson | To make an additional payment of \$10,000 to the CalPERS Side Fund this fiscal year.<br>Motion passes with a unanimous voice vote. |
|--|--|

## LEGISLATIVE UPDATE

Mr. Serrano reports that the legislature reconvened in May but their primary focus is the State budget and the pandemic. Other bills being tracked by CALAFCO have either been postponed until 2021, or they have been pulled by the bill's author. There are no bills affecting LAFCOs, but he will monitor any future legislative actions that may affect local agencies or LAFCO.

Chairperson Roger Anderson asks when this legislative session ends.

Mr. Serrano does not have the legislative calendar available, but he will report back to the Commission. [Follow-up information: the last day for bills to pass is August 31, the last day for the Governor to pass or veto bills is September 30, and the legislative session adjourns on November 30.]

## WRITTEN CORRESPONDENCE

Mr. Serrano reports that Agri-Culture's class has been postponed until next year. The tuition that the Commission paid for staff to participate will be transferred to 2021's class.

## PRESS ARTICLES

Mr. Serrano reports that Paul Hood passed away. He was a LAFCO legend.

Commissioner Leopold adds that Mr. Hood was an influence for LAFCOs all over the State.

Chairperson Roger Anderson talked to him at conferences regularly. Mr. Hood kept coming back to LAFCO even after he tried to retire.

## ADJOURNMENT

The next LAFCO meeting is scheduled for 9:00 a.m. Wednesday, September 2, 2020.

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CHAIRPERSON ROGER W. ANDERSON

Attest:

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Joe A. Serrano, Executive Officer





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**Santa Cruz Local Agency Formation Commission**

Date: August 5, 2020  
To: LAFCO Commissioners  
From: Joe Serrano, Executive Officer  
Subject: **Sphere of Influence Designation for County Service Area 60**

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**SUMMARY OF RECOMMENDATION**

In March, the Commission directed staff to coordinate with Public Works and the Huckleberry Island community to develop an action plan that would begin CSA 60's services and funding operations. If no plan was developed, the Commission would consider a zero sphere designation at the August 5th LAFCO Meeting.

It is recommended that the Commission adopt the draft resolution (No. 2020-17) approving the zero sphere of influence designation for CSA 60.

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**EXECUTIVE OFFICER'S REPORT:**

This Commission adopted a service and sphere review for CSA 60 on March 4, 2020. The report included significant findings about the District, specifically its inactivity during the past five years. Based on the criteria under state law, LAFCO staff believes that CSA 60 will be identified in the State Controller's List of Inactive Districts. If that occurs, it may trigger the mandatory dissolution process outlined in Government Code Section 56879. This year's inactive list is scheduled to be published by October.

**Action Plan**

LAFCO strongly encouraged the County and the community to develop an action plan that will activate CSA 60's services and funding operations. If developed, the plan could have been sufficient evidence to remove CSA 60 from the list and prevent the mandatory dissolution requirement. However, attempts to coordinate with the community by LAFCO and Public Works were unsuccessful. As a result, no action plan was developed.

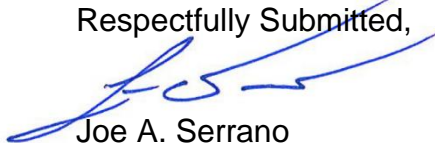
**Sphere Determination**

The Commission may adopt a "zero" sphere of influence (encompassing no territory) for a district when the Commission has determined that the public service functions of the agency are either nonexistent, no longer needed, or should be reallocated to some other municipal government. This designation would be the preliminary step towards dissolution. A zero sphere determination for CSA 60 is warranted for three reasons: (1) CSA 60 has remained inactive for five years, (2) no action plan was developed by the Huckleberry Island community, and (3) CSA 60 meets the statutory criteria of an inactive district, and should be dissolved in the foreseeable future.

**Conclusion**

CSA 60 was formed in August 2015 to help fund the replacement of a bridge and provide road maintenance to the Huckleberry Island community. Since then, Public Works has confirmed that no work has been done, no benefit assessments have been collected, and there are no current plans for bridge construction or road services. In addition, CSA 60 is anticipated to be identified as an inactive district by the State Controller's Office and may be subject to a mandatory dissolution. Therefore, staff is recommending that a zero sphere of influence be adopted as a precursor to an impending dissolution of CSA 60.

Respectfully Submitted,



Joe A. Serrano  
Executive Officer

**Attachments:**

1. Draft Resolution No. 2020-17

cc: Sonia Lykins, County Public Works Department  
Huckleberry Homeowner's Association  
CSA 60 Residents (Registered Voters on file)  
CSA 60 Residents (Landowners on file)

LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY  
RESOLUTION NO. 2020-17

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

RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION  
APPROVING THE SPHERE OF INFLUENCE DETERMINATION FOR  
COUNTY SERVICE AREA 60 TO A ZERO SPHERE BOUNDARY

\*\*\*\*\*

WHEREAS, on March 4, 2020; the Commission initiated and conducted the 2020 Service and Sphere of Influence Review for County Service Area 60 (“CSA 60”);

WHEREAS, a statutory exemption has been issued pursuant to the provisions of the California Environmental Quality Act (CEQA) indicating that the sphere of influence review is exempt from CEQA and such exemption was adopted by this Commission on March 4, 2020; and

WHEREAS, the Commission determined that CSA 60 was created on August 5, 2015 to help fund replacement of a bridge and provide road maintenance to the Huckleberry Island community. Since then, County Public Works has indicated that no work has been done, no benefit assessments have been collected, and there are no current plans for bridge construction or road maintenance; and

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

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

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

WHEREAS, LAFCO did not receive an action plan from County Public Works or the Huckleberry Community prior to the consideration of a sphere determination;

WHEREAS, the Commission's Executive Officer has given notice of a public hearing by this Commission of the sphere determination in the form and manner prescribed by law; and

WHEREAS, the Commission held a public hearing on August 5, 2020, and at the hearing, the Commission heard and received all oral and written protests, objections, and evidence that were presented; and

WHEREAS, based on presently existing evidence, facts, and circumstances presented to and considered by this Commission, it is determined that the sphere of influence for CSA 60 should be reduced to a zero sphere of influence; as more specifically described on the attached Exhibit A; and

WHEREAS, the following determinations are made in conformance with Government Code Section 56425 and local Commission policy;

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

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

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

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

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

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

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

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

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

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

NOW, THEREFORE, BE IT RESOLVED, the Commission hereby amends the CSA 60 sphere of influence boundary to have a zero sphere of influence, as shown in Exhibit A, it being fully understood that the amendment of such spheres of influence is a policy declaration of this Commission based on existing facts and circumstances which may lead to the dissolution of the inactive district.

PASSED AND ADOPTED by the Local Agency Formation Commission of Santa Cruz County this 5th day of August 2020.

AYES:

NOES:

ABSENT:

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

Attest:

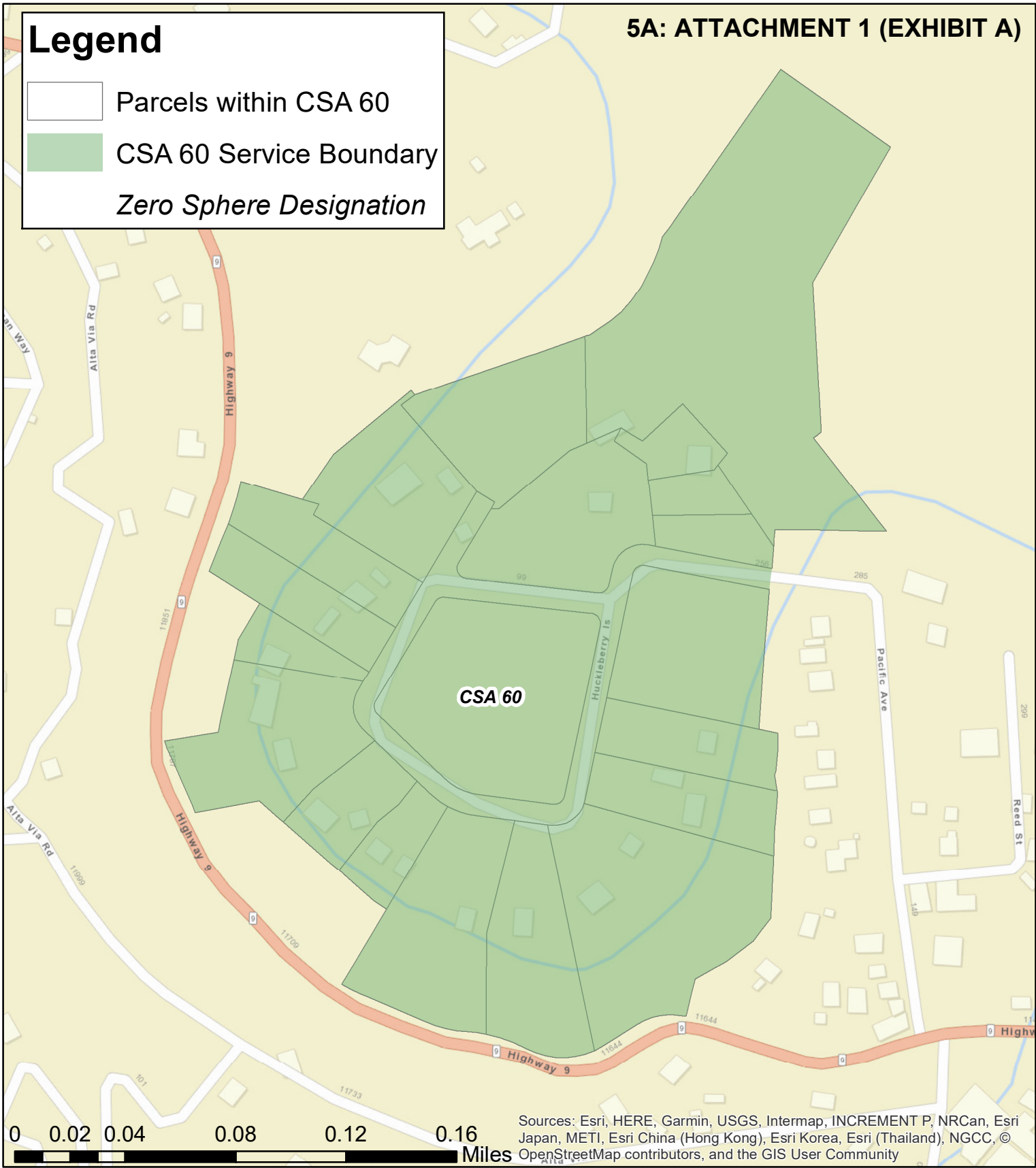
Approved as to form:

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

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

Legend

- Parcels within CSA 60
- CSA 60 Service Boundary
- Zero Sphere Designation



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

Original Sphere of Influence adopted on August 5, 2015  
Service & Sphere Review considered on March 5, 2020  
Zero Sphere of Influence adopted on August 5, 2020



**Santa Cruz Local Agency Formation Commission**

Date: August 5, 2020  
To: LAFCO Commissioners  
From: Joe Serrano, Executive Officer  
Subject: **Proposed Policy Updates  
(LAFCO Project Nos. CPP 20-18, 20-19, and 20-20)**

**SUMMARY OF RECOMMENDATION**

The Commission has adopted several distinctive policies to review a boundary change request or conduct a special study. These policies include the Proposal Evaluation, Environmental Review, and the Processing Fees & Deposits. Based on staff's analysis, these three policies require modifications to reflect the Commission's current practices.

It is recommended that the Commission adopt the draft resolutions (LAFCO Nos. 2020-18, 2020-19, and 2020-20) approving the amendments to the three policies.

**EXECUTIVE OFFICER'S REPORT:**

This Commission began reviewing LAFCO's existing policies earlier in the year. Half of the policies have already been reviewed and updated. The following table shows when the remaining policies are scheduled for Commission consideration. This report evaluates three additional policies, listed as #11-13, as shown below.

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

## Proposal Evaluation Policy

This policy was first introduced in September 1966 to establish guidelines on how to analyze submitted applications. The Commission has updated the policy only once since its original adoption. The last review occurred in February 2011. The current version is attached to this report (see **Attachment 1**). Staff believes that the overall process outlined in the current policy is accurate and does not need any substantial modifications. Proposed amendments include adding headings and sub-headings throughout the policy, revising outdated language, and implementing the new standard format. The proposed edits are shown in tracked changes (see **Attachment 2**). A clean version of the revised policy is included as an exhibit to the draft resolution (see **Attachment 3**).

## Environmental Review Policy

This policy was originally adopted in September 2000 to ensure that all proposals fulfill the statutory requirements outlined in the California Environmental Quality Act (CEQA). It is staff's understanding that this policy has not been updated since its original adoption. The current version is attached to this report (see **Attachment 4**). Staff believes it would be beneficial to clarify the responsibilities of "lead" and "responsible" agencies under CEQA, specifically for LAFCO in future proposals. That is why a number of amendments are being suggested for consideration. The proposed edits are shown in tracked changes (see **Attachment 5**) and summarized below. A clean version of the revised policy is included as an exhibit to the draft resolution (see **Attachment 6**).

Proposed edits include the following:

- Overview – This policy will now include a description of the proposed guidelines at the beginning of the document to continue the same formatting as other updated policies.
- Public Agencies' Responsibilities – State law requires that an environmental assessment be undertaken for projects that have the potential to have an impact on the environment. This section indicates that applications submitted by a public agency must include documentation that fulfills CEQA requirements.
- LAFCO's Regulatory Responsibilities – State law directs LAFCOs to discourage urban sprawl, encourage orderly formations, and support smart growth. This section clarifies LAFCO's environmental responsibilities as a regulatory agency.
- LAFCO's Role as an "Interested" Agency – In some cases, LAFCO does not play a role in the environmental review process. This section clarifies LAFCO's role when the Commission is not the lead agency but rather an interested agency under CEQA.
- LAFCO's Role as an "Responsible" Agency – In most cases, LAFCO plays an indirect role in the environmental review process. This section clarifies LAFCO's role when the Commission is not the lead agency but rather a responsible agency under CEQA.
- LAFCO's Role as an "Lead" Agency – In specific cases, LAFCO plays a direct role in the environmental review process. This section clarifies LAFCO's role when the Commission is the lead agency under CEQA.
- LAFCO's Lead Agency Procedures – When LAFCO is the lead agency, it is imperative that the Commission address all the statutory requirements pursuant to CEQA. This section provides helpful steps to ensure that LAFCO meets the state mandates.



## **Processing Fees and Deposits Policy**

This policy was originally adopted in December 2002 to ensure that all fees and expenses associated with processing boundary change proposals and related studies are adequately recovered. Modifications to the policy have taken place throughout the years with the last review occurring in December 2017. The current version is attached to this report (see **Attachment 7**). Staff believes that the overall fee schedule outlined in the current policy is accurate and does not need any substantial modifications. Proposed amendments include removing surcharges to various fee deposits, revising outdated language, and implementing the new standard format. The proposed edits are shown in tracked changes (see **Attachment 8**). A clean version of the revised policy is included as an exhibit to the draft resolution (see **Attachment 9**).

## **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. Staff is recommending that the Commission review these three policies and adopt the resolutions approving the proposed edits (refer to **Attachments 3, 6, and 9**).

Respectfully Submitted,



Joe A. Serrano  
Executive Officer

Attachments:

### Proposal Evaluation Policy

1. Proposal Evaluation Policy (Current Version)
2. Proposal Evaluation Policy (Proposed Version with tracked changes)
3. Draft Resolution No. 2020-18 (with “clean version” of the policy as Exhibit A)

### Environmental Review Policy

4. Environmental Review Policy (Current Version)
5. Environmental Review Policy (Proposed Version with tracked changes)
6. Draft Resolution No. 2020-19 (with “clean version” of the policy as Exhibit A)

### Processing Fees and Deposits Policy

7. Processing Fees and Deposits Policy (Current Version)
8. Processing Fees and Deposits Policy (Proposed Version with tracked changes)
9. Draft Resolution No. 2020-20 (with “clean version” of the policy as Exhibit A)

## STANDARDS FOR EVALUATING PROPOSALS

**Amended by Resolution No. 2011-1; February 2, 2011**

Pursuant to Government Code Section 56375, Santa Cruz LAFCO has established standards for the evaluation of proposals. The Commission uses these standards when reviewing and acting upon proposals for annexations and other boundary changes.

### **Santa Cruz LAFCO Policy 1.1 - Consistency with Spheres**

All changes of organization shall be consistent with adopted spheres of influence of affected agencies.

#### **Standard 1.1.1**

Consistency shall be determined by a LAFCO finding of consistency with the sphere of influence maps and policies adopted by LAFCO for the affected agencies.

### **Santa Cruz LAFCO Policy 1.2 - Need for Services**

Any proposal involving annexations, incorporations, and formations shall not be approved unless it demonstrates a need for the additional services to be provided to the area; while all proposals involving detachments, disincorporations, and dissolutions shall not be approved unless the proponent demonstrates that the subject services are not needed or can be provided as well by another agency or private organization.

#### **Standard 1.2.1**

For proposals concerning cities, need shall be established by (a) an adopted rezoning, consistent with the city general plan, that shows current or future development at a density that will require urban services such as sanitary sewer and water, and (b) a city growth rate and pattern that the subject area will be developed within 5 years.

#### **(Standard 1.2.2 Deleted)**

#### **Standard 1.2.3**

For proposals concerning the extension of other services by annexation, incorporation, or district formation, need shall be established by the applicable general plan land use designations and the service levels specified for the subject area in the applicable general plan.

#### **Standard 1.2.4**

For proposals involving the discontinuation of services, lack of need shall be established by (a) no serious effects on the current users of the service due to discontinuation and (b) no projected serious effects on the uses that can be expected to occur in the next 5 years based upon the applicable general plan and projected growth rates and patterns.

**Standard 1.2.5**

In reviewing proposals, LAFCO shall consider: (1) the "population" in the proposal area to be the population recorded in the last biennial or special census unless the proponent or affected agency can present updated or more detailed information which LAFCO determines to be more accurate, (2) the "population density" to be the population divided by the acreage, and (3) the "per capita assessed valuation" to be the full cash value of all the property in a proposal area (as set by the last secured property tax roll) divided by the population.

**Santa Cruz LAFCO Policy 1.3 - General Plans**

In cases of overlapping plans, LAFCO shall make a determination of which general plan best carries out the policies of the Local Government Reorganization Act.

**Standard 1.3.1**

Generally, LAFCO will presume to favor a city's general plan inside the sphere of influence adopted for the city by LAFCO, and the county's general plan elsewhere. It is the proponent's responsibility to prove any exception by referring to the policies of the Local Government Reorganization Act.

**Santa Cruz LAFCO Policy 1.4 - In-Fill Development**

In order to avoid further urban sprawl, LAFCO shall encourage in-fill development in urban areas and annexations of areas inside the city sphere of influence.

**Santa Cruz LAFCO Policy 1.5 - Provision of Services**

In order for LAFCO to approve a change of organization, the proponent shall demonstrate that the subject services can be provided in a timely manner and at a reasonable cost.

**(Standard 1.5.1 Deleted)****Standard 1.6.1**

For proposals involving the extension of general municipal services to proposal areas greater than 50 acres, the proponent shall either (a) plan staged growth beginning closest to an existing urban area, or (b) demonstrate why such a plan does not promote urban sprawl and an inefficient pattern of services.

**Santa Cruz LAFCO Policy 2.1 - Number of Agencies**

Proposals, where feasible, should minimize the number of local agencies and promote the use of multi-purpose agencies.

**Standard 2.1.1**

New or consolidated service shall be provided by one of the following agencies in the descending order of preference:

- annexation to an existing city,
- annexation to an existing district of which the Board of Supervisors is the governing body,

- annexation to an existing multi-purpose district,
- annexation to another existing district
- formation of a new county service area,
- incorporation of a new city,
- formation of a new multi-purpose district,
- formation of a new single-purpose district.

#### **Standard 2.1.2**

The Commission will promote and approve district consolidations, where feasible.

### **Santa Cruz LAFCO Policy 2.2 - Logical Boundaries**

LAFCO shall promote more logical agency boundaries.

#### **Standard 2.2.1**

To the greatest possible extent, boundaries shall follow existing political boundaries, natural features (such as ridges and watercourses), and constructed features (such as railroad tracks).

#### **Standard 2.2.2**

Boundary lines shall be located so that entire road rights-of-way are placed within the same jurisdiction as the properties fronting on the road.

#### **Standard 2.2.3**

Boundaries should avoid dividing an existing identifiable community, commercial district, or other area having social or economic homogeneity. Where such divisions are proposed, the proponents shall justify exceptions to this standard.

#### **Standard 2.2.4**

The creation of boundaries that divide assessment parcels shall be avoided whenever possible. If the proposed boundary divides assessment parcels, the proponents must justify to the Commission the necessity for such division. If the Commission approves the proposal, the Commission may condition the approval upon obtaining a boundary adjustment or lot split from a city or county.

#### **Standard 2.2.5**

Boundaries should not be drawn so as to create an island or strip either within the proposed territory or immediately adjacent to it. Where such an island or strip is proposed, the proponent must justify reasons for nonconformance with this standard.

#### **Standard 2.2.6**

Where feasible, city and related district boundary changes should occur concurrently to avoid an irregular pattern of boundaries.

**Standard 2.2.7**

A map of any proposed boundary change shall show the present and proposed boundaries of all affected agencies in the vicinity of the proposal site. The Commission shall assure that any approved boundary changes are definite and certain. The Commission may approve a proposal conditioned on the proponent preparing a new boundary map and description.

**Standard 2.2.8**

LAFCO will review each proposal and take actions needed to encourage timely annexations to discourage agencies from extending services by agreement without annexing to the agency.

**Santa Cruz LAFCO Policy 2.3 - Financially Desirable Areas**

The sole inclusion of financially desirable areas in a jurisdiction shall be avoided.

**Standard 2.3.1**

The Commission shall amend or reject any proposal that, in its estimation, appears to select principally revenue-producing properties for inclusion in a jurisdiction.

**Santa Cruz LAFCO Policy 2.4 - Overall Effects**

The Commission shall consider the effects of a proposed action on adjacent areas, mutual social and economic interests, and on local governmental structure.

**Standard 2.4.1**

For city annexation proposals, if the city has more jobs than places for workers to live (jobs to employed residents ratio greater than 1.00) then a proposal which will directly result in urban development including new permanent employment may only be approved if sufficient land is designated for residential uses in the city's general plan to create a jobs/ housing balance.

The Commission will consider and may grant waivers to this standard in cases where all of the following situations exist:

- 1) The territory being annexed is an island of incorporated territory and consistent with the definition of "island" in Government Code Section 56375,
- 2) The proposal is consistent with the spheres of influence of all affected agencies, and
- 3) The proposal has been initiated by resolution of the city which includes the subject property in its adopted sphere of influence.

**Santa Cruz LAFCO Policy 2.5 - Rezoning**

The Commission shall require rezoning for all city annexations so that the potential effects of the proposals can be evaluated by the Commission and known to the affected citizens.

**Santa Cruz LAFCO Policy 3.1 - Prime Agricultural Lands**

Urban growth shall be guided away from prime agricultural lands, unless such action would not promote planned, orderly, efficient development of an area.

**Standard 3.1.1**

A change of organization is considered to promote the planned, orderly, and efficient development of an area when:

- a) It is consistent with the spheres of influence maps and policies adopted by LAFCO for the affected agencies.
- b) It conforms to all other policies and standards contained herein.

**Santa Cruz LAFCO Policy 3.2 - Infill**

LAFCO shall encourage the urbanization of vacant lands and non-prime agricultural lands within an agency's jurisdiction and within an agency's sphere of influence before the urbanization of lands outside the jurisdiction and outside the sphere of influence, and shall encourage detachments of prime agricultural lands and other open space lands from cities, water districts, and sewer districts if consistent with the adopted sphere of influence of the affected agency.

**Standard 3.2.1**

The priorities for urbanization are:

- 1) open-space lands within existing boundaries,
- 2) open-space lands within an adopted sphere of influence,
- 3) prime agricultural lands within existing boundaries,
- 4) prime agricultural lands within an adopted sphere of influence.

**Standard 3.2.2**

Proposals involving urbanization of prime agricultural lands within adopted spheres of influence shall not be approved unless it can be demonstrated that (a) there is insufficient land in the market area for the type of land use proposed, (b) there is no vacant land in the subject jurisdiction available for that type of use.

**Santa Cruz LAFCO Policy 4.1 – Water Resources**

LAFCO recognizes that the water resources of Santa Cruz County are limited, and the Commission's objective is to ensure that its decisions relating to water do not lead to adverse impacts on the natural resources of Santa Cruz County. In reviewing boundary change applications, LAFCO shall be guided by the potential impacts of the proposal on water resources and will consider the efforts of the water agencies and land use agencies to maintain stream and river flows, promote high water quality of surface waters and groundwater, and reduce groundwater overdraft.

**Standard 4.1.1**

In any proposal requiring water service, the Commission requires that the agency that will provide the water will need to demonstrate the availability of an adequate, reliable and sustainable supply of water.

- a. In cases where a basin is overdrafted or existing services are not sustainable, a boundary change proposal may be approved if there will be a net decrease in impacts on water resources.
- b. In cases where a phased development is proposed, the agency should demonstrate that adequate service capacity will be provided as needed for each phase.
- c. In cases where a proposed new service area will be served by an onsite water source, the proponent should demonstrate its adequacy (Government Code Section 56668 (k)).
- d. In cases where the proposal's new water demand on the agency does not exceed the typical amount of water used by a single-family dwelling in the agency's service area, the Commission will not require that an "adequate, reliable, and sustainable" supply be demonstrated if the agency has a water conservation program and the program will be implemented as part of any new water service.

#### **Standard 4.1.2**

It is the general policy of the Commission to disapprove annexations to water and sewer agencies (including cities that provide either service) while there is a connection moratorium or other similar service limitation involving the subject water or sewer service. The Commission will consider exceptions to this general policy on a case-by-case basis. The Commission may approve an annexation that meets one or more of the following criteria:

- 1) To replace a private water source that has failed, such as a well that has gone dry. New service connections shall not be sized to accommodate more intensive development.
- 2) To replace a septic system that has failed. New service connections shall not be sized to accommodate more intensive development.
- 3) To implement a transfer of service between two existing agencies in a manner that is consistent with the adopted Spheres of Influence of those agencies.
- 4) To change a boundary, in a manner consistent with an adopted Sphere of Influence, so that an agency boundary does not divide a property that could only be conveyed under a single deed.

Between January 1, 1986 and the time the service limitation is totally lifted, the Commission shall limit the annexations so that the number of cumulative connections made under the above exemption criteria do not exceed 1% of the total agency's flow (as expressed in equivalent single family dwelling units) in service on January 1, 1986.

An additional criterion, not subject to the 1% cumulative impact limitation, is as follows:

- 5) To provide facilities or funding that will allow the agency to lift its service limitation.

**Standard 4.2**

For proposals concerning water and sewer district annexations, need shall be established by lack of services to existing urban land uses, or a building permit application or allocation for a single-family dwelling or, for a larger project, by (a) a tentative or final land use entitlement (tentative subdivision map use permit, etc.) conditioned on obtaining water or sewer service and (b) a growth rate and pattern that the subject area will be developed within 5 years.

**Standard 4.3**

The Commission will only approve boundary change applications when the Commission determines that it is unlikely that water resources will be degraded. The Commission will review each application to assure that, by implementing project-specific mitigations, participating in agency water conservation programs, or both if applicable, the project will not adversely affect sustainable yields in groundwater basins, flows in rivers and streams, water quality in surface water bodies and groundwater basins, and endangered species.

**Standard 4.4**

When more than one agency could serve an area, the agencies' services capabilities, costs for providing services, and the desires of the affected community will be key factors in determining a sphere of influence.





## LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY

### PROPOSAL EVALUATION POLICY

Adopted on September 21, 1966 (Resolution No. 97)

Previous Revision on February 2, 2011 (Resolution No. 2011-1)

Last Revision on August 5, 2020 (Resolution No. 2020-19)

## STANDARDS FOR EVALUATING PROPOSALS

Amended by Resolution No. 2011-1; February 2, 2011

### 1. OVERVIEW

Pursuant to Government Code Section 56375, Santa Cruz LAFCO has established standards for the evaluation of proposals. The Commission uses these standards when reviewing and acting upon proposals for annexations and other boundary changes.

#### 1.2. ~~Santa Cruz LAFCO Policy 1.1~~ – CONSISTENCY WITH ~~SPHERE~~SPHERE OF INFLUENCE

All changes of organization shall be consistent with adopted spheres of influence of affected agencies.

##### Standard 1.1.12.1 Sphere Consistency

Consistency shall be determined by a LAFCO finding of consistency with the sphere of influence maps and policies adopted by LAFCO for the affected agencies.

#### 2.3. ~~SANTA CRUZ LAFCO POLICY 1.2~~ – ~~NEED FOR SERVICES~~INITIAL PROPOSAL EVALUATION

Any proposal involving annexations, incorporations, and formations shall not be approved unless it demonstrates a need for the additional services to be provided to the area; while all proposals involving detachments, disincorporations, and dissolutions shall not be approved unless the proponent demonstrates that the subject services are not needed or can be provided as well by another agency or private organization.

##### 3.1 ~~Standard 1.2.1~~ Prezoning & General Plan Updates

For proposals concerning cities, need shall be established by (a) an adopted prezoning, consistent with the city general plan, that shows current or future development at a density that will require urban services such as sanitary sewer and

water, and (b) a city growth rate and pattern that the subject area will be developed within 5 years.

The Commission shall require rezoning for all city annexations so that the potential effects of the proposals can be evaluated by the Commission and known to the affected citizens.

~~(Standard 1.2.2 Deleted)~~

### **3.2 Existing Land Use Designations**

#### **Standard 1.2.3**

For proposals concerning the extension of other services by annexation, incorporation, or district formation, need shall be established by the applicable general plan land use designations and the service levels specified for the subject area in the applicable general plan.

Generally, LAFCO will presume to favor a city's general plan inside the sphere of influence adopted for the city by LAFCO, and the county's general plan elsewhere. It is the proponent's responsibility to prove any exception by referring to the policies of the Local Government Reorganization Act.

#### **Standard 1.2.43.3 Divestiture of Services**

For proposals involving the discontinuation of services, lack of need shall be established by (a) no serious effects on the current users of the service due to discontinuation, and (b) no projected serious effects on the uses that can be expected to occur in the next 5 years based upon the applicable general plan and projected growth rates and patterns.

#### **Standard 1.2.53.4 Population Analysis**

In reviewing proposals, LAFCO shall consider: (1) the "population" in the proposal area to be the population recorded in the last biennial or special census unless the proponent or affected agency can present updated or more detailed information which LAFCO determines to be more accurate, (2) the "population density" to be the population divided by the acreage, and (3) the "per capita assessed valuation" to be the full cash value of all the property in a proposal area (as set by the last secured property tax roll) divided by the population.

#### **Santa Cruz LAFCO Policy 1.3 – General Plans3.5 Overlapping Plans**

In cases of overlapping plans, LAFCO shall make a determination of which general plan best carries out the policies of the Local Government Reorganization Act.

#### **Standard 1.3.1**

~~Generally, LAFCO will presume to favor a city's general plan inside the sphere of influence adopted for the city by LAFCO, and the county's general plan elsewhere. It is the proponent's responsibility to prove any exception by referring to the policies of the Local Government Reorganization Act.~~

#### **Santa Cruz LAFCO Policy 1.4 – 3.6 In-Fill Development**

In order to avoid further urban sprawl, LAFCO shall encourage in-fill development in urban areas and annexations of areas inside the city sphere of influence.

#### **Santa Cruz LAFCO Policy 1.5 – 3.7 Provision of Services**

In order for LAFCO to approve a change of organization, the proponent shall demonstrate that the subject services can be provided in a timely manner and at a reasonable cost.

#### **(Standard 1.5.1 Deleted)**

#### **Standard 1.6.13.8 Proposals exceeding 50 acres**

For proposals involving the extension of general municipal services to proposal areas greater than 50 acres, the proponent shall either: (a) plan staged growth beginning closest to an existing urban area, or (b) demonstrate why such a plan does not promote urban sprawl and an inefficient pattern of services.

### **3.4. SANTA CRUZ LAFCO POLICY 2.1 – NUMBER OF AGENCIESAFFECTED AGENCIES AND BOUNDARIES**

Proposals, where feasible, should minimize the number of local agencies and promote the use of multi-purpose agencies.

#### **Standard 2.1.14.1 Ranking Different Boundary Changes**

New or consolidated service shall be provided by one of the following agencies in the descending order of preference:

- a) Annexation to an existing city;
- b) Annexation to an existing district of which the Board of Supervisors is the governing body;
- c) Annexation to an existing multi-purpose district;
- d) Annexation to another existing district;
- e) Formation of a new county service area;
- f) Incorporation of a new city;
- g) Formation of a new multi-purpose district; [and/or](#)
- h) Formation of a new single-purpose district.

~~annexation to an existing city;~~

~~annexation to an existing district of which the Board of Supervisors is the governing body;~~

~~annexation to an existing multi-purpose district,  
annexation to another existing district  
formation of a new county service area,  
incorporation of a new city,  
formation of a new multi-purpose district,  
1) formation of a new single-purpose district.~~

#### **Standard 2.1.24.2 Consolidation Proposals**

The Commission will promote and approve district consolidations, where feasible.

#### **Santa Cruz LAFCO Policy 2.2-4.3 Logical Boundaries**

LAFCO shall promote more logical agency boundaries.

#### **4.4 Standard 2.2.1 Political Boundaries**

To the greatest possible extent, boundaries shall follow existing political boundaries, natural features (such as ridges and watercourses), and constructed features (such as railroad tracks).

#### **Standard 2.2.24.5 Roads and Streets (Right-of-Way)**

Boundary lines shall be located so that entire ~~road~~ rights-of-way are placed within the same jurisdiction as the properties fronting on the road.

#### **Standard 2.2.34.6 Community Boundaries**

Boundaries should avoid dividing an existing identifiable community, commercial district, or other area having social or economic homogeneity. Where such divisions are proposed, the proponents shall justify exceptions to this standard.

#### **Standard 2.2.44.7 Parcel Boundaries**

The creation of boundaries that divide assessment parcels shall be avoided whenever possible. If the proposed boundary divides assessment parcels, the proponents must justify to the Commission the necessity for such division. If the Commission approves the proposal, the Commission may condition the approval upon obtaining a boundary adjustment or lot split from a city or county.

#### **Standard 2.2.54.8 Prevention of "Islands"**

Boundaries should not be drawn so as to create an island or strip either within the proposed territory or immediately adjacent to it. Where such an island or strip is proposed, the proponent must justify reasons for nonconformance with this standard.

#### **Standard 2.2.64.9 Prevention of Irregular Boundaries**

Where feasible, city and related district boundary changes should occur concurrently to avoid an irregular pattern of boundaries.

#### **4.10 Social & Economic Interests**

The Commission shall consider the effects of a proposed action on adjacent areas, mutual social and economic interests, and on local governmental structure.

#### **Standard 2.2.74.11 Metes & Bounds**

A map of any proposed boundary change shall show the present and proposed boundaries of all affected agencies in the vicinity of the proposal site. The Commission shall assure that any approved boundary changes are definite and certain. The Commission may approve a proposal conditioned on the proponent preparing a new boundary map and description.

#### **Standard 2.2.84.12 Timely LAFCO Actions**

LAFCO will review each proposal and take actions needed to encourage timely annexations to discourage agencies from extending services by agreement without annexing to the agency.

#### **4.13 Santa Cruz LAFCO Policy 2.3 – Financially Desirable Areas**

The sole inclusion of financially desirable areas in a jurisdiction shall be avoided.\_

#### **Standard 2.3.1**

The Commission shall amend or reject any proposal that, in its estimation, appears to select principally revenue-producing properties for inclusion in a jurisdiction.

#### **Santa Cruz LAFCO Policy 2.4 – Overall Effects**

~~The Commission shall consider the effects of a proposed action on adjacent areas, mutual social and economic interests, and on local governmental structure.~~

#### **Standard 2.4.14.14 City Jobs & Housing**

For city annexation proposals, if the city has more jobs than places for workers to live (jobs to employed residents ratio greater than 1.00) then a proposal which will directly result in urban development including new permanent employment may only be approved if sufficient land is designated for residential uses in the city's general plan to create a jobs/ housing balance.

The Commission will consider and may grant waivers to this standard in cases where all of the following situations exist:

- a) The territory being annexed is an island of incorporated territory and consistent with the definition of “island” in Government Code Section 56375;
- b) The proposal is consistent with the spheres of influence of all affected agencies; and
- c) The proposal has been initiated by resolution of the city which includes the subject property in its adopted sphere of influence.

4.—

~~5. THE TERRITORY BEING ANNEXED IS AN ISLAND OF INCORPORATED TERRITORY AND CONSISTENT WITH THE DEFINITION OF "ISLAND" IN GOVERNMENT CODE SECTION 56375,~~

6.—

~~7. THE PROPOSAL IS CONSISTENT WITH THE SPHERES OF INFLUENCE OF ALL AFFECTED AGENCIES, AND~~

8.—

~~9. THE PROPOSAL HAS BEEN INITIATED BY RESOLUTION OF THE CITY WHICH INCLUDES THE SUBJECT PROPERTY IN ITS ADOPTED SPHERE OF INFLUENCE.~~

10.—

~~11. SANTA CRUZ LAFCO POLICY 2.5 - PREZONING~~

~~12. THE COMMISSION SHALL REQUIRE PREZONING FOR ALL CITY ANNEXATIONS SO THAT THE POTENTIAL EFFECTS OF THE PROPOSALS CAN BE EVALUATED BY THE COMMISSION AND KNOWN TO THE AFFECTED CITIZENS.~~

13.—

~~14.5. SANTA CRUZ LAFCO POLICY 3.1 - PRIME AGRICULTURAL LANDS~~

Urban growth shall be guided away from prime agricultural lands, unless such action would not promote planned, orderly, efficient development of an area.



### **Standard 3.1.15.1 Smart Growth**

A change of organization is considered to promote the planned, orderly, and efficient development of an area when:

- a) It is consistent with the spheres of influence boundaries and policies adopted by LAFCO for the affected agencies; and
- b) It conforms to all other policies and standards contained herein.

~~a) It is consistent with the spheres of influence maps and policies adopted by LAFCO for the affected agencies.~~

~~b) It conforms to all other policies and standards contained herein.~~

### **Santa Cruz LAFCO Policy 3.2 – Infill** **5.2 Infill Development**

LAFCO shall encourage the urbanization of vacant lands and non-prime agricultural lands within an agency's jurisdiction and within an agency's sphere of influence before the urbanization of lands outside the jurisdiction and outside the sphere of influence, and shall encourage detachments of prime agricultural lands and other open space lands from cities, water districts, and sewer districts if consistent with the affected agency's adopted sphere of influence ~~of the affected agency.~~

### **5.3 Ranking Urban Development on Open Spaces and/or Farmlands** ~~Standard 3.2.1~~

The priorities for urbanization are:

- a) open-space lands within existing boundaries~~;~~
- b) open-space lands within an adopted sphere of influence~~;~~
- c) prime agricultural lands within existing boundaries~~;~~ and
- d) prime agricultural lands within an adopted sphere of influence.

### **Standard 3.2.25.4 Urbanization of Prime Agricultural Lands**

Proposals involving urbanization of prime agricultural lands within adopted spheres of influence shall not be approved, unless it can be demonstrated that: (a) there is insufficient land in the market area for the type of land use proposed, and (b) there is no vacant land in the subject jurisdiction available for that type of use.

## **15-6. WATER AND SEWER RESOURCES**

### **16. SANTA CRUZ LAFCO POLICY 4.1—WATER RESOURCES**

LAFCO recognizes that the water resources of Santa Cruz County are limited, and the Commission's objective is to ensure that its decisions relating to water do not lead to adverse impacts on the natural resources of Santa Cruz County. In reviewing boundary change applications, LAFCO shall be guided by the potential impacts of the proposal on water resources and will consider the efforts of the water agencies and land use agencies to maintain stream and river flows, promote high water quality of surface waters and groundwater, and reduce groundwater overdraft.

#### **Standard 4.1-16.1 Supply of Water**

In any proposal requiring water service, the Commission requires that the agency that will provide the water will need to demonstrate the availability of an adequate, reliable and sustainable supply of water.

- a) In cases where a basin is overdrafted or existing services are not sustainable, a boundary change proposal may be approved if there will be a net decrease in impacts on water resources;
- b) In cases where a phased development is proposed, the agency should demonstrate that adequate service capacity will be provided as needed for each phase;
- c) In cases where a proposed new service area will be served by an onsite water source, the proponent should demonstrate its adequacy (Government Code Section 56668(fk)); and
- a)d) In cases where the proposal's new water demand on the agency does not exceed the typical amount of water used by a single-family dwelling in the agency's service area, the Commission will not require that an "adequate, reliable, and sustainable" supply be demonstrated if the agency has a water conservation program and the program will be implemented as part of any new water service.

## **6.2**

- ~~a. In cases where a basin is overdrafted or existing services are not sustainable, a boundary change proposal may be approved if there will be a net decrease in impacts on water resources.~~
- ~~b. In cases where a phased development is proposed, the agency should demonstrate that adequate service capacity will be provided as needed for each phase.~~
- ~~c. In cases where a proposed new service area will be served by an onsite water source, the proponent should demonstrate its adequacy (Government Code Section 56668 (k)).~~
- ~~d. In cases where the proposal's new water demand on the agency does not exceed the typical amount of water used by a single family dwelling in the agency's service area, the Commission will not require that an "adequate, reliable, and sustainable" supply be demonstrated if the agency has a water conservation program and the program will be implemented as part of any new water service.~~

#### **Standard 4.1.2 Service Limitations**

It is the general policy of the Commission to disapprove annexations to water and sewer agencies (including cities that provide either service) while there is a connection moratorium or other similar service limitation involving the subject water or sewer service. The Commission will consider exceptions to this general policy on a case-by-case basis. The Commission may approve an annexation that meets one or more of the following criteria:

- a) To replace a private water source that has failed, such as a well that has gone dry. New service connections shall not be sized to accommodate more intensive development~~;~~
- b) To replace a septic system that has failed. New service connections shall not be sized to accommodate more intensive development~~;~~
- c) To implement a transfer of service between two existing agencies in a manner that is consistent with the adopted Spheres of Influence of those agencies~~;~~  
~~and/or;~~
- d) To change a boundary, in a manner consistent with an adopted Sphere of Influence, so that an agency boundary does not divide a property that could only be conveyed under a single deed.

Between January 1, 1986, and the time the service limitation is totally lifted, the Commission shall limit the annexations so that the number of cumulative connections made under the above exemption criteria do not exceed 1% of the total agency's flow (as expressed in equivalent single family dwelling units) in service on January 1, 1986.

An additional criterion, not subject to the 1% cumulative impact limitation, is as follows:

- e) To provide facilities or funding that will allow the agency to lift its service limitation.

### **Standard 4.26.3 Urban Land uses**

For proposals concerning water and sewer district annexations, the need shall be established by lack of services to existing urban land uses, or a building permit application or the allocation for a single-family dwelling or, for a larger project, by: (a) a tentative or final land use entitlement (tentative subdivision map use permit, etc.) conditioned on obtaining water or sewer service, and  
\_.(b) a growth rate and pattern that the subject area will be developed within 5 years.

### **6.4 Standard 4.3Commission Approval**

The Commission will only approve boundary change applications when the Commission determines that it is unlikely that water resources will be degraded. The Commission will review each application to assure that, by implementing project-specific mitigations, participating in agency water conservation programs, or both if applicable, the project will not adversely affect sustainable yields in groundwater basins, flows in rivers and streams, water quality in surface water bodies and groundwater basins, and endangered species.

### **6.5 Standard 4.4Multiple Service Providers**

When more than one agency could serve an area, the agencies' services capabilities, costs for providing services, and the desires of the affected community will be key factors in determining a sphere of influence.

LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY  
RESOLUTION NO. 2020-18

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 PROPOSAL EVALUATION POLICY

\*\*\*\*\*

WHEREAS, on September 21, 1966, the Local Agency Formation Commission of Santa Cruz County ("LAFCO" or "Commission") adopted a Proposal Evaluation Policy pursuant to the Cortese-Knox-Hertzberg Act; and

WHEREAS, the Commission previously reviewed and updated its Proposal Evaluation Policy on February 2, 2011; and

WHEREAS, on August 5, 2020, the Commission determined that amendments to the existing policy are warranted.

NOW, THEREFORE, BE IT RESOLVED, the Commission hereby amends its Proposal Evaluation Policy, as shown in Exhibit A, to implement the state law in the manner that best encourages orderly growth based upon local conditions within Santa Cruz County.

PASSED AND ADOPTED by the Local Agency Formation Commission of Santa Cruz County this 5th day of August 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

**PROPOSAL EVALUATION POLICY**

Adopted on September 21, 1966 (Resolution No. 97)

Previous Revision on February 2, 2011 (Resolution No. 2011-1)

Last Revision on August 5, 2020 (Resolution No. 2020-19)

**1. OVERVIEW**

Pursuant to Government Code Section 56375, Santa Cruz LAFCO has established standards for the evaluation of proposals. The Commission uses these standards when reviewing and acting upon proposals for annexations and other boundary changes.

**2. CONSISTENCY WITH SPHERE OF INFLUENCE**

All changes of organization shall be consistent with adopted spheres of influence of affected agencies.

**2.1 Sphere Consistency**

Consistency shall be determined by a LAFCO finding of consistency with the sphere of influence maps and policies adopted by LAFCO for the affected agencies.

**3. INITIAL PROPOSAL EVALUATION**

Any proposal involving annexations, incorporations, and formations shall not be approved unless it demonstrates a need for the additional services to be provided to the area; while all proposals involving detachments, disincorporations, and dissolutions shall not be approved unless the proponent demonstrates that the subject services are not needed or can be provided as well by another agency or private organization.

**3.1 Prezoning & General Plan Updates**

For proposals concerning cities, need shall be established by (a) an adopted prezoning, consistent with the city general plan, that shows current or future development at a density that will require urban services such as sanitary sewer and water, and (b) a city growth rate and pattern that the subject area will be developed within 5 years.

The Commission shall require prezoning for all city annexations so that the potential effects of the proposals can be evaluated by the Commission and known to the affected citizens.

### **3.2 Existing Land Use Designations**

For proposals concerning the extension of other services by annexation, incorporation, or district formation, need shall be established by the applicable general plan land use designations and the service levels specified for the subject area in the applicable general plan.

Generally, LAFCO will presume to favor a city's general plan inside the sphere of influence adopted for the city by LAFCO, and the county's general plan elsewhere. It is the proponent's responsibility to prove any exception by referring to the policies of the Local Government Reorganization Act.

### **3.3 Divestiture of Services**

For proposals involving the discontinuation of services, lack of need shall be established by (a) no serious effects on the current users of the service due to discontinuation, and (b) no projected serious effects on the uses that can be expected to occur in the next 5 years based upon the applicable general plan and projected growth rates and patterns.

### **3.4 Population Analysis**

In reviewing proposals, LAFCO shall consider: (1) the "population" in the proposal area to be the population recorded in the last biennial or special census unless the proponent or affected agency can present updated or more detailed information which LAFCO determines to be more accurate, (2) the "population density" to be the population divided by the acreage, and (3) the "per capita assessed valuation" to be the full cash value of all the property in a proposal area (as set by the last secured property tax roll) divided by the population.

### **3.5 Overlapping Plans**

In cases of overlapping plans, LAFCO shall make a determination of which general plan best carries out the policies of the Local Government Reorganization Act.

### **3.6 In-Fill Development**

In order to avoid further urban sprawl, LAFCO shall encourage in-fill development in urban areas and annexations of areas inside the city sphere of influence.

### **3.7 Provision of Services**

In order for LAFCO to approve a change of organization, the proponent shall demonstrate that the subject services can be provided in a timely manner and at a reasonable cost.



### **3.8 Proposals exceeding 50 acres**

For proposals involving the extension of general municipal services to proposal areas greater than 50 acres, the proponent shall either: (a) plan staged growth beginning closest to an existing urban area, or (b) demonstrate why such a plan does not promote urban sprawl and an inefficient pattern of services.

## **4. AFFECTED AGENCIES AND BOUNDARIES**

Proposals, where feasible, should minimize the number of local agencies and promote the use of multi-purpose agencies.

### **4.1 Ranking Different Boundary Changes**

New or consolidated service shall be provided by one of the following agencies in the descending order of preference:

- a) Annexation to an existing city;
- b) Annexation to an existing district of which the Board of Supervisors is the governing body;
- c) Annexation to an existing multi-purpose district;
- d) Annexation to another existing district;
- e) Formation of a new county service area;
- f) Incorporation of a new city;
- g) Formation of a new multi-purpose district; or
- h) Formation of a new single-purpose district.

### **4.2 Consolidation Proposals**

The Commission will promote and approve district consolidations, where feasible.

### **4.3 Logical Boundaries**

LAFCO shall promote more logical agency boundaries.

### **4.4 Political Boundaries**

To the greatest possible extent, boundaries shall follow existing political boundaries, natural features (such as ridges and watercourses), and constructed features (such as railroad tracks).

### **4.5 Roads and Streets (Right-of-Way)**

Boundary lines shall be located so that entire rights-of-way are placed within the same jurisdiction as the properties fronting on the road.

#### **4.6 Community Boundaries**

Boundaries should avoid dividing an existing identifiable community, commercial district, or other area having social or economic homogeneity. Where such divisions are proposed, the proponents shall justify exceptions to this standard.

#### **4.7 Parcel Boundaries**

The creation of boundaries that divide assessment parcels shall be avoided whenever possible. If the proposed boundary divides assessment parcels, the proponents must justify to the Commission the necessity for such division. If the Commission approves the proposal, the Commission may condition the approval upon obtaining a boundary adjustment or lot split from a city or county.

#### **4.8 Prevention of “Islands”**

Boundaries should not be drawn so as to create an island or strip either within the proposed territory or immediately adjacent to it. Where such an island or strip is proposed, the proponent must justify reasons for nonconformance with this standard.

#### **4.9 Prevention of Irregular Boundaries**

Where feasible, city and related district boundary changes should occur concurrently to avoid an irregular pattern of boundaries.

#### **4.10 Social & Economic Interests**

The Commission shall consider the effects of a proposed action on adjacent areas, mutual social and economic interests, and on local governmental structure.

#### **4.11 Metes & Bounds**

A map of any proposed boundary change shall show the present and proposed boundaries of all affected agencies in the vicinity of the proposal site. The Commission shall assure that any approved boundary changes are definite and certain. The Commission may approve a proposal conditioned on the proponent preparing a new boundary map and description.

#### **4.12 Timely LAFCO Actions**

LAFCO will review each proposal and take actions needed to encourage timely annexations to discourage agencies from extending services by agreement without annexing to the agency.

#### **4.13 Financially Desirable Areas**

The sole inclusion of financially desirable areas in a jurisdiction shall be avoided. The Commission shall amend or reject any proposal that, in its estimation, appears to select principally revenue-producing properties for inclusion in a jurisdiction.

#### **4.14 City Jobs & Housing**

For city annexation proposals, if the city has more jobs than places for workers to live (jobs to employed residents ratio greater than 1.00) then a proposal which will directly result in urban development including new permanent employment may only be approved if sufficient land is designated for residential uses in the city's general plan to create a jobs/ housing balance.

The Commission will consider and may grant waivers to this standard in cases where all of the following situations exist:

- a) The territory being annexed is an island of incorporated territory and consistent with the definition of "island" in Government Code Section 56375;
- b) The proposal is consistent with the spheres of influence of all affected agencies; and
- c) The proposal has been initiated by resolution of the city which includes the subject property in its adopted sphere of influence.

### **5. AGRICULTURAL LANDS**

Urban growth shall be guided away from prime agricultural lands, unless such action would not promote planned, orderly, efficient development of an area.

#### **5.1 Smart Growth**

A change of organization is considered to promote the planned, orderly, and efficient development of an area when:

- a) It is consistent with the spheres of influence boundaries and policies adopted by LAFCO for the affected agencies; and
- b) It conforms to all other policies and standards contained herein.

#### **5.2 Infill Development**

LAFCO shall encourage the urbanization of vacant lands and non-prime agricultural lands within an agency's jurisdiction and within an agency's sphere of influence before the urbanization of lands outside the jurisdiction and outside the sphere of influence, and shall encourage detachments of prime agricultural lands and other open space lands from cities, water districts, and sewer districts if consistent with the affected agency's adopted sphere of influence.

### **5.3 Ranking Urban Development on Open Spaces and/or Farmlands**

The priorities for urbanization are:

- a) open-space lands within existing boundaries;
- b) open-space lands within an adopted sphere of influence;
- c) prime agricultural lands within existing boundaries; and
- d) prime agricultural lands within an adopted sphere of influence.

### **5.4 Urbanization of Prime Agricultural Lands**

Proposals involving urbanization of prime agricultural lands within adopted spheres of influence shall not be approved, unless it can be demonstrated that: (a) there is insufficient land in the market area for the type of land use proposed, and (b) there is no vacant land in the subject jurisdiction available for that type of use.

## **6. WATER AND SEWER RESOURCES**

LAFCO recognizes that the water resources of Santa Cruz County are limited, and the Commission's objective is to ensure that its decisions relating to water do not lead to adverse impacts on the natural resources of Santa Cruz County. In reviewing boundary change applications, LAFCO shall be guided by the potential impacts of the proposal on water resources and will consider the efforts of the water agencies and land use agencies to maintain stream and river flows, promote high water quality of surface waters and groundwater, and reduce groundwater overdraft.

### **6.1 Supply of Water**

In any proposal requiring water service, the Commission requires that the agency that will provide the water will need to demonstrate the availability of an adequate, reliable and sustainable supply of water.

- a) In cases where a basin is overdrafted or existing services are not sustainable, a boundary change proposal may be approved if there will be a net decrease in impacts on water resources;
- b) In cases where a phased development is proposed, the agency should demonstrate that adequate service capacity will be provided as needed for each phase;
- c) In cases where a proposed new service area will be served by an onsite water source, the proponent should demonstrate its adequacy (Government Code Section 56668(k)); and

- d) In cases where the proposal's new water demand on the agency does not exceed the typical amount of water used by a single-family dwelling in the agency's service area, the Commission will not require that an "adequate, reliable, and sustainable" supply be demonstrated if the agency has a water conservation program and the program will be implemented as part of any new water service.

## **6.2 Service Limitations**

It is the general policy of the Commission to disapprove annexations to water and sewer agencies (including cities that provide either service) while there is a connection moratorium or other similar service limitation involving the subject water or sewer service. The Commission will consider exceptions to this general policy on a case-by-case basis. The Commission may approve an annexation that meets one or more of the following criteria:

- a) To replace a private water source that has failed, such as a well that has gone dry. New service connections shall not be sized to accommodate more intensive development;
- b) To replace a septic system that has failed. New service connections shall not be sized to accommodate more intensive development;
- c) To implement a transfer of service between two existing agencies in a manner that is consistent with the adopted Spheres of Influence of those agencies; and/or
- d) To change a boundary, in a manner consistent with an adopted Sphere of Influence, so that an agency boundary does not divide a property that could only be conveyed under a single deed.

Between January 1, 1986, and the time the service limitation is totally lifted, the Commission shall limit the annexations so that the number of cumulative connections made under the above exemption criteria do not exceed 1% of the total agency's flow (as expressed in equivalent single family dwelling units) in service on January 1, 1986.

An additional criterion, not subject to the 1% cumulative impact limitation, is as follows:

- e) To provide facilities or funding that will allow the agency to lift its service limitation.

### **6.3 Urban Land uses**

For proposals concerning water and sewer district annexations, the need shall be established by lack of services to existing urban land uses, or a building permit application or the allocation for a single-family dwelling or, for a larger project, by: (a) a tentative or final land use entitlement (tentative subdivision map use permit, etc.) conditioned on obtaining water or sewer service, and (b) a growth rate and pattern that the subject area will be developed within 5 years.

### **6.4 Commission Approval**

The Commission will only approve boundary change applications when the Commission determines that it is unlikely that water resources will be degraded. The Commission will review each application to assure that, by implementing project-specific mitigations, participating in agency water conservation programs, or both if applicable, the project will not adversely affect sustainable yields in groundwater basins, flows in rivers and streams, water quality in surface water bodies and groundwater basins, and endangered species.

### **6.5 Multiple Service Providers**

When more than one agency could serve an area, the agencies' services capabilities, costs for providing services, and the desires of the affected community will be key factors in determining a sphere of influence.

**SANTA CRUZ LOCAL AGENCY FORMATION COMMISSION  
RESOLUTION NO. 2000-5**

**AMENDING THE SANTA CRUZ LAFCO  
ENVIRONMENTAL REVIEW PROCEDURES**

\*\*\*\*\*

WHEREAS, Section 21083 of the Public Resources Code and Section 15022 of the State CEQA Guidelines require each public agency to adopt specific procedures for administering the California Environmental Quality Act; and

WHEREAS, the State CEQA Guidelines were amended in 1999; and

WHEREAS, as a public agency may adopt the State CEQA Guidelines through incorporation by reference (Section 15022(d)) and then only adopt procedures which are necessary to tailor the general provisions of the guidelines to the specific operations of the agency;

NOW, THEREFORE, BE IT RESOLVED that the Santa Cruz Local Agency Formation Commission does hereby determine and order as follows:

- 1) The State of California Guidelines for the Implementation of the California Environmental Quality Act (California Administrative Code, Title 14, Division 6, Sections 15000 et seq.) as currently amended are hereby adopted and are incorporated by reference as the Santa Cruz LAFCO Guidelines for Implementation of CEQA;
- 2) The Santa Cruz LAFCO Environmental Review Procedures are hereby amended as shown on Exhibit A in order to tailor the guidelines to the specific operations of Santa Cruz LAFCO.

PASSED AND ADOPTED by the Local Agency Formation Commission in the County of Santa Cruz this sixth day of September 2000.

AYES: Commissioners Ainsworth, Bell, Beautz, Gualtieri, Levy, and Wormhoudt

NOES: None

ABSENT: Van Houten

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SANTA CRUZ LAFCO ENVIRONMENTAL REVIEW PROCEDURES  
AS AMENDED BY RESOLUTION NO. 2000-5

Effective September 6, 2000

(Adopted pursuant to California Administrative Code Section 15022(d))

\*\*\*\*\*

1. MINISTERIAL AUTHORITY 15268(c)

The following LAFCO actions are ministerial and are not considered projects under the State Guidelines: Issuance of Certificates of Filing and Completion by the Executive Officer.

2. EXEMPTIONS 15063

- a. The Executive Officer will determine which projects are exempt from CEQA;
- b. Specific LAFCO activities which are generally exempt are detailed in Sections 15319 and 15320 of the State CEQA Guidelines.

3. INITIAL STUDIES 15063

Projects for which LAFCO is the Lead Agency which are not considered exempt may require the preparation of an initial study. The initial study is prepared by the Executive Officer and may be based in part on information submitted by the proposal applicant on the appropriate LAFCO Initial Study form.

4. NEGATIVE DECLARATIONS 15070 - 15075

- a. The Executive Officer will determine, based upon the initial study, whether to prepare a proposed Negative Declaration.
- b. Proposed Negative Declarations will be noticed in a newspaper of general circulation in the affected area, mailed to individuals and organizations affected who have requested notice in writing, sent to every Responsible Agency and Trustee Agency, and made available for public review at the LAFCO office for a period of at least 20 days.



- c. The Commission will consider a proposed Negative Declaration and any public review comments prior to approving a project, and will approve the Negative Declaration if it finds there is no substantial evidence that the project may have a significant effect on the environment.

5. ENVIRONMENTAL IMPACT REPORTS (EIRs) 15030 - 15096

- a. The Executive Officer will determine, based upon the initial study or application documents, whether to require the preparation of a Draft EIR.
- b. For projects which are not initiated by the Commission, the applicant shall execute a contract with the Commission concerning EIR preparation within 60 days of the date that the Executive Officer decides an EIR is required for the project.
- c. For all projects for which the Commission chooses not to use in-house staff to do an EIR, the Commission shall use an RFP (Request for Proposals) process to select a consultant. The Executive Officer shall maintain, and update as necessary, a list of consultants which the Executive Officer will use to request proposals from at least five firms most qualified to do the specific EIR. The Executive Officer will screen the proposals and make a recommendation on consultant selection. The Commission, before authorizing a contract with a consultant, will review to its satisfaction the scope of work, the qualifications of the consultant, the contract cost, and all other aspects of the contract.
- d. Whenever the Santa Cruz Local Agency Formation Commission is required to prepare an EIR and subsequently contracts with a consultant for EIR preparation, a fee will be charged the applicant, in addition to the cost of the EIR to cover staff time incurred in reviewing and processing the EIR.

This fee will be charged based upon actual staff time involved in, but not limited to:

- I. Consultant selection including bid solicitation and review, and providing consultants with preliminary information;
- II. Review of Administrative Draft EIR and necessary corrections/additions;
- III. Compiling comments for preparation of Final Draft EIR; and
- IV. Meetings with applicant, consultant, and public regarding EIR preparation in relation to the particular project.

- e. Prior to approving the project, the Commission will review and consider the information contained in any EIR prepared for the project, will certify the completion thereof, in compliance with CEQA, and will make the findings and statements required by CEQA and the State CEQA Guidelines.

#### 6. ADVISORS TO EXECUTIVE OFFICER

- a. In performing the environmental review procedures required by these guidelines, the executive Officer may request the assistance of the appropriate persons or agencies.

#### 7. COMMENTING ON ENVIRONMENTAL DOCUMENTS SUBMITTED BY OTHER AGENCIES 15096

- a. The Executive Officer will review and, if necessary, comment on all environmental documents submitted for review which relate to LAFCO projects or policies.

#### 8. COMMENTING ON ENVIRONMENTAL DOCUMENTS SUBMITTED BY OTHER AGENCIES 15096

- a. Any person aggrieved by a determination of the Executive Officer may appeal said determination to the Commission. Such appeal must be filed in writing with the Executive Officer within 20 calendar days after the determination and shall give specific reasons for the appeal. The appeal shall be heard on the next regular agenda of the Commission in the same manner as matters coming regularly before the Commission.

#### 9. FILING DOCUMENTS 15062, 15075

- a. Notices of Completion, Determination, Exemption, and Preparation as required or authorized by CEQA and the State CEQA Guidelines shall be filed by the LAFCO staff. The notices to be filed with the County Clerk shall be filed with the "Clerk of the Board" in Room 500, County Governmental Center, 701 Ocean Street, Santa Cruz CA 95062.

#### 10. MITIGATION MONITORING

- a. The Executive Officer is responsible for implementing a mitigation monitoring program adopted by the Commission.

Exhibit A  
Santa Cruz LAFCO-  
Resolution No. 2000-5

~~SANTA CRUZ LAFCO ENVIRONMENTAL REVIEW PROCEDURES AS-  
AMENDED BY RESOLUTION NO. 2000-5  
Effective September 6, 2000  
(Adopted pursuant to California Administrative Code Section 15022(d))~~  
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LOCAL AGENCY FORMATION COMMISSION  
OF SANTA CRUZ COUNTY

**ENVIRONMENTAL REVIEW POLICY**

Adopted on September 6, 2000 (Resolution No.2000-5)  
Last Revision on August 5, 2020 (Resolution No. 2020-19)

**1. OVERVIEW**

This policy outlines the specific procedures used by LAFCO to tailor the general provisions of the [State California Environmental Quality Act \("CEQA"\) Guidelines \(California Code of Regulations, Title 14, sections 15000 et seq.\) \("State CEQA Guidelines"\)](#) to LAFCO's specific functions as both a "Responsible" and a "Lead" agency under ~~the California Environmental Quality Act (CEQA)~~. This version of LAFCO's environmental review guidelines incorporates changes in the State CEQA Guidelines through 2019.

These provisions and procedures incorporate by reference (and are to be utilized in conjunction with) the State CEQA Guidelines, a copy of which is available on LAFCO's website. These procedures will be revised as necessary to conform to amendments to the State [CEQA Guidelines](#), within 120 days after the effective date of such amendments. However, LAFCO will implement any such statutory changes that the California Legislature makes to ~~the CEQA Statutes~~[regulations](#) as soon as those statutory changes become effective, even if not expressly stated herein.

**2. PUBLIC AGENCIES' RESPONSIBILITIES**

A public agency must meet its own responsibilities under CEQA and shall not rely on comments from other public agencies or private citizens as a substitute for work that CEQA requires the Lead Agency to accomplish. For example, a Lead Agency is responsible for the adequacy of its environmental documents. The Lead Agency shall not knowingly release a deficient document hoping that public comments will correct defects in the document. When making decisions that trigger some type of CEQA review, LAFCO's duty is to minimize the environmental damage that may result from those decisions and to balance the competing public objectives as outlined in the State

### **3. LAFCO'S ENVIRONMENTAL RESPONSIBILITIES**

LAFCO's role as a regulatory agency involves "the discouragement of urban sprawl, the encouragement of the orderly formation, and development of local agencies." A few of its duties require minimal environmental review, especially those involving the commissioning of studies, the hearing of protests, and consolidations, reorganizations and mergers of cities or districts. Most of these duties only constitute jurisdictional changes with no potential for land use changes or for significant effects on the physical environment.

LAFCO's more prominent roles include, but are not limited to, creation of spheres of influence, formation of new districts, incorporation of new cities, and annexations/reorganizations to cities or special districts. These types of LAFCO actions generally require more in-depth analysis, especially if they result in the direct or indirect physical change in the environment, like facilitation of growth and/or land use alterations. Factors that must be assessed in these cases involve land area and use, all aspects of the physical and human environment, geographical features, population growth and density, social and economic changes, availability of infrastructure and government services, conformity with city or county land use plans, and creation of unincorporated "islands," etc.

### **4. LAFCO'S ROLE AS AN "INTERESTED" AGENCY**

In situations where LAFCO is not a "Responsible Agency" but has an interest in reviewing a project to ensure that LAFCO related information is correctly identified, LAFCO plays a more limited role in the CEQA process. In those instances, the Executive Officer will review, and, if necessary, comment on all environmental documents submitted by a Lead Agency involving projects/decisions relating to and/or affecting LAFCO projects or policies.

### **5. LAFCO'S ROLE AS AN "RESPONSIBLE" AGENCY**

"Responsible" Agency status occurs when LAFCO is not the "Lead" Agency, but nevertheless has discretionary approval authority over a project or some aspect of a project, in tandem with, or separate from that of the Lead Agency in accordance with Section 15096 of the State CEQA Guidelines. Examples of situations where LAFCO may be a Responsible Agency include, but are not limited to:

- A city approving an annexation request to LAFCO, only after pre-zoning the area in question. When a city has pre-zoned an area, the city serves as the Lead Agency for any subsequent annexation of the area and should prepare the environmental documents at the time of pre-zoning or other land use decision; [and/or](#)
- When a special district has conducted an environmental review and prepared an environmental determination for a plan to serve an area proposed for annexation to the district.

LAFCO shall use the environmental document prepared by the Lead Agency for

LAFCO's environmental determinations if the Executive Officer deems it adequate for such use pursuant to State CEQA Guidelines, Section 15096. Procedures for determining the adequacy of the lead agency's CEQA document are summarized in the following sub-sections.

#### **4.1 Consultation**

Pre-Application Discussion: Regardless of whether LAFCO is a Responsible Agency, each Lead Agency carrying out any project within LAFCO's jurisdiction and function shall inform LAFCO in writing of its intent and process for that project at the beginning of the Lead Agency's CEQA review process, and the Lead Agency shall provide LAFCO with copies of any project applications.

CEQA Determination: The Lead Agency shall consult with LAFCO regarding the preparation of its environmental documents/determinations (Statutory Exemptions, Categorical Exemptions, Initial Studies/Negative Declarations, Environmental Impact Reports ("EIR"s), etc.), which must also be used by LAFCO in its role as a Responsible Agency; consultation can be written or verbal and LAFCO's input shall be incorporated/addressed in the Lead Agency's analysis, documentation and determinations.

LAFCO Initial Comments: The Executive Officer shall, as soon as practical but within 30 days of notification, comment as to the appropriate environmental determination from LAFCO's perspective as well as issues of concern to be addressed in any environmental document. The requirement for written notification from the Lead Agency can be waived at the Executive Officer's discretion.

Where LAFCO disagrees with the Lead Agency's proposed environmental determination (such as a Negative Declaration), LAFCO will identify the specific environmental effects which it believes could result from the project and recommend the project be mitigated with measures to reduce the potential impacts to less than "significant" (when feasible) or that an EIR be prepared to properly characterize potentially significant impacts.

Notice of Preparation: When it intends to prepare an EIR, the Lead Agency shall send a Notice of Preparation by certified mail to LAFCO to solicit input in accordance with Section 15082 of the State CEQA Guidelines.

LAFCO shall respond to any Notice of Preparation submitted to LAFCO in accordance with subsection (A)(5) above in writing within 30 days, specifying the scope and content of the environmental data and analysis germane to LAFCO's statutory responsibilities for the proposed project. LAFCO shall also provide the Lead Agency with input regarding environmental issues and the minimum content of the analysis needed to meet a standard of adequacy for use of the environmental document/determination by LAFCO as a CEQA Responsible Agency.

#### **4.2 Preparation of Environmental Documents by a Lead Agency**

The Lead Agency shall include information in the Statutory Exemption, Categorical Exemption, Initial Study/Negative Declaration/EIR to allow its subsequent use by LAFCO for its considerations; referencing on the title page and in the project

description any boundary changes, changes of organization or reorganization, or other proposed actions requiring subsequent discretionary action by LAFCO to fully implement the project.

The Lead Agency shall send the draft document to LAFCO as part of the public review process required by the CEQA and applicable guidelines (sections 15072 and 15082 of the State CEQA Guidelines). The Executive Officer will, within the established review period, send comments to the Lead Agency in writing (which can be transmitted either via U.S. mail or overnight delivery, or electronically by email or other messaging system), all of which LAFCO expects to be incorporated and assessed in the final document. LAFCO's comments on a draft CEQA document submitted to LAFCO by a lead agency should focus on the appropriateness of the CEQA document chosen, the adequacy of the environmental document's content, in the case of an EIR -- additional alternatives or mitigation measures, etc., that are germane to environmental impacts that could result from LAFCO's subsequent discretionary action or to the adequacy of the document for use by LAFCO as a CEQA Responsible Agency.

A final EIR prepared by a Lead Agency or a Negative Declaration adopted by a Lead Agency shall be conclusively presumed to comply with CEQA for purposes of use by Responsible Agencies which were consulted pursuant to Sections 15072 or 15082, unless one of the following conditions occurs:

- The EIR or Negative Declaration is finally adjudged in a legal proceeding not to comply with the requirements of CEQA; or
- A subsequent EIR is made necessary by Section 15162 of the State CEQA Guidelines.

#### **4.3 LAFCO Requirement of Environmental Documents/Determinations**

Applications filed by Lead Agencies with LAFCO shall include copies of one of the following environmental documents as specified in LAFCO's filing requirements and all applicable findings for an EIR per Sections 15091, 15092 and 15093 of the State CEQA Guidelines.

- Exemptions: Certification of Categorical or Statutory Exemption;
- Negative Declaration: Notice of Intent to Adopt a Negative Declaration and a Final Negative Declaration (including copy of Initial Study) or a Final Negative Declaration with mitigation measures (including copy of Initial Study), all technical appendices, and Mitigation Monitoring/Reporting Plan);
- Environmental Impact Report: Notice of Subsequent Use of an Existing EIR (which was previously available or has been made available to LAFCO), Notice of Preparation of a Draft EIR, Notice of Availability/Notice of Completion of Draft EIR (including copy of Draft EIR), Final EIR, Statements of Findings/Overriding Considerations, and Mitigation mMonitoring/Reporting Plan;
- California Department of Fish and Wildlife: copy of environmental filing fee receipt

including, if applicable, a CEQA Filing Fee No Effect Determination Form; and/or

- Other Appropriate CEQA Documents: copy of any other environmental document/determination not listed in this policy.

#### **4.4 LAFCO's Use of Lead Agency's Environmental Documents**

In making its determinations on boundary change proposals, changes of organization or reorganization, or other proposed actions requiring discretionary action by LAFCO, LAFCO will generally use the environmental document prepared by the Lead Agency if the procedures regarding consultation and preparation of environmental documents by a Lead Agency outlined above have been followed.

Prior to project approval, the Commission will certify that it has reviewed and considered the information contained in the Lead Agency's document. LAFCO may request the Lead Agency furnish additional information or findings as required to support a legally adequate Responsible Agency environmental determination in accordance with Section 15096 of the State CEQA Guidelines.

When a Lead Agency's EIR identifies significant environmental effects, LAFCO will incorporate the Lead Agency's findings or formulate its own, for each significant effect, or otherwise make findings in accordance with State CEQA Guidelines, Section 15091 for each significant environmental effect that is identified in a Lead Agency's EIR.

LAFCO may take any of the following actions to conform to CEQA requirements when rendering a decision on an application:

- LAFCO ~~shall~~will not approve a proposed project with significant impacts if it can adopt feasible alternatives or mitigation measures within its powers that would substantially lessen the magnitude of such effects, unless it adopts a Statement of Overriding Considerations (State CEQA Guidelines, section 15093);
- If LAFCO mitigates impacts listed in the EIR to a less than significant level via the adoption of boundary alternatives or conditions of approval (negotiated with the local agency), such findings shall be reinforced by adequate rationale and inserted in the record; or
- If the environmental impacts of the LAFCO decision cannot be mitigated to a less than significant level, LAFCO ~~shall~~will adopt a Statement of Overriding Considerations per State CEQA Guidelines, Sections 15093 and 15096.

Upon project approval, LAFCO shall file a Notice of Determination in a like manner as a Responsible Agency in accordance with Section 15096(i) of the State CEQA Guidelines. The Notice of Determination shall be filed with the Santa Cruz County



Clerk of the Board.

## **6. LAFCO'S ROLE AS AN "LEAD" AGENCY**

LAFCO will be the Lead Agency responsible for performing CEQA mandated environmental review when its discretion for approval or denying a project involves general governmental powers. This is in contrast with a Responsible Agency role which only has single, limited powers over the project, normally subsequent and secondary to LAFCO's function, such as pre-zoning for the property of interest. Examples of projects requiring LAFCO to act as a Lead Agency include but are not limited to the following:

- Establishment of spheres of influence for cities and special districts;
- Adoption of studies or municipal service reviews; and
- Special District activation or divestiture of a function or class of service.

### **6.1 Delegation of Responsibilities by the Commission to the Executive Officer**

The following quotations from Section 15025 of the State CEQA Guidelines indicate those functions that can and cannot be delegated to the Executive Officer by the Commission:

A public agency (the Commission) may assign specific functions to its staff (Executive Officer) to assist in administering CEQA. Functions which may be delegated include but are not limited to:

- Determining whether a project is exempt;
- Conducting an Initial Study and deciding whether to prepare a draft EIR or Negative Declaration (refer to Section IV, F. 2. of these guidelines for a discussion of the appeal process when an EIR is required.);
- Preparing a Negative Declaration or EIR;
- Determining that a Negative Declaration has been completed within a period of 180 days (see Section 21100.2 of CEQA);
- Preparing responses to comments on environmental documents; and
- Filing of notices.

The decision-making body of a public agency (the Commission) shall not delegate the following functions:

- Reviewing and considering a final EIR or approving a Negative Declaration prior to approving a project before the Commission; and



- The making of findings as required by Sections 15091 and 15093.

## **7. LAFCO'S LEAD AGENCY PROCEDURES**

The following process and procedures, specific to LAFCO's function, summarize or supplement the State CEQA Guidelines and are to be used to process all accepted applications.

### **7.1 Statutory Exemptions (CEQA Guidelines, Sections 15260-15285)**

Statutorily exempt projects defined by the Legislature that could apply to a LAFCO project include the following:

- Disapproved Projects: CEQA does not apply to projects that LAFCO rejects or disapproves. This statutory exemption is intended to allow an initial screening of projects on the merits for quick disapprovals prior to the initiation of the CEQA process where LAFCO can determine that the project cannot be approved. This statutory exemption shall not relieve an applicant from paying the costs for an EIR or negative declaration prepared for the project prior to the lead agency's disapproval of the project after normal evaluation and processing.
- Feasibility and Planning Studies: A project involving only feasibility or planning studies for possible future actions which the agency, board, or commission has not approved, adopted, or funded does not require the preparation of an EIR or Negative Declaration but does require consideration of environmental factors. This section does not apply to the adoption of a plan that will have a legally binding effect on later activities.
- Ministerial Projects: Actions or Ministerial Projects involve the application of fixed standards without the option of exercising personal or subjective judgment (discretion) by the Executive Officer or the Commission. Examples include but are not limited to the following: (1) Consolidation/reorganization of special districts where the district boards adopt similar resolutions of applications for said consolidation/reorganization into a single agency (pursuant to Government Code Section 56853), and (2) Certain island annexations (pursuant to Government Code Section 56375) where approval is mandated if the annexation meets certain specific findings.

### **7.2 Categorical Exemptions (CEQA Guidelines, Section 15300)**

The following classes of projects, specifically pertaining to LAFCO's activities, have been identified in the State CEQA Guidelines as not having the potential to cause significant environmental effects, and may be categorically exempt from the requirements of CEQA if certain specified criteria are satisfied (Note: A categorical exemption shall not be used for these activities where there is substantial evidence to support that one of the exceptions to the categorical exemptions in State CEQA Guidelines, section 15300.2 is present.): MINISTERIAL AUTHORITY—15268(e)

- Construction or Conversion of New, Small Structures (Class 3): Included within this category are extraterritorial or out-of-agency service contracts/agreements involving the extension of water, sewer, and/or other utility services by a city or district outside its boundaries but lying within its respective sphere of influence.
- Annexations of Existing Facilities and Lots for Exempt Facilities (Class 19): Included within this category are: (1) Annexations to special districts where the district's services would be provided even without annexation and construction has been initiated prior to the issuance of a Certificate of Filing, (2) Annexations of areas containing existing public or private structures developed to the density allowed by current zoning or pre-zoning, whichever is more restrictive, (provided, however, that the extension of utility services within the annexed area would have a capacity to serve only those existing facilities), (3) Detachments from cities where the land being detached is committed, by virtue of an adopted land-use plan, to remain in agricultural use or open space; or where the land is presently developed and no change in land-use can be reasonably anticipated, and (4) Detachments from special districts which will not result in any change in zoning or land use.
- Changes in Organization of Local Agencies (Class 20): Included within this category are changes in the organization or reorganization of local agencies where the changes do not modify the geographic area in which previously existing powers are exercised. Examples include but are not limited to: (1) Establishment of a subsidiary district, (2) Consolidation of two or more districts having identical boundaries, (3) Merger with a city of a district lying entirely within the boundaries of the city, or (4) Reorganization of agencies consisting of annexations or detachments providing similar services.

### **7.3 Recordation of Notice of Exemptions**

When a LAFCO project qualifies for an exemption, LAFCO staff ~~will~~may develop and record with the Santa Cruz County Clerk of the Board a "Notice of Exemption" form, to include: (1) A brief project description, (2) The project location with supporting map, (3) The specific exemption including the finding and citation of the CEQA Guidelines section or statute under which it is found to be exempt, and (4) The rationale for its selection, including a brief statement of reasons to support the findings.

### **7.4 Initial Studies**

A project for which LAFCO is the Lead Agency and which is not exempt will require the preparation of an Initial Study to determine if the project has the potential for causing a significant environmental effect. The Initial Study assessment shall consider all phases of the project; the purposes, policies, rules, regulations and standards set forth in CEQA and its State CEQA Guidelines; these procedures and the adopted plans and policies of cities, the County, and LAFCO. An Initial Study need not be prepared if the Executive Officer determines at the beginning stages of review that a full-scope EIR will be required, but will be used to document the significance of specific impacts requiring a focused EIR, i.e. the Initial Study shall document the rationale for

narrowing the scope of issues to be addressed in an EIR. The following LAFCO actions are ministerial and are not considered projects under the State Guidelines: Issuance of Certificates of Filing and Completion by the Executive Officer.

- Process: The Initial Study will be prepared on a State CEQA Guidelines Standard Initial Study Environmental Checklist Form using the project application, environmental description forms, appropriate literature, etc. A site visit may be necessary. Individual findings for environmental issues will be documented with sufficient technical data to substantiate conclusions regarding the potential for significant adverse impact. Insufficiency of available information will be noted on the form if it affects the ability to reach a conclusion.

The preparer shall consult with all Responsible Agencies and other public agencies/persons/organizations affected by or knowledgeable of the project and its issues. Under appropriate circumstances such review could also involve use of the County's or a city's Environmental Review Committee and its public forum to more fully assess the physical, social and infrastructural implications of complex projects. The Initial Study will be the supporting document for findings of "significance" and "non-significance" (whether to prepare an NDA Negative Declaration or EIR). It is a tool for modifying projects and/or identifying mitigation measures to allow a finding of "non-significance." It can also be used to focus the EIR on effects determined to be potentially 'significant' or to determine whether a previously prepared EIR could be used/modified for the project, etc.

The Initial Study shall contain: (1) A project description and location; (2) Environmental setting; (3) Identification of all environmental impacts using the most recent version of the State CEQA Guidelines environmental checklist form (Appendix G) and substantial evidence to support environmental impact findings, including ways to mitigate (avoid, minimize, compensate or otherwise reduce) a significant impact to a less than significant level; and (4) Examination of project consistency with zoning and land-use plans, etc. Section 15063 of the State CEQA Guidelines contains a detailed description of the content of and uses for the Initial Study and it is hereby incorporated by reference. Funding for the preparation of an Initial Study shall be borne by the applicant for the LAFCO action pursuant to Commission policy.

- Executive Officer's Determinations/Findings: After review of the Initial Study and all supporting information, the Executive Officer shall determine the appropriate environmental determination based on one of the following findings:

1) The project will not have a significant environmental effect. Prepare a Negative Declaration and a Notice of Determination and publish a Notice of Intent to Adopt a Negative Declaration. After an appropriate public review period consistent with the applicable State CEQA Guideline's requirements, the documentation will be finalized and forwarded to the Commission with a recommendation for adoption;

2) The project, as proposed, would have a significant environmental effect, but

with alterations, stipulations, or mitigation measures, all adverse impacts can be mitigated to a less than significant level. Prepare a Mitigated Negative Declaration and a Notice of Determination and publish a Notice of Intent to Adopt a Negative Declaration. After appropriate public review period consistent with State CEQA Guideline's requirements, the documentation will be forwarded to the Commission with a recommendation for adoption;

4)3) The project will have a significant environmental effect, but all such impacts have been adequately assessed in a final EIR previously reviewed by LAFCO and mitigated to the extent feasible. Submit [the EIR](#) to the Commission with appropriate findings for certification;

4) The project will have a significant environmental effect. An EIR will be prepared and submitted to the Commission with appropriate findings; [and/or](#)

5) The project will have a significant environmental effect and an EIR has been prepared. However, new information or changed conditions affecting the project or the site warrant additional analysis. Prepare a [subsequent](#)<sup>supplemental</sup> EIR or addendum to the original EIR focusing on these changes. Submit to the Commission with appropriate findings for certification.

### **7.5 Negative Declaration or Mitigated Negative Declaration**

A Negative Declaration (finding of non-significant effect) or a Mitigated Negative Declaration (finding of non-significant effect with project changes/mitigation measures/conditions of approval) will be prepared on the State CEQA Guidelines Initial Study Environmental Checklist Form by staff per the findings of the Initial Study based on substantiating evidence.

The Negative Declaration or Mitigated Negative Declaration's contents will include a brief project description, location (i.e., vicinity map), name of applicant, the [finding of non-significance](#),<sup>1</sup> attached Initial Study with any applicable technical reports, data or other information constituting the substantial evidence supporting the environmental analysis, and a list of mitigation measures (if any, in the context of a Mitigated Negative Declaration). A determination of the Initial Study's adequacy and the preparation of the accompanying Negative Declaration or Mitigated Negative Declaration initially rests with the Executive Officer. The formal adoption of the Negative Declaration or Mitigated Negative Declaration rests ultimately with the Commission.

- Notice Requirements: The document will be available at the LAFCO office for public review and comment for a minimum of 21 days prior to LAFCO action on the project. Recommended Negative Declarations and Mitigated Negative Declaration (in the form of a Notice of Intent to Adopt a Negative Declaration or Mitigated Negative Declaration) will be noticed at least once in a newspaper of general circulation in the project area; noticed in the "local" newspaper of the affected area (if any); mailed to all Responsible Agencies and public agencies with

jurisdiction within the project area; mailed to those individuals and organizations who have requested such notices.

Where one or more state agencies will be a Responsible or Trustee Agency or will exercise jurisdiction over natural resources affected by the project, LAFCO shall send copies of the Negative Declaration or Mitigated Negative Declaration to the State Clearinghouse for distribution to these state agencies. Review by state agency(ies) will require a 30-day period unless reduced by prior approval of the State Clearinghouse. Pursuant to adopted Commission policy, costs associated with the Notice and distribution requirements shall be funded by the applicant for the LAFCO action.

- LAFCO Consideration: The Commission will consider the proposed Negative Declaration or Mitigated Negative Declaration and any public and agency comments prior to approving a project, and will approve the Negative Declaration or Mitigated Negative Declaration if it finds there is no substantial evidence in the whole of the administrative record that the project will have a 'significant environmental effect.' Where mitigation is included as a condition of the Mitigated Negative Declaration, the mitigation monitoring and reporting program (MMRP) shall assign responsibility for implementing the mitigation measure(s) when the Mitigated Negative Declaration is approved by the Commission.
- Notice of Determination: After the Commission's approval of a project for which a Negative Declaration or Mitigated Negative Declaration has been adopted, the Executive Officer shall file a Notice of Determination. The Notice of Determination's content shall include: (1) Project description, identification and location; (2) Date project approved by LAFCO; (3) Determination of "non-significant" effect, or determination that mitigation measures were imposed and made conditions of approval for the project to reduce impacts to less than significant levels; (4) Statement that a Negative Declaration or Mitigated Negative Declaration has been prepared and approved; and (5) Address of LAFCO office where a copy of Negative Declaration or Mitigated Negative Declaration is filed.

The Notice shall be filed with the Santa Cruz County Clerk of the Board. If the project requires a discretionary approval from any state agency, the Notice shall also be filed with the State Office of Planning and Research, State Clearinghouse. Fees for filing a Notice of Determination for a Negative Declaration or Mitigated Negative Declaration shall be funded by the applicant for the LAFCO action.

## **7.6 Environmental Impact Report**

If the Executive Officer or the Commission finds, based on substantial evidence in the record or contained in the Initial Study and public comments, that a project may have a significant environmental effect, the Executive Officer will initiate the preparation of an Environmental Impact Report ("EIR"). EXEMPTIONS—15063

- Purpose: An EIR is an informational document; a major tool in the decision-making process, informing Commissioners and all parties involved of the environmental



consequences of project decisions before they are made. An EIR's primary functions are to identify and mitigate significant adverse impacts and to provide alternative project and boundary options that may reduce potentially significant impacts of the proposed project.

- An EIR is not an instrument to rationalize approval or denial of a project; nor do indications of adverse impacts require automatic denial. LAFCO has the authority to balance environmental, economic, social or other objectives as part of its mandate to develop orderly governmental boundaries (Sections 15091, 15092 and 15093, State CEQA Guidelines). An EIR should be prepared early in the application process to facilitate the integration of environmental considerations in project or boundary design. The applicant is responsible for submitting all necessary project data for the EIR per the Executive Officer's request, or funding the preparation of required project data for the EIR.
- Appeals: The Executive Officer's determination to require an EIR is appealable to the Commission within 10 working days of the issuance of the decision to prepare an EIR. Such appeal must be filed, on LAFCO forms, with the Executive Officer and must include specific substantiation for the appeal, directly related to environmental issues. The appeal shall be heard on the next regularly scheduled Commission agenda that permits adequate public notification. ~~There is no appeal from a Commission requirement for an applicant to prepare an EIR. The Commission's decision shall be final. The only legal remedy available to appeal the Commission's final action is to file a petition for writ of mandate in the superior court under California Code of Civil Procedure Section 1085.~~
- Notice of Preparation: At the earliest feasible date following the Executive Officer's/Commission's formal decision to prepare an EIR (based on the administrative record or an Initial Study), a Notice of Preparation ("NOP") will be mailed to all responsible and affected agencies (including the State Clearinghouse and affected state agencies, if any) and any parties requesting notification. State review of an EIR will result in the issuance of an identification number (State Clearinghouse Number) which shall be used on all subsequent documentation and correspondence.

The NOP shall include sufficient information on the project and its anticipated impacts to facilitate meaningful responses on the environmental issues that may cause significant adverse impacts. Such content to include: (1) Project description; (2) Mapped location; (3) Probable environmental effects; and (4) A copy of the Initial Study or substantial evidence in the record justifying the preparation of an EIR, etc. The ~~Notice of Preparation~~NOP shall be sent to all responsible/trustee agencies or interested parties via certified mail or other method to document its receipt.

Within 30 days after LAFCO's release of the NOP, each Responsible Agency/interested party shall submit to LAFCO specific information directly related to that agency's/party's statutory responsibility for the project; the environmental issues, alternatives, and mitigation measures to be explored; and the agency's/party's role in the project's review, etc. If LAFCO does not receive a

response or request to extend the public comment period on the NOP by the end of the 30-day NOP review period, LAFCO may presume that no response will be made from an agency or party that received the NOP.

- Scope of EIR: LAFCO may also convene meetings involving all parties (especially at the request of a Responsible Agency) to further assist in the determination of the EIR's scope and content, no later than 30 days after such request. Early and complete scoping, consultation and negotiation are critical to the preparation of an adequate EIR. LAFCO ~~could~~may request use of the County's or a local agency's Environmental Review Committee in a public meeting forum to aid in the identification and resolution of any technical issues. LAFCO will compile all comments and identify in writing the focus for the EIR. An EIR can be prepared by staff or consultants under contract to LAFCO, coordinated by the Executive Officer or designee. LAFCO may accept data for an EIR from any source subject to independent validation by LAFCO staff. Also, LAFCO may charge an applicant appropriate fees to cover all costs for preparing and processing an EIR.
- EIR Content: Article 9 of the State CEQA Guidelines describes the complete content of all required sections of an EIR, as modified from time to time. However, LAFCO has discretion to narrow the scope of an EIR's content during the scoping process (State CEQA Guidelines, section 15063).
- Consultant EIRs: The Executive Officer shall use a ~~RFP~~(Request for Proposal)s) ~~bidding~~ process to select a consultant to write the EIR. The Executive Officer shall maintain and update as necessary a list of consultants, a minimum of three from which proposals shall be solicited for each consultant prepared EIR. The Executive Officer and the applicant will screen the proposals in an attempt to gain a consensus on choosing the consultant. However, the Executive Officer is ultimately responsible for final selection of the consultant. The Commission will review the scope of work, consultant qualifications, contract cost, and all other aspects before authorizing a contract.

The applicant will be charged a fee to cover all contract and staff costs, to be deposited into a LAFCO trust fund. (Note: The contract will be between LAFCO and the consultant which will work solely at the Executive Officer's, not the applicant's, direction.) The Executive Officer will disburse the funds to the consultant at stages specified in the contract based on completion and performance. In addition to the contract costs, the fees charged will be based on actual staff time involved in, but not limited to: (1) Consultant selection including bid solicitation and review, submission of information to consultants, etc.; (2) Review of Draft EIR, corrections, additions, legal review by the Commission's legal counsel, etc.; (3) Compiling comments and reviewing responses to comments for preparation of Final EIR; and (4) Meetings with applicant, consultant and public regarding EIR preparation.

- Public Participation (CEQA Guidelines, Section 15201): Public participation is an essential part of the CEQA process. ~~Each public agency should~~LAFCO includes provisions in its CEQA procedures for wide public involvement, formal and

informal, consistent with its existing activities and procedures, in order to receive and evaluate public reactions to environmental issues related to the agency's activities. Such procedures ~~should~~ include, whenever possible, making environmental information available in electronic format ~~on the Internet and, on a LAFCO's web site maintained or utilized by the public agency.~~

Interacting with the public is an important CEQA process that allows the public to voice its concerns about environmental issues and the potential effect of a project on the physical environment. Therefore, in order to ensure public involvement in ~~the LAFCO's~~ CEQA process, the Commission—in addition to the requirements for public notification on the NOP and/or the Notice of Completion—will provide the public with the opportunity to participate in any meetings related to the EIR, whether through a scoping meeting (optional) to provide verbal or written comments on the content of the EIR and/or through the public hearing (required) on the certification of the Final EIR.

- Completion Notice (CEQA Guidelines, Section 15085): Because most LAFCO EIRs will require circulation through the State Clearinghouse, the default procedure is that as soon as the draft EIR is completed, a Notice of Completion ("NOC") must be filed with ~~the California Governor's Office of Planning and Research~~OPR, denoting the project's description and location, address where EIR copies are available, and the period which comments can be submitted.
- Agency/Public Review: At the time the NOC is sent, the Executive Officer shall provide public notice of the draft EIR's availability to all organizations, agencies and individuals who previously requested such notice; as well as publication in The Santa Cruz Sentinel (newspaper of general circulation) and/or local newspapers. The Executive Officer shall also distribute copies of the draft EIRs and requests for comments to all public agencies with jurisdiction within the project area; to persons or organizations previously requesting such copies; to public libraries in the affected areas; as well as maintaining copies in the LAFCO and any Responsible Agency's offices (upon request). The Executive Officer may consult with any person who has special expertise in any environmental issue involved.

Review periods are not to be less than 30 days nor longer than 60 days from the date of the NOC except in unusual situations, per the Executive Officer's discretion. The review period for draft EIRs submitted to state agencies via the State Clearinghouse will be a minimum of 45 days. The last date for comment submittal shall be specified in the request for comments. A lack of response by that date constitutes a ~~'non-objection'~~ or ~~"no-comment"~~ by that particular party.

The sufficiency of the EIR per State CEQA Guidelines is the only issue to be addressed during this review. Questions/issues regarding the feasibility or desirability of the project itself shall only be considered by the Commission at the appropriate hearing, not integrated into the environmental review process. In instances where complex technical issues or disagreements among experts arise in the context of an EIR, the Executive Officer can convene a meeting of the County's or a local agency's Environmental Review Committee to provide a forum



for a more thorough review of the EIR's adequacy.

- Adequacy: The Executive Officer will make preliminary (not appealable) determinations of the EIR's adequacy, utilizing all aspects of the public record; in turn making specific recommendations on adequacy to the Commission, for its findings, at the time the project is heard.
- Response to Comments on an EIR (CEQA Guidelines, Section 15088): The Executive Officer shall prepare a written response to all comments received during the comment period (and MAY respond to those received after the period): describing the disposition of issues, opinions or facts raised, project revisions or mitigation measures resulting from these comments, reasons for not accepting recommendations, all substantiated by factual information. The response to comments may be in the form of revisions to the EIR text, a separate section in the final EIR or as notes typed in the margins of the comment letters, depending on the event of the resulting revisions.
- Preparation of Final EIR (CEQA Guidelines, Sections 15089 and 15132): The Executive Officer/consultant will prepare a final EIR before the Commission makes a decision on the project. Project denial does not require certification of the Final EIR. Final EIR contents include: (1) The draft EIR and any revisions made to it in response to comments; (2) Comments and recommendations received on the draft EIR verbatim; (3) A list of persons, organizations and agencies commenting on the draft EIR; (4) LAFCO's responses to significant points raised during review and consultation; (5) Plus any other pertinent information. Final EIRs shall be available a minimum of 10 days prior to the Commission hearing on a project and shall be provided to any commenting parties 10 days prior to a Commission hearing on a project. The final EIR shall be submitted to the Commission with the project application and a mitigation measure monitoring plan/program (if necessary) for certification prior to the decision.
- Certification of Final EIR (CEQA Guidelines, Section 15090): Prior to approving a project for which an EIR has been prepared, the Commission shall certify that: (1) The final EIR has been completed in compliance with CEQA; (2) The final EIR was presented to the Commission which reviewed and considered it prior to approving the project; and, (3) The final EIR reflects the lead agency's independent judgment and analysis. If the Commission, through testimony or its own review of the data, finds that the environmental review is incomplete or the EIR does not adequately assess the full range of project impacts, it can refer it back to staff for revisions; deferring approval of the project until it can certify the amended final EIR. Under such circumstances, the Commission shall instruct staff to recirculate/not recirculate the amended EIR in accordance with the extent of requested revisions and as required by CEQA Guidelines, section 15088.5.
- Findings (CEQA Guidelines, Section 15091): The Commission cannot approve or carry out a project for which an EIR identifies one or more significant environmental effects, unless it makes one or more written findings for each significant effect, each reinforced by substantial evidence in the record. Such findings include: (1)

Changes have been incorporated into the project which avoid or substantially reduce the significant environmental effect(s) identified in the final EIR. (2) Such changes are not within LAFCO's jurisdiction, but are within the responsibility and jurisdiction of another agency which has adopted such changes, or which can and should adopt such changes, or (3) Specific economic, social or other considerations make infeasible the mitigation measures or project alternatives identified in the final EIR.

- Approval (CEQA Guidelines, Section 15092): LAFCO shall not approve or carry out a project for which an EIR was prepared unless either: (1) The project, as approved, will not have a significant environmental effect.; or (2) LAFCO has eliminated or substantially reduced all significant effects where feasible per State CEQA Guidelines, section 15091, and determined that any remaining significant effects found to be unavoidable per State CEQA Guidelines, section 15091, are acceptable due to overriding concerns described in CEQA Guidelines, Section 15093.
- Statement of Overriding Considerations (CEQA Guidelines, Section 15093): When LAFCO approves a project that will have a significant effect on the environment that cannot be avoided or mitigated to a less than significant level, LAFCO shall state in writing the specific reasons to support its action based on the final EIR and/or other information in the record. The Commission shall balance, as applicable, the economic, legal, social, technological, or other benefits, including region-wide or statewide environmental benefits, of a proposed project against its unavoidable environmental risks when determining whether to approve the project. If the specific economic, legal, social, technological, or other benefits, including region-wide or statewide environmental benefits, of a proposed project outweigh the unavoidable adverse environmental effects, the adverse environmental effects may be considered "acceptable". The statement of overriding considerations shall be supported by substantial evidence in the record. The Commission's statement of overriding considerations should be included in the record of the project approval and so stated in the Notice of Determination.
- Notice of Determination (CEQA Guidelines, Section 15094): The Executive Officer shall file a Notice of Determination following each project approval for which an EIR was certified. The notice shall include: (1) The final EIR has been completed in compliance with CEQA; (2) The final EIR was presented to the Commission which reviewed and considered it prior to approving the project; (3) The final EIR reflects the lead agency's independent judgment and analysis; (4) Determination of any significant environmental effects; (5) Statement that an EIR was prepared and certified pursuant to CEQA; (6) Whether mitigation measures were made conditions of the project; (7) Whether findings were made per State CEQA Guidelines, section 15091; (8) Whether a statement of overriding considerations was adopted; (9) The address of the location of a copy of the final EIR and the project record; and (10) If different from the applicant, the identity of the person undertaking the project which is supported, in whole or in part, through contracts, grants, subsidies, loans, or other forms of assistance from one or more public agencies or the identity of the person receiving a lease, permit, licenser, certificate,

and other entitlement for use from one or more public agencies. The notice shall be filed with the Clerk of the County Board. If the project requires discretionary approval from a state agency, the notice shall also be filed with OPR State Clearinghouse.

- Disposition of Final EIR (CEQA Guidelines, Section 15095): The Executive Officer shall: (1) File a copy of the Final EIR with the Santa Cruz County Planning ~~Division~~Department and the city, if applicable, where significant environmental effects may occur; (2) Include the Final EIR in all subsequent project administration; (3) ~~A~~Maintain a copy of the Final EIR ~~shall be kept~~ as a permanent public record for the project; and (4) Require the applicant to provide a copy of the certified, final EIR to each Responsible Agency. Pursuant to adopted Commission policy, funding for the preparation of an EIR, fees for filing a Notice of Determination, and other related fees (i.e. notice and distribution requirements), are the responsibility of the applicant for the LAFCO action.

~~The Executive Officer will determine which projects are exempt from CEQA;~~

~~Specific LAFCO activities which are generally exempt are detailed in Sections 15319 and 15320 of the State CEQA Guidelines.~~

#### ~~INITIAL STUDIES 15063~~

~~Projects for which LAFCO is the Lead Agency which are not considered exempt may require the preparation of an initial study. The initial study is prepared by the Executive Officer and may be based in part on information submitted by the proposal applicant on the appropriate LAFCO Initial Study form.~~

#### ~~NEGATIVE DECLARATIONS — 15070 — 15075~~

~~The Executive Officer will determine, based upon the initial study, whether to prepare a proposed Negative Declaration.~~

~~Proposed Negative Declarations will be noticed in a newspaper of general circulation in the affected area, mailed to individuals and organizations affected who have requested notice in writing, sent to every Responsible Agency and Trustee Agency, and made available for public review at the LAFCO office for a period of at least 20 days.~~

~~The Commission will consider a proposed Negative Declaration and any public review comments prior to approving a project, and will approve the Negative Declaration if it finds there is no substantial evidence that the project may have a significant effect on the environment.~~

#### ~~ENVIRONMENTAL IMPACT REPORTS (EIRs) 15030 – 15096~~

~~The Executive Officer will determine, based upon the initial study or application documents, whether to require the preparation of a Draft EIR.~~

~~For projects which are not initiated by the Commission, the applicant shall execute a contract with the Commission concerning EIR preparation within 60 days of the date that the Executive Officer decides an EIR is required for the project.~~

~~For all projects for which the Commission chooses not to use in-house staff to do an EIR, the Commission shall use an RFP (Request for Proposals) process to select a consultant. The Executive Officer shall maintain, and update as necessary, a list of consultants which the Executive Officer will use to request proposals from at least five firms most qualified to do the specific EIR. The Executive Officer will screen the proposals and make a recommendation on consultant selection. The Commission, before authorizing a contract with a consultant, will review to its satisfaction the scope of work, the qualifications of the consultant, the contract cost, and all other aspects of the contract.~~

~~Whenever the Santa Cruz Local Agency Formation Commission is required to prepare an EIR and subsequently contracts with a consultant for EIR preparation, a fee will be charged the applicant, in addition to the cost of the EIR to cover staff time incurred in reviewing and processing the EIR.~~

~~This fee will be charged based upon actual staff time involved in, but not limited to:~~

~~Consultant selection including bid solicitation and review, and providing consultants with preliminary information;~~

~~Review of Administrative Draft EIR and necessary corrections/ additions;~~

~~Compiling comments for preparation of Final Draft EIR; and~~

~~Meetings with applicant, consultant, and public regarding EIR preparation in relation to the particular project.~~

~~Prior to approving the project, the Commission will review and consider the information contained in any EIR prepared for the project, will certify the completion thereof, in compliance with CEQA, and will make the findings and statements required by CEQA and the State CEQA Guidelines.~~

#### ~~ADVISORS TO EXECUTIVE OFFICER~~

~~In performing the environmental review procedures required by these guidelines, the executive Officer may request the assistance of the appropriate persons or agencies.~~

#### ~~COMMENTING ON ENVIRONMENTAL DOCUMENTS SUBMITTED BY OTHER AGENCIES 15096~~

~~The Executive Officer will review and, if necessary, comment on all environmental documents submitted for review which relate to LAFCO projects or policies.~~

#### ~~COMMENTING ON ENVIRONMENTAL DOCUMENTS SUBMITTED BY OTHER AGENCIES 15096~~

~~Any person aggrieved by a determination of the Executive Officer may appeal said determination to the Commission. Such appeal must be filed in writing with the Executive Officer within 20 calendar days after the determination and shall give specific reasons for the appeal. The appeal shall be heard on the next regular agenda of the Commission in the same manner as matters coming regularly before the Commission.~~

~~Notices of Completion, Determination, Exemption, and Preparation as required or authorized by CEQA and the State CEQA Guidelines shall be filed by the LAFCO staff. The notices to be filed with the County Clerk shall be filed with the "Clerk of the Board" in Room 500, County Governmental Center, 701 Ocean Street, Santa Cruz CA 95062.~~

#### ~~MITIGATION MONITORING~~

~~The Executive Officer is responsible for implementing a mitigation monitoring program adopted by the Commission.~~

LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY  
RESOLUTION NO. 2020-19

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 ENVIRONMENTAL REVIEW POLICY

\*\*\*\*\*

WHEREAS, on September 6, 2000, the Local Agency Formation Commission of Santa Cruz County ("LAFCO" or "Commission") adopted an Environmental Review Policy pursuant to the Cortese-Knox-Hertzberg Act; and

WHEREAS, pursuant to Section 21083 of the Public Resources Code and Section 15022 of the State California Environmental Quality Act ("CEQA") Guidelines, each public agency is required to adopt specific procedures for administering CEQA; and

WHEREAS, on August 5, 2020, the Commission determined that amendments to the existing policy are warranted.

NOW, THEREFORE, BE IT RESOLVED, the Commission hereby amends its Environmental Review Policy, as shown in Exhibit A, to adopt procedures which are necessary to tailor the general provisions of the CEQA guidelines to the specific operations of the agency.

PASSED AND ADOPTED by the Local Agency Formation Commission of Santa Cruz County this 5th day of August 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

**ENVIRONMENTAL REVIEW POLICY**

Adopted on September 6, 2000 (Resolution No.2000-5)  
Last Revision on August 5, 2020 (Resolution No. 2020-19)

**1. OVERVIEW**

This policy outlines the specific procedures used by LAFCO to tailor the general provisions of the California Environmental Quality Act ("CEQA") Guidelines (California Code of Regulations, Title 14, sections 15000 et seq.) ("State CEQA Guidelines") to LAFCO's specific functions as both a "Responsible" and a "Lead" agency under CEQA. This version of LAFCO's environmental review guidelines incorporates changes in the State CEQA Guidelines through 2019.

These provisions and procedures incorporate by reference (and are to be utilized in conjunction with) the State CEQA Guidelines, a copy of which is available on LAFCO's website. These procedures will be revised as necessary to conform to amendments to the State CEQA Guidelines, within 120 days after the effective date of such amendments. However, LAFCO will implement any such statutory changes that the California Legislature makes to CEQA regulations as soon as those statutory changes become effective, even if not expressly stated herein.

**2. PUBLIC AGENCIES' RESPONSIBILITIES**

A public agency must meet its own responsibilities under CEQA and shall not rely on comments from other public agencies or private citizens as a substitute for work that CEQA requires the Lead Agency to accomplish. For example, a Lead Agency is responsible for the adequacy of its environmental documents. The Lead Agency shall not knowingly release a deficient document hoping that public comments will correct defects in the document. When making decisions that trigger some type of CEQA review, LAFCO's duty is to minimize the environmental damage that may result from those decisions and to balance the competing public objectives as outlined in the State CEQA Guidelines, section 15021.

**3. LAFCO'S ENVIRONMENTAL RESPONSIBILITIES**

LAFCO's role as a regulatory agency involves "the discouragement of urban sprawl, the encouragement of the orderly formation, and development of local agencies." A few of its duties require minimal environmental review, especially those involving the commissioning of studies, the hearing of protests, and consolidations, reorganizations and mergers of cities or districts. Most of these duties only constitute jurisdictional changes with no potential for land use changes or for significant effects on the physical environment.

LAFCO's more prominent roles include, but are not limited to, creation of spheres of influence, formation of new districts, incorporation of new cities, and annexations/reorganizations to cities or special districts. These types of LAFCO actions generally require more in-depth analysis, especially if they result in the direct or indirect physical change in the environment, like facilitation of growth and/or land use alterations. Factors that must be assessed in these cases involve land area and use, all aspects of the physical and human environment, geographical features, population growth and density, social and economic changes, availability of infrastructure and government services, conformity with city or county land use plans, and creation of unincorporated "islands," etc.

#### **4. LAFCO'S ROLE AS AN "INTERESTED" AGENCY**

In situations where LAFCO is not a "Responsible Agency" but has an interest in reviewing a project to ensure that LAFCO related information is correctly identified, LAFCO plays a more limited role in the CEQA process. In those instances, the Executive Officer will review, and, if necessary, comment on all environmental documents submitted by a Lead Agency involving projects/decisions relating to and/or affecting LAFCO projects or policies.

#### **5. LAFCO'S ROLE AS AN "RESPONSIBLE" AGENCY**

"Responsible" Agency status occurs when LAFCO is not the "Lead" Agency, but nevertheless has discretionary approval authority over a project or some aspect of a project, in tandem with, or separate from that of the Lead Agency in accordance with Section 15096 of the State CEQA Guidelines. Examples of situations where LAFCO may be a Responsible Agency include, but are not limited to:

- A city approving an annexation request to LAFCO, only after pre-zoning the area in question. When a city has pre-zoned an area, the city serves as the Lead Agency for any subsequent annexation of the area and should prepare the environmental documents at the time of pre-zoning or other land use decision; or
- When a special district has conducted an environmental review and prepared an environmental determination for a plan to serve an area proposed for annexation to the district.

LAFCO shall use the environmental document prepared by the Lead Agency for LAFCO's environmental determinations if the Executive Officer deems it adequate for such use pursuant to State CEQA Guidelines, Section 15096. Procedures for determining the adequacy of the lead agency's CEQA document are summarized in the following sub-sections.

##### **4.1 Consultation**

Pre-Application Discussion: Regardless of whether LAFCO is a Responsible Agency, each Lead Agency carrying out any project within LAFCO's jurisdiction and function shall inform LAFCO in writing of its intent and process for that project at the beginning of the Lead Agency's CEQA review process, and the Lead Agency shall provide LAFCO with copies of any project applications.



CEQA Determination: The Lead Agency shall consult with LAFCO regarding the preparation of its environmental documents/determinations (Statutory Exemptions, Categorical Exemptions, Initial Studies/Negative Declarations, Environmental Impact Reports (“EIR”), etc.), which must also be used by LAFCO in its role as a Responsible Agency; consultation can be written or verbal and LAFCO’s input shall be incorporated/addressed in the Lead Agency’s analysis, documentation and determinations.

LAFCO Initial Comments: The Executive Officer shall, as soon as practical but within 30 days of notification, comment as to the appropriate environmental determination from LAFCO’s perspective as well as issues of concern to be addressed in any environmental document. The requirement for written notification from the Lead Agency can be waived at the Executive Officer’s discretion.

Where LAFCO disagrees with the Lead Agency’s proposed environmental determination (such as a Negative Declaration), LAFCO will identify the specific environmental effects which it believes could result from the project and recommend the project be mitigated with measures to reduce the potential impacts to less than “significant” (when feasible) or that an EIR be prepared to properly characterize potentially significant impacts.

Notice of Preparation: When it intends to prepare an EIR, the Lead Agency shall send a Notice of Preparation by certified mail to LAFCO to solicit input in accordance with Section 15082 of the State CEQA Guidelines.

LAFCO shall respond to any Notice of Preparation submitted to LAFCO in accordance with subsection (A)(5) above in writing within 30 days, specifying the scope and content of the environmental data and analysis germane to LAFCO’s statutory responsibilities for the proposed project. LAFCO shall also provide the Lead Agency with input regarding environmental issues and the minimum content of the analysis needed to meet a standard of adequacy for use of the environmental document/determination by LAFCO as a CEQA Responsible Agency.

#### **4.2 Preparation of Environmental Documents by a Lead Agency**

The Lead Agency shall include information in the Statutory Exemption, Categorical Exemption, Initial Study/Negative Declaration/EIR to allow its subsequent use by LAFCO for its considerations; referencing on the title page and in the project description any boundary changes, changes of organization or reorganization, or other proposed actions requiring subsequent discretionary action by LAFCO to fully implement the project.

The Lead Agency shall send the draft document to LAFCO as part of the public review process required by the CEQA and applicable guidelines (sections 15072 and 15082 of the State CEQA Guidelines). The Executive Officer will, within the established review period, send comments to the Lead Agency in writing (which can be transmitted either via U.S. mail or overnight delivery, or electronically by email or other messaging system), all of which LAFCO expects to be incorporated and assessed in the final document. LAFCO’s comments on a draft CEQA document submitted to LAFCO by a lead agency should focus on the appropriateness of the CEQA document chosen, the

adequacy of the environmental document's content, in the case of an EIR -- additional alternatives or mitigation measures, etc., that are germane to environmental impacts that could result from LAFCO's subsequent discretionary action or to the adequacy of the document for use by LAFCO as a CEQA Responsible Agency.

A final EIR prepared by a Lead Agency or a Negative Declaration adopted by a Lead Agency shall be conclusively presumed to comply with CEQA for purposes of use by Responsible Agencies which were consulted pursuant to Sections 15072 or 15082, unless one of the following conditions occurs:

- The EIR or Negative Declaration is finally adjudged in a legal proceeding not to comply with the requirements of CEQA; or
- A subsequent EIR is made necessary by Section 15162 of the State CEQA Guidelines.

#### **4.3 LAFCO Requirement of Environmental Documents/Determinations**

Applications filed by Lead Agencies with LAFCO shall include copies of one of the following environmental documents as specified in LAFCO's filing requirements and all applicable findings for an EIR per Sections 15091, 15092 and 15093 of the State CEQA Guidelines.

- Exemptions: Certification of Categorical or Statutory Exemption;
- Negative Declaration: Notice of Intent to Adopt a Negative Declaration and a Final Negative Declaration (including copy of Initial Study) or a Final Negative Declaration with mitigation measures (including copy of Initial Study), all technical appendices, and Mitigation Monitoring/Reporting Plan;
- Environmental Impact Report: Notice of Subsequent Use of an Existing EIR (which was previously available or has been made available to LAFCO), Notice of Preparation of a Draft EIR, Notice of Availability/Notice of Completion of Draft EIR (including copy of Draft EIR), Final EIR, Statements of Findings/Overriding Considerations, and Mitigation Monitoring/Reporting Plan;
- California Department of Fish and Wildlife: copy of environmental filing fee receipt including, if applicable, a CEQA Filing Fee No Effect Determination Form; and/or
- Other Appropriate CEQA Documents: copy of any other environmental document/determination not listed in this policy.

#### **4.4 LAFCO's Use of Lead Agency's Environmental Documents**

In making its determinations on boundary change proposals, changes of organization or reorganization, or other proposed actions requiring discretionary action by LAFCO, LAFCO will generally use the environmental document prepared by the Lead Agency if the procedures regarding consultation and preparation of environmental documents by a Lead Agency outlined above have been followed.

Prior to project approval, the Commission will certify that it has reviewed and considered the information contained in the Lead Agency's document. LAFCO may request the Lead Agency furnish additional information or findings as required to support a legally adequate Responsible Agency environmental determination in accordance with Section 15096 of the State CEQA Guidelines.

When a Lead Agency's EIR identifies significant environmental effects, LAFCO will incorporate the Lead Agency's findings or formulate its own, for each significant effect, or otherwise make findings in accordance with State CEQA Guidelines, Section 15091 for each significant environmental effect that is identified in a Lead Agency's EIR.

LAFCO may take any of the following actions to conform to CEQA requirements when rendering a decision on an application:

- LAFCO will not approve a proposed project with significant impacts if it can adopt feasible alternatives or mitigation measures within its powers that would substantially lessen the magnitude of such effects, unless it adopts a Statement of Overriding Considerations (State CEQA Guidelines, section 15093);
- If LAFCO mitigates impacts listed in the EIR to a less than significant level via the adoption of boundary alternatives or conditions of approval (negotiated with the local agency), such findings shall be reinforced by adequate rationale and inserted in the record; or
- If the environmental impacts of the LAFCO decision cannot be mitigated to a less than significant level, LAFCO will adopt a Statement of Overriding Considerations per State CEQA Guidelines, Sections 15093 and 15096.

Upon project approval, LAFCO shall file a Notice of Determination in a like manner as a Responsible Agency in accordance with Section 15096(i) of the State CEQA Guidelines. The Notice of Determination shall be filed with the Santa Cruz County Clerk of the Board.

## **6. LAFCO'S ROLE AS AN "LEAD" AGENCY**

LAFCO will be the Lead Agency responsible for performing CEQA mandated environmental review when its discretion for approval or denying a project involves general governmental powers. This is in contrast with a Responsible Agency role which only has single, limited powers over the project, normally subsequent and secondary to LAFCO's function, such as pre-zoning for the property of interest. Examples of projects requiring LAFCO to act as a Lead Agency include but are not limited to the following:

- Establishment of spheres of influence for cities and special districts;
- Adoption of studies or municipal service reviews; and
- Special District activation or divestiture of a function or class of service.

### **6.1 Delegation of Responsibilities by the Commission to the Executive Officer**

The following quotations from Section 15025 of the State CEQA Guidelines indicate those functions that can and cannot be delegated to the Executive Officer by the Commission:

A public agency (the Commission) may assign specific functions to its staff (Executive Officer) to assist in administering CEQA. Functions which may be delegated include but are not limited to:

- Determining whether a project is exempt;
- Conducting an Initial Study and deciding whether to prepare a draft EIR or Negative Declaration (refer to Section IV, F. 2. of these guidelines for a discussion of the appeal process when an EIR is required.);
- Preparing a Negative Declaration or EIR;
- Determining that a Negative Declaration has been completed within a period of 180 days (see Section 21100.2 of CEQA);
- Preparing responses to comments on environmental documents; and
- Filing of notices.

The decision-making body of a public agency (the Commission) shall not delegate the following functions:

- Reviewing and considering a final EIR or approving a Negative Declaration prior to approving a project before the Commission; and
- The making of findings as required by Sections 15091 and 15093.

## **7. LAFCO'S LEAD AGENCY PROCEDURES**

The following process and procedures, specific to LAFCO's function, summarize or supplement the State CEQA Guidelines and are to be used to process all accepted applications.

### **7.1 Statutory Exemptions (CEQA Guidelines, Sections 15260-15285)**

Statutorily exempt projects defined by the Legislature that could apply to a LAFCO project include the following:

- Disapproved Projects: CEQA does not apply to projects that LAFCO rejects or disapproves. This statutory exemption is intended to allow an initial screening of projects on the merits for quick disapprovals prior to the initiation of the CEQA process where LAFCO can determine that the project cannot be approved. This statutory exemption shall not relieve an applicant from paying

the costs for an EIR or negative declaration prepared for the project prior to the lead agency's disapproval of the project after normal evaluation and processing.

- **Feasibility and Planning Studies:** A project involving only feasibility or planning studies for possible future actions which the agency, board, or commission has not approved, adopted, or funded does not require the preparation of an EIR or Negative Declaration but does require consideration of environmental factors. This section does not apply to the adoption of a plan that will have a legally binding effect on later activities.
- **Ministerial Projects:** Actions or Ministerial Projects involve the application of fixed standards without the option of exercising personal or subjective judgment (discretion) by the Executive Officer or the Commission. Examples include but are not limited to the following: (1) Consolidation/reorganization of special districts where the district boards adopt similar resolutions of applications for said consolidation/reorganization into a single agency (pursuant to Government Code Section 56853), and (2) Certain island annexations (pursuant to Government Code Section 56375) where approval is mandated if the annexation meets certain specific findings.

## **7.2 Categorical Exemptions (CEQA Guidelines, Section 15300)**

The following classes of projects, specifically pertaining to LAFCO's activities, have been identified in the State CEQA Guidelines as not having the potential to cause significant environmental effects, and may be categorically exempt from the requirements of CEQA if certain specified criteria are satisfied (Note: A categorical exemption shall not be used for these activities where there is substantial evidence to support that one of the exceptions to the categorical exemptions in State CEQA Guidelines, section 15300.2 is present.):

- **Construction or Conversion of New, Small Structures (Class 3):** Included within this category are extraterritorial or out-of-agency service contracts/agreements involving the extension of water, sewer, and/or other utility services by a city or district outside its boundaries but lying within its respective sphere of influence.
- **Annexations of Existing Facilities and Lots for Exempt Facilities (Class 19):** Included within this category are: (1) Annexations to special districts where the district's services would be provided even without annexation and construction has been initiated prior to the issuance of a Certificate of Filing, (2) Annexations of areas containing existing public or private structures developed to the density allowed by current zoning or pre-zoning, whichever is more restrictive, (provided, however, that the extension of utility services within the annexed area would have a capacity to serve only those existing facilities), (3) Detachments from cities where the land being detached is committed, by virtue of an adopted land-use plan, to remain in agricultural use or open space; or where the land is presently developed and no change in land-use can be reasonably anticipated, and (4) Detachments from special districts which will not result in any change in zoning or land use.

- Changes in Organization of Local Agencies (Class 20): Included within this category are changes in the organization or reorganization of local agencies where the changes do not modify the geographic area in which previously existing powers are exercised. Examples include but are not limited to: (1) Establishment of a subsidiary district, (2) Consolidation of two or more districts having identical boundaries, (3) Merger with a city of a district lying entirely within the boundaries of the city, or (4) Reorganization of agencies consisting of annexations or detachments providing similar services.

### **7.3 Recordation of Notice of Exemptions**

When a LAFCO project qualifies for an exemption, LAFCO staff may develop and record with the Santa Cruz County Clerk of the Board a “Notice of Exemption” form, to include: (1) A brief project description, (2) The project location with supporting map, (3) The specific exemption including the finding and citation of the CEQA Guidelines section or statute under which it is found to be exempt, and (4) The rationale for its selection, including a brief statement of reasons to support the findings.

### **7.4 Initial Studies**

A project for which LAFCO is the Lead Agency and which is not exempt will require the preparation of an Initial Study to determine if the project has the potential for causing a significant environmental effect. The Initial Study assessment shall consider all phases of the project; the purposes, policies, rules, regulations and standards set forth in CEQA and its State CEQA Guidelines; these procedures and the adopted plans and policies of cities, the County, and LAFCO. An Initial Study need not be prepared if the Executive Officer determines at the beginning stages of review that a full-scope EIR will be required, but will be used to document the significance of specific impacts requiring a focused EIR, i.e. the Initial Study shall document the rationale for narrowing the scope of issues to be addressed in an EIR.

- Process: The Initial Study will be prepared on a State CEQA Guidelines Standard Initial Study Environmental Checklist Form using the project application, environmental description forms, appropriate literature, etc. A site visit may be necessary. Individual findings for environmental issues will be documented with sufficient technical data to substantiate conclusions regarding the potential for significant adverse impact. Insufficiency of available information will be noted on the form if it affects the ability to reach a conclusion.

The preparer shall consult with all Responsible Agencies and other public agencies/persons/organizations affected by or knowledgeable of the project and its issues. Under appropriate circumstances such review could also involve use of the County’s or a city’s Environmental Review Committee and its public forum to more fully assess the physical, social and infrastructural implications of complex projects. The Initial Study will be the supporting document for findings of “significance” and “non-significance” (whether to prepare a Negative Declaration or EIR). It is a tool for modifying projects and/or identifying mitigation measures to allow a finding of “non-significance.” It can also be used to focus the EIR on effects determined to be potentially significant or to determine whether a previously prepared EIR could be used/modified for the project, etc.

The Initial Study shall contain: (1) A project description and location; (2) Environmental setting; (3) Identification of all environmental impacts using the most recent version of the State CEQA Guidelines environmental checklist form (Appendix G) and substantial evidence to support environmental impact findings, including ways to mitigate (avoid, minimize, compensate or otherwise reduce) a significant impact to a less than significant level; and (4) Examination of project consistency with zoning and land-use plans, etc. Section 15063 of the State CEQA Guidelines contains a detailed description of the content of and uses for the Initial Study and it is hereby incorporated by reference. Funding for the preparation of an Initial Study shall be borne by the applicant for the LAFCO action pursuant to Commission policy.

- Executive Officer's Determinations/Findings: After review of the Initial Study and all supporting information, the Executive Officer shall determine the appropriate environmental determination based on one of the following findings:
  - 1) The project will not have a significant environmental effect. Prepare a Negative Declaration and a Notice of Determination and publish a Notice of Intent to Adopt a Negative Declaration. After an appropriate public review period consistent with the applicable State CEQA Guideline's requirements, the documentation will be finalized and forwarded to the Commission with a recommendation for adoption;
  - 2) The project, as proposed, would have a significant environmental effect, but with alterations, stipulations, or mitigation measures, all adverse impacts can be mitigated to a less than significant level. Prepare a Mitigated Negative Declaration and a Notice of Determination and publish a Notice of Intent to Adopt a Negative Declaration. After appropriate public review period consistent with State CEQA Guideline's requirements, the documentation will be forwarded to the Commission with a recommendation for adoption;
  - 3) The project will have a significant environmental effect, but all such impacts have been adequately assessed in a final EIR previously reviewed by LAFCO and mitigated to the extent feasible. Submit the EIR to the Commission with appropriate findings for certification;
  - 4) The project will have a significant environmental effect. An EIR will be prepared and submitted to the Commission with appropriate findings; or
  - 5) The project will have a significant environmental effect and an EIR has been prepared. However, new information or changed conditions affecting the project or the site warrant additional analysis. Prepare a supplemental EIR or addendum to the original EIR focusing on these changes. Submit to the Commission with appropriate findings for certification.

## **7.5 Negative Declaration or Mitigated Negative Declaration**

A Negative Declaration (finding of non-significant effect) or a Mitigated Negative Declaration (finding of non-significant effect with project changes/mitigation measures/conditions of approval) will be prepared on the State CEQA Guidelines Initial Study Environmental Checklist Form by staff per the findings of the Initial Study based on substantiating evidence.

The Negative Declaration or Mitigated Negative Declaration's contents will include a brief project description, location (i.e., vicinity map), name of applicant, the finding of non-significance, attached Initial Study with any applicable technical reports, data or other information constituting the substantial evidence supporting the environmental analysis, and a list of mitigation measures (if any, in the context of a Mitigated Negative Declaration). A determination of the Initial Study's adequacy and the preparation of the accompanying Negative Declaration or Mitigated Negative Declaration initially rests with the Executive Officer. The formal adoption of the Negative Declaration or Mitigated Negative Declaration rests ultimately with the Commission.

- **Notice Requirements:** The document will be available at the LAFCO office for public review and comment for a minimum of 21 days prior to LAFCO action on the project. Recommended Negative Declarations and Mitigated Negative Declaration (in the form of a Notice of Intent to Adopt a Negative Declaration or Mitigated Negative Declaration) will be noticed at least once in a newspaper of general circulation in the project area; noticed in the "local" newspaper of the affected area (if any); mailed to all Responsible Agencies and public agencies with jurisdiction within the project area; mailed to those individuals and organizations who have requested such notices.

Where one or more state agencies will be a Responsible or Trustee Agency or will exercise jurisdiction over natural resources affected by the project, LAFCO shall send copies of the Negative Declaration or Mitigated Negative Declaration to the State Clearinghouse for distribution to these state agencies. Review by state agency(ies) will require a 30-day period unless reduced by prior approval of the State Clearinghouse. Pursuant to adopted Commission policy, costs associated with the Notice and distribution requirements shall be funded by the applicant for the LAFCO action.

- **LAFCO Consideration:** The Commission will consider the proposed Negative Declaration or Mitigated Negative Declaration and any public and agency comments prior to approving a project, and will approve the Negative Declaration or Mitigated Negative Declaration if it finds there is no substantial evidence in the whole of the administrative record that the project will have a significant environmental effect. Where mitigation is included as a condition of the Mitigated Negative Declaration, the mitigation monitoring and reporting program (MMRP) shall assign responsibility for implementing the mitigation measure(s) when the Mitigated Negative Declaration is approved by the Commission.



- **Notice of Determination:** After the Commission's approval of a project for which a Negative Declaration or Mitigated Negative Declaration has been adopted, the Executive Officer shall file a Notice of Determination. The Notice of Determination's content shall include: (1) Project description, identification and location; (2) Date project approved by LAFCO; (3) Determination of "non-significant" effect, or determination that mitigation measures were imposed and made conditions of approval for the project to reduce impacts to less than significant levels; (4) Statement that a Negative Declaration or Mitigated Negative Declaration has been prepared and approved; and (5) Address of LAFCO office where a copy of Negative Declaration or Mitigated Negative Declaration is filed.

The Notice shall be filed with the Santa Cruz County Clerk of the Board. If the project requires a discretionary approval from any state agency, the Notice shall also be filed with the State Office of Planning and Research, State Clearinghouse. Fees for filing a Notice of Determination for a Negative Declaration or Mitigated Negative Declaration shall be funded by the applicant for the LAFCO action.

## **7.6 Environmental Impact Report**

If the Executive Officer or the Commission finds, based on substantial evidence in the record or contained in the Initial Study and public comments, that a project may have a significant environmental effect, the Executive Officer will initiate the preparation of an Environmental Impact Report ("EIR").

- **Purpose:** An EIR is an informational document; a major tool in the decision-making process, informing Commissioners and all parties involved of the environmental consequences of project decisions before they are made. An EIR's primary functions are to identify and mitigate significant adverse impacts and to provide alternative project and boundary options that may reduce potentially significant impacts of the proposed project.
- An EIR is not an instrument to rationalize approval or denial of a project; nor do indications of adverse impacts require automatic denial. LAFCO has the authority to balance environmental, economic, social or other objectives as part of its mandate to develop orderly governmental boundaries (Sections 15091, 15092 and 15093, State CEQA Guidelines). An EIR should be prepared early in the application process to facilitate the integration of environmental considerations in project or boundary design. The applicant is responsible for submitting all necessary project data for the EIR per the Executive Officer's request or funding the preparation of required project data for the EIR.
- **Appeals:** The Executive Officer's determination to require an EIR is appealable to the Commission within 10 working days of the issuance of the decision to prepare an EIR. Such appeal must be filed, on LAFCO forms, with the Executive Officer and must include specific substantiation for the appeal, directly related to environmental issues. The appeal shall be heard on the next regularly scheduled Commission agenda that permits adequate public notification. The Commission's decision shall be final. The only legal remedy available to appeal the Commission's final action is to file a petition for writ of mandate in the superior court under California Code of Civil Procedure Section 1085.

- Notice of Preparation: At the earliest feasible date following the Executive Officer's/Commission's formal decision to prepare an EIR (based on the administrative record or an Initial Study), a Notice of Preparation ("NOP") will be mailed to all responsible and affected agencies (including the State Clearinghouse and affected state agencies, if any) and any parties requesting notification. State review of an EIR will result in the issuance of an identification number (State Clearinghouse Number) which shall be used on all subsequent documentation and correspondence.

The NOP shall include sufficient information on the project and its anticipated impacts to facilitate meaningful responses on the environmental issues that may cause significant adverse impacts. Such content to include: (1) Project description; (2) Mapped location; (3) Probable environmental effects; and (4) A copy of the Initial Study or substantial evidence in the record justifying the preparation of an EIR, etc. The NOP shall be sent to all responsible/trustee agencies or interested parties via certified mail or other method to document its receipt.

Within 30 days after LAFCO's release of the NOP, each Responsible Agency/interested party shall submit to LAFCO specific information directly related to that agency's/party's statutory responsibility for the project; the environmental issues, alternatives, and mitigation measures to be explored; and the agency's/party's role in the project's review, etc. If LAFCO does not receive a response or request to extend the public comment period on the NOP by the end of the 30-day NOP review period, LAFCO may presume that no response will be made from an agency or party that received the NOP.

- Scope of EIR: LAFCO may also convene meetings involving all parties (especially at the request of a Responsible Agency) to further assist in the determination of the EIR's scope and content, no later than 30 days after such request. Early and complete scoping, consultation and negotiation are critical to the preparation of an adequate EIR. LAFCO may request use of the County's or a local agency's Environmental Review Committee in a public meeting forum to aid in the identification and resolution of any technical issues. LAFCO will compile all comments and identify in writing the focus for the EIR. An EIR can be prepared by staff or consultants under contract to LAFCO, coordinated by the Executive Officer or designee. LAFCO may accept data for an EIR from any source subject to independent validation by LAFCO staff. Also, LAFCO may charge an applicant appropriate fees to cover all costs for preparing and processing an EIR.
- EIR Content: Article 9 of the State CEQA Guidelines describes the complete content of all required sections of an EIR, as modified from time to time. However, LAFCO has discretion to narrow the scope of an EIR's content during the scoping process (State CEQA Guidelines, section 15063).
- Consultant EIRs: The Executive Officer shall use a Request for Proposals bidding process to select a consultant to write the EIR. The Executive Officer shall maintain and update as necessary a list of consultants, a minimum of three from which proposals shall be solicited for each consultant prepared EIR. The Executive Officer and the applicant will screen the proposals in an attempt to gain a

consensus on choosing the consultant. However, the Executive Officer is ultimately responsible for final selection of the consultant. The Commission will review the scope of work, consultant qualifications, contract cost, and all other aspects before authorizing a contract.

The applicant will be charged a fee to cover all contract and staff costs, to be deposited into a LAFCO trust fund. (Note: The contract will be between LAFCO and the consultant which will work solely at the Executive Officer's, not the applicant's, direction.) The Executive Officer will disburse the funds to the consultant at stages specified in the contract based on completion and performance. In addition to the contract costs, the fees charged will be based on actual staff time involved in, but not limited to: (1) Consultant selection including bid solicitation and review, submission of information to consultants, etc.; (2) Review of Draft EIR, corrections, additions, legal review by the Commission's legal counsel, etc.; (3) Compiling comments and reviewing responses to comments for preparation of Final EIR; and (4) Meetings with applicant, consultant and public regarding EIR preparation.

- Public Participation (CEQA Guidelines, Section 15201): Public participation is an essential part of the CEQA process. LAFCO includes provisions in its CEQA procedures for wide public involvement, formal and informal, consistent with its existing activities and procedures, in order to receive and evaluate public reactions to environmental issues related to the agency's activities. Such procedures include, whenever possible, making environmental information available in electronic format and on LAFCO's web site.

Interacting with the public is an important CEQA process that allows the public to voice its concerns about environmental issues and the potential effect of a project on the physical environment. Therefore, in order to ensure public involvement in LAFCO's CEQA process, the Commission—in addition to the requirements for public notification on the NOP and/or the Notice of Completion—will provide the public with the opportunity to participate in any meetings related to the EIR, whether through a scoping meeting (optional) to provide verbal or written comments on the content of the EIR and/or through the public hearing (required) on the certification of the Final EIR.

- Completion Notice (CEQA Guidelines, Section 15085): Because most LAFCO EIRs will require circulation through the State Clearinghouse, the default procedure is that as soon as the draft EIR is completed, a Notice of Completion ("NOC") must be filed with the California Governor's Office of Planning and Research, denoting the project's description and location, address where EIR copies are available, and the period which comments can be submitted.
- Agency/Public Review: At the time the NOC is sent, the Executive Officer shall provide public notice of the draft EIR's availability to all organizations, agencies and individuals who previously requested such notice; as well as publication in The Santa Cruz Sentinel (newspaper of general circulation) and/or local newspapers. The Executive Officer shall also distribute copies of the draft EIRs and requests for comments to all public agencies with jurisdiction within the project area; to

persons or organizations previously requesting such copies; to public libraries in the affected areas; as well as maintaining copies in the LAFCO and any Responsible Agency's offices (upon request). The Executive Officer may consult with any person who has special expertise in any environmental issue involved.

Review periods are not to be less than 30 days nor longer than 60 days from the date of the NOC except in unusual situations, per the Executive Officer's discretion. The review period for draft EIRs submitted to state agencies via the State Clearinghouse will be a minimum of 45 days. The last date for comment submittal shall be specified in the request for comments. A lack of response by that date constitutes a non-objection or "no-comment" by that particular party.

The sufficiency of the EIR per State CEQA Guidelines is the only issue to be addressed during this review. Questions/issues regarding the feasibility or desirability of the project itself shall only be considered by the Commission at the appropriate hearing, not integrated into the environmental review process. In instances where complex technical issues or disagreements among experts arise in the context of an EIR, the Executive Officer can convene a meeting of the County's or a local agency's Environmental Review Committee to provide a forum for a more thorough review of the EIR's adequacy.

- Adequacy: The Executive Officer will make preliminary (not appealable) determinations of the EIR's adequacy, utilizing all aspects of the public record; in turn making specific recommendations on adequacy to the Commission, for its findings, at the time the project is heard.
- Response to Comments on an EIR (CEQA Guidelines, Section 15088): The Executive Officer shall prepare a written response to all comments received during the comment period (and MAY respond to those received after the period): describing the disposition of issues, opinions or facts raised, project revisions or mitigation measures resulting from these comments, reasons for not accepting recommendations, all substantiated by factual information. The response to comments may be in the form of revisions to the EIR text, a separate section in the final EIR or as notes typed in the margins of the comment letters, depending on the event of the resulting revisions.
- Preparation of Final EIR (CEQA Guidelines, Sections 15089 and 15132): The Executive Officer/consultant will prepare a final EIR before the Commission makes a decision on the project. Project denial does not require certification of the Final EIR. Final EIR contents include: (1) The draft EIR and any revisions made to it in response to comments; (2) Comments and recommendations received on the draft EIR verbatim; (3) A list of persons, organizations and agencies commenting on the draft EIR; (4) LAFCO's responses to significant points raised during review and consultation; (5) Plus any other pertinent information. Final EIRs shall be available a minimum of 10 days prior to the Commission hearing on a project and shall be provided to any commenting parties 10 days prior to a Commission hearing on a project. The final EIR shall be submitted to the Commission with the project application and a mitigation measure monitoring plan/program (if necessary) for certification prior to the decision.

- Certification of Final EIR (CEQA Guidelines, Section 15090): Prior to approving a project for which an EIR has been prepared, the Commission shall certify that: (1) The final EIR has been completed in compliance with CEQA; (2) The final EIR was presented to the Commission which reviewed and considered it prior to approving the project; and, (3) The final EIR reflects the lead agency's independent judgment and analysis. If the Commission, through testimony or its own review of the data, finds that the environmental review is incomplete or the EIR does not adequately assess the full range of project impacts, it can refer it back to staff for revisions; deferring approval of the project until it can certify the amended final EIR. Under such circumstances, the Commission shall instruct staff to recirculate/not recirculate the amended EIR in accordance with the extent of requested revisions and as required by CEQA Guidelines, section 15088.5.
- Findings (CEQA Guidelines, Section 15091): The Commission cannot approve or carry out a project for which an EIR identifies one or more significant environmental effects, unless it makes one or more written findings for each significant effect, each reinforced by substantial evidence in the record. Such findings include: (1) Changes have been incorporated into the project which avoid or substantially reduce the significant environmental effect(s) identified in the final EIR, (2) Such changes are not within LAFCO's jurisdiction, but are within the responsibility and jurisdiction of another agency which has adopted such changes, or which can and should adopt such changes, or (3) Specific economic, social or other considerations make infeasible the mitigation measures or project alternatives identified in the final EIR.
- Approval (CEQA Guidelines, Section 15092): LAFCO shall not approve or carry out a project for which an EIR was prepared unless either: (1) The project, as approved, will not have a significant environmental effect, or (2) LAFCO has eliminated or substantially reduced all significant effects where feasible per State CEQA Guidelines, section 15091, and determined that any remaining significant effects found to be unavoidable per State CEQA Guidelines, section 15091, are acceptable due to overriding concerns described in CEQA Guidelines, section 15093.
- Statement of Overriding Considerations (CEQA Guidelines, Section 15093): When LAFCO approves a project that will have a significant effect on the environment that cannot be avoided or mitigated to a less than significant level, LAFCO shall state in writing the specific reasons to support its action based on the final EIR and/or other information in the record. The Commission shall balance, as applicable, the economic, legal, social, technological, or other benefits, including region-wide or statewide environmental benefits, of a proposed project against its unavoidable environmental risks when determining whether to approve the project. If the specific economic, legal, social, technological, or other benefits, including region-wide or statewide environmental benefits, of a proposed project outweigh the unavoidable adverse environmental effects, the adverse environmental effects may be considered "acceptable". The statement of overriding considerations shall be supported by substantial evidence in the record. The Commission's statement of overriding considerations should be included in the record of the project approval and so stated in the Notice of Determination.

- Notice of Determination (CEQA Guidelines, Section 15094): The Executive Officer shall file a Notice of Determination following each project approval for which an EIR was certified. The notice shall include: (1) The final EIR has been completed in compliance with CEQA; (2) The final EIR was presented to the Commission which reviewed and considered it prior to approving the project; (3) The final EIR reflects the lead agency's independent judgment and analysis; (4) Determination of any significant environmental effects; (5) Statement that an EIR was prepared and certified pursuant to CEQA; (6) Whether mitigation measures were made conditions of the project; (7) Whether findings were made per State CEQA Guidelines, section 15091; (8) Whether a statement of overriding considerations was adopted; (9) The address of the location of a copy of the final EIR and the project record; and (10) If different from the applicant, the identity of the person undertaking the project which is supported, in whole or in part, through contracts, grants, subsidies, loans, or other forms of assistance from one or more public agencies or the identity of the person receiving a lease, permit, licenser, certificate, and other entitlement for use from one or more public agencies. The notice shall be filed with the Clerk of the County Board. If the project requires discretionary approval from a state agency, the notice shall also be filed with OPR State Clearinghouse.
- Disposition of Final EIR (CEQA Guidelines, Section 15095): The Executive Officer shall: (1) File a copy of the Final EIR with the Santa Cruz County Planning Department and the city, if applicable, where significant environmental effects may occur; (2) Include the Final EIR in all subsequent project administration; (3) Maintain a copy of the Final EIR as a permanent public record for the project; and (4) Require the applicant to provide a copy of the certified, final EIR to each Responsible Agency. Pursuant to adopted Commission policy, funding for the preparation of an EIR, fees for filing a Notice of Determination, and other related fees (i.e. notice and distribution requirements), are the responsibility of the applicant for the LAFCO action.

**EXHIBIT A, LAFCO RESOLUTION NO. 2017-12**

**SANTA CRUZ LAFCO  
FEES AND DEPOSITS  
EFFECTIVE DECEMBER 11, 2017**

All deposits are initial payments toward the total cost of processing (“project cost”). Project cost is defined as staff time plus materials. As listed in Section 3, a surcharge applies to the total cost of each application to partially recoup the cost of preparing state-mandated service reviews. Staff billing rates, listed below in Section 4, include personnel costs plus a percentage of LAFCO administrative overhead. Materials include, but are not limited to, charges for advertisement of hearings, as well as fees charged for project reviews by affected agencies.

**1. PETITION CHECKING**

There is no charge for verification of the first 20 signatures on a petition. Beginning with the 21<sup>st</sup> signature, a fee of \$0.55 per signature shall be charged to the applicant.

**2. PROCESSING**

- a. District annexations, detachments, and reorganizations not changing city boundaries:

| <u>Total Acreage</u> |          |                                     |
|----------------------|----------|-------------------------------------|
| Under 1              | \$ 1,600 | initial deposit toward project cost |
| 1 - 24.9             | \$ 2,500 | “                                   |
| 25 - 149.9           | \$ 7,000 | “                                   |
| 150+                 | \$ 8,000 | “                                   |

- b. Municipal annexations, detachments, and reorganizations involving at least one change in a city boundary:

| <u>Total Acreage</u> |           |                                     |
|----------------------|-----------|-------------------------------------|
| Under 1              | \$ 3,150  | initial deposit toward project cost |
| 1 - 24.9             | \$ 4,900  | “                                   |
| 25 - 149.9           | \$ 7,350  | “                                   |
| 150+                 | \$ 14,600 | “                                   |

- c. Consolidations, mergers, establishment of a subsidiary district:  
\$ 1,800 initial deposit toward project costs
- d. Dissolutions: \$ 1,250 initial deposit toward project costs
- e. Formation of a county service area: \$ 5,000 deposit  
(includes petition filing fee and sphere of influence adoption)

- f. Addition of a service to the list of services that a county service area may perform: \$ 1,250 initial deposit toward project costs
- g. Formation of special districts: \$ 15,000 initial deposit (includes sphere of influence adoption)
- h. City incorporations: \$ 30,000 initial deposit (includes sphere of influence adoption)
- i. Sphere of Influence revision or amendment: \$ 5,150 initial deposit
- j. Preparation of an EIR: Actual Cost + 10% (deposit includes consultant selection and contract administration)
- k. Request for the State Controller's Review of a Comprehensive Fiscal Analysis on an incorporation proposal: Actual cost billed by the Controller + 10% for LAFCO administration and coordination. If the Controller has not set a cost at the time the deposit is due, the deposit shall be \$ 38,200.

If the costs will exceed the deposit in the opinion of the Executive Officer, the Executive Officer shall bill the party who requested the Controller's review for the estimated costs to complete Controller's review. Failure to pay an additional deposit may result in cessation of the Controller's report and other remedies as determined by the Controller's office and the Commission.

- l. Provision of a new function or service by a district: \$ 1,500 initial deposit
- m. Requests for extraterritorial service: \$ 950 initial deposit
- n. Service review not conducted as part of LAFCO's work program: Actual cost + 10%. Note: Initiation of a service review outside of LAFCO's work program is subject to LAFCO's discretion whether the service review can be conducted in a manner that doesn't prejudice the work program, and to LAFCO's discretion as to the appropriate geographic areas, agencies, and scope of the service review.
- o. Copies: First 30 pages free, thereafter \$ 0.18 per page.
- p. Digital audio files: \$ 14.42 per 80-minute CD.
- q. Other electronic media: The fees as charged by the County of Santa Cruz on its Unified Fee Schedule.



### 3. SURCHARGE FOR SERVICE REVIEW PROGRAM

- a. In order to partially recover of the costs of preparing periodic service reviews mandated by Government Code Sections 56425 and 56430, the Commission charges a surcharge of 10% on all the total processing costs of all categories of applications at the conclusion of the review process.
- b. For single applications that involve both sphere adoption/ amendment applications and boundary changes, the surcharge is charged twice (20%) of total processing costs at the conclusion of the review process.
- c. If an applicant pays separately for a service review that is custom-prepared specifically related to the application (see Section 2.n of this fee schedule), this surcharge will not be applied.

### 4. BILLING RATES

The Commission will review billing rates and the fee schedule in February of each year and may adjust rates as necessary to assure that the fees recover the actual costs of processing each type of application.

Documentation regarding actual costs (salaries, benefits, etc.) is available in the LAFCO office.

Effective December 11, 2017, the hourly billing rates for each staff position are:

|                   |  |
|-------------------|--|
| Executive Officer | \$ 138.27                              |
| Secretary-Clerk   | \$ 102.71                              |
| Legal Counsel     | same rate as charged by LAFCO Counsel. |



## LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY

### PROCESSING FEES AND DEPOSITS POLICY

Adopted on December 4, 2002 (Resolution No. 2002-9)

Revision each year from November 5, 2003 (Resolution No. 2003-9)

Revision on November 3, 2004 (Resolution No. 2004-13)

Revision on December 7, 2005 (Resolution No. 2005-6)

Revision on February 7, 2007 (Resolution No. 2007-1)

Revision on March 4, 2009 (Resolution No. 2009-2)

Revision on August 3, 2011 (Resolution No. 2011-8)

Revision on February 4, 2014 (Resolution No. 2014-2)

Previous Revision on December 6, 2017 (Resolution No. 2017-12)

Last Revision on August 5, 2020 (Resolution No. 2020-19)

EXHIBIT A, LAFCO RESOLUTION NO. 2017-12

### SANTA CRUZ LAFCO FEES AND DEPOSITS EFFECTIVE DECEMBER 11, 2017

#### 1. OVERVIEW

All deposits are initial payments toward the total cost of processing ("project cost"). Project cost is defined as staff time plus materials. ~~As listed in Section 3, a surcharge applies to the total cost of each application to partially recoup the cost of preparing state-mandated service reviews.~~ Staff billing rates, ~~listed below in Section 4,~~ include personnel costs ~~plus a percentage of LAFCO administrative overhead.~~ Materials ~~Other application-related costs~~ include, but are not limited to, charges for ~~the~~ advertisement of hearings, as well as ~~any~~ fees charged for project reviews by affected agencies. A cost breakdown will be completed at the end of each LAFCO application. If any funds are remaining at the end of the LAFCO process, then a refund will be provided to the applicant.

#### 1.2. PETITION CHECKING

There is no charge for verification of the first 20 signatures on a petition. Beginning with the 21<sup>st</sup>-24<sup>st</sup> signature, a fee of \$0.55 per signature shall be charged to the applicant.

#### 2.3. PROCESSING

The following identifies the initial deposits for each boundary change request.

a) ~~District a~~District annexations, detachments, and reorganizations **not** changing city boundaries: ~~not changing city boundaries:~~

| <u>Total Acreage</u> | <u>Fee Deposit</u> |
|----------------------|--------------------|
| <u>Less than 1</u>   | <u>\$1,600</u>     |

|                      |                |
|----------------------|----------------|
| <u>1 – 24.9</u>      | <u>\$2,500</u> |
| <u>25 – 149.9</u>    | <u>\$7,000</u> |
| <u>More than 150</u> | <u>\$8,000</u> |

Total Acreage

|                   |                 |  |
|-------------------|-----------------|--|
| <u>Under 1</u>    | <u>\$ 1,600</u> | <u>initial deposit toward project cost</u> |
| <u>1 – 24.9</u>   | <u>\$ 2,500</u> | <u>“</u>                                   |
| <u>25 – 149.9</u> | <u>\$ 7,000</u> | <u>“</u>                                   |
| <u>150+</u>       | <u>\$ 8,000</u> | <u>“</u>                                   |

**b) Municipal annexations, detachments, and reorganizations involving at least one change in a city boundary:**

| <u>Total Acreage</u> | <u>Fee Deposit</u> |
|----------------------|--------------------|
| <u>Less than 1</u>   | <u>\$3,150</u>     |
| <u>1 – 24.9</u>      | <u>\$4,900</u>     |
| <u>25 – 149.9</u>    | <u>\$7,350</u>     |
| <u>More than 150</u> | <u>\$14,600</u>    |

Total Acreage

|                   |                  |  |
|-------------------|------------------|--|
| <u>Under 1</u>    | <u>\$ 3,150</u>  | <u>initial deposit toward project cost</u> |
| <u>1 – 24.9</u>   | <u>\$ 4,900</u>  | <u>“</u>                                   |
| <u>25 – 149.9</u> | <u>\$ 7,350</u>  | <u>“</u>                                   |
| <u>150+</u>       | <u>\$ 14,600</u> | <u>“</u>                                   |

**c) Consolidations, mergers, and establishments of a subsidiary district:**

| <u>Total Acreage</u> | <u>Fee Deposit</u> |
|----------------------|--------------------|
| <u>N/A</u>           | <u>\$1,800</u>     |

**d) Dissolutions of an independent special district and county service areas:**

| <u>Total Acreage</u> | <u>Fee Deposit</u> |
|----------------------|--------------------|
| <u>N/A</u>           | <u>\$1,250</u>     |

**e) Formation of a county service area:**

| <u>Total Acreage</u> | <u>Fee Deposit</u> |
|----------------------|--------------------|
| <u>N/A</u>           | <u>\$5,000</u>     |

Footnote: includes petition filing fee and sphere adoption

**f) Addition of a service to the list of services that a county service area may**

perform:

| <u>Total Acreage</u> | <u>Fee Deposit</u> |
|----------------------|--------------------|
| <u>N/A</u>           | <u>\$1,250</u>     |

g) Formation of a special district:

| <u>Total Acreage</u> | <u>Fee Deposit</u> |
|----------------------|--------------------|
| <u>N/A</u>           | <u>\$15,000</u>    |

Footnote: includes sphere adoption

h) City incorporations:

| <u>Total Acreage</u> | <u>Fee Deposit</u> |
|----------------------|--------------------|
| <u>N/A</u>           | <u>\$30,000</u>    |

Footnote: includes sphere adoption

~~Consolidations, mergers, establishment of a subsidiary district:~~

~~\$ 1,800 initial deposit toward project costs~~

~~a. Dissolutions: \$ 1,250 initial deposit toward project costs~~

~~b. Formation of a county service area: \$ 5,000 deposit (includes petition filing fee and sphere of influence adoption)~~

- ~~c. Addition of a service to the list of services that a county service area may perform: \$ 1,250 initial deposit toward project costs~~

~~Formation of special districts: \$ 15,000 initial deposit (includes sphere of influence adoption)~~

**i) Request for the State Controller's Review of a Comprehensive Fiscal Analysis on an incorporation proposal:**

Actual cost billed by the Controller. If the Controller has not set a cost at the time the deposit is due, the deposit shall be \$ 38,200.

If the costs will exceed the deposit in the opinion of the Executive Officer, the Executive Officer shall bill the party who requested the Controller's review for the estimated costs to complete Controller's review. Failure to pay an additional deposit may result in cessation of the Controller's report and other remedies as determined by the Controller's office and the Commission.

**j) Sphere of Influence revision or amendment:**

| <u>Total Acreage</u> | <u>Fee Deposit</u> |
|----------------------|--------------------|
| <u>N/A</u>           | <u>\$5,150</u>     |

**k) Provision of a new function or service by a district:**

| <u>Total Acreage</u> | <u>Fee Deposit</u> |
|----------------------|--------------------|
| <u>N/A</u>           | <u>\$1,500</u>     |

**l) Requests for extraterritorial service:**

| <u>Total Acreage</u> | <u>Fee Deposit</u> |
|----------------------|--------------------|
| <u>N/A</u>           | <u>\$950</u>       |

- ~~d. City incorporations: \$ 30,000 initial deposit  
(includes sphere of influence adoption)~~

- ~~e. Sphere of Influence revision or amendment: \$ 5,150 initial deposit~~

- ~~f. Preparation of an EIR: Actual Cost + 10%  
(deposit includes consultant selection and contract administration)~~

**m) Request for a service review outside the Commission's schedule in accordance with the adopted multi-year work program:**

- ~~g. Request for the State Controller's Review of a Comprehensive Fiscal Analysis on an incorporation proposal: Actual cost billed by the Controller + 10% for LAFCO administration and coordination. If the Controller has not set a cost at the time the deposit is due, the deposit shall be \$ 38,200.~~

~~If the costs will exceed the deposit in the opinion of the Executive Officer, the Executive Officer shall bill the party who requested the Controller's review for~~

~~the estimated costs to complete Controller's review. Failure to pay an additional deposit may result in cessation of the Controller's report and other remedies as determined by the Controller's office and the Commission.~~

~~h. Provision of a new function or service by a district:~~

~~\$ 1,500 initial deposit~~

~~i. Requests for extraterritorial service: \$ 950 initial deposit~~

~~Service review not conducted as part of LAFCO's work program:~~ Actual cost +10%. Note: Initiation of a service review outside of LAFCO's work program is subject to LAFCO's discretion whether the service review can be conducted in a manner that doesn't prejudice the work program, and to LAFCO's discretion as to the appropriate geographic areas, agencies, and scope of the service review.

**n) Copies or other reproduction efforts:**

| <u>Requests</u>               | <u>Fee Deposit</u>   |
|-------------------------------|--|
| <u>Copies</u>                 | <u>First 30 pages free; thereafter \$0.18 per page</u>                             |
| <u>Digital Audio Files</u>    | <u>\$14.42 per 80-minute CD</u>  |
| <u>Other Electronic Media</u> | <u>The fees as charged by the County of Santa Cruz on its Unified Fee Schedule</u> |

~~Copies: First 30 pages free, thereafter \$ 0.18 per page.~~

~~j. Digital audio files: \$ 14.42 per 80-minute CD.~~

~~k. Other electronic media: The fees as charged by the County of Santa Cruz on its Unified Fee Schedule.~~

## ~~2. SURCHARGE FOR SERVICE REVIEW PROGRAM~~

- ~~a. In order to partially recover of the costs of preparing periodic service reviews mandated by Government Code Sections 56425 and 56430, the Commission charges a surcharge of 10% on all the total processing costs of all categories of applications at the conclusion of the review process.~~
- ~~b. For single applications that involve both sphere adoption/ amendment applications and boundary changes, the surcharge is charged twice (20%) of total processing costs at the conclusion of the review process.~~
- ~~c. If an applicant pays separately for a service review that is custom-prepared specifically related to the application (see Section 2.n of this fee schedule), this surcharge will not be applied.~~

### **3.4. BILLING RATES**

The Commission will review billing rates and the fee schedule ~~in February of each year and on an annual basis and~~ may adjust rates as necessary to assure ~~that the fees recover the actual costs of the cost recovery with~~ processing each type of application.

Documentation regarding actual costs (salaries, benefits, etc.) is available in the LAFCO office.

~~As of August 5, 2020, Effective December 11, 2017, the hourly billing rates for each staff's hourly rate are the following position are:~~

| <u>LAFCO Staff</u>       | <u>Hourly Rate</u>                |
|--------------------------|-----------------------------------|
| <u>Executive Officer</u> | <u>\$138.27</u>                   |
| <u>Commission Clerk</u>  | <u>\$102.71</u>                   |
| <u>Legal Counsel</u>     | <u>Same rate charged to LAFCO</u> |

~~Executive Officer — \$ 138.27  
Secretary Clerk — \$ 102.71  
Legal Counsel — same  
rate as charged by LAFCO  
Counsel.~~

LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY  
RESOLUTION NO. 2020-20

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 PROCESSING FEES AND DEPOSITS POLICY

\*\*\*\*\*

WHEREAS, on December 4, 2002, the Local Agency Formation Commission of Santa Cruz County ("LAFCO" or "Commission") adopted a Processing Fees and Deposits Policy pursuant to the Cortese-Knox-Hertzberg Act; and

WHEREAS, the Commission previously reviewed and updated its Processing Fees and Deposits Policy on November 4, 2003, November 3, 2004, December 7, 2005, February 7, 2007, March 4, 2009, August 3, 2011, February 4, 2014, and December 6, 2017; and

WHEREAS, on August 5, 2020, the Commission determined that amendments to the existing policy are warranted.

NOW, THEREFORE, BE IT RESOLVED, the Commission hereby amends its Processing Fees and Deposits Policy, as shown in Exhibit A, to ensure the cost recovery when processing any type of boundary change or application received by LAFCO.

PASSED AND ADOPTED by the Local Agency Formation Commission of Santa Cruz County this 5th day of August 2020.

AYES:

NOES:

ABSENT:

---

ROGER W. ANDERSON, CHAIRPERSON

Attest:

Approved as to form:

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Joe A. Serrano  
Executive Officer

---

Daniel H. Zazueta  
LAFCO Counsel





LOCAL AGENCY FORMATION COMMISSION  
OF SANTA CRUZ COUNTY

**PROCESSING FEES AND DEPOSITS POLICY**

Adopted on December 4, 2002 (Resolution No. 2002-9)  
Revision each year from November 5, 2003 (Resolution No. 2003-9)  
Revision on November 3, 2004 (Resolution No. 2004-13)  
Revision on December 7, 2005 (Resolution No. 2005-6)  
Revision on February 7, 2007 (Resolution No. 2007-1)  
Revision on March 4, 2009 (Resolution No. 2009-2)  
Revision on August 3, 2011 (Resolution No. 2011-8)  
Revision on February 4, 2014 (Resolution No. 2014-2)  
Previous Revision on December 6, 2017 (Resolution No. 2017-12)  
Last Revision on August 5, 2020 (Resolution No. 2020-19)

**1. OVERVIEW**

All deposits are initial payments toward the total cost of processing (“project cost”). Project cost is defined as staff time plus materials. Staff billing rates include personnel costs. Other application-related costs include, but are not limited to, charges for the advertisement of hearings, as well as any fees charged for project reviews by affected agencies. A cost breakdown will be completed at the end of each LAFCO application. If any funds are remaining at the end of the LAFCO process, then a refund will be provided to the applicant.

**2. PETITION CHECKING**

There is no charge for verification of the first 20 signatures on a petition. Beginning with the 21st signature, a fee of \$0.55 per signature shall be charged to the applicant.

**3. PROCESSING**

The following identifies the initial deposits for each boundary change request.

**a) District annexations, detachments, and reorganizations not changing city boundaries:**

| Total Acreage | Fee Deposit |
|---------------|-------------|
| Less than 1   | \$1,600     |
| 1 – 24.9      | \$2,500     |
| 25 – 149.9    | \$7,000     |
| More than 150 | \$8,000     |

**b) Municipal annexations, detachments, and reorganizations involving at least one change in a city boundary:**

| Total Acreage | Fee Deposit |
|---------------|-------------|
| Less than 1   | \$3,150     |
| 1 – 24.9      | \$4,900     |
| 25 – 149.9    | \$7,350     |
| More than 150 | \$14,600    |

**c) Consolidations, mergers, and establishments of a subsidiary district:**

| Total Acreage | Fee Deposit |
|---------------|-------------|
| N/A           | \$1,800     |

**d) Dissolutions of an independent special district and county service areas:**

| Total Acreage | Fee Deposit |
|---------------|-------------|
| N/A           | \$1,250     |

**e) Formation of a county service area:**

| Total Acreage | Fee Deposit |
|---------------|-------------|
| N/A           | \$5,000     |

*Footnote: includes petition filing fee and sphere adoption*

**f) Addition of a service to the list of services that a county service area may perform:**

| Total Acreage | Fee Deposit |
|---------------|-------------|
| N/A           | \$1,250     |

**g) Formation of a special district:**

| Total Acreage | Fee Deposit |
|---------------|-------------|
| N/A           | \$15,000    |

*Footnote: includes sphere adoption*

**h) City incorporations:**

| Total Acreage | Fee Deposit |
|---------------|-------------|
| N/A           | \$30,000    |

*Footnote: includes sphere adoption*

**i) Request for the State Controller's Review of a Comprehensive Fiscal Analysis on an incorporation proposal:**

Actual cost billed by the Controller. If the Controller has not set a cost at the time the deposit is due, the deposit shall be \$ 38,200.

If the costs will exceed the deposit in the opinion of the Executive Officer, the Executive Officer shall bill the party who requested the Controller's review for the estimated costs to complete Controller's review. Failure to pay an additional deposit may result in cessation of the Controller's report and other remedies as determined by the Controller's office and the Commission.

**j) Sphere of Influence revision or amendment:**

| Total Acreage | Fee Deposit |
|---------------|-------------|
| N/A           | \$5,150     |

**k) Provision of a new function or service by a district:**

| Total Acreage | Fee Deposit |
|---------------|-------------|
| N/A           | \$1,500     |

**l) Requests for extraterritorial service:**

| Total Acreage | Fee Deposit |
|---------------|-------------|
| N/A           | \$950       |

**m) Request for a service review outside the Commission's schedule in accordance with the adopted multi-year work program:**

Actual cost. Note: Initiation of a service review outside of LAFCO's work program is subject to LAFCO's discretion whether the service review can be conducted in a manner that doesn't prejudice the work program, and to LAFCO's discretion as to the appropriate geographic areas, agencies, and scope of the service review.

**n) Copies or other reproduction efforts:**

| Requests               | Fee Deposit   |
|------------------------|---|
| Copies                 | First 30 pages free; thereafter \$0.18 per page                             |
| Digital Audio Files    | \$14.42 per 80-minute CD  |
| Other Electronic Media | The fees as charged by the County of Santa Cruz on its Unified Fee Schedule |

#### 4. BILLING RATES

The Commission will review billing rates and the fee schedule on an annual basis and may adjust rates as necessary to assure the cost recovery with processing each type of application. Documentation regarding actual costs (salaries, benefits, etc.) is available in the LAFCO office.

As of August 5, 2020, staff's hourly rate are the following:

| LAFCO Staff       | Hourly Rate                |
|-------------------|----------------------------|
| Executive Officer | \$138.27                   |
| Commission Clerk  | \$102.71                   |
| Legal Counsel     | Same rate charged to LAFCO |



**Santa Cruz Local Agency Formation Commission**

Date: August 5, 2020  
To: LAFCO Commissioners  
From: Joe Serrano, Executive Officer  
Subject: **Service and Sphere of Influence Review for County Service Area 9**

---

**SUMMARY OF RECOMMENDATION**

LAFCO periodically performs municipal service reviews and sphere of influence updates for each agency subject to LAFCO's boundary regulations. As part of the Commission's Multi-Year Work Program, LAFCO staff has drafted a service and sphere review for County Service Area 9 ("CSA 9") and scheduled a public hearing.

It is recommended that the Commission take the following actions:

1. Find that pursuant to Section 15061(b)(3) of the State CEQA Guidelines, LAFCO has determined that the service and sphere of influence review is not subject to the environmental impact evaluation process because it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment and the activity is not subject to CEQA;
  2. Determine, pursuant to Government Code Section 56425, the Local Agency Formation Commission of Santa Cruz County is required to develop and determine a sphere of influence for CSA 9, and review and update, as necessary;
  3. Determine, pursuant to Government Code Section 56430, the Local Agency Formation Commission of Santa Cruz County is required to conduct a service review before, or in conjunction with an action to establish or update a sphere of influence; and
  4. Adopt a Resolution (LAFCO No. 2020-21) approving the 2020 Service and Sphere of Influence Review for CSA 9.
- 

**EXECUTIVE OFFICER'S REPORT:**

State law requires LAFCO to periodically review and update the services and spheres of all cities and special districts. In accordance with the Commission's adopted Multi-Year Work Program, LAFCO staff has prepared a service and sphere review for CSA 9 (refer to **Attachment 1**). Key findings and recommendations are presented in the Executive Summary. The report also includes an analysis of the District's ongoing operations, current financial performance, existing governance structure, ability to provide services, and its importance within its jurisdictional area. The service review concludes with determinations required by State law. This staff report summarizes the service review's findings in the following page.

## **Purpose & Key Findings**

The goal of this analysis is to accomplish the Commission's direction to complete a service review for CSA 9 under the Multi-Year Work Program and fulfill the service and sphere determinations under the Cortese-Knox-Hertzberg Act. The following are the main conclusions of the report:

### **1. The CSA provides services in sub-areas within the county.**

CSA 9 was formed in October 1968 to provide public works services to areas throughout the entire county. Since then, the Public Works Department has created six different zones to offer further services to communities, including but not limited to streetlighting, road maintenance, and landfill services. While LAFCOs do not have authority over a zone, it is important to evaluate the operations and financial health of these zones to fully understand the opportunities and challenges facing CSA 9.

### **2. The CSA is facing some financial constraints.**

CSA 9's primary source of revenue is from Charges for Services, also referred to as benefit assessments. Other funding sources include Property Taxes, Use of Money and Property, and Intergovernmental Funds. The CSA conducts meetings with affected property owners to establish benefit assessment rates and a work program on an annual basis. CSA 9's benefit assessments have not changed in the past six years. In some cases, assessments for certain CSA 9 zones have never changed since their original adoption. Based on LAFCO's analysis, CSA 9 has experienced a deficit three times between 2013 to 2018. The most recent adopted budget indicates that a deficit may also occur, estimated to be up to \$248,000 in fiscal shortage.

### **3. The CSA has a few capital improvement projects scheduled for the next 5 years.**

The County recently adopted a five-year capital improvement plan on June 2, 2020. The purpose of this plan is to identify and prioritize needs and project costs for planned improvements to the infrastructure that will serve the affected ratepayers in an efficient and cost-effective manner throughout the next five-plus years of growth and change. A total of five capital improvement projects relating to CSA 9 are scheduled to be completed between FY 2020-21 to FY 2024-25. However, these projects only involve CSA 9 and Zone C. All other zones do not have any scheduled improvement projects.

### **4. The CSA's records and documents are not readily available.**

State law now requires all independent special districts to have and maintain a website by January 1, 2020. While this new law does not apply to county service areas, the County should consider adopting such practice. Information regarding CSA 9 is difficult to locate or unavailable on the current County website. For full transparency, Public Works should dedicate a webpage that offers key records including but not limited to budgetary documents, staff reports, and adopted resolutions.

### **5. The CSA currently has a countywide sphere.**

Santa Cruz LAFCO designated the first sphere of influence for CSA 9 in November 1985. The CSA's sphere of influence is the entire County of Santa Cruz, including all unincorporated and incorporated areas. The sphere boundary has remained unchanged since its original adoption. Spheres of influence are not required to be adopted for zones within a county service area. Staff is recommending that the sphere for CSA 9 be reaffirmed.

## Environmental Review

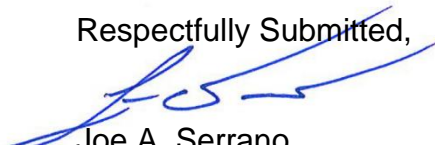
LAFCO staff has conducted an environmental review for the draft service and sphere review in accordance with the California Environmental Quality Act. Staff has determined that the service and sphere review is exempt because it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, and the activity is not subject to CEQA (Section 15061[b][3]). A notice of exemption, as shown in **Attachment 2**, was recorded on July 10.

## Agency Coordination and Public Notice

A hearing notice for this draft service review was published in the July 14th issue of the Santa Cruz Sentinel (refer to **Attachment 3**). The draft service review is attached to this report. Due to the size of the report, the appendices are not included in the attached service review. The complete service and sphere review, with all appendices, is available on LAFCO's website: <https://www.santacruzlafco.org/reviews/>.

An administrative draft of the report was shared with several representatives from the County Public Works Department. This allowed Public Works an opportunity to review LAFCO staff's findings and provide corrections and/or feedback. Their assistance in completing this service review was appreciated. In conclusion, staff is recommending that the Commission adopt the attached resolution (refer to **Attachment 4**) approving the service and sphere review for CSA 9.

Respectfully Submitted,



Joe A. Serrano  
Executive Officer

### Attachments:

1. Service and Sphere Review – Administrative Draft (without appendices)
2. Environmental Determination – Categorical Exemption
3. Public Hearing Notice
4. Draft Resolution No. 2020-21

cc: CSA 9, Russell Chen  
CSA 9 (Zone A), Misty Scott  
CSA 9 (Zone B), Sonia Lykins  
CSA 9 (Zone C), Kasey Kolassa  
CSA 9 (Zone D), Steve Weisner  
CSA 9 (Zone E), Cydney Nguyen  
CSA 9 (Zone F), Delia Lopez



# County Service Area 9

## Service and Sphere of Influence Review



Administrative Draft (as of August 5, 2020)

Local Agency Formation Commission of Santa Cruz County

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

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

Phone: (831) 454-2055





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## EXECUTIVE SUMMARY

### Introduction

This Service and Sphere of Influence Review provides information about the services and boundaries of County Service Area 9 and its six zones (Zones A - F) located throughout Santa Cruz County. The report is for the Local Agency Formation Commission (LAFCO) to conduct a statutorily required review and update process. The Cortese-Knox-Hertzberg Act requires that the Commission conduct periodic reviews and updates of spheres of influence for all cities and special districts, including county service areas (CSAs), in Santa Cruz County (Government Code section 56425). It also requires LAFCO to conduct a review of municipal services before adopting sphere updates (Government Code section 56430).

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

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

### Structure of Report

This **Executive Summary** presents a brief overview of the service review, key findings, and recommended actions. The **Profile Chapters** contain individual evaluations of CSA 9 and its six zones - highlighting specific characteristics, ongoing operations, current fiscal health, ability to provide services, and its importance within its jurisdictional area.

The CSA 9 profile chapter includes statutory determinations required for all service and sphere of influence reviews pursuant to the Cortese-Knox-Hertzberg Act. Appendices with sources used to conduct the service review concludes the report.



## **Legal Authority**

CSA 9 is governed by the County Service Area Law (Government Code Section 25210 et seq.). The Legislature finds and declares all of the following:

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

## **CSA Zones**

State law indicates that LAFCOs have purview over cities and special districts, including county services areas. However, in accordance with Government Code Section 56036(b)(10), LAFCOs do not have authority over a zone of any special district. This service review is intended to provide information about CSA 9 and its zones, with the understanding that boundary changes to Zones A-F can only occur from actions taken by the County.

## Service Provision

CSA 9 was formed on October 16, 1968 to provide public works services to the unincorporated county area and the City of Scotts Valley. The original CSA 9 provided County highway and arterial street lighting and traffic signals in the unincorporated areas. Subsequently, additional zones have been added to offer or help finance other services not provided uniformly countywide to all incorporated and unincorporated areas of Santa Cruz County. These zones include:

**Table A: CSA 9 Zones (6 in total)**

| CSA 9 Zones   | Services                                   | Location   |
|---------------|--|--|
| <b>Zone A</b> | Street Lighting                            | Specific unincorporated residential and commercial areas throughout the County |
| <b>Zone B</b> | School Crossing Guard Program              | Live Oak Elementary School District  |
| <b>Zone C</b> | Landfill and Resource Recovery             | City of Scotts Valley and the entire unincorporated County area                |
| <b>Zone D</b> | Road Maintenance                           | Three sub-zones (North, Central, and South)                                    |
| <b>Zone E</b> | Street and Landscaping Maintenance         | Former Live Oak/Soquel Redevelopment Area                                      |
| <b>Zone F</b> | Public Parking and Landscaping Maintenance | Soquel Village   |

## Population & Growth

The Association of Monterey Bay Area Governments (AMBAG) indicates that the unincorporated areas within Santa Cruz County will experience a slow growth over the next fifteen years. The 2018 AMBAG Regional Growth Forecast Report states that the population in unincorporated territory will grow at a rate of approximately 1% every five years. Based on this anticipated growth rate, LAFCO staff calculated the estimated population for CSA 9 and its zones from 2020 to 2035, as shown below:

**Table B: Population Estimates**

|                | 2020           | 2025           | 2030           | 2035           |
|----------------|----------------|----------------|----------------|----------------|
| <b>CSA 9</b>   | <b>149,036</b> | <b>150,110</b> | <b>151,387</b> | <b>152,704</b> |
| CSA 9 (Zone A) | 56,107         | 56,668         | 57,234         | 57,807         |
| CSA 9 (Zone B) | 23,678         | 23,915         | 24,154         | 24,396         |
| CSA 9 (Zone C) | 149,036        | 150,110        | 151,387        | 152,704        |
| CSA 9 (Zone D) | 136,566        | 137,932        | 139,311        | 140,704        |
| CSA 9 (Zone E) | 35,409         | 35,763         | 36,120         | 36,481         |
| CSA 9 (Zone F) | 19             | 19             | 20             | 20             |

## Funding Source

County Public Work services are primarily funded through assessments. The following table summarizes the current annual service rates. A full review of all charges for services is discussed in the Profile Chapters within the report.

**Table C: Annual Service Rates by Parcels (FY 2019-20 Data)**

|              | Improved Land                                      | Vacant Land   | Single Family | Multi Family/ Unit | Mobile Home | Commercial Use | School/ Church/ Agri. |
|--------------|--|---------------|---------------|--------------------|-------------|----------------|-----------------------|
| <b>CSA 9</b> | <b>\$16.60</b>                                     | <b>\$8.30</b> | -             | -                  | -           | -              | -                     |
| Zone A       | -  | \$2.35        | \$4.70        | \$2.82             | \$2.82      | \$4.70         | -                     |
| Zone B       | <i>Funded by Property Taxes</i>                    |               |               |                    |             |                |                       |
| Zone C       | -  | \$113.90      | \$56.94       | \$28.48            | -           | \$113.90       | \$113.90              |
| Zone D       | \$56.40  | \$28.20       | -             | -                  | -           | -              | -                     |
| Zone E       | -  | \$1.54        | \$3.08        | \$1.85             | -           | \$1.85-\$3.08  | -                     |
| Zone F       | <i>Funded by Licenses, Permits, and Franchises</i> |               |               |                    |             |                |                       |

### Disadvantaged Unincorporated Communities

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

In 2017, the California statewide median household income was \$67,169, and 80% of that was \$53,735. Based on the criteria set forth by SB 244, CSA 9 does not provide fire, sewer, or water services to its service area, and therefore, not subject to further staff analysis.

### **Sphere of Influence**

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

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

Santa Cruz LAFCO adopted the first sphere of influence for CSA 9 on November 20, 1985. The CSA's sphere of influence is the entire County of Santa Cruz, including all unincorporated and incorporated areas. State law allows each County to establish zones to provide individual services to sub-areas of the County. Cities can be included in a county service area or zone only if authorized by resolution of the affected city council. In Santa Cruz County, the only city that participates in a CSA 9 service is the City of Scotts Valley, which participates in CSA 9 Zone C (Landfill and Recycling). **Figure 5** on page 20 shows the current sphere of influence boundary for CSA 9. LAFCO staff is recommending that the sphere boundary be reaffirmed.

## Key Findings

The following are key findings of the 2020 Service and Sphere Review for CSA 9:

### 1. The CSA provides services in sub-areas within the county.

CSA 9 was formed in October 1968 to provide public works services to areas throughout the entire county. Since then, the Public Works Department has created six different zones to offer further services to communities, including but not limited to streetlighting, road maintenance, and landfill services. While LAFCOs do not have authority over a zone, it is important to evaluate the operations and financial health of these zones to fully understand the opportunities and challenges facing CSA 9.

### 2. The CSA is facing some financial constraints.

CSA 9's primary source of revenue is from Charges for Services, also referred to as benefit assessments. Other funding sources include Property Taxes, Use of Money and Property, and Intergovernmental Funds. The CSA conducts meetings with affected property owners to establish benefit assessment rates and a work program on an annual basis. CSA 9's benefit assessments have not changed in the past six years. In some cases, assessments for certain CSA 9 zones have never changed since their original adoption. Based on LAFCO's analysis, CSA 9 has experienced a deficit three times between 2013 to 2018. The most recent adopted budget indicates that a deficit may also occur, estimated to be up to \$248,000 in fiscal shortage.

### 3. The CSA has a few capital improvement projects scheduled for the next 5 years.

The County recently adopted a five-year capital improvement plan on June 2, 2020. The purpose of this plan is to identify and prioritize needs and project costs for planned improvements to the infrastructure that will serve the affected ratepayers in an efficient and cost-effective manner throughout the next five-plus years of growth and change. A total of five capital improvement projects relating to CSA 9 are scheduled to be completed between FY 2020-21 to FY 2024-25. However, these projects only involve CSA 9 and Zone C. All other zones do not have any scheduled improvement projects.

### 4. The CSA's records and documents are not readily available.

State law now requires all independent special districts to have and maintain a website by January 1, 2020. While this new law does not apply to county service areas, the County should consider adopting such practice. Information regarding CSA 9 is difficult to locate or unavailable on the current County website. For full transparency, Public Works should dedicate a webpage that offers key records including but not limited to budgetary documents, staff reports, and adopted resolutions.

### 5. The CSA currently has a countywide sphere.

Santa Cruz LAFCO designated the first sphere of influence for CSA 9 in November 1985. The CSA's sphere of influence is the entire County of Santa Cruz, including all unincorporated and incorporated areas. The sphere boundary has remained unchanged since its original adoption. Spheres of influence are not required to be adopted for zones within a county service area. Staff is recommending that the sphere for CSA 9 be reaffirmed.



## Recommended Actions

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

1. Find that pursuant to Section 15061(b)(3) of the State CEQA Guidelines, LAFCO has determined that the service and sphere of influence review is not subject to the environmental impact evaluation process because it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, and the activity is not subject to CEQA;
2. Determine, pursuant to Government Code Section 56425, the Local Agency Formation Commission of Santa Cruz County is required to develop and determine a sphere of influence for County Service Area 9, and review and update, as necessary;
3. Determine, pursuant to Government Code Section 56430, the Local Agency Formation Commission of Santa Cruz County is required to conduct a service review before, or in conjunction with an action to establish or update a sphere of influence; and
4. Adopt a Resolution (LAFCO No. 2020-21) approving the 2020 Service and Sphere of Influence Review for County Service Area 9.



## COUNTY SERVICE AREA 9

### District Overview

County Service Area 9 was formed on October 16, 1968 to provide public works services to areas less than the entire County. The original CSA 9 provided County highway and arterial street lighting and traffic signals in the unincorporated areas. CSA 9's service area includes the City of Scotts Valley and the entire unincorporated area in Santa Cruz County. Additional zones have been added to offer or help finance other services not provided uniformly countywide to all incorporated and unincorporated areas of the County. For purposes of this report, the six zones are analyzed separately. **Exhibit 1** provides a copy of CSA 9's 1968 formation resolution.

### Population & Growth

Official growth projections are not available for CSA 9. In general, unincorporated areas in Santa Cruz County are projected to have slow growth over the next fifteen years. Based on the Association of Monterey Bay Area Government's 2018 Regional Growth Forecast Report, the current population in unincorporated Santa Cruz County and Scotts Valley are approximately 135,000 and 12,000, respectively. Under this slow growth model, LAFCO staff projects that CSA 9's entire population in 2035 will be approximately 153,000. The projected population growth for CSA 9 are as follows:

**Table D: Projected Population**

|  | 2020           | 2025           | 2030           | 2035           |
|--|----------------|----------------|----------------|----------------|
| Santa Cruz County<br>(unincorporated area) | 136,891        | 137,896        | 139,105        | 140,356        |
| City of Scotts Valley                      | <u>12,145</u>  | <u>12,214</u>  | <u>12,282</u>  | <u>12,348</u>  |
| <b>County Service Area 9</b>               | <b>149,036</b> | <b>150,110</b> | <b>151,387</b> | <b>152,704</b> |

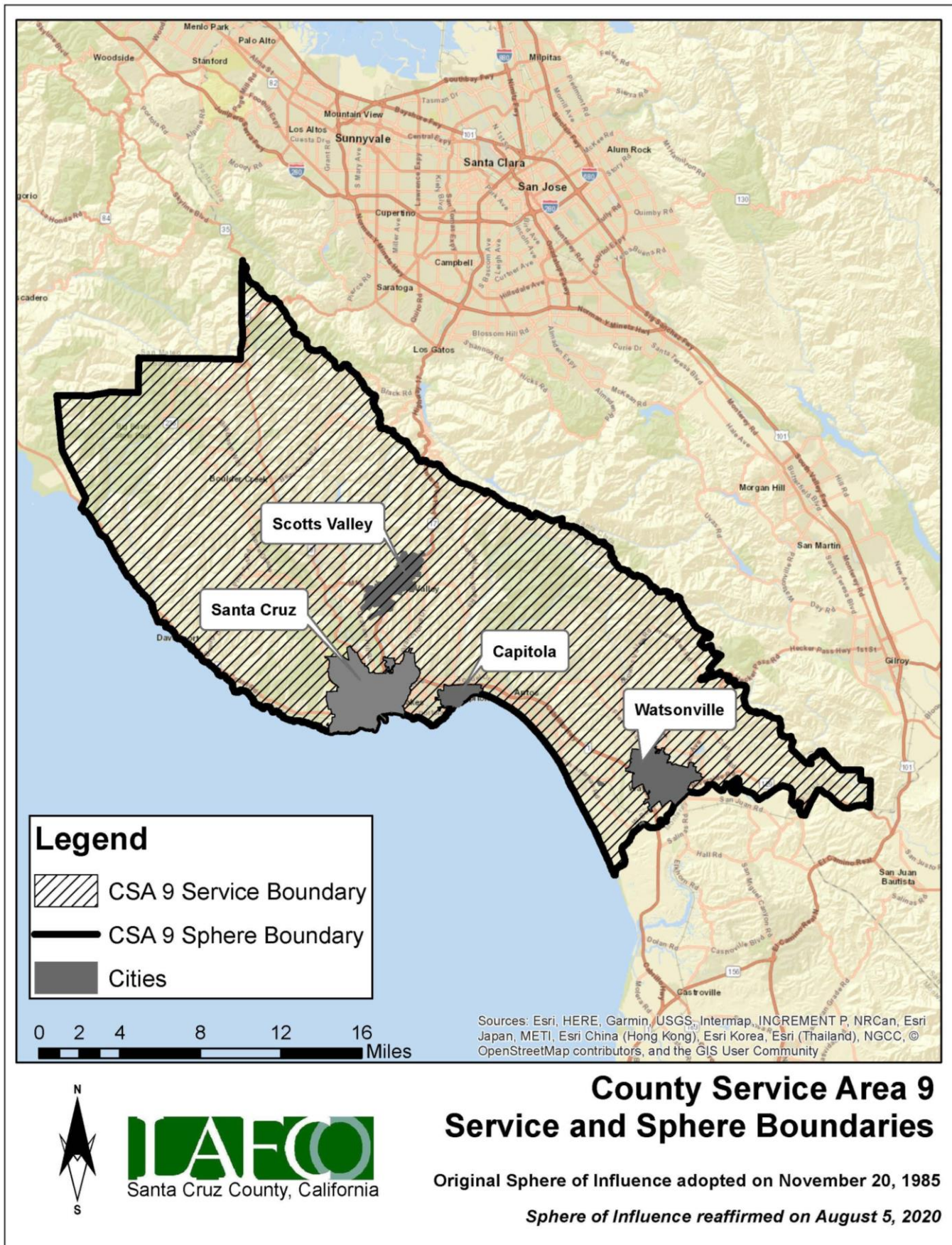
Source: AMBAG 2018 Regional Growth Forecast

### Services & Operations

CSA 9 provides highway (ex. Highway 9) and arterial street (ex. Soquel Drive) lighting and traffic signals countywide, excluding the Cities of Capitola, Santa Cruz, and Watsonville. **Figure 1**, on page 11, provides a map of the CSA.



Figure 1: CSA 9 Vicinity Map

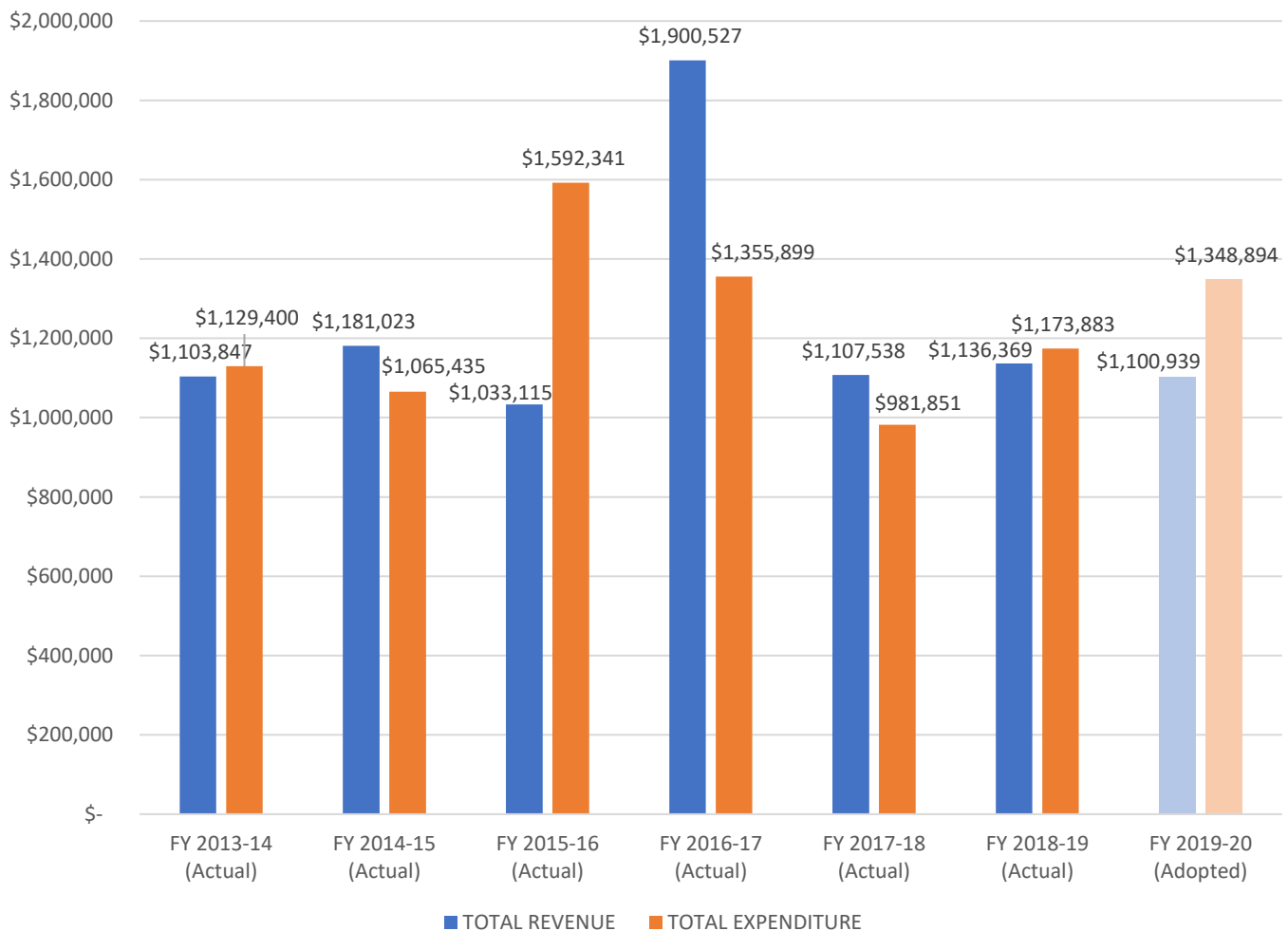


## Finances

This section will highlight the District's audited financial performance during the most recent fiscal years. Fiscal Year 2018-19 is the latest audited financial statement available. A comprehensive analysis of the District's financial performance during the past six years is shown in **Table F**, on page 15. The financial sources used by LAFCO are available in **Exhibit 2**.

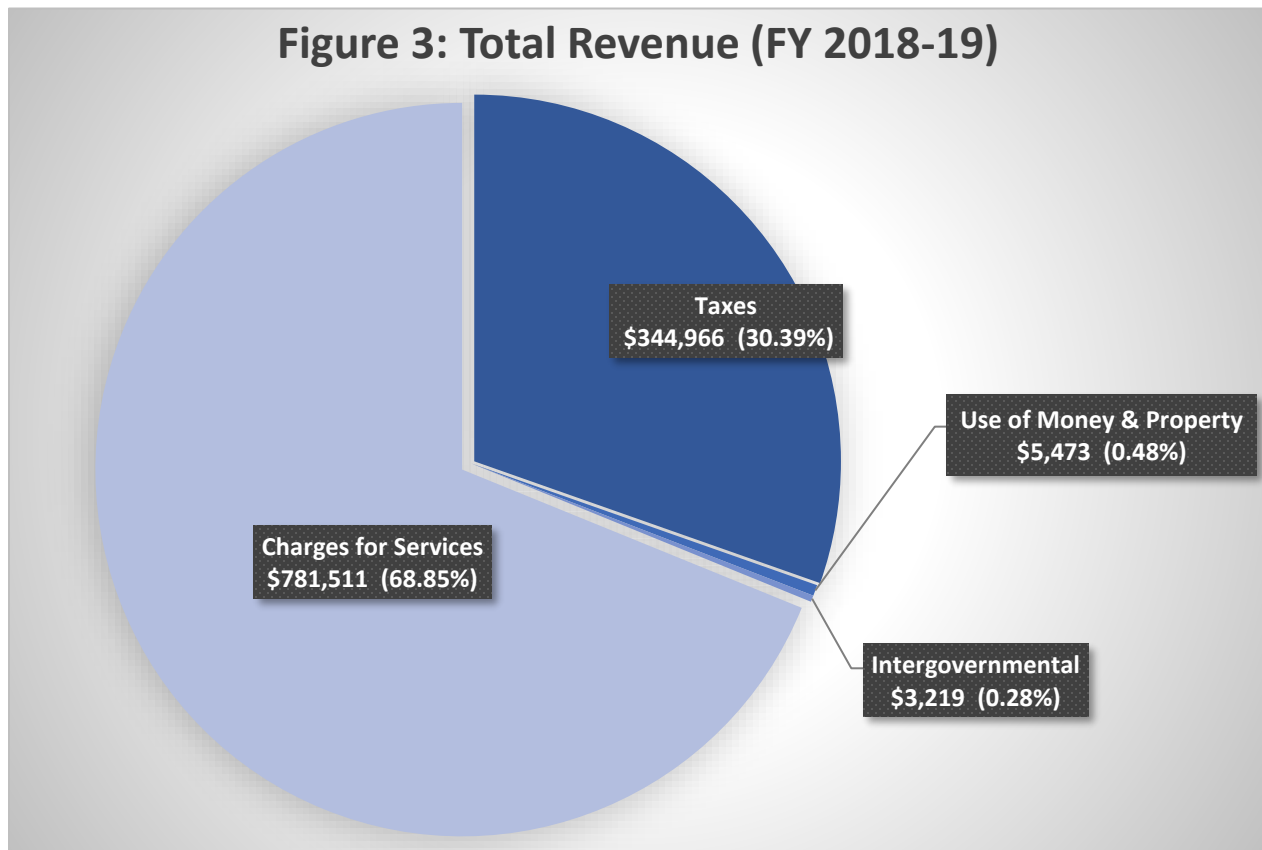
At the end of Fiscal Year 2018-19, total revenue collected was approximately \$1.13 million, representing a 3% increase from the previous year (\$1.10 million in FY 17-18). Total expenses for FY 2018-19 were approximately \$1.2 million, which increased from the previous year by 20% (\$982,000 in FY 17-18). As shown in the figure below, CSA 9 has ended a fiscal year in a deficit three times since 2013 (FYs 13-14, 15-16, and 18-19). Based on the most recently available adopted budget, LAFCO staff believes this negative trend will continue.

**Figure 2: Statement of Revenues & Expenditures**



## Revenue

CSA 9's primary source of revenue is from Charges for Services. In FY 2018-19, Charges for Services totaled approximately \$782,000 which represents 71% of the CSA's entire revenue stream. Other revenue sources include Property Taxes (\$320,000 or 29%), Use of Money and Property (\$3,000 or less than 1%), and Intergovernmental Funds (\$2,700 or less than 1%). **Figure 3** provides a breakdown each revenue stream.



### Charges for Services

Pursuant to Santa Cruz County Code Section 4.26, the Director of Public Works shall annually compute the benefit assessment/service charge rates for all CSAs and submit a report to the Board of Supervisors describing each parcel of real property receiving the special benefit and the amount of the benefit assessment for each parcel for the forthcoming fiscal year. **Table E** shows the adopted assessments for CSA 9 for the last 5 years. As shown below, the charges for services have remained unchanged since 2016.

**Table E: Charges for Services**

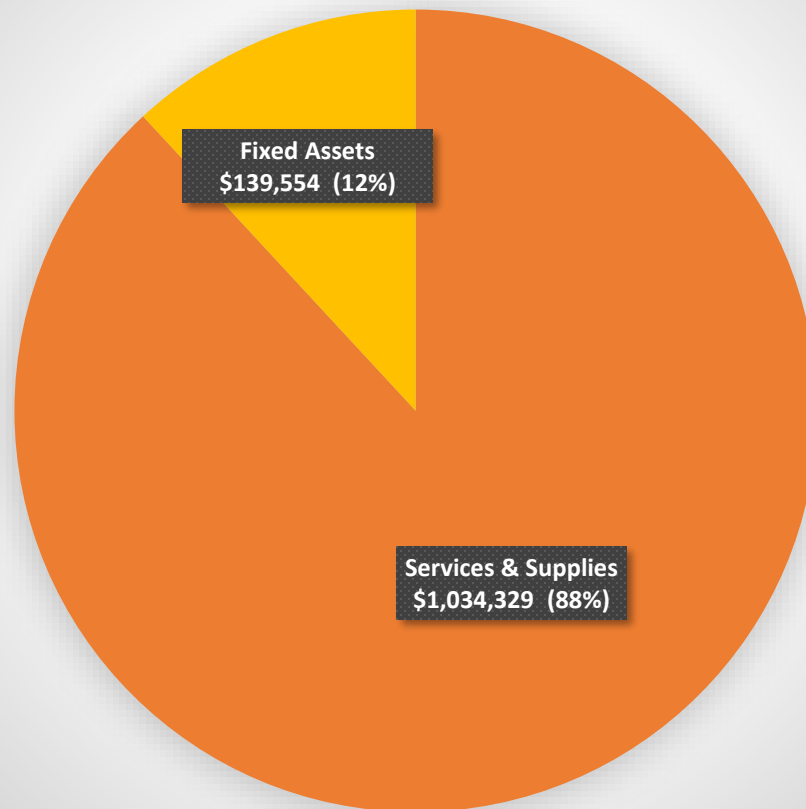
| Parcel     | FY 2015-16<br>(Actual) | FY 2016-17<br>(Actual) | FY 2017-18<br>(Actual) | FY 2018-19<br>(Actual) | FY 2019-20<br>(Adopted) |
|------------|------------------------|------------------------|------------------------|------------------------|-------------------------|
| Improved   | \$16.60                | \$16.60                | \$16.60                | \$16.60                | \$16.60                 |
| Unimproved | \$8.30                 | \$8.30                 | \$8.30                 | \$8.30                 | \$8.30                  |

Based on staff's analysis, benefit assessments have never been increased. The County Board of Supervisors adopted the same benefit assessment levels for FY 2020-21 on June 2, 2020.

## Expenditure

CSA 9's total expenditures can be categorized into two budgetary groups: Services and Supplies and Fixed Assets. **Figure 4** shows that in FY 2018-19, Services and Supplies represent almost 90% of the CSA's entire operational expenses. The remaining expenditures are based on the costs associated with CSA 9's buildings and infrastructure.

**Figure 4: Total Expenditure (FY 2018-19)**





**Table F: Total Revenues & Expenditures**

|   | FY 2013-14<br>(Actual) | FY 2014-15<br>(Actual) | FY 2015-16<br>(Actual) | FY 2016-17<br>(Actual) | FY 2017-18<br>(Actual) | FY 2018-19<br>(Actual) | FY 2019-20<br>(Adopted) |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|-------------------------|
| <b>REVENUE</b>  |                        |                        |                        |                        |                        |                        |                         |
| <u>Taxes</u>  |                        |                        |                        |                        |                        |                        |                         |
| Property Tax - Current Secured-Gen                    | \$ 215,102             | \$ 233,352             | \$ 248,721             | \$ 265,944             | \$ 280,253             | \$ 296,525             | \$ 286,184              |
| Residual Distribution                                 | \$ 5,823               | \$ 10,412              | \$ 15,152              | \$ 19,906              | \$ 26,515              | \$ 31,478              | \$ 3,075                |
| Property Tax - Current Unsecured-Gen                  | \$ 4,482               | \$ 4,845               | \$ 5,030               | \$ 5,422               | \$ 5,518               | \$ 6,034               | \$ 5,125                |
| Property Tax - Prior Unsecured-Gen                    | \$ 102                 | \$ 521                 | \$ 792                 | \$ 532                 | \$ 316                 | \$ 520                 | \$ -                    |
| Penalties for Delinquent Taxes                        | \$ 16                  | \$ 68                  | \$ 121                 | \$ 33                  | \$ 41                  | \$ 25                  | \$ -                    |
| Redemption Penalties for Delinquent Taxes             | \$ 21                  | \$ 105                 | \$ 209                 | \$ 49                  | \$ 80                  | \$ 38                  | \$ -                    |
| Supplemental Property Tax - Current Secured           | \$ 2,203               | \$ 3,065               | \$ 5,413               | \$ 5,164               | \$ 6,817               | \$ 9,535               | \$ 3,517                |
| Supplemental Property Tax - Current Unsecured         | \$ 10                  | \$ 73                  | \$ 379                 | \$ 196                 | \$ 127                 | \$ 423                 | \$ -                    |
| Supplemental Property Tax - Prior Secured             | \$ 76                  | \$ 139                 | \$ 320                 | \$ 219                 | \$ 334                 | \$ 170                 | \$ -                    |
| Supplemental Property Tax - Prior Unsecured           | \$ 3                   | \$ 19                  | \$ 176                 | \$ 162                 | \$ 76                  | \$ 105                 | \$ -                    |
| In-Lieu Taxes Other                                   | \$ 47                  | \$ 66                  | \$ 104                 | \$ 132                 | \$ 109                 | \$ 113                 | \$ -                    |
| <b>Total Taxes</b>                                    | <b>\$ 227,885</b>      | <b>\$ 252,665</b>      | <b>\$ 276,417</b>      | <b>\$ 297,759</b>      | <b>\$ 320,186</b>      | <b>\$ 344,966</b>      | <b>\$ 297,901</b>       |
| <u>Revenue from Use of Money &amp; Property</u>       |                        |                        |                        |                        |                        |                        |                         |
| Interest  | \$ 157                 | \$ 358                 | \$ 1,512               | \$ (3,950)             | \$ 3,013               | \$ 5,473               | \$ -                    |
| <b>Total Revenue from Use of Money &amp; Property</b> | <b>\$ 157</b>          | <b>\$ 358</b>          | <b>\$ 1,512</b>        | <b>\$ (3,950)</b>      | <b>\$ 3,013</b>        | <b>\$ 5,473</b>        | <b>\$ -</b>             |
| <u>Intergovernmental Revenues</u>                     |                        |                        |                        |                        |                        |                        |                         |
| St-Homeowners' Property Tax Relief                    | \$ 1,775               | \$ 1,819               | \$ 1,819               | \$ 1,807               | \$ 1,780               | \$ 1,777               | \$ 1,863                |
| St-Other Tax Relief Subventions                       | \$ 126                 | \$ 178                 | \$ 152                 | \$ 153                 | \$ 260                 | \$ 347                 | \$ -                    |
| Fed-Hazard Elimination Safety                         | \$ 92,834              | \$ 104,350             | \$ (33,381)            | \$ -                   | \$ -                   | \$ -                   | \$ -                    |
| Contribution From Other Government Agencies           | \$ -                   | \$ -                   | \$ -                   | \$ -                   | \$ -                   | \$ -                   | \$ -                    |
| St-Other  | \$ -                   | \$ -                   | \$ -                   | \$ 824,091             | \$ -                   | \$ -                   | \$ -                    |
| RDA Pass-Throughs                                     | \$ 291                 | \$ 426                 | \$ 649                 | \$ 632                 | \$ 639                 | \$ 1,095               | \$ -                    |
| <b>Total Intergovernmental Revenues</b>               | <b>\$ 95,026</b>       | <b>\$ 106,773</b>      | <b>\$ (30,761)</b>     | <b>\$ 826,683</b>      | <b>\$ 2,679</b>        | <b>\$ 3,219</b>        | <b>\$ 1,863</b>         |
| <u>Charges for Services</u>                           |                        |                        |                        |                        |                        |                        |                         |
| Other Road & Street Services                          | \$ 780,673             | \$ 790,781             | \$ 781,347             | \$ 779,855             | \$ 781,660             | \$ 781,511             | \$ 801,175              |
| <b>Total Charges for Services</b>                     | <b>\$ 780,673</b>      | <b>\$ 790,781</b>      | <b>\$ 781,347</b>      | <b>\$ 779,855</b>      | <b>\$ 781,660</b>      | <b>\$ 781,511</b>      | <b>\$ 801,175</b>       |
| <u>Miscellaneous Revenues</u>                         |                        |                        |                        |                        |                        |                        |                         |
| Other Revenue   | \$ 106                 | \$ 30,446              | \$ 4,600               | \$ 180                 | \$ -                   | \$ 1,200               | \$ -                    |
| <b>Total Misc. Revenues</b>                           | <b>\$ 106</b>          | <b>\$ 30,446</b>       | <b>\$ 4,600</b>        | <b>\$ 180</b>          | <b>\$ -</b>            | <b>\$ 1,200</b>        | <b>\$ -</b>             |
| <b>TOTAL REVENUE</b>                                  | <b>\$ 1,103,847</b>    | <b>\$ 1,181,023</b>    | <b>\$ 1,033,115</b>    | <b>\$ 1,900,527</b>    | <b>\$ 1,107,538</b>    | <b>\$ 1,136,369</b>    | <b>\$ 1,100,939</b>     |
| <b>EXPENDITURE</b>                                    |                        |                        |                        |                        |                        |                        |                         |
| <u>Services and Supplies</u>                          |                        |                        |                        |                        |                        |                        |                         |
| DPW Services-General Money                            | \$ 1,019,699           | \$ 1,065,435           | \$ 962,399             | \$ 916,915             | \$ 863,803             | \$ 1,034,329           | \$ 1,032,259            |
| <b>Total Services and Supplies</b>                    | <b>\$ 1,019,699</b>    | <b>\$ 1,065,435</b>    | <b>\$ 962,399</b>      | <b>\$ 916,915</b>      | <b>\$ 863,803</b>      | <b>\$ 1,034,329</b>    | <b>\$ 1,032,259</b>     |
| <u>Fixed Assets</u>                                   |                        |                        |                        |                        |                        |                        |                         |
| Building and Improvements                             | \$ 89,701              | \$ -                   | \$ 629,942             | \$ 438,984             | \$ 118,048             | \$ 139,554             | \$ 316,635              |
| <b>Total Fixed Assets</b>                             | <b>\$ 89,701</b>       | <b>\$ -</b>            | <b>\$ 629,942</b>      | <b>\$ 438,984</b>      | <b>\$ 118,048</b>      | <b>\$ 139,554</b>      | <b>\$ 316,635</b>       |
| <u>Other Financing Uses</u>                           |                        |                        |                        |                        |                        |                        |                         |
| Operating Transfers Out                               | \$ 20,000              | \$ -                   | \$ -                   | \$ -                   | \$ -                   | \$ -                   | \$ -                    |
| <b>Total Other Financing Uses</b>                     | <b>\$ 20,000</b>       | <b>\$ -</b>            | <b>\$ -</b>            | <b>\$ -</b>            | <b>\$ -</b>            | <b>\$ -</b>            | <b>\$ -</b>             |
| <b>TOTAL EXPENDITURE</b>                              | <b>\$ 1,129,400</b>    | <b>\$ 1,065,435</b>    | <b>\$ 1,592,341</b>    | <b>\$ 1,355,899</b>    | <b>\$ 981,851</b>      | <b>\$ 1,173,883</b>    | <b>\$ 1,348,894</b>     |
| <b>Surplus/(Deficit)</b>                              | <b>\$ (25,553)</b>     | <b>\$ 115,588</b>      | <b>\$ (559,226)</b>    | <b>\$ 544,628</b>      | <b>\$ 125,687</b>      | <b>\$ (37,514)</b>     | <b>\$ (247,955)</b>     |

## Governance

CSA 9 is a dependent special district governed by the County Board of Supervisors. All CSAs are formed and operate pursuant to the County Service Area Law (Government Code Section 25210 et seq.). County Supervisors receive no additional compensation for their CSA responsibilities. Santa Cruz County staff from the Public Works Department manages the services related to CSA 9.

### Local Accountability & Structure

The current Board is as follows:

**Table G: Board of Directors**

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

The Board of Directors meets on most Tuesdays in the Board of Supervisors' Chambers, 701 Ocean Street, Room 525. Meetings generally begin at 9:00am. Public notice is provided through posting. The County contracts for independent audits.

### Management Efficiencies

CSAs designate two authorized representatives to act as liaisons to the Department of Public Works for any matter pertaining to their CSA operations. Once a year, the CSA must hold a meeting of affected property owners to establish benefit assessment rates and a work program. The Board of Supervisors then sets the rates and approves the CSA's annual budget. The benefit assessments are collected through property tax bills in December and April each year.



## Capital Improvement Plan

The County recently adopted a five-year capital improvement plan specifically for roads, drainage, sanitations, roadside betterments, parks and county facilities (refer to **Exhibit 3**). The purpose of a Capital Improvement Plan (CIP) is to identify and prioritize needs and project costs for planned improvements to the infrastructure that will serve the affected ratepayers in an efficient and cost-effective manner throughout the next five-plus years of growth and change. A total of 5 capital improvement projects relating to CSA 9 are scheduled to be completed between FY 2020-21 to FY 2024-25. The following summarizes the scheduled projects:

**Table H: Capital Improvement Projects**

|                            | Project Type                               | Project Location | Expected Cost Amount | Estimated Completion Date |
|----------------------------|--|------------------|----------------------|---------------------------|
| <b>CSA 9</b>               |  |                  |                      |                           |
| Project #1                 | Road                                       | Aptos            | \$7,392,194          | 2020                      |
| Project #2                 | Traffic Safety                             | Soquel           | \$1,094,113          | 2024                      |
| <b>CSA 9 (Zone C)</b>      |  |                  |                      |                           |
| Project #3                 | Landfill                                   | San Andreas      | \$1,013,300          | 2020                      |
| Project #4                 | Landfill                                   | San Andreas      | \$6,000,000          | 2021                      |
| Project #5                 | Landfill                                   | San Andreas      | \$22,083,806         | 2025                      |
| <b>CSA 9 (Other Zones)</b> |  |                  |                      |                           |
| CSA (Zone B)               | No projects scheduled between 2020 to 2025 |                  |                      |                           |
| CSA (Zone D)               | No projects scheduled between 2020 to 2025 |                  |                      |                           |
| CSA (Zone E)               | No projects scheduled between 2020 to 2025 |                  |                      |                           |
| CSA (Zone F)               | No projects scheduled between 2020 to 2025 |                  |                      |                           |

1. CSA 9 – Road Project in Aptos: Phase I includes road construction and roadside improvements on Soquel Drive and Trout Gulch Road that includes new traffic signal at Soquel Drive/Trout Gulch Road, modified railroad crossing over Trout Gulch Road, new bus pullout on Soquel Drive, drainage improvements, ADA-compliant pedestrian improvements, and new bike lanes on Trout Gulch Road.

Phase II will include additional road construction and roadside improvements on Soquel Drive from Trout Gulch Road to Aptos Creek Bridge to include a new traffic signal at Soquel Drive / Aptos Creek Road, a new railroad crossing over Aptos Creek Road, and a sidewalk and bike lanes on Soquel Drive.

2. CSA 9 – Traffic Safety Project in Soquel: This project involves the installation of a traffic signal to improve traffic flow at the intersection of Soquel Drive at Robertson Street in the Town of Soquel. The intersection currently has a three-way stop traffic control sign. Along with signal installation there will also be improvements to curb ramps and roadway striping. The project will improve traffic flow operations as well as pedestrian access through the area.
3. CSA 9 (Zone C) – Landfill Project in San Andreas (Project 1 of 3): Design and install a landfill gas mini-flare for burning of landfill gases. The City of Watsonville will be sharing 1/3 of the costs for this project as part of their existing agreement with the Buena Vista Landfill. This project number is also used for the maintenance of the existing landfill gas system.

The new flare will supplement the landfill gas control and conveyance system by adding a third gas destruction device that will work in concert with the co-gen facility and existing flare. It will help to better extract gas from the landfill and control surface emissions and the subsurface migration of gas per Federal and State compliance requirements. This in turn will minimize staff time required to monitor gas probes and costs associated with mitigating and implementing gas migration corrective measures.

4. CSA 9 (Zone C) – Landfill Project in San Andreas (Project 2 of 3): Design and construct a compost facility at the Buena Vista Landfill. State law mandates that by 2021, all residents and businesses will be required to compost food scraps. In order to comply, the County must locate a facility that can accept and process the anticipated volumes from Santa Cruz County households and businesses.
5. CSA 9 (Zone C) – Landfill Project in San Andreas (Project 3 of 3): Design and construct a transfer station at the Buena Vista Landfill. The most recent aerial survey shows that the Buena Vista Landfill is estimated to be filled to capacity within twelve years at the current rate of disposal. The County does not have any further space to construct a new module, and a transfer station is necessary to ensure that the County will have a local facility to sort and process materials from its residents and businesses.

***LAFCO Staff Recommendation:*** *It may be beneficial for the County to identify capital improvement projects or potential infrastructure repairs involving all zones in order to raise enough capital and have an adequate amount of funding earmarked for future improvements or needs.*

## Opportunities & Challenges

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The following section discusses current challenges or identifies possible opportunities to ensure the delivery of services in an efficient and effective manner.

### Website Requirements

Senate Bill 929 was signed into law in September 2018 and required all independent special districts to have and maintain a website by January 1, 2020. It outlines minimum website data requirements, including contact information, financial reports, and meeting agendas/minutes. While this new law does not apply to county service area, the County should consider following the requirements outlined in the new law. The County's website offers limited resources involving CSA 9 and it is difficult to locate certain information or background material.

***LAFCO Staff Recommendation:*** *It may be beneficial for the County to include links to staff reports or other supporting documents related to the annual rates, capital improvement projects or other useful information. Additionally, the webpage should include all past and future LAFCO service reviews involving the CSA as additional resource material.*

### Sphere of Influence

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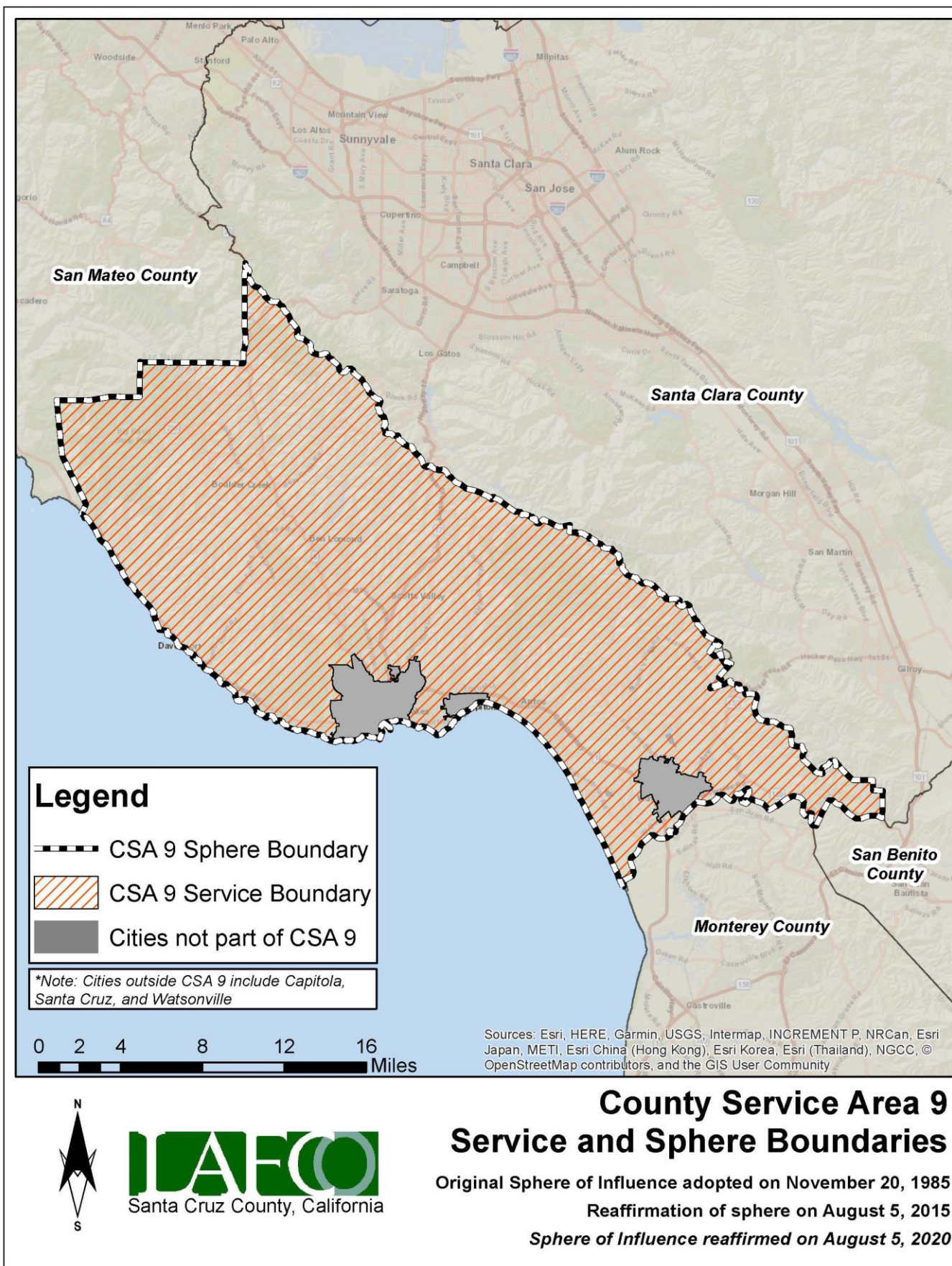
Santa Cruz LAFCO adopted the first sphere of influence for CSA 9 on November 20, 1985. During the original designation, the Commission adopted a sphere that included the entire County of Santa Cruz (all incorporated and unincorporated areas). CSA 9's sphere of influence was subject to the following conditions:

1. Municipal annexations to cities which do not utilize CSA 9 services shall be accompanied by simultaneous detachments from CSA 9; and
2. If any city chooses not to participate in CSA 9 at the time any land is annexed to the city, that land will be automatically taken out of the sphere of CSA 9.

The current sphere boundary has remained unchanged since the 1985 adoption. **Figure 5** on page 20 shows the current sphere of influence boundary for CSA 9. LAFCO staff is recommending that the sphere boundary be reaffirmed.

As previously mentioned, state law allows each County to establish zones to provide individual services to sub-areas of the County. Spheres of influence are not required to be adopted for zones within a county service area. LAFCO staff is not recommending sphere adoptions for any of the six zones.

**Figure 5: CSA 9's Sphere of Influence**



## CSA Summary

| County Service Area 9      |  |
|----------------------------|--|
| <b>Formation</b>           | California Government Code, section 25210 et seq.<br>(County Service Area Law)   |
| <b>Board of Directors</b>  | 5 members, elected at-large to four-year terms   |
| <b>Contact Person</b>      | Russel Chen, Senior Civil Engineer   |
| <b>Employees</b>           | 4 full-time Public Works employees assigned to CSA 9   |
| <b>Facilities</b>          | N/A  |
| <b>District Area</b>       | Entire County, excluding the Cities of Capitola, Santa Cruz and Watsonville (Approximately 425 square miles)   |
| <b>Sphere of Influence</b> | Coterminous with County Limits (i.e. no sphere beyond existing jurisdictional boundary)  |
| <b>FY 2019-20 Budget</b>   | <p>Total Revenue = \$1,100,939</p> <p>Total Expenditure = \$1,348,894</p> <p>Projected Surplus/(Deficit) = (\$247,955)</p>   |
| <b>Contact Information</b> | <p>Mailing Address: 701 Ocean Street, Room 410, Santa Cruz CA 95060</p> <p>Phone Number: (831) 454-2160</p> <p>Email Address: <a href="mailto:Sonia.Lykins@santacruzcounty.us">Sonia.Lykins@santacruzcounty.us</a></p> <p>Website: <a href="https://www.dpw.co.santa-cruz.ca.us/Home/CSAs.aspx">https://www.dpw.co.santa-cruz.ca.us/Home/CSAs.aspx</a></p> |
| <b>Public Meetings</b>     | The Board regularly meets on most Tuesdays in the Board of Supervisors' Chambers, 701 Ocean St, Rm. 525. Meetings generally begin at 9:00 am.  |



## Service & Sphere Determinations

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

### Service Determinations

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

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

CSA 9's service area includes the City of Scotts Valley and the entire unincorporated area in Santa Cruz County. Based on the Association of Monterey Bay Area Government's 2018 Regional Growth Forecast Report, the current population in unincorporated Santa Cruz County and Scotts Valley are approximately 135,000 and 12,000, respectively. Under this slow growth model, LAFCO staff projects that CSA 9's entire population in 2035 will be approximately 153,000.

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

Based on the criteria set forth by SB 244, staff's analysis indicates that there is one area in CSA 9 designated as a disadvantaged unincorporated community. This area is located within the Freedom County Sanitation District. However, CSA 9 is not subject to SB 244 because it does not provide water, sewer, or fire service.

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

The County recently adopted a five-year capital improvement plan (CIP) specifically for roads, drainage, sanitations, roadside betterments, parks and county facilities. This CIP includes scheduled projects for CSA 9. The purpose of a CIP is to identify and prioritize needs and project costs for planned improvements to the infrastructure that will serve the affected ratepayers in an efficient and cost-effective manner throughout the next five-plus years of growth and change.

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

CSA 9's primary source of revenue is from Charges for Services. Other funding sources include Property Taxes, Use of Money and Property, and Intergovernmental Funds. Once a year, the CSA must hold a meeting of affected property owners to establish benefit assessment rates and a work program. CSA 9 has experienced a deficit three times between 2013 to 2018. The most recent adopted budget indicates that a deficit may also occur.

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

The County is the lead agency for the development and administration of the Countywide Integrated Waste Management Plan.

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

CSA 9 services are addressed by the County Board of Supervisors during regular meetings. The rate structures for CSA 9 and its zones are reviewed annually based on available financing and projected maintenance needs. Rate changes are implemented through public process that includes voter or landowner approval.

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

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

### **Sphere Determinations**

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

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

The present and planned uses in the County are a range of urban and rural uses. The general plans for the County and the four cities anticipate growth centered on the existing urban areas and for maintenance of agricultural production, rural residential uses, and environmental protection in the rural areas.

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

CSA 9 performs a series of Public Works services that are provided to sub-areas of the County. These services are highway lighting, neighborhood street lighting, landfill operations, recycling, unincorporated road maintenance, school crossing guards, streetscape maintenance, and parking maintenance.

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

The services being provided by CSA 9 are generally adequate. County roads are in fair condition; however, the County lacks sufficient funding to improve the roads.

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

CSA Law allows the County to establish zones for each of the services provided by CSA 9. In that manner, the communities of interest are the areas desiring each service. Cities can be added to a CSA zone only if authorized by resolution of the affected City Council.

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

CSA 9 does not provide services related to sewers, municipal and industrial water, or structural fire protection. Therefore, this determination is not applicable.

## CSA 9 (Zone A)

### Zone Overview

CSA 9's Zone A was formed on December 23, 1969. This zone was created to provide for the costs associated with the installation and maintenance of residential and commercial street lighting along over 141 miles of the unincorporated County road network. Zone A is specific to unincorporated residential and commercial areas that choose to have streetlights. Zone A pays for the installation and maintenance on streetlights within this zone. Neighborhood street lighting is funded through an assessment charge that is collected on the property tax bill. **Exhibit 4** provides a copy of the 1969 formation resolution.

The County currently provides street lighting in portions of Felton, Ben Lomond, Brookdale, and Boulder Creek as well as Davenport, Live Oak, Aptos, Seascap, La Selva Beach, Freedom, and Corralitos. The original street lighting districts are listed in Table I below:

**Table I: Original Lighting Districts**

| Number | Name                   | Number | Name                    |
|--------|------------------------|--------|-------------------------|
| 1      | East Twin Lakes        | 9      | Boulder Creek-Brookdale |
| 2      | Davenport              | 10     | Pleasure Point          |
| 3      | Felton                 | 11     | Broadview               |
| 4      | Twin Lakes             | 12     | Santa Cruz Gardens      |
| 5      | Capitola               | 13     | Freedom                 |
| 6      | Soquel                 | 14     | Interlochen             |
| 7      | Pacific West-Meadowood | 15     | Ben Lomond              |
| 8      | Bear Creek             | 16     | Aptos Beach Pines       |

### Population & Growth

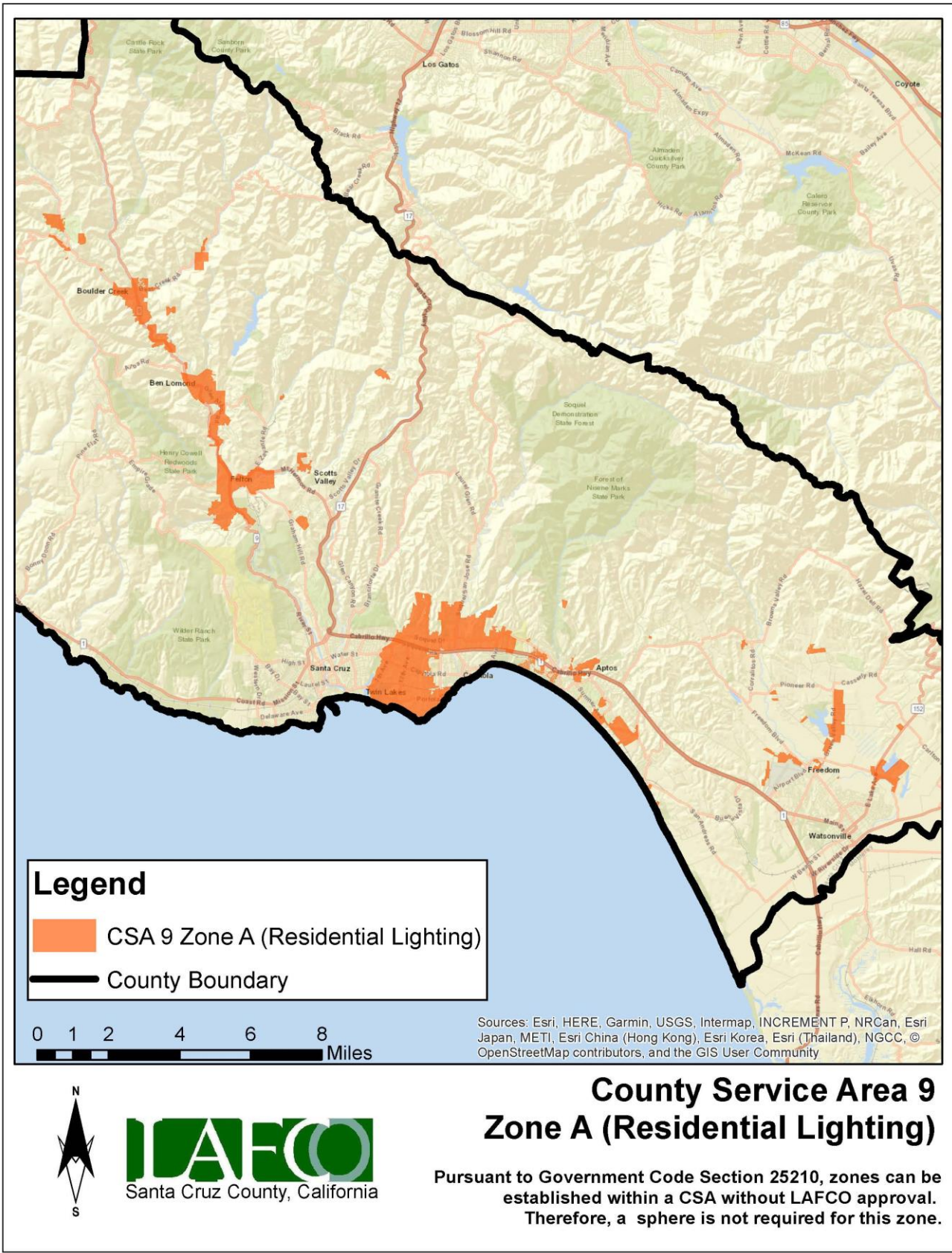
Official growth projections are not available for CSA 9 or its zones. In general, unincorporated areas in Santa Cruz County are projected to have slow growth over the next fifteen years. Based on the Association of Monterey Bay Area Government's 2018 Regional Growth Forecast Report, the current population in unincorporated Santa Cruz County is approximately 135,000 and is expected to grow by 1% each year. Under this slow growth model, LAFCO staff projects that Zone A's population in 2035 will be approximately 58,000. The projected population growth for CSA 9's Zone A are as follows:

**Table J: Projected Population**

|                       | 2020          | 2025          | 2030          | 2035          |
|-----------------------|---------------|---------------|---------------|---------------|
| <b>CSA 9 (Zone A)</b> | <b>56,107</b> | <b>56,668</b> | <b>57,234</b> | <b>57,807</b> |



Figure 6: CSA 9 (Zone A) Vicinity Map

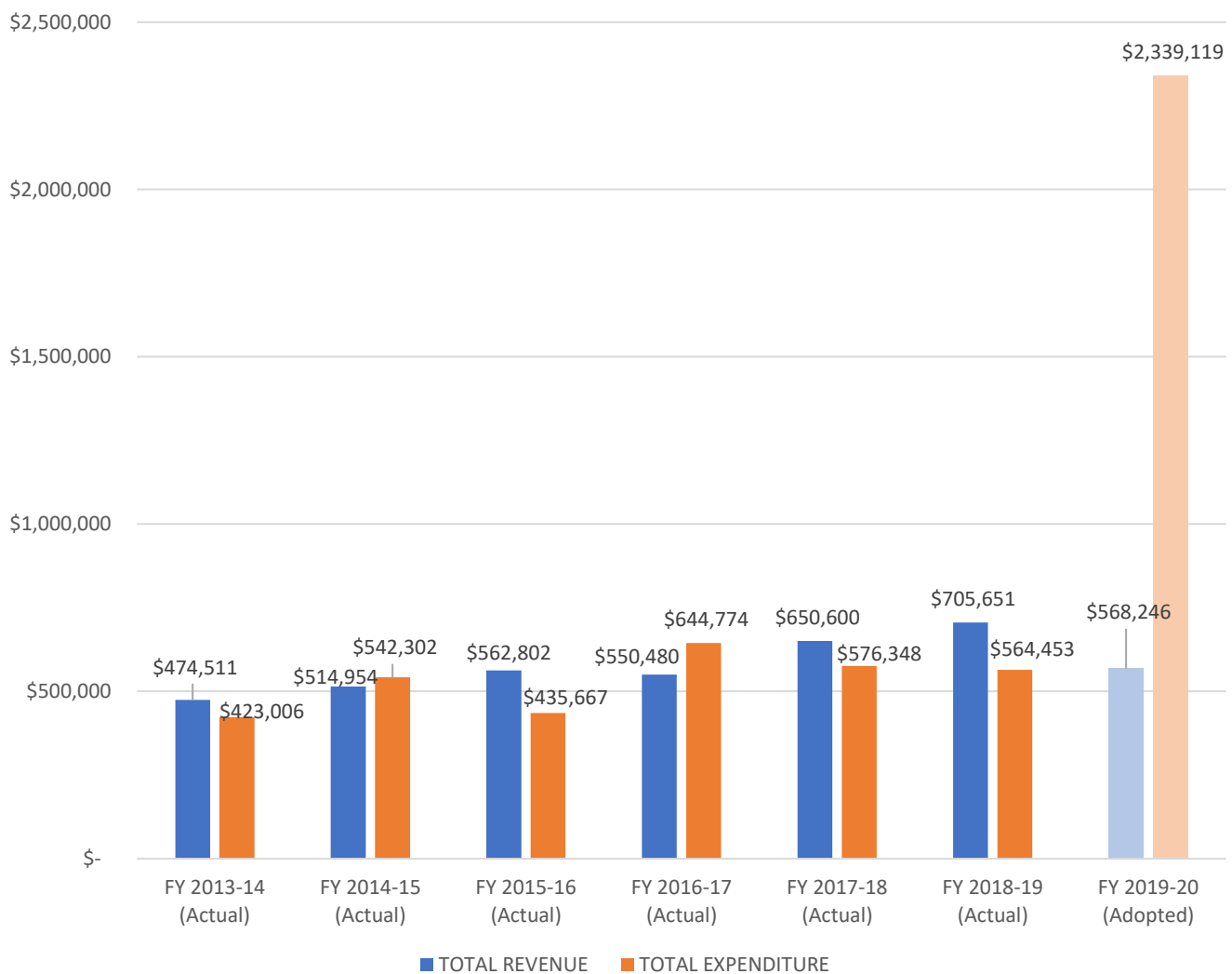


## Finances

This section will highlight the Zone A's audited financial performance during the most recent fiscal years. Fiscal Year 2018-19 is the latest audited financial statement available. A comprehensive analysis of the Zone A's financial performance during the past six years is shown in **Table L**, on page 29.

At the end of Fiscal Year 2018-19, total revenue collected was approximately \$706,000, representing an 8% increase from the previous year (\$651,000 in FY 17-18). Total expenses for FY 2018-19 were approximately \$141,000, which decreased from the previous year by 2% (\$576,000 in FY 17-18). As shown in the figure below, Zone A has ended a fiscal year in a deficit twice since 2013 (FYs 14-15 and 16-17). Based on the most recently available adopted budget, LAFCO staff believes this negative trend will continue.

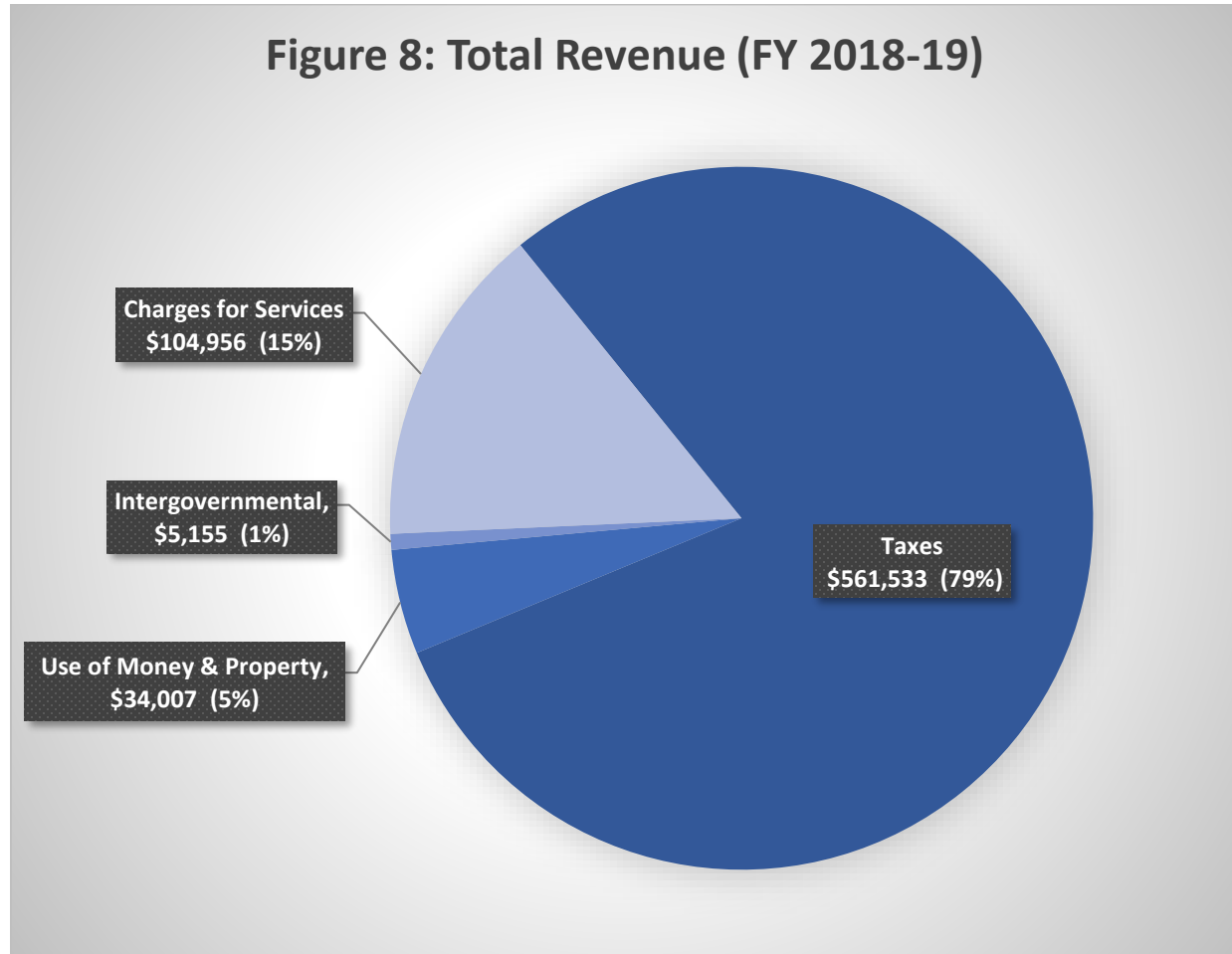
**Figure 7: Statement of Revenues & Expenditures**



*\*Footnote: FY 2019-20 Budget includes a significant increase in three key budget line items: Services & Supplies, Fixed Assets, and Appropriations for Contingencies. Upcoming costs include streetlighting improvements throughout the county.*

## Revenue

Zone A's primary source of revenue is from property taxes. In FY 2018-19, taxes collected were approximately \$561,000 which represents 79% of the Zone's entire revenue stream. Other revenue sources include charges for services (\$105,000 or 15%), use of money and property (\$34,000 or less than 1%), and intergovernmental funds (\$5,000 or less than 1%). **Figure 8** provides a breakdown each revenue stream.



### Charges for Services

Based on staff's analysis, benefit assessments have never been increased. Below shows the rates during the last five years. The County Board of Supervisors adopted the same benefit assessment levels for FY 2020-21 on June 2, 2020.

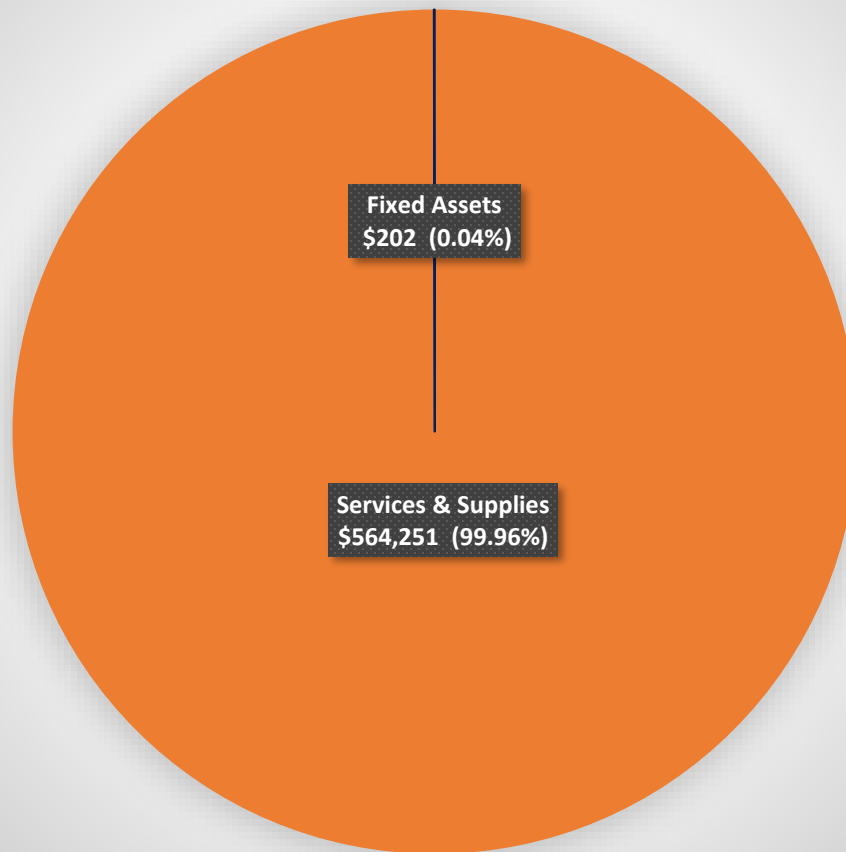
**Table K: Charges for Services**

| Parcel        | FY 2015-16<br>(Actual) | FY 2016-17<br>(Actual) | FY 2017-18<br>(Actual) | FY 2018-19<br>(Actual) | FY 2019-20<br>(Adopted) |
|---------------|------------------------|------------------------|------------------------|------------------------|-------------------------|
| Vacant        | \$2.35                 | \$2.35                 | \$2.35                 | \$2.35                 | \$2.35                  |
| Single Family | \$4.70                 | \$4.70                 | \$4.70                 | \$4.70                 | \$4.70                  |
| Mobile Home   | \$2.82                 | \$2.82                 | \$2.82                 | \$2.82                 | \$2.82                  |
| Commercial    | \$4.70                 | \$4.70                 | \$4.70                 | \$4.70                 | \$4.70                  |
| Multi-Unit    | \$2.82                 | \$2.82                 | \$2.82                 | \$2.82                 | \$2.82                  |

## Expenditure

Zone A's total expenditures can be categorized into two budgetary groups: Services and Supplies and Fixed Assets. **Figure 9** shows that in FY 2018-19, Services and Supplies represent 99% of the Zone's entire operational expenses. The remaining expenditures are based on the costs associated with Zone A's buildings and infrastructure.

**Figure 9: Total Expenditure (FY 2018-19)**





**Table L: Total Revenues & Expenditures**

|   | FY 2013-14<br>(Actual) | FY 2014-15<br>(Actual) | FY 2015-16<br>(Actual) | FY 2016-17<br>(Actual) | FY 2017-18<br>(Actual) | FY 2018-19<br>(Actual) | FY 2019-20<br>(Adopted) |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|-------------------------|
| <b>REVENUE</b>  |                        |                        |                        |                        |                        |                        |                         |
| <u>Taxes</u>  |                        |                        |                        |                        |                        |                        |                         |
| Property Tax - Current Secured-Gen                    | \$ 332,554             | \$ 357,699             | \$ 382,197             | \$ 408,431             | \$ 428,908             | \$ 449,211             | \$ 440,000              |
| Residual Distribution                                 | \$ 15,685              | \$ 28,001              | \$ 40,901              | \$ -                   | \$ 71,598              | \$ 84,385              | \$ -                    |
| Property Tax - Current Unsecured-Gen                  | \$ 6,831               | \$ 7,403               | \$ 7,704               | \$ 8,302               | \$ 8,419               | \$ 9,112               | \$ 8,200                |
| Property Tax - Prior Unsecured-Gen                    | \$ 156                 | \$ 795                 | \$ 1,210               | \$ 814                 | \$ 484                 | \$ 789                 | \$ -                    |
| Penalties for Delinquent Taxes                        | \$ 26                  | \$ 107                 | \$ 192                 | \$ 58                  | \$ 71                  | \$ 43                  | \$ -                    |
| Redemption Penalties for Delinquent Taxes             | \$ 37                  | \$ 173                 | \$ 337                 | \$ 86                  | \$ 141                 | \$ 67                  | \$ -                    |
| Supplemental Property Tax - Current Secured           | \$ 3,868               | \$ 5,361               | \$ 9,497               | \$ 9,085               | \$ 11,986              | \$ 16,666              | \$ -                    |
| Supplemental Property Tax - Current Unsecured         | \$ 17                  | \$ 128                 | \$ 665                 | \$ 346                 | \$ 223                 | \$ 742                 | \$ -                    |
| Supplemental Property Tax - Prior Secured             | \$ 134                 | \$ 244                 | \$ 560                 | \$ 385                 | \$ 588                 | \$ 297                 | \$ -                    |
| Supplemental Property Tax - Prior Unsecured           | \$ 5                   | \$ 33                  | \$ 307                 | \$ 284                 | \$ 133                 | \$ 184                 | \$ -                    |
| In-Lieu Taxes Other                                   | \$ 32                  | \$ 35                  | \$ 38                  | \$ 42                  | \$ 41                  | \$ 37                  | \$ -                    |
| <b>Total Taxes</b>                                    | <b>\$ 359,345</b>      | <b>\$ 399,979</b>      | <b>\$ 443,608</b>      | <b>\$ 427,833</b>      | <b>\$ 522,592</b>      | <b>\$ 561,533</b>      | <b>\$ 448,200</b>       |
| <u>Revenue from Use of Money &amp; Property</u>       |                        |                        |                        |                        |                        |                        |                         |
| Interest  | \$ 5,337               | \$ 6,925               | \$ 10,267              | \$ 14,087              | \$ 18,558              | \$ 34,007              | \$ 12,000               |
| <b>Total Revenue from Use of Money &amp; Property</b> | <b>\$ 5,337</b>        | <b>\$ 6,925</b>        | <b>\$ 10,267</b>       | <b>\$ 14,087</b>       | <b>\$ 18,558</b>       | <b>\$ 34,007</b>       | <b>\$ 12,000</b>        |
| <u>Intergovernmental Revenues</u>                     |                        |                        |                        |                        |                        |                        |                         |
| St-Homeowners' Property Tax Relief                    | \$ 2,706               | \$ 2,779               | \$ 2,786               | \$ 2,767               | \$ 2,721               | \$ 2,694               | \$ 2,700                |
| RDA Pass-Throughs                                     | \$ 649                 | \$ 1,169               | \$ 1,541               | \$ 1,488               | \$ 1,457               | \$ 2,461               | \$ 1,025                |
| <b>Total Intergovernmental Revenues</b>               | <b>\$ 3,355</b>        | <b>\$ 3,948</b>        | <b>\$ 4,327</b>        | <b>\$ 4,255</b>        | <b>\$ 4,178</b>        | <b>\$ 5,155</b>        | <b>\$ 3,725</b>         |
| <u>Charges for Services</u>                           |                        |                        |                        |                        |                        |                        |                         |
| Other Road & Street Services                          | \$ 106,474             | \$ 104,102             | \$ 104,600             | \$ 104,305             | \$ 105,272             | \$ 104,956             | \$ 104,321              |
| <b>Total Charges for Services</b>                     | <b>\$ 106,474</b>      | <b>\$ 104,102</b>      | <b>\$ 104,600</b>      | <b>\$ 104,305</b>      | <b>\$ 105,272</b>      | <b>\$ 104,956</b>      | <b>\$ 104,321</b>       |
| <u>Other Financing Sources</u>                        |                        |                        |                        |                        |                        |                        |                         |
| Operating Transfer In                                 | \$ -                   | \$ -                   | \$ -                   | \$ -                   | \$ -                   | \$ -                   | \$ -                    |
| <b>Total Other Financing Sources</b>                  | <b>\$ -</b>            | <b>\$ -</b>            | <b>\$ -</b>            | <b>\$ -</b>            | <b>\$ -</b>            | <b>\$ -</b>            | <b>\$ -</b>             |
| <b>TOTAL REVENUE</b>                                  | <b>\$ 474,511</b>      | <b>\$ 514,954</b>      | <b>\$ 562,802</b>      | <b>\$ 550,480</b>      | <b>\$ 650,600</b>      | <b>\$ 705,651</b>      | <b>\$ 568,246</b>       |
| <b>EXPENDITURE</b>                                    |                        |                        |                        |                        |                        |                        |                         |
| <u>Services and Supplies</u>                          |                        |                        |                        |                        |                        |                        |                         |
| DPW Services-General Money                            | \$ 421,921             | \$ 533,953             | \$ 441,312             | \$ 544,774             | \$ 576,348             | \$ 564,251             | \$ 1,339,229            |
| <b>Total Services and Supplies</b>                    | <b>\$ 421,921</b>      | <b>\$ 533,953</b>      | <b>\$ 441,312</b>      | <b>\$ 544,774</b>      | <b>\$ 576,348</b>      | <b>\$ 564,251</b>      | <b>\$ 1,339,229</b>     |
| <u>Fixed Assets</u>                                   |                        |                        |                        |                        |                        |                        |                         |
| Building and Improvements                             | \$ 1,085               | \$ 8,349               | \$ (5,645)             | \$ -                   | \$ -                   | \$ 202                 | \$ 149,798              |
| <b>Total Fixed Assets</b>                             | <b>\$ 1,085</b>        | <b>\$ 8,349</b>        | <b>\$ (5,645)</b>      | <b>\$ -</b>            | <b>\$ -</b>            | <b>\$ 202</b>          | <b>\$ 149,798</b>       |
| <u>Other Financing Uses</u>                           |                        |                        |                        |                        |                        |                        |                         |
| Operating Transfers Out                               | \$ -                   | \$ -                   | \$ -                   | \$ 100,000             | \$ -                   | \$ -                   | \$ -                    |
| <b>Total Other Financing Uses</b>                     | <b>\$ -</b>            | <b>\$ -</b>            | <b>\$ -</b>            | <b>\$ 100,000</b>      | <b>\$ -</b>            | <b>\$ -</b>            | <b>\$ -</b>             |
| <u>Appropriation for Contingencies</u>                |                        |                        |                        |                        |                        |                        |                         |
| Appropriation for Contingencies                       | \$ -                   | \$ -                   | \$ -                   | \$ -                   | \$ -                   | \$ -                   | \$ 850,092              |
| <b>Total Appropriation for Contingencies</b>          | <b>\$ -</b>            | <b>\$ -</b>            | <b>\$ -</b>            | <b>\$ -</b>            | <b>\$ -</b>            | <b>\$ -</b>            | <b>\$ 850,092</b>       |
| <b>TOTAL EXPENDITURE</b>                              | <b>\$ 423,006</b>      | <b>\$ 542,302</b>      | <b>\$ 435,667</b>      | <b>\$ 644,774</b>      | <b>\$ 576,348</b>      | <b>\$ 564,453</b>      | <b>\$ 2,339,119</b>     |
| <b>Surplus/(Deficit)</b>                              | <b>\$ 51,505</b>       | <b>\$ (27,348)</b>     | <b>\$ 127,135</b>      | <b>\$ (94,294)</b>     | <b>\$ 74,252</b>       | <b>\$ 141,198</b>      | <b>\$ (1,770,873)</b>   |

## Zone Summary

| CSA 9 (Zone A)             |  |
|----------------------------|--|
| <b>Formation</b>           | California Government Code, section 25210.1 et seq.<br>(County Service Area Law)   |
| <b>Board of Directors</b>  | 5 members, elected at-large to four-year terms   |
| <b>Contact Person</b>      | Misty Scott, Program Coordinator   |
| <b>Employees</b>           | 2 full-time Public Works employees assigned to Zone A  |
| <b>Facilities</b>          | Approximately 2,900 of streetlights associated with Zone A   |
| <b>Zone Area</b>           | CSA 9 Zone A provides residential street lighting in portions of Felton, Ben Lomond, Brookdale and Boulder Creek as well as Davenport, Live Oak, Aptos, Seascapes, La Selva Beach, Freedom and Corralitos.   |
| <b>Sphere of Influence</b> | N/A  |
| <b>FY 2019-20 Budget</b>   | <p>Total Revenue = \$568,246</p> <p>Total Expenditure = \$2,339,119</p> <p>Projected Surplus/(Deficit) = (\$1,770,873)</p>   |
| <b>Contact Information</b> | <p>Mailing Address: 701 Ocean Street, Santa Cruz CA 95060</p> <p>Phone Number: (831) 454-2160</p> <p>Email Address: <a href="mailto:Misty.Scott@santacruzcounty.us">Misty.Scott@santacruzcounty.us</a></p> <p>Website: <a href="https://www.dpw.co.santa-cruz.ca.us/Home/CSAs.aspx">https://www.dpw.co.santa-cruz.ca.us/Home/CSAs.aspx</a></p> |
| <b>Public Meetings</b>     | The Board regularly meets on most Tuesdays in the Board of Supervisors' Chambers, 701 Ocean St, Rm. 525. Meetings generally begin at 9:00 am.  |

## CSA 9 (Zone B)

### Zone Overview

CSA 9's Zone B was formed on March 7, 1972. Zone B provides partial funding for the school crossing guard program in the Live Oak Elementary School District. This program pre-dates Proposition 13, and therefore, the County passes through the program's share of the 1% property tax. **Exhibit 5** provides a copy of the 1972 formation resolution.

### Population & Growth

Official growth projections are not available for CSA 9 or its zones. In general, unincorporated areas in Santa Cruz County are projected to have slow growth over the next fifteen years. Based on the Association of Monterey Bay Area Government's 2018 Regional Growth Forecast Report, the current population in unincorporated Santa Cruz County is approximately 135,000 and is expected to grow by 1% each year. Under this slow growth model, LAFCO staff projects that Zone B's population in 2035 will be approximately 24,000. The projected population growth for CSA 9's Zone B are as follows:

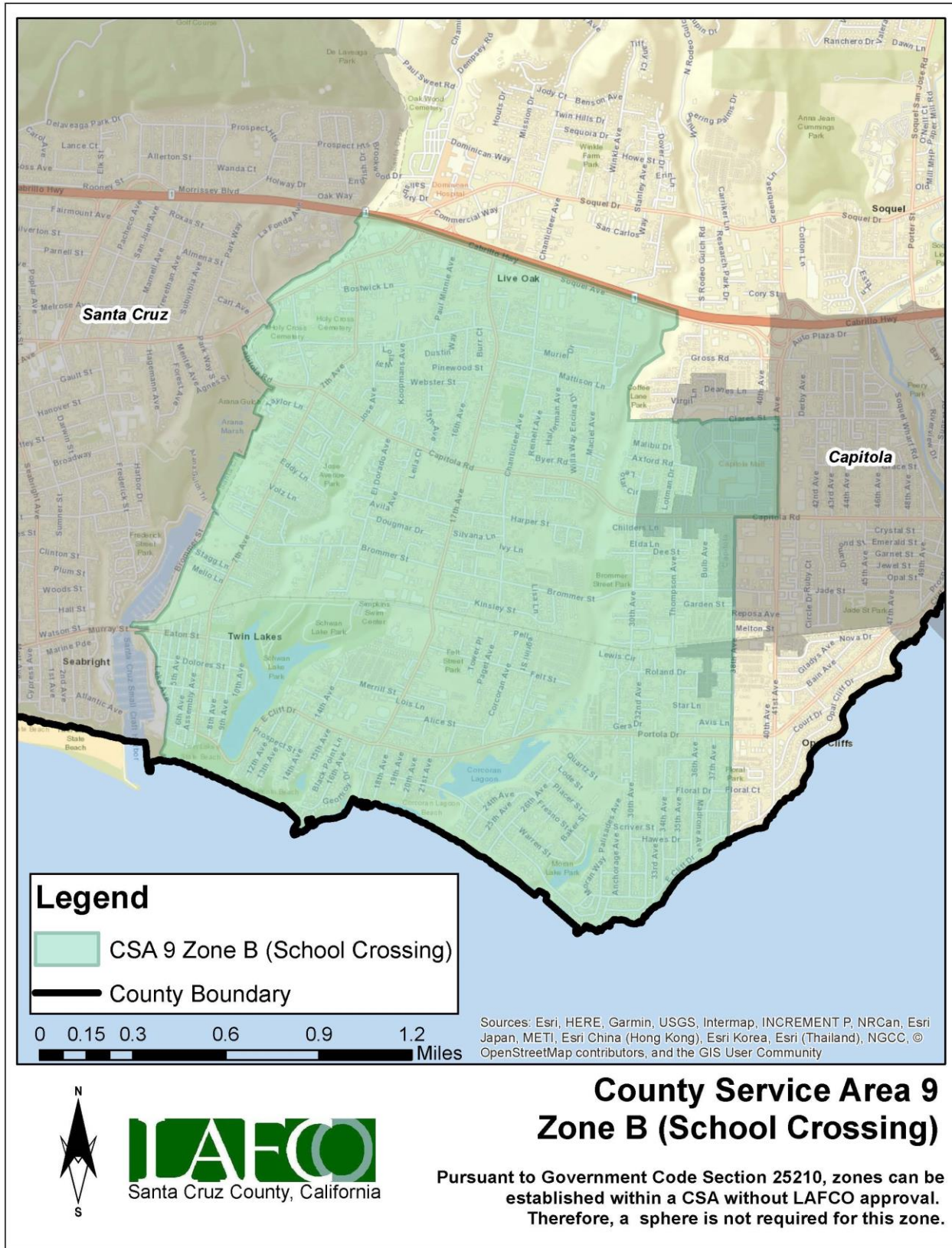
**Table M: Projected Population**

|                | 2020   | 2025   | 2030   | 2035   |
|----------------|--------|--------|--------|--------|
| CSA 9 (Zone B) | 23,678 | 23,915 | 24,154 | 24,396 |





Figure 10: CSA 9 (Zone B) Vicinity Map





## Finances

This section will highlight the Zone B's audited financial performance during the most recent fiscal years. Fiscal Year 2018-19 is the latest audited financial statement available. A comprehensive analysis of the Zone B's financial performance during the past six years is shown in **Table N**, on page 35.

At the end of Fiscal Year 2018-19, total revenue collected was approximately \$25,000, representing a 17% increase from the previous year (\$21,000 in FY 17-18). Total expenses for FY 2018-19 were approximately \$15,000, which increased from the previous year by 29% (\$12,000 in FY 17-18). As shown in the figure below, Zone B has ended each fiscal year with a surplus since 2013. However, based on the most recently available adopted budget, the Zone will experience a financial shortfall.

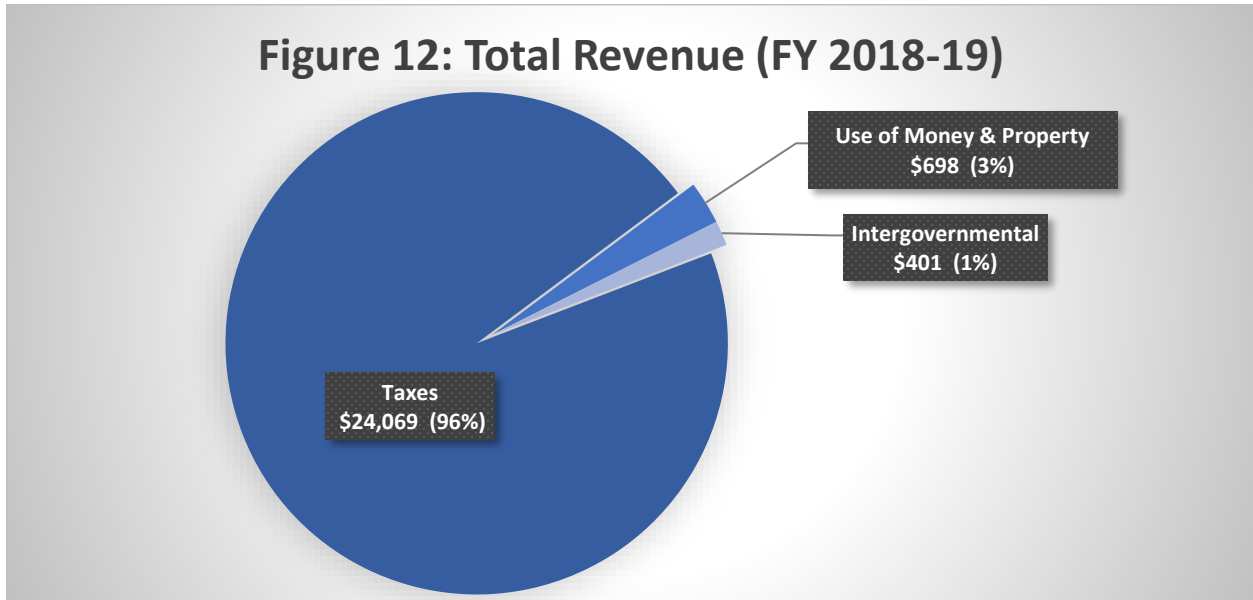
**Figure 11: Statement of Revenues & Expenditures**



*\*Footnote: FY 2019-20 Budget includes a significant increase in two key budget line items: Services & Supplies and Appropriations for Contingencies. Upcoming costs include streetlighting improvements throughout the county.*

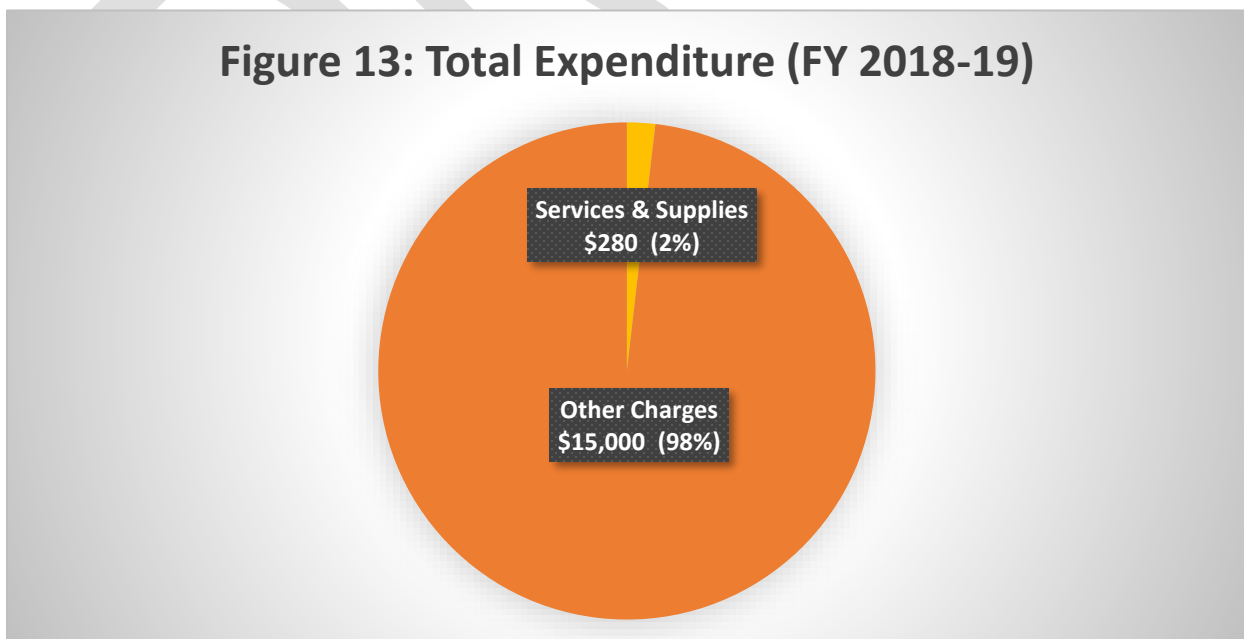
## Revenues

Zone B's primary source of revenue is from property taxes. In FY 2018-19, taxes collected were approximately \$24,000 which represents 96% of the Zone's entire revenue stream. Other revenue sources include use of money and property (\$698 or 3%), and intergovernmental funds (\$401 or 1%). **Figure 12** provides a breakdown each revenue stream.



## Expenditures

Zone B's total expenditures can be categorized into two budgetary groups: Services and Supplies and Other Charges. **Figure 13** shows that in FY 2018-19, Services and Supplies represent 98% of the Zone's entire operational expenses. The remaining expenditures are based on contributions to other agencies.



**Table N: Total Revenues & Expenditures**

|   | FY 2013-14<br>(Actual) | FY 2014-15<br>(Actual) | FY 2015-16<br>(Actual) | FY 2016-17<br>(Actual) | FY 2017-18<br>(Actual) | FY 2018-19<br>(Actual) | FY 2019-20<br>(Adopted) |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|-------------------------|
| <b>REVENUE</b>  |                        |                        |                        |                        |                        |                        |                         |
| <u>Taxes</u>  |                        |                        |                        |                        |                        |                        |                         |
| Property Tax - Current Secured-Gen                    | \$ 6,351               | \$ 6,704               | \$ 7,095               | \$ 7,592               | \$ 8,448               | \$ 8,865               | \$ 8,868                |
| Residual Distribution                                 | \$ 2,588               | \$ 4,678               | \$ 6,666               | \$ 8,768               | \$ 11,558              | \$ 13,929              | \$ 1,200                |
| Property Tax - Current Unsecured-Gen                  | \$ 130                 | \$ 138                 | \$ 142                 | \$ 152                 | \$ 164                 | \$ 177                 | \$ 171                  |
| Property Tax - Prior Unsecured-Gen                    | \$ 3                   | \$ 15                  | \$ 23                  | \$ 15                  | \$ 9                   | \$ 15                  | \$ -                    |
| Penalties for Delinquent Taxes                        | \$ 1                   | \$ 4                   | \$ 7                   | \$ 3                   | \$ 4                   | \$ 3                   | \$ 3                    |
| Redemption Penalties for Delinquent Taxes             | \$ 2                   | \$ 8                   | \$ 12                  | \$ 5                   | \$ 8                   | \$ 4                   | \$ 4                    |
| Supplemental Property Tax - Current Secured           | \$ 227                 | \$ 315                 | \$ 552                 | \$ 528                 | \$ 698                 | \$ 981                 | \$ 787                  |
| Supplemental Property Tax - Current Unsecured         | \$ 1                   | \$ 8                   | \$ 39                  | \$ 20                  | \$ 13                  | \$ 44                  | \$ -                    |
| Supplemental Property Tax - Prior Secured             | \$ 8                   | \$ 14                  | \$ 33                  | \$ 22                  | \$ 34                  | \$ 18                  | \$ -                    |
| Supplemental Property Tax - Prior Unsecured           | \$ -                   | \$ 2                   | \$ 18                  | \$ 17                  | \$ 8                   | \$ 11                  | \$ -                    |
| In-Lieu Taxes Other                                   | \$ 18                  | \$ 20                  | \$ 22                  | \$ 24                  | \$ 24                  | \$ 22                  | \$ -                    |
| <b>Total Taxes</b>                                    | <b>\$ 9,329</b>        | <b>\$ 11,906</b>       | <b>\$ 14,609</b>       | <b>\$ 17,146</b>       | <b>\$ 20,968</b>       | <b>\$ 24,069</b>       | <b>\$ 11,033</b>        |
| <u>Revenue from Use of Money &amp; Property</u>       |                        |                        |                        |                        |                        |                        |                         |
| Interest  | \$ 11                  | \$ 24                  | \$ 56                  | \$ 117                 | \$ 232                 | \$ 698                 | \$ 400                  |
| <b>Total Revenue from Use of Money &amp; Property</b> | <b>\$ 11</b>           | <b>\$ 24</b>           | <b>\$ 56</b>           | <b>\$ 117</b>          | <b>\$ 232</b>          | <b>\$ 698</b>          | <b>\$ 400</b>           |
| <u>Intergovernmental Revenues</u>                     |                        |                        |                        |                        |                        |                        |                         |
| St-Homeowners' Property Tax Relief                    | \$ 51                  | \$ 52                  | \$ 51                  | \$ 52                  | \$ 55                  | \$ 56                  | \$ -                    |
| RDA Pass-Throughs                                     | \$ 103                 | \$ 125                 | \$ 206                 | \$ 206                 | \$ 212                 | \$ 345                 | \$ 275                  |
| <b>Total Intergovernmental Revenues</b>               | <b>\$ 154</b>          | <b>\$ 177</b>          | <b>\$ 257</b>          | <b>\$ 258</b>          | <b>\$ 267</b>          | <b>\$ 401</b>          | <b>\$ 275</b>           |
| <b>TOTAL REVENUE</b>                                  | <b>\$ 9,494</b>        | <b>\$ 12,107</b>       | <b>\$ 14,922</b>       | <b>\$ 17,521</b>       | <b>\$ 21,467</b>       | <b>\$ 25,168</b>       | <b>\$ 11,708</b>        |
| <b>EXPENDITURE</b>                                    |                        |                        |                        |                        |                        |                        |                         |
| <u>Services and Supplies</u>                          |                        |                        |                        |                        |                        |                        |                         |
| DPW Services-General Money                            | \$ 136                 | \$ 136                 | \$ 220                 | \$ 139                 | \$ -                   | \$ 280                 | \$ 17,398               |
| <b>Total Services and Supplies</b>                    | <b>\$ 136</b>          | <b>\$ 136</b>          | <b>\$ 220</b>          | <b>\$ 139</b>          | <b>\$ -</b>            | <b>\$ 280</b>          | <b>\$ 17,398</b>        |
| <u>Other Charges</u>                                  |                        |                        |                        |                        |                        |                        |                         |
| Contribution to Other Agencies                        | \$ 8,026               | \$ 9,657               | \$ 10,120              | \$ 11,211              | \$ 11,835              | \$ 15,000              | \$ 16,500               |
| <b>Total Other Charges</b>                            | <b>\$ 8,026</b>        | <b>\$ 9,657</b>        | <b>\$ 10,120</b>       | <b>\$ 11,211</b>       | <b>\$ 11,835</b>       | <b>\$ 15,000</b>       | <b>\$ 16,500</b>        |
| <u>Appropriation for Contingencies</u>                |                        |                        |                        |                        |                        |                        |                         |
| Appropriation for Contingencies                       | \$ -                   | \$ -                   | \$ -                   | \$ -                   | \$ -                   | \$ -                   | \$ 15,421               |
| <b>Total Appropriation for Contingencies</b>          | <b>\$ -</b>            | <b>\$ -</b>            | <b>\$ -</b>            | <b>\$ -</b>            | <b>\$ -</b>            | <b>\$ -</b>            | <b>\$ 15,421</b>        |
| <b>TOTAL EXPENDITURE</b>                              | <b>\$ 8,162</b>        | <b>\$ 9,793</b>        | <b>\$ 10,340</b>       | <b>\$ 11,350</b>       | <b>\$ 11,835</b>       | <b>\$ 15,280</b>       | <b>\$ 49,319</b>        |
| <b>Surplus/(Deficit)</b>                              | <b>\$ 1,332</b>        | <b>\$ 2,314</b>        | <b>\$ 4,582</b>        | <b>\$ 6,171</b>        | <b>\$ 9,632</b>        | <b>\$ 9,888</b>        | <b>\$ (37,611)</b>      |

## Zone Summary

| CSA 9 (Zone B)             |   |
|----------------------------|---|
| <b>Formation</b>           | California Government Code, section 25210.1 et seq.<br>(County Service Area Law)  |
| <b>Board of Directors</b>  | 5 members, elected at-large to four-year terms  |
| <b>Contact Person</b>      | Sonia Lykins, Admin Service Manager   |
| <b>Employees</b>           | 1 full-time Public Works employee assigned to Zone B  |
| <b>Facilities</b>          | N/A   |
| <b>Zone Area</b>           | Live Oak Elementary School District (appx. 3 square miles)  |
| <b>Sphere of Influence</b> | N/A   |
| <b>FY 2019-20 Budget</b>   | Total Revenue = \$11,708<br>Total Expenditure = \$49,319<br>Projected Surplus/(Deficit) = (\$37,611)  |
| <b>Contact Information</b> | Mailing Address: 701 Ocean Street, Santa Cruz CA 95060<br>Phone Number: (831) 454-2160<br>Email Address: <a href="mailto:Sonia.Lykins@santacruzcounty.us">Sonia.Lykins@santacruzcounty.us</a><br>Website: <a href="https://www.dpw.co.santa-cruz.ca.us/Home/CSAs.aspx">https://www.dpw.co.santa-cruz.ca.us/Home/CSAs.aspx</a> |
| <b>Public Meetings</b>     | The Board regularly meets on most Tuesdays in the Board of Supervisors' Chambers, 701 Ocean St, Rm. 525. Meetings generally begin at 9:00 am.   |



## CSA 9 (Zone C)

### Zone Overview

CSA 9's Zone C was formed on June 15, 1982. The purpose of the zone is to provide additional extended service for refuse disposal in CSA 9. Today, Zone C operates the Buena Vista Landfill and the related recycling and resource recovery activities. It also maintains the closed Ben Lomond Landfill, and operates the Ben Lomond Transfer Station. Zone C supports administration of the refuse and recycling franchise collection program, landfill environmental compliance programs, refuse abatement programs, and waste reduction and recycling programs. **Exhibit 6** provides a copy of the 1982 formation resolution.

### Population & Growth

Official growth projections are not available for CSA 9 or its zones. In general, unincorporated areas in Santa Cruz County are projected to have slow growth over the next fifteen years. Based on the Association of Monterey Bay Area Government's 2018 Regional Growth Forecast Report, the current population in unincorporated Santa Cruz County is approximately 135,000 and is expected to grow by 1% each year. Under this slow growth model, LAFCO staff projects that Zone C's population in 2035 will be approximately 153,000. The projected population growth for CSA 9's Zone C are as follows:

**Table O: Projected Population**

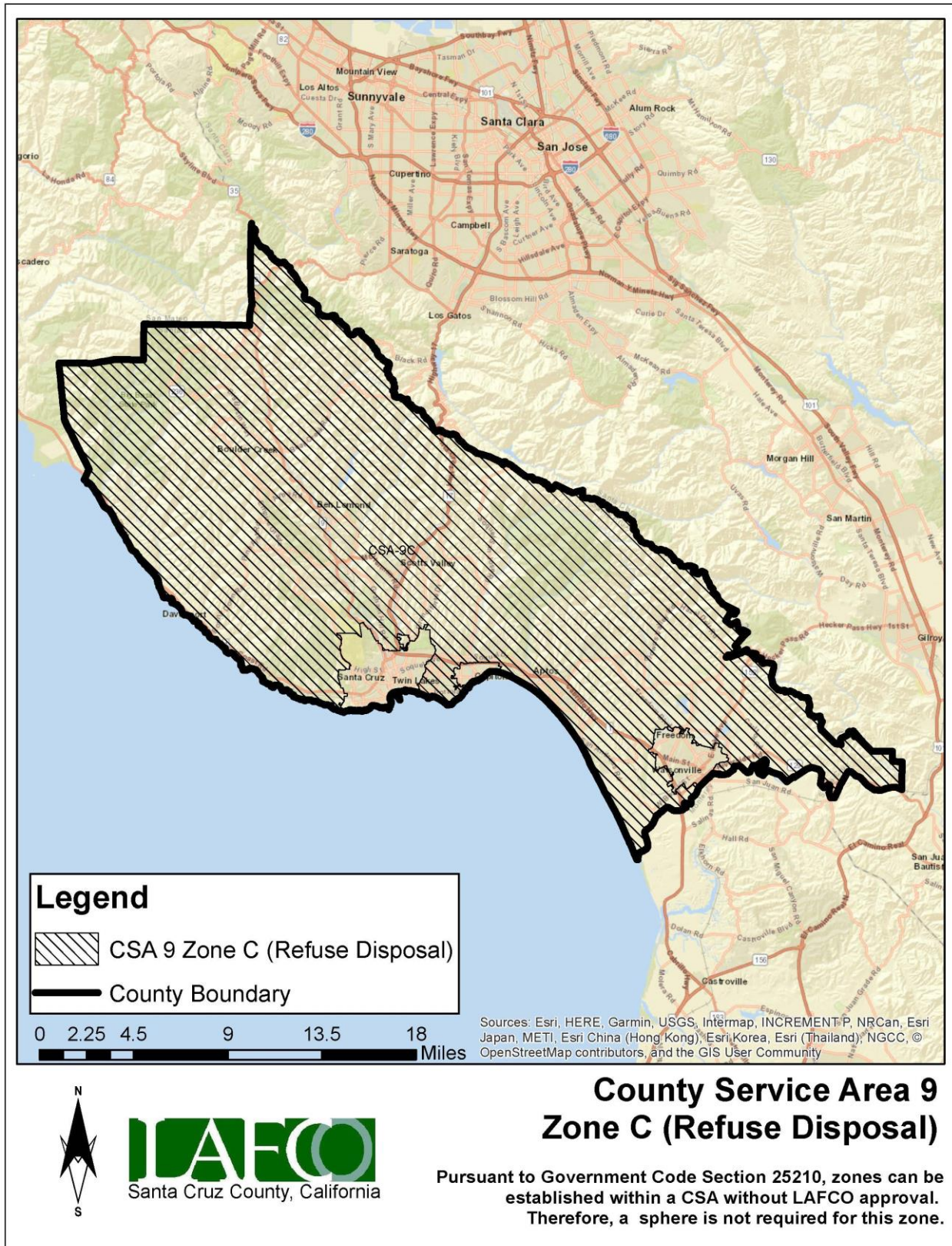
|                | 2020    | 2025    | 2030    | 2035    |
|----------------|---------|---------|---------|---------|
| CSA 9 (Zone C) | 149,036 | 150,110 | 151,387 | 152,704 |



**CSA 9 (Zone C) Buena Vista Landfill**



**Figure 14: CSA 9 (Zone C) Vicinity Map**

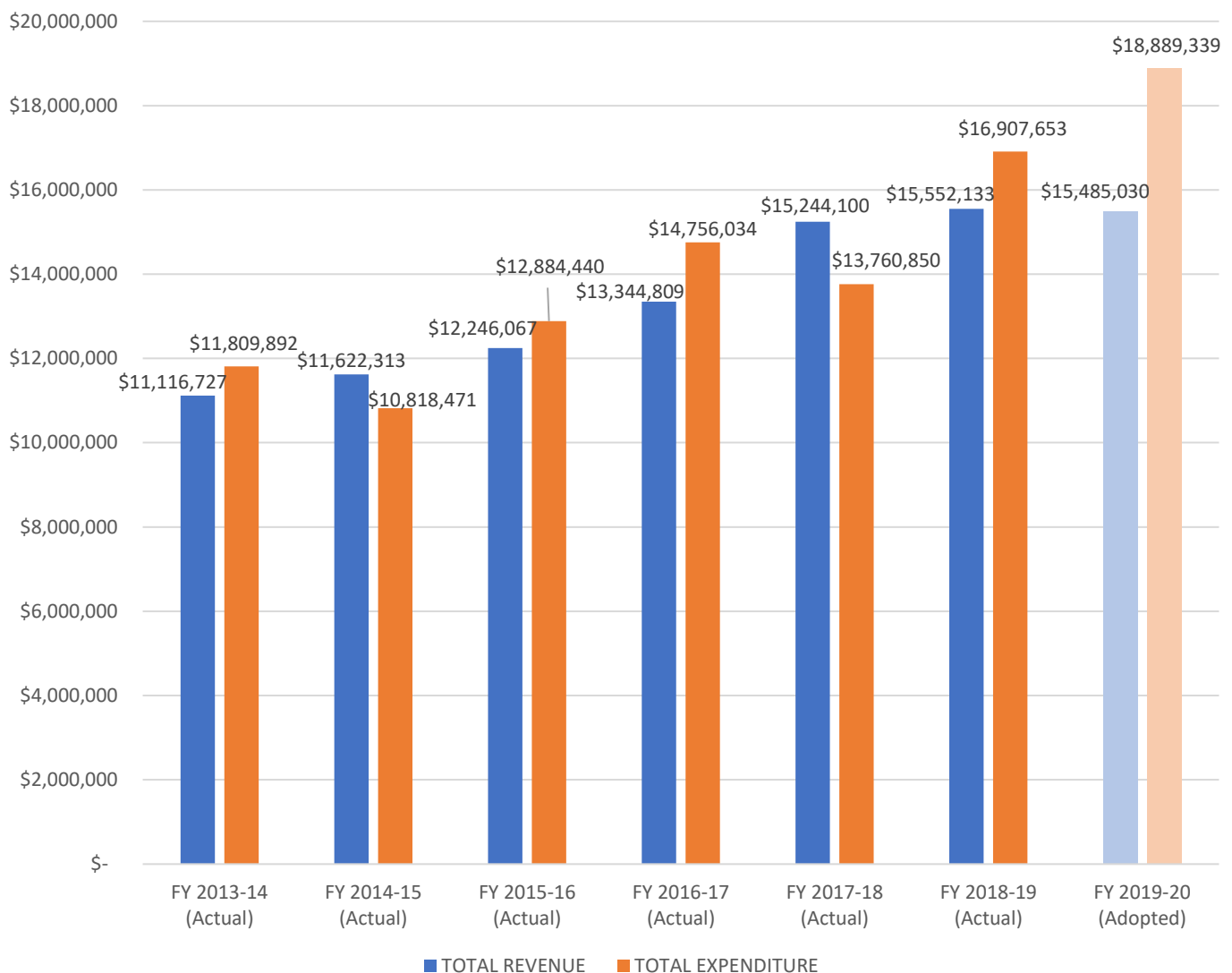


## Finances

This section will highlight the Zone C's audited financial performance during the most recent fiscal years. Fiscal Year 2018-19 is the latest audited financial statement available. A comprehensive analysis of the Zone C's financial performance during the past six years is shown in **Table Q**, on page 42.

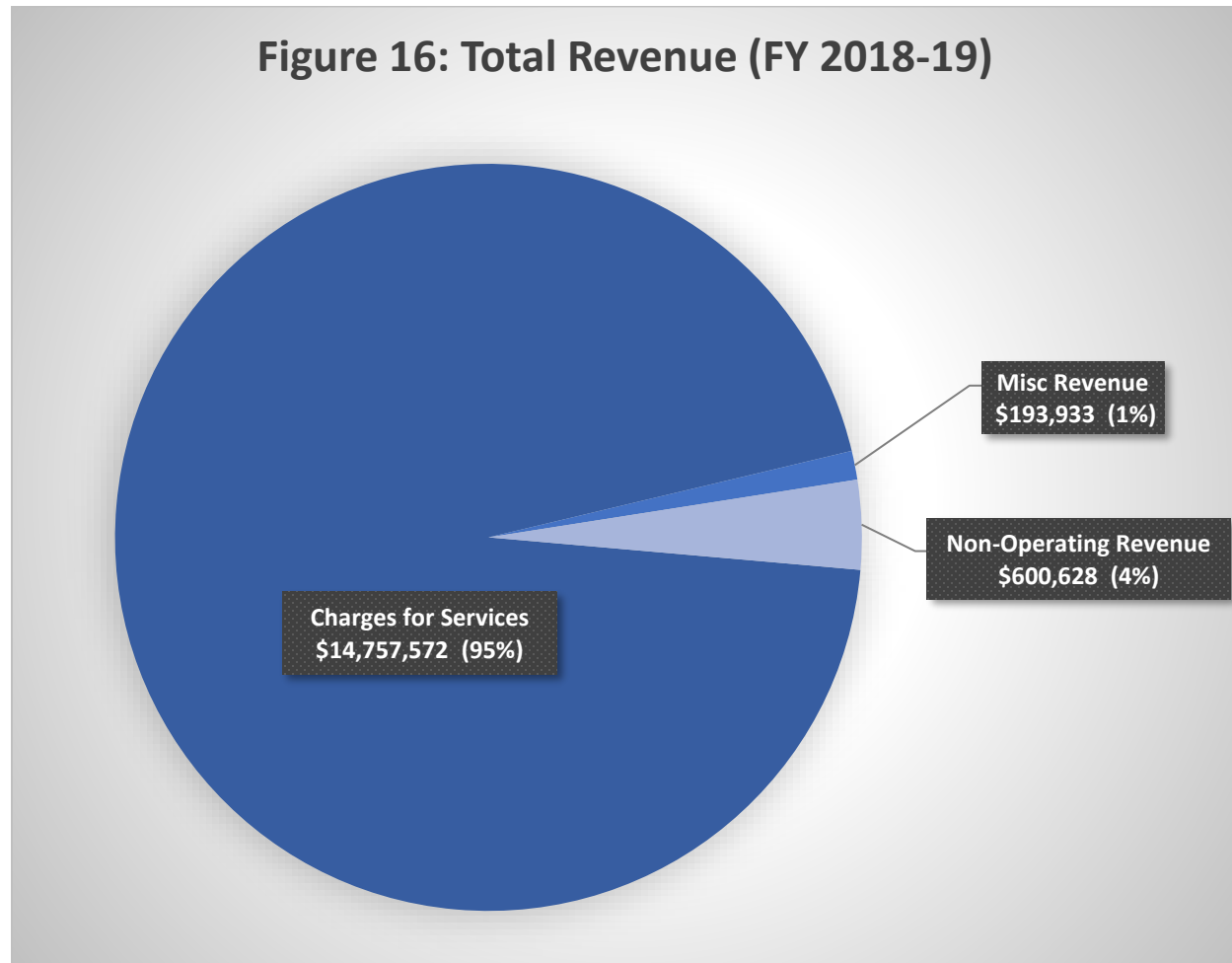
At the end of Fiscal Year 2018-19, total revenue collected was approximately \$16 million, representing a 2% increase from the previous year (\$15.2 million in FY 17-18). Total expenses for FY 2018-19 were approximately \$17 million, which increased from the previous year by 23% (\$13.7 million in FY 17-18). As shown in the figure below, Zone C has ended in a deficit each fiscal year since 2013 except for FYs 14-15 and 17-18. Based on the most recently available adopted budget, LAFCO staff believes this negative trend will continue.

**Figure 15: Statement of Revenues & Expenditures**



## Revenues

Zone C's primary source of revenue is from Charges for Services. In FY 2018-19, Charges for Services totaled approximately \$15 million which represents 95% of the Zone's entire revenue stream. Other revenue sources include non-operating revenue (\$600,000 or 4%) and miscellaneous funds (\$194,000 or 1%). **Figure 16** provides a breakdown each revenue stream.



### Charges for Services

Based on staff's analysis, benefit assessments have never been increased. Below shows the rates during the last five years. The County Board of Supervisors adopted the same benefit assessment levels for FY 2020-21 on June 2, 2020.

**Table P: Charges for Services**

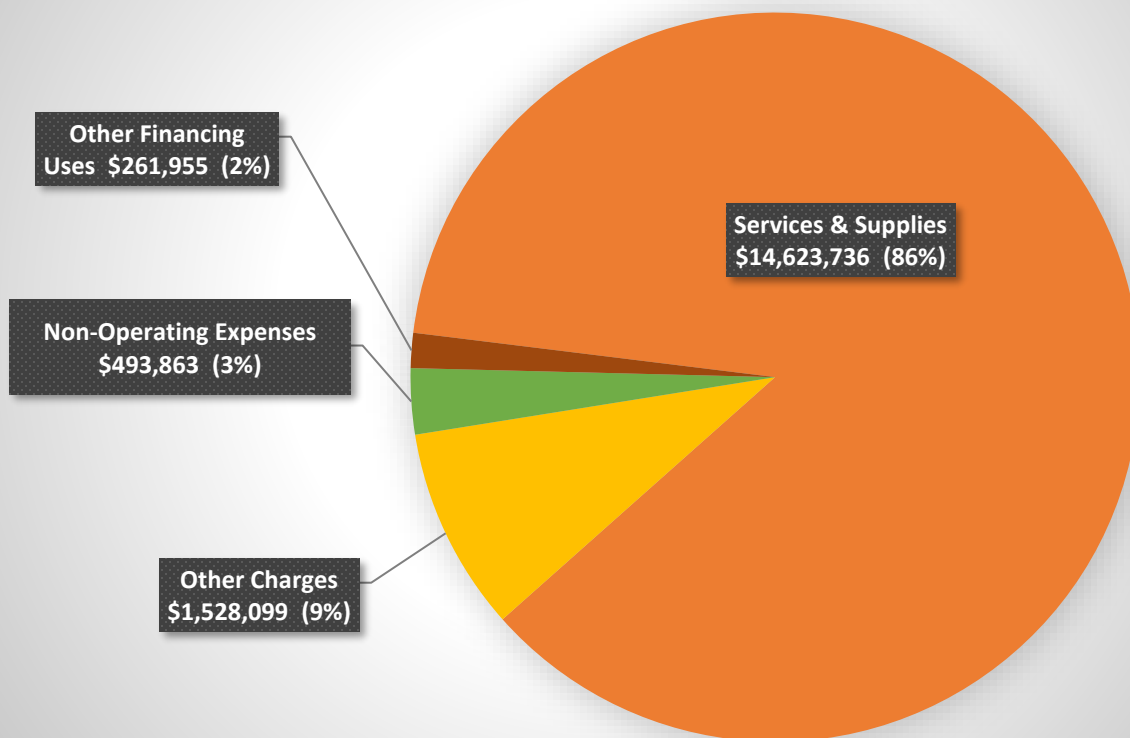
| Parcel             | FY 2015-16<br>(Actual) | FY 2016-17<br>(Actual) | FY 2017-18<br>(Actual) | FY 2018-19<br>(Actual) | FY 2019-20<br>(Adopted) |
|--------------------|------------------------|------------------------|------------------------|------------------------|-------------------------|
| Single Family      | \$56.94                | \$56.94                | \$56.94                | \$56.94                | \$56.94                 |
| Apartment/MH       | \$28.48                | \$28.48                | \$28.48                | \$28.48                | \$28.48                 |
| Comm/School/Church | \$113.90               | \$113.90               | \$113.90               | \$113.90               | \$113.90                |
| Agricultural       | \$113.90               | \$113.90               | \$113.90               | \$113.90               | \$113.90                |
| Vacant             | \$0                    | \$0                    | \$0                    | \$0                    | \$0                     |



## Expenditures

Zone C's total expenditures can be categorized into four budgetary groups: Services and Supplies, Non-Operating Expenses, Other Financing Uses, and Other Charges. **Figure 17** shows that in FY 2018-19, Services and Supplies represent almost 86% of the Zone's entire operational expenses. The remaining expenditures are based on the costs associated with Zone C's buildings and infrastructure.

**Figure 17: Total Expenditure (FY 2018-19)**



**Table Q: Total Revenues & Expenditures**

|   | FY 2013-14<br>(Actual) | FY 2014-15<br>(Actual) | FY 2015-16<br>(Actual) | FY 2016-17<br>(Actual) | FY 2017-18<br>(Actual) | FY 2018-19<br>(Actual) | FY 2019-20<br>(Adopted) |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|-------------------------|
| <b>REVENUE</b>                              |                        |                        |                        |                        |                        |                        |                         |
| <u>Taxes</u>                                |                        |                        |                        |                        |                        |                        |                         |
| Penalties for Delinquent Taxes              | \$ -                   | \$ -                   | \$ -                   | \$ 684                 | \$ -                   | \$ -                   | \$ -                    |
| Redemption Penalties for Delinquent Taxes   | \$ -                   | \$ -                   | \$ -                   | \$ 11,082              | \$ -                   | \$ -                   | \$ -                    |
| <b>Total Taxes</b>                          | <b>\$ -</b>            | <b>\$ -</b>            | <b>\$ -</b>            | <b>\$ 11,766</b>       | <b>\$ -</b>            | <b>\$ -</b>            | <b>\$ -</b>             |
| <u>Charges for Services</u>                 |                        |                        |                        |                        |                        |                        |                         |
| Garbage Collection-San Andreas              | \$ -                   | \$ -                   | \$ -                   | \$ 621                 | \$ -                   | \$ -                   | \$ -                    |
| Encroachment Fees                           | \$ 5,076               | \$ 844                 | \$ -                   | \$ 8,773               | \$ 6,721               | \$ -                   | \$ -                    |
| Refuse Disposal Fees                        | \$ 6,971,940           | \$ 7,272,798           | \$ 7,816,286           | \$ 8,817,439           | \$ 9,365,129           | \$ 9,073,675           | \$ 8,250,000            |
| Other Waste Hauler Payments                 | \$ -                   | \$ -                   | \$ -                   | \$ 167,173             | \$ 1,676,858           | \$ 2,399,276           | \$ 3,255,000            |
| District Service Charges                    | \$ 3,186,680           | \$ 3,193,225           | \$ 3,195,448           | \$ 3,189,012           | \$ 3,197,431           | \$ 3,197,966           | \$ 3,195,000            |
| Other Charges Current Services              | \$ 60,105              | \$ 69,766              | \$ 84,310              | \$ 72,344              | \$ 85,353              | \$ 86,655              | \$ 80,000               |
| <b>Total Charges for Services</b>           | <b>\$ 10,223,801</b>   | <b>\$ 10,536,633</b>   | <b>\$ 11,096,044</b>   | <b>\$ 12,255,362</b>   | <b>\$ 14,331,492</b>   | <b>\$ 14,757,572</b>   | <b>\$ 14,780,000</b>    |
| <u>Miscellaneous Revenues</u>               |                        |                        |                        |                        |                        |                        |                         |
| Other Court Fees & Costs                    | \$ -                   | \$ 281,707             | \$ -                   | \$ -                   | \$ -                   | \$ -                   | \$ -                    |
| Cost Recovery-Other                         | \$ 4,450               | \$ -                   | \$ -                   | \$ 6,839               | \$ -                   | \$ -                   | \$ -                    |
| NSF Checks                                  | \$ -                   | \$ -                   | \$ -                   | \$ -                   | \$ 1,212               | \$ 22                  | \$ -                    |
| Other Revenue                               | \$ 526,681             | \$ 565,419             | \$ 339,724             | \$ 712,995             | \$ 407,315             | \$ 193,911             | \$ 351,230              |
| <b>Total Miscellaneous Revenues</b>         | <b>\$ 531,131</b>      | <b>\$ 847,126</b>      | <b>\$ 339,724</b>      | <b>\$ 719,834</b>      | <b>\$ 408,527</b>      | <b>\$ 193,933</b>      | <b>\$ 351,230</b>       |
| <u>Non-Operating Revenues</u>               |                        |                        |                        |                        |                        |                        |                         |
| Interest                                    | \$ 13,299              | \$ 11,278              | \$ 19,407              | \$ 28,353              | \$ 64,844              | \$ 137,645             | \$ 40,000               |
| St-Other                                    | \$ 147,378             | \$ 131,153             | \$ 153,245             | \$ 182,857             | \$ 147,450             | \$ 153,507             | \$ 113,800              |
| Contribution from Other Government Agencies | \$ 200,824             | \$ 94,576              | \$ 336,099             | \$ 146,637             | \$ 291,787             | \$ 262,476             | \$ 200,000              |
| Gain on Sale of Fixed Asset                 | \$ -                   | \$ -                   | \$ -                   | \$ -                   | \$ -                   | \$ 47,000              |                         |
| Aid from Other Government Districts/JPA/PFA | \$ -                   | \$ -                   | \$ 27,000              | \$ -                   | \$ -                   | \$ -                   | \$ -                    |
| SLS of Fixed Assets-Non Taxable             | \$ 294                 | \$ 1,547               | \$ -                   | \$ -                   | \$ -                   | \$ -                   | \$ -                    |
| <b>Total Non-Operating Revenues</b>         | <b>\$ 361,795</b>      | <b>\$ 238,554</b>      | <b>\$ 535,751</b>      | <b>\$ 357,847</b>      | <b>\$ 504,081</b>      | <b>\$ 600,628</b>      | <b>\$ 353,800</b>       |
| <u>Other Financing Sources</u>              |                        |                        |                        |                        |                        |                        |                         |
| Operating Transfer In                       | \$ -                   | \$ -                   | \$ 274,548             | \$ -                   | \$ -                   | \$ -                   | \$ -                    |
| <b>Total Other Financing Sources</b>        | <b>\$ -</b>            | <b>\$ -</b>            | <b>\$ 274,548</b>      | <b>\$ -</b>            | <b>\$ -</b>            | <b>\$ -</b>            | <b>\$ -</b>             |
| <b>TOTAL REVENUE</b>                        | <b>\$ 11,116,727</b>   | <b>\$ 11,622,313</b>   | <b>\$ 12,246,067</b>   | <b>\$ 13,344,809</b>   | <b>\$ 15,244,100</b>   | <b>\$ 15,552,133</b>   | <b>\$ 15,485,030</b>    |
| <b>EXPENDITURE</b>                          |                        |                        |                        |                        |                        |                        |                         |
| <u>Services and Supplies</u>                |                        |                        |                        |                        |                        |                        |                         |
| Maint-Office Equipment-Services             | \$ 141                 | \$ 44                  | \$ 130                 | \$ 29                  | \$ 30                  | \$ 21                  | \$ 100                  |
| DPW Services-General Money                  | \$ 10,043,266          | \$ 10,456,123          | \$ 10,882,020          | \$ 11,808,334          | \$ 11,881,239          | \$ 14,623,715          | \$ 16,982,919           |
| <b>Total Services and Supplies</b>          | <b>\$ 10,043,407</b>   | <b>\$ 10,456,167</b>   | <b>\$ 10,882,150</b>   | <b>\$ 11,808,363</b>   | <b>\$ 11,881,269</b>   | <b>\$ 14,623,736</b>   | <b>\$ 16,983,019</b>    |
| <u>Other Charges</u>                        |                        |                        |                        |                        |                        |                        |                         |
| Depreciation Auto                           | \$ 165,451             | \$ -                   | \$ 43,147              | \$ 103,872             | \$ 105,825             | \$ 195,327             | \$ 82,729               |
| Depreciation Equipment                      | \$ 29,482              | \$ -                   | \$ 22,494              | \$ 19,578              | \$ 30,753              | \$ 76,120              | \$ 264,766              |
| Depreciation Structure & Imp                | \$ 1,075,154           | \$ -                   | \$ 942,703             | \$ 1,271,769           | \$ 1,261,150           | \$ 1,256,652           | \$ 1,149,308            |
| Contribution to Trust/Agency Fund           | \$ 78,174              | \$ 78,174              | \$ 78,174              | \$ 78,174              | \$ 78,174              | \$ -                   | \$ -                    |
| <b>Total Other Charges</b>                  | <b>\$ 1,348,261</b>    | <b>\$ 78,174</b>       | <b>\$ 1,086,518</b>    | <b>\$ 1,473,393</b>    | <b>\$ 1,475,902</b>    | <b>\$ 1,528,099</b>    | <b>\$ 1,496,803</b>     |
| <u>Non-Operating Expenses</u>               |                        |                        |                        |                        |                        |                        |                         |
| Interest on Cops                            | \$ -                   | \$ -                   | \$ -                   | \$ -                   | \$ 231,221             | \$ 233,425             | \$ 234,600              |
| Interest on Lease Purchases                 | \$ 277                 | \$ 154                 | \$ 307                 | \$ 469                 | \$ 336                 | \$ 22,137              | \$ 44,917               |
| Loss on Disp of Fixed Assets                | \$ -                   | \$ -                   | \$ -                   | \$ -                   | \$ -                   | \$ 238,301             | \$ -                    |
| <b>Total Non-Operating Expenses</b>         | <b>\$ 277</b>          | <b>\$ 154</b>          | <b>\$ 307</b>          | <b>\$ 469</b>          | <b>\$ 231,557</b>      | <b>\$ 493,863</b>      | <b>\$ 279,517</b>       |
| <u>Other Financing Uses</u>                 |                        |                        |                        |                        |                        |                        |                         |
| Operating Transfer Out                      | \$ 165,614             | \$ 30,000              | \$ 167,000             | \$ 728,892             | \$ 172,122             | \$ 261,955             | \$ 130,000              |
| OP/TR Out-TO 131215 CERTS                   | \$ 252,333             | \$ 253,976             | \$ 748,465             | \$ 744,917             | \$ -                   | \$ -                   | \$ -                    |
| <b>Total Other Financing Uses</b>           | <b>\$ 417,947</b>      | <b>\$ 283,976</b>      | <b>\$ 915,465</b>      | <b>\$ 1,473,809</b>    | <b>\$ 172,122</b>      | <b>\$ 261,955</b>      | <b>\$ 130,000</b>       |
| <b>TOTAL EXPENDITURE</b>                    | <b>\$ 11,809,892</b>   | <b>\$ 10,818,471</b>   | <b>\$ 12,884,440</b>   | <b>\$ 14,756,034</b>   | <b>\$ 13,760,850</b>   | <b>\$ 16,907,653</b>   | <b>\$ 18,889,339</b>    |
| <b>Surplus/(Deficit)</b>                    | <b>\$ (693,165)</b>    | <b>\$ 803,842</b>      | <b>\$ (638,373)</b>    | <b>\$ (1,411,225)</b>  | <b>\$ 1,483,250</b>    | <b>\$ (1,355,520)</b>  | <b>\$ (3,404,309)</b>   |

## Zone Summary

| CSA 9 (Zone C)             |  |
|----------------------------|--|
| <b>Formation</b>           | California Government Code, section 25210.1 et seq.<br>(County Service Area Law)   |
| <b>Board of Directors</b>  | 5 members, elected at-large to four-year terms   |
| <b>Contact Person</b>      | Kasey Kolassa, Recycling & Solid Waste Services Manager  |
| <b>Employees</b>           | 53 staff members   |
| <b>Facilities</b>          | 2 facilities (Buena Vista Landfill, 150 Rountree Lane, Watsonville and Ben Lomond Transfer Station, 9835 Newell Creek Road, Ben Lomond)  |
| <b>Zone Area</b>           | Entire County, excluding the Cities of Capitola, Santa Cruz and Watsonville (Approximately 425 square miles)   |
| <b>Sphere of Influence</b> | N/A  |
| <b>FY 2019-20 Budget</b>   | <p>Total Revenue = \$15,485,030</p> <p>Total Expenditure = \$18,889,339</p> <p>Projected Surplus/(Deficit) = (\$3,404,309)</p>   |
| <b>Contact Information</b> | <p>Mailing Address: 701 Ocean Street, Room 410, Santa Cruz CA 95060</p> <p>Phone Number: (831) 454-2377</p> <p>Email Address: <a href="mailto:Kasey.Kolassa@santacruzcounty.us">Kasey.Kolassa@santacruzcounty.us</a></p> <p>Website: <a href="https://www.dpw.co.santa-cruz.ca.us/Home/CSAs.aspx">https://www.dpw.co.santa-cruz.ca.us/Home/CSAs.aspx</a></p> |
| <b>Public Meetings</b>     | The Board regularly meets on most Tuesdays in the Board of Supervisors' Chambers, 701 Ocean St, Rm. 525. Meetings generally begin at 9:00 am.  |



## CSA 9 (Zone D)

### Zone Overview

CSA 9's Zone D was formed on June 30, 1983. Zone D provides some supplemental funding for county road maintenance through an assessment charge. In August 1983, the County also established three sub-zones (D1, D2, and D3) to establish storm damage repair and reconstruction of county roads as an additional extended service in CSA 9. The Board of Supervisors determined that the sub-zones' service charges would vary based on the extent of benefit derived from such service provided to parcels within the sub-zones. **Exhibit 7** provides a copy of the 1983 formation resolutions.

### Population & Growth

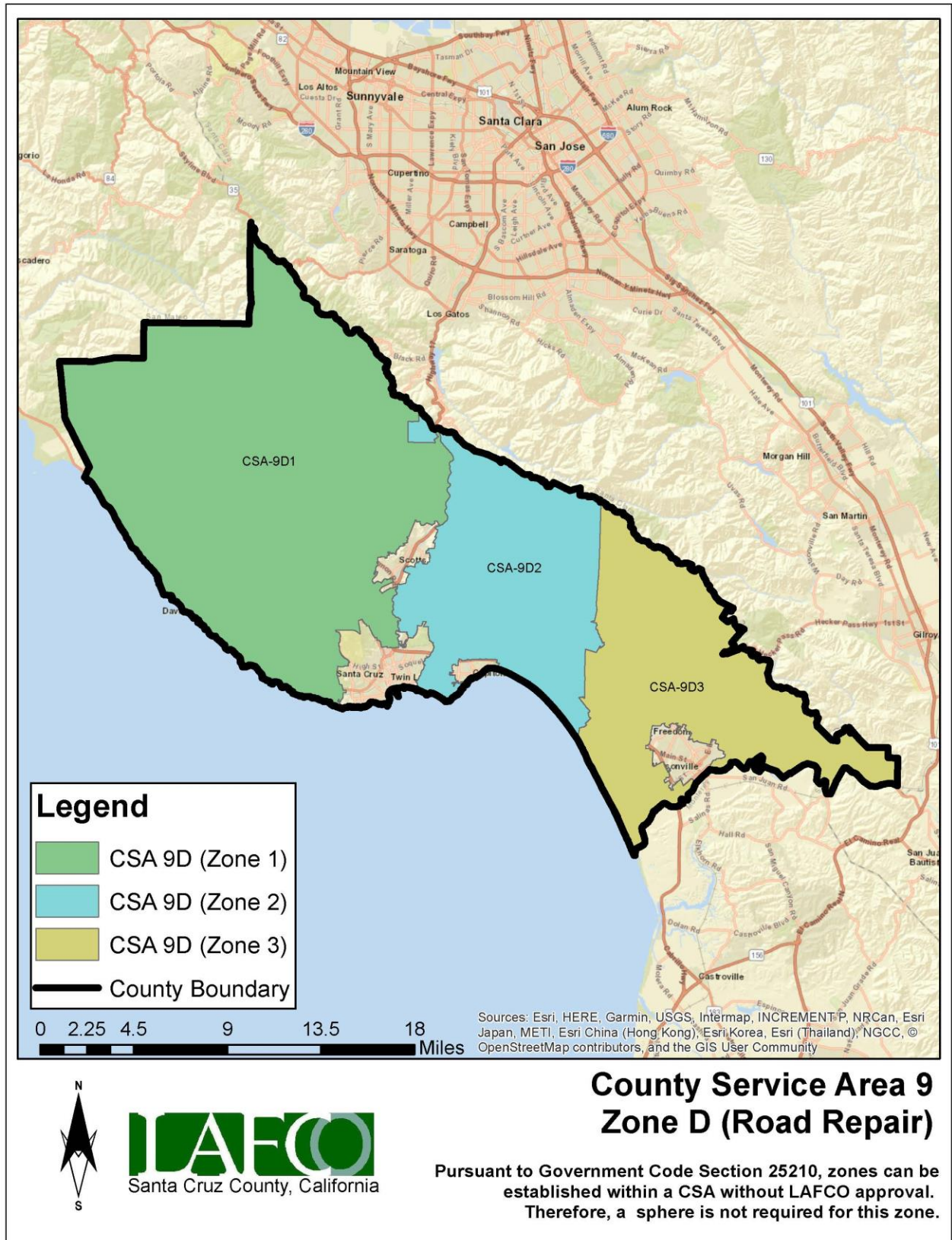
Official growth projections are not available for CSA 9 or its zones. In general, unincorporated areas in Santa Cruz County are projected to have slow growth over the next fifteen years. Based on the Association of Monterey Bay Area Government's 2018 Regional Growth Forecast Report, the current population in unincorporated Santa Cruz County is approximately 135,000 and is expected to grow by 1% each year. Under this slow growth model, LAFCO staff projects that Zone D's population in 2035 will be approximately 141,000. The projected population growth for CSA 9's Zone D are as follows:

**Table R: Projected Population**

|                       | 2020           | 2025           | 2030           | 2035           |
|-----------------------|----------------|----------------|----------------|----------------|
| <b>CSA 9 (Zone D)</b> | <b>136,566</b> | <b>137,932</b> | <b>139,311</b> | <b>140,704</b> |



**Figure 18: CSA 9 (Zone D) Vicinity Map**

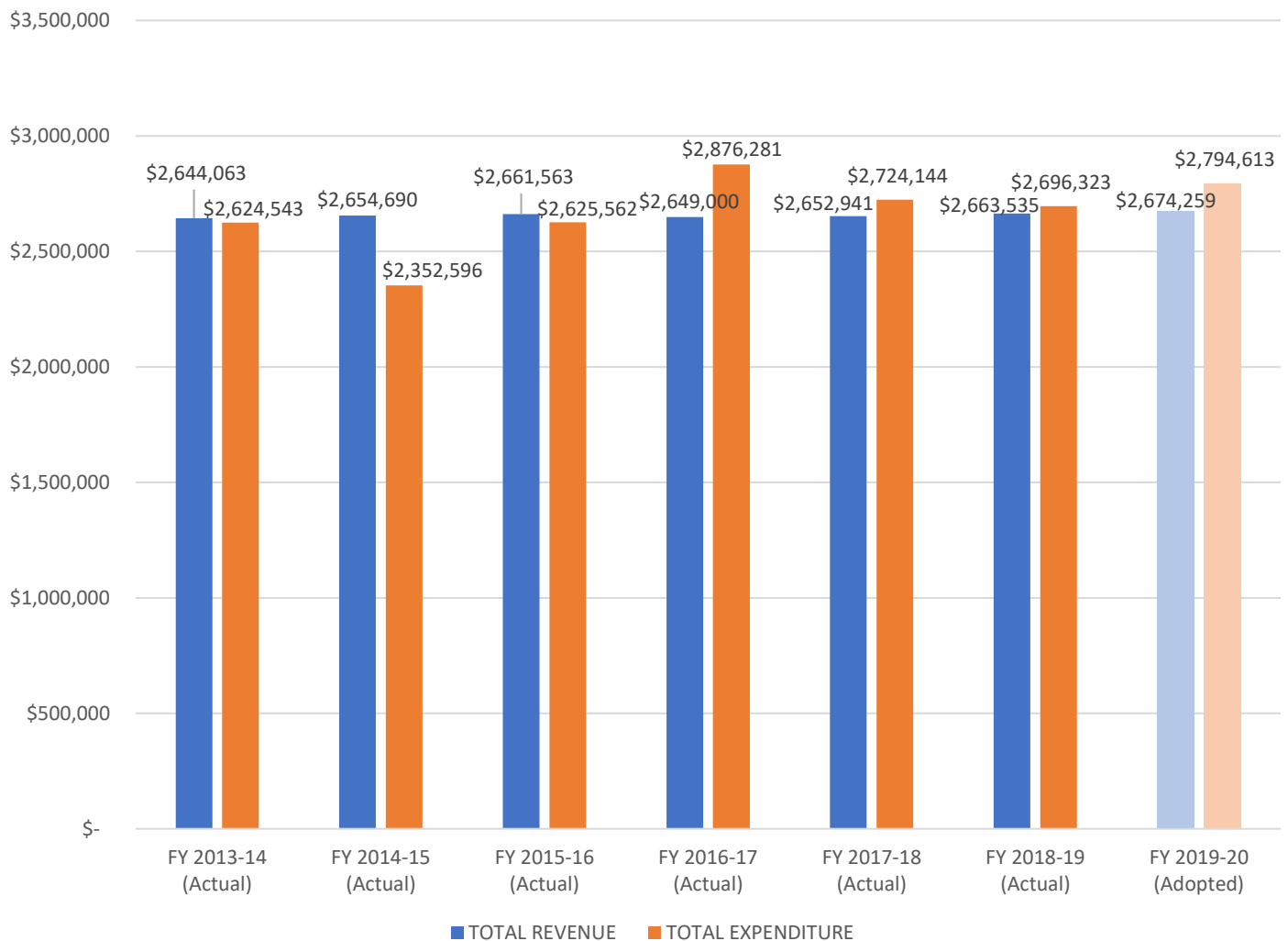


## Finances

This section will highlight the Zone D's audited financial performance during the most recent fiscal years. Fiscal Year 2018-19 is the latest audited financial statement available. A comprehensive analysis of the Zone D's financial performance during the past six years is shown in **Table T**, on page 49.

At the end of Fiscal Year 2018-19, total revenue collected was approximately \$2.66 million, representing a minimal increase from the previous year (\$2.65 million in FY 17-18). Total expenses for FY 2018-19 were approximately \$2.69 million, which decreased from the previous year by 1% (\$2.7 million in FY 17-18). As shown in the figure below, Zone D has ended in a deficit three years in a row (FYs 16-17, 17-18, and 18-19). Based on the most recently available adopted budget, LAFCO staff believes this negative trend will continue.

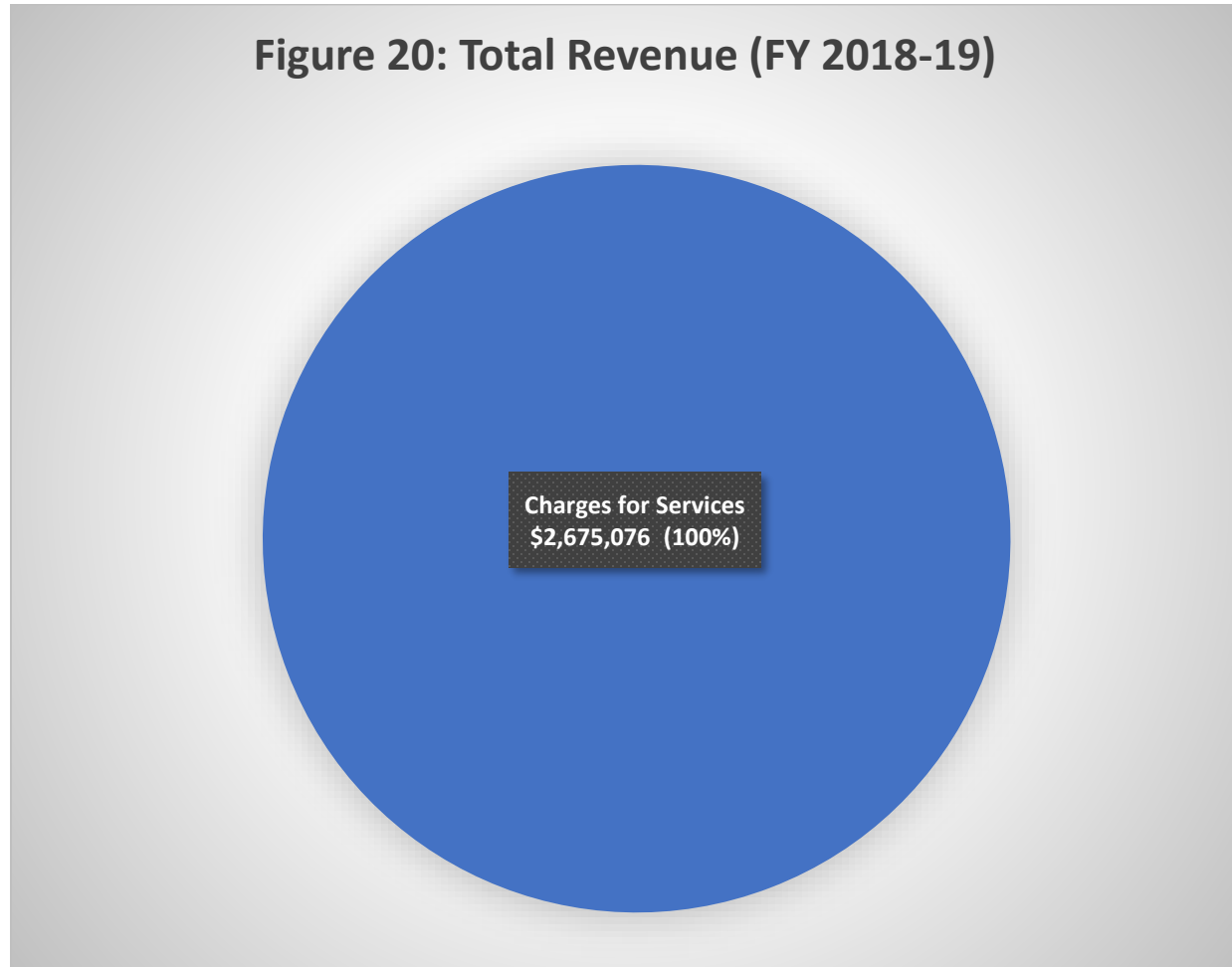
**Figure 19: Statement of Revenues & Expenditures**





## Revenues

Zone D's sole source of revenue is from Charges for Services. In FY 2018-19, Charges for Services totaled approximately \$2.7 million which represents 100% of the Zone's entire revenue stream. It is noteworthy to highlight that the zone budgets for Interest Earned but lost money in FY 2018-19. **Figure 20** provides a breakdown each revenue stream.



### Charges for Services

Based on staff's analysis, benefit assessments have never been increased. Below shows the rates during the last five years. The County Board of Supervisors adopted the same benefit assessment levels for FY 2020-21 on June 2, 2020.

**Table S: Charges for Services**

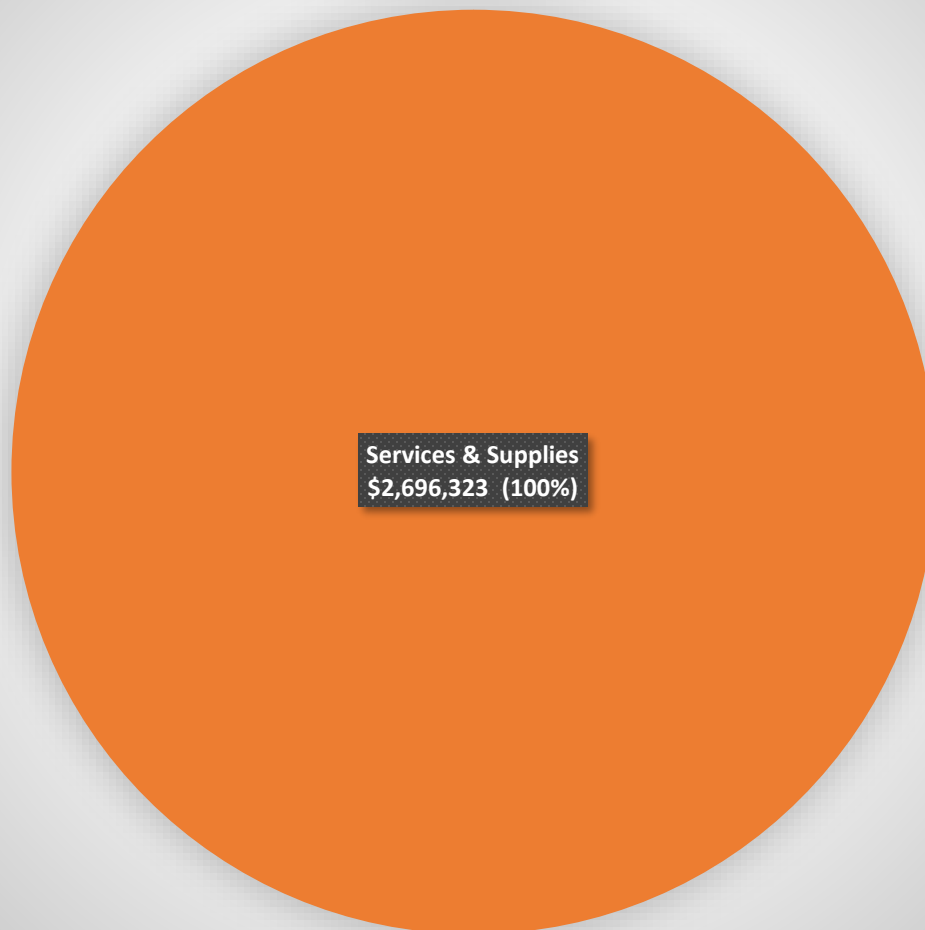
| Parcel     | FY 2015-16<br>(Actual) | FY 2016-17<br>(Actual) | FY 2017-18<br>(Actual) | FY 2018-19<br>(Actual) | FY 2019-20<br>(Adopted) |
|------------|------------------------|------------------------|------------------------|------------------------|-------------------------|
| Improved   | \$56.40                | \$56.40                | \$56.40                | \$56.40                | \$56.40                 |
| Unimproved | \$28.20                | \$28.20                | \$28.20                | \$28.20                | \$28.20                 |



## Expenditures

Zone D's total expenditures can be categorized into one budgetary group: Services and Supplies. **Figure 21** shows that in FY 2018-19, Services and Supplies represent 100% of the Zone's entire operational expenses.

**Figure 21: Total Expenditure (FY 2018-19)**



**Table T: Total Revenues & Expenditures**

|   | FY 2013-14<br>(Actual) | FY 2014-15<br>(Actual) | FY 2015-16<br>(Actual) | FY 2016-17<br>(Actual) | FY 2017-18<br>(Actual) | FY 2018-19<br>(Actual) | FY 2019-20<br>(Adopted) |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|-------------------------|
| <b>REVENUE</b>  |                        |                        |                        |                        |                        |                        |                         |
| Revenue from Use of Money & Property                  |                        |                        |                        |                        |                        |                        |                         |
| Interest  | \$ (2,370)             | \$ (615)               | \$ 3,740               | \$ (2,373)             | \$ (1,632)             | \$ (11,541)            | \$ 1,500                |
| <b>Total Revenue from Use of Money &amp; Property</b> | <b>\$ (2,370)</b>      | <b>\$ (615)</b>        | <b>\$ 3,740</b>        | <b>\$ (2,373)</b>      | <b>\$ (1,632)</b>      | <b>\$ (11,541)</b>     | <b>\$ 1,500</b>         |
| Charges for Services                                  |                        |                        |                        |                        |                        |                        |                         |
| Other Road & Street Services                          | \$ 2,646,433           | \$ 2,655,305           | \$ 2,657,823           | \$ 2,651,373           | \$ 2,654,573           | \$ 2,675,076           | \$ 2,672,759            |
| <b>Total Charges for Services</b>                     | <b>\$ 2,646,433</b>    | <b>\$ 2,655,305</b>    | <b>\$ 2,657,823</b>    | <b>\$ 2,651,373</b>    | <b>\$ 2,654,573</b>    | <b>\$ 2,675,076</b>    | <b>\$ 2,672,759</b>     |
| <b>TOTAL REVENUE</b>                                  | <b>\$ 2,644,063</b>    | <b>\$ 2,654,690</b>    | <b>\$ 2,661,563</b>    | <b>\$ 2,649,000</b>    | <b>\$ 2,652,941</b>    | <b>\$ 2,663,535</b>    | <b>\$ 2,674,259</b>     |
| <b>EXPENDITURE</b>                                    |                        |                        |                        |                        |                        |                        |                         |
| Services and Supplies                                 |                        |                        |                        |                        |                        |                        |                         |
| DPW Services-General Money                            | \$ 2,624,543           | \$ 2,352,596           | \$ 2,625,562           | \$ 2,876,281           | \$ 2,724,144           | \$ 2,696,323           | \$ 2,794,613            |
| <b>Total Services and Supplies</b>                    | <b>\$ 2,624,543</b>    | <b>\$ 2,352,596</b>    | <b>\$ 2,625,562</b>    | <b>\$ 2,876,281</b>    | <b>\$ 2,724,144</b>    | <b>\$ 2,696,323</b>    | <b>\$ 2,794,613</b>     |
| <b>TOTAL EXPENDITURE</b>                              | <b>\$ 2,624,543</b>    | <b>\$ 2,352,596</b>    | <b>\$ 2,625,562</b>    | <b>\$ 2,876,281</b>    | <b>\$ 2,724,144</b>    | <b>\$ 2,696,323</b>    | <b>\$ 2,794,613</b>     |
|   |                        |                        |                        |                        |                        |                        |                         |
| <b>Surplus/(Deficit)</b>                              | <b>\$ 19,520</b>       | <b>\$ 302,094</b>      | <b>\$ 36,001</b>       | <b>\$ (227,281)</b>    | <b>\$ (71,203)</b>     | <b>\$ (32,788)</b>     | <b>\$ (120,354)</b>     |

## Zone Summary

| CSA 9 (Zone D)             |  |
|----------------------------|--|
| <b>Formation</b>           | California Government Code, section 25210.1 et seq.<br>(County Service Area Law)   |
| <b>Board of Directors</b>  | 5 members, elected at-large to four-year terms   |
| <b>Contact Person</b>      | Steve Weisner, Assistant Director  |
| <b>Employees</b>           | 56 full-time Public Works employees assigned to Zone D   |
| <b>Facilities</b>          | 3 facilities (Brommer Yard – 2700 Brommer Street, Santa Cruz; Wilson Yard – 198 Grimmer Road, Watsonville; and Felton Yard – 201 Hihn Street, Felton)  |
| <b>Zone Area</b>           | Entire County, excluding all four cities (appx. 420 square miles)  |
| <b>Sphere of Influence</b> | N/A  |
| <b>FY 2019-20 Budget</b>   | <p>Total Revenue = \$2,674,259</p> <p>Total Expenditure = \$2,794,613</p> <p>Projected Surplus/(Deficit) = (\$120,354)</p>   |
| <b>Contact Information</b> | <p>Mailing Address: 701 Ocean Street, Room 410, Santa Cruz CA 95060</p> <p>Phone Number: (831) 454-2160</p> <p>Email Address: <a href="mailto:Steve.Wiesner@santacruzcounty.us">Steve.Wiesner@santacruzcounty.us</a></p> <p>Website: <a href="https://www.dpw.co.santa-cruz.ca.us/Home/CSAs.aspx">https://www.dpw.co.santa-cruz.ca.us/Home/CSAs.aspx</a></p> |
| <b>Public Meetings</b>     | The Board regularly meets on most Tuesdays in the Board of Supervisors' Chambers, 701 Ocean St, Rm. 525. Meetings generally begin at 9:00 am.  |

## CSA 9 (Zone E)

### Zone Overview

CSA 9's Zone E was formed on November 5, 1991. Zone E provides streetscape maintenance services in the former Live Oak/Soquel Redevelopment Area. The zone maintains over 1,800 street trees, plus landscaping areas via a contract with a private landscaping contractor. **Exhibit 8** provides a copy of the 1991 formation resolution.

### Population & Growth

Official growth projections are not available for CSA 9 or its zones. In general, unincorporated areas in Santa Cruz County are projected to have slow growth over the next fifteen years.

Based on the Association of Monterey Bay Area Government's 2018 Regional Growth Forecast Report, the current population in unincorporated Santa Cruz County is approximately 135,000 and is expected to grow by 1% each year. Under this slow growth model, LAFCO staff projects that Zone E's population in 2035 will be approximately 24,000. The projected population growth for CSA 9's Zone E are as follows:

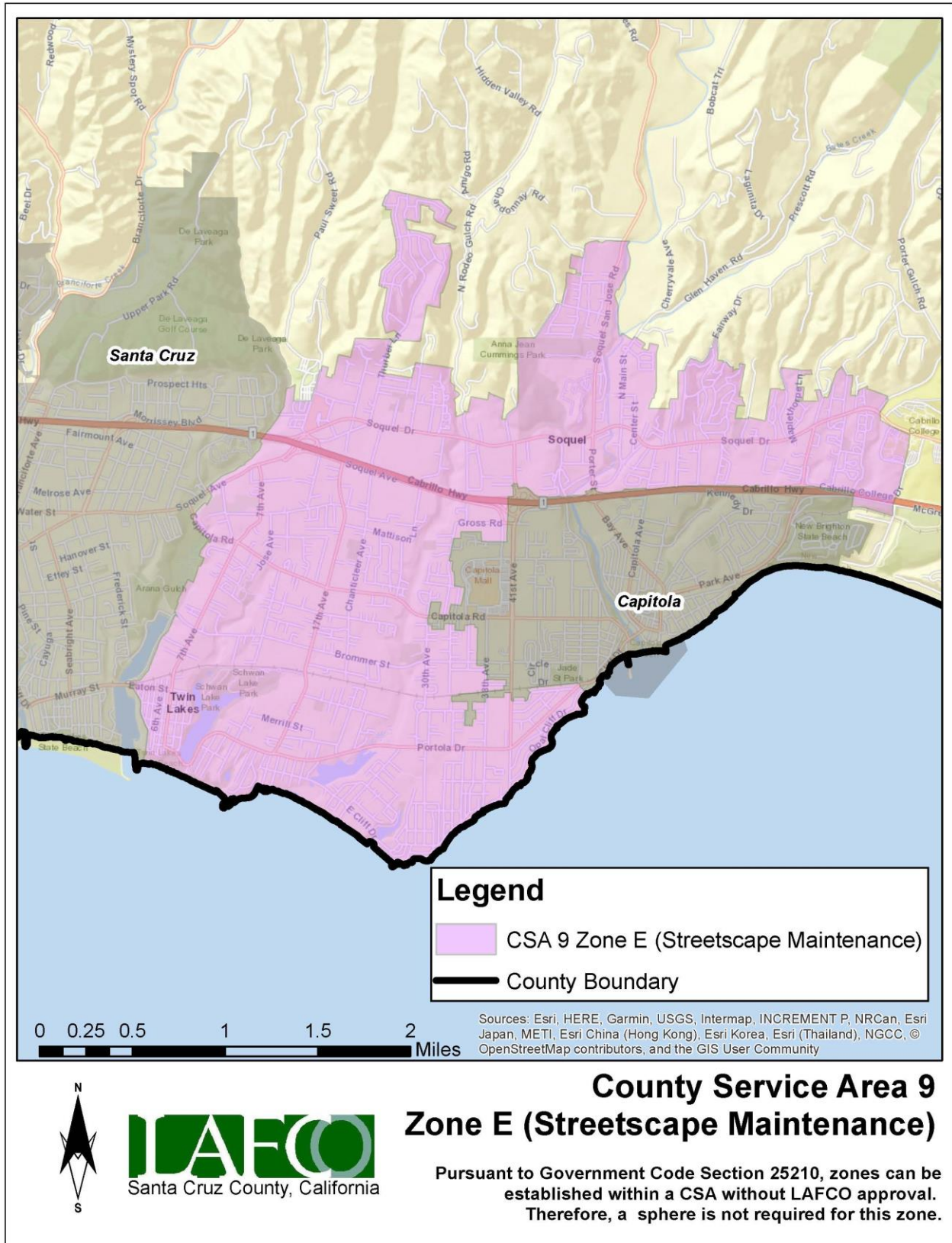
**Table U: Projected Population**

|                | 2020   | 2025   | 2030   | 2035   |
|----------------|--------|--------|--------|--------|
| CSA 9 (Zone E) | 35,409 | 35,763 | 36,120 | 36,481 |





Figure 22: CSA 9 (Zone E) Vicinity Map



## Finances

This section will highlight the Zone E's audited financial performance during the most recent fiscal years. Fiscal Year 2018-19 is the latest audited financial statement available. A comprehensive analysis of the Zone E's financial performance during the past six years is shown in **Table W**, on page 56.

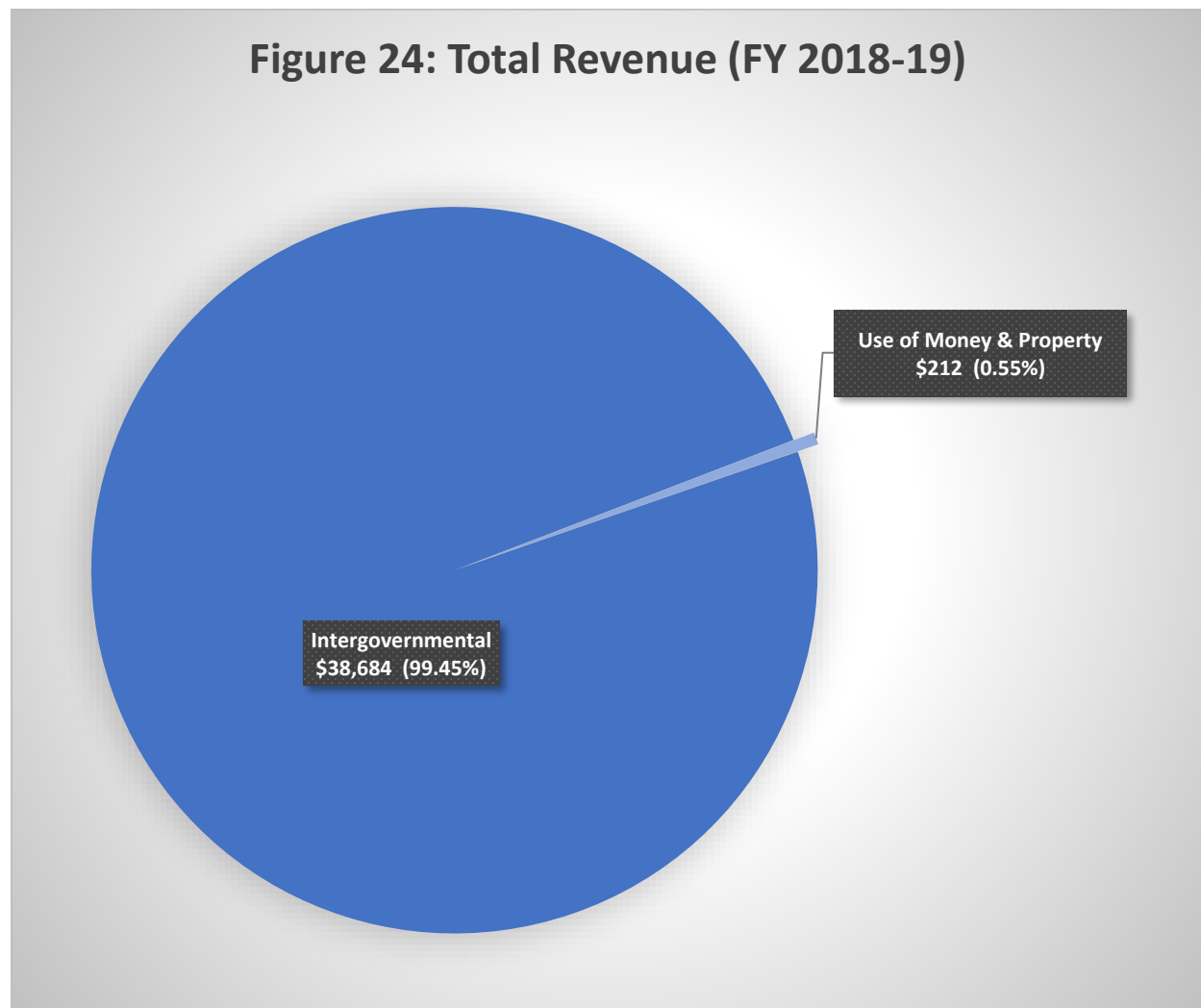
At the end of Fiscal Year 2018-19, total revenue collected was approximately \$39,000, representing a 4% decrease from the previous year (\$38,700 in FY 17-18). Total expenses for FY 2018-19 were approximately \$40,400, which decreased from the previous year by 1% (\$40,600 in FY 17-18). As shown in the figure below, Zone E has ended a fiscal year in a deficit each fiscal year since 2013, excluding FY 16-17. Based on the most recently available adopted budget, LAFCO staff believes this negative trend will continue.

**Figure 23: Statement of Revenues & Expenditures**



## Revenues

Zone E's primary source of revenue is from Intergovernmental Funds. In FY 2017-18, Intergovernmental funds totaled approximately \$39,000 which represents 99% of the Zone's entire revenue stream. Other revenue sources include use of money and property (\$212 or less than 1%). **Figure 24** provides a breakdown each revenue stream.



## Charges for Services

Based on staff's analysis, benefit assessments have never been increased. **Table V** below shows the rates during the last five years. The County Board of Supervisors adopted the same benefit assessment levels for FY 2020-21 on June 2, 2020.

**Table V: Charges for Services**

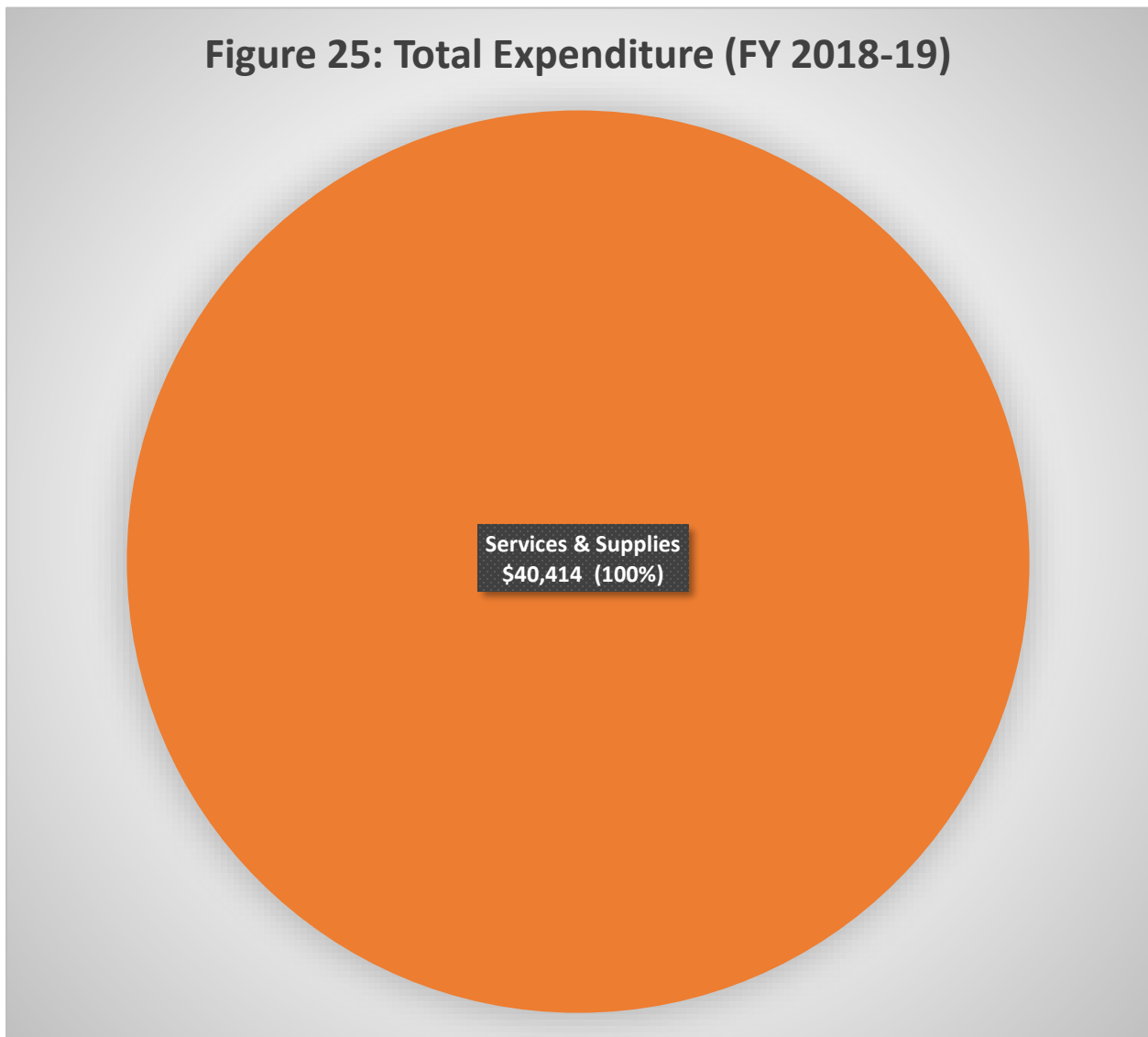
| Parcel        | FY 2015-16<br>(Actual) | FY 2016-17<br>(Actual) | FY 2017-18<br>(Actual) | FY 2018-19<br>(Actual) | FY 2019-20<br>(Adopted) |
|---------------|------------------------|------------------------|------------------------|------------------------|-------------------------|
| Single-Family | \$3.08                 | \$3.08                 | \$3.08                 | \$3.08                 | \$3.08                  |
| Multi-Family  | \$1.85                 | \$1.85                 | \$1.85                 | \$1.85                 | \$1.85                  |
| Vacant        | \$1.54                 | \$1.54                 | \$1.54                 | \$1.54                 | \$1.54                  |



## Expenditures

Zone E's total expenditures can be categorized into one budgetary group: Services and Supplies. **Figure 25** shows that in FY 2017-18, Services and Supplies represent 100% of the Zone's entire operational expenses.

**Figure 25: Total Expenditure (FY 2018-19)**



**Table W: Total Revenues & Expenditures**

|   | FY 2013-14<br>(Actual) | FY 2014-15<br>(Actual) | FY 2015-16<br>(Actual) | FY 2016-17<br>(Actual) | FY 2017-18<br>(Actual) | FY 2018-19<br>(Actual) | FY 2019-20<br>(Adopted) |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|-------------------------|
| <b>REVENUE</b>  |                        |                        |                        |                        |                        |                        |                         |
| <u>Revenue from Use of Money &amp; Property</u>       |                        |                        |                        |                        |                        |                        |                         |
| Interest  | \$ 71                  | \$ 57                  | \$ 841                 | \$ 54                  | \$ 141                 | \$ 212                 | \$ 100                  |
| <b>Total Revenue from Use of Money &amp; Property</b> | <b>\$ 71</b>           | <b>\$ 57</b>           | <b>\$ 841</b>          | <b>\$ 54</b>           | <b>\$ 141</b>          | <b>\$ 212</b>          | <b>\$ 100</b>           |
| <u>Charges for Services</u>                           |                        |                        |                        |                        |                        |                        |                         |
| District Service Charges                              | \$ 41,392              | \$ 38,290              | \$ 38,672              | \$ 38,451              | \$ 38,601              | \$ 38,684              | \$ 38,746               |
| <b>Total Charges for Services</b>                     | <b>\$ 41,392</b>       | <b>\$ 38,290</b>       | <b>\$ 38,672</b>       | <b>\$ 38,451</b>       | <b>\$ 38,601</b>       | <b>\$ 38,684</b>       | <b>\$ 38,746</b>        |
| <u>Miscellaneous Revenues</u>                         |                        |                        |                        |                        |                        |                        |                         |
| Other Revenue   | \$ -                   | \$ 450                 | \$ -                   | \$ 764                 | \$ 1,844               | \$ -                   | \$ -                    |
| <b>Total Miscellaneous Revenues</b>                   | <b>\$ -</b>            | <b>\$ 450</b>          | <b>\$ -</b>            | <b>\$ 764</b>          | <b>\$ 1,844</b>        | <b>\$ -</b>            | <b>\$ -</b>             |
| <b>TOTAL REVENUE</b>                                  | <b>\$ 41,463</b>       | <b>\$ 38,797</b>       | <b>\$ 39,513</b>       | <b>\$ 39,269</b>       | <b>\$ 40,586</b>       | <b>\$ 38,896</b>       | <b>\$ 38,846</b>        |
| <b>EXPENDITURE</b>                                    |                        |                        |                        |                        |                        |                        |                         |
| <u>Services and Supplies</u>                          |                        |                        |                        |                        |                        |                        |                         |
| DPW Services-General Money                            | \$ 52,031              | \$ 47,541              | \$ 43,427              | \$ 31,470              | \$ 40,663              | \$ 40,414              | \$ 49,397               |
| <b>Total Services and Supplies</b>                    | <b>\$ 52,031</b>       | <b>\$ 47,541</b>       | <b>\$ 43,427</b>       | <b>\$ 31,470</b>       | <b>\$ 40,663</b>       | <b>\$ 40,414</b>       | <b>\$ 49,397</b>        |
| <b>TOTAL EXPENDITURE</b>                              | <b>\$ 52,031</b>       | <b>\$ 47,541</b>       | <b>\$ 43,427</b>       | <b>\$ 31,470</b>       | <b>\$ 40,663</b>       | <b>\$ 40,414</b>       | <b>\$ 49,397</b>        |
|   |                        |                        |                        |                        |                        |                        |                         |
| <b>Surplus/(Deficit)</b>                              | <b>\$ (10,568)</b>     | <b>\$ (8,744)</b>      | <b>\$ (3,914)</b>      | <b>\$ 7,799</b>        | <b>\$ (77)</b>         | <b>\$ (1,518)</b>      | <b>\$ (10,551)</b>      |

## Zone Summary

| CSA 9 (Zone E)             |  |
|----------------------------|--|
| <b>Formation</b>           | California Government Code, section 25210.1 et seq.<br>(County Service Area Law)   |
| <b>Board of Directors</b>  | 5 members, elected at-large to four-year terms   |
| <b>Contact Person</b>      | Cydney Nguyen-Cruz, Asst. Dept Admin Analyst   |
| <b>Employees</b>           | 2 full-time Public Works employees assigned to Zone E  |
| <b>Facilities</b>          | N/A  |
| <b>Zone Area</b>           | Live Oak/Soquel Redevelopment Area (appx. 6 square miles)  |
| <b>Sphere of Influence</b> | N/A  |
| <b>FY 2019-20 Budget</b>   | <p>Total Revenue = \$38,846</p> <p>Total Expenditure = \$49,397</p> <p>Projected Surplus/(Deficit) = (\$10,551)</p>  |
| <b>Contact Information</b> | <p>Mailing Address: 701 Ocean Street, Room 410, Santa Cruz CA 95060</p> <p>Phone Number: (831) 454-2347</p> <p>Email Address: <a href="mailto:Cydney.Nguyen-Cruz@santacruzcounty.us">Cydney.Nguyen-Cruz@santacruzcounty.us</a></p> <p>Website: <a href="https://www.dpw.co.santa-cruz.ca.us/Home/CSAs.aspx">https://www.dpw.co.santa-cruz.ca.us/Home/CSAs.aspx</a></p> |
| <b>Public Meetings</b>     | The Board regularly meets on most Tuesdays in the Board of Supervisors' Chambers, 701 Ocean St, Rm. 525. Meetings generally begin at 9:00 am.  |

## CSA 9 (Zone F)

### Zone Overview

CSA 9's Zone F was formed on May 10, 2016 following action by the County and LAFCO. The County of Santa Cruz owns four public parking lots in Soquel Village. From 1996 - 2010, maintenance and operation of the lots were financed by the Soquel Village Parking and Business Improvement Area (SVPBIA). In 2010, Proposition 26 redefined many fees as taxes and County Counsel determined a business-based assessment fee could be considered a tax. In 2011, the County terminated the assessment fees and used the SVPBIA capital fund balance to minimally maintain these parking lots. Those funds were exhausted, and a new funding structure was needed.

On April 14, 2015, the County Board of Supervisors adopted a resolution requesting the LAFCO to active CSA 9's latent powers which would allow the provisions of new services, specifically:

- Operation and maintenance of street lighting and landscaping services on County owned or operated properties; and
- Parking enforcement to permit enforcement of time restrictions within County owned or operated parking lots.

LAFCO approved these latent powers for CSA 9 on May 12, 2015. Following LAFCO action, the Board of Supervisors officially created a new zone within CSA 9, entitled CSA 9 Zone F (Soquel Village Parking District). **Exhibit 9** provides a copy of the 2016 formation resolution.

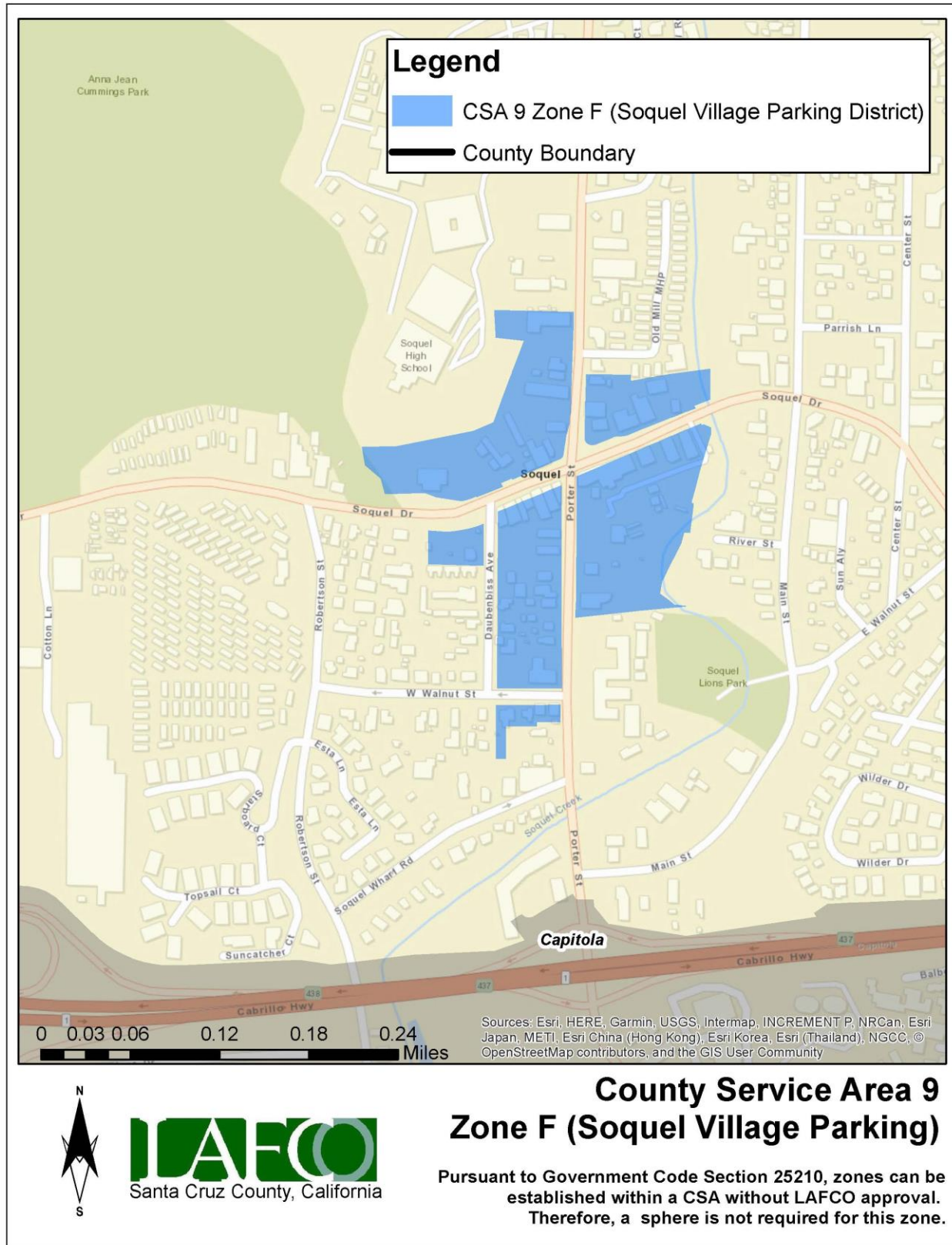
### Population & Growth

Official growth projections are not available for CSA 9 or its zones. In general, unincorporated areas in Santa Cruz County are projected to have slow growth over the next fifteen years. Based on the Association of Monterey Bay Area Government's 2018 Regional Growth Forecast Report, the current population in unincorporated Santa Cruz County is approximately 135,000 and is expected to grow by 1% each year. Under this slow growth model, LAFCO staff projects that Zone F's population in 2035 will be approximately 20. The projected population growth for CSA 9's Zone F are as follows:

**Table X: Projected Population**

|                | 2020 | 2025 | 2030 | 2035 |
|----------------|------|------|------|------|
| CSA 9 (Zone F) | 19   | 19   | 20   | 20   |

Figure 26: CSA 9 (Zone F) Vicinity Map

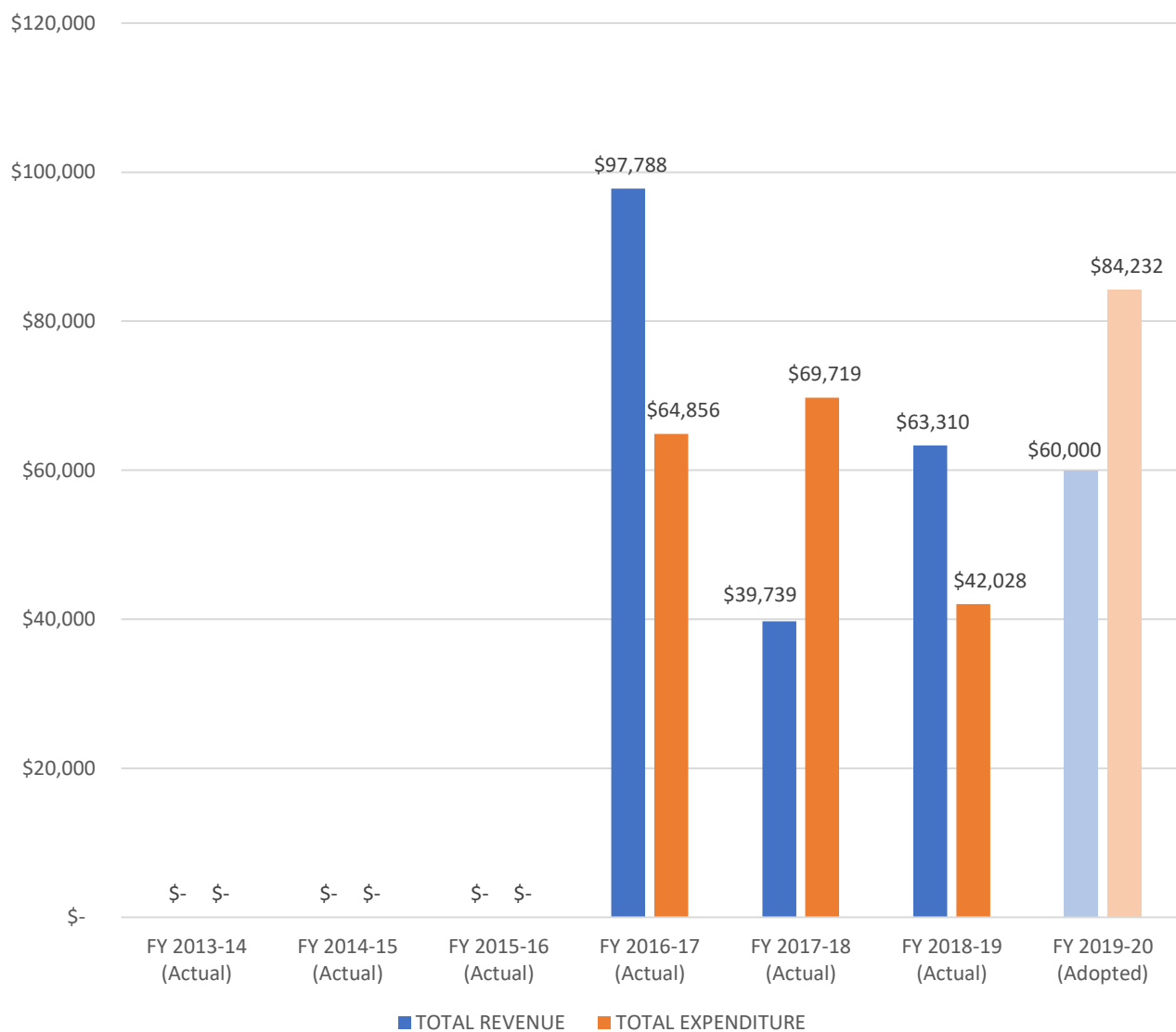


## Finances

This section will highlight the Zone F's audited financial performance during the most recent fiscal years. Fiscal Year 2018-19 is the latest audited financial statement available. A comprehensive analysis of the Zone F's financial performance during the past six years is shown in **Table Y**, on page 62.

At the end of Fiscal Year 2018-19, total revenue collected was approximately \$63,000, representing a 59% increase from the previous year (\$39,700 in FY 17-18). Total expenses for FY 2018-19 were approximately \$42,000, which decreased from the previous year by 40% (\$69,700 in FY 17-18). As shown in the figure below, Zone F ended in a deficit in its second year of existence. Based on the most recently available adopted budget, LAFCO staff believes the Zone will end this fiscal year with a financial shortfall once again.

**Figure 27: Statement of Revenues & Expenditures**

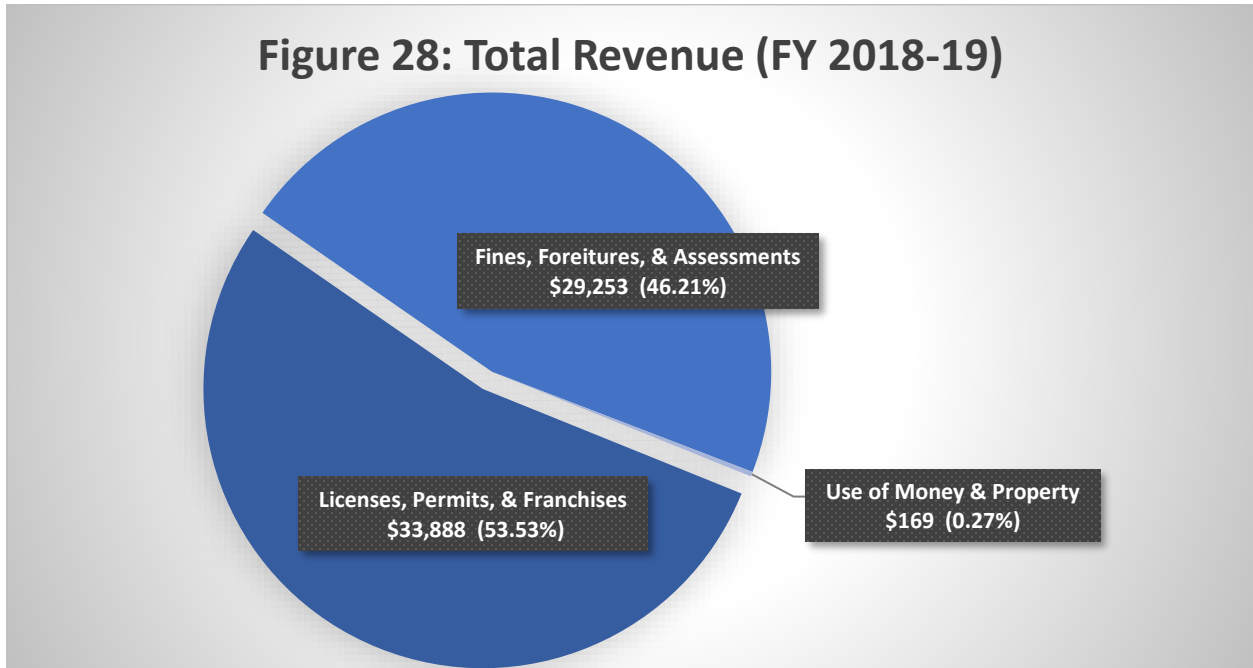


*\*Footnote: FY 2019-20 Budget includes an increase in Services & Supplies.*



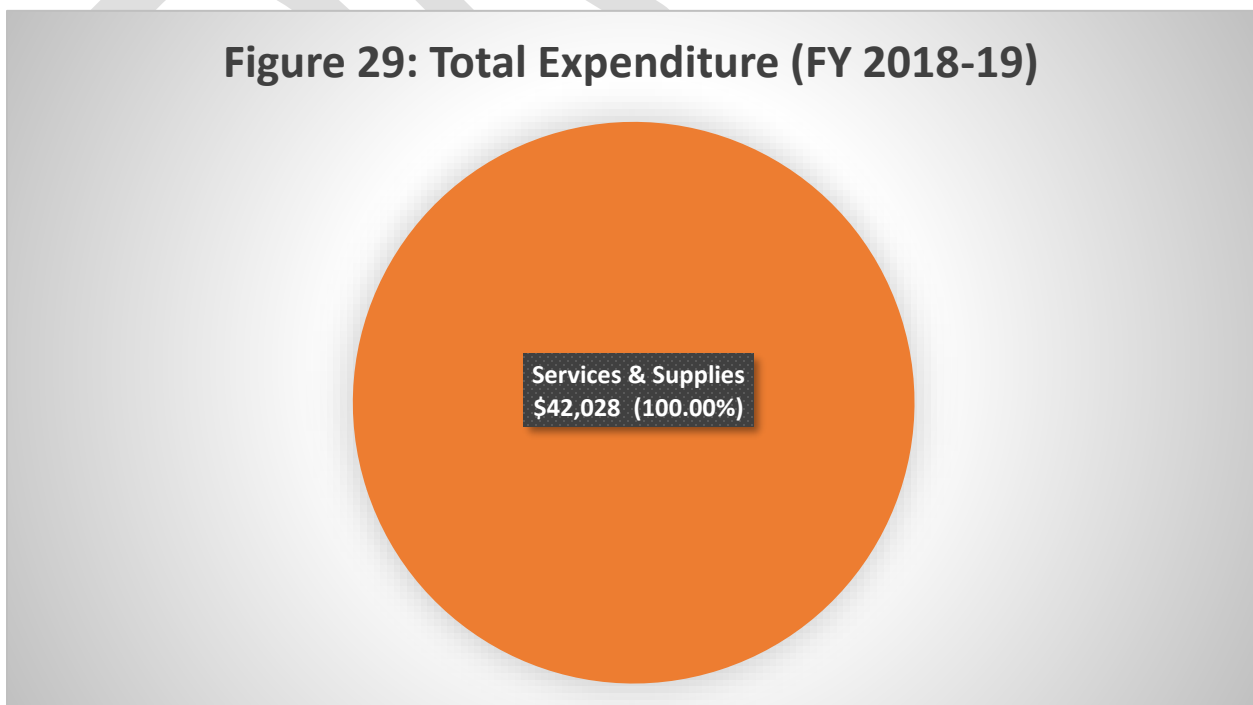
## Revenues

Zone F's primary source of revenue is from Licenses, Permits, and Franchises. In FY 2017-18, this revenue source totaled approximately \$34,000 which represents 53% of the Zone's entire revenue stream. Other revenue sources include fines, forfeitures, and assessments (\$29,000 or 46%) and use of money and property (\$169 or less than 1%). **Figure 28** provides a breakdown each revenue stream.



## Expenditures

Zone F's total expenditures can be categorized into one budgetary group: Services and Supplies. **Figure 29** shows that in FY 2017-18, Services and Supplies represent 100% of the Zone's entire operational expenses.





**Table Y: Total Revenues & Expenditures**

|   | FY 2013-14<br>(Actual) | FY 2014-15<br>(Actual) | FY 2015-16<br>(Actual) | FY 2016-17<br>(Actual) | FY 2017-18<br>(Actual) | FY 2018-19<br>(Actual) | FY 2019-20<br>(Adopted) |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|-------------------------|
| <b>REVENUE</b>  |                        |                        |                        |                        |                        |                        |                         |
| <u>Licenses, Permits, and Franchises</u>              |                        |                        |                        |                        |                        |                        |                         |
| Road Privileges & Permits                             |                        |                        |                        | \$ 3,950               | \$ 30,639              | \$ 33,888              | \$ 30,000               |
| <b>Total Licenses, Permits and Franchises</b>         | <b>\$ -</b>            | <b>\$ -</b>            | <b>\$ -</b>            | <b>\$ 3,950</b>        | <b>\$ 30,639</b>       | <b>\$ 33,888</b>       | <b>\$ 30,000</b>        |
| <u>Fines, Forfeitures and Assessments</u>             |                        |                        |                        |                        |                        |                        |                         |
| Parking Meter Fines                                   |                        |                        |                        | \$ -                   | \$ 8,868               | \$ 29,253              | \$ 30,000               |
| <b>Total Fines, Foreitures, and Assessments</b>       | <b>\$ -</b>            | <b>\$ -</b>            | <b>\$ -</b>            | <b>\$ -</b>            | <b>\$ 8,868</b>        | <b>\$ 29,253</b>       | <b>\$ 30,000</b>        |
| <u>Revenue from Use of Money &amp; Property</u>       |                        |                        |                        |                        |                        |                        |                         |
| Interest  |                        |                        |                        | \$ 6                   | \$ 232                 | \$ 169                 | \$ -                    |
| <b>Total Revenue from Use of Money &amp; Property</b> | <b>\$ -</b>            | <b>\$ -</b>            | <b>\$ -</b>            | <b>\$ 6</b>            | <b>\$ 232</b>          | <b>\$ 169</b>          | <b>\$ -</b>             |
| <u>Charges for Services</u>                           |                        |                        |                        |                        |                        |                        |                         |
| Job Cost Billings Only                                |                        |                        |                        | \$ 6,360               | \$ -                   | \$ -                   | \$ -                    |
| <b>Total Charges for Services</b>                     | <b>\$ -</b>            | <b>\$ -</b>            | <b>\$ -</b>            | <b>\$ 6,360</b>        | <b>\$ -</b>            | <b>\$ -</b>            | <b>\$ -</b>             |
| <u>Miscellaneous Revenues</u>                         |                        |                        |                        |                        |                        |                        |                         |
| Other Revenue   |                        |                        |                        | \$ (12,528)            | \$ -                   | \$ -                   | \$ -                    |
| <b>Total Miscellaneous Revenues</b>                   | <b>\$ -</b>            | <b>\$ -</b>            | <b>\$ -</b>            | <b>\$ (12,528)</b>     | <b>\$ -</b>            | <b>\$ -</b>            | <b>\$ -</b>             |
| <u>Other Financing Sources</u>                        |                        |                        |                        |                        |                        |                        |                         |
| Operating Transfer In                                 |                        |                        |                        | \$ 100,000             | \$ -                   | \$ -                   | \$ -                    |
| <b>Total Other Financing Sources</b>                  | <b>\$ -</b>            | <b>\$ -</b>            | <b>\$ -</b>            | <b>\$ 100,000</b>      | <b>\$ -</b>            | <b>\$ -</b>            | <b>\$ -</b>             |
| <b>TOTAL REVENUE</b>                                  | <b>\$ -</b>            | <b>\$ -</b>            | <b>\$ -</b>            | <b>\$ 97,788</b>       | <b>\$ 39,739</b>       | <b>\$ 63,310</b>       | <b>\$ 60,000</b>        |
| <b>EXPENDITURE</b>                                    |                        |                        |                        |                        |                        |                        |                         |
| <u>Services and Supplies</u>                          |                        |                        |                        |                        |                        |                        |                         |
| DPW Services-General Money                            |                        |                        |                        | \$ 1,655               | \$ 69,666              | \$ 42,028              | \$ 84,232               |
| <b>Total Services and Supplies</b>                    | <b>\$ -</b>            | <b>\$ -</b>            | <b>\$ -</b>            | <b>\$ 1,655</b>        | <b>\$ 69,666</b>       | <b>\$ 42,028</b>       | <b>\$ 84,232</b>        |
| <u>Fixed Assets</u>                                   |                        |                        |                        |                        |                        |                        |                         |
| Equipment   |                        |                        |                        | \$ 63,201              | \$ 53                  | \$ -                   | \$ -                    |
| <b>Total Fixed Assets</b>                             | <b>\$ -</b>            | <b>\$ -</b>            | <b>\$ -</b>            | <b>\$ 63,201</b>       | <b>\$ 53</b>           | <b>\$ -</b>            | <b>\$ -</b>             |
| <u>Other Financing Uses</u>                           |                        |                        |                        |                        |                        |                        |                         |
| Operating Transfer Out                                |                        |                        |                        | \$ -                   | \$ -                   | \$ -                   | \$ -                    |
| <b>Total Other Financing Uses</b>                     | <b>\$ -</b>            | <b>\$ -</b>            | <b>\$ -</b>            | <b>\$ -</b>            | <b>\$ -</b>            | <b>\$ -</b>            | <b>\$ -</b>             |
| <b>TOTAL EXPENDITURE</b>                              | <b>\$ -</b>            | <b>\$ -</b>            | <b>\$ -</b>            | <b>\$ 64,856</b>       | <b>\$ 69,719</b>       | <b>\$ 42,028</b>       | <b>\$ 84,232</b>        |
| <b>Surplus/(Deficit)</b>                              | <b>\$ -</b>            | <b>\$ -</b>            | <b>\$ -</b>            | <b>\$ 32,932</b>       | <b>\$ (29,980)</b>     | <b>\$ 21,282</b>       | <b>\$ (24,232)</b>      |



## Zone Summary

| CSA 9 (Zone F)             |  |
|----------------------------|--|
| <b>Formation</b>           | California Government Code, section 25210.1 et seq.<br>(County Service Area Law)   |
| <b>Board of Directors</b>  | 5 members, elected at-large to four-year terms   |
| <b>Contact Person</b>      | Delia Lopez, Program Coordinator   |
| <b>Employees</b>           | 4 full-time Public Works employees assigned to Zone F  |
| <b>Facilities</b>          | Brommer Yard – 2700 Brommer Street, Santa Cruz CA  |
| <b>Zone Area</b>           | Soquel Village Area (appx. 0245 square miles or 16 acres)  |
| <b>Sphere of Influence</b> | N/A  |
| <b>FY 2019-20 Budget</b>   | Total Revenue = \$60,000<br>Total Expenditure = \$84,232<br>Projected Surplus/(Deficit) = (\$24,232)   |
| <b>Contact Information</b> | Mailing Address: 701 Ocean Street, Room 410, Santa Cruz CA 95060<br>Phone Number: (831)<br>Email Address: <a href="mailto:Delia.Lopez@santacruzcounty.us">Delia.Lopez@santacruzcounty.us</a><br>Website: <a href="https://www.dpw.co.santa-cruz.ca.us/Home/CSAs.aspx">https://www.dpw.co.santa-cruz.ca.us/Home/CSAs.aspx</a> |
| <b>Public Meetings</b>     | The Board regularly meets on most Tuesdays in the Board of Supervisors' Chambers, 701 Ocean St, Rm. 525. Meetings generally begin at 9:00 am.  |

## APPENDICES

**Appendix 1:** CSA 9 Formation Resolution

**Appendix 2:** CSA 9 Financial Sources (2014 - 2020)

**Appendix 3:** Countywide Capital Improvement Plan (2020 - 2025)

**Appendix 4:** Zone A Formation Resolution

**Appendix 5:** Zone B Formation Resolution

**Appendix 6:** Zone C Formation Resolution

**Appendix 7:** Zone D Formation Resolution

**Appendix 8:** Zone E Formation Resolution

**Appendix 9:** Zone F Formation Resolution



**Notice of Exemption**

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

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

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

**Project Title:** Service and Sphere of Influence Review for County Service Area 9

**Project Location:** CSA 9 was formed to provide public works services to areas less than the entire County. The original CSA 9 provided County highway and arterial street lighting and traffic signals in the unincorporated areas. CSA 9's service area includes the City of Scotts Valley and the entire unincorporated area in Santa Cruz County. Additional zones have been added to offer or help finance other services not provided uniformly countywide to all incorporated and unincorporated areas of the County. A vicinity map depicting the CSA's jurisdictional and sphere boundaries is attached (refer to **Attachment A**).

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

**Description of Nature, Purpose, and Beneficiaries of Project:** The report is for use by the Local Agency Formation Commission in conducting a statutorily required review and update process. The Cortese-Knox-Hertzberg Act requires that the Commission conduct periodic reviews and updates of spheres of influence of all cities and districts in Santa Cruz County (Government Code section 56425). It also requires LAFCO to conduct a review of municipal services before adopting sphere updates (Government Code section 56430). Santa Cruz LAFCO has prepared a municipal service review, and sphere of influence update for CSA 9. The purpose of the report is to ensure the effectiveness and efficiency in the delivery of public services by CSA 9, in accordance to the statutory requirements outlined in the Cortese-Knox-Hertzberg Act.

**Name of Public Agency Approving Project:** Local Agency Formation Commission of Santa Cruz County. The LAFCO public hearing on this proposal is scheduled for 9:00 a.m. on August 5, 2020.

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


**Exempt Status:** (check one)

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

**Reason Why Project is Exempt:** The LAFCO action does not change the services or the planned service area of CSA 9. There is no possibility that the activity may have a significant impact on the environment--State CEQA Guidelines Section 15061(b)(3).

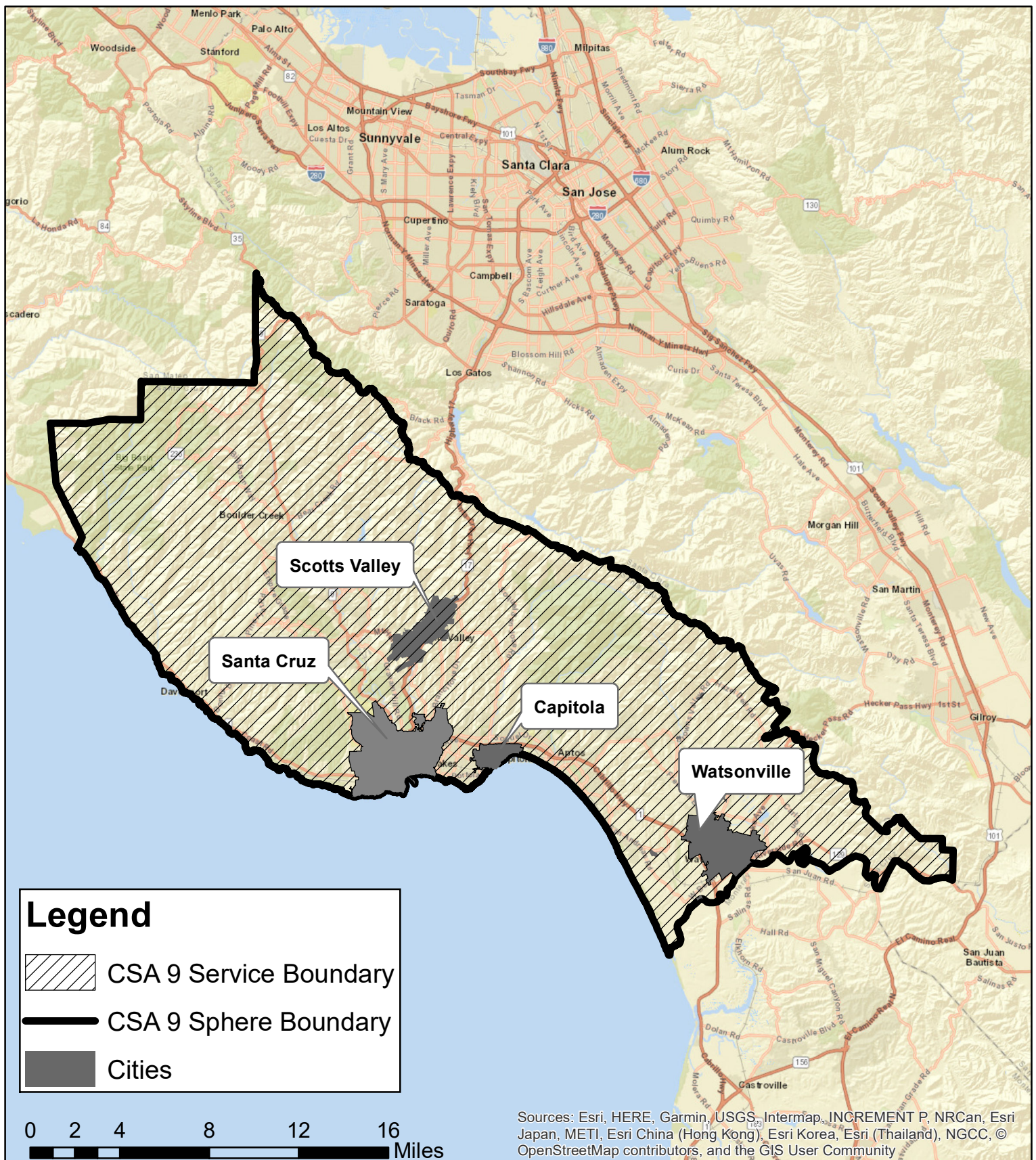
**Lead Agency Contact Person:** Joe A. Serrano

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

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

**Date:** July 10, 2020





## County Service Area 9 Service and Sphere Boundaries

Original Sphere of Influence adopted on November 20, 1985

*Sphere of Influence reaffirmed on August 5, 2020*





## NOTICE OF PUBLIC HEARING LOCAL AGENCY FORMATION COMMISSION

NOTICE IS HEREBY GIVEN that at 9:00 a.m., Wednesday, August 5, 2020, the Local Agency Formation Commission of Santa Cruz County (LAFCO) will hold public hearings on the following:

- **Central & Aptos/La Selva Fire Consolidation (DC 20-02):** Consideration of a proposed consolidation encompassing 55 square miles and includes the communities of Capitola, Live Oak, Soquel, Aptos, Rio Del Mar, and La Selva Beach. The consolidation was initiated by the two affected fire districts as a joint application. Pursuant to state law, if substantially similar resolutions are adopted making proposals for consolidation, the Commission shall approve, or conditionally approve, the proposal (Government Code Section 56853[a]).
- **CSA 60 Sphere of Influence Determination:** Consideration of a sphere amendment to County Service Area 60 (Huckleberry Island). The Commission adopted a service and sphere review on March 4, 2020 and deferred action on the sphere boundary until August 5.
- **Policy Updates** – Consideration of proposed modifications to LAFCO's Proposal Evaluation, Environmental Review, and Fee Schedule Policies. The proposed changes include several non-substantive changes, removal of outdated language, and minor clarifications to reflect the Commission's current practices.
- **CSA 9 Service and Sphere of Influence Review:** Consideration of a service review for CSA 9 and analysis of its respective sphere of influence boundary. In compliance with the California Environmental Quality Act (CEQA), LAFCO staff has prepared a Categorical Exemption for the service and sphere review.

Due to COVID-19, this meeting will be conducted as a teleconference pursuant to the provisions of the Governor's Executive Orders N-25-20 and N-29-20, which suspend certain requirements of the Ralph M. Brown Act. Members of the public are encouraged to observe the shelter-in-place order and participate by teleconference. Instructions to participate remotely are available in the August 5th Agenda and Agenda Packet.

During the meeting, the Commission will consider oral or written comments from any interested person. Maps, written reports, environmental review documents and further information can be obtained by contacting LAFCO's staff at (831) 454-2055 or from LAFCO's website at [www.santacruzlafco.org](http://www.santacruzlafco.org). LAFCO does not discriminate on the basis of disability, and no person shall, by reason of a disability, be denied the benefits of its services, programs or activities. If you wish to attend this meeting and you will require special assistance in order to participate, please contact the LAFCO office at least 48 hours in advance of the meeting to make arrangements.

Joe A. Serrano  
Executive Officer  
Date: July 14, 2020

**LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY  
RESOLUTION NO. 2020-21**

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

**RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION  
APPROVING THE 2020 COUNTY SERVICE AREA 9 SERVICE AND  
SPHERE OF INFLUENCE REVIEW**

\*\*\*\*\*

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

1. In accordance with Government Code sections 56425, 56427, and 56430, the Commission has initiated and conducted the 2020 Service and Sphere of Influence Review for County Service Area 9 ("CSA 9").
2. The Commission's Executive Officer has given notice of a public hearing by this Commission of the service and sphere of influence review in the form and manner prescribed by law.
3. The Commission held a public hearing on August 5, 2020, and at the hearing, the Commission heard and received all oral and written protests, objections, and evidence that were presented.
4. Pursuant to the California Environmental Quality Act ("CEQA") Guidelines section 15061(b)(3), this Commission action does not change the services or the planned service area of the subject agency. There is no possibility that the activity may have a significant impact on the environment. This action qualifies for a Notice of Exemption under CEQA.
5. The Commission hereby approves the 2020 Service and Sphere of Influence Review for CSA 9.
6. The Commission hereby approves the Service Review Determinations, as shown on Exhibit A.
7. The Commission hereby approves the Sphere of Influence Determinations, as shown on Exhibit B.
8. The Commission hereby maintains the Sphere of Influence Map for CSA 9, without amendments, as shown in Exhibit C.



PASSED AND ADOPTED by the Local Agency Formation Commission of Santa Cruz County this 5th day of August 2020.

AYES:

NOES:

ABSENT:

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ROGER W. ANDERSON, CHAIRPERSON

Attest:

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Joe A. Serrano  
Executive Officer

Approved as to form:

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Daniel H. Zazueta  
LAFCO Counsel

**EXHIBIT A**  
**COUNTY SERVICE AREA 9**  
**2020 SERVICE REVIEW DETERMINATIONS**

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

CSA 9's service area includes the City of Scotts Valley and the entire unincorporated area in Santa Cruz County. Based on the Association of Monterey Bay Area Government's 2018 Regional Growth Forecast Report, the current population in unincorporated Santa Cruz County and Scotts Valley are approximately 135,000 and 12,000, respectively. Under this slow growth model, LAFCO staff projects that CSA 9's entire population in 2035 will be approximately 153,000.

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

Based on the criteria set forth by SB 244, staff's analysis indicates that there is one area in CSA 9 designated as a disadvantaged unincorporated community. This area is located within the Freedom County Sanitation District. However, CSA 9 is not subject to SB 244 because it does not provide water, sewer, or fire service.

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

The County recently adopted a five-year capital improvement plan (CIP) specifically for roads, drainage, sanitations, roadside betterments, parks and county facilities. This CIP includes scheduled projects for CSA 9. The purpose of a CIP is to identify and prioritize needs and project costs for planned improvements to the infrastructure that will serve the affected ratepayers in an efficient and cost-effective manner throughout the next five-plus years of growth and change.

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

CSA 9's primary source of revenue is from Charges for Services. Other funding sources include Property Taxes, Use of Money and Property, and Intergovernmental Funds. Once a year, the CSA must hold a meeting of affected property owners to establish benefit assessment rates and a work program. CSA 9 has experienced a deficit three times between 2013 to 2018. The most recent adopted budget indicates that a deficit may also occur.

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

The County is the lead agency for the development and administration of the Countywide Integrated Waste Management Plan.

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

CSA 9 services are addressed by the County Board of Supervisors during regular meetings. The rate structures for CSA 9 and its zones are reviewed annually based on available financing and projected maintenance needs. Rate changes are implemented through public process that includes voter or landowner approval.

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

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

**EXHIBIT B**  
**COUNTY SERVICE AREA 9**  
**2020 SPHERE OF INFLUENCE DETERMINATIONS**

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

The present and planned uses in the County are a range of urban and rural uses. The general plans for the County and the four cities anticipate growth centered on the existing urban areas and for maintenance of agricultural production, rural residential uses, and environmental protection in the rural areas.

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

CSA 9 performs a series of Public Works services that are provided to sub-areas of the County. These services are highway lighting, neighborhood street lighting, landfill operations, recycling, unincorporated road maintenance, school crossing guards, streetscape maintenance, and parking maintenance.

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

The services being provided by CSA 9 are generally adequate. County roads are in fair condition; however, the County lacks sufficient funding to improve the roads.

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

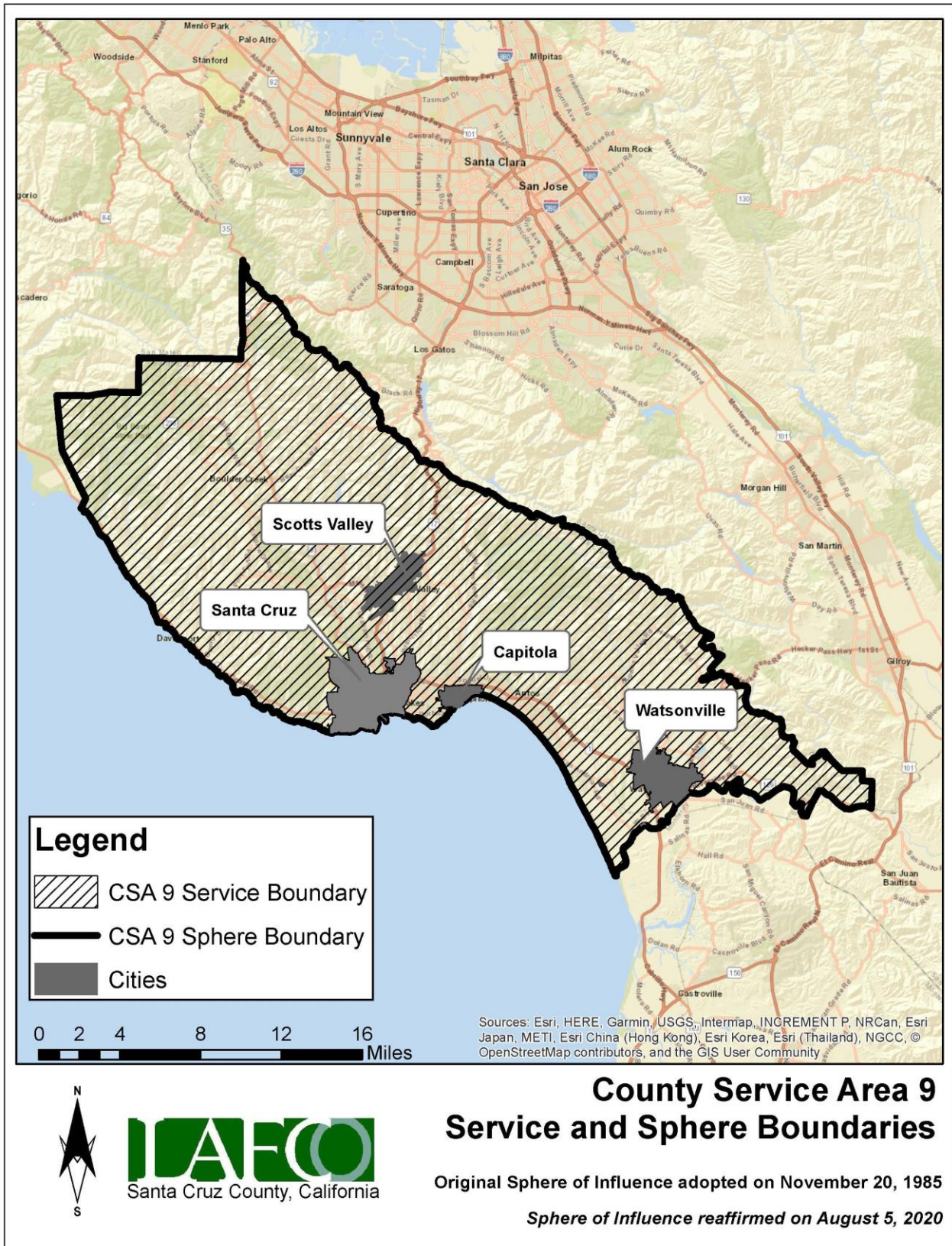
CSA Law allows the County to establish zones for each of the services provided by CSA 9. In that manner, the communities of interest are the areas desiring each service. Cities can be added to a CSA zone only if authorized by resolution of the affected City Council.

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

CSA 9 does not provide services related to sewers, municipal and industrial water, or structural fire protection. Therefore, this determination is not applicable.

**EXHIBIT C**  
**COUNTY SERVICE AREA 9**  
**SPHERE OF INFLUENCE MAP**

LAFCO maintains the Sphere of Influence for CSA 9 with no amendments.





**Santa Cruz Local Agency Formation Commission**

Date: August 5, 2020  
To: LAFCO Commissioners  
From: Joe Serrano, Executive Officer  
Subject: **Comprehensive Quarterly Report – Fourth Quarter (FY 2019-20)**

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**SUMMARY OF RECOMMENDATION**

This report provides an overview of projects currently underway, the status of the Commission's Multi-Year Work Program, the financial performance of the annual budget, and staff's outreach efforts during the months of April through June. This agenda item is for informational purposes only and does not require any action. Therefore, it is recommended that the Commission receive and file the Executive Officer's report.

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**EXECUTIVE OFFICER'S REPORT**

The 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 scheduled service reviews, and staff's ongoing collaboration with local agencies.

**Active Proposals**

Santa Cruz LAFCO currently has three active applications:

1. **"Central & Aptos/La Selva Fire Consolidation" (Project No. DC 20-02):** This proposal was initiated by the two affected districts on December 30, 2019 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 districts continue to work on the consolidation effort. A memorandum of understanding and plan for service are currently in progress, which will help clarify the operations and structure of the successor agency. LAFCO staff believes that these documents will be completed within the coming months. A hearing date is yet to be determined; however, the districts' goal is to have the consolidation presented to the Commission later this year.

2. **"Pasatiempo Drive/Clubhouse Road Annexation" (Project No. DA 20-06):** This application was initiated by petition on January 22, 2020 and proposed to annex approximately 42 acres to County Service Area 10. The Commission approved the annexation during the June 3rd LAFCO Meeting.

**Latest Status:** As part of the annexation process, a Request for Reconsideration Period was conducted during June 3rd to July 3rd. LAFCO staff did not receive any requests to reconsider the Commission's motion. As a result, the annexation was recorded on Monday, July 6 and is now officially part of CSA 10.



3. **“Roaring Camp Annexation” (Project No. 967):** This application was initiated by petition on March 4, 2019 and proposes to annex approximately 170 acres to the San Lorenzo Valley Water District. The purpose of the annexation is to provide water services to an unincorporated area, commonly known as Roaring Camp.

**Latest Status:** This application is active but pending. There are a few parcels that need to be part of the annexation to prevent the development of an island as defined by LAFCO law. The applicant is currently coordinating with the affected landowners to include those parcels in the proposal. A hearing date is yet to be determined.

During the May 6th LAFCO Meeting, the Commission inquired whether there are any inactive proposals on file. Staff will be presenting a list of inactive proposals at the September 2nd Meeting with recommendations on how to address those applications.

### **Multi-Year Work Program (Service Reviews)**

A five-year work program was adopted in 2019 to ensure that the service reviews for each local agency under LAFCO’s purview are considered within the legislative deadline. This year, a total of 5 local agencies will be evaluated in separate service and sphere reviews. 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 service, and common area maintenance for an unincorporated community in Brookdale known as Huckleberry Island.

Commission Action: A service and sphere review was adopted 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, landscaping maintenance, school crossing guards, and landfill operations.

Updated Hearing Date: A service and sphere review was originally scheduled to be presented on May 6, however, in light of the ongoing pandemic the review was moved to August 5.

3. **Pajaro Valley Public Cemetery District –** This cemetery district was formed in 1955 to provide efficient, cost effective burial services, and to provide maintenance to several 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**

Fiscal Year 2019-20 ended on June 30, 2020. The Commission finished the fiscal year with a surplus of \$277,634. This surplus was carried over to balance the current budget (FY 2020-21). **Table A** provides a brief summary of LAFCO's financial performance by quarter. As the table highlights, the Commission typically receives the funding agencies' contributions in the first quarter. LAFCO's primary source of revenue is the collection of these apportionments. A detailed review of LAFCO's financial performance during the entire fiscal year is attached to this report (refer to **Attachment 1**).

**Table A – Financial Performance by Quarter**

|                          | <b>1st Qtr.<br/>(Jul-Sep)</b> | <b>2nd Qtr.<br/>(Oct-Dec)</b> | <b>3rd Qtr.<br/>(Jan-Mar)</b> | <b>4th Qtr.<br/>(Apr-Jun)</b> | <b>Total for<br/>FY 19-20</b> |
|--------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| Revenue                  | \$402,320                     | \$6,381                       | \$15,041                      | \$2,103                       | \$675,346                     |
| Expenditure              | <u>\$108,222</u>              | <u>\$84,445</u>               | <u>\$96,497</u>               | <u>\$108,548</u>              | <u>\$397,712</u>              |
| <b>Surplus/(Deficit)</b> | <b>\$294,098</b>              | <b>(\$78,064)</b>             | <b>(\$81,456)</b>             | <b>(\$106,445)</b>            | <b>\$277,634</b>              |

### **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 delivery of municipal services. During the months of April to July, staff met with local representatives to discuss current and/or upcoming LAFCO projects. A summary of those and more recent meetings are discussed below.

1. **Online Meeting Platforms Training Session:** LAFCO staff conducted a training session on April 10 with various LAFCOs to test out three different online platforms (Zoom, GoToMeeting, and Microsoft Teams). This was an opportunity to evaluate the functionality of each platform and find out which one best fits our needs.
2. **ArcGIS Training Session:** LAFCO staff conducted a training session on May 15 with Marin LAFCO to teach their staff how to create maps that can be used for applications, service reviews, and presentations.
3. **Fire Consolidation Efforts (Pension Obligations):** LAFCO staff participated in a conference call on May 22 with the two fire districts, Assembly Member Mark Stone and his staff to discuss the current and future pension obligations under the consolidation process.
4. **California Special Districts Association:** LAFCO staff met with Charlotte Holifield on June 3. Ms. Holifield is the new California Special Districts Association field coordinator for the Coastal Network, which includes Santa Cruz County. This online meeting focused on the roles of each organization and the potential synergy between LAFCO and CSDA.

5. **California City Finances Webinar:** LAFCO staff participated in a free webinar on June 4 that evaluated the financial implications as a result of COVID-19. The webinar focused on California's updated projections and information coming from the Federal Government.
6. **Fire Consolidation Efforts (Ad-Hoc Meeting):** LAFCO continues to provide information to Aptos/La Selva and Central Fire Protection Districts as both districts consider consolidation. LAFCO staff provided an update on the consolidation proposal on June 9.
7. **Fire Consolidation Efforts (Next Steps):** LAFCO staff discussed the status of the consolidation process with the two fire chiefs on June 10. The primary discussion was the tentative schedule and the proposed legislative bill to address the transfer of pension obligations to the successor agency.
8. **Association of California Healthcare Districts Webinar:** LAFCO staff participated in a free webinar on June 11 that reviewed the legal and practical issues public agencies will confront as they reopen their doors to the public and regulate reopening of public and private spaces during the novel coronavirus pandemic.
9. **Pajaro Valley Public Cemetery District Board Meeting:** LAFCO staff provided a short presentation at the district's July 8th board meeting. This was an opportunity to discuss the upcoming service review and reiterate how this Commission can be a resource to the cemetery district.
10. **San Luis Obispo LAFCO Meeting:** Staff attended the San Luis Obispo LAFCO's July 16th Commission Meeting. This was David Church's last meeting as the Executive Officer. LAFCO staff members from around the state participated in this online event to acknowledge David's achievements and triumphs.
11. **CALAFCO Conference Call (COVID-19 Impact):** Staff participated in several conference calls with other LAFCO Executive Officers and Clerks during the months of April to July. These are opportunities 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 bi-weekly basis until further notice.

Respectfully Submitted,



Joe A. Serrano  
Executive Officer

Attachments:

1. LAFCO FY 2019-20 Budget Review (by quarter)

**LAFCO Budget - Fiscal Year 2019-20**  
**Actuarial Data (by quarter)**

**6A: ATTACHMENT 1**

| <b>FISCAL YEAR 2019-20</b>             | <b>FY 19-20<br/>First Qtr<br/>(Jul - Sep)</b> | <b>FY 19-20<br/>Second Qtr<br/>(Oct - Dec)</b> | <b>FY 19-20<br/>Third Qtr<br/>(Jan - Mar)</b> | <b>FY 19-20<br/>Fourth Qtr<br/>(Apr - Jun)</b> | <b>FY 19-20<br/>Adopted<br/>Budget</b> | <b>Difference<br/>(\$)</b> | <b>Budget Line<br/>Item Notes</b>                     |
|--|---|--|---|--|--|----------------------------|---|
| <b>REVENUES DESCRIPTION</b>            |   |  |   |  |  |                            |   |
| Interest                               | \$ 2,635                                      | \$ 3,086                                       | \$ 2,345                                      | \$ 1,448                                       | \$ 6,000                               | \$ 3,514                   | Surplus Funds   |
| Contributions from Other Govt Agencies | \$ 399,300                                    | \$ -   | \$ -  | \$ -   | \$ 399,300                             | \$ -                       | All Dues Received                                     |
| LAFCO Processing Fees                  | \$ -  | \$ 2,750                                       | \$ 12,150                                     | \$ -   | \$ 6,500                               | \$ 8,400                   | Surplus Funds   |
| Medical Charges-Employee               | \$ 386  | \$ 546   | \$ 546  | \$ 655   | \$ 1,000                               | \$ 1,132                   | 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>\$ 2,103</b>                                | <b>\$ 662,400</b>                      | <b>\$ 262,646</b>          | <b>Additional Funds in<br/>Total Revenue</b>          |
| <b>EXPENDITURES DESCRIPTION</b>        |   |  |   |  |  |                            |   |
| Regular Pay                            | \$ 42,962                                     | \$ 46,310                                      | \$ 54,065                                     | \$ 59,573                                      | \$ 245,400                             | \$ 42,490                  | 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                                      | \$ 1,702                                       | \$ 10,100                              | \$ (160)                   | Amount Over Budget                                    |
| Social Security                        | \$ 3,372                                      | \$ 3,849                                       | \$ 4,529                                      | \$ 4,763                                       | \$ 18,200                              | \$ 1,687                   | Amount Over Budget                                    |
| PERS                                   | \$ 38,892                                     | \$ 5,071                                       | \$ 5,949                                      | \$ 16,263                                      | \$ 59,800                              | \$ (6,375)                 | Remaining Funds                                       |
| Insurances                             | \$ 9,602                                      | \$ 9,869                                       | \$ 10,227                                     | \$ 10,441                                      | \$ 50,500                              | \$ 10,361                  | 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>\$ 92,743</b>                               | <b>\$ 388,400</b>                      | <b>\$ 51,629</b>           | <b>Remaining Funds in Salaries<br/>&amp; Benefits</b> |
|  |   |  |   |  |  |                            |   |
| Telecom                                | \$ 314  | \$ 474   | \$ 474  | \$ 625   | \$ 2,000                               | \$ 113                     | Remaining Funds                                       |
| Office Equipment                       | \$ -  | \$ 21  | \$ 35   | \$ 49  | \$ 200                                 | \$ 95                      | Remaining Funds                                       |
| Memberships                            | \$ 3,261                                      | \$ 1,446                                       | \$ -  | \$ 236   | \$ 4,500                               | \$ (443)                   | Amount Over Budget                                    |
| Hardware                               | \$ -  | \$ -   | \$ -  | \$ -   | \$ 300                                 | \$ 300                     | Remaining Funds                                       |
| Duplicating                            | \$ 89   | \$ 929   | \$ -  | \$ 24  | \$ 1,200                               | \$ 158                     | Remaining Funds                                       |
| PC Software                            | \$ -  | \$ 382   | \$ 327  | \$ -   | \$ 600                                 | \$ (109)                   | Amount Over Budget                                    |
| Postage                                | \$ 254  | \$ 112   | \$ 124  | \$ 150   | \$ 1,400                               | \$ 760                     | Remaining Funds                                       |
| Subscriptions                          | \$ -  | \$ -   | \$ 56   | \$ 314   | \$ 500                                 | \$ 129                     | Remaining Funds                                       |
| Supplies                               | \$ 25   | \$ 132   | \$ 122  | \$ 279   | \$ 1,500                               | \$ 942                     | Remaining Funds                                       |
| Accounting                             | \$ -  | \$ -   | \$ -  | \$ 1,283                                       | \$ 1,500                               | \$ 217                     | Remaining Funds                                       |
| Attorney                               | \$ 1,250                                      | \$ 2,125                                       | \$ 1,688                                      | \$ 4,375                                       | \$ 150,000                             | \$ 140,563                 | Remaining Funds                                       |
| Data Process GIS                       | \$ 483  | \$ 4,806                                       | \$ 2,971                                      | \$ 3,610                                       | \$ 16,700                              | \$ 4,830                   | Remaining Funds                                       |
| Director Fees                          | \$ -  | \$ 700   | \$ 1,000                                      | \$ 990   | \$ 6,000                               | \$ 3,310                   | Remaining Funds                                       |
| Surveyor                               | \$ -  | \$ -   | \$ -  | \$ -   | \$ 1,000                               | \$ 1,000                   | Remaining Funds                                       |
| Prof. Services                         | \$ -  | \$ -   | \$ -  | \$ 336   | \$ 50,000                              | \$ 49,664                  | Remaining Funds                                       |
| Legal Notices                          | \$ 160  | \$ 98  | \$ 995  | \$ 219   | \$ 1,700                               | \$ 228                     | Remaining Funds                                       |
| Rents                                  | \$ -  | \$ -   | \$ 8,233                                      | \$ -   | \$ 8,500                               | \$ 267                     | Remaining Funds                                       |
| Misc. Expenses                         | \$ 1,600                                      | \$ 220   | \$ (913)                                      | \$ 3,172                                       | \$ 6,500                               | \$ 2,422                   | 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   | \$ -  | \$ 20  | \$ 600                                 | \$ 216                     | Remaining Funds                                       |
| Mileage                                | \$ 84   | \$ 1,397                                       | \$ -  | \$ 123   | \$ 3,000                               | \$ 1,396                   | 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>\$ 15,805</b>                               | <b>\$ 274,000</b>                      | <b>\$ 213,058</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>\$ 108,548</b>                              | <b>\$ 662,400</b>                      | <b>\$ 264,688</b>          | <b>Remaining Funds in<br/>Total Expenditures</b>      |



**Santa Cruz Local Agency Formation Commission**

Date: August 5, 2020  
To: LAFCO Commissioners  
From: Joe Serrano, Executive Officer  
Subject: **Recruitment Process – New Commission Clerk**

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**SUMMARY OF RECOMMENDATION**

In March, the Commission approved a recruitment schedule to address the upcoming vacancy once LAFCO's Commission Clerk retires on April 30, 2021. This staff report provides an update on the recruitment process. This agenda item is for informational purposes only and does not require any action. Therefore, it is recommended that the Commission receive and file the Executive Officer's report.

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**EXECUTIVE OFFICER'S REPORT:**

This Commission developed a detailed schedule which highlights all the necessary steps to hire a new Commission Clerk. Several milestones have been completed since March, including the following:

- 1) Budgetary Funds: Approval of earmarked funds in this year's budget to support a 3-month overlap between Debra and the new staff member for training purposes;
- 2) Policy Update: Revisions to the Employee Policy to update staff's roles and responsibilities; and
- 3) Application Deadline: Evaluation of 17 applications submitted during the recruitment period.

Staff discussed the recent accomplishments with the Personnel Committee on July 9. A full review of the completed milestones are shown in **Attachment 1**.

**Next Steps**

LAFCO staff will be conducting interviews between August 10 - 17. The Commission will receive an update on the top candidates during the October 7th LAFCO Meeting. Afterwards, LAFCO staff will offer the position to the top candidate and begin the hiring process at the end of the year (October to December). Based on the attached schedule, the new staff member may be introduced to the Commission in January or February of next year.

Respectfully Submitted,

A blue ink signature of Joe A. Serrano, written in a cursive style.

Joe A. Serrano  
Executive Officer

Attachment: Recruitment Process (Adopted Schedule)

| Recruitment Process (adopted on 3/4/20) |   |                     |
|---|---|---------------------|
| Step                                    | Task  | Deadline            |
| 1                                       | <b>Performance Evaluations:</b><br>Personnel Committee will conduct performance evaluations   | January 21, 2020    |
| 2                                       | <b>Evaluations &amp; Upcoming Retirement:</b><br>Commission will review staff's evaluations and upcoming retirement during a Regular LAFCO Meeting (Closed Session)                               | February 5, 2020    |
| 3                                       | <b>Recruitment Process:</b><br>Commission will review recruitment processs during a Regular LAFCO Meeting (Open Session)  | March 4, 2020       |
| 4                                       | <b>Draft Budget (FY 2020-21):</b><br>Commission will consider earmarking funds for recruitment process and the anticipated 3-month staffing overlap during a Regular LAFCO Meeting (Open Session) | April 1, 2020       |
| 5                                       | <b>Application Deadline Begins:</b><br>LAFCO staff will distribute recruitment materials  | April 6, 2020       |
| 6                                       | <b>Final Budget (FY 2020-21):</b><br>Commission will consider finalizing earmarked funds for recruitment process and 3-month staffing overlap during a Regular LAFCO Meeting (Open Session)       | May 6, 2020         |
| 7                                       | <b>Employee Policy:</b><br>Commission will consider updating the policy, including staff descriptions, during a Regular LAFCO Meeting (Open Session)  | June 3, 2020        |
| 8                                       | <b>Application Deadline Ends:</b><br>LAFCO staff will close the application proceedings   | June 30, 2020       |
| 9                                       | <b>Applications Screened:</b><br>LAFCO staff will review and filter applications  | July 2020           |
| 10                                      | <b>Conduct Interviews:</b><br>Personnel Committee and LAFCO staff will conduct interviews   | Aug - Sept 2020     |
| 11                                      | <b>Consider Top Candidates:</b><br>Commission will review the top candidates during a Regular LAFCO Meeting (Closed Session)  | October 7, 2020     |
| 12                                      | <b>Hiring Process Begins:</b><br>Complete hiring steps (contact individual references, complete background checks, etc.)  | Oct - Nov 2020      |
| 13                                      | <b>Hiring Process Ends:</b><br>Offer job to top candidate   | Dec 2020 - Jan 2021 |
| 14                                      | <b>Introduction of New Staff Member:</b><br>Commission will meet new staff member during a Regular LAFCO Meeting (Open Session)   | February 3, 2021    |
| 15                                      | <b>Transition Period Begins:</b><br>LAFCO staff will begin the 3-month training period  | February 8, 2021    |
| 16                                      | <b>CALAFCO Staff Workshop:</b><br>New Hire attends CALAFCO conference to learn more about LAFCO's roles and responsibilities  | March 2021          |
| 17                                      | <b>Transition Period Ends:</b><br>LAFCO staff will conclude the 3-month training period   | April 30, 2021      |
| 18                                      | <b>Debra's Retirement:</b><br>Debra Means anticipated retirement date   | April 30, 2021      |



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**Santa Cruz Local Agency Formation Commission**

Date: August 5, 2020  
To: LAFCO Commissioners  
From: Joe Serrano, Executive Officer  
Subject: **CALAFCO Annual Conference**

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**SUMMARY OF RECOMMENDATION**

Santa Cruz LAFCO is a member of the California Association of LAFCOs (CALAFCO). Each year, an annual conference is hosted by CALAFCO and held in different counties. In light of the pandemic, the typical conference structure will not occur. However, the election process for representation on the CALAFCO Board of Directors will continue as scheduled. Nominations are now open for the fall elections.

It is recommended that the Commission take the following actions:

1. Designate a Voting Delegate for the upcoming election; and
  2. Consider possible nominations for the Coastal Region's upcoming vacancies on CALAFCO's Board of Directors.
- 

**EXECUTIVE OFFICER'S REPORT:**

The annual conference was scheduled to be held in Monterey County during the final week of October; however, the in-person event has been cancelled. **Attachment 1** offers additional information on CALAFCO's decision to cancel the event. While the in-person concept will not occur, CALAFCO is exploring alternative methods to remotely present the conference's educational sessions. This Commission submitted their input towards a virtual setting on July 17. LAFCO staff will inform the Commission on CALAFCO's decision once it is made available.

**CALAFCO Election Process**

The election to address the upcoming vacancies on the CALAFCO Board of Directors will still occur this year. The elections will be conducted by mail-in ballots. **Attachment 2** provides information on the election process. This means there will be no nominations from the floor as part of the usual caucus procedures. Ballots are scheduled to be distributed by October 7 after the nomination period has ended.

In advance of the election process, each LAFCO designates a single representative who cast its votes. Santa Cruz LAFCO's designee traditionally consults with the other attending Commissioners and attempts to establish a consensus position before casting any vote.



### Coastal Region Vacancies

This year the Coastal Region's county and districts seats are open. Jane Parker from Monterey County (County Seat) and Michael McGill from Contra Costa County (District Seat) are the current representatives on CALAFCO. Any regular or alternate commissioner is eligible to run for a CALAFCO Board seat. The nomination packet is attached to this report (see **Attachment 3**).

Our Chair must complete the attached nomination form should this Commission nominate a candidate. All forms must be filled out in their entirety and the candidate may provide additional information in the form of a resume. Commissions may also include a letter of recommendation or resolution in support of their nominee. Forms signed by the Executive Officer cannot be accepted – they must be signed by the Commission Chair. The deadline to submit nominations ends on Tuesday, September 22.

Respectfully Submitted,



Joe A. Serrano  
Executive Officer

#### Attachments:

1. Annual Conference Cancellation Letter (dated July 7, 2020)
2. Election Process for FY 2020-21 CALAFCO Board of Directors
3. Nominations Form Packet for FY 2020-21 CALAFCO Board of Directors

July 7, 2020

Dear CALAFCO Membership:

We continue to live in unprecedented times, dealing with the myriad of disruptive changes thrust upon us and our agencies. All of us continue to learn how to best navigate the path forward, both individually and collectively, with resilience and courage.

With the ongoing pandemic and the dialing back by many counties on re-opening, and the significant budget cuts looming for all local government agencies, careful consideration is being given to every decision organizations are making today. The same is true for CALAFCO and our Annual Conference.

Taking all of that into consideration with respect to the October Annual Conference, the CALAFCO Board of Directors and Executive Director believe CALAFCO has an ethical and corporate responsibility to our members, speakers, guests, their families and our collective communities. This responsibility includes mitigating as much as possible the spread of the virus and being responsible in our decisions to aid in the containment and protect the health and safety of our members. Given the fluidity of the situation, there are still no state guidelines as to larger gathering events and it is not likely they can be done safely anytime soon.

**After careful thought and consideration, CALAFCO has decided to cancel this year's in-person Annual Conference which was scheduled for October 21-23 in Monterey.**

So, what's next?

- Staff is researching options for a virtual event of some kind and will report to the Board of Directors during the July 24 meeting what options are reasonable and available. At this time, we do not know what that may look like, but we are hopeful by the end of the month we will know whether there will be a virtual event. As soon as there is information, you will be advised.
- CALAFCO staff may reach out to your LAFCo staff and commissioners and request feedback via a Survey Monkey survey. **Your feedback will be critical so please respond if asked.**
- CALAFCO is working with the Monterey Hyatt to re-book the Conference in 2023.
- The Board of Directors 2020 elections will be held by email ballot. Please watch for an update from the Elections Committee coming this week.
- We are researching options for holding the Annual Business Meeting and will advise you when that decision has been made.

If you have suggestions or questions, please let Executive Director Pamela Miller know. You can reach her at [pmiller@calafco.org](mailto:pmiller@calafco.org).

On behalf of the Board, we thank you for the leadership and the integrity you demonstrate as local government leaders every day, and especially in difficult times such as these.

Yours sincerely,



Mike McGill  
Chair of the Board



Pamela Miller  
Executive Director

CC: CALAFCO Board of Directors



July 7, 2020

**To:** Local Agency Formation Commission  
Members and Alternate Members

**From:** Shiva Frentzen, Committee Chair  
CALAFCO Board Election Committee  
CALAFCO Board of Directors



**RE: IMPORTANT UPDATE - Elections for 2020/2021 CALAFCO Board of Directors**

As you know, nominations are now open for the fall elections of the CALAFCO Board of Directors. Please refer to the announcement and nomination packet sent out to you on June 19, 2020 for details on which seats are open and other important information.

In that announcement we advised you that if we are unable to have an in-person annual conference due to the COVID-19 pandemic, the elections will be conducted by all mail ballot. **As the in-person annual conference has been cancelled, the 2020 Board of Directors elections will be an electronic ballot procedure.**

- ✓ We will use the timelines outlined in CALAFCO policies as detailed in the June 19 announcement with some slight modifications as provided below.
- ✓ CALAFCO still needs the name of your voting delegate. Please also provide their title and email address as the ballot will be emailed directly to your voting delegate. The voting delegate will also cast votes on behalf of your LAFCo at whatever virtual annual business meeting we may have.

Since there will be no caucus, there is no ability to nominate a candidate from the floor. All nominations must come from the nomination packets submitted and acknowledged as received by the deadline of September 22, 2020 at 5:00 p.m.

**Please inform your Commission that the CALAFCO Election Committee is accepting nominations until Tuesday, September 22, 2020 at 5:00 p.m. and that this is the only way to get your name on the ballot and be considered for election.**

The election committee and CALAFCO staff will meet virtually the morning of October 22 for purposes of tabulating the results and certifying the election. All election documents will be available for member LAFCo inspection upon request.

- **June 19** – Nomination Announcement and packet sent to LAFCo membership and posted on the CALAFCO website.
- **September 22** – Completed Nomination packet due
- **September 22** – Voting delegate name and email address due to CALAFCO
- **October 7** – Distribution of the Election Committee Report (includes all completed/submitted nomination papers)
- **October 7** – Distribution of ballots by email to voting delegate
- **October 21** - Ballots due to CALAFCO by 4:00 p.m. – **NO LATE BALLOTS WILL BE ACCEPTED**
- **October 22** – Elections tabulated by the Elections Committee and an announcement made to the membership

Please direct any questions you have about the election process to Executive Director Pamela Miller at [pmiller@calafco.org](mailto:pmiller@calafco.org) or by calling her at 916-442-6536; or to the Election Committee Chair Shiva Frentzen at [sfrentzen@calafco.org](mailto:sfrentzen@calafco.org) or by calling her at 530-621-5390.



June 19, 2020

**To:** Local Agency Formation Commission  
Members and Alternate Members

**From:** Shiva Frentzen, Committee Chair  
CALAFCO Board Election Committee  
CALAFCO Board of Directors



**RE: Nominations for 2020/2021 CALAFCO Board of Directors**

Nominations are now open for the fall elections of the CALAFCO Board of Directors. Serving on the CALAFCO Board is a unique opportunity to work with other commissioners throughout the state on legislative, fiscal and operational issues that affect us all. The Board meets four to five times each year at alternate sites around the state. Any LAFCo commissioner or alternate commissioner is eligible to run for a Board seat.

CALAFCO's Election Committee is accepting nominations for the eight (8) seats noted below on the CALAFCO Board of Directors. There are two (2) open in each region as follows:

**Central Region**

County Member  
District Member

**Southern Region**

City Member  
Public Member

**Northern Region**

City Member  
Public Member

**Coastal Region**

County Member  
District Member

The election will be conducted during Regional Caucuses at the CALAFCO Annual Conference prior to the Annual Membership Meeting on Thursday, October 22, 2020 at the Hyatt Regency in Monterey, CA. *If we are unable to have an in-person annual conference due to the COVID-19 pandemic, the elections will be conducted by all mail ballot. This means there will be no nominations from the floor as part of the usual caucus procedures.*

**Please inform your Commission that the CALAFCO Election Committee is accepting nominations for the above-cited seats until Tuesday, September 22, 2020 at 5:00 p.m.**

Incumbents are eligible to run for another term. Nominations received by September 22 will be included in the Election Committee's Report and will be on the ballot. The Report will be distributed to LAFCo members no later than October 7, 2020 and ballots made available to Voting Delegates at the Annual Conference. Nominations received after this date will be returned; however, nominations will be permitted from the floor during the Regional Caucuses or during at-large elections, if required, at the Annual Membership Meeting.

For those member LAFCos who cannot send a representative to the Annual Meeting an electronic ballot will be made available if requested in advance. **The ballot request must be made no later than Tuesday, September 22, 2020. Completed absentee ballots must be returned by 8:00 a.m., Monday, October 19, 2020.**

*Should your Commission nominate a candidate, the Chair of your Commission must complete the attached Nomination Form and the Candidate's Resume Form or provide the specified information in another format other than a resume. Commissions may also include a letter of recommendation or resolution in support of their nominee.*

**The nomination forms and materials must be received by the CALAFCO Executive Director no later than Tuesday, September 22, 2020 at 5:00 p.m.** Here is a summary of the deadlines for this year's nomination process:

- **June 23** – Nomination Announcement and packet sent to LAFCo membership and posted on the CALAFCO website.
- **September 22** – Completed Nomination packet due
- **September 22** – Request for an absentee/electronic ballot due
- **September 22** – Voting delegate name due to CALAFCO
- **October 7** – Distribution of the Election Committee Report (includes all completed/submitted nomination papers)
- **October 7** – Distribution of requested absentee/electronic ballots.
- **October 19** – Absentee ballots due to CALAFCO
- **October 22** – Elections

Returning the nomination form prior to the deadline ensures your nominee is placed on the ballot. Names will be listed in the order nominations were received should there be multiple candidates. Electronic filing of nomination forms and materials is encouraged to facilitate the recruitment process. Please send e-mails with forms and materials to [info@calafco.org](mailto:info@calafco.org). Alternatively, nomination forms and materials can be mailed or faxed to the address or fax number below. Please forward nominations to:

CALAFCO Election Committee c/o Executive Director  
California Association of Local Agency Formation Commissions  
1020 12<sup>th</sup> Street, Suite 222  
Sacramento, California 95814  
FAX: 916-442-6535  
EMAIL: [info@calafco.org](mailto:info@calafco.org)

Questions about the election process can be sent to the Chair of the Committee, Shiva Frentzen, at [sfrentzen@calafco.org](mailto:sfrentzen@calafco.org) or by calling her at 530-621-5390. You may also contact CALAFCO Executive Director Pamela Miller at [pmiller@calafco.org](mailto:pmiller@calafco.org) or by calling 916-442-6536.

Members of the 2020/2021 CALAFCO Election Committee are:

|   |  |
|---|--|
| Shiva Frentzen, Chair<br><a href="mailto:sfrentzen@calafco.org">sfrentzen@calafco.org</a> | El Dorado LAFCo (Central Region)<br>530-621-5390       |
| David Couch<br><a href="mailto:dcouch@cityofarcata.org">dcouch@cityofarcata.org</a>       | Humboldt LAFCo (Northern Region)<br>530-242-1112       |
| Jo MacKenzie<br><a href="mailto:jmackenzie@calafco.org">jmackenzie@calafco.org</a>        | San Diego LAFCo (Southern Region)<br>858-614-7755      |
| Tom Murray<br><a href="mailto:tmurray@calafco.org">tmurray@calafco.org</a>                | San Luis Obispo LAFCo (Coastal Region)<br>805-781-5795 |

Attached please find a copy of the CALAFCO Board of Directors Nomination and Election Procedures as well as the current listing of Board Members and corresponding terms of office.

*Please consider joining us!*

Enclosures



## Board of Directors Nomination and Election Procedures and Forms

The procedures for nominations and election of the CALAFCO Board of Directors [Board] are designed to assure full, fair and open consideration of all candidates, provide confidential balloting for contested positions and avoid excessive demands on the time of those participating in the CALAFCO Annual Conference.

The Board nomination and election procedures shall be:

### 1. APPOINTMENT OF AN ELECTION COMMITTEE:

- a. Following the Annual Membership Meeting the Board shall appoint an Election Committee of four members of the Board. The Election Committee shall consist of one member from each region whose term is not ending.<sup>8</sup>
- b. The Board shall appoint one of the members of the Election Committee to serve as Chairman. The CALAFCO Executive Officer shall appoint a CALAFCO staff member to serve as staff for the Election Committee in cooperation with the CALAFCO Executive Director.<sup>8</sup>
- c. Each region shall designate a regional representative to serve as staff liaison to the Election Committee.<sup>8</sup>
- d. Goals of the Committee are to provide oversight of the elections process and to encourage and solicit candidates by region who represent member LAFCOs across the spectrum of geography, size, and urban suburban and rural population if there is an open seat for which no nominations papers have been received close to the deadline.<sup>8</sup>

### 2. ANNOUNCEMENT TO ALL MEMBER LAFCOs:

- a. No later than three months prior to the Annual Membership Meeting, the Election Committee Chair shall send an announcement to each LAFCo for distribution to each commissioner and alternate. The announcement shall include the following:<sup>8</sup>
  - i. A statement clearly indicating which offices are subject to the election.
  - ii. A regional map including LAFCOs listed by region.
  - iii. The dates by which all nominations must be received by the Election Committee. The deadline shall be no later than 30 days prior to the opening of the Annual Conference. Nominations received after the closing date shall be returned to the proposing LAFCo marked "Received too late for Elections Committee action."<sup>8</sup>
  - iv. The names of the Election Committee members with the Committee Chairman's LAFCo address and phone number, and the names and contact information for each of the regional representatives.<sup>8</sup>
  - v. The address to send the nominations forms.
  - vi. A form for a Commission to use to nominate a candidate and a candidate resume form of no more than one page each to be completed for each nominee.
- b. No later than four months before the annual membership meeting, the Election Committee Chairman shall send an announcement to the Executive Director for distribution to each member LAFCo and for publication in the newsletter and on the web site. The announcement shall include the following:<sup>8</sup>

#### Key Timeframes for Nominations Process

| Days* |                           |
|-------|---------------------------|
| 90    | Nomination announcement   |
| 30    | Nomination deadline       |
| 14    | Committee report released |

\*Days prior to annual membership meeting

- i. A statement clearly indicating which offices are subject to the election.
  - ii. The specific date by which all nominations must be received by the Election Committee. Nominations received after the closing dates shall be returned to the proposing LAFCo marked "Received too late for Election Committee action."<sup>8</sup>
  - iii. The names of the Election Committee members with the Committee Chair's LAFCo address and phone number, and the names and contact information for each of the regional representatives.<sup>8</sup>
  - iv. Requirement that nominated individual must be a commissioner or alternate commissioner from a member in good standing within the region.
- c. A copy of these procedures shall be posted on the web site.

### **3. THE ELECTION COMMITTEE:**

- a. The Election Committee and the regional representatives have the responsibility to monitor nominations and help assure that there are adequate nominations from each region for each seat up for election. No later than two weeks prior to the Annual Conference, the Election Committee Chair shall distribute to the members the Committee Report organized by regions, including copies of all nominations and resumes, which are received prior to the end of the nomination period.<sup>8</sup>
- b. At the close of the nominations the Election Committee shall prepare regional ballots. Each region will receive a ballot specific to that region. Each region shall conduct a caucus at the Annual Conference for the purpose of electing their designated seats. Caucus elections must be held prior to the annual membership meeting at the conference. The Executive Director or assigned staff along with a member of the Election Committee shall tally ballots at each caucus and provide the Election Committee the names of the elected Board members and any open seats. In the event of a tie, the staff and Election Committee member shall immediately conduct a run-off ballot of the tied candidates.<sup>8</sup>
- c. Make available sufficient copies of the Committee Report for each Voting Delegate by the beginning of the Annual Conference.
- d. Make available blank copies of the nomination forms and resume forms to accommodate nominations from the floor at either the caucuses or the annual meeting (if an at-large election is required).
- e. Advise the Executive Director to provide "CANDIDATE" ribbons to all candidates attending the Annual Conference.<sup>8</sup>
- f. Post the candidate statements/resumes organized by region on a bulletin board near the registration desk.
- g. Regional elections shall be conducted as described in Section 4 below. The representative from the Election Committee shall serve as the Presiding Officer for the purpose of the caucus election.<sup>8</sup>
- h. Following the regional elections, in the event that there are open seats for any offices subject to the election, the Election Committee Chair shall notify the Chair of the Board of Directors that an at-large election will be required at the annual membership meeting and to provide a list of the number and category of seats requiring an at-large election.<sup>8</sup>

**4. ELECTRONIC BALLOT FOR LAFCO IN GOOD STANDING NOT ATTENDING ANNUAL MEETING<sup>6</sup>**

Limited to the elections of the Board of Directors

- a. Any LAFCo in good standing shall have the option to request an electronic ballot if there will be no representative attending the annual meeting.
- b. LAFCOs requesting an electronic ballot shall do so in writing no later than 30 days prior to the annual meeting.
- c. The Executive Director shall distribute the electronic ballot no later than two weeks prior to the annual meeting.
- d. LAFCo must return the ballot electronically to the executive director no later than three days prior to the annual meeting.
- e. LAFCOs voting under this provision may discard their electronic ballot if a representative is able to attend the annual meeting.
- f. LAFCOs voting under this provision may only vote for the candidates nominated by the Election Committee and may not vote in any run-off elections.<sup>8</sup>

**5. AT THE TIME FOR ELECTIONS DURING THE REGIONAL CAUCUSES OR ANNUAL MEMBERSHIP MEETING:**

- a. The Election Committee Chairman, another member of the Election Committee or the Chair's designee (hereafter called the Presiding Officer) shall:<sup>8</sup>
  - i. Review the election procedure with the membership.
  - ii. Present the Election Committee Report (previously distributed).
  - iii. Call for nominations from the floor by category for those seats subject to this election:
    1. For city member.
    2. For county member.
    3. For public member.
    4. For special district member.
- b. To make a nomination from the floor, a LAFCo, which is in good standing, shall identify itself and then name the category of vacancy and individual being nominated. The nominator may make a presentation not to exceed two minutes in support of the nomination.
- c. When there are no further nominations for a category, the Presiding Officer shall close the nominations for that category.
- d. The Presiding Officer shall conduct a "Candidates Forum". Each candidate shall be given time to make a brief statement for their candidacy.
- e. The Presiding Officer shall then conduct the election:
  - i. For categories where there are the same number of candidates as vacancies, the Presiding Officer shall:
    1. Name the nominees and offices for which they are nominated.
    2. Call for a voice vote on all nominees and thereafter declare those unopposed candidates duly elected.

- ii. For categories where there are more candidates than vacancies, the Presiding Officer shall:
  - 1. Poll the LAFcos in good standing by written ballot.
  - 2. Each LAFco in good standing may cast its vote for as many nominees as there are vacancies to be filled. The vote shall be recorded on a tally sheet.
  - 3. Any ballots submitted electronically for candidates included in the Election Committee Report shall be added to the tally.<sup>8</sup>
  - 4. With assistance from CALAFco staff, tally the votes cast and announce the results.
- iii. Election to the Board shall occur as follows:
  - 1. The nominee receiving the majority<sup>6</sup> of votes cast is elected.
  - 2. In the case of no majority, the two nominees receiving the two highest number of votes cast shall face each other in a run-off election. Electronic ballots are not included in the tally for any run-off election(s).<sup>6</sup>
  - 3. In case of tie votes<sup>6</sup>:
    - a. A second run-off election shall be held with the same two nominees.
    - b. If there remains a tie after the second run-off, the winner shall be determined by a draw of lots.
  - 4. In the case of two vacancies, any candidate receiving a majority of votes cast is elected.<sup>6</sup>
    - a. In the case of no majority for either vacancy, the three nominees receiving the three highest number of votes cast shall face each other in a run-off election.
    - b. In the case of no majority for one vacancy, the two nominees receiving the second and third highest number of votes cast shall face each other in a run-off election.
    - c. In the event of a tie, a second run-off election shall be held with the tied nominees. If there remains a tie after the second run-off election the winner shall be determined by a draw of lots.

## **6. ADDITIONAL PROCEDURES**

- a. For categories where there are more candidates than vacancies, names will be listed in the order nominated.
- b. The Election Committee Chair shall announce and introduce all Board Members elected at the Regional Caucuses at the annual business meeting.<sup>8</sup>
- c. In the event that Board seats remain unfilled after a Regional Caucus, an election will be held immediately at the annual business meeting to fill the position at-large. Nominations will be taken from the floor and the election process will follow the procedures described in Section 4 above. Any commissioner or alternate from a member LAFco may be nominated for at-large seats.
- d. Seats elected at-large become subject to regional election at the expiration of the term. Only representatives from the region may be nominated for the seat.
- e. As required by the Bylaws, the members of the Board shall meet as soon as possible after

election of new board members for the purpose of electing officers, determining meeting places and times for the coming year, and conducting any other necessary business.

## 7. LOSS OF ELECTION IN HOME LAFCO

Board Members and candidates who lose elections in their home office shall notify the Executive Director within 15 days of the certification of the election.

## 8. FILLING BOARD VACANCIES

Vacancies on the Board of Directors may be filled by appointment by the Board for the balance of the unexpired term. Appointees must be from the same category as the vacancy, and should be from the same region.

*These policies and procedures were adopted by the CALAFCO Board of Directors on 12 January 2007 and amended on 9 November 2007<sup>1</sup>, 8 February 2008<sup>2</sup>, 13 February 2009<sup>3</sup>, 12 February 2010<sup>4</sup>, 18 February 2011<sup>5</sup>, 29 April 2011<sup>6</sup>, 11 July 2014<sup>7</sup> and 27 October 2017<sup>8</sup>. They supersede all previous versions of the policies.*

# CALAFCO Regions

## FOUR REGIONS



The counties in each of the four regions consist of the following:

**Northern Region**

Butte  
Colusa  
Del Norte  
Glenn  
Humboldt  
Lake  
Lassen  
Mendocino  
Modoc  
Nevada  
Plumas  
Shasta  
Sierra  
Siskiyou  
Sutter  
Tehama  
Trinity  
Yuba

**CONTACT:** Steve Lucas  
Butte LAFCo  
slucas@buttecounty.net

**Southern Region**

Orange  
Los Angeles  
Imperial  
Riverside  
San Bernardino  
San Diego

**CONTACT:** Gary Thompson  
Riverside LAFCo  
gthompson@lafco.org

**Coastal Region**

Alameda  
Contra Costa  
Marin  
Monterey  
Napa  
San Benito  
San Francisco  
San Luis Obispo  
San Mateo  
Santa Barbara  
Santa Clara  
Santa Cruz  
Solano  
Sonoma  
Ventura

**CONTACT:** Martha Poyatos  
San Mateo LAFCo  
mpoyatos@smcgov.org

**Central Region**

Alpine  
Amador  
Calaveras  
El Dorado  
Fresno  
Inyo  
Kern  
Kings  
Madera  
Mariposa  
Merced  
Mono  
Placer  
Sacramento  
San Joaquin  
Stanislaus  
Tulare  
Tuolumne  
Yolo

**CONTACT:** Christine Crawford, Yolo LAFCo  
christine.crawford@yolocounty.org



# Board of Directors 2020/2021 Nominations Form

## *Nomination to the CALAFCO Board of Directors*

In accordance with the Nominations and Election Procedures of CALAFCO,

\_\_\_\_\_ LAFCo of the \_\_\_\_\_ Region

Nominates \_\_\_\_\_

for the (check one)    ☐ City    ☐ County    ☐ Special District    ☐ Public

Position on the CALAFCO Board of Directors to be filled by election at the next Annual  
Membership Meeting of the Association.

\_\_\_\_\_  
LAFCo Chair

\_\_\_\_\_  
Date

### **NOTICE OF DEADLINE**

Nominations must be received by **September 22, 2020**  
at 5:00 p.m. to be considered by the Election Committee.  
Send completed nominations to:  
CALAFCO Election Committee  
CALAFCO  
1020 12<sup>th</sup> Street, Suite 222  
Sacramento, CA 95814

## Board of Directors 2020/2021 Candidate Resume Form

Nominated By: \_\_\_\_\_ LAFCo Date: \_\_\_\_\_

Region (please check one): ☐ Northern ☐ Coastal ☐ Central ☐ Southern

Category (please check one): ☐ City ☐ County ☐ Special District ☐ Public

Candidate Name \_\_\_\_\_

Address \_\_\_\_\_

Phone Office \_\_\_\_\_ Mobile \_\_\_\_\_

e-mail \_\_\_\_\_

Personal and Professional Background:

LAFCo Experience:

CALAFCO or State-level Experience:

Availability:

Other Related Activities and Comments:

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CALAFCO  
1020 12<sup>th</sup> Street, Suite 222  
Sacramento, CA 95814

| <b>CALAFCO Board Members 2019-20</b><br>(as of June 19, 2020) |                                  |                               |
|---|----------------------------------|-------------------------------|
| <b>Board Member Name</b>                                      | <b>LAFCo - Region</b>            | <b>Type</b><br>(Term Expires) |
| Cheryl Brothers   | Orange - <i>Southern</i>         | City (2020)                   |
| Bill Connelly - <b>Treasurer</b>                              | Butte - <i>Northern</i>          | County (2021)                 |
| David Couch   | Humboldt - <i>Northern</i>       | District (2021)               |
| Shiva Frentzen  | El Dorado - <i>Central</i>       | County (2020)                 |
| Blake Inscore   | Del Norte - <i>Northern</i>      | City (2020)                   |
| Gay Jones   | Sacramento - <i>Central</i>      | District (2020)               |
| Michael Kelley – <b>Vice Chair</b>                            | Imperial - <i>Southern</i>       | County (2021)                 |
| Michael McGill - <b>Chair</b>                                 | Contra Costa - <i>Coastal</i>    | District (2020)               |
| Jo MacKenzie  | San Diego - <i>Southern</i>      | District (2021)               |
| Margie Mohler   | Napa - <i>Coastal</i>            | City (2021)                   |
| Tom Murray  | San Luis Obispo - <i>Coastal</i> | Public (2021)                 |
| Anita Paque - <b>Secretary</b>                                | Calaveras - <i>Central</i>       | Public (2021)                 |
| Jane Parker   | Monterey - <i>Coastal</i>        | County (2020)                 |
| Daniel Parra  | Fresno - <i>Central</i>          | City (2021)                   |
| Josh Susman   | Nevada - <i>Northern</i>         | Public (2020)                 |
| David West  | Imperial - <i>Southern</i>       | Public (2020)                 |



**Santa Cruz Local Agency Formation Commission**

Date: August 5, 2020  
To: LAFCO Commissioners  
From: Joe Serrano, Executive Officer  
Subject: **CALAFCO Correspondence**

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**SUMMARY OF RECOMMENDATION**

LAFCO staff received several correspondences during the months of June and July. This agenda item is for informational purposes only and does not require any action. Therefore, it is recommended that the Commission receive and file the Executive Officer's report.

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**EXECUTIVE OFFICER'S REPORT:**

Written correspondence was shared by the California Association of Local Agency Formation Commissions (CALAFCO). Below is a summary of each document.

- **CALAFCO Quarterly Bulletin (Attachment 1)** - This document is CALAFCO's regular bulletin which covers the latest LAFCO-related news.
- **Message from the CALAFCO Executive Director (Attachment 2)** – This letter highlights CALAFCO's new resources which are now available for all LAFCOs, including the ability to use CALAFCO's Zoom Account at no-cost.
- **Legislative Newsletters (Attachment 3)** - CALAFCO continues to share legislative newsletters from Hurst, Brooks, & Espinosa LLC. These newsletters provide insight on how the State of California is addressing the ongoing crisis and other important issues. A total of three newsletters are attached to this report.
- **CALAFCO University Virtual Courses (Attachment 4)** – CALAFCO will be hosting a series of webinars at no-cost to Commissioners and staff members. The webinars will be held on August 6, August 13, and August 21. The August 6th webinar will explore all the basics of LAFCO and will feature your Executive Officer as the co-presenter.

Respectfully Submitted,

  
Joe A. Serrano  
Executive Officer

**Attachments:**

1. CALAFCO Quarterly Bulletin (June Edition)
2. CALAFCO Letter dated June 2, 2020
3. HBE Newsletters from June to July 2020
4. CALAFCO University Flyer (July Edition)



# News from the Board of Directors

## CALAFCO QUARTERLY

June 2020

### A message from the Executive Director

So much has changed in our world since the last Quarterly Report in February of this year. Each of us have dealt personally with changes and health matters related to the COVID-19 pandemic; we've professionally dealt with

keeping LAFCo business going while striving to keep ourselves, each other and our communities healthy and safe; and been faced with understanding and responding to the fiscal fallout of the pandemic and the recent calls for racial and social justice...it can all overwhelm us if we let it.

This Quarterly Report will begin differently. We are highlighting the good news in our CALAFCO family first, followed by Association updates. Happy reading!

### Welcome New LAFCo Family Members

*We welcome two new babies to the CALAFCO family!*

San Mateo LAFCo Mgmt. Analyst Rob Bartoli and his wife Michelle welcomed (10 days early) **Luca Robert Bartoli** on March 30, 2020. Luca weighed in at 7 lbs., 11 oz. The family is all well, healthy and enjoying the comforts of home.



Not to be outdone, Napa LAFCo Executive Officer Brendon Freeman and family welcomed **Noah Campos Freeman** into the world on April 6, 2020. Noah tipped the scales at 8 lbs., 11 oz. upon his release from quarantine. Mom Isabel, Noah and Dad are all doing fine. Although neither set of parents are getting much sleep right now!

Congratulations to the Freemans and Bartoli's on bringing two future LAFCo EOs into the world!

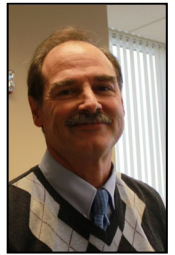
### Congratulations on Upcoming Retirements

We want to congratulate two long-time LAFCo leaders on their upcoming retirements. Their contributions to CALAFCO and to LAFCos statewide are far too numerous to list here. Needless to say, they both leave huge shoes to fill and will be greatly missed. We wish them both all the best in their retirement!

After a distinguished near 20-year career with Sonoma LAFCo, Asst. EO **Carole Cooper** is retiring at the end of June. Carole spent 12 years on the CALAFCO Legislative Committee and was the recipient of the CALAFCO Project of the Year Award as part of the team that revised the definition section of CKH, and received the Outstanding LAFCo Professional Award.



San Luis Obispo LAFCo EO **David Church** is also calling it time to retire. David has been with his LAFCo for almost 19 years and will be retiring in July. David also spent a number of years contributing to CALAFCO on the Legislative Committee and as the Deputy EO representing the coastal region for four years. David received several CALAFCO Achievement Awards including the Mike Gotch Courage & Innovation in Local Government Leadership Award and the Outstanding LAFCo Professional Award.



### LAFCos in the News

#### Tuolumne LAFCo Adds Special Districts

For the first time since 2012, special districts have been added to a LAFCo! CALAFCO acknowledges the hard work of **Tuolumne LAFCo** and congratulates them on adding special districts to their LAFCo. This is no easy feat and their process was a long one. We will learn more about it from EO **Quincy Yaley** in our next edition of *The Sphere*. As of today, 31 of the 58 LAFCos have special district representation. Way to go Tuolumne LAFCo!

#### Santa Clara LAFCo Receives Award for Communication and Outreach Plan

Earlier this month, **Santa Clara LAFCo** received the American Planning Association - California Northern Chapter's "Award of Excellence - Communication Initiative" for their communication and outreach plan. The APA highlighted the plan as one of the outstanding winners for its "fresh ideas that are transferable to other communities and represent guidebooks toward a more inclusive, accessible and equitable planning future."

#### Los Angeles LAFCo Receives Award of Excellence

In May, the Los Angeles Chapter of the American Planning Association awarded it's "Award of Excellence: Hard Won Victories" for "Rescuing the Sativa Water System" to **LA LAFCo**, the County of Los Angeles, and the SWRCB for their collaborative work on the Agency.

CALAFCO congratulates **Tuolumne, Santa Clara** and **Los Angeles** LAFCos on their achievements!



# News from the Board of Directors

## CALAFCO QUARTERLY

June 2020

Page 2



### CALAFCO BOARD UPDATE

The CALAFCO Board met February 21 and May 1. Here is a summary of the actions taken by the Board at these respective meetings.



#### February 21

As a follow up to the December 2019 meeting, the Board continued the discussion of transitioning the two primary contractors to employees to comply with AB 5. In executive session, the Board accepted the retirement announcement of Executive Director Pamela Miller, developed a recruitment plan and timeline and discussed the transition.

The Board considered the Tulare LAFCo proposed dues structure. After much discussion, they unanimously approved the convening of an ad hoc committee sometime in the summer to once again look at the dues structure that was adopted by the membership in October 2019. It is likely that this ad hoc committee will also include several member LAFCos outside of the Board.

Other actions the Board took at this meeting included:

- ✓ Reconfirmed no CPI increase (pursuant to Bylaws) for the FY 2020-21 LAFCo dues;
- ✓ Approved a request from Contra Costa LAFCo to prepare and file an amicus brief
- ✓ Conducted the annual dashboard review of the 2019 Strategic Plan objectives; and
- ✓ Accepted a series of reports including the 2020 conflict of interest filings, quarterly financial and investment reports, and the legislative report.

#### May 1

After careful consideration, the Board adopted a balanced budget for FY 2020-21. There are several notable differences in this budget as compared to past budgets, including:

- The Annual Conference revenue and expenses were adjusted for a smaller attendance and for a break-even model due to the pandemic;
- We are now budgeting for employer expenses such as employer's insurance, payroll services and payroll taxes, workers' compensation and overtime for the Administrator which is a non-exempt position; and
- For the first time, the operational costs of the Association are covered by member LAFCo dues, so there is no budget deficit. This is a result of the membership approving the new dues structure at the October 31, 2019 annual business meeting.

The Board also received a report from the Executive Director (ED) Recruitment Committee on the progress of the recruitment. During this report current ED Pamela Miller shared that given the uncertain times we are currently in and will be facing for the unforeseen future, she did not see

this is not a good time for a change in leadership for the Association and offered to stay on as the ED. The Recruitment Committee then took this under advisement.

Other actions taken by the Board at the May 1 meeting included:

- ✓ Received and filed the quarterly financial and investment reports;
- ✓ Received and filed the Legislative Committee report; and
- ✓ Received a verbal update on the Annual Conference from the Conference Chair and Program Chair.

All Board meeting packets are posted on the CALAFCO website.

### **EXECUTIVE DIRECTOR PAMELA MILLER STAYING WITH CALAFCO**

As was announced in early June, Pamela Miller will be staying with the Association as Executive Director. To comply with the requirements of AB 5, both Pamela and Jeni Tickler, CALAFCO's Administrator, will be transitioning to employee status effective September 1. Both will remain as part-time employees.

### **2020 STAFF WORKSHOP AND ANNUAL CONFERENCE**

#### **Staff Workshop**

Due to the COVID-19 pandemic, CALAFCO's Staff Workshop was cancelled. The workshop was scheduled for March 25-27 in Newport Beach. As it turned out, this was the right call, and done ahead of the March 19 stay-at-home order issued by the Governor.

CALAFCO staff was able to negotiate a revision in the facility contract to avoid a cancellation fee of over \$36,000. The workshop for 2020 has been booked at the same facility with only a slight increase in the food and beverage minimum and room rates. Further, all deposits (hotel, bus, boat, and caterer for the mobile workshop) were successfully moved forward to next year without penalty.

We wish to thank our Workshop hosts, *Imperial* and *Orange LAFCos* and their staff who worked so hard to prepare a fabulous workshop, and Program Chair *Gary Thompson*. His team did such an outstanding job that the program as planned will be moved forward to the 2021 Workshop.

#### **Annual Conference**

The Annual Conference is currently scheduled for October 21-23 in Monterey at the Hyatt Regency. Due to the ongoing restrictions on gatherings because of COVID-19, and due to shrinking local agency budgets, CALAFCO staff is currently exploring viable options for the Conference. The Program Planning Committee is already hard at work and planning session topics that are extremely relevant for the times. Details about the Conference will be announced as soon as a decision is made. We want to thank Conference Chair



# News from the Board of Directors

## CALAFCO QUARTERLY

June 2020

Page 3



*Jane Parker* and Program Chair *Christine Crawford*, as well as the entire program planning team for their work thus far.

Your Board's top priority is ensuring the health and safety of all of you, our Association members, your families, and those at the hotel facility. Our decision will be based with that in mind as priority #1.

### CALAFCO UNIVERSITY

Under the leadership of *Martha Poyatos*, the format of the CALAFCO



University is being revised. For the remainder of the year, we will be offering all CALAFCO U sessions virtually. We are currently planning a series of short online sessions including LAFCo 101 for staff, Clerk 101 (to include Public Records Requests and BOE info), and a LAFCo Primer for Commissioners. This series will be offered at no cost to all member LAFCo staff and commissioners, and will be recorded and placed online for on-demand access to our members. A number of other courses are also being planned, so keep an eye open for announcements coming soon.



### CALAFCO LEGISLATIVE UPDATE

This has been a legislative year like no other given the pandemic. As we have been reporting, the Legislature went into recess to comply with the Governor's stay at home orders and was out for several months without bills moving. Upon return, both houses adopted revised calendars and cut

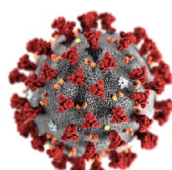
back their bill count significantly.

As you are all aware, the state is now grappling with a \$54 billion deficit and Legislators are having to make difficult decisions on how to close that deficit gap. One thing is certain – even if there is federal funding assistance, local governments throughout the state will be operating in fiscal crisis for several years to come.

As a result, the CALAFCO legislative priorities for the year have all but vanished. The LAFCo funding bill not be moving forward and our work with the Protest Provisions Rewrite Working Group has been put on pause. Staff hopes to reconvene that working group in late summer.

### CALAFCO'S COVID-19 RESPONSE AND MEMBER SUPPORT

As all of you were forced to quickly pivot and revise the way you conduct business in March, so was CALAFCO staff. We have been working remotely since mid-March and monitor the office mail and voicemails. Both Pamela and Jeni continue to do everything as usual, just from home.



Seeing a need to support LAFCo staff as they navigated the difficult waters of caring for themselves, their commissions, and the public so that business would be seamless, CALAFCO began hosting weekly meetings for Executive Officers and another for Clerks. These meetings create a space in which LAFCo staff can discuss the unusual issues they are dealing with, share ideas and collectively develop solutions. Over three months later, the meetings are now transitioning to bi-weekly.

CALAFCO staff also issued a number of special bulletins to the full membership over the past several months, sharing critical information and resources as appropriate. In addition, we are sharing a variety of resources and educational opportunities from other resources on things like conducting virtual meetings, fiscal impacts of COVID, etc.

Seeing a need for remote meeting resources for our member LAFCos, CALAFCO offered our toll free conference calling system for you to conduct your meetings and in May purchased several Zoom licenses, one specifically for use by our member LAFCos to conduct your meetings virtually at no cost to you.

We hope you have found these resources useful and we will continue to work in providing you the support you need.

### CALAFCO ADMINISTRATIVE UPDATE

We successfully migrated to a new email server at the end of February and are happy to report the transition was seamless and has resolved all of CALAFCO staff's email issues.



The CALAFCO website is being updated to enhance the library archives and member forms sections. So far over the past several months the following updates have occurred:

- ✓ CALAFCO University session archives are fully updated with all prior CALAFCO U session materials online
- ✓ Attorney General Opinions section is fully updated with all AG Opinions posted
- ✓ CALAFCO Directories have all been indexed, reorganized and updated
- ✓ In CALAFCO Publications, The Sphere section has been fully updated with a more usable indexing
- ✓ In the Resources section, all of the Useful Weblinks have been updated.

Future updates (some currently in progress) include a full update and re-indexing of the Forms Library and updating of the LAFCo litigation section.



### CALAFCO BOARD OF DIRECTORS NOMINATION PERIOD OPEN

The nomination period for the 2020 CALAFCO Board of Directors election is open. Nominations are being accepted through 5:00 p.m. September 22, 2020. Nomination packets were emailed to all LAFCo EOs, are placed on the CALAFCO website, and hard copies will be mailed to each LAFCo office.



### CALAFCO Associate Members' Corner

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

*Our last edition featured our Gold Associate Members. In our next several editions we will highlight our Silver Associate Members.*

#### **Berkson Associates**

##### **Berkson Associates**

provides clear, concise analysis for preparation of governance studies including district formation, consolidation and dissolutions. Extensive experience completing incorporation studies. Expertise also includes market analysis, public agency budget forecasting and demographic/housing analysis in support of MSRs. For more information, contact **Richard Berkson** at [richard@berksonassociates.com](mailto:richard@berksonassociates.com). You can also visit their website at [www.berksonassociates.com](http://www.berksonassociates.com).



#### **Santa Ynez Community Services District**



SANTA YNEZ  
COMMUNITY SERVICES DISTRICT

Founded in 1971, **the Santa Ynez Community Services District** provides wastewater collection and transportation and street lighting, serving approximately 688 wastewater connections. Effluent collected by the District is treated at the City of Solvang wastewater treatment plant. For more information about the District, visit their website at [www.sycsd.com](http://www.sycsd.com), or contact the Secretary/Treasurer **Wendy Berry** at [wendy@sycsd.com](mailto:wendy@sycsd.com).

#### **Rosenow Spevacek Group, Inc.**

**RSG** is a creatively charged counterpart to California public agencies. They work with the people responsible for vibrant places and propel them to their goals. Better Communities. Bolder futures. To learn more about them visit their website at [www.webrsg.com](http://www.webrsg.com) or contact **Jim Simon** at [jsimon@webrsg.com](mailto:jsimon@webrsg.com).



#### **City of Fontana**



City of Fontana is responsible for managing the City's annexation program, which includes coordinating annexation meetings, meeting with landowners and developers concerning the benefits of annexation, preparing Plans for Services, overseeing preparation of environmental documents pertaining to rezoning and annexation, and presenting them to the Planning Commission, City Council and LAFCo for review and consideration. In addition, oversee the preparation of out-of-agency service agreements for sewer and other municipal services. Visit them at [www.fontana.org](http://www.fontana.org).

*CALAFCO wishes to thank all of our Associate Members for your ongoing support and partnership. We look forward to continue highlighting you in future Quarterly Reports.*

#### **Mark Your Calendars For These Upcoming CALAFCO Events**

- ❖ CALAFCO Legislative Committee meeting – July 17, 2020 via conference call
- ❖ CALAFCO Board of Directors meeting – July 24, 2020 – Location TBD



The full revised CALAFCO 2020 Calendar of Events can be found on the CALAFCO website. It is being updated regularly as events and meetings are cancelled or changed.

**All CALAFCO Board and Legislative Committee meeting packets are available online at [www.calafco.org](http://www.calafco.org).**

*Your CALAFCO Board and Staff wish all of you a safe and healthy summer. We continue to face both known and unknown challenges. As we do, keeping ourselves, our families, our work teams, and our communities healthy and safe remains a priority. Please, be well.*





June 2, 2020

TO: CALAFCO Member LAFcos – Commissioners and Staff  
FROM: Pamela Miller, Executive Director

Dear Member LAFcos:

We find ourselves in extraordinary and uncertain times. As we enter the fourth month of the COVID-19 pandemic, we remain in a high-level learning and adaptive mode. Each week presents new challenges to overcome. As we move into budget season, difficult decisions must be considered in response to the deep fiscal impacts of the pandemic. And most recently, many of us find ourselves grappling with civil unrest, curfews, and communities on edge for so many reasons. On behalf of the CALAFCO Board of Directors, I want to thank all of you for your courageous leadership in these challenging times. I've heard so many inspiring stories from your LAFcos and local agency partners about the great work you are doing to serve your communities while keeping yourselves and others safe. This is the kind of leadership that is needed today – more than ever, and we thank you.

There is so much rebuilding to be done and so many opportunities to do that in creative and innovative ways. CALAFCO is proud to serve as a resource and support for you. Like you, we've been learning how to adapt with flexibility to meet your changing needs.

As you know, we had to cancel our annual Staff Workshop due to the pandemic. Since that week in March we've been hosting and facilitating weekly meetings for Executive Officers and another for Clerks. These are opportunities for them to gather and discuss how each LAFco is responding to the pandemic; to share information and concerns; and to stay connected.

To serve each commission, CALAFCO offered our toll-free conference calling system to any LAFco that needs it for staff, committee, and commission meetings. Most recently CALAFCO purchased two Zoom licenses and we offered all of you, our member LAFcos, the use of one of those in the name of Member LAFcos at no cost for your committee and commission meetings. Additionally, we are using this time to update and enhance the CALAFCO website so it can be a more valuable resource for you.

We are revising our CALAFCO University model to make our sessions more accessible and cost-effective by creating a series of webinars for the second half of 2020 which will be announced soon. And we continue to share with you valuable educational opportunities provided by our partner associations.

During the CALAFCO Board meeting in late February, the Board unanimously approved the formation of an ad hoc committee to take another look at the dues structure that was approved by the membership at the October 31, 2019 business meeting. This ad hoc committee will be formed sometime this summer and you will receive information about the committee and its scope of work as soon as it becomes available.

CALAFCO continues to find ways to support each of you today, tomorrow and into the future. We look forward to hearing from you how we can be an even more effective and valuable partner and provide support for you, our Member LAFcos.

We value your membership and thank you for your support and partnership.

Warm regards,

A handwritten signature in blue ink, appearing to read "Pamela Miller", is positioned above the printed name.

Pamela Miller  
Executive Director



HURST+BROOKS+ESPINOSA

# This Week in Sacramento

INFORMATION & INSIGHTS FROM HURST BROOKS ESPINOSA ■ SPECIAL UPDATE: JUNE 26, 2020

## Assembly Completes Most Work Needed on First Round of 2020-21 Budget and Trailer Bills

In follow-up to the Senate's votes last night on (most of) the final 2020-21 state budget package, the Assembly came back to town today from its summer break for its part of the action. This morning, the Assembly Budget Subcommittee No. 6 on Budget Process, Oversight and Program Evaluation met to hear AB 89 – the “Budget Bill, Jr.” that makes necessary amendments to conform the budget bill passed June 15 to the final budget deal struck earlier this week – along with a dozen and a half trailer bills. Please refer to the our attached chart that details provisions of the implementing trailer bills, which has been expanded to include two additional “trailer bills” – neither of which, as we mentioned yesterday, are necessarily components of the final budget agreement and have yet to be acted on by both houses. Additionally, we would note that the Legislature has some unfinished business on trailer bills, as described below:

### Worth Noting: CHCF to Host Public Hospital Webinar

The California Health Care Foundation (CHCF) is hosting a webinar on the impact of the COVID-19 pandemic on public hospital and health systems. The event will be on Friday, July 10 from 2 to 3 p.m. and will include discussion of challenges and opportunities for public hospitals and their patients. Speakers will include Tangerine Brigham, MPP, Alameda Health System; Jennifer Cruikshank, RN, Riverside University Health System; and Susan Ehrlich, MD, Zuckerberg San Francisco General Hospital and Trauma Center. For more information, click [here](#).

- Given policy concerns expressed about various provisions in the public safety trailer bill (AB 88, which was approved by the Senate last night), the Assembly declined to take a vote and lobbied that measure back to the Senate at the end of this afternoon's floor session presumably for additional modifications.
- The K-12 education trailer bill was not eligible to be heard last night because it had not been in print the requisite 72-hours, so only the Assembly has acted on the measure (SB 98).
- Although the Senate acted last night on AB 105 (relating to an exemption conferred to the solar industry associated with the November 2020 split roll initiative) and SB 1383 (an expansion to paid family leave), the Assembly adjourned without voting on either measure.
- The Senate passed AB 94, the higher education trailer bill last night and sent it to the Assembly. The Assembly passed SB 116, a slightly different version of the higher education trailer bill, today and sent it to the Senate. We understand that the difference in the two houses' versions relates to CEQA streamlining provisions for the Parnassus Heights project at University of California San Francisco. Since neither house concurred on these measures, one of the vehicles must receive a final vote at a future date.



- As noted in our summary of the state budget deal we distributed earlier this week, action has been deferred until after the summer break on both the DJJ realignment and the vaping tax. Expect more developments on both those fronts next month.

So, what is next? As for scheduling, the Senate will return to Sacramento next week for additional legislative activities; the Assembly has adjourned to enjoy the remainder of its summer break. Both houses will return on July 13 and maintain a harmonized schedule through the end of session on August 31. Given that only the Senate will be in town next week and neither house will be working the week of July 6, it may be fairly quiet until both houses return mid-July.

## **Governor Reflects on Transmission Spikes and Manufacturing at Today's Noon Press Conference**

At Governor Newsom's fourth press conference in the last five days, he provided an update on statewide COVID-19 data and trends, spoke in-depth about the conditions in Imperial County, and focused on California-based manufacturers that are producing personal protective equipment (PPE).

Today's update on COVID-19 included the following data:

- 4,890 new positive cases and 79 deaths in the last 24 hours;
- 3.3% increase in hospitalizations in the last 24 hours;
- 4.4% increase in the number of COVID-19 patients in Intensive Care Unit (ICU) beds; and
- A positivity rate of 5.3 percent for the last 14 days and 5.7 percent for the last seven days.

The Governor also announced the state's formal Testing Task Force was ending today and would be reconstituted to focus on more targeted testing, particularly of communities that are under-tested.

Fifteen counties are now on the state's [watch list](#). The Governor focused his remarks during today's presser on Imperial County, where circumstances require a unique set of support, counsel and resources. Over 500 patients have been transferred out of hospitals in Imperial County to hospitals throughout the state over the last five weeks. The positivity rate of testing in Imperial is close to 23 percent; statewide that number is closer to 5 percent. The Governor announced that his Administration is working with Imperial County to pull back and reinstitute a stay-at-home order.

The Governor also included a California manufacturing focus in his presentation today, holding the press event at Tri Tool in Sacramento in partnership with the California Manufacturers and Technology Association. He highlighted the work that California manufacturers are doing to produce products for California and encouraged the purchase of PPE from California manufacturers. The Governor highlighted a website – [safelymakingCA.org](https://safelymakingCA.org) – that will help match PPE purchasers with in-state manufacturers. Additionally, the manufacturers are making PPE available at no cost to trade associations in California to help facilities re-open.

In related news, recall that real-time legislative efforts, including recently amended [SB 275](#) by Senator Richard Pan, would impose requirements related to in-state production of PPE as well as health provider and state PPE stockpiles.

**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

## 2020-21 Budget Bill / Trailer Bills – As of June 26, 2020

**Note that only the bills highlighted below have already been approved by the Legislature.  
Expect additional trailer bills before the Legislature adjourns for the year.**

| Bill No.                       | Topic   |
|--------------------------------|---|
| <a href="#">SB 74</a>          | Budget Act of 2020                                    |
| <a href="#">AB 89</a>          | Amendment to Budget Act of 2020                       |
| <a href="#">AB 75</a>          | Budget Act of 2019: deficiencies                      |
| <a href="#">AB 76</a>          | Education finance (2019-20 actions)                   |
| <a href="#">AB 78</a>          | Infrastructure and Economic Development Bank (I Bank) |
| <a href="#">AB 79</a>          | Human Services  |
| <a href="#">AB 80</a>          | Health  |
| <a href="#">AB 81</a>          | Quality Assurance Fee (2/3 vote)                      |
| <a href="#">AB 82</a>          | General Government #1                                 |
| <a href="#">AB 83</a>          | Housing   |
| <a href="#">AB 84</a>          | CalSTRS/CalPERS                                       |
| <a href="#">AB 85</a>          | State taxes and charges                               |
| <a href="#">AB 88</a>          | Public Safety   |
| <a href="#">AB 90</a>          | Transportation  |
| <a href="#">AB 92</a>          | Resources   |
| <a href="#">AB 93</a>          | Earned Income Tax Credit                              |
| <a href="#">AB 94 / SB 116</a> | Higher Education                                      |
| <a href="#">AB 100</a>         | Elections (General Government #2)                     |
| <a href="#">AB 102</a>         | CalSavers   |
| <a href="#">AB 103</a>         | Unemployment Insurance                                |
| <a href="#">AB 105</a>         | Solar exemption from split roll initiative            |
| <a href="#">AB 119</a>         | March 2020 Bargaining Unit Agreements                 |
| <a href="#">SB 98</a>          | K-12 Education  |
| <a href="#">SB 1383</a>        | Paid family leave                                     |



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## 2020-21 Budget Bill and Trailer Bills – As of June 26, 2020

| Bill No.              | Topic                            | Summary of main provisions  |
|-----------------------|----------------------------------|---|
| <a href="#">SB 74</a> | Budget Act of 2020               | Main provisions of Legislature's two-house budget plan.   |
| <a href="#">AB 89</a> | Amendment to Budget Act of 2020  | Amendments to SB 74 to reflect final budget deal.   |
| <a href="#">AB 75</a> | Budget Act of 2019: deficiencies | <p>Makes a total of \$119.7 million in supplemental appropriations to the 2019-20 budget to address unanticipated expenditures in the current year, including:</p> <ul style="list-style-type: none"><li>▪ \$4.8 million General Fund augmentation for CAL FIRE to cover the costs of back pay of cash-in-lieu-of benefits pursuant to a settlement with Bargaining Unit 8;</li><li>▪ \$9.702 million General Fund augmentation to CDCR to conduct remediation work to control Legionella bacteria at the California Health Care Facility in Stockton;</li><li>▪ \$11.7 million General Fund appropriation for the Department of General Services (DGS) to conduct ongoing response and recovery operations related to the 2018 Camp Fire in Butte County, including contract work for relief activities that continued into 2019;</li><li>▪ \$40.3 million General Fund for the California Department of Food and Agriculture (CDFA) with an extended encumbrance to June 30, 2021 to provide financial assistance to fairs in California that are struggling to manage in the pandemic-induced recession;</li><li>▪ \$17,000 General Fund appropriation to reimburse Mariposa County for costs related to the <i>Stayner</i> homicide case;</li><li>▪ \$48.9 million General Fund to augment the 2019 Budget Act for multiple departments that incurred costs associated with the 2019 wildfires and the public safety power shutoffs (PSPS), including:<ul style="list-style-type: none"><li>○ <i>For 2019 wildfire costs</i> – the Department of Transportation (\$6.8 million for state highway system asset repair and traffic controls during the evacuations); CHP (\$1.286 million for traffic management overtime costs related to the wildfires); DMV (\$19,000 for customer support to assist in replacement of important government records, claims for insurance, and other purposes related to losses suffered from the wildfires); Department of Parks and Recreation (\$58,000 for the mobilization and deployment for fire response coordination and overtime costs for assistance with patrols for areas impacted by the fires); Emergency Medical Services Authority (\$389,000 for the deployment of the California Medical Assistance Team to provide care to patients and state personnel as well as overtime costs for staffing and logistical support; Department of Social Services (\$83,000 for the State Emergency Food Reserve); CDCR (\$122,000 for wildfire suppression activities); DGS (\$6.457 million for overtime for emergency staff, laundry and shower units,</li></ul></li></ul> |





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| Bill No. | Topic   | Summary of main provisions   |
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|          |   | <p>sanitation rentals and transport, bio-cleaning for shelters, water and fuel infrastructure, comfort kits, unarmed security services, and other equipment and commodities); California Military Department (\$2.979 million for the deployment of staff and resources to assist with evacuations, patrols, and providing/distributing life sustaining goods to populations affected/displaced by the fires)</p> <ul style="list-style-type: none"><li>○ For 2019 PSPS – Department of Social Services (\$6 million for county Adult Protective Services social workers to conduct wellness checks of seniors during the public safety power shutoff and resources to reimburse and replenish the State Emergency Food Reserve)</li><li>○ For 2019 wildfires and PSPS – Cal OES (\$24.717 million for the State Operations Center and regional response activity costs incurred by Cal OES for activations in response to the power shutoff events, reimbursing local California fire companies for incident responses that were directed by Cal OES, but were outside of the mutual aid agreements, and reimbursing the costs for out of state engines that provided mutual aid</li></ul> <ul style="list-style-type: none"><li>▪ \$2.362 million General Fund augmentation for the California Military Department for activation of the National Guard to assist local agencies in responding to the protests and civil unrest that began on May 30, 2020.</li><li>▪ \$1.946 million General Fund augmentation to DGS for costs incurred in response to the protests and civil unrest</li></ul> |
| AB 76    | Education finance (2019-20 actions)                   | <p>Enacts K-12 Education and Community Colleges 2019-20 deferrals, including:</p> <ul style="list-style-type: none"><li>▪ \$1.85 billion in payments for K-12 education from June 2020 to July 2020, reducing apportionments for the Proposition 98 Guarantee by this amount in 2019-20 and instead counting those apportionments for the 2020-21 Proposition 98 Guarantee;</li><li>▪ \$406.7 million appropriation in Proposition 98 General Fund for the purposes of funding the Local Control Funding Formula in the 2019-20 fiscal year, which would count against Proposition 98 settle-up obligations in the 2013-14 and 2018-19 fiscal years;</li><li>▪ \$330.1 million deferral in Proposition 98 General Fund from 2019-20 to 2020- 21 and an allowance for colleges to apply for a hardship exemption from this deferral.</li></ul>  |
| AB 78    | Infrastructure and Economic Development Bank (I Bank) | <p>Establishes a Climate Catalyst Revolving Loan Fund at the Infrastructure and Economic Development Bank to receive funds from non-state governmental entities and private sources for the purpose of making loans for climate catalyst projects that further the state's climate goals. Funds will be available for expenditure upon appropriation by the Legislature after the Strategic Growth Council advises the Legislature on categories of projects to fund.</p>  |



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| Bill No. | Topic          | Summary of main provisions  |
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| AB 79    | Human Services | <p><b>CalWORKs</b></p> <ul style="list-style-type: none"><li>Conforms all program statute pertaining to CalWORKs to reflect the 60-month time limit that is scheduled to take effect on May 1, 2022 or when the department notifies the Legislature that the Statewide Automated Welfare System can perform the necessary automation to implement the 60-month time limit, whichever is later, and, in tandem, repeals references to the sunseting 24 and 48 month time clocks that will cease to exist, pursuant to the same May 1, 2022 or automation requirement, whichever is later.</li><li>Specifies additional intensive case management models that counties are required to contract for the provision of services with public or nonprofit agencies or school districts that administer services, including, among others, a home visiting model. Requires counties to include approved contractors in their planning of the Cal-Learn Program to ensure participation in the county's planning and implementation of the program. Declares the intent of the Legislature to review the implementation of the changes during the course of the 2020–21 fiscal year to determine how these changes impact service delivery and counties' ability to maintain service levels as they existed in 2019–20 and prior to these changes.</li><li>Specifies that the implementation of the CalWORKs Outcomes and Accountability Review (CalOAR) continuous quality improvement components, including county self-assessments, system improvement plans, peer reviews, progress reports, and data validation will be optional to counties during the 2020–21 fiscal year.</li><li>Changes the county CalWORKs self-assessment process and the county CalWORKs system improvement plan to be completed every five years, instead of every three years.</li><li>Delays the Stage One Child Care permanent removal from the CalWORKs Single Allocation for the 2020–21 fiscal year, to take effect in 2021–22.</li></ul> <p><b>CalFresh and Emergency Food</b></p> <ul style="list-style-type: none"><li>Changes the beginning base year for the updating of the budgeting methodology used to determine the annual funding for county administration of the CalFresh Program from the 2020–21 fiscal year to instead specify the 2021–22 fiscal year.</li><li>For the 2021–21 and 2021–22 fiscal years, limits a county's share of cost contributions for the nonfederal costs for administering the CalFresh program to the amount of county funds that the county was required to match to receive its full General Fund allocation under the Budget Act of 2019, and provides that the General Fund allocation for administration of CalFresh, for the 2021–21 and 2021–22 fiscal year, be equal to 35% of the total federal and nonfederal projected funding for administration of CalFresh.</li><li>Requires the Department of Social Services to convene a workgroup that includes, but is not limited to, the County Welfare Directors Association of California, representatives of county eligibility workers, the Statewide Automated Welfare System, and client advocates to consider changes to semiannual reporting with the goal of reducing the reporting burden on recipients and reducing the workload for county</li></ul> |



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|          |       | <p>eligibility staff. Requires that the workgroup consider federally allowable reporting structures implemented in other states, recommendations in existing research reports, and receive and consider options put forth by workgroup members. Requires the consensus recommendations of the workgroup to be submitted to the Legislature not later than October 1, 2021, and to include details regarding potential implementation of these recommendations, including identification of those that the state may implement via state legislation or administrative guidance to counties, as well as those requiring changes in federal law or waivers of federal law.</p> <p><b>In-Home Supportive Services (IHSS)</b></p> <ul style="list-style-type: none"><li>▪ Adds information about written or spoken languages, if known, to the information about IHSS providers that shall be made available, upon request, to an exclusive bargaining agent and to any labor organization seeking representation rights, pursuant to current law.</li><li>▪ Specifies that counties shall have until December 31, 2020, to complete the required reassessments for all In-Home Supportive Services recipients who were due for a reassessment pursuant to current law between the issuance of Executive Order No. N-29- 20 and June 30, 2020, and for whom one was not completed due to the waiver authority set forth in the Executive Order.</li><li>▪ Specifies that reassessments for IHSS recipients required pursuant to current law on or before December 31, 2020 may be conducted remotely using telehealth, including by video conference or telephone, subject to continuing federal approval.</li><li>▪ Specifies noticing and scheduling requirements for IHSS provider orientations and provides for when such orientations are modified from onsite or in-person. Prohibits counties from discouraging prospective providers from attending, participating, or listening to the orientation presentation of the recognized employee organization. Specifies that prospective providers may, by their own accord, choose not to participate in the recognized employee organization presentation.</li><li>▪ Requires the Department of Social Services to, in consultation with counties, develop a standardized curriculum, training materials, and work aids, and operate an ongoing, statewide training program on the supportive services uniformity system.</li><li>▪ Permits a county to, until December 31, 2020, request, and the Department of Social Services to approve, a reduction of quality assurance and program integrity activities to address staffing shortages and enable the county to repurpose staff to support critical IHSS administrative functions, including intakes and reassessments. Specifies that any reduction shall be in effect for a period of no more than 12 months, to be determined by the department on a case-by-case basis.</li><li>▪ Permits a county to, until December 31, 2020, perform required IHSS quality assurance and program integrity activities remotely using telehealth, including by video conference or telephone, subject to continuing federal approval.</li></ul> |



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| Bill No. | Topic | Summary of main provisions   |
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|          |       | <p><b>Child Welfare Services and Foster Care</b></p> <ul style="list-style-type: none"><li>▪ Permits a resource family home health and safety assessment to be completed by nonsocial work personnel that meet specified requirements, if the assessment is reviewed and approved by a social worker.</li><li>▪ Permits the orientation of potential resource family applicants to be completed by nonsocial work personnel that meet specified requirements.</li><li>▪ Specifies that a foster family agency shall employ one full-time social worker for every 18 children or fraction thereof in placement.</li><li>▪ Changes the requirement for the review and updating of resource family approval to occur biennially, instead of annually.</li><li>▪ Conforms the requirement for a foster family agency to conduct an announced inspection of a resource family home during the update of resource family approval, which will occur biennially, instead of annually.</li><li>▪ Permits a county to complete an inspection of a supervised independent living placement to ensure that it meets health and safety standards through methods other than an in-person visit, including, but not limited to, videoconferencing and telephone calls that include pictures of the living space, and may, for the 2020–21 fiscal year, temporarily approve the supervised independent living placement pending the submission of required forms by the 27 nonminor dependent, based on the nonminor dependent’s agreement that the forms will be submitted.</li><li>▪ Permits a county, at its option, to extend the services provided to former foster youth participating in the Transitional Housing Program-Plus as of July 1, 2020, without regard to their age or length of time they have received services, until June 30, 2021.</li><li>▪ Subject to an appropriation in the annual Budget Act, provides that a rate paid to a transitional housing placement provider serving nonminor dependents shall be supplemented with a housing supplement, which shall be calculated by the Department of Social Services, as specified for nonminor dependents who are custodial parents and for nonminor dependents who are not custodial parents. Requires the Department of Social Services to work with the County Welfare Directors Association of California and the Statewide Automated Welfare System (CalSAWS) to develop and implement the necessary system changes to implement the housing supplement, which begins on July 1, 2021, for the counties utilizing the CalWIN system, or when the department notifies the Legislature that CalWIN can perform the necessary automation to implement it, whichever is later. Requires that the supplement begin on September 1, 2022, for the counties utilizing the CalSAWS system, or when the department notifies the Legislature that CalSAWS can perform the necessary automation to implement it, whichever is later.</li><li>▪ Extends for the 2020-21 fiscal year the requirement that Emergency Assistance Program funds for emergency caregivers who have not received approval or denial of the resource family application be provided beyond 120 days, for up to 365 days upon showing of good cause that the delay in approving or</li></ul> |



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|          |        | <p>denying the family is due to circumstances outside of the direct control of the county. This is a one-time cost of \$13.4 million General Fund.</p> <ul style="list-style-type: none"><li>▪ Makes changes to facilitate expedited implementation of the Family Urgent Response System (FURS), which has a cost of \$30 million General Fund for 2020-21. Specifies that the statewide hotline may operate sooner than January 1, 2021, or prior to the date that each county has created a county mobile response system, upon notification from each county to the Department of Social Services that the county either has established a county mobile response system pursuant to FURS or has an alternative method to accept and respond to referrals from the statewide hotline pending the establishment of the county mobile response system. Permits county-based mobile response systems to be temporarily adapted to address circumstances associated with COVID-19, consistent with the Governor's Proclamation of a State of Emergency, issued on March 4, 2020. Permits a county to establish a mobile response system, or an alternative method to accept and respond to referrals from the statewide hotline, pending the establishment of the county mobile response system, prior to January 1, 2021, in order to facilitate the early operation of the statewide hotline. FURS is funded with \$30 million General Fund. Implementation of this program will be suspended on December 31, 2021, subject to the terms of the suspension policy as specified in statute.</li></ul> <p><b>Department of Child Support Services</b></p> <ul style="list-style-type: none"><li>▪ Increases the child support disregard, which is the pass-through payment to families in the CalWORKs program, from the current first \$50 of any amount of child support collected in a month to the first \$100 for a family with one child or the first \$200 for a family with two or more children, effective January 1, 2022, or when the State Department of Social Services and the Department of Child Support Services notify the Legislature that the Statewide Automated Welfare System and Child Support Enforcement System can perform the necessary automation to implement.</li></ul> <p><b>Department of Developmental Services</b></p> <ul style="list-style-type: none"><li>▪ Includes various provisions to enact budget provisions related to the Department of Developmental Services.</li></ul> |
| AB 80    | Health | <p><b>Health Care Payments Data System</b></p> <ul style="list-style-type: none"><li>▪ Changes the name of the Health Care Cost Transparency Database to the Health Care Payments Data Program which shall administer the Health Care Payments Data System. Establishes this program at the Office of Statewide Health Planning and Development (OSHPD) and requires the program to collect data on all California residents to the extent feasible.</li><li>▪ Clarifies the the purpose and goals of this program, including improving public health, advancing health coverage, reducing health care costs, preserving consumer privacy, and more.</li><li>▪ Requires OSHPD to establish an advisory committee, and specifies that the director of the State Department of Health Care Services (DHCS), and the executive director of the California Health Benefit Exchange (HBEX),</li></ul>   |



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|          |       | <p>or their representatives, shall be nonvoting ex officio members of the advisory committee. Requires each appointed member to serve a term of two years and serve at the discretion of the director. Requires that the advisory committee elect a chairperson. Requires the advisory committee to meet at least quarterly. Stipulates the functions of the advisory committee.</p> <ul style="list-style-type: none"><li>▪ Requires, on or before July 1, 2024, the advisory committee to make recommendations to OSHPD on public health data functions and integration and requires OSHPD to publish these recommendations on their website.</li><li>▪ Requires OSHPD to establish a data release committee to make recommendations about applications seeking either program data with direct personal identifiers or the transmission of standardized datasets, except for data requests from other state agencies.</li><li>▪ Authorizes OSHPD to convene other committees or workgroups as necessary. Authorizes OSHPD to enter into contracts for purposes of operating this program, until January 1, 2026.</li><li>▪ Requires health care service plans, health insurers, a city or county that offers self-insured or multiemployer-insured plans, and other specified mandatory and voluntary entities to submit health care data to this program.</li><li>▪ Authorizes the department director to suspend or revoke any license to a health care service plan or assess penalties if the plan violates various legal requirements, including data submission requirements of the Health Care Payments Data System.</li><li>▪ Requires OSHPD to use the data to produce publicly available information, including summaries, analyses, studies, and reports that support the goals of improving public health, reducing disparities, and reducing health care costs.</li><li>▪ Requires OSHPD to submit a report to the Legislature on or before March 1, 2024 that includes claims data reported by mandatory and voluntary submitters.</li></ul> <p><b>Full-Scope Medi-Cal for Undocumented Seniors</b></p> <ul style="list-style-type: none"><li>▪ Requires that full scope Medi-Cal coverage for individuals who are 65 years of age or older, and who do not have satisfactory immigration statuses or are unable to establish satisfactory immigration status, be prioritized for inclusion in the budget for the upcoming fiscal year, if the Department of Finance projects a positive ending balance in the Special Fund for Economic Uncertainties, for the upcoming fiscal year and each of the ensuing three fiscal years, that exceeds the cost of providing full scope benefits to this population.</li></ul> <p><b>Conforms Inmate Medi-Cal Eligibility to Federal Law</b></p> <ul style="list-style-type: none"><li>▪ Brings state law into compliance with the federal “Substance Use Disorder Prevention that Promotes Opioid Recovery and Treatment for Patients and Communities (SUPPORT) Act,” which, in part, requires states to no longer terminate Medicaid eligibility for juveniles who are incarcerated and allows states to adopt indefinite</li></ul> |



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|          |       | <p>Medi-Cal suspension for eligible incarcerated juveniles, beginning October 1, 2020. Eliminates the current limit of one year for Medi-Cal suspensions for incarcerated juveniles.</p> <ul style="list-style-type: none"><li>Requires DHCS, in consultation with stakeholders, including the County Welfare Directors Association of California and advocates, to develop and implement a redetermination of eligibility for incarcerated juveniles whose Medi-Cal eligibility is suspended.</li></ul> <p><b>Drug Medi-Cal Reimbursement of Medication Assisted Treatment for Opioid Use Disorders</b></p> <ul style="list-style-type: none"><li>Adds Medication Assisted Treatment (MAT) services as a reimbursable Drug Medi-Cal (DMC) Treatment Program benefit for all DMC provider types, which includes all medications approved by the Food and Drug Administration to treat opioid use disorders, counseling services and behavioral therapy in accordance with the SUPPORT for Patients and Communities Act.</li><li>Authorizes DHCS to implement the two sections by means of bulletin or similar instructions until any necessary regulations are adopted and requires DHCS to adopt any regulations necessary to implement the sections by July 1, 2023.</li><li>Makes technical corrections to the statute, removes references to obsolete MAT medication levoalphacetylmethadol, also known as LAAM, and replaces "day care rehabilitative" with "intensive outpatient treatment services" to align with what is listed in the Medicaid State Plan.</li></ul> <p><b>Medically Tailored Meals Pilot Program Extension</b></p> <ul style="list-style-type: none"><li>Extends the length of the Medically Tailored Meals pilot program from three to four years. Delays the due date of the program evaluation from January 1, 2021 to within 12 months after the end of the four-year pilot.</li><li>Delays the statutory sunset from "January 1, 2021 or six months following the end of the program," to "the date the department submits its report containing its evaluation of the program to the Legislature or 12 months after the end of the program."</li></ul> <p><b>Aligning Medi-Cal Rate Review with the Access Monitoring Review Plan</b></p> <ul style="list-style-type: none"><li>Requires DHCS Director to periodically, rather than annually, review reimbursement levels for physician and dental services to align with federal requirements, which require reviews every three years.</li><li>Clarifies that the review of rates pertain to the Medi-Cal Fee-For-Service delivery system since the existing statute predates the managed care delivery system.</li><li>Requires DHCS to revise reimbursement rates to the extent the Director deems necessary to comply with applicable federal Medicaid requirements.</li><li>Specifies that when DHCS performs its review of the rate, it is consistent with DHCS' federally approved access monitoring plan, or any successor methodology for monitoring reasonable access to Medi-Cal covered services.</li></ul> |





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|          |       | <ul style="list-style-type: none"><li>Aligns the intent with current federally-mandated access-to-care requirements and to more accurately reflect current practices</li></ul> <p><b>COVID-19 Medi-Cal Response</b></p> <ul style="list-style-type: none"><li>Allows DHCS to be responsive to the COVID-19 public health emergency by codifying any related, federally-approved waivers or flexibilities into State law.</li><li>Requires DHCS to implement any federal Medicaid waiver or flexibility approved by the federal Centers for Medicare and Medicaid Services related to the COVID-19 public health emergency, notwithstanding any existing State law to the contrary.</li><li>Allows DHCS to extend coverage for COVID-19 to uninsured individuals for the duration of the COVID-19 emergency period pursuant to the option afforded to states in the federal Families First Coronavirus Response Act.</li><li>Requires DHCS to maximize federal financial participation for applicable Medi-Cal expenditures available to respond to the COVID-19 public health emergency, including the temporary increase in the Federal Medical Assistance Percentage granted under the federal Families First Coronavirus Response Act, and to comply with any conditions placed on receipt of such federal funds.</li><li>Allows DHCS, in consultation with stakeholders, to seek federal approval for a temporary extension, or multiple temporary extensions, of all or select components of the California Medi-Cal 2020 Demonstration that will otherwise expire on December 31, 2020.</li><li>Requires DHCS to seek any federal approvals deemed necessary to implement these statutory changes or to maintain sufficient access to covered Medi-Cal benefits during the COVID-19 emergency period.</li></ul> <p><b>Pharmacy Proposals</b></p> <ul style="list-style-type: none"><li>Expands the definition of “Best Price” to include foreign, in addition to domestic, prices, effective January 1, 2021.</li><li>Requires DHCS, upon approval of the Department of Finance, to seek federal approvals to establish and administer a drug rebate program to collect rebate payments from drug manufacturers with respect to drugs furnished to selected populations of California residents that are ineligible for full-scope Medi-Cal benefits. Requires DHCS to administer this program consistent with the federal Medicaid Drug Rebate Program.</li><li>Sunsets a statutory limit of six prescriptions drugs per months for Medi-Cal patients on January 1, 2021.</li><li>Sunsets the statute that requires Medi-Cal patients to make copayments on prescription drugs, on January 1, 2021.</li><li>Makes findings to demonstrate the interest protected by limitations on the public’s right of access to public meetings and documents in order to facilitate manufacturer participation and delivery of affordable</li></ul> |



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|          |       | <p>prescription drugs to low-income Californians and to protect the confidentiality of trade secrets and pricing information.</p> <p><b>Managed Care Efficiencies</b></p> <ul style="list-style-type: none"><li>Requires DHCS, in consultation with affected Medi-Cal managed care plans, to develop and implement a risk corridor that is symmetrical to risk and profit to limit the financial risk of either significant capitation rate overpayments or underpayments. Stipulates that the risk corridor shall apply from July 1, 2019 to December 31, 2020. Authorizes DHCS to continue to apply the risk corridor past January 1, 2021 if deemed actuarially appropriate to account for the impacts of the COVID-19 public health emergency.</li><li>Requires DHCS to reduce capitation rate increments by up to 1.5 percent, if determined to be appropriate, for capitation rates associated with the July 1, 2019 to December 31, 2020 time period. Authorizes DHCS to continue this reduction beyond January 1, 2021 if deemed actuarially appropriate and necessary to account for the impacts of the COVID-19 public health emergency.</li></ul> <p><b>Supplemental Payment Pool Allocations for Non-hospital 340B Community Clinics</b></p> <ul style="list-style-type: none"><li>Requires DHCS, contingent on an appropriation by the Legislature, to make available fee-for-service-based supplemental payments from a fixed-amount payment pool to qualifying nonhospital 340B community clinics, beginning January 1, 2021. Requires DHCS to establish a stakeholder process on or before July 15, 2020, to develop and implement the methodology for distribution of payments, including the eligibility criteria for receipt of payments, the aggregate amount of pool funding, the criteria for apportioning the funding, and timing of payments.</li></ul> <p><b>Proposition 56 Suspensions</b></p> <ul style="list-style-type: none"><li>Finds and declares that these provisions are consistent with the California Healthcare, Research and Prevention Tobacco Tax Act of 2016.</li><li>Suspends the Proposition 56-funded Value Based Payment (VBP) program on July 1, 2021, unless either of the following conditions are met: 1) if the estimates (contained in the 2021 May Revision) of General Fund revenues and expenditures for the 2021-22 and 2022-23 fiscal years contain estimated annual General Fund revenues that exceed estimated annual General Fund expenditures for 2021-22 and 2022-23 fiscal years by an amount equal to or greater than the sum total of all General Fund appropriations for all programs subject to suspension; or 2) if the suspension takes effect, but the Legislature finds alternative solutions to restore this program, consistent with Legislative intent established by this bill.</li><li>Suspends Proposition 56-funded Medi-Cal provider supplemental payments on July 1, 2021, unless either of the following conditions are met: 1) if the estimates (contained in the 2021 May Revision) of General Fund revenues and expenditures for the 2021-22 and 2022- 23 fiscal years contain estimated annual General Fund revenues that exceed estimated annual General Fund expenditures for 2021-22 and 2022-23 fiscal years by an amount equal to or greater than the sum total of all General Fund appropriations for all programs</li></ul> |



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|   |                       | subject to suspension; or 2) if the suspension takes effect, but the Legislature finds alternative solutions to restore this program, consistent with Legislative intent established by this bill. Applies this section to all Medi-Cal provider types that currently receive Proposition 56-funded supplemental payments, with the exception of women's health services.   |
| <b>AB 81</b><br>➤ <b>2/3-vote measure</b> | Quality Assurance Fee | <p><b>Mental Health Services Act COVID-19 Flexibilities</b></p> <ul style="list-style-type: none"><li>▪ Allows a county that is unable to complete and submit a three-year Mental Health Services Act (MHSA) plan or annual update for the 2020-21 fiscal year, due to the COVID-19 Public Health Emergency, to extend the effective timeframe of its currently approved three-year plan or annual update to include the 2020-21 fiscal year. Requires a county to submit such a three-year plan or annual update to the Mental Health Services Oversight and Accountability Commission and the State Department of Health Care Services (DHCS) by July 1, 2021.</li><li>▪ Authorizes counties to access their MHSA prudent reserves during the 2020-21 fiscal year and spend them on prevention and early intervention, services to persons with severe mental illness, the children's system of care and the adult and older adults system of care, and for housing assistance for homeless individuals with severe mental illness. Authorizes DHCS to implement this section through All County Letters, without adopting new regulations.</li><li>▪ Authorizes DHCS to allow counties to determine the percentage of funds to allocate across programs within the children's system of care, and within the adult and older adult system of care for the 2020-21 fiscal year by means of All County Letters, without adopting new regulations.</li><li>▪ Stipulates that unspent funds allocated to a county, and interest accruing on those funds, that is subject to reversion as of July 1, 2019, and July 1, 2020, shall be subject to reversion on July 1, 2021.</li></ul> <p><b>Skilled Nursing Facilities Quality Assurance Fee</b></p> <ul style="list-style-type: none"><li>▪ Exempts freestanding pediatric subacute skilled nursing facilities from paying the state skilled nursing facility (SNF) Quality Assurance Fee (QAF).</li><li>▪ Revises the QAF to be administered based on calendar years rather than fiscal years.</li><li>▪ Requires the Department of Health Care Services (DHCS) to assess interest at the rate of 7 percent per year, when a SNF fails to pay all or part of the QAF within 60 days of the due date, until the QAF and interest has been paid in full.</li><li>▪ Authorizes DHCS to deduct any unpaid assessments, including any interest and penalties owed, from a debtor SNF, from any Medi-Cal payments made to that SNF. Requires DHCS to provide prior written notice to both the SNF itself, and to any related ownership facility. Authorizes DHCS to take into account the financial condition of a related facility and apply the deduction over time.</li><li>▪ Extends the sunset on this QAF from December 31, 2020 to December 31, 2022 and repeals the statute on January 1, 2024.</li></ul> |



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| Bill No. | Topic | Summary of main provisions  |
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|          |       | <ul style="list-style-type: none"><li>Continues to exempt from the Skilled Nursing Facility Quality and Accountability Supplemental Payment System (QASP) special program services for the mentally disordered.</li><li>Increases penalties, imposed by the Department of Public Health, on facilities for failing to meet the nursing hours or direct care service hours per patient per day statutory requirements as follows: 1) from \$15,000 to \$25,000 if the facility fails to meet the requirements for 5 to 49 percent of the audited days; and 2) from \$30,000 to \$50,000 if the facility fails to meet the requirements for over 49 percent of the audited days. Authorizes a facility to request an appeal based upon a determination that does not result in an assessment.</li><li>Authorizes DHCS to incorporate, under the QASP, an additional performance measure based upon a facility's compliance with requirements related to the COVID-19 Public Health Emergency described in All Facility Letters issued by the Department of Public Health.</li><li>Requires DHCS to pay a supplemental payment, by April 30 of 2021 and 2022 to qualified facilities based on statutory criteria and according to performance measure benchmarks determined by DHCS in consultation with stakeholders.</li><li>Discontinues the QASP on January 1, 2023, and requires DHCS to convene a stakeholder process by September 1, 2021 to develop a successor supplemental payment or similar quality-based payment methodology to replace the existing QASP, to begin in 2023.</li><li>Authorizes SNFs to account for the costs of caregiver trainings that enhance the skills, education, or career advancement for nursing home workers, and trainings provided through a joint labor-management Taft-Hartley fund, as direct pass-through of proportional Medi-Cal costs.</li><li>Authorizes DHCS to continue and update specific geographic peer groups for facility rate setting based on facility characteristics in consultation with stakeholders.</li><li>Increases the limit on direct and indirect resident care labor costs from the 90th to the 95th percentile.</li><li>Requires DHCS to audit facility costs and revenues that are associated with the COVID19 Public Health Emergency to determine whether a facility has adequately used increased Medicaid payments associated with the emergency only for allowable costs, which include: patient care, increased wages or benefits, shift incentive payments, staff retention bonuses, pay differential for workers employed by more than one facility, and overtime payments to non-managerial workers, personal protective requirement, COVID-19 testing for any workers, infection control measures and equipment, and staff training.</li><li>Stipulates that the annual increase in the weighted average Medi-Cal reimbursement rate shall continue to be 3.62 percent until December 31, 2020, and that the reimbursement rates established for the rate period of August 1, 2020 through December 31, 2020 shall be no less than the amounts that would have been established under the reimbursement methodology used in the 2019-20 rate year.</li><li>Authorizes DHCS to condition a SNF's receipt of the annual rate increase for August 1, 2020 to December 31, 2020, and for the 2021 and 2022 calendar years on that facility's good faith efforts to comply with any</li></ul> |



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|          |                       | <p>requirements related to the COVID-19 Public health Emergency described in Department of Public Health All Facility Letters.</p> <ul style="list-style-type: none"><li>▪ Requires the annual aggregate increase in the weighted average Medi-Cal reimbursement rate for the 2021 calendar year to be 3.5 percent plus the projected cost of complying with new state or federal mandates.</li><li>▪ Requires the annual aggregate increase in the weighted average Medi-Cal reimbursement rate for the 2022 calendar year to be 2.4 percent plus the projected cost of complying with new state or federal mandates.</li><li>▪ Requires SNFs, beginning in 2021, to demonstrate compliance with the following Medi-Cal requirements: 1) direct care service hours per patient day; 2) applicable minimum wage laws; and 3) wage pass-through requirements. Requires DHCS, when it determines that a facility has been out of compliance with any of these requirements, to assess a monthly penalty up to \$50,000 until the facility demonstrates compliance to DHCS. Limits these penalties to 4 percent of the total Medi-Cal revenue received by the facility in the previous 43 calendar year. Authorizes DHCS to assess additional penalty amounts if a facility is out of compliance for multiple years. Authorizes DHCS to waive the penalties for a facility if DHCS determines that the facility demonstrates a high likelihood of undue financial hardship or difficulty in providing services to Medi-Cal beneficiaries.</li></ul> |
| AB 82    | General Government #1 | Makes a number of changes in state administration, including flexibility for setting the date of the Cesar Chavez holiday and allowing the California Public Utilities Commission to provide matching funds through the California Advanced Services Fund to broadband providers as they pursue funding through the federal Rural Digital Opportunity Fund.  |
| AB 83    | Housing               | <p><b>Project RoomKey</b></p> <ul style="list-style-type: none"><li>▪ Requires funds from the Coronavirus Relief Fund to provide housing for individuals and families who are experiencing homelessness or who are at risk of homelessness be disbursed in accordance with the Multifamily Housing Program, including grants to cities, counties, and other local public entities for the following:<ul style="list-style-type: none"><li>○ Acquisition or rehabilitation of motels, hotels, or hostels.</li><li>○ Master leasing of properties.</li><li>○ Acquisition of other sites and assets, including purchase of apartments or homes, adult residential facilities, residential care facilities for the elderly, manufactured housing, and other buildings with existing residential uses that could be converted to permanent or interim housing.</li><li>○ Conversion of units from nonresidential to residential in a structure with a certificate of occupancy as a motel, hotel, or hostel.</li><li>○ The purchase of affordability covenant and restrictions for units.</li><li>○ Relocation costs for individuals who are being displaced as a result of rehabilitation of existing units.</li></ul></li></ul>   |



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|          |       | <ul style="list-style-type: none"><li>Capitalized operating subsidies for units purchased, converted, or altered with funds provided by this section.</li><li>Requires, where possible, for funds to be allocated for expenditure in a manner that takes into consideration the following:<ul style="list-style-type: none"><li>Need geographically across the state.</li><li>Areas with high unsheltered populations and high COVID-19 infection rates.</li><li>The demonstrated ability of the applicant to fund ongoing operating reserves.</li><li>The creation of new permanent housing options.</li><li>The potential for state funding for capitalized operating reserves to make additional housing units financially viable through this program.</li></ul></li><li>Allows the Department of Housing and Community Development to adopt guidelines for the expenditure of the funds appropriated to the department.</li><li>Provides that up to 2 percent of the funds appropriated for the costs to administer this program.</li><li>Requires the Department of Housing and Community Development, in coordination with the Business, Consumer Services, and Housing Agency to report to the chairs of each fiscal committee and each relevant policy committee of the Legislature on the use of the funds described in this section.</li><li>Requires that any project that uses funds received from the Coronavirus Relief Fund for any of the purposes specified above shall be deemed consistent and in conformity with any applicable local plan, standard, or requirement, and allowed as a permitted use, within the zone in which the structure is located, and shall not be subject to a conditional use permit, discretionary permit, or to any other discretionary reviews or approvals.</li></ul> <p><b>CEQA Exemption for Project Room Key</b></p> <ul style="list-style-type: none"><li>Provides a CEQA exemption for Project Room Key projects if all the following requirements, if applicable, are satisfied:<ul style="list-style-type: none"><li>No units were acquired by eminent domain.</li><li>The units will be in decent, safe, and sanitary condition at the time of their occupancy.</li><li>The project proponent shall require all contractors and subcontractors performing work on the project to pay prevailing wages for any rehabilitation, construction, or alternations.</li><li>The project proponent obtains an enforceable commitment that all contractors and subcontractor performing work on the project will use a skilled and trained workforce for any rehabilitation, construction, or alterations.</li><li>The project proponent submits to the lead agency a letter of support from a county, city, or other local public entity for any rehabilitation, construction, or alteration work.</li><li>Any acquisition is paid for exclusively by public funds.</li></ul></li></ul> |



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|          |       | <ul style="list-style-type: none"><li>○ The project provides housing units for individuals and families who are experiencing homelessness or who are at risk of homelessness.</li><li>○ Long term covenants and restriction require the units to be restricted to persons experiencing homelessness or who are at risk of homelessness, which may include lower income, and very low-income households, for no fewer than 55 years.</li><li>○ The project does not increase the original footprint of the project structure or structures by more than 10 percent. Any increase to the footprint of the original project structure or structures shall be exclusively to support the conversion to housing for the designated population.</li><li>▪ Specifies that it applies only to a project for which the initial application to the city, county, or city and county where the project is located was submitted on or before April 30, 2021.</li><li>▪ Repeals this section on July 1, 2021.</li></ul> <p><b>Homeless Housing, Assistance, and Prevention (HHAP) Program Round 2</b></p> <ul style="list-style-type: none"><li>▪ Creates a Round 2 of HHAP funding in the amount of \$300 million, allocated as follows:<ul style="list-style-type: none"><li>○ \$90 million to Continuums of Care (CoC)</li><li>○ \$130 million to each city, or city that is also a county that has a population of 300,000 or more as of January 1, 2020.</li><li>○ \$80 million to counties</li></ul></li><li>▪ Requires an applicant to receive Round 2 to apply according to the calendar established by the Council as follows:<ul style="list-style-type: none"><li>○ The council shall make an application for Round 2 program allocations available no later than November 30, 2020</li><li>○ Applications shall be due to the council no later than 60 days from the date the council makes those applications available.</li><li>○ Within 60 days of receiving an application, the council shall either approve the application or return it to the applicant with written, detailed comments and request one or more amendments as specified.</li><li>○ An applicant whose application has been returned shall respond to the council's requested amendments and submit a revised application within 45 days. Where the revised application differs from the council's request, the applicant shall include an explanation of the differences and the rationale for departing from the council's requested amendments.</li><li>○ Provides that the council shall have 30 days within which to approve the application, as amended, to address the council's concerns.</li></ul></li><li>▪ Requires beginning in 2021, in addition to the data required on the report under Section 50221, applicants provide specified information for both rounds of program allocations through a data collection, reporting, performance monitoring, and accountability framework as established by the council.</li></ul> |





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|          |       | <ul style="list-style-type: none"><li>Requires a final report no later than January 1, 2027 for each recipient that receives a Round 2 program allocation.</li></ul> <p><b>Building Homes and Jobs Trust Fund</b></p> <ul style="list-style-type: none"><li>Extends the deadline for a jurisdiction to encumber its SB 2 planning dollars to December 31, 2020 and expend those funds no later than December 31, 2023.</li></ul> <p><b>Local Early Action Planning Grants</b></p> <ul style="list-style-type: none"><li>Extends until January 31, 2021, the time that a jurisdiction may request an allocation of funds for the Local Early Action Planning Grants.</li></ul> <p><b>National Mortgage Settlement Fund</b></p> <ul style="list-style-type: none"><li>Allocates \$300 million to the California Housing Finance Agency for the purpose of providing housing counseling services to homeowners, former homeowners, or renters and provide mortgage assistance to households, including borrowers who own residential properties with four or fewer units.</li><li>Allocates \$31 million to Judicial Council for qualified legal services projects and support centers to provide eviction defense or other tenant defense assistance in landlord-tenant disputes, including pre-eviction, and eviction legal services, counseling, advice and consultation, mediation, training, renter education, and representation.</li></ul> <p><b>Property Exchange for Affordable Housing</b></p> <ul style="list-style-type: none"><li>Allows state properties to be exchanged for another property or other properties belonging to a local government if certain conditions are met.</li></ul> <p><b>Planning and Zoning Law</b></p> <ul style="list-style-type: none"><li>Authorizes units in a motel, hotel, or hostel that are converted from nonresidential to residential to count towards a jurisdiction's adequate sites, if specified conditions are met, including that the unit is part of a long-term recovery response to COVID-19, and authorizes spaces in specified mobilehome parks.</li><li>Revises the requirements for a unit to qualify for inclusion in a committed assistance program, including extending long-term affordability covenants and restrictions that require the unit to be available at affordable housing costs for at least 55 years.</li><li>Revises the definition of committed assistance to instead require the city or county to enter into a legally enforceable agreement during the period from the beginning of the projection period until the end of the 4th year of the planning period that obligates sufficient available funds or other in-kind services.</li></ul> <p><b>Special Occupancy Parks Act</b></p> <ul style="list-style-type: none"><li>Provides that the Special Occupancy Parks Act does not apply to a non-profit entity under temporary, permanent, or emergency use, as determined by local government through enabling ordinance.</li></ul> |



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|  |  | <p><b>General Fund Transfer</b></p> <ul style="list-style-type: none"><li>Requires any remaining funds deposited on or before July 1, 2020, into the Housing Rehabilitation Loan Fund from the Deferred-Payment Rehabilitation Loan Program established by this chapter, the Rental Housing Construction Program established by Chapter 9 (commencing with Section 50735), and the Family Housing Demonstration Program established by Section 5 of Chapter 30 of the Statutes of 1988 may be transferred to the General Fund, upon order of the Department of Finance.</li></ul> <p><b>Low Income Housing Tax Credit</b></p> <ul style="list-style-type: none"><li>Specifies that tax allocations amounts be available in the calendar year by the California Tax Credit Allocation Committee (CTCAC) after CTCAC and the California Debt Limit Allocation Committee (CDLAC) have adopted regulations, rules or guidelines to align programs of both committees with the objective of increasing production and containing costs.</li><li>Revises allocation methodology for the 2021 calendar year and thereafter, when CTCAC and CDLAC develop and prescribe regulations, rules or guidelines that includes a scoring system that maximizes the efficient use of public subsidy and benefit created through the private activity bond and low-income housing tax credit programs. The factors for determining the efficient use of public subsidy and benefit shall include, but not be limited to, all the following:<ul style="list-style-type: none"><li>The number and size of units developed including local incentives provided to increase density.</li><li>The proximity to amenities, jobs, and public transportation.</li><li>The location of the development.</li><li>The delivery of housing affordable to very low and extremely low-income households by the development.</li></ul></li><li>Requires CTCAC to accept applications for the 2021 calendar year not sooner than 30 days after these regulations, rules or guidelines have been adopted.</li><li>Provides that CDLAC shall not accept applications for the 2021 calendar year for bond allocations for an eligible project prior to issuing, reviewing, and publishing a new tax-exempt private activity bond demand survey.</li><li>Allows CDLAC to adopt emergency regulations for bond allocations for the 2021 calendar year.</li><li>Includes intent language related to programs at CDLAC, CTCAC, the Department of Housing and Community Development.</li><li>Requires CDLAC to report to the Legislature by April 1, 2021 on the data from the private activity bonds awarded during the 2020 calendar year as specified.</li><li>Requires CTCAC to report to the Legislature by April 1, 2021 on the data on federal and state low-income housing tax credits allocated from the 2019-20 budget as specified.</li></ul> <p><b>Housing First and CDCR</b></p> <ul style="list-style-type: none"><li>Extends to July 1, 2022 requirements that agencies administering state programs to collaborate with the coordinating council to revise or adopt guidelines and regulations to incorporate Housing First components.</li></ul> |
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| Bill No.     | Topic                   | Summary of main provisions   |
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|              |                         | <ul style="list-style-type: none"><li>Revises who an agency or department that administers programs that fund recovery housing to do the following:<ul style="list-style-type: none"><li>Coordinate with the Homeless Coordinating and Financing Council, consult with the Legislature, the Business, Consumer Services, and Housing Agency, the federal Department of Housing and Urban Development, and other stakeholders between July 1, 2020 and January 1, 2022 to identify ways to improve the provision of housing to individuals who receive funding from that agency or department, consistent with the applicable requirements of state law.</li><li>Ensure that recovery housing programs meet certain requirements.</li></ul></li></ul> <p><b>Housing Navigator Program and Suspension</b></p> <ul style="list-style-type: none"><li>Provides that moneys appropriated to the Housing Navigator program are subject to the suspension if certain projections are not met for the General Fund.</li><li>States that it is the intent of the Legislature to consider alternative solutions to prevent the suspension.</li></ul> |
| <b>AB 84</b> | CalSTRS/CalPERS         | Contains a number of provisions associated with state employment, including adjustments to state appropriations to the State Teacher's Retirement System (STRS) and the Public Employees' Retirement System (PERS).  |
| <b>AB 85</b> | State taxes and charges | Enacts the tax provisions of the 2020-21 budget, including: <ul style="list-style-type: none"><li>Requires licensed used car dealers to collect and remit to the Department of Motor Vehicles (DMV) applicable sales tax, measured by the sales price of the vehicle with the registration fee</li><li>Suspends the use of net operating loss (NOL) deductions for taxpayers with business income in excess of \$1 million for 2020, 2021, and 2022</li><li>Limits the use of business incentive tax credits to offset no more than \$5 million in tax liability for 2020, 2021, and 2022</li><li>Provides an exemption, for the first taxable year, from payment of the annual tax of \$800 for every limited partnership, limited liability partnership and limited liability company that files, registers, or organizes to do business in the state</li><li>Extends the sales and use tax exemption for diapers and menstrual hygiene products from January 1, 2022 to July 1, 2023.</li></ul>   |
| <b>AB 88</b> | Public Safety           | Enacts various public safety-related provisions necessary for the implementation of the 2020-21 budget, including: <ul style="list-style-type: none"><li>Permits, with legislative guidance, the closure of two state prisons and requires the identification one such facility by January 10, 2021 and a second by January 10, 2022.</li><li>Makes adjustment to parole terms and expands opportunities for earned discharge;</li><li>Changes the definition of a specified assault rifle, making the class of firearms subject to the state's assault weapon ban;</li></ul>  |



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| Bill No. | Topic          | Summary of main provisions  |
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|          |                | <ul style="list-style-type: none"><li>Increases the lease revenue bond authority for the state prison's Health Care Facility Improvement Programs and changes related notification requirements;</li><li>Permits use of two-way electronic audio-video communication for preliminary hearings and trials held within CDCR's jurisdiction, with the defendant consent;</li><li>Authorizes judicial discretion in offering misdemeanor diversion to individuals prosecuted for misdemeanors.</li><li>Changes the life expectancy for inmates who are eligible for recall of sentence for compassionate release from six months to twelve months and removes the Board of Parole Hearing from the process.</li><li>Requires the State Public Defender to provide training and assistance to public defender offices and other counsel appointed to represent indigent defendants in complex matters. Repeals provisions authorizing the State Public Defender to hire additional staff attorneys and support staff and repeals the requirement to formulate plans for the representation of indigents in specified courts.</li><li>Prohibits a postsecondary education institution, exempting all professional degrees and basic law enforcement training granting programs, from inquiring about a prospective student's criminal history on an initial application form or at any time during the application process before the institution's final decision for admission;</li><li>Revises the definition of a correctional pharmacy and other associated operational changes;</li><li>Eliminates the Integrated services for Mentally Ill Parolees program.</li></ul> |
| AB 90    | Transportation | <p>Makes statutory changes related to:</p> <ul style="list-style-type: none"><li>Two-Year Hold Harmless Provision for Transit Operators.</li><li>Temporary Suspension of Financial Penalties for Transit Operators.</li><li>Reporting Requirements for Aviation Fuel Tax Revenues.</li><li>Delays until no later than December 15, 2020 the business plan that the High-Speed Rail Authority was required to submit by May 1, 2020 and requires the independent peer review group to review the plan prior to the authority adopting the plan. Also, eliminates the requirement that the authority provide a project update report to the Legislature on or before March 1, 2021.</li></ul>   |
| AB 92    | Resources      | <p>This trailer bill contains various statutory provisions necessary to implement the Budget Act of 2020, including:</p> <ul style="list-style-type: none"><li>Establishes the Good Neighbor Authority (GNA) Fund in the State Treasury to facilitate the implementation of forest management projects on federal lands.</li><li>Requires the State Water Resources Control Board (SWRCB), in setting a specified fee schedule, to include an amount estimated by the SWRCB, in consultation with the Department of Fish and Wildlife, necessary to recover costs incurred by the department.</li></ul>   |



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| Bill No. | Topic                    | Summary of main provisions  |
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|          |                          | <ul style="list-style-type: none"><li>▪ Requires the Secretary of Food and Agriculture to adopt, by regulation, fees to cover the Department of Food and Agriculture's reasonable regulatory program costs related to the confinement of animals, as described in Proposition 12.</li><li>▪ Specifies that total gross receipts of sales of property within state-designated fairs be subject to review by the California Department of Tax and Fee Administration (CDTFA) for errors.</li><li>▪ Extinguishes old general obligation bonds that are no longer needed to reduce administration costs by reducing the amount of indebtedness authorized by the Earthquake Safety and Public Buildings Rehabilitation Bond Act of 1990 and the Water Conservation Bond Law of 1988. This provision is intended to relieve the need to administer minimal remaining balances that are not enough to support another project.</li><li>▪ Expands the use of moneys in the Lead-Acid Battery Cleanup Fund, upon appropriation by the Legislature, on specified activities to protect public health and the environment from hazardous substances and hazardous waste at or from the former Exide Technologies lead-acid battery recycling facility in the City of Vernon; and requires costs incurred by the Department of Toxic substances Control using moneys from the fund that are recovered be deposited into the fund.</li><li>▪ Authorizes the State Water Resources Control Board (SWRCB) to issue a certificate or statement, which is required under federal water quality control laws, before completion of an environmental review, which is required under the California Environmental Quality Act, if SWRCB determines that waiting until completion of the environmental review poses a substantial risk of waiver of the state's certification authority under federal water quality control laws. Requires SWRCB, to the extent authorized by federal law, to reserve authority to reopen and revise the certificate or statement as appropriate based on the information provided in the environmental review document.</li></ul> |
| AB 93    | Earned Income Tax Credit | <ul style="list-style-type: none"><li>▪ Extends the EITC and Young Child Tax Credit (YCTC), beginning on or after January 1, 2020, to an eligible individual who has a federal individual taxpayer identification number (ITIN) under the following conditions:<ul style="list-style-type: none"><li>○ An eligible individual who has a qualifying child younger than 6 years old as of the last day of taxable year.</li><li>○ An eligible individual whose spouse has a qualifying child younger than 6 years old as the last day of the taxable year.</li><li>○ Any other qualifying children of an eligible individual who has a qualifying child younger than 6 years old as of the last day of the taxable year.</li><li>○ Any other qualifying children of an eligible individual's spouse who has a qualifying child younger than 6 years old as of the last day of the taxable year.</li></ul></li></ul>   |



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| Bill No.              | Topic            | Summary of main provisions   |
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|                       |                  | <ul style="list-style-type: none"><li>Removes from our conformity to Internal Revenue Code EITC eligibility rules related to the exception from eligibility for certain Social Security Numbers. The removal of that conformity would apply for all taxpayers, regardless of whether they have children under 6 in the family.</li></ul>   |
| <b>AB 94 / SB 116</b> | Higher Education | <ul style="list-style-type: none"><li>Cal Grant for non-profits. Sets the Cal Grant amount that students attending private non-profit colleges and universities receive at \$9,084 for the 2020-21 academic year.</li><li>Emergency financial aid. Provides \$15 million one-time General Fund for emergency financial aid for AB 540 students at the University of California, California State University, and California Community Colleges. The funding is redirected from the Dreamer Service Incentive Grant program, which will resume in the 2021-22 academic year.</li><li>Golden State Teacher Grant Program technical changes. Makes minor technical adjustments to the Golden State Teacher Grant Program, which provides up to \$20,000 in financial aid for students in teacher credentialing programs.</li><li>Middle Class Scholarship adjustments. Adjusts spending on the Middle Class Scholarship program to reflect caseload. 5) COVID-19 costs and 50% law. Allows colleges to exclude direct costs related to the COVID19 crisis when computing expenses for purposes of ensuring that 50% or more of expenditures are classroom-related. This provision sunsets in one year.</li><li>Student Centered Funding Formula. Extends the hold harmless provision of the Student Centered Funding Formula by two years, and makes adjustments to some rates within the funding formula for the 2019-20 fiscal year. Also specifies that for the 2020-21 fiscal year, colleges may use the 2019-20 data in place of 2020-21 data to calculate the base allocation. For the 2020-21 supplemental allocation and student success allocation, colleges may use 2018-19 data in place of the 2019-20 data.</li><li>Short-term career technical education programs. Encourages community college districts to expedite the development of short-term workforce training programs related to economic recovery.</li><li>University of California Subject Matter Projects. Directs UC Subject Matter Projects in mathematics, science and English/language arts to address learning loss related to the COVID19 crisis.</li><li>California State University retirees. Makes technical changes to language describing benefits to CSU retirees.</li><li>University of California Breast Cancer Research Fund. Adjusts the UC Breast Cancer Research Account to reflect updated revenues.</li><li>Community College 2020-21 Deferrals. Provides a deferral of \$662.1 million Proposition 98 General Fund from the 2020-21 fiscal year to the 2021-22 fiscal year. In addition, provides an additional deferral of \$791.1 million Proposition 98 General Fund that will be rescinded if federal funding is received. Also provides a hardship waiver allowing colleges with cash-flow issues to avoid the deferral and sets aside funding to support colleges which receive the waiver. Also specifies that by August 1, 2021 and each year after, the Department of Finance shall notify the Joint Legislative Budget Committee of each district that requested an</li></ul> |



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| Bill No.      | Topic                                      | Summary of main provisions   |
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|               |  | <p>exemption, and information about the amount they requested and were provided, and information on why a request was not granted. The bill specifies that if the amount that the waivers requested are larger than the funds available, the Chancellor's office and Department of Finance shall prorate the amount to districts.</p> <ul style="list-style-type: none"><li>▪ UC and CSU Summer Financial Aid. Specifies that \$6 million General Fund provided to CSU and \$4 million General Fund for UC for summer financial aid in 2020-21 and program shall be suspended on December 31, 2021.</li><li>▪ CCC COVID-19 Response Block Grant. Provides \$66.3 million Proposition 98 General Fund one-time for the CCC COVID-19 Response Block Grant. Pursuant to the Budget Act, a total of \$120 million shall be used for this purpose. This block grant will fund activities that support student learning and mitigate learning loss, this includes professional development, information technology, mental health services, and cleaning supplies and protective equipment. This bill requires the Chancellor's Office to submit a report to the Legislature on the use and effectiveness of these funds.</li><li>▪ CCC Student Equity and Achievement Program. Requires that as a condition of receiving SEAP funds, colleges must provide support to, or establish an on-campus food pantries or regular food distributions.</li></ul> |
| <b>AB 100</b> | Elections (General Government #2)          | <ul style="list-style-type: none"><li>▪ Contains provisions to allow the Secretary of State to utilize remaining funds from previous appropriations for voting equipment for the November 2020 election and specifies that a county is not required to provide matching funds</li><li>▪ Recasts the membership of the Seismic Safety Commission and moves the Commission to the Office of Emergency Services</li></ul>   |
| <b>AB 102</b> | CalSavers                                  | <ul style="list-style-type: none"><li>▪ Transfers enforcement responsibilities for the CalSavers program from the Employment Development Department to the CalSavers Retirement Board and the Franchise Tax Board; makes other technical updates to the CalSavers program.</li></ul>   |
| <b>AB 103</b> | Unemployment Insurance                     | <ul style="list-style-type: none"><li>▪ Prohibits unemployment compensation benefits paid to an unemployed individual from being charged against the reserve account of a tax-rated employer, unless the employer or an agent of the employer was at fault, as prescribed, for the duration of all federal unemployment benefit programs. Provides that this provision shall become inoperative on January 1, 2021, unless the director determines that noncharging provisions are otherwise extended by federal law.</li><li>▪ Provides for the payment of temporary federal-state emergency unemployment compensation benefits to eligible individuals in this state for weeks of unemployment beginning on or after March 18, 2020, and continuing until the week ending four weeks prior to the last week for which 100 percent federal sharing is authorized by the federal Families First Coronavirus Response Act or for weeks of unemployment ending.</li></ul>  |
| <b>AB 105</b> | Solar exemption from split roll initiative | <p>Establishes provisions exempting commercial solar installations from reassessment provisions of the Schools and Communities First (split roll) initiative, as follows:</p> <ul style="list-style-type: none"><li>▪ Reclassifies a nonresidential active solar energy system as personal property rather than real property.</li></ul>   |





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| Bill No.       | Topic                                 | Summary of main provisions  |
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|                |                                       | <ul style="list-style-type: none"><li>▪ Redefines real property to include residential property and improvements but excludes personal property from this definition. Existing law defines the parameters for the appraisal of real property and associated tax.</li><li>▪ Specifies a nonresidential active solar energy system to mean a system that uses solar devices to provide the collection, storage or distribution of solar energy that is not constructed or installed in or on residential property.</li><li>▪ Exempts nonresidential active solar energy systems constructed or installed prior to January 1, 2025, from taxation as a personal property until there is a subsequent change in ownership, as defined in existing law.</li><li>▪ Becomes operative on the date that the Schools and Communities First (Section 2.5) ballot initiative measure is added to Article XIII A of the California Constitution at the November 3, 2020 statewide general election. If the ballot measure is not approved, provisions will remain inoperative and repealed on January 1, 2021.</li></ul>  |
| <b>AB 119</b>  | March 2020 Bargaining Unit Agreements | <ul style="list-style-type: none"><li>▪ Ratifies the Memoranda of Understanding (MOUs) or associated addenda between the state and the following bargaining units: Service Employees International Union, Local 1000; California Correctional Peace Officers Association (CCPOA); Professional Engineers of California Government; and the California Association of Psychiatric Technicians (CAPT)</li></ul>   |
| <b>SB 98</b>   | K-12 Education                        | <p>Implements all the appropriations and actions of the K-12 schools Proposition 98 budget package and early childhood education, including Local Control Funding Formula, deferrals for 2020-21 school year, federal aid, the "School Finance, Instruction and Accountability Act of 2020-21," and the transition of child development programs to the Department of Social Services.</p> <ul style="list-style-type: none"><li>▪ Of note to Excess ERAF counties, this trailer bill includes language to "clarify" the calculation of excess ERAF.</li></ul>  |
| <b>SB 1383</b> | Paid family leave                     | <p>Makes a number of changes to the state's paid family leave provisions, including:</p> <ul style="list-style-type: none"><li>▪ Expands the scope of the California Family Rights Act (CFRA) to prohibit employers with one or more employees to refuse to grant an employee request to take up to 12 weeks of unpaid leave for family care and medical leave if the employee had 180 days of service with the employer.</li><li>▪ Expands the definition of "family care and medical leave" to include: a) Leave to care for a grandparent, grandchild, sibling, or domestic partner who has a serious health condition. b) Leave because of a qualifying exigency related to the covered active duty or call to covered active duty of an employee's spouse, domestic partner, child, or parent in the Armed Forces of the United States.</li><li>▪ Expands the definition of "child" under CFRA to include a child of a domestic partner, or a person to whom the employee stands in loco parentis, however, eliminates the requirement that the child be under the age of 18 years of age or an adult dependent child.</li><li>▪ Deletes from existing law a provision specifying that, if both parents are employed by the same employer and are entitled to leave, the employer is not required to grant leave in connection with the birth, adoption, or foster care of a child that would allow the parents leave to be greater than 12 weeks.</li></ul> |



HURST+BROOKS+ESPINOSA

| Bill No. | Topic | Summary of main provisions  |
|----------|-------|---|
|          |       | <ul style="list-style-type: none"><li>▪ Deletes from existing law a provision that authorizes an employer to refuse reinstatement of an employee returning from leave to the same or comparable positions under specified conditions. This change thereby entitles an employee guaranteed reinstatement to the same or comparable position.</li><li>▪ Expands the scope of Pregnancy Disability Leave to require employers with one or more employees to allow an employee disabled by pregnancy, childbirth or a related medical condition to take leave, to maintain and pay for health plan when the employee takes leave, and to provide reasonable accommodations.</li></ul> |



HURST+BROOKS+ESPINOSA

# This Week in Sacramento

INFORMATION & INSIGHTS FROM HURST BROOKS ESPINOSA ■ SPECIAL UPDATE: JUNE 29, 2020

## Governor Signs Budget and Most Trailer Bills; More Action to Come Post-Summer Break

Within the last hour, Governor Newsom [announced](#) that he has signed two budget bills (the Legislature's original two-house plan in SB 74, and then a "Budget Bill, Jr." in AB 89 that conforms that measure to the final agreement) along with 18 associated trailer bills to enact the state's 2020-21 spending plan. His accompanying press release highlights that the budget package "strengthens emergency response, protects public health and safety, and promotes economic recovery while closing a \$54.3 billion budget shortfall caused by the COVID-19 recession." The measures signed into law this evening are detailed below. HBE will continue to keep you apprised on budget-related developments, as the Legislature has a number of pieces of unfinished business to attend to when members return to Sacramento mid-July after the summer recess.

### 2020-21 Budget Bill / Trailer Bills – As of June 29, 2020

Note that today – unless otherwise noted – the Governor signed all budget and trailer bills **highlighted below**. Action is expected on the remaining measures when the Legislature returns mid-July after its summer break; expect additional trailer bills not yet on this list to emerge as well in the weeks to come.

| Bill No.                               | Topic   |
|--|---|
| <a href="#">SB 74</a>                  | Budget Act of 2020; see line-item veto <a href="#">here</a> . |
| <a href="#">AB 89</a>                  | Amendment to Budget Act of 2020                               |
| <a href="#">AB 75</a>                  | Budget Act of 2019: deficiencies                              |
| <a href="#">AB 76</a> (signed 6/26/20) | Education finance (2019-20 actions)                           |
| <a href="#">AB 78</a>                  | Infrastructure and Economic Development Bank (I Bank)         |
| <a href="#">AB 79</a>                  | Human Services  |
| <a href="#">AB 80</a>                  | Health  |
| <a href="#">AB 81</a>                  | Quality Assurance Fee (2/3 vote)                              |
| <a href="#">AB 82</a>                  | General Government #1   |
| <a href="#">AB 83</a>                  | Housing   |
| <a href="#">AB 84</a>                  | CalSTRS/CalPERS   |
| <a href="#">AB 85</a>                  | State taxes and charges                                       |
| <a href="#">AB 88</a> *                | Public Safety   |
| <a href="#">AB 90</a>                  | Transportation  |
| <a href="#">AB 92</a>                  | Resources   |
| <a href="#">AB 93</a>                  | Earned Income Tax Credit                                      |
| <a href="#">AB 100</a>                 | Elections (General Government #2)                             |
| <a href="#">AB 102</a>                 | CalSavers   |
| <a href="#">AB 103</a>                 | Unemployment Insurance  |

| Bill No.                  | Topic   |
|---------------------------|---|
| <a href="#">AB 105</a> *  | Solar exemption from split roll initiative                  |
| <a href="#">AB 119</a>    | March 2020 Bargaining Unit Agreements                       |
| <a href="#">SB 98</a>     | K-12 Education – see signing message <a href="#">here</a> . |
| <a href="#">SB 116</a>    | Higher Education  |
| <a href="#">SB 1383</a> * | Paid family leave   |

\* *Additional action needed.*

In last Friday's update, we erroneously wrote that the Senate had approved [SB 1383](#) (Jackson) during its deliberations on the budget. That measure has not yet been approved by the Senate and, in fact, was amended today to instead apply expanded family leave and job protection benefits to businesses with **five** employees or more (as opposed to the previous version that would have applied to business with **one** employee or more). The bill will be likely be considered by the Senate on Thursday, July 2.

Another measure, [AB 105](#) (Ting), awaits a hearing in the Assembly and will not be considered until the Assembly returns later in July. That measure would exempt solar farms from the split-roll ballot initiative.

### Highlights from Governor's Midday Press Conference

As the state continues to confront transmission spikes, the Governor returned for another noon-time press update today. He spent the hour discussing state COVID-19 activities, with a particular emphasis on the dimmer switch aspects of the state's guidance.

The Governor noted that the Imperial County Board of Supervisors is meeting over the next two days to discuss going back to the stay-at-home order due to the local health conditions. The Governor was clear that if Imperial County does not opt to re-impose the stay-at-home order then "the state of California will assert itself."

The Administration yesterday required seven counties to close bars (Los Angeles, Fresno, Imperial, Kern, Kings, San Joaquin, Tulare) and recommended that an additional eight counties do so (Sacramento, Contra Costa, Riverside, San Bernardino, Santa Barbara, Santa Clara, Stanislaus, and Ventura). The seven counties mandated to close establishments had been on the Administration's watch list for 14 consecutive days, while the eight counties where action is recommended have been on the Administration's watch list for a shorter period of time. The number of counties on the Administration's overall monitoring list has increased to a total of 19 since last week; new counties being monitored include Glenn, Merced, Orange, and Solano.

Updated health statistics shared at midday include:

- Total number of positive cases from the last three days are: 5,972 (Friday); 4,810 (Saturday); and 5,307 (Sunday). Over the last seven days, there has been a 45% increase in the total number of cases testing positive.
- The positivity rate statewide is at 5.5% for the most recent 14 days; a couple weeks ago, the positivity rate stood at 4.4%. By comparison, last week the positivity rate was at 4.8%. The Governor shared that other states have higher positivity rates, but "we don't like the trend line in California." The seven-day trend for positivity is at 5.9%.

- Hospitalizations have increase by 43% in the last two weeks.
- Patients with COVID-19 in Intensive Care Units (ICUs) have increase 37% in the last 14 days. California is using 39% of the available ICU bed capacity.

In Secretary Ghaly's remarks, he talked about the current case patterns differing from county to county, which means each county needs a different set of solutions. He outlined three phases of state intervention and assistance to counties:

- 1) **Stabilize**, which includes emphasizing education and public awareness and pausing new sector openings;
- 2) **Concern**, which includes technical assistance, enforcing sector guidance and state mandates, and establishing strike teams; and
- 3) **Alarm**, which includes continuing to provide technical assistance and support, identification of additional sector closures, and a requirement to return to the stay-at-home order.

The Governor also talked about state tools to assist with enforcement, including state regulatory bodies.

Finally, the Governor also talked in detail about COVID-19 transmissions in state prisons. He shared that 1,011 inmates at San Quentin have tested positive; 2,600 inmates have tested positive system wide. He talked about previous state efforts to reduce the prison population in response to COVID and renewed efforts to reduce sentences for people slated to leave prison in the next 180 days. Additionally, he noted plans to move inmates and acknowledged that the state is considering changes in its prison transfer policy due to the COVID outbreak. Note that the Senate Public Safety Committee will host a [hearing](#) on Wednesday, July 1 focused on the impacts of COVID-19 in the state's prison system.

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

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HURST+BROOKS+ESPINOSA

# This Week in Sacramento

INFORMATION & INSIGHTS FROM HURST BROOKS ESPINOSA ■ SPECIAL UPDATE: JULY 13, 2020

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## Newsom at Noon: Persistent Spikes Necessitate Throttling Back on Re-Opening

At a noon press conference today, the Governor announced several [changes to statewide guidance](#) for COVID-19, using his dimmer switch analogy. In all 58 counties, the Governor is requiring the closure of **indoor** operations in certain sectors, including:

- Restaurants
- Wineries and tasting rooms
- Movie theaters
- Family entertainment centers
- Zoos and museums
- Cardrooms
- Bars

Additionally, for the 30 counties currently on the state watch list (Colusa, Contra Costa, Fresno, Glenn, Imperial, Kern, Kings, Los Angeles, Madera, Marin, Merced, Monterey, Napa, Orange, Placer, Riverside, Sacramento, San Benito, San Bernardino, San Diego, San Joaquin, Santa Barbara, Solano, Sonoma, Stanislaus, Sutter, Tulare, Yolo, Yuba, and Ventura), the Governor is requiring closure of additional **indoor** operations, including:

- Fitness centers
- Worship services
- Offices for non-critical sectors
- Personal care services
- Hair salons and barbershops
- Malls

All changes described above are effective immediately. Additionally, as is customary, the Governor provided an update on various COVID-related indicators:

- The seven-day statewide positivity rate is at 7.4%, up from 6.7% a week ago and 6.1% two weeks ago.
- Hospitalizations have increased 28% over a two-week period
- Admissions to Intensive Care Unit (ICU) beds is up 20% over a two-week period. In some rural parts of the state, ICU bed capacity is at less than 20 percent. The Governor specifically mentioned Placer and Butte counties.

The Governor indicated that his Administration will be discussing the state's testing strategy at tomorrow's press briefing and that work is currently underway on additional guidance specific to schools, including masks, choir, contact sports, busing and distance learning.

## **Legislature Delays Return to Sacramento Amid Virus Outbreak Affecting Members and Staff**

The Legislature – scheduled to resume its activities in Sacramento today after each house took a brief summer recess – has delayed its return to the Capitol after two Assembly members and several staff were found to be positive for COVID-19. At the time of this writing, the houses have indicated they plan to return on July 27 and are working to coordinate hearing schedules for the remainder of the session. The houses will be operating under extreme time constraints given that only five weeks will remain to complete outstanding work on various components of the state budget and to process hundreds of legislative measures. We anticipate possibly six- or seven-day-a-week hearing schedules upon the members' return. We will continue to keep you apprised on scheduling in the days to come.

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

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## Join Us for a Very Special LAFCo 101 Webinar Series

### ABOUT THIS SERIES

CALAFCO is here for you during the Pandemic with a series of three, **no-cost LAFCo 101 webinars**. These are not your ordinary “Just the basics” webinars! Join us for informative and fun (yes, **FUN!**) webinars that explore all the basics of LAFCo. Whether you are looking to jump start your level of knowledge or take your skills to the next level, there is always something to learn at LAFCo 101.

### SESSION ONE

***Navigating the Basics and Beyond - LAFCo 101 for LAFCo Staff***

**DATE:** Thursday, August 6, 2020

**TIME:** 9:30 a.m. to 11:00 a.m.

**Registration closes July 30, 2020 at 5:00 p.m.**

SR and Joe will cover LAFCo 101 topics such as the authority and purpose of LAFCo; the LAFCo review process; the laws involved in LAFCo decisions and updating Spheres of Influence and Municipal Service Reviews.

**Presenters:** SR Jones, Executive Officer, Nevada LAFCo and Joe Serrano, Executive Officer, Santa Cruz LAFCo

*This session is approved for 1.5 AICP CM credits*

### SESSION TWO

***The Magical World of LAFCo Clerking – A Look at Processes and Supporting Your Commissioners from a Clerk and Analyst Perspective***

**DATE:** Thursday, August 13, 2020

**TIME:** 9:30 a.m. to 11:00 a.m.

**Registration closes on August 6, 2020 at 5:00 p.m.**

Martha, Amanda and Terry will delve into LAFCo clerk and analyst best practices, taking an application from receipt through to hearing and completion, Brown Act and Public Records Act and how to effectively respond to the needs of your Executive Officer, Commissioners and the public all while keeping your sanity.

**Presenters:** Martha Poyatos, Executive Officer, San Mateo LAFCo; Amanda Olivas, Clerk, Fresno LAFCo; Terri Tuck, Clerk, Yolo LAFCo

### SESSION THREE

***Being a LAFCo Commissioner – What Does it Really Mean?***

**DATE:** Friday, August 21, 2020

**TIME:** 10 a.m. to 11:00 a.m.

**Registration closes August 14, 2020 at 5:00 p.m.**

This session is designed specifically for LAFCo Commissioners. Scott and David will cover the role of LAFCo Commissioners, the Brown Act and PRA for Commissioners and Conflicts of Interests. Navigating the Brown Act, Open Meetings Act and Public Records Act can be a challenge sometimes, so we'll dive into how to keep yourself and your LAFCo out of trouble in these areas.

**Presenters:** Scott Browne, Legal Counsel, various LAFCos and David West, Commissioner, Imperial LAFCo

### REGISTRATION INFORMATION

**NO REGISTRATION FEE IS REQUIRED FOR ANY OF THE SESSIONS FOR MEMBERS OF CALAFCO. THIS SERIES IS DESIGNED ONLY FOR THE MEMBERS OF CALAFCO.**

Individual registration for each session is required. Registrations are online only. Click on the links below to register.

[SESSION ONE](#)

[SESSION TWO](#)

[SESSION THREE](#)

Registration must be received by the date noted for each session.

**No late registrations will be accepted.**

Once you register on Eventbrite you will receive the Zoom Registration link with your confirmation email. You will then need to use that Zoom Registration link prior to the session to get the Webinar link to join that session. **DO NOT WAIT UNTIL THE LAST MINUTE TO DO THIS STEP.**

You can also find this information on the CALAFCO website at [www.calafco.org](http://www.calafco.org).

For additional information or questions, please contact CALAFCO University lead Martha Poyatos at [mpoyatos@smcgov.org](mailto:mpoyatos@smcgov.org)



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**Santa Cruz Local Agency Formation Commission**

Date: August 5, 2020  
To: LAFCO Commissioners  
From: Joe Serrano, Executive Officer  
Subject: **Press Articles during the Months of May, June, and July**

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**SUMMARY OF RECOMMENDATION**

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

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**EXECUTIVE OFFICER'S REPORT**


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

1. **"Parks district will take next step to give itself to SD County"**: The article, dated May 27, discusses the proposed dissolution of a park and recreation district in Southern California. The district is analyzing the benefits from dissolving itself and becoming a part of San Diego County as a county service area.
2. **"Tuolumne County Special Districts Obtain LAFCO Representation"**: The article, dated June 1, announces the establishment of district representation with LAFCO in Tuolumne County. Special districts are now represented in 30 of the 58 LAFCOs around the state.
3. **"Rebecca Garcia, Mayor's Message | Watsonville's Parks and Community Services Department still weathering COVID-19 storm"**: The article, dated June 13, discusses how the ongoing pandemic has affected Watsonville's parks and community services. The City has recently unveiled a website that provides alternative activities for youth and adults to cope with the unanticipated changes.
4. **"Santa Margarita Board Evaluates Groundwater"**: The article, dated June 13, notes that the Santa Margarita Groundwater Agency is analyzing the current groundwater levels while also identifying future goals. A recent informational session was held to examine the four aquifers within the Santa Margarita Basin.
5. **"Santa Cruz County grand jury calls on local governments to fix out-of-date websites"**: The article, dated June 16, highlights a recent grand jury report which reviews the websites of local governments within Santa Cruz County. The report, titled "The Tangled Web" finds that many websites are difficult to navigate or do not have vital information readily available to the public.

6. **“State Water Board approves plan to provide \$1.2 billion in loans for infrastructure projects”**: The press release, dated June 16, indicates that the State Water Board recently adopted planning and funding documents for the clean water and drinking water state revolving fund programs for Fiscal Year 2020-21. A total of more than \$1.2 billion in potential new funding have been earmarked.
7. **“Fire Chief Lowe Embraces Water Reuse – Times Publishing Group, Inc.”**: The article, dated June 20, provides an overview of a recent interview with the Fire Chief of Aptos/La Selva Fire Protection District. Fire Chief Aaron Lowe discussed the importance of water conservation, fire prevention, and the benefits from collaborative efforts among neighboring agencies.
8. **“Santa Cruz County Remembers Allison Endert As Bright and Kind”**: The article, dated June 22, remembers the life of Allison Endert. Ms. Endert was a dedicated County employee with significant achievements throughout her career.
9. **“Mayor Justin Cummings on Pandemic, Budget Cuts and Black Lives Matter”**: The article, dated June 24, covers how Commissioner Cummings leads his community through various adversities including a pandemic, a social injustice movement, and the financial hardships facing local governments.
10. **“Salinas Mayor Joe Gunter dies at age 73”**: The article, dated June 29, remembers the life of Joe Gunter. Mr. Gunter was a community leader in Monterey County. He held various titles throughout his political career including city major for Salinas and Commissioner for Monterey County LAFCO.
11. **“Stronger Together” Making the Case for Consolidating Rural Fire Services”**: The article, dated July 1, is from the International City/County Management Association which is a leading organization of local government professionals dedicated to creating and sustaining thriving communities throughout the world. This article provides case studies and highlights the benefits of consolidation.
12. **“Midpen Directors Approve \$81M Budget”**: The article, dated July 1, indicates that the Midpeninsula Regional Open Space District recently adopted a \$81 million budget for Fiscal Year 2020-21. The budget's Capital Improvement and Action Plan includes 74 projects, such as installing a wildlife crossing at Highway 17 and expanding public and additional access that meets Americans with Disabilities Act regulations.
13. **“Scotts Valley Water District Q & A”**: The article, dated July 4, provides a closer look of a local water district. The primary topic of this interview with Scotts Valley Water District was the pandemic's effects towards the district's services, employees, and customers.
14. **“The plan to make Santa Cruz into Detroit and Los Angeles | Ross Eric Gibson”**: The editorial, dated July 12, discusses the past growth and potential development in Santa Cruz County during the 1950s to 1960s. It is important to note that LAFCO was formed in 1963 in order to help guide orderly development.

15. **“Council candidacy window opens for Santa Cruz County”**: The article, dated July 14, indicates that several seats are up for election this year involving all four cities. Capitola has two open seats, Santa Cruz has four open seats, and both Scotts Valley and Watsonville have three open seats. Candidates have until August 7 to file for nomination.
16. **“Report: Santa Cruz County Unprepared for Alarming Fire”**: The article, dated July 14, discusses the recent Grand Jury report. The report focuses on fire protection within Santa Cruz County. Various findings and recommendations were noted throughout the report. The Grand Jury has requested that LAFCO comment on their findings. A draft comment letter will be presented to the Commission in September.
17. **“Santa Cruz appoints new finance director”**: The article, dated July 14, remembers the life of William “Bill” Chiat. Mr. Chiat was the former CALAFCO Executive Director and a pillar in the LAFCO world. Beyond CALAFCO, he also served as the Dean of the California State Association of Counties (CSAC)’s Institute for Excellence in County Government for over a decade.
18. **“Santa Cruz appoints new finance director”**: The article, dated July 23, announces the recent appointment of Kim Krause as the new Finance Director for the City of Santa Cruz. Ms. Krause has 16 years’ experience as a finance director for various cities in California. She was formerly employed as the finance director for the City of Placentia in Orange County.

Respectfully Submitted,



Joe A. Serrano  
Executive Officer

Attachments:

1. “Parks district will take next step to give itself to SD County”
2. “Tuolumne County Special Districts Obtain LAFCO Representation”
3. “Rebecca Garcia, Mayor’s Message”
4. “Santa Margarita Board Evaluates Groundwater”
5. “Santa Cruz County grand jury calls on local governments to fix out-of-date websites”
6. “SWD approves plan to provide \$1.2 billion in loans for infrastructure projects”
7. “Fire Chief Lowe Embraces Water Reuse – Times Publishing Group, Inc.”
8. “Santa Cruz County Remembers Allison Endert As Bright and Kind”
9. “Mayor Justin Cummings on Pandemic, Budget Cuts and Black Lives Matter”
10. “Salinas Mayor Joe Gunter dies at age 73”
11. “Stronger Together” Making the Case for Consolidating Rural Fire Services”
12. “Midpen Directors Approve \$81M Budget”
13. “Scotts Valley Water District Q & A”
14. “The plan to make Santa Cruz into Detroit and Los Angeles | Ross Eric Gibson”
15. “Council candidacy window opens for Santa Cruz County”
16. “Report: Santa Cruz County Unprepared for Alarming Fire”
17. “In Memoriam, William ‘Bill’ Chiat”
18. “Santa Cruz appoints new finance director”

## Parks district will take next step to give itself to SD County | Valley Roadrunner

*By David Ross | on May 27, 2020*

The Valley Center Parks & Rec District board will hold a teleconference hearing June 16, 6 p.m. on a resolution to apply to LAFCO (Local Agency Formation Commission) for reorganization and to dissolve itself so it can become part of the County of San Diego as a County Service Area (CSA.)

This would give the new CSA access to County resources to bring the area's parks up to County standards and to possibly develop facilities such as Star Valley Park.

The new CSA will probably have an advisory board, but not an elected one responsible to the voters. That would mean the current parks board would cease to exist, although it is possible that the current board would become part of the advisory board.

According to a document posted by the parks district this week: "The reason for the reorganization follows LAFCO's recently completed municipal service review on the region and recommendation therein to reorganize Valley Center Parks and Recreation into a new CSA to directly draw on the expanded resources of the County of San Diego in providing park and recreational amenities to constituents."

LAFCO is the San Diego agency responsible for setting boundaries and creating new districts. If, for example, two districts adjacent to each other want to change their boundaries, they would do it through LAFCO.

Although the parks district was formed in 1966 to operate Valley Center's parks and facilities, including VC Community Hall, it has never had a year where it was flush with cash. It is responsible for 67.5 acres, including five parks that consist of VC Community Hall and athletic fields, Scibilia Field, Cole Grade Park Adams Park and Star Valley Park.

Its only source of revenue is from a small percentage of the property tax, a one-time fee collected from new construction and revenues from renting out district facilities such as VC Hall. The fees from new development are called PLDO (Parklands Development Ordinance) fees, and can only be used for capital improvements and upgrades, never for maintenance or staff salaries.

When VCP&R acquires a facility, it is on a par with buying a new car, but getting no money for gas, oil or tires. The district tried several times over the decades to persuade the voters to approve of taxing themselves to provide a dependable stream for maintenance. Two years ago directors closely watched the unsuccessful attempt by the VC Fire Protection District to persuade voters to approve Prop. SS and concluded that their own effort would have little chance of success.

The district had the unhappy experience of acquiring Star Valley Park, a 45 acre property brimming with development possibilities, only to be told by the County that it would have to pay about \$500,000 for a major use permit to be able to develop it for multiple uses. Since acquiring the property, the district has put the Stampede Rodeo on there several times, as well as events by the Vaqueros but little else.

So parks directors were positively disposed last year when LAFCO approached the district about a Municipal Services Review it was doing about how to upgrade services in some communities by forming CSA's. LAFCO also reviewed the Valley Center Municipal Water District and Valley Center Fire Protection District, but did not recommend any changes to those agencies.

That Municipal Services Review was released in February and is available for public review and can be found on the LAFCO website: [www.sdlafco.org](http://www.sdlafco.org)

The Municipal Services Review concluded: "Reorganization of the Valley Center CSD into a new County Service Area to directly draw on the expanded resources of the County of San Diego Parks and Recreation Department coupled with a more direct connection to developer-paid amenities appears merited at this time."

The parks board agreed and that process is what will be discussed at the hearing on June 16.

Map of Valley Center Community Services District can be found at [www.sdlafco.org/home/showdocument?id=2642](http://www.sdlafco.org/home/showdocument?id=2642)

The Public may attend via teleconference on their computer, tablet or smartphone [global.gotomeeting.com/join/516526797](http://global.gotomeeting.com/join/516526797)

The board meets at 6:00pm at Valley Center Community Hall, 28246 Lilac Road, Valley Center, California.



# Tuolumne County Special Districts Obtain LAFCO Representation

By Vanessa Gonzales posted 2 days ago

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A two-year process was completed on May 26 when two special district representatives were formally seated on the Tuolumne County Local Agency Formation Commission (LAFCo). Tuolumne County joins 30 other counties with special district representation on the LAFCo.

In May 2018, Tuolumne County districts held an initial meeting to discuss securing LAFCo representation. Since that time, additional meetings were held to discuss the process, allocate the cost share among districts, and work with the county and the City of Sonora to accomplish this goal.

The process of seating district representatives was streamlined through legislation sponsored by the California Special Districts Association and the California Association of Local Agency Formation Commissions in 2017. Assembly Bill 979, authored by Assembly Member Tom Lackey, simplified the process by enabling districts to solicit a vote for representation by the written request of a district representing 10% or more of the assessed value of taxable property in the county. After this request is submitted, LAFCo conducts a vote of the independent special districts selection committee. If a majority of committee members support representation, the district is seated on the LAFCo Commission.



Chat-How Can We Help?





The Tuolumne Utilities District, representing 10% of more of the assessed value of taxable property in the County, made the initial request and a vote of the independent selection committee was convened. The vote was successful, and districts elected two regular representatives and one alternate. The elected individuals are:

- Ron Kopf, Tuolumne Utilities District, Regular Member
- John Feriani, Tuolumne City Sanitary District, Regular Member
- Adam Artzer, Tuolumne Fire District, Alternate Member

The benefits of securing representation are significant. Districts will sit on this regional forum as a co-equal partner with their peers in the County and the City. They will also have a direct voice in decisions governing boundary changes, consolidations, annexations, formations, dissolutions, service extensions, and other LAFCo actions. On the Commission, districts will participate in the preparation and approval of Spheres of Influence and Municipal Service Reviews that are typically conducted on districts every five years. Finally, this vote demonstrates that special districts can effectively collaborate with their local government peers and enhances the stature of LAFCOs as the appropriate forum to review (and ultimately make decisions) on how services are provided in each county.

The process would not have been completed without the dedication and persistence of district representatives, LAFCo Commissioners and staff, and other local agencies. CSDA thanks these participants for their work!

The Association also thanks Assembly Member Lackey for authoring AB 979 to provide a simplified process for districts to obtain representation.

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## Rebecca Garcia, Mayor's Message | Watsonville's Parks and Community Services Department still weathering COVID-19 storm

All my grandchildren learned to swim through the Watsonville summer aquatics program. They went underwater, they floated, they played, and they swam. So much fun. However, there will be no summer aquatics program this year due to the COVID-19 pandemic. All in-person, youth, senior, sports, and aquatics programs will be closed for now. We have also canceled all city-sponsored events. The Parks and Community Services Department (Parks and Rec) has had to make some difficult decisions and closed on March 13, yet they had to be creative and think out of the box to keep the community healthy and connected.

We do encourage you to use our parks, open spaces, and slough trails. You can walk, jog, or ride a bike there. We only ask that you follow safe social distancing guidelines. Masks are recommended, but not required. If the area is too crowded, consider visiting at a different time or visiting another location. Please note that because of reduced staffing, park amenities are not always being cleaned or sanitized daily. Please bring your own materials for cleaning. Our playground areas remain closed, however the popular Skate Park has reopened with social distancing requirements. You can visit <https://www.cityofwatsonville.org/1206/Parks> to view the current status of our parks.

The Virtual Recreation Center has been created, <https://www.cityofwatsonville.org/1916/VIRTUAL-RECREATION-CENTER>. This site provides many fun activities for youth and adults. There is a calendar where daily you find things such as craft activities, yoga, wellness links (mindfulness, flexibility, relaxation), card games, paper football, soccer drills, and even recipes. After you bake/cook your recipe you can take a photo and place it on Facebook or Instagram. Starting this month we will offer a weekly schedule of virtual classes for seniors. Watsonville Parks and Rec was one of the first agencies to develop a Virtual Recreation Center and the model has since been duplicated by countless cities across the state and country and has received national recognition.

Youth Programs are being planned for the summer. The main one is a Summer Camp. We have partnered with Santa Cruz County Parks and we will be offering a nine-week summer camp (June 8-Aug. 7) for ages 5-12 and 13-18. We have consulted with the Santa Cruz County Health Officer and are following CDC guidelines. The program will serve 96 Watsonville youth who will participate in stable groups of up to 12 youth. Each group will be offered theme activities which include Junior Rangers (what is a park ranger?), Science, Technology, Engineering, Art, and Math (STEAM) activities, and aquatics. The aquatics programming will feature: swim instruction, water play, and pool Junior Guard. The cost will be \$900 per participant for nine weeks with sibling discounts. There will also be a discounted registration fee of \$100 per participant for families that are eligible for Medi-Cal, WIC, or CalFresh. We want to make the program affordable and accessible to all families in the Pajaro Valley.

This is a high cost nine-week program so we are accepting donations to help fund this effort. You can send a check to Parks and Community Services Department (care of Summer Camp 2020), 231 Union St., Watsonville, CA, 95076.

Watsonville offers many activities to bring the community together. Unfortunately, they have all have had to be canceled through the end of 2020.

They include:

- Wine, Beer, and Art Walk.
- Car Show at Airport.
- Fire in the Sky and 4th of July Parade.
- Strawberry Festival.
- Music in the Plaza Summer Series.
- Summer Movie Nights.
- National Night Out.
- Holiday in the Plaza.

Before this date, we also canceled the Cesar Chavez Celebration, Muzzio Playground Reopening, and the Easter egg hunt. As we move forward in reopening perhaps some of these activities can be reinstated.

Parks and Rec builds strong and connected communities. Both health and economic benefits are provided. We have begun to plan for a reopening that will include policies and procedures that need to be in place to open safely. However, we do not have a definite timeline for when we will be able to reopen all programs and facilities.

Until then, stay active, stay connected, and stay informed. Be safe and take care.

*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 4****Santa Margarita Board Evaluates Groundwater — TPG, Inc.**

*by See Below*

**By the San Lorenzo Valley Water District**

With the rainy season behind us, the focus of San Lorenzo Valley Water District is now on future groundwater levels as the drier summer months approach.

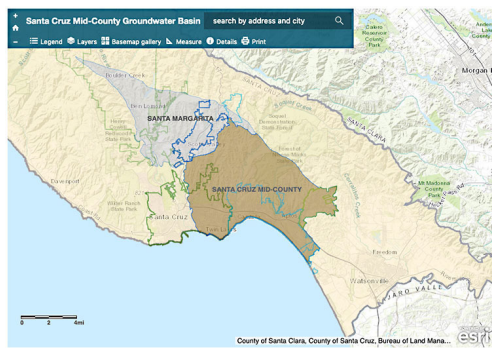


Groundwater is the primary source of drinking water for district customers from June through October when surface water flow is low during drier months. Rainfall is the main source of recharge to the basin and surface water flows.

The groundwater basin is shared by the San Lorenzo Valley Water District, Scotts Valley Water District and Mount Hermon Association, as well as local businesses and residents using private wells.

The Santa Margarita Groundwater Agency at its Board of Directors meeting in April held an informational session that centered on groundwater levels and the agency's goals for future groundwater levels.

The San Lorenzo Valley Water District is one of three member-agencies that make up the agency, along with the Scotts Valley Water District and the County of Santa Cruz.



The session examined groundwater in the Santa Margarita Basin and its four primary aquifers: Santa Margarita aquifer, Monterey formation, Lompico aquifer and Butano aquifer. The session identified the unique characteristics of each aquifer and its particular set of users.

- The aquifer closest to the surface is the Santa Margarita. It is about 100 feet thick, on average, and is the most vulnerable to fluctuations in climate conditions. That means it recharges the fastest during periods of rainfall, but also depletes the most quickly during dry times or when lots of pumping occurs. The District and most private well owners draw water from this aquifer.
- The next aquifer down is the Monterey formation, which is not a true aquifer and a very few wells pump from it. It is a clay layer found in limited areas of the basin.
- The third layer down, the Lompico aquifer, is a main source of supply for local water districts. It is generally found around depths of 500-700 feet below the surface.
- Finally, the Butano aquifer is deepest and occurs at around 1,000 feet below the surface of the valley floor. Currently, only the Scotts Valley Water District extracts water from this aquifer.

The groundwater aquifers aren't evenly deposited throughout the basin, according to Georgina King of Montgomery & Associates, who gave the April presentation. Rather, the underground bowl-shaped basin supports varying levels and depths of each aquifer in different areas. The deeper layers are exposed to the land surface in the upgradient of hillsides, which are the principal recharge zone for these aquifers.

Evaluating groundwater levels is one of the state-required elements of the Sustainable Management Criteria in the Groundwater Sustainability Plan. The Santa Margarita Groundwater Agency board must set minimum thresholds for groundwater levels in the basin as well as measurable objectives to ensure the basin's sustainability. The board provided input on the significant and unreasonable conditions that will be used to develop a draft qualitative statement for board review.

The Santa Margarita board meeting on April 23 was conducted via all-remote, web- and phone-based access due to the Santa Cruz County Shelter-in-Place Order response to the coronavirus outbreak. The agenda allowed time for public comment and participation on each agenda item.

If you are interested in learning more about the SMGWA or the District's involvement visit <https://smgwa.org/>. The agenda for the next SMGWA Board of Directors meeting and any supplementary materials will be made available <https://smgwa.org/> as they are generated by staff. Due to the circumstances regarding the ongoing shelter-in-place orders, all agency meetings will be held in a remote-access format until further notice.

Map: <http://www.midcountygroundwater.org/mid-county-basin-area/interactive-map>

## Santa Cruz County grand jury calls on local governments to fix out-of-date websites

SANTA CRUZ — Local government websites include broken links, missing documents and information that in some cases appears years out of date, a Santa Cruz County Civil Grand Jury investigation found.

In [a report release Tuesday](#), titled “The Tangled Web,” the grand jury found that departments at the county and city level are failing to update their websites “often enough to keep citizens informed.”

Santa Cruz County’s local governments generally lack a clear process to review and ensure the accuracy of information posted to their official government sites, according to the report.

“The necessary information on county and city websites at times is more than 12 months old; annual reports are not current, members of organizations and committees have moved on and rosters have not been updated; in addition, organization charts are inconsistent and do not contain contact information,” the report states. “This hampers the user’s ability to make progress, and reflects on the potential struggles the public can have to access government services.”

To improve the accuracy and availability of online information, the grand jury is urging local governments to take steps such as creating a formal review process and tasking department heads with signing off on the accuracy of online information on a quarterly basis.

Among the examples of apparently inaccurate online information detailed in the report: A city of Santa Cruz website on the city’s Equal Employment Opportunity Committee last updated its list of current members in Oct. 2018 — and the committee’s membership has since changed.

The report also notes that minutes for some of that committee’s scheduled meetings are not available on the site, though a review of the meetings in question suggests at least some were canceled. A spokesperson for the city didn’t immediately respond to a request for comment.

But lack of clarity around information that appears to be out of date or missing is itself an issue, according to the grand jury.

“There may be reasonable explanations for why errors and omissions exist in website information, but those explanations are not presented on the website, nor are estimates for when the website will be corrected,” the report states. “Without an understanding of why information is missing, users may continue to spend time searching for information that does not exist, whose unavailability is known to administrators, but not to users.”

Other identified issues — which the report offered only as examples, not as a definitive list — include broken links on the Santa Cruz County Fire Department homepage and other sites, outdated repositories of annual reports and seemingly out-of-date membership listings for city of Watsonville’s Board of Library Trustees.

Santa Cruz County’s government was singled out for not having a system in place to notify website users when content is updated — unlike each of the county’s four cities, according to the report. The grand jury urged the county to adopt a similar notification system by June 2021.

Responses to the report are required from the Santa Cruz County Board of Supervisors and the city councils of Santa Cruz, Watsonville, Capitola and Scotts Valley by Sept. 14.

The grand jury requested additional responses from each local government’s chief executive by the same date.

The Santa Cruz County Civil Grand Jury is made up of 19 private citizens. An independent arm of the judicial system that serves as an ombudsman for the public, the grand jury is tasked with investigating local government operations and alleged misconduct of public officials.



# Media Release

## **State Water Board approves plan to provide \$1.2 billion in loans for infrastructure projects**

***Approval gives funding arm project goals for Fiscal Year 20-21***

June 16, 2020

**Contact:** Blair Robertson

[Blair.Robertson@waterboards.ca.gov](mailto:Blair.Robertson@waterboards.ca.gov)

**SACRAMENTO** – On June 16, the State Water Board adopted planning and funding documents for the clean water and drinking water state revolving fund programs for Fiscal Year 2020-21 and a total of more than \$1.2 billion in potential new funding.

The respective revolving fund programs and plans, referred to as “intended use plans,” are adopted annually and provide millions of dollars of low interest and principal forgiveness loans to dozens of communities throughout California.

“The drinking water and clean water state revolving funds are significant financial tools that further the state's water resiliency goals,” said State Water Board Chair. E Joaquin Esquivel. “The economic downturn and pressures from the Covid-19 response on our states water systems mean we must continue to innovate and grow the programs. We're fortunate for the collaboration and coordination of many leaders in the water sector, who are partners in the revolving funds' success and future.”

This annual funding practice is now entering its third decade with drinking water and four decades for clean water projects. The Clean Water State Revolving Fund [intended use plan](#) adds up to \$910 million in new projects in fiscal year 20-21. The Drinking Water State Revolving Fund [intended use plan](#) has potential funding in excess of \$308 million for new projects in fiscal year 20-21.

All projects are directly related to protecting or improving public health, water quality or both.

The Board's approved intended use plans follow state and federal funding guidelines.

- The [Drinking Water State Revolving Fund](#) finances infrastructure improvements to reduce drinking water risks and support the human right to water. It provides funding for drinking water projects such as well rehabilitation and replacement, tank/reservoir replacement, transmission and distribution pipeline replacement, drinking water treatment for primary contaminants and water meters. There are also a few projects on source development/desalination.



CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY

STATE WATER RESOURCES CONTROL BOARD

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- The [Clean Water State Revolving Fund \(CWSRF\)](#) includes recycled water and stormwater projects and addresses wastewater discharge violations or enforcement orders issued by the regional water boards. Specifically, wastewater projects include the rehabilitation of existing facilities that treat wastewater, new wastewater treatment facilities, pump station rehabilitation and replacement and sewer pipeline rehabilitation and replacement. Recycled water projects consist of recycled water treatment facilities, pump stations, distribution systems and storage facilities. Storm water projects include projects that prevent, abate, reduce, transport, separate, store, treat, recycle, or dispose of pollutants arising or flowing in storm drainage that is transported in pipes, culverts, tunnels, ditches, wells, channels, conduits, from urban or rural areas to surface or groundwaters of the state and the reuse or disposal of storm water determined acceptable for reuse or disposal.

#

# Fire Chief Lowe Embraces Water Reuse – Times Publishing Group, Inc.

by See Below

## Soquel Creek Water District: We're #InThisTogether

By Rebecca Rubin & Melanie Mow Schumacher, Soquel Creek Water District



*The Soquel Creek Water District is engaged in multiple approaches to combat over-drafting of the groundwater basin and seawater intrusion into our local water supply. It's important to remember that these severe water supply challenges affect everyone in our community — and we are all part of the solution. Over the next few months, this series of Water Wisdom columns will feature the viewpoints of local community members and organizations talking about the importance of creating and maintaining a sustainable water supply, as a community.*

The Aptos/La Selva Fire Protection District is responsible for fire protection and emergency response in Aptos, Rio Del Mar, and La Selva Beach. Its 27-square-mile coverage area overlaps with a significant portion of the Soquel Creek Water District. And when it comes to water, both agencies agree that it is among the most important of resources.

The chief heading up the Aptos/La Selva Fire Protection District is 26-year fire service veteran Aaron Lowe. He tells us, “Water is the most crucial tool we have when it comes to fire fighting. It’s most effective at extinguishing most kinds of fires, and without water we’d be in a much more serious situation, especially during the dry season. For that reason and others, we’re all very aware of and sensitive to the local water supply challenges.”



Eileen Eisner-Streller & Alyssa Abbey share water tips at the 2019 Aptos/LA Selva Fire Open House.

The chief also points to education as a key tool in both fire prevention, and water conservation. “We work hard to help people understand how to reduce the potential for fires in their home or business,” he says. “And when we have fewer fires to fight, we use less water. To the extent we can help the public decrease the incidence of fire, we’re saving that drinking water for other important uses.”

In his role as chief, Aaron sees other opportunities to save water on the job. For example, when performing training or maintenance, the use of water is limited by utilizing simulations when feasible. And, when engaging in joint exercises with other, larger fire protection agencies, there is an opportunity to use equipment which actually recycles the water that’s involved with the training, so they can use it multiple times — taking water re-use to another level!

Chief Lowe’s understanding of the water supply challenges we face in this region today is commendable. “Water supplies here are limited, and subject to dramatic changes. A drought, or even just a sub-normal rainfall season, will cause shortages when the community needs water.” He goes on to say, “We all know that the Water District’s sole source of water, the groundwater basin, is over-drafted and suffering from seawater contamination. That’s a huge problem. Now is the time to embrace water reuse.”





Eileen Eisner-Streller chats with attendees at the 2019 Aptos/LA Selva Fire Open House.

Chief Lowe notes the benefits of recycling water, with projects such as Pure Water Soquel, will have. “The technology and science out there today is already sufficient to ensure the safety of all drinking water, including the purified water that’ll be produced by Pure Water Soquel.” In addition, he says, “This project is great for the environment, there are plenty of checks and balances built in, and the water will meet state and federal drinking water standards. The A/LSFPD is fully on board with the Water District’s goals and actions toward groundwater sustainability.”

The chief knows that the Water District is working hard to create that and other new water supplies, which will take some of the pressure off of the groundwater basin. “Soquel Creek Water is really doing their part toward ensuring a stable water supply for the future,” says Chief Lowe. “Those of us at A/LSFPD have homes and families like everyone else, and it’s great to know that the Water District is exploring water options for the long-term, and looking out for our future.”



Aaron Lowe

And at the same time, Chief Lowe and the Aptos/La Selva Fire Protection District are doing their part in conserving water, in the recognition that water is our most important — and threatened — resource. A local fire protection district and a local water district, both with water-saving goals, and both working for the improvement and long-term vitality of the community...this is a good illustration that we are indeed all #InThisTogether.

...

*As always, if you have any questions about this month’s topic or anything else related to Soquel Creek Water District, feel free to contact the District at [outreach@soquelcreekwater.org](mailto:outreach@soquelcreekwater.org) or visit [www.soquelcreekwater.org](http://www.soquelcreekwater.org).*



## Santa Cruz County Remembers Allison Endert As Bright and Kind

*Jacob Pierce*

Friends of Allison Endert remember the former Santa Cruz County analyst as loyal, hard-working, politically savvy, bright and kind.

“She was my best friend in Santa Cruz, my confidant, my work colleague. But she was such a good friend to everyone,” says Endert’s colleague Rachel Dann. The two worked together for county Supervisor Ryan Coonerty, until [Endert was struck](#) by an allegedly intoxicated driver and killed on an afternoon walk in Seabright June 15. The *Santa Cruz Sentinel* reported that the driver, Mark Mendoza Zambrano, [pleaded not guilty Friday](#).

Endert’s many close friends recall the way she radiated compassion and always put her family first. More than anything, they remember a woman perpetually motivated by the fight against injustice.

“I just want everyone to know what drove her,” Dann says. “What drove her in her work every day was fighting structural inequalities. That was the case back when I met her 22 years ago. She was laser-focused—whether that was inequalities in the school system or gender inequalities. That was her reason for going into public service, and she saw public service as a way she could make a difference. She just touched countless policies and people’s lives and helped people navigate the bureaucratic system.”



*From left, Allison Endert with close friends, Melissa Whatley, Deanna Sessums, and Rachel Dann.  
PHOTO: COURTESY OF RACHEL DANN*

As colleagues go, Coonerty says Endert was “perfect.” Coonerty often found himself in awe at how Endert used her job as a vehicle to make a difference, he says.

“She had a real moral clarity. Public policy discussions can get very heated, and there’s a lot of nuance, but when she spoke up, she really always could bring it back to the moral imperative,” Coonerty remembers. “It made me always want to do better. She held herself to a high standard and held others to a high standard.”

One of Endert’s and Coonerty’s biggest policy successes [was the Nurse-Family Partnership](#), a program that connects first-time mothers with nurses to provide support through the first two years of a child’s life. Coonerty credits Endert with making it all happen.

Former county analyst Andy Schiffrin used to work alongside Endert, Dann and Coonerty’s office. And like Dann, he remembers Endert’s relentlessness when it came to making Santa Cruz County a better place.

“So much of getting things done depends on having someone who can dot their i’s and cross their t’s, who can see things through, who can move the project forward, and staying on top of it, seeing through to completion. And she was very capable in that way. She did what she said she was going to do, and she did it well,” Schiffrin says.

Endert—who is survived by her partner Andy Tatum and their two daughters, ages 15 and 12—first got involved in politics during [her time at UCSC](#) in the late ’90s. She worked for then-Assemblymember John Laird in the early 2000s.



*Allison Endert (right) with partner Andy Tatum. PHOTO: MELISSA WHATLEY*

Laird recalls that, when Endert's daughters were born, she decided to go from being full-time to working 20 hours a week. Laird says that, every week, Endert did 40 hours in 20 hours. Laird ultimately received an award for being a family-friendly employer, he recalls. Although Endert had no problem with her boss getting the honor, Laird says he was baffled by the process.

"I told her, 'You're the one doing 40 hours of week in 20 in hours, and you were the one with the two daughters. You should be getting the award!'" he says.

Laird also remembers Endert telling him many years ago that she wanted him to meet her mother. Laird said the three of them met up for lunch, and toward the end of their chat, Endert's mom realized she and Laird were the same age. To Laird, it did not seem possible. "I was so upset. I considered Allison a peer. I did not consider her a generation younger than me," he says.



*A memorial popped up on Murray Street in honor of Allison Endert, who was killed by an intoxicated driver June 15. PHOTO: TARMO HANNULA*

Although she was best known for her work, Endert's generosity extended to her personal friendships.

For some 15 years running, Endert and Dann had been getting together for regular drinks with fellow friends Melissa Whatley, the government relations director for UCSC, and Deanna Sessums, the regional public affairs manager for the League of California Cities' Monterey Bay division.

*Good Times* wrote a news story about those meet-ups in 2007. At the time, Endert was working for Laird, and Dann was working for then-county Supervisor Neal Coonerty, the father of Ryan Coonerty, who was then-vice mayor. Although it would be another seven years before he ran for the supervisor seat himself, the vice mayor was already well-acquainted with the lore that surrounded those meetings and also aware of the influence wielded by the four networking women who organized them. "To get anything done in this town you're going to have to go through one of them," Ryan Coonerty told *GT* at the time.

Their happy hour tradition continued over the years, although after the pandemic started, the gatherings morphed into Zoom calls. The group also had a call last week, as everyone mourned the loss of their friend. "It felt like one leg of our table was missing," Dann says.

Whenever one of the women had a birthday approaching, Whatley says Endert always stressed that they all had to get together. But when Endert's own birthday drew near, Endert would downplay the event and say they didn't have to do anything. The others would all agree that they had to go out and make Endert come along.

In the midst of a discussion, Whatley and other friends say that Endert was a fantastic listener. Sometimes she wouldn't say much, but then when she spoke up, she would share something profound, Whatley remembers.

"She was always quietly in the background," she says, "and then she would floor you with something incredible."



News Editor at [Good Times](#) | [Blog](#)

Jacob, the news editor for *Good Times*, is an award-winning journalist, whose news interests include housing, water, transportation, and county politics. A onetime connoisseur of dive bars and taquerias, he has evolved into an aspiring health food nut. Favorite yoga pose: shavasana. Follow him [@pierceweekly](#).



## 8A: ATTACHMENT 9

# Mayor Justin Cummings on Budget Cuts and Black Lives Matter

*Jacob Pierce*

Santa Cruz Mayor Justin Cummings has had a busy term so far this year.

He took office a few months before the Covid-19 pandemic began, shutting down most parts of public life. And this past spring, activists and politicians from Santa Cruz and other communities around the globe began taking a serious look at issues of law enforcement and systemic racism, and Cummings has been involved in those discussions.

Cummings is Santa Cruz's first Black male mayor, and his term immediately followed that of former Mayor Martine Watkins—who identifies as mixed race and served as the city's first-ever mayor of African American heritage. After [nationwide protests](#) broke out last month in the wake of the Memorial Day killing of George Floyd at the hands of Minneapolis Police, Cummings took a knee next to Police Chief Andy Mills at a May 30 protest on Pacific Avenue. *Santa Cruz Sentinel* photographer Shmuel Thaler snapped a couple pictures, and images of the pair were shared widely, garnering attention from outlets and television programs around the country, including the [Los Angeles Times](#) and [Real Time with Bill Maher](#). The political moment has provided an impetus for both Cummings and Mills to move forward with [proposed policing reforms](#).

On Tuesday afternoon, the Santa Cruz City Council also voted unanimously to install a Black Lives Matter Mural and to display Pan-African and Black Lives Matter flags in the front of City Hall during the month of July every year.

*Good Times* caught up with Cummings last week to discuss the novel coronavirus pandemic, homeless services, budget cuts and more.

## What's it like leading a city during a pandemic?

It's had its challenges. Santa Cruz has been doing such a phenomenal job sheltering in place and following the county health officer's orders. The most challenging thing has been the fact that you have a community that's in compliance, and then, as the weather's getting nicer—we're starting to get people from other communities coming through and people feeling like 'We're doing everything we're supposed to; what gives with all these people coming in?' And a big part is that, as we're opening up—law enforcement's had a really difficult job as it is—and now, how do we enforce all of these orders? It's something that is a bit overwhelming, but we're doing our best, and the people of Santa Cruz have been doing everything they can to really ensure the health and safety of their communities.

## The state of homeless services has changed so much since March—with a big increase in the numbers of bathrooms and hand-washing stations and places for people to sleep. Is this a temporary fix to get us through the pandemic? Or is Santa Cruz piloting a more permanent path forward?

I hope so. I really hope we can learn from this. The one thing that's really great that's going to come out of this is our ability to demonstrate that we are able to put things up that don't have these massive impacts on the communities surrounding them. We have the camp over on Coral Street, the camp in the Benchlands. We have parking in different lots. We have more bathrooms and hand-washing stations. And we haven't been receiving complaints.

## The mayor is technically a part-time job, so you have an additional career. How are you able to stay on top of everything?

I don't sleep much. But my other job currently is ecological monitoring, which is using drones to do aerial surveys at different UC natural reserves, and it's only about a day a week, and I've been able to fit it in on Fridays.

## You and two fellow councilmembers decided that this fall wouldn't be the right time to try and pass a transient-occupancy-tax increase. What went into that decision?

Given the impacts of Covid-19, we had to pretty much shut all the hotels down, and they're somewhat operating at this moment. But especially at that time, given Gavin Newsom's timeline for reopening, it didn't seem like hotels would be reopening for a very long time. With that in mind, it didn't make sense to increase the tax on an industry that's already so negatively impacted by Covid-19. What we're really hoping is that we can allow the hotels—as the orders are coming in—to reestablish themselves before impacting them with an additional tax.

## Due to shortfalls as a result of the shutdowns, many governments are seeing budget cuts to the programs that benefit their most vulnerable residents. How will the city of Santa Cruz balance this year's deficit?

We have been in negotiations with the different sectors of our workforce to get 10% furloughs across the board. We're going to be adopting a status quo budget, but the budget subcommittee is going to be meeting through the summer.

summer and into the early fall to really take a good look at where those cuts will need to be made—*what's the trajectory in terms of reopening?*—so that we can do a good assessment in terms of where those cuts are going to come from. And it's going to be difficult. And given everything that's been happening with George Floyd and a lot of interest in social services, I hope that some of that burden can be picked up through philanthropic means.

**Speaking of George Floyd, in the past month Santa Cruz County has seen [overwhelmingly positive protests](#) about the struggle for racial injustice and about issues in law enforcement. You also twice went to the police station to calm heated situations, where you saw white protesters shouting over you and tagging messages in support of Black Lives Matter on the station. Are those people allies for the cause?**

If there are white people who are trying to hijack a movement that should be sitting on the voices of Black people—I don't think of someone who wants to hijack a movement as an ally, no.

Wednesday night [June 3], when I went out, we had a meeting with the police chief and members of the Black community before the protest had come to the police station. And many of the people who came [to the station] were carrying fencing from the clock tower and started barricading the doors. And when looking at all the people who were doing that, the majority of them were white. At one point, this guy was trying to walk past me. He had a Black Lives Matter T-shirt, and he was carrying fencing, and I grabbed the fence, and I pushed back. And he was like, 'What're you doing?' I said, 'You're wearing a Black Lives Matter T-shirt. I'm Black. I don't think what you're doing is right. Please put this down.' And then as we looked around, the majority of guys barricading the doors were white. The guy who was on the megaphone was white. And I grabbed the megaphone and said, 'If you really care about the lives of Black people, then you need to listen to them.'

And many of the people just calmed down. When I asked people who I was, three or four people in the crowd knew I was the mayor of Santa Cruz. It's one of these things, where 'Most of you don't even know your mayor is Black, and he's the first Black male mayor of the city of Santa Cruz. I'm deeply committed to this because it impacts my life, and I try to make meaningful change, and here's a group of Black people and African Americans who were just meeting with the police chief to talk about change.' So we're doing the work. We're a community that's been moving forward and has been proactive about this. We haven't been sitting back and saying, 'Eh, we'll just wait for the protest to calm down.' We've been speaking out, and I know that's different than what people maybe were expecting, but that's what governments should be doing, and that's what governments across the country should be doing—acknowledging this was wrong and looking internally at their own departments and then working with the community to say, 'How're you treated? How can we do better?'

I'm totally OK with people protesting as long as they don't vandalize anything, because that doesn't help anyone. It just builds tensions and resentment and anger within a community. But if people want to help, they should figure out how to get involved, how they can support movements led by people of color and look within their own institutions to check people within their community as well. We need allies that are going to check and hold institutions that are predominantly white accountable.



News Editor at [Good Times](#) | [Blog](#)

Jacob, the news editor for *Good Times*, is an award-winning journalist, whose news interests include housing, water, transportation, and county politics. A onetime connoisseur of dive bars and taquerias, he has evolved into an aspiring health food nut. Favorite yoga pose: shavasana. Follow him [@pierceweekly](#).

# Salinas Mayor Joe Gunter dies at age 73.

*Mary Duan*

Salinas Mayor Joe Gunter, the former Salinas Police homicide detective who forged a political career in his retirement years as the head of Monterey County's largest city, died today, June 29, from an infection related to a recurrence of cancer. He was 73.

His daughter-in-law, Greenfield Police Sgt. Christina Gunter, says Gunter was having heart issues, but when surgeons attempted to repair the problems, they found he had a stomach infection and esophageal cancer and couldn't operate. He died this evening with family in attendance.

She described him as her second father and "always a cop," but one who cherished his grandchildren above all else.

"At my daughter's sporting events, people always wanted to talk to him. One time he told a woman, 'I don't mean to be rude, but I want to watch my granddaughter bat,'" Gunter says. "He was 100 percent there for his kids and grandkids."

Gunter joined the Marines out of high school and served in Vietnam, then joined the Salinas Police Department in 1969. He served 32 years on the department, first as a patrolman and then a detective before retiring in 2002.

Gunter spent his immediate post-retirement years as a community volunteer, directing security at the California International Air Show, where he also served as president; as a president of the Women's Crisis Center for Monterey County and as a volunteer with youth sports and the California Rodeo. In 2012, he was elected to the mayor's seat in a five-way race. Gunter was the first police officer to be elected as mayor of Salinas.

He was a conservative with a conscience. When Councilmember Scott Davis floated the idea that Salinas City Hall should fly a Pride flag during the month of June, Gunter willingly got on board, saying, "it's the right thing to do." If someone didn't like one of his decisions—and over the years, a lot of people didn't like his decisions—he'd shrug and say, "Well, they can always vote me out come next election."

News of his death sent a shock through the community. Few people realized he was ill again, as he kept up a schedule that had him at City Hall most days, and on committees throughout the county, in addition to his volunteer work.

"I knew he was sick and I thought he was getting better. I'm still trying to process the news," Davis says. "Over the past four years, I grew kind of close to the mayor. In working with him on City Council, something that always impressed me about him was that he really did care about the community, and about the community's kids specifically."

"At times it could be difficult for him because there were so many people pulling him in so many different directions," Davis says, "but he was reasonable and fair and did the best he could."

Reporters could count on him for no-bullshit answers, and an ever-present willingness to answer questions, tell stories, feed them candy from a bowl on his desk and always return phone calls. His colleagues described him in much the same way.

"Even though it's technically a part-time role, Joe was a full-time mayor. He was at City Hall seven days a week," says former City Councilwoman Kimbley Craig. "He cared for and loved the city, and worked hard for it to be better for our residents."

"I think we're all mourning the loss of a great man, who literally dedicated his entire adult life to the citizens of Salinas," she says.

Monterey County Supervisor Luis Alejo called Gunter one of the most dedicated public

ever met and Salinas' greatest champion, in addition to being a true friend.

"Mayor Gunter loved all of Salinas. He made a point to be everywhere from the East Side to the South, and everywhere in between. Without him, we couldn't get the big projects like the homeless shelter, soccer complex or new police station accomplished," Alejo says. "We have lost a tremendous public servant who cared about helping the most vulnerable in our community."

He had a grand vision for what Salinas could be and deserved to be. He presided over a Downtown Vibrancy Plan (and rebranding of Oldtown to Salinas City Center) and advocated for the concept of Alisal Marketplace, a project designed to bridge neighborhoods. In his first term as mayor, he championed [a proposal to build a baseball stadium](#) and woo a minor league team to Salinas. He supported the Transportation Agency for Monterey County's [plans to improve the transit center and eventually build a commuter rail line](#), despite opposition from long-time business owners.

"Joe was a Salinas hero," City Manager Ray Corpuz says. "He made the difference in moving the city forward. His legacy is significant. I will miss him very much."

He served as mayor of the county's largest city, but Gunter also wielded an outsized influence in the region, serving on a number of significant government agency boards. He served on the board of the Salinas Valley Basin Groundwater Sustainability Agency, [an agency that he successfully advocated into existence](#).

He also served as vice chair of the Fort Ord Reuse Authority, which is scheduled to sunset tomorrow, June 30, and on the Local Agency Formation Commission of Monterey County.

In her book *Blood in the Fields*, former *Herald* reporter Julie Reynolds wrote about the time when a Nuestra Familia member ordered a hit on Gunter while at a bar.

"The cop, one detective Joe Gunter, offered to buy Matt (Rocha) a drink—a conciliatory gesture considering that Matt and the infamous Rocha siblings figured so prominently in and around the NF. Matt, however, took offense at this, and his crew of gangsters had to follow him out to the sidewalk.

"Matt was drunk and pissed off and told Pablo to whack Gunter right there, but Pablo said, 'Hell no, not in a bar.' The debate went on for an hour as they kept drinking outside of the bar.

"The group piled into a car and drove to a West Side park for a business meeting. They argued. Pablo said fine, if they needed the cop killed, they should take the time to concoct a decent plan and he'd gladly do the job. But he said that at that moment, Matt was way too drunk to be throwing out that kind of crazy-ass order."

Asked about it years later, and Gunter said he didn't remember the encounter at the bar, but added that if Julie Reynolds wrote it, it must be true.

Gunter is survived by his wife, Lisa Eisemann, and children and grandchildren. This story will be updated as more details become available.

*Sara Rubin contributed to this report.*



## Stronger Together: Making the Case for Consolidating Rural Fire Services



### Saturday, 1600 hours

Dispatch: *“Attention Fire Department X, respond to a report of an apartment fire at 1234 Shady Drive, fire seen in a ground-floor apartment.”*

### 1603 hours

Dispatch: *“Second page for Fire Department X, also Fire Department Y and Fire Department Z, respond to 1234 Shady Drive for the working fire in an apartment...getting several calls.”*

### 1605 hours

Dispatch: *“Fire Department X, County Sheriff’s is on scene reporting fire through the front window extending up the side of the building.”*

### 1607 hours

Chief Y: *“ Dispatch, Chief Y is on the air. I’m en route; is there an engine company responding yet?”*

Dispatch: *“You are currently the only fire unit responding to this call.”*

Chief Y: *“I understand. Please call two more departments for personnel.”*

A scenario very similar to this recently happened in my area—and situations like this are increasing locally and nationally among volunteer fire departments. In this case, “Chief Y” turned out to be the first unit on scene; he was able to complete a size-up (a quick evaluation of the building, fire conditions, and life safety risk) and verify that there was no civilian life hazard. The actual fire attack began 15 minutes after the initial dispatch when two combination departments, each with a travel

distance of over 10 miles, arrived on scene. The situation was exacerbated by the fact that for these rural fire departments, most of their volunteer members were engaged in the fall harvest and unable to respond.

While hindsight is always 20/20, the last item worth considering about this fire is that a full-time fire station staffed by three firefighters is located within two minutes driving time from the fire. This is just one example of why it's time to consider consolidation of rural fire services. In this article, I will conduct a "thought experiment" discussing some of the benefits of consolidation using my county as our example.

## Case Study: Champaign County, Illinois

Located in east central Illinois, Champaign County is home to 25 fire departments, made up of fire services of all kinds: career, combination and volunteer, aircraft rescue and firefighting (ARFF), advanced emergency medical services (EMS), hazardous materials response, and special rescue. There are six fire departments in the county, which are either full time or offer some type of combination staffing—larger, generally self-sufficient communities. They are excluded from our study, leaving us with 19 fire departments serving a population of approximately 23,500 people and cumulative budgets of \$2.7 million.

On average, each department serves a community of 1,286 people with an average budget of \$142,105, although depending on the population and tax rates, county department budgets can deviate as much as \$30,000 higher and lower. Champaign County's rural communities are remarkably homogenous, consisting mostly of single family homes, multi-family residential units, schools, and small businesses devoted to supporting agriculture, the largest sector of the local economy. A 2018 report found that approximately 70 percent of the emergency services call volume involved vehicle rescue or EMS, while the departments experienced a slightly higher than national average incidence of actual fire calls, approximately 15 percent of total responses. Average response time from dispatch to the arrival of the first unit on scene was 10 minutes.

## Why Consolidate?

The salient point arguing in favor of fire department consolidation is whether the local fire department can effect a timely response with an appropriate number of competent staff. For a number of county departments, this is not the case. NFPA 1720, *Standard for the Organization and Deployment of Fire Suppression Operations, Emergency Medical Services Operations, and Special Operations to the Public by Volunteer Fire Departments*, states that for a "typical" response to a 2,000 square-foot single-family home, the fire department shall place six fire suppression personnel on scene within 14 minutes, 80 percent of the time.<sup>1</sup>

Note that I say *fire suppression* personnel; I recall a house fire in an occupied home to which I responded with a driver and an EMT, with only myself to fight the fire. As I read Section 4.3.2 of NFPA 1720, placing six personnel on scene means an incident commander, a driver, and four personnel trained and capable of performing primary search and fire control. Clearly, the standard wasn't met in this case or in our opening scenario.

The fire department's primary responsibility and primary focus is on the prevention and suppression of fire. If the fire department is incapable of assembling an effective response, it must know how to access the necessary resources and integrate them into an effective plan. With fire service consolidation comes greater consistency in planning and response because all of the players will be following the same playbook, so to speak. In fact, developing that playbook (i.e., rules and regulations, standard operating procedures (SOPs), and incident management systems) is much easier if a few people—a consolidated fire department's command staff—only have to do it once.

Conversely, as things currently stand in Champaign County in our study, 19 departments are struggling to develop 19 different plans with 19 differing degrees of success in implementation. The differences in plans, and in effectiveness of service delivery, are rooted in perceived differences among the county's villages. The county's homogeneity works in favor of planning for emergency response; for a house fire in a given village, an incident commander should be able to count on *this* particular resource from his station, followed by *these* and *those* resources from the next closest stations. This will allow him or her to prioritize tasks based on conditions and first arrival, and have a workable incident action plan immediately. The same resource allocation would be dispatched in another community as the consolidated department's standard working fire response.

Another building block of a consistent and effective response is apparatus, of which there is a wide variety in Champaign County, including pumpers, pumper tenders, tenders, light and heavy rescues, and water towers. Apparatus purchasing is reactive, either when another vehicle becomes inoperable or based on what the membership wants instead of actual community need. However, at a minimum, a pumper, pumper tender, and some type of initial attack/light rescue will see these departments (serving an average of 1,200 people) through the vast majority of their calls for service.

If these departments consolidated they could develop common apparatus, which increases familiarity even when working with companies from another station, and also will save on cost when a larger department orders several apparatus following a vehicle replacement plan versus several smaller departments trying to secure funding and place orders for their own equipment. The *same* SOPs, calling for the *same* equipment and the *same* complement of personnel increases operational effectiveness, which is another way of saying civilians and responding volunteers are safer and fire losses are reduced.

This helps save minutes on scene and mitigates a built-in flaw in the volunteer-service delivery model: firefighters have to travel to their stations and wait for an adequate number of crew to begin response. In Champaign County, that amounts to four to five minutes, and as an incident commander, you have to accept the fact that those are precious minutes you don't get back when thinking about the possibility of flashover or survivability profiling. However, some of the uncertainty is eased if an incident commander knows what specific resources are on the way and expected within 14 minutes of dispatch.

## How Would It Work?

A consolidated Champaign County fire service has to start at the top; the new chief would be in charge of 19 fire stations, dozens of apparatus, and hundreds of volunteer firefighters. Even for an accumulation of small, rural departments, it is enough work for a full-time administrative level officer. The chief needs a full-time training officer as well, since teaching new SOPs and ensuring task-level competency will drive consistency and establish the expectations of the new organization.

Operationally, the county would be split into four districts: three districts with five stations assigned, and a “short” district with four. These officers would have considerably more work to do than an average volunteer, but less than a full-time employee; their jobs would be classified as “full time/part time” and be compensated by some kind of stipend. The district chiefs would be responsible for operations, vehicle maintenance, and facilities working with their station captains (the former volunteer chiefs), who supervise the baseline station assignment of pumper, pumper tender, and initial attack/light rescue.

Based on risk assessment and population distribution, other equipment would be assigned to the district stations, such as spare apparatus, rescues, or elevated stream pumpers. This ultimately results in a lower total operating cost since at any one time only a handful of departments need a spare or the use of a specialized resource and nearly all calls for service—medical, MVC, outside fire, and service calls—can be handled by one or two correctly staffed apparatus. The same principle applies to loose equipment, hose, and PPE since most fire departments do not use valuable time and money trying to maintain a full complement of their own equipment.

## Personnel Benefits

The benefits of consolidation are apparent when discussing physical assets and emergency response, but they extend to personnel administration as well. Having a paid/combination staff will enable development of job descriptions, training objectives, and objective promotional processes. In this way, volunteers will have a “career ladder” similar to full-time firefighters. If they choose to move residences within the county, there would be no starting over as a probationary firefighter because they could simply be assigned to another station.

The issue of EMS-only personnel or semi-retired members who prefer driving or performing scene-control activities is its own can of worms. If a volunteer fire department is consistently able to place four firefighters trained to the Firefighter I level on a pumper within four minutes of receiving an alarm, then it’s less of an issue. But on both operational and administrative levels, it’s much easier for managers to not have to think about which personnel can ride which apparatus, or who has what certification. Suppose you were the first due chief in our opening scenario: Would you rather be left wondering how many personnel were on responding vehicles, and what their capabilities were, or would you rather just “know” that nine personnel trained to the Firefighter I standard are responding, being supervised by three officers trained to Fire Officer I?

## Obstacles to Consolidation

Consistently effective and safe operations, lower operating costs, better management, and personnel retention—it would seem that rural fire department consolidation in Champaign County is a no-brainer, but the idea faces substantial opposition for several reasons:

**Ego:** A consolidated fire department requires an act of political suicide by 19 village boards or fire protection district boards. Consolidation also requires 19 people to relinquish the title of fire chief, a goal that many have sacrificed for over a period of years. In Illinois, currently the state with the most subunits of local government, this act of dissolution and reconstitution seems inconceivable when they can enjoy their own fiefdoms.

**Pride:** “We’re better than they are at auto extrication.” “Those guys don’t like interior firefighting.” Champaign County firefighters are no different from their counterparts elsewhere; based on their interests and natural talents, some departments pride themselves on their own unique skills or services over others. But supposing risk analysis reveals that the department on the edge of the county with the heavy rescue needs a tender apparatus—and that its heavy rescue would be of more use if it was moved to a town closer to the highway? Would that fire department’s membership acquiesce, or would they refuse to consolidate and continue focusing on an aspect of service that’s less necessary for their local community? Would these firefighters put aside pride in “their” fire departments and have faith that they were becoming part of a larger, better whole? The step from many small fire departments to a larger county department seems small to an outsider, but it is fraught with meaning for longtime volunteers, and those relationships will have to be managed delicately if a change takes place.

**Past practice:** Among these 19 fire departments, some get along very well, some do not, and very few get along with the paid departments in the county. “We don’t like them” is an admittedly stupid reason for fire departments not to collaborate on adequate response, but it happens. The attitude goes both ways, however, as many career firefighters express distaste for working with the volunteers. The abridged fire at the beginning of this article might not have been extinguished by the three-person career-crew located much closer than the volunteers, but if all this crew did was respond and spend their on-board tank in an exterior attack, the fire would have been held in place while the volunteers were en route. There is a substantial body of literature discussing culture change and “blending” when fire departments consolidate, and putting aside old grievances and prejudices is a real concern. The new organization must realize the opportunity to create newer, better relationships within the department (people not used to working together) and without (people used to another service delivery model).

**Misperception of need:** Related to that pride in unique service is a community—and its fire department—not fully understanding the risks it faces or what resources are needed. While NFPA 1720 states that volunteer fire departments “shall participate” in development of community risk management plans (including evaluation of fire risk), in practice few volunteer fire officers do given time constraints and lack of training. Risk assessment is another important administrative task, regardless of department size, that falls by the wayside along with incident management and SOP development. The village of 500 people with a 15-person department might not understand why it’s not advisable or perhaps even feasible to maintain a fleet of five vehicles when instead it would be better served to plan operations around a single resource and four to six firefighters, with neighboring stations filling out a fire response.

**Support services:** The consolidation of Champaign County fire services as described creates a substantially larger organization needing an administrative framework in order for it to reach its full potential. We previously covered a paid chief and training officer, and compensated district chiefs, but a cadre of additional instructors are needed to deliver the training program; again, perhaps not full-time personnel but they would need to be classified as something other than volunteers.

Something else not discussed to this point is the utter lack of fire code enforcement in rural Champaign County and the variable quality of fire and life safety education in the rural communities. NFPA 1720, in Annex B, recognizes fire prevention and fire and life safety education as “management goals” of the volunteer fire department and acknowledges that staffing and response are only two components of community fire protection; volunteer fire departments also must apply fire and building codes to “limit loss of life and property.” A consolidated fire department, in good conscience, must also provide for fire code enforcement and life safety education, which would require additional staff, either full time or in another type of regular capacity.

Past experience in Champaign County shows that when volunteer firefighters attempt to enforce burn ordinances or fireworks bans, or address violations of the Life Safety Code, they are ignored or treated with derision because the public believes a volunteer has no kind of binding enforcement mechanism. Having compensated fire code and life safety professionals provides another career path for members of a consolidated department and hopefully serves to keep them interested and active in their department. Diehards among the rural departments will decry administrative “bloat,” but the ultimate goals are reduced incidence of fire, lower property loss and injury rate, and fire control using fewer resources. An appropriately staffed and supported administrative component better helps this type of department meet those goals.

## An Imagined Future

Imagine the opening scenario, but with a fire response from a consolidated fire department with consistent equipment, personnel, and operations. Think for a moment how different the outcome would be:

### 1600 hours

Dispatch: *“Attention Station 4100, Engine 4251, Engine 4351, and Rescue 4371, Chief 4001 and Chief 1001, respond to the report of a working fire in the ground-floor apartment at 1234 Shady Drive.”*

### 1601 hours

Chief 4000: *“Chief 4001 is en route to 1234 Shady Drive.”*

Chief 1001: *“Chief 1001 is en route as well.”*

### 1604 hours

Station 4100: *“Dispatch, Engine 4151 is responding to Shady Drive. We currently have no other personnel at our station.”*

Engine 4351: *“Dispatch, Engine 4351 and Rescue 4371 are responding.”*

Dispatch: *“Dispatch has that, 4151, (4351, and 4371. Chief 4001, County Sheriff’s Office advises that they are on scene and the fire is venting from a ground-floor window.”*

Chief 4001: *“10-4. Is Engine 4251 on the air?”*

Dispatch: *“Negative, no response from their station.”*

Chief 4001: *“Chief 4001 has that. Please dispatch an additional engine and rescue from District 5, and Chief 5001.”*

### 1609 hours

Engine 4151: *“Dispatch, 4151 is on scene at 1234 Shady Drive. It’s a working fire in a two-story wood framed apartment building with fire auto exposing from a ground-floor window. 4151 will have a line off for a transitional attack and will be moving into the fire apartment for primary search.”*

Chief 4001: *“Chief 4001 is on scene on Shady Drive, and will be assuming Shady Command. Engine 4151, I understand you’ll be performing a transitional attack. Engine 4351 upon your arrival I want you to secure a water supply for 4151; Rescue 4371, you’ll be performing a primary search of the apartment above the fire apartment.”*

Because the engine companies operate out of identical apparatus (bought on the same purchase order), the driver/operators work together seamlessly to establish a water supply. Because of previous training according to department SOPs, the rescue company knows their job will be primary search of a multifamily dwelling, and Chief 4001 knows he will have help at the command post when Chief 1001 arrives. One station was not able to staff an engine company as originally dispatched, but Chief 4001 knows he can draw the exact same resource with the exact number of personnel, similarly trained, from a neighboring district and integrate them with no difficulty into his incident action plan.

Within a 10-minute window, the new department is able to place 14 personnel on scene and control a serious dwelling fire. All because the five fire stations included in our new scenario agreed that they are stronger together than they were apart, and with their neighbors and fellow firefighters, took the courageous step to consolidate.

# Midpen Directors Approve \$81M Budget

*Added by Narayan Rajan*

LOS ALTOS, CA — The Midpeninsula Regional Open Space District on Wednesday finalized its \$81 million budget for the fiscal year of July 1, 2020, to June 30, 2021.

In a release, the Midpen district said its general fund expenditures will stay flat, and the budget allows for no new staff positions. The [full budget is available online](#).

According to the release, capital expenditures make up some \$28 million of the budget, \$37 million will go toward operating expenses and \$17 million are allocated for debt service. Midpen estimates revenue at just more than \$82 million.

The budget's Capital Improvement and Action Plan includes 74 projects, including installing a wildlife crossing at Highway 17, expanding public and ADA access and more. Of those projects, 32 percent are eligible for reimbursement through Measure AA.

Midpen said projects are balanced across program areas as follows: 18 percent to land acquisition and preservation, 27 percent to natural resource protection and restoration, 31 percent to public access, education and outreach, and 24 percent to assets and organizational support.

Projects include:

- Continuing the Highway 17 wildlife corridor to create animal crossings for mountain lions and other wildlife
- Removing barriers to provide ADA access to programs, services and activities.
- Prepare the Bear Creek Redwoods Preserve for increased public access and constructing the Alma cultural landscape area and new trails
- Finish the Wildland Fire Resilience Program to support fire prevention and preparedness
- Continue mapping vegetation in San Mateo County and kick off a similar new program in Santa Clara and Santa Cruz counties.
- Put funding toward the extension of a regional trail from Saratoga to the Pacific Ocean by way of the Saratoga to the Skyline Trail project

The release states 73 percent of Midpen's funding comes from property taxes, 20 percent comes from bond reimbursements, and 7 percent comes from grants, interest rental and other income.



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BUSINESS PROFILE

## Scotts Valley Water District Q & A

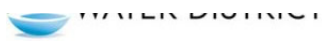
written by See Below | July 4, 2020



## Piret Harmon Answers Questions About How COVID-19 Has, and Is, Affecting Business

By Erin K. Allshouse

*The Scotts Valley Water District is an essential business, so it hasn't shut down through the COVID-19 pandemic, but commercial water use declined by 40 percent during Shelter In Place. How does that affect the operating budget?*



projecting a \$140,000 revenue loss in this year (FY 2020, ending 6/30) and approximately \$330,000 in the next fiscal year. The District has rate stabilization reserves that we typically tap in case of revenue shortfall during droughts. These reserves will be used to balance our budget.

***Have you had to cut hours for employees? Layoffs?***

The District has not had to cut hours or reduce the workforce.

***How many customers are having trouble paying their bills? Is that an issue?***

We have seen a little uptick in delinquencies but not certain how much of this is contributed to the economic hardship related to Covid-19. It might be partially due to the fact that a good measure of customers rely on past due notices to pay their bills and because we temporarily suspended late fees and service disconnects, they are not receiving their usual “signal”.



The District has a Rate Assistance Program that is available to eligible customers and we are also offering payment plans. Only less than 20 customers are currently utilizing these offerings.

***Are some employees working from home for their own safety?***

No employees are working from home — the type of work that most of us do, does not lend itself very well for conducting it remotely. The customer service lobby has been closed since mid-March and the District offers many online services. We have strict and thorough processes to ensure the health and safety of employees and customers

***Did you put projects on hold until revenue rebounds?***

The “life cycle” of a typical water infrastructure project is quite long and it is impractical and often impossible to deploy stop-restart tactics. The District uses strategic planning tools and 5-year capital projects cycle that relies on pay-go funding (from current year revenue) as well as repair & replacement reserves and debt issuance when appropriate.

***Any idea when revenue will rebound?***

We anticipate some impacts to last through next fiscal year (July 2020 – June 2021). Although this global health and economic crises was totally unpredicted, California water agencies are accustomed and therefore somewhat prepared to frequent variability of the climate conditions that is always accompanied by demand fluctuations and revenue variability.

***What changes have you made due to COVID-19?***

We temporarily suspended activities requiring direct customer contact and will implement appropriate protective measures when reactivate them. The District swiftly transitioned all meeting, including Board meetings, to virtual format and is planning to continue with digital Board meetings after the Covid-19 restrictions are lifted. Internally, we





Scotts Valley Water District Employees

have set in place detailed procedures to ensure the health and safety of employees.

Jul

***How do you comply with the social distancing requirement for customers in your office?***

The office lobby has been closed since mid-March. We are planning to open it on July 6 and are making sure that all relevant and necessary safety measures are in place: 6ft distance, masks, hand sanitizer etc.

***Have visits to the office dropped?***

Having the in-person service temporarily suspended has allowed the District to promote the online services and solutions: start/stop service, bill payment, rebate application and usage tracking.

SV Water is using software from a 2009 SF startup with \$13 million called WaterSmart Software to help customers understand and manage their water use.

***Why this software?***

WaterSmart customer engagement portal is only one (the last) component of a complex system and enables the customers to view, manage and understand their water use. The District evaluated several vendors and choose WaterSmart as the best fit considering the features, functionality, ease of use, and administrative structure.

The main elements of the Advanced Metering Infrastructure (AMI) are Orion Cellular LTE endpoints that are connected to the water meter in the existing meter boxes, capture readings and communicate with the encoder.

***Did you consider the 2015 Santa Cruz startup Buoy Labs to help people manage household water use?***

Buoy Labs offers a stand-alone add-on solution for those people who want to understand their indoor water use on more granular level. It requires installing an additional meter and connecting it to the local wifi network. It is more costly and from a water system perspective offers less value to the District.

***What's the expected payback with WaterSmart? Months/years for the cost of software to start generating savings? When might there be enough data to say how well it is working?***

As mentioned earlier, WaterSmart is only the last layer of enabling the customers to manage their water use. The foundational component (i-Meter network) is much larger investment than the customer engagement portal that costs about \$2.50 per customer per year. It has already paid off by allowing the District and the customers to detect leaks much quicker (within 24 hrs vs 60 days).

In fiscal year 2019 the total amount of water lost through leaks tracked by Leak Adjustment Program was 7 million gallons. In fiscal year 2020, the same number is projected to be about half of that or 3.5 million gallons.

[svwd.org](http://svwd.org)

# The plan to make Santa Cruz into Detroit and Los Angeles | Ross Eric Gibson

**By Ross Eric Gibson**

Since the late 19th century, Santa Cruz and Santa Clara were described in superlatives for natural beauty and agricultural prestige. Yet for a time after World War II, both counties made efforts to become a Los Angeles car culture of freeways, heavy industry and suburban sprawl. Santa Clara “succeeded,” but Santa Cruzans formed groups to Fight the Blight.

In 1950, the San Jose City Council announced it intended to become the “Los Angeles of the North.” Land speculators swarmed Santa Clara County, buying up cheap farmland to be revalued as urban subdivisions. Longtime farmers, trying to keep their prestige as the nation’s quality fruit capital, gained protections through a 1954 Santa Clara County zoning amendment for agriculture-only districts.

Outraged, the San Jose City Council annexed property, county roads, and school districts into the city by any means possible. In the spring of 1955, the farmers got the state legislature to pass an act preventing annexation of farmland nor adjoining county roads without the property owner’s consent. This would have worked, but San Jose took advantage of the 90 days before the act became law to expand its borders to 200 miles enclosing less than 20 square miles. The frenzy of acquisitions frightened communities neighboring San Jose, who, for the sake of “home-rule,” incorporated into seven new cities.

Heavy industry moved in with legions of workers, overtaxing the aquifers and causing a water crisis. By the late 1950s, fly-by-night developers maximized profits by building inferior tacky-tract homes, which fell apart so quickly, they became instant slums. While the FHA (Federal Housing Administration) was intended to aid homeowners, it was shady developers who sought their low-interest insured mortgages to build hundreds of homes for a no-risk profit. And lax Veterans Administration oversight permitted development on known floodplains, building homes the U.S. government would have to repurchase after inevitable flooding, then repair for resale.

## **Santa Cruz flood**

Santa Cruz County was drawn into San Jose’s over-development psychosis following the Christmas Flood of 1955. While the flood was statewide, it flooded downtown Santa Cruz, Ocean Street, Soquel, Capitola, and Watsonville. The designated “Flood Recovery” redevelopment continued for more than 30 years, brought to an end only by the 1989 Loma Prieta Earthquake, which prompted the next 30-years of redevelopment to be called “Earthquake Recovery.”

Following the 1955 flood, shady San Jose developers made forays into Santa Cruz County, buying up large Victorians, tearing them down, and squeezing as many cheap tract homes onto the site as possible. This caused a backlash against the loss of a neighborhood’s character-defining landmarks. A riverside neighborhood was cleared away, and county offices moved there from the beloved Romanesque Court House on Cooper Street to the hated County Government Center, a New Brutalism-style monstrosity resembling a penitentiary, and built as a nuclear fallout shelter.

## Postwar promotional campaign sticker to attract smokestack industries to Santa Cruz. (Contributed)

But City Planners seemed oblivious to the outrage, wanting developers to carry out a similar modernization of Santa Cruz. It was proposed to abandon the county's lead industries of tourism and agriculture (calling tourism shabby), both seen as stumbling blocks to development on parklands, wilderness and farms. Santa Cruz would become "the City of Industry" or "the Detroit of the West" (depending on the sales pitch), through a proposed 11-mile corridor of factories along the rail shipping line between Santa Cruz and Davenport, surrounded by a sprawling suburbia of tract homes. A proposed City/County zoning ordinance to prevent residential encroachment on potential industrial sites failed to pass.

### Annexation

Santa Cruz planned to annex Scotts Valley, Live Oak and Wilder Ranch for high-density urban development, ban agriculture and ranching within the city limits, dump passenger rail for a network of four-lane freeways along West Cliff Drive, over Neary Lagoon and Beach Hill to Ocean Street, along the edge of the University, through Pogonip, and DeLaveaga Park. Downtown Santa Cruz would be demolished for highrise office buildings, apartment towers, massive parking lots and chain stores, with West Cliff and Beach Hill envisioned as a Miami Beach row of skyscrapers, gas stations, and fast food joints, while the new UC Santa Cruz campus was planned as a towering Manhattan in the Redwoods.

From a post-World War II perspective, this was seen as highly practical, and part of a national trend for Urban Renewal gutting cities, targeting ethnic neighborhoods for "slum clearance," with suburban sprawl, freeway development, and polluting industries seen as a badge of progress. Development pressures were such that farmers couldn't afford to keep farmland priced as urban subdivisions, nor rural property owners keep trees on their property taxed as unharvested lumber (rather than shade, ecology or wilderness).

### Rebellion

In 1963, neighbors rose up to stop proposed freeways cutting through neighborhoods, and the planned leveling of the town's architectural heritage. Many businessmen agreed, especially as a tourist town, that turning Santa Cruz into Detroit would be bad for the economy. The businessmen formed SCOPE (the Santa Cruz Organization for Progress & Euthenics). "Euthenics" means well-being from a better environment. Their stated goal was to: "Retain and Enhance the human values, the natural beauty, the clean air, the fine old trees, the historical values and areas and architecture, the open spaces, the public safety, the absence of traffic noise, the rural atmosphere, and the Distinct Individuality, character, and charm of this community of Santa Cruz County."

They proposed guidelines for landscaped freeways that blended into the scenery, and avoided being routed through the urban core. Demolition for town freeways stopped, and thanks to Chuck and Esther Abbott, SCOPE helped guide the transformation of Pacific Avenue into the 1968 "Pacific Garden Mall" as a designated National Historic District.

Various 1960s freeway proposals, sacrificing major destinations and views in the service of getting drivers quickly through town. (Contributed)

Meanwhile, a backlash to Santa Cruz annexation plans came as Live Oak complained it would lose its world famous floral and mushroom industries. Live Oak residents feared the County would dump its unwanted housing projects on its farmland, even as 41st Avenue's Brown's Bulb Ranch and Veterle Brothers Begonia farm were annexed into the new city of Capitola (born in 1949). Scotts Valley's Skypark Airport was owned by the City of Santa Cruz, but Scotts Valley resisted Santa Cruz annexation efforts by voting to incorporate as a city. The claim was that Scotts Valley could keep its rural charm and its airport if residents voted for cityhood in 1964. But election results were challenged in the belief the cityhood campaign was actually funded by development interests. Scotts Valley incorporated in 1966 and closed its airport, which cityhood was supposed to protect.

The proposed 1969 Wilder Ranch development was called "a bedroom community for San Jose," with 10,000 homes expected to double the population of Santa Cruz, and turn Mission Street into commuter gridlock. Santa Cruz bridled at bearing the brunt of city services for commuters, while their employers' business taxes were left over-the-hill. The same year, Palo Alto assumed losing its foothills to housing was inevitable, and commissioned a plan to create the most beneficial and environmentally-sensitive development. They were shocked at the findings: "... if the cost of schools, roads, police and fire facilities ... and other municipal items were added (up) ... the total investment would so far exceed any tax revenues the area could produce, that buying the land (for open-space) would be cheaper. Thus, the most economical environmental design would be no design." (California Tomorrow, p.257-58). The proposed Wilder Development brought community opposition over these same issues and conclusions, and in 1974, the property was saved as State Park open-space.

Hoping to alleviate Santa Cruz County housing needs, Watsonville built affordable housing for agricultural workers. Yet some feared it ended up as commuter housing. Over the years, periodic plans were proposed for massive industrial development on Coyote Valley farmland in the south Silicon Valley. When San Benito, Monterey, and Santa Cruz Counties complained these plans produced a massive housing deficit that would send an invasion of commuters to these counties, the San Jose City Council said it was not their concern, and other counties would have to fend for themselves. That was a turning point for many.

Today's affordable housing crisis is nationwide, and places that overbuilt (like Los Angeles, San Jose, and San Francisco), have been no more successful making home prices affordable than those that haven't. In this turbulent history, Santa Cruz has retained its quality of life, agricultural open-space, wilderness areas, and tourism charm, all of which contribute to the high demand for housing here. How to gain the one without losing the other is the balancing act we face.

*Ross Eric Gibson is a former history columnist for the San Jose Mercury News and Santa Cruz Sentinel.*

**8A: ATTACHMENT 15**

## Council candidacy window opens for Santa Cruz County

SANTA CRUZ — As the candidate filing period for local elections opened this week and across Santa Cruz County, several city council hopefuls quickly jumped out of the starting gate.

The City of Santa Cruz will have the year's largest race, with four of its seven four-year council seats up for grabs — including one where incumbent Cynthia Mathews is termed out of office and ineligible to run again this year. According to Santa Cruz City Clerk's Office [online candidate updates](#), Councilwomen Martine Watkins obtained paperwork Monday to run for re-election, joined by newcomers Maria Cadenas and Kayla Kumar. Cadenas, the executive director for Santa Cruz Community Ventures, was a runner-up behind John Laird and Vicki Nohrden for the 17th district state senate seat in the [March primary election](#). Kumar works as development director for FoodWhat and is a Salud Para La Gente board member. Romero Institute media specialist and intern program director Kelsey Hill also pulled candidacy papers on Tuesday.

Sitting Santa Cruz Councilwomen Sandy Brown, as well as Katherine Beiers, who was elected in March for a shortened term during the recall of Chris Krohn and Drew Glover, also are both eligible to run for re-election.

### Watsonville

In Watsonville, which divides its council seats into seven districts, two of the three seats open for election will not be filled by incumbents, as Council members Felipe Hernandez and Trina Coffman-Gomez will term out of office. District 2 incumbent Aurelio Gonzalez pulled candidacy paperwork to run for a second term. Newcomers Vanessa Quiroz-Carter, an adjunct communications professor, will compete with Coffman-Gomez for the 2nd District seat, while former 4th District Councilman Jimmy Dutra will seek the 6th District seat, according to Watsonville City Clerk's Office [online candidate updates](#). Dutra, a former realtor who was last elected to the council in 2014, [did not run for a second consecutive term](#) in 2018, instead vying to unseat 4th District Santa Cruz County Supervisor Greg Caput in a runoff race that year. Caput held his seat with 54% voter support in 2018.

### Scotts Valley

Scotts Valley also has three of its five council seats opening, however, incumbents are not bound by term limits, as in the other cities. Mayor Randy Johnson and Council members Jack Dilles and Donna Lind are each eligible for re-election, but had not yet drawn candidacy papers Monday, according to the county clerk's [votescount.com](#) candidate watch page. No other contenders have been named yet.

### Capitola

In Capitola, Councilman Ed Bottorff reaches his term limit this year, leaving his seat wide open. Mayor Kristin Petersen is eligible for re-election. No other contenders have been named yet.

In addition to local city council seats, the candidacy filing period also has opened for the County Board of Education, Cabrillo Community College Governing Board, several area unified school district boards, fire protection district boards, water district boards and recreation and port district boards.

### AT A GLANCE

- Candidacy filing period: July 13 to Aug. 7.
- Extended filing period, if eligible incumbent does not file: Aug. 8 to Aug. 12.
- Election day: Nov. 3
- Santa Cruz County candidate watch: [votescount.com](#).
- City council races: Capitola, two seats; Santa Cruz, four seats; Scotts Valley, three seats; Watsonville, three seats.

# Report: Santa Cruz County Unprepared for Alarming Fire Risk

*Jacob Pierce*

While the risk of wildfires in this area has increased dramatically over the last few years, Santa Cruz County is mired in a bureaucratic mess—a dizzyingly long list of separate fire districts, little to no accountability and other hazardous problems, a watchdog analysis has found.

For starters, many California counties are served by a single, highly structured fire district—as [laid out](#) in a 2019-20 Grand Jury report—with a single set of policies, procedures and priorities. But despite its small size of just 280,000 residents, Santa Cruz County's fire-response organization is made up of 10 independent fire districts, two city and one large university fire departments, and also Cal Fire, which is supported by five independent community volunteer battalions. That volume of agencies has created a confusing patchwork of emergency preparedness and response, the report argues. A [separate local Grand Jury report](#), also released this year, found almost all departments falling short [on their required inspections](#).

"All the agencies, including county fire, have some shortcomings, especially when it comes to the prevention side," Ian Larkin, Santa Cruz County fire chief and the chief for the Cal Fire San Mateo Santa Cruz Unit, tells *GT*. Larkin, who is still reviewing the reports, adds that they are working to improve them.

## SMOKE DETECTOR

Santa Cruz County has particular vulnerabilities to wildfire.

That's partly because of the size of the Wildfire Urban Interface (WUI) zone, which is considered the highest risk area of wildfire due to the abundance of both fuel and ignition sources. A majority of residents—62,000 homes—live in the county's WUI zone, according to the Grand Jury [report](#), citing data from the U.S. Forest Service.

The authors also believe that a high level of apathy to the risks of fire persists among county residents, even though reporting in recent years has shone a light on just how serious the dangers of such a disaster could be. Some swaths of the county, like Prospect Heights and the San Lorenzo Valley, are at risk to the same types of devastating wildfires that struck semi-rural areas of Santa Barbara County and [Santa Rosa](#) in recent years—as [GT reported in 2018](#). And according to an [analysis by USA Today](#), Santa Cruz County has six communities with a higher wildfire risk than Paradise, California, which suffered a devastating blaze in November of 2018. Those local communities include Boulder Creek, Lompico, Zayante, Scotts Valley, Brookdale and portions of rural Aptos, as [Santa Cruz Local reported last year](#).

What's more, fire season is just picking up on the West Coast. After a dry winter and a warm spring, a climate scientist recently [told CalMatters](#) that California is "probably going to be in for a long and difficult fire season."

Gine Johnson, an analyst for 5th District County Supervisor Bruce McPherson, says wildfire hazards are a top concern for McPherson, who was traveling this week and could not be reached for comment by deadline. McPherson's district includes the entire San Lorenzo Valley.

Johnson notes that the county's rural property owners recently agreed to [a tax increase](#) in order to increase firefighter operations, and she says the county is competing for a grant to sign a contract for the program Zonehaven, which assists with fire response and evacuations. She says she and McPherson are mindful of the constraints that narrow roads would pose in the event of a disaster.

"That's a challenge," she says.

## BURNING QUESTIONS

Meanwhile, a new partnership—called the Santa Cruz Mountains Stewardship Network—is aiming to better understand parts of the county's wild spaces and how to make them safer.

The network brings together 22 land-owning groups, including public agencies, land trusts, universities, and logging companies. Among their various efforts, those partners are working on mapping out the vegetation of the Santa Cruz Mountains. The information should help inform fire crews how best to trim back overgrown fuel sources and provide valuable data to help fight fires in real time, while also assisting in overall stewardship.

"We knew from the beginning that it would be good for fire, that it would be good for restoration projects, that it would be good for any kind of management in the region," the network's manager Dylan Skybrook says of the



collaboration.

But the county still faces other challenges when it comes to disaster risk. Santa Cruz County Fire, for instance, has about 25% fewer paid firefighters on staff today than it did 10 years ago, and it has seen a 45% reduction of volunteer firefighters.

Many of the issues in the Grand Jury report also have to do with communication.

Jurors found that, unlike other organizations around the state, Santa Cruz County Local Agency Formation Commission has not released Insurance Services Office scores for fire risk—information that could help homeowners learn more about the risk their homes are in and about what they can do to offset it.

The jury found a maze of government plans and paperwork aimed at mitigating fire risk, but they were seldom integrated with one another, and often out of date. The Hazard Mitigation Plan apparently gets updated once every five years, the FEMA minimum.

The report states that the county has no integrated mutual aid plan, and it describes confusion as to whether local departments were meeting response time benchmarks or not.

Additionally, in an era when aging California power lines have been sparking fires, county authorities are unaware of where high-risk PG&E equipment is located, and they are therefore unable to conduct inspections, supervise vegetation removal, or even notify nearby residents of possible risks, the report states.

The document makes 25 recommendations, including that the county's fire departments be better integrated with one another and that the Santa Cruz County Board of Supervisors increase its scrutiny and oversight of its contract with Cal Fire. The Grand Jury is asking for responses from 16 government bodies and agencies by Oct. 1.

Among its many findings, the report also makes note of the lack of local cameras available to monitor the wild lands for fires. Larkin, the Santa Cruz County fire chief, says efforts to get more cameras are currently in the works.

"We're working with some partners to try and get those cameras in place as soon as we possibly can because we know we're underserved here in the county," he says, "and we know how much of an asset those cameras could be in at least confirming that we have a fire and then also assisting with the long-term effects of what that fire looks like."

For [more information on the Santa Cruz County Grand Jury](https://goodtimes.sc/santa-cruz-news/report-santa-cruz-county-unprepared-for-alarming-fire-risk), including how to apply, visit [co.santa-cruz.ca.us/Departments/GrandJury.aspx](https://co.santa-cruz.ca.us/Departments/GrandJury.aspx). The deadline to apply and serve on this upcoming year's Grand Jury has been extended through Aug. 14.



News Editor at [Good Times](#) | [Blog](#)

Jacob, the news editor for *Good Times*, is an award-winning journalist, whose news interests include housing, water, transportation, and county politics. A onetime connoisseur of dive bars and taquerias, he has evolved into an aspiring health food nut. Favorite yoga pose: shavasana. Follow him [@pierceweekly](#).



## In Memoriam, William "Bill" Chiat

### CSAC Institute Dean

July 16, 2020



The County Family lost one of its biggest champions last week with the unexpected death of William "Bill" Chiat. For 12 years, Bill served as Dean of the CSAC Institute for Excellence in County Government, bringing life to CSAC's vision of a continuing education program designed specifically for county officials.

Helping to fulfill a goal of CSAC to create a professional development suite for new and experienced California County elected officials, executives and senior staff, Bill played an integral leading role in founding the CSAC Institute For Excellence in County Government

in 2008. From its inception, Bill helped shape a vision for the Institute, shepherding the launch of the first course, The Art & Practice of Elected Leadership on February 12, 2009. Bill played an instrumental role in the development of the Credential and Fellow programs and the expansion of the Institute to five regional campuses that provided professional development opportunities for county officials and staff throughout the state. Tens of thousands of individuals have taken advantage of this opportunity to help them better serve their residents.

Under Bill's direction, the CSAC Institute is now considered the premier continuing education program for county officials in the country.

Most recently, Bill was involved with guiding the Institute, now operated by the California Counties Foundation, Inc., to online learning and the COVID-19 Pandemic Leadership Resource Center with on-demand webinars and a host of curated articles.

Over the course of his tenure, Bill touched the lives of countless Institute class attendees, but most significantly the 86 Institute Fellows, 49 Supervisor Credential Recipients, 741 County Senior Executive Credential Recipients and 167 IT Credential Recipients who have completed advanced course work via the Institute.

A gifted facilitator and educator, Bill helped organizations and communities alike navigate discussions of complex and difficult issues. A results-oriented project manager with a specialty in interdepartmental and intergovernmental projects, Bill was also a trusted coach and mentor to elected officials, board members and executive staff. His unique combination of knowledge, skills, abilities and enthusiasm will be deeply missed.

Bill was a graduate of the University of Minnesota and held a Master's Degree from the University of Michigan. An International City/County Management Association Credentialed Manager, Bill also graduated from the Senior Executives in State and Local Government Program and the Leadership Practices Program from the Kennedy School of Government at Harvard University. Bill was Director of Alta Mesa Group, LLC where he served as a facilitator and organizational and executive leadership development consultant for local governments. Prior to the CSAC Institute, Bill held numerous senior staff positions, including serving in Napa and Santa Barbara Counties as well as the Arizona Governor's Office.

The CSAC Team, all 58 California Counties and communities throughout the State are in a much better place today because of Bill's immeasurable contributions to county government and his superb commitment to excellence. Bill will be dearly missed but his legacy will live forever through the many of us who knew him or had the opportunity to learn from

him.

A private service was held earlier this week. Bill is survived by his husband Jim and extended family. Condolences may be sent to James Gladfelter, 324 Alta Mesa Circle, Napa, CA 94558. Additionally, the William S. Chiat If Given A Chance Scholarship Fund for extraordinary youth has recently been established in Bill’s memory. Learn more about If Given a Chance [here](#). Contributions, noting the William Chiat scholarship designation, may be sent to If Given a Chance, PO Box 2607, Napa, CA 94558.

*Comments have been enabled for this post. We invite you to leave a message below in honor of Bill. Consider sharing memories of your favorite class, or a tribute to Bill’s incredible contribution to the CSAC Institute and the County Family.*

## COMMENTS

### Bill's Legacy

Submitted by Visitor on July 16, 2020 - 10:21am.

Having worked closely with Bill in the founding and development of the CSAC Institute, I personally saw his passion to make all of us better public servants and better human beings. Bill inspired us to look within ourselves and find our own passions. That will be his legacy. John Gioia, Contra Costa Supervisor

### Tremendous contribution to CSAC

Submitted by Visitor on July 16, 2020 - 10:43am.

Anyone who had the opportunity to work with him – or take one of his popular courses – is a better person because of it. Bill made people think, get out of their comfort zones and grow as individuals. Graham Knaus, CSAC Executive Director

### Inspiring leader and visionary

Submitted by Visitor on July 16, 2020 - 1:23pm.

Bill was an inspiring leader in the realm of public service. He was always ready with stories to highlight the different challenges public service administrators face, and had great suggestions. His passion for developing future leaders was evident in the way he conducted his courses and how he made him self available to anyone with questions. He will be missed. Alex Kahn, Chief, Agency Operations County of San Diego Child Welfare Services

### A Great Loss

Submitted by Visitor on July 16, 2020 - 1:31pm.

Bill Chiat was a wonderful instructor and someone I loved to chat with during breaks and after class. He was truly full of life and the kind of person who leaves a lasting impression. This is a stunning loss. My sincere condolences to his husband Jim, family, and friends.

### Such a Loss

Submitted by Visitor on July 16, 2020 - 1:37pm.

This is such a terrible loss. Bill's insight and dedication will be greatly missed. Mark Bryan, Yolo County

### Commitment to Education

Submitted by Visitor on July 16, 2020 - 1:41pm.

I worked with Bill for the past couple years in partnership with the CSUSB Master of Public Administration program. He was always so positive and energetic and dedicated to the growth and development of county employees. I will miss this good person.

### Remembering Bill

Submitted by Visitor on July 16, 2020 - 1:44pm.

It was an honor and a privilege to work with Bill through the CSAC labor relations academy. He was passionate about and devoted to the professional development of public agency officers and employees and it showed in the courses he supported. I will be forever grateful for having the opportunity to serve with Bill. Rick Bolanos, Partner, Liebert Cassidy Whitmore

### His influence will have long lasting impact on California

Submitted by Visitor on July 16, 2020 - 1:50pm.

I had the opportunity to participate in a strategy session facilitated by Bill for a county where I used to work. His facilitation skills were unparalleled; he was able to bring a wide variety of opinionated people to agree on the same directives and plan. He had a lot of experience from across the State and that was part of why he had our trust and confidence. His guidance through these types of sessions, as well as his teaching in courses will have long-lasting impact for California and the citizens we serve. Amanda Sharp, Deputy Director, Placer County HHS.

### Bill shaped the way we serve the public

Submitted by Visitor on July 16, 2020 - 2:27pm.

I met Bill in my first CSAC Institute Class in 2013. He was a very talented presenter. He incorporated his own experiences into his instruction. There were always important "takeaways" students could put to use immediately. Bill made me a better student. He made me a better presenter. He made me a better facilitator. By extension, every attendee of Bill's courses and other courses in the CSAC Institute are better for having attended. All of Bill's students have been able to share his knowledge throughout all 58 California counties. He improved how we all serve the public. I am grateful Bill gave so much of himself to so many of us. John Mineau, Undersheriff. Monterey County Sheriff's Office

### Such Passion!!

Submitted by Visitor on July 16, 2020 - 2:29pm.

This is a stunning loss! I very much enjoyed Bill's teaching, he was so passionate about every subject. I will miss our chat's between class. My sincere condolences to his family! Bradley Childers, Network & Systems Manager Contra Costa County Clerk-Recorder.

### An Inspiring Leader

Submitted by Visitor on July 16, 2020 - 2:40pm.

I had the great pleasure of being trained by Bill in 2018 and throughout 2019 in the New Supervisors' Training Program. He then came to Mendocino County to work with staff in both Mendocino and Lake counties. Bill had that great combination of professionalism and personal connection with everyone. I very much admired his knowledge, experience, and who he was as a person. John Haschak, Supervisor, Mendocino County

### A lasting legacy

Submitted by Visitor on July 16, 2020 - 2:47pm.

Working with Bill was an extraordinary gift. I learned much and we laughed much. But, more importantly, I found a colleague with a deep and unwavering commitment to excellence in democratic governance. He modeled what he taught, and always kept kindness, integrity, self-reflection, and the public good in the forefront. Team teaching the Institute Fellows with Bill was a singular career experience, never had I looked forward to "work" so much. His knowledge, experience and passion allowed him to consistently connect to the individuals in the room. Participants changed the way they thought and behaved because of his words; the trickle down effect of his work is beyond what we can ever know. His presence will be profoundly missed. But, his work will carry on in the myriad individuals he touched, each of us working to do better because he nudged us along. Mary Kirlin, Institute instructor and Fellows co-teacher

### Passionate Educator

Submitted by Visitor on July 16, 2020 - 3:12pm.

I've attended numerous trainings led by Bill. This is truly a loss to the local government sector. It was clear and transparent that Bill had a love and passionate for the work he did. His care and dedication was admirable and I'm saddened to hear about his sudden passing. His legacy will live on through all those he taught, including myself. Ariana Adame, Planning Manager City of Stockton

### Great vitality and commitment to public service

Submitted by Visitor on July 16, 2020 - 3:39pm.

Bill brought a great energy and commitment to the value of public service. I will very much miss working with him When Bill asked to meet with Tim Hodson and me in 2008 to discuss forming the institute, I struck by his vision of a state-wide institute. With each county location added, I saw a reflection Bill's commitment public service, contributions to county government and his energy. In teaching in the program over the past 12 years, I always appreciated Bill's support and his commitment to the best experience possible for those in class. I am deeply saddened by his death, and the loss to each of those who worked with him and his family. My deepest sympathy to Jim, his family and friends. Rich Callahan, Institute Instructor.

### Bill will be missed

Submitted by Visitor on July 16, 2020 - 4:04pm.

I had the pleasure of working with Bill frequently during a six-year stint as CSACs Communications Coordinator. He was so knowledgeable and had a real passion for sharing that knowledge with other people in the county family. I am shocked and very sad to learn of his passing. My condolences to his family and to the many people who knew him learned from him and were mentored by him. Gregg Fishman

### Consummate Educator

Submitted by Visitor on July 16, 2020 - 4:51pm.

Such terrible news. I was on a webinar Bill held a couple of weeks ago, and as always, he was right on top of things even in this crazy COVID environment with classes and learnings that were spot on. Throughout the years I have taken CSAC Institute courses, Bill was always such a gentleman and one of the most knowledgeable people about local government that I have had the pleasure to know. He made learning fun and I will truly miss his teaching. My sincerest condolences to his CSAC colleagues and family.

### Heartfelt Condolences and Sympathy!

Submitted by Visitor on July 16, 2020 - 6:41pm.

Dear CSAC Colleagues - What a tremendous loss for the CSAC family and for the leaders that have counted on Bill's exceptional instruction and partnerships that he fostered with policy-makers, professors and academic institutions. Thank you for sharing the news so we could share

our respects for Bill and his service to counties and local governments. Please pass along my condolences to the family of Bill and to his extended network of colleagues, passionate leaders, and public service professionals. Randi Kay Stephens, MPA | Program Manager Institute for Local Government

### Outstanding educator and public servant

Submitted by Visitor on July 17, 2020 - 7:47am.

The breadth of subjects and experts Bill brought to the CSAC Institute reflected his deep understanding of the workings of State and County governments. As a county supervisor, I found many nuggets of golden advice from speakers Bill selected for the classes, as well as his occasional stories of challenges he took on in his prior work in State government in Massachusetts and Arizona. Bill was a thoughtful and outstanding educator and a true public servant. He will be missed.

### His work will live on

Submitted by Visitor on July 17, 2020 - 9:46am.

I've had the honor to both work with and take classes from Bill. He was an amazing man who led the creation of many classes for best practices of county governance. His work will live on, but he will be missed. -- Gregory Hutchins

### An incredible leader and educator

Submitted by Visitor on July 17, 2020 - 9:49am.

The CSAC family & public service generally, suffered a deep loss with the unexpected passing of Bill Chiat. Bill was an incredible leader and educator and a genuinely nice guy. In my last class w/him, he wisely counseled: "As a leader, learn to be vulnerable." -- Robert Rogers, Contra Costa County

### Let's Name the Institute After Bill Chiat

Submitted by Visitor on July 17, 2020 - 1:13pm.

I was very saddened to learn of the passing of Bill Chiat this past week. Bill was a friend and colleague who will be sorely missed by the California County family. When I became the Executive Director of CSAC, I recognized that the organization provided the perfect base for a learning program to make existing leaders more effective and to grow the leaders of tomorrow. This was an added service we could provide to our member counties of incalculable value. In 2008, I hired Bill Chiat to develop the learning program; the CAC Institute was born. Bill grew the program immensely during my tenure; achieving or surpassing all the goals we had established for the program. Today, as noted, it is the premiere local government learning program in the United States. Bill Chiat brought it to that level. I would suggest that, in memoriam, that the CSAC institute be named for Bill Chiat moving forward. Rest in peace my friend. Paul McIntosh

### Insightful, passionate and smart

Submitted by Visitor on July 17, 2020 - 2:10pm.

I knew Bill when we both worked in Santa Barbara County, and remember him as an incredible instructor and facilitator. He had the perfect combination of charisma and intelligence; passion and dedication. Condolences to his family and friends. Rest in Peace Bill. Joe Guzzardi, SLO County Admin/OES.

### Leadership Personified

Submitted by Visitor on July 17, 2020 - 3:25pm.

Bill was a friend, colleague and mentor to me in Santa Barbara County. He created an environment that provided opportunities for growth through the Employees' University. His leadership efforts created pathways for us to collaborate across departments to better accomplish the work of the County. Bill nurtured and fostered the leadership potential of many staff, managers and executives and created a feeling of unity within the County organization. He was an inspirational leader and a tremendously talented executive. Public servants in cities and counties across California have suffered a great loss with his passing. Michele Mickiewicz, Santa Barbara County Public Health (retired)

### A Mentor for Excellence

Submitted by Visitor on July 17, 2020 - 3:49pm.

I had the pleasure of being a student and colleague of Bill's. Most recently, we served on the CSAC Foundation Board together. He facilitated the visioning exercises on how to continue to expand the effectiveness of the Institute for the future benefit of all counties. He was masterful. I am thankful for all of us that we were able to harness his contributions for the future vision. I also had the pleasure of serving in the new Institute faculty sessions with Bill. He was mentoring all of us to be able to carry on and multiply his excellence and influence (although he would never have said it that way). In addition to his intellect and political astuteness, I admired his style. I knew when Bill showed up to lead a class or discussion, he'd lead with his colorful and polished style - a trademark. I will miss Bill's leadership and friendship and my deepest condolences to his family. Tami Douglas-Schatz, Human Resources Director, San Luis Obispo County.

### Sorry to lose a real mensch

Submitted by Visitor on July 17, 2020 - 6:53pm.

Bill was always an energizing and welcome presence whenever our paths crossed. His passion for public service was magnified by his commitment to excellence, and promoting competent, effective, innovative governance was clearly his calling. He set a standard that raised our own sights at ILG. What a loss, but what a contribution. Steve Sanders, former Program Director, Institute for Local Government.



### A teacher, mentor, wonderful human being, Bill Chiat

Submitted by Visitor on July 18, 2020 - 3:34pm.

I was truly saddened to learn of Bill's passing. He was one of those people in life that you call a friend, mentor, teacher, leader, visionary and good human. As a new Ventura County Supervisor, serving on our local Lafco Board, I reached out to Bill to better understand our purpose. He was always so knowledgeable, giving of his time, and patient. I always trusted his advice. Joining the Calafco Board just enriched my appreciation for the role of Lafco's in our state and the importance of envisioning future policies to create a state we can all be proud of --Bill understood that and inspired many leaders to appreciate it. I especially enjoyed our social times and enjoying Bill's great smile, laughter and a great glass of wine --which he would always pick! Having served on my Board for 20 years, was there for the creation of the CSAC Institute, I support recognizing Bill's tremendous contribution by naming the Institute in his honor. Rest in peace dear Bill. Kathy Long, Ventura County Supervisor 1997-2017

### Mentor at a distance...

Submitted by Visitor on July 20, 2020 - 4:13pm.

I only knew of Bill through CSAC courses; he didn't know me. But every interaction between Bill and I were very kind and compassionate interactions. He didn't know me, but made me feel that whatever I had to say was worth the time to stop and mentor. He was quite engaging and very patient when communicating with everyone else in the class. I didn't know Bill personally, but the interactions that I had with him and those that I witnessed with others left a lasting impression. Thank you, Bill. I am very grateful to have had the honor of meeting you. Rest peacefully.

### Bill You Will BeMissed

Submitted by Visitor on July 20, 2020 - 7:02pm.

It with sorrow that I have learned of Bill's passing and I will miss him. It was reassuring to know that he was available to offer sage advice. When I was a newcomer to local government in California, he taught me about the history, peculiarities, and best practices in county management. Bill, you left a strong legacy and my condolences to your partner, Jim. David Randall

### Bill was Inspirational in So Many Ways

Submitted by Visitor on July 21, 2020 - 3:53pm.

Through the Institute, I was captivated by his presence, thoughtfulness and inspiring creative solutions and approaches to challenges in government. He leaves a legacy of supervisors better prepared to work together and approach issues in collaborative and innovative ways. Bill, indeed, you will be missed by many.

### RIP Dear Bill

Submitted by Visitor on July 23, 2020 - 11:23am.

I will miss seeing Bill at events and will always remember the lessons he taught me .... they carry me through these difficult times we find ourselves in. RIP dear Bill. -- Contra Costa County Supervisor Karen Mitchoff

### Bill Helped Me Realized Leadership Skills in Myself

Submitted by Visitor on July 23, 2020 - 11:24am.

Bill was so dedicated to providing knowledge to county staff and elected officials so they could better provide to their communities. I am so thankful for the leadership skills Bill helped me to realize in myself. Tulare County Supervisor Amy Shuklian

### A Tremendous Loss

Submitted by Visitor on July 23, 2020 - 7:25pm.

I am so saddened to hear this. What a tremendous loss to all that serve and work for the people of our state. A true leader who had a genuine love to help others reach their potential. No words can capture the gut punch I felt upon hearing of his passing. Condolences to his husband, family, and friends. Pete Judy

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## Santa Cruz appoints new finance director

SANTA CRUZ — The Santa Cruz Finance Department has a new chief at its helm, nearly a year after the city position was left vacant by predecessor Marcus Pimentel

The city announced Thursday that Kim Krause, formerly employed as finance director in Orange County by the City of Placentia, was hired as Santa Cruz's finance director Monday. She takes over from Acting Finance Director Cheryl Fyfe, who temporarily stepped into the lead role in July 2019, when [Pimentel left after seven years on the job](#) for a role as Santa Cruz County Health Services Agency assistant director.

Krause, who has 16 years experience as a finance director for cities in California, Washington and Oregon, comes to Santa Cruz with more than 30 years in the municipal government field. Her salary, at more than \$198,000 a year, exceeds Pimentel's more than \$190,000 annual salary.

"Kim will be an incredible asset to the City of Santa Cruz," City Manager Martín Bernal was quoted in a city release. "Her deep financial knowledge and breadth of experience across a number of municipal environments will be crucial as we navigate the financial challenges brought on by the COVID-19 pandemic."

Krause comes to Santa Cruz as the impacts of the coronavirus pandemic and shelter-in-place orders solidify on the economy. The city went from having a projected budget surplus for the fiscal year to a more than \$10 million deficit, drawing down city reserves, in the general fund alone. The latest nearly \$280 million city budget approved by the Santa Cruz City Council in June, city officials warned, is merely a "working budget" that will need to be shaved down by at least \$6 million in reduced spending in coming months.

In Placienta, Krause prepared and maintained a \$229 million budget, managed the annual audit, developed and implemented financial policies and procedures and managed utility billing and assessment/local improvement districts, among other responsibilities, according to a city release. She also is an award-winning municipal finance professional who holds a bachelor's degree in accounting from Bob Jones University in Greenville, South Carolina. Krause and her husband are in the processing of moving to a permanent home in the Santa Cruz area, according to the city.