



**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
Email: info@santacruzlafco.org

REGULAR MEETING AGENDA

**Wednesday, October 7, 2020
9:00 a.m.**

Attend Meeting by Internet: <https://us02web.zoom.us/j/87643986268?pwd=RkNyWDFTb2E0K3lOcXVibktmeDNEQT09>
(Webinar ID: 876 4398 6268)

Attend Meeting by Conference Call: **Dial 1-669-900-6833 or 1-253-215-8782**
(Passcode is 876627)

TELECONFERENCE MEETING PROCESS

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

a) Commission Quorum: The Governor's Executive Order (N-29-20) indicates that a quorum can consist of Commissioners in person or via teleconference during these unique circumstances. 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. 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.

3. **ADOPTION OF MINUTES**Page 5

The Commission will consider approving the minutes from the September 2nd 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. **“Navarra Drive/Bellflower Way Extraterritorial Service Agreement”** ..Page 15

The Commission will consider the extraterritorial service request to receive sewer service from the City of Scotts Valley under Government Code Section 56133.

Recommended Action: Adopt the draft resolution (No. 2020-26) approving the extraterritorial service agreement involving the City of Scotts Valley.

b. **Service and Sphere Review for the Resource Conservation District** ..Page 37

The Commission will consider the adoption of a service and sphere of influence review for the Resource Conservation District of Santa Cruz County.

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 the District, 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. 2020-27) approving the 2020 Service and Sphere of Influence Review for the Resource Conservation District of Santa Cruz County.

- c. **Proposed Policy Updates**Page 77
The Commission will consider the proposed modifications to LAFCO's Special Districts Governance and City Incorporation Policies.

Recommended Action: Adopt the draft resolutions (No. 2020-28 and 2020-29) approving the amendments to the policies.

6. OTHER BUSINESS

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

- a. **Recruitment Process – Employment Contract**Page 127
The Commission will consider the draft contractual agreement between LAFCO and the new Commission Clerk.

Recommended Action: Approve the draft contractual agreement and direct the Executive Officer to distribute the contract to the new Commission Clerk.

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. **LAFCO Correspondence (Assembly Bill 1140)**Page 132
The Commission will review a letter regarding the status of AB 1140.

Recommended Action: Approve the draft contractual agreement and direct the Executive Officer to distribute the contract to the new Commission Clerk.

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 August and September**Page 134
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 agency 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, November 4, 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. 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. 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

**Agenda
Item
No. 3**

Wednesday, September 2, 2020
9:00 a.m.

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

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The September 2, 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 Daniel H. Zazueta, LAFCO Counsel Debra Means, Commission Clerk

For the record, there is a quorum.

EXECUTIVE OFFICER'S MESSAGE

Mr. Serrano reports that this LAFCO is now using CALAFCO's Zoom Webinar account for regularly scheduled LAFCO meetings. Under this platform, Commissioners and staff will have complete control over their webcams and microphones. Members of the public will still be able to hear and view presentations and discussions. There will be an opportunity to provide comments to the Commission during the public comment period for each agenda item. For those joining via teleconference call, pressing *9 will raise their hand. Members of the public can provide comments by submitting an email which will be read by the Commission Clerk, or they can raise their hand having up to three minutes to address the Commission on any agenda item. After three minutes are up, they will be muted.

For transparency, the Commission Clerk will be administering any roll call vote for any Commission action.

MINUTES

MOTION

Motion: J. Anderson Second: Cummings	To approve August 5 th minutes. Motion carries with a unanimous voice vote.
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PUBLIC HEARINGS

SERVICE AND SPHERE REVIEW FOR THE PAJARO VALLEY PUBLIC CEMETERY DISTRICT (PVPCD)

Mr. Serrano reports that PVPCD was formed in 1955 to offer cost effective burial services in five cemeteries. The District encompasses the southern portion of Santa Cruz County including the City of Watsonville and the northern portion of Monterey County. Due to the multi-county jurisdiction, State law identifies a principal county to be responsible for any boundary changes involving either county. Santa Cruz County is, and continues to be, the principal county. Therefore, Santa Cruz LAFCO is responsible for any future boundary change, including sphere amendments.

The District has experienced financial distress in four of the last six years. This negative trend may continue unless changes are made. One possible change would be adopting a Capital Improvement Plan since PVPCD does not currently have one. A long term plan would help earmark necessary funds for future improvement projects and may improve their budgetary practices.

The District recently launched their own website that fulfills the requirement under SB 929. This bill requires all independent special districts to have a website by January 1, 2020. The District's General Manager is ensuring that all the necessary documents outlined in SB 929 are available online.

PVPCD has a coterminous sphere. Their sphere of influence boundary is the same as its jurisdictional limits. Prunedale in Monterey County is one of two unserved areas outside the District. Staff is recommending that the sphere boundary be reaffirmed with the notion that Monterey and Santa Cruz LAFCOs work together to address these unserved areas by adding these areas into the sphere of influence for PVPCD or the neighboring Castroville Cemetery District in Monterey County.

He acknowledges the General Manager, Susie Miller, and Commissioner Ed Banks for their assistance in completing this report.

Christopher Carpenter, a member of the public, wonders about their financial deficit over the last several years and why it has continued.

Mr. Serrano says that based on their financial performance between 2011 and 2020, their expenditures and revenue streams fluctuate. They receive most of their revenue from property taxes and their expenditures fluctuate over time. They have new leadership with Susie Miller as their General Manager. This past year, they ended with a surplus and they should be able to continue that outcome with their new budgetary practices.

Commissioner Leopold asks about the issue of endowment since it is usually an issue with cemeteries and how they take care of properties in the long term in perpetuity. He did not see any financial information about it except for endow care last year.

Mr. Serrano attended a PVPCD board meeting last month and noted that endowment is a primary issue. The District is currently gathering documentation to identify paid endowments and how to keep track more effectively going forward.

Alternate Banks, who is on the District's board, adds that PVPCD is in the process of re-evaluating its entire endowment care program. They discovered that endowment care funds have been underutilized for appropriate uses. Some grave sites that were purchased years ago were never fully paid for. They counted about 40 or 50 grave sites that could be re-utilized if the present owners or families that initially started ownership proceedings are no longer available. These sites could be reclaimed.

Endowment care is discussed at almost every board meeting. They want to upgrade and maintain Pioneer Cemetery which has homeless issues. With the development of a CIP, new management, and a new administrative staff person with financial and bilingual experience, they will be better off in the future.

Commissioner Leopold thinks endowments and CIPs are important for cemeteries. He asks what the cost is for a burial.

Alternate Banks replies that it is very affordable. A double depth, single plot, with endowment care costs \$1,650. He does not think they have raised rates in the past year except for one item which was raised by \$50. Their rate scale is meant to be very competitive and mindful of the economic circumstances of their clientele.

One of the District's issues is a lack of space. They are dealing with a commercial real estate broker to see what lands may be available in the future. There is a significant demand for grave burials which reflects the surrounding community.

Commissioner Leopold asks if they allow people outside of the District to be buried in their cemeteries.

Alternate Banks answers that they have to be a resident of PVPCD.

Mr. Serrano notes that Appendix B of the service review includes costs and services offered by PVPCD as of July 2020.

Chairperson Roger Anderson says that property taxes have increased substantially in recent years and property taxes provides most of their funding, but that could change if there is a recession. He wonders what their CalPERS liability is. There have been considerable increases over the last ten years in benefit costs.

Mr. Serrano replies that the District only has two administrative staff members. They should see a decrease in their overall benefit cost because of the recently added staff member.

Alternate Banks adds that they have five grounds people and they all contribute to their retirement benefit. They recently signed a new actuarial study contract with a firm that will help insure they stay current with CalPERS' retirement obligations. They want to be able to properly fund retiree benefits.

Chairperson Roger Anderson wonders what the constraints and feasibilities might be to establish another cemetery district in Santa Cruz County.

Mr. Serrano does not know of a cemetery district being established in the 12 years he has worked for LAFCO. A typical course of action would be expanding existing cemetery districts. A new cemetery district in Santa Cruz County is possible and can be initiated by the residents or a community. He believes this Commission could also initiate such an action but there are financial

implications when establishing a new special district. The CKH Act and this Commission's policies encourage expansion of existing districts rather than creating a new single purpose district.

MOTION AND ACTION

Motion: J. Anderson Second: Lather	To adopt the draft Resolution No. 2020-22 approving the 2020 Service and Sphere of Influence Review for PVPCD with a few minor corrections and three conditions: <ul style="list-style-type: none">• that the sphere be reaffirmed,• that Santa Cruz LAFCO coordinate with Monterey LAFCO to address the two unserved areas, and• that copies of the review be distributed to PVPCD and Monterey LAFCO. Motion passes with a unanimous voice vote.
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PROPOSED POLICY UPDATES

Mr. Serrano reports that this is an ongoing effort to review all of the Commission's policies. The Indemnification Agreement was adopted in 1995 and was last reviewed in 2015. Staff is not recommending any major edits other than addressing outdated language, updating the indemnification form, and implementing the new standard policies format for consistency.

The Certificate of Filing Policy was adopted in 1981 and has not been updated since. The proposed modifications clarify how the application is deemed complete and ready for Commission consideration. It identifies what to do if an application is inactive.

The Protest Proceedings Policy was adopted in 2001 and has not been updated since. This is more of a resolution than a policy. Due to the importance of the information in the Protest Proceedings Policy, staff is proposing a complete revamp of the policy.

Staff received comments from Becky Steinbruner regarding this policy. Her main concerns deal with Government Code Section 57077. Other than a protest proceeding, automatic elections are not required for the affected residents. Government Code Section 57077 does require an election but only for specific city-related actions such as incorporations of a new city or when two cities are merged into one. These are rare circumstances which have financial implications which is why State law requires an automatic election rather than a standard protest proceeding. All other common boundary changes such as annexations or the upcoming fire consolidation between Central and Aptos La Selva FPDs may have an election only if it is triggered through a protest proceeding.

Ms. Steinbruner's other comment was about the validity of protest petitions. This is done by LAFCO coordinating with the appropriate County departments to identify the registered voters and landowners within the affected area. Protest proceedings can be confusing and that is why staff has updated this policy to clearly show its process. The information outlined in the proposed policy was extracted from the Cortese-Knox-Hertzberg Act and shown in a more straight forward manner which makes it easier to understand rather than looking at the code section in LAFCO law.

Becky Steinbruner, an Aptos resident, thanks Mr. Serrano for answering her questions and concerns. She understands that this is all based on a level of protest, but it leaves the public's recourse to protest. She wishes there would be more positive language when people are voting for some cause rather than against it. All agencies in an action should hold public hearings.

She does not believe there has been any public meetings for the fire consolidation to give the affected public any information since the meeting at Cabrillo College. There has been no meeting to explain how the consolidation would affect the level of service to all areas, especially the more rural areas, and what would be the cost. She thinks there should have to be a certain number of public meetings within a certain timeframe.

Mr. Serrano answers that CKH outlines LAFCO's process from the time an application is received to the steps for it to be ready for Commission consideration. Once it is presented to the Commission at a public meeting, the Commission can approve, deny, or modify an application. There are still steps after a Commission takes action. There is a 30-day Request for Reconsideration, a protest proceeding which takes anywhere from 21 to 60 days allowing residents to submit opposition. It is very difficult to get residents to take any action whether it is in support or opposition. State law has identified that if there is a certain threshold of residents that oppose, it would challenge Commission action.

This fire consolidation has been discussed and analyzed for several years now. In 2018, a feasibility study was adopted by the fire districts. This past year, LAFCO staff has been keeping the Commission updated with this consolidation application. The fire districts have been discussing their consolidation efforts at their public meetings and several resolutions were adopted. It is up to the residents to participate in these discussions.

One of LAFCO staff's goals is to be transparent with the LAFCO process. This policy is an attempt to be as transparent as possible. When the Commission takes action, and it requires resident action if they oppose, there is a threshold to trigger an election or even terminate the Commission's action.

Commissioner Leopold appreciates staff for cleaning up LAFCO policies. These continued efforts help bring clarity. He understands the confusion about protest proceedings. CALAFCO has a long term project about initiating a major two-year process to rework the protest provisions, based upon work that originated with San Diego LAFCO but is actually a reflection of all the LAFCOs.

Chairperson Roger Anderson asks if all possible configurations of incorporated, inhabited, uninhabited and size have been exhaustive.

Mr. Serrano attempted to identify any boundary change related to protest proceedings with descriptions and context. Typically, boundary changes, such as annexations, consolidations, and dissolutions, follow the same protest thresholds. This policy is similar to other LAFCOs' protest proceeding policies. He referred to his past experience with policy updates for other LAFCOs such as Orange, San Bernardino, and Monterey.

His goal is to update all of these policies and compile all of them into one Policies and Procedures Handbook at the end of the year. Each year following, the Commission can review, clean up or modify areas in the entire policy handbook with one action.

MOTION AND ACTION

Motion: Leopold Second: Lather	To adopt draft Resolutions No. 2020-23, 2020-24 and 2020-25 approving the amendments to the Indemnification Agreement, the Certificate of Filing Policy and Protest Proceedings Policy. Motion passes with a unanimous voice vote.
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OTHER BUSINESS

INACTIVE APPLICATIONS

Mr. Serrano reports that last May, the Commission inquired whether there were any inactive applications on file. LAFCO staff reviewed all past applications since 2000. Most of these applications were presented to the Commission and approved. Others were either denied or pulled during the LAFCO process.

Staff identified three inactive applications that are still on file. Two of them involve UC Santa Cruz where one of them requested an extraterritorial service for sewer and water from the City of Santa Cruz and the other was a concurrent city sphere amendment. These two applications have been inactive for almost nine years. The third application was also an extraterritorial service request but it was asking for service from the City of Watsonville. It was approved by the Commission in 2016 but the applicant never connected to the City for water service even though the Commission approved two time extensions.

The Commission has a policy which indicates that if a proposal is inactive for over one year, the application should be closed. Staff has drafted letters notifying the applicants that these proposals will be closed in accordance with the Commission's adopted policy.

Chairperson Roger Anderson asks if there has been any response from affected parties.

Mr. Serrano answers no.

Ms. Steinbruner inquires about UC Santa Cruz' connection to sewer and water service from the City of Santa Cruz. She thinks they were already receiving water service.

Mr. Serrano replies that this was an application to receive water and sewer service for a proposed development on campus. That development did not transpire. He thinks the University is now working on a new Long Range Development Plan that includes a different area of the campus.

Commissioner Leopold suggests including this Commission's policy with the letters. It may be worth correcting in the next round of amendments to take out the pronouns to make any reference of the Executive Director being a man and less gender specific.

Mr. Serrano agrees.

Chairperson Roger Anderson would like to have the agenda packets be in a searchable pdf format.

Mr. Serrano adds that staff is hoping to ensure the agenda packets are searchable. The older agendas from 2018 and older are not searchable.

Commissioner Jim Anderson recalls that the Commission approved moving the sphere to the actual service area. It was challenged by the University.

Mr. Serrano thinks that these applications were still "open". They may have been considered by the Commission but it was not finalized. He can verify this.

MOTION AND ACTION

Motion: Cummings Second: Leopold	To approve these letters with the applicable policy included, notifying the applicants of the termination of their inactive proposal. Motion passes with a unanimous voice vote.
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GRAND JURY REPORT

Mr. Serrano reports that the Grand Jury shared their fire report with LAFCO on June 30th and requested that this Commission provide comments to the report by October 1st. There are seven areas in the report that require LAFCO feedback. He appreciates the Grand Jury's fire report.

The main point in the draft comment letter is the emphasis of the upcoming comprehensive service review involving all of the fire districts. This report will continue the Grand Jury's discussion and provide technical analysis on the past, current and future service delivery of these fire districts. This will be an important document in light of recent events.

He has experience working on similar comprehensive reviews when he worked for San Diego and Monterey LAFCOs. He sees similarities between San Diego and their fires in 2008 and how LAFCO played a role afterwards. This letter is fulfilling the Grand Jury's request and will also serve as the first notification of this upcoming service review.

An email from Ms. Steinbruner asks about the level of analysis the review will have, and whether staff will meet the Grand Jury's June 2021 deadline to complete the service reviews for all of the fire districts. The Commission adopted a multi-year work program in November of 2019 which identifies all of the service reviews for the next five years. Based on this schedule, a comprehensive service for the fire districts will be presented to the Commission by October 2021. Staff will continue to follow this schedule unless the Commission makes changes.

A service review for the fire districts will be a detailed analysis similar to the review done last October for the sanitation districts. This will require coordination with the fire districts and may take time to complete. Following the Commission's direction, this review can be completed by a different date other than what is outlined in the work program.

Ms. Steinbruner read the Grand Jury report and she thinks it is shocking. She asks LAFCO to put more teeth into their responses. She thinks a County unified group should be established to review the fire risk management policies and recommendations, and that the Emergency Management Council and fire chiefs be included.

Mr. Serrano adds that staff's analysis will be included in the upcoming service review that will fulfill statutory requirements regarding sphere and service determinations. There are several factors that will be analyzed, including what the Grand Jury report highlighted. There will additional evaluations of the existing fire districts, the types of services they provide, identifying strategic partnerships, and other collaborations with other organizations that may or may not be under LAFCO's purview. Identifying best practices and areas of improvement will be analyzed in the review. Addressing all of the fire districts will be time consuming but valuable not only for the Commission but for the fire districts and the public. The service review may serve as a foundation for additional levels of improvement. It should be completed in October 2021 or sooner if the Commission wishes.

Mark Esquibel, a long time Santa Cruz resident, asks why the County only updates the Hazard Plan every five years when it has the largest population of residents in the State living in a high-risk wildfire area. This Hazard Plan has not been updated since September 2015. He asks if there will be a higher priority placed given the recent fires.

Mr. Serrano replies that these questions will be analyzed in LAFCO's service review. Identifying which documentation is available and when updates are required will be considered. He is assuming that the County will be working on another 5-year plan.

Commissioner Leopold supports the responses to the Grand Jury. In 2007, this LAFCO did a fairly extensive survey of South County fire districts which made recommendations but were not accepted by the agencies. LAFCO cannot force these recommendations to happen. For many years, LAFCO and the Grand Jury have identified the consolidation of districts as being a positive move.

Commissioner Jim Anderson has been involved in fire service for many years and he agrees with Commissioner Leopold. There are four San Lorenzo Valley fire departments and they are all volunteer-based. If these four districts are consolidated into one big volunteer fire department, not much is gained. The next step would probably be to transition into paid fire personnel so there is full-time staffing. There are sleepers at the Felton FPD so they are more of a "quasi-department".

Chairperson Roger Anderson is interested in scoping what their upcoming review will cover. He is not sure additional planning would have helped in having COVID in addition to local fires this year. He would like to have a baseline to consider what the most important issues should be covered in the review. He suggests continuing this discussion in the next two agendas.

Mr. Serrano adds that staff is willing to draft a scope of what should be covered in this comprehensive report. The Commission can modify or add to the scope and staff will have direction on what will be analyzed next year.

MOTION AND ACTION

Motion: Leopold Second: J. Anderson	To approve the letter to be submitted to the Grand Jury before the October 1 st deadline. Motion passes with a unanimous voice vote.
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LEGISLATIVE UPDATE

Mr. Serrano reports that the legislature reconvened in late July and its primary focus since returning has been essential bills. Of the 11 LAFCO-related bills in circulation, four of them died, four have been enrolled, and three of them may be considered next year.

Staff has been tracking AB 1140 over the last few months. The bill involves the ongoing fire consolidation effort between Aptos/La Selva and Central FPDs. It would allow their existing pension obligations to be transferred over to the successor agency upon the completion of the consolidation. The bill is in its final stages before being presented to the Governor for approval.

Ms. Steinbruner has been following AB 1140 and she has found it difficult to get information. She would like a brief summary about what this bill would do. She supports an efficient consolidation but she still wants more information about how it will affect those served by both fire districts in terms of level of service and cost.

Mr. Serrano discusses the bill process and notes how it went through the Assembly and was introduced by Assembly Member Mark Stone and co-authored by Senator Bill Monning. Once it was modified to its final language, it went through several committees before it was presented and analyzed by the Senate and deemed ready for the Governor's approval. He tracks legislative bills using <https://leginfo.legislature.ca.gov/> website.

One of the main issues of consolidation is the financial burden and pension obligations. Without this bill, current pension plans may be subject to change following consolidation. This bill will allow the existing pension benefits to remain the same under the new successor agency. This bill does not change any other CalPERS obligations for any other fire districts besides Aptos/La Selva and Central FPDs. There has been no opposition to this bill.

Commissioner Leopold says that people initially want LAFCO to follow the Grand Jury report's goals, but as the process moves forward toward those goals, there are some that will still question its purpose. Even with interest and dedication on behalf of their boards and employees, it is complicated and time-consuming to work through all of the details of consolidating two fire districts. He is glad this bill went through without opposition.

WRITTEN CORRESPONDENCE

Mr. Serrano reports that Ms. Steinbruner's written correspondence was posted on LAFCO's website.

Ms. Steinbruner adds that there is existing legislation SB 824 which extends moratoriums for another year against insurance cancellations or the refusal to institute new policies in counties that have been declared a State of Emergency for fire. It extends to Santa Cruz County.

COMMISSIONERS' BUSINESS

Mr. Esquibel says that plans can be updated more frequently when necessary and appropriate. County residents living in high risk areas would benefit if the County would update the wildfire section of the Hazard Mitigation Plan or create a lower level detailed and actionable plan annually to account for the changing conditions. He wants more of a priority placed on this issue.

Mr. Serrano acknowledges Mr. Esquibel's request. It may be outside LAFCO's purview at this time but it may be addressed as part of the upcoming service review.

Commissioner Lather wonders if there is an emergency process through LAFCO for interagency aid.

Mr. Serrano says public agencies ask about this when they want to establish an agreement that addresses emergencies, fire delivery or sharing of services. Under Government Code Section 56133, there are exemptions. One of the exemptions is if a public agency wants to provide service to another public agency, this does not require LAFCO action. These strategic partnerships, collaborations, agreements or contracts among two or more public agencies do not need LAFCO approval.

LAFCO's recent service reviews have been inviting more collaborations with their neighboring agencies which would benefit their residents, their constituents, and the districts when appropriate.

Ms. Lather helped with an extraterritorial service agreement for Cemex in Davenport when she was a civil engineer for Public Works. She is concerned because San Lorenzo Valley Water District's pipes were melted during the recent fires. There is an emergency need for potable water after the fires.

Mr. Serrano adds that if Soquel Creek Water District wanted to provide temporary water to SLVWD, those types of agreements are contracts that do not have to go through LAFCO.

ADJOURNMENT

The next LAFCO meeting is scheduled for 9:00 a.m. Wednesday, October 7, 2020.

CHAIRPERSON ROGER W. ANDERSON

Attest:

Joe A. Serrano, Executive Officer



Santa Cruz Local Agency Formation Commission

Date: October 7, 2020
To: LAFCO Commissioners
From: Joe Serrano, Executive Officer
Subject: **“Navarra Drive / Bellflower Way Extraterritorial Service Agreement”
with the City of Scotts Valley (LAFCO Project No. ESA 20-26)**

SUMMARY OF RECOMMENDATION

LAFCO has received an application from a landowner requesting an extraterritorial service agreement involving the City of Scotts Valley. The proposed agreement would allow the City to address a health and safety issue and provide sewer service to a single parcel with a failing septic system.

Staff is recommending that the Commission adopt the draft Resolution (No. 2020-26) approving the extraterritorial service agreement involving the City of Scotts Valley.

EXECUTIVE OFFICER'S REPORT:

In August, a landowner submitted an application to receive an extraterritorial service agreement between the City of Scotts Valley and a single parcel (APN: 056-101-17) in order to provide sewer service to the single-family residence. The proposal area is currently located outside Scott Valley's city limits but within its sphere of influence boundary. **Attachment 1** provides a map of the agency's current boundaries in relation to the location of the proposal area. Approval of the extraterritorial service request would allow the City to address the current failing septic system and prevent any further health and safety issue within the proposal area and surrounding neighbors.

State Law

In accordance with State law, a city or district may provide new or extended services by contract or agreement outside its jurisdictional boundary only if it first requests and receives written approval from the Commission (Government Code Section 56133). Additionally, the Commission may authorize a city or district to provide new or extended services outside its jurisdictional boundary and outside its sphere of influence to respond to an existing or impending threat to the health or safety of the public or the residents of the affected territory if both of the following requirements are met:

- The entity applying for approval has provided the Commission with documentation of a threat to the health and safety of the public or the affected residents; and
- The Commission has notified any alternate service provider, including any water corporation as defined in Section 241 of the Public Utilities Code, that has filed a map and a statement of its service capabilities with the Commission.

Commission Policy

In 2011, the Commission adopted the Extraterritorial Services Policy which outlined regulations for agencies to provide services outside their service and/or sphere boundaries. This policy was recently updated on June 3, 2020 (**Attachment 2**). Under this policy, the Commission limits its extraterritorial service authorizations to public health emergencies and three specific circumstances:

a) Facilities are already in place.

The City provides sewer services to properties directly adjacent to the proposal area.

b) Annexation would not be practical.

The application includes written correspondence from the City and the landowner's consultant indicating that the current septic system is failing and may cause imminent health and safety issues to the residents within and adjacent to the proposal area. The proposed extraterritorial service agreement would address this issue immediately. The LAFCO process for annexations, on average, takes at least four to eight months to complete under the Cortese-Knox-Hertzberg Act.

c) Cortese-Knox-Hertzberg Act Requirements.

The proposed extraterritorial service agreement meets the statutory criteria outlined in LAFCO law, pursuant to Government Code Section 56133.

Pursuant to the Commission's policy, individual requests for extraterritorial service shall be filed with the Executive Officer on a prescribed application form. The applicant is responsible for paying the costs of processing the application as specified in the Commission's Schedule of Fees and Deposits. An application and fee deposit of \$950 was submitted to LAFCO on August 5, 2020.

Application Packet

In accordance with LAFCO law and the Commission's adopted policy, this type of application requires several documents. The following section summarizes these items:

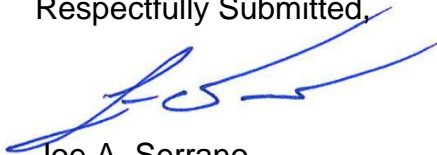
- 1) Application Form** – Commission Policy requires a signed extraterritorial service agreement form. A signed application was submitted on August 5.
- 2) Consent Letter** – Commission Policy requires documentation showing consent from the affected property owner as part of the application. The property owner of APN: 056-101-17 submitted a consent letter on August 5.
- 3) Health & Safety Issue Letter** – Government Code Section 56133(c) requires documentation of a threat to the health and safety of the public or the affected residents. The City of Scotts Valley submitted a formal letter on August 28. (refer to **Attachment 3**).
- 4) Notification to Alternative Service Provider** – Government Code Section 56133(c) requires the Commission to notify any alternative service provider that has filed a map and a statement of its service capabilities with the Commission. LAFCO staff has determined that there are no nearby or alternative service providers for sewer service. However, a public notice was advertised in the Sentinel on September 15, 2020, as shown in **Attachment 4**.

- 5) **Environmental Document** – Commission Policy indicates that all matters that are reviewable pursuant to environmental regulations are subject to the applicable provisions of the California Environmental Quality Act. LAFCO, as the Lead Agency, recorded a Notice of Exemption on September 14, 2020 pursuant to State CEQA Guidelines Section 15303(d), “New Construction or Conversion of Small Structures,” because the project would discontinue the existing septic system and connect to a public agency’s wastewater infrastructure (**Attachment 5**).
- 6) **Indemnification Agreement** – Commission Policy requires a signed indemnification agreement in the event that a lawsuit is filed against LAFCO’s action. A signed indemnification agreement was submitted on August 5 (refer to **Attachment 6**).
- 7) **Fee Deposit** – Commission Policy requires a fee deposit of \$950 for any proposed extraterritorial service request. A deposit was included with the application packet. Following the completion of the LAFCO process, staff will conduct a cost analysis and refund any remaining funds, if available.

Conclusion

LAFCO typically encourages boundary changes, such as annexations, when there is a request for municipal services. In some cases, annexations are not practical. LAFCO staff evaluated this application and confirmed that the proposed extraterritorial service agreement meets all the requirements under State law and the Commission’s adopted policy. Approval of the extraterritorial service agreement will discontinue the failing septic system and allow the City of Scotts Valley to delivery sewer service to the proposal area. The terms and conditions outlined in the draft resolution ensure that the failing septic system is addressed accordingly (refer to **Attachment 7**). LAFCO legal counsel has also reviewed the draft resolution with the proposed terms and conditions. Therefore, staff is recommending that the Commission approve the attached resolution.

Respectfully Submitted,

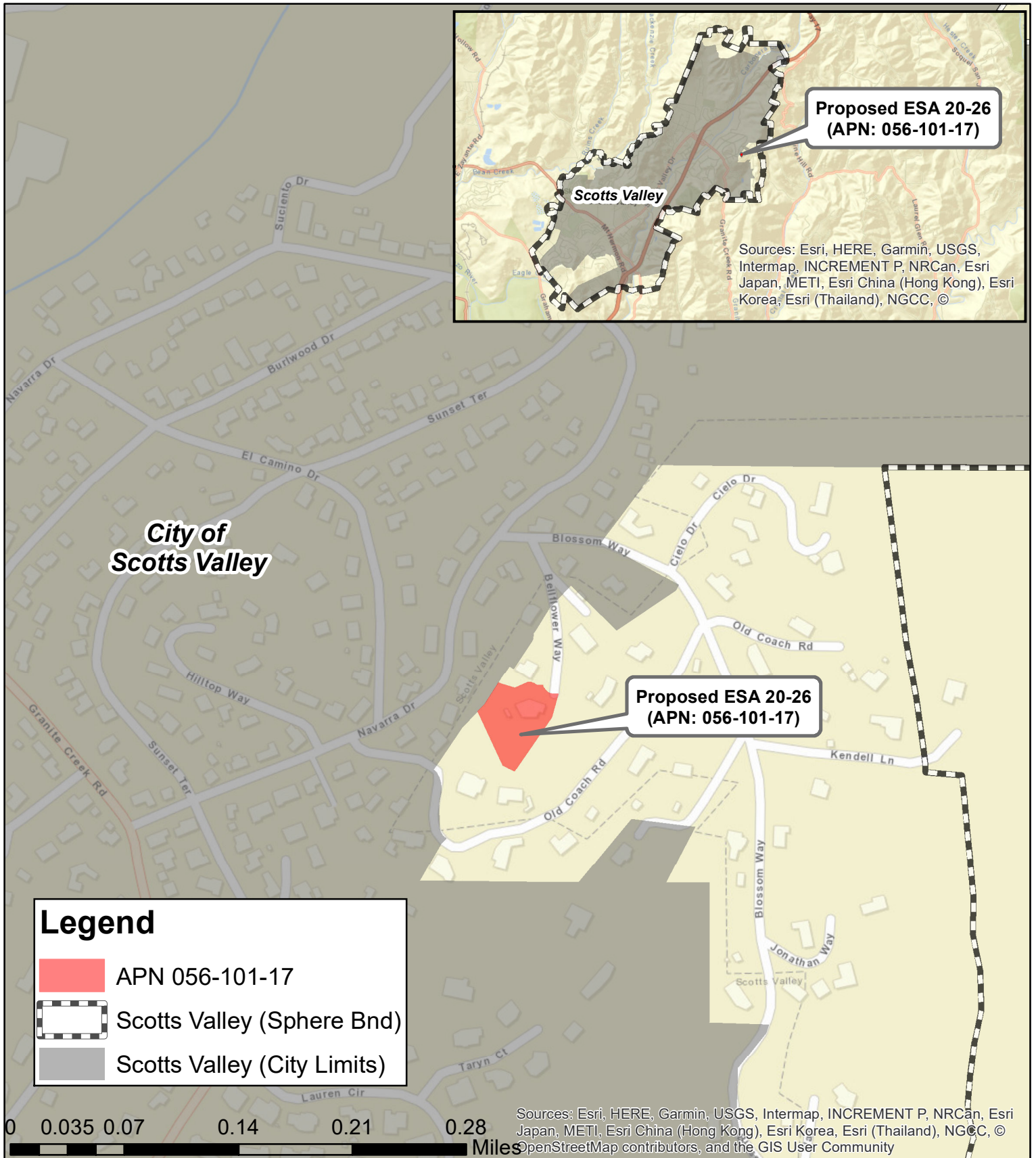


Joe A. Serrano
Executive Officer

Attachments:

1. Proposal Area Map
2. Extraterritorial Services Policy
3. Health & Safety Letter
4. Notice of Public Hearing
5. Notice of Exemption
6. Indemnification Agreement
7. Draft Resolution No. 2020-26

cc: Kimarie Jones, City of Scotts Valley
Gail Mackey, County Environmental Health
Ken Winters (Property Owner; APN: 056-101-17)



"Navarra Drive/Bellflower Way Extraterritorial Service Agreement" with the City of Scotts Valley (LAFCO Project No. ESA 20-26)



LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY

EXTRATERRITORIAL SERVICES POLICY

Adopted on June 9, 1994 (Resolution No.97-W)

Amended on February 8, 2007 (Resolution No. 2007-1)

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

Last Revision on June 3, 2020 (Resolution No. 2020-15)

1. OVERVIEW

The purpose of this policy is to explain to the public, cities, and districts the procedures by which the Commission will review requests to authorize a city or district in Santa Cruz County to provide one or more services outside its jurisdictional limits pursuant to Government Code Section 56133.

2. COMMISSION APPROVAL REQUIRED FOR NEW OR EXTENDED SERVICES

Except for the specific situations exempted by Government Code Section 56133, a city or district shall not provide new or extended services to any party outside its jurisdictional boundaries unless it has obtained written approval from the Local Agency Formation Commission of Santa Cruz County ("LAFCO").

3. LIST OF PRE-EXISTING SERVICES

In 1994, the Executive Officer originally asked each city and district to provide a list or map of parcels receiving extraterritorial service under Government Code Section 56133. The Executive Officer subsequently presented a report on these extraterritorial services with the Commission. As a regular practice, a list of all approved extraterritorial service agreements are presented to the Commission on an annual basis.

4. AREAWIDE APPROVALS

Upon the initiative of either a public agency or the Commission, the Commission shall consider an areawide approval as a regularly agendaized item and may grant approval for subsequent services to be provided by a city or district within a mapped area as specified by the Commission. The approval may include conditions. The Commission shall specify a time period not greater than ten years for which the areawide approval shall be valid. The Commission may, upon its own initiative or at the request of a public agency, renew with or without amendments, an areawide approval for a period not to exceed ten years.

Before granting an areawide approval, the Commission shall determine that the city or district is able to provide the service in a manner that does not negatively affect the services provided within the agency's boundaries and sphere of influence, and in a manner that does not negatively affect the resources in the area. Also, before granting an areawide approval, the Commission shall determine that the approval is consistent with the requirements of law and LAFCO policies.

5. INDIVIDUAL REQUESTS

Individual requests for extraterritorial service shall be filed with the Executive Officer on a prescribed application form. The applicant shall pay the costs of processing the application as specified in the Commission's Schedule of Fees and Deposits. The application deposit regarding the request for extraterritorial service is \$950. Deposit amount may be subsequently changed in future revisions of the Schedule of Fees and Deposits.

The Executive Officer shall not file the application unless the affected public agency has submitted a written endorsement indicating its willingness to provide the service if the Commission approves the request. The Commission shall consider the request after it has been placed on an agenda of a Commission meeting.

6. ENVIRONMENTAL REVIEW

All matters that are reviewable pursuant to these regulations are subject to the applicable provisions of the California Environmental Quality Act.

7. COMMISSION ACTION

The Executive Officer shall prepare a report and place the request for extraterritorial service on the Commission's agenda. The Commission shall provide an opportunity for any interested individual or party to address it. The Commission may call a subsequent public hearing in order to receive additional public testimony before acting upon a request. The Commission acts on the request by majority vote. Subsequently, the Executive Officer shall notify the applicant in writing of the Commission's action. If the Commission denies a request, a similar application cannot be re-filed for one year unless the Commission grants an exception to this rule.

8. DELIVERY OF MUNICIPAL SERVICES

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 and this Commission's adopted policies encourages smart growth and relies on the appropriate governance options to ensure the effective and efficient delivery of municipal services. Therefore, the Commission intends to reinforce that the standard manner in which services will be extended is by annexation (and sphere of influence amendment, if necessary). The Commission shall limit its extraterritorial service authorizations to public health emergencies and circumstances where:

- a) Facilities are already in place, and
- b) Annexation would not be practical, and
- c) Extraterritorial service is determined by the Commission to be consistent with the policies adopted in and pursuant to the Cortese-Knox-Hertzberg Act.

When the Commission authorizes the emergency provision of municipal services via extraterritorial service outside an agency's boundaries, and annexation is practical, the Commission will require annexation to be completed within two years.

9. WATER PROVISIONS

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 extraterritorial service 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.

A water policy has also been adopted by this Commission and should be reviewed before submitting any application for potential service delivery, including annexations or requests for extraterritorial services.



CITY OF SCOTTS VALLEY

PUBLIC WORKS DEPARTMENT

701 Lundy Lane • Scotts Valley • California • 95066
Phone (831) 438-5854 • Facsimile (831) 439-9748 • www.scottsvally.org

8/28/20

Attn: Joe A. Serrano, Executive Officer
Local Agency Formation Commission of Santa Cruz County
701 Ocean Street, Room 318-D
Santa Cruz, CA 95060

RE: Septic Failure at 102 Bellflower Way Scotts Valley; 056-101-17

Dear Mr. Serrano,

I'm writing to follow up the "will serve letter" sent to LAFCO on July 29, 2020 regarding APN 056-101-17. I have reviewed the septic situation across properties 056-101-17, 056-101-16 and 056-101-13. This situation is an imminent threat to the health and safety of the residents, as such, LAFCO's approval of a sewer connection for APN 056-101-17 is requested.

Feel free to email if you have any questions,

Kimarie Jones, Engineering Associate
KJones@ScottsValley.org



NOTICE OF PUBLIC HEARING LOCAL AGENCY FORMATION COMMISSION

NOTICE IS HEREBY GIVEN that at 9:00 a.m., Wednesday, October 7, 2020, the Local Agency Formation Commission of Santa Cruz County (LAFCO) will hold public hearings on the following:

- **“Navarra Drive/Bellflower Way Extraterritorial Service Agreement” with the City of Scotts Valley (LAFCO Project No. ESA 20-26):** Consideration of an extraterritorial service agreement request for a single parcel to receive sewer services by the City of Scotts Valley. In compliance with the California Environmental Quality Act (CEQA), LAFCO staff has prepared a Categorical Exemption for this proposal.
- **Resource Conservation District of Santa Cruz County (RCD) Service and Sphere of Influence Review:** Consideration of a service and sphere review for RCD. In compliance with the California Environmental Quality Act (CEQA), LAFCO staff has prepared a Categorical Exemption for the service and sphere review.
- **Policy Updates** – Consideration of proposed modifications to LAFCO’s Special Districts Governance and City Incorporation Policies. The proposed changes may include several non-substantive changes, removal of outdated language, and further clarifications to reflect the Commission’s current practices.

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 remotely. Instructions to participate remotely are available in the October 7th 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. 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.

A handwritten signature in blue ink, appearing to read 'Joe A. Serrano'.

Joe A. Serrano
Executive Officer
Date: September 15, 2020

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: "Navarra Drive/Bellflower Way Extraterritorial Service Agreement" (ESA 20-26)

Project Location: The subject area is within the City's sphere of influence boundary, contiguous with the City's jurisdictional limits and is located north of Old Coach Road, east of Granite Creek Road, south of Navarra Drive, and west of Blossom Way. Attached is a vicinity map of the subject area (refer to **Attachment A**).

Project Location City: Scotts Valley **Project Location County:** Santa Cruz

Description of Nature, Purpose, and Beneficiaries of Project: The proposal was initiated by landowner petition. The subject area includes one (1) parcel, totaling .98 acres. The single parcel is owned by Kenneth and Patricia Winters. The purpose of the application is to decommission the existing septic tank and connect the parcel to the City of Scotts Valley, which is the adjacent public wastewater agency.

Name of Public Agency Approving Project: Local Agency Formation Commission of Santa Cruz County ("Santa Cruz LAFCO"). A public hearing on this proposal is scheduled for 9:00 a.m. on October 7, 2020. Additional information on the upcoming meeting is available on the LAFCO website.

Name of Person or Agency Carrying Out Project: Santa Cruz LAFCO


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: Pursuant to CEQA Guidelines Section 15303, New Construction or Conservation of Small Structures: Class 3 consists of construction and location of limited numbers of new, small facilities or structures; installation of small new equipment and facilities in small structures; and the conversion of existing small structures from one use to another where only minor modifications are made in the exterior of the structure. The numbers of structures described in this section are the maximum allowable on any legal parcel. Examples of this exemption include, but are not limited to: Water main, sewage, electrical, gas, and other utility extensions, including street improvements, of reasonable length to serve such construction.

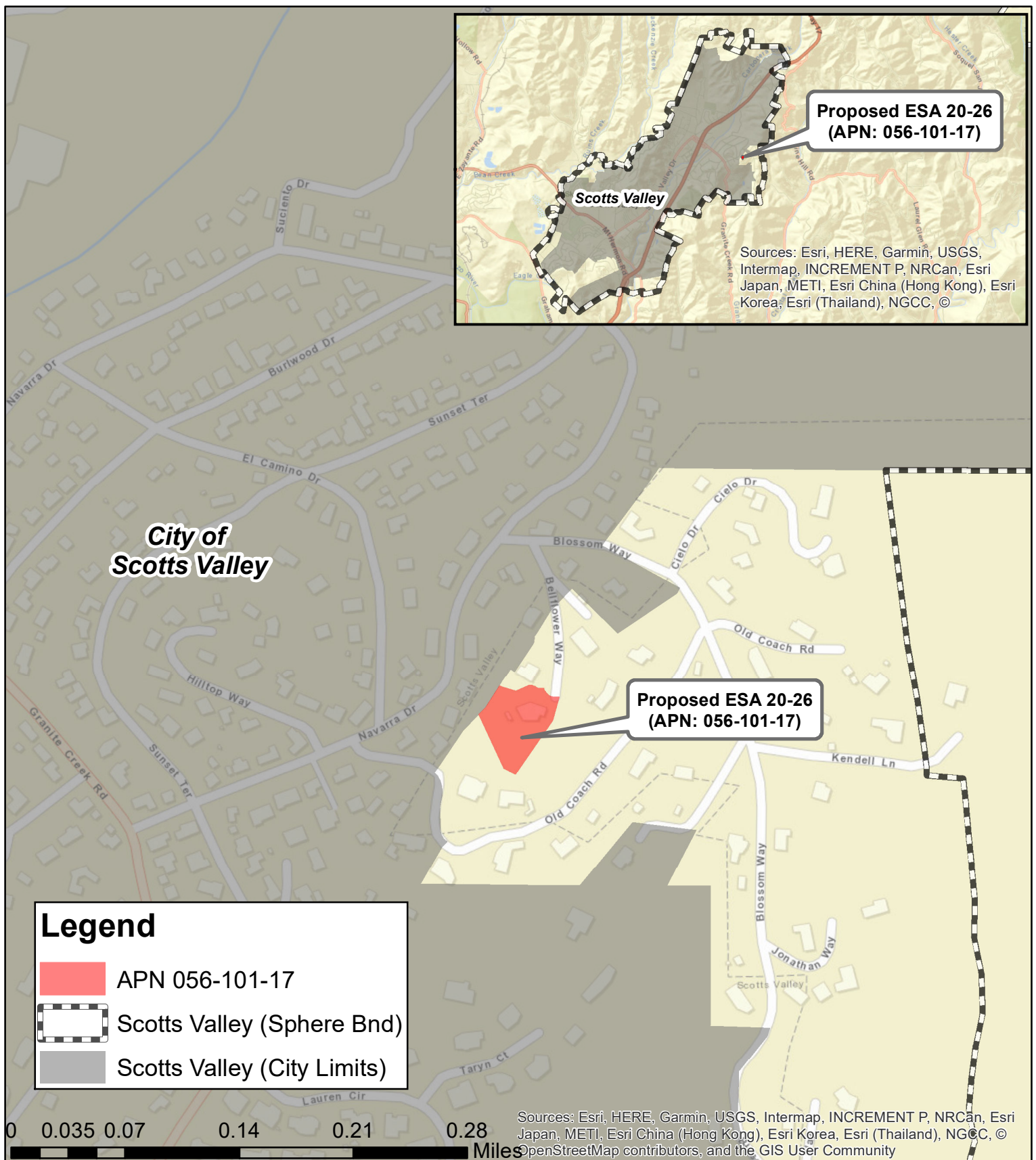
Lead Agency Contact Person: Joe A. Serrano

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

Signature: 
Joe A. Serrano, Executive Officer

Date: September 14, 2020

☒ Signed by Lead Agency



"Navarra Drive/Bellflower Way Extraterritorial Service Agreement" with the City of Scotts Valley (LAFCO Project No. ESA 20-26)

Local Agency Formation Commission of Santa Cruz County
 Governmental Center
 701 Ocean St. #318 D
 Santa Cruz CA 95060



TITLE: "Navarra Drive/Bellflower Way Extraterritorial Service Agreement"
 with the City of Scotts Valley

PROJECT NUMBER: ESA 20-26

INDEMNIFICATION AND DEFENSE

The undersigned applicant for the above-referenced application ("Applicant"), as a condition of submission of this application, approval of the application and any subsequent amendment of the approval which is requested by the Applicant, hereby agrees to defend, using counsel reasonably acceptable to the LOCAL AGENCY FORMATION COMMISSION, indemnify, and hold harmless the LOCAL AGENCY FORMATION COMMISSION, its officers, employees, and agents, from and against any claim, demand, damages, costs or liability of any kind (including attorneys' fees) against the LOCAL AGENCY FORMATION COMMISSION arising from or relating to this application or any approval or subsequent amendment to the approval thereof, subject to the conditions set forth below.

A) Notification and Cooperation

- 1) The LOCAL AGENCY FORMATION COMMISSION shall notify the Applicant of any claim, action, or proceeding against which the LOCAL AGENCY FORMATION COMMISSION seeks to be defended, indemnified, or held harmless.
- 2) The LOCAL AGENCY FORMATION COMMISSION shall reasonably cooperate in such defense.

B) Fees and Costs:

Nothing contained herein shall prohibit the LOCAL AGENCY FORMATION COMMISSION from participating in the defense of any claim, action, or proceeding if either of the following occur:

- 1) The LOCAL AGENCY FORMATION COMMISSION bears its own attorneys' fees and costs;
- OR
- 2) The LOCAL AGENCY FORMATION COMMISSION and the Applicant agree in writing to the Applicant paying part or all of the Commission's attorneys' fees and costs.

C) Settlement:

- 1) When representing the LOCAL AGENCY FORMATION COMMISSION, the Applicant shall not enter into any stipulation or settlement modifying or affecting the interpretation or validity of any of the terms or conditions of the approval without the prior written consent of the LOCAL AGENCY FORMATION COMMISSION.

D) Successors Bound:

The obligations of the Applicant under this Indemnity and Defense agreement are specifically associated with and shall run with the land that is the subject of the application and/or approval and shall be binding upon the applicant and the successor(s) in interest, transferee(s), and assign(s) of the applicant in the land.

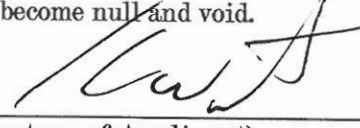
E) Recordation:

At any time after submission of the application, the LOCAL AGENCY FORMATION COMMISSION may, at its sole option, record in the office of the Santa Cruz County Recorder a memorandum of agreement which incorporates the provisions of this condition, or this approval shall become null and void.


 (Signature of LAFCO Executive Officer)

Joe A. Serrano
 (Printed Name)

9/10/20
 (Date)


 (Signature of Applicant)

Ken Winters
 (Printed Name)

8-1-20
 (Date)

LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY
RESOLUTION NO. 2020-26

On the motion of Commissioner John Leopold
duly seconded by Commissioner Roger Anderson
the following resolution is adopted:

RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION
APPROVING THE NAVARRA DRIVE/BELLFLOWER WAY EXTRATERRITORIAL
SERVICE AGREEMENT WITH THE CITY OF SCOTTS VALLEY
(LAFCO PROJECT NO. ESA 20-26)

WHEREAS, an application for an extraterritorial service agreement involving a single parcel (APN 056-101-17) (the “proposal”) was submitted and accepted for filing by the Executive Officer of this Local Agency Formation Commission (“LAFCO” or “Commission”); and

WHEREAS, the proposal area is within the City of Scotts Valley’s (“City”) sphere of influence, contiguous with the City’s jurisdictional limits and is located north of Old Coach Road, east of Granite Creek Road, south of Navarra Drive, and west of Blossom Way, as shown in Exhibit A; and

WHEREAS, on January 30, 2020, the Santa Cruz County Environmental Health Department informed the landowner that the existing septic tank system could not be upgraded; and

WHEREAS, on August 14, 2020, an independent contractor confirmed that the existing septic system was failing and may pose an immediate health and safety threat; and

WHEREAS, in accordance with Government Code Section 56133, a city or district may provide new or extended services by contract or agreement outside its jurisdictional boundary only if it first requests and receives written approval from the Commission; and

WHEREAS, in accordance to Government Code Section 56133(c), the Commission may authorize a city or district to provide new or extended services outside its jurisdictional boundary and outside its sphere of influence to respond to an existing or impending threat to the health or safety of the public or the residents of the affected territory, if both of the following requirements are met:

- The entity applying for approval has provided the Commission with documentation of a threat to the health and safety of the public or the affected residents, and
- The Commission has notified any alternate service provider, including any water corporation as defined in Section 241 of the Public Utilities Code, that has filed a map and a statement of its service capabilities with the Commission.

WHEREAS, the City determined that the existing septic tank system was failing and may pose a serious concern for the lives and safety of the residents within and surrounding the proposal area; and

WHEREAS, the Executive Officer determined there are no alternate service providers of road maintenance near the subject territory; and

WHEREAS, the Executive Officer, pursuant to Government Code Section 56133 and the Commission's Extraterritorial Services Policy, determined that the proposal met the statutory requirements and set October 7, 2020, as the hearing date on this proposal and provided public notice as required by law; and

WHEREAS, the Executive Officer, pursuant to Government Code Section 56665, has reviewed this proposal and prepared a report, including recommendations thereon, and has furnished a copy of this report to each person entitled to a copy; and

WHEREAS, this Commission, on October 7, 2020, heard from interested parties and considered the proposal and the report of the Executive Officer, and considered the factors determined by the Commission to be relevant to this proposal.

NOW, THEREFORE, the Local Agency Formation Commission of Santa Cruz County does HEREBY RESOLVE, DETERMINE, AND ORDER as follows:

Section 1. The foregoing recitals are true and correct.

Section 2. Compliance with the California Environmental Quality Act (CEQA) has been met by a categorical exemption pursuant to State CEQA Guidelines Section 15303, "New Construction or Conversion of Small Structures," because the project would discontinue the existing septic system and connect to a public agency's wastewater infrastructure. The Commission, as a lead agency, recorded a Notice of Exemption on September 14, 2020.

Section 3. The Commission considered the requirements set forth for extraterritorial services in the Cortese-Knox-Hertzberg Act, Government Code Section 56133, and found the proposal to be consistent with those requirements as outlined below:

- a) Health & Safety Issue: Government Code Section 56133(c) requires documentation of a threat to the health and safety of the public or the affected residents. The City of Scotts Valley indicated that the current septic system poses a serious health and safety issue. The concerns by the City were outlined in formal letter received on August 28, as shown in Exhibit B.
- b) Notification to Alternative Service Provider: Government Code Section 56133(c) requires the Commission to notify any alternative service provider that has filed a map and a statement of its service capabilities with the Commission. LAFCO staff has determined that there are no nearby or alternative service providers for sewer service.

Section 4. The Commission determined that the proposal is consistent with the Policies and Procedures Relating to Extraterritorial Services as outlined below:

- a) Agency Endorsement: The Executive Officer shall not file the application unless the affected public agency has submitted a written endorsement indicating its willingness to provide the service if the Commission approves the request. The City of Scotts Valley submitted a Will-Serve Letter expressing support on July 29, 2020, as shown in Exhibit C.
- b) Fee Deposit: The applicant shall pay the costs of processing the application as specified in the Commission's Schedule of Fees and Deposits. The landowner, as the applicant, submitted a fee deposit of \$950 as part of the application packet.
- c) Commission Hearing: The Commission shall consider the request after it has been placed on an agenda of a Commission meeting. After deeming the proposal complete, the Executive Officer advertised the proposal in the Santa Cruz Sentinel newspaper on September 16, 2020, and scheduled the proposal for Commission consideration on October 7, 2020.

Section 5. The applicant shall agree, as a condition of the approval of the application for an extraterritorial service agreement, to be bound by the LAFCO Indemnification and Defense Form signed on August 5, 2020.

Section 6. The Certificate of Completion for the extraterritorial service agreement shall not be issued until all terms and conditions are met.

Section 7. The proposed extraterritorial service agreement shall be effective as of the date of recordation of the Certificate of Completion.

Section 8. The Commission shall approve, disapprove, or approve with conditions the extended services. If the new or extended services are disapproved or approved with conditions, the applicant may request reconsideration, citing the reasons for reconsideration. If the Commission denies a request, a similar application cannot be re-filed for one year unless the Commission grants an exception to this rule.

Section 9. The Executive Officer is hereby authorized and directed to mail certified copies of this resolution in the manner and as provided in Government Code Section 56882.

PASSED AND ADOPTED by the Local Agency Formation Commission of Santa Cruz County this 7th day of October 2020.

AYES:

NOES:

ABSENT:

ROGER W. ANDERSON, CHAIRPERSON

Attest:

Joe A. Serrano
Executive Officer

Approved as to form:

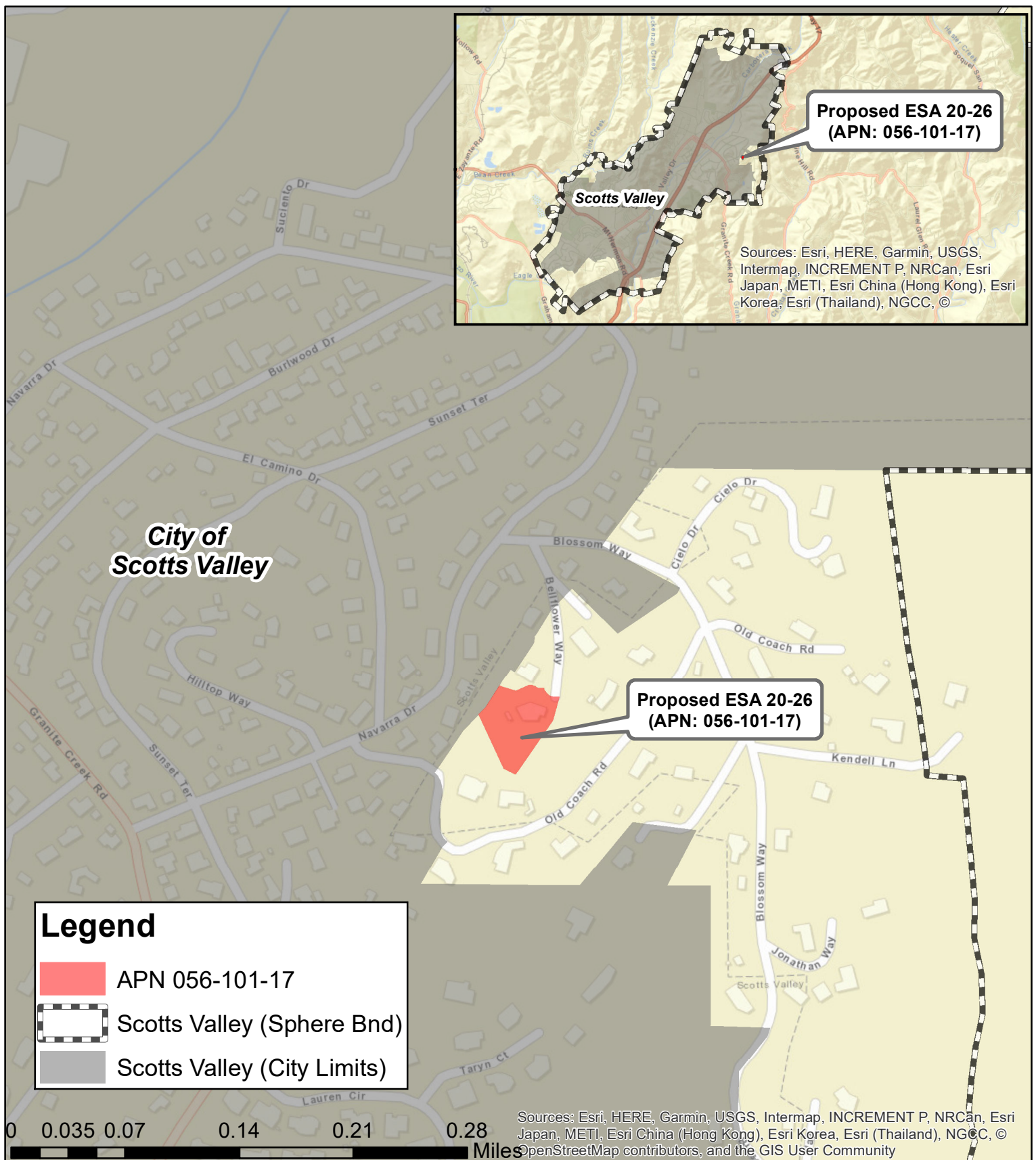
Daniel H. Zazueta
LAFCO Counsel

DRAFT

EXHIBIT A

VICINITY MAP

DRAFT



"Navarra Drive/Bellflower Way Extraterritorial Service Agreement" with the City of Scotts Valley (LAFCO Project No. ESA 20-26)

EXHIBIT B

CITY OF SCOTT VALLEY'S WRITTEN CORRESPONDENCE REGARDING THE HEALTH & SAFETY ISSUE

DRAFT



CITY OF SCOTTS VALLEY

PUBLIC WORKS DEPARTMENT

701 Lundy Lane • Scotts Valley • California • 95066
Phone (831) 438-5854 • Facsimile (831) 439-9748 • www.scottsvally.org

8/28/20

Attn: Joe A. Serrano, Executive Officer
Local Agency Formation Commission of Santa Cruz County
701 Ocean Street, Room 318-D
Santa Cruz, CA 95060

RE: Septic Failure at 102 Bellflower Way Scotts Valley; 056-101-17

Dear Mr. Serrano,

I'm writing to follow up the "will serve letter" sent to LAFCO on July 29, 2020 regarding APN 056-101-17. I have reviewed the septic situation across properties 056-101-17, 056-101-16 and 056-101-13. This situation is an imminent threat to the health and safety of the residents, as such, LAFCO's approval of a sewer connection for APN 056-101-17 is requested.

Feel free to email if you have any questions,

Kimarie Jones, Engineering Associate
KJones@ScottsValley.org

EXHIBIT C

CITY OF SCOTT VALLEY'S WRITTEN CORRESPONDENCE REGARDING THE ABILITY TO PROVIDE SEWER SERVICE

DRAFT



City of Scotts Valley

Public Works Department
701 Lundy Lane Scotts Valley, California 95066
Phone 831 438-5854 Facsimile 831 439-9748

July 29, 2020

To: Ken Winters

Re: Will Serve Letter APN 056-101-17

This is a "Will Serve Letter" for the above stated property APN, 102 Bellflower Way in the County of Santa Cruz. With regard to the sewer hook-up for this property being in the County of Santa Cruz, your property is in the City sphere of influence for connection to Scotts Valley City sewer which will allow the property owner to connect to the City sewer.

Property owner must submit all improvement plans and any other applications and fees that the City of Scotts Valley requires prior to having the intended property connected to sewer.

Thank you,

Kimarie Jones
Engineering Associate



Santa Cruz Local Agency Formation Commission

Date: October 7, 2020
To: LAFCO Commissioners
From: Joe Serrano, Executive Officer
Subject: **Service and Sphere of Influence Review for the Resource Conservation District of Santa Cruz County**

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 the Resource Conservation District of Santa Cruz County ("RCD") 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 RCD, 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. 2020-27) approving the 2020 Service and Sphere of Influence Review for the Resource Conservation District with the following conditions:
 - a. Reaffirm the District's current sphere of influence; and
 - b. Direct the Executive Officer to distribute a copy of the adopted service and sphere review to the Resource Conservation District for their records.

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 RCD (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, as shown below.

Purpose & Key Findings

The goal of this analysis is to accomplish the Commission's direction to complete a service review for the District 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 District provides services countywide.

RCD was formed in 1977 following the consolidation of two existing conservation districts: Pajaro Soil and Redwood Soil Conservation Districts. In 1983, the City of Capitola was annexed into the District. While the remaining three cities are not within the District's jurisdiction, RCD has developed strategic partnerships with those cities and other local governments to help protect, conserve, and restore natural resources through various services and programs. At present, RCD has over 60 strategic partnerships at the local, state and federal level. Such collaboration is a great example of collaborative efforts among local agencies in pursuit of economies of scale, service efficiency, and overall "good government."

2. The District offers timely resources involving fire prevention, resiliency, and recovery.

The recent fires have devastated parts of Santa Cruz County and will continue to be a threat, particularly in the wildland-urban communities. RCD has a long history of collaborating with local community and agency stakeholders to provide residents with educational and cost share assistance to reduce wildfire threat and to collaborate with Cal Fire and the Fire Safety Council of Santa Cruz County to identify high priority areas for fire breaks and other fuel management projects as outlined in their Community Wildfire Protection Plan. The Forest Health and Fire Resiliency Program also provides a number of services to Santa Cruz residents, including chipping, fuel load reduction around homes and structures, fire breaks in wildlands, wildfire awareness and prevention, and post-fire recovery.

3. The District is facing financial constraints.

RCD's primary source of revenue is from Grants. In FY 2018-19, Grant funds represented 60% of the District's entire revenue source. Based on LAFCO's analysis, and excluding FY 2015-16, RCD has experienced a deficit on an annual basis from 2014 to 2019. Audited financial statements indicate that the fiscal shortage has ranged from approximately \$25,000 to \$150,000. As a result, the District has been depleting its reserves each year. It is LAFCO staff's understanding that the District is currently addressing this issue.

4. The District is complying with website requirements under State law.

State law now requires all independent special districts to maintain and operate a website by January 1, 2020. RCD continues to provide a large array of information on their website. LAFCO staff encourages the District to continue this effort and include other useful documents outlined in Senate Bill 929, including but not limited to, recent final budgets and adopted services reviews.

5. The District's sphere of influence is countywide.

Santa Cruz LAFCO designated the first sphere of influence for RCD in December 1983. The District's sphere is the entire County of Santa Cruz, including unincorporated and incorporated areas. The last sphere review occurred in August 2015. The sphere boundary has remained unchanged since its original adoption. Staff is recommending that the sphere for RCD be reaffirmed as part of this service review.

Environmental Review

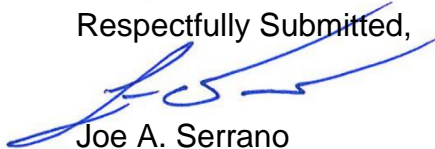
LAFCO staff has conducted an environmental review for the draft service and sphere review in accordance with the California Environmental Quality Act. Staff has determined that the service and sphere review is exempt because it can be seen with certainty that there is no possibility that the activity 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 September 14.

Agency Coordination and Public Notice

A hearing notice for this draft service review was published in the September 16th issue of the Santa Cruz Sentinel (**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 Lisa Lurie, the District's Executive Director. This allowed the District an opportunity to review LAFCO staff's findings and provide corrections and/or feedback. Ms. Lurie's 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 the Resource Conservation District of Santa Cruz County.

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. 2020-27

cc: Lisa Lurie, Resource Conservation District of Santa Cruz County

Resource Conservation District of Santa Cruz County

Service and Sphere of Influence Review



Administrative Draft (October 7, 2020)

Local Agency Formation Commission of Santa Cruz County

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EXECUTIVE SUMMARY

Introduction

This Service and Sphere of Influence Review provides information about the services and boundaries of the Resource Conservation District of Santa Cruz County. The report will be used by the Local Agency Formation Commission 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 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). The District's last service review was adopted on August 5, 2015.

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 in service delivery, government organization, or spheres of influence.

Service and sphere reviews are informational documents and are generally exempt from environmental review. LAFCO staff has conducted an environmental review of the District's existing sphere of influence 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]).

District Overview

The Resource Conservation District of Santa Cruz County ("RCD" or "District") was formed as an independent special district in December 1977 to help people protect, conserve, and restore natural resources through information, education, and technical assistance programs. The RCD has ongoing projects that promote natural resource conservation in relation to farming and ranching operations and watershed-based habitat restoration. The District's services and programs focus on reducing soil erosion, off-farm sediment transport, non-point source pollution, salmonid and wildlife recovery, and improving ecosystem health. The District encompasses the unincorporated county lands as well as the City of Capitola. The Cities of Santa Cruz, Scotts Valley, and Watsonville are excluded from RCD's jurisdictional boundary. An overview map is shown as **Figure 1** on page 5.

Sphere of Influence

Santa Cruz LAFCO adopted the first sphere of influence for RCD on December 19, 1983. The District's sphere is the entire County of Santa Cruz, including all four cities. The last sphere update occurred in August 2015. **Figure 8** on page 24 shows the current sphere of influence boundary. LAFCO staff is recommending that the sphere boundary be reaffirmed as part of this service and sphere review.

Key Findings

The following are key findings of the 2020 Service and Sphere of Influence Review for the Resource Conservation District of Santa Cruz County:

1. The District provides services countywide.

RCD was formed in 1977 following the consolidation of two existing conservation districts: Pajaro Soil and Redwood Soil Conservation Districts. In 1983, the City of Capitola was annexed into the District. While the remaining three cities are not within the District's jurisdiction, RCD has developed strategic partnerships with those cities and other local governments to help protect, conserve, and restore natural resources through various services and programs. At present, RCD has over 60 strategic partnerships at the local, state and federal level. Such collaboration is a great example of collaborative efforts among local agencies in pursuit of economies of scale, service efficiency, and overall "good government."

2. The District offers timely resources involving fire prevention, resiliency, and recovery.

The recent fires have devastated parts of Santa Cruz County and will continue to be a threat, particularly in the wildland-urban communities. RCD has a long history of collaborating with local community and agency stakeholders to provide residents with educational and cost share assistance to reduce wildfire threat and to collaborate with Cal Fire and the Fire Safety Council of Santa Cruz County to identify high priority areas for fire breaks and other fuel management projects as outlined in their Community Wildfire Protection Plan. The Forest Health and Fire Resiliency Program also provides a number of services to Santa Cruz residents, including chipping, fuel load reduction around homes and structures, fire breaks in wildlands, wildfire awareness and prevention, and post-fire recovery.

3. The District is facing financial constraints.

RCD's primary source of revenue is from Grants. In FY 2018-19, Grant funds represented 60% of the District's entire revenue source. Based on LAFCO's analysis, and excluding FY 2015-16, RCD has experienced a deficit on an annual basis from 2014 to 2019. Audited financial statements indicate that the fiscal shortage has ranged from approximately \$25,000 to \$150,000. As a result, the District has been depleting its reserves each year. It is LAFCO staff's understanding that the District is currently addressing this issue.

4. The District is complying with website requirements under State law.

State law now requires all independent special districts to maintain and operate a website by January 1, 2020. RCD continues to provide a large array of information on their website. LAFCO staff encourages the District to continue this effort and include other useful documents outlined in Senate Bill 929, including but not limited to, recent final budgets and adopted services reviews.

5. The District's sphere of influence is countywide.

Santa Cruz LAFCO designated the first sphere of influence for RCD in December 1983. The District's sphere is the entire County of Santa Cruz, including unincorporated and incorporated areas. The last sphere review occurred in August 2015. The sphere boundary has remained unchanged since its original adoption. Staff is recommending that the sphere for RCD be reaffirmed as part of this service review.

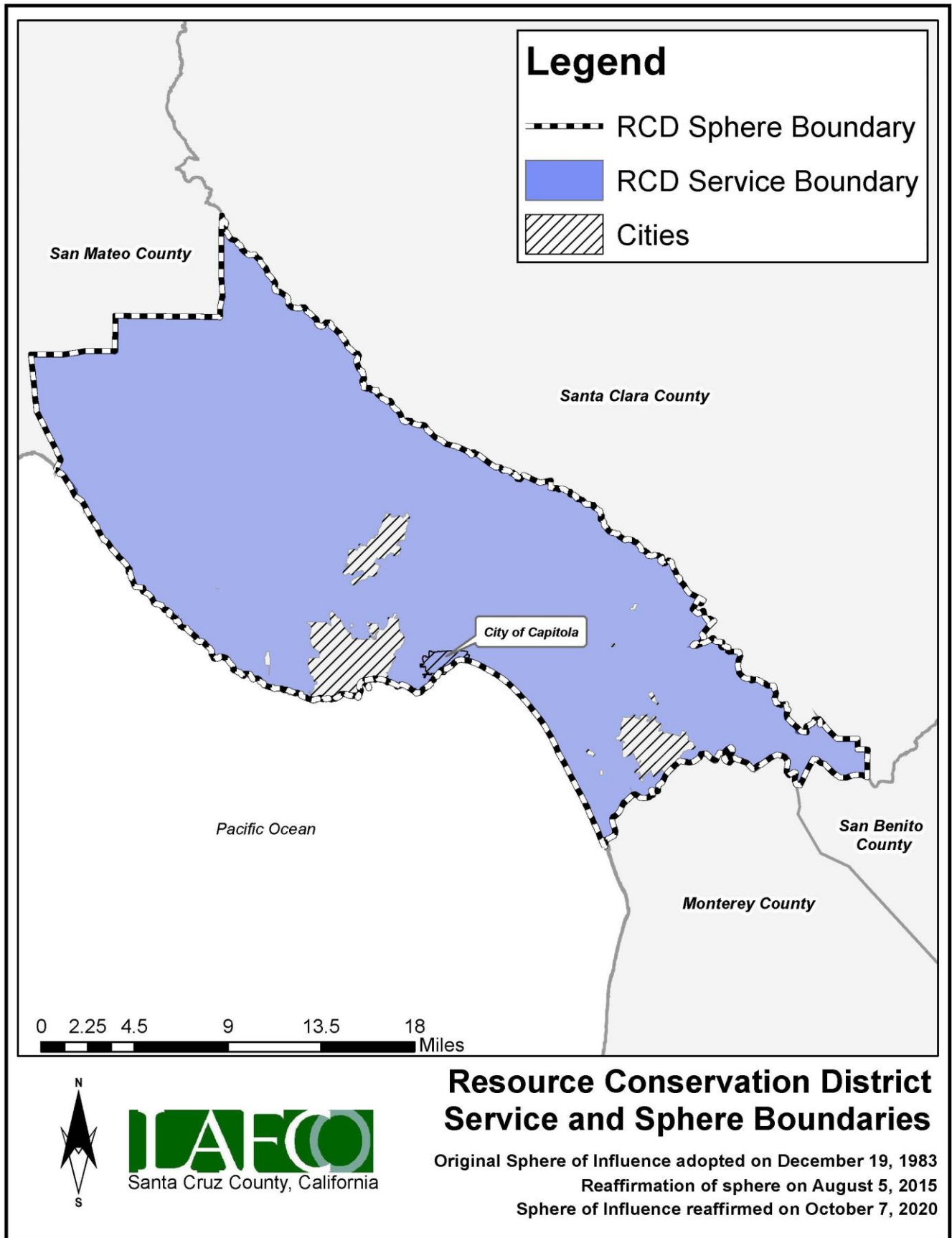
Recommended Actions

Based on the analysis and findings in the 2020 Service and Sphere of Influence Review for the Resource Conservation District of Santa Cruz County, the Executive Officer recommends that the Commission:

1. Find that pursuant to Section 15061(b)(3) of the State CEQA Guidelines, LAFCO determined that the 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 the Resource Conservation District of Santa Cruz County, 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. 2020-27) approving the 2020 Service and Sphere of Influence Review for Resource Conservation District of Santa Cruz County with the following conditions:
 - a. Reaffirm the District's current sphere of influence; and
 - b. Direct the Executive Officer to distribute a copy of the adopted service and sphere review to the Resource Conservation District for their records.



Figure 1: Vicinity Map



DISTRICT OVERVIEW

History

The Resource Conservation District of Santa Cruz County is an independent special district that operates pursuant to the Resource Conservation District Act (California Resources Code Section 9151 et seq.). The formation of this public agency was a result of a consolidation between two conservation districts: Pajaro Soil and Redwood Soil Resource Conservations Districts. The Pajaro Soil RCD was originally formed in 1941 and served the southern portion of the County. The Redwood Soil RCD was originally formed in 1949 and served the central portion of the County. In 1977, the Directors of the two Districts petitioned the Board of Supervisors and LAFCO to consolidate the two agencies and extend the boundaries countywide. The Commission approved the consolidation on December 29, 1977. The City of Capitola was later annexed into the District in 1983. The District's service area (encompassing about 419 square miles) has remained the same since 1983, as shown in **Figure 1** on page 5.

Services and Operations

While RCD has no regulatory or enforcement functions, its mission focuses on helping residents protect, conserve, and restore natural resources through information, education, and technical assistance programs. The RCD has ongoing projects that promote natural resource conservation in relation to farming and ranching operations and watershed-based habitat restoration. These projects focus on reducing soil erosion, off-farm sediment transport, non-point source pollution, salmonid and wildlife recovery, and improving ecosystem health. The RCD leverages available technical, financial and educational resources to meet the needs of local landowners and its constituents. The District has two core business areas, which are summarized in the following pages.

Core Business #1 (Emphasis in Watershed)

The first core area of service is watershed restoration and protection. This service area is broadly defined because the RCD completes projects of many types that result in the protection and restoration of Santa Cruz County watersheds. In conjunction with the US Department of Agriculture's Natural Resources Conservation Service (NRCS), the RCD offers permit coordination services through the Santa Cruz Countywide Permit Coordination Program. The program is intended to be a model of coordinated, multi-agency regulatory review that ensures the integrity of agency mandates, but makes permitting more accessible to rural landowners, farmers and ranchers than the traditional permitting process.

The RCD is also the hub for the Integrated Watershed Restoration Program (IWRP), which provides for a coordinated program to addresses the highest priority restoration and recovery projects in a more efficient and effective manner. The programmatic focus areas and typical projects under watershed restoration and protection include:

1. Forest Health and Fire Resiliency: example project types include forest management and fire plans, shaded fuel breaks, fuels management, chipping programs, fire readiness assessments, post-fire impact and recovery assessments, education, and removal of invasive species;

2. Water management: example project types include water quality improvement, water supply augmentation and conservation, erosion control, sediment management and drainage;
3. Habitat restoration: example project types include stream, riparian, and wetland restoration, invasive species management and eradication;
4. Species recovery: example projects include restoration and habitat protection for species listed on the endangered species list;
5. Multi-objective planning: example project types include landscape-scale planning for multiple outcomes including water supply and quality, habitat and species, public uses, and flood management;
6. Regional advanced mitigation: example project types include transportation improvement mitigation actions tied to documented needs and opportunities, including habitat protection and restoration; and
7. Regulatory assistance: example project types include private and public landowner services for permitting and regulatory requirements.

Core Business #2 (Emphasis in Agriculture)

The second of the RCD's core businesses is conservation and stewardship in agriculture, and continues to serve the agricultural community as it has since the District's formation. The RCD (and in partnership with NRCS Conservationists) offers services to assist agricultural landowners with land management issues, including irrigation and nutrient management, soil health, erosion control, crop cover, etc. The RCD places a high priority on issues and work related to the protection of prime and important farmland within Santa Cruz County, and support for limited resources and Spanish-speaking owners. Assistance to livestock owners is also provided for both commercial facilities and backyard operations. The RCD has three program areas under the core business function of conservation and stewardship in agriculture:

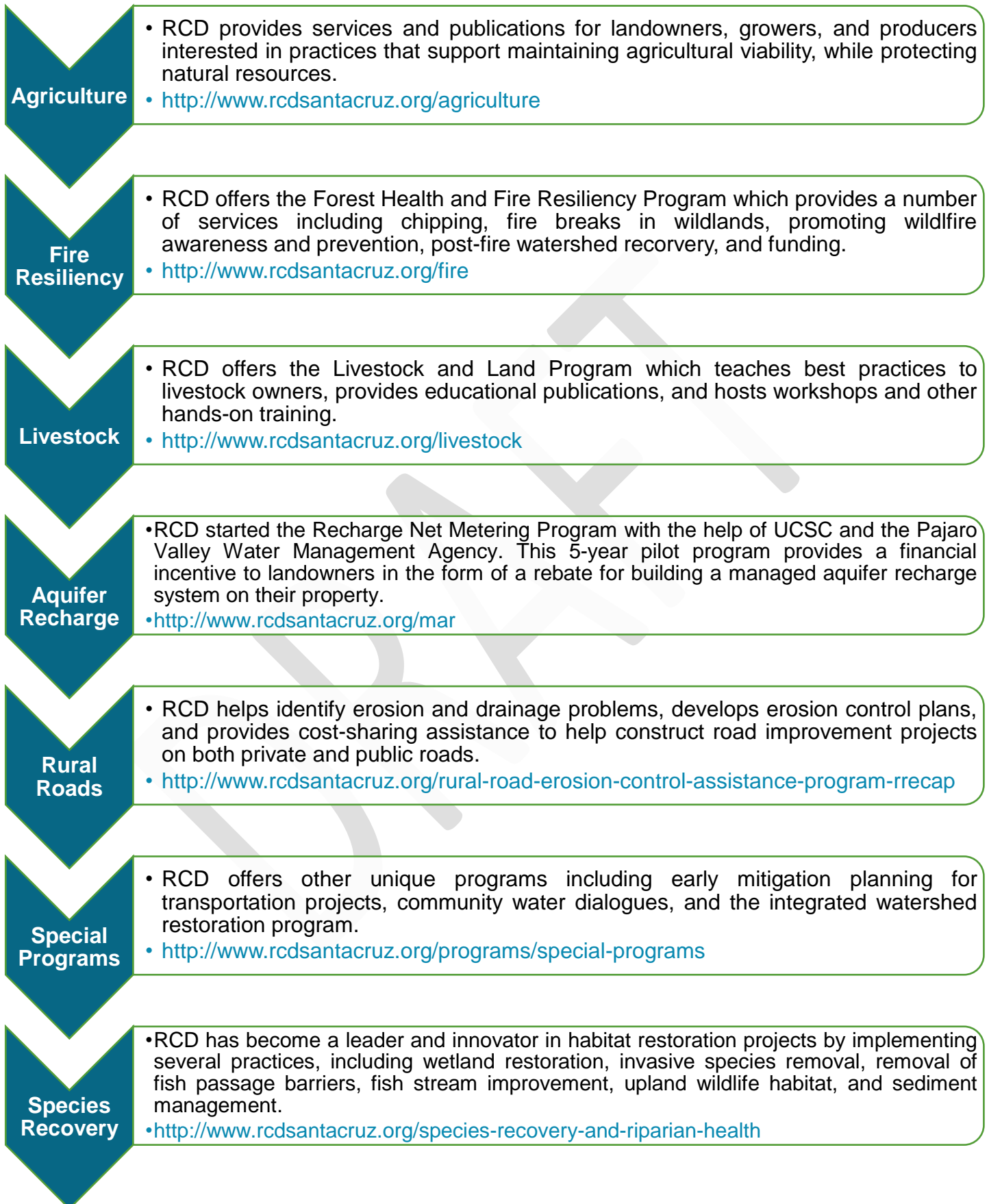
1. Water management: example project types include water quality improvement, water conservation, managed aquifer recharge, erosion control, sediment management and drainage improvements on agricultural lands;
2. Land and soil stewardship: example project types include conservation and farm planning, technical assistance, ecological resource enhancement, carbon sequestration, soil health, and sustainable agriculture land uses; and
3. Multi-objective planning: example project types include farm and landscape scale planning for multiple outcomes including water supply and quality, soil quality, habitat and species, food safety, and stormwater management.

The RCD offers a significant amount of technical information and resource links through the District's website including permit information, NRCS program information, educational materials, and watershed plans. These services and programs are summarized in **Figures 2 and 3** on pages 8 and 9.

Figure 2: RCD Services



Figure 3: RCD Programs



Program Highlight: Fire Prevention and Post-Fire Recovery

Santa Cruz County is continually threatened by catastrophic wildfire, particularly in the wildland-urban interface. Local topography and fuels make the County subject to periodic wildfires. Combined with 100 years of effective fire suppression, these conditions have led to uncharacteristically high fuel loads. This threat has been felt countywide due to the recent fires. The RCD has a long history of collaborating with local community and agency stakeholders to provide County residents with educational and cost share assistance to reduce wildfire threat and to collaborate with Cal Fire to identify high priority areas for fire breaks as outlined in the Community Wildfire Protection Plan. The Forest Health and Fire Resiliency Program provides a number of services to Santa Cruz residents, including:

- **Chipping:** Once vegetation is cleared around homes and neighbors for compliance with defensible space guidelines, the material can be chipped and spread on-site to reduce the impacts of green waste.
- **Fuel Load Reduction around homes and structures:** State Law requires that any person that owns, leases, controls, operates, or maintains a building or structure in, upon or adjoining any land covered with flammable material shall at all times maintain 100 feet of defensible space. The RCD can provide assistance to landowners that require clearing of flammable materials or creating defensible space on their property, while ensuring that sensitive habitats are considered.
- **Fuel Load Reduction/Fire Breaks in Wildlands:** The RCD employs fuels management to reduce the threat of wildfire on private forestland and shrub land areas. Hazardous fuels are reduced through a variety of treatments which remove or modify wildland fuels, thereby reducing the potential for severe wildland fire behavior, lessening post-fire damage, minimizing soil erosion and the impacts to water quality, enhancing wildlife habitat, and limiting the spread of invasive species and diseases.
- **Promoting wildfire awareness and prevention:** The RCD promotes wildfire awareness and prevention by creating and distributing educational outreach materials to County residents and partner agencies. These resources, including the Living with Fire in Santa Cruz County Guide, RCD Chipper Program Flyer, Defensible Space Trifold and Firescaping with Appropriate Plant Lists, are available on the www.rcdsantacruz.org website. The RCD also works with partner organizations to sponsor workshops to provide information and cost share assistance for wildfire prevention and recovery strategies regarding fuel hazards, erosion control, soil health and native plant recovery.
- **Post-Fire Recovery:** Working closely with their federal partner, the UDSA Natural Resources Conservation Service, the RCD offers post-fire recovery to the community in times of need. These services include on-site technical and planning services to assess post-fire land conditions and recommend appropriate actions, concerning potential harmful debris runoff, erosion and drainage issues, stream impacts, tree health, winter preparedness, private road and culvert damage, and hillslope stability. The RCD can also provide permit assistance for post-recovery actions and help agricultural and forest landowners find and navigate potential funding resources to reduce the cost burden making repairs and protecting the land.

Population and Growth

Based on staff's analysis, the population of the RCD service area in 2020 is estimated to be 147,085. The Association of Bay Area Governments (ABAG) and the Association of Monterey Bay Area Governments (AMBAG) provide population projections for cities and counties in the Coastal Region. Official growth projections are not available for special districts. In general, the Coastal Region is anticipated to have a slow growth over the next twenty years. **Table 1** shows the anticipated population for each local agency within RCD. The average rate of change is 1.18%.

Population Projection

Based on the projections for Santa Cruz County and the City of Capitola within the District's service area, LAFCO staff was able to develop a population forecast for RCD. Staff increased the District's 2020 population amount by 1.18% each year. Under this assumption, LAFCO staff projects that the entire population of the RCD service area will be approximately 152,000 by 2040.

Table 1: Projected Population

	2020	2025	2030	2035	2040	Average Rate of Change
Santa Cruz County (unincorporated area)	136,891	137,896	139,105	140,356	141,645	0.96%
City of Capitola	<u>10,194</u>	<u>10,312</u>	<u>10,451</u>	<u>10,622</u>	<u>10,809</u>	<u>1.39%</u>
Resource Conservation District	147,085	148,208	149,556	150,978	152,454	1.18%

Source: AMBAG 2018 Regional Growth Forecast

Disadvantaged Unincorporated Communities

State law requires LAFCO to identify and describe all "disadvantaged unincorporated communities" (DUCs) 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 Senate Bill 244, RCD does not provide fire, sewer, or water services to its service area, and therefore, not subject to further staff analysis.

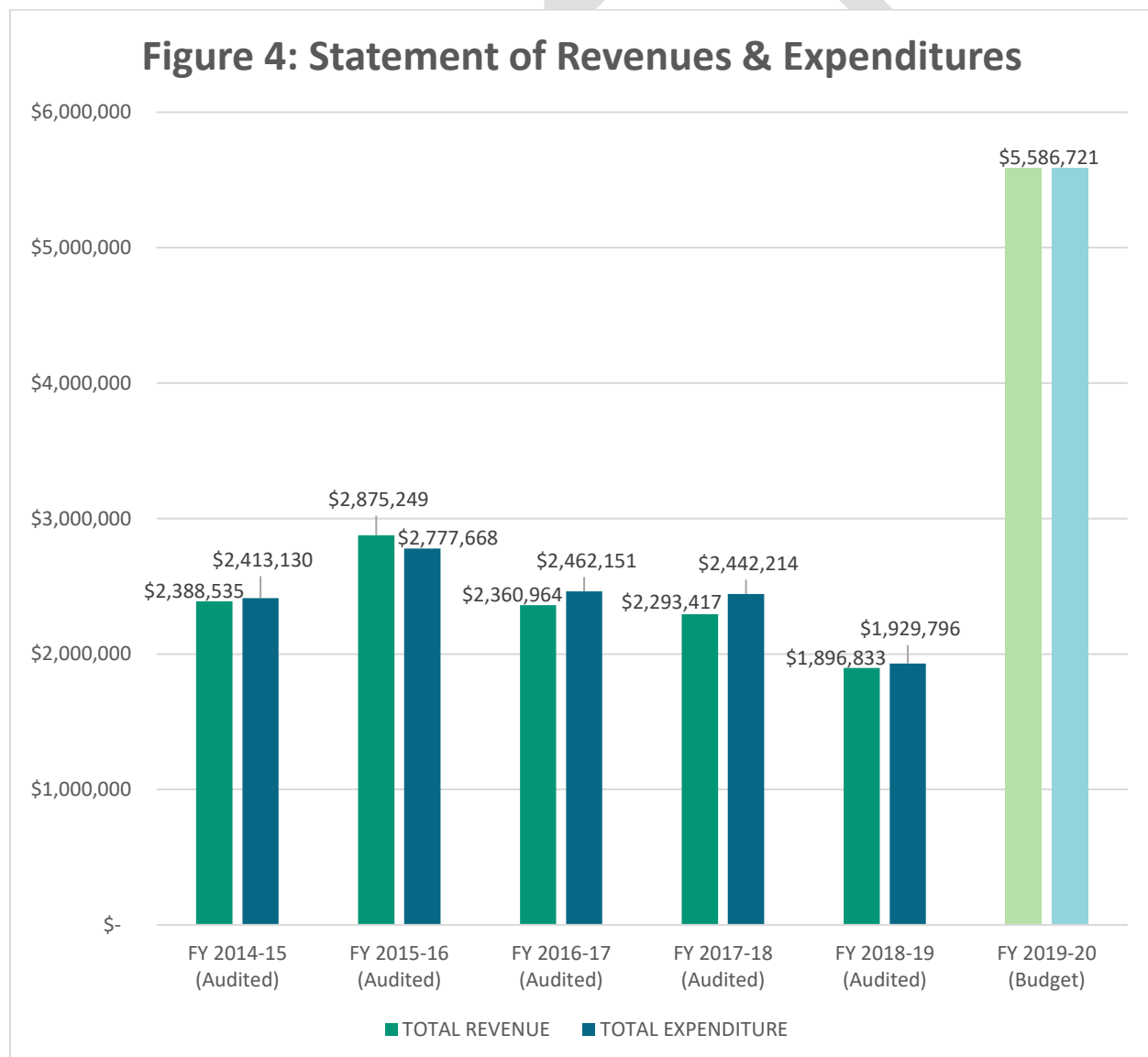
While the District does not fall under the purview of Senate Bill 244, RCD has implemented several projects and programs that benefit disadvantaged communities, such as Davenport, areas surrounding Boulder Creek, and the City of Watsonville. Many of these projects were implemented in partnership with several non-governmental organizations, including the Watsonville Wetlands Watch and the Land Trust of Santa Cruz County. Projects have included technical studies, wetlands and stream restoration. Many of these projects have multiple benefits that not only address resource concerns, but also provide recreational opportunities and open space for the City's residents. The District has also worked extensively with the agricultural community surrounding the City of Watsonville to address serious water supply concerns that could affect sustainability of the agricultural industry that supports many of the jobs in the community. Much of this work has targeted Spanish speaking growers.



FINANCES

This section will highlight the District's financial performance during the most recent fiscal years. Fiscal Year 2018-19 is the latest audited financial statement available. LAFCO evaluated RCD's financial health from 2014 to 2020, including the recently adopted FY 2019-20 budget. A comprehensive analysis of the District's financial performance during the past five years is shown in **Table 3** on page 17. The sources used by LAFCO are available in **Appendix A**.

At the end of Fiscal Year 2018-19, total revenue collected was approximately \$1.9 million, representing a 17% decrease from the previous year (\$2.3 million in FY 17-18). Total expenses for FY 2018-19 were approximately \$1.9 million, which decreased from the previous year by 21% (\$2.4 million in FY 17-18). Other than Fiscal Year 2015-16, the District has ended in a deficit each year since 2014, as shown in **Figure 4**. Even though RCD projects that FY 2019-20 will earn up to \$5.5 million, LAFCO staff believes the negative trend may continue unless operational and/or budgetary changes are made.



Operational/Budgetary Changes

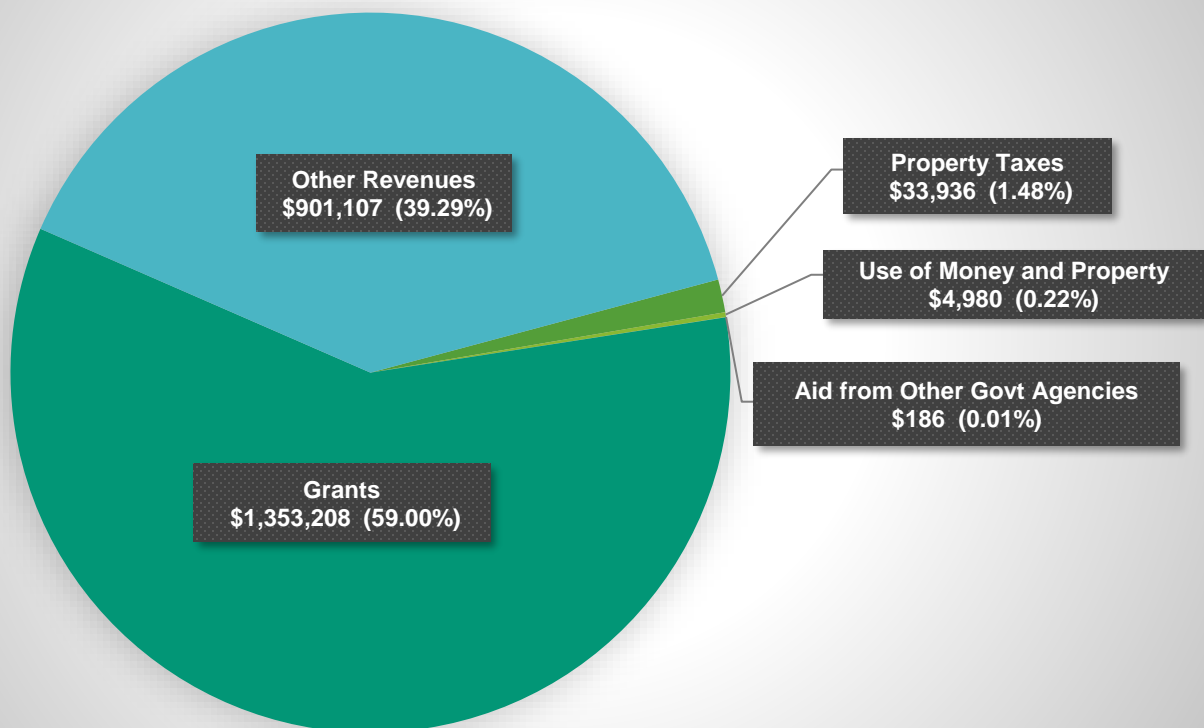
The District has implemented several changes to improve its financial health and continues to address past fiscal performances. These changes include:

- **Cost Allocation Plan:** Completed a Cost Allocation Plan (CAP) in 2015 based on FY 2013-14 audited financials. RCD began using the CAP to better build rates to incorporate all benefits and allowable indirect costs. The District is currently updating the CAP based on FY2018-19 audited financials.
- **Expenditure Reduction:** Continues to find ways to decrease overhead and administrative costs (for example consolidating office space to save on rent).
- **Diversification:** Learning to diversify funding sources to better cover full cost of projects/programs.
- **Staffing Improvements:** Moved to a central staff member (Grants Manager) to work with all staff to build budgets more reflective of actual project/program costs.

Revenues

RCD's primary source of revenue is from Grants. In FY 2018-19, Grants totaled approximately \$1.3 million which represents over half of the District's entire revenue stream. Other revenue sources include Other Revenues (\$901,000 or 39%), Property Taxes (\$34,000 or 2%), Use of Money and Property (\$5,000 or less than 1%), and Aid from Other Government Agencies (\$186 or less than 1%). **Figure 5** provides a breakdown each revenue stream.

Figure 5: Total Revenue (FY 2018-19)



Footnote: Other revenue includes Special District Augmentation Fund, Contributions & Donations, and RDA Pass-Throughs.

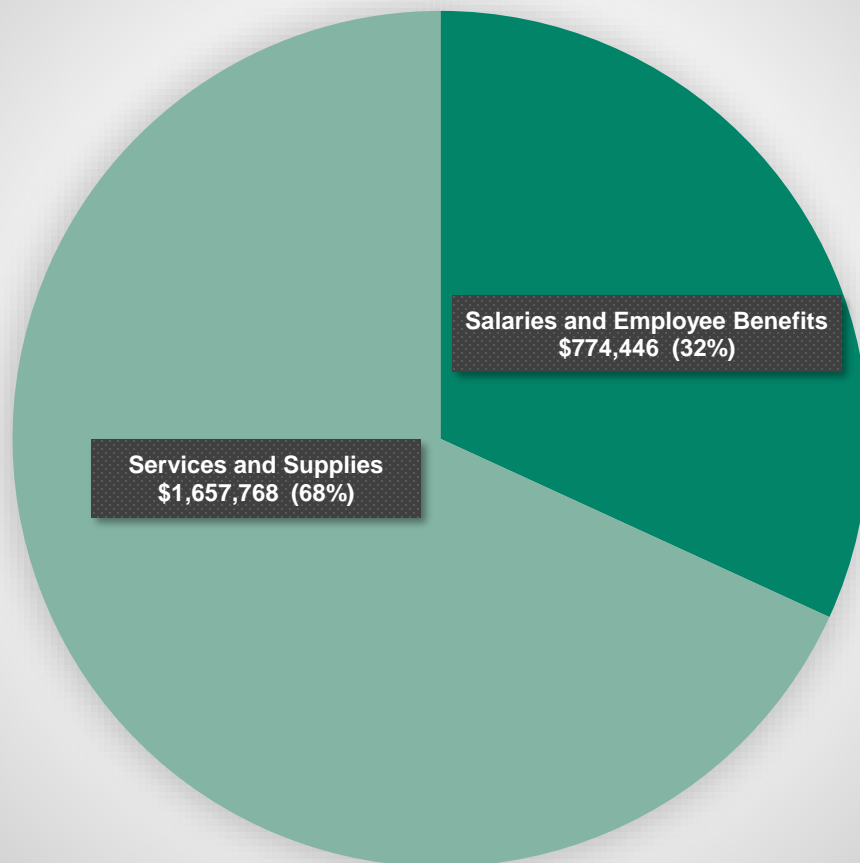
Maximizing Grant Opportunities

One of the District's strengths is its ability to leverage a small local tax fund through effective grant writing to bring significant resources to the county for resource conservation. The RCD has actively sought to expand its funding sources and has been successful in obtaining public and private grant funding through the competitive process. Grants provide funding for specifically identified programs with stated objectives and tasks. Therefore, the District is able to tailor its programs and services in accordance with the grant funding requirements. The District has adequate funding to deliver services for which grant funding has been awarded. The RCD has also leveraged its property tax revenue to significantly enhance the level of conservation services provided within Santa Cruz County.

Expenditures

RCD's total expenditures can be categorized into two budgetary groups: Salaries and Benefits and Services and Supplies. **Figure 6** shows that Services and Supplies represented approximately 68% of the District's entire operational expenses in FY 2018-19. The remaining expenditures are based on Salaries and Employee Benefits (32%).

Figure 6: Total Expenditure (FY 2018-19)



Fund Balance / Net Position

As of June 30, 2019, the total net position balance ended with approximately \$355,000. The following table highlights the net position balance from 2014 to 2019. As shown in **Table 2** and **Figure 7**, the District's fund balance has experienced a relatively steady decrease each year since FY 2014-15. At this rate, the District may exhaust its entire balance within the next few years.

Table 2: Net Position (2014 to 2019)

	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19
Beginning Balance	\$726,904	\$571,182	\$506,300	\$519,311	\$371,867
Ending Balance	<u>\$571,182</u>	<u>\$506,300</u>	<u>\$519,311</u>	<u>\$371,867</u>	<u>\$354,700</u>
Difference	-\$155,722	-\$64,882	+\$13,011	-\$147,444	-\$17,167

Footnote: During FY 14-15, Deferred Revenues were given their own line item; which required deducting from the cash/fund balance line item.

Figure 7: Net Position (2014 to 2019)

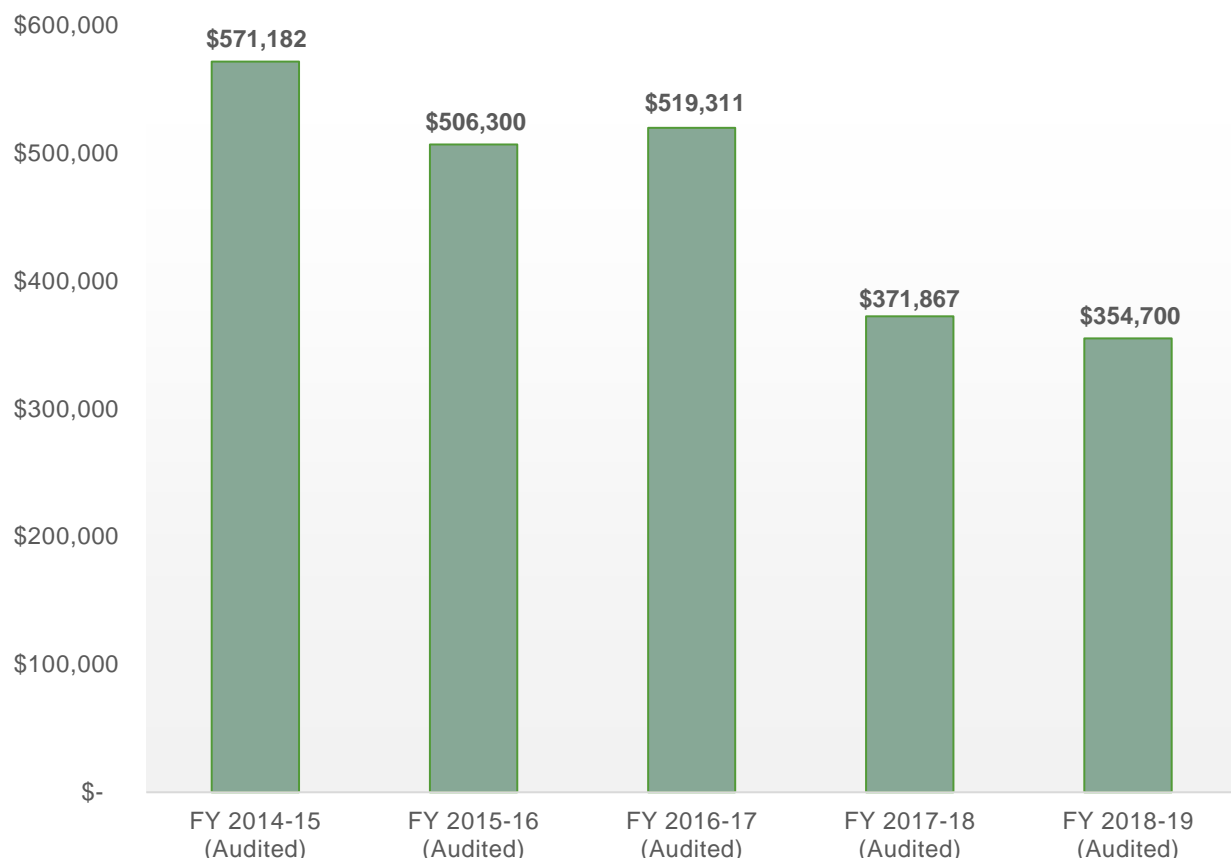


Table 3: Total Revenues & Expenditures

	FY 2014-15 (Audited)	FY 2015-16 (Audited)	FY 2016-17 (Audited)	FY 2017-18 (Audited)	FY 2018-19 (Audited)
REVENUE					
Property Taxes					
Current Secured	\$ 24,517	\$ 26,226	\$ 28,112	\$ 29,685	\$ 31,516
Current Unsecured	\$ -	\$ -	\$ -	\$ 577	\$ 633
Current Secured - Supplemental	\$ 502	\$ 523	\$ 565	\$ 682	\$ 956
Current Unsecured	\$ 305	\$ 539	\$ 517	\$ 13	\$ 42
Current Unsecured - Supplemental	\$ 7	\$ 38	\$ 20	\$ 2,883	\$ 3,416
Residual Distribution	\$ -	\$ -	\$ -	\$ 86	\$ 82
Prior Years	\$ 1,245	\$ 1,833	\$ 2,290	\$ 10	\$ 10
Total Property Taxes	\$ 26,576	\$ 29,159	\$ 31,504	\$ 33,936	\$ 36,655
Use of Money and Property					
Interest	\$ 1,170	\$ 1,917	\$ 4,077	\$ 4,980	\$ 9,003
Total Use of Money and Property	\$ 1,170	\$ 1,917	\$ 4,077	\$ 4,980	\$ 9,003
Aid from Other Govt Agencies					
Homeowners' Property Tax Relief	\$ 188	\$ 189	\$ 188	\$ 186	\$ 186
Contribution from Other Govt Agencies	\$ -	\$ -	\$ -	\$ -	\$ -
Total Aid from Other Govt Agencies	\$ 188	\$ 189	\$ 188	\$ 186	\$ 186
Grants					
State Water Resources Control Board	\$ -	\$ -	\$ -	\$ 105,546	\$ 117,404
State - Other	\$ 2,061,852	\$ 2,186,124	\$ 1,340,769	\$ 1,084,689	\$ 869,663
Federal - Other	\$ 77,358	\$ 209,166	\$ 180,558	\$ 162,973	\$ 160,423
Total Grants	\$ 2,139,210	\$ 2,395,290	\$ 1,521,327	\$ 1,353,208	\$ 1,147,490
Other Revenues					
Other Taxes - Special Dist Augmentation	\$ 37,160	\$ 41,289	\$ 41,289	\$ 41,289	\$ 41,289
Contributions and Donations	\$ 125	\$ 8,008	\$ 28,050	\$ 22,364	\$ 2,517
RDA Pass-Throughs	\$ -	\$ -	\$ -	\$ 57	\$ 97
Other Revenue	\$ 184,106	\$ 399,397	\$ 734,529	\$ 837,397	\$ 659,596
Total Other Revenues	\$ 221,391	\$ 448,694	\$ 803,868	\$ 901,107	\$ 703,499
TOTAL REVENUE	\$ 2,388,535	\$ 2,875,249	\$ 2,360,964	\$ 2,293,417	\$ 1,896,833
EXPENDITURE					
Salaries and Employee Benefits					
Regular Pay	\$ 643,973	\$ 656,577	\$ 708,024	\$ 646,128	\$ 621,827
Social Security	\$ 46,699	\$ 48,216	\$ 52,512	\$ 48,145	\$ 46,250
Employee Insurance and Benefits	\$ 69,717	\$ 70,636	\$ 74,580	\$ 71,544	\$ 81,784
Unemployment Insurance	\$ 5,568	\$ 6,122	\$ 6,800	\$ 4,774	\$ 4,359
Workers' Compensation	\$ 2,983	\$ 3,426	\$ 4,600	\$ 3,855	\$ 3,239
Total Salaries and Employee Benefits	\$ 768,940	\$ 784,977	\$ 846,516	\$ 774,446	\$ 757,459
Services and Supplies					
Telephone	\$ 5,759	\$ 5,368	\$ 5,862	\$ 5,372	\$ 5,526
Insurance	\$ 12,023	\$ 12,063	\$ 14,312	\$ 9,571	\$ 9,616
Memberships	\$ 2,661	\$ 2,526	\$ 2,640	\$ 4,683	\$ 1,195
Postage	\$ 1,131	\$ 775	\$ 346	\$ 78	\$ 529
Supplies	\$ 10,527	\$ 11,262	\$ (46)	\$ 1,526	\$ 1,082
Accounting and Auditing	\$ 32,641	\$ 27,919	\$ 26,702	\$ 25,628	\$ 27,296
Legal Services	\$ 1,935	\$ 3,585	\$ 9,234	\$ 3,600	\$ 10,450
Professional Services	\$ 1,457,414	\$ 1,805,586	\$ 1,387,541	\$ 1,408,413	\$ 980,945
Publication Printing Costs	\$ 5,738	\$ 20,058	\$ -	\$ -	\$ -
Legal Notices	\$ -	\$ -	\$ -	\$ -	\$ -
Rents and Leases - Structures	\$ 61,337	\$ 62,248	\$ 38,748	\$ 41,980	\$ 46,833
Special District Expense - Services	\$ 33,411	\$ 29,815	\$ 122,671	\$ 151,870	\$ 80,977
Mileage	\$ 16,091	\$ 8,709	\$ 4,799	\$ 2,395	\$ 4,725
Utilities	\$ 3,522	\$ 2,777	\$ 2,779	\$ 2,617	\$ 3,139
Credit Card Fees	\$ -	\$ -	\$ 47	\$ 35	\$ 24
Total Services and Supplies	\$ 1,644,190	\$ 1,992,691	\$ 1,615,635	\$ 1,657,768	\$ 1,172,337
Fixed Assets					
Equipment	\$ -	\$ -	\$ -	\$ 10,000	\$ -
Total Fixed Assets	\$ -	\$ -	\$ -	\$ 10,000	\$ -
Appropriations for Contingencies					
Contingencies	\$ -	\$ -	\$ -	\$ -	\$ -
Total Appropriations for Contingencies	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL EXPENDITURE	\$ 2,413,130	\$ 2,777,668	\$ 2,462,151	\$ 2,442,214	\$ 1,929,796
Surplus/(Deficit)	\$ (24,595)	\$ 97,581	\$ (101,187)	\$ (148,797)	\$ (32,963)

Legal Authority

The Resource Conservation District of Santa Cruz County operates according to Public Resources Code Sections 9000 et seq. and is authorized to: conduct surveys and research relating to conservation of resources, prevention and control measures and improvements needed; development and distribution of water; make improvements or conduct operations on public or private lands in furtherance of erosion control, water conservation and distribution, agricultural and wildlife enhancement, erosion stabilization, including but not limited to terraces, ditches, levees, and dams or other structures and the planting of trees, shrubs, grasses or other vegetation; and provide public education and technical assistance. As a public resource agency, the District does not have regulatory power but is designated by the Board of Supervisors to review applications for grading permit exemptions related to development in unincorporated areas.

The RCD collaborates with landowners and managers, technical advisors, local jurisdictions, government agencies, and others to protect, conserve and restore natural resources in coastal Santa Cruz County. The District includes several acres of mostly rural, agricultural and open space lands, and includes all watersheds in Santa Cruz County. RCDs have a close working relationship with the USDA Natural Resource Conservation Service (NRCS) and through the local RCD, an NRCS conservationist and other specialists provide local landowners technical assistance. The RCD acts as a liaison between local property owners and land management organizations and the NRCS federal program administration. The California Association of Resource Conservation Districts describes the relationships of local conservation districts and the NRCS as: a unique partnership to work with private landowners and operators to deliver the technical and financial assistance needed to help them apply complex conservation treatments to control erosion and improve the quality of our soil resources; protect and improve water and air quality; enhance fish and wildlife habitat; and manage woodlands, pasturelands and rangelands.



Local Accountability & Structure

RCD is governed by a seven-member Board of Directors, which is appointed by the Santa Cruz County Board of Supervisors. In 1996, the Board of Supervisors accepted responsibility for appointing Directors to the Resource Conservation District. The current Board is as follows:

Table 4: Board of Directors

Board Member	Term of Office
Jim McKenna, President	Appointed: November 20, 2018 Term Limit Ends: November 25, 2022
Mike Manfre, Vice-President	Appointed: October 18, 2016 Term Limit Ends: November 25, 2020
Howard Liebenberg	Appointed: October 18, 2016 Term Limit Ends: November 25, 2020
John Ricker	Appointed: October 18, 2016 Term Limit Ends: November 25, 2020
Kelley K. Bell	Appointed: November 20, 2018 Term Limit Ends: November 25, 2022
Robert Ketley	Appointed: November 20, 2018 Term Limit Ends: November 25, 2022
Vacant <i>(previously held by Steve R. Auten)</i>	Appointed: January 15, 2019 Term Limit Ends: November 25, 2020

The Board holds regularly-scheduled meetings on the second Wednesday of each month at 6:30 PM in the RCD's office in Capitola. In light of the pandemic, board meetings are being held remotely. Public notice is provided through posting, press releases, direct mailing, and website. The District's Long Range Conservation Program states that all meetings are to be conducted in accordance with "Roberts Rules of Order" and all meetings shall follow the guidelines set forth in the Brown Act. Meeting agendas are emailed out to a listserv, posted on the window of the District's office and posted on the District's website at least three days (72 hours) in advance of any meeting. RCD traditionally adopts an annual reports including comprehensive overviews, permit coordination programs, and financials (budget and audits). These reports are also available on the District's website: <http://www.rcdsantacruz.org/annual-reports>. The annual reports from 2010 to 2019 are available as **Appendix B**.

Management Efficiencies

The Santa Cruz County Resource Conservation District officially began operations January 1, 1978, in conformity with Santa Cruz County Board of Supervisors Resolution 744-77. This resolution authorized the consolidation of the Pajaro Resource Conservation District and the Redwood Conservation District to form the Santa Cruz County Resource Conservation District. The District is comprised of the land areas of the former Pajaro and Redwood Resource Conservation Districts. In September 2007, the Santa Cruz County Resource Conservation District was renamed Resource Conservation District of Santa Cruz County. The mission of the District is to help people protect, conserve, and restore natural resources through information, education, and technical assistance programs. At present, staffing includes 9 full-time staff (defined as 30+ hours a week) with an additional 1 part-time staff with occasional interns. **Table 5** highlights the current managerial roles:

Table 5: High-Level Staff Members

Name	Title
Lisa Lurie	Executive Director
Sharon Corkrean	Finance Director
Sacha Lozano	Ag Program Manager
Daniel Nylen	Restoration Program Manager
Ari Rettinger	Grants Manager

Opportunities and Challenges

RCD is authorized to provide a broad range of conservation-related services that provide benefit throughout the District's service area. The District's boundaries currently exclude the incorporated cities of Santa Cruz, Scotts Valley, and Watsonville. However, RCD has developed a network of strategic partnerships beyond its boundaries. This has led to recent achievements, best practices, and other success stories. The following section discusses how the District can continue exploring opportunities to improve efficiencies while addressing current and future challenges.

Local and Regional Collaborations

Strategic partnerships are a critical component to RCD. The District specializes in bridging gaps between private landowners and public agencies, and solving problems through the creation of partnerships, traditional and non-traditional. **Appendix C** depicts the various partnerships. At present, RCD has over 60 strategic partnerships at the local, state and federal level. Such collaboration is a great example of collaborative efforts among local agencies in pursuit of economies of scale, service efficiency, and overall "good government." These partnerships are based on separate contracts or agreements and based in informal, trust-based relationships. For example, the District has formed a "Durable Collaboration" with San Mateo, Monterey County, and Upper Salinas-Las Tablas RCD to strengthen their ability to share staff, skills, and resources. This partnership also improves their ability to address regional priorities like forest health, watershed management, and species recovery through collaborative programs and grant proposals.

LAFCO staff believes that it may be beneficial to explore additional opportunities to combine or establish a regional agreement through a Countywide Memorandum of Understanding (MOU) or the creation of a Joint Powers Authority (JPA).

- **Memorandum of Understanding** - A Memorandum of Understanding describes an agreement between two or more parties: in this case, the local agencies' overarching conservation goals. The MOU expresses a convergence of will between the parties, specifying an intended common line of action or goal. The purpose of a MOU is to formally agree on the objectives, roles and ground rules of the partnership between the local governments that holds the mandate for service provision and the implementing organization. Establishing a clear agreement can help prevent conflict and reputational harm because expectations discussed, agreed and documented at an early stage leaves less room for misinterpretation. It also increases transparency in the relationship with the public authority and allows holding either party accountable to their commitments.
- **Joint Powers Authority** - defined by the California State Legislature Senate Local Government Committee is a formal, legal agreement between two or more public agencies that share a common power and want to jointly implement programs, build facilities, or deliver services. Officials from those public agencies formally approve a cooperative arrangement. JPAs offer another way for governments to deliver services. With a joint powers agreement, a member agency agrees to be responsible for delivering a service on behalf of the other member agencies.

LAFCO Staff Recommendation: *The District should continue collaborating with other local agencies to maximize efficiencies, improve internal operations, and/or explore cost-saving opportunities.*

Governance Options

The original purpose of resource conservation districts was to manage soil and water resources for conservation, these powers were expanded in the early 1970s to include related resources, including fish and wildlife habitat. This expansion of powers was reflected in the change of name from Soil Conservation Districts to Resource Conservation Districts in 1971. As the understanding of resource challenges has expanded over the years, the scope of services has also shifted to addressing impacts of urbanized areas, as well as the governance structure of these agencies. The RCD of Santa Cruz County was a direct result of a consolidation. This governance restructuring allowed for further utilization of existing facilities, maximization of economies of scale, and cost-savings towards internal and external operations. Since RCD has been experiencing financial constraints over the years, and has built a network through other strategic partnerships, it may be beneficial to explore consolidation once again – this time through a regional approach. The following summarizes the benefits of regional consolidation and/or annexation.

- **Annexation** – Pursuant to state law, RCD may consider annexing the incorporated cities of Santa Cruz, Scotts Valley, and Watsonville. Annexation may increase levels of service and programs within incorporated areas. As previously discussed, environmental protection and natural resource conservation, in particular with

regard to storm water, fire preparedness and species recovery, have expanded to more urbanized areas, and the annexation would reflect that. The District provides a broad range of conservation services and could provide services that improve environmental quality and address resource concerns in the incorporated cities. Additionally, grant awards to the RCD for this work could result in lower costs for water quality, species recovery or flood management that are ultimately borne by taxpayers. It may also provide a greater opportunity for implementing watershed plans and programs on a watershed-based approach that is not constrained by political boundaries.

- **Consolidation** - Pursuant to its principal act, RCD may be located within multiple counties. Therefore, RCD is eligible to consolidate with adjacent resource conservations districts should they determine that it is feasible and beneficial. There are four resource conservation districts surrounding Santa Cruz County: San Mateo County RCD, Loma Prieta RCD, San Benito RCD, and RCD of Monterey County (refer to **Appendix D**). Benefits include cost-savings in overhead and administrative costs, unified conservation efforts among the coastal region, and further expansion of strategic partnerships.

LAFCO Staff Recommendation: *The District should consider exploring governance options, including annexation, which may help reduce costs, improve service provisions, and expand its conservation efforts throughout the coastal region.*

Website Requirements

Senate Bill 929 was signed into law in September 2018 and requires all independent special districts to have and maintain a website by January 1, 2020. The District currently maintains a detailed website. It is LAFCO staff's understanding that all independent special districts within Santa Cruz County now have a website. SB 929 states that the Internet Web Site, maintained by the independent special district, shall conform with various laws in Government Code Sections 6270.5, 53893, 53908, 54954.2, and Section 32139 of the Health and Safety Code. In summary, the District's Internet Website is required to have the following:

- Contact information;
- Adopted budgets;
- List of current board members;
- Information regarding public meetings (Brown Act);
- Service Reviews adopted by LAFCO;
- Recipients of grant funding or assistance provided by the district, if any;
- Audits (pursuant to GCS 26909);
- Adopted annual policies; and
- Any other information the board deems relevant

LAFCO Staff Recommendation: *The District should continue updating its website to fulfill the legal requirements under Senate Bill 929.*

SPHERE OF INFLUENCE

Cortese-Knox-Hertzberg Act

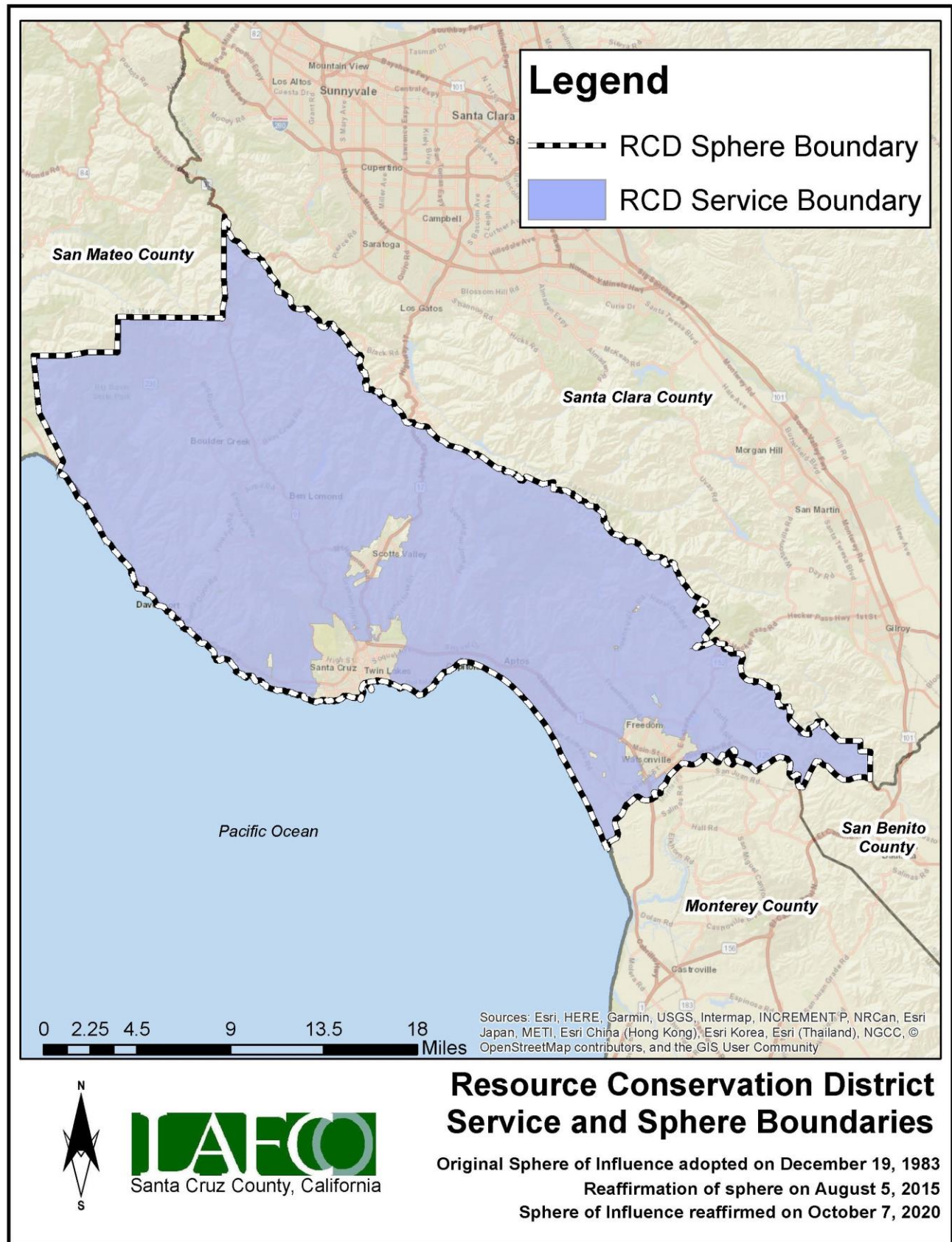
City and special district spheres of influence define the probable physical boundaries and service area of a local agency, as determined by the Commission (Government Code Section 56076). The law requires that spheres be updated at least once every five years either concurrently or subsequently to the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

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

Current Sphere Boundary

Santa Cruz LAFCO adopted the first sphere of influence for RCD on December 19, 1983. The adopted sphere of influence is watershed-based. It includes the entire watersheds of the North Coast streams, the San Lorenzo River, Soquel Creek, Aptos Creek, and the portion of the Pajaro River watershed located in Santa Cruz County. As a result, the District's sphere is the entire County of Santa Cruz, including all four cities. The last sphere update occurred in August 2015, which resulted in the reaffirmation of the existing sphere boundary. **Figure 8** on page 24 shows the current sphere of influence. LAFCO staff is recommending that the sphere boundary be reaffirmed once again as part of this service and sphere review.

Figure 8: District Sphere Map



DISTRICT SUMMARY

Resource Conservation District of Santa Cruz County	
Formation	California Public Resources Code §9000 et seq. (Resource Conservation District Act)
Board of Directors	Governed by a seven-member Board of Directors. Board members are appointed to four-year terms by the Santa Cruz County Board of Supervisors.
Contact Person	Lisa Lurie, Executive Director
Employees	9 full-time employees (defined as 30+ hours per week) and 1 part-time staff member
District Area	Entire County, excluding the Cities of Santa Cruz, Scotts Valley and Watsonville (Approximately 419 square miles)
Sphere of Influence	The sphere boundary is countywide and coterminous with the District's jurisdictional limits.
FY 2019-20 Budget	<p>Total Revenue = \$5,586,721</p> <p>Total Expenditure = \$5,586,721</p> <p>Projected Net Position (Beginning Balance) = \$354,700</p>
Contact Information	<p>Mailing Address: 820 Bay Avenue, Suite 136, Capitola, CA 95010</p> <p>Phone Number: 831-464-2950</p> <p>Email Address: info@rcdsantacruz.org</p> <p>Website: http://www.rcdsantacruz.org/</p>
Public Meetings	Meetings are typically held on the second Wednesday of the month, at 6:30 pm. These Board meetings are typically held at the RCD's administrative office in Capitola and are open to the public.
Mission Statement	The mission of the Resource Conservation District of Santa Cruz County is to help people protect, conserve, and restore natural resources through information, education, and technical assistance programs.

SERVICE AND SPHERE REVIEW DETERMINATIONS

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

Service Provision Determinations

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

1. Growth and population projections for the affected area.

RCD encompasses over 400 square miles. It is estimated that approximately 145,000 residents currently live within the District's jurisdiction. LAFCO staff projects that the District's population may reach 152,000 by 2040.

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

RCD 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.

RCD provides non-discriminatory assistance and educational opportunities to agricultural producers, land users, educators, and anyone with land-based resource conservation needs. RCD's services include conservation education, soil erosion control, water quality enhancement, fire prevention, and watershed enhancement.

4. Financial ability of agencies to provide services.

RCD's primary source of revenue is from Grants. The District has experienced an annual deficit between 2014 to 2019, excluding FY 2015-16. Audited financial statements indicate that the fiscal shortage has ranged from approximately \$25,000 to \$150,000. As a result, the District has been depleting its reserves each year. It is LAFCO staff's understanding that the District is currently addressing this issue.

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

At present, RCD has over 60 strategic partnerships at the local, state and federal level. Such collaboration is a great example of collaborative efforts among local agencies in pursuit of economies of scale, service efficiency, and overall "good government."

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

RCD is highly reliant on irregular grants. The District should continue sharing expertise and explore sharing staffing with RCDs in the adjacent counties.

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 of Influence Determinations

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

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

The present and planned land uses are based on the general plans from the County and the City of Capitola, which range from urban to rural uses. General plans anticipate growth centered on existing urban areas and the maintenance of agricultural production, rural residential uses, and environmental protection in rural areas. The planned land uses within the five applicable general plans are a mix of urban, rural and mountain residential, agricultural, timber, public recreation, and open-space lands.

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

The area within the adopted sphere of influence needs, and will continue to need, the soil management, wildland fuel load reduction, riparian restoration, and watershed management services provided by the District.

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

The services and programs of RCD substantially rely on grant funding, which may vary on an annual basis. The District's services may change based upon the types and levels of grant funds received during any given year.

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.

The adopted sphere of influence is watershed-based. It includes the entire watersheds of the North Coast streams, the San Lorenzo River, Soquel Creek, Aptos Creek, and the portion of the Pajaro River watershed located in Santa Cruz County.

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.

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

APPENDICES

Appendix A: Financial Sources (2014 – 2019)

Appendix B: Annual Reports (2010 - 2019)

Appendix C: Strategic Partnerships (List)

Appendix D: Coastal Region RCDs (Map)

our mission

The mission of the Resource Conservation District (RCD) of Santa Cruz County is to help people protect, conserve, and restore natural resources through information, education and technical assistance programs.

what is the RCD?

The RCD of Santa Cruz is a special district organized under state law and a public resource agency with no enforcement or regulatory functions. We work closely with the USDA Natural Resources Conservation Service (NRCS) in responding to soil and water management needs of Santa Cruz County land users.

PROGRAMS AVAILABLE

- Agriculture
- Livestock (including horses)
- Rural Roads
- Habitat Restoration
- Permitting Assistance
- Watershed Education

our funding

Operating funds are drawn from local taxes, county programs, grants, partnerships and fundraising activities. The RCD has been very successful in leveraging minimal local tax funds to bring in financing for natural resource projects from sources such as the State Water Resources Control Board, the Coastal Conservancy, the California Department of Fish and Game, the California Department of Parks and Recreation, the Bureau of Land Management, The Community Foundation of Santa Cruz County, the David and Lucile Packard Foundation and others.

board of directors

The RCD is managed by seven, non-salaried directors who reside in the district and know local problems. They are landowners and working people like you who volunteer their time for the benefit of all. The RCD works closely with groups and individuals to provide practical solutions for the soil and water management problems of Santa Cruz County.

join the cause

I believe in the work of the Resource Conservation District and want to help the continuing efforts to promote conservation and environmental enhancement in Santa Cruz County.

— \$25 — \$50 — \$100 — Other

Please make your check payable to the "Resource Conservation District" and mail to 820 Bay Avenue, Suite 128, Capitola, CA 95010.

contact us

Resource Conservation District of Santa Cruz County
820 Bay Avenue, Suite 128
Capitola, California 95010
Phone: (831) 464-2950
Fax: (831) 475-3215
E-mail: info@rcdsantacruz.org
Webmaster: webmaster@rcdsantacruz.org

RESOURCE
CONSERVATION DISTRICT
OF SANTA CRUZ COUNTY

protect • conserve • restore
our county's natural resources

PRINTED ON 80% RECYCLED PAPER (40% POST CONSUMER)

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 the Resource Conservation District of Santa Cruz County ("RCD")

Project Location: The District was formed in 1977 to help people protect, conserve, and restore natural resources through information, education, and technical assistance programs. The District encompasses the unincorporated county lands as well as the City of Capitola. The Cities of Santa Cruz, Scotts Valley, and Watsonville are excluded from RCD's jurisdictional boundary. RCD's service area includes approximately 419 square miles. A vicinity map depicting the District's jurisdictional and sphere boundaries is attached (refer to **Attachment A**).

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

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 the RCD. The purpose of the report is to ensure the effectiveness and efficiency in the delivery of public services by the District, in accordance with 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 October 7, 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 the Pajaro Valley Public Cemetery District. 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: September 14, 2020

☒ Signed by Lead Agency



NOTICE OF PUBLIC HEARING LOCAL AGENCY FORMATION COMMISSION

NOTICE IS HEREBY GIVEN that at 9:00 a.m., Wednesday, October 7, 2020, the Local Agency Formation Commission of Santa Cruz County (LAFCO) will hold public hearings on the following:

- **“Navarra Drive/Bellflower Way Extraterritorial Service Agreement” with the City of Scotts Valley (LAFCO Project No. ESA 20-26):** Consideration of an extraterritorial service agreement request for a single parcel to receive sewer services by the City of Scotts Valley. In compliance with the California Environmental Quality Act (CEQA), LAFCO staff has prepared a Categorical Exemption for this proposal.
- **Resource Conservation District of Santa Cruz County (RCD) Service and Sphere of Influence Review:** Consideration of a service and sphere review for RCD. In compliance with the California Environmental Quality Act (CEQA), LAFCO staff has prepared a Categorical Exemption for the service and sphere review.
- **Policy Updates** – Consideration of proposed modifications to LAFCO’s Special Districts Governance and City Incorporation Policies. The proposed changes may include several non-substantive changes, removal of outdated language, and further clarifications to reflect the Commission’s current practices.

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 remotely. Instructions to participate remotely are available in the October 7th 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. 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: September 15, 2020

LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY
RESOLUTION NO. 2020-27

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

RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION
APPROVING THE 2020 SERVICE AND SPHERE OF INFLUENCE REVIEW
FOR THE RESOURCE CONSERVATION DISTRICT OF SANTA CRUZ COUNTY

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 the Resource Conservation District of Santa Cruz County ("RCD").
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 October 7, 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 RCD.
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 RCD, without amendments, as shown in Exhibit C.

PASSED AND ADOPTED by the Local Agency Formation Commission of Santa Cruz County this 7th day of October 2020.

AYES:

NOES:

ABSENT:

ROGER W. ANDERSON, CHAIRPERSON

Attest:

Joe A. Serrano
Executive Officer

Approved as to form:

Daniel H. Zazueta
LAFCO Counsel

EXHIBIT A
RESOURCE CONSERVATION DISTRICT OF SANTA CRUZ COUNTY
2020 SERVICE REVIEW DETERMINATIONS

1. Growth and population projections for the affected area.

RCD encompasses over 400 square miles. It is estimated that approximately 145,000 residents currently live within the District's jurisdiction. LAFCO staff projects that the District's population may reach 152,000 by 2040.

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

RCD 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.

RCD provides non-discriminatory assistance and educational opportunities to agricultural producers, land users, educators, and anyone with land-based resource conservation needs. RCD's services include conservation education, soil erosion control, water quality enhancement, fire prevention, and watershed enhancement.

4. Financial ability of agencies to provide services.

RCD's primary source of revenue is from Grants. The District has experienced an annual deficit between 2014 to 2019, excluding FY 2015-16. Audited financial statements indicate that the fiscal shortage has ranged from approximately \$25,000 to \$150,000. As a result, the District has been depleting its reserves each year. It is LAFCO staff's understanding that the District is currently addressing this issue.

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

At present, RCD has over 60 strategic partnerships at the local, state and federal level. Such collaboration is a great example of collaborative efforts among local agencies in pursuit of economies of scale, service efficiency, and overall "good government."

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

RCD is highly reliant on irregular grants. The District should continue sharing expertise and explore sharing staffing with RCDs in the adjacent counties.

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
RESOURCE CONSERVATION DISTRICT OF SANTA CRUZ COUNTY
2020 SPHERE OF INFLUENCE DETERMINATIONS

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

The present and planned land uses are based on the general plans from the County and the City of Capitola, which range from urban to rural uses. General plans anticipate growth centered on existing urban areas and the maintenance of agricultural production, rural residential uses, and environmental protection in rural areas. The planned land uses within the five applicable general plans are a mix of urban, rural and mountain residential, agricultural, timber, public recreation, and open-space lands.

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

The area within the adopted sphere of influence needs, and will continue to need, the soil management, wildland fuel load reduction, riparian restoration, and watershed management services provided by the District.

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

The services and programs of RCD substantially rely on grant funding, which may vary on an annual basis. The District's services may change based upon the types and levels of grant funds received during any given year.

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.

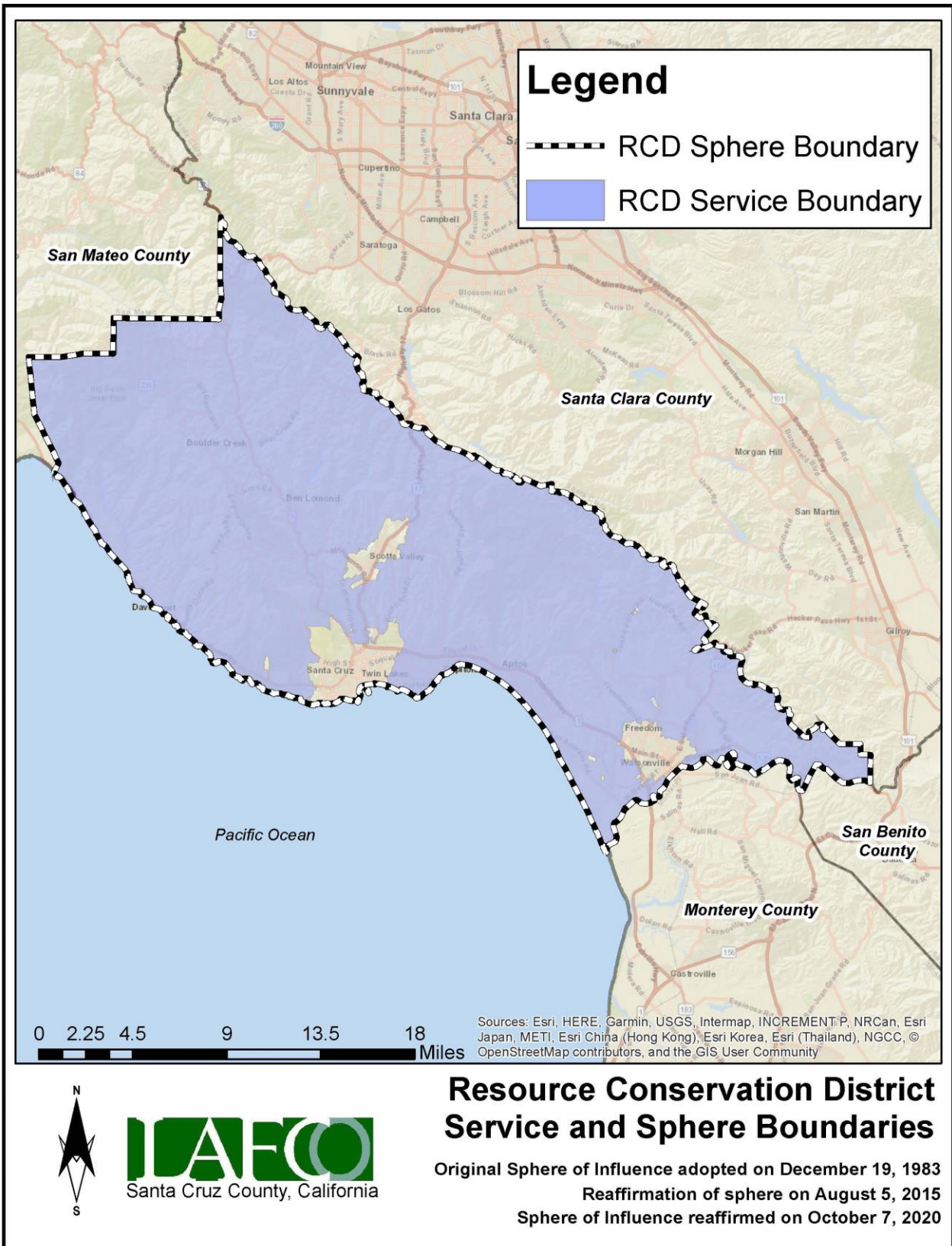
The adopted sphere of influence is watershed-based. It includes the entire watersheds of the North Coast streams, the San Lorenzo River, Soquel Creek, Aptos Creek, and the portion of the Pajaro River watershed located in Santa Cruz County.

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.

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

EXHIBIT C
RESOURCE CONSERVATION DISTRICT OF SANTA CRUZ COUNTY
SPHERE OF INFLUENCE MAP

LAFCO maintains the Sphere of Influence for RCD with no amendments.





Santa Cruz Local Agency Formation Commission

Date: October 7, 2020
To: LAFCO Commissioners
From: Joe Serrano, Executive Officer
Subject: **Proposed Policy Updates
(LAFCO Project Nos. CPP 20-28 and 20-29)**

SUMMARY OF RECOMMENDATION

The Commission has adopted several distinctive policies when reviewing the organization and reorganization of cities and special districts. These policies include the City Incorporation and Special Districts Governance. Based on staff's analysis, these two policies require modifications to reflect the Commission's current practices.

It is recommended that the Commission adopt the draft resolutions (LAFCO Nos. 2020-28 and 2020-29) approving the amendments to the three policies.

EXECUTIVE OFFICER'S REPORT:

This Commission began reviewing LAFCO's existing policies earlier this year. Approximately 80% of the policies have been reviewed and updated. The following table shows when the remaining policies are scheduled for Commission consideration. This report evaluates two additional policies, listed as #17-18, as shown below.

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

Special Districts Governance Policy

This policy was first introduced in December 1994 to set rules and regulations governing the functions and services of special districts. The intent of the policy was to clarify the legal requirement found in multiple laws governing special districts pursuant to Government Code Section 56450 et seq. (see **Attachment 1**). These particular sections were eventually repealed and replaced with what we now know as the Cortese-Knox-Hertzberg Act (CKH Act). However, it is staff's understanding that this policy has not been updated since its original adoption or the enactment of the CKH Act. Staff believes that the overall policy required a complete renovation. Proposed amendments include adding background and procedural information, revising outdated language, identifying the various principal acts governing independent special districts, 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**).


City Incorporation Policy

This policy was originally adopted in April 1989 to ensure that all city incorporation attempts fulfill the statutory requirements outlined in the CKH Act. 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 that the overall context outlined in the current policy is accurate and does not need any substantial modifications. Proposed amendments include revising outdated language and implementing the new standard format. Proposed edits are shown in tracked changes (see **Attachment 5**). A clean version of the revised policy is included as an exhibit to the draft resolution (see **Attachment 6**).

STAFF RECOMMENDATION

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

Respectfully Submitted,



Joe A. Serrano
Executive Officer

Attachments:

Special Districts Governance Policy

1. Special Districts Governance Policy (1994; Current Version)
2. Special Districts Governance Policy (Proposed Version with tracked changes)
3. Draft Resolution No. 2020-28 (with "clean version" of the policy as Exhibit A)

City Incorporation Policy

4. City Incorporation Policy (1989; Current Version)
5. City Incorporation Policy (Proposed Version with tracked changes)
6. Draft Resolution No. 2020-29 (with "clean version" of the policy as Exhibit A)

EXHIBIT A
SANTA CRUZ LAFCO RESOLUTION NO. 801-D
ADOPTED BY LAFCO
12/7/94

**RULES AND REGULATIONS GOVERNING FUNCTIONS AND SERVICES OF
SPECIAL DISTRICTS**

I. AUTHORIZATION

As provided in Government Code Section 56450 et seq., the Commission adopts these rules and regulations governing the functions and services of special districts and orders the representation upon the Commission of independent special districts.

II. DEFINITIONS

The following definitions shall apply under these rules and regulations:

- a) "Commission" means the Santa Cruz Local Agency Formation Commission.
- b) "District" means an agency of the State as defined by Section 56036 of the Government Code which is wholly or partially located in Santa Cruz County.
- c) "Executive Officer" means the executive officer appointed by the Commission or the County officer acting as the executive officer.
- d) "Function" means any power granted by law to a local agency or a county to provide designated governmental or proprietary services or facilities for the use, benefit, or protection of persons or property (Gov. Code 56040).
- e) "Legislative body" means the legislative body or the governing board of a district as defined in these regulations.
- f) "Proceedings" means proceedings taken pursuant to these regulations.
- g) "Proposal" means a request or statement of intention made by a resolution of application of a legislative body proposing proceedings for the provision of additional functions or services.
- h) "Service" means a class established within and as a part of a single function, as hereinafter provided by these rules and regulations of the Commission (Gov. Code 56074).

III. POWERS OF THE COMMISSION

The Commission may:

- a) classify the various types of service which customarily are or can be provided within a single function of a special district (Gov. Code 56451).
- b) require existing districts to file written reports with the Commission specifying the functions or classes of service provided by such districts (Gov. Code 56451).
- c) identify the nature, location, and extent of any functions or classes of service provided by existing districts (Gov. Code 56451).
- d) determine that, except as otherwise authorized by such rules and regulations, no new or different function or class of service shall be provided by any existing district (Gov. Code 56451).

These rules and regulations shall not apply to the extension or enlargement, within the boundaries of an existing special district, of any function or service which the

Commission, pursuant to this Article has determined is currently being provided by such special district.

These rules shall not apply to any function or service which a district is specifically mandated to provide under state law.

IV. CLASSIFICATION OF FUNCTIONS AND SERVICES

The following classifications of functions and services are hereby established:

FUNCTION	SERVICES
Cemeteries	Cemeteries
Fire and All Emergency Medical Services	Fire Protection First Response, Basic Life Support First Response, Paramedic Service Patient Transport Hazardous Materials (Including administration and response) Rescue Services Disaster Planning and Response Weed Abatement
Flood Control	Flood Control
Harbor	Harbor facilities and services Public access Safety Visitor Services
Parks and Recreation	Park Acquisition Development Operation and Maintenance Recreational and Educational Activities
Pest and Vector Control	Pest and Vector Control
Police	Police Security Patrols
Public Transportation	Land Transportation
Roads, Streets and Highways	Road Improvement Road Maintenance Road Landscaping School Crossing Guards
Sewer	Sewage Collection Sewage Transportation Sewage Treatment Sewage Reclamation Sewage Disposal Septic Tank Maintenance
Soil Conservation	Soil Conservation
Solid Wastes	Waste Collection Waste Disposal Recycling

	Litter Control Graffiti Control
Street Lighting	Street Lighting
Water	Water Supply Water Treatment Water Distribution
Water Management	Groundwater Management Surface Water Management Conservation and Education

V. REQUIREMENTS OF SPECIAL DISTRICTS

Upon the adoption of these regulations, each special district shall, at the request of the executive officer, provide, to the satisfaction of the Commission, the following materials within 30 days of such request:

- a) a report of which functions and services are currently being provided by that district;
- b) a reference to the state code section or sections which authorize the rendering of such functions and services;
- c) if specifically required by the executive officer, a map, showing the boundaries of the district and the location(s) where functions and services are provided.

For purposes of these rules and regulations, a district shall be deemed to be providing a function or service if bonds have been authorized therefore; if substantial sums have been expended; if property, facilities, or equipment have been acquired or constructed for such purpose; or if the district is actually exercising its powers to provide such function or service for the benefit of lands or inhabitants within the district.

If by December 7, 1884, an agency has adopted a resolution of intention to draft a groundwater management plan pursuant to AB 3030 (Water Code Section 10753), that agency is considered to be providing a groundwater management service. If the plan is not subsequently adopted within two years, the agency will no longer be classified as providing groundwater management services. Three years or more after a groundwater management plan has been adopted, if the Commission has information that an agency has not implemented the plan, the Commission may prepare an analysis and schedule a public hearing to consider whether to withdraw the classification of the agency as a provider of groundwater management services. The Commission shall not withdraw the classification unless it can find that the agency has not implemented one or more elements of the plan.

VI. COMMISSION DETERMINATION

Following the receipt of such materials from a district as provided for in Section V. the Commission shall determine:

- a) to approve with or without amendment, wholly or partially or to disapprove the report on the functions and services currently being provided by the district and the location (where such functions or services are being provided),
- b) to refer the report back to the district having submitted it and request modification of such report; the Commission shall set a reasonable date for the re-submittal of such

modified report.

VII STUDY BY COMMISSION

In the event the Commission disapproves a report on the functions and services, the Commission may make its own study and report on the functions and services being provided by a district; the Commission shall, at the request of the affected district, consider its report at a public hearing with no less than 30-day notice prior to making a final determination on same.

VIII COMMISSION APPROVAL

By approving the report of a special district as provided in Section V or by making its own report on the functions and services of a district as provided in Section VII, the Commission shall thereby identify the nature, location, and extent of the functions or services provided by such a district.

IX REGULATION OF NEW SERVICES

At such time as the Commission has identified the nature, location, and extent of the functions and services of any district, such district shall not provide any new or different function or class of service except as authorized by these regulations. This rule shall not apply to the extension or enlargement, within the boundaries of an existing special district, of any function or service which the Commission, determined at the time these regulations were adopted, or subsequently pursuant to the procedures in these regulations, was being provided by such special district.

X PROVISION OF ADDITIONAL FUNCTIONS AND SERVICES

Any district making a proposal to provide a function or service in addition to those identified by the Commission pursuant to these regulations shall file with the Executive Officer a resolution of its governing board making application for the provision of additional functions and/or services.

XI RESOLUTION OF APPLICATION

A resolution of application shall be in such form as the Commission may prescribe and shall be accompanied by:

- a) a statement of the nature of the proposal and the reasons therefore;
- b) a description of the territory which is the subject of the proposal;
- c) a map showing the boundaries of the subject territory;
- d) such additional data and information as may be required by the executive officer, pertaining to any of the matters or factors which may be considered by the Commission;
- e) the name of the officers or persons, not to exceed three, who are to be given mailed notice of hearing.

XII HEARING

Upon the filing of a resolution of application, the executive officer shall set the matter for hearing by the Commission.

- a) The date of the hearing shall not be more than 90 days after such filing.
- b) The executive officer shall cause notice of hearing to be published in a newspaper of general circulation within the area for which the provision of additional functions

- and/or services are proposed, as specific in Government Code Section 56061.
- c) The executive officer shall also cause notice of such hearing to be mailed at least fifteen days prior to the date of hearing to 1) the district adopting the resolution of application, 2) each city or district within three miles of the subject district, and 3) each person who is designated in the application to receive notice or any person who has filed a written request for special notice with the executive officer.
 - d) Such hearing may be continued from time to time for a period not to exceed 70 days from the original date of such hearing. The conduct of such hearing shall be governed by the provisions of Section 56840 et seq. of the Government Code and by the Rules of the Commission. At any time not later than 35 days after the conclusion of the hearing, the Commission shall adopt a resolution making determinations approving or disapproving the provision of additional functions and/or services by the District.

XIII DISAPPROVAL

If the Commission wholly disapproves any proposal involving the provision of such additional functions and/or services by the subject district, no proceeding shall be taken for the provision of such additional functions and/or services by the subject district for a period of one year after the date of such disapproval unless said period is waived by the Commission.

XIV APPROVAL

If the Commission approves the provision of additional function(s) and/or service(s), the executive officer shall, within 30 days of such approval, forward to the subject district a copy of the Commission's resolution.

XV AMENDMENT PROCESS

These rules and regulations governing functions and services of special districts may be amended by a process that is initiated by the Commission or by any interested party completing an application and paying an application fee as specified in the Commission's Schedule of Fees and Deposits. The Executive Officer shall send the proposed amendment to all independent and dependent districts in the county. The Commission will not use "minor change" procedure specified in Government Code Section 56457. The Commission will only use the noticed, public hearing procedure specified in Government Code Sections 56458-56460 to consider amending these rules.

XVI STATE LAW

The procedures provided by these rules and regulations shall be generally guided by the provisions of Chapter 5 (commencing with Section 56450) of Part 2, Division 3, Title 5 of the Government Code.



LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY

SPECIAL DISTRICTS GOVERNANCE POLICY

Adopted on December 7, 1994 (Resolution No. 801-D)

Last Revision on October 7, 2020 (Resolution No. 2020-28)

EXHIBIT A

SANTA CRUZ LAFCO RESOLUTION NO. 801-D

ADOPTED BY LAFCO

12/7/94

RULES AND REGULATIONS GOVERNING FUNCTIONS AND SERVICES OF SPECIAL DISTRICTS

1. AUTHORIZATION OVERVIEW

The Special Districts Governance Policy was first introduced in December 1981. The intent was to set As provided in Government Code Section 56450 et seq., the Commission adopts these rules and regulations governing that will govern the functions and services of special districts and orders the representation upon the Commission of independent special districts. The purpose was to clarify the legal requirements under Government Code Section 56450 et seq. These particular sections were eventually repealed and replaced with the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000("Cortese-Knox-Hertzberg Act" or "CKH Act"). The Cortese-Knox-Hertzberg Act establishes procedures for local government changes or organization, including city incorporations, annexations to a city or special district, and city and special district consolidations.

2. GOVERNANCE

There are three primary sources of authority for forming and reorganizing special districts. The first is the special district's enabling act. Most types of districts have a series of statutes specific to that type of special district. These statutes often contain the procedures for creating that type of special district. The second is the Cortese-Knox-Hertzberg Act, which governs the establishment and reorganizations of local governments. Finally, there is the District Organization Law, which provides standardized special district organization and governance procedures for certain types of special districts¹.

For purposes of this policy, the following sections will focus on the special districts under LAFCO's purview in accordance with Government Code Section 56036:

- a) "District" or "special district" are synonymous and mean an agency of the state, formed pursuant to general law or special act, for the local performance of governmental or proprietary functions within limited boundaries and in areas outside district boundaries when authorized by the commission pursuant to Government Code Section 56133.

¹ California Special Districts Association – Laws Governing Special Districts (December 23, 2015)

b) District" or "special district" includes a county service area, but excludes all of the following: (1) The state, (2) A county, (3) A city, (4) A school district or a community college district, (5) An assessment district or special assessment district, (6) An improvement district, (7) A community facilities district formed pursuant to the Mello-Roos Community Facilities Act of 1982 (California Government Code section 53311 et seq.), (8) A permanent road division (formed pursuant to California Government Code 1160), (9) An air pollution control district or an air quality maintenance district, and (10) A zone of any special district.

3. PRINCIPAL ACTS

Principal Acts are statutes established for an entire category of special districts. The Commission creates and governs independent special districts under the authority of these acts. Each special district type has its own principal act. Exhibit A is a list of independent special district types, the location of the associated principal act, and other relevant information about the district types.

4. SPECIAL ACTS

Special Acts are statutes that address the specific needs of a community and establish a specific special district to address those needs. These districts (rather than district types) are uniquely created by the Legislature. Below is a list of special acts affecting Santa Cruz County:

<u>Type</u>	<u>Code Section</u>
<u>Flood Control</u>	
<u>Santa Cruz County Flood Control and Water Conservation District Act (1955; Chapter 1489)</u>	<u>Water Code (77-1)</u>
<u>Transit</u>	
<u>Santa Cruz Metropolitan Transit District Act of 1967</u>	<u>Public Utilities Code (§98000 et seq.)</u>
<u>Water Agency or Authority</u>	
<u>County Water Authority Act (1943; Chapter 545)</u>	<u>Water Code (45-1)</u>
<u>Pajaro Valley Water Management Agency Act (1984)</u>	<u>Water Code (124-1)</u>



<u>Special District Type & Principal Act</u>	<u>Powers & Functions</u>	<u>Formation</u>	<u>Election Process</u>	<u>Number of Board Members</u>
<u>Airport Districts</u> <u>Public Utilities Code</u> <u>(§22001 et seq.)</u>	<u>Assist in the</u> <u>development of airports,</u> <u>spaceports, and air</u> <u>navigation facilities</u>	<u>Any territories of one or more counties</u> <u>and one or more cities, all or any part</u> <u>of any city and any part of the</u> <u>unincorporated territory of any county;</u> <u>the boundaries of a district may be</u> <u>altered and outlying contiguous</u> <u>territory in the same or an adjoining</u> <u>county annexed to the district.</u>	<u>Elected by</u> <u>resident</u> <u>voters to 4</u> <u>year terms</u>	<u>5 Directors</u>
<u>California Water</u> <u>Districts</u> <u>Water Code</u> <u>(§34000 et seq.)</u>	<u>Maintain the necessary</u> <u>works for the</u> <u>production, storage,</u> <u>and distribution of water</u> <u>for irrigation, domestic,</u> <u>industrial, and municipal</u> <u>purposes, and any</u> <u>drainage or reclamation</u> <u>works</u>	<u>Any area of land which is capable of</u> <u>using water beneficially for irrigation,</u> <u>domestic, industrial or municipal</u> <u>purposes and which can be serviced</u> <u>from common sources of supply and</u> <u>by the same system of works; area</u> <u>need not be contiguous</u>	<u>Elected by</u> <u>landowner</u> <u>voters to 4</u> <u>year terms</u>	<u>At least 5</u> <u>Directors</u> <u>(may be</u> <u>increased to</u> <u>7, 9, or 11)</u>
<u>California Water</u> <u>Storage Districts</u> <u>Water Code</u> <u>(§39000 et seq.)</u>	<u>Maintain the necessary</u> <u>works for the storage</u> <u>and distribution of water</u> <u>and drainage or</u> <u>reclamation works</u>	<u>Any land irrigated or capable of</u> <u>irrigation from a common source;</u> <u>under specific conditions the district</u> <u>need not be contiguous</u>	<u>Elected by</u> <u>landowner</u> <u>voters to 4</u> <u>year terms</u>	<u>At least 5</u> <u>Directors</u>
<u>Citrus Pest Districts</u> <u>Food & Agri. Code</u> <u>(§8401 et seq.)</u>	<u>Control and eradicate</u> <u>citrus pests</u>	<u>Any county devoted exclusively to the</u> <u>growing of citrus fruits</u>	<u>Appointed</u> <u>by the</u> <u>Board of</u> <u>Supervisors</u> <u>to fixed 4</u> <u>year terms</u>	<u>5 Directors</u>
<u>Community</u> <u>Services Districts</u> <u>Government Code</u> <u>(§61000 et seq.)</u>	<u>Provide up to 32</u> <u>different services such</u> <u>as, water, garbage</u> <u>collection, wastewater</u> <u>management, security,</u> <u>fire protection, public</u> <u>recreation, street</u> <u>lighting, mosquito</u> <u>abatement services,</u> <u>etc.</u>	<u>Any county or counties of an</u> <u>unincorporated territory or</u> <u>incorporated territory of a contiguous</u> <u>or noncontiguous area</u>	<u>Elected by</u> <u>resident</u> <u>voters to 4</u> <u>year terms</u>	<u>5 Directors</u>
<u>Cotton Pest</u> <u>Abatement Districts</u> <u>Food & Agri. Code</u> <u>(§6051 et seq.)</u>	<u>Control and prevent</u> <u>introduction of pests,</u> <u>and oversee cotton</u> <u>plants in areas that are</u> <u>at risk of pests</u>	<u>Any land in more than one of the</u> <u>counties of Imperial, Los Angeles,</u> <u>Orange, Riverside, San Bernardino,</u> <u>San Diego, and Ventura with the</u> <u>consent of the Board of Supervisors of</u> <u>the counties affected</u>	<u>Appointed</u> <u>by the</u> <u>Board of</u> <u>Supervisors</u> <u>to fixed 4</u> <u>year terms</u>	<u>5 Directors</u>

<u>Special District Type & Principal Act</u>	<u>Powers & Functions</u>	<u>Formation</u>	<u>Election Process</u>	<u>Number of Board Members</u>
<u>County Sanitation Districts</u> <u>Health & Safety Code</u> <u>(§4700 et seq.)</u>	<u>Maintain and operate sewage systems and sewage disposal or treatment plants</u>	<u>Any unincorporated or incorporated territory or both; the incorporated territory included in the district may include the whole or part of one or more cities with the permission of that city</u>	<u>Elected by resident voters to 4 year terms or may choose to have a mixed board</u>	<u>3 Directors</u>
<u>County Water Districts</u> <u>Water Code</u> <u>(§30000 et seq.)</u>	<u>Develop regulations for the distribution and consumption of water; sell water; collect and dispose sewage, garbage, waste, trash and storm water; store water for future needs; may generate hydroelectric power; and provide fire protection under specified conditions</u>	<u>Any county or two or more contiguous counties or of a portion of such county or counties, whether the portion includes unincorporated territory or not</u>	<u>Elected by resident voters to 4 year terms</u>	<u>At least 5 Directors (may be increased to 7, 9, or 11)</u>
<u>Fire Protection Districts</u> <u>Health & Safety Code</u> <u>(§13800 et seq.)</u>	<u>Provide fire protection and other emergency services</u>	<u>Any territory, whether incorporated or unincorporated, whether contiguous or noncontiguous, may be included</u>	<u>Elected by resident voters to 4 year terms or appointed by the Board of Supervisors (and City Council where applicable) to fixed 4 year terms</u>	<u>May be 3, 5, 7, 9, or 11 Directors (not to exceed 11)</u>
<u>Harbor Districts</u> <u>Harbors & Navigation Code</u> <u>(§6000 et seq.)</u>	<u>Manage any bay, harbor, inlet, river, channel, etc. in which tides are affected by the Pacific Ocean</u>	<u>Any portion or whole part of a county, city, or cities, the exterior boundary of which includes a harbor</u>	<u>Elected by resident voters to 4 year terms</u>	<u>5 Commissioners</u>
<u>Health Care / Hospital Districts</u> <u>Health & Safety Code</u> <u>(§32000 et seq.)</u>	<u>Establish, maintain, and operate, or provide assistance in the operation of, one or more health facilities or health services, including, but not limited to: outpatient programs, services, and facilities; retirement programs, services, and facilities; chemical dependency programs, services, and facilities</u>	<u>Any incorporated or unincorporated territory, or both, or territory in any one or more counties; the territory comprising this district need not be contiguous but the territory of a municipal corporation shall not be divided</u>	<u>Elected by resident voters to 4 year terms</u>	<u>5 Directors</u>

<u>Special District Type & Principal Act</u>	<u>Powers & Functions</u>	<u>Formation</u>	<u>Election Process</u>	<u>Number of Board Members</u>
<u>Irrigation Districts</u> <u>Water Code</u> <u>(\$20500 et seq.)</u>	<u>Sell and lease water; operate sewage collection and disposal system; deliver water for fire protection; dispose and salvage sewage water; protect against damage from flood or overflow; provide drainage made necessary by the irrigation provided; maintain recreational facilities in connection with any dams, reservoirs, etc.; and operate and sell electrical power</u>	<u>Any land capable of irrigation; includes land used for residential or business purposes susceptible of receiving water for domestic or agriculture purposes; need not be contiguous</u>	<u>Elected by resident voters to 4 year terms</u>	<u>3 or 5 Directors</u>
<u>Levee Districts</u> <u>Water Code</u> <u>(\$70000 et seq.)</u>	<u>Protect the district's land from overflow by constructing and maintaining the necessary infrastructure</u>	<u>Any county or counties or any portion thereof of an unincorporated territory or incorporated territory in need of protection of the lands of the district from overflow and for the purpose of conserving or adding water to the sloughs and drains</u>	<u>Elected by landowner voters to 4 year terms</u>	<u>3 Directors</u>
<u>Library Districts</u> <u>Education Code</u> <u>(\$19400 et seq.)</u>	<u>Equip and maintain a public library in order to exhibit knowledge in a variety of areas</u>	<u>Any incorporated or unincorporated territory, or both, in any one or more counties, so long as the territory of the district consists of contiguous parcels and the territory of no city is divided</u>	<u>Appointed by the Board of Supervisors to fixed 4 year terms</u>	<u>3 or 5 Trustees</u>
<u>Memorial Districts</u> <u>Military & Veterans Code</u> <u>(\$1170 et seq.)</u>	<u>Operate and maintain memorial halls, meeting places, etc. for veterans</u>	<u>Any incorporated territory of the county together with any contiguous unincorporated territory thereof; or may be formed entirely of contiguous incorporated territory; or entirely of contiguous unincorporated territory</u>	<u>Elected by resident voters to 4 year terms</u>	<u>5 Directors</u>
<u>Mosquito Abatement & Vector Control Districts</u> <u>Health & Safety Code</u> <u>(\$2000 et seq.)</u>	<u>Conduct effective programs for the surveillance, prevention, abatement and control of mosquitos and other vectors</u>	<u>Any territory, whether incorporated or unincorporated, whether contiguous or noncontiguous and districts may not overlap</u>	<u>Appointed by the Board of Supervisors or the City Council to fixed 2-4 year terms</u>	<u>5 Trustees</u>

<u>Special District Type & Principal Act</u>	<u>Powers & Functions</u>	<u>Formation</u>	<u>Election Process</u>	<u>Number of Board Members</u>
<u>Municipal Utility Districts</u> <u>Public Utilities Code</u> <u>(§11501 et seq.)</u>	<u>Manage and supply light, water, power, heat, transportation, telephone service, or other means of communication, or means for the collection, treatment, or disposition of garbage, sewage or refuse matter</u>	<u>Any public agency together with unincorporated territory, or two or more public agencies, with or without unincorporated territory; public agencies and unincorporated territory included within a district may be in the same or separate counties and need not be contiguous; no public agency shall be divided in the formation of a district</u>	<u>Elected by resident voters to 2-4 year terms</u>	<u>5 Directors</u>
<u>Municipal Water Districts</u> <u>Water Code</u> <u>(§71000 et seq.)</u>	<u>Develop and sell water; promote water use efficiency; operate public recreational facilities; provide fire protection; collect and dispose trash, garbage, sewage, storm water and waste; and generate, sell and deliver hydroelectric power</u>	<u>Any county or counties, or of any portions thereof, whether such portions include unincorporated territory only or incorporated territory of any city or cities; cities and unincorporated territory does not need to be contiguous</u>	<u>Elected by resident voters to 4 year terms</u>	<u>5 Directors</u>
<u>Police Protection Districts</u> <u>Health & Safety Code</u> <u>(§20000 et seq.)</u>	<u>Provide police service to a community</u>	<u>May be formed in unincorporated towns</u>	<u>Elected by resident voters to 2-4 year terms</u>	<u>3 Commissioners</u>
<u>Port Districts</u> <u>Harbors & Navigation Code</u> <u>(§6200 et seq.)</u>	<u>Maintain and secure the ports</u>	<u>Shall include one municipal corporation and any contiguous unincorporated territory in any one county, but a municipal corporation shall not be divided</u>	<u>Appointed by the Board of Supervisors and City Council to fixed 4 year terms, and approved by resident voters</u>	<u>5 Commissioners</u>
<u>Public Cemetery Districts</u> <u>Health & Safety Code</u> <u>(§9000 et seq.)</u>	<u>Maintain public cemeteries in communities as necessary</u>	<u>Any territory, whether incorporated or unincorporated, whether contiguous or noncontiguous; districts may not overlap</u>	<u>Appointed by the Board of Supervisors to fixed 4 year terms</u>	<u>3 or 5 Trustees</u>

<u>Special District Type & Principal Act</u>	<u>Powers & Functions</u>	<u>Formation</u>	<u>Election Process</u>	<u>Number of Board Members</u>
<u>Public Utility Districts</u> <u>Public Utilities Code</u> <u>(§13501 et seq.)</u>	<u>Maintain the infrastructure to provide electricity, natural gas, water, power, heat, transportation, telephone service, or other means of communication, or the disposition of garbage, sewage, or refuse matter</u>	<u>May be incorporated and managed _____ in unincorporated territory</u>	<u>Elected by resident voters to 2-4 Year terms</u>	<u>At least 3 Directors</u>
<u>Reclamation Districts</u> <u>Water Code</u> <u>(§50000 et seq.)</u>	<u>Reclaim and maintain land that is at risk of flooding for a variety of purposes</u>	<u>Any land within any city in which land is subject to overflow or incursions from the tide or inland waters of the state</u>	<u>Elected by landowner voters to 4 year terms</u>	<u>3, 5 or 7 Trustees</u>
<u>Recreation & Park Districts</u> <u>Public Resource Code</u> <u>(§5780 et seq.)</u>	<u>Organize and promote programs of community recreation, parks and open space, parking, transportation and other related services that improve the community's quality of life</u>	<u>Any territory, whether incorporated _____ or unincorporated, whether contiguous _____ or noncontiguous</u>	<u>Elected by resident voters to 4 year terms or appointed by the Board of Supervisors to fixed 4 year terms</u>	<u>5 Directors</u>
<u>Resource Conservation Districts</u> <u>Public Resource Code</u> <u>(§9151 et seq.)</u>	<u>Manage a diversity of resource conservation projects, including soil and water conservation projects, wildlife habitat enhancement and restoration, control of exotic plant species, watershed restoration, conservation planning, education, and many others</u>	<u>Any land shall be those generally of value for agricultural purposes, but other lands may be included in a district if necessary to conserve resources</u>	<u>Elected by resident voters to 4 year terms</u>	<u>5, 7, or 9 Directors</u>
<u>Sanitary Districts</u> <u>Health & Safety Code</u> <u>(§6400 et seq.)</u>	<u>Maintain and operate garbage dumpsites, garbage collection and disposal systems, sewers, storm water drains and storm water collection, recycling and distribution systems</u>	<u>Any county, or in two or more counties within the same natural watershed area</u>	<u>Elected by resident voters to 4 year terms</u>	<u>5 Directors</u>

<u>Special District Type & Principal Act</u>	<u>Powers & Functions</u>	<u>Formation</u>	<u>Election Process</u>	<u>Number of Board Members</u>
<u>Transit Districts</u> <u>Public Utilities Code</u> <u>(§24501 et seq.)</u>	<u>Construct and operate</u> <u>rail lines, bus lines,</u> <u>stations, platforms,</u> <u>terminals and any</u> <u>other facilities</u> <u>necessary or</u> <u>convenient for transit</u> <u>service</u>	<u>Any city together with</u> <u>unincorporated territory, or two or</u> <u>more cities, with or without</u> <u>unincorporated territory may</u> <u>organize and incorporate as a</u> <u>transit district; cities and</u> <u>unincorporated territory included</u> <u>within a district may be in the same</u> <u>or separate counties and need not</u> <u>be contiguous; no city shall be</u> <u>divided in the formation of a district</u>	<u>Elected by</u> <u>resident</u> <u>voters to 2-</u> <u>4 year</u> <u>terms</u>	<u>7 Directors</u>
<u>Water Conservation Districts</u> <u>Water Code</u> <u>(§74000 et seq.)</u>	<u>Maintain, survey, and</u> <u>research water</u> <u>supplies</u>	<u>Unincorporated territory or partly</u> <u>within unincorporated and partly</u> <u>within incorporated territory, and</u> <u>may be within one or more counties</u> <u>that need water conservation</u> <u>services; territory does not need to</u> <u>be contiguous</u>	<u>Elected by</u> <u>resident</u> <u>voters to 4</u> <u>year terms</u>	<u>3, 5 or 7</u> <u>Directors</u>
<u>Water Replenishment Districts</u> <u>Water Code</u> <u>(§60000 et seq.)</u>	<u>Replenish the water</u> <u>and protect and</u> <u>preserve the</u> <u>groundwater supplies</u>	<u>Any land entirely within</u> <u>unincorporated territory, or partly</u> <u>within unincorporated territory and</u> <u>partly within incorporated territory,</u> <u>and within one or more counties in</u> <u>this state</u>	<u>Elected by</u> <u>resident</u> <u>voters to 4</u> <u>year terms</u>	<u>5 Directors</u>

~~I. DEFINITIONS~~

~~The following definitions shall apply under these rules and regulations:~~

- ~~a) "Commission" means the Santa Cruz Local Agency Formation Commission.~~
- ~~b) "District" means an agency of the State as defined by Section 56036 of the Government Code which is wholly or partially located in Santa Cruz County.~~
- ~~c) "Executive Officer" means the executive officer appointed by the Commission or the County officer acting as the executive officer.~~
- ~~d) "Function" means any power granted by law to a local agency or a county to provide designated governmental or proprietary services or facilities for the use, benefit, or protection of persons or property (Gov. Code 56040).~~
- ~~e) "Legislative body" means the legislative body or the governing board of a district as defined in these regulations.~~
- ~~f) "Proceedings" means proceedings taken pursuant to these regulations.~~
- ~~g) "Proposal" means a request or statement of intention made by a resolution of application of a legislative body proposing proceedings for the provision of additional functions or services.~~
- ~~h) "Service" means a class established within and as a part of a single function, as hereinafter provided by these rules and regulations of the Commission (Gov. Code 56074).~~

~~III. POWERS OF THE COMMISSION~~

~~The Commission may:~~

- ~~a) classify the various types of service which customarily are or can be provided~~

- ~~within a single function of a special district (Gov. Code 56451).~~
- ~~b) require existing districts to file written reports with the Commission specifying the functions or classes of service provided by such districts (Gov. Code 56451).~~
- ~~c) identify the nature, location, and extent of any functions or classes of service provided by existing districts (Gov. Code 56451).~~
- ~~d) determine that, except as otherwise authorized by such rules and regulations, no new or different function or class of service shall be provided by any existing district (Gov. Code 56451).~~

~~These rules and regulations shall not apply to the extension or enlargement, within the boundaries of an existing special district, of any function or service which the~~

~~Commission, pursuant to this Article has determined is currently being provided by such special district.~~

~~These rules shall not apply to any function or service which a district is specifically mandated to provide under state law.~~

IV. ~~CLASSIFICATION OF FUNCTIONS AND SERVICES~~

<u>FUNCTION</u>	<u>SERVICES</u>
<u>Cemeteries</u>	<u>Cemeteries</u>
<u>Fire and All Emergency Medical Services</u>	<u>Fire Protection</u> <u>First Response, Basic Life Support</u> <u>First Response, Paramedic Service</u> <u>Patient Transport</u> <u>Hazardous Materials</u> <u>(Including administration and response)</u> <u>Rescue Services</u> <u>Disaster Planning and Response</u> <u>Weed Abatement</u>
<u>Flood Control</u>	<u>Flood Control</u>
<u>Harbor</u>	<u>Harbor facilities and services</u> <u>Public access</u> <u>Safety</u> <u>Visitor Services</u>
<u>Parks and Recreation</u>	<u>Park Acquisition</u> <u>Development</u> <u>Operation and Maintenance</u> <u>Recreational and Educational Activities</u>
<u>Pest and Vector Control</u>	<u>Pest and Vector Control</u>
<u>Police</u>	<u>Police</u> <u>Security Patrols</u>
<u>Public Transportation</u>	<u>Land Transportation</u>
<u>Roads, Streets and Highways</u>	<u>Road Improvement</u> <u>Road Maintenance</u> <u>Road Landscaping</u> <u>School Crossing Guards</u>
<u>Sewer</u>	<u>Sewage Collection</u> <u>Sewage Transportation</u> <u>Sewage Treatment</u> <u>Sewage Reclamation</u> <u>Sewage Disposal</u> <u>Septic Tank Maintenance</u>
<u>Soil Conservation</u>	<u>Soil Conservation</u>
<u>Solid Wastes</u>	<u>Waste Collection</u> <u>Waste Disposal</u> <u>Recycling</u>

REQUIREMENTS OF SPECIAL DISTRICTS

Upon the adoption of these regulations, each special district shall, at the request of the executive officer,

~~provide, to the satisfaction of the Commission, the following materials within 30 days of such request:~~

~~a report of which functions and services are currently being provided by that district;
a reference to the state code section or sections which authorize the rendering of such functions and services;
if specifically required by the executive officer, a map, showing the boundaries of the district and the location(s) where functions and services are provided.~~

~~For purposes of these rules and regulations, a district shall be deemed to be providing a function or service if bonds have been authorized therefore; if substantial sums have been expended; if property, facilities, or equipment have been acquired or constructed for such purpose; or if the district is actually exercising its powers to provide such function or service for the benefit of lands or inhabitants within the district.~~

~~If by December 7, 1884, an agency has adopted a resolution of intention to draft a groundwater management plan pursuant to AB 3030 (Water Code Section 10753), that agency is considered to be providing a groundwater management service. If the plan is not subsequently adopted within two years, the agency will no longer be classified as providing groundwater management services. Three years or more after a groundwater management plan has been adopted, if the Commission has information that an agency has not implemented the plan, the Commission may prepare an analysis and schedule a public hearing to consider whether to withdraw the classification of the agency as a provider of groundwater management services. The Commission shall not withdraw the classification unless it can find that the agency has not implemented one or more elements of the plan.~~

COMMISSION DETERMINATION

~~Following the receipt of such materials from a district as provided for in Section V, the Commission shall determine:~~

~~to approve with or without amendment, wholly or partially or to disapprove the report on the functions and services currently being provided by the district and the location (where such functions or services are being provided);
to refer the report back to the district having submitted it and request modification of such report; the Commission shall set a reasonable date for the re-submittal of such~~

~~modified report.~~

~~STUDY BY COMMISSION~~

~~In the event the Commission disapproves a report on the functions and services, the Commission may make its own study and report on the functions and services being provided by a district; the Commission shall, at the request of the affected district, consider its report at a public hearing with no less than 30-day notice prior to making a final determination on same.~~

~~COMMISSION APPROVAL~~

~~By approving the report of a special district as provided in Section V or by making its own report on the functions and services of a district as provided in Section VII, the Commission shall thereby identify the nature, location, and extent of the functions or services provided by such a district.~~

~~REGULATION OF NEW SERVICES~~

~~At such time as the Commission has identified the nature, location, and extent of the functions and services of any district, such district shall not provide any new or different function or class of service except as authorized by these regulations. This rule shall not apply to the extension or enlargement, within the boundaries of an existing special district, of any function or service which the Commission, determined at the time these regulations were adopted, or subsequently pursuant to the procedures in these regulations, was being provided by such special district.~~

~~PROVISION OF ADDITIONAL FUNCTIONS AND SERVICES~~

~~Any district making a proposal to provide a function or service in addition to those identified by the Commission pursuant to these regulations shall file with the Executive Officer a resolution of its governing board making application for the provision of additional functions and/or services.~~

~~RESOLUTION OF APPLICATION~~

~~A resolution of application shall be in such form as the Commission may prescribe and shall be accompanied by:~~

~~a statement of the nature of the proposal and the reasons therefore;~~

~~a description of the territory which is the subject of the proposal;~~

~~a map showing the boundaries of the subject territory;~~

~~such additional data and information as may be required by the executive officer, pertaining to any of the matters or factors which may be considered by the Commission;~~

~~the name of the officers or persons, not to exceed three, who are to be given mailed notice of hearing.~~

~~HEARING~~

~~Upon the filing of a resolution of application, the executive officer shall set the matter for hearing by the Commission.~~

~~The date of the hearing shall not be more than 90 days after such filing.~~

~~The executive officer shall cause notice of hearing to be published in a newspaper of general circulation within the area for which the provision of additional functions~~

~~and/or services are proposed, as specific in Government Code Section 56061.~~

~~DISAPPROVAL~~

~~If the Commission wholly disapproves any proposal involving the provision of such additional functions and/or services by the subject district, no proceeding shall be taken for the provision of such additional functions and/or services by the subject district for a period of one year after the date of such disapproval unless said period is waived by the Commission.~~

~~APPROVAL~~

~~If the Commission approves the provision of additional function(s) and/or service(s), the executive officer shall, within 30 days of such approval, forward to the subject district a copy of the Commission's resolution.~~

~~AMENDMENT PROCESS~~

~~The Commission will only use the noticed, public hearing procedure specified in Government Code Sections 56458-56460 to consider amending these rules.~~

~~STATE LAW~~

~~The procedures provided by these rules and regulations shall be generally guided by the provisions of Chapter 5 (commencing with Section 56450) of Part 2, Division 3, Title 5 of the Government Code.~~

LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY
RESOLUTION NO. 2020-28

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 SPECIAL DISTRICT GOVERNANCE POLICY

WHEREAS, on December 7, 1994, the Local Agency Formation Commission of Santa Cruz County ("LAFCO" or "Commission") adopted a policy governing the functions and services of independent special districts under existing laws; and

WHEREAS, these specific laws outlined in the policy were eventually repealed and replaced with the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 ("Cortese-Knox-Hertzberg Act" or "CKH Act"); and

WHEREAS, on October 7, 2020, the Commission determined that amendments to the existing policy are warranted.

NOW, THEREFORE, BE IT RESOLVED, the Commission hereby approves amendments to its Special Districts Governance Policy, as shown in Exhibit A, to clearly indicate how independent special districts are governed under LAFCO.

PASSED AND ADOPTED by the Local Agency Formation Commission of Santa Cruz County this 7th day of October 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

SPECIAL DISTRICTS GOVERNANCE POLICY

Adopted on December 7, 1994 (Resolution No. 801-D)

Last Revision on October 7, 2020 (Resolution No. 2020-28)

1. OVERVIEW

The Special Districts Governance Policy was first introduced in December 1981. The intent was to set rules and regulations that will govern the functions and services of independent special districts. The purpose was to clarify the legal requirements under Government Code Section 56450 et seq. These particular sections were eventually repealed and replaced with the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 ("Cortese-Knox-Hertzberg Act" or "CKH Act"). The Cortese-Knox-Hertzberg Act establishes procedures for local government changes or organization, including city incorporations, annexations to a city or special district, and city and special district consolidations.

2. GOVERNANCE

There are three primary sources of authority for forming and reorganizing special districts. The first is the special district's enabling act. Most types of districts have a series of statutes specific to that type of special district. These statutes often contain the procedures for creating that type of special district. The second is the Cortese-Knox-Hertzberg Act, which governs the establishment and reorganizations of local governments. Finally, there is the District Organization Law, which provides standardized special district organization and governance procedures for certain types of special districts¹.

For purposes of this policy, the following sections will focus on the special districts under LAFCO's purview in accordance with Government Code Section 56036:

- a) "District" or "special district" are synonymous and mean an agency of the state, formed pursuant to general law or special act, for the local performance of governmental or proprietary functions within limited boundaries and in areas outside district boundaries when authorized by the commission pursuant to Government Code Section 56133.
- b) "District" or "special district" includes a county service area, but excludes all of the following: (1) The state, (2) A county, (3) A city, (4) A school district or a community college district, (5) An assessment district or special assessment district, (6) An improvement district, (7) A community facilities district formed pursuant to the Mello-Roos Community Facilities Act of 1982 (California Government Code section 53311 et seq.), (8) A permanent road division (formed pursuant to California Government Code 1160), (9) An air pollution control district or an air quality maintenance district, and (10) A zone of any special district.

¹ California Special Districts Association – Laws Governing Special Districts (December 23, 2015)

3. PRINCIPAL ACTS

Principal Acts are statutes established for an entire category of special districts. The Commission creates and governs independent special districts under the authority of these acts. Each special district type has its own principal act. Exhibit A is a list of independent special district types, the location of the associated principal act, and other relevant information about the district types.

4. SPECIAL ACTS

Special Acts are statutes that address the specific needs of a community and establish a specific special district to address those needs. These districts (rather than district types) are uniquely created by the Legislature. Below is a list of special acts affecting Santa Cruz County:

Type	Code Section
Flood Control	
Santa Cruz County Flood Control and Water Conservation District Act (1955; Chapter 1489)	Water Code (77-1)
Transit	
Santa Cruz Metropolitan Transit District Act of 1967	Public Utilities Code (§98000 et seq.)
Water Agency or Authority	
County Water Authority Act (1943; Chapter 545)	Water Code (45-1)
Pajaro Valley Water Management Agency Act (1984)	Water Code (124-1)



Special District Principal Acts

Special District Type & Principal Act	Powers & Functions	Formation	Election Process	Number of Board Members
Airport Districts Public Utilities Code (§22001 et seq.)	Assist in the development of airports, spaceports, and air navigation facilities	Any territories of one or more counties and one or more cities, all or any part of any city and any part of the unincorporated territory of any county; the boundaries of a district may be altered and outlying contiguous territory in the same or an adjoining county annexed to the district.	Elected by resident voters to 4 year terms	5 Directors
California Water Districts Water Code (§34000 et seq.)	Maintain the necessary works for the production, storage, and distribution of water for irrigation, domestic, industrial, and municipal purposes, and any drainage or reclamation works	Any area of land which is capable of using water beneficially for irrigation, domestic, industrial or municipal purposes and which can be serviced from common sources of supply and by the same system of works; area need not be contiguous	Elected by landowner voters to 4 year terms	At least 5 Directors (may be increased to 7, 9, or 11)
California Water Storage Districts Water Code (§39000 et seq.)	Maintain the necessary works for the storage and distribution of water and drainage or reclamation works	Any land irrigated or capable of irrigation from a common source; under specific conditions the district need not be contiguous	Elected by landowner voters to 4 year terms	At least 5 Directors
Citrus Pest Districts Food & Agri. Code (§8401 et seq.)	Control and eradicate citrus pests	Any county devoted exclusively to the growing of citrus fruits	Appointed by the Board of Supervisors to fixed 4 year terms	5 Directors
Community Services Districts Government Code (§61000 et seq.)	Provide up to 32 different services such as, water, garbage collection, wastewater management, security, fire protection, public recreation, street lighting, mosquito abatement services, etc.	Any county or counties of an unincorporated territory or incorporated territory of a contiguous or noncontiguous area	Elected by resident voters to 4 year terms	5 Directors
Cotton Pest Abatement Districts Food & Agri. Code (§6051 et seq.)	Control and prevent introduction of pests, and oversee cotton plants in areas that are at risk of pests	Any land in more than one of the counties of Imperial, Los Angeles, Orange, Riverside, San Bernardino, San Diego, and Ventura with the consent of the Board of Supervisors of the counties affected	Appointed by the Board of Supervisors to fixed 4 year terms	5 Directors

Special District Type & Principal Act	Powers & Functions	Formation	Election Process	Number of Board Members
County Sanitation Districts Health & Safety Code (§4700 et seq.)	Maintain and operate sewage systems and sewage disposal or treatment plants	Any unincorporated or incorporated territory or both; the incorporated territory included in the district may include the whole or part of one or more cities with the permission of that city	Elected by resident voters to 4 year terms or may choose to have a mixed board	3 Directors
County Water Districts Water Code (§30000 et seq.)	Develop regulations for the distribution and consumption of water; sell water; collect and dispose sewage, garbage, waste, trash and storm water; store water for future needs; may generate hydroelectric power; and provide fire protection under specified conditions	Any county or two or more contiguous counties or of a portion of such county or counties, whether the portion includes unincorporated territory or not	Elected by resident voters to 4 year terms	At least 5 Directors (may be increased to 7, 9, or 11)
Fire Protection Districts Health & Safety Code (§13800 et seq.)	Provide fire protection and other emergency services	Any territory, whether incorporated or unincorporated, whether contiguous or noncontiguous, may be included	Elected by resident voters to 4 year terms or appointed by the Board of Supervisors (and City Council where applicable) to fixed 4 year terms	May be 3, 5, 7, 9, or 11 Directors (not to exceed 11)
Harbor Districts Harbors & Navigation Code (§6000 et seq.)	Manage any bay, harbor, inlet, river, channel, etc. in which tides are affected by the Pacific Ocean	Any portion or whole part of a county, city, or cities, the exterior boundary of which includes a harbor	Elected by resident voters to 4 year terms	5 Commissioners
Health Care / Hospital Districts Health & Safety Code (§32000 et seq.)	Establish, maintain, and operate, or provide assistance in the operation of, one or more health facilities or health services, including, but not limited to: outpatient programs, services, and facilities; retirement programs, services, and facilities; chemical dependency programs, services, and facilities	Any incorporated or unincorporated territory, or both, or territory in any one or more counties; the territory comprising this district need not be contiguous but the territory of a municipal corporation shall not be divided	Elected by resident voters to 4 year terms	5 Directors

Special District Type & Principal Act	Powers & Functions	Formation	Election Process	Number of Board Members
Irrigation Districts Water Code (§20500 et seq.)	Sell and lease water; operate sewage collection and disposal system; deliver water for fire protection; dispose and salvage sewage water; protect against damage from flood or overflow; provide drainage made necessary by the irrigation provided; maintain recreational facilities in connection with any dams, reservoirs, etc.; and operate and sell electrical power	Any land capable of irrigation; includes land used for residential or business purposes susceptible of receiving water for domestic or agriculture purposes; need not be contiguous	Elected by resident voters to 4 year terms	3 or 5 Directors
Levee Districts Water Code (§70000 et seq.)	Protect the district's land from overflow by constructing and maintaining the necessary infrastructure	Any county or counties or any portion thereof of an unincorporated territory or incorporated territory in need of protection of the lands of the district from overflow and for the purpose of conserving or adding water to the sloughs and drains	Elected by landowner voters to 4 year terms	3 Directors
Library Districts Education Code (§19400 et seq.)	Equip and maintain a public library in order to exhibit knowledge in a variety of areas	Any incorporated or unincorporated territory, or both, in any one or more counties, so long as the territory of the district consists of contiguous parcels and the territory of no city is divided	Appointed by the Board of Supervisors to fixed 4 year terms	3 or 5 Trustees
Memorial Districts Military & Veterans Code (§1170 et seq.)	Operate and maintain memorial halls, meeting places, etc. for veterans	Any incorporated territory of the county together with any contiguous unincorporated territory thereof; or may be formed entirely of contiguous incorporated territory; or entirely of contiguous unincorporated territory	Elected by resident voters to 4 year terms	5 Directors
Mosquito Abatement & Vector Control Districts Health & Safety Code (§2000 et seq.)	Conduct effective programs for the surveillance, prevention, abatement and control of mosquitos and other vectors	Any territory, whether incorporated or unincorporated, whether contiguous or noncontiguous and districts may not overlap	Appointed by the Board of Supervisors or the City Council to fixed 2-4 year terms	5 Trustees

Special District Type & Principal Act	Powers & Functions	Formation	Election Process	Number of Board Members
Municipal Utility Districts Public Utilities Code (§11501 et seq.)	Manage and supply light, water, power, heat, transportation, telephone service, or other means of communication, or means for the collection, treatment, or disposition of garbage, sewage or refuse matter	Any public agency together with unincorporated territory, or two or more public agencies, with or without unincorporated territory; public agencies and unincorporated territory included within a district may be in the same or separate counties and need not be contiguous; no public agency shall be divided in the formation of a district	Elected by resident voters to 2-4 year terms	5 Directors
Municipal Water Districts Water Code (§71000 et seq.)	Develop and sell water; promote water use efficiency; operate public recreational facilities; provide fire protection; collect and dispose trash, garbage, sewage, storm water and waste; and generate, sell and deliver hydroelectric power	Any county or counties, or of any portions thereof, whether such portions include unincorporated territory only or incorporated territory of any city or cities; cities and unincorporated territory does not need to be contiguous	Elected by resident voters to 4 year terms	5 Directors
Police Protection Districts Health & Safety Code (§20000 et seq.)	Provide police service to a community	May be formed in unincorporated towns	Elected by resident voters to 2-4 year terms	3 Commissioners
Port Districts Harbors & Navigation Code (§6200 et seq.)	Maintain and secure the ports	Shall include one municipal corporation and any contiguous unincorporated territory in any one county, but a municipal corporation shall not be divided	Appointed by the Board of Supervisors and City Council to fixed 4 year terms, and approved by resident voters	5 Commissioners
Public Cemetery Districts Health & Safety Code (§9000 et seq.)	Maintain public cemeteries in communities as necessary	Any territory, whether incorporated or unincorporated, whether contiguous or noncontiguous; districts may not overlap	Appointed by the Board of Supervisors to fixed 4 year terms	3 or 5 Trustees

Special District Type & Principal Act	Powers & Functions	Formation	Election Process	Number of Board Members
Public Utility Districts Public Utilities Code (§15501 et seq.)	Maintain the infrastructure to provide electricity, natural gas, water, power, heat, transportation, telephone service, or other means of communication, or the disposition of garbage, sewage, or refuse matter	May be incorporated and managed in unincorporated territory	Elected by resident voters to 2-4 Year terms	At least 3 Directors
Reclamation Districts Water Code (§50000 et seq.)	Reclaim and maintain land that is at risk of flooding for a variety of purposes	Any land within any city in which land is subject to overflow or incursions from the tide or inland waters of the state	Elected by landowner voters to 4 year terms	3, 5 or 7 Trustees
Recreation & Park Districts Public Resource Code (§5780 et seq.)	Organize and promote programs of community recreation, parks and open space, parking, transportation and other related services that improve the community's quality of life	Any territory, whether incorporated or unincorporated, whether contiguous or noncontiguous	Elected by resident voters to 4 year terms or appointed by the Board of Supervisors to fixed 4 year terms	5 Directors
Resource Conservation Districts Public Resource Code (§9151 et seq.)	Manage a diversity of resource conservation projects, including soil and water conservation projects, wildlife habitat enhancement and restoration, control of exotic plant species, watershed restoration, conservation planning, education, and many others	Any land shall be those generally of value for agricultural purposes, but other lands may be included in a district if necessary to conserve resources	Elected by resident voters to 4 year terms	5 ,7, or 9 Directors
Sanitary Districts Health & Safety Code (§6400 et seq.)	Maintain and operate garbage dumpsites, garbage collection and disposal systems, sewers, storm water drains and storm water collection, recycling and distribution systems	Any county, or in two or more counties within the same natural watershed area	Elected by resident voters to 4 year terms	5 Directors

Special District Type & Principal Act	Powers & Functions	Formation	Election Process	Number of Board Members
Transit Districts Public Utilities Code (\$24501 et seq.)	Construct and operate rail lines, bus lines, stations, platforms, terminals and any other facilities necessary or convenient for transit service	Any city together with unincorporated territory, or two or more cities, with or without unincorporated territory may organize and incorporate as a transit district; cities and unincorporated territory included within a district may be in the same or separate counties and need not be contiguous; no city shall be divided in the formation of a district	Elected by resident voters to 2-4 year terms	7 Directors
Water Conservation Districts Water Code (\$74000 et seq.)	Maintain, survey, and research water supplies	Unincorporated territory or partly within unincorporated and partly within incorporated territory, and may be within one or more counties that need water conservation services; territory does not need to be contiguous	Elected by resident voters to 4 year terms	3, 5 or 7 Directors
Water Replenishment Districts Water Code (\$60000 et seq.)	Replenish the water and protect and preserve the groundwater supplies	Any land entirely within unincorporated territory, or partly within unincorporated territory and partly within incorporated territory, and within one or more counties in this state	Elected by resident voters to 4 year terms	5 Directors

SANTA CRUZ LOCAL AGENCY FORMATION COMMISSION
RESOLUTION NO. 97-S

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

RESOLUTION OF THE SANTA CRUZ LOCAL AGENCY FORMATION COMMISSION
ADOPTING FEASIBILITY STUDY GUIDELINES
FOR CITY INCORPORATION PROPOSALS

The Santa Cruz Local Agency Formation Commission does hereby RESOLVE, DETERMINE,
AND ORDER as follows:

1. The Commission has held a noticed, public hearing regarding the Feasibility Study Guidelines for City Incorporation Proposals on February 1, 1989, March 1, 1989, and April 5, 1989.
2. No such guidelines have been adopted previously by the Commission.
3. Guidelines would assist the public in determining the contents of any feasibility study to be prepared as part of an incorporation application to the Commission.
4. Adoption of these guidelines is statutorily exempt from further compliance with the California Environmental Quality Act pursuant to Section §15262 of the State CEQA Guidelines.
5. The attached “Feasibility Study Guidelines for City Incorporation Proposals” are hereby adopted by the Commission.
6. The Commission’s staff is hereby directed to include the guidelines in Chapter 13 of the LAFCO Handbook.

PASSED AND ADOPTED by the Local Agency Formation Commission of the County of Santa Cruz this fifth day of April, 1989, by the following vote:

AYES: Commissioners Garcia, Levy, Wormhoudt, Patton
NOES: Commissioner Murphy
ABSENT: None

/signed/ROBLEY LEVY, CHAIRPERSON
Santa Cruz Local Agency Formation Commission

Attest: Patrick M. McCormick, Executive Officer

SANTA CRUZ LAFCO FEASIBILITY STUDY GUIDELINES FOR CITY INCORPORATION PROPOSALS

In each county, a Local Agency Formation Commission (LAFCO) has been set up by the State of California to regulate city incorporations and other boundary changes to cities and districts. LAFCO's charter is to promote the orderly formation and development of local governments through its enforcement of state-mandated procedures, State policies, and local LAFCO policies.

The purpose of these guidelines is to provide guidance to citizens who are considering and proposing the incorporations of a new city within the County of Santa Cruz. These guidelines do not supercede State law or local policies. Local policies include "Spheres of Influence Policies and Guidelines" and "Standards for Evaluating Proposals." In order to make a final decision on a particular proposal, LAFCO may need additional information not specified in these guidelines. While LAFCO will assist in obtaining any additional information that is needed, the proponents may also have to prepare additional information.

PURPOSE OF FEASIBILITY STUDY

The preparation of an incorporation feasibility study is the responsibility of the proponents of a city incorporation. It is an important step in the process. It allows the proponents to understand and, in turn, explain to the citizenry how the new city would operate. Major topics include boundaries, functions, revenues, and expenditures. The feasibility study allows LAFCO to review the effects of the proposal on the entire structure of governmental services. Two of LAFCO's major duties are to make sure that the new city would have sufficient funds with which to operate and would not negatively impact the provision of services by other governmental agencies.

STATUTORY BASIS

Incorporation proceedings are set up by the Cortese-Knox Local Government Reorganization Act of 1985 (Government Code Sections §56000-57550). Under the act, LAFCO has the responsibility to review applications and to approve; approve subject to amendments, conditions or modifications; or deny applications. If the proposal is rejected by LAFCO, the law specifies a one-year waiting period before the proponents may initiate another incorporation proposal. If a proposal is approved, LAFCO will forward it to the County Board of Supervisors, which is responsible for calling an election

within the authorized incorporation boundaries. If a majority of registered voters in the proposed city petition the Board of Supervisors to terminate the incorporation process, it is terminated and cannot be resubmitted for two years. If a majority of the citizens in the incorporation area vote for the incorporation, then the new city is incorporated. If the proposal is defeated at the election, then there is a two-year waiting period.

CONTENTS OF FEASIBILITY STUDY

In order for LAFCO to make its decision, sufficient information needs to be put on record and analyzed by the citizens, the affected governmental agencies, and LAFCO staff. The basic elements of a feasibility study are:

- 1) Reason for proposal.
- 2) Proposed boundary map at a scale that allows the identification of individual assessor's parcels.
- 3) The population and number of registered voters in the incorporation area. Projection of population growth for the next ten years.
- 4) The assessed value of the property in incorporation area.
- 5) A description of the local agencies which presently serve the community, with a discussion of the range and level of services currently provided.
- 6) A list and discussion of the functions that the new city would assume.
- 7) A discussion and supporting data on the financial and service efficiency impacts that the proposal would have on all governmental agencies that would give up service responsibility as a result of this proposal. This discussion should include the effects of the incorporation on adjacent communities, special districts, and the County.
- 8)
 - a. A list and descriptions of the county and special district functions that the new city is not proposed to assume.
 - b. A list of the special districts that are proposed to continue services to the new city and a discussion of the foreseeable level of services in the community after incorporation. If the proposal

would have any impacts on these districts (including economic or level of service impacts), the feasibility study should discuss the impacts and quantify them, where possible. A clear and compelling rationale must be provided if the continued overlap of any special district (e.g., water, fire, parks, sanitation, or storm drainage) is proposed.

There should be a special emphasis on the impact of incorporation on the County or any special districts which are currently providing services to the area immediately surrounding the proposed city.

- 9) A map showing a proposed sphere of influence of the new city, including the existing sphere of influence of any city that overlaps or comes within two miles of the proposed city sphere.
- 10) A ten-year forecast of revenues and expenditures for the new city broken out by revenue and expenditure categories. The forecast should include the applicable categories in the same order. Where fees will be set by municipality, include projection of fee levels and anticipated volume.

Revenue

- a. Property Tax
- b. Sales and Use Taxes
- c. Transportation Taxes
- d. Transient Lodging Taxes
- e. Franchise
- f. Business License Taxes
- g. Real Property Transfer Taxes
- h. Utility Users Tax
- i. Construction Permits
- j. Vehicle Code Fines and Forfeitures
- k. Investment Earnings
- l. State Motor Vehicle In-Lieu Tax
- m. State Cigarette Tax
- n. State Homeowners Relief Tax
- o. State Gasoline Tax and SB 325 Funds
- p. Federal Aid for Urban Streets
- q. Zoning and Subdivision Fees
- r. Plan Checking Fees
- s. Animal Shelter Fees
- t. Engineering Fees

- u. Weed and Lot Cleaning
- v. Sewer Service Charges and Connection Fees
- w. Solid Waste Revenues
- x. Library Fines and Fees
- y. Park and Recreation Fees
- z. Water Service Charges and Connection Fees
- aa. Other
- bb. Total Revenue above

Expenses

- a. Legislative
- b. Management and Support
- c. Capital Improvements (Municipal Buildings, etc.)
- d. Police
- e. Fire
- f. Animal Regulation
- g. Weed Abatement
- h. Street Lighting
- i. Disaster Preparedness
- j. Streets, Highways, and Storm Drains
- k. Street Trees and Landscaping
- l. Public Transit
- m. Planning
- n. Construction and Engineering Regulations Enforcement
- o. Housing and Community Development
- p. Community Promotion
- q. Physical and Mental Health
- r. Solid Waste
- s. Sewers
- t. Parks and Recreation
- u. Libraries
- v. Water
- w. Child Care
- x. Senior Services
- y. Other
- z. Total Expenses Above

The above list is not meant to be all-inclusive. Additional items may be added. When appropriate, any additions should be included in the same category as outlined in the State Controller's Annual Report of the Financial Transactions Concerning Cities of California.

The expenditure chart should summarize the level of service and basis for each expenditure. Projected staffing levels should be included. The background information should be included in the report and based on prevailing staffing patterns and wage rates in comparable communities.

- 11) A map of any agricultural or other open space lands in the incorporation boundaries, or the proposed sphere of influence. A discussion of the effect of the proposal on maintaining or converting these lands to other uses.
- 12) A justification of the proposed boundaries explaining why certain sub-areas were included and why adjoining sub-areas were excluded.
- 13) Based upon existing master plans and capital improvement programs of the County and affected districts, the feasibility study shall include a list of planned capital improvements related to city responsibilities, their costs, an indication of which projects would likely be funded, and the source of the funds.

EARLY DISTRIBUTION OF FORECAST OF LOCAL REVENUES

Upon learning that a community group has been formed to sponsor an incorporation effort and after receiving an appropriate street map of the proposed city from the proponents, LAFCO staff will request a FORECAST OF LOCAL REVENUES from the proper State and/or County agencies to determine what funds would be available to the new city.

FURTHER ASSISTANCE

LAFCO staff is available incorporation proponents, opponents, affected public agencies, and the general citizenry to provide further assistance. This assistance includes explanations of the incorporation process, copies of the incorporation laws and LAFCO policies, and notices of LAFCO's hearing on the incorporation proposal.

~~SANTA CRUZ LOCAL AGENCY FORMATION
COMMISSION RESOLUTION NO. 97-S~~

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

~~RESOLUTION OF THE SANTA CRUZ LOCAL AGENCY FORMATION
COMMISSION ADOPTING FEASIBILITY STUDY GUIDELINES
FOR CITY INCORPORATION PROPOSALS~~

~~*****~~

~~** The Santa Cruz Local Agency Formation Commission does hereby RESOLVE,
DETERMINE, AND ORDER as follows:~~

- ~~1. The Commission has held a noticed, public hearing regarding the Feasibility Study Guidelines for City Incorporation Proposals on February 1, 1989, March 1, 1989, and April 5, 1989.~~
- ~~2. No such guidelines have been adopted previously by the Commission.~~
- ~~3. Guidelines would assist the public in determining the contents of any feasibility study to be prepared as part of an incorporation application to the Commission.~~
- ~~4. Adoption of these guidelines is statutorily exempt from further compliance with the California Environmental Quality Act pursuant to Section §15262 of the State CEQA Guidelines.~~
- ~~5. The attached "Feasibility Study Guidelines for City Incorporation Proposals" are hereby adopted by the Commission.~~
- ~~6. The Commission's staff is hereby directed to include the guidelines in Chapter 13 of the LAFCO Handbook.~~

~~PASSED AND ADOPTED by the Local Agency Formation Commission of the County of Santa Cruz this fifth day of April, 1989, by the following vote:~~

~~AYES: Commissioners Garcia, Levy, Wormhoudt,
Patton NOES: Commissioner Murphy
ABSENT: None~~

~~/signed/ROBLEY LEVY, CHAIRPERSON
Santa Cruz Local Agency Formation~~

~~Commission Attest: Patrick M. McCormick,~~

~~Executive Officer~~

~~97-S~~



LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY

CITY INCORPORATION POLICY

Adopted on April 5, 1989 (Resolution No. 97-S)

Last Revision on October 7, 2020 (Resolution No. 2020-29)

SANTA CRUZ LAFCO

FEASIBILITY STUDY GUIDELINES FOR CITY INCORPORATION PROPOSALS

1. OVERVIEW

In each county, a Local Agency Formation Commission (LAFCO) has been set up by the State of California to regulate city incorporations and other boundary changes to cities and districts. LAFCO's ~~charter-mission~~ is to promote the orderly formation and development of local governments through its enforcement of state-mandated procedures, State policies, and local LAFCO policies.

The purpose of these guidelines is to provide guidance to citizens who are considering and proposing the incorporations of a new city within the County of Santa Cruz ("~~County~~"). These guidelines do not ~~supercede-supersede~~ State law or local policies. Local policies include "Spheres of Influence Policies and Guidelines" and "Standards for Evaluating Proposals." In order to make a final decision on a particular proposal, LAFCO may need additional information not specified in these guidelines. While LAFCO will assist in obtaining any ~~addional-additional~~ information that is needed, the proponents may also have to prepare additional information.

1.2. PURPOSE OF FEASIBILITY STUDY

The preparation of an incorporation feasibility study is the responsibility of the proponents of a city incorporation. It is an important step in the process. It allows the proponents to understand and, in turn, explain to the citizenry how the new city would operate. Major topics include boundaries, functions, revenues, and expenditures. The feasibility study allows LAFCO to review the effects of the proposal on the entire structure of governmental services. Two of LAFCO's major duties are to make sure that the new city would have sufficient funds with which to operate and would not negatively impact the provision of services by other governmental agencies.

2.3. STATUTORY BASIS

Incorporation proceedings are set up by the Cortese-Knox Local Government Reorganization Act of 1985 (Government Code Sections §56000-57550)(~~the "Act"~~). Under the ~~act~~Act, LAFCO has the responsibility to review applications and to approve; approve subject to amendments, conditions or modifications; or deny applications. If LAFCO denies the proposal ~~is rejected by LAFCO~~, the Act law specifies a one-year waiting period before the proponents may initiate another

incorporation proposal. If a proposal is approved, LAFCO will forward it to the County Board of Supervisors, which is responsible for calling an election

~~Page 4~~

within the authorized incorporation boundaries. If a majority of registered voters in the proposed city petition the Board of Supervisors to terminate the incorporation process, it is terminated and cannot be resubmitted for ~~two~~two years. If a majority of ~~the citizens~~registered voters in the incorporation area vote for the incorporation, then the new city is incorporated. If the proposal is defeated at the election, then there is a two-year waiting period.

3.4. CONTENTS OF FEASIBILITY STUDY

~~In order for~~For LAFCO to make its decision, sufficient information needs to be put on record and analyzed by the ~~citizens~~registered voters, the affected governmental agencies, and LAFCO staff. The basic elements of a feasibility study are:

- 1) Reason for proposal~~l.~~
- 2) Proposed boundary map at a scale that allows the identification of individual assessor's parcels~~.~~
- 3) The population and number of registered voters in the incorporation area. Projection of population growth for the next ten years~~.~~
- 4) The assessed value of the property in incorporation area~~.~~
- 5) A description of the local agencies which presently serve the community, with a discussion of the range and level of services currently provided~~.~~
- 6) A list and discussion of the functions that the new city would assume~~.~~
- 7) A discussion and supporting data on the financial and service efficiency impacts that the proposal would have on all governmental agencies that would give up service responsibility as a result of this proposal. This discussion should include the effects of the incorporation on adjacent communities, special districts, and the County~~.~~
- 8) A list and descriptions of the County and special district functions that the new city is not proposed to assume, a list of the special districts that are proposed to continue services to the new city, and a discussion of the foreseeable level of services in the community after incorporation. If the new city would have any impacts on these districts (including economic or level of service impacts), the feasibility study should discuss the impacts and quantify them, where possible.

A clear and compelling rationale must be provided if the continued overlap of any special district (e.g., water, fire, parks, sanitation, or storm drainage) is proposed. There should be a special emphasis on the impact of incorporation on the County or any special districts which are currently providing services to the area immediately surrounding the proposed city.

- ~~7)~~9) A map showing a proposed sphere of influence of the new city, including the existing sphere of influence of any city that overlaps or comes within two miles of the proposed city sphere.

8)10) A ten-year forecast of revenues and expenditures for the new city broken out by revenue and expenditure categories. The forecast should include the applicable categories in the same order. Where fees will be set by municipality, include projection of fee levels and anticipated volume. Table A depicts the required financial information as part of the ten-year projections.

Table A: Ten-Year Forecast (Revenue & Expenditure)

Revenue	Expenditure
<u>1. Property Tax</u>	<u>1. Legislative</u>
<u>2. Sales and Use Taxes</u>	<u>2. Management and Support</u>
<u>3. Transportation Taxes</u>	<u>3. Capital Improvements (Municipal Buildings, etc.)</u>
<u>4. Transient Lodging Taxes</u>	<u>4. Police</u>
<u>5. Franchise</u>	<u>5. Fire</u>
<u>6. Business License Taxes</u>	<u>6. Animal Regulation</u>
<u>7. Real Property Transfer Taxes</u>	<u>7. Weed Abatement</u>
<u>8. Utility Users Tax</u>	<u>8. Street Lighting</u>
<u>9. Construction Permits</u>	<u>9. Disaster Preparedness</u>
<u>10. Vehicle Code Fines and Forfeitures</u>	<u>10. Streets, Highways, and Storm Drains</u>
<u>11. Investment Earnings</u>	<u>11. Street Trees and Landscaping</u>
<u>12. State Motor Vehicle In-Lieu Tax</u>	<u>12. Public Transit</u>
<u>13. State Cigarette Tax</u>	<u>13. Planning</u>
<u>14. State Homeowners Relief Tax</u>	<u>14. Construction and Engineering Regulations Enforcement</u>
<u>15. State Gasoline Tax and SB 325 Funds</u>	<u>15. Housing and Community Development</u>
<u>16. Federal Aid for Urban Streets</u>	<u>16. Community Promotion</u>
<u>17. Zoning and Subdivision Fees</u>	<u>17. Physical and Mental Health</u>
<u>18. Plan Checking Fees</u>	<u>18. Solid Waste</u>
<u>19. Animal Shelter Fees</u>	<u>19. Sewers</u>
<u>20. Engineering Fees</u>	<u>20. Parks and Recreation</u>
<u>21. Weed and Lot Cleaning</u>	<u>21. Libraries</u>
<u>22. Sewer Service Charges and Connection Fees</u>	<u>22. Water</u>
<u>23. Solid Waste Revenues</u>	<u>23. Child Care</u>
<u>24. Library Fines and Fees</u>	<u>24. Senior Services</u>
<u>25. Park and Recreation Fees</u>	<u>25. Other Expenses</u>
<u>26. Water Service Charges and Connection Fees</u>	
<u>27. Other Revenues</u>	

The above list is not meant to be all-inclusive. Additional items may be added. When appropriate, any additions should be included in the same category as outlined in the State Controller's Annual Report of the Financial Transactions Concerning Cities of California. The expenditure chart should summarize the level of service and basis for each expenditure. Projected staffing levels should be included. The background information should be included in the report and based on prevailing staffing patterns and wage rates in comparable communities.

8)

- ~~a. A list and descriptions of the county and special district functions that the new city is not proposed to assume.~~
- ~~b. A list of the special districts that are proposed to continue services to the new city and a discussion of the foreseeable level of services in the community after incorporation. If the proposal~~

- ~~9) would have any impacts on these districts (including economic or level of service impacts), the feasibility study should discuss the impacts and quantify them, where possible. A clear and compelling rationale must be provided if the continued overlap of any special district (e.g., water, fire, parks, sanitation, or storm drainage) is proposed.~~
- ~~10)~~
- ~~11) There should be a special emphasis on the impact of incorporation on the County or any special districts which are currently providing services to the area immediately surrounding the proposed city.~~
- ~~12)~~
- ~~13) A map showing a proposed sphere of influence of the new city, including the existing sphere of influence of any city that overlaps or comes within two miles of the proposed city sphere.~~
- ~~14)~~
- ~~15) A ten-year forecast of revenues and expenditures for the new city broken out by revenue and expenditure categories. The forecast should include the applicable categories in the same order. Where fees will be set by municipality, include projection of fee levels and anticipated volume.~~
- ~~16)~~
- ~~17) Revenue~~
- ~~18)~~
- ~~19) Property Tax~~
- ~~20) Sales and Use Taxes~~
- ~~21) Transportation Taxes~~
- ~~22) Transient Lodging Taxes~~
- ~~23) Franchise~~
- ~~24) Business License Taxes~~
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- ~~38) Engineering Fees~~

- ~~39) Weed and Lot Cleaning~~
- ~~40) Sewer Service Charges and Connection Fees~~
- ~~41) Solid Waste Revenues~~
- ~~42) Library Fines and Fees~~
- ~~43) Park and Recreation Fees~~
- ~~44) Water Service Charges and Connection Fees aa. Other~~
- ~~45) bb. Total Revenue above~~
- ~~46)–~~
- ~~47) Expenses~~
- ~~48)–~~
- ~~49) Legislative~~
- ~~50) Management and Support~~
- ~~51) Capital Improvements (Municipal Buildings, etc.)~~
- ~~52) Police~~
- ~~53) Fire~~
- ~~54) Animal Regulation~~
- ~~55) Weed Abatement~~
- ~~56) Street Lighting~~
- ~~57) Disaster Preparedness~~
- ~~58) Streets, Highways, and Storm Drains~~
- ~~59) Street Trees and Landscaping~~
- ~~60) Public Transit~~
- ~~61) Planning~~
- ~~62) Construction and Engineering Regulations Enforcement~~
- ~~63) Housing and Community Development~~
- ~~64) Community Promotion~~
- ~~65) Physical and Mental Health~~
- ~~66) Solid Waste~~
- ~~67) Sewers~~
- ~~68) Parks and Recreation~~
- ~~69) Libraries~~
- ~~70) Water~~
- ~~71) Child Care~~
- ~~72) Senior Services~~
- ~~73) Other~~
- ~~74) Total Expenses Above~~
- ~~75)–~~
- ~~76) The above list is not meant to be all-inclusive. Additional items may be added. When appropriate, any additions should be included in the same category as outlined in the State Controller's Annual Report of the Financial Transactions Concerning Cities of California.~~

~~77) The expenditure chart should summarize the level of service and basis for each expenditure. Projected staffing levels should be included. The background information should be included in the report and based on prevailing staffing patterns and wage rates in comparable communities.~~

~~78)~~

~~79)~~11) A map of any agricultural or other open space lands in the incorporation boundaries, or the proposed sphere of influence. A discussion of the effect of the proposal on maintaining or converting these lands to other uses.

~~80)~~12) A justification of the proposed boundaries explaining why certain sub-areas were included and why adjoining sub-areas were excluded.

~~81)~~13) Based upon existing master plans and capital improvement programs of the County and affected districts, the feasibility study shall include a list of planned capital improvements related to city responsibilities, their costs, an indication of which projects would likely be funded, and the source of the funds.

4.5. EARLY DISTRIBUTION OF FORECAST OF LOCAL REVENUES

Upon learning that a community group has been formed to sponsor an incorporation effort and after receiving an appropriate street map of the proposed city from the proponents, LAFCO staff will request a ~~FORECAST OF LOCAL REVENUES~~ "Forecast of Local Revenues" from the proper State and/or County agencies to determine what funds would be available to the proposed new city.

5.6. FURTHER ASSISTANCE

LAFCO staff is available to incorporation proponents, opponents, affected public agencies, and the general citizenry to provide further assistance. This assistance includes explanations of the incorporation process, copies of the incorporation laws and LAFCO policies, and notices of LAFCO's hearing on the incorporation proposal.

LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY
RESOLUTION NO. 2020-29

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 CITY INCORPORATION POLICY

WHEREAS, on April 5, 1989, the Local Agency Formation Commission of Santa Cruz County ("LAFCO" or "Commission") adopted a policy and procedure to provide guidance to citizens who are considering and proposing the incorporation of a new city within the County of Santa Cruz; and

WHEREAS, on October 7, 2020, the Commission determined that amendments to the existing policy are warranted.

NOW, THEREFORE, BE IT RESOLVED, the Commission hereby approves amendments to its City Incorporation Policy, as shown in Exhibit A, to clearly indicate how a city incorporation is initiated and analyzed before Commission consideration.

PASSED AND ADOPTED by the Local Agency Formation Commission of Santa Cruz County this 7th day of October 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

CITY INCORPORATION POLICY

Adopted on April 5, 1989 (Resolution No. 97-S)

Last Revision on October 7, 2020 (Resolution No. 2020-29)

1. OVERVIEW

In each county, a Local Agency Formation Commission (LAFCO) has been set up by the State of California to regulate city incorporations and other boundary changes to cities and districts. LAFCO's mission is to promote the orderly formation and development of local governments through its enforcement of state-mandated procedures, State policies, and local LAFCO policies.

The purpose of these guidelines is to provide guidance to citizens who are considering and proposing the incorporations of a new city within the County of Santa Cruz ("County"). These guidelines do not supersede State law or local policies. Local policies include "Spheres of Influence Policies and Guidelines" and "Standards for Evaluating Proposals." In order to make a final decision on a particular proposal, LAFCO may need additional information not specified in these guidelines. While LAFCO will assist in obtaining any additional information that is needed, the proponents may also have to prepare additional information.

2. PURPOSE OF FEASIBILITY STUDY

The preparation of an incorporation feasibility study is the responsibility of the proponents of a city incorporation. It is an important step in the process. It allows the proponents to understand and, in turn, explain to the citizenry how the new city would operate. Major topics include boundaries, functions, revenues, and expenditures. The feasibility study allows LAFCO to review the effects of the proposal on the entire structure of governmental services. Two of LAFCO's major duties are to make sure that the new city would have sufficient funds with which to operate and would not negatively impact the provision of services by other governmental agencies.

3. STATUTORY BASIS

Incorporation proceedings are set up by the Cortese-Knox Local Government Reorganization Act of 1985 (Government Code Sections §56000-57550)(the "Act"). Under the Act, LAFCO has the responsibility to review applications and to approve; approve subject to amendments, conditions or modifications; or deny applications. If LAFCO denies the proposal, the Act specifies a one-year waiting period before the proponents may initiate another incorporation proposal. If a proposal is approved, LAFCO will forward it to the County Board of Supervisors, which is responsible for calling an election within the authorized incorporation boundaries. If a majority of registered voters in the proposed city petition the Board of Supervisors to terminate the incorporation process, it is terminated and cannot be resubmitted for two years. If a majority of registered voters in the incorporation area vote for the incorporation, then the new city is incorporated. If the proposal is defeated at the election, then there is a two-year waiting period.

4. CONTENTS OF FEASIBILITY STUDY

For LAFCO to make its decision, sufficient information needs to be put on record and analyzed by the registered voters, the affected governmental agencies, and LAFCO staff. The basic elements of a feasibility study are:

- 1) Reason for proposal.
- 2) Proposed boundary map at a scale that allows the identification of individual assessor's parcels.
- 3) The population and number of registered voters in the incorporation area. Projection of population growth for the next ten years.
- 4) The assessed value of the property in incorporation area.
- 5) A description of the local agencies which presently serve the community, with a discussion of the range and level of services currently provided.
- 6) A list and discussion of the functions that the new city would assume.
- 7) A discussion and supporting data on the financial and service efficiency impacts that the proposal would have on all governmental agencies that would give up service responsibility as a result of this proposal. This discussion should include the effects of the incorporation on adjacent communities, special districts, and the County.
- 8) A list and descriptions of the County and special district functions that the new city is not proposed to assume, a list of the special districts that are proposed to continue services to the new city, and a discussion of the foreseeable level of services in the community after incorporation. If the new city would have any impacts on these districts (including economic or level of service impacts), the feasibility study should discuss the impacts and quantify them, where possible.

A clear and compelling rationale must be provided if the continued overlap of any special district (e.g., water, fire, parks, sanitation, or storm drainage) is proposed. There should be a special emphasis on the impact of incorporation on the County or any special districts which are currently providing services to the area immediately surrounding the proposed city.

- 9) A map showing a proposed sphere of influence of the new city, including the existing sphere of influence of any city that overlaps or comes within two miles of the proposed city sphere.
- 10) A ten-year forecast of revenues and expenditures for the new city broken out by revenue and expenditure categories. The forecast should include the applicable categories in the same order. Where fees will be set by municipality, include projection of fee levels and anticipated volume. Table A depicts the required financial information as part of the ten-year projections.

Table A: Ten-Year Forecast (Revenue & Expenditure)

Revenue		Expenditure	
1. Property Tax		1. Legislative	
2. Sales and Use Taxes		2. Management and Support	
3. Transportation Taxes		3. Capital Improvements (Municipal Buildings, etc.)	
4. Transient Lodging Taxes		4. Police	
5. Franchise		5. Fire	
6. Business License Taxes		6. Animal Regulation	
7. Real Property Transfer Taxes		7. Weed Abatement	
8. Utility Users Tax		8. Street Lighting	
9. Construction Permits		9. Disaster Preparedness	
10. Vehicle Code Fines and Forfeitures		10. Streets, Highways, and Storm Drains	
11. Investment Earnings		11. Street Trees and Landscaping	
12. State Motor Vehicle In-Lieu Tax		12. Public Transit	
13. State Cigarette Tax		13. Planning	
14. State Homeowners Relief Tax		14. Construction and Engineering Regulations Enforcement	
15. State Gasoline Tax and SB 325 Funds		15. Housing and Community Development	
16. Federal Aid for Urban Streets		16. Community Promotion	
17. Zoning and Subdivision Fees		17. Physical and Mental Health	
18. Plan Checking Fees		18. Solid Waste	
19. Animal Shelter Fees		19. Sewers	
20. Engineering Fees		20. Parks and Recreation	
21. Weed and Lot Cleaning		21. Libraries	
22. Sewer Service Charges and Connection Fees		22. Water	
23. Solid Waste Revenues		23. Child Care	
24. Library Fines and Fees		24. Senior Services	
25. Park and Recreation Fees		25. Other Expenses	
26. Water Service Charges and Connection Fees			
27. Other Revenues			

The above list is not meant to be all-inclusive. Additional items may be added. When appropriate, any additions should be included in the same category as outlined in the State Controller's Annual Report of the Financial Transactions Concerning Cities of California. The expenditure chart should summarize the level of service and basis for each expenditure. Projected staffing levels should be included. The background information should be included in the report and based on prevailing staffing patterns and wage rates in comparable communities.

- 11) A map of any agricultural or other open space lands in the incorporation boundaries, or the proposed sphere of influence. A discussion of the effect of the proposal on maintaining or converting these lands to other uses.
- 12) A justification of the proposed boundaries explaining why certain sub-areas were included and why adjoining sub-areas were excluded.
- 13) Based upon existing master plans and capital improvement programs of the County and affected districts, the feasibility study shall include a list of planned capital improvements related to city responsibilities, their costs, an indication of which projects would likely be funded, and the source of the funds.

5. EARLY DISTRIBUTION OF FORECAST OF LOCAL REVENUES

Upon learning that a community group has been formed to sponsor an incorporation effort and after receiving an appropriate street map of the proposed city from the proponents, LAFCO staff will request a "Forecast of Local Revenues" from the proper State and/or County agencies to determine what funds would be available to the proposed new city.

6. FURTHER ASSISTANCE

LAFCO staff is available to incorporation proponents, opponents, affected public agencies, and the general citizenry to provide further assistance. This assistance includes explanations of the incorporation process, copies of the incorporation laws and LAFCO policies, and notices of LAFCO's hearing on the incorporation proposal.



Santa Cruz Local Agency Formation Commission

Date: October 7, 2020
To: LAFCO Commissioners
From: Joe Serrano, Executive Officer
Subject: **Recruitment Process – Employment Contract**

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 and copy of a draft contractual agreement for Commission consideration.

It is recommended that the Commission approve the draft contractual agreement and direct the Executive Officer to distribute the contract to the new Commission Clerk.

EXECUTIVE OFFICER'S REPORT:

This Commission developed a detailed schedule which highlights all the necessary steps to hire a new Commission Clerk. In August, the Commission received an update on various completed tasks. Additional milestones have been completed since then, including the following:

- 1) Applications: LAFCO staff received a total of 17 applications before the July 30th deadline;
- 2) Interviews: LAFCO staff conducted interviews with each candidate in mid-August; and
- 3) Top Candidate: LAFCO staff determined that one candidate has met the requirements outlined in the recruitment flyer and has the qualifications to excel in LAFCO. References were contacted on August 21 and a background check was conducted on September 17.

Next Steps

LAFCO staff has drafted a contractual agreement for Commission consideration following the completion of the preliminary hiring steps (reference and background checks). Based on the starting salary and adopted budget, and after the completion of the hiring process, staff believes that the new employee may begin around mid-December. If that occurs, the new employee will be introduced to the Commission in January of next year. In the interim, staff is recommending that the Commission approve the attached contractual agreement.

Respectfully Submitted,

A blue ink signature of Joe A. Serrano, written in a cursive style.

Joe A. Serrano
Executive Officer

Attachment: Draft Contractual Agreement



LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY

EMPLOYMENT CONTRACT BETWEEN THE LOCAL AGENCY FORMATION COMMISSION AND CHRISTOPHER L. CARPENTER

THIS CONTRACT is entered into this 12th day of October 2020, by and between the **LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY** (hereinafter referred to as LAFCO or Commission), and **CHRISTOPHER L. CARPENTER** (hereinafter referred to as Employee).

WITNESSETH

WHEREAS, LAFCO has designated the Executive Officer as the appointing authority for hiring new employees; and

WHEREAS, the Executive Officer desires to employ Christopher L. Carpenter as the Commission Clerk for the Local Agency Formation Commission; and

WHEREAS, Christopher L. Carpenter desires to serve as the Commission Clerk of the Local Agency Formation Commission pursuant to the terms of this Employment Contract; and

WHEREAS, the Executive Officer and Christopher L. Carpenter desire to specify in a Contract the terms and conditions of Mr. Carpenter's employment as the Commission Clerk.

NOW, THEREFORE, the parties do mutually agree as follows:

Section 1. Employment: The Executive Officer hereby engages Employee, as Commission Clerk of the Local Agency Formation Commission, and Employee hereby agrees to perform for LAFCO the services hereinafter set forth for the compensation and benefits hereinafter set forth, all pursuant to the terms and conditions herein.

Section 2. Scope of Services: Pursuant to this contract, Employee shall perform all functions and duties of the Commission Clerk, as specified in the job description, and such legally permissible and proper duties and functions as may be assigned by the Executive Officer.

- a) Employee agrees to perform their duties in accordance with applicable laws.
- b) Employee has no interest and will not acquire any interest that would conflict in any manner or interfere in any way with the performance of Employee's services under this Contract.

Section 3. Employment Status: Employee acknowledges that they are an at-will employee of LAFCO who will serve at the pleasure of LAFCO at all times during the period of service under this Contract. Nothing contained in this Contract will in any way limit the right of LAFCO to terminate the services of Employee, and nothing in this Contract will interfere with the right of Employee to resign at any time from this position with LAFCO.

- a) The Employee's position shall be considered non-exempt under applicable California and Federal wage and hour laws.
- b) To the extent not inconsistent with the express terms of this Contract, Employee will be eligible for membership in and all benefits from a group plan for hospital, surgical, medical, vision, and dental insurance, as well as being eligible for membership in any retirement program, or for such other comparable job benefits that are afforded to management employees of the County of Santa Cruz.

Section 4. Term of the Contract: This contract shall commence on October 12, 2020, and shall continue until terminated by either party in accordance with the provisions set forth herein. The Employee's official start date is scheduled for December 14, 2020.

Section 5. Compensation: LAFCO shall pay to Employee as compensation in full for all services performed by Employee pursuant to this contract an annual salary of \$50,000 per year, payable in bi-weekly increments comparable with employees of the County of Santa Cruz and neighboring LAFCOs. The effective date of this salary shall be December 14, 2020; thereafter any salary adjustment approved by the Commission in the Budget shall be effective as of the first full pay period in the new fiscal year which begins on July 1st of each year. The amount of any salary adjustment shall be based on an annual performance evaluation process completed by the Employee and Executive Officer.

Section 6. Vacation, Holidays, Sick Leave, and Administrative Leave: Employee shall be entitled to vacation and sick days accumulated during each pay period. Employee will be entitled to thirteen (13) paid holidays per year on the same schedule as employees of the County of Santa Cruz. Employee may be entitled to compensation at the end of employment for all unused vacation and sick leave, subject to Commission review and approval.

Section 7. Retirement: LAFCO agrees to pay Employer's contribution to the retirement plan with benefits that are equal to the rates outlined by the California Public Employees' Retirement System (CalPERS).

Section 8. Medical, Dental, and Vision: LAFCO agrees to contribute towards a medical health program for purposes of health coverage, dental, and vision insurance premiums for a single participant or a single participant with one or two dependents, based on comparable job benefits that are afforded to management employees of the County of Santa Cruz. Medical coverage is to be provided through the Special District Risk Management Authority (SDRMA) or other independent insurance policy; and Dental and Vision is to be provided privately. The medical health care allowance shall be automatically adjusted throughout the term of this Contract to be equivalent to the allowance provided to County management employees.

Section 9. Private Vehicle Usage: LAFCO shall reimburse Employee at such a rate is allowed by the Internal Revenue Service for the use of a private vehicle on authorized LAFCO business. Employee agrees to carry all necessary vehicle insurance and provide proof of said insurance on an annual basis.

Section 10. Social Security and Deferred Compensation: LAFCO shall provide the employer contribution to the Federal Social Security Program. Employee may contribute to a deferred compensation program offered through CalPERS up to the maximum contribution allowable by law.

Section 11. General Expenses: Employee shall be permitted to attend relevant conferences, seminars, and other such meetings, the reasonable cost of which shall be paid by LAFCO. LAFCO shall reimburse Employee in accordance with customary expense reimbursement policies and procedures for expenses incurred by Employee in execution of their duties under the Contract.

Section 12. Other Benefits: Employee, as Commission Clerk, shall be entitled to such other benefits which LAFCO may establish in the future for its employees.

Section 13. Termination of Contract for Convenience: Either party may terminate this Contract at any time by giving the other party fourteen (14) day written notice of such termination. Termination shall have no effect upon the rights and obligations of the parties arising out of transactions occurring prior to the effective date of such termination. Employee shall be paid for all work completed prior to the effective date of such termination and for all unused leave time accrued to date of termination as specified in Section 6; however, Employee shall not be entitled to any severance pay.

Section 14. Termination of Contract for Cause: If Employee fails to fulfill in a timely and professional manner any obligations under this Contract, or otherwise violates a material term of this Contract, the Executive Officer shall have the right to terminate this Contract effective immediately by giving written notice to Employee.

Termination of this Contract under the provisions of this paragraph shall have no effect upon the rights and obligations of the parties arising out of any transaction occurring prior to the effective date of such termination. In the event of termination, Employee shall be paid for all work completed prior to the effective date of such termination, all unused vacation time, and all benefits or prorated portion thereof through the date of termination; however, Employee shall not be entitled to any severance pay.

Section 15. Probationary Period: The Employee will have a twelve-month probationary period beginning on the first day of employment in accordance with the Commission's adopted policy. LAFCO staff will provide job training during this time period and the employee will be evaluated every three months during the probationary period. LAFCO may terminate an employee during this twelve-month probationary period or at any point in time therein. Nothing in this provision shall alter the at-will status of any employee.

Section 16. Performance Evaluation: The Executive Officer shall evaluate Employee's performance annually and shall establish, with Employee, performance goals and objectives for the ensuing year. Pursuant to Section 15, performance updates will occur on a three-month basis during the probationary period. If the Employee meets or exceeds expectations after six months of employment, LAFCO may consider increasing their salary amount up to \$55,000.

Section 17. Modification: This Contract constitutes the entire understanding of the parties hereto and no changes, amendments, or alterations shall be effective unless in writing and signed by both parties.

Section 18. Non-Assignment of Contract: This Contract is intended to secure the unique and individual services of the Employee and thus Employee shall not assign, transfer, or delegate this Contract or any interest herein.

Section 19. Covenant: The validity, enforceability and interpretation of any of the clauses of this Contract shall be determined and governed by the laws of the State of California.

Section 20. Enforceability: The invalidity and unenforceability of any of the terms or provisions hereof shall in no way affect the validity and enforceability of any other terms or provisions.

Section 21. Nondiscrimination: There shall be no discrimination by or against any person employed pursuant to this Contract in any manner forbidden by law.

Section 22. Copyright: Any reports, maps, information, documents, or other materials given to or prepared by Employee under this Contract shall become the property of Employee, nor shall be made available to any individual or organization by Employee without the approval of LAFCO.

IN WITNESS WHEREOF, LAFCO and Employee have executed this Contract on the day and year first hereinabove set forth.

Christopher L. Carpenter, Employee

Attest:

Joe A. Serrano, Executive Officer

Approved as to form:

Daniel H. Zazueta, Legal Counsel



Santa Cruz Local Agency Formation Commission

Date: October 7, 2020
To: LAFCO Commissioners
From: Joe Serrano, Executive Officer
Subject: **CALAFCO Correspondence**

SUMMARY OF RECOMMENDATION

LAFCO staff typically receives and distributes written correspondence regarding active proposals, CALAFCO news, or other relative documents. This agenda item is for informational purposes only and does not require any action. Therefore, it is recommended that the Commission receive and file the Executive Officer's report.

EXECUTIVE OFFICER'S REPORT:

In September, LAFCO was informed that Assembly Bill 1140 was signed by Governor Newsom. This bill was authored and co-authored by Assembly Member Mark Stone and Senator Bill Monning. AB 1140 allows the successor agency of the proposed consolidation between Central and Aptos/La Selva Fire Protection Districts to provide the "consolidated" employees the same defined benefit retirement plans currently offered by their respective employers after consolidation.

LAFCO staff conveyed the news to the affected agencies with a letter distributed on September 17. The letter explains the importance of AB 1140, provides a brief summary of the consolidation effort, and extends LAFCO's appreciation towards Assemblymember Mark Stone and Senator Bill Monning.

Respectfully Submitted,

A blue ink signature of Joe A. Serrano, written in a cursive style.

Joe A. Serrano
Executive Officer

Attachment: LAFCO Correspondence (dated September 17, 2020)



Santa Cruz Local Agency Formation Commission
 701 Ocean Street # 318D
 Santa Cruz CA 95060
 Phone: (831) 454-2055
 Email: info@santacruzlafco.org
 Website: www.santacruzlafco.org

Date: September 17, 2020
 To: Aptos/La Selva and Central Fire Protection Districts, Board Members
 From: Joe Serrano, LAFCO Executive Officer
 Subject: **Assembly Bill 1140 – Signed by the Governor**

It gives me great pleasure to inform you that Governor Gavin Newsom signed Assembly Bill 1140 on September 11, 2020. This bill will officially become law on January 1, 2021 and will help ensure that the existing pension obligations for Central and Aptos/La Selva Fire Protection Districts (FPDs) may successfully be transferred over to the newly-consolidated district without any changes to the defined benefit plans or formulas currently in place.

Importance of AB 1140

As you are aware, AB 1140 includes technical changes to the California Public Employees' Retirement Law which governs the pension obligations for current and future local government employees. This legislation was needed to allow the newly-consolidated district to offer its "consolidated employees" different classic formulas so existing employees in both fire protection districts can keep their respective formulas. It is important to note that a signed agreement between the two fire districts and CalPERS is required to be sent to LAFCO prior to the recordation of the consolidation. Such agreement will indicate that the newly-consolidated district will assume liability for all existing CalPERS obligations under Central and Aptos/La Selva FPDs.

Consolidation Effort

These changes under AB 1140 were necessary as both Central and Aptos/La Selva FPDs have jointly initiated a consolidation under LAFCO Law. Such consolidation, upon Commission approval, will facilitate the efficient delivery of fire protection to the communities of Capitola, Live Oak, Soquel, Aptos, Rio Del Mar, and La Selva Beach. This collaborative effort will preserve the current levels of service, maintain local demand expectations, and continue the existing funding sources while maximizing economies of scale and combining best practices - which may all lead to possible cost-savings in the short and long run.

LAFCO Appreciation

On behalf of the Commission, I want to extend my gratitude to the fire districts, as well as the bill's author Assemblymember Mark Stone, co-author Senator Bill Monning and their respective staff; all of whom worked diligently on this bill. Your efforts resulted in clarifying how the existing pension obligations for Central and Aptos/La Selva FPDs may continue under the newly-consolidated district.

Respectfully Submitted,

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

Joe A. Serrano
 Executive Officer

cc: Craig Scholer, Assembly Member Mark Stone's Office
 Maureen McCarty, Assembly Member Mark Stone's Office
 Rachel Bickert, Senator Bill Monning's Office
 Don Jarvis, Central FPD, Interim Fire Chief
 John Walbridge, Aptos/La Selva FPD, Interim Fire Chief
 Carl Steinmetz, Local 3535, Union President
 Patrick Winters, Local 3605, Union President



Santa Cruz Local Agency Formation Commission

Date: October 7, 2020
To: LAFCO Commissioners
From: Joe Serrano, Executive Officer
Subject: **Press Articles during the Months of August and September**

SUMMARY OF RECOMMENDATION

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

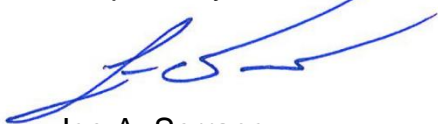
EXECUTIVE OFFICER'S REPORT

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

1. **"Parts of Boulder Creek without water due to wildfire damage"**: The article, dated August 27, notes how the recent fires have affected San Lorenzo Valley Water District's infrastructure and water quality for certain service areas. The District has implemented a strict water-conservation order for residents who did not evacuate while the agency works on providing safe drinking water as soon as possible.
2. **"Revisiting the Report That Warned About the County's Wildfire Risk"**: The article, dated September 1, focused on the Grand Jury's recent fire reports. The Grand Jury evaluated the county's current fire safety practices and discussed possible methods to reduce fire risk for the future. These reports are gaining more interest due to the recent fires within Santa Cruz County and around the state.
3. **"SLV Water Needs New Pipeline"**: The article, dated September 1, highlights how the CZU Lightning Complex Fire has impacted San Lorenzo Valley Water District. The fire has damaged at least 7.5 miles of pipeline. It is estimated that temporary repairs may cost \$1 million and full repairs between \$5 to \$10 million.
4. **"California wildfires: Over 6,000 residents return to Bonny Doon, Boulder Creek areas"**: The article, dated September 4, notes that residents from Bonny Doon and Boulder Creek were able to return home after weeks of evacuation due to the CZU Lightning Complex Fire. Other communities, such as Swanton, await for further instructions before being permitted to return.
5. **"I want to go home': Residents given all-clear to return home but limited power, water, and cell service keeping them away"**: The article, dated September 7, indicates that while certain residents were allowed to return back home, many encountered limited power, telephone coverage, and access to drinkable water. The San Lorenzo Valley Water District in conjunction with the State Water Resources Control Board, Division of Drinking Water issued a Do Not Drink - Do Not Boil water advisory to address the ongoing water quality issue.

6. **“San Lorenzo Valley Water District rebuilds after ‘most expensive disaster in history’”**: The article, dated September 9, notes that emergency repairs are underway after the recent fire damaged San Lorenzo Valley Water District’s water infrastructure. While hundreds of customers remained without access to water, most customers who received “do not drink or boil” notices were informed that the restriction has been lifted. The District’s website includes a map and detailed list of areas remaining under the unsafe water alert.
7. **“Watsonville’s Initial Pandemic Budget Report Brings Optimism”**: The article, dated September 11, discusses how the City’s sales tax revenue for Fiscal Year 2019-20 did not decrease as originally anticipated due to the pandemic. However, the City is preparing for an economic downturn as unemployment continues to be high for Watsonville residents and further government relief remains uncertain.
8. **“Close Call for Scotts Valley: Time to Lend a Hand”**: The article, dated September 13, was written by Scotts Valley Mayor Randy Johnson. His editorial highlighted the efforts made by several local agencies as they battled recent fires. Mr. Johnson emphasized the need for the community to come together and support one another during these challenging times.
9. **“Do Santa Cruz County’s Fire Districts Need Big Changes?”**: The article, dated September 15, informed its readers that LAFCO will be conducting a countywide service review regarding fire protection next year. The report will analyze a number of factors and will provide recommendations to the fire agencies which may lead to service delivery improvements and other governmental efficiencies.

Respectfully Submitted,



Joe A. Serrano
Executive Officer

Attachments:

1. “Parts of Boulder Creek without water due to wildfire damage”
2. “Revisiting the Report That Warned About the County’s Wildfire Risk”
3. “SLV Water Needs New Pipeline”
4. “California wildfires: Over 6,000 residents return to Bonny Doon, Boulder Creek areas”
5. “‘I want to go home’: Residents given all-clear to return home but limited power, water, and cell service keeping them away”
6. “San Lorenzo Valley Water District rebuilds after ‘most expensive disaster in history’”
7. “Watsonville’s Initial Pandemic Budget Report Brings Optimism”
8. “Close Call for Scotts Valley: Time to Lend a Hand”
9. “Do Santa Cruz County’s Fire Districts Need Big Changes?”

8A: ATTACHMENT 1**Parts of Boulder Creek without water due to wildfire damage**

Jesse Kathan

Santa Cruz Local offers its wildfire-related work free as a public service. But our journalism takes time and money to produce. Santa Cruz Local depends on memberships from people like you to make sure vital information can be available to all. Can we count on your help?



Melted plastic was all that remained Aug. 21, 2020, of a pipeline that supplied the Lyon Water Treatment Plant after the CZU Lightning Complex Fire ravaged the area near Boulder Creek. (San Lorenzo Valley Water District — Contributed)

BOULDER CREEK >> Many homes and businesses around Boulder Creek remained without running water Wednesday as the San Lorenzo Valley Water District replaces 7.5 miles of water intake pipeline melted or otherwise damaged by the CZU Lightning Complex Fire.

The pipeline supplied Lyon Water Treatment Plant, which provides Boulder Creek residents with water. Another melted pipeline that connects the plant to its main storage tank led to the loss of 4.5 million gallons of water — which is about half of the water district's storage, said Rick Rogers, San Lorenzo Valley Water District's director of operations. Wednesday, as contractors began to install a short-term replacement pipeline, water district workers began to refill the district's Boulder Creek tanks from undamaged water intakes that usually supply Felton.

The district's highest priority has been maintaining water supply to hydrants near Highway 9 for firefighters. "We've been successfully doing that," Rogers said.

Unsafe to drink

Beyond the immediate destruction, melted pipelines may contaminate the water supply with dangerous chemicals, officials said.

The 7.5 miles of pipe melted in Boulder Creek was made of polyethylene — a plastic that can release toxic compounds. To prevent contamination, water district staff shut down the treatment plant two days before the area burned. But Rogers said even after water service is restored in Boulder Creek, consumers should not drink from the tap "until we can prove through a very rigid and comprehensive sampling program that the water is safe to drink."

Rogers said the district would try to provide safe drinking water as soon as possible, but he would not commit to a strict timeline.



San Lorenzo Valley Water District leaders have planned to replace pipelines that supplied the Lyon Water Treatment Plant with creek water and connected the plant with its main storage tank. The pipelines melted in the CZU Lightning Complex Fire. (San Lorenzo Valley Water District — Contributed)

Even if the melted pipes have not immediately contaminated the water supply, the ash and debris left by the fires may impact the health of the watershed for months to come. Long after the fires are put out, rains can wash ash and toxic debris into local rivers and streams.

“If we have a wet winter,” said John Ricker, Santa Cruz County Water Resource Division director, “it could be a significant impact.”

Conservation order

At an [emergency San Lorenzo Valley Water District board meeting](#) Monday, district leaders issued a strict water-conservation order for residents who did not evacuate. District staff are combing through buildings in the burn zone and shutting off sprinklers that many homeowners left on in attempts to save their houses.

If water supplies run low, San Lorenzo Valley Water District leaders may negotiate transfers from the adjacent Scotts Valley Water District. “Right now, we don’t need it,” Rogers said. “But as the evacuations start to lift and people start to return, we may.” The district may also request additional staff from other water districts through the state’s mutual aid network.

Timeline

Rogers hopes to re-establish the area’s water supply within the next two weeks, especially to areas unaffected by fire. Long-term repairs, however, may take three to five years. The damaged surface piping was made of flammable plastic. To prevent damage in future fires, Rogers said the new pipelines will either be buried underground or made of a fireproof material such as steel. “When you look at how [the pipes] melted, it’s a catastrophic failure,” said Rogers. “We can’t put them back that way.”



The pipes that melted in Boulder Creek were made of polyethylene — a plastic that can release toxic compounds. (San Lorenzo Valley Water District — Contributed)

Before summer, the water district began to protect equipment from wildfires. Staff had started to clear vegetation from water intake pipes. Pump houses were fitted with less flammable materials. The district was collaborating with Cal Fire to further protect district facilities when the CZU Lightning Complex Fire ignited.

“We were into the process of developing a fire management plan for the entire water district,” Rogers said. “But this was a very, very unique fire engulfing 100% of our watershed. It was not really expected at all.”

Davenport

Davenport also lost its water supply after fires melted the area’s intake pipes August 16. Water trucks now supply Davenport with water from the city of Santa Cruz. Davenport was evacuated Aug. 19.

The destruction in much of the county remains uncertain, as some of the burned areas remain inaccessible. Ricker said, “We expect there to be some pretty significant damage.”



Contributing reporter

Jesse Kathan is an environmental journalist based in Sacramento and a recent graduate of UC Santa Cruz’s science communications program. Kathan has contributed to the Mercury News, Monterey County Weekly and KSQD-FM

Revisiting the Report That Warned About the County's Wildfire Risk

Jacob Pierce

Rich Goldberg has several air filters running at full blast in his Santa Cruz Mountains home, but that hasn't been enough to stop him from developing a cough from the CZU Lightning Complex fire nearby.

Goldberg, foreperson for the [Santa Cruz County Civil Grand Jury](#), predicts that people will be talking about how to reduce fire risk long after crews extinguish the current blaze.

This past June and July, Goldberg and his fellow grand jurors released 10 reports, including two on the topic of fire safety, as previously [reported by GT](#) ("Turning Up the Heat," 7/15). [One](#) of those [reports](#) highlighted reasons the [county was at risk](#) for a serious wildfire.

Goldberg will be the first to admit that it's too early to know whether the issues highlighted by the Grand Jury contributed to the [devastating CZU Lightning Complex fire](#).

"I would never engage in 'I told you so,'" says Goldberg, who watched the evacuation orders closely and was relieved not to be one of the 77,000 forced to leave. "But clearly, these issues are going to be top of mind going forward."

So far, firefighting crews have contained 43% of the CZU Lightning Complex fire, which has charred 85,218 acres as of Tuesday morning. The fire has burned 1,453 structures, making it the [ninth-most destructive blaze](#) in California history, and investigators are still surveying the damage.

HOT SEAT

In an era when hot temperatures and drought conditions are spreading wildfire more rapidly than ever, fire departments are relying on new technology for a helping hand.

Wildfire detection cameras can keep an eye on forests, often catching fires as soon as they start. One problem, as noted by the Grand Jury report, is that the Cal Fire San Mateo-Santa Cruz Unit (CZU) only had one such camera for Santa Cruz County. Perched in Bonny Doon, the camera faced toward San Mateo County, not Santa Cruz County, and it was not capable of rotating to scan the area.

Cal Fire CZU Chief Ian Larkin says he isn't sure if the crews got any good information off the camera in the early days of the current conflagration, while the fire started and spread. That fire quickly destroyed the camera on Wednesday, Aug. 19. The last image it took was [a red blur](#), as flames engulfed the tower where the camera stood.

Since then, Cal Fire has added two new [ALERTWildfire cameras](#), and Larkin says he can rotate them remotely to scan the mountainside. Plus, he says Cal Fire has initiated conversations with the city of Santa Cruz about placing a wildfire camera on the Municipal Wharf, facing back toward the mountains, to watch for future incidents.

The Grand Jury report also revealed that many local fire districts need to improve their response times, and additionally, it laid out the ecosystem of 10 separate fire districts in Santa Cruz County—home to about 273,000 residents. Other counties, like Contra Costa and Los Angeles, have one unified fire chief for their entire region. The report argued that Santa Cruz County's more complex framework creates a confusing web of bureaucracy, an unclear chain of command, various inconsistencies and little accountability.

Larkin, who disagrees with those findings, says there are many ways to organize fire departments, and he doesn't believe Santa Cruz County's arrangement is inefficient or problematic.

He stresses the unprecedented nature of the situation. The state of California saw more than 10,000 lightning strikes—many of them unaccompanied by rain—over the course of three days, according to Gov. Gavin Newsom. The strikes started several large fires on the Central Coast and in the Bay Area. (The second- and third-biggest wildfires in state history are still burning in counties nearby.) Firefighters were already fighting a fire in southern California, leaving them thinly stretched across the state. "It delayed us getting any resources to us because they simply weren't available," Larkin said.

The Grand Jury requires written responses from 16 government agencies, officials and elected bodies. It's requesting responses from nine more. All those responses are due Oct. 1.

A [report from](#) Joe Serrano, executive officer of Santa Cruz Local Agency Formation Commission (LAFCO), agrees with many Grand Jury findings about the inefficiencies and limited oversight among the county's fire agencies. LAFCO is planning a comprehensive service review of all fire districts in Santa Cruz County due in October of 2021.

LAFCO will discuss the Grand Jury's findings on Wednesday, Sept. 2 at 9am.

BURNING POINT

The Grand Jury report didn't lay blame solely at the feet of government officials. The general public in the county, the report argued, was woefully unprepared for the fire risk and did not show an appropriate level of concern about the havoc that wildfires can wreck.

It's a topic that Cal Fire officials, like Larkin, have hammered home over the past two weeks. Larkin says it has been much easier to save houses where residents cleared dead brush and flammable objects from being anywhere near their homes.

Larkin says he's seen homes where the owner took proper precautions to protect their homes interspersed with those that did not. Oftentimes, he says, those who protected their homes also protected their neighbors. But at the same time, those who ignored rules about clearing flammable material, he adds, endangered the homes of their neighbors.

"You have the house that didn't do defensible space burn down; it burned down the house that did all the work; and the house that did all the work protects the house next to it that doesn't have the defensible space," he says. "And there are many examples of that throughout the community that are affected by that now."

<https://twitter.com/CALFIRECZU/status/1299759781209542656/photo/1>

California's [defensible space laws](#) are especially strict for the 10 yards surrounding each home. For starters, California law requires that homeowners remove dead or dry leaves and pine needles from your yard, roof and rain gutters, and within 30 feet of their houses, homeowners should remove dead plants, grass and weeds. To firefighters, all this is considered fuel for a potential blaze. There are many other regulations, some of them extending to a 100-foot radius surrounding each house.

Cal Fire CZU, in its capacity as the Santa Cruz County Fire Department, does local defensible space inspections throughout the year. Larkin says he and other local Cal Fire leaders have determined that it's best to deal with violations by working with the homeowner. Issuing citations doesn't do much good, he says.

"If you look at the areas that don't have defensible space, I think it would overwhelm the DA's office with a bunch of misdemeanor fines," he says. "We try to just gain compliance through the inspections and working with the communities. But I'll be honest, I think we can do a better job. And after this incident is done, I think it'll be a rude awakening for a lot of folks. We have fire here. We have a history of fires here."

Many observers over the past couple weeks have pointed out the perfect storm of fire conditions—dry lightning strikes accompanied by heavy wind. But lest anyone assume this is a once-in-a-generation event, it's worth considering that recent fire conditions could have been even worse—or at the very least that Santa Cruz County could be primed for a perfect storm of entirely different conditions in the future.

For instance, although the initial days of the CZU fire were hot and free of fog, a heavy marine layer did eventually set in, helping with the fight against the fire on the ground—a cooling event that can't always be counted on.

Not only that, but the Grand Jury report notes that most Santa Cruz County residents live in what's known as the wildland-urban interface (WUI), which is at particular risk for wildfire. That means that wildfire risk isn't confined to Bonny Doon and to Boulder Creek, where much of the current CZU fire is burning. The WUI stretches throughout the entire region. Santa Cruz County is the only county in the state with the majority of its land in the WUI. Also, according to a [joint analysis](#) by *USA Today* and the *Arizona Republic*, several local communities have very high wildfire risk—the highest among them being Lompico, which was spared from the nascent flames and which recently had its evacuation orders lifted.

Even the city of Santa Cruz—most of which is not in the WUI—is not immune from threat. It is home to several large groves of non-native blue gum eucalyptus trees, known to be particularly flammable, as noted in the report. The [city has, however, made investments in clearing out](#) fuel buildup in overgrown areas, like DeLaveaga Park, in recent years.

In general, Larkin stresses that it's important to remember that Santa Cruz County does have the potential to burn.

"We don't have that frequency of large fires. We have a lot of small fires that we're able to contain," Larkin says. "We meet our mission of keeping them under 10 acres 90% of the time. We get the nice Mediterranean climate. We get the cooling coastal influence, but people don't realize that this area is primed to burn. We are in a drought situation, and we haven't had significant rainfall in our winters for many years. And even when we've had significant rainfall, we've still had fires those years. We dry out very quickly here."

For information on LAFCO's Oct. 2 meeting, visit santacruzlafco.org.

Follow continuing [in-depth fire coverage here](#) and in our [live blog](#).



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](#).

SLV Water Needs New Pipeline — Times Publishing Group, Inc.

by See Below

By Jondi Gumz

The CZU Lightning Complex fire will be costly for the San Lorenzo Valley Water District, with temporary repairs costing \$1 million and final fixes may be \$5 million to \$10 million, according to District Manager Rick Rogers.



The district supplies water to 7,900 hookups in Boulder Creek, Brookdale, Ben Lomond and Felton and a part of Scotts Valley. Its entire watershed was engulfed by the fire, yet a “majority of our water system is in good shape,” Rogers said.

A “do not drink” and “do not boil water” alerts have been issued for Ben Lomond north to and including Boulder Creek, Bear Creek Road, Highway 236, Riverside Grove and San Lorenzo Park. Details are at <https://tinyurl.com/no-heat-Ben-Lomond>



The reason is that 7.5 miles of flexible pipe snaking across Empire Grade in Bonny Doon and Ben Lomond Mountain to the water treatment plant in Boulder Creek was destroyed.

This pipe, made of polyethylene, melted in the fire, releasing volatile organic compounds. Satellite storage tanks made of polyethylene were damaged.

So the water is deemed unsafe until test results show it is safe.

“We don’t know if it did get in the system,” Rogers said Aug. 27, as he awaited state officials to inspect the damage. “The only way to find out is to sample.”

Water samples are sent to an outside laboratory for expedited analysis in 24-48 hours.

Rogers said the polyethylene pipe was laid above ground through heavily wooded areas some 23 to 25 years ago and was expected to last 100 years.

The forest was so thick hand labor was required to set the pipe — “we couldn’t get equipment in there,” Rogers said. “At the time, burying it was not practical.”

With the pipe was vaporized, the district lost 4.5 million gallons of water — about half its storage — but the steel tanks were not affected, he said, noting staff has been turning off sprinklers homeowners left on in hopes of saving their home.

Providing water to firefighters has been a top priority — “tankers were using every fire hydrant along Highway 9,” he said.

Emergency repairs have been authorized by the governing board and work has begun. Materials have been rush-ordered, for tank repair, from Texas. Contractors have been hired to clear timber and create a trail and lay pipe.

The disaster has water district staff working around the clock seven days a week.

“It’s very emotional,” said Rogers, adding that two of the 35 employees lost their homes in the fire.

...

California wildfires: Over 6,000 residents return to Bonny Doon, Boulder Creek areas

[California wildfires: Conditions improve for firefighters, but historic siege continues](#)

SCOTTS VALLEY – More than 6,000 Bonny Doon and Boulder Creek area residents received the green light to return home Friday, nearly three weeks after the CZU Lightning Complex Fire forced them to flee, authorities said.

All told, 6,380 residents were given the all-clear, cutting the number of evacuees to 1,830.

“That’s an amazing thing,” said Santa Cruz County Sheriff’s Office Chief Deputy Chris Clark at a news conference in Scotts Valley. “We’re getting closer and closer to bringing this to some semblance of normal.”

Clark said he anticipated additional Bonny Doon evacuees would be allowed to return Saturday.

Residents of other areas, including Swanton and Last Chance roads, face a longer wait.

“This repopulation effort is based upon safe access,” said Santa Cruz County Public Works Director Matt Machado. “It’s not about whether your areas burned or not.”

As of Friday night, the CZU fire had consumed 86,509 acres, 407 more than the previous day, and was 58 percent contained. The complex is one of three burning in the region.

The SCU Lightning Complex Fire grew by 5,046 acres to 396,624 acres and was 84 percent contained. The LNU Lightning Complex Fire remained at 375,209 acres and was 88 percent contained. The two fires rank as the second- and third-largest in recorded state history. The 2018 Mendocino Complex Fire is the largest at 459,124 acres.

Half a dozen people have been killed in the current fires – three in Napa County, two in Solano County and one in Santa Cruz County, according to Cal Fire. Ten injuries have been reported.

Thousands of structures have also been destroyed by the fires. As of Friday night, the total stood at 1,491 in the LNU fire, 1,490 in the CZU fire and 159 in the SCU fire.

Back in Santa Cruz County, Machado urged residents to be cautious as they return home.

“Please be careful out there,” he said. “Roads are open, but we’re still seeing trees fall.”

Falling trees aren’t the only hazard. Fire-damaged structures can also harbor toxins, Machado said.

A yellow tag on a home means it is partially inhabitable and a red tag on a home means it is uninhabitable. Residents of red-tagged homes should return to where they were sheltering, said Machado, adding that they can call 831-454-2181 during the day or 800-733-2767 at night for help.

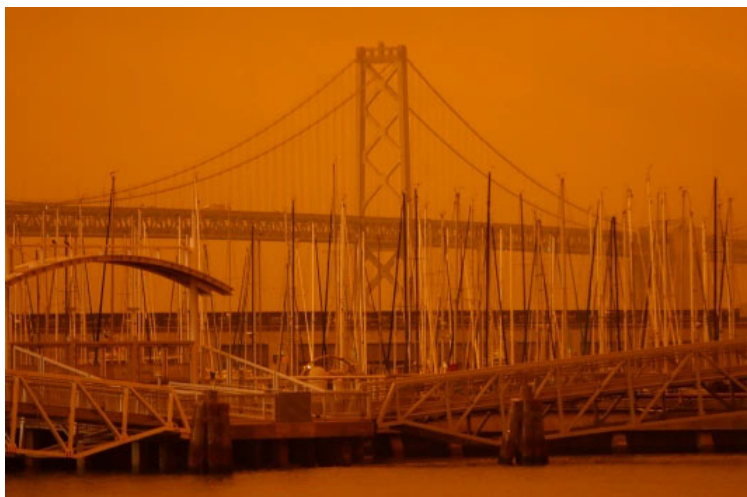
Residents can visit www.santacruzcounty.us/firerecovery for information about debris removal.



[California wildfires: Conditions improve for firefighters, but historic siege continues](#)

September 10, 2020 at 1:47 p.m.

The August Complex, which has burned more than 470,000 acres in the Mendocino National Forest and is less than a quarter contained, is now the biggest fire in state history.



[Bay Area smoke: To breathe safely, stay inside and don't count on masks](#)

September 10, 2020 at 1:37 p.m.

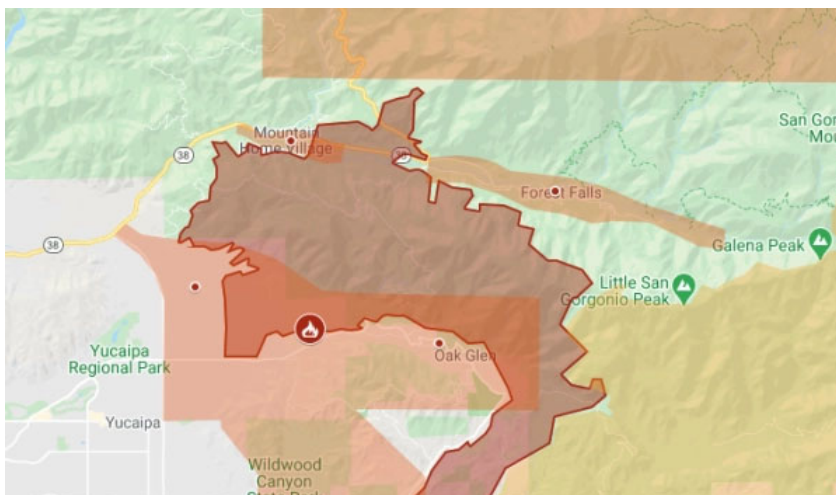
Unfortunately, cloth and surgical masks that help slow the spread of COVID-19 can't block the very small toxic particles that come from wildfire smoke, experts say.



[San Jose: 1 firefighter injured, 5 people displaced after two-alarm house fire](#)

September 10, 2020 at 12:19 p.m.

Crews controlled the flames within about two hours.



[Map: El Dorado Fire evacuations near Big Bear after flames jump Highway 38](#)

September 10, 2020 at 10:49 a.m.

The new order issued Wednesday includes the mountain communities of Angelus Oaks, Pinezanita and Sepulveda, near Highway 38.

'I want to go home': Residents given all-clear to return home but limited power, water and cell service keeping them away

KGObY Amanda del Castillo

BOULDER CREEK, Calif. (KGO) -- Limited power, cell service and access to water are causing frustration for residents in parts of the Santa Cruz Mountains.

Many residents evacuated in the CZU Lightning Complex Fire recently received the green light to return home. However, now they're asking, what's the point?

"It is very frustrating," [Robert Autrand](#) told ABC7 News. "I want to go home."

The fire forced Autrand and his family from their Boulder Creek home, weeks ago.

RELATED: [What we know about LNU, CZU, SCU complex fires in Santa Cruz, Napa, Sonoma, San Mateo counties and beyond](#)

They finally got the all-clear to return, but quickly realized current living conditions leave a lot to be desired.

"There's no internet, no water. No power. We couldn't do anything," he said. "So, we decided, we're out."

Autrand continued, "We couldn't stay there. We'd have to leave every night or something."

Late Monday, the San Lorenzo Valley Water District lifted its on-going Do Not Drink, Do Not Boil water notice for more than 2,684 customers

District Manager Rick Rogers said 500 remain under the order, and of those homes, 354 are without any water connection.

VIDEO: [Rush to restore miles of destroyed pipelines, concerns over possible water contamination](#)



ABC7 News told viewers about the [7-miles of pipeline damaged by fire](#), and the loss of water storage tanks throughout the district.

Frequently Asked Questions

The San Lorenzo Valley Water District in conjunction with the State Water Resources Control Board, Division of Drinking Water (DDW) issued a Do Not Drink - Do Not Boil water advisory (Advisory) on August 29th, 2020.

Full FAQ <https://t.co/SG9ATI5AoG> pic.twitter.com/OKv1odbLfy

— San Lorenzo Valley Water District (@SLVWaterDist) [September 7, 2020](#)

On Monday, water distribution stations were set up to serve residents who have decided to return, including Mary Ann Hinckle.

"We don't even have water service at our house," Hinckle said. "Our house is half-burned as we lost two other homes completely to the ground. This is the only water we have."

Resident Brian Garrahan witnessed similar devastation up close. Early video captured Garrahan on the night Boulder Creek was evacuated, clearing brush to save homes.

Now, he's taken on a temporary job with the San Lorenzo Valley Water District, laying pipe and helping to restore water.

"I can't move back in until I have water," he explained. "So I mean, I figured by helping the water company, if I can get the water system going sooner, then we can all go back in, move in and enjoy life again."

Garrahan said crews worked over the long holiday weekend. He anticipates residents will soon see changes because of the constant improvement.

"I don't think that it's going to be that much longer for the water to get back on be honest with you," he shared.

VIDEO: [Photos show scope of Bay Area wildfires' devastation](#)



"A lot of lines got burned. So we're laying lines in sections, and then from the sections, we're branching off and hooking up to the residences that were affected," Garrahan explained.

All the residents who spoke with ABC7 News admit it'll be some time until Boulder Creek is back to a familiar "normal."

"The fire is still going on. There's still a lot of danger of trees. There's still a lot of utility vehicles out in the roads fixing water, fixing power," Garrahan said. "So a lot, a lot of stuff's happening."

For Robert Autrand, he doesn't plan to return until power is restored. According to a text message he received from PG&E, his family's time away could total one month.

The alert read: "PG&E Alert: Crew is investigating the outage in your area. Expect restored Sep 19 @ 8:00pm. We'll provide more info when available."

"I'm like, 'Oh my God,' that's two weeks away," Autrand shared.

Ironically, the Autrands are staying in Belmont, in an area that temporarily lost power Monday night.

NEWS › LOCAL NEWS

San Lorenzo Valley Water District rebuilds after ‘most expensive disaster in history’

Most customers OK’d to drink water following contamination fears, though some remain without access



Boulder Creek residents gather to watch a helicopter lift off with a load of large pipes as the San Lorenzo Valley Water District works to repair fire-damaged infrastructure in remote locations. (Shmuel Thaler – Santa Cruz Sentinel)

By **NICHOLAS IBARRA** | nibarra@santacruzsentinel.com | Santa Cruz Sentinel

PUBLISHED: September 9, 2020 at 4:34 p.m. | UPDATED: September 9, 2020 at 4:34 p.m.

BOULDER CREEK — Emergency repairs are underway after a historic fire in the Santa Cruz Mountains wreaked havoc on the San Lorenzo Valley’s water infrastructure.

The CZU August Lightning Complex fire caused an estimated \$11 million in damage to pipes, meters, mains, tanks and other San Lorenzo Valley Water District infrastructure and equipment, according to District Manager Rick Rogers.

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Serving about 7,900 customers, the water district spans the towns of Boulder Creek, Ben Lomond and Felton and extends into outlying areas of the San Lorenzo Valley. Its entire service area was evacuated due to the CZU August Lightning Complex. Most of those thousands of residents have since been repopulated.

On Wednesday, a do-not-drink order prompted by fear of fire-related contamination remained in effect for 510 district customers in several neighborhoods, including Brookdale and parts of Boulder Creek.

Hundreds of customers remained without access to water altogether. District officials hoped to restore their access by Saturday, though Rogers warned that some of those repairs could carry into the following week.

Despite extensive damage, testing so far suggests worst case scenarios of contamination caused by depressurized water mainlines appear unfounded.

Most of the 3,197 customers told not to drink or boil their water via an Aug. 29 alert received the all-clear Monday.

Rogers credited early action to isolate damaged areas of the system and shut down the district’s water treatment plan with helping to minimize risk. “We were prepared as the fire came into our service area,” he said.

The district announced Wednesday, however, that benzene contamination was found in a sample collected from Creek Drive in the Riverside Grove neighborhood of Boulder Creek at more than twice the acceptable level. Other volatile organic compounds found in a separate sample collected outside Boulder Creek were detected at levels considered acceptable under state standards.

The Riverside Grove neighborhood remained under a do-not-drink order, and the water district said Wednesday it was working to develop a flushing and sampling plan for the affected area.



Boulder Creek resident Robert Serna gets water for his home from a faucet outside the San Lorenzo Valley Water District office. (Shmuel Thaler – Santa Cruz Sentinel)



A sign along Highway 236. (Shmuel Thaler – Santa Cruz Sentinel)

Across the water district, flames destroyed about 7.5 miles of pipe. A Cal Fire helicopter captured attention in Boulder Creek as it carried segments of replacement pipe to hard-to-reach areas Tuesday.

Fire also destroyed hundreds of water meters along with number of tanks and water mains — in one case leading to the drainage of more than 4.5 million gallons of stored water.

The CZU fire stood at 86,509 acres burned with containment at 83% as of Wednesday afternoon. Its flames destroyed 1,490 structures, the majority homes in Santa Cruz County, and killed at least one person.

For a map and detailed list of areas remaining under an unsafe water alert, see slvwd.com.

Water district customers without safe water access can refill or pick up cases of water at the district Operations Building, 13057 Highway 9, in Boulder Creek. Those unable to pick up water may be eligible for delivery, and are asked to email customerservice@slvwd.com or call 831-338-2153.

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Watsonville's Initial Pandemic Budget Report Brings Optimism

Tony Nuñez

The Covid-19 pandemic has not yet been as harsh on Watsonville's economy as predicted, but Finance Department Director Cindy Czerwin said at Tuesday's City Council meeting it is still too early to "feel totally confident" about the city's financial future.

The city's sales tax revenues for the 2019-20 fiscal year saw a 5.8% drop, far short of the 10% drop that was originally anticipated. The final quarter of that fiscal year, which ended on June 30, also fell short of the anticipated 25% decline from the previous fiscal year. Sales tax revenues in that quarter were down 16% from the fourth quarter of 2018-19.

Thanks to stimulus funding and the \$600 federal supplement to unemployment benefits, Czerwin said, consumer spending remained at 94% of pre-pandemic levels in the fourth quarter of the 2019-20 fiscal year. Czerwin said the continued steady spending could be attributed to an uptick in online shopping.

The better-than-anticipated sales tax returns, Czerwin said, could be a result of increased local shopping from Watsonville residents that have not been able to spend their dollars in neighboring communities because of the economic shutdowns and concerns about contracting the novel coronavirus.

Czerwin's current projections have the city with a \$2.8 million revenue surplus from the original projected general fund revenue of \$38,621,392.

"We're not seeing some of the dramatic declines that we had anticipated a few months ago," she said.

But Tuesday's update did not include sales tax numbers past June 30. Czerwin said the next update, set for early December, will give the city a better look at the [effects of the pandemic](#) through the first quarter of the [2020-21 fiscal year](#).

The expiration of the \$600 unemployment benefit in July, Czerwin said, could have a ripple effect on the economy, as roughly 12% of Watsonville's workers still remain unemployed—a number that reached the 20s a couple of months ago. The volatility of the pandemic, and the mass closures that come with it, could also diminish the city's sales tax revenues, she said.

The city also received \$636,063 in Coronavirus Aid, Relief and Economic Security (CARES) Act funds that it has dropped into its general fund. Czerwin said those funds could help offset some of the council's reinvestment into the community such as the Emergency Rental Assistance Program, a \$100,000 initiative unanimously approved Tuesday that seeks to help Watsonville renters that have fallen behind because of the pandemic.

The council did not take any action on the budget, but it unanimously approved the allocation of \$951,479.16 to the Risk Management Fund to settle a 10-year-old worker's compensation claim. That money, Czerwin said, will be reimbursed by the Public Agency Risk Sharing Authority of California, which helps municipalities with worker's compensation claims above \$150,000.

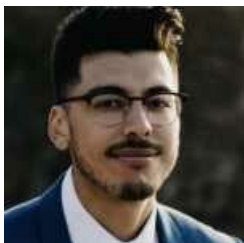
The council could make adjustments to the budget at its Dec. 8 meeting.

Czerwin said the city by then should know how much it will be reimbursed by the Federal Emergency Management Agency and other mutual aid agreements for costs associated with the Covid-19 pandemic and its response to the California wildfires.

The city spent roughly \$1 million in fiscal year 2019-20 to prepare for and respond to the pandemic. Purchases included personal protective equipment, tech updates so that employees could work from home and federally mandated extensions to sick leave.

This fiscal year the city has spent a little more than \$100,000 on costs and purchases related to the pandemic.

Watsonville Fire is currently \$120,000 over its salary budget as it has struggled to keep its overtime to a minimum while [helping battle various fires](#) that have charred thousands of acres along the Central Coast, Czerwin said. The agency, however, expects to be reimbursed in the coming months.



The Pajaronian Managing Editor Tony Nuñez is a longtime member of the Watsonville community who served as Sports Editor for five years before entering his current role in 2019. A Watsonville High, Cabrillo College and San Jose State University alumnus, he covers the city, business, housing, entertainment and more.

8A: ATTACHMENT 8**Close Call For Scotts Valley: Time to Lend a Hand – TPG, Inc.**

by Michael Oppenheimer

By Randy Johnson, Scotts Valley Mayor

The signs draped on highway overpasses really do say it all: “Thank you Firefighters” “Thank you Cal Fire, Sheriff, Police, EMS.” The profound thanks and gratitude is from the heart and the feelings of appreciation are authentic and run deep.



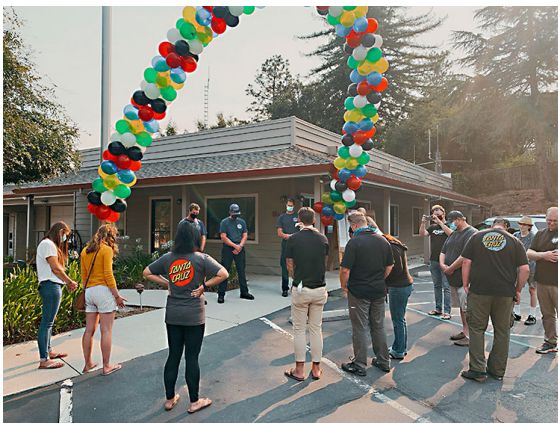
Randy Johnson

I believe this outpouring reflects a realization that our homes and way of life in our city really did hang in the balance and our fortuitous escape from disaster made people reflect on their good fortune.

The CZU Fire entered the disaster lexicon in a more dramatic fashion than COVID-19. After smoldering on the Scotts Valley horizon for a day or so, the evidence of its danger came in the way of a mess of ash covering our cars and hard surfaces.

But what started as an object of curiosity, with photos of covered cars texted to friends, became a source of real concern when burned leaves the size of a hand began to fall and litter our landscapes and our consciousness. If burning remnants could travel 5 miles into our back yards, then the menace could be real. Suddenly extreme heat and low humidity were harbingers of the emergency in what was to come.

Enter Cal Fire and their request to stage their equipment on our Skypark fields, which was granted. Unfortunately, the challenges in first few days of this fire were way above their ability to respond effectively.



Scotts Valley fire fighters are welcomed home at the Erba Lane station. • Photo Credit: Reeve Lively

Lack of resources, extreme weather and the fire’s ferocity assailed all attempts to manage its unrelenting progression and I saw real concern in peoples’ eyes when regarding this menace. Words like “containment” “threatened structures” and “residences destroyed” became topics of daily discussion.

Like seamen and crew members who gain their sea legs, however, on about the third day Cal Fire and other agencies really began to click and the fight was on. And what started out with scores of firefighters became hundreds and coupled with better weather and more resources, the tide began to turn. But fires are unpredictable

and Cal Fire made the decision Scotts Valley should evacuate.

It is never easy to convey such a message and it is even more difficult to pack up and leave one's home, but that is what thousands of citizens did and mostly without complaint. Some folks decided to stay and as the mayor, I got a handful of emails from people who thought the fire danger had passed and we should immediately lift the order and allow our community back into their homes. Those requests were obviated when the word went out on Friday that our city was again opening up. What a wonderful day that was.

I believe more than 90 different agencies have responded to this fire, even from as far away as New Jersey, if you can believe that. The teamwork and alliances that worked together so flawlessly really were extraordinary. Starting with Scotts Valley, our city manager, Tina Friend, worked tirelessly as our emergency manager to attend every Cal Fire press conference, update the city website to keep citizens informed and coordinate efforts with Scotts Valley fire and police to keep a watchful eye on our city.

The City Council was briefed nearly every day on the CZU fire status. Police Chief Steve Walpole was amazing in coordinating action to both help the joint effort against the fire and directing our wonderful police force to protect our evacuated city.

I do not have room to properly thank all the agencies that helped in this effort. The Sherriff's Office was great; Cal Fire and all of our local fire agencies are owed such a huge debt of gratitude. I also want to thank the citizens of Scotts Valley for doing their part, with little objection, in evacuating and complying with a tough order.

I am especially proud of the fact that most everyone I talk to is very cognizant of their good fortune and painfully aware of the hardship that our neighbors, mostly in San Lorenzo Valley, are going through. We are here to help and that collective extended hand will continue to reach out to support and comfort any way we can, never forgetting that we are all in this together.

www.scottsvalley.org

Do Santa Cruz County's Fire Districts Need Big Changes?

Jacob Pierce

Residents of Bonny Doon and Boulder Creek have begun moving back to the area threatened by the [CZU Lightning Complex](#) fire, which is [91%](#) contained as of Tuesday morning after burning 86,509 acres. Residents are grappling with questions about water supply, water quality, road repairs and so much more as they try to get on with their lives.

But as the smoke continues to clear in the Santa Cruz Mountains, they are asking another question: How did this happen?

Ian Kapostins, a resident of Last Chance, remembers seeing the sky suddenly catch fire on the night of Aug. 18, as a thick, gusting, ember-filled wind blew through his backroad neighborhood. Kapostins rushed his wife out of a shower, and they gathered up the cats, got in the car and floored it down Last Chance Road as flames engulfed their neighborhood. Although fires had been burning for a few days, Kapostins and his neighbors never got an evacuation warning.

Media reports have since detailed the harrowing experience of the Kapostins' neighbors—the death of longtime resident [Tad Jones](#), the horror of spending the night in an open meadow while flames closed in, and hiding [out in a pond](#) with a pipe for a snorkel. It all happened hours after Last Chance residents were repeatedly assured they'd be safe.

Kapostins' home was one of more than 900 to burn in the fire. He says he has no beef with Cal Fire, which he knows was stretched thin due to historic wildfires blazing throughout the state. But as he shifts gears to think about rebuilding, he just wants to make sure it doesn't all happen again.

"We do see that something fell apart," Kapostins says. "We're totally supportive of what they do, but we want to help them do it better."

ASH PROMISED

In the years ahead, there will be a report looking into what happened in the CZU Lightning Complex fire. There will also be a close look at how best to structure fire services in the county.

The Land Agency Formation Commission of Santa Cruz County (LAFCO) was already planning to spend the next year working on a review of fire services in the county. Then came a scathing report earlier this summer from the Santa Cruz County Civil [Grand Jury](#) detailing [systemic issues](#) among the county's 10 fire districts. Among its concerns, the Grand Jury argued that the current setup creates a confusing web of bureaucracy that provides little accountability. That prompted a recent [response](#) from LAFCO and cast a spotlight on the agency's coming analysis.

As an example of what will be on the table, LAFCO staff could recommend the consolidation of different agencies—if they determine that such changes would be more efficient, more sustainable or safer.

Because so many of the fire safety issues [outlined](#) by the Grand Jury are organizational, it is too early to say whether the bulk of them made the CZU fire any worse. But the crisis has shone light on this pivotal moment between a major Grand Jury report and the anticipated analysis.

Local LAFCO Executive Officer Joe Serrano was working at the San Diego branch of LAFCO after fires terrorized southern California in 2008, and he saw firsthand how the agency played a leading role in reorganizing fire services in San Diego County.

He says Santa Cruz County's LAFCO could play a similar role locally as the community works on how to move on. That's why Serrano looks forward to digging more deeply into the [Grand Jury's findings](#). Page 151 of 152

“They raised good questions, so I really want to continue that analysis,” he says. “After these fires extinguish, we’re going to see what went well and what didn’t. What were the lessons, and how can we prevent this from happening again or minimize those effects?”

DISTRICT PROTOCOL

When it comes to merging two or more special districts, Santa Cruz County Supervisor John Leopold, a longtime LAFCO commissioner, says it takes lots of hard work and years of collaboration.

LAFCO played a role in the Aptos/La Selva Fire Protection District’s merger with Central Fire—which LAFCO is expected to approve next month—as well as the merger of the Lompico Water District with the San Lorenzo Valley’s. The Grand Jury was also involved in both of those. In many instances, however, Leopold says that Grand Jury and LAFCO recommendations go unheeded.

Individual special districts, like water districts and fire districts, meet the needs of the customers in various ways, and there are always lots of details to work out, he says, to see the process through. One of those hurdles can be that a community will often root its sense of identity in its small-town water district or fire protection district—even when that value appears largely symbolic.

“Fear of losing that identity is one of the factors that can complicate the logistics of mergers,” Leopold says.

Fellow LAFCO commissioner Jim Anderson, who serves on the Felton Fire Protection District’s Board of Directors, said at a Sept. 2 LAFCO meeting that he has a certain fondness for the San Lorenzo Valley’s fire departments, all of which are volunteer-run. Still, he thinks it’s important to leave the door open for changes, including the possibility of a consolidated system of stations, staffed by paid firefighters.

Serrano says the whole process is just getting started, and there’s no telling where it will lead.

“These reports plant a seed of an idea,” he says. “An opportunity.”



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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](#).

[Bonny Doon](#), [Boulder Creek](#), [Cal Fire](#), [CZU August Lightning Complex](#), [Joe Serrano](#), [John Leopold](#), [LAFCO](#), [Last Chance](#), [lead](#), [news](#), [Santa Cruz County](#), [Santa Cruz County Grand Jury](#), [wildfire](#)