



**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, February 9, 2022 at 9:00am

(Meeting will be conducted using Zoom Webinar)

Attend Meeting by Internet: <https://us02web.zoom.us/j/84733692745>
(Password 257512)

Attend Meeting by Conference Call: **Dial 1-669-900-6833 or 1-253-215-8782**
(Webinar ID: 847 3369 2745)

TELECONFERENCE MEETING PROCESS

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

- a) Commission Quorum: Assembly Bill 361 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 LAFCO staff. Email comments must be submitted to LAFCO staff at info@santacruzlafco.org. Comments on matters not on the agenda may be submitted prior to the time the Chair calls for Oral Communications. Comments on agenda items may 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 may inform LAFCO staff of this request prior to the start of the meeting. If that has occurred, and after being recognized by the Chair, the identified individual will be unmuted and given up to 3 minutes to speak. Following those 3 minutes, their microphone will be muted.

- c) Accommodations for Persons with Disabilities: Santa Cruz LAFCO does not discriminate on the basis of disability, and no person shall, by reason of a disability, be denied the benefits of its services, programs, or activities. If you are a person with a disability and wish to attend the meeting and you require special assistance in order to participate, please contact the Commission Clerk at (831) 454-2055 at least 24 hours in advance of the meeting to make arrangements. Persons with disabilities may request a copy of the agenda in an alternative format.

1. ROLL CALL

2. EXECUTIVE OFFICER'S MESSAGE

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

a. Virtual Meeting Process

The Commission will receive an update on the ongoing remote meeting process.

Recommended Action: No action required; Informational item only.

b. CSDA-LAFCO Workshop Update

The Commission will receive an update on the latest workshop co-hosted by the California Special Districts Association and LAFCO.

Recommended Action: No action required; Informational item only.

c. Welcome Recently Appointed County Representatives

The Commission will welcome Supervisors Ryan Coonerty, Zach Friend, and Manu Koenig as the regular and alternate county representatives on LAFCO.

Recommended Action: No action required; Informational item only.

3. ADOPTION OF MINUTES

The Commission will consider approving the minutes from the January 5, 2022 Regular LAFCO 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. “Opal Cliffs Recreation District Reorganization” (Project No. RO 21-18)

The Commission will consider the dissolution of the Opal Cliffs Recreation District and concurrent annexation of the dissolved area into County Service Area 11.

Recommended Action: Adopt the draft resolution (No. 2022-02) approving the reorganization involving the Opal Cliffs Recreation District and County Service Area 11 (County Parks).

6. OTHER BUSINESS

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

a. Continuation of Remote Meetings

The Commission will consider ratifying a resolution to permit the continuation of remote meetings under AB 361.

Recommended Action: Ratify the existing resolution (No. 2021-19) approving the continuation of remote meetings under AB 361.

b. Employee Performance Evaluation

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

Recommended Action: Adopt the draft resolution (No. 2022-03) approving the salary adjustment for LAFCO's Executive Officer.

c. Legislative Update

The Commission will receive an update on a bill that would form a new healthcare district in Santa Cruz County.

Recommended Action: No action required; Informational item only.

d. Focus Agriculture – Class of 2020 Reconvene

The Commission will receive an update on the staff's participation in the upcoming Focus Agriculture 2022 Session.

Recommended Action: No action required; Informational item only.

e. CALAFCO Staff Workshop

The Commission will receive an update on the upcoming staff workshop hosted by the California Association of LAFCOs.

Recommended Action: No action required; Informational item only.

f. Comprehensive Quarterly Report – Second Quarter (FY 2021-22)

The Commission will receive an update on active proposals, upcoming service reviews, budgetary performance, and other staff activities.

Recommended Action: No action required; Informational item only.

7. WRITTEN CORRESPONDENCE

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

a. January Correspondence

The Commission will review the correspondence received in the month of January.

Recommended Action: No action required; Informational item only.

8. PRESS ARTICLES

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

a. Press Articles during the Month of January

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

Recommended Action: No action required; Informational item only.

9. COMMISSIONERS' BUSINESS

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

10. ADJOURNMENT

LAFCO's next regular meeting is scheduled for Wednesday, March 2, 2022 at 9:00 a.m.

ADDITIONAL NOTICES:

Campaign Contributions

State law (Government Code Section 84308) requires that a LAFCO Commissioner disqualify themselves 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 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 Commission Clerk at the LAFCO office or in the meeting room before or after the meeting.



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

DRAFT MINUTES

LAFCO REGULAR MEETING AGENDA

**Wednesday, January 5, 2022
Start Time - 9:05 a.m.**

1. ROLL CALL

Chair Justin Cummings called the meeting of the Local Agency Formation Commission of Santa Cruz County (LAFCO) to order at 9:05 a.m. and welcomed everyone in attendance. He asked staff to conduct roll call.

The following Commissioners were present:

- Chair Justin Cummings
- Vice-Chair Rachél Lather
- Commissioner Jim Anderson
- Commissioner Roger Anderson
- Commissioner Ryan Coonerty
- Commissioner Francisco Estrada
- Commissioner Zach Friend
- Alternate Commissioner Ed Banks
- Alternate Commissioner Yvette Brooks
- Alternate Commissioner John Hunt

The following LAFCO staff members were present:

- Executive Officer Joe Serrano
- Legal Counsel, Joshua Nelson

2. EXECUTIVE OFFICER'S MESSAGE

2a. Virtual meeting Process

Executive Officer Joe Serrano announced that the Commission Meeting is being conducted virtually through the Zoom Webinar platform and participation by Commissioners and staff are from remote locations. Members of the public will have access to the meeting by phone or online. Mr. Serrano anticipates conducting the next LAFCO meetings remotely in accordance with the Governor's Executive Orders and the

newly enacted law under Assembly Bill 361, which allows local agencies to conduct virtual meetings during a state of an emergency.

2b. Countywide Park & Recreation Report Update

Executive Officer Joe Serrano informed the Commission that two subject agencies have taken action based on the recommendations found in LAFCO's 2021 Countywide Park & Recreation Service and Sphere Review. Mr. Serrano indicated that the Opal Cliffs Recreation District submitted an application in October 2021 to dissolve the district and concurrently annex the dissolved area into County Service Area 11 (County Parks). He also noted that the Alba Park & Recreation District submitted a strategic plan in December 2021 to address all the issues outlined in the LAFCO report.

2c. Countywide Fire Report Update

Executive Officer Joe Serrano informed the Commission that during the last few months staff has been presenting the findings from LAFCO's 2021 Countywide Fire Protection Service and Sphere Review to each fire agency. Mr. Serrano noted that this was an opportunity to discuss the report with the districts' board members, staff, and constituents. He also reminded the Commission that LAFCO is expecting each fire agency to develop an annexation plan to address their existing sphere boundaries.

2d. Welcome New Legal Counsel

Executive Officer Joe Serrano welcomed Joshua Nelson as LAFCO's new legal counsel. Mr. Nelson is an attorney from Best, Best, & Krieger (BBK). Mr. Serrano reminded the Commission that BBK was selected after an extensive request for proposal process.

3. ADOPTION OF MINUTES

Chair Justin Cummings requested public comments on the draft minutes. **Executive Officer Joe Serrano** noted no public comments were received. **Chair Justin Cummings** closed public comments.

Chair Justin Cummings called for the approval of the draft minutes. **Commissioner Jim Anderson** motioned for approval of the November 3rd Meeting Minutes and **Commissioner Zach Friend** seconded the motion.

Chair Justin Cummings called for a roll call vote on the approval of the draft minutes with no changes. **Executive Officer Joe Serrano** conducted a roll call vote on the item.

MOTION: Jim Anderson

SECOND: Zach Friend

FOR: Jim Anderson, Roger Anderson, Ryan Coonerty, Justin Cummings, Francisco Estrada, Zach Friend, and Rachél Lather.

AGAINST: None

ABSTAIN: None

MOTION PASSED: 7-0

4. ORAL COMMUNICATIONS

Chair Justin Cummings requested public comments on any non-agenda items. **Executive Officer Joe Serrano** indicated that there was one request to address the Commission. **Chair Justin Cummings** opened the floor for comments.

Fire Chief John Walbridge, Central Fire District, thanked LAFCO staff for their assistance in evaluating the agency's qualifications for the District Transparency Award. Chief Walbridge noted that this award is granted by the Special District Leadership Foundation to local agencies that operate a robust and transparent website.

Executive Officer Joe Serrano indicated that there were no other requests to address the Commission. **Chair Justin Cummings** closed public comments and moved on to the next agenda item.

5. PUBLIC HEARINGS

Chair Justin Cummings indicated that there was one public hearing item for Commission consideration today.

5a. "Ervine/Old Coach Road Extraterritorial Service Agreement" with the City of Scotts Valley (LAFCO Project No. DA 21-16)

Chair Justin Cummings requested staff to provide a presentation on the proposed extraterritorial service agreement involving a single parcel and the City of Scotts Valley.

Executive Officer Joe Serrano indicated that the proposal was submitted by landowner petition and involved a single parcel encompassing less than half an acre. The purpose of the proposal is to address a failing septic system. The City informed LAFCO that it was willing and capable of providing sewer service to the property. The proposal meets the legal criteria under Government Code Section 56133 regarding health and safety issues and the requirements under the Commission's Extraterritorial Service Agreement Policy. LAFCO staff recommends approval of the proposal.

Chair Justin Cummings requested public comments on the proposal. **Executive Officer Joe Serrano** indicated that there was one request to address the Commission.

Chair Justin Cummings called for Commission comments on the proposal.

Marina George indicated that she was representing the landowners of the subject parcel and wanted to reiterate that the single parcel is less than half an acre. Ms. George also noted that she would be happy to answer any questions.

Executive Officer Joe Serrano indicated that there were no other requests to address the Commission. **Chair Justin Cummings** closed public comments and opened the floor for Commission discussion.

Commissioner Jim Anderson asked whether the current septic system is standard or an engineered system. **Marina George** indicated that the septic system is standard.

Chair Justin Cummings called for the approval of the proposed extraterritorial service agreement. **Vice Chair Rachél Lather** motioned for the approval based on staff's recommendation and **Commissioner Jim Anderson** seconded the motion.

Chair Justin Cummings noted no further Commission discussion and called for a roll call vote on motion based on staff's recommendation: **Adopt the draft resolution (No. 2022-01) approving the extraterritorial service agreement involving the City of Scots Valley.**

Executive Officer Joe Serrano conducted a roll call vote on the item.

MOTION: Rachél Lather
SECOND: Jim Anderson
FOR: Jim Anderson, Roger Anderson, Ryan Coonerty, Justin Cummings, Francisco Estrada, Zach Friend, and Rachél Lather.
AGAINST: None
ABSTAIN: None

MOTION PASSED: 7-0

6. OTHER BUSINESS

Chair Justin Cummings indicated that there are five business items for Commission consideration today.

6a. Continuation of Remote Meetings

Chair Justin Cummings requested staff to provide a presentation on the requirements to continue remote meetings under Assembly Bill 361.

Executive Officer Joe Serrano noted that the Commission adopted a resolution in November 2021 to continue remote meetings in accordance with the guidelines under AB 361, which acts as a temporary waiver of the Brown Act's in-person attendance requirements. Mr. Serrano explained that in order to continue to qualify for AB 361's waiver of in-person meeting requirements, the Commission is required to renew the findings outlined in the resolution adopted back in November. He indicated that based on the new statewide mask mandate, coupled with the rise in COVID cases, staff is recommending that the Commission ratify the existing resolution (No. 2021-19) to continue the use of remote meetings for the next LAFCO Meeting which is scheduled for February 9, 2022.

Chair Justin Cummings requested public comments on this item. **Executive Officer Joe Serrano** indicated that there were no requests to address the Commission.

Chair Justin Cummings closed public comments.

Chair Justin Cummings called for Commission comments on the remote meeting requirements. **Chair Justin Cummings** noted no Commission discussion and called for a roll call vote on motion based on staff's recommendation: **Ratify the existing resolution (No. 2021-19) approving the continuation of remote meetings under AB 361.**

Executive Officer Joe Serrano conducted a roll call vote on the item.

MOTION: Rachél Lather
SECOND: Jim Anderson
FOR: Jim Anderson, Roger Anderson, Ryan Coonerty, Justin Cummings, Francisco Estrada, Zach Friend, and Rachél Lather.
AGAINST: None
ABSTAIN: None

MOTION PASSED: 7-0

6b. Appoint New Chair and Vice-Chair

Chair Justin Cummings requested staff to provide a presentation on the process to appoint a Chair and Vice-Chair for the 2022 calendar year.

Executive Officer Joe Serrano explained that in accordance with the Commission's Meeting Rules Policy, the Commission appoints a new Chair and Vice-Chair in January of each year. Mr. Serrano noted that the new officers terms' will begin on February 9, 2022 and end on February 1, 2023. He indicated that there is no rule of succession or rotation, however, the acting Vice-Chair has historically been elected as the new Chair. Staff is recommending that the Commission appoint a new Chair and Vice-Chair.

Chair Justin Cummings requested public comments on the update. **Executive Officer Joe Serrano** indicated that there were no requests to address the Commission. **Chair Justin Cummings** closed public comments.

Chair Justin Cummings called for Commission comments on the appointment process.

Commissioner Jim Anderson nominates **Vice-Chair Rachél Lather** as the new LAFCO Chair and **Commissioner Roger Anderson** seconds the motion.

Commissioner Zach Friend nominates **Commissioner Yvette Brooks** as the new LAFCO Vice-Chair and **Chair Justin Cummings** seconds the motion.

Chair Justin Cummings noted no further Commission discussion and called for a roll call vote on two nominations: **Appoint Commissioners Rachél Lather and Yvette Brooks as LAFCO's new Chair and Vice-Chair, respectively.**

Executive Officer Joe Serrano conducted a roll call vote on the item.

MOTION: Jim Anderson; Zach Friend
SECOND: Roger Anderson; Justin Cummings
FOR: Jim Anderson, Roger Anderson, Ryan Coonerty, Justin Cummings, Francisco Estrada, Zach Friend, and Rachél Lather.
AGAINST: None
ABSTAIN: None

MOTION PASSED: 7-0

6c. Appoint New Personnel Committee

Chair Justin Cummings requested staff to provide a presentation on the selection process for LAFCO's Personnel Committee.

Executive Officer Joe Serrano explained that the role of the committee is to address administrative matters, including staff's performance evaluations. Mr. Serrano noted that the Commission typically appoints at least two Commissioners to be on the Personnel Committee in accordance with LAFCO's Personnel Committee Policy. Staff is recommending that the Commission appoint Commissioners Roger Anderson, Justin Cummings, and Rachél Lather to the Personnel Committee for the 2022 calendar year.

Chair Justin Cummings requested public comments on the update. **Executive Officer Joe Serrano** indicated that there were no requests to address the Commission. **Chair Justin Cummings** closed public comments.

Chair Justin Cummings called for Commission comments on the appointment process.

Commissioner Jim Anderson asked if a three-member committee will be a new practice going forward. **Executive Officer Joe Serrano** noted that historically the Personnel Committee has only two members, however, because Commissioner Justin Cummings will be termed out in May 2022, having a third member will ensure that the committee has at least two members throughout the entire year.

Chair Justin Cummings noted no further Commission discussion and called for a roll call vote on motion based on staff's recommendation: **Appoint Commissioners Roger Anderson, Justin Cummings, and Rachél Lather to the Personnel Committee for the 2022 calendar year.**

Executive Officer Joe Serrano conducted a roll call vote on the item.

MOTION: Jim Anderson

SECOND: Justin Cummings

FOR: Jim Anderson, Roger Anderson, Ryan Coonerty, Justin Cummings, Francisco Estrada, Zach Friend, and Rachél Lather.

AGAINST: None

ABSTAIN: None

MOTION PASSED: 7-0

6d. UCSC LRDP Update

Chair Justin Cummings requested staff to provide a presentation on the lawsuit between the City of Santa Cruz and the University of California, Santa Cruz.

Executive Officer Joe Serrano indicated that staff continues to monitor the ongoing lawsuit. Mr. Serrano noted that it is unknown when the lawsuit will be resolved. He suggested that the Commission consider forming an ad-hoc committee in the near future to help staff develop an action plan, if needed, when the court ruling is made. He reminded the Commission that this is an informational item and no action is required at this time.

Chair Justin Cummings requested public comments on the update. **Executive Officer Joe Serrano** indicated that there were no requests to address the Commission. **Chair Justin Cummings** closed public comments.

Chair Justin Cummings called for Commission comments on this item.

Commissioner Roger Anderson asked if there is a timeline for the case. **Executive Officer Joe Serrano** noted staff is not aware of the lawsuit's timeframe. Mr. Serrano indicated that staff will be working with LAFCO's legal counsel to determine the lawsuit's schedule.

Chair Justin Cummings asked if the formation of an ad-hoc committee would require Commission action. **Executive Officer Joe Serrano** confirmed that the formation of an ad-hoc committee would require Commission's approval. Mr. Serrano noted that the Commission may consider creating the committee at a future LAFCO meeting.

Chair Justin Cummings noted no additional comments or questions from the Commission and moved to the next item since no Commission action was required.

6e. Regular and Alternate City Member Election Process

Chair Justin Cummings requested staff to provide a presentation on the upcoming election process for the city member seats on LAFCO.

Executive Officer Joe Serrano indicated that two city seats on LAFCO will become vacant in May 2022. Mr. Serrano noted that the City Selection Committee is tasked to appoint city representatives on LAFCO when a vacancy occurs. He explained that historically the four cities rotate staggered, four-year terms on LAFCO to ensure equal representation on the Commission. Assuming the City Selection Committee continues this rotation practice, the Cities of Capitola and Watsonville will be seated on LAFCO as the two voting members starting May 2022. The City of Scotts Valley will also be appointed as the new alternate member and the City of Santa Cruz will rotate out.

Chair Justin Cummings requested public comments on the update. **Executive Officer Joe Serrano** indicated that there were no requests to address the Commission. **Chair Justin Cummings** closed public comments.

Chair Justin Cummings called for Commission comments on the election process.

Chair Justin Cummings noted no additional comments or questions from the Commission and moved to the next item since no Commission action was required.

7. WRITTEN CORRESPONDENCE

Chair Justin Cummings inquired whether there was any written correspondence submitted to LAFCO. **Executive Officer Joe Serrano** indicated that CALAFCO shared its 2022 event calendar. Mr. Serrano also mentioned that CALAFCO may hire a new Executive Director by February 2022. **Chair Justin Cummings** moved to the next item since no Commission action was required.

8. PRESS ARTICLES

Chair Justin Cummings requested staff to provide a presentation on the press articles. **Executive Officer Joe Serrano** indicated that this item highlights LAFCO-related articles recently circulated in local newspapers. **Chair Justin Cummings** moved to the next item since no Commission action was required.

9. COMMISSIONERS' BUSINESS

Chair Justin Cummings inquired whether any Commissioner would like to share any information. There were no comments. **Chair Justin Cummings** moved to the next item since no Commission action was required.

10. CLOSED SESSION

Chair Justin Cummings indicated that a closed session will be held to cover the performance evaluation of LAFCO staff. **Executive Officer Joe Serrano** noted that LAFCO's legal counsel will host the closed session in a separate remote meeting and requested that the Commission reconvene to the regular LAFCO meeting once the closed session is over.

11. ANNOUNCEMENTS FROM CLOSED SESSION

Legal Counsel Joshua Nelson noted that there was no reportable action.

12. ADJOURNMENT

Chair Justin Cummings thanked the Commission for allowing him to be the Chair for the past year and adjourned the Regular Commission Meeting at 10:35 a.m. to the next regular LAFCO meeting scheduled for Wednesday, February 9, 2022 at 9:00 a.m.

RACHÉL LATHER, CHAIRPERSON

Attest:

JOE A. SERRANO, EXECUTIVE OFFICER



Santa Cruz Local Agency Formation Commission

Date: February 9, 2022
To: LAFCO Commissioners
From: Joe Serrano, Executive Officer
Subject: **“Opal Cliffs Recreation District Reorganization” (Project No. RO 21-18)**

SUMMARY OF RECOMMENDATION

The Opal Cliffs Recreation District adopted a resolution requesting that LAFCO dissolve the District and concurrently annex the dissolved area into County Service Area 11. The District consists of 440 parcels and encompasses approximately 67 acres. The annexation will exclude 11 parcels that currently overlap with the City of Capitola. If approved, the reorganization will preserve the current levels of service and maintain local demand expectations by the Opal Cliffs community.

It is recommended that the Commission adopt the draft resolution (LAFCO No. 2022-02) approving the reorganization involving the Opal Cliffs Recreation District and County Service Area 11 (County Parks).

EXECUTIVE OFFICER'S REPORT:

The State Legislature gave LAFCOs broad authority when it comes to considering boundary changes for cities and special districts. LAFCO powers are delineated in the Cortese-Knox-Hertzberg Act. Under this Act, the Commission can deny or approve, with or without conditions, a wide range of boundary changes to local governments, including annexations, dissolutions, detachments, formations, reorganizations and consolidations. A reorganization is the type of action that the Opal Cliffs Recreation District has requested for Commission consideration. The Commission has also adopted a policy to implement the State law in the manner that best encourages orderly growth based upon local conditions within Santa Cruz County (refer to **Attachment 1**).

Reorganization Overview

Pursuant to Government Code Section 56826, a reorganization shall provide for one or more changes of organization of any type for each of the subject districts. In this case, Opal Cliffs Recreation District (“OCRD”) will be dissolved and the dissolved area will be concurrently annexed into County Service Area 11 (“CSA 11”) in one application. It is important to note that on and after the effective date of a reorganization, CSA 11 succeeds to all of the powers, rights, duties, obligations, functions, and properties from OCRD. The territory of the annexed area, all inhabitants within that territory, and all persons entitled to vote by reason of residing or owning land within the territory are subject to the jurisdiction of CSA 11 and have the same rights and duties as if they had originally been part of CSA 11. In summary, a reorganization is legally two actions rolled into one: the dissolution of OCRD, and the subsequent annexation of land that encompasses the entirety of the service area previously under OCRD, with the exception of 11 parcels that overlap with the City of Capitola. This report will analyze the proposed reorganization, provide an overview of the LAFCO process, and include a detailed resolution for consideration. **Figures A and B** on pages 2 and 3 show current and future boundaries based on the proposed reorganization.

Figure A: Current Boundaries

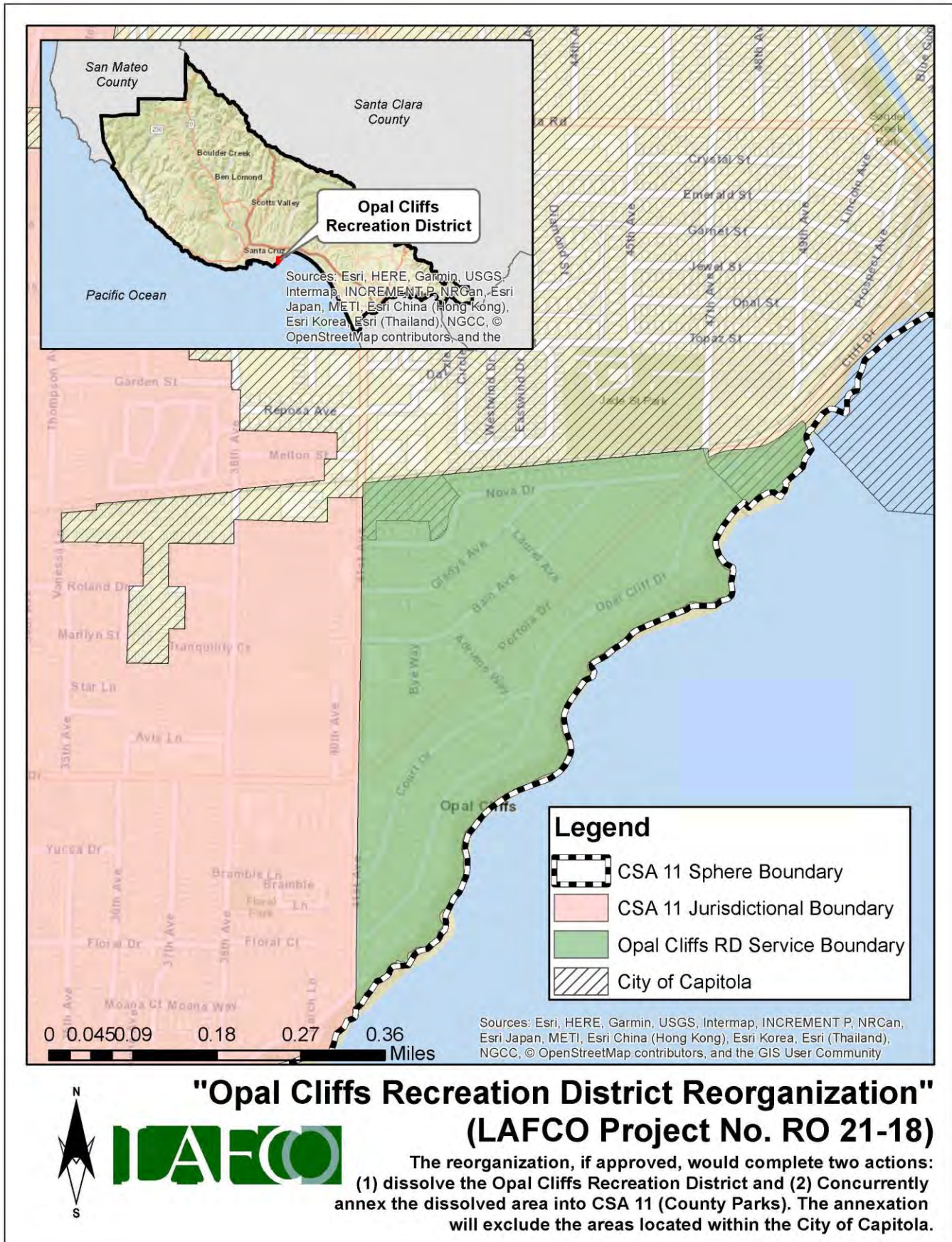
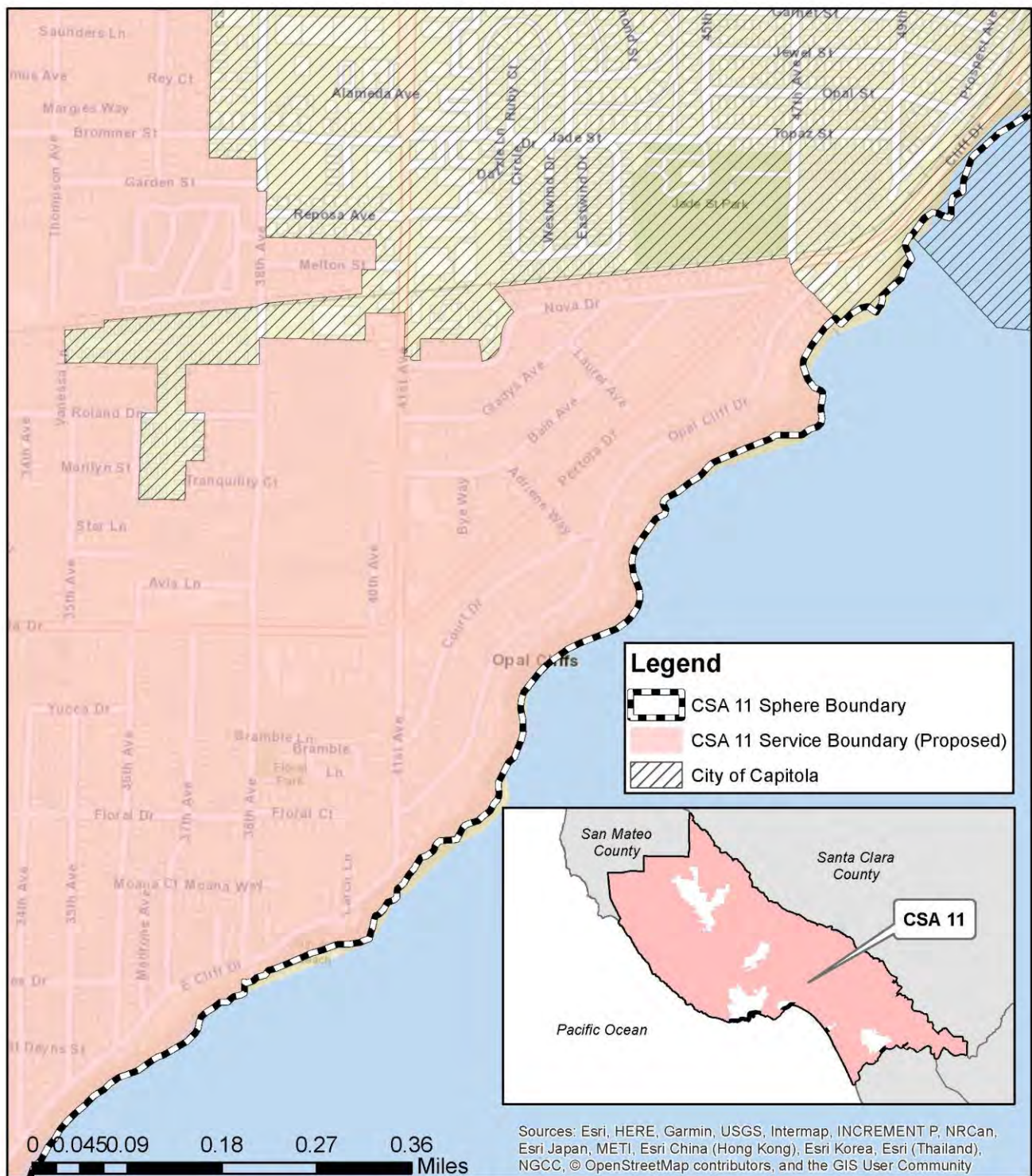


Figure B: Proposed Boundaries



"Opal Cliffs Recreation District Reorganization" (LAFCO Project No. RO 21-18)



The reorganization, if approved, would complete two actions:
(1) dissolve the Opal Cliffs Recreation District and (2) Concurrently annex the dissolved area into CSA 11 (County Parks). The annexation will exclude the areas located within the City of Capitola.

Reason for Request

The reorganization was initiated by the Opal Cliffs Recreation District's Board of Directors following the adoption of a resolution on August 17, 2021, as shown in **Attachment 2**. LAFCO received a signed application, with the adopted resolution, on October 11, 2021. As shown in **Figures A and B**, the annexation area will exclude 11 parcels which overlap between the City of Capitola and OCRD. The City of Capitola has its own park and recreation department and therefore those 11 parcels should not be annexed into CSA 11. It is important to note that the reorganization is a direct result of LAFCO's recent Countywide Park & Recreation Service and Sphere Review. The following section summarizes the steps taken prior to submittal of an application.

Countywide Service & Sphere Review

State law requires LAFCOs to conduct municipal service reviews and sphere of influence updates for each city and special district under LAFCO's jurisdiction. As part of the Commission's Multi-Year Work Program, LAFCO staff analyzed the four park and recreation districts in Santa Cruz County under one report. This report was presented and ultimately adopted by the Commission on August 4, 2021. Based on LAFCO's analysis, it was determined that OCRD did not have a general manager, any staff members, a physical office location, or a legally-required website. LAFCO also identified several statutory violations. In addition, the District ended with a deficit in three of the last six fiscal years. What was more prevalent was the fact that total revenue had dramatically decreased over the years since 2015. LAFCO projected that this negative trend would continue unless a more stable public agency assumed the service responsibilities for the Opal Cliffs community.

Sphere Designation

Santa Cruz LAFCO adopted OCRD's first sphere of influence on October 5, 1988. Unlike the other park and recreation districts in Santa Cruz County, OCRD received a zero sphere of influence during its original adoption. A "zero" sphere of influence (encompassing no territory) is adopted by LAFCO when the Commission has determined that the service functions of the affected agency are either: nonexistent, no longer needed, or should be reallocated to some other local government. The adoption of a "zero" sphere indicates the public agency should ultimately be dissolved and service responsibilities be transferred to another local agency.

As part of the 2021 report, LAFCO reaffirmed the zero sphere with the condition that the District initiate dissolution or develop a strategic plan no later than December 31, 2021. If no application or strategic plan is submitted by the December deadline, the Commission had justification to initiate dissolution in accordance with Government Code Section 56375(a)(2)(B).

Future Governance Deadline

The intent of the December 31st deadline was to ensure that the Opal Cliffs community receives the best level of service possible, whether through the OCRD or another local agency. Following the adoption of the report, OCRD coordinated with the County to discuss a transition plan. It was determined that CSA 11 was the most logical provider of services to the community. As a result, the OCRD Board of Directors unanimously adopted a resolution to initiate the dissolution of OCRD and concurrent annexation of the dissolved area into CSA 11. The following page summarizes the application submitted by OCRD in October 2021.

LAFCO Application

The 2021 Countywide Service and Sphere Review identified areas of improvement for OCRD and potential governance options to consider. As a result, OCRD held various public hearings to explore and discuss the potential reorganization. These discussions resulted in the submittal of an application to LAFCO. The detailed application outlines the plans for service if the reorganization is approved by LAFCO. The following section discusses each component within the application packet submitted by OCRD.

Filing Fee & Indemnification Agreement

Commission Policy requires a fee deposit of \$1,250 for any dissolution 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 balance, if available. Commission Policy also requires a signed indemnification agreement in the event that a lawsuit is filed against LAFCO's action. The filing fee and signed indemnification agreement was submitted on October 11, 2021 as part of the application packet (refer to **Attachment 3**).

General Plan/Zoning Designation

The subject area is inhabited and the County's General Plan designates the vast majority of the area as Urban Medium Residential with a small portion designated as Existing Parks and Recreation. The application does not propose any changes to the existing land use designation. The subject area is generally located east of 41st Avenue, south of Capitola Road, west of Soquel Wharf Road, and north of the Pacific Ocean. It is important to note that the District's service area also includes a portion of the City of Capitola (11 parcels in total). This portion will be excluded from the proposed annexation.

Other Municipal Services

No other change of organization is required. The proposal area will continue to receive municipal services from existing public agencies, including but not limited to water services from Soquel Creek Water District and fire protection services from Central Fire District.

Sphere Designation

Pursuant to Government Code Section 56425, the Commission designates a sphere of influence for cities and special districts. OCRD's zero sphere boundary was reaffirmed as part of the 2021 Countywide Service & Sphere Review. If the reorganization is approved, the sphere of influence for CSA 11 will not change since its current boundary is coterminous with the boundary limits of Santa Cruz County (refer to **Figure B**).

Map & Legal Description

Typically, the State Board of Equalization (BOE) requires a map and legal description when a boundary change is approved by the Commission. The metes and bounds help the BOE update the upcoming year's tax rolls. When a reorganization occurs that involves a dissolution, the BOE accepts vicinity maps created by LAFCO. The proposed jurisdictional and sphere boundaries for CSA 11 are shown in **Figure B** on page 3. This map will be submitted to the BOE if and when the reorganization is officially recorded.

LAFCO Process (Pre-Commission Action)

Once an application is submitted to LAFCO, State law requires several steps to be completed before a proposal is presented to the Commission for consideration. These steps include notifying the applicants whether the application is missing items, informing affected and interested agencies about the reorganization, requesting the consideration of a property tax exchange agreement, recording an environmental document, and conducting LAFCO staff's analysis of the reorganization. The following section summarizes those statutory requirements.

Status Letter

Pursuant to Government Code Section 56658(c), the LAFCO Executive Officer needs to determine within 30 days of receiving an application whether the application is complete and acceptable for filing or whether the application is incomplete. A letter was sent to OCRD on October 21, 2021 (see **Attachment 4**). This letter indicated the "status" of the application and outlines which steps were needed before the application could be deemed complete and ready for Commission consideration.

Referral Letter (Agency Comments)

Pursuant to Government Code Section 56658(b)(1), immediately after receiving an application and before issuing a certificate of filing, the LAFCO Executive Officer needs to give mailed notice that the application has been received to each affected local agency, the county committee on school district organization, and each school superintendent whose school district overlies the affected territory. The referral letter, shown as **Attachment 5**, was sent to the interested and affected agencies on October 21, 2021 which included a summary of the proposal and a supporting map. During this time, LAFCO staff also requested additional information from different county departments regarding existing registered voters, number of parcels, and total land value within the proposal area. Due to the confidential information, such as resident names and addresses, the requested information is not attached to this report. However, the information is available for review at the LAFCO Office.

County Elections Office – LAFCO staff requested a list of the most recent registered voters within OCRD. The Elections Department identified 634 registered voters within the proposal area as of December 21, 2021.

County Assessor Office – LAFCO staff requested a list of all the parcels within OCRD as well as the assessed value for those parcels. The Assessor's Office identified 429 parcels within the proposal area.

County Auditor-Controller Office – LAFCO staff requested a list of all the tax rate areas (TRAs) within OCRD. The Auditor-Controller identified one TRA with a property tax value of approximately \$3.3 million. This information was used to help determine the percentage OCRD currently receives from the total property tax value. The current percentage would then be transferred over to CSA 11 through a property tax exchange agreement.

County Administrative Office – LAFCO staff requested that a property tax exchange agreement be placed on a future agenda for adoption by the County Board of Supervisors. The County Administrative Office scheduled the proposed tax agreement for January 25, 2022, as discussed in the next segment.

Property Tax Exchange Agreement

California Revenue and Taxation Code Section 99(b)(6) requires the adoption of a property tax exchange agreement involving the affected agencies before LAFCO can consider a jurisdictional change. The Board of Supervisors acting as the authorizing body for OCRD regarding property tax adjustments adopted a property tax exchange agreement on January 25, 2022. A copy of the adopted resolution is available in **Attachment 6**.

Plan for Service

Pursuant to Government Code Section 56653, the applicants shall submit a plan for providing services within the affected territory. The Plan for Service includes all of the following information and any additional information required by LAFCO: (1) An enumeration and description of the services currently provided or to be extended to the affected territory, (2) The level and range of those services, (3) An indication of when those services can feasibly be extended to the affected territory, if new services are proposed, (4) An indication of any improvement or upgrading of structures, roads, sewer or water facilities, or other conditions the local agency would impose or require within the affected territory if the change of organization or reorganization is completed, and (5) Information with respect to how those services will be financed.

The Plan for Service for the proposed reorganization is fulfilled through three documents: (1) the detailed application submitted by OCRD, (2) the countywide service and sphere review adopted by LAFCO, and (3) the memorandum of understanding (“MOU”) between OCRD and the County of Santa Cruz. OCRD and the County entered into a MOU in December 2019 to help the District function as a public agency. In accordance with this MOU, staff members from the County Parks Department have been acting as the District’s unofficial employees to help the District Board conduct public meetings, provide maintenance duties, deliver security services, and provide administrative support. **Attachment 7** provides a copy of the current MOU.

Letter of Support

The County has expressed support towards the proposed reorganization throughout the entire LAFCO process. Staff members from the County Parks Department played a key role in helping the District complete the LAFCO application and have worked closely with LAFCO staff during the last several months to complete the statutory requirements. The County provided a letter of support on January 3, 2022, as shown in **Attachment 8**.

Environmental Review

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 (CEQA). LAFCO, as the Lead Agency, will record a Notice of Exemption pursuant to State CEQA Guidelines Section 15320, Class 20(b): Changes in the organization or reorganization of local governmental agencies where the changes do not change the geographical area in which previously existing powers are exercised, including but not limited to consolidations or reorganizations. The Notice of Exemption is scheduled to be recorded after Commission approval. A draft version of the environmental document is shown in **Attachment 9**.

Local & Statutory Factors

Pursuant to Government Code Section 56668, several factors are considered when reviewing a proposal. Additionally, the Commission has adopted a policy to implement the State law in the manner that best encourages orderly growth based upon local conditions within Santa Cruz County. These analyzed factors are shown in **Attachment 10**. In addition to these statutory factors, the following section examines additional local factors identified by LAFCO staff:

Population Projection

Official growth projections are typically not available for special districts. 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. In general, the Coastal Region is anticipated to have a slow growth over the next twenty years. The average rate of change is expected to be 0.86%. Based on staff's analysis, the population within OCRD is approximately 700 and may reach to 726 by 2040. The County has indicated that they are willing and capable of serving current and future residents under CSA 11.

Level of Service

The Commission requires that the successor agency provide the same or better level of service following a reorganization. The two affected districts have indicated that operations will remain the same as a result of the reorganization. Park and recreation services will continue to be handled by the same County employees identified in the existing MOU. Operations are expected to improve by maximizing current personnel and eliminating procedural barriers that limit flexibility in deploying scarce resources. Based on LAFCO staff's analysis, operations will be streamlined with improved management oversight, which may result in a higher level of service in the near future.

Governance

The current management structure for OCRD includes an elected governing board but no general manager or administrative staff. The reorganization, if approved, would designate the County Board of Supervisors as the governing body regarding park and recreation services to the Opal Cliffs community, similar to other unincorporated communities located throughout the county.

Funding Mechanism

County parks are a well-used resource by county residents and visitors. The County maintains 59 parks, beach access and open space areas encompassing over 1,400 acres. In addition, the County provides after-school programs, swim lessons, art and science enrichment, sports leagues for children, and senior programming for older residents to maintain fitness and an active lifestyle. That is why an annual \$8.50 parcel tax towards each improved parcel within CSA 11 was approved by residents in 2014 for the purpose of providing, operating, maintaining, and preserving County parks and the recreational programs. Adding the Opal Cliffs Park and its parking lot, entrance gate, and walkway down the cliff to the beach would incur additional expenses to the CSA 11's overall operations. Therefore, if approved, the reorganization will extend the previously authorized \$8.50/year parcel tax to the annexation area, pursuant to Government Code Section 57025(e), to not only ensure consistency with the other county residents but more importantly make certain that the level of service expected at the Opal Cliffs Park continues to be fulfilled by CSA 11.

Certificate of Filing

Pursuant to Government Code Section 56020.6, a certificate of filing is a document issued by the Executive Officer that confirms an application for a change of organization has met submission requirements and is ready for Commission consideration. The Executive Officer deemed the application complete and signed the certificate on January 12, 2022 as shown in **Attachment 11**. Following the issuance of the certificate of filing, the Executive Officer shall proceed to set the proposal for hearing and give published notice. The date of the hearing shall be no more than 90 days after issuance of the certificate of filing or after the application is deemed to have been accepted, whichever is earlier. Notwithstanding Government Code Section 56106, the date for conducting the hearing is mandatory.

LAFCO Process (Commission Action)

Pursuant to State law, LAFCO is required to advertise the consideration of the proposed reorganization in a newspaper at least 21-days prior to the hearing date (Government Code Section 56157[h]). After deeming the proposal complete, the Executive Officer advertised the reorganization in the Santa Cruz Sentinel on January 18, 2022. The public notice was also uploaded on LAFCO's website and circulated to interested agencies and individuals. The public notices indicated that the reorganization was scheduled for Commission consideration on February 9, 2022, included a vicinity map and provided answers to frequently asked questions. Information on how to participate in the LAFCO Meeting was also included in the public notice. A copy of the public notice is shown in **Attachment 12**. Additionally, LAFCO participated in multiple board meetings held by OCRD to discuss the proposed reorganization and answer any questions by the board or member of the public.

Commission Hearing

Pursuant to Government Code Section 56666, a hearing is required when considering a change of organization. At the hearing, the Commission shall hear and receive any oral or written protests, objections, or evidence that shall be made, presented, or filed, and consider the report of the Executive Officer and the plan for providing services to the proposal area. The February 9th LAFCO Meeting is accessible to anyone who is interested. In accordance with Assembly Bill 361, the meeting will be conducted remotely. The February 9th agenda includes steps on how to access the virtual meeting.

LAFCO Process (Post-Commission Action)

If the Commission approves the reorganization, State law requires the commencement of a request for reconsideration period and a protest proceeding. These two periods are summarized below. **Attachment 13** provides a complete overview of the entire LAFCO process schedule – from the day the application was submitted to the proposed completion date (assuming the reorganization effort is successful).

Request for Reconsideration

Pursuant to Government Code Section 56895, when the Commission adopts a resolution making determinations regarding a change of organization, any person or affected agency may file a written request with the Executive Officer requesting amendments to or reconsideration of the resolution. The request shall state the specific modification to the resolution being requested and shall state what new or different facts that could not have been presented previously are claimed to warrant the reconsideration. Individuals or agencies have up to 30 days after adoption of the resolution to submit a written request. The request for reconsideration period is scheduled for February 9 to March 9, 2022.

Protest Proceedings

Pursuant to Government Code Section 57000, when the Commission adopts a resolution making determinations regarding a change of organization, affected residents within the proposal area will have an opportunity to voice their opposition during the protest period. The Commission shall specify a timeframe between twenty-one (21) and sixty (60) days for the collection and filing of written protests pursuant to Government Code Section 56886(o), and that timeframe shall be included in the terms and conditions of an approval for a change of organization. Within thirty (35) days of the adoption of the Commission's resolution, the Executive Officer shall notice a protest hearing and, in the notice, set the hearing date as prescribed by the Commission in its terms and conditions.

LAFCO staff has set forth a 21-day protest proceeding. The protest period is scheduled for March 10 to March 30, 2022. A protest hearing will be held on March 30, 2022 to collect the final petitions and hear any resident feedback. A public notice for the protest hearing will be advertised in the Sentinel and distributed to the Opal Cliffs community no later than March 9, 2022. A draft version of the protest notice is shown in **Attachment 14**.

Protest Results

Upon determination of the value of written protests filed and not withdrawn, the Executive Officer shall take one of the following actions:

- a) If less than 25% of the affected registered voters or landowners oppose the proposal, then a form of resolution making determinations and ordering the change of organization or reorganization will be adopted without an election;
- b) If 25% to 50% of the affected registered voters or landowners oppose the proposal, then a form of resolution making determinations and ordering the change of organization or reorganization will be adopted subject to confirmation by the voters; or
- c) If more than 50% of the affected registered voters or landowners oppose the proposal, then a certificate of termination will be issued, which ends the LAFCO proceedings.

For additional transparency, and to clarify the statutory requirements outlined in the Cortese-Knox-Hertzberg Act, the Commission adopted a Protest Proceedings Policy (refer to **Attachment 15**).

Certificate of Completion

A certificate of completion is the document prepared by the Executive Officer and recorded with the County Recorder that confirms the final successful completion of a change of organization, in this case the proposed reorganization. Pursuant to Government Code Section 57200, the Executive Officer will prepare and execute a certificate of completion when the following are completed:

- 1) Completion of the Request for Reconsideration and Protest Periods; and
- 2) Satisfaction of any conditions contained in the adopted resolution that required to be completed prior to filing a certificate of completion.

Pursuant to Government Code Section 57001, if a certificate of completion for a change of organization has not been filed within one year after the commission approves a proposal for that proceeding, the proceeding shall be deemed terminated unless prior to

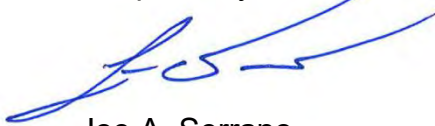
the expiration of that year the Commission authorizes an extension of time for that completion. The extension may be for any period deemed reasonable to the Commission for completion of necessary prerequisite actions by any party.

STAFF RECOMMENDATION

The Opal Cliffs Recreation District has experienced internal deficiencies and financial constraints for almost a decade now. Fortunately, the District and County developed a strategic partnership in 2019 to transition all administrative duties to the County Parks Department. After reviewing LAFCO's findings in the 2021 Countywide Service & Sphere Review, the two affected districts have decided to transition the strategic partnership into an official merger.

Under the proposed reorganization, the collaborative effort will preserve the current levels of service, maintain local demand expectations, and continue the existing funding sources while maximizing economies of scale, combining best practices, and ultimately lead to a better level of service. Therefore, staff is recommending that the Commission adopt the draft resolution, as shown in **Attachment 16**. The effective date of this reorganization, if approved, is subject to completion of terms and conditions outlined in this resolution as authorized by Government Code Sections 56886(p) and 57202 and will be effective upon issuance of the certificate of completion. Based on the attached reorganization schedule created by LAFCO staff, the effective date may occur around April-May 2022.

Respectfully Submitted,



Joe A. Serrano
Executive Officer

Attachments:

1. Proposal Evaluation Policy
2. Initiating Resolution
3. Indemnification Agreement
4. LAFCO Status Letter
5. LAFCO Referral Letter
6. Property Tax Exchange Agreement
7. Memorandum of Understanding
8. Letter of Support
9. Notice of Exemption (Draft Version)
10. Statutory and Policy Factors
11. Certificate of Filing
12. Notice of Public Hearing
13. Reorganization Schedule
14. Protest Hearing Notice (Draft Version)
15. Protest Proceedings Policy
16. Draft Resolution No. 2022-02

cc: Jenae Replogle, Opal Cliffs Recreation District
Jeff Gaffney, County Service Area 11
Matt Machado, County Public Works



LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY

PROPOSAL EVALUATION POLICY

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

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

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

1. OVERVIEW

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

2. CONSISTENCY WITH SPHERE OF INFLUENCE

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

2.1 Sphere Consistency

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

3. INITIAL PROPOSAL EVALUATION

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

3.1 Rezoning & General Plan Updates

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

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

3.2 Existing Land Use Designations

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

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

3.3 Divestiture of Services

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

3.4 Population Analysis

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

3.5 Overlapping Plans

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

3.6 In-Fill Development

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

3.7 Provision of Services

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

3.8 Proposals exceeding 50 acres

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

4. AFFECTED AGENCIES AND BOUNDARIES

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

4.1 Ranking Different Boundary Changes

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

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

4.2 Consolidation Proposals

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

4.3 Logical Boundaries

LAFCO shall promote more logical agency boundaries.

4.4 Political Boundaries

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

4.5 Roads and Streets (Right-of-Way)

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

4.6 Community Boundaries

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

4.7 Parcel Boundaries

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

4.8 Prevention of “Islands”

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

4.9 Prevention of Irregular Boundaries

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

4.10 Social & Economic Interests

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

4.11 Metes & Bounds

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

4.12 Timely LAFCO Actions

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

4.13 Financially Desirable Areas

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

4.14 City Jobs & Housing

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

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

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

5. AGRICULTURAL LANDS

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

5.1 Smart Growth

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

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

5.2 Infill Development

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

5.3 Ranking Urban Development on Open Spaces and/or Farmlands

The priorities for urbanization are:

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

5.4 Urbanization of Prime Agricultural Lands

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

6. WATER AND SEWER RESOURCES

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

6.1 Supply of Water

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

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

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

6.2 Service Limitations

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

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

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

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

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

6.3 Urban Land uses

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

6.4 Commission Approval

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

6.5 Multiple Service Providers

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

BEFORE THE BOARD OF DIRECTORS
OF THE OPAL CLIFFS RECREATION DISTRICT

RESOLUTION 21-1

A RESOLUTION TO INITIATE APPLICATION BY THE OPAL CLIFFS RECREATION DISTRICT REQUESTING THE LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY TO PURSUE PROCEEDINGS FOR THE DISSOLUTION OF OPAL CLIFFS RECREATION DISTRICT AND CONCURRENT ANNEXATION OF THE DISSOLVED AREA INTO COUNTY SERVICE AREA 11

WHEREAS, the Board of Directors of the Opal Cliffs Recreation District (“District”) desires to initiate proceedings pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, California Government Code Section 56000 et. seq. (“CKH Act”), and

WHEREAS, notice of intent to adopt this Resolution of Initiation has been given to each interested and affected local agency, including but not limited to County Service Area 11 (“Successor Agency”); and

WHEREAS, the affected territory proposed to be dissolved and concurrently annex into the Successor Agency is inhabited, and is constituted by the respective boundaries of the Opal Cliffs Community; and

WHEREAS, the reasons for the proposed dissolution and concurrent annexation are as follows:

- 1) It will facilitate the efficient delivery of park and recreation services to individuals and property owners within the affected territory; and
- 2) It will facilitate the continued provision of the current levels of service through the County.

WHEREAS, this Board anticipates that the proposed dissolution and concurrent annexation is categorically exempt from review under the California Environmental Quality Act (“CEQA”) pursuant to State CEQA Guidelines Section 15320, which exempts the reorganization of local government agencies where the proposal does not change the geographical area in which previously existing powers are exercised; and

NOW, THEREFORE BE IT RESOLVED that this Resolution of Initiation of reorganization proceedings as described is adopted and approved by the Board of Directors of the Opal Cliffs Recreation District.

PASSED AND ADOPTED by the Board of Directors of the Opal Cliffs Recreation District
at a regular meeting thereof held on 17th of August 2021, by the following vote:

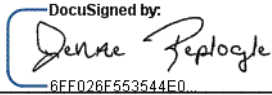
AYES: Replogle, Springbett, Irving

NOES:

ABSENT:

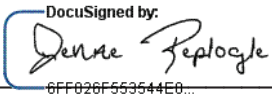
ABSTAIN:

ATTEST:

DocuSigned by:

6FF026F553544E0...

JENAE REPLOGLE, BOARD CHAIR

APPROVED AS TO FORM:

DocuSigned by:

6FF026F553544E0...

JENAE REPLOGLE, BOARD CHAIR

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



PROJECT NUMBER: _____
 TITLE: _____

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 of Santa Cruz County ("LAFCO"), indemnify, and hold harmless LAFCO, its officers, employees, and agents, from and against any claim, demand, damages, costs or liability of any kind (including attorneys' fees) against LAFCO 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**

LAFCO shall notify the Applicant of any claim, action, or proceeding against which LAFCO seeks to be defended, indemnified, or held harmless. LAFCO shall reasonably cooperate in such defense.

B) **Fees and Costs:**

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

- 1) LAFCO bears its own attorneys' fees and costs; or
- 2) LAFCO and the Applicant agree in writing to the Applicant paying part or all of the Commission's attorneys' fees and costs.

C) **Settlement:**

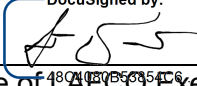
When representing LAFCO, the Applicant shall not enter into any stipulation or settlement modifying or affecting the interpretation or validity of any of the terms or conditions of the approval without the prior written consent of LAFCO.

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:**

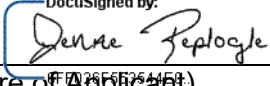
At any time after submission of the application, LAFCO may, at its sole option, record in the office of the Santa Cruz County Recorder a memorandum of agreement which incorporates the provisions of this condition, or this approval shall become null and void.

DocuSigned by:

 (Signature of LAFCO Executive Officer)

Joe A. Serrano
 (Printed Name)

10/10/2021

(Date)

DocuSigned by:

 (Signature of Applicant)

Jenae Replogle
 (Printed Name)

10/10/2021

(Date)



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

October 21, 2021

Jenae Replogle, Board President
Opal Cliffs Recreation District
979 17th Avenue
Santa Cruz, CA 95062

**Subject: Proposed “Opal Cliffs Recreation District Reorganization”
(LAFCO Project No. RO 21-18)**

Dear Ms. Replogle:

LAFCO staff has reviewed the application and accompanying documents for the above-referenced proposal. This notice is to advise you whether your application is complete or whether additional information is required.

The application is **incomplete**, and the following information or action is required:

1. **FILING FEE:** Applications for boundary changes, such as dissolutions, require a fee deposit. A policy discussing the cost breakdown for applications has been adopted by LAFCO and is enclosed for your reference (refer to **Attachment 1**). The applicant is required to provide a check payable to Santa Cruz LAFCO for \$1,250.
2. **LEGAL DESCRIPTION AND MAP:** The applicant is required to provide a map and legal description illustrating the proposed boundary change. The applicant is also responsible for paying the processing fee to the State Board of Equalization (SBE) in order to officially finalize the boundary change. LAFCO staff will be contacting the SBE Office to determine whether this requirement can be fulfilled through LAFCO’s vicinity map, as shown in **Attachment 2**. In the interim, LAFCO staff is recommending that the County produce the required map & legal requirement, if needed. Please note that the SBE fee will be covered under LAFCO’s \$1,250 filing fee deposit.
3. **COMMENTS FROM AFFECTED AND OTHER PUBLIC AGENCIES:** Several factors must be considered when reviewing a proposal, including comments from any affected or interested local agencies (Government Code Section 56668[j]). Attached is a copy of the referral letter sent to the public agencies within the affected area (refer to **Attachment 3**). This letter is soliciting comments on the proposal from those agencies, if any. The deadline to submit comments to LAFCO will be Friday, November 19, 2021.

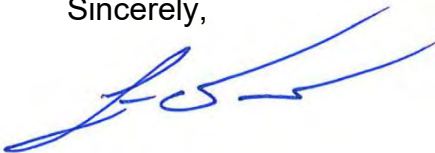
“Opal Cliffs Recreation District Reorganization” (RO 21-18)

Page 1 of 2

4. ENVIRONMENTAL REVIEW: The applicant is typically required to provide an environmental document that fulfills the requirements under the California Environmental Quality Act (CEQA). However, Santa Cruz LAFCO will assume this responsibility and serve as the lead agency for assessing impacts under CEQA. Staff believes the proposal qualifies as a project under CEQA, and therefore, an environmental review is currently underway.
5. PROPERTY TAX EXCHANGE AGREEMENT: California Revenue and Taxation Code Section 99(b)(6) requires the adoption of a property tax exchange agreement by the affected local agencies before LAFCO can consider a jurisdictional change. The Board of Supervisors (BOS) acts as the authorizing body for CSA 11 and OCRD regarding property tax adjustments. LAFCO staff will coordinate with the County Administrative Office to schedule this item at an upcoming BOS meeting.

Once LAFCO receives the requested information and all the required milestones are completed, the application will be deemed complete and ready for Commission consideration. Attached to this letter is a tentative timeline of the entire LAFCO process (refer to **Attachment 4**). This is meant to be a guide but dates listed may be subject to change. If you have any questions regarding this letter or the LAFCO process, please contact me at (831) 454-2055 or by email at joe@santacruzlafco.org.

Sincerely,



JOE A. SERRANO
Executive Officer

Attachments:

1. Fee Schedule Policy
2. Vicinity Map
3. Referral Letter
4. Proposal Timeline (Tentative Schedule)

cc: Jeff Gaffney, County Parks



LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY

PROCESSING FEES AND DEPOSITS POLICY

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

1. OVERVIEW

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

2. PETITION CHECKING

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

3. PROCESSING

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

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

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

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

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

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

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

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

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

e) Formation of a county service area:

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

Footnote: includes petition filing fee and sphere adoption

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

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

g) Formation of a special district:

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

Footnote: includes sphere adoption

h) City incorporations:

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

Footnote: includes sphere adoption

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

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

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

j) Sphere of Influence revision or amendment:

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

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

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

l) Requests for extraterritorial service:

Total Acreage	Fee Deposit
N/A	\$950

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

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

n) Copies or other reproduction efforts:

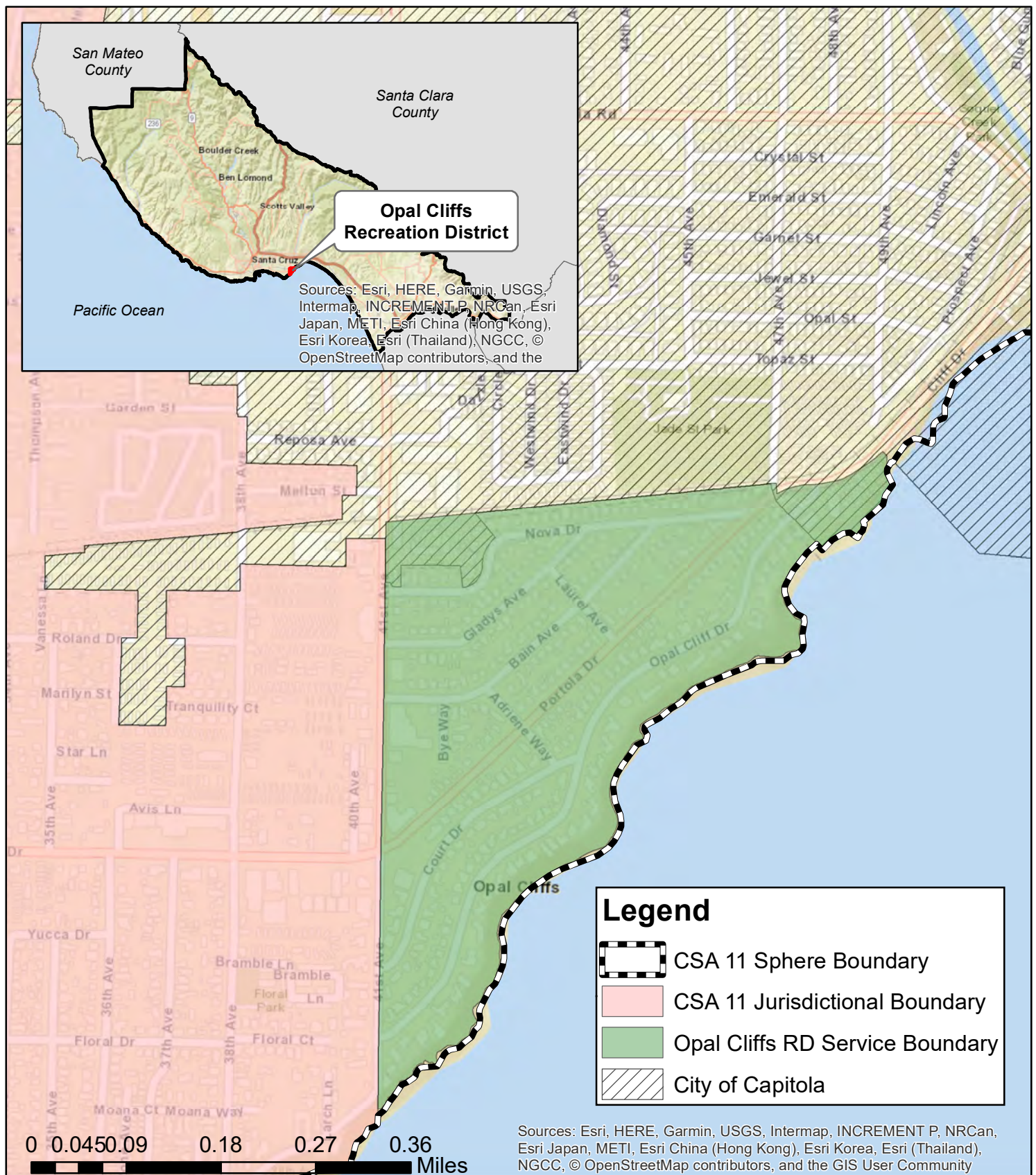
Requests	Fee Deposit
Copies	First 30 pages free; thereafter \$0.18 per page
Digital Audio Files	\$14.42 per 80-minute CD
Other Electronic Media	The fees as charged by the County of Santa Cruz on its Unified Fee Schedule

4. BILLING RATES

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

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

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



"Opal Cliffs Recreation District Reorganization" (LAFCO Project No. RO 21-18)

The reorganization, if approved, would complete two actions: (1) dissolve the Opal Cliffs Recreation District and (2) Concurrently annex the dissolved area into CSA 11 (County Parks). The annexation will exclude the areas located within the City of Capitola.



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

REFERRAL LETTER TO AFFECTED/INTERESTED AGENCIES

Date: October 21, 2021
Project Title: "Opal Cliffs Recreation District Reorganization"
Project Number: RO 21-18
APNs: 440 Parcels (list available upon request)
Date Rec'd by LAFCO: October 11, 2021
Submitted by: Adopted Resolution by the OCRD Board
Subject Agencies: Opal Cliffs Recreation District; County Service Area 11

Sphere Adoption/Amendment: No
Contractual Service Agreement: No

Executive Officer Message: This application proposes to dissolve the Opal Cliffs Recreation District with a concurrent annexation of the dissolved area into County Service Area 11 (County Parks). If approved, the residents will receive park and recreational services from the County.

If you have any comments on this application, please provide your feedback to the LAFCO office no later than **Friday, November 19, 2021**.

Description/Justification: The proposed dissolution and concurrent annexation was initiated by the Opal Cliffs Recreation District through the unanimous adoption of a board resolution. The subject area includes 440 parcels totaling approximately 67 acres. The County has been acting as the District's unofficial administrative staff since 2019 under a Memorandum of Understanding. The proposal, if approved, would officially transfer service responsibilities to the County under CSA 11. Representatives from the County and District have expressed mutual support towards the reorganization.

Location: The subject area is primarily within unincorporated county territory and is generally located east of 41st Avenue, south of Capitola Road, west of Soquel Wharf Road, and north of the Pacific Ocean. The District's service area also includes a portion of the City of Capitola. This portion will be excluded from the proposed annexation. Attached is a vicinity map depicting the location of the proposal area.

General Plan/Zoning: The subject area is inhabited and the County's General Plan designates the vast majority of the area as Urban Medium Residential with a small portion designated as Existing Parks and Recreation. The application does not propose any changes to the existing land use designation.

Other Municipal Services: No other change of organization is required. The proposal area will continue to receive municipal services from existing public agencies, including but not limited to water services from Soquel Creek Water District and fire protection services from Central Fire District.

Environmental Review: The project site is subject to an environmental review. Santa Cruz LAFCO will serve as the lead agency for assessing impacts under CEQA. Staff believes the proposal qualifies as a project under CEQA. Therefore, an environmental review is underway.

Tax Negotiations: California Revenue and Taxation Code Section 99(b)(6) requires the adoption of a property tax exchange agreement involving the affected local agency before LAFCO can consider a jurisdictional change. The Board of Supervisors (BOS) acts as the authorizing body for CSA 11 and the District regarding property tax adjustments.

Referrals:

Affected Agency: Opal Cliffs Recreation District; CSA 11

Interested Agencies:

Cities – Capitola; Santa Cruz

State Departments: California Department of Parks and Recreation

County Departments – Assessors Office; Auditor-Controller Office; CAO Office; Elections Office; Supervisorial Districts 1 & 2

County Service Areas – CSA 9; CSA 9a, CSA9c; CSA 9d; CSA 9e, CSA 38; CSA 53

School Districts – Santa Cruz City High; Soquel Union Elementary

Other Local Agencies: Central Fire District; Resource Conservation District; Santa Cruz County Sanitation District

Terms and Conditions: The LAFCO resolution will outline several terms and conditions including but not limited to the following: State Board of Equalization fees and LAFCO processing fees.

Public Hearing: Yes (hearing date: TBD)

Date File Opened: 10/11/21

Filing Fee Deposit: \$1,250

Date Paid: Pending

Date Status Letter Sent: 10/21/21

Attachment: Vicinity Map

"Opal Cliffs Recreation District Reorganization" - LAFCO Process Proposed Schedule <i>(For Discussion Purposes Only - Dates Subject to Change)</i>			
Action	Responsible Agency	Target Date	Description
Pre-LAFCO Process			
Discussion about Dissolution and the Process	OCRD, County & LAFCO	July - September 2021	Discuss the LAFCO process, affected area, and application requirements for the proposed reorganization (OCRD dissolution and concurrent annexation of the dissolved area into CSA 11).
During LAFCO Process			
Submittal of LAFCO Application	OCRD & County	October 11, 2021	A completed application must also include the following: 1) Initiating Resolution; 2) Environmental Questionnaire (CEQA requirement)*; 3) Map & Legal Description (SBE requirement); 4) Signed Indemnification Agreement; 5) LAFCO Filing Fee (Initial Deposit of \$1,250); 6) Any additional information requested by LAFCO (TBD)
Review and Notification of Application	LAFCO	November 11, 2021	Pursuant to state law, LAFCO will identify any missing items to the applicant within 30 days. Concurrently, LAFCO will solicit comments from affected and interested agencies/parties.
Adoption of a Property Tax Exchange Agreement	Board of Supervisors	November - December 2021	The County of Santa Cruz, on behalf of CSA 11 and the District, will need to determine the transfer of ad valorem property tax revenues to fulfill the requirements of Section 99 of the Revenue and Taxation Code.
Discuss Application's Pending Items	OCRD, County & LAFCO	December 2021	Address any pending items. These items must be resolved before LAFCO staff can deem this project complete and ready for Commission consideration.
Complete Certificate of Filing	LAFCO	December 2021 - January 2022	Pursuant to State law, LAFCO's Executive Officer will deem the project complete when a Certificate of Filing is signed. All required documents and actions need to be accomplished before this step is taken.
Record Environmental Document	LAFCO	December 2021 - January 2022	Pursuant to State law, and based on local practices, LAFCO files an environmental document regarding boundary changes. LAFCO staff believes that the proposal may be exempt from CEQA. A Notice of Exemption will be recorded prior to the LAFCO hearing.
Advertise LAFCO Hearing in Newspaper(s)	LAFCO	January 2022	Pursuant to State law, LAFCO will advertise the consideration of the proposal in a newspaper (Sentinel) at least 21-days prior to the hearing date (GCS 56157[h] - 1/8 page in newspaper). A copy of the notice will also be sent to the affected residents.
Conduct LAFCO Hearing (Consider Proposal)	LAFCO	February 2022	The Commission will consider the proposal in a public forum. Affected/interested agencies and members of the public will have an opportunity to address the Commission on this matter.
Conduct 30-day Request for Reconsideration Period	LAFCO	February to March 2022	Pursuant to state law, the request for reconsideration period is 30 days. <u>Reconsideration:</u> If the proposal is approved, any person or affected agency may file a written request with the executive officer requesting amendments to or reconsideration of the adopted resolution. The request shall state the specific modification to the resolution being requested and shall state what new or different facts that could not have been presented previously are claimed to warrant the reconsideration.
Advertise LAFCO Protest Hearing in Newspaper(s)	LAFCO	March 2022	Pursuant to state law, LAFCO will advertise the protest proceedings for the proposal in a newspaper (Sentinel) at least 21-days prior to the hearing date (GCS 56157[h] - 1/8 page in newspaper). A copy of the notice will also be sent to the affected residents.
Conduct Protest Proceedings	LAFCO	March to April 2022	Pursuant to state law, the date of the protest hearing shall not be less than 21 days or more than 60 days after the date the notice is given. This is an opportunity for affected residents/landowners to submit protest petitions against the Commission's action (i.e. approval of the proposal). If less than 25% oppose, then Commission action holds If 25%-50% oppose, then election is required If more than 50% oppose, then Commission action is terminated
Conduct LAFCO Hearing (Collect Protest Petitions)	LAFCO	April 2022	A protest hearing will be held to receive any final protest petitions from affected residents/landowners.
Conduct LAFCO Hearing (Adopt Protest Results)	LAFCO	April 2022	Pursuant to state law, LAFCO will adopt a resolution acknowledging the results of the protest proceedings.
Completion of all Terms & Conditions	OCRD, County & LAFCO	April - May 2022	The adopted resolution from the February 2022 LAFCO Meeting will list a number of terms and conditions. OCRD and CSA 11 will be responsible to fulfill such conditions prior to recordation.
Recordation of Proposal	LAFCO	April - May 2022	LAFCO: Recordation of the approved proposal with the County and the State Board of Equalization. OCRD (Dissolution) / CSA 11 (Annexation): The effective date of the reorganization will be the date of recordation.
Post-LAFCO Process			
Certificate of Completion Distribution	LAFCO	April - May 2022	LAFCO will send a copy of the Certificate of Completion, which includes the adopted resolution, to all affected/interested parties.
State Board of Equalization (SBE) Tax Roll Update	SBE	April - May 2022	The reorganization will be reflected in new tax roll.



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

REFERRAL LETTER TO AFFECTED/INTERESTED AGENCIES

Date: October 21, 2021
Project Title: "Opal Cliffs Recreation District Reorganization"
Project Number: RO 21-18
APNs: 440 Parcels (list available upon request)
Date Rec'd by LAFCO: October 11, 2021
Submitted by: Adopted Resolution by the OCRD Board
Subject Agencies: Opal Cliffs Recreation District; County Service Area 11

Sphere Adoption/Amendment: No

Contractual Service Agreement: No

Executive Officer Message: This application proposes to dissolve the Opal Cliffs Recreation District with a concurrent annexation of the dissolved area into County Service Area 11 (County Parks). If approved, the residents will receive park and recreational services from the County.

If you have any comments on this application, please provide your feedback to the LAFCO office no later than **Friday, November 19, 2021**.

Description/Justification: The proposed dissolution and concurrent annexation was initiated by the Opal Cliffs Recreation District through the unanimous adoption of a board resolution. The subject area includes 440 parcels totaling approximately 67 acres. The County has been acting as the District's unofficial administrative staff since 2019 under a Memorandum of Understanding. The proposal, if approved, would officially transfer service responsibilities to the County under CSA 11. Representatives from the County and District have expressed mutual support towards the reorganization.

Location: The subject area is primarily within unincorporated county territory and is generally located east of 41st Avenue, south of Capitola Road, west of Soquel Wharf Road, and north of the Pacific Ocean. The District's service area also includes a portion of the City of Capitola. This portion will be excluded from the proposed annexation. Attached is a vicinity map depicting the location of the proposal area.

General Plan/Zoning: The subject area is inhabited and the County's General Plan designates the vast majority of the area as Urban Medium Residential with a small portion designated as Existing Parks and Recreation. The application does not propose any changes to the existing land use designation.

Other Municipal Services: No other change of organization is required. The proposal area will continue to receive municipal services from existing public agencies, including but not limited to water services from Soquel Creek Water District and fire protection services from Central Fire District.

Environmental Review: The project site is subject to an environmental review. Santa Cruz LAFCO will serve as the lead agency for assessing impacts under CEQA. Staff believes the proposal qualifies as a project under CEQA. Therefore, an environmental review is underway.

Tax Negotiations: California Revenue and Taxation Code Section 99(b)(6) requires the adoption of a property tax exchange agreement involving the affected local agency before LAFCO can consider a jurisdictional change. The Board of Supervisors (BOS) acts as the authorizing body for CSA 11 and the District regarding property tax adjustments.

Referrals:

Affected Agency: Opal Cliffs Recreation District; CSA 11

Interested Agencies:

Cities – Capitola; Santa Cruz

State Departments: California Department of Parks and Recreation

County Departments – Assessors Office; Auditor-Controller Office; CAO Office; Elections Office; Supervisorial Districts 1 & 2

County Service Areas – CSA 9; CSA 9a, CSA9c; CSA 9d; CSA 9e, CSA 38; CSA 53

School Districts – Santa Cruz City High; Soquel Union Elementary

Other Local Agencies: Central Fire District; Resource Conservation District; Santa Cruz County Sanitation District

Terms and Conditions: The LAFCO resolution will outline several terms and conditions including but not limited to the following: State Board of Equalization fees and LAFCO processing fees.

Public Hearing: Yes (hearing date: TBD)

Date File Opened: 10/11/21

Filing Fee Deposit: \$1,250

Date Paid: Pending

Date Status Letter Sent: 10/21/21

Attachment: Vicinity Map



**County of Santa Cruz Board of Supervisors
Agenda Item Submittal**

From: County Administrative Office
(831) 454-2100

Subject: LAFCO No. RO 21-18 Opal Cliffs Recreation District
Reorganization

Meeting Date: January 25, 2022

Recommended Action(s):

Adopt resolution providing for a zero-property tax exchange for Local Agency Formation Commission (LAFCO) Jurisdiction Change application number RO 21-18 Opal Cliffs Recreation District (OCD) reorganization to County Service Area (CSA) 11.

Executive Summary

The OCD Board adopted a resolution to dissolve the OCD and annex the area into CSA 11 and transfer service responsibility to the County. The subject area, which includes 440 parcels totaling approximately 67 acres, is primarily within unincorporated county territory with a portion of the City of Capitola. The Capitola portion is made up of 11 parcels and will be excluded from the proposed annexation. The attached resolution is for a zero-property tax exchange, in accordance with Board of Supervisors Master Resolution No. 203-80, and is consistent with the County's long-standing guidelines for property tax exchanges and negotiations.

Background

Each year, several minor annexations are made to special districts in order to receive certain services which are financed primarily from service charges rather than property taxes. Such jurisdictional changes do not justify any change in the distribution of property taxes. Master Resolution No. 203-80 established a procedure approving zero property tax exchanges for annexations to special districts that meet the following criteria:

1. The jurisdictional change does not involve any city.
2. The jurisdictional change does not involve the provision of library services or the provision of fire protection services.

This office has received notification from LAFCO of an application for a governmental boundary change to annex property located on the OCD area, excluding property within the City of Capitola (Assessor's Parcel Numbers attached), into CSA 11 for the purpose of receiving park and recreational services.

Analysis

The annexation does not involve any city or the provision of library or fire protection services; therefore, it should be processed with a zero-property tax exchange in accordance with Board of Supervisors Master Resolution No. 203-80. In accordance with the County's policy, it is recommended that your Board accept the negotiated

exchange of property tax revenue. Attached is a resolution providing for a zero-property tax exchange for the above reorganization and a map showing the area to be annexed.

Financial Impact

The current estimated property tax revenues for the parcels is estimated to total \$3,314,710 for Fiscal Year (FY) 2021-22. Annexation of the parcels by County Service Area 11 will have no fiscal impact to the County allocation of local property tax revenue.

Strategic Plan Element(s)

6.D (County Operational Excellence: Continuous Improvement) - Annexation of the subject property will allow for more efficient delivery of public services.

Submitted by:

Carlos J. Palacios, County Administrative Officer

Recommended by:

Carlos J. Palacios, County Administrative Officer

Attachments:

- a Resolution LAFCO - Opal Cliffs Recreation District to CSA 11
- b LAFCO Referral Letter DA 21-18
- c Memo of ACTTC on Property Tax Distribution

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

RESOLUTION NO.

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

**RESOLUTION ACCEPTING NEGOTIATED EXCHANGE OF PROPERTY TAX
REVENUES PURSUANT TO CALIFORNIA REVENUE AND TAXATION CODE SECTION 99**

LAFCO #RO 21-18 to County Service Area 11

WHEREAS, California Revenue and Taxation Code Section 99 requires that each city or county (or the county on behalf of special districts) included in a governmental reorganization or jurisdictional change accept a negotiated exchange of property tax revenues; and

WHEREAS, the governing bodies of all agencies whose service areas would be altered by the jurisdictional change referred to in Exhibit "A" have met to determine the allocation of property tax revenues; and

WHEREAS, the County of Santa Cruz agrees to accept the negotiated exchange of property tax revenue as provided for in Exhibit "A";

NOW, THEREFORE, BE IT RESOLVED that the County of Santa Cruz hereby accepts the negotiated exchange of property tax revenues as provided for in Exhibit "A" as required by California Revenue and Taxation Code Section 99; and

BE IT FURTHER RESOLVED AND ORDERED that the Clerk of the Board shall forward a copy of this Resolution to the Santa Cruz County Auditor-Controller-Treasurer-Tax Collector; and

BE IT FURTHER RESOLVED AND ORDERED that the Santa Cruz County Auditor-Controller-Treasurer-Tax Collector is directed to disperse property tax revenues as provided for in Exhibit "A" upon receipt of a copy of this Resolution and a concurring resolution of any affected cities, if any, and following recordation of a Certificate of Completion.

PASSED AND ADOPTED by the Board of Supervisors of the County of Santa Cruz, State of California, this 25th day of January 2022, by the following vote:

AYES:
NOES:
ABSENT:

Manu Koenig
Chair of Said Board

ATTEST:

APPROVED AS TO FORM:

Stephanie Cabrera
Clerk of Said Board

Jason M. Heath 1/11/22 (AMS 11633)
County Counsel

cc: Local Agency Formation Commission of Santa Cruz County
Assessor-Recorder
Auditor-Controller-Treasurer-Tax Collector

Attachment: Resolution LAFCO - Opal Cliffs Recreation District to CSA 11 (11633 : LAFCO No. RO 21-18 Opal Cliffs Recreation District

MEMORANDUM OF UNDERSTANDING BETWEEN

OPAL CLIFFS RECREATION DISTRICT

AND

THE COUNTY OF SANTA CRUZ DEPARTMENT OF PARKS, OPEN SPACE, AND CULTURAL SERVICES

12/2/2019

This Memorandum of Understanding ("MOU") is entered into on _____, 2019 ("Effective Date") between Opal Cliffs Recreation District ("District"), and the County of Santa Cruz Department of Parks, Open Space, and Cultural Services, ("County Parks") (together the "Parties", individually a "Party").

I. PURPOSE & SCOPE

The purpose of this MOU is to clearly identify the roles and responsibilities of each Party as they relate to establishing a framework for a sustainable partnership between the Parties so mutual support may continue and prosper. This MOU will define and set out the general obligations of the Parties and other applicable provisions. This MOU is intended to outline the Parties' general understandings of how the MOU will proceed. This MOU is not an offer or agreement to perform or to provide services to any other party or third party and does not reflect an agreement or intention to form or operate as a partnership or joint venture or to bind any party or third party in any way.

II. BACKGROUND

- a. The District was established in 1949 and is a public agency. The District is a California special district in Santa Cruz County that owns and operates Opal Cliffs Park ("Park").
- b. The District mission is to maximize and provide public beach access to Opal Cliffs Park, a small neighborhood park located between Santa Cruz and Capitola CA., at 4524 Opal Cliff Drive in Santa Cruz.
- c. The County Parks mission is to provide safe, well-designed and maintained parks, and a wide variety of recreational and cultural opportunities for our diverse community.
- d. The collaboration between District and County Parks is an opportunity to maximize public beach access and recreational opportunities while responsibly managing and maintaining the Opal Cliff Park's blufftop and beach accessway and amenities.
- e. Both Parties agree that it would be beneficial to clarify roles and responsibilities, in protecting and maximizing the public's ability to safely access the coast.

III. TERM OF THE MOU

This MOU will be effective on the date above. Either party may terminate this MOU with a 90-day written notice to the other. If terminated, District will resume all responsibility for Opal Cliffs Park, District's administrative support and park programming. The District will reimburse County Parks for any outstanding amount owed at the time of termination.

IV. JOINT RESPONSIBILITIES UNDER THIS MOU

- a. Foster a strong and cooperative relationship between District and County Parks in support of each other's missions and in collaboration of efforts to leverage resources, meet community needs and maximize outcomes.
- b. Work cooperatively and strive to achieve shared goals and objectives as defined in the County Strategic Plan.
- d. Work cooperatively toward compliance with California Coastal Commission's requirements of the California Coastal Act and the County's Local Coastal Program.
- e. Partner on projects, specifically development, that is mandated and/or supportive of Coastal Commission objectives.
- f. Collaborate on planning for areas that are both coterminous and/or concurrent in jurisdiction.
- g. Work cooperatively to pursue potential funding through grants, bonds, i.e. Proposition 68, per capita programs, park district funding, impact fees, encroachment fees, etc.
- h. Work together to plan and promote special events, programs and services that provide a revenue stream to cover costs for both District and County Parks.

V. DISTRICT RESPONSIBILITIES UNDER THIS MOU

- a. District shall:
 - 1. Authorize County Parks' use of the District property for construction and installation of a new gate and associated infrastructure;
 - 2. Apply for grants or other financing options to update infrastructure / pay for maintenance of the park and other administrative expenses.
 - 3. Provide use of Opal Cliff Park for no more than 10 annual events at no cost; revenues received will go towards continued maintenance or capital improvements of the park.
 - 4. Agree to maintain free public beach access from dawn to dusk daily, maintaining open gates approximately one-half hour prior to sunrise and one-half hour after sunset.
 - 5. Continue to provide and incur all costs associated with basic operation of the blufftop park and beach accessway, i.e. maintenance, utilities and insurance.

VI. COUNTY PARKS RESPONSIBILITIES UNDER THIS MOU

- a. County Parks shall:
 - 1. Plan, construct and install gate and its associated infrastructure;
 - 2. Provide support to District for opening and closing of gate during seasonal open access hours;
 - 3. Provide administrative support for meetings and Brown Act compliance or other public meeting act requirements;
 - 4. Charge District for administrative support, i.e. staff time, supplies; and
 - 5. In cooperation with District, provide special events that comply with California Coastal Commission policies, do not prevent public access and promote increased use of Opal Cliff Park by all visitors.

VII. GOOD FAITH

- a. The Parties agree to work in good faith to fulfill the objectives of this MOU.

- b. The Parties agree to provide each other the opportunity to take corrective actions or to exercise the ability to resolve any matters that may arise during the term of this MOU.
- c. The Parties agree to have regular communications to ensure mutual success.

VIII. MISCELLANEOUS PROVISIONS

- a. Integration. This MOU represents the entire and integrated agreement between the Parties. It is expressly agreed that all the terms and conditions of this MOU are included herein, and no verbal agreements of any kind shall be binding upon the Parties. As used herein, MOU refers to and includes any documents incorporated herein by reference and any exhibits or attachments. This MOU supersedes any prior written or oral representations, discussions, understandings, and all other representations and agreements, written or oral, between the Parties and sets forth the entire understanding of the Parties regarding the subject matter thereof.
- b. Modifications. Any modifications or amendments to this MOU shall be in writing and signed by both Parties' authorized representatives. Said modifications or amendments become effective upon approval by the Board of Supervisors.
- c. No relationship of employer and employee is created by this MOU between the Parties, it being understood that the Parties shall act hereunder as independent agencies. This MOU is not intended to, nor shall be construed to create the relationship between the Parties of agent, servant, employee, partnership, joint venture, or association.
- d. Each of the Parties to this MOU shall immediately notify the other of any litigation of claim asserted by or against either Party regarding this MOU.
- e. All records and reports prepared in the performance of this MOU shall be maintained by each Party. The Parties agree to comply with all applicable laws concerning the maintenance and disclosure of records and reports prepared in the performance of this MOU.
- f. This MOU shall be subject to the laws of the State of California. The exclusive venue to enforce or resolve a dispute related to this MOU shall be the Superior Court, County of Santa Cruz.
- g. If a court of competent jurisdiction holds any provision of this MOU to be illegal, unenforceable, or invalid in whole or in part for any reason, the validity and enforceability of the remaining provisions, or portions of them, will not be affected, unless an essential purpose of this MOU would be defeated by the loss of the illegal, unenforceable, or invalid provision.
- h. Headings herein are for the convenience of reference only and shall in no way affect interpretation of the MOU.
- i. Both Parties shall maintain liability insurance coverage to cover any claim of liability arising out of the performance of any activity, responsibility, or duty pursuant to this MOU. The County shall maintain its own liability coverage through self-insurance. District shall maintain its own liability insurance coverage, which shall include Commercial General Liability and Workers' Compensation Insurance, as required by State of California, and shall have limits of no less than \$1,000,000.00 per occurrence.
- j. By signing this MOU, each signatory warrants and represents that they executed this MOU in their authorized capacity and that by their signature on this MOU, they or the entity upon behalf of which they acted, executed this MOU.

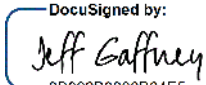
- k. Notices: All notices, requests, demands, or other communications under this MOU shall be in writing.
- l. Drug Free Workplace: District, its Board of Directors, employees, volunteers, affiliates, and agents shall comply with the County's policy of maintaining a drug-free workplace. Neither District, its Board of Directors, employees, volunteers, affiliates, and agents shall unlawfully manufacture, distribute, dispense, possess or use controlled substances, as defined in 21 U.S. Code § 812, at any County facility or work site.
- m. No waiver of a breach, failure of any condition, or any right or remedy contained in or granted by the provisions of this MOU shall be effective unless it is in writing and signed by the party waiving the breach, failure, right, or remedy. No waiver of any breach, failure, right or remedy shall be deemed a waiver of any other breach, failure, right or remedy, whether or not similar, nor shall any waiver constitute a continuing waiver unless the writing so specifies.
- n. The obligations of this MOU, which by their nature would continue beyond the termination on expiration of the MOU, including without limitation, the obligations regarding Indemnification (Section IV below), shall survive termination or expiration.

IV. INDEMNIFICATION

To the fullest extent permitted by law, District shall hold harmless, defend and indemnify the County of Santa Cruz, its Board of Supervisors, County Parks, and their employees, volunteers, affiliates, and agents from and against any and all claims, losses, damages, liabilities and expenses, including attorneys' fees, incurred as a result of District's performance of its responsibilities pursuant to this MOU.

Santa Cruz County Parks and Opal Cliffs Recreation District indicate agreement with this MOU by their signatures:

SANTA CRUZ COUNTY PARKS

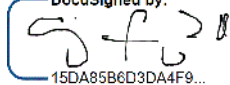
By:  _____
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Jeff Gaffney Parks Director

Printed Name & Title

12/2/2019 _____
Date

OPAL CLIFFS RECREATION DISTRICT

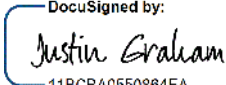
By:  _____
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Augie Dent Board Member

Printed Name & Title

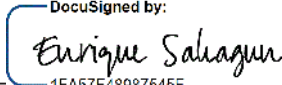
12/2/2019 _____
Date

APPROVED AS TO FORM:

 _____
11BCBA0550864EA...

Justin Graham
By: _____
County Counsel

APPROVED AS TO INSURANCE:

 _____
1FA57E48987545F...

By: Enrique Sahagun
County Risk Management

CERTIFICATE OF LIABILITY INSURANCE

 DATE (MM/DD/YYYY)
 10/22/19

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER FRANK VITALE INSURANCE AGENCY 4067 Cory St Soquel, CA 95073	CONTACT NAME: PHONE (A/C, No, Ext): (831) 462-9222 FAX (A/C, No): (831) 462-9299 E-MAIL ADDRESS: Fvitale99@gmail.com														
INSURED OPAL CLIFFS RECREATION DISTRICT 4525 OPAL CLIFFS DR SANTA CRUZ, CA 95062 (831) 239-9966 CRAIG	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="text-align: left;">INSURER(S) AFFORDING COVERAGE</th> <th style="text-align: left;">NAIC#</th> </tr> <tr> <td>INSURER A: BURLINGTON INSURANCE COMPANY</td> <td>23620</td> </tr> <tr><td>INSURER B:</td><td></td></tr> <tr><td>INSURER C:</td><td></td></tr> <tr><td>INSURER D:</td><td></td></tr> <tr><td>INSURER E:</td><td></td></tr> <tr><td>INSURER F:</td><td></td></tr> </table>	INSURER(S) AFFORDING COVERAGE	NAIC#	INSURER A: BURLINGTON INSURANCE COMPANY	23620	INSURER B:		INSURER C:		INSURER D:		INSURER E:		INSURER F:	
INSURER(S) AFFORDING COVERAGE	NAIC#														
INSURER A: BURLINGTON INSURANCE COMPANY	23620														
INSURER B:															
INSURER C:															
INSURER D:															
INSURER E:															
INSURER F:															

COVERAGES

CERTIFICATE NUMBER:

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <div style="display: flex; justify-content: space-between;"> <div> <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR </div> </div>			181B501771	6/6/2019	6/6/2020	EACH OCCURRENCE \$ 1,000,000
							DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000
							MED EXP (Any one person) \$ 5,000
							PERSONAL & ADV INJURY \$ 1,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:						GENERAL AGGREGATE \$ 2,000,000
	AUTOMOBILE LIABILITY <div style="display: flex; justify-content: space-between;"> <div> <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> HIRED AUTOS ONLY </div> <div> <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS ONLY </div> </div>						COMBINED SINGLE LIMIT (Ea accident) \$
	UMBRELLA LIAB <input type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTIONS \$						BODILY INJURY (Per person) \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N <input type="checkbox"/>	N/A				BODILY INJURY (Per accident) \$
							PROPERTY DAMAGE (Per accident) \$
							\$
							EACH OCCURRENCE \$
							AGGREGATE \$
							\$
							PER STATUTE OTH-ER
							E L EACH ACCIDENT \$
							E L DISEASE - EA EMPLOYEE \$
							E L DISEASE - POLICY LIMIT \$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

FOR INSURANCE PURPOSES ONLY.
10 DAY NOTICE FOR NON-PAYMENT OF PREMIUM.

CERTIFICATE HOLDER

CANCELLATION

 COUNTY OF SANTA CRUZ
 401 OCEAN ST. STE
 SANTA CRUZ, CA 95060

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE



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Certificate Of Completion

Envelope Id: 6F5BE2B34BAC45D4A2B6F8842CAB0B0D

Status: Completed

Subject: Please DocuSign: MOU Opal Cliffs final

Source Envelope:

Document Pages: 6

Signatures: 4

Envelope Originator:

Certificate Pages: 2

Initials: 0

Parks Department

AutoNav: Enabled

2633 Camino Ramon Ste 500

Envelopeld Stamping: Enabled

San Ramon, CA 94583

Time Zone: (UTC-08:00) Pacific Time (US & Canada)

jennifer.mead@co.santa-cruz.ca.us

IP Address: 63.194.190.100

Record Tracking

Status: Original

Holder: Parks Department

Location: DocuSign

11/18/2019 1:58:46 PM

jennifer.mead@co.santa-cruz.ca.us

Signer Events

Justin Graham

justin.graham@santacruzcounty.us

Security Level: Email, Account Authentication
(None)

Signature

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Justin Graham
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Signature Adoption: Pre-selected Style
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Signed: 11/19/2019 5:40:20 PM

Electronic Record and Signature Disclosure:

Not Offered via DocuSign

Enrique Sahagun

enrique.sahagun@santacruzcounty.us

Security Level: Email, Account Authentication
(None)

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Enrique Sahagun
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Viewed: 11/20/2019 8:50:51 AM

Signed: 11/20/2019 8:57:38 AM

Electronic Record and Signature Disclosure:

Not Offered via DocuSign

Augie Dent

augie.dent@gmail.com

Board Member

Hacienda Homes LLC

Security Level: Email, Account Authentication
(None)

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Augie Dent
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Signature Adoption: Drawn on Device
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Resent: 11/22/2019 4:25:51 PM

Resent: 12/2/2019 8:51:07 AM

Viewed: 12/2/2019 8:51:23 AM

Signed: 12/2/2019 10:43:47 AM

Electronic Record and Signature Disclosure:

Not Offered via DocuSign

Jeff Gaffney

jeff.gaffney@santacruzcounty.us

Security Level: Email, Account Authentication
(None)

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Jeff Gaffney
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Signed: 12/2/2019 10:46:24 AM

Electronic Record and Signature Disclosure:

Not Offered via DocuSign

In Person Signer Events

Signature

Timestamp

Editor Delivery Events	Status	Timestamp
Agent Delivery Events	Status	Timestamp
Intermediary Delivery Events	Status	Timestamp
Certified Delivery Events	Status	Timestamp
Carbon Copy Events	Status	Timestamp
Witness Events	Signature	Timestamp
Notary Events	Signature	Timestamp
Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	12/2/2019 10:43:49 AM
Certified Delivered	Security Checked	12/2/2019 10:45:38 AM
Signing Complete	Security Checked	12/2/2019 10:46:24 AM
Completed	Security Checked	12/2/2019 10:46:24 AM
Payment Events	Status	Timestamps



County of Santa Cruz

DEPARTMENT OF PARKS, OPEN SPACE & CULTURAL SERVICES

979 17TH AVENUE, SANTA CRUZ, CA 95062

(831) 454-7901 FAX: (831) 454-7940 TTY: 711

JEFF GAFFNEY
DIRECTOR

January 3, 2022

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

SUBJECT: Support for Opal Cliff's Recreation District Dissolution

Dear Mr. Serrano,

The County of Santa Cruz Department of Parks, Open Space & Cultural Services (County Parks) is aware of the proposed dissolution of the Opal Cliff's Recreation District (OCD). County Parks currently maintains the beach access point owned by OCD and provides recreation enrichment to the citizens living in the district.

The application for annexation of the area into County Parks/County Service Area 11 would be manageable and welcomed. County Parks supports the reorganization of OCD, and is willing to continue providing services to residents and maintenance of the beach access parklet.

Sincere regards,

A handwritten signature in blue ink, appearing to read "J Gaffney", written over a horizontal line.

Jeff Gaffney
Director, County Parks

Notice of Exemption

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

From: (Public Agency)
Santa Cruz LAFCO
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: "Opal Cliffs Recreation District Reorganization" (LAFCO Project No. RO 21-18)

Project Location: The subject area is primarily within unincorporated county territory and is located in the coastal region of Santa Cruz County, south of the City of Capitola, north and west of the Pacific Ocean, and east of 41st Avenue. Attached is a vicinity map of the subject area (see Attachment A).

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

Description of Nature, Purpose, and Beneficiaries of Project: The proposed reorganization was initiated by resolution and requests for the dissolution of Opal Cliffs Recreation District and the concurrent annexation of the dissolved area into County Service Area 11. The subject area consists of 440 parcels, totaling approximately 67 acres. The proposed annexation into CSA 11 will exclude 11 parcels currently located in the City of Capitola, which has its own recreational department. If approved, the reorganization will preserve the current levels of service and maintain local demand expectations by the Opal Cliffs community.

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 February 9, 2022. 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 15320, Class 20(b): Changes in the organization or reorganization of local governmental agencies where the changes do not change the geographical area in which previously existing powers are exercised, including but not limited to consolidation of two or more districts having identical powers.

Lead Agency Contact Person: Joe A. Serrano

Area Code/Phone Extension: 831-454-2055

Signature: _____ Date: February 10, 2022
Joe A. Serrano, Executive Officer

☒ Signed by Lead Agency

Summary of Statutory and Policy Considerations

Factors to Consider	LAFCO Staff Comment
1. Population, density, growth, likelihood of growth in, and in adjacent areas, over 10 years (GCS 56668[a] and Commission Policy 3.4)	Consistent. The Coastal Region is expected to have a slow growth. Staff's analysis indicates that CSA 11 will have the capacity to meet the demands from the existing and future population.
2. Effect of proposal on cost & adequacy of service in area and adjacent areas (GCS 56668[b][1])	Consistent. The existing funding mechanism will continue under CSA 11. The reorganization may lead to cost-savings in the short and long-run.
3. Need for organized services, probable future needs (GCS 56668[b][2])	Consistent. CSA 11 is prepared to address future replacements, repairs, and services.
4. Effect of alternative courses of action on cost & adequacy of service in area and adjacent areas (GCS 56668[c])	Consistent. The two affected districts have compared the status quo with the reorganization and their findings showed benefits in shared services through a change of organization. These findings are disclosed in the submitted application, the 2021 Countywide Service & Sphere Review, and the existing Memorandum of Understanding.
5. Conformity of the proposal and anticipated effects with the Commission's adopted policies (GCS 56668[d])	Consistent. The reorganization is encouraged by the Commission pursuant to adopted policies.
6. Physical and economic integrity of agriculture lands and open space (GCS 56668[e])	Consistent. The reorganization will not change the economic integrity of agricultural or open space lands. The existing land use designations will remain the same.
7. Boundaries: logical, contiguous, not difficult to serve, definite and certain (GCS 56668[f] and Commission Policy 4.3 and 4.11)	Consistent. CSA 11's jurisdictional and sphere boundaries will be coterminous with the existing jurisdictional and sphere boundaries of OCRD following the reorganization.
8. Regional Transportation Plan (GCS 56668[g])	Consistent. The reorganization will not change the transportation plans set forth by Santa Cruz County. The existing land use designations will remain the same.
9. Consistency with city or county general and specific plans (GCS 56668[h] and Commission Policy 3.1)	Consistent. The reorganization will not change the General Plans or pre-zone designations set forth by Santa Cruz County. The existing land use designations will remain the same.
10. Consistency of the existing sphere boundaries (GCS 56668[i] and Commission Policy 2.1)	Consistent. CSA 11's jurisdictional and sphere boundaries will be coterminous with the existing jurisdictional and sphere boundaries of OCRD following the reorganization.
11. Comments from affected local agency or other public agency (GCS 56668[j])	Consistent. In accordance with State law, LAFCO staff solicited comments from interested and affected agencies. LAFCO did not receive any written opposition.

12. Ability of the newly formed entity to provide services (GCS 56668[k] and Commission Policy 3.7)	Consistent. The two affected districts have compared the status quo with the reorganization and their findings showed benefits in shared services through a change of organization. These findings are disclosed in the submitted application, the 2021 Countywide Service & Sphere Review, and the existing Memorandum of Understanding.
13. Timely availability of adequate water supply (GCS 56668[l])	Consistent. No other change of organization is required as part of the reorganization. The annexed area will continue to receive municipal services from existing public agencies, including but not limited to water services from Soquel Creek Water District and fire protection services from Central Fire District.
14. Regional Housing Needs Allocation (GCS 56668[m])	Consistent. The reorganization will not change regional housing needs allocation identified by Santa Cruz County. The existing land use designations will remain the same.
15. Any information or comments from the affected landowners, registered voters, and/or residents (GCS 56668[n])	Consistent. LAFCO advertised the public notice in one newspaper (Sentinel), outside the LAFCO Office and County building, and on the LAFCO website. LAFCO did not receive any written opposition.
16. Any information relating to existing land use designations (GCS 56668[o] and Commission Policy 3.2)	Consistent. The reorganization will not change the General Plans or pre-zone designations set forth by Santa Cruz County. The existing land use designations will remain the same.
17. Promotion of environmental justice (GCS 56668[p] and Commission Policy 4.10)	Consistent. OCRD held multiple public meetings regarding the reorganization effort in 2021. LAFCO staff encourages public participation when changes of organization, such as reorganization, is being considered.
18. Promotion of consolidation/reorganization proposals (Commission Policy 4.2)	Consistent. The reorganization is encouraged by the Commission pursuant to adopted policies. Staff's analysis determines various benefits from reorganization.
19. Consideration of other boundaries (Commission Policy 4.4, 4.6, 4.7, and 4.9)	Consistent. The Commission encourages shared services and joint efforts from existing public agencies.
20. Prevention of "Islands" (Commission Policy 4.8)	Consistent. The reorganization will not create an "island" or area in which it is substantially surrounded by CSA 11 and excluded from the service area.



**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

CERTIFICATE OF FILING

SUBJECT: “Opal Cliffs Recreation District Reorganization” (RO 21-18)

The application for the referenced proposal has been submitted to me and has been found to be in the form prescribed by the Local Agency Formation Commission of Santa Cruz County. Pursuant to Government Code Sections 56651 and 56658, the Executive Officer is issuing this Certificate of Filing in accordance with the following:

1. The filing date for this proposal is January 12, 2022.
2. The Local Agency Formation Commission will consider this proposal on Wednesday, February 9, 2022 at 9:00am.
3. This proposal is:
 - ☐ A 100 percent consent item.
 - ☒ An item requiring a noticed public hearing.



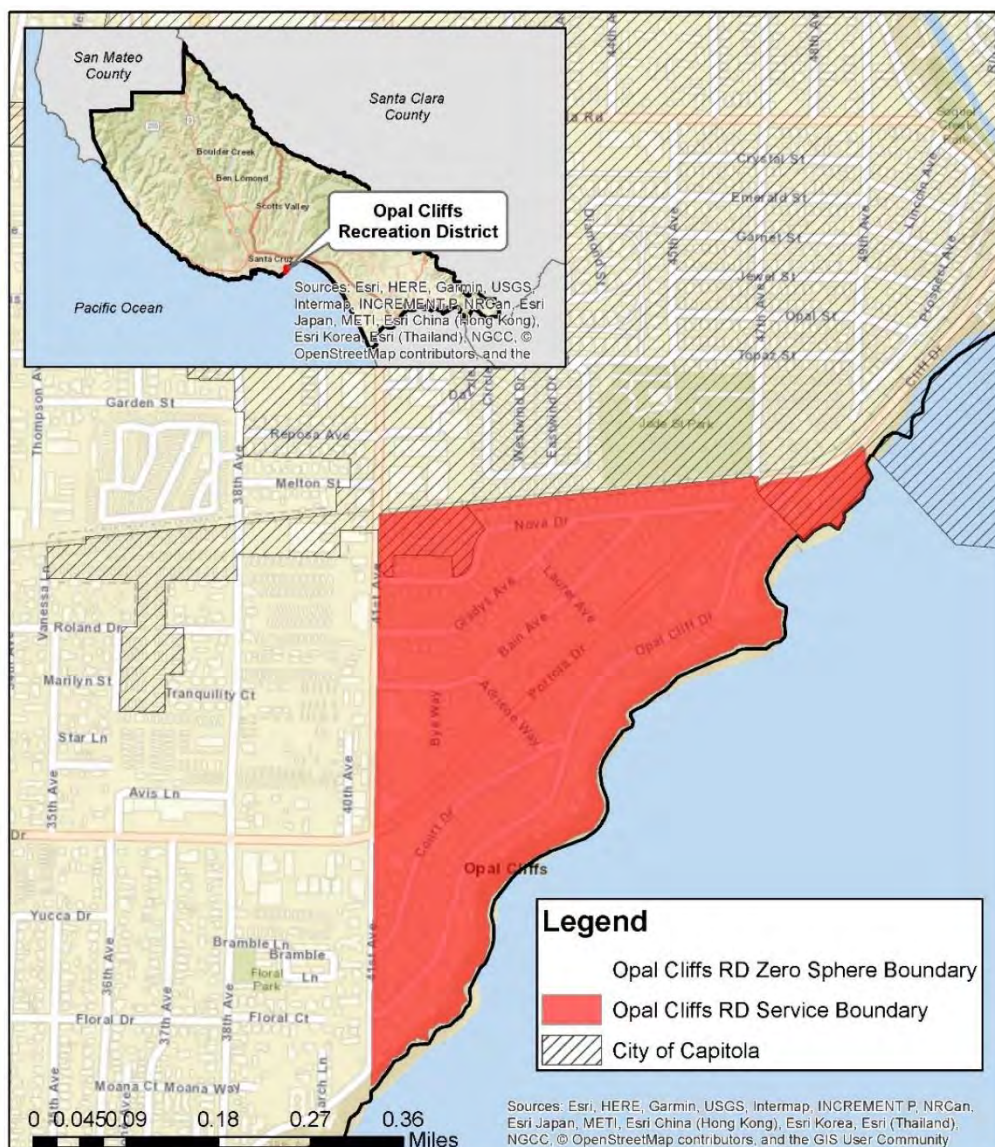
JOE A. SERRANO
EXECUTIVE OFFICER



NOTICE OF PUBLIC HEARING LOCAL AGENCY FORMATION COMMISSION

NOTICE IS HEREBY GIVEN that at 9:00 a.m., Wednesday, February 9, 2022, the Local Agency Formation Commission of Santa Cruz County (LAFCO) will hold a public hearing on the following:

- “Opal Cliffs Recreation District Reorganization” (LAFCO Project No. RO 21-18):**
 Consideration of a request to dissolve the Opal Cliffs Recreation District (OCD) and concurrently annex the dissolved area into County Service Area 11 (County Parks). OCD consists of 440 parcels, approximately 67 acres, and is located in the coastal region of Santa Cruz County, south of the City of Capitola, north and west of the Pacific Ocean, and east of 41st Avenue, as shown in the map below. The annexation will exclude 11 parcels currently located in the City of Capitola, which has its own recreational department. If approved, the reorganization will preserve the current levels of service and maintain local demand expectations by the Opal Cliffs community. In compliance with the California Environmental Quality Act (CEQA), LAFCO staff has prepared a Categorical Exemption for this proposal.



Frequently Asked Question

Why is this happening? The County has been providing administrative and operational services to OCRD for the past several years under an existing agreement. That is why the OCRD Board unanimously adopted a resolution in August 2021 to dissolve the district and annex the Opal Cliffs community into CSA 11 in order to fully maximize economies of scale, eliminate operational redundancy, and combine best practices, which may all lead to possible cost-savings in the short and long run.

LAFCO Meeting Format

Due to COVID-19, this meeting will be conducted as a teleconference pursuant to the provisions of the Governor's Executive Orders and Assembly Bill 361, which suspend certain requirements of the Ralph M. Brown Act. Members of the public are encouraged to participate remotely. Instructions to participate remotely are available in the Agenda and Agenda Packet: <https://www.santacruzlafco.org/2022-agenda-packets/>

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: January 18, 2022

"Opal Cliffs Recreation District Reorganization" - LAFCO Process Proposed Schedule <i>(For Discussion Purposes Only - Dates Subject to Change)</i>			
Action	Responsible Agency	Target Date	Description
Pre-LAFCO Process			
Discussion about Dissolution and the Process	OCRD, County & LAFCO	July - September 2021	Discuss the LAFCO process, affected area, and application requirements for the proposed reorganization (OCRD dissolution and concurrent annexation of the dissolved area into CSA 11).
During LAFCO Process			
Submittal of LAFCO Application	OCRD & County	Oct. 11, 2021	A completed application must also include the following: 1) Initiating Resolution; 2) Environmental Questionnaire (CEQA requirement)*; 3) Map & Legal Description (SBE requirement); 4) Signed Indemnification Agreement; 5) LAFCO Filing Fee (Initial Deposit of \$1,250); 6) Any additional information requested by LAFCO (TBD)
Review and Notification of Application	LAFCO	Oct. 21, 2021	Pursuant to state law, LAFCO will identify any missing items to the applicant within 30 days. Concurrently, LAFCO will solicit comments from affected and interested agencies/parties.
Adoption of a Property Tax Exchange Agreement	Board of Supervisors	Jan. 11, 2022	The County of Santa Cruz, on behalf of CSA 11 and the District, will need to determine the transfer of ad valorem property tax revenues to fulfill the requirements of Section 99 of the Revenue and Taxation Code.
Discuss Application's Pending Items	OCRD, County & LAFCO	Jan. 12 2022	Address any pending items. These items must be resolved before LAFCO staff can deem this project complete and ready for Commission consideration.
Complete Certificate of Filing	LAFCO	Jan. 12, 2022	Pursuant to State law, LAFCO's Executive Officer will deem the project complete when a Certificate of Filing is signed. All required documents and actions need to be accomplished before this step is taken.
Advertise LAFCO Hearing in Newspaper	LAFCO	Jan. 18, 2022	Pursuant to State law, LAFCO will advertise the consideration of the proposal in a newspaper (Sentinel) at least 21-days prior to the hearing date (GCS 56157[h] - 1/8 page in newspaper).
Conduct LAFCO Hearing (Consider Proposal)	LAFCO	Feb. 9, 2022	The Commission will consider the proposal in a public forum. Affected/interested agencies and members of the public will have an opportunity to address the Commission on this matter.
Record Environmental Document	LAFCO	Feb. 10, 2022	Pursuant to State law, and based on local practices, LAFCO files an environmental document regarding boundary changes. LAFCO staff believes that the proposal may be exempt from CEQA. A Notice of Exemption will be recorded prior to the LAFCO hearing.
Conduct 30-day Request for Reconsideration Period	LAFCO	February 9 to March 9, 2022	Pursuant to state law, the request for reconsideration period is 30 days. <u>Reconsideration:</u> If the proposal is approved, any person or affected agency may file a written request with the executive officer requesting amendments to or reconsideration of the adopted resolution. The request shall state the specific modification to the resolution being requested and shall state what new or different facts that could not have been presented previously are claimed to warrant the reconsideration.
Advertise LAFCO Protest Hearing in Newspaper	LAFCO	March 9, 2022	Pursuant to state law, LAFCO will advertise the protest proceedings for the proposal in a newspaper (Sentinel) at least 21-days prior to the hearing date (GCS 56157[h] - 1/8 page in newspaper). A copy of the notice will also be sent to the affected residents.
Advertise LAFCO Hearing in Newspaper	LAFCO	March 15, 2022	Pursuant to state law, LAFCO will advertise the protest proceedings for the proposal in a newspaper (Sentinel) at least 21-days prior to the hearing date (GCS 56157[h] - 1/8 page in newspaper).
Conduct Protest Proceedings	LAFCO	March 10 to March 30, 2022	Pursuant to state law, the date of the protest hearing shall not be less than 21 days or more than 60 days after the date the notice is given. This is an opportunity for affected residents/landowners to submit protest petitions against the Commission's action (i.e. approval of the proposal). If less than 25% oppose, then Commission action holds If 25%-50% oppose, then election is required If more than 50% oppose, then Commission action is terminated
Conduct LAFCO Hearing (Collect Protest Petitions)	LAFCO	Mar. 30, 2022	A protest hearing will be held to receive any final protest petitions from affected residents/landowners.
Conduct LAFCO Hearing (Adopt Protest Results)	LAFCO	Apr. 6, 2022	Pursuant to state law, LAFCO will adopt a resolution acknowledging the results of the protest proceedings.
Completion of all Terms & Conditions	OCRD, County & LAFCO	April - May 2022	The adopted resolution from the February 2022 LAFCO Meeting will list a number of terms and conditions. OCRD and CSA 11 will be responsible to fulfill such conditions prior to recordation.
Recordation of Proposal	LAFCO	April - May 2022	<u>LAFCO:</u> Recordation of the approved proposal with the County and the State Board of Equalization. <u>OCRD (Dissolution) / CSA 11 (Annexation):</u> The effective date of the reorganization will be the date of recordation.
Post-LAFCO Process			
Certificate of Completion Distribution	LAFCO	April - May 2022	LAFCO will send a copy of the Certificate of Completion, which includes the adopted resolution, to all affected/interested parties.
State Board of Equalization (SBE) Tax Roll Update	SBE	April - May 2022	The reorganization will be reflected in new tax roll.



NOTICE OF PROTEST HEARING LOCAL AGENCY FORMATION COMMISSION

NOTICE IS HEREBY GIVEN that at 11:00 a.m., Thursday, March 30, 2022, the Local Agency Formation Commission of Santa Cruz County (LAFCO) will hold protest hearing regarding the reorganization approved by LAFCO on February 9, 2022. The proposed terms and conditions for the proposal are set forth in the LAFCO Resolution No. 2022-02.

- **“Opal Cliffs Recreation District Reorganization” (LAFCO Project No. RO 21-18):** The reorganization involves the dissolution of Opal Cliffs Recreation District (OCD) and the concurrent annexation of the dissolved area into County Service Area 11 (CSA 11). OCD consists of 440 parcels and encompasses approximately 67 acres. The proposal area is located in the coastal region of Santa Cruz County, south of the City of Capitola, north and west of the Pacific Ocean, and east of 41st Avenue. The annexation will exclude 11 parcels currently located in the City of Capitola, which has its own recreational department. If recorded, the reorganization will preserve the current levels of service and maintain local demand expectations by the Opal Cliffs community. The reorganization will also extend the previously authorized \$8.50/year parcel tax to the annexation area, pursuant to Government Code Section 57025(e), to not only ensure consistency with the other county residents but more importantly make certain that the level of service expected at the Opal Cliffs Park continues to be fulfilled by CSA 11. This Notice and all related documents (staff report, resolution, maps, etc.) are available on the LAFCO website. *If you have issues accessing information on the LAFCO website, please contact LAFCO at 831-454-2055.*

Protest Hearing Format

Due to COVID-19, this meeting will be conducted as a teleconference pursuant to the provisions of the Governor’s Executive Orders and Assembly Bill 361, which suspend certain requirements of the Ralph M. Brown Act. Members of the public are encouraged to participate remotely. Instructions to participate remotely are available in the Agenda and Agenda Packet, which are available on the LAFCO website.

Who can File a Protest?

Landowners and registered voters within the proposal area may file a written protest using the official LAFCO Protest Form. Landowners and registered voters must include their name, the address of the land within the proposal area, and the Assessor Parcel Number. Agents submitting protest on behalf of the landowner/registered voter must attach proper authorization. This may include written consent of the landowner/registered voter, written consent from a trustee of property placed into a trust, signature authorization or majority shareholder consent of a corporation or LLC, or other suitable documentation. See Government Code Section 56704, 56708, and 56710 for more information.

Where to Get a Protest Form?

If you wish to protest the reorganization, you first need to obtain a Protest Form by either:

- Downloading the form from the LAFCO website: <https://www.santacruzlafco.org/forms/> (refer to *Forms 12 and 13*); or
- Calling the LAFCO office at 831-454-2055 or emailing LAFCO at info@santacruzlafco.org to have a form mailed to you.

How to Submit Protest Form?

Because the Protest Hearing is being conducted virtually, written protests cannot be submitted or presented at the virtual hearing. Therefore, all protest must be made by filling out a Protest Form and submitted:

- In person at the LAFCO office prior to the conclusion of the protest hearing on March 30, 2022. The LAFCO office is located at **701 Ocean Street, Room 318-D, Santa Cruz, CA 95060**; or
- By mail addressed to LAFCO at 701 Ocean Street, Room 318-D, Santa Cruz, CA 95060. *If your mailed protest form is postmarked by March 30, 2022 and received by LAFCO within four (4) days of a March 30, 2022 postmark, we will process, verify, and count that protest.*

The written protest must be signed and dated during the official protest period, which begins on March 10, 2022 and ends on March 30, 2022. Any protest without a date, bearing a date prior to March 10, 2022, received in-person after the conclusion of the Protest Hearing, or postmarked after March 30, 2022 and not received by LAFCO within four (4) days of a March 30, 2022 postmark, shall be disregarded for purposes of determining the value of any written protests. Protest cannot be accepted by fax or email.

How will the Protest be Evaluated?

Within 30 days following the conclusion of the Protest Hearing, the Executive Officer will make a determination on whether the reorganization is terminated or approved, as follows:

- **Terminate** the proposal if written protest is received from landowners who own more than 50% of the total value within the reorganization area;
- **Terminate** the proposal if written protest is received from registered voters who reside in the reorganization area reaches beyond 50%;
- **Conduct** a special election if written protest is more than 25% but less than 50% of the landowners and/or registered voters; or
- **Approve** the proposal if written protest is less than 25% of the landowners and/or registered voters.

A resolution, finalizing the protest results, will be considered by the Commission during the April 6, 2022 LAFCO Meeting. If you have any questions regarding this Notice, please contact the LAFCO office at 831-454-2055 or by email at info@santacruzlafco.org.

Joe A. Serrano
Executive Officer
Date: March 9, 2022



LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY

PROTEST PROCEEDINGS POLICY

Adopted on March 7, 2001 (Resolution No. 2001-6)

Last Revision on September 2, 2020 (Resolution No. 2020-25)

1. OVERVIEW

Prior to January 1, 2000, LAFCO would designate an affected agency as the “conducting authority” to approve a change of organization or reorganization and direct that agency to conduct protest proceedings pursuant to Government Code Section 57000 et seq. With the passage of AB 2838 (Hertzberg – Chapter 761, Statutes of 2000), the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code § 56000 et seq.) established LAFCO as the “conducting authority” for protest proceedings.

The purpose of this policy is to carry out LAFCO's functions and responsibilities as a conducting authority pursuant to Government Code Section 57000 et seq. Protest proceedings for changes of organization and reorganization shall be conducted by the Commission in accordance with the following guidelines.

2. PROTEST PROCEEDING GUIDELINES

The Commission will adopt a resolution that makes findings and determinations when approving a change of organization or reorganization. The resolution will contain terms and conditions, which include a condition that addresses the protest proceedings.

2.1 Protest Proceeding Timeframe: The Commission shall specify a timeframe between twenty-one (21) and sixty (60) days for the collection and filing of written protests pursuant to Government Code Section 56886(o), and that timeframe shall be included in the terms and conditions of an approval for a change of organization or reorganization for which protest proceedings are not waived pursuant to Government Code Section 56663.

2.2 Public Noticing: Within thirty (35) days of the adoption of the Commission's resolution making determinations and approving a change of organization or reorganization, the Executive Officer shall notice a protest hearing and, in the notice, set the hearing date as prescribed by the Commission in its terms and conditions.

2.3 Types of Public Noticing: Notice of the hearing shall be provided pursuant to Government Code Section 56150 et seq., and as follows:

- a) Notice must be published, posted, and mailed to affected agencies, proponents, and any persons requesting special notice;
- b) Mailed notice must be provided to all landowners affected by the proposal;

- c) The time, date, and location of the hearing shall be specified in the notice as determined by the Executive Officer; and
- d) The protest hearing must be held in the affected territory if the hearing is a proposal initiated by the Commission pursuant to Government Code Section 56375(a) for a district consolidation, dissolution, or merger, or the establishment of a subsidiary district.

2.4 Protest Hearing: At the protest hearing, the Executive Officer, or designee, shall (1) summarize the Commission's resolution, and (2) hear and receive any oral or written protests, objections, or evidence. Written protests may be filed by any affected landowner or registered voter. The Executive Officer, or designee, may continue the protest, but for no more than sixty (60) days from the date specified in the notice.

2.5 Protest Hearing Results: At the conclusion of the protest hearing:

- a) If no written protests have been filed, the Executive Officer, or designee, shall adopt a form of resolution ordering the change of organization or reorganization without an election; or
- b) If written protests have been filed, the Executive Officer, or designee, shall within thirty (30) days after the conclusion of the hearing, make determinations on the value of written protests filed and not withdrawn; and
- c) To determine the value of written protests filed and not withdrawn, the Executive Officer, or designee, shall cause the names of the signers on the protests to be compared with the voters' register in the County Elections Department pursuant to Government Code Section 56707 and/or the names of the owners of land on the most recent assessment roll pursuant to Government Code Sections 56708 and 56710.

2.6 LAFCO Actions after Protest Proceedings: Upon determination of the value of written protests filed and not withdrawn, the Executive Officer, or designee, shall take one of the following actions, depending on the nature of the change of organization or reorganization:

- a) If less than 25% of the affected registered voters or landowners oppose the proposal, then a form of resolution making determinations and ordering the change of organization or reorganization will be adopted without an election;
- b) If 25% to 50% of the affected registered voters or landowners oppose the proposal, then a form of resolution making determinations and ordering the change of organization or reorganization will be adopted subject to confirmation by the voters; or
- c) If more than 50% of the affected registered voters or landowners oppose the proposal, then a Certificate of Termination will be issued, which ends the LAFCO proceedings.

2.7 Election Process: If an election is required, the Executive Officer or designee, pursuant to Government Code Section 57000(d), shall inform the legislative body of the affected agency of LAFCO's determination and request the legislative body to direct the elections official to conduct the election.

3. LAFCO AS A CONDUCTING AUTHORITY

Pursuant to Government Code Section 57000(c), the Commission has the option of delegating any or all of the functions and responsibilities of the conducting authority to the Executive Officer. Any references made to the "Commission" or "LAFCO" in the following discussion also pertains to the Executive Officer for any functions they will perform on behalf of the Commission. It should also be noted that, pursuant to Government Code Section 57008, the Commission or Executive Officer is required to hold the protest hearing in the affected territory if the proposal was initiated by the Commission pursuant to Government Code Section 56375(a) (district consolidation, dissolution, merger, establishment of a subsidiary district, or a reorganization that includes any of the previous).

Following summarization of the Commission's resolution at the protest hearing, the Commission hears and receives any oral or written protests, objections, or evidence. Anyone who has filed a written protest can withdraw that protest prior to the conclusion of the hearing. Within thirty (30) days after the hearing, LAFCO makes a finding on the value of written protests filed and not withdrawn. The percentage thresholds for LAFCO to terminate or order the change of organization or reorganization with or without an election is consistent with existing law. LAFCO, however, does not have statutory authority to conduct an election if one is required. Therefore, if LAFCO's determination on a proposal is subject to confirmation by the voters and an election must be conducted, LAFCO, pursuant to Government Code Section 57000(d), is required to inform the board of supervisors or city council of the affected city of the Commission's determination and request the board or council to direct the elections official to conduct the election.

4. PROTEST THRESHOLD FOR OTHER BOUNDARY CHANGES

The percentage protest thresholds for a dissolution, consolidation, merger, or the establishment of a subsidiary district differ from the previous changes of organization discussed in the previous sections. While Government Code Section 57077 addresses the requirements for these changes of organization, Government Code Section 56854 supersedes those provisions. The provisions of Government Code Section 56854 (previously Government Code Section 56839.1) was the product of legislation passed in 1997. Pursuant to Government Code Section 56854(a), LAFCO is required to order a dissolution, consolidation, merger, or the establishment of a subsidiary district without an election unless certain protest requirements are met. Those requirements are enumerated in the outline below. However, pursuant to Government Code Section 56854(b), the Commission is prohibited from ordering a merger or the establishment of a subsidiary district without the consent of the affected city.

The Commission is required to order a dissolution, consolidation, merger, or the establishment of a subsidiary district subject to confirmation of the voters, only if the following written protest thresholds are reached.

4.1 Not Initiated by the Commission: Where the proposal was not initiated by the Commission, and where an affected city or district has not objected by resolution to the proposal:

- a) In the case of inhabited territory, a petition signed by:
 - i. At least 25% of the registered voters residing, or owning land, within the affected territory; or
 - ii. At least 25% of the number of landowners who own at least 25% of the assessed value of land within the affected territory.
- b) In the case of a landowner-voter district, and the territory is uninhabited, a petition signed by:
 - i. At least 25% of the number of landowners owning at least 25% of the assessed value of the land within the affected territory.

Note: In the case of a proposal for the dissolution of one or more districts and the annexation of all or substantially all of their territory to another district, the voter requirements outlined above do not apply if each affected district has consented to the proposal by a resolution adopted by a majority of its board of directors (Government Code Section 57114b).

4.2 Initiated by the Commission: Where the proposal was initiated by the Commission, and regardless of whether an affected city or district has objected to the proposal by resolution:

- a) In the case of inhabited territory where there are 300 or more landowners or registered voters within the affected territory, a petition signed by:
 - i. At least 10% of the number of landowners who own at least 10% of the assessed value of land within the affected territory; or
 - ii. At least 10% of the registered voters residing, or owning land, within the affected territory.
- b) In the case of inhabited territory where there are less than 300 landowners or registered voters within the affected territory, a petition signed by:
 - i. At least 25% of the number of landowners who own at least 25% of the assessed value of land within the affected territory; or
 - ii. At least 25% of the registered voters residing, or owning land, within the affected territory.
- c) In the case of a landowner-voter district where the territory is uninhabited and there are 300 or more landowner voters entitled to vote, a petition signed by:
 - i. At least 10% of the number of landowners who own at least 10% of the assessed value of land within the affected territory.
- d) In the case of a landowner-voter district where the territory is uninhabited and there are less than 300 or more landowner voters entitled to vote, a petition signed by:
 - i. At least 25% of the landowner voters entitled to vote.

LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY
RESOLUTION NO. 2022-02

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

RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION
MAKING DETERMINATIONS AND ORDERING THE
“OPAL CLIFFS RECREATION DISTRICT REORGANIZATION”
(LAFCO PROJECT NO. RO 21-18)

WHEREAS, an application requesting the dissolution of the Opal Cliffs Recreation District and concurrent annexation of the dissolved area into County Service Area 11 was filed by district resolution pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Section 56000 et seq.); and

WHEREAS, the Opal Cliffs Recreation District (hereinafter referred to as “OCD”) was formed pursuant to the Public Resources Code in 1949 for the purpose of providing recreational services to the Opal Cliffs community; and

WHEREAS, the OCD service area is located in the coastal region of Santa Cruz County, south of the City of Capitola, north and west of the Pacific Ocean, and east of 41st Avenue; and

WHEREAS, on October 5, 1988, the Commission adopted a zero sphere of influence for OCD. The zero sphere boundary was reaffirmed on January 9, 2008 and April 6, 2016 as part of the last two service and sphere review cycles; and

WHEREAS, on August 4, 2021, the Commission reaffirmed the zero sphere of influence for OCD as a result of the findings outlined in the 2021 Countywide Park and Recreation Service and Sphere Review; and

WHEREAS, a zero sphere of influence indicates that OCD should be dissolved and service responsibilities should be transferred to another local agency. Based on the Commission’s analysis, County Service Area 11 (County Parks) was identified as the most logical service provider of recreational services to the Opal Cliffs community; and

WHEREAS, on August 17, 2021, the OCD Board of Directors adopted a District Resolution (No. 21-1) to request a reorganization consisting of the dissolution of OCD and the simultaneous annexation to the County Service Area 11 (hereinafter referred to as “CSA 11” and “successor agency”); and

WHEREAS, the dissolution and concurrent annexation proposal (hereinafter referred to as the “Reorganization”) was assigned LAFCO Project No. RO 21-18 and is referred to as the “Opal Cliffs Recreation District Reorganization”; and

WHEREAS, OCD includes 440 parcels, consisting of approximately 67 acres, as shown in “Exhibit A” (hereinafter referred to as the “subject territory”); and

WHEREAS, 11 out of the 440 subject parcels are currently located within the City of Capitola and should be excluded from annexation into CSA 11 since the City has its own recreational department; and

WHEREAS, the annexation area will only include 429 parcels, consisting of approximately 61 acres, as shown in “Exhibit B,” since the 11 parcels within the City of Capitola will be excluded from annexation to prevent an overlap in services; and

WHEREAS, California Revenue and Taxation Code Section 99(b)(6) requires the adoption of a property tax exchange agreement involving the affected local agency before LAFCO can consider a jurisdictional change. The Board of Supervisors acting as the authorizing body for OCRD and CSA 11 regarding property tax adjustments adopted a property tax exchange agreement on January 25, 2022; and

WHEREAS, the Executive Officer reviewed the Reorganization for conformance under the California Environmental Quality Act (“CEQA”) and determined that the Reorganization is consistent with the determinations of a Class 20 Categorical Exemption under Section 15320 of the State CEQA Guidelines; and

WHEREAS, the Executive Officer conducted an analysis on the proposal and prepared a report including staff’s recommendations thereon, and presented staff’s findings for Commission consideration; and

WHEREAS, a public hearing by the Commission was held on February 9, 2022; and at the hearing the Commission heard and received all oral and written protests, objections, and evidence that were presented.

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. Application for this Reorganization is made subject to Government Code Section 56654 by unanimous resolution of the OCRD Board of Directors.

Section 3. Compliance with the California Environmental Quality Act (CEQA) has been met by a categorical exemption pursuant to State CEQA Guidelines Section 15320, Class 20(b), “Changes in organization of local agencies,” because the dissolution does not change the geographical area in which previously existing powers are exercised. The Commission, as a lead agency, will record a Notice of Exemption on February 10, 2022.

Section 4. The Commission considered the requirements set forth for the Reorganization in the Cortese-Knox-Hertzberg Act, Government Code Section 56668, and found the proposal to be consistent with those requirements as outlined below:

- a) Population: 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. Based on this slow growth trend, the population for unincorporated lands is expected to increase by 0.86%. Under this assumption, LAFCO’s projections indicate that the entire population of OCRD will be approximately 726 by 2040. No changes will occur as part of this Reorganization.

- b) Present & Future Needs: OCRD was formed in 1949. The primary purpose of the District is to maximize and provide public beach access to Opal Cliffs Park, a small neighborhood park located at 4524 Opal Cliffs Drive in unincorporated county territory. The park contains several parking spots, an entrance gate, a coastal viewing area, a walkway down the cliff to the beach. The Reorganization will maintain the same level of service.
- c) Social and Economic Interests: Due to the District's ongoing financial constraints, in conjunction with OCRD's interest in transferring service responsibilities to another local agency, LAFCO supports the Reorganization to ensure that the social and economic interests are adequately met regarding park and recreational services.
- d) Commission Policies: The Reorganization is consistent with the requirements outlined in the Commission's adopted policies including but not limited to the Spheres of Influence Policy and the Standards for Evaluating Proposals Policy.
- e) Agricultural Lands: The County's General Plan designates the vast majority of the area as Urban Medium Residential with only a small portion actually designated as Existing Parks and Recreation. No changes will occur as part of this Reorganization.
- f) Proposed Boundaries: OCRD includes 440 parcels, consisting of approximately 67 acres, including 11 parcels located within the City of Capitola. The Reorganization would dissolve OCRD and concurrently annexed the dissolved area, excluding the 11 parcels within the City of Capitola, into CSA 11.
- g) Regional Transportation Plan: The Regional Transportation Commission (RTC) is responsible for developing, implementing and regularly updating the Regional Transportation Plan for Santa Cruz County. The RTC adopted the 2040 Santa Cruz County Regional Transportation Plan and the corresponding environmental documents in June 2018. No changes will occur as part of this Reorganization.
- h) General and Specific Plans: The County's General Plan designates the vast majority of the area as Urban Medium Residential with only a small portion actually designated as Existing Parks and Recreation. It is important to note that the District's service area also contains a portion of the City of Capitola. No changes will occur as part of this Reorganization.
- i) Sphere of Influence: The original sphere of influence was adopted in October 1988 and consisted of a zero boundary as a precursor to dissolution. The zero sphere boundary was reaffirmed in January 2008, April 2016, and August 2021.
- j) Comments from Affected or Interested Agencies: The Reorganization application was submitted to LAFCO on October 11, 2021. A notification letter was sent to all interested and affected agencies on October 21, 2021. LAFCO received no written opposition from any affected or interested agency.
- k) Ability to Provide Services: While the park is now more accessible to the public following action by the Coastal Commission, LAFCO has identified significant issues on how OCRD is operating and providing services to the Opal Cliffs community. LAFCO staff has identified CSA 11 as the most logical provider of park and recreational services to the community.

- l) Water Supplies: The Opal Cliffs community currently receives water services from the Soquel Creek Water District. No changes will occur as part of this Reorganization.
- m) Regional Housing Needs: The Association of Monterey Bay Area Governments prepares the Regional Housing Need Allocation (RHNA) plan for Santa Cruz County. The RHNA plan establishes the total number of housing units that each city and county must plan for within an eight-year planning period. The amount of housing a region must plan for is largely determined by the California Housing and Community Development Department's housing need assessment. No changes will occur as part of this Reorganization.
- n) Comments from Landowners, Registered Voters, or Residents: During the process for the Countywide Park & Recreation Service & Sphere Review and subsequent Reorganization, LAFCO staff did not receive any written or verbal comments from landowners, registered voters, or residents within the Opal Cliffs community.
- o) Existing Land Use Designations: The County's General Plan designates the vast majority of the area as Urban Medium Residential with only a small portion actually designated as Existing Parks and Recreation. It is important to note that the District's service area also contains a portion of the City of Capitola. In total, OCRD encompasses 440 parcels totaling 67 acres (0.10 square miles).
- p) Environmental Justice: Electronic key cards to operate the gate were previously available from a local surf shop. The annual key rentals cost were \$50 for district property owners and \$100 for non-constituents. This practice was discontinued in April 2019 after a lengthy process with the Coastal Commission. At present, any member of the public now has accessibility to the park.
- q) Local Hazard Mitigation Plan: Santa Cruz County has a plan titled "County of Santa Cruz Local Hazard Mitigation Plan, 2021 - 2026" which was reviewed and revised in 2021 to reflect current information, changes in development, progress in local mitigation efforts, and changes in priorities. No changes will occur as part of this Reorganization.

LAFCO analyzed these and other factors as part of the Countywide Park & Recreation Service and Sphere Review adopted on August 4, 2021.

Section 5. The Commission considered the requirements set forth for the Reorganization in the Cortese-Knox-Hertzberg Act, Government Code Section 57450, and found the proposal to be consistent with those requirements as outlined below:

- a) Cease of Effective Date: On and after the effective date of the dissolution of a district, the district shall be dissolved, disincorporated, and extinguished, its existence shall be terminated, and all of its corporate powers shall cease, except as the commission may otherwise provide pursuant to Section 56886 or for the purpose of winding up the affairs of the district and as otherwise provided in this chapter.
- b) Successor Agency: For the purpose of winding up the affairs of a dissolved district and continuing the level of services upon dissolution, the successor of the dissolved district shall be County Service Area 11 (County Parks) in accordance with Government Code Section 57451(d).

- c) Transfer of Functions and Responsibilities: Upon the effective date of the Reorganization, the functions of OCRD will transfer to CSA 11 as the successor agency. All laws, ordinances, resolutions, actions, contracts, agreements, rules and regulations, policies and procedures that have been enacted, adopted or passed by OCRD for the successor agency prior to the effective date shall remain in effect after the Reorganization until superseded, amended, modified or deleted by the successor agency.
- d) Transfer of Assets & Liabilities: All equipment, assets, liabilities, debts, obligations, facilities, property, cash, fund balances, or other fiscal matters of OCRD shall accrue to the successor agency.
- e) Successor Agency Revenue Source: The successor agency will be financed by the property taxes, benefit assessment, special assessments, special taxes fees, and charges currently in effect and being collected by OCRD. Pursuant to Government Code Section 56886(t), all charges, fees, assessments, or taxes existing within OCRD and/or CSA 11 shall be extended and shall continue to be levied and collected by the successor agency until otherwise determined by the successor agency. The successor agency shall have full authority to impose, administer, and collect said special taxes and benefit assessments in the same manner within the existing jurisdictional boundaries of the successor agency. Therefore, the reorganization will extend the previously authorized \$8.50 annual parcel tax to the annexation to ensure consistency with the other county residents under CSA 11 and make certain that the level of service expected at the Opal Cliffs Park continues to be fulfilled by CSA 11.

Section 6. The Commission determined that the proposal is consistent with the Policies and Procedures Relating to Proposals and Sphere Amendments 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 County, on behalf of CSA 11, provided a Support Letter to LAFCO on January 3, 2022. The County has continued to express support throughout the LAFCO process.
- 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 applicant submitted a fee deposit of \$1,250 as part of the application packet.
- c) Map & Legal Description: A map of any proposed boundary changes shall show the present and proposed boundaries of all affected agencies in the vicinity of the proposal site. The Commission shall assure that any approved boundary changes are definite and certain. The State Board of Equalization indicated on January 3, 2022 that dissolutions with concurrent annexations do not require a geographic description. A vicinity map depicting the Reorganization is shown in Exhibit B.
- d) Sphere Amendment: LAFCO adopted OCRD's first sphere in 1988. The Commission designated a zero sphere. A zero sphere (encompassing no territory) is adopted by LAFCO when the Commission has determined that the service functions of the affected agency are either: nonexistent, no longer needed, or should be reallocated to some other local government. The adoption of a zero sphere indicates that the

district should ultimately be dissolved and service responsibilities be transferred to another local agency. The Commission reaffirmed the zero sphere in 2021 and designated CSA 11 as the most logical service provider for the Opal Cliffs community.

Section 7. The applicant shall agree, as a condition of the approval of the application for dissolution and concurrent annexation, to be bound by the LAFCO Indemnification and Defense Form signed on October 10, 2021.

Section 8. The Certificate of Completion for the proposal shall not be issued until all of the following terms and conditions are met:

- a) LAFCO Processing Fees: The applicant shall pay any remaining processing fees in the Commission's Schedule of Fees and Deposits.
- b) Notification to Affected and Interested Agencies: A notification letter was sent to the following affected agencies on October 21, 2021: Opal Cliffs Recreation District and CSA 11. A notification letter was sent to the following interested agencies on October 21, 2021: the Cities of Capitola and Santa Cruz, California Department of Parks & Recreation, the County of Santa Cruz, Santa Cruz High School District and Soquel Union Elementary School District, Central Fire District, Resource Conservation District, and the Santa Cruz County Sanitation District.
- c) Certificate of Filing: Pursuant to Government Code Section 56658(f), the Executive Officer shall issue a certificate of filing when the application has been deemed complete and ready for Commission consideration. The certificate will indicate when the proposal shall be heard by the commission. The Executive Officer signed the certificate of filing on January 12, 2022 and indicated that the proposal would be considered by the Commission on February 9, 2022.
- d) Public Notice: Pursuant to Government Code Section 56157(h), the total number of notices required to be mailed to landowners and registered voters within the Opal Cliffs community exceeded 1,000 (634 registered voters and over 440 landowners). A public notice was then advertised in the Santa Cruz Sentinel on January 18, 2022 indicating that the Reorganization will be considered by LAFCO on February 9, 2022.
- e) Commission Hearing: The Commission shall consider the Reconsideration after it has been placed on an agenda of a Commission meeting. After deeming the proposal complete, the Executive Officer advertised the proposal and scheduled the Reorganization for Commission consideration on February 9, 2022.
- f) State Board of Equalization: The Executive Officer shall provide a vicinity map and complete the necessary form to meet the State Board of Equalization requirements.

Section 9. The Reorganization shall be effective as of the date of recordation of the Certificate of Completion.

Section 10. The Commission shall approve, disapprove, or approve with conditions the proposed Reorganization. If the proposal is 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 11. The Executive Officer will hereby conduct a 30-day request for reconsideration in accordance with Government Code Section 56895. The reconsideration period is scheduled for February 9 to March 9, 2022.

Section 12. The Executive Officer will hereby conduct a 21-day protest proceeding as provided in Government Code Section 57000. The protest period is scheduled for March 10 to March 30, 2022.

Section 13. 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 9th day of February 2022.

AYES:

NOES:

ABSTAIN:

RACHÉL LATHER, CHAIRPERSON

Attest:

Approved as to form:

Joe A. Serrano
Executive Officer

Joshua Nelson
LAFCO Counsel

EXHIBIT A: CURRENT BOUNDARIES

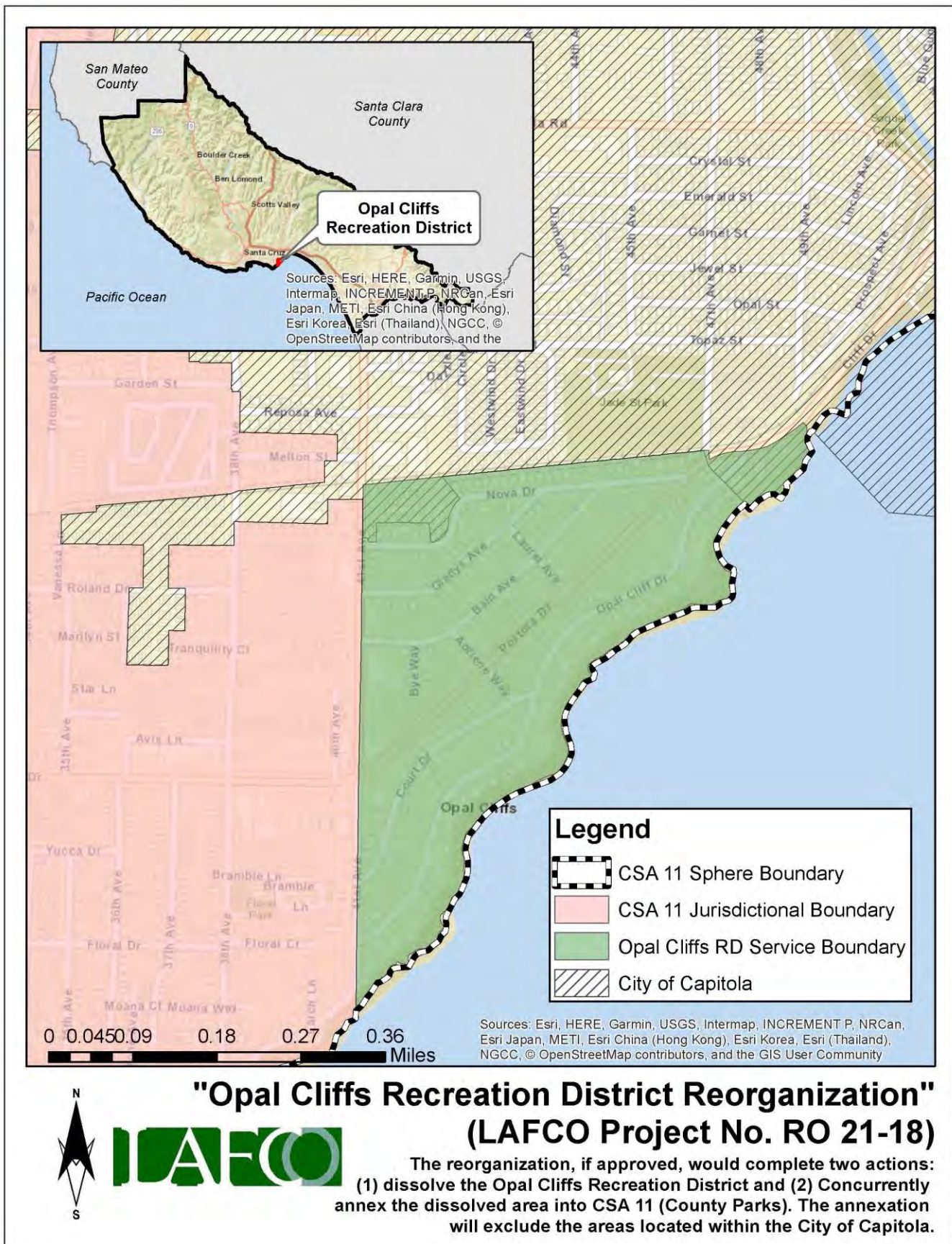
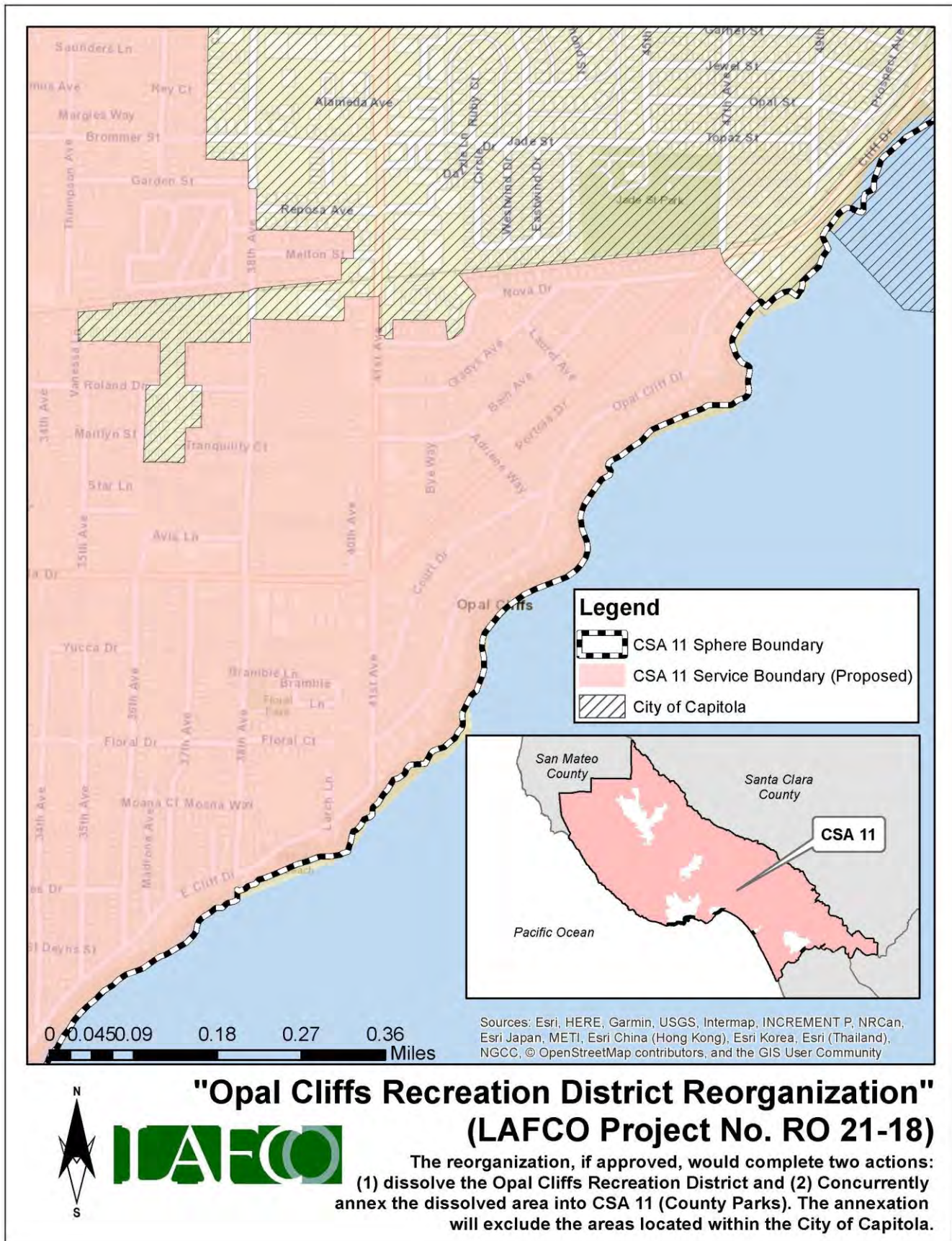


EXHIBIT B: PROPOSED BOUNDARIES





Santa Cruz Local Agency Formation Commission

Date: February 9, 2022
To: LAFCO Commissioners
From: Joe Serrano, Executive Officer
Subject: **Continuation of Remote Meetings**

SUMMARY OF RECOMMENDATION

The Governor issued a series of executive orders in connection with the ongoing COVID-19 pandemic, which included a waiver of all physical-presence requirements under the Brown Act. These orders expired on September 30, 2021. Assembly Bill 361, which took effect as an urgency measure on September 16, allowed local agencies to continue conducting remote meetings under specific conditions and following the adoption of a resolution. This Commission adopted a resolution on November 3, 2021. The findings within the resolution are required to be periodically renewed to allow for future remote meetings under the AB 361 guidelines.

It is recommended that the Commission ratify the existing resolution (No. 2021-19) approving the continuation of remote meetings under AB 361.

EXECUTIVE OFFICER'S REPORT:

In November, the Commission adopted a resolution (refer to **Attachment 1**) to continue remote meetings in accordance with the guidelines under AB 361, which acts as a temporary waiver of the Brown Act's in-person attendance requirements. In order to continue to qualify for AB 361's waiver of in-person meeting requirements, the Commission is required to renew the findings outlined in the adopted resolution.

Renewal Consideration

The Governor issued a statewide mask mandate for indoor public places regardless of vaccination status in December. This statewide mandate was set to expire on January 15, 2022. However, due to the recent increase in cases, the order was extended until February 15, 2022.

Due to the increase in cases, coupled with the extension of the face covering order, staff is recommending that the Commission ratify the existing resolution (No. 2021-19) to continue the use of remote meetings for the next LAFCO Meeting which is scheduled for March 2, 2022.

Respectfully Submitted,

Joe A. Serrano
Executive Officer

Attachment: Resolution No. 2021-19 (Adopted Version)

LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY
RESOLUTION NO. 2021-19

On the motion of Commissioner Rachél Lather
duly seconded by Commissioner Jim Anderson
the following resolution is adopted:

RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION
MAKING DETERMINATIONS AND ORDERING THE CONTINUATION OF
TELECONFERENCE MEETINGS DUE TO THE GOVERNOR'S PROCLAMATION OF
STATE EMERGENCY AND STATE RECOMMENDATIONS RELATED TO PHYSICAL
DISTANCING DUE TO THE THREAT OF COVID-19

WHEREAS, the Local Agency Formation Commission of Santa Cruz County ("Commission" or "LAFCO") is committed to preserving and nurturing public access and participation in meetings of the Commission; and

WHEREAS, all Commission meetings are open and public, as required by the Ralph M. Brown Act (Government Code Section 54950 et seq.), so that any member of the public may attend, participate, and observe how the Commission conducts its business; and

WHEREAS, the Brown Act, pursuant to Government Code Section 54953(e), makes provisions for remote teleconferencing participation in meetings by members of a legislative body, without compliance with the requirements of Government Code Section 54953(b)(3), subject to the existence of certain conditions; and

WHEREAS, a required condition is that a state of emergency is declared by the Governor pursuant to Government Code Section 8625, proclaiming the existence of conditions of disaster or of extreme peril to the safety of persons and property within the state caused by conditions as described in Government Code Section 8558; and

WHEREAS, a proclamation is made when there is an actual incident, threat of disaster, or extreme peril to the safety of persons and property within the state; and

WHEREAS, such conditions now exist in the state, specifically, the Governor of the State of California proclaimed a state of emergency on March 4, 2020, related to the threat of COVID-19, which remains in effect; and

WHEREAS, on September 16, 2021, the Governor signed Assembly Bill 361 ("AB 361"), urgency legislation effective immediately, that amended Government Code section 54953 to permit legislative bodies subject to the Brown Act to continue to meet under modified teleconferencing rules provided they comply with specific requirements set forth in the statute; and

WHEREAS, pursuant to AB 361, the Commission may hold an initial teleconference meeting under the modified teleconferencing rules and may continue to hold such teleconference meetings during a proclaimed state of emergency where the Commission has reconsidered the circumstances of the state of emergency, the state of emergency continues to directly impact the ability of the Commission to meet safely in person, and state or local officials have recommended measures to promote physical distancing; and

WHEREAS, the California Division of Occupational Safety and Health ("Cal/OSHA") regulations at Title 8 Section 3205 recommends physical distancing in the workplace as precautions against the spread of COVID-19 and imposes certain restrictions and requirements due to a "close contact" which occurs when individuals are within six feet of another in certain circumstances; and

WHEREAS, the proliferation of the Delta variant of the virus continues to pose imminent risk to health and safety and directly impacts the ability of the public and the Commission to meet safely in person, accordingly, the Commission hereby recognizes the proclamation of state of emergency by the Governor of the State of California and the regulations of Cal/OSHA recommending physical distancing; and

WHEREAS, as a consequence of the emergency related to COVID-19, the Commission does hereby find that the Commission shall conduct their meetings without compliance with paragraph (3) of subdivision (b) of Government Code Section 54953, as authorized by subdivision (e) of section 54953, and that the Commission shall comply with the requirements to provide the public with access to the meetings as prescribed in paragraph (2) of subdivision (e) of Section 54953; and

WHEREAS, the Commission meetings will be accessible to the public to attend virtually or via phone.

NOW, THEREFORE, BE IT RESOLVED THAT THE COMMISSION DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.
2. State of Emergency due to COVID-19. The Commission hereby recognizes the imminent threat to the health and safety of attendees at public meetings due to the impacts of COVID-19 and the continued recommendation of state officials to promote physical distancing to minimize any potential adverse health and safety risks.
3. Remote Teleconference Meetings. The Executive Officer is hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution including, conducting open and public meetings of the Commission in accordance with Government Code Section 54953(e) and other applicable provisions of the Brown Act for remote only teleconference meetings.

4. Reconsideration of the State of Emergency. The Commission has reconsidered the state of emergency proclaimed by the Governor of the State of California and finds that the state of emergency continues to directly impact the ability of the members to meet safely in person.
5. Reoccurring Evaluation by the Commission. The Executive Officer is hereby directed to continue to monitor the conditions and health and safety conditions related to COVID-19, the status of the Governor's State of Emergency, and the state regulations related to social distancing, and present to the Commission at its next regularly scheduled meeting the related information and recommendations for remote only meetings pursuant to the provisions of Government Code Section 54953(e)(3) and to extend the time during which the Commission may continue to teleconference without compliance with paragraph (3) of subdivision (b) of Section 54953.

PASSED AND ADOPTED by the Local Agency Formation Commission of Santa Cruz County this 3rd day of November 2021.

AYES: Commissioners Jim Anderson, Roger Anderson, Ryan Coonerty, Justin Cummings, Francisco Estrada, Zach Friend, and Rachél Lather

NOES: None

ABSTAIN: None



JUSTIN CUMMINGS, CHAIRPERSON

Attest:



Joe A. Serrano
Executive Officer

Approved as to form:



Daniel H. Zazueta
LAFCO Counsel



Date: February 9, 2022
To: LAFCO Commissioners
From: Joe Serrano, Executive Officer
Subject: **Employee Performance Evaluation**

SUMMARY OF RECOMMENDATION

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

It is recommended that the Commission adopt the draft resolution (LAFCO No. 2022-03) approving the salary increases for LAFCO's Executive Officer.

EXECUTIVE OFFICER'S REPORT:

The Commission reviewed staff's performance evaluations in closed session during the January 5th Regular Meeting. After reconvening, the Commission indicated that LAFCO's Executive Officer may be subject to a salary increase for their performance during the 2021 calendar year. A subsequent Personnel Committee meeting was held on January 13, 2022 to discuss the potential salary increase. The following section provides a summary of the evaluation process.

Executive Officer's Performance Evaluation

The Personnel Committee conducted a performance evaluation on December 13, 2021 to ensure that the Executive Officer was fulfilling expectations. Prior to the meeting, the Personnel Committee requested that a written narrative, outlining the Executive Officer's performance in 2021, be completed for review and discussion. A draft version of the written narrative was presented to the Personnel Committee during the December 13th meeting. A final version of the written narrative was reviewed by the entire Commission during a closed session on January 5, 2022.

After reconvening from the closed session, the Chair indicated that a subsequent Personnel Committee meeting should occur to discuss a possible salary increase. The Personnel Committee is recommending that the Executive Officer's salary should increase from the current hourly rate of \$72.80 to \$76.43. The attached resolution outlines the proposed salary increase for the Executive Officer (see **Attachment 1**).

If approved, the salary change will go into effect retroactively starting January 1, 2022. This retroactive start date reflects how the performance evaluations are now being conducted. However, the Commission may consider changing the start date of the new salary amount.

Respectfully Submitted,



Joe A. Serrano
Executive Officer

Attachments:

1. Draft Resolution No. 2022-03

LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY
RESOLUTION NO. 2022-03

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

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

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

WHEREAS, pursuant to this Personnel Policy, the Personnel Committee reviewed the performance evaluations for LAFCO’s Executive Officer on December 13, 2021; and

WHEREAS, the Personnel Committee presented their findings and recommendations to the entire Commission during a Closed Session on January 5, 2022; and

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

NOW, THEREFORE, BE IT RESOLVED that effective January 1, 2022; the Executive Officer is granted a 5% increase in salary. The Auditor-Controller is requested to make the appropriate retroactive changes.

PASSED AND ADOPTED by the Local Agency Formation Commission of Santa Cruz County this 9th day of February 2022.

AYES:

NOES:

ABSENT:

RACHÉL LATHER, CHAIRPERSON

Attest:

Approved as to form:

Joe A. Serrano
Executive Officer

Joshua Nelson
LAFCO Counsel



Santa Cruz Local Agency Formation Commission

Date: February 9, 2022
To: LAFCO Commissioners
From: Joe Serrano, Executive Officer
Subject: **Legislative Update**

SUMMARY OF RECOMMENDATION

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

EXECUTIVE OFFICER'S REPORT:

The State Legislature reconvened the second half of its two-year legislative session on January 3, 2022. Approximately 2,900 bills have been introduced during the two-year session. The deadline to introduce a bill will be February 18. All bills must pass out of their house of origin (Assembly or Senate) no later than May 27. Afterwards, all bills must pass through both houses by August 31 with a 30-day period for the Governor to either sign or veto passed bills. **Attachment 1** provides an overview of this year's legislative calendar. The website for additional bill information is <http://leginfo.legislature.ca.gov/>.

Tracked Bills

The California Association of LAFCOs (CALAFCO) monitors legislative matters that may impact the Commission's ability to effectively administer its regulatory responsibilities. At present, there are 16 bills that directly or indirectly impact LAFCOs. An overview of each of the tracked bills is shown in **Attachment 2**. Staff is currently watching these bills, specifically Senate Bill 418 (**Attachment 3**). This bill intends to create a healthcare district in Santa Cruz County, as discussed below. **Attachment 4** shows the proposed boundary of the new healthcare district, if formed.

Senate Bill 418

The current owner of the Watsonville Community Hospital has recently filed for bankruptcy, which highlights the long-standing ownership turnover issue involving this hospital. The hospital has seen 20 different owners in the last 21 years. Despite the ownership issue, the hospital continues to be essential in serving the community's primarily low-income, underinsured, and uninsured populations, especially during the ongoing pandemic. That is why this bill was introduced in order to implement governmental oversight to the hospital's operations and management. The Pajaro Valley Healthcare District Project (PVHDP) has been spearheading this effort for the last several months. The group includes representatives from Santa Cruz County, the City of Watsonville and non-profit organizations such as Salud Para La Gente. During this time, PVHDP has invited LAFCO to provide assistance in the governance and boundaries of the proposed healthcare district. LAFCO staff has also been coordinating with Monterey LAFCO and CALAFCO to ensure that appropriate amendments are included in the bill in order to address LAFCO-related issues and/or concerns.

The proposed amendments identified by CALAFCO, Monterey LAFCO, and Santa Cruz LAFCO are shown below:

1. We would like language that calls for the Santa Cruz LAFCO to initiate a special study 3 years after the formation of the district;
2. We want the new district to provide LAFCO a report, annually for the first 3 years, using the 6 determinations for service reviews as outlined in GCS 56430(a)(1) - (6);
3. We would like it explicitly stated within the bill that within one year of district formation, Santa Cruz LAFCO shall adopt a sphere of influence for the district pursuant to GCS 56426.5; and
4. There is concern about the language on the governance structure. If it's possible we would like that governance structure be defined better. Further, we would like it stated that both the initial Board and the subsequent zoned-based Board shall include representation from both Monterey and Santa Cruz counties, given the district boundaries will encompass both counties.

The Commission may consider adopting an official position once staff retrieves all the necessary information to make a recommendation. In the interim, LAFCO staff will continue to monitor and provide periodic updates on SB 418, the other tracked bills, and any new LAFCO-related bills introduced as the legislative session unfolds.

Respectfully Submitted,



Joe A. Serrano
Executive Officer

Attachment:

1. State Legislative Calendar
2. Tracking List of LAFCO-related Bills (as of January 18, 2022)
3. Senate Bill 418 (draft language)
4. Vicinity Map of the proposed "Pajaro Valley Healthcare District"

2022 TENTATIVE LEGISLATIVE CALENDAR

COMPILED BY THE OFFICE OF THE ASSEMBLY CHIEF CLERK AND THE OFFICE OF THE SECRETARY OF THE SENATE
Revised 10-21-21

JANUARY							
	S	M	T	W	TH	F	S
Interim Recess							1
Wk. 1	2	3	4	5	6	7	8
Wk. 2	9	10	11	12	13	14	15
Wk. 3	16	17	18	19	20	21	22
Wk. 4	23	24	25	26	27	28	29
Wk. 1	30	31					

FEBRUARY							
	S	M	T	W	TH	F	S
Wk. 1			1	2	3	4	5
Wk. 2	6	7	8	9	10	11	12
Wk. 3	13	14	15	16	17	18	19
Wk. 4	20	21	22	23	24	25	26
Wk. 1	27	28					

MARCH							
	S	M	T	W	TH	F	S
Wk. 1			1	2	3	4	5
Wk. 2	6	7	8	9	10	11	12
Wk. 3	13	14	15	16	17	18	19
Wk. 4	20	21	22	23	24	25	26
Wk. 1	27	28	29	30	31		

APRIL							
	S	M	T	W	TH	F	S
Wk. 1						1	2
Wk. 2	3	4	5	6	7	8	9
Spring Recess	10	11	12	13	14	15	16
Wk. 3	17	18	19	20	21	22	23
Wk. 4	24	25	26	27	28	29	30

MAY							
	S	M	T	W	TH	F	S
Wk. 1	1	2	3	4	5	6	7
Wk. 2	8	9	10	11	12	13	14
Wk. 3	15	16	17	18	19	20	21
No Hrgs.	22	23	24	25	26	27	28
Wk. 4	29	30	31				

DEADLINES

- Jan. 1

Statutes take effect (Art. IV, Sec. 8(c)).
- Jan. 3

Legislature reconvenes (J.R. 51(a)(4)).
- Jan. 10

Budget must be submitted by Governor (Art. IV, Sec. 12(a)).
- Jan. 14

Last day for **policy committees** to hear and report to **fiscal committees** fiscal bills introduced in their house in the odd-numbered year (J.R. 61(b)(1)).
- Jan. 17

Martin Luther King, Jr. Day.
- Jan. 21

Last day for any committee to hear and report to the **floor** bills introduced in that house in the odd-numbered year. (J.R. 61(b)(2)).

Last day to submit **bill requests** to the Office of Legislative Counsel.
- Jan. 31

Last day for each house to pass bills introduced in that house in the odd-numbered year (J.R. 61(b)(3)) (Art. IV, Sec. 10(c)).
- Feb. 18

Last day for bills to be **introduced** (J.R. 61(b)(4), J.R. 54(a)).
- Feb. 21

Presidents' Day.
- Apr. 1

Cesar Chavez Day observed.
- Apr. 7

Spring Recess begins upon adjournment (J.R. 51(b)(1)).
- Apr. 18

Legislature reconvenes from Spring Recess (J.R. 51(b)(1)).
- Apr. 29

Last day for **policy committees** to hear and report to fiscal committees **fiscal bills** introduced in their house (J.R. 61(b)(5)).
- May 6

Last day for **policy committees** to hear and report to the floor **nonfiscal** bills introduced in their house (J.R. 61(b)(6)).
- May 13

Last day for **policy committees** to meet prior to May 31 (J.R. 61(b)(7)).
- May 20

Last day for **fiscal committees** to hear and report to the **floor** bills introduced in their house (J.R. 61 (b)(8)).

Last day for **fiscal committees** to meet prior to May 31 (J.R. 61 (b)(9)).
- May 23 – 27

Floor session only. No committee may meet for any purpose except for Rules Committee, bills referred pursuant to Assembly Rule 77.2, and Conference Committees (J.R. 61(b)(10)).
- May 27

Last day for each house to pass bills introduced in that house (J.R. 61(b)(11)).
- May 30

Memorial Day.
- May 31

Committee meetings may resume (J.R. 61(b)(12)).

*Holiday schedule subject to final approval by Rules Committee.

JUNE							
	S	M	T	W	TH	F	S
Wk. 4				1	2	3	4
Wk. 1	5	6	7	8	9	10	11
Wk. 2	12	13	14	15	16	17	18
Wk. 3	19	20	21	22	23	24	25
Wk. 4	26	27	28	29	30		

June 15 Budget Bill must be passed by midnight (Art. IV, Sec. 12(c)).

June 30 Last day for a legislative measure to qualify for the Nov. 8 General Election ballot (Elections Code Sec. 9040).

JULY							
	S	M	T	W	TH	F	S
Wk. 4						1	2
Summer Recess	3	4	5	6	7	8	9
Summer Recess	10	11	12	13	14	15	16
Summer Recess	17	18	19	20	21	22	23
Summer Recess	24	25	26	27	28	29	30
Wk. 1	31						

July 1 Last day for **policy committees** to meet and report bills (J.R. 61(b)(14)).

Summer Recess begins upon adjournment, provided Budget Bill has been passed (J.R. 51(b)(2)).

July 4 Independence Day.

AUGUST							
	S	M	T	W	TH	F	S
Wk. 1		1	2	3	4	5	6
Wk. 2	7	8	9	10	11	12	13
No Hrgs.	14	15	16	17	18	19	20
No Hrgs.	21	22	23	24	25	26	27
No Hrgs.	28	29	30	31			

Aug. 1 Legislature reconvenes from **Summer Recess** (J.R. 51(b)(2)).

Aug. 12 Last day for **fiscal committees** to meet and report bills (J.R. 61(b)(15)).

Aug. 15 – 31 Floor session only. No committee may meet for any purpose except Rules Committee, bills referred pursuant to Assembly Rule 77.2, and Conference Committees (J.R. 61(b)(16)).

Aug. 25 Last day to **amend** bills on the floor (J.R. 61(b)(17)).

Aug. 31 Last day for each house to pass bills (Art. IV, Sec 10(c), J.R. 61(b)(18)).

Final Recess begins upon adjournment (J.R. 51(b)(3)).

IMPORTANT DATES OCCURRING DURING FINAL RECESS

2022

- Sept. 30Last day for Governor to sign or veto bills passed by the Legislature before Sept. 1 and in the Governor's possession on or after Sept. 1 (Art. IV, Sec. 10(b)(2)).
- Oct. 2Bills enacted on or before this date take effect January 1, 2023. (Art. IV, Sec. 8(c)).
- Nov. 8General Election.
- Nov. 30Adjournment *sine die* at midnight (Art. IV, Sec. 3(a)).
- Dec. 52023-24 Regular Session convenes for Organizational Session at 12 noon. (Art. IV, Sec. 3(a)).

2023

- Jan. 1Statutes take effect (Art. IV, Sec. 8(c)).

*Holiday schedule subject to final approval by Rules Committee.

AB 703 (Rubio, Blanca D) Open meetings: local agencies: teleconferences.

Current Text: Amended: 4/29/2021 [html](#) [pdf](#)

Introduced: 2/16/2021

Last Amended: 4/29/2021

Status: 5/7/2021-Failed Deadline pursuant to Rule 61(a)(3). (Last location was L. GOV. on 2/25/2021)(May be acted upon Jan 2021)

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

Summary:

Current law, by Executive Order N-29-20, suspends the Ralph M. Brown Act's requirements for teleconferencing during the COVID-19 pandemic, provided that notice requirements are met, the ability of the public to observe and comment is preserved, as specified, and that a local agency permitting teleconferencing have a procedure for receiving and swiftly resolving requests for reasonable accommodation for individuals with disabilities, as specified. This bill would remove the notice requirements particular to teleconferencing and would revise the requirements of the act to allow for teleconferencing subject to existing provisions regarding the posting of notice of an agenda, provided that the public is allowed to observe the meeting and address the legislative body directly both in person and remotely via a call-in option or internet-based service option, and that a quorum of members participate in person from a singular physical location clearly identified on the agenda that is open to the public and situated within the jurisdiction.

Position: Watch

Subject: Brown Act

CALAFCO Comments: As amended on 4/29/21, the bill requires local agencies to allow for public participation during meetings of the legislative body both at in-person and via a call-in or internet-based option. It further requires that if the agency holds a teleconference meeting, at least a quorum of the governing body shall participate in person from a single location which shall be open to the public (and located within the boundaries of the jurisdiction).

Despite these requirements, the bill is not marked fiscal. Further, it applies only to local agencies, not state agencies.

The bill is sponsored by Three Valleys Municipal Water Agency.

AB 1195 (Garcia, Cristina D) Drinking water.

Current Text: Amended: 5/24/2021 [html](#) [pdf](#)

Introduced: 2/18/2021

Last Amended: 5/24/2021

Status: 7/14/2021-Failed Deadline pursuant to Rule 61(a)(11). (Last location was N.R. & W. on 6/9/2021)(May be acted upon Jan 2022)

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

Summary:

Current law establishes the Safe and Affordable Drinking Water Fund in the State Treasury to help water systems provide an adequate and affordable supply of safe drinking water in both the near and long terms. Current law authorizes the state board to provide for the deposit into the fund of certain moneys and continuously appropriates the moneys in the fund to the state board for grants, loans, contracts, or services to assist eligible recipients. This bill would prohibit a public water system from transferring or abandoning a water right held by the public water system except upon approval of the state board, as prescribed.

Attachments:

[CALAFCO Letter of Concern - April 2021](#)

[AB 1195 Fact Sheet](#)

Position: Watch With Concerns

Subject: Water

CALAFCO Comments: As amended on 4-6-21, the bill was gut and amended and now creates the So LA County Human Rights to Water Collaboration Act. It requires the Water Board to appoint a commissioner to implement the Safe & Affordable Funding for Equity & Resilience Program and gives the commissioner certain authorities (although they are not clearly spelled out). It requires the commissioner by 12-31-24 to submit to the Water Board a plan for the long-term sustainability of public water systems in southern LA County and prescribes what shall be included in the plan. The bill also creates a technical advisory board and requires the commissioner to oversee the Central Basin Municipal Water District.

In its current form the bill creates numerous concerns. CALAFCO's letter of concern is posted in the tracking section of the bill, and includes: (1) Focus of the bill is very broad as is the focus of the commissioner; (2) In an attempt to prevent privatization of water systems there is language regarding severing water rights. That language could be problematic should a consolidation be ordered; (3) Diminishing local control that is being invested in the state (an ongoing concern since SB 88); (4) A clear distinction needs to be made between an Administrator and Commissioner; (5) The poorly written section on the technical advisory board; and (6) The lack of LAFCo involvement in any consolidation process.

As amended on 5-24-21, the bill changes the water rights provision now requiring approval by the water Board; uses the definitions of "at risk system" and "at risk domestic well" found in SB 403 (Gonzalez) as well as the 3,300 connect cap; requires the commissioner appointed by the board to be from the local area; requires the commissioner to do certain things prior to completing the regional plan; and requires the commissioner to apply to LA LAFCo for extension of service, consolidation or dissolution as appropriate. The bill also creates a pilot program for LA LAFCo giving them the authority to take action rather than the water board, providing it is within 120 days of receipt of a completed application. If the LAFCo fails to take action within that time, the matter goes to the water board for their action.

The pilot program also gives LA LAFCo the authority to approve, approve with conditions or deny the application; further giving LAFCo authority to consider consolidation or extension of service with a local publicly owned utility that provides retail water, a private water company or mutual; the bill also waives protest proceedings, gives the LAFCo authority to address governance structure and CEQA is waived, provides full LAFCo indemnification and funding.

There are still issues with the proposed technical advisory board section of the bill, and questions about timing of some of the processes. CALAFCO continues to work with the author and speakers' offices as well as other stakeholders on ongoing amendments.

The bill is author-sponsored and we understand there is currently no funding source. A fact sheet is posted in the tracking section of the bill. CALAFCO's letter of concern is also posted there.

THIS IS NOW A 2-YEAR BILL.

Current Text: Amended: 1/21/2021 [html](#) [pdf](#)

Introduced: 12/7/2020

Last Amended: 1/21/2021

Status: 1/14/2022-Failed Deadline pursuant to Rule 61(b)(1). (Last location was 2 YEAR on 4/30/2021)

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

Summary:

Would require the Strategic Growth Council, by January 1, 2023, to establish up to 12 regional climate change authorities to coordinate climate adaptation and mitigation activities in their regions, and coordinate with other regional climate adaptation authorities, state agencies, and other relevant stakeholders.

Attachments:

[AB 11 Fact Sheet](#)

Position: Watch

Subject: Other

CALAFCO Comments: As amended on 1/21/21, this bill authorizes/requires the Strategic Growth Council (SGC) to establish up to 12 regional climate change authorities by January 1, 2023, to include local agencies and regional stakeholders. The SGC is required to adopt guidelines that: (1) Define the authority; (2) Include guidelines for establishing an authority via a stakeholder-driven process; (3) Consult with OPR (and other state authorities) in development of the guidelines and award annual grants to authorities.

The bill outlines the regional climate change authorities in summary as: coordination, capacity-building, and technical assistance activities within their boundaries, promote regional alignment and assist local agencies in creating and implementing plans developed pursuant to Section 65302 of the Government Code, other federal or state mandates, and programs designed address climate change impacts and risks. The bill also requires the authority to submit annual reports to the SGC, with the scope of the report outlined in the bill.

This is an author-sponsored bill. There is no appropriation to fund the cost of the program. A fact sheet is posted in the tracking section of the bill.

UPDATE 3/17/21: CALAFCO learned from the author's office they do not intend to move the bill forward, but instead work with Assm. Mullin on AB 897 and merge the two bills.

[AB 897](#) ([Mullin D](#)) **Office of Planning and Research: regional climate networks: regional climate adaptation and resilience action plans.**

Current Text: Amended: 7/14/2021 [html](#) [pdf](#)

Introduced: 2/17/2021

Last Amended: 7/14/2021

Status: 8/27/2021-Failed Deadline pursuant to Rule 61(a)(12). (Last location was APPR. SUSPENSE FILE on 8/16/2021)(May be acted upon Jan 2022)

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

Summary:

Current law requires, by July 1, 2017, and every 3 years thereafter, the Natural Resources Agency to update, as prescribed, the state's climate adaptation strategy, known as the Safeguarding California Plan. Current law establishes the Office of Planning and Research in state government in the Governor's office. Current law establishes the Integrated Climate Adaptation and Resiliency Program to be administered by the office to coordinate regional and local efforts with state climate adaptation strategies to adapt to the impacts of climate change, as prescribed. This bill would authorize eligible entities, as defined, to establish and participate in a regional climate network, as defined. The bill would require the office, through the program, to encourage the inclusion of eligible entities with land use planning and hazard mitigation planning authority into regional climate networks. The bill would authorize a regional climate network to engage in activities to address climate change, as specified.

Attachments:

[CALAFCO Support July 2021](#)

[AB 897 Fact Sheet](#)

Position: Support

Subject: Climate Change

CALAFCO Comments: As introduced, the bill builds on existing programs through OPR by promoting regional collaboration in climate adaptation planning and providing guidance for regions to identify and prioritize projects necessary to respond to the climate vulnerabilities of their region.

As amended, the bill requires OPR to develop guidelines (the scope of which are outlined in the bill) for Regional Climate Adaptation Action Plans (RCAAPs) by 1-1-23 through their normal public process. Further the bill requires OPR to make recommendations to the Legislature on potential sources of financial assistance for the creation & implementation of RCAAPs, and ways the state can support the creation and ongoing work of regional climate networks. The bill outlines the authority of a regional climate network, and defines eligible entities. Prior versions of the bill kept the definition as rather generic and with each amended version gets more specific. As a result, CALAFCO has requested the author add LAFCOs explicitly to the list of entities eligible to participate in these regional climate networks.

As amended on 4/7, AB 11 (Ward) was joined with this bill - specifically found in 71136 in the Public Resources Code as noted in the amended bill. Other amendments include requiring OPR to, before 7-1-22, establish geographic boundaries for regional climate networks and prescribes requirements in doing so.

This is an author-sponsored bill. The bill necessitates additional resources from the state to carry out the additional work required of OPR (there is no current budget appropriation). A fact sheet is posted in the tracking section of the bill.

As amended 4/19/21: There is no longer a requirement for OPR to include in their guidelines how a regional climate network may develop their plan: it does require ("may" to "shall") a regional climate network to develop a regional climate adaptation plan and submit it to OPR for approval; adds requirements of what OPR shall publish on their website; and makes several other minor technical changes.

As amended 7/1/21, the bill now explicitly names LAFCo as an eligible entity. It also adjusts several timelines for OPR's requirements including establishing boundaries for the regional climate networks, develop guidelines and establish standards for the networks, and to make recommendations to the Legislature related to regional adaptation. Give the addition of LAFCo as an eligible entity, CALAFCO is now in support of the bill.

Amendments of 7/14/21, as requested by the Senate Natural Resources & Water Committee, mostly do the following: (1) Include "resilience" to climate adaptation; (2) Prioritize the most vulnerable communities; (3) Add definitions for "under-resourced" and "vulnerable" communities; (4) Remove the requirement for OPR to establish geographic boundaries for the regional climate networks; (5) Include agencies with hazard mitigation authority and in doing so also include the Office of Emergency Services to work with OPR to establish guidelines and standards required for the climate adaptation and resilience plan; and (6) Add several regional and local planning documents to be used in the creation of guidelines.

UPDATE: The bill was held in Appropriations as a 2-year bill.

[AB 903](#) ([Frazier D](#)) **Los Medanos Community Healthcare District.**

Current Text: Amended: 4/19/2021 [html](#) [pdf](#)

Introduced: 2/17/2021

Last Amended: 4/19/2021

Status: 7/14/2021-Failed Deadline pursuant to Rule 61(a)(11). (Last location was GOV. & F. on 5/19/2021)(May be acted upon Jan 2022)

Desk	Policy	Fiscal	Floor	Desk	2 year	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
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Summary:

Would require the dissolution of the Los Medanos Community Healthcare District, as specified. The bill would require the County of Contra Costa to be successor of all rights and responsibilities of the district, and require the county to develop and conduct the Los Medanos Area Health Plan Grant Program focused on comprehensive health-related services in the district's territory. The bill would require the county to complete a property tax transfer process to ensure the transfer of the district's health-related ad valorem property tax revenues to the county for the sole purpose of funding the Los Medanos Area Health Plan Grant Program. By requiring a higher level of service from the County of Contra Costa as specified, the bill would impose a state-mandated local program.

Position: Watch

CALAFCO Comments: This bill mandates the dissolution of the Los Medanos Community Healthcare District with the County as the successor agency, effective 2-1-22. The bill requires the County to perform certain acts prior to the dissolution. The LAFCo is not involved in the dissolution as the bill is written. Currently, the district is suing both the Contra Costa LAFCo and the County of Contra Costa after the LAFCo approved the dissolution of the district upon application by the County and the district failed to get enough signatures in the protest process to go to an election.

The amendment on 4/5/21 was just to correct a typo in the bill.

As amended on 4/19/21, the bill specifies monies received by the county as part of the property tax transfer shall be used specifically to fund the Los Medanos Area Health Plan Grant Program within the district's territory. It further adds a clause that any new or existing profits shall be used solely for the purpose of the grant program within the district's territory.

UPDATE: The bill did not pass out of Senate Governance & Finance Committee and will not move forward this year. It may be acted on in 2022.

AB 975 (Rivas, Luz D) Political Reform Act of 1974: statement of economic interests and gifts.

Current Text: Amended: 5/18/2021 [html](#) [pdf](#)

Introduced: 2/18/2021

Last Amended: 5/18/2021

Status: 9/10/2021-Failed Deadline pursuant to Rule 61(a)(15). (Last location was INACTIVE FILE on 6/1/2021)(May be acted upon Jan 2022)

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

Summary:

The Political Reform Act of 1974 regulates conflicts of interests of public officials and requires that public officials file, with specified filing officers, periodic statements of economic interests disclosing certain information regarding income, investments, and other financial data. The Fair Political Practices Commission is the filing officer for statewide elected officers and candidates and other specified public officials. If the Commission is the filing officer, the public official generally files with their agency or another person or entity, who then makes a copy and files the original with the Commission. This bill would revise and recast these filing requirements to make various changes, including requiring public officials and candidates for whom the Commission is the filing officer to file their original statements of economic interests electronically with the Commission.

Position: Watch

Subject: FPCC

CALAFCO Comments: As introduced, this bill makes two notable changes to the current requirements of gift notification and reporting: (1) It increases the period for public officials to reimburse, in full or part, the value of attending an invitation-only event, for purposes of the gift rules, from 30 days from receipt to 30 days following the calendar quarter in which the gift was received; and (2) It reduces the gift notification period for lobbyist employers from 30 days after the end of the calendar quarter in which the gift was provided to 15 days after the calendar quarter. Further it requires the FPCC to have an online filing system and to redact contact information of filers before posting.

The amendment on 4/21/21 just corrects wording (technical, non-substantive change).

The amendments on 5/18/21 clarify who is to file a statement of economic interest to include candidates (prior text was office holders).

AB 1053 (Gabriel D) City selection committees: County of Los Angeles: quorum: teleconferencing.

Current Text: Amended: 4/20/2021 [html](#) [pdf](#)

Introduced: 2/18/2021

Last Amended: 4/20/2021

Status: 5/7/2021-Failed Deadline pursuant to Rule 61(a)(3). (Last location was L. GOV. on 3/18/2021)(May be acted upon Jan 2021)

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

Summary:

Current law creates a city selection committee in each county that consists of 2 or more incorporated cities for the purpose of appointing city representatives to boards, commissions, and agencies. Under current law, a quorum for a city selection committee requires a majority of the number of the incorporated cities within the county entitled to representation on the city selection committee. Current law requires a city selection committee meeting to be postponed or adjourned to a subsequent time and place whenever a quorum is not present at the meeting. This bill, for the city selection committee in the County of Los Angeles, would reduce the quorum requirement to 1/3 of all member cities within the county for a meeting that was postponed to a subsequent time and place because a quorum was not present, as long as the agenda is limited to items that appeared on the immediately preceding agenda where a quorum was not established.

Attachments:

[CALAFCO Removal of Opposition Letter April 2021](#)

[CALAFCO Oppose Unless Amended April 2021](#)

Position: Watch

Subject: Other

CALAFCO Comments: As amended on 3/18/21, the bill reduces the quorum requirement for a city selection committee to 1/3 of all member cities within the county for a meeting that was postponed to a subsequent time and place because a quorum was not present, as long as the agenda is limited to replicate the meeting for which a quorum was not established. The bill also authorizes a city selection committee to conduct their meetings be teleconference and electronic means.

The bill is sponsored by the Las Virgenes-Malibu Council of Governments.

CALAFCO's letter of Oppose Unless Amended is posted in the bill detail area.

UPDATE AS OF 4/21/21 - As amended on 4/20/21, the scope of the bill is significantly narrowed to apply only to the County of Los Angeles' City Selection Committee. This amendment resolves CALAFCO's concerns and we have removed our opposition and will retain a Watch position. CALAFCO's letter of opposition removal is posted in the bill detail area.

UPDATE: The bill failed to move out of committee so it is now a 2-year bill.

AB 1246 (Nguyen R) Community services districts.

Current Text: Introduced: 2/19/2021 [html](#) [pdf](#)

Introduced: 2/19/2021

Status: 5/7/2021-Failed Deadline pursuant to Rule 61(a)(3). (Last location was PRINT on 2/19/2021)(May be acted upon Jan 2021)

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

Summary:

Existing law, the Community Services District Law, authorizes the formation of community services districts for various specified purposes, including supplying water, treating sewage, disposing of solid waste, and providing fire protection. The law specifies its relation and effect on certain districts organized pursuant to former laws and to actions taken by them, among other things. This bill would make nonsubstantive changes to those provisions.

Position: Watch

CALAFCO Comments: This is a spot bill.

AB 1295 (Muratsuchi D) Residential development agreements: very high fire risk areas.

Current Text: Introduced: 2/19/2021 [html](#) [pdf](#)

Introduced: 2/19/2021

Status: 5/7/2021-Failed Deadline pursuant to Rule 61(a)(3). (Last location was L. GOV. on 3/4/2021)(May be acted upon Jan 2021)

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

Summary:

Current law requires the Director of Forestry and Fire Protection to identify areas in the state as very high fire hazard severity zones based on the severity of fire hazard that is expected to prevail in those areas, as specified, and requires each local agency to designate, by ordinance, the very high fire hazard severity zones in its jurisdiction. Current law additionally requires the director to classify lands within state responsibility areas into fire hazard severity zones. This bill, beginning on or after January 1, 2022, would prohibit the legislative body of a city or county from entering into a residential development agreement for property located in a very high fire risk area. The bill would define "very high fire risk area" for these purposes to mean a very high fire hazard severity zone designated by a local agency or a fire hazard severity zone classified by the director.

Attachments:

[AB 1295 Fact Sheet](#)

Position: Watch

Subject: Growth Management, Planning

CALAFCO Comments: This bill prohibits a city or county from entering into a residential development agreement for property located within a very high fire risk area as of 1-1-2022.

This bill appears similar to SB 55 (Stern) except: (1) This bill explicitly calls out residential development, whereas SB 55 addresses new development (housing, commercial, retail or industrial) in a very high fire hazard severity zone; and (2) SB 55 adds a state responsibility area.

The bill is not marked fiscal. This is an author-sponsored bill and a fact sheet is posted in the tracking section of the bill.

SB 12 (McGuire D) Local government: planning and zoning: wildfires.

Current Text: Amended: 7/1/2021 [html](#) [pdf](#)

Introduced: 12/7/2020

Last Amended: 7/1/2021

Status: 7/14/2021-Failed Deadline pursuant to Rule 61(a)(11). (Last location was H. & C.D. on 6/24/2021)(May be acted upon Jan 2022)

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

Summary:

Current law requires that the Office of Planning and Research, among other things, coordinate with appropriate entities, including state, regional, or local agencies, to establish a clearinghouse for climate adaptation information for use by state, regional, and local entities, as provided. This bill would require the safety element, upon the next revision of the housing element or the hazard mitigation plan, on or after July 1, 2024, whichever occurs first, to be reviewed and updated as necessary to include a comprehensive retrofit strategy to reduce the risk of property loss and damage during wildfires, as specified, and would require the planning agency to submit the adopted strategy to the Office of Planning and Research for inclusion into the above-described clearinghouse.

Position: Watch

Subject: Growth Management, Planning

SB 55 (Stern D) Very high fire hazard severity zone: state responsibility area: development prohibition: supplemental height and density bonuses.

Current Text: Amended: 4/5/2021 [html](#) [pdf](#)

Introduced: 12/7/2020

Last Amended: 4/5/2021

Status: 1/14/2022-Failed Deadline pursuant to Rule 61(b)(1). (Last location was 2 YEAR on 4/30/2021)

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

Summary:

Would, in furtherance of specified state housing production, sustainability communities strategies, greenhouse gas reduction, and wildfire mitigation goals, prohibit the creation or approval of a new development, as defined, in a very high fire hazard severity zone or a state responsibility area unless there is substantial evidence that the local agency has adopted a comprehensive, necessary, and appropriate wildfire prevention and community hardening strategy to mitigate significant risks of loss, injury, or death, as specified. By imposing new duties on local governments with respect to the approval of new developments in very high fire hazard severity zones and state responsibility areas, this bill would impose a state-mandated local program.

Attachments:

[SB 55 Fact Sheet](#)

Position: Watch

Subject: Growth Management, Planning

CALAFCO Comments: This bill prohibits the creation or approval of a new development (housing, commercial, retail or industrial) in a very high fire hazard severity zone or a state responsibility area. The bill is author-sponsored and imposes unfunded mandates. A fact sheet is posted in the tracking section of the bill.

As amended on 4/5/21, the bill removes the "blanket approach" to prohibiting development as noted above by adding specificity. The bill prohibits development in either of the areas noted above unless there is substantial evidence that the local agency has adopted a comprehensive, necessary and appropriate wildfire preventions and community hardening strategy to mitigate significant risks of loss, injury or death as specified in the bill. Additionally, the bill provides a qualifying developer a supplemental height bonus and a supplemental density bonus, as specified, if the development is located on a site that meets certain criteria, including, among others, not being located in a moderate, high, or very high fire hazard severity zone, as specified. These requirements are unfunded mandates.

This bill appears similar to AB 1295 (Muratsuchi) except this bill appears to be broader in scope in terms of the type of development prohibited and includes a state responsibility area, whereas AB 1295 only addresses residential development in a very high fire risk area.

SB 96 (Dahle R) Fallen Leaf Lake Community Services District Fire Department Protection Act of 2021: elections.

Current Text: Introduced: 12/21/2020 [html](#) [pdf](#)

Introduced: 12/21/2020

Status: 1/14/2022-Failed Deadline pursuant to Rule 61(b)(1). (Last location was 2 YEAR on 4/30/2021)

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

Summary:

Would require the El Dorado County elections official, with the assistance of the Fallen Leaf Lake Community Services District, to conduct district elections pursuant to the Uniform District Election Law, except as otherwise provided in the bill. The bill, notwithstanding existing law, would provide that voters who are resident registered voters of the district, and voters who are not residents but either own a real property interest in the district or have been designated by the owner of a real property interest to cast the vote for that property, may vote in a district election in the Fallen Leaf Lake Community Services District, as specified. The bill would require the designations of voters and authority of legal representatives to be filed with the El Dorado County elections official and the secretary of the Fallen Leaf Lake Community Services District and maintained with the list of qualified voters of the district. This bill contains other related provisions and other existing laws.

Position: Watch

Subject: Special Districts Governance

CALAFCO Comments: This bill is the same as SB 1180 from 2020 which did not move through the legislature. It is a local El Dorado County/district bill. This bill does several things. (1) Provides that voters who are resident registered voters of the district, and voters who are not residents but either own a real property interest in the district or have been designated by the owner of a real property interest to cast the vote for that property, may vote in a district election in the Fallen Leaf Lake Community Services. (2) The bill also would authorize a voter who is not a resident of the district but owns a real property interest in the district to designate only one voter to vote on their behalf, regardless of the number of parcels in the district owned by the nonresident voter. (3) This bill would prohibit the Fallen Leaf Lake Community Services District from providing any services or facilities except fire protection and medical services, including emergency response and services, as well as parks and recreation services and facilities.

CALAFCO is working with the sponsors of the bill and the SGFC on a broader solution to this problem, which is not exclusive to this district.

SB 261 (Allen D) Regional transportation plans: sustainable communities strategies.

Current Text: Introduced: 1/27/2021 [html](#) [pdf](#)

Introduced: 1/27/2021

Status: 1/14/2022-Failed Deadline pursuant to Rule 61(b)(1). (Last location was 2 YEAR on 4/30/2021)

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

Summary:

current law requires certain transportation planning agencies to prepare and adopt a regional transportation plan directed at achieving a coordinated and balanced regional transportation system. Certain of these agencies are designated under federal law as metropolitan planning organizations. Existing law requires that each regional transportation plan include a sustainable communities strategy developed to achieve greenhouse gas emission reduction targets for the automobile and light truck sector for 2020 and 2035 established by the State Air Resources Board. This bill would require that the sustainable communities strategy be developed to additionally achieve greenhouse gas emission reduction targets for the automobile and light truck sector for 2045 and 2050 and vehicle miles traveled reduction targets for 2035, 2045, and 2050 established by the board. The bill would make various conforming changes to integrate those additional targets into regional transportation plans.

Position: Watch

Subject: Sustainable Community Plans

SB 418 (Laird D) Pajaro Valley Health Care District.

Current Text: Amended: 1/14/2022 [html](#) [pdf](#)

Introduced: 2/12/2021

Last Amended: 1/14/2022

Status: 1/14/2022-Read third time and amended. Ordered to third reading. Re-referred to Com. on L. GOV. pursuant to Assembly Rule 77.2.

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

Calendar:

1/19/2022 1:30 p.m. - State Capitol, Room 437 ASSEMBLY LOCAL GOVERNMENT, AGUIAR-CURRY, Chair

Summary:

Would create the Pajaro Valley Health Care District, as specified, except that the bill would authorize the Pajaro Valley Health Care District to be organized, incorporated, and managed, only if the relevant county board of supervisors chooses to appoint an initial board of directors.

Position: Watch

Subject: Other

SB 475 (Cortese D) Transportation planning: sustainable communities strategies.

Current Text: Amended: 3/10/2021 [html](#) [pdf](#)

Introduced: 2/17/2021

Last Amended: 3/10/2021

Status: 1/14/2022-Failed Deadline pursuant to Rule 61(b)(1). (Last location was 2 YEAR on 4/30/2021)

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

Summary:

Would require the State Air Resources Board, on or before June 30, 2023, and in coordination with the California Transportation Commission and the Department of Housing and Community Development, to issue new guidelines on sustainable communities strategies and require these guidelines to be updated thereafter at least every 4 years. The bill would delete the provisions related to the Regional Targets Advisory Committee and instead require the State Air Resources Board to appoint, on or before January 31, 2022, the State-Regional Collaborative for Climate, Equity, and Resilience, consisting of representatives of various entities. The bill would require the State-Regional Collaborative for Climate, Equity, and Resilience to develop a quantitative tool for metropolitan planning organizations to use to evaluate a transportation plan's consistency with long-range greenhouse gas emission reduction targets and recommend guidelines for metropolitan planning organizations to use when crafting long-range strategies that integrate state goals related to climate resilience and social equity.

Position: Watch

Subject: Sustainable Community Plans

SB 499 (Leyva D) General plan: land use element: uses adversely impacting health outcomes.

Current Text: Introduced: 2/17/2021 [html](#) [pdf](#)

Introduced: 2/17/2021

Status: 1/14/2022-Failed Deadline pursuant to Rule 61(b)(1). (Last location was 2 YEAR on 4/30/2021)

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

Summary:

Would prohibit the land use element from designating land uses that have the potential to significantly degrade local air, water, or soil quality or to adversely impact health outcomes in disadvantaged communities to be located, or to materially expand, within or adjacent to a disadvantaged community or a racially and ethnically concentrated area of poverty. By expanding the duties of cities and counties in the administration of their land use planning duties, the bill would impose a state-mandated local program.

Attachments:

[SB 499 Fact Sheet](#)

Position: Watch

Subject: Disadvantaged Communities

CALAFCO Comments: As introduced, this bill would prohibit the land use element of a general plan from designating or expanding land uses that have the potential to significantly degrade local air, water, or soil quality or to adversely impact health outcomes within or adjacent to disadvantaged communities (DACs) or a racially and ethnically concentrated area of poverty.

The sponsor of this bill is the Leadership Counsel for Justice and Accountability. A fact sheet is posted in the tracking section of the bill.

Total Measures: 16

Total Tracking Forms: 16

1/18/2022 12:54:58 PM

AMENDED IN ASSEMBLY JANUARY 24, 2022

AMENDED IN ASSEMBLY JANUARY 14, 2022

AMENDED IN SENATE MARCH 17, 2021

SENATE BILL

No. 418

**Introduced by Senator Laird
(Coauthor: Senator Caballero)**

(Coauthors: Assembly Members Robert Rivas and Stone)

February 12, 2021

An act to add Chapter 9 (commencing with Section 32498.5) to Division 23 of the Health and Safety Code, relating to health care districts, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

SB 418, as amended, Laird. Pajaro Valley Health Care District.

Existing law, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, provides the authority and procedures for the initiation, conduct, and completion of changes of organization and reorganization of cities and districts by local agency formation commissions.

This bill would create the Pajaro Valley Health Care District, as specified, except that the bill would authorize the Pajaro Valley Health Care District to be organized, incorporated, and managed, only if the relevant county board of supervisors chooses to appoint an initial board of directors.

The bill would require, within 5 years of the date of the first meeting of the Board of Directors of the Pajaro Valley Health Care District, the board of directors to divide the district into zones and number the zones consecutively. The bill would require that, after formation, the

Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 govern any organizational changes for the Pajaro Valley Health Care District. *The bill would require the district to notify the County of Santa Cruz local agency formation commission (LAFCO) when the district, or any other entity, acquires the Watsonville Community Hospital. The bill would require the LAFCO to order the dissolution of the district if the hospital has not been acquired by January 1, 2024. The bill would require the district to notify the LAFCO if the district sells the Watsonville Community Hospital to another entity or stops providing health care services at the facility, and would require the LAFCO to dissolve the district under those circumstances, as specified.*

This bill would make legislative findings and declarations as to the necessity of a special statute for the creation of the Pajaro Valley Health Care District within the Counties of Santa Cruz and Monterey.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. The Legislature finds and declares all of the
- 2 following:
- 3 (a) Watsonville Community Hospital is a 106-bed hospital
- 4 located in the Pajaro Valley, which straddles southern County of
- 5 Santa Cruz and northern County of Monterey on ~~California's~~
- 6 *California's* central coast. The hospital provides important acute
- 7 care and emergency services in a culturally diverse community
- 8 where the nearest alternative hospital can be up to an hour away
- 9 during regularly congested commutes.
- 10 (b) Watsonville Community Hospital employs 620 people and
- 11 has a medical staff of over 200 physicians. It provides a range of
- 12 quality medical services, including pediatrics, obstetrics and
- 13 gynecology, internal medicine, family medicine, anesthesiology,
- 14 wound care, gastroenterology, orthopedics, cardiovascular disease,
- 15 dermatology, and more. In 2020, the hospital delivered more babies
- 16 than any other hospital in the County of Santa Cruz. Serving a
- 17 significant immigrant population, the hospital provides care to
- 18 those without English language proficiency in their preferred
- 19 language.

(c) The community of Watsonville has historically faced many health and economic disparities. The pandemic has resulted in the loss of employment and school closures, and has caused nonessential workers and at-risk populations to stay home. Overcrowded and substandard housing conditions, food insecurity, lack of transportation, and the high cost of housing have intensified disparities overnight. The Pajaro Valley saw dramatic and disproportionate rates of COVID-19 infections, hospitalizations, and death as compared to the rest of the County of Santa Cruz.

(d) Over the last 21 years of for-profit ownership, the hospital administration has changed 20 times. Due to this history, partners of the Pajaro Valley Healthcare District Project all believe community ownership will provide more consistent management, oversight, and stability for the patients, staff, and community. Public ownership through a local hospital district also creates financing and funding opportunities not otherwise available to a for-profit or nonprofit entity.

(e) Originally incorporated in 1902 as a privately owned for-profit entity, the Watsonville Community Hospital board of directors voted in 1950 to reorganize to nonprofit status. This allowed a bond sale and access to federal and state grants for construction of a new hospital, which opened in 1969. That facility was seriously damaged in the 1989 Loma Prieta earthquake. With funding from the Federal Emergency Management Agency, the current facility, which replaced the 1969 facility and opened in 1998, is sufficient to keep pace with the growing needs of the community. In 1998, the previously not-for-profit hospital was sold to a for-profit company, Community Health Systems (CHS). The proceeds of the sale were contributed to a community trust, the Community Health Trust of Pajaro Valley. This trust also held a right of first refusal if CHS were to decide to sell the hospital.

(f) In 2015, Community Health Systems reorganized and formed a new subsidiary, Quorum Health Resources, consisting of its small hospitals. Facing financial difficulties, Quorum decided to sell Watsonville Community Hospital in 2019, and the Community Health Trust of Pajaro Valley had the option to acquire the hospital. However, at that ~~time~~ *time*, the Community Health Trust of Pajaro Valley decided not to purchase the hospital, and it was sold to a company called Halsen Healthcare and the hospital operated under a corporation named Watsonville Hospital Corporation (WHC).

1 The real estate for the hospital was purchased by a subsidiary of
2 Medical Properties Trust (MPT), a real estate investment trust,
3 and then leased back to WHC.

4 (g) In January 2021, MPT, after declaring numerous events of
5 default, exercised its stock pledge and replaced the
6 Halsen-appointed board of directors with a new independent board
7 of directors, and the new board designated Prospect Medical
8 Holdings as the new hospital manager. However, this change in
9 management did not solve the hospital's liquidity crisis. To remain
10 in operation, the hospital has had to borrow millions of dollars to
11 address operating losses and the hospital remains in default on its
12 operating loan from another subsidiary of MPT regarding the real
13 property of the hospital.

14 (h) In 2020 and 2021, during the COVID-19 epidemic, with
15 rising costs of labor and supplies, the hospital experienced
16 significant financial losses. As of August 2021, WHC had a
17 year-to-date cashflow shortfall of over \$17,000,000. It also fell
18 into arrears in its obligations to suppliers, employees, and lenders.

19 (i) Watsonville Community Hospital has been essential in
20 serving its community's primarily low-income, underinsured, and
21 uninsured populations of color for over a century and proved
22 crucial in serving those disproportionately impacted by COVID-19
23 throughout the pandemic. This is evidenced by 43 percent of the
24 hospital's gross revenue coming from the Medi-Cal program and
25 an additional 30 percent of its gross revenue coming from the
26 Medicare Program, serving the aged and disabled.

27 (j) The Pajaro Valley Healthcare District Project (PVHDP), a
28 nonprofit organization, was created by the County of Santa Cruz,
29 the City of Watsonville, Salud Para La Gente, and the Community
30 Health Trust of Pajaro Valley, for the purpose of forming a new
31 California health care district. For several years, the partners of
32 PVHDP have been concerned about the continuance of operations
33 and the financial viability of Watsonville Community Hospital,
34 and have been working together to explore the possibility of
35 community ownership.

36 (k) PVHDP has initiated a process to establish and capitalize a
37 local health care district to purchase the hospital on behalf of the
38 community through the Chapter 11 bankruptcy/restructuring
39 process commenced by WHC, to prevent the hospital's closure
40 and loss of critical community services. With strong community

1 and stakeholder support, the PVHDP partners are well positioned
2 to engage the Legislature, the Governor, and private funders. In
3 addition, WHC and PVHDP intend to seek emergency funding
4 from public and private entities to support the short-term operating
5 capital needs of the hospital and eventual acquisition of the
6 hospital.

7 (l) If PVHDP cannot raise sufficient funds to acquire and operate
8 the hospital, WHC intends to close the hospital and liquidate the
9 assets. For this reason, PVHDP believes it is critical to the health
10 and welfare of the community that it will be able to keep this
11 important hospital open under the stewardship of the community,
12 rather than under another for-profit operator. To do this, it is
13 imperative that emergency funding and urgency legislation be
14 considered immediately in the 2021–22 legislative session.

15 (m) It is necessary to permit the formation of the Pajaro Valley
16 Health Care District for the above-described purposes.

17 SEC. 2. Chapter 9 (commencing with Section 32498.5) is added
18 to Division 23 of the Health and Safety Code, to read:

19
20 CHAPTER 9. PAJARO VALLEY HEALTH CARE DISTRICT
21

22 32498.5. (a) A local hospital district designated as the Pajaro
23 Valley Health Care District is hereby formed within the Counties
24 of Santa Cruz and Monterey. The Pajaro Valley Health Care
25 District may be organized, incorporated, and managed as provided
26 in this division, and may exercise the powers granted or necessarily
27 implied by this division, only if the relevant county board of
28 supervisors chooses to appoint an initial board of directors, as
29 described in Section 32100. All other provisions of this division
30 apply to the Pajaro Valley Health Care District, except as provided
31 in this chapter.

32 (b) The territory of the district shall be the following area:
33 Situated in the Counties of Santa Cruz and Monterey, State of
34 California; being all the lands within the boundary of the Pajaro
35 Valley Unified School District, excepting the lands to the north
36 and west of the following described line: beginning at a point on
37 the edge of the Pacific Ocean at the intersection with the projected
38 centerline of Aptos Beach Drive; thence along said projected
39 centerline to the intersection of the centerline of Aptos Beach Drive
40 and the centerline of Rio Del Mar Boulevard; thence along the

1 centerline of Rio Del Mar Boulevard in a northeasterly direction
2 to the intersection of the centerline of Rio Del Mar Boulevard and
3 the centerline of Bonita Drive; thence along the centerline of Bonita
4 Drive in a westerly direction to the intersection of the centerline
5 of Bonita Drive and the centerline of Freedom Boulevard; thence
6 along the centerline of Freedom Boulevard in a northerly and
7 easterly direction to the intersection of the centerline of Freedom
8 Boulevard and the centerline of Hames Road; thence along the
9 centerline of Hames Road in an easterly direction to the end of the
10 centerline of Hames Road and the beginning of the centerline of
11 Browns Valley Road; thence along the centerline of Browns Valley
12 Road in a northerly and easterly direction to the end of the
13 centerline of Browns Valley Road and the beginning of the
14 centerline of Hazel Dell Road; thence along the centerline of Hazel
15 Dell Road in an easterly and southerly direction to the intersection
16 of the centerline of Hazel Dell Road and the centerline of Mount
17 Madonna Road; thence along the centerline of Mount Madonna
18 Road in a southerly direction to the intersection of the centerline
19 of Mount Madonna Road and the centerline of Gaffey Road; thence
20 along the centerline of Gaffey Road 1300 feet, more or less, in an
21 easterly direction to a point on the centerline of Gaffey Road;
22 thence leaving the centerline of Gaffey Road 90 feet, more or less,
23 in a northeasterly direction to a point on the Santa Cruz County
24 line.

25 (c) Following the formation of the district, the
26 Cortese-Knox-Hertzberg Local Government Reorganization Act
27 of 2000 (Division 3 (commencing with Section 56000) of Title 5
28 of the Government Code) governs any change of organization.

29 32498.6. (a) Notwithstanding any other law, within five years
30 of the date of the first meeting of the Board of Directors of the
31 Pajaro Valley Health Care District, the board of directors shall
32 adopt a resolution to divide the district into zones and number the
33 zones consecutively.

34 (b) In establishing these zones, the board of directors shall
35 provide for representation in accordance with demographic and
36 geographic factors of the entire area of the district, including
37 population factors. The board of directors shall fix the time and
38 place for a hearing on the proposed establishment of zones. At this
39 hearing, any elector of the district may present their views and
40 plans in relation to the proposed zoning, but the board of directors

shall not be bound thereby and their decision, in the resolution adopted, shall be final.

(c) The zones shall be effective for the next district election after the resolution of the board of directors for which there is time to implement the zones and elections within the zones.

32498.7. (a) *The district shall notify the County of Santa Cruz local agency formation commission (LAFCO) of when the district, or any other entity, acquires the Watsonville Community Hospital.*

(b) *If the district does not acquire the Watsonville Community Hospital through the bankruptcy proceeding pursuant to Chapter 11 (commencing with Section 1101) of Title 11 of the United States Code by January 1, 2024, the LAFCO shall order the dissolution of the district.*

32498.8. (a) *The district shall notify the Santa Cruz County local agency formation commission if the district sells the Watsonville Community Hospital to another entity or stops providing health care services at the facility.*

(b) *If the commission receives notification subject to subdivision (a), it shall order the dissolution of the district.*

(c) *The dissolution of the district pursuant to this section is not subject to any of the following:*

(1) *Chapter 1 (commencing with Section 57000) to Chapter 7 (commencing with Section 57176), inclusive, of Part 4 of Division 3 of Title 5 of the Government Code.*

(2) *Determinations pursuant to subdivision (b) of Section 56881 of the Government Code.*

(3) *Requirements for commission-initiated changes of organization described in paragraph (3) of subdivision (a) of Section 56375 of the Government Code.*

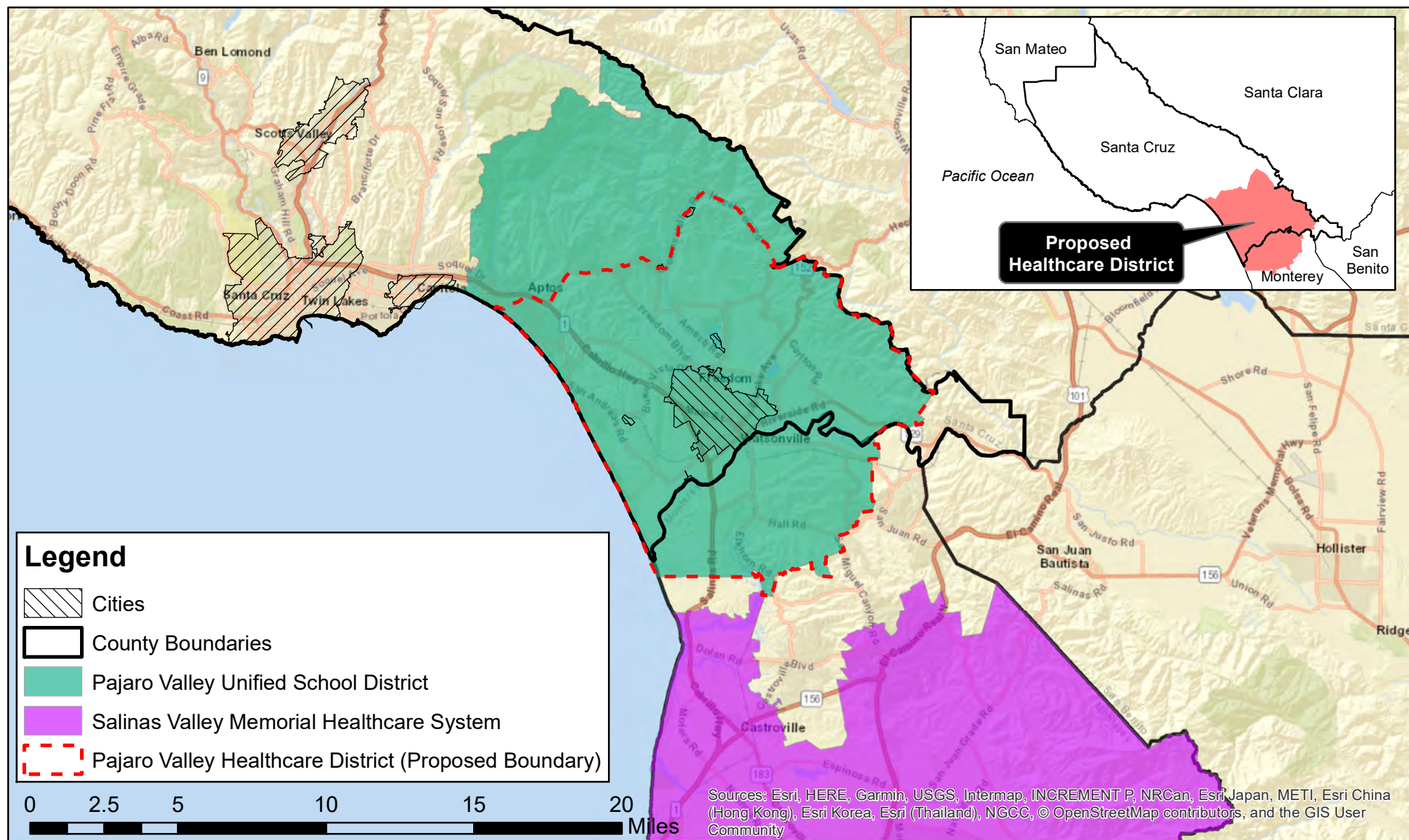
(4) *Sections 99 and 99.01 of the Revenue and Taxation Code.*

SEC. 3. The Legislature finds and declares that a special statute is necessary and that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because of the unique circumstances surrounding the operation of the Watsonville Community Hospital. .

SEC. 4. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the California Constitution and shall go into immediate effect. The facts constituting the necessity are:

1 The imminent financial collapse of the Watsonville Community
2 Hospital is a serious threat to the public health and safety of the
3 residents of the region, as it is one of two hospitals serving the
4 County of Santa Cruz and the only hospital serving the City of
5 Watsonville and surrounding area. An urgency statute to form a
6 local health care district is necessary to allow local officials the
7 opportunity to purchase the Watsonville Community Hospital and
8 ensure the continuance of hospital operations at the earliest possible
9 time.

O



New Healthcare District through Special Legislation (Proposed Jurisdictional Boundary)



Map created by Santa Cruz LAFCO on 12-29-21

This map shows the proposed jurisdictional limits of the new healthcare district. If formed, it would be located in two counties (Santa Cruz and Monterey).



Santa Cruz Local Agency Formation Commission

Date: February 9, 2022
To: LAFCO Commissioners
From: Joe Serrano, Executive Officer
Subject: **Focus Agriculture – Class of 2020 Reconvene**

SUMMARY OF RECOMMENDATION

Focus Agriculture is a nine-session educational program that emphasizes on the broad spectrum of agriculture in Santa Cruz County. LAFCO staff believes this leadership program will help introduce the Executive Officer to other local leaders, highlight agricultural issues being faced throughout the county, and offer an opportunity to improve local awareness of LAFCO's role. Due to the pandemic, the 2020 program was cancelled. Focus Agriculture intends to reconvene in April 2022. 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

Focus Agriculture is a component of Agri-Culture, a non-profit organization with 11 endowed funds, various educational programs, and advocate of farmworker housing assistance. Focus Agriculture is an opportunity for community leaders to participate in a nine-session educational program acquiring additional knowledge about agriculture. The once-a-month day-long seminars will begin in April and will include farm tours and hands-on experience. Topics will include production and labor, regional diversity of commodities produced, and government relations and politics.

Program Restart

LAFCO was one of 21 participants chosen to participate in 2020, however, the entire program was cancelled due to the pandemic. The program is scheduled to restart in April 2022, as shown in the attached schedule. Since the Commission originally approved LAFCO staff's participation on January 8, 2020, no further action is required at this time.

Respectfully Submitted,

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

Joe A. Serrano
Executive Officer

Attachment: Focus Agriculture 2022 Program Schedule

FOCUS AGRICULTURE

2022 SCHEDULE

SESSION DATES

Friday, April 8, 2022

Friday, May 6, 2022

Wednesday, June 1, 2022

Wednesday, June 29, 2022

Friday, July 29, 2022*
(Day on the Farm)

*Or a date in August mutually agreed by both parties

Friday, August 26, 2022

Wednesday, September 21, 2022

Friday, October 14, 2022

Participants are required to attend all sessions.



Santa Cruz Local Agency Formation Commission

Date: February 9, 2022
To: LAFCO Commissioners
From: Joe Serrano, Executive Officer
Subject: **CALAFCO Staff Workshop**

SUMMARY OF RECOMMENDATION

Santa Cruz LAFCO is a member of the California Association of LAFCOs (CALAFCO). The statewide organization typically conducts annual workshops and conferences. CALAFCO is scheduled to hold an in-person staff workshop in late-March. If held, this will be the first time an in-person workshop will be held since March 2019. This staff report is for informational purposes only and no Commission action is required. Therefore, it is recommended that the Commission receive and file the Executive Officer's report.

EXECUTIVE OFFICER'S REPORT:

CALAFCO typically conducts annual workshops attended by staff from LAFCOs across the state. The workshops highlight engaging sessions intended to support the educational and professional development of LAFCO staff. A full overview of the upcoming workshop is shown in **Attachment 1**. This year, the CALAFCO Staff Workshop will take place in Newport Beach (Orange County). The workshop is being hosted by Orange and Imperial LAFCOs. Santa Cruz LAFCO's Executive Officer has been selected to be a guest speaker at the workshop in two separate breakout sessions:

1. *"Building on the basics of LAFCO"* – March 24 from 10:45am to 12:15pm; and
2. *"What does it take to process an application?"* – March 24 from 1:45pm to 3:15pm

In-Person Workshop

It has been almost three years since the last CALAFCO Staff Workshop, due to the pandemic. While staff is scheduled to attend the workshop, it is unknown whether the three-day event will be cancelled following the latest rise in COVID cases. Staff will therefore wait to complete and submit the registration form, as shown in **Attachment 2**, until the February 18 deadline. Traveling and lodging will also be considered until February 18. This will give staff more time to determine the status of the workshop before incurring any expenses.

Respectfully Submitted,

Joe A. Serrano
Executive Officer

Attachments:

1. Workshop Flyer
2. Registration Form



The 2022 CALAFCO Annual Staff Workshop

Hosted by Orange and Imperial LAFCos

March 23 – 25, 2022

at the Hyatt Regency Newport Beach John Wayne Airport

Registration now open until March 9, 2022

(See registration form for details)



Content Rich Sessions

General Sessions are scheduled to include:

- ❖ WED 1:30 – 2:00 p.m. - *Opening session*
- ❖ WED 2:00 – 3:15 p.m. - *The Dirty Dozen: 12 things I wish I knew about the Act*
- ❖ THU 3:30 – 5:00 p.m. - *Over the Hill LAFCo Commission hearing on the OUT Fire District*
- ❖ FRI 9:00 – 10:15 a.m. - *Out-of-agency services – What's the big deal?*
- ❖ FRI 10:30 a.m. – 12:00 p.m. - *CALAFCO Legislative & Organizational update*

Thursday Breakout Sessions include:

- 9:00 – 10:30 a.m.
 - ❖ *The Grand Jury – Why can't we be friends?*
 - ❖ *The ultimate fight (Records: archiving & retention)*
- 10:45 a.m. – 12:15 p.m.
 - ❖ *Sharing the wealth: A deep dive into tax exchange under Rev. & Tax 99*
 - ❖ *The definitive session on pensions: LAFCos' two-fold responsibility to take care of its own and review agencies*
 - ❖ *Building on the basics of LAFCo*
- 1:45 – 3:15 p.m.
 - ❖ *What does it take to process an application?*
 - ❖ *Two agencies are in dispute! What is LAFCos' role in assisting to resolve the conflict?*
 - ❖ *GIS: Let's map it!*

Special Highlights

Mobile Workshop

Wednesday from

7:45 a.m. – 1:00 p.m.

We begin with a harbor cruise that highlights various projects involving multi-agency collaboration.

After a 2-hour boat tour, we will travel to Marina Park Community Center where we will have lunch and hear from a panel of local agency representatives on their challenges to collaborate in support of providing efficient and effective services to coastal residents.

For details see the Mobile Workshop Flier.

Let's Salsa!

Thursday from

7:30 a.m. – 8:15 a.m.

Join Gavin Centeno and the gang for his infamous Salsa instruction. It's a great way to start the day and add a little spice to the Workshop!

Invaluable Networking Opportunities

- ❖ Staff, Clerks and Counsel concurrent Roundtable discussions on current issues **Wednesday 3:30 – 5:00 p.m.**
- ❖ Networking breakfasts
- ❖ CALAFCO/host LAFCos Wednesday night Reception
- ❖ Thursday Luncheon & Dinner

WORKSHOP REGISTRATION

Registration is now open! Visit www.calafco.org to register today. You can [register & pay online here](#). **NOTE: If you pay online, there is a service fee of 2% + \$0.79 per sold ticket & processing fee of 2.5% per order.** Program details are also available on the CALAFCO website.

HOTEL RESERVATIONS

Hyatt Regency Newport Beach John Wayne Airport

Make your hotel reservations online at <https://www.hyatt.com/en-US/group-booking/SNARJ/G-CAFO> or call 800-233-1234 and mention CALAFCO Staff Workshop to receive \$189/night rate. Workshop rates available 3 days pre and post event based on availability. Price excludes tax/fees/parking.

Hotel reservation cutoff date is February 22, 2022. For more details, contact CALAFCO at 916-442-6536.

Registration closes 3/9!

Visit www.calafco.org or call

916-442-6536 for details



Newport Beach is full of diverse things to do and the Hyatt is within a mile of the airport (free shuttle available) and just off the freeway. We are also only 4 miles from Fashion Island, 5 miles from Balboa Island and 15 miles from Disneyland. There is plenty to do before and after the Workshop!



**2022 CALAFCO
Staff Workshop
March 23 – 25, 2022
Newport Beach**



LAFCo	_____
Received	_____
Check #	_____

2022 WORKSHOP REGISTRATION

REGISTRATION DEADLINE IS MARCH 9, 2022

WORKSHOP REGISTRATION FEES

Please submit one form for each person registering

FIRST NAME

LAST NAME

NAME ON NAMETAG

LAFCO/ORGANIZATION

POSITION

GUEST NAME (For guest/spouse registration)

MAILING ADDRESS

CITY

ZIP

PHONE

E-MAIL ADDRESS

EMERGENCY CONTACT NAME

PHONE

	Payment Received by Feb 18 th	Payment Received after Feb 18 th	Fee
Member – Full Workshop	\$310	\$350	
Non-member – Full Workshop	\$400	\$440	
Guest/Spouse – All Meals	\$150	\$200	
Member – One Day (___Wed or ___Thur)	\$210	\$250	
Non-Member – One Day (___Wed or ___Thur)	\$275	\$325	
Mobile Workshop – Wed. (Includes lunch and admission)	\$50	\$50	
TOTAL REGISTRATION FEE			

Payment must accompany registration. Please make checks payable to "CALAFCO." **NOTE: IF YOU PAY ONLINE, THERE IS A SERVICE FEE OF 2% + \$0.79 PER SOLD TICKET & PROCESSING FEE: OF 2.5% PER ORDER.** Mail completed registration forms and payment to:

CALAFCO
1020 12th Street, Suite 222
Sacramento, CA 95814

PAYMENT MUST BE RECEIVED BY FEB 18, 2022 TO RECEIVE THE EARLY BIRD RATE. NO EXCEPTIONS.

HOTEL RESERVATIONS

Hyatt Regency Newport Beach John Wayne Airport

Make your hotel reservations online at <https://www.hyatt.com/en-US/group-booking/SNARJ/G-CAFO> or call 800-233-1234 and mention CALAFCO Staff Workshop to receive \$189/night rate. Workshop rates available 3 days pre and post event based on availability. Price excludes parking/tax/fees. **Hotel reservation cutoff date is February 22, 2022.** For more details, contact CALAFCO at 916-442-6536.

CANCELLATION & REGISTRATION REFUND POLICY

1. Registrations are considered complete upon receipt of fees.
2. Cancellation requests made in writing and received by March 3, 2022 receive a 100% refund less \$30 handling fee.
3. Registration fees are transferable to another person not already registered provided the request is received in writing no later than March 18, 2022 and are subject to a \$30 handling fee.
4. Registration fees for guests and special events are fully refundable less a \$30 handling fee if requests are made in writing and received by March 3, 2022. A full refund is provided if the special event is cancelled.
5. Cancellation requests must be made by e-mail or mail to the CALAFCO office.
6. Cancellation requests made after March 3, 2022 are not eligible for a refund.
7. Credits are not issued for registrations cancelled.



Date: February 9, 2022
To: LAFCO Commissioners
From: Joe Serrano, Executive Officer
Subject: **Comprehensive Quarterly Report – Second Quarter (FY 2021-22)**

SUMMARY OF RECOMMENDATION

This report provides an overview of projects currently underway, the status of the Commission's Multi-Year Work Program, the financial performance of the annual budget, and staff's outreach efforts from October through December. This agenda item is for informational purposes only and does not require any action. Therefore, it is recommended that the Commission receive and file the Executive Officer's report.

EXECUTIVE OFFICER'S REPORT

The Cortese-Knox-Hertzberg Act delegates LAFCOs with regulatory and planning duties to coordinate the logical formation and development of local governmental agencies. The following sections summarize how several of these statutory mandates are being met through the consideration of boundary changes, the development of scheduled service reviews, and staff's ongoing collaboration with local agencies.

Active Proposals

Santa Cruz LAFCO currently has two active applications:

1. **"Opal Cliffs Recreation District Reorganization" (Project No. RO 21-18)**: This proposal was initiated by the Opal Cliffs Recreation District (OCRD) Board of Directors on October 11, 2021. The purpose of the application is to facilitate the efficient delivery of recreational services to the Opal Cliffs community by dissolving OCRD and concurrently annexing the dissolved area into County Service Area 11 (County Parks).

Latest Status: The County Board of Supervisors adopted a property tax exchange agreement on January 25, which was the last outstanding item before LAFCO could deem the project complete. The Commission is scheduled to take action on the proposal during its February 9th Regular Meeting.

2. **"Roaring Camp Annexation" (Project No. 967)**: This application was initiated by petition on March 4, 2019 and proposes to annex approximately 170 acres to the San Lorenzo Valley Water District. The purpose of the annexation is to provide water service to an unincorporated area commonly known as Roaring Camp.

Latest Status: LAFCO staff sent a letter to the applicant on January 10, 2022 indicating that the proposal will be terminated on April 1, 2022 unless the outstanding items are submitted to LAFCO before March 31, 2022. If the application is terminated and the applicant would like to re-apply for water service, they will need to submit a new application.

Multi-Year Work Program (Service Reviews)

A five-year work program was adopted in 2019 to ensure that service reviews for each local agency under LAFCO's purview are considered within the legislative deadline. This year, a total of 41 local agencies will be evaluated in 3 separate service and sphere reviews. Below is a status update on each scheduled review.

1. **City of Capitola** – The City was incorporated in 1949 and operates as a general law city. The City contains approximately 2 square miles of land and provides various municipal services, including but not limited to parks and recreation, police, animal control, and stormwater management.

Tentative Hearing Date: A service and sphere review is scheduled to be presented to the Commission on May 2.

2. **Water Districts (6 in total)** – The six water districts in Santa Cruz County are the following: Central Water District, Pajaro Valley Water Management Agency, Reclamation District (No. 2049), San Lorenzo Valley Water District, Scotts Valley Water District, and Soquel Creek Water District.

Tentative Hearing Date: A service and sphere review for all the water districts is scheduled to be presented to the Commission on August 3.

3. **Road CSAs (34 in total)** – The 34 road-related county service areas districts in Santa Cruz County are the following: CSA 13 (Hutchinson Road), CSA 15 (Huckleberry Woods), CSA 16 (Robak Drive), CSA 17 (Empire Acres), CSA 18 (Whitehouse Canyon), CSA 21 (Westdale), CSA 22 (Kelly Hill), CSA 23 (Old Ranch Road), CSA 24 (Pineridge), CSA 25 (View Point Road), CSA 26 (Hidden Valley), CSA 28 (Lomond Terrace), CSA 30 (Glenwood Acres), CSA 32 (View Circle), CSA 33 (Redwood Drive), CSA 34 (Larsen Road), CSA 35 (Country Estates), CSA 36 (Forest Glen), CSA 37 (Roberts Road), CSA 39 (Reed Street), CSA 40 (Ralston Way), CSA 41 (Loma Prieta Drive), CSA 42 (Sunlit Lane), CSA 43 (Bonita Encino), CSA 44 (Sunbeam Woods), CSA 46 (Pinecrest Drive), CSA 47 (Braemoor Drive), CSA 50 (The Vineyard), CSA 51 (Hopkins Gulch Road), CSA 52 (Upper Pleasant Valley), CSA 55 (Riverdale Park), CSA 56 (Felton Grove), CSA 58 (Ridge Drive), and CSA 59 (McGaffigan Bill Road).

Tentative Hearing Date: A service and sphere review for all the road-related CSAs is scheduled to be presented to the Commission on October 5.

Budget Report

The second quarter of Fiscal Year 2021-22 ended on December 31, 2021. During this 3-month period, the Commission received approximately \$1,800 in revenue. This amount is primarily from interest earned and the recent application fee for the proposed extraterritorial service agreement with the City of Scotts Valley. 100% of the anticipated revenue for the entire year has already been collected. During the same period, the Commission incurred approximately \$68,000 in total expenses. Approximately 32% of the estimated costs for the entire year has been accrued. The following table shows a breakdown of LAFCO's financial performance during the first and second quarter.

Table A: LAFCO Budget Overview (First & Second Quarter)

	FY 20-21 (1st Qtr.)	FY 20-21 (2nd Qtr.)	Amount from Reserves	Total Amount (as of 12/31)	FY 20-21 Adopted Budget	Percentage (Accrued vs. Budget)
Total Revenue	\$405,014	\$1,843	\$239,550	\$646,407	\$641,850	101%
Total Expense	<u>\$137,139</u>	<u>\$67,656</u>	-	<u>\$204,795</u>	<u>\$641,850</u>	32%
Difference	\$267,876	\$(65,813)	\$239,550	\$419,523	-	-

A detailed review of LAFCO's financial performance during the first and second quarter (July to December) is attached to this report (refer to **Attachment 1**).

Recent & Upcoming Meetings

LAFCO staff values the collaboration with local agencies, members of the public, and other LAFCOs to explore and initiate methods to improve efficiency in the delivery of municipal services. In light of the ongoing pandemic, staff conducted most meetings remotely to discuss current and/or upcoming LAFCO projects. A summary of those and more recent meetings are discussed below.

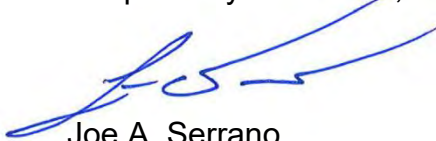
1. **Alba Park & Recreation District:** LAFCO staff met with representatives of the recreational district on October 4 to discuss the progress of their long-term strategic plan. The District and LAFCO has been working closely to ensure that the plan addresses all the issues identified in the recent service and sphere review. The Commission required this plan to be submitted to LAFCO before December 31, 2021.
2. **CALAFCO Meetings:** LAFCO staff attended various CALAFCO meetings held on October 7 and 8 regarding specific boards, such as the elections committee, legislative committee, and the CALAFCO Board of Directors.
3. **Central Fire District:** LAFCO staff attended the District's regular board meeting on October 14 to present the findings from the Countywide Fire Report. This was an opportunity to discuss LAFCO's analysis and answer any questions from the board, staff, or members of the public.
4. **Supervisor Koenig's Office:** LAFCO staff met with Supervisor Koenig's new staff member on October 19 to discuss LAFCO's role in the county. This was an opportunity for Mr. McKeithen to learn more about LAFCO-related projects that affect District 1.
5. **CAL FIRE:** LAFCO staff met with Chief Ian Larkin and the new incoming Chief Nate Armstrong on October 20 to discuss the Countywide Fire Report and LAFCO's request for all independent fire districts to create an annexation plan regarding their existing sphere boundaries.
6. **Branciforte Fire Protection District:** LAFCO staff attended a virtual forum hosted by Supervisor Koenig on November 1, which focused on fire risk and related issues that impact the Happy Valley and Branciforte community.

7. **CALAFCO Legislative Committee:** LAFCO staff met with CALAFCO's Executive Director on November 3 to discuss the omnibus bill process. The Commission's Executive Officer (Joe Serrano) is CALAFCO's Legislative Liaison and is tasked to spearhead this year's omnibus bill effort.
8. **Scotts Valley Fire Protection District:** LAFCO staff attended the District's regular board meeting on November 10 to present the findings from the Countywide Fire Report. This was an opportunity to discuss LAFCO's analysis and answer any questions from the board, staff, or members of the public.
9. **Pajaro Valley Healthcare District:** LAFCO staff met with the Pajaro Valley Healthcare Project group on November 15 to discuss how a new healthcare district can be formed. The goal of the group is to create a public agency that would effectively operate and manage the Watsonville Hospital which recently filed for bankruptcy.
10. **Zayante Fire Protection District:** LAFCO staff attended the District's regular board meeting on November 16 to present the findings from the Countywide Fire Report. This was an opportunity to discuss LAFCO's analysis and answer any questions from the board, staff, or members of the public.
11. **CSDA-LAFCO Educational Workshop:** LAFCO staff met with representatives from the California Special Districts Association on November 17 to prepare for the educational workshop that was co-hosted by CSDA and LAFCO. This workshop was free for any board member or employee from the 22 independent special districts in Santa Cruz County.
12. **Pajaro Valley Fire Protection District:** LAFCO staff attended the District's regular board meeting on November 18 to present the findings from the Countywide Fire Report. This was an opportunity to discuss LAFCO's analysis and answer any questions from the board, staff, or members of the public.
13. **LAFCO Legal Counsel:** LAFCO staff met with the Commission's legal counsel on November 19 to discuss current and potential projects. This was an opportunity for our new counsel to become familiar with all the active projects and future endeavors.
14. **Big Basin-SLVWD Transition Group:** LAFCO staff met representatives from the County and the San Lorenzo Valley Water District on October 19 to discuss the potential annexation of the Big Basin Water Company into SLVWD.
15. **CSDA-LAFCO Educational Workshop:** LAFCO staff co-hosted a virtual workshop with CSDA on November 30. This workshop was tailored specifically for the 22 independent special districts in Santa Cruz County. The free workshop covered best practices that can help the districts be more transparent and efficient as they provide essential services to its constituents.
16. **Santa Cruz County CSDA Chapter:** LAFCO staff met with representatives from CSDA and various special districts on December 2 to discuss the potential formation of a CSDA chapter in Santa Cruz County. If formed, the chapter will be an additional

platform for the 22 independent special districts to share best practices, discuss common issues, and develop stronger working relationships.

- 17. CALAFCO Legislative Committee:** LAFCO staff attended CALAFCO's regular legislative committee meeting on December 3 to present a status update on the omnibus bill process.
- 18. Branciforte Fire Protection District:** LAFCO staff met with residents from the Branciforte community on December 9 to discuss the Countywide Fire Report and LAFCO's concerns about the current and future operations of the Branciforte Fire Protection District.
- 19. Personnel Committee:** LAFCO staff met with the Personnel Committee on December 13 to discuss the Executive Officer's performance evaluation during the 2021 calendar year. A written narrative was given to the committee that summarizes staff's accomplishments, areas of improvement, and future goals.
- 20. Boulder Creek Fire Protection District:** LAFCO staff attended the District's regular board meeting on December 14 to present the findings from the Countywide Fire Report. This was an opportunity to discuss LAFCO's analysis and answer any questions from the board, staff, or members of the public.
- 21. CALAFCO Coastal Region:** LAFCO staff attended the CALAFCO Coastal Region meeting on December 15. This was an opportunity for the Coastal Region LAFCOs to discuss common issues, share best practices, and discuss upcoming projects.
- 22. Branciforte Fire Protection District:** LAFCO staff attended the District's regular board meeting on December 16 to present the findings from the Countywide Fire Report. This was an opportunity to discuss LAFCO's analysis and answer any questions from the board, staff, or members of the public.
- 23. County Service Area 4 (Pajaro Dunes):** LAFCO staff attended the Pajaro Dunes Homeowner's Association meeting on December 17 to present the findings from the Countywide Fire Report. This was an opportunity to discuss LAFCO's analysis and answer any questions from the board, staff, and residents of CSA 4.

Respectfully Submitted,



Joe A. Serrano
Executive Officer

Attachment:

1. LAFCO FY 2021-22 Budget Review (First and Second Quarter)

FISCAL YEAR 2021-22	FY 21-22 First Qtr. (Jul - Sep)	FY 21-22 Second Qtr (Oct - Dec)	FY 21-22 Adopted Budget	Difference (\$)	Budget Line Item Notes
REVENUES DESCRIPTION					
Interest	\$ 389	\$ 478	\$ 3,000	\$ 2,133	Anticipated Funds
Contributions from Other Govt Agencies	\$ 401,800	\$ -	\$ 399,300	\$ (2,500)	Surplus Fund (\$2,500) Pays Auditor-Controller Fees
LAFCO Processing Fees	\$ 2,500	\$ 950	\$ -	\$ (3,450)	Fees for DA 21-14 & ESA 21-16
Medical Charges-Employee	\$ 325	\$ 415	\$ -	\$ (741)	Surplus Funds
Re-budget from Fund Balance	\$ -	\$ -	\$ 239,550	\$ 239,550	Net Position Funds (if needed)
TOTAL REVENUES	<u>\$ 405,014</u>	<u>\$ 1,843</u>	<u>\$ 641,850</u>	\$ 234,993	Additional Funds in Total Revenue
EXPENDITURES DESCRIPTION					
Regular Pay	\$ 42,610	\$ 37,274	\$ 220,000	\$ 140,117	Remaining Funds
Sick Leave	\$ -	\$ -	\$ 1,000	\$ 1,000	Remaining Funds
Holiday Pay	\$ 1,549	\$ 3,494	\$ 10,000	\$ 4,956	Remaining Funds
Social Security	\$ 3,433	\$ 2,660	\$ 18,000	\$ 11,907	Remaining Funds
PERS	\$ 65,254	\$ 4,436	\$ 68,000	\$ (1,690)	Overbudget Amount; Anticipate Reconciliation
Insurances	\$ 10,688	\$ 8,088	\$ 50,000	\$ 31,224	Remaining Funds
Unemployment	\$ -	\$ -	\$ 450	\$ 450	Remaining Funds
Workers Comp	\$ 156	\$ -	\$ 1,000	\$ 844	Remaining Funds
Salaries Sub-total	\$ 123,690	\$ 55,951	\$ 368,450	\$ 188,809	Remaining Funds in Salaries & Benefits
Telecom	\$ 114	\$ 351	\$ 2,000	\$ 1,535	Remaining Funds
Office Equipment	\$ 13	\$ -	\$ 200	\$ 187	Remaining Funds
Memberships	\$ 4,766	\$ 1,556	\$ 7,500	\$ 1,178	Remaining Funds
Hardware	\$ -	\$ -	\$ 300	\$ 300	Remaining Funds
Duplicating	\$ 125	\$ -	\$ 1,000	\$ 875	Remaining Funds
PC Software	\$ -	\$ 382	\$ 600	\$ 218	Remaining Funds
Postage	\$ 110	\$ 68	\$ 800	\$ 622	Remaining Funds
Subscriptions	\$ -	\$ 268	\$ 500	\$ 232	Remaining Funds
Supplies	\$ -	\$ -	\$ 1,000	\$ 1,000	Remaining Funds
Accounting	\$ -	\$ -	\$ 1,500	\$ 1,500	Remaining Funds
Attorney	\$ 6,563	\$ 1,430	\$ 150,000	\$ 142,008	Remaining Funds
Data Process GIS	\$ 284	\$ 4,704	\$ 12,000	\$ 7,012	Remaining Funds
Director Fees	\$ 715	\$ 900	\$ 6,000	\$ 4,385	Remaining Funds
Prof. Services	\$ -	\$ -	\$ 50,000	\$ 50,000	Remaining Funds
Legal Notices	\$ 410	\$ 397	\$ 7,000	\$ 6,194	Remaining Funds
Rents	\$ -	\$ -	\$ 9,000	\$ 9,000	Remaining Funds
Misc. Expenses	\$ 350	\$ 1,650	\$ 5,000	\$ 3,000	Remaining Funds
Air Fare	\$ -	\$ -	\$ 3,000	\$ 3,000	Remaining Funds
Auto Rental	\$ -	\$ -	\$ 200	\$ 200	Remaining Funds
Training	\$ -	\$ -	\$ 1,800	\$ 1,800	Remaining Funds
Lodging	\$ -	\$ -	\$ 5,200	\$ 5,200	Remaining Funds
Meals	\$ -	\$ -	\$ 500	\$ 500	Remaining Funds
Mileage	\$ -	\$ -	\$ 3,000	\$ 3,000	Remaining Funds
Travel-Other	\$ -	\$ -	\$ 300	\$ 300	Remaining Funds
Registrations	\$ -	\$ -	\$ 5,000	\$ 5,000	Remaining Funds
Supplies Sub-total	\$ 13,449	\$ 11,705	\$ 273,400	\$ 248,246	Remaining Funds in Services & Supplies
TOTAL EXPENDITURES	<u>\$ 137,139</u>	<u>\$ 67,656</u>	<u>\$ 641,850</u>	\$ 437,055	Remaining Funds in Total Expenditures



Santa Cruz Local Agency Formation Commission

Date: February 9, 2022
To: LAFCO Commissioners
From: Joe Serrano, Executive Officer
Subject: **January Correspondence**

SUMMARY OF RECOMMENDATION

In January, LAFCO received written correspondence from a local agency and a member of the public. 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 Central Fire District sent LAFCO a letter, dated January 5, thanking staff for their assistance in evaluating the District's qualifications for the District Transparency Award. This award is granted by the Special District Leadership Foundation to local agencies that operate a robust and transparent website. The District's letter is shown in **Attachment 1**. The other written correspondence was from Douglas Deitch. Mr. Deitch sent LAFCO a total of three separate emails on January 7th and 8th. He requested that LAFCO distribute and review his 2011 comments regarding the City of Santa Cruz's Environmental Impact Report for their Water Rights Project. Mr. Deitch's emails are shown in **Attachment 2**.

Respectfully Submitted,

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

Joe A. Serrano
Executive Officer

Attachments:

1. Central Fire District's Letter dated January 5
2. Douglas Deitch's Emails dated January 7 and 8



Central Fire District of Santa Cruz County

930 17th Avenue ♦ Santa Cruz, CA 95062 ♦ (831) 479-6842 ♦ www.centralfiresc.org

January 5, 2022

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

Dear Mr. Serrano,

Thank you for agreeing to assist with evaluating our qualifications for District Transparency on our website. We are pleased to announce that the Central Fire District of Santa Cruz County has now successfully completed the District Transparency Certificate of Excellence program through the Special District Leadership Foundation (SDLF). We could not have achieved this without your help and are very grateful for your time and effort.

A representative from the foundation will be presenting our certificate (via Zoom) at our next regular Board Meeting on Thursday, January 13, 2022. We cordially invite you to attend this meeting, either in person or via Zoom. An agenda with meeting attendance links will be posted on our District website at www.centralfiresc.org by January 7th, and can be emailed to you upon request.

Once again, thank you for your hard work, on this and all that you do for our District.

Sincerely,

A handwritten signature in blue ink, appearing to read 'J. Walbridge'.

John Walbridge, Fire Chief
Central Fire District of Santa Cruz County
john.walbridge@centralfiresc.org

Joe Serrano

From: Douglas Deitch <siddhartha1002@gmail.com>
Sent: Friday, January 7, 2022 8:57 AM
To: LAFCO Info; Douglas Deitch; Ddeitch; Godwin, Timothy@DWR; Sarah Easley Perez; City Council; citymanager@cityofsantacruz.com; Ryan Coonerty; Zach Friend; rskoenig@gmail.com; Stephen@Coastal; Mark Primack; editorial@santacruzsentinel.com; Sara@Coastal; Roberto@Coastal; Effie@Coastal; John@Coastal; Donne@Coastal; Tom@Coastal; Carole@Coastal; Erik@Coastal; Shelley@Coastal; Greg Caput; gapatton@stanfordalumni.org; Jim Gleim; Bruce McPherson; Katie@Coastal; Katy Fitzgerald; Rosemary Menard; 100-District 5 (831) 647-7755; district2@co.monterey.ca.us; district3@co.monterey.ca.us; district4@co.monterey.ca.us; district1@co.monterey.ca.us; Steve Paolopoli; SectyBlumenfeld@calepa.ca.gov; lea.garrison@water.ca.gov; Andrea.Ambriz@resources.ca.gov; Lisa.Lien-Mager@resources.ca.gov; albert.lundeen@resources.ca.gov; wade.crowfoot@resources.ca.gov; karla.nemeth@water.ca.gov; Teresa.Alvarado@cw.c.ca.gov; Matthew.Swanson@cw.c.ca.gov; Daniel.Curtin@cw.c.ca.gov; Kimberly.Gallagher@cw.c.ca.gov; Alexandre.Makler@cw.c.ca.gov; Jose.Solorio@cw.c.ca.gov; Fern.Steiner@cw.c.ca.gov; joseph.yun@water.ca.gov; Sierra Ryan; nancy.vogel@resources.ca.gov; longinotti@baymoon.com; ki6tkb@yahoo.com; grey@elkhornslough.org; sschuchat@scc.ca.gov
Subject: Joe Serrano/Prior lafco correspondence re: water of Douglas Deitch/Monterey Bay Conservancy
Follow Up Flag: Follow up
Flag Status: Flagged

******CAUTION:**This is an EXTERNAL email. Exercise caution. DO NOT open attachments or click links from unknown senders or unexpected email.****

Dear Joe/LAFCO, et al

Please distribute and review my prior 2011 and before comments/email to LAFCO @ <https://www.santacruzlafco.org/wp-content/uploads/2019/02/7b-Deitch-Letter.pdf> and my recent comment(s) in the SC Water Rights Project EIR @ <https://www.cityofsantacruz.com/home/showpublisheddocument/86973/637731697885370000> and comments @ www.makecaliforniagreatagain.democrat

Respectfully,
 Douglas Deitch

Joe Serrano

From: Douglas Deitch <siddhartha1002@gmail.com>
Sent: Friday, January 7, 2022 8:59 AM
To: LAFCO Info; Douglas Deitch; Ddeitch; Godwin, Timothy@DWR; Sarah Easley Perez; City Council; citymanager@cityofsantacruz.com; Ryan Coonerty; Zach Friend; rskoenig@gmail.com; Stephen@Coastal; Mark Primack; editorial@santacruzsentinel.com; Sara@Coastal; Roberto@Coastal; Effie@Coastal; John@Coastal; Donne@Coastal; Tom@Coastal; Carole@Coastal; Erik@Coastal; Shelley@Coastal; Greg Caput; gapatton@stanfordalumni.org; Jim Gleim; Bruce McPherson; Katie@Coastal; Katy Fitzgerald; Rosemary Menard; 100-District 5 (831) 647-7755; district2@co.monterey.ca.us; district3@co.monterey.ca.us; district4@co.monterey.ca.us; district1@co.monterey.ca.us; Steve Paolopoli; SectyBlumenfeld@calepa.ca.gov; lea.garrison@water.ca.gov; Andrea.Ambriz@resources.ca.gov; Lisa.Lien-Mager@resources.ca.gov; albert.lundeen@resources.ca.gov; wade.crowfoot@resources.ca.gov; karla.nemeth@water.ca.gov; Teresa.Alvarado@cw.ca.gov; Matthew.Swanson@cw.ca.gov; Daniel.Curtin@cw.ca.gov; Kimberly.Gallagher@cw.ca.gov; Alexandre.Makler@cw.ca.gov; Jose.Solorio@cw.ca.gov; Fern.Steiner@cw.ca.gov; joseph.yun@water.ca.gov; Sierra Ryan; nancy.vogel@resources.ca.gov; longinotti@baymoon.com; ki6tkb@yahoo.com; grey@elkhornslough.org; sschuchat@scc.ca.gov
Subject: Re: Joe Serrano/Prior lafco correspondence re: water of Douglas Deitch/Monterey Bay Conservancy
Follow Up Flag: Follow up
Flag Status: Flagged

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whoops!

"

SC Water Rights Project EIR @ page 933 @

<https://www.cityofsantacruz.com/home/showpublisheddocument/86973/637731697885370000> and comments @ <http://www.makecaliforniagreatagain.democrat>

Respectfully,
Douglas Deitch

On Fri, Jan 7, 2022 at 8:56 AM Douglas Deitch <siddhartha1002@gmail.com> wrote:

Dear Joe/LAFCO, et al

Please distribute and review my prior 2011 and before comments/email to LAFCO @

<https://www.santacruzlafco.org/wp-content/uploads/2019/02/7b-Deitch-Letter.pdf> and my recent comment(s) in the SC Water Rights Project EIR @ <https://www.cityofsantacruz.com/home/showpublisheddocument/86973/637731697885370000> and comments @ www.makecaliforniagreatagain.democrat

Respectfully,
Douglas Deitch

Joe Serrano

From: Douglas Deitch <siddhartha1002@gmail.com>
Sent: Saturday, January 8, 2022 6:18 AM
To: Joe Serrano; LAFCO Info; Douglas Deitch; Ddeitch; Timothy@DWR; Sarah Easley Perez; City Council; citymanager@cityofsantacruz.com; Ryan Coonerty; Zach Friend; rskoenig@gmail.com; Stephen@Coastal; Mark Primack; editorial@santacruzsentinel.com; Sara@Coastal; Roberto@Coastal; Effie@Coastal; John@Coastal; Donne@Coastal; Tom@Coastal; Carole@Coastal; Erik@Coastal; Shelley@Coastal; Greg Caput; gapatton@stanfordalumni.org; Jim Gleim; Bruce McPherson; Katie@Coastal; Katy Fitzgerald; Rosemary Menard; 100-District 5 (831) 647-7755; district2@co.monterey.ca.us; district3@co.monterey.ca.us; district4@co.monterey.ca.us; district1@co.monterey.ca.us; Steve Paolopoli; SectyBlumenfeld@calepa.ca.gov; lea.garrison@water.ca.gov; Andrea.Ambriz@resources.ca.gov; Lisa.Lien-Mager@resources.ca.gov; albert.lundeen@resources.ca.gov; wade.crowfoot@resources.ca.gov; karla.nemeth@water.ca.gov; Teresa.Alvarado@cw.ca.gov; Matthew.Swanson@cw.ca.gov; Daniel.Curtin@cw.ca.gov; Kimberly.Gallagher@cw.ca.gov; Alexandre.Makler@cw.ca.gov; Jose.Solorio@cw.ca.gov; Fern.Steiner@cw.ca.gov; joseph.yun@water.ca.gov; Sierra Ryan; nancy.vogel@resources.ca.gov; longinotti@baymoon.com; ki6tkb@yahoo.com; grey@elkhornslough.org; sschuchat@scc.ca.gov
Subject: Re: Joe Serrano/Prior lafco correspondence re: water of Douglas Deitch/Monterey Bay Conservancy
Attachments: Screen Shot 2022-01-08 at 6.15.55 AM.png

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Dear Joe,

Feliz y próspero año nuevo para usted y toda nuestra Bahía de Monterey y nuestra quinta economía y comunidad más grande e importante en este planeta ... ¡¡¡LA NUESTRA !!!!
... y aquí está mi plan y mi visión para nosotros aquí en 2022 (@
<https://twitter.com/DouglasDeitch/status/1476961442775531532>) @
www.lomejorqueeldineroNOPuedeComprar.com, www.lomejorqueeldineroNOPuedeComprar.org, &
www.lomejorqueeldineroNOPuedeComprar.net,
Doug

On Fri, Jan 7, 2022 at 9:12 AM Joe Serrano <Joe.Serrano@santacruzcounty.us> wrote:

Good Morning Mr. Douglas,

Thank you for the information and your comments. I will distribute your email to the Commission and include your email with the supporting documents as an agenda item during our next LAFCO Meeting, which is scheduled for February 9.

Happy New Year.

-Joe

Joe A. Serrano

Executive Officer
Local Agency Formation Commission of Santa Cruz County

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

Email: joe@santacruzlafco.org

Phone: (831) 454-2055



From: Douglas Deitch <siddhartha1002@gmail.com>
Sent: Friday, January 7, 2022 8:57 AM
To: LAFCO Info <info@santacruzlafco.org>; Douglas Deitch <siddhartha1002@gmail.com>; Ddeitch <ddeitch@pogonip.org>; Godwin, Timothy@DWR <Timothy.Godwin@water.ca.gov>; Sarah Easley Perez <seasleyperez@cityofsantacruz.com>; City Council <citycouncil@cityofsantacruz.com>; citymanager@cityofsantacruz.com; Ryan Coonerty <Ryan.Coonerty@santacruzcounty.us>; Zach Friend <Zach.Friend@santacruzcounty.us>; rskoenig@gmail.com; Stephen@Coastal <Stephen.Padilla@coastal.ca.gov>; Mark Primack <mark@markprimack.com>; editorial@santacruzsentinel.com; Sara@Coastal <Sara.Aminzadeh@coastal.ca.gov>; Roberto@Coastal <Roberto.Uranga@coastal.ca.gov>; Effie@Coastal <Effie.Turnbull-Sanders@coastal.ca.gov>; John@Coastal <john.ainsworth@coastal.ca.gov>; Donne@Coastal <Donne.Brownsey@coastal.ca.gov>; Tom@Coastal <Tom.Luster@coastal.ca.gov>; Carole@Coastal <Carole.Groom@coastal.ca.gov>; Erik@Coastal <Erik.Howell@coastal.ca.gov>; Shelley@Coastal <Shelley.Luce@coastal.ca.gov>; Greg Caput <Greg.Caput@santacruzcounty.us>; gapatton@stanfordalumni.org; Jim Gleim <jgleim@bayareanewsgroup.com>; Bruce McPherson <Bruce.McPherson@santacruzcounty.us>; Katie@Coastal <Katie.Rice@coastal.ca.gov>; Katy Fitzgerald <kfitzgerald@cityofsantacruz.com>; Rosemary Menard <RMenard@cityofsantacruz.com>; 100-District 5 (831) 647-7755 <district5@co.monterey.ca.us>; district2@co.monterey.ca.us; district3@co.monterey.ca.us; district4@co.monterey.ca.us; district1@co.monterey.ca.us; Steve Paolopoli <steve@goodtimes.sc>; SectyBlumenfeld@calepa.ca.gov; lea.garrison@water.ca.gov; Andrea.Ambriz@resources.ca.gov; Lisa.Lien-Mager@resources.ca.gov; albert.lundeen@resources.ca.gov; wade.crowfoot@resources.ca.gov; karla.nemeth@water.ca.gov; Teresa.Alvarado@cw.cca.gov; Matthew.Swanson@cw.cca.gov; Daniel.Curtin@cw.cca.gov; Kimberly.Gallagher@cw.cca.gov; Alexandre.Makler@cw.cca.gov; Jose.Solorio@cw.cca.gov; Fern.Steiner@cw.cca.gov; joseph.yun@water.ca.gov; Sierra Ryan <Sierra.Ryan@santacruzcounty.us>; nancy.vogel@resources.ca.gov; longinotti@baymoon.com; ki6tkb@yahoo.com; grey@elkhornslough.org; sschuchat@scc.ca.gov
Subject: Joe Serrano/Prior lafco correspondence re: water of Douglas Deitch/Monterey Bay Conservancy

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Dear Joe/LAFCO, et al

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Respectfully,

Douglas Deitch



Santa Cruz Local Agency Formation Commission

Date: February 9, 2022
To: LAFCO Commissioners
From: Joe Serrano, Executive Officer
Subject: **Press Articles during the Month of January**

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.

Article #1: "LAFCO finalizes denial of Monterey Peninsula Water Management District's Cal Am takeover": The article, dated January 5, notes that Monterey LAFCO adopted a resolution to deny a water district's application to buyout a private water company in order to provide water services following a 2018 ballot measure. The proposal is currently under the 30-day reconsideration period. The water district may consider taking action to overturn Monterey LAFCO's decision.

Article #2: "Santa Cruz boundary oversight agency elects all-female leadership": The article, dated January 6, highlights the Commission's recent appointment of Rachél Lather and Yvette Brooks as LAFCO's Chair and Vice-Chair for the 2022 calendar year. This marks the first time in Santa Cruz LAFCO's history that an all-female leadership has been selected. Staff's research also showed that only a handful of other LAFCOs have accomplished this milestone.

Article #3: "Quiroz-Carter Sworn In as New Watsonville City Councilwoman": The article, dated January 13, indicates that Vanessa Quiroz-Carter was sworn in as the newest Councilmember for the City of Watsonville. Ms. Quiroz-Carter was elected in last year's special election. She will be seated on the Watsonville City Council until 2024.

Article #4: "Homegrown Officer Takes Over as Watsonville Police Chief": The article, dated January 13, notes that Jorge Zamora became the City of Watsonville's new police chief. Mr. Zamora is the first Mexican American to hold this position. His appointment follows the retirement of Chief David Honda.

Article #5: "Santa Cruz Harbor sees more than \$6 million in tsunami damage": The article, dated January 18, discusses the damage to the Santa Cruz Port District from a tsunami caused by an underground volcano near the country of Tonga. The District estimates that damages from the tidal waves could reach up to \$6.5 million.

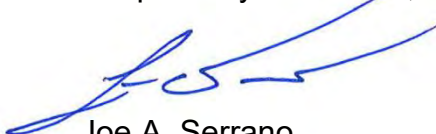
Article #6: “Sen. John Laird authors, garners support for bill to create Pajaro Valley health care district”: The article, dated January 19, highlights the recent support made by the State Assembly Local Government Committee towards Senate Bill 418. This bill, if approved, would create the first and only healthcare district in Santa Cruz County. The purpose of the bill is to establish local government oversight to the operations of the Watsonville Community Hospital, which the current owners have recently filed for bankruptcy.

Article #7: “Councilman Estrada Will Not Seek Reelection”: The article, dated January 21, notes that Watsonville City Councilmember Francisco Estrada announced that he will not seek reelection this Fall. Mr. Estrada currently represents the City’s 4th District and sits on LAFCO as a regular member. He will focus on his growing family after his term ends.

Article #8: “Cal Fire CZU Felton Chief on Colorado Fire: ‘No reason why that couldn’t happen here locally’”: The article, dated January 24, focuses on the recent wildfire in Monterey County. The fire, known as the Colorado Fire, struck the Big Sur area and has already burned 700 acres and has triggered evacuations. The article also highlights the current and future fire dangers within Santa Cruz County.

Article #9: “Santa Cruz County commits additional \$5M to Pajaro Valley Healthcare District Project”: The article, dated January 25, highlights the donation approved by the Santa Cruz County Board of Supervisors. The County has donated a total of \$5.5 million towards the Pajaro Valley Healthcare District Project’s efforts in acquiring and operating the Watsonville Community Hospital. This donation helps the non-profit organization as it attempts to gather enough funding before the February 14 bid deadline under the bankruptcy case.

Respectfully Submitted,



Joe A. Serrano
Executive Officer

Attachments:

1. “LAFCO finalizes denial of Monterey Peninsula WMD’s Cal AM takeover”
2. “Santa Cruz boundary oversight agency elects all-female leadership”
3. “Quiroz-Carter Sworn In as New Watsonville City Councilwoman”
4. “Homegrown Officer Takes Over as Watsonville Police Chief”
5. “Santa Cruz Harbor sees more than \$6 million in tsunami damage”
6. “Sen. John Laird authors, garners support for bill to create PV health care district”
7. “Councilman Estrada Will Not Seek Reelection”
8. “Cal Fire CZU Felton Chief on Colorado Fire”
9. “Santa Cruz County commits additional \$5M to PV Healthcare District Project”

montereyherald.com

LAFCO finalizes denial of Monterey Peninsula Water Management District's Cal Am takeover

Tom Wright

5-7 minutes

The Monterey County Local Agency Formation Commission voted 5-2 Wednesday to finalize its denial of the Monterey Peninsula Water Management District's planned takeover of California American Water.

The 5-2 LAFCO vote followed its initial vote Dec. 6 to dismiss the water district's application for the buyout, an acquisition mandated by a 2018 ballot measure.

General Manager Dave Stoldt of the Monterey Peninsula Water Management District said he wasn't surprised by the vote.

"We didn't expect any difference but I think it was very important to enter what we had to say into the record," he told The Herald Wednesday afternoon. "I think there were some real substantive points made by Mayor (Ian) Oglesby and a couple of other speakers about the paucity of evidence supplied to support these findings. So I think it's a very thin foundation to build a resolution on."

After about 30 minutes of public comment and presentations from the water district and Cal Am, Commissioner Chris Lopez said his position was unchanged from the previous meeting.

"I heard a lot of opinions about votes and percentages and numbers but the time and the effort was not spent in solving the issue for those satellite communities," said Lopez, a member of the Monterey County Board of Supervisors

The water district would not be acquiring all of Cal Am's assets, only its main system, which would leave small satellite systems that Cal Am would continue to operate including one feeding Chualar.

Cal Am says its charges are based on a system-wide economy of scale — providing a greater volume of water with the same fixed assets. If it loses those assets, Cal Am said it would have to raise rates on customers of the smaller water systems, including Chualar. Lopez cited the impact it would have on the community of Chualar, which is in his supervisorial district, in explaining his denial of the Monterey Peninsula Water Management District's buyout bid.

Typically, LAFCO is charged with encouraging the orderly formation of local governmental agencies, preserving land resources, discouraging urban sprawl and encouraging the efficient delivery of local government services. Much of its work concerns cities annexing unincorporated areas into their boundaries.

LAFCO was brought into the public buyout process because the water district would need to annex about 139 acres — 58 parcels — into its district boundaries that are currently served by Cal Am. LAFCO was also tasked with determining whether the district could exercise what's called its latent powers, meaning whether the district has the operational and financial wherewithal to run a different retail water distribution. A special district such as the water district cannot provide that kind of new or different service without LAFCO's approval.

"The LAFCO resolution does an excellent job of laying out the many, compelling reasons for denial articulated by the commissioners," Cal Am spokeswoman Catherine Stedman said. "Their action today finalized the board's decision, which we firmly believe to be in the best interest of our customers and the county as a whole."

The finalization of the denial comes after LAFCO staff and paid consultants supported the district's financial feasibility of the acquisition.

Along with Oglesby, Commissioner Wendy Root Askew was the other vote against finalizing the denial of the takeover bid. Root

Askew is normally an alternate but the Monterey County supervisor sat in for Commissioner Luis Alejo, who recused himself because of a conflict of interest.

“It’s clear from where I sit that the original work done by our LAFCO staff to prepare a resolution last December to approve the latent powers for the water management district was done with an abundance of due diligence, it was done with the abundance of independent assessments that verified the information,” Root Askew said. “It would have been the right direction for LAFCO to go in.”

Stoldt of the Monterey Peninsula Water Management District said Measure J, which passed in 2018 with 56% of the votes cast, created a nondiscretionary rule on the district’s books that says it is the district’s job to make all water supply and distribution publicly owned, where feasible.

Stoldt said moving forward the district needs to exhaust its administrative remedies, which means applying for reconsideration of the buyout denial and looking into its legal remedies.

“We will have to make a decision based on the administrative remedies outcome and the legal remedies outcome if there are other next steps,” he said. “We think there are.”

Melodie Chrislock, director of the Public Water Now nonprofit organization that drafted Measure J, said the commission’s goal is to force Salinas Valley water policy on the Monterey Peninsula. Five of the commissioners, based on the addresses of their offices, are based in the Salinas Valley but with Alejo’s recusal that total dropped to four.

“Five LAFCO commissioners are subverting democracy and the will of 24,000 people who voted to buy out Cal Am. Behind the smokescreen of tiny tax losses and speculative increases in costs to Cal Am satellites, LAFCO’s real goal is to force Salinas Valley water policy on the Peninsula.”

LAFCO’s next meeting will be held through Zoom on Jan. 24 at 4 p.m.

NEWS > POLITICS > LOCAL POLITICS

Santa Cruz boundary oversight agency elects all-female leadership

LAFCO board hears update on town-gown water legal battle

By **JESSICA A. YORK** | jjork@santacruzsentinel.com | Santa Cruz Sentinel
January 6, 2022 at 4:15 p.m.

SANTA CRUZ — For the first time in its history a local agency overseeing growth and boundary lines countywide appointed an all-female leadership this week.



Rachél Lather

The board of the Local Agency Formation Commission of Santa Cruz County voted Wednesday to appoint Rachél Lather, of the Soquel Creek Water District board, and Capitola City Councilmember Yvette Brooks, respectively, as chairperson and vice chairperson.

"This will be the first time in Santa Cruz LAFCO history (almost 58 years) that we have an all-female Chair and Vice Chair," LAFCO Executive Officer Joe Serrano wrote in an email to other commission executive officers statewide. "It was well overdue but I am so glad to be a part of it and I am so proud of my commission."

Also during this week's meeting, Serrano gave commissioners a brief update on an ongoing civil lawsuit by UC Santa Cruz against the City of Santa Cruz. Little movement has occurred in the case since its October 2020 filing, when representatives of the university and city issued a joint

public statement saying the lawsuit was necessary to settle an [old dispute over campus water supply access](#). Prior to the lawsuit, UCSC unsuccessfully sought a commitment that city leaders would provide a water supply sufficient for the campus to grow, as needed in future years, into its "North Campus" west and south of Empire Grade — and outside city limits.

According to the lawsuit, the crux of the matter is that the city has demanded that UCSC seek approval from LAFCO prior to serving water to the campus outside its borders. Meanwhile, the university said the city committed to providing the needed future water supply prior to a statutory mandate requiring LAFCO approval.

A Santa Cruz County Superior Court hearing to consider a request by the city to throw out the case without a jury trial is scheduled for March 1.



Yvette Brooks

 Author **Jessica A. York** | Reporter

Jessica A. York covers Santa Cruz County public safety, courts and homelessness for the Sentinel. She has been a working journalist, on both coasts, since 2004.



[goodtimes.sc](https://www.goodtimes.sc)

Quiroz-Carter Sworn In as New Watsonville City Councilwoman | Good Times Santa Cruz

3-4 minutes

Vanessa Quiroz-Carter was sworn in as the new representative for the Watsonville City Council's 2nd District at Tuesday night's virtual meeting.

Quiroz-Carter, a Watsonville native who most recently served on the city's Parks and Recreation Commission, said she was excited to continue the work of former councilman Aurelio Gonzalez, celebrate Watsonville's diversity and help guide the community through the ongoing pandemic.

Her mother, Sandra Quiroz-Carter, administered the oath of office from their Watsonville home.

"We are not a city divided," Quiroz-Carter said during her first remarks in office. "Diversity of opinions and views is not a symptom of division. It is the cornerstone of our democracy. It is our responsibility and our pleasure to welcome those voices. To seek out that diversity and build a thriving community of engaged community members."

Quiroz-Carter, 35, was [elected to the city council in last month's special](#) election triggered by [Gonzalez's abrupt resignation](#) in September—he stepped down from office because of a family health emergency. The relative political newcomer beat Frank Barba for the right to represent the neighborhoods east of Main Street through Beck Street, including the communities surrounding Watsonville High School. The district also contains portions of California Street and Palm and Hill avenues.

She will remain in office through 2024, and serve as mayor in her

final year in office.

She serves as an adjunct professor at Hartnell College, and holds a bachelor's degree in English literature from UC Berkeley and a master's in communication from Cal State East Bay.

Along with her time on the Parks Commission, Quiroz-Carter has also been a part of the Santa Cruz County Women's Commission and is the vice-president of the board for nonprofit Families In Transition.

December's special election was her second time running for public office. She first ran unsuccessfully against Gonzalez in 2020.

Quiroz-Carter was endorsed by the majority of the Watsonville City Council—Mayor Ari Parker was the lone elected leader to side with Barba—and numerous community leaders such as County Office of Education Superintendent Faris Sabbah, retired Santa Cruz County Clerk Gail Pellerin and former Watsonville City Councilman and vice-mayor Ramon Gomez.

She also received endorsements from several democratic clubs and organizations throughout the county, including the Pajaro Valley Cesar Chavez Democratic Club and the Santa Cruz County Democratic Party.

Several people congratulated her during public comment at Tuesday's meeting. That included a person who said she was her former pupil at Ceiba College Prep, Zurya Rodriguez.

"She was such an amazing teacher, and I can only imagine the things she'll do as a councilwoman," Rodriguez said. "Y'all are so lucky to have her."

goodtimes.sc

Homegrown Officer Takes Over as Watsonville Police Chief | Good Times Santa Cruz

5-7 minutes

Some 80 people gathered in the Watsonville Civic Plaza Monday evening to welcome in Jorge Zamora as Watsonville Police Department's new chief.

A homegrown officer who started with the department as a cadet at the age of 15, Zamora said in a speech before being sworn into his new role that his promotion from acting assistant chief to the city's top cop was a result of the support system he had around him.

That included some two dozen family members sitting front row at Monday's ceremony, and another dozen officers from various agencies across California, including Daly City, Salinas, Scotts Valley and Capitola.

Zamora is the city's 16th chief, and the first, first-generation Mexican-American to hold the role.

As a 26-year veteran of the force, Zamora brings invaluable experience from his time with gang and narcotics enforcement and SWAT. He has also served as a detective, a field training officer and a hostage negotiator, and spent time as a Regional Occupational Program instructor and youth mentor.

Another big asset, Assistant Chief Tom Sims said while introducing Zamora Monday, was his connection to the community and his lifelong commitment to the force.

"Honestly, I don't know what you guys were doing when you were 15, but I know that I was not thinking about police work," said Sims, who served as interim chief over the last six months. "[Zamora] was, and that's why he's here today."

Zamora says that he grew up just down the street from Watsonville's city hall. Before that, he and his family lived in a labor camp on the Central Coast as his mother, Margarita Fernandez, worked the agricultural fields.

"[My family] worked the fields, we were poor," Zamora said. "If you would've seen me as a kid, you would've never thought 'that guy is going to be a police chief one day.' It didn't seem like it was in the cards for me—even to be a police officer. That's why I keep telling people that if they've been touched by [hardship], 'I am you' because I went through that. And it's OK to say it and talk about it because that's what makes you stronger."

Fernandez in an interview after the ceremony said that she still remembers the day her son told her he wanted to sign up for the cadet program. She was worried for his safety but saw that he had a passion for protecting people.

"I would bless him whenever he left the house," she said in Spanish. "I was happy he was happy, but I was worried about him."

When Zamora told her he had been appointed chief, she said she was overcome with emotion as she reflected on his journey to success.

"I was overjoyed," she said. "He grew up with gangs around him, he grew up with drugs being dealt around him. He lived and grew up in a very tough area. It must have been hard for him to say no to all of that. It makes me so happy to see him now. I always told him that if he wanted anything in life that he needed to go to school. All I wanted for him is for him to not have to work in the fields as I did ... This is a sweet moment."

Zamora attended local schools and graduated from Radcliff Adult School. He holds a bachelor's in criminal justice management from Union Institute & University and a master's in leadership studies from Saint Mary's College of California.

His appointment follows the [retirement of Chief of Police David Honda](#), who served Watsonville from 2016 through 2021, and fills one of the city's high-level vacancies.

Watsonville just last month welcomed in a [new city attorney](#) after the retirement of longtime legal counsel Alan Smith. In the near future, it will have to replace City Clerk Beatriz Vasquez Flores and former City Manager Matt Huffaker, who is now the [chief executive for the city of Santa Cruz](#).

Mayor Ari Parker said that she likes the direction the city is heading in and is excited to see Zamora use both his experience as a police officer and passion as a Watsonville native to try to solve some of the city's big issues.

"The goal of the process was to find the best person, and it turned out the best person was born and raised here and came up through the ranks and really knows this town and is passionate about it," Parker said. "There are challenges to communication but he recognizes what a great community this is. We're diverse. We have diverse opinions about equity, engagement and accountability and how to do it. But he's willing to listen."

Zamora said the role of police chief has undoubtedly changed in the past few years because of compounding societal issues that have been hoisted upon officers' growing list of responsibilities.

But Zamora also said that because of advancements in technology, access to higher learning and partnerships with vital area nonprofits that there has never been a better time to be a police officer. In addition, efforts such as the city's recent [policing and social equity committee](#) and the consistent support the department receives from numerous residents give him hope that WPD can help solve some of the city's toughest challenges.

"I'm a big believer that we can solve these issues but some of these issues take time," Zamora said. "I'm not being naive here. I know that there's challenges. I know that there's people that don't want to engage with us. That's fine. My position: let's engage, let's continue to try to do that. And if they don't want to, OK, I'm still here. I'm here with open arms."

santacruzsentinel.com

Santa Cruz Harbor sees more than \$6 million in tsunami damage

Ryan Stuart

4-5 minutes

SANTA CRUZ – The Santa Cruz Port Commission on Tuesday declared an emergency for the Santa Cruz Harbor following Saturday's tsunami.



Tsunami from underground volcano near Tonga hits the Small Craft Harbor in Santa Cruz on Saturday. The harbor estimates damages from Saturday's tidal event to be as high as \$6.5 million, according to Port Director Holland Mac Laurie. Damages include utility infrastructure, damaged pilings and facilities such as restrooms and showers.(Shmuel Thaler/Santa Cruz Sentinel file)

The eruption of Hunga-Tonga-Hunga-Ha'apai, an underwater volcano roughly 40 miles north of the capital of the island nation of Tonga, caused tsunami advisories all throughout the Pacific. Waves from the blast slammed the American west coast with a strong

undercurrent.

Videos shared on social media show high tide at Cowell Beach and flooding at the Santa Cruz Harbor. Santa Cruz Harbor staff shared the extent of the damage Tuesday.

“This emergency declaration will assist in streamlining the process in obtaining disaster recovery assistance with the state and Cal OES,” Port Director Holland Mac Laurie said.

The harbor estimates damages from Saturday’s tidal event to be as much as \$6.5 million, according to Mac Laurie. For comparison, 2011’s tsunami event, caused by an 8.9-magnitude earthquake off the coast of Japan, caused \$20 million in damage to the harbor.

Damages from Saturday’s event include utility infrastructure, damaged pilings and facilities such as restrooms and showers.

Waves from the tsunami flooded the restrooms and showers in the harbor with more than 3 feet of water, according to Port Commission Chairman Reed Geisreiter. Additionally, the waves knocked out the power throughout the harbor docks, a place where many people live aboard their moored boats.

Currently, the port commission is working to relocate those boats to powered slips while it continues to restore power to all docks, Mac Laurie said. So far, the commission has only heard from one live-aboard for that request, she added.

As of Tuesday afternoon, the port commission restored power to one dock that houses people that live on their boats and part of another, according to Harbormaster Blake Anderson. Three other docks harboring live aboard residents remain without power.

“A lot of live-aboards on (dock) J. That’s been a priority for us to get the power on back there,” Anderson said of hopefully restoring power to one of the docks by the end of the day Tuesday.

Crews need to continue to work toward drying the equipment before they can do the repairs necessary to restore power.

Long-term repairs of the power infrastructure were factored into damage estimates. Transformers in the harbor will likely have to be replaced since salt water was introduced to the equipment, which

will deteriorate the quality of the transformers in the long run, Anderson noted.

Cost estimates also include embankment repairs on the eastside of the harbor and “unknown but expected” damage to the sea wall on the west side of the harbor.

Luckily, damage assessments found the harbor’s dock infrastructure is still structurally sound, Mac Laurie noted.

Additionally, the commission authorized Mac Laurie to enter into contracts to get necessary repairs done to harbor infrastructure. The commission originally planned to cap the contracts at \$100,000 each, but elected to provide an additional \$25,000 for each contract due to the anticipated costs of repairs, especially to utility infrastructure which is expected to exceed the original cap.

“We know we’re going to be running repair contracts that are over 100-grand so we might as well bump it up to 100 and a quarter,” Commissioner Stephen Reed said.

The effects of Saturday’s tsunami will also serve as important information as the city gears up to update its Local Hazard Mitigation and Climate Adaptation Plans, which assess the “impact and potential mitigations for combined natural hazards like tsunamis, flooding and sea level rise,” according to city Spokesperson Elizabeth Smith.

Planning updates are scheduled to take place before the end of 2022, she added.

santacruzsentinel.com

Sen. John Laird authors, garners support for bill to create Pajaro Valley health care district

Melissa Hartman

4-5 minutes

WATSONVILLE — Language that could create a health care district for Pajaro Valley is on its way to the floor of the state Assembly.

Senate Bill 418, urgency legislation authored by Sen. John Laird, on Wednesday received unanimous bipartisan support in the Assembly Local Government Committee for its motivation to preserve health care access for residents of Pajaro Valley by forming a health care district.



John Laird speaks at the Benicia State Recreation Area in 2018.
(Karl Mondon/Bay Area News Group file)

The Pajaro Valley Healthcare District Project, chaired by the County of Santa Cruz, the city of Watsonville, the Community Health Trust of the Pajaro Valley and Salud Para La Gente, functions around the

aim of completing a sale of the hospital and keeping it open in the meantime. Laird's legislation was written in conjunction with the project to further its goals.

SB 418 would return ownership of Watsonville Community Hospital to the public after more than 20 years of ownership by for-profit corporations, [according to a history provided by Dr. Mimi Hall](#), one of the four leaders of the recently launched project, in November. At the time, Hall said that a locally run hospital will have the power to identify and invest in community needs.

"For the last few decades, whoever has been running the hospital is forced to think about how they make money," she said.

A health care district would, most importantly, establish public oversight if the Pajaro Valley Healthcare District Project is successful in acquiring the hospital. Currently, the hospital's corporate owners are going through [Chapter 11 bankruptcy](#) through which they recently identified the health care district project as the lead buyers for the long-time south county institution. On Wednesday, [the case noticing agent, Stretto](#), showed the next major date in the case to be the bid deadline for the hospital. This falls on Valentine's Day, Feb. 14. Then, the sale hearing is scheduled to be conducted Feb. 23.

"Due to the precarious future of the hospital, the bill is proposed as urgency legislation needed to preserve the public peace, health or safety under Article IV of the California Constitution," Laird's office said in its announcement.

If passed, SB 418 will allow local nonprofit Pajaro Valley Healthcare District Project five years to create zones that it feels are representative of the community. From there, elections would be held to appoint a leader of each zone to make decisions as a part of the hospital board.

The bill was co-authored by nearby state officials whose districts have a stake in protecting the vital services provided by Watsonville Community Hospital. This includes Assemblymembers Robert Rivas of Salinas and Mark Stone of Monterey Bay as well as Sen. Anna Caballero of Salinas. Caballero highlighted the hospital's key

patient population of low-income individuals who rely on Medi-Cal and Medicare. They often suffer from inequitable access to quality housing, transportation and solid health care, Laird's office pointed out.

"Access to quality health care has never been more critical," Caballero said. "It is up to us to ensure that our residents are healthy and safe."

The health care district project has been reaching out to legislators in order to inspire such action since it was [informed of an imminent closure](#) by hospital CEO Steven Salyer around Thanksgiving, Hall has explained to the Sentinel. In early December, it was announced that [enough money had been raised to keep the hospital running](#) through the spring, when the project heads anticipate purchasing it. No mention was made to the source of the funding.

"We're at a special disadvantage being a brand new organization and trying to rally as many partners as possible, including the state," Hall said then. "Part of our tactic is to assemble all of these partners and pursue legislation. But all of those things take time."

Public and private funding for the acquisition of the hospital are still ongoing. A website has not yet been launched for those who are interested in donating. At this time, project representatives are soliciting specific individuals and groups in their fundraising efforts.

goodtimes.sc

Councilman Estrada Will Not Seek Reelection | Good Times Santa Cruz

4 minutes

Watsonville City Councilman Francisco “Paco” Estrada during Thursday night’s special meeting announced that he will not seek reelection this fall.

Estrada, the representative for the 4th District, was elected into office in 2018 and [served as mayor in his first year on the city council](#). His term will end at the end of the year.

Estrada in a brief but emotional statement said that over the last four years his life has changed substantially. Perhaps the biggest change was the birth of his daughter, Catalina, in 2020.

“My wife and my family have supported me for the last four years, and I think I need to prioritize them,” Estrada said. “I need to be a full-time father. It’s tough to be a full-time employee and a full-time public servant. So something sort of has to give.”

He also assured his constituents in the 4th District, which encompasses most of the neighborhoods off Ohlone Parkway and communities just north of Clifford Avenue up to Freedom Boulevard, that he would work with whoever steps into office in December.

“I’ll work with whoever takes my place and we’ll make sure that D4 is not forgotten and that everything, all the things that need to be taken care of, will be taken care of,” Estrada said.

The announcement seemed to catch his colleagues off guard—the city council gathered for the special virtual to discuss [proposed redistricting maps](#)—but they nonetheless lauded the first-time politician for his service.

“You are the type of leader that we really deserve in this community,” Councilman Jimmy Dutra said. “You’re kind and

thoughtful and are always trying to find a balance. You will definitely be missed.”

Mayor Ari Parker echoed Dutra in praising Estrada for his balance in approaching local politics.

“You have to balance us as a council and I continue to appreciate that and I will continue to enjoy and take note of that as we work through this year,” Parker said.

Estrada, 39, the child of immigrant farmworkers from Mexico, defeated challenger Jenny Sarmiento in the November 2018 election for the 4th District seat. He attended local schools, graduated from UC Santa Cruz and earned his master’s degree in modern history from San Jose State University.

Estrada became mayor thanks to 2014’s voter-approved Measure I, which rotates the seat yearly by district.

Considered by his colleagues as a breath of fresh air in a political landscape that has been dominated by seasoned leaders who have multiple stints on the council, Estrada has been a strong advocate for City’s parks and recreation programs, community involvement and representation. He has also helped guide several city-wide efforts such as the [Ad-Hoc Committee on Policing and Social Equity](#).

His decision means that at least three city council seats will switch hands this year. Along with the change in the 4th District, the 3rd and 5th districts will also see new representation as Lowell Hurst and Rebecca Garcia, respectively, will both term out. Parker will also be up for reelection in the 7th District.

[City records show](#) that Kristal Salcido, a Santa Cruz County Assistant District Attorney, has come forth as a candidate for the 4th District seat.

Salcido, who was a member of the City’s redistricting committee, spoke during Thursday’s meeting about the maps before the city council.

She also heaped praise on Estrada.

“I live in District 4 and I appreciate your service,” she said. “You’ve been a real gift to the community.”

santacruzsentinel.com

Cal Fire CZU Felton Chief on Colorado Fire: ‘No reason why that couldn’t happen here locally’

Hannah Hagemann

4-5 minutes

FELTON — Just roughly a year after dozens of wildfires [sparked in Santa Cruz County](#), similar dry and windy conditions ignited the Colorado fire on Friday in Big Sur, which has burned at least 700 acres and triggered evacuations for hundreds.

As crews continue to battle the blaze near the iconic slice of Central California coastline, firefighting officials sounded more optimistic Monday, citing lighter winds and higher humidity. At least four engines and crews from the Cal Fire CZU Santa Cruz-San Mateo Unit are on the ground at the wildfire. As of Monday morning, the fire was 35% contained, according to Cal Fire.

CZU Unit Felton Battalion Chief Tom Shevenell said the risk of wildfire also igniting in the Santa Cruz Mountains is present.

“Even though we’ve gotten a tremendous amount of rain so far, we’ve gone three weeks now without rain and above normal temperatures,” Shevenell said. “What happened at the Colorado was wind-driven, so there’s no reason why that couldn’t happen here locally.”

December [proved to be a historically wet month](#), but has been followed by weeks of sunny and dry conditions.

Pile burning — which in the Santa Cruz Mountains led to three wildfires in 2021 — can also be dangerous, when not done precisely and safely, Shevenell said.

“It’s also not uncommon, you look historically ... we have had fires in January and February — anytime we have these weird dry spells — it’s something to always be concerned of,” Shevenell said.

Scientists [have documented rising temperatures and more frequent drought conditions](#) — triggered by climate change — increase wildfire risk, frequency [and acreage burned](#). Not all fire is bad though — it can also consume forest build up, leaf litter and decades of detritus that ,left alone, makes the chances of a catastrophic fire igniting more likely.

In a prepared statement, Assemblymember Robert Rivas said that those impacts of climate change are playing out locally.

“This unprecedented winter wildfire in my Assembly district is just the latest major fire along the Central Coast in recent years and represents yet further evidence that climate change is an immediate threat,” Rivas said. “In addition to urgently needed efforts to rapidly reduce carbon emissions, we must adapt to our new reality and take every action necessary to protect residents from climate disasters.”

The area in which the Colorado fire is burning has only experienced one blaze that’s consumed more than 100 acres in the last 10 years, according to Cal Fire CZU Unit spokesperson Cecile Juliette.

“Everyone in California needs to understand, they need to be prepared to evacuate year round, not just in the summer,” Juliette said.

Firefighting officials said Monday that lighter winds and more humid conditions [would help crews shore up control lines on the blaze](#).

Some Santa Cruz County residents were concerned that resources sent to the Colorado fire could mean a slower response locally if a wildfire were to ignite. But CZU Unit Chief Nate Armstrong said three of the engines sent are state-funded, used locally to complete vegetation removal projects, or respond to large-scale wildfires such as the Colorado fire.

The fourth engine is funded partially by Santa Cruz County, but was “immediately filled behind with off-going staff the morning after the engines responded to the fire,” Armstrong wrote in an email.

“We’re adequately staffed given the time of year and are comfortable supporting Monterey’s efforts the same as they would support us if the roles were reversed,” Armstrong wrote. “The only shortage is that we aren’t able to complete some of our scheduled fuel reduction project work right now.”

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Santa Cruz County commits additional \$5M to Pajaro Valley Healthcare District Project

Melissa Hartman

5-7 minutes

WATSONVILLE — With a donation approved by its Board of Supervisors on Tuesday, the County of Santa Cruz has now given \$5.5 million toward the Pajaro Valley Healthcare District Project's [quest to acquire and operate Watsonville Community Hospital](#).

This will help the health care district project — made up of the county, the city of Watsonville, the Community Health Trust of the Pajaro Valley and Salud Para La Gente — organize all of its funding streams before a Feb. 14 bid deadline. The bid deadline is the latest hearing of Watsonville Hospital Corp.'s [Chapter 11 bankruptcy case](#). The project was formed after [the hospital's ownership announced in November](#) that unless it could find a buyer by early this year, it would be closing its doors.

“While the hospital remains open and offers a range of medical services to South County residents, under the current private ownership model it faces financial difficulties and is at imminent risk of closure,” the county said of its second donation, a larger undertaking than the [\\$500,000 offered in November](#). “With 250,000 unique patient visits per year, the hospital provides critical services to an underserved population, including numerous census tracts

ranking in the bottom quartile of the California Healthy Places Index.



Mimi Hall, former Santa Cruz County health services director, continues to dedicate her life to public health work. (Anna Maria Barry-Jester – Kaiser Health News file)

Project head Mimi Hall told the Sentinel on Tuesday that while the support was expected, its arrival didn't mean any less.

"We are super excited because what this really means, to us, is that this project is a community wide effort," Hall said. "This is just adding that much more weight to the community collective of partners that are slowly coming together to show support."

Along with the county's two contributions, the project recently benefited from a \$3 million capital planning grant from the Central California Alliance for Health during a special meeting of its board this month. The Alliance, as it is casually known, is a Medi-Cal managed care health plan for members in Merced, Monterey and Santa Cruz counties.

“We put together a grant application in a very short amount of time and we had the support of Monterey County, so these dollars will (have been) dollars allocated from both Santa Cruz and Monterey counties,” Hall said.

Additionally, the Community Health Trust of Pajaro Valley made a \$4.5 million donation just after the nonprofit project was created, Hall said. This means at least \$13 million has been invested in the future of access to health care in south county to date.

These funds have helped the project clear one requirement of becoming a qualified bidder: Providing a good-faith deposit.

“We have a high-level business plan that identifies the total amount of capital we are (aiming for) as well as sources,” Hall said. “We have met with numerous partners, public and private, about specific asks. Not all of them are about money. There are things that we could use beyond acquisition to (reduce) cost and improve the quality of care. So far, these have been really productive conversations.”

One of those sources is the state, Hall said, but the project team is not willing to approach officials at that level with their hands out. State representatives want proof that agencies supporting the project want to be part of the solution to improve health care for Pajaro Valley residents, not the entire solution.

“They made it clear to us that for us to get any state support they really want to see the whole community come together, from health systems to nonprofits...” Hall said. “What happened today is just one more step in the right direction.

Careful concessions

Even if the health care district project is awarded the successful bid

at a scheduled auction Feb. 17, it will need support from agencies such as the state to bear one condition of its tentative agreement with current management Halsen Healthcare — The taking on of a \$25 million debtor and possession loan, the mystery funding announced last month that kept medical workers employed and services running.

Hall said that part of the preliminary agreement was to keep doors open until March 31 to give the project leaders time to put together a financial campaign. By that date, a sale agreement must be in place. The project board has until Aug. 31 to actually close the sale.

“We are saying, ‘We will cover those costs as a part of the sale as it is important to keep the hospital open. If the hospital closed even for one day it would be nearly impossible to reopen,’” Hall said as she lamented about the ideas of having to rehire back an entire staff or apply for licensure all over again. “To me, that’s money well spent.”

Between the generosity of the community and the recent emergence of [Senator John Laird’s Senate Bill 418](#), which would officially create a health care district serving the southernmost part of Santa Cruz County and the northernmost part of Monterey County, the project is in a good place.

“Our next biggest hurdle is getting dollars allocated to this effort for acquisition to support the local funds we are trying to get together,” Hall said. “Every little bit helps.”