



**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, April 6, 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.

3. ADOPTION OF MINUTES

The Commission will consider approving the minutes from the March 2, 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. Draft Budget for Fiscal Year 2022-23

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

Recommended Action: Approve the draft resolution (No. 2022-04) approving the draft budget for Fiscal Year 2022-23.

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:

- 1) Ratify the existing resolution (No. 2021-19) approving the continuation of remote meetings under AB 361; or
- 2) Direct staff to conduct an in-person meeting for the next regularly scheduled LAFCO Meeting (May 4, 2022).

b. “Opal Cliffs Recreation District Reorganization” – Protest Results

The Commission will consider certifying the results of the protest proceeding held during March 11 to March 31.

Recommended Action: Adopt the draft minutes from the March 31, 2022 Protest Hearing and the draft resolution (No. 2022-05) certifying the protest period results.

c. Legislative Update

The Commission will receive an update on LAFCO-related legislation.

Recommended Action: Take a “Support” position on AB 2957, SB 938, and SB 969 and direct the Executive Officer to submit a letter to each of the bills’ authors declaring the Commission’s position.

d. List of Extraterritorial Service Agreements – Status Update

The Commission will receive a status update on the requested annexation plans from the local agencies that currently have extraterritorial service agreements.

Recommended Action: No action required; Informational item only.

e. Branciforte Fire Protection District – Status Update

The Commission will receive a status update on the potential reorganization involving the Branciforte and Scotts Valley Fire Protection Districts.

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.

8. PRESS ARTICLES

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

a. Press Articles during the Months of February and March

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, May 4, 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, March 2, 2022
Start Time - 9:01 a.m.**

1. ROLL CALL

Chair Rachél Lather called the meeting of the Local Agency Formation Commission of Santa Cruz County (LAFCO) to order at 9:01 a.m. and welcomed everyone in attendance. She asked staff to conduct roll call.

The following Commissioners were present:

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

3. ADOPTION OF MINUTES

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

Chair Rachél Lather called for the approval of the draft minutes. **Commissioner Jim Anderson** motioned for approval of the February 9th Meeting Minutes and **Commissioner Justin Cummings** seconded the motion.

Chair Rachél Lather 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: 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

4. ORAL COMMUNICATIONS

Chair Rachél Lather requested public comments on this item. **Executive Officer Joe Serrano** indicated that there was one request to address the Commission.

Becky Steinbruner, member of the public, informed the Commission about Assembly Bill 552, which authorizes the State Water Resources Control Board to order consolidations where a public water system or a state small water system is serving a disadvantaged community and would limit the authority of the state board to order consolidation or extension of service to provide that authority only with regard to a disadvantaged community. Ms. Steinbruner asked that the upcoming Countywide Water Service & Sphere Review look into this law and other consolidation efforts.

Chair Rachél Lather noted no further requests and moved on to the next agenda item.

5. PUBLIC HEARINGS

Chair Rachél Lather noted that there were no public hearing items and moved on to the next agenda item.

6. OTHER BUSINESS

Chair Rachél Lather indicated that there are three business items for Commission consideration today.

6a. Continuation of Remote Meetings

Chair Rachél Lather 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 the state and local mask mandates have been amended and covid cases have decreased, however, California is still under a state of emergency. He noted that the Commission can continue remote meetings under AB 361 or revert back to in-person meetings.

Chair Rachél Lather requested public comments on this item. **Executive Officer Joe Serrano** indicated that there was one request to address the Commission.

Becky Steinbruner, member of the public, encouraged the Commission to consider conducting hybrid meetings which would allow the public an option to attend LAFCO meetings in-person or remotely.

Chair Rachél Lather noted no further requests and closed public comments.

Chair Rachél Lather called for Commission comments on the remote meeting requirements.

Commissioner Zach Friend indicated that it would be difficult to implement a hybrid model for LAFCO meetings due to the size of the Commission, minimal LAFCO staffing, and the lack of equipment to operate a hybrid model. Mr. Friend motioned to continue remote meetings under AB 361. **Commissioner Ryan Coonerty** seconded that motion.

Chair Rachél Lather noted no further 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: Zach Friend

SECOND: Ryan Coonerty

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. Request for Proposal – Special Fire Study

Chair Rachél Lather requested staff to provide a presentation on the potential distribution of a request for proposal to hire an outside consulting firm and produce a special study regarding the delivery of fire protection in Santa Cruz County.

Executive Officer Joe Serrano noted that the recently adopted Countywide Fire Protection Service & Sphere Review requested action plans by the fire districts regarding their respective sphere boundaries but also led to further discussions among the local agencies about potential reorganizations. These discussions prompted staff to produce a draft request for proposal to solicit professional services from an outside consulting firm that would help develop a feasibility study. This study would determine the financial impact of the fire agencies that are interested in annexation and the financial impact of County Service Area 48 (CSA 48) which would have to detach the annexed areas from their jurisdiction. Mr. Serrano explained that the data and findings from the special study would help create a well-coordinated plan between the County, affected fire agencies, and LAFCO to transfer fire protection responsibilities from the CSA 48 to the existing independent fire districts. He clarified that the first step would be to distribute a request for proposal in order to hire the best qualified consulting firm for this study.

Chair Rachél Lather requested public comments on the update. **Executive Officer Joe Serrano** indicated that there was one request to address the Commission.

Becky Steinbruner, member of the public, supports the hiring of an outside consultant to analyze the financial impacts towards the fire districts and CSA 48 when considering future annexations.

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

Alternate Commissioner Ed Banks noted that the contractual agreement attached to the request for proposal should increase the liability amount and identify Santa Cruz County in the firm's liability coverage.

Executive Officer Joe Serrano explained that the contractual agreement is in draft form and will be updated accordingly.

Commissioner Roger Anderson wanted clarification on the completion date of the study, how much will the study cost, and how is the hiring of an outside consultant firm different from the potential professional services agreement with the Fire Reorganization Consulting, LLC.

Executive Officer Joe Serrano noted that staff anticipates completing this study by December 2022. Mr. Serrano explained that the request for proposal includes a "not to exceed" cost limit of \$50,000. He also indicated that the professional services agreement with the Fire Reorganization Consulting, LLC is meant to help staff with fire-related projects, including but not limited to, the potential reorganization involving the Branciforte and Scotts Valley Fire Protection Districts. The hiring of an additional consulting firm will only focus on the feasibility study outlined in the request for proposal.

Chair Rachél Lather noted no further Commission discussion and called for a roll call vote on motion based on staff's recommendation: **Approve the draft request for proposal to solicit professional services for a special fire study.**

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

MOTION: Zach Friend
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

6c. Professional Services Agreements

Chair Rachél Lather requested staff to provide a presentation on the potential approval of three professional services agreements to support LAFCO staff in upcoming projects and with internal operations.

Executive Officer Joe Serrano explained that Santa Cruz LAFCO operates with one full-time employee. Mr. Serrano noted that while productivity remains high with the current staffing, it may be beneficial to hire outside consultants to help with specific projects. He indicated that hiring Chase Design, Inc. would greatly improve the current LAFCO website which is in dire need of a complete overhaul and hiring Fire Reorganization Consulting, LLC would be instrumental in maintaining the momentum following the success of the Countywide Fire Protection Service & Sphere Review. He also mentioned that developing a contractual agreement with Monterey LAFCO for administrative services would ensure that the LAFCO office will be in operation with LAFCO experts even if Santa Cruz LAFCO's Executive Officer is out for an extended period of time.

Chair Rachél Lather requested public comments on the update. **Executive Officer Joe Serrano** indicated that there was one request to address the Commission.

Becky Steinbruner, member of the public, supports approving the three professional services agreements to help staff with upcoming projects and with internal operations.

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

Commissioner Roger Anderson asked why Chase Design, Inc. was selected. Executive Officer Joe Serrano noted that Chase Design, Inc. is an associate member of CALAFCO and has worked with other LAFCOs around the state to improve their logos and websites. Chase Design, Inc. knows LAFCO's role and responsibilities and understands the importance of the context within a LAFCO's website.

Chair Rachél Lather noted no further Commission discussion and called for a roll call vote on motion based on staff's recommendation: **(1) Adopt the contractual agreement with Fire Reorganization Consulting, LLC for fire consulting services, (2) Adopt the contractual agreement with Chase Design, Inc for website services, and (3) Direct staff to coordinate with Monterey LACO and develop a contractual agreement for shared administrative services on an as-needed basis.**

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

MOTION: Justin Cummings
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

7. WRITTEN CORRESPONDENCE

Chair Rachél Lather inquired whether there was any written correspondence submitted to LAFCO. **Executive Officer Joe Serrano** indicated that LAFCO received several correspondences: one from Becky Steinbruner regarding the recent healthcare district formation through special legislation and the rest were from CALAFCO. Mr. Serrano noted that CALAFCO has hired Rene LaRoche to be their new Executive Director. **Chair Rachél Lather** moved to the next item since no Commission action was required.

8. PRESS ARTICLES

Chair Rachél Lather 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 Rachél Lather** moved to the next item since no Commission action was required.

9. COMMISSIONERS' BUSINESS

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

10. ADJOURNMENT

Chair Rachél Lather adjourned the Regular Commission Meeting at 9:56 a.m. to the next regular LAFCO meeting scheduled for Wednesday, April 6, 2022 at 9:00 a.m.

RACHÉL LATHER, CHAIRPERSON

Attest:

JOE A. SERRANO, EXECUTIVE OFFICER



Santa Cruz Local Agency Formation Commission

Date: April 6, 2022
To: LAFCO Commissioners
From: Joe Serrano, Executive Officer
Subject: **Draft Budget for Fiscal Year 2022-23**

SUMMARY OF RECOMMENDATION

State law requires that LAFCO adopt a draft budget by May 1st and a final budget by June 15th. Staff noticed a public hearing in the Santa Cruz Sentinel on March 11, 2022 in order for the Commission to consider a draft budget for the upcoming fiscal year during a public forum. LAFCO's funding agencies were also informed about the consideration of the draft budget prior to the April 6th Commission Meeting.

It is recommended that the Commission take the following actions:

1. Adopt the resolution (LAFCO No. 2022-04) approving the draft budget for Fiscal Year 2022-23, with the following conditions:
 - a. Direct staff to distribute the draft budget for review and comment to the 26 funding agencies (4 cities, 21 special districts, and County); and
 - b. Direct staff to schedule a public hearing, pursuant to Government Code Section 56381, for consideration and adoption of a final budget for Fiscal Year 2022-23 at the June 1, 2022 Regular LAFCO Meeting.
-

EXECUTIVE OFFICER'S REPORT:

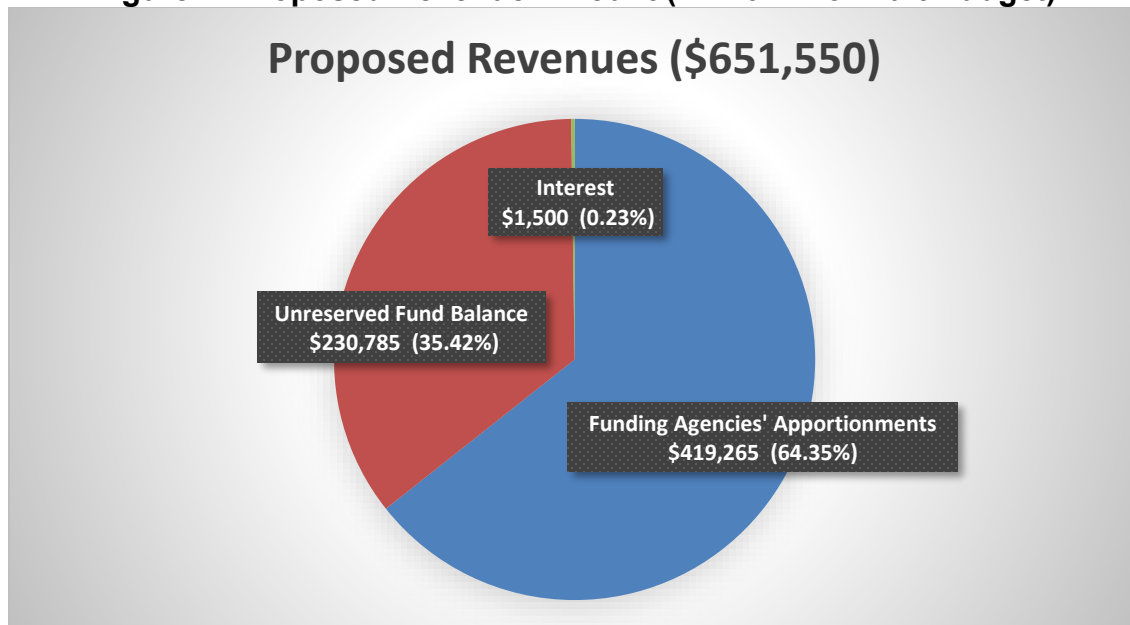
Government Code Section 56381(a) requires the Commission to hold a public hearing to adopt a draft and final budget each year. The proposed FY 2022-23 draft budget is presented in line-item detail for the Commission's review and consideration (refer to **Attachment 1**). If the draft budget is approved by the Commission, it will be distributed to the Board of Supervisors, the cities, and the independent special districts for review and comment. Subsequently, the final budget with any submitted comments, will be considered by the Commission at a second public hearing during the June 1, 2022 Regular LAFCO Meeting.

The proposed FY 2022-23 draft budget is balanced. The expected expenditures are covered by two key funding methods: projected revenues and a drawdown from the unreserved fund balance. The draft budget totals \$651,550 which represents an increase of 2% from the current budget (FY 2021-22 = \$641,850). The following pages provide a description and discussion of the revenues, expenditures, and unreserved fund balance contained in the FY 2022-23 draft budget.

REVENUES

The revenues in the proposed draft budget total \$651,550. There are three categories that comprise of LAFCO's revenue: (1) County, Cities, and Special Districts Apportionments, (2) Interest, and (3) Unreserved Fund Balance. As depicted in **Figure 1**, the apportionments from the funding agencies constitute approximately 64% of total revenues. The remaining revenue source derive from unreserved fund balance (35%) and interest (less than 1%).

Figure 1: Proposed Revenue Amount (FY 2022-23 Draft Budget)



County, Cities, and Special Districts Apportionments

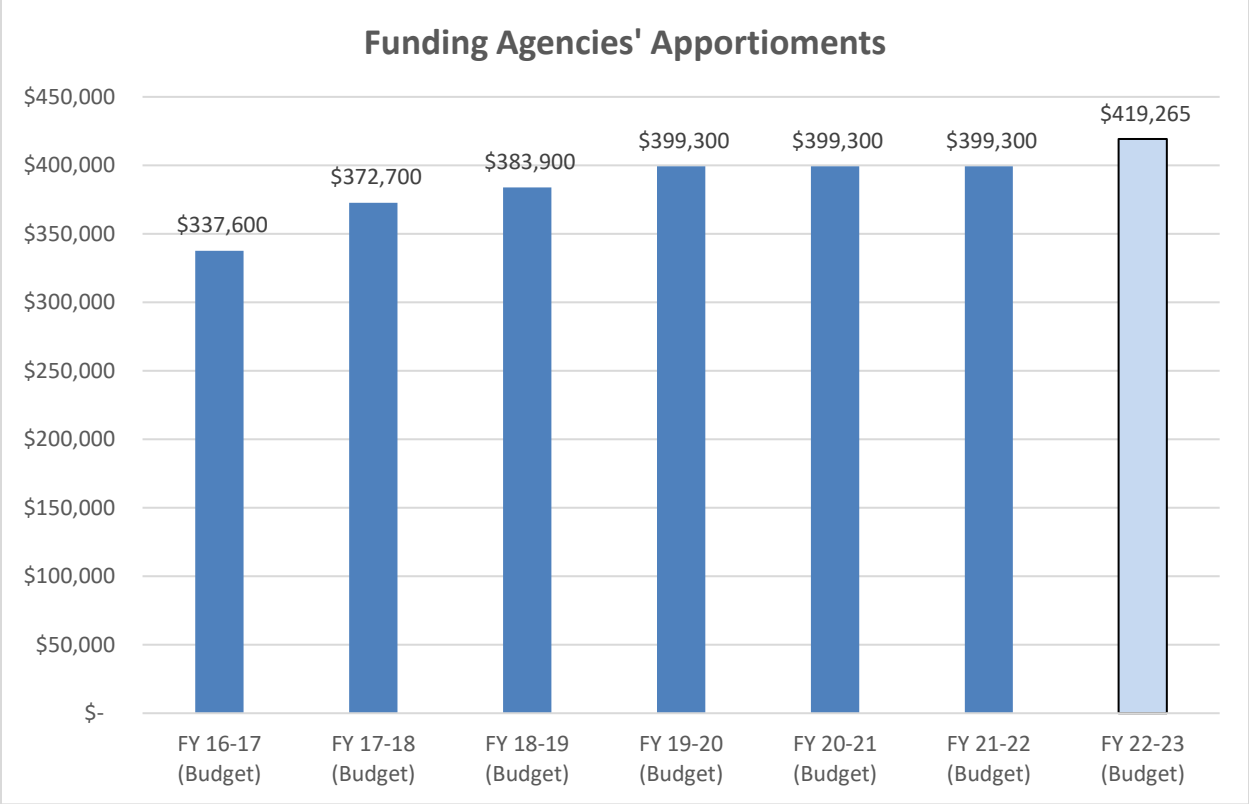
The apportionments from the funding agencies are LAFCO's primary source of revenue. The total apportionment for FY 2022-23 is \$419,265, representing a 5% increase when compared to the current budget for FY 2021-22 (LAFCO Dues = \$399,300). It is important to note that the total apportionment now includes the County's \$2,500 fee to process the allocation invoices. Previous budgets did not capture such expense. While the increase is still less than the current Consumer Price Index (7.5%), the total apportionment amount has also not increased in the last three budgets in order to assist our funding agencies during these challenging times, as shown in **Figure 2** on page 3.

Attachment 2 highlights the projected apportionments for each funding agency as part of this year's draft budget. Pursuant to State law, the total apportionment of \$419,265 is equally divided amongst the County, cities, and independent special districts. The apportionments for the individual cities and special districts are calculated by the County Auditor-Controller using the formula outlined in Government Code Section 56381(b)(1)(A), as discussed in the next page.

- **Cities:** The cities' share shall be apportioned in proportion to each city's total revenues, as reported in the most recent edition of the Cities Annual Report published by the Controller, as a percentage of the combined city revenues within a county, or by an alternative method approved by a majority of cities representing the majority of the combined cities' populations.

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

Figure 2: LAFCO Apportionments (FY 2016-17 to FY 2022-23)



Interest

This revenue category includes interest earned from the agency’s payroll account. Since the Commission receives an influx of revenues in the beginning of each fiscal year from the funding agencies, the apportionments are deposited into one account which earns interest year-round. Staff withdraws funds from this account throughout the fiscal year to cover the agency’s operational expenses. Given the current trends in rates, the draft budget for FY 2022-23 assumes that the interest accrued on the agency’s payroll account will generate \$1,500 this upcoming year due to the economic downturn and recovery.

Unreserved Fund Balance

The Commission designates funds for all budget line items in order to operate the LAFCO office, including large expenses such as Legal Services (\$150,000) and Outside Consultants (\$100,000). If the Commission experiences any surplus at the end of the fiscal year, that carryover or “unreserved” amount is maintained in the agency’s payroll account. Historically, the Commission uses this unreserved amount to help balance the upcoming budget, if needed. Over the past several years, the use of unreserved funds as part of the revenue assumptions has helped avoid large fluctuations in the annual apportionments to the funding agencies. The unreserved fund balance for the last four fiscal years is shown on the following page.

Table 1: Unreserved Fund Balance (FY 17-18 to FY 21-22)

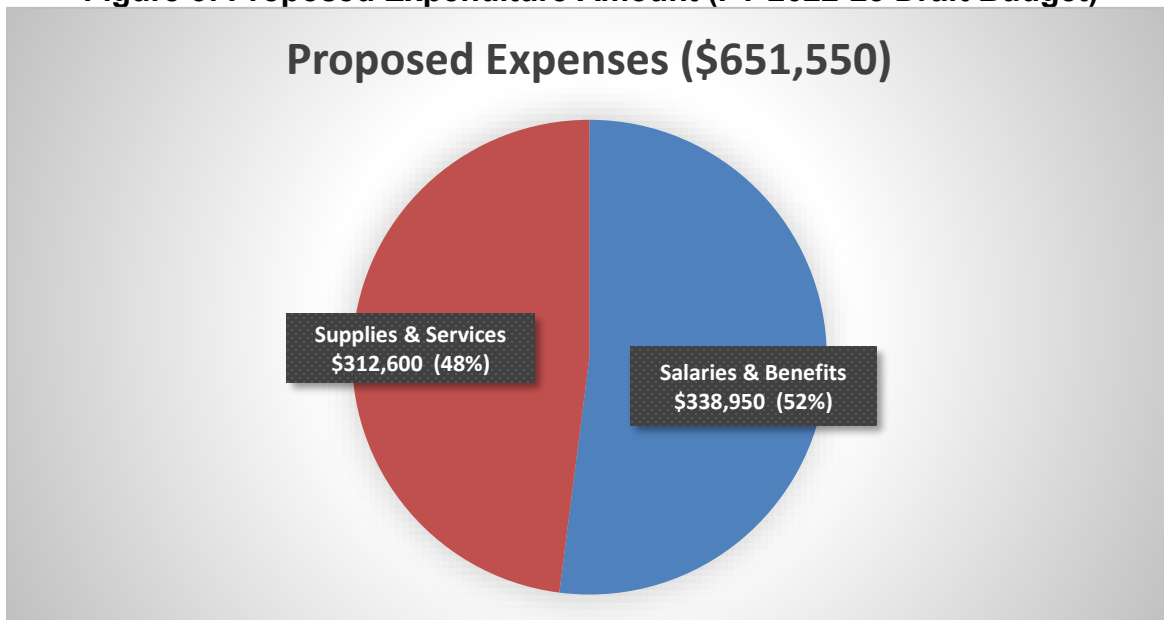
	FY 17-18 (Actual)	FY 18-19 (Actual)	FY 19-20 (Actual)	FY 20-21 (Actual)	FY 21-22 (Projected)
Unreserved Fund Balance (Year-End)	\$385,040	\$309,687	\$337,820	\$306,494	\$391,657
Funds used to Balance FY 21-22 Budget					\$230,785
Remaining Unreserved Fund Balance Amount					\$160,872

Staff anticipates utilizing \$230,785 of unreserved funds to balance the FY 2022-23 draft budget. Based on these budget projections, and assuming all unreserved funds are used, it is anticipated that the total unreserved fund balance will remain around \$160,872 or approximately 25% of the total budget for FY 2022-23.

EXPENDITURES

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

Figure 3: Proposed Expenditure Amount (FY 2022-23 Draft Budget)



Salaries

Santa Cruz LAFCO will have one full-time professional staff member for the upcoming fiscal year. Total salaries for FY 2022-23 is expected to be \$200,000, which represents a 9% decrease from the current budget for FY 2021-22 (\$220,000). The projections in the proposed budget reflect recently approved adjustments to the annual salaries for LAFCO’s Executive Officer. The following table shows the salary breakdown for Fiscal Years 2019-20, 2020-21, 2021-22, and 2022-23.

Table 3: LAFCO Staff Salary (FY 19-20 to FY 22-23)

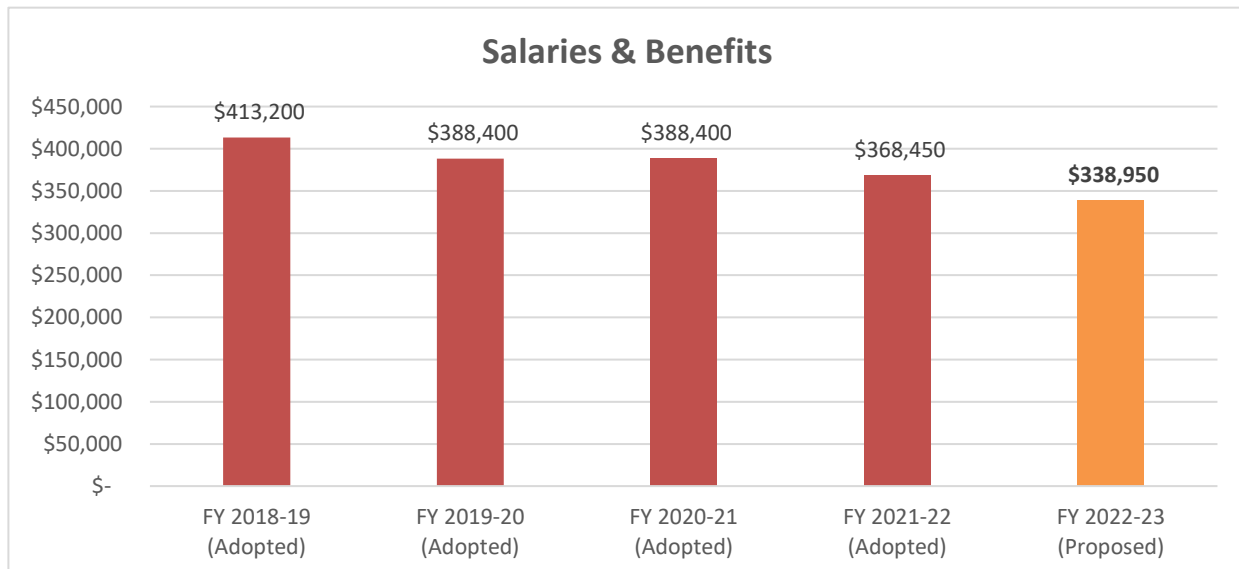
	FY 19-20 (Adopted)	FY 20-21 (Adopted)	FY 21-22 (Adopted)	FY 22-23 (Proposed)
Executive Officer	\$140,000	\$144,204	\$151,414	\$158,982
Commission Clerk	\$75,005	\$77,064	\$50,000	\$0
Salary Reserve	<u>\$30,395</u>	<u>\$24,132</u>	<u>\$18,586</u>	<u>\$41,018</u>
Total Salary Amount	\$245,400	\$245,400	\$220,000	\$200,000

Historically, the Commission has maintained a salary reserve balance to ensure that LAFCO has enough funds to cover salaries. Staff expects to have around \$41,000 in salary reserve for FY 2022-23. As the Commission is aware, Santa Cruz LAFCO now has new professional service agreements, including a contract with Best, Best & Krieger for legal services and Fire Reorganization Consulting, LLC for assistance in fire-related projects. Additionally, the proposed budget has discontinued Overtime Pay and Extra Help budgetary expenses because these items have not been utilized in over six years and LAFCO staff does not anticipate exhausting such expenses this upcoming fiscal year.

Benefits

The assumptions for the employee benefits (health, dental, life, and insurance) are typically based on information provided by the County of Santa Cruz which provides these benefits to LAFCO staff through a contractual agreement. The benefits for LAFCO staff mirror the benefits provided by the County to its employees. The proposed budget contains assumptions for retirement costs that are based on budgetary trends and figures provided by the California Public Employees’ Retirement System (CalPERS). Based on the latest CalPERS actuarial report, staff is expecting the retirement expenses to be around \$72,000 in the proposed budget (FY 2022-23). **Figure 4** shows the total Salary & Benefits from FY 2018-19 to FY 2022-23.

Figure 4: Total Salaries & Benefits (FY 18-19 to FY 22-23)



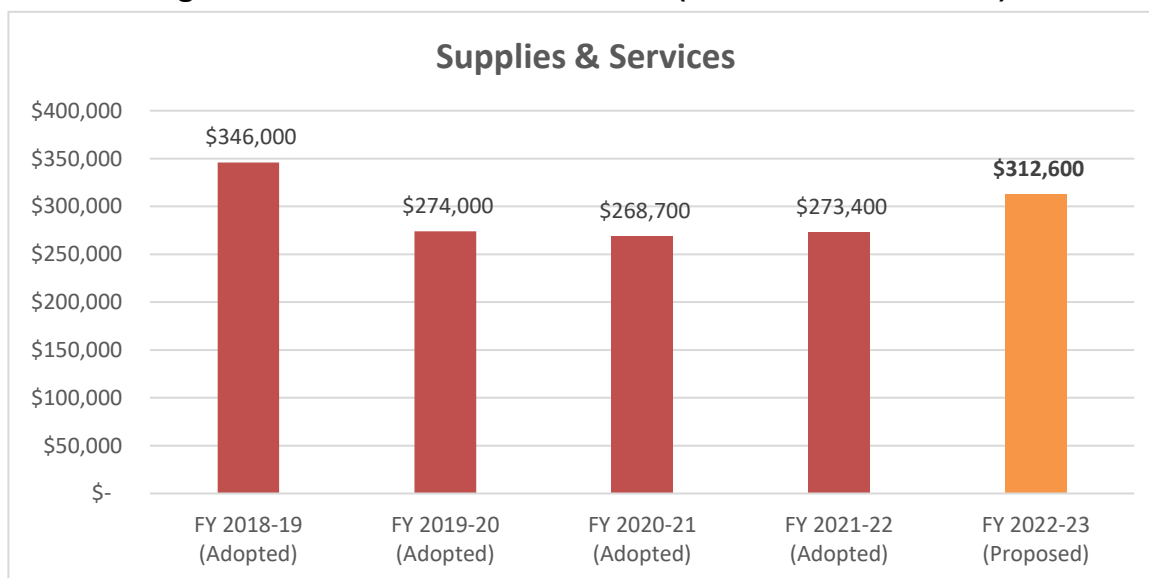
As **Figure 4** shows, Salaries & Benefits have declined for the last five fiscal years. The proposed budget for FY 2022-23 will be approximately 8% or \$29,500 less than the current budget (FY 2021-22).

Supplies & Services

Overall, the Commission's operation demonstrates prudent management of agency expenses. Most of the identified expenditures in the draft budget for FY 2022-23 are the same amount or slightly lower than the current budget, with a few exceptions. The following provides a brief discussion of the key areas that incorporate proposed changes in the draft budget. **Figure 5** also shows the total Supplies & Services from FY 2018-19 to FY 2022-23.

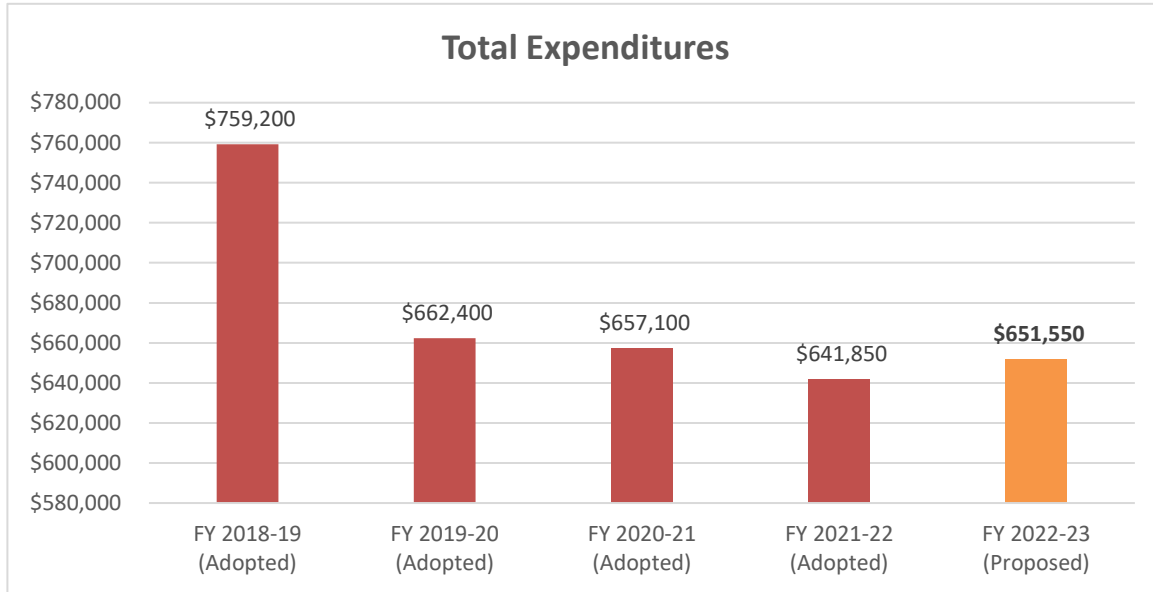
- **Professional Services:** This item contains the costs for services from outside consultants. The proposed increase of \$50,000 (now totaling \$100,000) reflects the recent hiring of Fire Reorganization Consulting, LLC for assistance in fire-related projects and the potential hiring of a consulting firm to produce a special fire study to determine the financial impacts of annexations of territory towards fire districts and County Service Area 48.
- **Lodging:** This item covers the cost of staying overnight for business trips, specifically staff workshops or conferences outside Santa Cruz County. The proposed decrease of \$2,200 (now totaling \$3,000) reflects the budgetary trend in recent years and the fact that LAFCO only has one full-time employee.
- **Mileage:** This item covers the driving cost of traveling to business meetings or conferences. The proposed decrease of \$2,000 (now totaling \$1,000) reflects the budgetary trend in recent years and the fact that LAFCO only has one full-time employee.
- **Registrations:** This item covers the cost of attending business trips, specifically staff workshops or conferences outside Santa Cruz County. The proposed decrease of \$3,000 (now totaling \$2,000) reflects the budgetary trend in recent years and the fact that LAFCO only has one full-time employee.

Figure 4: Total Salaries & Benefits (FY 18-19 to FY 22-23)



As **Figure 5** shows, Supplies & Services will increase in the proposed budget by 14% or \$39,200. This is primarily due to the increase in professional services for additional assistance in fire-related projects from outside consulting firms. **Figure 5** also depicts how Total Expenditures has decreased over the years.

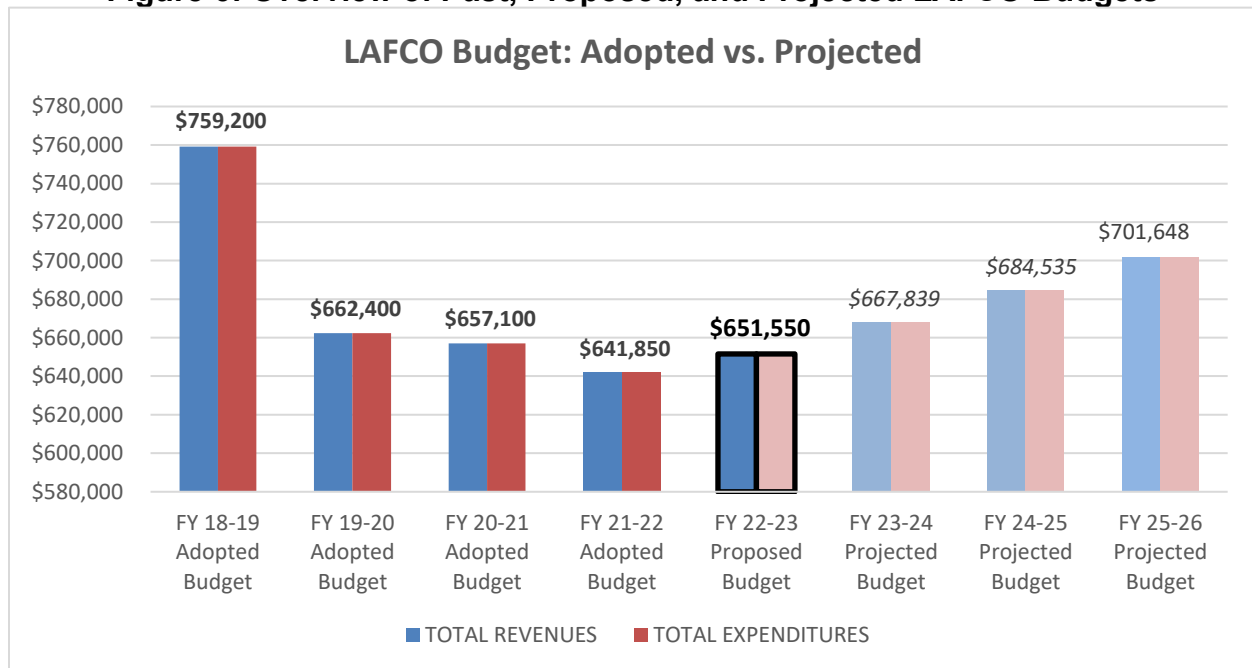
Figure 5: Total Expenditures (FY 18-19 to FY 22-23)



LAFCO BUDGET: PAST AND FUTURE PERSPECTIVE

This Commission strives to maximize funding and resources while maintaining an effective level of productivity. **Figure 6** shows how prudent management, coupled with staff changes, has resulted in significant decreases in overall expenses in the current budget (FY 2021-22) and a slight increase in the proposed budget (FY 2022-23). Projections can also help anticipate future changes to the LAFCO budget. In addition to Figure 4, **Attachment 4** offers a three-year budgetary outlook. The projections can be used as an informational tool for our funding agencies in preparation towards potential increases in apportionments. For purposes of the three-year budget projection, expenditures were increased by 2.5% each year. This percentage is based on last year’s Consumer Price Index. Please note that the projections shown are subject to change and should be used for discussion purposes only.

Figure 6: Overview of Past, Proposed, and Projected LAFCO Budgets



Based on staff's projections, LAFCO's next three budgets may be subject to increases in overall expenditures. If that occurs, the funding agencies may see an increase in future apportionments. LAFCO staff will continue to find appropriate methods to keep annual expenses down as much as possible to minimize allocation increases. The draft budget for FY 2022-23 reflects the Commission's effort to maximize existing revenues and keep operating costs low.

STAFF RECOMMENDATION

The draft budget for FY 2022-23 is slightly more than the current budget by 2% or \$9,700. Conservative budgetary management and staff changes are the primary reasons why the proposed budget did not experience any significant modifications. As a result, the funding agencies' apportionments is only seeing an increase of 5% or \$19,965. This is the first time since 2019 that apportionments have increased. In conclusion, staff believes that the adopted work program, current level of operations, and any other activities can be accomplished with this proposed budget. Therefore, staff recommends that the Commission adopt the resolution (refer to **Attachment 5**) approving the draft budget for FY 2022-23. A final budget will be presented to the Commission on Wednesday, June 1, 2022.

Respectfully Submitted,



Joe A. Serrano
Executive Officer

Attachments:

1. FY 2022-23 Draft Budget
2. FY 2022-23 Apportionments for Funding Agencies
3. Narrative of Budget Line Items (Expenditures)
4. Three-year Budget Projections
5. Draft Resolution (LAFCO No. 2022-04)

cc: County of Santa Cruz (Board of Supervisors, Auditor-Controller, and CAO)
Cities (Capitola, Santa Cruz, Scotts Valley, and Watsonville)
Independent Special Districts (21 in total)

5A: ATTACHMENT 1

FISCAL YEAR 2022-23	FY 21-22 Adopted Budget	FY 22-23 Proposed Budget	Budget Variance (\$)	Budget Variance (%)
REVENUE DESCRIPTION				
Interest	\$ 3,000	\$ 1,500	\$ (1,500)	-50%
Funding Agencies' Apportionments	\$ 399,300	\$ 419,265	\$ 19,965	5%
LAFCO Processing Fees		\$ -	\$ -	
Medical Charges-Employee		\$ -	\$ -	
Copy Charges		\$ -	\$ -	
Unreserved Fund Balance	\$ 239,550	\$ 230,785	\$ (8,765)	-4%
TOTAL REVENUES	\$ 641,850	\$ 651,550	\$ 9,700	2%
EXPENDITURE DESCRIPTION				
Regular Pay	\$ 220,000	\$ 200,000	\$ (20,000)	-9%
Overtime Pay	\$ -	\$ -	\$ -	#DIV/0!
Extra Help	\$ -	\$ -	\$ -	#DIV/0!
Sick Leave	\$ 1,000	\$ 1,000	\$ -	0%
Holiday Pay	\$ 10,000	\$ 10,000	\$ -	0%
Social Security	\$ 18,000	\$ 15,000	\$ (3,000)	-17%
PERS	\$ 68,000	\$ 72,000	\$ 4,000	6%
Insurances	\$ 50,000	\$ 40,000	\$ (10,000)	-20%
Unemployment	\$ 450	\$ 450	\$ -	0%
Workers Comp	\$ 1,000	\$ 500	\$ (500)	-50%
Total Salaries & Benefits	\$ 368,450	\$ 338,950	\$ (29,500)	-8%
Telecom	\$ 2,000	\$ 1,200	\$ (800)	-40%
Office Equipment	\$ 200	\$ 200	\$ -	0%
Memberships	\$ 7,500	\$ 7,500	\$ -	0%
Hardware	\$ 300	\$ 200	\$ (100)	-33%
Duplicating	\$ 1,000	\$ 800	\$ (200)	-20%
PC Software	\$ 600	\$ 600	\$ -	0%
Postage	\$ 800	\$ 1,000	\$ 200	25%
Subscriptions	\$ 500	\$ 500	\$ -	0%
Supplies	\$ 1,000	\$ 800	\$ (200)	-20%
Accounting	\$ 1,500	\$ 1,500	\$ -	0%
Attorney	\$ 150,000	\$ 150,000	\$ -	0%
Data Service	\$ 12,000	\$ 12,000	\$ -	0%
Director Fees	\$ 6,000	\$ 6,000	\$ -	0%
Surveyor	\$ -	\$ -	\$ -	#DIV/0!
Prof. Services	\$ 50,000	\$ 100,000	\$ 50,000	100%
Legal Notices	\$ 7,000	\$ 6,000	\$ (1,000)	-14%
Rents	\$ 9,000	\$ 9,000	\$ -	0%
Misc. Expenses	\$ 5,000	\$ 5,000	\$ -	0%
Books	\$ -	\$ -	\$ -	#DIV/0!
Air Fare	\$ 3,000	\$ 1,500	\$ (1,500)	-50%
Auto Rental	\$ 200	\$ 200	\$ -	0%
Training	\$ 1,800	\$ 1,800	\$ -	0%
Lodging	\$ 5,200	\$ 3,000	\$ (2,200)	-42%
Meals	\$ 500	\$ 500	\$ -	0%
Mileage	\$ 3,000	\$ 1,000	\$ (2,000)	-67%
Travel-Other	\$ 300	\$ 300	\$ -	0%
Registrations	\$ 5,000	\$ 2,000	\$ (3,000)	-60%
Total Services & Supplies	\$ 273,400	\$ 312,600	\$ 39,200	14%
TOTAL EXPENDITURES	\$ 641,850	\$ 651,550	\$ 9,700	2%

Description	Operating Revenue	Non-Operating Revenue	Apportionment	Deduct Intergovernmental	Total less Intergovernmental	Calculate Proportionate Share	Fee Percentage Projection	Auditor Administration Costs	Total
			Basis Revenue latest Published State Controller's Report						
LAFCO Total 2022-2023 Working Budget			416,765					2,500.00	419,265.00
Allocate 1/3 fee to County of Santa Cruz			138,921.66			138,921.66	33.333%	833.33	139,754.99
County of Santa Cruz									
Allocate 1/3 fee to all Cities Revenue Factor 2019-2020 Cities Annual Report			138,921.67						
City of Capitola			23,984,593	(667,428)	23,317,165	8,026.20	1.926%	48.15	8,074.35
City of Santa Cruz			245,792,779	(8,161,892)	237,630,887	81,796.94	19.627%	490.67	82,287.61
City of Scotts Valley			18,062,544	(1,126,919)	16,935,625	5,829.55	1.399%	34.97	5,864.52
City of Watsonville			134,878,727	(9,176,650)	125,702,077	43,268.98	10.382%	259.55	43,528.53
			422,718,643	(19,132,889)	403,585,754	138,921.67	33.333%	833.34	139,755.01
Allocate 1/3 fee to Independent Districts - Revenue Factor 2019-2020 Special Districts Annual Report			138,921.67						
Non-Enterprise									
Alba Park & Rec			366	0	366	0.41	0.000%	0.00	0.41
Ben Lomond Fire Protection			1,025,804	(5,097)	1,020,707	1,135.67	0.272%	6.81	1,142.48
Boulder Creek Fire Protection			1,308,655	(5,687)	1,302,968	1,449.72	0.348%	8.70	1,458.42
Boulder Creek Park & Rec			500,135	(1,251)	498,884	555.07	0.133%	3.33	558.40
Branciforte Fire Protection			1,035,012	(48,804)	986,208	1,097.28	0.263%	6.58	1,103.86
Central Fire District (1)			36,934,133	(570,379)	36,363,754	40,459.36	9.708%	242.70	40,702.06
Felton Fire Protection			929,021	(5,919)	923,102	1,027.07	0.246%	6.16	1,033.23
La Selva Beach Park & Rec			245,747	(798)	244,949	272.54	0.065%	1.63	274.17
Opal Cliffs Park & Rec (2)			0	0	0	0.00	0.000%	0.00	0.00
Pajaro Valley Fire Protection			2,130,585	(10,105)	2,120,480	2,359.31	0.566%	14.15	2,373.46
Pajaro Valley Public Cemetery			1,460,834	(4,403)	1,456,431	1,620.47	0.389%	9.72	1,630.19
Pajaro Valley Water Management Agency			15,147,611	(816,898)	14,330,713	15,944.76	3.826%	95.65	16,040.41
Reclamation District 2049			70,847	0	70,847	78.83	0.019%	0.47	79.30
Santa Cruz County Resource Conserv.			3,615,368	(3,074,222)	541,146	602.09	0.144%	3.61	605.70
Scotts Valley Fire Protection			8,137,380	(393,114)	7,744,266	8,616.49	2.067%	51.69	8,668.18
Zayante Fire Protection			636,407	(87,308)	549,099	610.94	0.147%	3.67	614.61
Non-Enterprise Subtotal			73,177,905	(5,023,985)	68,153,920	75,830.01	18.195%	454.87	76,284.88
Enterprise - Operating plus Non-Operating Revenue	Operating Revenue	Non-Operating Revenue	Total Revenue						
Central Santa Cruz County Water	1,110,345	152,608	1,262,953	(677)	1,262,276	1,404.44	0.337%	8.42	1,412.86
Salsipuedes Sanitary	393,583	54,052	447,635	(125)	447,510	497.91	0.119%	2.99	500.90
San Lorenzo Valley County Water (3)	11,135,904	1,546,042	12,681,946	(4,410)	12,677,536	14,105.39	3.384%	84.61	14,190.00
Santa Cruz Port District	9,813,660	807,789	10,621,449	(472,811)	10,148,638	11,291.67	2.709%	67.73	11,359.40
Scotts Valley County Water	6,674,839	1,216,414	7,891,253	(5,073)	7,886,180	8,774.39	2.105%	52.63	8,827.02
Soquel Creek Water District	23,220,664	1,062,242	24,282,906	0	24,282,906	27,017.86	6.483%	162.08	27,179.94
Enterprise Subtotal	57,188,142	(483,096)	56,705,046		63,091.66	15.138%	378.46	63,470.12	
Special District Total	130,366,047	(5,507,081)	124,858,966		138,921.67	33.333%	833.33	139,755.00	
Grand total						416,765.00	100.000%	2,500.00	419,265.00

Footnotes:

- (1) Aptos/La Selva FPD & Central FPD Consolidated in Feb 2021
- (2) Opal Cliffs Recreation District is scheduled to be dissolved in April 2022
- (3) Includes SLV Water, SLV Waste, and Lompico Water

**Local Agency Formation Commission of Santa Cruz County
Budget Line Item Narrative FY 2022-23**

Budget Line Item (Object Code)	Description
Salaries & Benefits	
51000 Regular Pay \$200,000 Executive Officer: Current Salary (\$76.43 hourly rate)	Total Salary Breakdown: Executive Officer \$158,982 Salary Reserve* <u>\$ 41,018</u> Total Salary \$200,000 *Salary Reserve: Allows for possible adjustments to staff salaries, cash out of administrative leave, and payment of unused leave upon termination of employment.
51005 Overtime Pay \$0	LAFCO staff may work overtime during periods of major projects and night meetings.
51010 Extra Help \$0	These funds may be used for temporary clerical assistance.
51015 Sick Leave \$1,000	Sick leave is budgeted as a lump sum.
51035 Holiday Pay \$10,000	Holiday pay is budgeted as a lump sum.
52010 Social Security \$15,000	This amount is based on a percentage of total salaries and historical trends.
52015 PERS \$72,000	This amount covers the Commission's contributions to the Public Employees Retirement System (PERS). Effective July 1, 2022, the employer's share of the normal costs will decrease from 10.88% of salaries to 10.87% and the employer's lump sum payment of unfunded liability will be \$64,632.
53010 Employee Insurance \$40,000	This amount provides for health insurance through PERS and for dental, eye care, life insurance, and limited disability insurance through the County's program. The employees pay a portion of the costs. The employees' contributions are budgeted as revenue, and reduce the net cost of this benefit to the Commission.
53015 Unemployment \$450	This amount is based on a percentage of total salaries and historical trends.
54010 Workers' Compensation \$500	The Commission obtains this coverage from the Special District Risk Management Authority (SDRMA).
Total Salaries & Benefits	\$338,950

Budget Line Item (Object Code)	Description
Services & Supplies	
61220 Telephone \$1,200	This amount covers the costs towards LAFCO's telephone system and annual usage.
61725 Maintenance of Office Equipment \$200	This amount covers the costs towards maintenance of LAFCO's copier and other office equipment.
62020 Memberships \$7,500	This amount provides for membership with the California Association of LAFCOs (CALAFCO), California Special Districts Association (CSDA), and any other relative group.
62111 Computer Hardware \$200	This amount covers any hardware needed to conduct administrative/operational projects.
62214 Duplicating \$800	This amount covers the costs to copy reports, maps or other relative material by the County or at a local printing shop.
62219 Software \$600	This amount covers any web-based software needed to conduct administrative/operational projects.
62221 Postage \$1,000	This amount covers the costs of mailing public notices and regular correspondence.
62222 Subscriptions \$500	This amount covers annual subscriptions including but not limited to LAFCO's web-based presentation platform (Prezi).
62223 Supplies \$800	This amount covers office-related supplies.
62310 Accounting \$1,500	This amount is the cost of accounting services from the County Auditor. It includes payroll, vendor payments, and auditing.
62304 Attorney \$150,000	This amount represents legal services from Best, Best & Krieger (\$40,000), and a litigation reserve (\$110,000).
62325 Data Services \$12,000	This amount covers the charges from the County I.T. Department regarding LAFCO's computers, printers, mapping system, and other database services.
62327 Director Fees \$6,000	This amount is calculated upon all 11 Commissioners being paid a \$50 stipend for their attendance to 11 meetings.
62330 Surveyor \$0	This amount covers map checking by the County Surveyor and map prints from the County Public Works Department.
62381 Professional Services \$100,000	This amount covers outside assistance when preparing service and sphere reviews or other special studies.
62420 Legal Notices \$6,000	This amount is used to pay for public hearing notices and other legal advertisement.

62610 Rent \$9,000	This amount covers the County's charges for LAFCO to rent its office on the third floor of the governmental center. The annual rent is \$8,925. Additionally, the County charges the Commission to store and retrieve LAFCO's old records in the County warehouse.
62856 Miscellaneous Expenses \$5,000	This amount is used for paying web-hosting costs, and filing fees including but not limited to the State Department of Tax & Fee Administration and the State Department of Fish and Wildlife.
62890 Books \$0	This amount is used to purchase LAFCO-related books and other written material.
62910 Airfare \$1,500	This amount is used to attend meetings that are in distant locations in California.
62912 Auto Rental \$200	This amount is based on historical trends.
62914 Education & Training \$1,800	This amount represents staff development courses and seminars.
62922 Lodging \$3,000	This amount covers overnight stays for Commissioners and staff attending training sessions, workshops, and annual conferences.
62924 Meals \$500	This amount is the average allowance towards meal costs associated with LAFCO-related meetings or travels.
62926 Mileage \$1,000	This amount include mileage for LAFCO-related errands, and allowance for Commissioners and staff to attend conferences, seminars, CALAFCO board meetings, and other meetings.
62928 Travel \$300	This amount covers miscellaneous travel costs such as train fares, bus fares, parking, and bridge tolls.
62930 Registrations \$2,000	This amount covers workshop and conference registrations for Commissioners and staff when attending educational courses.
Total Services & Supplies	\$312,600

FY 2022-23 Budget Recap (Expenditure)

Salaries & Benefits	\$ 338,950
Services & Supplies	\$ <u>312,600</u>
Total Expenditure	\$ 651,550

5A: ATTACHMENT 4

FISCAL YEAR 2021-22	FY 22-23 Proposed Budget	FY 23-24 Projected Budget	FY 24-25 Projected Budget	FY 25-26 Projected Budget
REVENUE DESCRIPTION				
Interest	\$ 1,500	\$ 1,538	\$ 1,576	\$ 1,615
Funding Agencies' Apportionments	\$ 419,265	\$ 429,747	\$ 440,490	\$ 451,503
LAFCO Processing Fees	\$ -	\$ -	\$ -	\$ -
Medical Charges-Employee	\$ -	\$ -	\$ -	\$ -
Copy Charges	\$ -	\$ -	\$ -	\$ -
Unreserved Fund Balance	\$ 230,785	\$ 236,555	\$ 242,468	\$ 248,530
TOTAL REVENUES	\$ 651,550	\$ 667,839	\$ 684,535	\$ 701,648
EXPENDITURE DESCRIPTION				
Regular Pay	\$ 200,000	\$ 205,000	\$ 210,125	\$ 215,378
Overtime Pay	\$ -	\$ -	\$ -	\$ -
Extra Help	\$ -	\$ -	\$ -	\$ -
Sick Leave	\$ 1,000	\$ 1,025	\$ 1,051	\$ 1,077
Holiday Pay	\$ 10,000	\$ 10,250	\$ 10,506	\$ 10,769
Social Security	\$ 15,000	\$ 15,375	\$ 15,759	\$ 16,153
PERS	\$ 72,000	\$ 73,800	\$ 75,645	\$ 77,536
Insurances	\$ 40,000	\$ 41,000	\$ 42,025	\$ 43,076
Unemployment	\$ 450	\$ 461	\$ 473	\$ 485
Workers Comp	\$ 500	\$ 513	\$ 525	\$ 538
Total Salaries & Benefits	\$ 338,950	\$ 347,424	\$ 356,109	\$ 365,012
Telecom	\$ 1,200	\$ 1,230	\$ 1,261	\$ 1,292
Office Equipment	\$ 200	\$ 205	\$ 210	\$ 215
Memberships	\$ 7,500	\$ 7,688	\$ 7,880	\$ 8,077
Hardware	\$ 200	\$ 205	\$ 210	\$ 215
Duplicating	\$ 800	\$ 820	\$ 841	\$ 862
PC Software	\$ 600	\$ 615	\$ 630	\$ 646
Postage	\$ 1,000	\$ 1,025	\$ 1,051	\$ 1,077
Subscriptions	\$ 500	\$ 513	\$ 525	\$ 538
Supplies	\$ 800	\$ 820	\$ 841	\$ 862
Accounting	\$ 1,500	\$ 1,538	\$ 1,576	\$ 1,615
Attorney	\$ 150,000	\$ 153,750	\$ 157,594	\$ 161,534
Data Service	\$ 12,000	\$ 12,300	\$ 12,608	\$ 12,923
Director Fees	\$ 6,000	\$ 6,150	\$ 6,304	\$ 6,461
Surveyor	\$ -	\$ -	\$ -	\$ -
Prof. Services	\$ 100,000	\$ 102,500	\$ 105,063	\$ 107,689
Legal Notices	\$ 6,000	\$ 6,150	\$ 6,304	\$ 6,461
Rents	\$ 9,000	\$ 9,225	\$ 9,456	\$ 9,692
Misc. Expenses	\$ 5,000	\$ 5,125	\$ 5,253	\$ 5,384
Books	\$ -	\$ -	\$ -	\$ -
Air Fare	\$ 1,500	\$ 1,538	\$ 1,576	\$ 1,615
Auto Rental	\$ 200	\$ 205	\$ 210	\$ 215
Training	\$ 1,800	\$ 1,845	\$ 1,891	\$ 1,938
Lodging	\$ 3,000	\$ 3,075	\$ 3,152	\$ 3,231
Meals	\$ 500	\$ 513	\$ 525	\$ 538
Mileage	\$ 1,000	\$ 1,025	\$ 1,051	\$ 1,077
Travel-Other	\$ 300	\$ 308	\$ 315	\$ 323
Registrations	\$ 2,000	\$ 2,050	\$ 2,101	\$ 2,154
Total Services & Supplies	\$ 312,600	\$ 320,415	\$ 328,425	\$ 336,636
TOTAL EXPENDITURES	\$ 651,550	\$ 667,839	\$ 684,535	\$ 701,648

Footnote: 2.5% increase based on January 2020 Consumer Price Index (CPI)

LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY
RESOLUTION NO. 2022-04

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

RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION
ADOPTING A DRAFT BUDGET FOR FISCAL YEAR 2022-23

WHEREAS, California Government Code Section 56381(a) requires the Local Agency Formation Commission of Santa Cruz County (“LAFCO” or “Commission”) to adopt draft and final budgets each year by May 1st and June 15th, respectively; and

WHEREAS, the Commission’s Executive Officer prepared a written report outlining recommendations with respect to anticipated work activities and budgetary needs in Fiscal Year 2022-23; and

WHEREAS, the proposed budget was advertised in the Santa Cruz Sentinel Newspaper on March 11 for consideration at the April 6th LAFCO Meeting; and

WHEREAS, the Commission heard and fully considered all the evidence on a draft budget during a public hearing held on April 6, 2022; and

WHEREAS, the draft and final budget will allow the Commission to fulfill the programs and purposes of the Cortese-Knox-Hertzberg Act because it will allow the Commission to prepare the state-mandated service reviews in a timely manner; and

WHEREAS, the Commission will consider adoption of a final budget for Fiscal Year 2022-23 during a public hearing scheduled for June 1, 2022.

NOW, THEREFORE, BE IT RESOLVED, the Commission hereby adopts a draft budget for the fiscal year beginning July 1, 2022 in the amount of \$651,550 with the new amount to be funded by the participating agencies of \$419,265 (\$416,765 apportionment basis + \$2,500 for the County Auditor-Controller’s fee to calculate and collect the participating agencies’ apportionments).

PASSED AND ADOPTED by the Local Agency Formation Commission of Santa Cruz County this 6th day of April 2022.

AYES:

NOES:

ABSTAIN:

RACHÉL LATHER, CHAIRPERSON

Attest:

Approved as to form:

Joe A. Serrano
Executive Officer

Joshua Nelson
LAFCO Counsel

DRAFT



Santa Cruz Local Agency Formation Commission

Date: April 6, 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, 2021, 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 consider one of the following two actions:

- 1) Ratify the existing resolution (No. 2021-19) approving the continuation of remote meetings under AB 361; or
- 2) Direct staff to conduct an in-person meeting for the next regularly scheduled LAFCO Meeting (May 4, 2022).

EXECUTIVE OFFICER’S REPORT:

In November 2021, 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. State and local mask mandates have been recently amended for vaccinated and unvaccinated people. Now that mask requirements have been modified, as shown in **Attachment 2**, the Commission may consider whether to continue conducting meetings remotely under AB 361 or direct staff to host the next LAFCO Meeting in-person. Since California continues to be under a State of Emergency, remote meetings are still an option for the Commission in accordance with AB 361.

Respectfully Submitted,

Joe A. Serrano
Executive Officer

Attachment:

- 1) Resolution No. 2021-19 (Adopted Version)
- 2) California Department of Public Health Letter (Face Mask Guidelines)

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

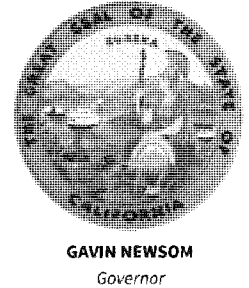
Approved as to form:



Daniel H. Zazueta
LAFCO Counsel



State of California—Health and Human
Services Agency
**California Department of
Public Health**



February 28, 2022

TO: All Californians

SUBJECT: Guidance for the Use of Face Masks

Related Materials: [Face Coverings Q&A](#) | [Face Coverings Fact Sheet \(PDF\)](#) | [Face Mask Tips and Resources](#) | [Face Shields Q&A \(PDF\)](#) | [Safe Schools for All Hub](#) | [More Home & Community Guidance](#) | [All Guidance](#) | [More Languages](#)

Updates as of February 28, 2022:

- Effective March 1, 2022, the requirement that unvaccinated individuals mask in indoor public settings will move to a strong recommendation that all persons, regardless of vaccine status, continue indoor masking.
- Universal masking shall remain required in specified high-risk settings.
- After March 11, 2022, the universal masking requirement for K-12 and Childcare settings will terminate. CDPH strongly recommends that individuals in these settings continue to mask in indoor settings when the universal masking requirement lifts.

Guidance For the Use of Masks

Background

California has used science to guide our health protection strategies throughout the pandemic. Data show that because of these strategies, we have saved lives. COVID-19 cases and hospitalization continue to decline across the state. Since February 14, cases have declined by 66% and hospitalizations have declined by 48%. This is due in large part to the collective efforts of Californians to get vaccinated, get boosted, and wear masks indoors.

A universal indoor masking requirement was reinstated on December 15, 2021, to add a layer of mitigation as the Omicron variant, a Variant of Concern as labeled by the World Health Organization, increased in prevalence across California, the United States, and the world and spread much more easily than the original SARS-CoV-2 virus and the Delta variant. Implementing the universal masking requirement in all indoor public settings during the winter season was an important tool to decrease community transmission and protect critical healthcare system capacity during the highly infectious Omicron surge. Since the peak in case rates during the Omicron surge in early January

2022, the dramatic surge in cases and hospitalizations due to the highly infectious Omicron variant over the last two months has declined significantly. Californians have also become increasingly knowledgeable about how to protect themselves and their loved ones with effective masks when there may be risk of COVID-19 exposure or transmission. Accordingly, CDPH amended this masking guidance to allow the universal indoor masking requirement to expire on February 15, 2022 as scheduled.

The COVID-19 vaccines remain effective in preventing serious disease, hospitalization, and death from the SARS-CoV-2 virus. Vaccination continues to remain the ultimate exit strategy out of the COVID-19 pandemic. While the percentage of Californians fully vaccinated and boosted continues to increase, we continue to have areas of the state where vaccine coverage is low, putting individuals and communities at greater risk for COVID-19. As a state, we need to remain vigilant.

Accordingly, effective March 1, 2022, the requirement for unvaccinated persons to mask in indoor public settings and businesses is being replaced by a **strong recommendation** that all persons, regardless of vaccination status, continue to mask while in indoor public settings and businesses.

As we've shown in our SMARTER Plan, masks, especially those that offer the best fit and filtration (e.g., N95s, KN95s, KF94s), remain a critical component of our multi-layered approach for protection against COVID-19 infection. A series of cross-sectional surveys in the U.S. suggested that a 10% increase in self-reported mask wearing tripled the likelihood of slowing community transmission.[1] Our recently published case-control study conducted in California from February 18 to December 1, 2021 demonstrated that consistently wearing a face mask or respirator in indoor public settings reduces the risk of acquiring SARS-CoV-2 infection. [2]. Masks also remain a critical component for protecting those that are most vulnerable in our communities, including the unvaccinated, the immunocompromised, or those at risk for severe disease and illness.

Throughout this pandemic, the masking requirement in California schools has allowed us to keep schools open when compared to other parts of the country. California accounts for roughly 12% of all U.S. students, but accounted for only 1% of COVID-19 related school closures during the Omicron surge. Nationally during the Delta surge in July and August 2021, jurisdictions without mask requirements in schools experienced larger increases in pediatric case rates, and school outbreaks were 3.5 times more likely in areas without school mask requirements. [3], [4]. Current projections show that statewide, the declines we are seeing in cases and hospitalizations will continue. Accordingly, after **March 11, 2022**, the universal masking requirement for K-12 and Childcare settings will terminate. CDPH **strongly recommends** that individuals in these settings continue to mask in indoor settings when the universal masking requirement lifts. Masking will continue to be an important layer of protection along with the continued recommendations around vaccinations, testing and ventilation, to keep schools a safe environment, even as case rates and hospitalizations decline.

CDPH is maintaining the masking requirements in specified **high-risk settings**, consistent with CDC recommendations. This allows us to continue protecting our most vulnerable populations and the workforce that delivers critical services in these settings.

Finally, CDPH is maintaining the requirement that businesses and venue operators, including K-12 school and childcare settings, must allow any individual to wear a mask if they desire to.

In workplaces, employers are subject to the Cal/OSHA COVID-19 Emergency Temporary Standards (ETS) or in some workplaces the Cal/OSHA Aerosol Transmissible Diseases (ATD) Standard and should consult those regulations for additional applicable requirements.

Local health jurisdictions and entities may continue to implement additional requirements that go beyond this statewide guidance based on local circumstances.

These requirements and recommendations will continue to be updated as CDPH continues to assess conditions on an ongoing basis.

Masking Requirements

Masks are required for all individuals in the following indoor settings, regardless of vaccination status. Surgical masks or higher-level respirators (e.g., N95s, KN95s, KF94s) with good fit are highly recommended.

- Indoors in K-12 schools[6], childcare[7] (through March 11, 2022)*
- On public transit[5] (examples: airplanes, ships, ferries, trains, subways, buses, taxis, and ride-shares) and in transportation hubs (examples: airport, bus terminal, marina, train station, seaport or other port, subway station, or any other area that provides transportation)
- Emergency[8] shelters and cooling and heating centers[9]
- Healthcare settings[10] (applies to all healthcare settings, including those that are not covered by the State Health Officer Order issued on July 26, 2021)**
- State and local correctional facilities and detention centers[11]
- Homeless shelters[12]
- Long Term Care Settings & Adult and Senior Care Facilities[13]

*After March 11, the universal masking requirement for K-12 and Childcare settings will terminate. CDPH strongly recommends that individuals in these settings continue to mask in indoor settings when the universal masking requirement lifts. For additional information on types of masks for children, the most effective masks, and ensuring a well-fitted mask, individuals should refer to CDPH Masks for Kids: Tips and Resources.

**In certain healthcare situations or settings surgical masks are required. See State Health Officer Order, issued on July 26, 2021, for a full list of high-risk congregate and other specifically enumerated healthcare settings where surgical masks are required for unvaccinated workers. The Order also includes recommendations for respirator use for unvaccinated workers in healthcare and long-term care facilities in situations or settings not covered by Cal/OSHA ETS or ATD.

Additionally, masks **are strongly recommended for all persons, regardless of vaccine status**, in indoor public settings and businesses (examples: retail, restaurants, theaters, family entertainment centers, meetings, state and local government offices serving the public). Surgical masks or higher-level respirators (e.g., N95s, KN95s, KF94s) with good fit are highly recommended.

For additional information on types of masks, the most effective masks, and ensuring a well-fitted mask, individuals should refer to CDPH Get the Most out of Masking and see CDPH Masking Guidance Frequently Asked Questions for more information.

*Guidance for Businesses, Venue Operators or Hosts

In settings where masks are strongly recommended, businesses, venue operators or hosts should consider:

- Providing information to all patrons, guests and attendees regarding masking recommendations for all persons, regardless of vaccine status.

- Providing information to all patrons, guests and attendees to consider better fit and filtration for masks [Surgical masks or higher-level respirators (e.g., N95s, KN95s, KF94s) with good fit are recommended over cloth masks].
- Requiring all patrons to wear masks, especially when risk in the community may be high, or if those being served are at high-risk for severe disease or illness.
- Requiring attendees who do not provide proof of vaccination to enter indoor Mega Events to continue masking during the event, especially when not actively eating or drinking.

No person can be prevented from wearing a mask as a condition of participation in an activity or entry into a business.

Exemptions to masks requirements

The following **individuals** are exempt from wearing masks at all times:

- Persons younger than two years old. Very young children must not wear a mask because of the risk of suffocation.
- Persons with a medical condition, mental health condition, or disability that prevents wearing a mask. This includes persons with a medical condition for whom wearing a mask could obstruct breathing or who are unconscious, incapacitated, or otherwise unable to remove a mask without assistance.
- Persons who are hearing impaired, or communicating with a person who is hearing impaired, where the ability to see the mouth is essential for communication.
- Persons for whom wearing a mask would create a risk to the person related to their work, as determined by local, state, or federal regulators or workplace safety guidelines.

[1] Rader B, White LF, Burns MR, et al. Mask-wearing and control of SARS-CoV-2 transmission in the USA: a cross-sectional study. *The Lancet Digital Health*. 2021;3(3):e148–e157.

[2] Andrejko KL, Pry JM, Myers JF, et al. Effectiveness of Face Mask or Respirator Use in Indoor Public Settings for Prevention of SARS-CoV-2 Infection — California, February–December 2021. *MMWR Morb Mortal Wkly Rep*. ePub: 4 February 2022

[3] Jehn M, McCullough JM, Dale AP, Gue M, Eller B, Cullen T, Scott SE. Association between K–12 school mask policies and school-associated COVID-19 outbreaks — Maricopa and Pima Counties, Arizona, July–August 2021. *MMWR Morb Mortal Wkly Rep*. 2021; 70(39);1372–1373.

[4] Budzyn SE, Panaggio MJ, Parks SE, Papazian M, Magid J, Eng M, Barrios LC. Pediatric COVID-19 cases in counties with and without school mask requirements — United States, July 1–September 4, 2021. *MMWR Morb Mortal Wkly Rep*. 2021; 70(39);1377–1378.

[5] CDC Requirement for Face Masks on Public Transportation Conveyances and at Transportation Hubs

[6] CDC Guidance for COVID-19 Prevention in K-12 Schools

[7] CDC COVID-19 Guidance for Operating Early Care and Education/Child Care Programs

[8] CDC's Interim Guidance for General Population Disaster Shelters During the COVID-19 Pandemic

[9] CDC COVID-19 and Cooling Centers

[10] CDC Interim Infection Prevention and Control Recommendations for Healthcare Personnel During the Coronavirus Disease 2019 (COVID-19) Pandemic

[11] CDC Interim Guidance on Management of Coronavirus Disease 2019 (COVID-19) in Correctional and Detention Facilities

[12] CDC Interim Guidance for Homeless Service Providers to Plan and Respond to Coronavirus Disease 2019 (COVID-19)

[13] CDC Nursing Homes and Long-Term Care Facilities

California Department of Public Health
PO Box, 997377, MS 0500, Sacramento, CA 95899-7377
Department Website (cdph.ca.gov)





Santa Cruz Local Agency Formation Commission

Date: April 6, 2022
To: LAFCO Commissioners
From: Joe Serrano, Executive Officer
Subject: **“Opal Cliffs Recreation District Reorganization” – Protest Results**

SUMMARY OF RECOMMENDATION

The Commission approved a reorganization involving the Opal Cliffs Recreation District and County Service Area 11 (County Parks) on February 9, 2022. State law requires the commencement of two post-action proceedings: Request for Reconsideration Period and the Protest Period. The request for reconsideration period ended on March 11, 2022 without any submittals. A protest hearing was held on March 31, 2022 which ended the protest period. No petitions of opposition were gathered during the 21-day proceeding. Today, the Commission will ratify the protest results.

It is recommended that the Commission adopt the protest hearing minutes and draft resolution (No. 2022-05) certifying the protest period results.

EXECUTIVE OFFICER’S REPORT

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 have an opportunity to voice their opposition during a protest period. The protest proceeding occurred from March 11 to March 31. A protest hearing was held on March 31, 2022 at 9am to receive any final petitions. **Attachment 1** provides a copy of the draft action minutes taken during the protest hearing. LAFCO received no petitions from landowners or registered voters during the 21-day protest period. The attached resolution certifies the results of this proceeding (refer to **Attachment 2**).

The reorganization will be recorded once LAFCO staff determines that all terms and conditions outlined in the February 9th LAFCO Resolution are fulfilled.

Respectfully Submitted,

Joe A. Serrano
Executive Officer

Attachments:

- 1. Draft Action Minutes (Protest Hearing)
- 2. Draft Resolution No. 2022-05



LOCAL AGENCY FORMATION COMMISSION
OF SANTA CRUZ COUNTY

DRAFT ACTION MINUTES
PROTEST HEARING FOR THE PROPOSED
“OPAL CLIFFS RECREATION DISTRICT REORGANIZATION”
(LAFCO PROJECT NO. RO 21-18)

Date: Thursday, March 31, 2022
Time: 9:00 a.m.

Location: Virtual Setting (Zoom Webinar)
Teleconference: 669-900-6833

The March 31, 2022 Protest Hearing is called to order by declaration of Joe Serrano, LAFCO Executive Officer.

CALL THE MEETING TO ORDER

Joe Serrano welcomed everyone for attending the protest hearing. The hearing is being conducted by LAFCO staff in accordance with the Commission’s Protest Hearing Policy.

PUBLIC COMMENT

Joe Serrano opened the floor for public comments.

Mr. Serrano opened the floor for any public comments. He indicated that there were no requests.

SUMMARIZATION OF LAFCO RESOLUTION NO. 2022-02

Mr. Serrano reviewed the terms and conditions outlined in the resolution approving the reorganization. This resolution was adopted by the Commission on February 9, 2022 and will be recorded once all the terms and conditions are fulfilled.

ORAL OR WRITTEN PROTESTS, OBJECTIONS, OR EVIDENCE

Mr. Serrano indicated that one of the conditions in the adopted resolution was to conduct a protest proceeding which would allow affected registered voters and landowners to voice their opposition towards the reorganization. If LAFCO receives less than 25% in opposition, then the approval of the reorganization moves forward. If LAFCO receives between 25% to 50% in opposition, then the reorganization requires a special election. If LAFCO receives more than 50% in opposition, then the reorganization is terminated. Protest petition thresholds are based on the number of registered voters and the total assessed land value within the reorganization area.

Mr. Serrano opened the floor for any oral or written protests. He indicated that no opposition was raised.

DETERMINATION OF THE VALUE OF WRITTEN PROTESTS

Mr. Serrano informed the attendees that a total of zero petitions were received from registered voters or landowners. Based on this turnout, the reorganization will move forward.

Mr. Serrano opened the floor one last time to ensure that everyone attending had an opportunity to address the reorganization effort. He indicated that there were no requests.

ADJOURNMENT

The next LAFCO meeting is scheduled for 9:00 a.m. Wednesday, April 6, 2022.

RACHÉL LATHER, CHAIRPERSON

Attest:

Joe A. Serrano, Executive Officer

LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY
RESOLUTION NO. 2022-05

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

RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION,
ACTING AS THE CONDUCTING AUTHORITY, MAKING DETERMINATIONS
ON THE VALUE OF WRITTEN PROTEST FOR THE TERRITORY DESIGNATED AS
THE "OPAL CLIFFS RECREATION DISTRICT REORGANIZATION"
(LAFCO PROJECT NO. RO 21-18)

WHEREAS, on February 9, 2022, the Local Agency Formation Commission of Santa Cruz County ("LAFCO" or "Commission") held a public hearing to consider an application submitted by the Opal Cliffs Recreation District ("OCRD") to dissolve OCRD and concurrently annex the dissolved area into County Service Area 11 ("CSA 11") in accordance with the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Section 56000 et seq.); and

WHEREAS, after conducting a public hearing and considering all evidence, both written and oral, LAFCO adopted Resolution No. 2022-02, approving the reorganization; and

WHEREAS, a 30-day request for reconsideration period was held during February 9 to March 11, 2022 in accordance with Government Code Section 56895. LAFCO did not receive any requests to reconsider the Commission's approval during this period; and

WHEREAS, on March 10, 2022, LAFCO provided notice of the protest proceeding in accordance with Government Code Section 57025 and held during March 11 to March 31, 2022; and

WHEREAS, on March 31, 2022, LAFCO acting as the conducting authority, held a protest hearing to receive and consider any written protests filed.

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

Section 1. Valid written protests to the reorganization in accordance with Government Code Section 57075(a)(2)(A) and (B) were not filed. Therefore, an election is not required.

Section 2. A majority written protest to the reorganization in accordance with Government Code Section 57078 was not filed. In total, LAFCO received zero petitions from registered voter or landowners during the protest period.

Section 3. The reorganization, covering approximately 67 acres, is approved.

Section 4. The boundaries of the reorganization are shown on Exhibits A and B.

Section 5. This action is taken pursuant to division 3, title 5 (commencing with Government Code Section 56000), known as the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

Section 6. The terms and conditions of the reorganization are set forth in LAFCO Resolution 2022-02, and incorporated by reference.

Section 7. The reasons for the consolidation are those set forth in the analysis included in LAFCO's staff report which was presented during the February 9, 2022 Commission Meeting, hereby incorporated by reference.

PASSED AND ADOPTED by the Local Agency Formation Commission of Santa Cruz County this 6th day of April 2022.

AYES:

NOES:

ABSTAIN:

RACHÉL LATHER, CHAIRPERSON

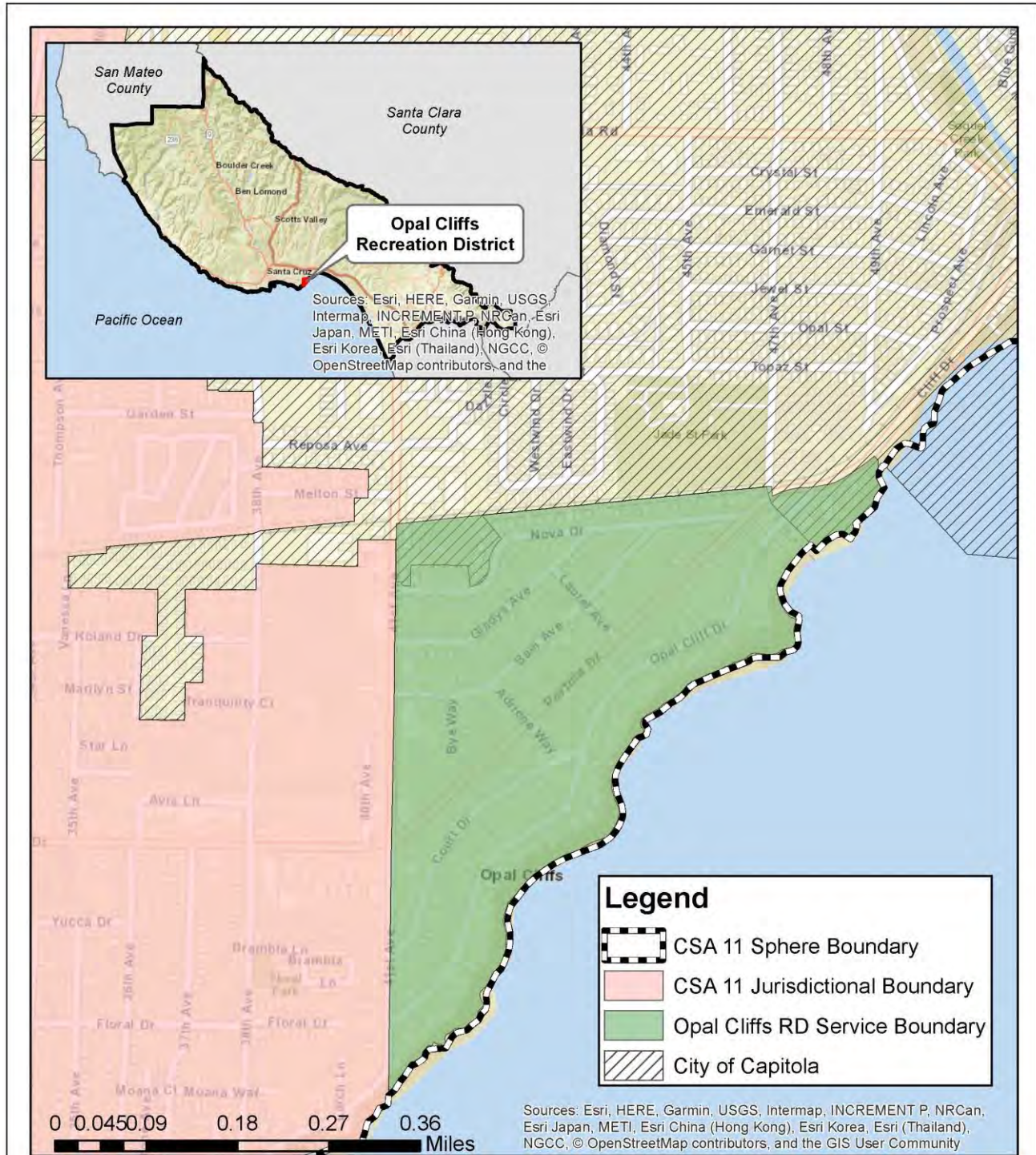
Attest:

Approved as to form:

Joe A. Serrano
Executive Officer

Joshua Nelson
LAFCO Counsel

EXHIBIT A: VICINITY MAP

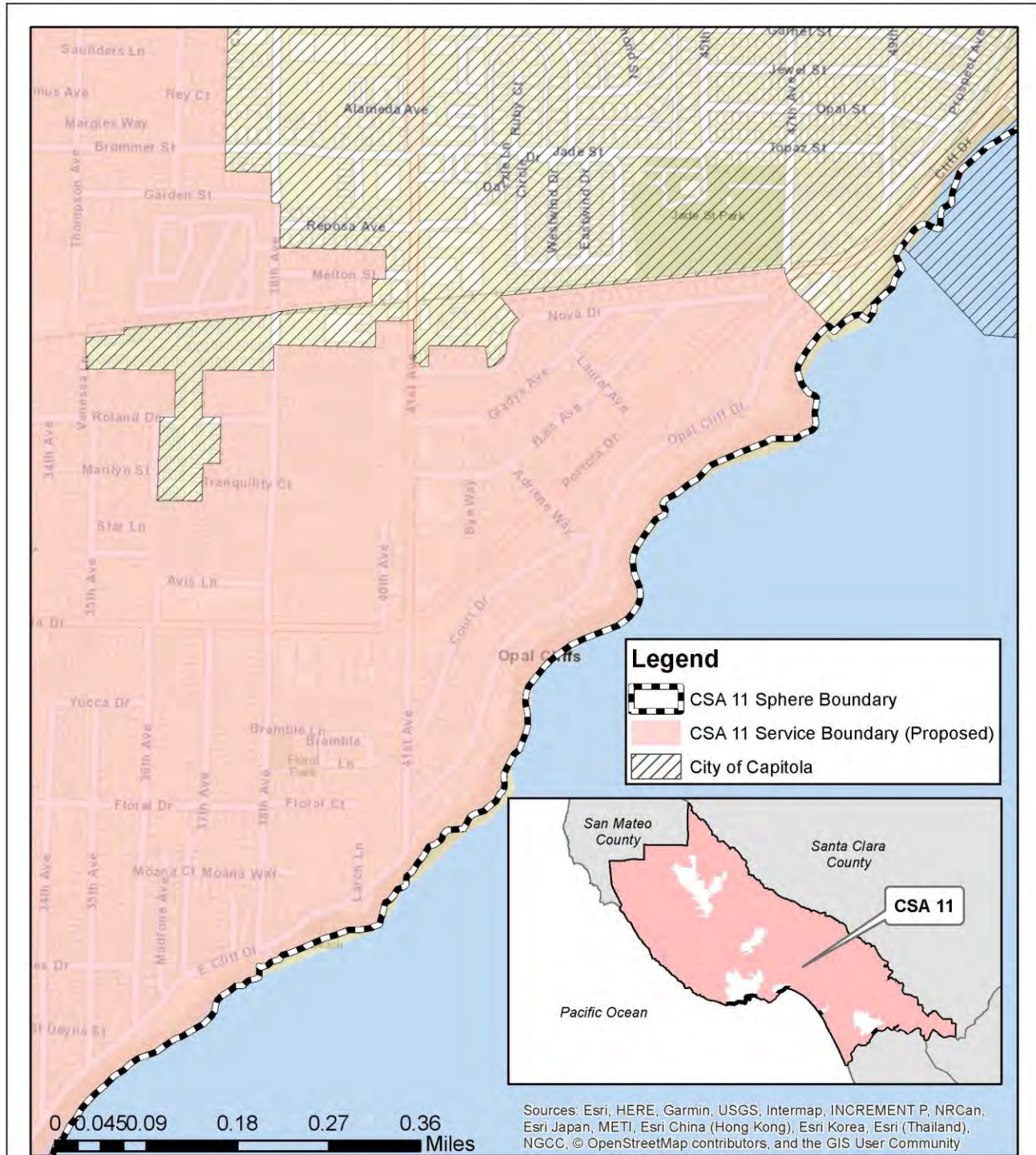


"Opal Cliffs Recreation District Reorganization" (LAFCO Project No. RO 21-18)



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.

EXHIBIT B: REORGANIZATION MAP



"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.



Santa Cruz Local Agency Formation Commission

Date: April 6, 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.

It is recommended that the Commission take a “Support” position on AB 2957, SB 938, and SB 969 and direct the Executive Officer to submit a letter to each of the bills’ authors declaring the Commission’s position.

EXECUTIVE OFFICER’S REPORT:

The California Legislature reconvened earlier this year and started the second half of its two-year legislative session. Almost 5,000 bills were introduced prior to the February 18 deadline for non-committee proposals. All bill proposals must pass out of the 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 24 bills that directly or indirectly impact LAFCOs. An overview of each of the 24 tracked bills is attached (refer to **Attachment 2**). Staff is currently watching these bills, specifically Assembly Bill 2957, Senate Bill 938, and Senate Bill 969.

Assembly Bill 2957

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (“CKH Act”) provides the authority and procedure for the initiation, conduct, and completion of changes of organization, reorganization, and sphere of influence changes for cities and districts, as specified. The Omnibus bill makes minor, non-substantive changes to the CKH Act, as shown in **Attachment 3**. CALAFCO is sponsoring the 2022 Assembly Local Government Committee (ALGC) Omnibus bill, which identifies 3 potential non-substantive edits to the CKH Act:

- Add a definition of “successor agency,” as a new Government Code Section;
- Substitute the words “take effect” with the words “be completed and in existence” in Government Code Section 56102; and
- Substitute the word “application” with the word “proposal” in Government Code Section 56653.

As CALAFCO’s Legislative Liaison, staff is recommending that the Commission adopt a “Support” position and send a letter to the bill’s author. **Attachment 4** is a draft letter of support for Commission consideration.

Senate Bill 938

In 2017, the Little Hoover Commission (LHC) published a report entitled, “Special Districts: Improving Oversight and Transparency.” The report focused on the oversight provided by the 58 LAFCOs and included several recommendations. One of the recommendations embedded within a near 80-page report included a recommendation for the convening of an advisory committee to review the protest process for consolidations and dissolutions of special districts and develop legislation to simplify and create consistency in the process.

Since the publishing of the report, CALAFCO took the lead on addressing the recommendation of the LHC and convened a working group that has for the past three years been working collaboratively on the effort. More recently, the 18-member working group comprised of representatives of CALAFCO, LAFCOs from the four regions, California Special District Association (CSDA), California State Association of Counties (CSAC), the League of California Cities, and committee consultants of the California Legislature achieved consensus on the restructuring, removing and simplifying the reading of the provisions and amending the provisions for dissolutions initiated by LAFCO under specific circumstances. To further the final effort of the working group, CALAFCO has secured bill authors to introduce proposed legislation that would effect the changes to the provisions within the CKH Act.

On February 8, 2022, Senator Robert Hertzberg and co-author Assemblymember Chad Mayes introduced SB 938 to the Legislature, as shown in **Attachment 5**. In line with the working group’s effort, the intent of SB 938 is to restructure and simplify the existing statutory protest provisions and allow LAFCOs to initiate the dissolution of a special district at the 25 percent protest threshold under specific circumstances. At the publishing of the Commission’s agenda, the bill in print only includes language involving the proposed consolidation and reorganization of the protest provisions to provide clarity and concise information without substantive changes. As agreed by the working group, CALAFCO will be submitting amendments to the office of legislative counsel to modify the protest threshold from 10 percent to 25 percent for LAFCO initiated dissolutions of special districts.

The amendments include specific conditions under which a LAFCO may initiate the dissolution of a special district with a 25 percent protest threshold. These conditions include the following:

- Determination for the dissolution must be documented in a Municipal Service Review and presented at a 21-day noticed public hearing;
- The subject special district must be granted a minimum of a 12-month remediation period and an opportunity to provide a progress report before the local LAFCO takes any action; and
- A second 21-day public hearing must be held to determine if the identified issues are mitigated, resulting in the LAFCO either terminating the dissolution or moving forward under the current standard protest hearing process outlined in the CKH Act with a public notice hearing of 60 days.

The goal of the working group's proposed changes in the CKH Act is to ensure that LAFCOs have the tools to carry out the statutory obligations of orderly and functional local government services and create greater consistency in the statute. CALAFCO is holding discussions with CSDA, CSAC, and the League of CA Cities to obtain formal support on SB 938 and has requested that LAFCOs consider supporting the bill. A hearing of SB 938 by the Senate Governance and Finance Committee occurred on March 31, 2022.

Staff is recommending that the Commission adopt a "Support" position on SB 938 as currently introduced. **Attachment 6** is a draft letter of support for Commission consideration.

Senate Bill 969

This bill is a follow up to SB 418, which formed the Pajaro Valley Health Care District (PVHCD) to ensure proper oversight on the Watsonville Community Hospital. SB 969, as shown in **Attachment 7**, contains most of the amendments requested by CALAFCO and the LAFCOs of Monterey and Santa Cruz Counties. As introduced, the bill requires the following three milestones:

- Santa Cruz LAFCO adopts a sphere of influence for the district within one year of formation;
- PVHCD files annual progress reports to Santa Cruz LAFCO for the first two years; and
- Santa Cruz LAFCO conducts a service and sphere review on the district every five years with the first being conducted by December 31, 2025.

Our final requested amendment, ensuring representation from both counties on the governing board, will not be included in the bill. Given that the new healthcare district is obligated by statute to create zones for board member election within five years and that

the creation of such zones are governed by constitutional and statutory requirements that require other factors as priorities, further language may be legally problematic. However, it is important to note that the Santa Cruz County Board of Supervisors recently approved the initial board of directors for the healthcare district and one appointed member is a resident of Monterey County, as shown in **Attachment 8**. Therefore, staff is recommending that the Commission adopt a “Support” position on SB 969 as currently introduced. **Attachment 9** is a draft letter of support for Commission consideration.

LAFCO staff will continue to monitor and provide periodic updates on the tracked bills and any new LAFCO-related bills as the legislative session unfolds.

Respectfully Submitted,



Joe A. Serrano
Executive Officer

Attachment:

1. State Legislative Calendar
2. Tracking Sheet of LAFCO-related Bills (as of 3/10/22)
3. AB 2957 Language (as of March 2, 2022)
4. AB 2957 Letter of Support (Draft Version)
5. SB 938 Language (as of February 8, 2022)
6. SB 938 Letter of Support (Draft Version)
7. SB 969 Language (as of February 10, 2022)
8. Santa Cruz County Board of Supervisors - Appointment of Board Members (3/22/22)
9. SB 969 Letter of Support (Draft Version)

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

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)).

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				

*Holiday schedule subject to final approval by Rules Committee.

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

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. 30 Last 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. 2 Bills enacted on or before this date take effect January 1, 2023. (Art. IV, Sec. 8(c)).

Nov. 8 General Election.

Nov. 30 Adjournment *sine die* at midnight (Art. IV, Sec. 3(a)).

Dec. 5 2023-24 Regular Session convenes for Organizational Session at 12 noon. (Art. IV, Sec. 3(a)).

2023

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

*Holiday schedule subject to final approval by Rules Committee.

AB 2957 (Committee on Local Government) Local government: reorganization.

Current Text: Introduced: 3/2/2022 [html](#) [pdf](#)

Introduced: 3/2/2022

Status: 3/3/2022-From printer. May be heard in committee April 2.

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

Summary:

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 provides the authority and procedure for the initiation, conduct, and completion of changes of organization, reorganization, and sphere of influence changes for cities and districts, as specified. Current law requires that an applicant seeking a change of organization or reorganization to submit a plan for providing services within the affected territory. Current law requires a petitioner or legislative body desiring to initiate proceedings to submit an application to the executive officer of the local agency formation commission, and requires the local agency formation commission, with regard to an application that includes an incorporation, to immediately notify all affected local agencies and any applicable state agency, as specified. This bill would define the term "successor agency," for these purposes to mean the local agency a commission designates to wind up the affairs of a dissolved district.

Attachments:

[LAFCo Support letter template](#)

[CALAFCO Support letter](#)

Position: Sponsor

Subject: CKH General Procedures

CALAFCO Comments: This is the annual Omnibus bill sponsored by CALAFCO. As introduced it makes 3 minor, technical non-substantive changes in CKH: (1) Replaces "to be completed and in existence" with "take effect" under GCS 56102; (2) Adds GCS 56078.5: "Successor Agency" means the local agency the Commission designates to wind up the affairs of a dissolved district; and (3) Replaces "proposals" with "applications" within GCS 56653(a), 56654(a), (b), and (c), and 56658(b)(1) and (b)(2).

CALAFCO support letter and LAFCo support letter template are in the attachments section.

SB 938 (Hertzberg D) The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000: protest proceedings: procedural consolidation.

Current Text: Introduced: 2/8/2022 [html](#) [pdf](#)

Introduced: 2/8/2022

Status: 2/16/2022-Referred to Com. on GOV. & F.

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

Summary:

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 provides the exclusive authority and procedure for the initiation, conduct, and completion of changes of organization and reorganization for cities and districts, except as specified. Under current law, in each county there is a local agency formation commission that oversees these changes of organization and reorganization. With a specified exception, current law provides for protest proceedings for a change of organization or reorganization following adoption of a resolution making certain determinations by the commission, as provided. Current law sets forth required procedures for the commission following a protest hearing depending on the nature of the conducting authority, as defined, the type of change of organization or reorganization, and the results of the protest proceeding. The bill would reorganize and consolidate the above-described procedures. The bill would make conforming changes and remove obsolete provisions.

Attachments:

[SB 938 LAFCo support letter template](#)

[SB 938 CALAFCO Support letter](#)

[SB 938 CALAFCO Fact Sheet](#)

[SB 938 Author Fact Sheet](#)

Position: Sponsor

Subject: CKH General Procedures, Other

CALAFCO Comments: CALAFCO is the sponsor of this bill. SB 839 represents a collaborative three-year effort (by an 18-member working group) to clean up, consolidate, and clarify existing statutory provisions associated with consolidations and dissolutions, as well as codify the conditions under which a LAFCo may initiate dissolution of a district at the 25 percent protest threshold. In response to a recommendation made in the 2017 Little Hoover Commission report (Special Districts: Improving Oversight and Transparency), CALAFCO initiated a working group of stakeholders in early 2019 to discuss the protest process for dissolutions of special districts.

The bill's current format (dated 2/8/22) represents the restructuring of existing protest provisions scattered throughout CKH. There have been some minor technical language added for clarifications. These changes are all minor in nature (by legislative standards).

The bill will be amended to reflect the newly designed process that codifies the ability for LAFCo to initiate a district dissolution at 25% protest threshold. The conditions under which this can occur include one or more of the following, any/all of which must be documented via determinations in a Municipal Service Review (MSR):

1. The agency has one or more documented chronic service provision deficiencies that substantially deviate from industry or trade association standards or other government regulations and its board or management is not actively engaged in efforts to remediate the documented service deficiencies;
2. The agency spent public funds in an unlawful or reckless manner inconsistent with the principal act or other statute governing the agency and has not taken any action to prevent similar future spending;
3. The agency has consistently shown willful neglect by failing to consistently adhere to the California Public Records Act and other public disclosure laws the agency is subject to;
4. The agency has failed to meet the minimum number of times required in its governing act in the prior calendar year and has taken no action to remediate the failures to meet to ensure future meetings are conducted on a timely basis;
5. The agency has consistently failed to perform timely audits in the prior three years, or failed to meet minimum financial requirements under Government Code section 26909 over the prior five years as an alternative to performing an audit, or the agency's recent annual audits show chronic issues with the agency's fiscal controls and the agency has taken no action to remediate the issues.

The proposed process is:

1. LAFCo to present the MSR in a 21-day noticed public hearing. At that time the LAFCo may choose to adopt a resolution of intent to dissolve the district. The resolution shall contain a minimum 12-month remediation period.
2. The district will have a minimum of 12 months to remediate the deficiencies.
3. Half-way through the remediation period, the district shall provide LAFCo a written report on the progress of their remediation. Page 49 of 156
4. At the conclusion of the remediation period, LAFCo conducts another 21-day noticed public hearing to determine if district has remedied deficiencies. If the district has resolved issues, commission rescinds the resolution of intent to dissolve the district and the matter is dropped. If not, commission adopts a

- resolution making determinations to dissolve the district.
- 5. Standard 30-day reconsideration period.
- 6. Protest proceedings at 25% threshold can be noticed with a required 60-day protest period.
- 7. Protest hearing is held and amount of qualified protests determined based on 25% threshold. LAFCo either orders dissolution, election, or termination.

As this bill - when amended - adds requirements for LAFCos and districts, it will likely be keyed fiscal (for now it is not). An author fact sheet and CALAFCO fact sheet are posted in our attachments section as well as the CALAFCO Support letter and LAFCo support letter template.

SB 1490 (Committee on Governance and Finance) Validations.

Current Text: Introduced: 2/28/2022 [html](#) [pdf](#)

Introduced: 2/28/2022

Status: 3/9/2022-Referred to Com. on GOV. & F.

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

Calendar:

3/17/2022 Upon adjournment of Session - John L. Burton Hearing Room (4203) SENATE GOVERNANCE AND FINANCE, CABALLERO, Chair

Summary:

Would enact the First Validating Act of 2022, which would validate the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities.

Position: Watch

Subject: LAFCo Administration

CALAFCO Comments: This is the first of three annual validating acts.

SB 1491 (Committee on Governance and Finance) Validations.

Current Text: Introduced: 2/28/2022 [html](#) [pdf](#)

Introduced: 2/28/2022

Status: 3/9/2022-Referred to Com. on GOV. & F.

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

Calendar:

3/17/2022 Upon adjournment of Session - John L. Burton Hearing Room (4203) SENATE GOVERNANCE AND FINANCE, CABALLERO, Chair

Summary:

Would enact the Second Validating Act of 2022, which would validate the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities.

Position: Watch

Subject: LAFCo Administration

CALAFCO Comments: This is the second of three annual validating acts

SB 1492 (Committee on Governance and Finance) Validations.

Current Text: Introduced: 2/28/2022 [html](#) [pdf](#)

Introduced: 2/28/2022

Status: 3/9/2022-Referred to Com. on GOV. & F.

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

Calendar:

3/17/2022 Upon adjournment of Session - John L. Burton Hearing Room (4203) SENATE GOVERNANCE AND FINANCE, CABALLERO, Chair

Summary:

Would enact the Third Validating Act of 2022, which would validate the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities.

Position: Watch

Subject: LAFCo Administration

CALAFCO Comments: This is the third of three annual validating acts.

AB 1640 (Ward D) Office of Planning and Research: regional climate networks: regional climate adaptation and resilience action plans.

Current Text: Introduced: 1/12/2022 [html](#) [pdf](#)

Introduced: 1/12/2022

Status: 1/20/2022-Referred to Com. on NAT. RES.

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

Calendar:

3/21/2022 2:30 p.m. - State Capitol, Room 447 ASSEMBLY NATURAL RESOURCES, RIVAS, LUZ, Chair

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. Existing 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.

Attachments:

[AB 1640 Author Fact](#)

Subject: Climate Change

CALAFCO Comments: This bill is a follow up and very similar to AB 897 (2021). The bill would authorize eligible entities, as defined (including LAFCo), to establish and participate in a regional climate network, as defined. The bill would authorize a regional climate network to engage in activities to address climate change, as specified. Further, it requires a regional climate network to develop a regional climate adaptation and resilience action plan and to submit the plan to OPR for review, comments, and certification. The bill would require OPR to: (1) encourage the inclusion of eligible entities with land use planning and hazard mitigation planning authority into regional climate networks; (2) develop and publish guidelines on how eligible entities may establish regional climate networks and how governing boards may be established within regional climate networks by 7-1-23; and (3) provide technical assistance to regions seeking to establish a regional climate network, facilitate coordination between regions, and encourage regions to incorporate as many eligible entities into one network as feasible.

The difference between this bill and AB 897 is this bill removes requirements for OPR to develop guidelines and establish standards and required content for

The bill is author-sponsored and keyed fiscal. An author fact sheet is included in our attachments area.

AB 1773 (Patterson R) Williamson Act: subvention payments: appropriation.

Current Text: Introduced: 2/3/2022 [html](#) [pdf](#)

Introduced: 2/3/2022

Status: 2/10/2022-Referred to Coms. on AGR. and L. GOV.

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

Summary:

The Williamson Act, also known as the California Land Conservation Act of 1965, authorizes a city or county to enter into contracts with owners of land devoted to agricultural use, whereby the owners agree to continue using the property for that purpose, and the city or county agrees to value the land accordingly for purposes of property taxation. Existing law sets forth procedures for reimbursing cities and counties for property tax revenues not received as a result of these contracts and continuously appropriates General Fund moneys for that purpose. This bill, for the 2022–23 fiscal year, would appropriate an additional \$40,000,000 from the General Fund to the Controller to make subvention payments to counties, as provided, in proportion to the losses incurred by those counties by reason of the reduction of assessed property taxes. The bill would make various findings in this regard.

Attachments:

[AB 1773 Author Fact Sheet](#)

Position: Watch

Subject: Ag Preservation - Williamson

CALAFCO Comments: AB 1773 resurrects funding the Williamson Act for the 2022-2023 budget year. The Williamson Act was created to preserve open space and conserve agricultural land. For many years, the state funded the Act at around \$35-\$40 million per year. This funding ceased during the recession, and has not been reinstated since. AB 1773 would allocate \$40 million from the General Fund to the Williamson Act for the purpose of subvention payments.

The bill is author-sponsored, has a general-fund appropriation, and is keyed fiscal. An author fact sheet is posted in our attachments section.

AB 1944 (Lee D) Local government: open and public meetings.

Current Text: Introduced: 2/10/2022 [html](#) [pdf](#)

Introduced: 2/10/2022

Status: 2/18/2022-Referred to Com. on L. GOV.

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

Summary:

Current law, the Ralph M. Brown Act, requires, with specified exceptions, that all meetings of a legislative body of a local agency, as those terms are defined, be open and public and that all persons be permitted to attend and participate. Current law, until January 1, 2024, authorizes a local agency to use teleconferencing without complying with those specified teleconferencing requirements in specified circumstances when a declared state of emergency is in effect, or in other situations related to public health. This bill would specify that if a member of a legislative body elects to teleconference from a location that is not public, the address does not need to be identified in the notice and agenda or be accessible to the public when the legislative body has elected to allow members to participate via teleconferencing.

Attachments:

[AB 1944 Author Fact Sheet](#)

Position: Watch

Subject: Brown Act

CALAFCO Comments: This bill would delete the requirement that an individual participating in a Brown Act meeting remotely from a non-public location must disclose the address of the location. If the governing body chooses to allow for remote participation, it must also provide video streaming and offer public comment via video or phone.

The bill is author sponsored and keyed fiscal. The author's fact sheet is posted in our attachments area.

AB 2081 (Garcia, Eduardo D) Municipal water districts: water service: Indian lands.

Current Text: Introduced: 2/14/2022 [html](#) [pdf](#)

Introduced: 2/14/2022

Status: 2/24/2022-Referred to Com. on L. GOV.

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

Summary:

The Municipal Water District Law of 1911 provides for the formation of municipal water districts and grants to those districts specified powers. Current law permits a district to acquire, control, distribute, store, spread, sink, treat, purify, recycle, recapture, and salvage any water for the beneficial use of the district, its inhabitants, or the owners of rights to water in the district. Current law, upon the request of certain Indian tribes and the satisfaction of certain conditions, requires a district to provide service of water at substantially the same terms applicable to the customers of the district to the Indian tribe's lands that are not within a district, as prescribed. Current law also authorizes a district, until January 1, 2023, under specified circumstances, to apply to the applicable local agency formation commission to provide this service of water to Indian lands, as defined, that are not within the district and requires the local agency formation commission to approve such an application. This bill would extend the above provisions regarding the application to the applicable local agency formation commission to January 1, 2025.

Attachments:

[AB 2081 Author Fact Sheet](#)

Position: Watch

Subject: Water

CALAFCO Comments: This bill extends the sunset date created in AB 1361 (2017). Current law, upon the request of certain Indian tribes and the satisfaction of certain conditions, requires a district to provide service of water at substantially the same terms applicable to the customers of the district to the Indian tribe's lands that are not within a district, as prescribed. Current law also authorizes a district, under specified circumstances, to apply to the applicable LAFCo to provide this service of water to Indian lands, as defined, that are not within the district and requires the LAFCo to approve such an application. This bill extends the sunset date from January 1, 2023 to January 1, 2025.

CALAFCO opposed AB 1361 in 2017 as the process requires LAFCo to approve the extension of service, requires the district to extend the service, and does not require annexation upon extension of service. CALAFCO reached out to the author's office requesting information as to the reason for the extension and we have not been given a reason.

The bill is keyed fiscal. An author fact sheet is included in the attachments area.

AB 2449 (Rubio, Blanca D) Open meetings: local agencies: teleconferences.

Current Text: Introduced: 2/17/2022 [html](#) [pdf](#)

Introduced: 2/17/2022

Status: 3/3/2022-Referred to Com. on L. GOV.

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

Summary:

Current law, until January 1, 2024, authorizes a local agency to use teleconferencing without complying with specified teleconferencing requirements in specified circumstances when a declared state of emergency is in effect, or in other situations related to public health. This bill would authorize a local agency to use teleconferencing without complying with those specified teleconferencing requirements if at least a quorum of the members of the legislative body participates in person from a singular location clearly identified on the agenda that is open to the public and situated within the local agency's jurisdiction. The bill would impose prescribed requirements for this exception relating to notice, agendas, the means and manner of access, and procedures for disruptions. The bill would require the legislative body to implement a procedure for receiving and swiftly resolving requests for reasonable accommodation for individuals with disabilities, consistent with federal law.

Position: Watch

Subject: Brown Act

CALAFCO Comments: This bill authorizes the use of teleconferencing without noticing and making available to the public teleconferencing locations if a quorum of the members of the legislative body participate in person from a singular location that is noticed and open to the public and require the legislative body to offer public comment via video or phone.

CALAFCO reached out to the author's office for information and we've not yet heard back. The bill is not keyed fiscal.

AB 2647 (Levine D) Local government: open meetings.

Current Text: Introduced: 2/18/2022 [html](#) [pdf](#)

Introduced: 2/18/2022

Status: 2/19/2022-From printer. May be heard in committee March 21.

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

Summary:

The Ralph M. Brown Act requires the meetings of the legislative body of a local agency to be conducted openly and publicly, with specified exceptions. Current law makes agendas of public meetings and other writings distributed to the members of the governing board disclosable public records, with certain exceptions. Current law requires a local agency to make those writings distributed to the members of the governing board available for public inspection at a public office or location that the agency designates. This bill would instead require a local agency to make those writings distributed to the members of the governing board available for public inspection at a public office or location that the agency designates or post the writings on the local agency's internet website in a position and manner that makes it clear that the writing relates to an agenda item for an upcoming meeting.

Position: Watch

Subject: Brown Act

CALAFCO Comments: This bill seeks to amend the law to make clear that writings that have been distributed to a majority of a local legislative body less than 72 hours before a meeting can be posted online in order to satisfy the law.

The bill is sponsored by the League of Cities and is not keyed fiscal.

SB 852 (Dodd D) Climate resilience districts: formation: funding mechanisms.

Current Text: Amended: 3/9/2022 [html](#) [pdf](#)

Introduced: 1/18/2022

Last Amended: 3/9/2022

Status: 3/9/2022-From committee with author's amendments. Read second time and amended. Re-referred to Com. on GOV. & F.

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

Summary:

Current law authorizes certain local agencies to form a community revitalization authority (authority) within a community revitalization and investment area, as defined, to carry out provisions of the Community Redevelopment Law in that area for purposes related to, among other things, infrastructure, affordable housing, and economic revitalization. Current law provides for the financing of these activities by, among other things, the issuance of bonds serviced by property tax increment revenues, and requires the authority to adopt a community revitalization and investment plan for the community revitalization and investment area that includes elements describing and governing revitalization activities. This bill would authorize a city, county, city and county, special district, or a combination of any of those entities to form a climate resilience district for the purposes of raising and allocating funding for eligible projects and the operating expenses of eligible projects. The bill would define "eligible project" to mean projects that address sea level rise, extreme heat, extreme cold, the risk of wildfire, drought, and the risk of flooding, as specified.

Attachments:

[SB 852 Author Fact Sheet](#)

Position: Watch

Subject: Special District Principle Acts

CALAFCO Comments: This bill creates the Climate Resilience Districts Act. The bill completely bypasses LAFCo in the formation and oversight of these new districts because the districts are primarily being created as a funding mechanism for local climate resilience projects (as a TIF or tax increment finance district - for which LAFCos also have no involvement).

The bill authorizes a city, county, city and county, special district, or a combination of any of those entities to form a climate resilience district for the purposes of raising and allocating funding for eligible projects and the operating expenses of eligible projects. The bill defines "eligible project" to mean projects that address sea level rise, extreme heat, extreme cold, the risk of wildfire, drought, and the risk of flooding, as specified. The bill authorizes a district created pursuant to these provisions to have boundaries that are identical to the boundaries of the participating entities or within the boundaries of the participating entities. The bill also authorizes specified local entities to adopt a resolution to provide property tax increment revenues to the district. The bill would also authorize specified local entities to adopt a resolution allocating other tax revenues to the district, subject to certain requirements. The bill would provide for the financing of the activities of the district by, among other things, levying a benefit assessment, special tax, property-related fee, or other service charge or fee consistent with the requirements of the California Constitution. It requires 95% of monies collected to fund eligible projects, and 5% for district administration. The bill would require each district to prepare an annual expenditure plan and an operating budget and capital improvement budget, which must be adopted by the governing body of the district and subject to review and revision at least annually.

Section 62304 details the formation process, Section 62305 addresses the district's governance structure, and 62307 outlines the powers of the district.

This bill is sponsored by the Local Government Commission and is keyed fiscal. A fact sheet is included in our attachments section.

SB 1100 (Cortese D) Open meetings: orderly conduct.

Current Text: Amended: 3/9/2022 [html](#) [pdf](#)

Introduced: 2/16/2022

Last Amended: 3/9/2022

Status: 3/9/2022-From committee with author's amendments. Read second time and amended. Re-referred to Com. on GOV. & F.

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

Calendar: 3/17/2022 Upon adjournment of Session - John L. Burton Hearing Room (4203) SENATE GOVERNANCE AND FINANCE, CABALLERO, Chair

Summary:

The Ralph M. Brown Act requires, with specified exceptions, that all meetings of a legislative body of a local agency, as those terms are defined, be open and public and that all persons be permitted to attend and participate. Current law requires every agenda for regular meetings of a local agency to provide an opportunity for members of the public to directly address the legislative body on any item of interest to the public, before or during the legislative body's consideration of the item, that is within the subject matter jurisdiction of the legislative body. This bill would authorize the members of the legislative body conducting a meeting to remove an individual for willfully interrupting the meeting. The bill, except as provided, would require removal to be preceded by a warning by the presiding member of the legislative body that the individual is disrupting the proceedings, a request that the individual curtail their disruptive behavior or be subject to removal, and a reasonable opportunity to respond to the warning.

Attachments:

[SB 1100 Author Fact Sheet](#)

Position: Watch

Subject: Brown Act

CALAFCO Comments: This bill would authorize the removal of an individual from a public meeting who is "willfully interrupting" the meeting after a warning and a request to stop their behavior. "Willfull interrupting" is defined as intentionally engaging in behavior during a meeting of a legislative body that substantially impairs or renders infeasible the orderly conduct of the meeting in accordance with law.

The bill is author-sponsored and keyed fiscal. An author fact sheet is posted in our attachments section.

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.

2/24/22 UPDATE: It appears this bill is being replaced with AB 1640 (Ward, Mullin, etc.). CALAFCO will keep this bill on Watch and follow the new 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. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

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 the district's territory. The bill 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.

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.

2022 UPDATE: Given Member Frazier is no longer in the Assembly and the appellate court overturned the lower court's decision, it is likely the bill will not move forward. CALAFCO will retain WACTH on the bill.

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: 2/1/2022-In Senate. Read first time. To Com. on RLS. for assignment.

Desk	Policy	Fiscal	Floor	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: FPPC

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 FPPC 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).

UPDATE AS OF 2/24/22 - The author's office indicates they are moving forward with the bill this year and are planning amendments. They are not clear what those amendments will be so CALAFCO will retain a WATCH position on the bill.

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 the 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.

UPDATE AS OF 2/10/22 - According to the author's office, the author is not intending to move the bill forward at this time. CALAFCO will continue to WATCH and monitor the bill. As a result, the bill was downgraded from a P-1 to a P-3.

AB 1935 (Grayson D) Resource conservation districts: formation.

Current Text: Introduced: 2/10/2022 [html](#) [pdf](#)

Introduced: 2/10/2022

Status: 2/18/2022-Referred to Com. on L. GOV.

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

Summary:

Current law authorizes the formation of a resource conservation district in accordance with prescribed procedures for the control of runoff, the prevention or control of soil erosion, the development and distribution of water, and the improvement of land capabilities. Under current law, a proposal to form a district may be made by a petition of registered voters, as specified. Current law requires, within 30 days after the date of filing a petition, the executive officer of the local agency formation commission to cause the petition to be examined and prepare a certificate of sufficiency, as provided. Current law authorizes, within 15 days after a notice of insufficiency, the chief petitioners to file with the executive officer a supplemental petition, as provided. Current law requires, within 10 days after the date of filing a supplemental petition, the executive officer to examine the supplemental petition and certify in writing the results of their examination. This bill would increase the amount of time, from 30 to 45 days after the date of filing a petition, for the executive officer of the local agency formation commission to cause the petition to be examined and prepare a certificate of sufficiency.

Position: Placeholder - Spot Bill

Subject: LAFCo Administration

CALAFCO Comments: According to the author's office, this is a spot bill and the topic will change. CALAFCO was unaware of the bill prior to introduction.

AB 2041 (Garcia, Eduardo D) California Safe Drinking Water Act: primary drinking water standards: compliance.

Current Text: Introduced: 2/14/2022 [html](#) [pdf](#)

Introduced: 2/14/2022

Status: 2/24/2022-Referred to Com. on E.S. & T.M.

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

Calendar:

3/22/2022 1:30 p.m. - State Capitol, Room 444 ASSEMBLY ENVIRONMENTAL SAFETY AND TOXIC MATERIALS, QUIRK, Chair

Summary:

Would require the State Water Resources Control Board to take specified actions if the state board adopts a primary drinking water standard with a compliance period for which public water systems are given a designated period of time to install necessary measures, including, but not limited to, installation of water treatment systems, to comply with the primary drinking water standard without being held in violation of the primary drinking water standard. Those actions would include, among other actions, developing a financial plan to assist public water systems that will require financial assistance in procuring and installing the necessary measures.

Attachments:

[AB 2041 Author Fact Sheet](#)

Position: Watch

Subject: Water

CALAFCO Comments: This bill would require the SWRCB to take specified actions if the SWRCB adopts a primary drinking water standard with a compliance period for which public water systems are given a designated period of time to install necessary measures, including, but not limited to, installation of water treatment systems, to comply with the primary drinking water standard without being held in violation of the primary drinking water standard. Those actions would include, among other actions, developing a financial plan to assist public water systems that will require financial assistance in procuring and installing the necessary measures.

CALAFCO reached out to the author's office for information on the bill and has not heard back. The bill is keyed fiscal. An author fact sheet is attached.

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

CALAFCO Comments: UPDATE 2/24/22: According to the author's office, they do plan to move this bill forward in 2022 and no other details are available at this time.

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

Current Text: Chaptered: 2/4/2022 [html](#) [pdf](#)

Introduced: 2/12/2021

Last Amended: 1/24/2022

Status: 2/4/2022-Approved by the Governor. Chaptered by Secretary of State. Chapter 1, Statutes of 2022.

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

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: Special District Principle Acts

CALAFCO Comments: Gut and amended on 1/14/22, this bill forms the Pajaro Valley Health Care District within Santa Cruz and Monterey counties. The formation, done by special legislation, bypasses the LAFCo process, with language explicitly stating upon formation, LAFCo shall have authority. The bill requires that within 5 years of the date of the first meeting of the Board of Directors of the district, the board of directors shall divide the district into zones. The bill would require the district to notify Santa Cruz LAFCo when the district, or any other entity, acquires the Watsonville Community Hospital. The bill requires the LAFCo to order the dissolution of the district if the hospital has not been acquired by January 1, 2024 through a streamlined process, and requires the district to notify LAFCo if the district sells the Watsonville Community Hospital to another entity or stops providing health care services at the facility, requiring the LAFCo to dissolve the district under those circumstances in a streamlined process.

Given the hospital has filed bankruptcy and this is the only hospital in the area and serves disadvantaged communities and employs a large number of people in the area, the bill has an urgency clause.

Several amendments were added on 1/24/22 by the ALGC and SGFC all contained within Section 32498.7.

CALAFCO worked closely with the author's office, Santa Cruz County lobbyist and the Santa Cruz and Monterey LAFCos on this bill. We have requested further amendments which the Senator has agreed to take in a follow-up bill this year. Those amendments include requiring Santa Cruz LAFCo to adopt a sphere of influence for the district within 1 year of formation; the district filing annual progress reports to Santa Cruz LAFCo for the first 3 years, Santa Cruz LAFCo conducting a special study on the district after 3 years, and representation from both counties on the governing board.

The bill is sponsored by the Pajaro Valley Healthcare District Project and is not keyed fiscal.

SB 969 (Laird D) Pajaro Valley Health Care District.

Current Text: Amended: 3/2/2022 [html](#) [pdf](#)

Introduced: 2/10/2022

Last Amended: 3/2/2022

Status: 3/9/2022-Re-referred to Com. on GOV. & F.

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

Summary:

Current law creates the Pajaro Valley Health Care District, as specified, and authorizes 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. Current law requires, 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. Current law requires the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 to govern any organizational changes for the district after formation. Current law requires 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. Existing law requires the LAFCO to dissolve the district under certain circumstances. This bill would require the LAFCO to develop and determine a sphere of influence for the district within one year of the district's date of formation, and to conduct a municipal service review regarding health care provision in the district by December 31, 2025, and by December 31 every 5 years thereafter.

Position: Watch

Subject: Other

CALAFCO Comments: This bill is a follow up to SB 418 (Laird) and contains some of the amendments requested by CALAFCO and Monterey and Santa Cruz LAFCos. As introduced the bill requires Santa Cruz LAFCo to adopt a sphere of influence for the district within 1 year of formation; the district filing annual progress reports to Santa Cruz LAFCo for the first 2 years, Santa Cruz LAFCo conducting a Municipal Service Review on the district every 5 years with the first being conducted by 12-31-25. Our final requested amendment, ensuring representation from both counties on the governing board, is still being worked on and not reflected in the introduced version of the bill.

SB 1449 (Caballero D) Unincorporated areas.

Current Text: Introduced: 2/18/2022 [html](#) [pdf](#)

Introduced: 2/18/2022

Status: 3/9/2022-Referred to Com. on RLS.

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

Summary:

Would state the intent of the Legislature to establish the policy of the state to ensure that the living standards within unincorporated areas of the state are consistent with standards of cities within the same county and funding mechanisms to support the financial investments required by cities and counties to accomplish this goal.

Position: Placeholder - Spot Bill

Subject: Other

CALAFCO Comments: This is currently a spot bill. According to the author's office, they are working on state funding to incentivize annexation of inhabited territory (when the VLF was taken away, so too was any financial incentive to annex inhabited territory). For many years bills have been run to reinstate funding, none of which have ever successfully passed. There is no other information available on this bill at this time. CALAFCO will continue conversations with the author's office as this is an important topic for LAFCos. (The bill will remain a P-3 until amended.)

SB 1489 (Committee on Governance and Finance) Local Government Omnibus Act of 2022.

Current Text: Introduced: 2/28/2022 [html](#) [pdf](#)

Introduced: 2/28/2022

Status: 3/9/2022-Referred to Coms. on GOV. & F. and HOUSING.

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

Summary:

Current law sets forth requirements for the passage of city ordinances. Current law requires ordinances to be read in full either at the time of introduction or passage except when, after reading the title, further reading is waived by regular motion adopted by majority vote of the legislative body. This bill would provide that a reading of the title or ordinance is not required if the title is included on the published agenda and a copy of the full ordinance is made available to the public online and in print at the meeting prior to the introduction or passage.

Position: Watch

CALAFCO Comments: This is the Senate Governance & Finance Committee annual omnibus bill.

ASSEMBLY BILL**No. 2957****Introduced by Committee on Local Government**

March 2, 2022

An act to amend Sections 56102, 56653, 56654, and 56658 of, and to add Section 56078.5 to, the Government Code, relating to local government.

LEGISLATIVE COUNSEL'S DIGEST

AB 2957, as introduced, Committee on Local Government. Local government: reorganization.

Existing law, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, provides the authority and procedure for the initiation, conduct, and completion of changes of organization, reorganization, and sphere of influence changes for cities and districts, as specified. Existing law requires that an applicant seeking a change of organization or reorganization to submit a plan for providing services within the affected territory.

Existing law requires a petitioner or legislative body desiring to initiate proceedings to submit an application to the executive officer of the local agency formation commission, and requires the local agency formation commission, with regard to an application that includes an incorporation, to immediately notify all affected local agencies and any applicable state agency, as specified.

This bill would define the term “successor agency,” for these purposes to mean the local agency a commission designates to wind up the affairs of a dissolved district. This bill would also make clarifying changes to the above provisions.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

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

1 SECTION 1. Section 56078.5 is added to the Government
2 Code, to read:
3 56078.5. “Successor Agency” means the local agency the
4 commission designates to wind up the affairs of a dissolved district.
5 SEC. 2. Section 56102 of the Government Code is amended
6 to read:
7 56102. For the purpose of any action to determine or contest
8 the validity of any change of organization or reorganization, the
9 change of organization or reorganization shall be deemed to be
10 ~~completed and in existence~~ *take effect* upon the date of execution
11 of the certificate of completion.
12 SEC. 3. Section 56653 of the Government Code, as amended
13 by Section 1 of Chapter 43 of the Statutes of 2017, is amended to
14 read:
15 56653. (a) ~~If a proposal~~ *an application* for a change of
16 organization or reorganization is submitted pursuant to this part,
17 the applicant shall submit a plan for providing services within the
18 affected territory.
19 (b) The plan for providing services shall include all of the
20 following information and any additional information required by
21 the commission or the executive officer:
22 (1) An enumeration and description of the services currently
23 provided or to be extended to the affected territory.
24 (2) The level and range of those services.
25 (3) An indication of when those services can feasibly be
26 extended to the affected territory, if new services are proposed.
27 (4) An indication of any improvement or upgrading of structures,
28 roads, sewer or water facilities, or other conditions the local agency
29 would impose or require within the affected territory if the change
30 of organization or reorganization is completed.
31 (5) Information with respect to how those services will be
32 financed.
33 (c) (1) In the case of a change of organization or reorganization
34 initiated by a local agency that includes a disadvantaged,
35 unincorporated community as defined in Section 56033.5, a local

1 agency may include in its resolution of application for change of
2 organization or reorganization an annexation development plan
3 adopted pursuant to Section 99.3 of the Revenue and Taxation
4 Code to improve or upgrade structures, roads, sewer or water
5 facilities, or other infrastructure to serve the disadvantaged,
6 unincorporated community through the formation of a special
7 district or reorganization of one or more existing special districts
8 with the consent of each special district's governing body.

9 (2) The annexation development plan submitted pursuant to this
10 subdivision shall include information that demonstrates that the
11 formation or reorganization of the special district will provide all
12 of the following:

13 (A) The necessary financial resources to improve or upgrade
14 structures, roads, sewer, or water facilities or other infrastructure.
15 The annexation development plan shall also clarify the local entity
16 that shall be responsible for the delivery and maintenance of the
17 services identified in the application.

18 (B) An estimated timeframe for constructing and delivering the
19 services identified in the application.

20 (C) The governance, oversight, and long-term maintenance of
21 the services identified in the application after the initial costs are
22 recouped and the tax increment financing terminates.

23 (3) If a local agency includes an annexation development plan
24 pursuant to this subdivision, a local agency formation commission
25 may approve the proposal for a change of organization or
26 reorganization to include the formation of a special district or
27 reorganization of a special district with the special district's
28 consent, including, but not limited to, a community services district,
29 municipal water district, or sanitary district, to provide financing
30 to improve or upgrade structures, roads, sewer or water facilities,
31 or other infrastructure to serve the disadvantaged, unincorporated
32 community, in conformity with the requirements of the principal
33 act of the district proposed to be formed and all required formation
34 proceedings.

35 (4) Pursuant to Section 56881, the commission shall include in
36 its resolution making determinations a description of the annexation
37 development plan, including, but not limited to, an explanation of
38 the proposed financing mechanism adopted pursuant to Section
39 99.3 of the Revenue and Taxation Code, including, but not limited

1 to, any planned debt issuance associated with that annexation
2 development plan.

3 (d) This section shall not preclude a local agency formation
4 commission from considering any other options or exercising its
5 powers under Section 56375.

6 (e) This section shall remain in effect only until January 1, 2025,
7 and as of that date is repealed.

8 SEC. 4. Section 56653 of the Government Code, as amended
9 by Section 2 of Chapter 43 of the Statutes of 2017, is amended to
10 read:

11 56653. (a) If ~~a proposal~~ *an application* for a change of
12 organization or reorganization is submitted pursuant to this part,
13 the applicant shall submit a plan for providing services within the
14 affected territory.

15 (b) The plan for providing services shall include all of the
16 following information and any additional information required by
17 the commission or the executive officer:

18 (1) An enumeration and description of the services currently
19 provided or to be extended to the affected territory.

20 (2) The level and range of those services.

21 (3) An indication of when those services can feasibly be
22 extended to the affected territory, if new services are proposed.

23 (4) An indication of any improvement or upgrading of structures,
24 roads, sewer or water facilities, or other conditions the local agency
25 would impose or require within the affected territory if the change
26 of organization or reorganization is completed.

27 (5) Information with respect to how those services will be
28 financed.

29 (c) This section shall become operative on January 1, 2025.

30 SEC. 5. Section 56654 of the Government Code is amended
31 to read:

32 56654. (a) ~~A proposal~~ *An application* for a change of
33 organization or a reorganization may be made by the adoption of
34 a resolution of application by the legislative body of an affected
35 local agency, except as provided in subdivision (b).

36 (b) Notwithstanding Section 56700, ~~a proposal~~ *an application*
37 for a change of organization that involves the exercise of new or
38 different functions or classes of services, or the divestiture of the
39 power to provide particular functions or classes of services, within
40 all or part of the jurisdictional boundaries of a special district, shall

1 only be initiated by the legislative body of that special district in
2 accordance with Sections 56824.10, 56824.12, and 56824.14.

3 (c) At least 21 days before the adoption of the resolution, the
4 legislative body may give mailed notice of its intention to adopt
5 a resolution of application to the commission and to each interested
6 agency and each subject agency. The notice shall generally describe
7 the ~~proposal~~ *application* and the affected territory.

8 (d) Except for the provisions regarding signers and signatures,
9 a resolution of application shall contain all of the matters specified
10 for a petition in Section 56700 and shall be submitted with a plan
11 for services prepared pursuant to Section 56653.

12 SEC. 6. Section 56658 of the Government Code is amended
13 to read:

14 56658. (a) Any petitioner or legislative body desiring to initiate
15 proceedings shall submit an application to the executive officer of
16 the principal county.

17 (b) (1) Immediately after receiving an application and before
18 issuing a certificate of filing, the executive officer shall give mailed
19 notice that the application has been received to each affected local
20 agency, the county committee on school district organization, and
21 each school superintendent whose school district overlies the
22 affected territory. The notice shall generally describe the ~~proposal~~
23 *application* and the affected territory. The executive officer shall
24 not be required to give notice pursuant to this subdivision if a local
25 agency has already given notice pursuant to subdivision (c) of
26 Section 56654.

27 (2) It is the intent of the Legislature that ~~a proposal~~ *an*
28 *application* for incorporation or disincorporation shall be processed
29 in a timely manner. With regard to an application that includes an
30 incorporation or disincorporation, the executive officer shall
31 immediately notify all affected local agencies and any applicable
32 state agencies by mail and request the affected agencies to submit
33 the required data to the commission within a reasonable timeframe
34 established by the executive officer. Each affected agency shall
35 respond to the executive officer within 15 days acknowledging
36 receipt of the request. Each affected local agency and the officers
37 and departments thereof shall submit the required data to the
38 executive officer within the timelines established by the executive
39 officer. Each affected state agency and the officers and departments
40 thereof shall submit the required data to the executive officer within

1 the timelines agreed upon by the executive officer and the affected
2 state departments.

3 (3) If a special district is, or as a result of a proposal will be,
4 located in more than one county, the executive officer of the
5 principal county shall immediately give the executive officer of
6 each other affected county mailed notice that the application has
7 been received. The notice shall generally describe the proposal
8 and the affected territory.

9 (c) Except when a commission is the lead agency pursuant to
10 Section 21067 of the Public Resources Code, the executive officer
11 shall determine within 30 days of receiving an application whether
12 the application is complete and acceptable for filing or whether
13 the application is incomplete.

14 (d) The executive officer shall not accept an application for
15 filing and issue a certificate of filing for at least 20 days after giving
16 the mailed notice required by subdivision (b). The executive officer
17 shall not be required to comply with this subdivision in the case
18 of an application which meets the requirements of Section 56662
19 or in the case of an application for which a local agency has already
20 given notice pursuant to subdivision (c) of Section 56654.

21 (e) If the appropriate fees have been paid, an application shall
22 be deemed accepted for filing if no determination has been made
23 by the executive officer within the 30-day period. An executive
24 officer shall accept for filing, and file, any application submitted
25 in the form prescribed by the commission and containing all of
26 the information and data required pursuant to Section 56652.

27 (f) When an application is accepted for filing, the executive
28 officer shall immediately issue a certificate of filing to the
29 applicant. A certificate of filing shall be in the form prescribed by
30 the executive officer and shall specify the date upon which the
31 proposal shall be heard by the commission. From the date of
32 issuance of a certificate of filing, or the date upon which an
33 application is deemed to have been accepted, whichever is earlier,
34 an application shall be deemed filed pursuant to this division.

35 (g) If an application is determined not to be complete, the
36 executive officer shall immediately transmit that determination to
37 the applicant specifying those parts of the application which are
38 incomplete and the manner in which they can be made complete.

39 (h) Following the issuance of the certificate of filing, the
40 executive officer shall proceed to set the proposal for hearing and

1 give published notice thereof as provided in this part. The date of
2 the hearing shall be not more than 90 days after issuance of the
3 certificate of filing or after the application is deemed to have been
4 accepted, whichever is earlier. Notwithstanding Section 56106,
5 the date for conducting the hearing, as determined pursuant to this
6 subdivision, is mandatory.

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April 7, 2021

Honorable Cecilia Aguiar-Curry, Chair
Assembly Local Government Committee
California State Assembly
1021 O Street, Room Suite 6350
Sacramento, CA 95814

Subject: **Support of Assembly Bill 2957 (Omnibus Bill)**

Dear Chair Aguiar-Curry:

The Local Agency Formation Commission of Santa Cruz County is pleased to support the Assembly Local Government Committee Bill (**AB 2957**), sponsored by the California Association of Local Agency Formation Commissions (CALAFCO), which makes technical, non-substantive changes to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 ("CKH Act").

This annual bill includes technical changes to the CKH Act which governs the work of LAFCOs. These changes are necessary as Commissions implement the CKH Act and small inconsistencies are found or clarifications are needed to make the law as unambiguous as possible. AB 2957 currently makes minor technical corrections to language used in the CKH Act. Santa Cruz LAFCO is grateful to your Committee members and staff, and CALAFCO, all of whom worked diligently on this language to ensure there are no substantive changes while creating a significant increase in the clarity of the CKH Act for all stakeholders.

This legislation helps insure the Cortese-Knox-Hertzberg Act remains a vital and practical law that is consistently applied around the State. We appreciate your Committee's authorship and support of this bill, and your support of the mission of LAFCOs.

Sincerely,

Joe A. Serrano
Executive Officer

cc: Members, Assembly Local Government Committee
Jimmy MacDonald, Consultant, Assembly Local Government Committee
William Weber, Consultant, Assembly Republican Caucus
René LaRoche, Executive Director, CALAFCO

SENATE BILL

No. 938

Introduced by Senator Hertzberg
(Coauthor: Assembly Member Mayes)

February 8, 2022

An act to amend Sections 56824.14, 57075, 57077.1, 57077.2, 57077.3, 57077.4, and 57090 of, to add Sections 57077.5 and 57077.6 to, to add Chapter 4.5 (commencing with Section 57091) to Part 4 of Division 3 of Title 5 of, and to repeal Sections 57076, 57107, and 57113 of, the Government Code, and to amend Section 116687 of the Health and Safety Code, relating to local government.

LEGISLATIVE COUNSEL'S DIGEST

SB 938, as introduced, Hertzberg. The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000: protest proceedings: procedural consolidation.

Existing law, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, provides the exclusive authority and procedure for the initiation, conduct, and completion of changes of organization and reorganization for cities and districts, except as specified. Under existing law, in each county there is a local agency formation commission (commission) that oversees these changes of organization and reorganization.

With a specified exception, existing law provides for protest proceedings for a change of organization or reorganization following adoption of a resolution making certain determinations by the commission, as provided. Existing law sets forth required procedures for the commission following a protest hearing depending on the nature of the conducting authority, as defined, the type of change of organization or reorganization, and the results of the protest proceeding.

The bill would reorganize and consolidate the above-described procedures. The bill would make conforming changes and remove obsolete provisions.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

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

1 SECTION 1. Section 56824.14 of the Government Code is
2 amended to read:

3 56824.14. (a) The commission shall review and approve with
4 or without amendments, wholly, partially, or conditionally, or
5 disapprove proposals for the establishment of new or different
6 functions or class of services, or the divestiture of the power to
7 provide particular functions or class of services, within all or part
8 of the jurisdictional boundaries of a special district, after a public
9 hearing called and held for that purpose. The commission shall
10 not approve a proposal for the establishment of new or different
11 functions or class of services within the jurisdictional boundaries
12 of a special district unless the commission determines that the
13 special district will have sufficient revenues to carry out the
14 proposed new or different functions or class of services except as
15 specified in paragraph (1).

16 (1) The commission may approve a proposal for the
17 establishment of new or different functions or class of services
18 within the jurisdictional boundaries of a special district where the
19 commission has determined that the special district will not have
20 sufficient revenue to provide the proposed new or different
21 functions or class of services, if the commission conditions its
22 approval on the concurrent approval of sufficient revenue sources
23 pursuant to Section 56886. In approving a proposal, the
24 commission shall provide that if the revenue sources pursuant to
25 Section 56886 are not approved, the authority of the special district
26 to provide new or different functions or class of services shall not
27 be established.

28 (2) Unless otherwise required by the principal act of the subject
29 special district, or unless otherwise required by Section ~~57075~~ or
30 ~~57076~~, 57075, the approval by the commission for establishment
31 of new or different functions or class of services, or the divestiture

1 of the power to provide particular functions or class of services,
2 shall not be subject to an election.

3 (b) At least 21 days prior to the date of that hearing, the
4 executive officer shall give mailed notice of the hearing to each
5 affected local agency or affected county, and to any interested
6 party who has filed a written request for notice with the executive
7 officer. In addition, at least 21 days prior to the date of that hearing,
8 the executive officer shall cause notice of the hearing to be
9 published in accordance with Section 56153 in a newspaper of
10 general circulation that is circulated within the territory affected
11 by the proposal proposed to be adopted.

12 (c) The commission may continue from time to time any hearing
13 called pursuant to this section. The commission shall hear and
14 consider oral or written testimony presented by any affected local
15 agency, affected county, or any interested person who appears at
16 any hearing called and held pursuant to this section.

17 SEC. 2. Section 57075 of the Government Code is amended
18 to read:

19 ~~57075. In the case of registered voter districts or cities, where~~
20 *Where* a change of organization or reorganization consists solely
21 of annexations, detachments, the exercise of new or different
22 functions or class of services or the divestiture of the power to
23 provide particular functions or class of services within all or part
24 of the jurisdictional boundaries of a special district, or any
25 combination of those proposals, the commission, not more than
26 30 days after the conclusion of the hearing, shall make a finding
27 regarding the value of written protests filed and not withdrawn,
28 ~~and take one of the following actions, except as provided in~~
29 ~~subdivision (b) of Section 57002:~~ *take the action set forth in either*
30 *subdivision (a) of Section 57091, in the case of registered voter*
31 *districts or cities, or subdivision (b) of Section 57091, in the case*
32 *of landowner-voter districts.*

33 ~~(a) In the case of inhabited territory, take one of the following~~
34 ~~actions:~~

35 ~~(1) Terminate proceedings if a majority protest exists in~~
36 ~~accordance with Section 57078.~~

37 ~~(2) Order the change of organization or reorganization subject~~
38 ~~to confirmation by the registered voters residing within the affected~~
39 ~~territory if written protests have been filed and not withdrawn by~~
40 ~~either of the following:~~

1 (A) At least 25 percent, but less than 50 percent, of the registered
2 voters residing in the affected territory.

3 (B) At least 25 percent of the number of owners of land who
4 also own at least 25 percent of the assessed value of land within
5 the affected territory.

6 ~~(3) Order the change of organization or reorganization without~~
7 ~~an election if paragraphs (1) and (2) of this subdivision do not~~
8 ~~apply.~~

9 ~~(b) In the case of uninhabited territory, take either of the~~
10 ~~following actions:~~

11 ~~(1) Terminate proceedings if a majority protest exists in~~
12 ~~accordance with Section 57078.~~

13 ~~(2) Order the change of organization or reorganization if written~~
14 ~~protests have been filed and not withdrawn by owners of land who~~
15 ~~own less than 50 percent of the total assessed value of land within~~
16 ~~the affected territory.~~

17 SEC. 3. Section 57076 of the Government Code is repealed.

18 ~~57076. In the case of landowner-voter districts, where a change~~
19 ~~of organization or reorganization consists solely of annexations~~
20 ~~or detachments, the exercise of new or different functions or class~~
21 ~~of services or the divestiture of the power to provide particular~~
22 ~~functions or class of services within all or part of the jurisdictional~~
23 ~~boundaries of a special district, or any combination of those~~
24 ~~proposals, the commission, not more than 30 days after the~~
25 ~~conclusion of the hearing, shall make a finding regarding the value~~
26 ~~of written protests filed and not withdrawn, and take one of the~~
27 ~~following actions, except as provided in subdivision (b) of Section~~
28 ~~57002:~~

29 ~~(a) Terminate proceedings if a majority protest exists in~~
30 ~~accordance with Section 57078.~~

31 ~~(b) Order the change of organization or reorganization subject~~
32 ~~to an election within the affected territory if written protests that~~
33 ~~have been filed and not withdrawn represent either of the following:~~

34 ~~(1) Twenty-five percent or more of the number of owners of~~
35 ~~land who also own 25 percent or more of the assessed value of~~
36 ~~land within the territory.~~

37 ~~(2) Twenty-five percent or more of the voting power of~~
38 ~~landowner voters entitled to vote as a result of owning property~~
39 ~~within the territory.~~

1 ~~(e) Order the change of organization or reorganization without~~
2 ~~an election if written protests have been filed and not withdrawn~~
3 ~~by less than 25 percent of the number of owners of land who own~~
4 ~~less than 25 percent of the assessed value of land within the~~
5 ~~affected territory.~~

6 SEC. 4. Section 57077.1 of the Government Code is amended
7 to read:

8 57077.1. (a) If a change of organization consists of a
9 dissolution, the commission shall order the dissolution without
10 confirmation of the voters, except if the proposal meets the
11 requirements of subdivision (b), the commission shall order the
12 dissolution subject to confirmation of the voters.

13 (b) The commission shall order the dissolution subject to the
14 confirmation of the voters as follows:

15 (1) If the proposal was not initiated by the commission, and if
16 a subject agency has not objected by resolution to the proposal,
17 the commission has found that protests meet ~~one of the following~~
18 ~~the applicable~~ protest ~~thresholds; thresholds set forth in Section~~
19 ~~57093.~~

20 ~~(A) In the case of inhabited territory, protests have been signed~~
21 ~~by either of the following:~~

22 ~~(i) At least 25 percent of the number of landowners within the~~
23 ~~affected territory who own at least 25 percent of the assessed value~~
24 ~~of land within the territory.~~

25 ~~(ii) At least 25 percent of the voters entitled to vote as a result~~
26 ~~of residing within, or owning land within, the affected territory.~~

27 ~~(B) In the case of a landowner-voter district, that the territory~~
28 ~~is uninhabited and that protests have been signed by at least 25~~
29 ~~percent of the number of landowners within the affected territory~~
30 ~~owning at least 25 percent of the assessed value of land within the~~
31 ~~territory.~~

32 (2) If the proposal was not initiated by the commission, and if
33 a subject agency has objected by resolution to the proposal, written
34 protests have been submitted ~~as follows; that meet the applicable~~
35 ~~protest thresholds set forth in Section 57094.~~

36 ~~(A) In the case of inhabited territory, protests have been signed~~
37 ~~by either of the following:~~

38 ~~(i) At least 25 percent of the number of landowners within any~~
39 ~~subject agency within the affected territory who own at least 25~~
40 ~~percent of the assessed value of land within the territory.~~

1 ~~(ii) At least 25 percent of the voters entitled to vote as a result~~
2 ~~of residing within, or owning land within, any subject agency~~
3 ~~within the affected territory.~~

4 ~~(B) In the case of a landowner-voter district, that the territory~~
5 ~~is uninhabited and protests have been signed by at least 25 percent~~
6 ~~of the number of landowners within any subject agency within the~~
7 ~~affected territory, owning at least 25 percent of the assessed value~~
8 ~~of land within the subject agency.~~

9 (3) If the proposal was initiated by the commission, and
10 regardless of whether a subject agency has objected to the proposal
11 by resolution, written protests have been submitted that meet the
12 requirements of Section ~~57113~~. 57077.6.

13 (c) Notwithstanding subdivisions (a) and (b) and Sections 57102
14 and 57103, if a change of organization consists of the dissolution
15 of a district that is consistent with a prior action of the commission
16 pursuant to Section 56378, 56425, or 56430, the commission may
17 do either of the following:

18 (1) If the dissolution is initiated by the district board,
19 immediately approve and order the dissolution without an election
20 or protest proceedings pursuant to this part.

21 (2) If the dissolution is initiated by an affected local agency, by
22 the commission pursuant to Section 56375, or by petition pursuant
23 to Section 56650, order the dissolution after holding at least one
24 noticed public hearing, and after conducting protest proceedings
25 in accordance with this part. Notwithstanding any other law, the
26 commission shall terminate proceedings if a majority protest exists
27 in accordance with Section 57078. If a majority protest is not
28 found, the commission shall order the dissolution without an
29 election.

30 SEC. 5. Section 57077.2 of the Government Code is amended
31 to read:

32 57077.2. (a) If the change of organization consists of a
33 consolidation of two or more districts, the commission shall order
34 the consolidation without confirmation by the voters, except that
35 if the proposal meets the requirements of subdivision (b), the
36 commission shall order the consolidation subject to confirmation
37 of the voters.

38 (b) The commission shall order the consolidation subject to the
39 confirmation of the voters as follows:

1 (1) If the commission has approved a proposal submitted by
2 resolution of a majority of the members of the legislative bodies
3 of two or more local agencies pursuant to Section 56853, and the
4 commission has found that protests meet ~~one of the following~~ *the*
5 *applicable* protest ~~thresholds;~~ *thresholds set forth in Section 57093.*

6 ~~(A) In the case of inhabited territory, protests have been signed~~
7 ~~by either of the following:~~

8 ~~(i) At least 25 percent of the number of landowners within the~~
9 ~~territory subject to the consolidation who own at least 25 percent~~
10 ~~of the assessed value of land within the territory.~~

11 ~~(ii) At least 25 percent of the voters entitled to vote as a result~~
12 ~~of residing within, or owning land within, the territory.~~

13 ~~(B) In the case of a landowner-voter district, the territory is~~
14 ~~uninhabited and protests have been signed by at least 25 percent~~
15 ~~of the number of landowners within the territory subject to the~~
16 ~~consolidation, owning at least 25 percent of the assessed value of~~
17 ~~land within the territory.~~

18 (2) If the commission has approved a proposal not initiated by
19 the commission and if a subject agency has not objected by
20 resolution to the proposal, written protests have been submitted
21 that meet the requirements specified in subparagraph (A) or (B)
22 of paragraph (1). *applicable protest thresholds set forth in Section*
23 *57093.*

24 (3) If the proposal was not initiated by the commission, and if
25 a subject agency has objected by resolution to the proposal, written
26 protests have been submitted ~~as follows:~~ *that meet one of the*
27 *protest thresholds set forth in Section 57094.*

28 ~~(A) In the case of inhabited territory, protests have been signed~~
29 ~~by either of the following:~~

30 ~~(i) At least 25 percent of the number of landowners within any~~
31 ~~subject agency within the affected territory who own at least 25~~
32 ~~percent of the assessed value of land within the territory.~~

33 ~~(ii) At least 25 percent of the voters entitled to vote as a result~~
34 ~~of residing within, or owning land within, any subject agency~~
35 ~~within the affected territory.~~

36 ~~(B) In the case of a landowner-voter district, the territory is~~
37 ~~uninhabited, and protests have been signed by at least 25 percent~~
38 ~~of the number of landowners within any subject agency within the~~
39 ~~affected territory, owning at least 25 percent of the assessed value~~
40 ~~of land within the subject agency.~~

1 (4) If the commission has approved a proposal initiated by the
 2 commission, and regardless of whether a subject agency has
 3 objected to the proposal by resolution, written protests have been
 4 submitted that meet the requirements of Section ~~57113~~: 57077.6.

5 SEC. 6. Section 57077.3 of the Government Code is amended
 6 to read:

7 57077.3. (a) If a proposal consists of a reorganization not
 8 described in Section 57075, ~~57076~~, 57077, 57077.4, or 57111, the
 9 commission shall order the reorganization without confirmation
 10 by the voters except that if the reorganization meets the
 11 requirements of subdivision (b), the commission shall order the
 12 reorganization subject to confirmation of the voters.

13 (b) The commission shall order the reorganization subject to
 14 confirmation of the voters as follows:

15 (1) If the commission has approved a proposal submitted by
 16 resolution of a majority of the members of the legislative bodies
 17 of two or more local agencies pursuant to Section 56853, and the
 18 commission has found that protests meet ~~one of the following~~ *the*
 19 *applicable* protest ~~thresholds~~: *thresholds set forth in Section 57093*.

20 (A) ~~In the case of inhabited territory, protests have been signed~~
 21 ~~by either of the following:~~

22 (i) ~~At least 25 percent of the number of landowners within the~~
 23 ~~affected territory who own at least 25 percent of the assessed value~~
 24 ~~of land within the territory.~~

25 (ii) ~~At least 25 percent of the voters entitled to vote as a result~~
 26 ~~of residing within, or owning land within, the affected territory.~~

27 (B) ~~In the case of a landowner-voter district, that the territory~~
 28 ~~is uninhabited, and that protests have been signed by at least 25~~
 29 ~~percent of the number of landowners within the affected territory,~~
 30 ~~owning at least 25 percent of the assessed value of land within the~~
 31 ~~territory.~~

32 (2) If the commission has approved a proposal not initiated by
 33 the commission, and if a subject agency has not objected by
 34 resolution to the proposal, a written protest has been submitted
 35 that meets ~~the requirements specified in subparagraph (A) or (B)~~
 36 ~~of paragraph (1)~~: *the applicable protest thresholds set forth in*
 37 *Section 57093*.

38 (3) If the commission has approved a proposal not initiated by
 39 the commission, and if a subject agency has objected by resolution

1 to the proposal, written protests have been submitted as follows:
2 *that meet one of the protest thresholds set forth in Section 57094.*

3 ~~(A) In the case of inhabited territory, protests have been signed~~
4 ~~by either of the following:~~

5 ~~(i) At least 25 percent of the number of landowners within any~~
6 ~~subject agency within the affected territory who own at least 25~~
7 ~~percent of the assessed value of land within the territory.~~

8 ~~(ii) At least 25 percent of the voters entitled to vote as a result~~
9 ~~of residing within, or owning land within, any subject agency~~
10 ~~within the affected territory.~~

11 ~~(B) In the case of a landowner-voter district, the territory is~~
12 ~~uninhabited, and protests have been signed by at least 25 percent~~
13 ~~of the number of landowners within any subject agency within the~~
14 ~~affected territory, owning at least 25 percent of the assessed value~~
15 ~~of land within the subject agency.~~

16 (4) If the commission has approved a proposal initiated by the
17 commission, and regardless of whether a subject agency has
18 objected to the proposal by resolution, written protests have been
19 submitted that meet the requirements of Section ~~57113.~~ 57077.6.

20 ~~(e) This section shall not apply to reorganizations governed by~~
21 ~~Sections 56853.5 and 56853.6.~~

22 SEC. 7. Section 57077.4 of the Government Code is amended
23 to read:

24 57077.4. (a) If a reorganization consists of the dissolution of
25 one or more districts and the annexation of all or substantially all
26 the territory to another district not initiated pursuant to Section
27 56853 or by the commission pursuant to Section 56375, the
28 commission shall order the reorganization without confirmation
29 by the voters except that if the reorganization meets the
30 requirements of subdivision ~~(b),~~ (b) or (c), the commission shall
31 order the reorganization subject to confirmation by the voters.

32 (b) The commission shall order the reorganization subject to
33 confirmation by the ~~voters as follows:~~ voters, if written protests
34 have been submitted that meet the applicable protest thresholds
35 set forth in Section 57094.

36 ~~(1) In the case of inhabited territory, protests have been signed~~
37 ~~by either of the following:~~

38 ~~(A) At least 25 percent of the number of landowners within any~~
39 ~~subject agency within the affected territory who own at least 25~~
40 ~~percent of the assessed value of land within the territory.~~

1 ~~(B) At least 25 percent of the voters entitled to vote as a result~~
2 ~~of residing within, or owning land within, any subject agency~~
3 ~~within the affected territory.~~

4 ~~(2) In the case of a landowner-voter district, the territory is~~
5 ~~uninhabited, and protests have been signed by at least 25 percent~~
6 ~~of the number of landowners within any subject agency within the~~
7 ~~affected territory, owning at least 25 percent of the assessed value~~
8 ~~of land within the subject agency.~~

9 ~~(3) If~~

10 ~~(c) The commission shall order the reorganization subject to~~
11 ~~confirmation by the voters if the reorganization has been initiated~~
12 ~~by the commission pursuant to Section ~~56375~~, 56375 and protests~~
13 ~~have been submitted that meet the requirements of Section ~~57113~~.~~
14 ~~57077.6.~~

15 SEC. 8. Section 57077.5 is added to the Government Code, to
16 read:

17 57077.5. (a) In any resolution ordering a merger or
18 establishment of a subsidiary district, the commission shall approve
19 the change of organization without an election except that if the
20 change of organization meets the requirements of subdivision (b),
21 the commission shall order the change of organization subject to
22 confirmation of the voters.

23 (b) The commission shall order the change of organization
24 subject to confirmation of the voters within any subject agency as
25 follows:

26 (1) If the proposal was not initiated by the commission, and if
27 a subject agency has not objected by resolution to the proposal,
28 the commission has found that protests meet the applicable protest
29 thresholds set forth in Section 57093.

30 (2) If the proposal was not initiated by the commission, and if
31 a subject agency has objected by resolution to the proposal, written
32 protests have been submitted that meet the applicable protest
33 thresholds set forth in Section 57094.

34 (3) If the proposal was initiated by the commission, and
35 regardless of whether a subject agency has objected to the proposal
36 by resolution, written protests have been submitted that meet the
37 requirements of Section 57077.6.

38 (c) Notwithstanding subdivision (a) or (b), the commission shall
39 not order the merger or establishment of a subsidiary district
40 without the consent of the subject city.

1 SEC. 9. Section 57077.6 is added to the Government Code, to
2 read:

3 57077.6. Notwithstanding Section 57102, 57108, or 57111,
4 for any proposal that was initiated by the commission pursuant to
5 subdivision (a) of Section 56375, the commission shall forward
6 the change of organization or reorganization for confirmation by
7 the voters if the commission finds written protests have been
8 submitted that meet the applicable protest thresholds set forth in
9 Section 57094.

10 SEC. 10. Section 57090 of the Government Code is amended
11 to read:

12 57090. (a) Except as otherwise provided in subdivision (b), if
13 proceedings are terminated, either by majority protest as provided
14 in Sections ~~57075, 57076~~, 57075 and 57077, or if a majority of
15 voters do not confirm the change of organization or reorganization
16 as provided in Section 57179, no substantially similar proposal
17 for a change of organization or reorganization of the same or
18 substantially the same territory may be filed with the commission
19 within two years after the date of the certificate of termination if
20 the proposal included an incorporation or city consolidation and
21 within one year for any other change of organization or
22 reorganization.

23 (b) The commission may waive the requirements of subdivision
24 (a) if it finds these requirements are detrimental to the public
25 interest.

26 SEC. 11. Chapter 4.5 (commencing with Section 57091) is
27 added to Part 4 of Division 3 of Title 5 of the Government Code,
28 to read:

29

30 CHAPTER 4.5. PROTEST THRESHOLDS

31

32 57091. (a) For purposes of Section 57075, relating to
33 annexations, detachments, and latent powers, in the case of
34 registered voter districts or cities:

35 (1) For inhabited territory, the commission shall take one of the
36 following actions:

37 (A) Terminate proceedings if a majority protest exists in
38 accordance with Section 57078.

39 (B) Order the change of organization or reorganization subject
40 to confirmation by the registered voters residing within the affected

1 territory if written protests have been filed and not withdrawn by
2 either of the following:

3 (i) At least 25 percent, but less than 50 percent, of the registered
4 voters residing in the affected territory.

5 (ii) At least 25 percent of the number of owners of land who
6 also own at least 25 percent of the assessed value of land within
7 the affected territory.

8 (C) Order the change of organization or reorganization without
9 an election if subparagraphs (A) and (B) of this paragraph do not
10 apply.

11 (2) For uninhabited territory, the commission shall take either
12 of the following actions:

13 (A) Terminate proceedings if a majority protest exists in
14 accordance with Section 57078.

15 (B) Order the change of organization or reorganization if written
16 protests have been filed and not withdrawn by owners of land who
17 own less than 50 percent of the total assessed value of land within
18 the affected territory.

19 (b) For purposes of Section 57075, in the case of
20 landowner-voter districts, the commission shall take one of the
21 following actions:

22 (1) Terminate proceedings if a majority protest exists in
23 accordance with Section 57078.

24 (2) Order the change of organization or reorganization subject
25 to an election within the affected territory if written protests that
26 have been filed and not withdrawn represent either of the following:

27 (A) Twenty-five percent or more of the number of owners of
28 land who also own 25 percent or more of the assessed value of
29 land within the affected territory.

30 (B) Twenty-five percent or more of the voting power of
31 landowner voters entitled to vote as a result of owning property
32 within the affected territory.

33 (3) Order the change of organization or reorganization without
34 an election if written protests have been filed and not withdrawn
35 by less than 25 percent of the number of owners of land who own
36 less than 25 percent of the assessed value of land within the
37 affected territory.

38 57092. For purposes of Sections 57077.1, relating to
39 dissolution, 57077.2, relating to consolidation, 57077.3, relating
40 to reorganization, 57077.4, relating to dissolution and annexation,

1 and 57077.5, relating to merger or establishment of a subsidiary
2 district, the following protest thresholds shall apply:

3 (a) In the case of inhabited territory, protests have been signed
4 by either of the following:

5 (1) At least 25 percent of the number of landowners within the
6 affected territory who own at least 25 percent of the assessed value
7 of land within the affected territory.

8 (2) At least 25 percent of the voters entitled to vote as a result
9 of residing within, or owning land within, the affected territory.

10 (b) In the case of a landowner-voter district, that the territory
11 is uninhabited and that protests have been signed by at least 25
12 percent of the number of landowners within the affected territory
13 owning at least 25 percent of the assessed value of land within the
14 affected territory.

15 57093. For proposals not initiated by the commission and where
16 a subject agency has objected by resolution to the proposal, for
17 purposes of Sections 57077.1, relating to dissolution, 57077.2,
18 relating to consolidation, 57077.3, relating to reorganization,
19 57077.4, relating to dissolution and annexation, and 57077.5,
20 relating to merger or establishment of a subsidiary district, the
21 following protest thresholds shall apply:

22 (a) In the case of inhabited territory, protests have been signed
23 by either of the following:

24 (1) At least 25 percent of the number of landowners within any
25 subject agency within the affected territory who own at least 25
26 percent of the assessed value of land within the affected territory.

27 (2) At least 25 percent of the voters entitled to vote as a result
28 of residing within, or owning land within, any subject agency
29 within the affected territory.

30 (b) In the case of a landowner-voter district, that the territory
31 is uninhabited and protests have been signed by at least 25 percent
32 of the number of landowners within any subject agency within the
33 affected territory, owning at least 25 percent of the assessed value
34 of land within the subject agency.

35 57094. For purposes of Section 57077.6, relating to proposals
36 initiated by the commission, the following protest thresholds shall
37 apply:

38 (a) In the case of inhabited territory, protests have been signed
39 by either of the following:

1 (1) At least 10 percent of the number of landowners within any
 2 subject agency within the affected territory who own at least 10
 3 percent of the assessed value of land within the territory. However,
 4 if the number of landowners within a subject agency is less than
 5 300, the protests shall be signed by at least 25 percent of the
 6 landowners who own at least 25 percent of the assessed value of
 7 land within the affected territory of the subject agency.

8 (2) At least 10 percent of the voters entitled to vote as a result
 9 of residing within, or owning land within, any subject agency
 10 within the affected territory. However, if the number of voters
 11 entitled to vote within a subject agency is less than 300, the protests
 12 shall be signed by at least 25 percent of the voters entitled to vote.

13 (b) In the case of a landowner-voter district, the territory is
 14 uninhabited and protests have been signed by at least 10 percent
 15 of the number of landowners within any subject agency within the
 16 affected territory, who own at least 10 percent of the assessed value
 17 of land within the territory. However, if the number of landowners
 18 entitled to vote within a subject agency is less than 300, protests
 19 shall be signed by at least 25 percent of the landowners entitled to
 20 vote.

21 SEC. 12. Section 57107 of the Government Code is repealed.

22 ~~57107. (a) In any resolution ordering a merger or establishment~~
 23 ~~of a subsidiary district, the commission shall approve the change~~
 24 ~~of organization without an election except that if the change of~~
 25 ~~organization meets the requirements of subdivision (b), the~~
 26 ~~commission shall order the change of organization subject to~~
 27 ~~confirmation of the voters.~~

28 ~~(b) The commission shall order the change of organization~~
 29 ~~subject to confirmation of the voters within any subject agency as~~
 30 ~~follows:~~

31 ~~(1) If the proposal was not initiated by the commission, and if~~
 32 ~~a subject agency has not objected by resolution to the proposal,~~
 33 ~~the commission has found that protests meet one of the following~~
 34 ~~protest thresholds:~~

35 ~~(A) In the case of inhabited territory, protests have been signed~~
 36 ~~by either of the following:~~

37 ~~(i) At least 25 percent of the number of landowners within the~~
 38 ~~affected territory who own at least 25 percent of the assessed value~~
 39 ~~of land within the territory.~~

1 ~~(ii) At least 25 percent of the voters entitled to vote as a result~~
2 ~~of residing within, or owning land within, the affected territory.~~

3 ~~(B) In the case of a landowner-voter district, that the territory~~
4 ~~is uninhabited and that protests have been signed by at least 25~~
5 ~~percent of the number of landowners within the affected territory~~
6 ~~owning at least 25 percent of the assessed value of land within the~~
7 ~~territory.~~

8 ~~(2) If the proposal was not initiated by the commission, and if~~
9 ~~a subject agency has objected by resolution to the proposal, written~~
10 ~~protests have been submitted as follows:~~

11 ~~(A) In the case of inhabited territory, protests have been signed~~
12 ~~by either of the following:~~

13 ~~(i) At least 25 percent of the number of landowners within any~~
14 ~~subject agency within the affected territory who own at least 25~~
15 ~~percent of the assessed value of land within the territory.~~

16 ~~(ii) At least 25 percent of the voters entitled to vote as a result~~
17 ~~of residing within, or owning land within, any subject agency~~
18 ~~within the affected territory.~~

19 ~~(B) In the case of a landowner-voter district, that the territory~~
20 ~~is uninhabited and protests have been signed by at least 25 percent~~
21 ~~of the number of landowners within any subject agency within the~~
22 ~~affected territory, owning at least 25 percent of the assessed value~~
23 ~~of land within the subject agency.~~

24 ~~(3) If the proposal was initiated by the commission, and~~
25 ~~regardless of whether a subject agency has objected to the proposal~~
26 ~~by resolution, written protests have been submitted that meet the~~
27 ~~requirements of Section 57113.~~

28 ~~(e) Notwithstanding subdivision (a) or (b), the commission shall~~
29 ~~not order the merger or establishment of a subsidiary district~~
30 ~~without the consent of the subject city.~~

31 SEC. 13. Section 57113 of the Government Code is repealed.

32 ~~57113. Notwithstanding Section 57102, 57108, or 57111, for~~
33 ~~any proposal that was initiated by the commission pursuant to~~
34 ~~subdivision (a) of Section 56375, the commission shall forward~~
35 ~~the change of organization or reorganization for confirmation by~~
36 ~~the voters if the commission finds either of the following:~~

37 ~~(a) In the case of inhabited territory, protests have been signed~~
38 ~~by either of the following:~~

39 ~~(1) At least 10 percent of the number of landowners within any~~
40 ~~subject agency within the affected territory who own at least 10~~

1 percent of the assessed value of land within the territory. However,
 2 if the number of landowners within a subject agency is less than
 3 300, the protests shall be signed by at least 25 percent of the
 4 landowners who own at least 25 percent of the assessed value of
 5 land within the territory of the subject agency.

6 ~~(2) At least 10 percent of the voters entitled to vote as a result~~
 7 ~~of residing within, or owning land within, any subject agency~~
 8 ~~within the affected territory. However, if the number of voters~~
 9 ~~entitled to vote within a subject agency is less than 300, the protests~~
 10 ~~shall be signed by at least 25 percent of the voters entitled to vote.~~

11 ~~(b) In the case of a landowner-voter district, the territory is~~
 12 ~~uninhabited and protests have been signed by at least 10 percent~~
 13 ~~of the number of landowners within any subject agency within the~~
 14 ~~affected territory, who own at least 10 percent of the assessed value~~
 15 ~~of land within the territory. However, if the number of landowners~~
 16 ~~entitled to vote within a subject agency is less than 300, protests~~
 17 ~~shall be signed by at least 25 percent of the landowners entitled to~~
 18 ~~vote.~~

19 SEC. 14. Section 116687 of the Health and Safety Code is
 20 amended to read:

21 116687. (a) For purposes of this section, the following terms
 22 have the following meanings:

23 (1) "District" means the Sativa-Los Angeles County Water
 24 District.

25 (2) "Commission" means the Local Agency Formation
 26 Commission for the County of Los Angeles.

27 (b) To provide affordable, safe drinking water to disadvantaged
 28 communities, the state board shall order the district to accept
 29 administrative and managerial services, including full management
 30 and control, from an administrator selected by the state board, as
 31 prescribed in Section 116686, except that the state board is not
 32 required to conduct a public meeting as described in paragraph (2)
 33 of subdivision (b) of Section 116686.

34 (c) (1) Upon the appointment of an administrator, all of the
 35 following apply:

36 (A) Notwithstanding Article 1 (commencing with Section
 37 30500) of Chapter 1 of Part 3 of Division 12 of the Water Code,
 38 the district's board of directors shall surrender all control to the
 39 appointed administrator and shall thereafter cease to exist.

1 (B) The members of the board of directors of the district shall
2 have no standing to represent the district’s ratepayers, and a
3 member of the board of directors shall have no claim for benefits
4 other than those the member actually received while a member of
5 the board of directors.

6 (C) Any action by the board of directors to divest the district of
7 its assets shall be deemed tampering with a public water system
8 pursuant to Section 116750 and is subject to the criminal penalties
9 provided for in that section.

10 (2) Within 90 days of the appointment of an administrator, the
11 Controller shall perform a desk audit or financial review of the
12 district. The state board shall exercise its legal authority to facilitate
13 the desk audit or financial review, including, but not limited to,
14 its authority to take possession of the district’s financial records.

15 (3) Any decision by the commission about the dissolution or
16 consolidation of the district is not subject to the provisions of
17 ~~Section 57113~~ 57077.6 of the Government Code, nor to any other
18 requirement for a protest proceeding or election. The commission
19 shall not impose any condition on the successor agency that
20 requires a protest proceeding or an election, as described in Part
21 4 (commencing with Section 57000) and Part 5 (commencing with
22 Section 57300) of Division 3 of Title 5 of the Government Code,
23 respectively.

24 (4) If the commission approves a dissolution of the district
25 initiated by the commission, a successor agency designated in the
26 dissolution by the commission, in consultation with the
27 commission, may solicit proposals, evaluate submittals, and select
28 any public water system to be the receiving water system and
29 subsume all assets, liabilities, adjudicated water rights,
30 responsibilities, and service obligations to provide retail water
31 service to existing and future ratepayers within the former territory
32 of the district. The successor agency shall represent the interests
33 of the public and the ratepayers in the former territory of the
34 district.

35 (d) The state board may provide additional funding to the
36 administrator or the Water Replenishment District of Southern
37 California or the successor agency designated by the commission
38 for urgent infrastructure repairs to the public water system of the
39 district without regard to the future ownership of any facilities
40 affected by this funding. For purposes of this section, “urgent

1 infrastructure repairs” are those that are immediately necessary to
2 protect the public health, safety, and welfare of those served by
3 the district.

4 (e) If the district is consolidated with a receiving water system
5 as prescribed in Sections 116682 and 116684, the subsumed
6 territory of the district may include both unincorporated territory
7 of the County of Los Angeles and incorporated territory of the
8 City of Compton.

9 (f) (1) Any administrator appointed pursuant to subdivision
10 (b), any successor agency to the district designated by the
11 commission to take over the district, any receiving operator of a
12 public water system that provides service to the territory of the
13 district, any water corporation that acquires the district, and the
14 commission shall not be held liable for claims by past or existing
15 district ratepayers or those who consumed water provided through
16 the district concerning the operation and supply of water from the
17 district during the interim operation period specified in subdivision
18 (g) for any good faith, reasonable effort using ordinary care to
19 assume possession of the territory of, to operate, or to supply water
20 to the ratepayers within the territory of, the district.

21 (2) Any administrator appointed pursuant to subdivision (b),
22 any successor agency to the district designated by the commission
23 to take over the district, any receiving operator of a public water
24 system that provides service to the territory of the district, any
25 water corporation that acquires the district, and the commission
26 shall not be held liable for claims by past or existing district
27 ratepayers or those who consumed water provided through the
28 district for any injury that occurred prior to the commencement of
29 the interim operation period specified in subdivision (g).

30 (g) (1) Notwithstanding subdivision (d) of Section 116684, for
31 any successor agency to the district designated by the commission
32 to take over the district, any receiving operator of a public water
33 system that provides service to the territory of the district, or any
34 water corporation that acquires the district, the interim operation
35 period shall commence upon the execution of an agreement or
36 designation by the commission to provide water services to the
37 district and shall end one year later. Upon the showing of good
38 cause, the interim operation period shall be extended by the
39 commission for up to three successive one-year periods at the
40 request of an entity described in this paragraph.

1 (2) For the administrator appointed pursuant to subdivision (b),
2 the interim operation period commences upon being appointed by
3 the state board and ends when a successor agency has been
4 designated by the commission to provide water service to
5 ratepayers of the district, when a receiving water agency is
6 consolidated with or extends service to ratepayers of the district,
7 when a water corporation acquires the district with the approval
8 of the Public Utilities Commission, or when the administrator's
9 obligation to provide interim administrative and managerial
10 services has otherwise ended.

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

April 7, 2021

Senator Robert Hertzberg
California State Senate
10210 O Street, Room 8610
Sacramento, CA 95814

Subject: **Support of Senate Bill 938 (Protest Proceedings)**

Dear Senator Hertzberg:

The Local Agency Formation Commission of Santa Cruz County (“Santa Cruz LAFCO”) is pleased to support Senate Bill 938, as currently introduced. SB 938 represents a collaborative three-year effort led by CALAFCO to clean up, consolidate, and clarify existing statutory provisions associated with consolidations and dissolutions. The Commission also understands there are pending amendments to the bill that would codify the conditions under which LAFCO may initiate dissolution of a district at the 25 percent protest threshold, and Santa Cruz LAFCO looks forward to further review of any amendments to SB 938.

As introduced, the bill represents the redraft of existing protest statutes with some minor technical clarifications added. The pending amendments from CALAFCO allow LAFCOs to initiate the dissolution of a district at the 25 percent protest threshold under specific circumstances. Currently, statutes related to protest provisions and the disparate protest thresholds established for LAFCO-initiated actions (10 percent) and all other initiated actions (25 percent) make addressing necessary and appropriate special district consolidations and dissolutions considerably more difficult when initiated by a LAFCO. Further, they serve as a deterrent for LAFCO to initiate action, even if meaningful efficiencies in the provision of public services could be achieved or if a district is failing to meet its statutory requirements.

The effort to address these issues is in response to a recommendation made in the 2017 Little Hoover Commission report after a year-long study (“Special Districts: Improving Oversight and Transparency”) and the formation of a working group by CALAFCO of stakeholders in early 2019. The intent was to examine the protest process for consolidations and dissolutions of special districts, and after three years of work (delayed due to the pandemic), the working group came to a consensus on the redraft of existing protest statutes represented in SB 938 as introduced. In addition, the working group agreed upon a new process that allows LAFCOs to initiate the dissolution of a district at the 25 percent protest threshold under specific circumstances (pending amendment into SB 939).

The overarching goal of these changes is to ensure that LAFCOs have the tools to carry out the statutory obligations to ensure orderly and functioning local government services and create greater consistency in the statute. The specific circumstances under which dissolution may be initiated are more than reasonable and the subsequent process includes three noticed public hearings, a minimum 12-month remediation period, and a 60-day protest period, all of which are extremely practical. Additionally, the proposed process for LAFCO-initiated actions at the 25 percent protest threshold applies only to dissolutions, making the scope of use exceptionally narrow.

SB 938 makes much-needed and long-awaited improvements to the CKH Act through the restructure and clarification of existing protest provisions and the pending amendments, which would add a fair and appropriate process that offers LAFCOs additional tools necessary to effectively fulfill their statutory obligations. Santa Cruz LAFCO appreciates your effort in authoring this important legislation and for continuing your long support of LAFCOs work.

Sincerely,

Joe A. Serrano
Executive Officer

cc: Members, Senate Governance and Finance Committee
Anton Favorini-Csorba, Consultant, Senate Governance and Finance Committee
Ryan Eisberg, Consultant, Senate Republican Caucus
Rene LaRoche, Executive Director, CALAFCO

AMENDED IN SENATE MARCH 2, 2022

SENATE BILL**No. 969****Introduced by Senator Laird**

February 10, 2022

An act to add Section 32498.9 to the Health and Safety Code, relating to public health.

LEGISLATIVE COUNSEL'S DIGEST

SB 969, as amended, Laird. ~~Local healthcare.~~ *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.

Existing law creates the Pajaro Valley Health Care District, as specified, and authorizes 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. Existing law requires, 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. Existing law requires the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 to govern any organizational changes for the district after formation. Existing law requires 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. Existing law requires the LAFCO to dissolve the district under certain circumstances.

This bill would require the LAFCO to develop and determine a sphere of influence for the district within one year of the district’s date of formation, and to conduct a municipal service review regarding health care provision in the district by December 31, 2025, and by December 31 every 5 years thereafter. The bill also would require the district to annually report to the commission regarding health care provision in the district in 2023 and 2024, as specified.

~~Existing law authorizes the board of supervisors of certain counties to establish a health authority for the management, administration, and control of certain medical delivery systems. Existing law also authorizes the formation of local hospital districts, as specified.~~

~~This bill would state the intent of the Legislature to ensure the residents of the Pajaro Valley have access to healthcare services.~~

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

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

- 1 SECTION 1. Section 32498.9 is added to the Health and Safety
- 2 Code, to read:
- 3 32498.9. (a) Within one year of the district’s date of formation,
- 4 the Santa Cruz County local agency formation commission shall
- 5 develop and determine a sphere of influence for the district
- 6 pursuant to Section 56426.5 of the Government Code, unless the
- 7 district is dissolved before that date.
- 8 (b) The district shall make annual reports to the commission,
- 9 by December 31, 2023, and December 31, 2024, regarding health
- 10 care service provision within the boundaries of the district, using
- 11 the indices outlined in paragraphs (1) to (6), inclusive, of
- 12 subdivision (a) of Section 56430 of the Government Code, unless
- 13 the district is dissolved before the date the report is required.
- 14 (c) By December 31, 2025, and by December 31 every five years
- 15 thereafter, the commission shall conduct a municipal service review
- 16 regarding health care service provision within the boundaries of
- 17 the district pursuant to Section 56430 of the Government Code,
- 18 unless the district is dissolved before the date the municipal service
- 19 review is required.

1 ~~SECTION 1. It is the intent of the Legislature to ensure the~~
2 ~~residents of the Pajaro Valley have access to healthcare services.~~

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6C: ATTACHMENT 8**County of Santa Cruz Board of Supervisors****Agenda Item Submittal**

From: Greg Caput, Fourth District Supervisor, Zach Friend, Second District Supervisor

(831) 454-2200

Subject: Appointments to the Pajaro Valley Health Care District Board of Directors

Meeting Date: March 22, 2022

Recommended Action(s):

- 1) Accept recommendations of nominations to the Pajaro Valley Health Care District Board of Directors; and
- 2) Appoint said nominations to the Pajaro Valley Health Care District Board of Directors.

Executive Summary

On February 4, 2022, Governor Newsom signed Senate Bill (SB) 418 creating the Pajaro Valley Health Care District (PVHCD). The creation of the PVHCD, and the County's commitment in funding and administrative support, are essential investments in health equity, access, and the stability of the regional health network. Under the California Health and Safety Code, the Board of Supervisors is charged with appointing the initial Board of Directors of this new agency. On February 15, 2022, the Board of Supervisors approved the screening and selection process report for the PVHCD Board of Directors.

The selection committee, comprised of Supervisors Greg Caput and Zach Friend, County Administrative Officer Carlos Palacios, Health Services Agency Director Mónica Morales, and Salud Para La Gente Executive Director Dori Rose Inda, reviewed all applications and are submitting recommendations to appoint five initial members to the PVHCD Board of Directors representing a qualified and diverse cross-section of our community. The five initial members are proposed to be: John Friel, Katherine (Katie) Gabriel-Cox, Jasmine Nájera, Jose Anthony (Tony) Nuñez and Marcus Pimental.

Background

Under SB 418, the PVHCD will govern activities associated with the delivery of medical care in the Pajaro Valley, including the potential acquisition and oversight of the Watsonville Community Hospital. The five positions are voluntary and while the initial terms will be by appointment, subsequent terms will be subject to district-based public elections. Applicants were required to permanently reside within the boundaries of the Health Care District, be a registered voter in Monterey or Santa Cruz Counties, and be able to complete applicable statements of economic interest filings.

In establishing the selection process, the Board spoke to the need of having a

governing body that was reflective of the diverse needs of the health district and exhibited a diverse set of expertise and experience that would ensure the transition to this new regional model would be successful. The County worked with community-based partners to outreach to prospective candidates and used social and traditional media to cast a wide net for applicants. The application period was open from February 16 to March 4, and 27 applications were received with 26 determined to be eligible based on information provided.

Analysis

The selection committee reviewed all applications, determined eligibility given District requirements, and how applicants individually and collectively addressed the expertise and experience criteria set forth by the Board.

Here are very brief backgrounds on the recommended candidates:

John Friel: Over 50 years of experience in healthcare as a provider and executive including previously as CEO of Watsonville Community Hospital and as CEO of multiple major California health care districts until retiring in 2021. John is an Aptos resident.

Katherine (Katie) Gabriel-Cox: Physician, Board certified OB/GYN currently with Salud Para La Gente and previously with the Palo Alto Medical Foundation, Sutter, and Kaiser Permanente and served internationally with the nationalized universal health system in New Zealand. Katie is an Aptos resident.

Jasmine Nájera: Licensed Clinical Social Worker who has worked with Pajaro Valley Prevention and Student Assistance and in multiple behavioral health capacities with the Santa Cruz County Health Services Agency. Jasmine is a Watsonville resident.

Jose A. (Tony) Nuñez: Regional Journalist, Managing Editor of the Pajaronian and Press-Banner newspapers and lifelong Watsonville resident and Watsonville High School Graduate with significant area ties and relationships to reflect community voices and experiences. Tony is a Watsonville resident.

Marcus Pimental: Extensive fiscal and health care experience including serving as Assistant Health Services Agency Director in Santa Cruz County, a board member of Salud Para La Gente and as Budget Manager and Finance Director for Santa Cruz County and the City of Watsonville. Marcus is a resident of Monterey County.

Combined, the five recommended nominees possess the experience, skill sets, and geographical and cultural diversity identified as critical by the BOS to support the formation and operations of the Pajaro Valley Health Care District and the objective to acquire and operate Watsonville Community Hospital as a premier, equitable and stable health provider in our community.

Financial Impact

There is no financial impact associated with this item.

Strategic Plan Element(s)

- 1.A. Comprehensive Health and Safety: Health Equity
- 1.B. Comprehensive Health and Safety: Community Support

Submitted by:

Greg Caput, Fourth District Supervisor, Zach Friend, Second District Supervisor



April 7, 2021

The Honorable John Laird
California State Senate
1021 O Street, Suite 8720
Sacramento, California 95814

Subject: **Support of Senate Bill 969 (Pajaro Valley Health Care District)**

Dear Senator Laird:

On behalf of the Local Agency Formation Commission of Santa Cruz County (“LAFCO”), I write to communicate our support for Senate Bill 969, your measure to provide additional oversight of the Pajaro Valley Health Care District in its initial years post-formation. This measure is presented as a follow-up to Senate Bill 418, which authorized the formation of the Pajaro Valley Health Care District in Santa Cruz and Monterey Counties.

As you know, SB 418 established the Pajaro Valley Health Care District for the purpose of taking ownership of the Watsonville Community Hospital, which remains in Chapter 11 bankruptcy proceedings. Governor Newsom signed SB 418 into law on February 2, 2022 and the Santa Cruz County Board of Supervisors recently took action to appoint the District’s initial board of directors.

In order to address the imminent closure of the Watsonville Community Hospital and comply with the deadlines of the Chapter 11 federal bankruptcy proceedings, the Pajaro Valley Health Care District was formed on an urgency basis and necessarily bypassed what could have been a lengthy LAFCO process. As a result, SB 969 includes statutory direction to LAFCO to provide additional reporting and oversight to the District during the initial years of its existence.

Specifically, SB 969 requires that LAFCO develop and determine a sphere of influence for the District within one year of district formation and conduct a municipal service review regarding healthcare service provision within the district’s boundaries by December 31, 2025. Additionally, the Pajaro Valley Health Care District must report annually to the Santa Cruz County LAFCO regarding health care service provision by December 31, 2023 and December 31, 2024.

SB 969 helps insure that the Cortese-Knox-Hertzberg Act remains a vital and practical law that oversees the service provisions of the Pajaro Valley Health Care District now and in the future. We appreciate your authorship of this bill, and your support of the mission of LAFCOs.

Sincerely,

Joe A. Serrano
Executive Officer

cc: The Honorable Anna Caballero, California State Senate
The Honorable Robert Rivas, California State Assembly
The Honorable Mark Stone, California State Assembly
Members, Senate Governance and Finance Committee
Anton Favorini-Csorba, Consultant, Senate Governance and Finance Committee
Ryan Eisberg, Consultant, Senate Republican Caucus
Rene LaRoche, Executive Director, CALAFCO



Date: April 6, 2022
To: LAFCO Commissioners
From: Joe Serrano, Executive Officer
Subject: **List of Extraterritorial Service Agreements – Status Update**

SUMMARY OF RECOMMENDATION

Santa Cruz LAFCO is responsible for reviewing and approving proposed jurisdictional boundary changes, including but not limited to, annexations and detachments to/from cities and special districts, formation of new cities and districts, and consolidations or dissolutions of existing special districts. LAFCO is also responsible for reviewing and approving extraterritorial service agreements between local agencies and landowners with properties outside an agency’s jurisdictional and/or sphere boundaries. This Commission received a comprehensive overview of the existing extraterritorial service agreements in Santa Cruz County back in September 2021. 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 (“LAFCO Law”) authorizes LAFCO to consider the extension of municipal services beyond the jurisdictional boundary of a local agency, where the subject territory is outside an agency’s service or sphere boundaries (Government Code Section 56133). The Commission has also adopted a policy to set clear standards for applying state and local laws governing the extension of services beyond the jurisdictional boundaries of a city or special district. This policy was reviewed and updated in June 2020. Staff is not recommending any changes to the policy at this time.

Adopted Extraterritorial Service Agreements

Since 1995, this Commission has approved approximately 50 extraterritorial service agreements (ESAs) for the delivery of municipal services throughout the county. Some of those affected parcels were eventually annexed into the affected agency’s jurisdiction. At present, there are 42 active ESAs. **Attachment 1** depicts the location of each ESA. **Attachment 2** lists all the active ESAs approved by the Commission from 1995 to 2022. The last approved extraterritorial service agreement was completed in February 2022 and involved the City of Scotts Valley for emergency sewer services. It is important to note that ESAs are meant to be an immediate remedy for health and safety issues, and more importantly, as a precursor to annexation. That is why this Commission directed staff to distribute letters to each agency with active ESAs back in September 2021 requesting that they develop an annexation plan or at minimum respond back to LAFCO before the March 31, 2022 deadline. All affected agencies responded back to LAFCO, as summarized on the following pages.

Central Water District

The water district was formed in 1950 and serves five square miles of suburban and rural community in Aptos. At present, Central Water District (CWD) has one ESA with a single parcel (APN: 107-162-02) totaling approximately 56 acres. The ESA was approved back in 2008 for water services. A letter was sent to CWD to address the existing ESA. A response letter was sent to LAFCO on September 29, 2022 (see **Attachment 3**) indicating that the District has no immediate plan to initiate the annexation process. It is LAFCO staff's position that this ESA should be analyzed in more detail during the upcoming service and sphere review. A formal request for annexation may be considered at that time.

City of Santa Cruz

The City was incorporated in 1886 and serves 12 square miles to a coastal community located in the western portion of the county. At present, the City has five ESAs involving 66 parcels for a total of approximately 30 acres. A letter was sent to the City to address the existing ESAs. A response letter was sent to LAFCO on March 7, 2022 (see **Attachment 4**) noting that due to other pressing matters the City is unable to develop a plan to annex the subject parcels but is open to considering such action in the future. It is LAFCO's staff's position that LAFCO should continue to coordinate with the City on these active ESAs and jointly develop a plan in the near future.

City of Scotts Valley

The City was incorporated in 1966 and serves five square miles involving a small community located in the center of the county. At present, the City has ten ESAs involving 17 parcels for a total of approximately 10 acres. Based on LAFCO's analysis, all ten ESAs are located within the City's sphere and immediately adjacent to the City's jurisdictional boundary. The new City Manager and LAFCO staff held a meeting on March 29. LAFCO was informed that the City has no immediate plans to annex the active ESAs. It may be beneficial to analyze the ESAs in more detail during the City's next service and sphere review cycle. A formal request for annexation may be considered at that time.

City of Watsonville

The City was incorporated in 1868 and serves seven square miles to an urban community located in the southern portion of the county. At present, the City has 17 ESAs involving 152 parcels for a total of approximately 209 acres. Only one ESA is within the City's sphere boundary and substantially surrounded by the City. A letter was sent to the City to address the ESA within its sphere boundary. A response letter was sent to LAFCO on March 4, 2022 (see **Attachment 6**) indicating that the City plans on annexing the ESA once the housing development project is complete. LAFCO staff will continue to coordinate with the City to determine when the proposed annexation will occur.

County Service Area 26

The CSA was formed in 1982 and serves 0.48 square miles to a small unincorporated community in Soquel on Hidden Valley Road. At present, the CSA has one ESA involving a single parcel totaling five acres. The ESA was approved in January 2020 in order to provide road repair and maintenance oversight towards an evacuation route connecting Hidden Valley Road and Ponza Lane. A letter was sent to the County to acknowledge the active ESA but no action was required. The County responded back on September 22, 2021 (see **Attachment 7**) explaining that the evacuation road project was completed in November 2020 following the Commission's approval of the ESA.

Davenport County Sanitation District

The District was formed in 1979 and serves 0.1 square miles to a small unincorporated community in Davenport. At present, the District has one ESA involving a single parcel totaling 109 acres. The ESA was approved in 2005 in order to provide domestic water to the Cemex Cement Plant. A letter was sent to the District to address the active ESA. A response letter was sent to LAFCO on March 2, 2022 (see **Attachment 8**) indicating that it is interested in pursuing annexation but cannot initiate the boundary change at this time due to lack of staffing and funding. The District asked whether LAFCO could initiate the annexation on their behalf. While the Commission cannot initiate annexations under state law, this may be another opportunity where LAFCO and the affected agency can work together to complete the annexation process.

Scotts Valley Water District

The District was formed in 1961 and serves six square miles covering the City of Scotts Valley and a portion of an unincorporated area north of the City. At present, the District has two ESAs involving two parcels totaling approximately six acres. A letter was sent to the District to address the two ESAs. A response letter was sent to LAFCO on March 17, 2022 (see **Attachment 9**) indicating that the District is interested in annexing the two ESAs but also interested in annexing all the areas within its sphere boundary. The District intends to conduct an informational session about the LAFCO process on April 14, 2022 and subsequently consider initiating the annexation process in the near future.

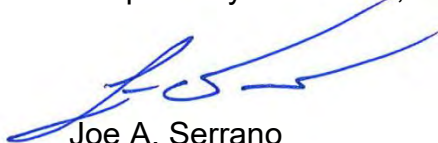
Soquel Creek Water District

The District was formed in 1961 and serves 14 square miles covering most of Capitola and the unincorporated areas of Soquel, Aptos, Seacliff, Rio Del Seascapes, La Selva Beach, and San Dollar Beach. At present, the District has five ESAs involving 290 parcels totaling approximately 790 acres. A letter was sent to the District to address the five ESAs. A response letter was sent to LAFCO on February 28, 2022 requesting that they receive an extension until July 1, 2022. The District is currently working on their new Strategic Plan and they would like to address the ESAs in that plan. LAFCO staff has agreed to extend their response deadline to July.

CONCLUSION

Services are already being provided to these areas through the active extraterritorial service agreements. It is important that these residents receive all the benefits and representation offered by the affected agencies. This can be accomplished through annexation. The Commission's current proactive effort to address the active ESAs has been a success. Most of the affected agencies have expressed interest in annexation. LAFCO staff intends to continue coordinating with these agencies to resolve any concerns and move the annexation discussions forward.

Respectfully Submitted,

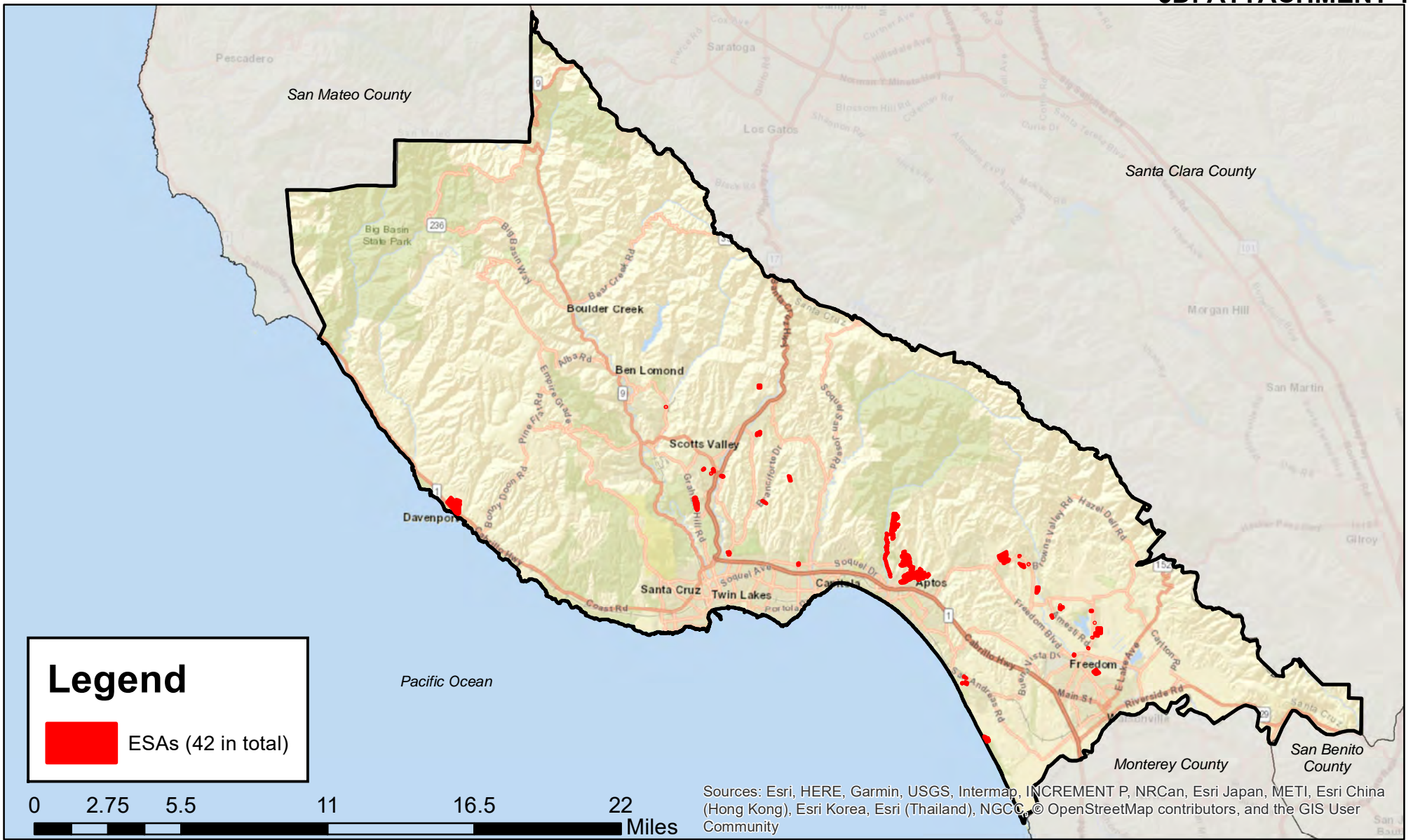


Joe A. Serrano
Executive Officer

Attachments:

1. Countywide ESA Map

2. List of Active ESAs (42 in total)
3. Central Water District Response Letter (dated September 27, 2021)
4. City of Santa Cruz Response Letter (dated March 7, 2022)
5. City of Watsonville Response Letter (dated March 4, 2022)
6. CSA 26 Response Letter (dated September 22, 2021)
7. Davenport County Sanitation District Response Letter (dated March 2, 2022)
8. Scotts Valley Water District Response Letter (dated March 17, 2022)



Location of Extraterritorial Service Agreements (42 in total)

The approved ESAs throughout the County provide municipal services to 530 parcels totalling approximately 1,165 acres.



List of Active Extraterritorial Service Agreements (Chronological Order)

# of ESAs	Project #	Assessed Parcel No. (APN)	Affected Agency	Approval Year	Size (Acres)	Purpose
1	805	Original: 108-192-01 New: 108-361-01	City of Watsonville	1995	9.5	Water
2	806	54 parcels (Diamond Estates)	City of Watsonville	1995	19.0	Water
3	816	Original: 107-210-16 New: 107-201-16	City of Watsonville	1995	0.4	Water
4	820	050-251-18	City of Watsonville	1996	0.3	Water
5	828	Original: 051-381-15 New: 051-381-75	City of Watsonville	1996	2.0	Water
6	840	107-162-03	City of Watsonville	1997	1.9	Water
7	841	Original: 050-151-14 New: 050-391-05	City of Watsonville	1997	1.2	Water
8	842	046-062-07	Soquel Creek WD	1997	1.3	Water
9	846	046-072-14	Soquel Creek WD	1997	4.5	Water
10	854	9 parcels	Soquel Creek WD	1998	49.0	Water
11	860	Original: 050-232-28 New: 050-232-29	City of Watsonville	1999	3.1	Water
12	862	050-351-21	City of Watsonville	1999	1.7	Water
13	863	83 parcels (Sunset Beach MWC)	City of Watsonville	1999	132.0	Water
14	878	067-101-12, 11, 10, 09, 08, 07, 06, 05, & 04	City of Scotts Valley	2001	1.8	Sewer
15	884	Original: 050-031-24 New: 050-031-55	City of Watsonville	2003	7.7	Water
16	902	067-101-12	City of Scotts Valley	2005	0.2	Sewer
17	903	Original: 058-071-04 New: 058-071-06	Davenport Sanitation District	2005	109.3	Sewer
18	905	62 parcels (Rolling Woods MWC)	City of Santa Cruz	2006	22.0	Water
19	907	068-241-13	City of Santa Cruz	2006	3.0	Water
20	908	094-051-09	Scotts Valley WD	2006	4.9	Water
21	916	068-282-01	City of Scotts Valley	2007	1.2	Sewer
22	920	056-101-01	City of Scotts Valley	2007	1.0	Sewer
23	922	87 parcels (Pure Source MWC)	Soquel Creek WD	2007	102.0	Water
24	923	068-281-03	Scotts Valley WD	2008	0.7	Water
25	924	107-162-02	Central Water District	2008	56.2	Water
26	925	101-162-10	City of Santa Cruz	2008	2.4	Water
27	926	200 parcels (Trout Gulch MWC)	Soquel Creek WD	2008	633.0	Water
28	932	051-511-35	City of Watsonville	2010	6.9	Water
29	935	067-561-04	City of Scotts Valley	2010	0.5	Sewer
30	939	056-102-05	City of Scotts Valley	2011	1.1	Sewer
31	940	107-461-16	City of Watsonville	2011	0.4	Water
32	942	067-281-08	City of Scotts Valley	2012	1.4	Sewer
33	944	050-341-04	City of Watsonville	2012	0.2	Water
34	945	050-041-12	City of Watsonville	2012	1.3	Water
35	946	Original: 030-061-04 New: 030-061-28	City of Santa Cruz	2013	0.6	Water
36	948	068-241-07	City of Santa Cruz	2013	1.5	Sewer
37	ESA 20-01	102-021-62	County Service Area 26	2020	5.1	Road
38	ESA 20-26	056-101-17	City of Scotts Valley	2020	1.0	Sewer
39	ESA 20-33	108-291-11	City of Watsonville	2020	6.6	Water
40	ESA 21-04	048-221-09	City of Watsonville	2021	14.4	Water & Sewer
41	ESA 21-06	056-101-11	City of Scotts Valley	2021	1.0	Sewer
42	ESA 21-16	056-102-02	City of Scotts Valley	2022	0.4	Sewer

RECEIVED

SEP 27 2021

Santa Cruz LAFCO



CENTRAL WATER DISTRICT
400 Cox Road – Post Office Box 1869
Aptos, California 95001-1869
(831) 688-2767

September 21, 2021

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


Dear Mr. Serrano,

The Central Water District received your letter regarding the Extraterritorial Service Agreement that the District has in place with the approximate 56 acre parcel (APN# 107-162-02), located off of Pleasant Valley Road in Aptos, CA.

At this time, the Central Water District has no immediate plan to initiate the annexation process for APN #107-162-02. Nonetheless, the District will continue to provide this property with a fire service connection, as was originally agreed/approved.

Should you have any questions or need any additional information, please do not hesitate to contact the District Office at (831)688-2767.

Sincerely,



Ralph Bracamonte
District Manager



OFFICE OF THE CITY MANAGER

809 Center Street, Room 10, Santa Cruz, CA 95060 • (831) 420-5010 • Fax: (831) 420-5011 • www.cityofsantacruz.com

RECEIVED

MAR 10 2022

March 7, 2022

Santa Cruz LAFCO

Mr. Joe A. Serrano, Executive Officer
Santa Cruz Local Agency Formation Commission
701 Ocean Street #318D
Santa Cruz, CA 95060

Dear Mr. Serrano,

I am writing in response to your letter of September 1, 2021 regarding the City of Santa Cruz' Extraterritorial Service Agreements for water service to two parcels, APN 068-214-07 and APN 068-241-13, and your request that the City develop an annexation plan for these two parcels by March 31, 2022.

As conveyed to you in your March 3, 2022 conversation with Santa Cruz Water Director Rosemary Menard, due to the press of other business at this time, the City is unable to develop or proceed with plans to annex these two parcels at present but is open to considering that action in the future.

We appreciate your taking the time to reach out to us on this topic.

Sincerely,

Matt Huffaker
City Manager

- cc: Anthony Condotti, City Attorney
- Bonnie Bush, City Clerk Administrator
- Rosemary Menard, Water Director



City of Watsonville

"A Community of Opportunities"

March 4, 2022

Joe A Serrano, Executive Officer
 Santa Cruz Local Agency Formation Commission
 701 Ocean Street #318D
 Santa Cruz, CA 95060

RE: Extraterritorial Service Agreements

Dear Mr. Serrano,

The City of Watsonville received your September 1, 2021 letter and appreciates the update regarding the 17 extraterritorial service agreements (ESAs) our City currently has in place.

The latest ESA involving APN 048-221-09 is proceeding with development. City staff will bring this annexation item to City Council and will work with LAFCO staff once the development is complete and in accordance with adopted resolutions.

Please do not hesitate to contact me if you need any additional information or have any questions.

Sincerely,

Tamara Vides
 City Manager Pro Tempore

C: Suzi Merriam, Community Development Director
 Christian Di Renzo, Public Works and Utilities Director



County of Santa Cruz

DEPARTMENT OF PUBLIC WORKS

701 OCEAN STREET, ROOM 410, SANTA CRUZ, CA 95060-4070
(831) 454-2160 FAX (831) 454-2385 TDD (831) 454-2123

MATT MACHADO
DEPUTY CAO
DIRECTOR OF PUBLIC WORKS

September 22, 2021

JOE A. SERRANO, EXECUTIVE OFFICER
Santa Cruz LAFCO
701 Ocean Street #318D
Santa Cruz CA 95060

SUBJECT: EXTRATERRITORIAL SERVICE AGREEMENT

Dear Mr. Serrano:

In April of 2020, a purchase order was issued to Earthworks Paving to install a concert slab approximately 84 sq. ft. and add grade on the level portion of the road, from 1530 Hidden Valley Road connecting onto Ponza Lane in Soquel. The evacuation road project was complete in November 2020. The Soquel Central Fire Department has inspected several times to ensure that residents and emergency equipment access Hidden Valley Road from Ponza Lane and Hidden Valley. The last inspection from Soquel Central Fire Department was in July 2021.

Feel free to contact me if you have any questions. My direct line is 454-2347 or email me at elsa.aguilar@santacruzcounty.us.

Sincerely,

Elsa Aguilar
Senior Departmental Analyst

EA:jv

Extraterritorial Service Agreement.Lafco.doc



County of Santa Cruz

DEPARTMENT OF PUBLIC WORKS

701 OCEAN STREET, ROOM 410, SANTA CRUZ, CA 95060-4070
(831) 454-2160 FAX (831) 454-2385 TDD (831) 454-2123

MATT MACHADO
DEPUTY CAO
DIRECTOR OF PUBLIC WORKS

March 2, 2022

JOE SERRANO
Executive Officer
Local Agency Formation Commission of Santa Cruz County
701 Ocean St, Room 318-D
Santa Cruz, CA 95060

SUBJECT: DAVENPORT COUNTY SANITATION DISTRICT (DISTRICT)
EXTRATERRITORIAL SERVICE AGREEMENT (ESA)

Dear Joe:

Please consider this letter as a response to your letter dated September 1, 2021, regarding subject matter. As described in your letter this ESA has been in place since 2005. It is clear that this area should be considered for annexation into the District to reflect the District's ongoing service delivery. The District is interested in the pursuit of annexation, yet due to lack of staffing and funding are unable to pursue this effort without significant help from LAFCO. Could you as the Executive Officer initiate this process on our behalf? We can assist as needed.

Thank you for the partnership on this effort.

Respectfully,

MATT MACHADO
Deputy CAO
Director of Community Development
and Infrastructure

Cc: Erich Friedrich
Kent Edler

LAFCO ESA March 2022.doc



March 17, 2022

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

RE: Extraterritorial Service Agreements

Dear Mr. Serrano,

As we were notified in your letter from September 1, 2021, the Scotts Valley Water District (District) has extraterritorial service agreements (ESAs) for parcels APN 094-051-09 and APN 068-281-03, which the District has been serving since 2007 and 2008, respectively.

The District supports continuing the service to these properties and is interested in proceeding with annexing both parcels if there are no objections from the other interested parties. Furthermore, the District would like to request an annexation of all parcels that are in its sphere of influence but not currently included within the service area boundaries. We intend to conduct an information session about the LAFCO process for annexation at the board meeting on April 14, 2022, followed by a formal Board action to initiate the application at the subsequent meeting.

I look forward to working with you on this task with a goal of mutual benefits to the property owners and the District

Sincerely,

General Manager

cc: Scotts Valley Water District Board of Directors



Date: April 6, 2022
To: LAFCO Commissioners
From: Joe Serrano, Executive Officer
Subject: **Branciforte Fire Protection District – Status Update**

SUMMARY OF RECOMMENDATION

The Commission adopted a Countywide Fire Protection Service & Sphere Review on October 13, 2021, which included a number of actions items for the affected fire agencies. One action item was the development of a comprehensive plan by the Branciforte Fire Protection District. This detailed plan was meant to clearly show how the District will function as a sustainable agency following the expiration of a contract with Scotts Valley Fire Protection District for operational services. The deadline to submit the detailed plan was March 31, 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

LAFCO periodically performs municipal service reviews and sphere of influence updates for each agency subject to LAFCO’s boundary regulations. As part of the Commission’s Multi-Year Work Program, LAFCO staff drafted a service and sphere review for the 13 local agencies that provide fire protection services, and scheduled a public hearing on October 13, 2021. During the October meeting, the Commission adopted the report, reaffirmed most spheres, and requested that each fire agency develop an annexation plan regarding their existing sphere boundaries by August 2022. Additionally, the Commission required that the Branciforte Fire Protection District (BFPD) develop a detailed plan outlining how internal operations and all administrative services will be completed without the assistance of Scotts Valley Fire Protection District (SVFPD) or any other governmental entity. The deadline to submit the plan was March 31, 2022.

Reasons for Detailed Plan

LAFCO staff identified major concerns about the BFPD’s ability to comply with the statutory requirements as an independent special district. Since 2015, BFPD relied on SVFPD to fulfill the daily, weekly, monthly, quarterly, and annual duties on behalf of BFPD under the now expired contract (which ended in September 2021). Following the September sunset date, BFPD hired an interim, part-time fire chief that was a CalPERS retired annuitant. A "retired annuitant" is a CalPERS retiree who, without applying for *Reinstatement From Retirement*, returns to work with a CalPERS employer in a designated retired annuitant position. An annuitant has a number of restrictions, including but not limited to, a maximum of 960 hours worked within a fiscal year. A search for a permanent fire chief was unsuccessful during the last six months. The interim fire chief’s last day was March 14, 2022. While a partial strategic plan was submitted to LAFCO before the March deadline (**Attachment 1**), it does not fulfill LAFCO’s requirements.

Current Efforts

Since the recruitment process for a new fire chief was unsuccessful, coupled with the fact that BFPD was unable to produce a detailed plan, LAFCO worked diligently with BFPD and SVFPD to find a long-term solution. The two districts and LAFCO collaborated during the last few months to develop a well-coordinated plan that would ensure Branciforte residents receive adequate level of services now and in the future. This cooperative plan was accomplished by LAFCO staff and Commissioner Jim Anderson hosting two joint meetings with representatives from both districts (“stakeholder group”) to discuss the future governance of the Branciforte community. It was determined by the stakeholder group that a reorganization should be analyzed and considered. That is why the BFPD Board unanimously adopted a resolution to initiate the reorganization process on March 7, 2022 (**Attachment 2**). The next key step was to address the fire chief vacancy. It was determined by the stakeholder group that developing a “Pre-Reorganization Agreement” would help clearly outline how both districts and LAFCO can work together to ensure BFPD remains in operation and a temporary fire chief is in place as the reorganization process unfolds. **Attachment 3** provides a copy of the Pre-Reorganization Agreement. The BFPD Board unanimously approved the agreement on March 14, 2022. The SVFPD Board will hold a special meeting on April 13, 2022 to consider approving the Pre-Reorganization Agreement as well.

Reorganization Process

BFPD and SVFPD were in a six-year contract for operational services. Their collaborative effort reflected the combined sphere boundary between the two districts. This combined sphere boundary was originally adopted in 1994 and indicates that the Branciforte community would benefit if the two districts merged. It is LAFCO’s perspective that both districts were “unofficially merged” for the past six years – internally maximizing their staff and resources as one entity. An official merger between the two districts today can be accomplished as a reorganization, meaning that BFPD would be dissolved and the dissolved area would be concurrently annexed into SVFPD. The reorganization would also address LAFCO’s concerns about BFPD’s internal operations, compliance with state laws, inadequate governance structure, and the lack of firefighters and volunteers. The two districts have agreed to work with LAFCO to analyze the benefits of a reorganization. Now that a resolution of initiation has been adopted and an application has been submitted by BFPD, LAFCO will begin the reorganization process with the help of both districts and LAFCO’s new fire consultant. LAFCO will also develop a detailed timeline illustrating the entire reorganization process. Multiple community workshops and forums will be identified in the detailed timeline as opportunities for the residents to ask questions and learn more about the reorganization effort.

CONCLUSION

A reorganization is considered when there is a more efficient way to provide services to a specific area. In this case, BFPD, SVFPD, and LAFCO have determined that a reorganization would improve the level of service and overall governance within the Branciforte community. A full analysis must be completed and presented to the residents to clearly indicate the benefits of a reorganization. In order to provide such transparency, the two districts and LAFCO will coordinate throughout the entire reorganization process. This collaborative effort will help produce cohesive findings about the reorganization involving BFPD and SVFPD. LAFCO staff is committed in helping both districts complete this significant analysis.

Respectfully Submitted,



Joe A. Serrano
Executive Officer

Attachments:

1. BFPD's Strategic Goals & Plan
2. BFPD's Initiating Resolution
3. Pre-Reorganization Agreement

Branciforte Fire Protection District Proposed Strategic Plan

March 31, 2022

INTRODUCTION

This plan provides information to the residents of the Branciforte Fire Protection District on the efforts and direction the District is proceeding with to provide the best method of emergency and fire prevention services to the community. This plan also gives direction to the staff and Board of Directors of the Fire District. This plan also supports the input from the community.

HISTORY

The 8th Area Fire District was established in 1942. It included a large area of the county that is now covered by Felton, Scotts Valley, Zayante and Branciforte Fire Districts. Staffed by volunteers with limited equipment and volunteers, response times to any fire within the 8th area were lengthy. Structures often burned down completely before they arrived. At that time the next closest station had been an unstaffed volunteer station on Sims Road just outside the city limits of Scotts Valley.

Branciforte Fire Protection District was formed in 1950 to improve the response time to fires within the Happy Valley and surrounding areas. Gino Delucchi was the first Fire Chief of Branciforte Fire. The volunteers built a small 14' by 26' station across the street from the Chief's house on Branciforte Drive. It housed the District's first engine, a 1939 GMC truck equipped with 450 gallons of water, 200 ft of 1" hose, 750 ft of 1.5" hose, and a 500GPM pump. When calls came in they were answered by Jennie Delucchi and went through a phone call tree to all of the volunteers to respond. The engine would drive to the fire and pick up the volunteers on the way. Chief Delucchi and his wife Jennie donated land to the department next door to their home in 1965 to build the current existing station. A training room was added onto the station and was built by the volunteers and staff in 1997. A part time bookkeeper was hired to handle the bills and payroll.

The department grew from its beginning as an all volunteer department with a volunteer Fire Chief to having three paid career employees made up of two Captains and a Fire Chief who worked shifts. Staffing is supplemented by Volunteer Firefighters. A sleeper program was instituted to a career officer and a volunteer firefighter responding from the station to all calls during the night.

In year 2000 the staffing model changed to three full time Fire Captains and a part time Fire Chief with a part time administrative position and volunteer firefighters supplementing the staffing.

From 2016 to 2021 an Administrative Services Agreement was in place with the Scotts Valley Fire District.

In September 2021 an Interim Part Time Administrative Fire Chief was hired. The three Captains covered the shifts. Efforts to get more volunteers became the top priority.

On March 14, 2022 a Fire Chief was promoted from within the current ranks. The District has returned to operating on it's own with two Captains and a Fire Chief covering shifts. Administrative assistance is provided by part time help.

The number of volunteers has always varied. In the beginning of the District a volunteer was given some gear and some very basic training. The Volunteers all lived in the area. A volunteer now days has to go through a basic Firefighter Academy that takes three months to complete and continuing training and drills at the station. Most Volunteers live outside of the District. In 2016 Branciforte had 26 volunteers. Today we are down to a low of 9 volunteers. The highest priority is to add more volunteers. The District is looking at options to help increase our volunteer coverage. The goal of having the station staffed with a minimum of two career firefighters with additional volunteer firefighters in the station 24/7. There could then be a minimum of three responding on the first out engine.

The process of completing another apparatus bay and expanded living quarters for male and female firefighters at the Branciforte Station is almost complete. Additional beds were planned for the new sleeping areas. These will need to be added when the volunteer numbers are increased. The kitchen and day room area is to be renovated. These renovations have been budgeted and will be completed with Measure T funds.

There is a structural issue with the front corner of the main apparatus bay. It is under review by a Structural Engineer. It is still to be determined as to the extent of what will be need to be completed. The costs of the repair should be covered by the Measure T funds.

The Fire District has had a substation in the Ryder Ridge Area for many years. There had been times after heavy storms the residents were without access from outside the area. Jarvis Road had washed out in multiple spots. Upper Jarvis Road which is largely a dirt and rocks road also washed out. The only option for a fire emergency was to keep an apparatus available for emergencies in the area. A 1958 model GMC 4 wheel dive pickup was kept up on Rider Rider Ridge with a 250 gallon tank and pumping capabilities and a hose line. It also carried a basic medical bag. One of the volunteers lived in the area kept it on his property. Eventually in a garage that was built by the residents to house it. Many brush fires were put out over the years with this available apparatus before any other engines had arrived.

Station 2 was eventually built on the Vine Hill Winery Property entirely with the contributions and donations from those who live in Rider Ridge area of the District. Those who lived there had begun losing their fire insurance. Once the Station was built

and the District could show that we could meet the water flow standards for what was needed to put out a structure fire there were fewer issues with insurance. The Station now houses one of the District's Type 3 Wildland Engines. There are minimal costs involved with keeping Station 2 open. The District should explore how to at better utilize Station 2.

The Fire District has a full complement of fire apparatus.

This includes:

- 1 - Type 1 Structural Fire Engine
- 2 - Type 3 Wildland Fire Engines
- 1 - Type 4 Engine equipped with medical plus pumping capabilities
- 1 - Water Tender with 2500 gallons capacity
- 2 - Pickups with 4 Wheel Drive
- 1 - Command Vehicle

The equipment is in good condition and a replacement program was set up with the funds coming from Measure T. There has been discussion over the addition of a Type 6 quick response vehicle and costs and information is being researched. But the higher priority is to increase staffing first.

LEVEL AND RANGE OF SERVICE

The District provides services to a small community in the Happy Valley Area of Santa Cruz County. Branciforte Fire Station currently operates with three full-time employees and nine volunteer firefighters. The station is staffed with two Fire Captains and a Fire Chief that are covering shifts on the 2on/4off schedule. While there are occasions where the engine responds with just one on the engine, the goal is to have a two Firefighter minimum responding 24/7. Some progress has been made to add additional volunteers. We are now looking into options to add temporary additional volunteers. This would greatly help the district's ability to always have two and potentially three firefighters responding on the first-out engine. This could be accomplished with current reserves and contingency funds already within the budget. These funds could cover the costs of the additional staffing for up to two years before reserves could be depleted.

Administrative assistance is provided by part time resources, with bookkeeping and technical assistance with the website.

The District has a sphere expanding beyond its service area. Santa Cruz County Local Agency Formation Committee (LAFCO) adopted BFPD's combined sphere of influence on March 10, 1994, which included areas beyond the District's jurisdictional boundary. This sphere determination indicated that BFPD and Scotts Valley FPD should be merged or consolidated in the foreseeable future. LAFCO staff believes that the merger concept should be considered by BFPD and its residents to ensure the level of service remain would improve as a result of the proposed reorganization. Santa Cruz County LAFCO staff recommends reaffirming the existing sphere boundary.

On March 14, 2022 The Branciforte Fire Protection District signed a Pre-Reorganization Agreement through LAFCO to start the Merger Process with Scotts Valley.

FINANCIAL HEALTH

The District is financially stable. Branciforte FPD has closed the past six years with an annual surplus. The 2021/2022 Final Budget shows the General Fund Budget is at \$1,606,318. The Measure T Fund is at \$984,358. The ending fund balance was \$697,860, which is up by approximately \$97,000 from what was estimated.

The yearly draft budget is adopted by March 31, of each year and the final budget is adopted by before June 30th of each year.

MANAGEMENT AND GOVERNANCE

BOARD COMPOSITION

BFPD is an independent special district governed by a five-member Board of Directors elected at-large by the voters within the District. When candidates run unopposed, or when there is a vacancy, seats are appointed by the County Board of Supervisors in lieu of conducting the election.

The Board Members are elected for 4-year terms.

The Board votes for a Board Chairman and Vice Chairman at the last meeting of the calendar year for a term of one year. A board Member may be voted to serve as Chair or Vice Chair for consecutive years.

The Board meetings are regularly scheduled for the third Thursday of each month at 6pm.

The Board Members roles are outlined in the Board of Directors Roles and Responsibilities Policy adopted in 2012. See Appendix B

STAFFING

The District is currently staffed with a Fire Chief and two Fire Captains who all work on the 2on/4off schedule. They are full time career officers for the Branciforte Fire District. There are nine volunteers available to respond from home or the station. There is part time help available for administrative assistance.

The District has hired the Lozano Smith Law Firm as the Districts legal counsel.

ADMINISTRATIVE DUTIES

COUNTY PARTNERSHIPS

FIRE DISTRICT PARTNERSHIPS

STRATEGIC MANDATES

DISTINGUISH BOARD/STAFF ROLES

Appendix A

Why should we keep the Branciforte Fire Station Open?

It seems that every year there have been at least a hundred reasons to keep the station open.

The reasons are the calls. The emergency calls and the public service calls. They were the reason the District was founded in 1950. This area was difficult to serve from the existing districts with extended response times. Over the years the Branciforte Fire District has had to come up with different ways to provide service. From Volunteers only in the beginning. Then a paid Fire Chief and volunteers. Then three paid officers, one Fire Chief and two Captains. Then in 2000, three Captains and a part time chief. 2016 was the start of the Administrative Agreement with Scotts Valley that lasted six years. Now Branciforte Fire is back to three Captains and a part time Chief.

During all this time the types of calls the Fire Department responded to have been the same. But as the population of the District increased, so has the number of calls. The average is about 140 calls per year. It was often said that the District did the best they could with the available budgets and resources. But no one put forward the notion that the station was not needed.

Now the District needs to determine the best way to provide the best service for the short term and for the long term. Yet there are those who question why.

It still comes back to the types of calls we respond to and how we respond to them.

The District responds to not only structure and vegetation fires, but also to medical emergencies, vehicle accidents, vehicle fires, unsafe conditions, smoke investigations, smoke alarms, and many other types of public service calls including trees or wires down, and structural flooding.

Going all the way back to 1950 the goal of the District has always been to have more than one person responding. The District had been largely able to do that over the years by relying on volunteers and then paid career firefighters along with the volunteers.

We are looking at all options and yet still some suggest the best option is to have no fire station here at all.

Again, it is where we live and the calls we respond to. Looking back, there are many examples where the Branciforte Firefighters have helped change the outcome of those various type of calls.

There have been many calls where a vegetation or car fire was extinguished by a the single Branciforte engine on scene. One of those calls was for a vehicle fire on Hall Ranch Road. A volunteer arrived on scene before the engine from B40 arrived. A size up was made that we needed to act quickly to keep the fire out of the vegetation. If it got

into the vegetation it could be a very hard fire to contain. We asked for backup just in case. As our engine arrived, the vehicle started to roll downhill. Luckily it stopped rolling before it landed into heavy vegetation. We were able to put out the fire with our own engine and cancel any other engines responding.

We were dispatched to a vehicle rollover on Mountain View Road. A volunteer had already arrived on scene before the engine with an officer and another volunteer came. There was an SUV type vehicle down a creek bed with about a 25 foot drop. A volunteer went down to the vehicle to help determine the condition of the driver and if the vehicle was secure. There was a female lying on the roof inside the vehicle which was sitting on its roof. A backboard was requested in addition to the spine pack. A system was needed to be set up to carry the patient up to the road. She was alert and able to talk. Judging from the potential force of the crash when hitting the bottom on the roof we felt that she needed to be put in C-spine precautions. She was in some pain but felt she could get out with some help. She did not want to be put into C-spine or on a gurney while in an upside down vehicle. We were able to access the patient through the back doors. We insisted that she needed to be secured onto the backboard in C-spine precautions. By this time additional volunteers arrived and we were able to build a system to make sure we could get her back up to the road where she was readied to be loaded into the ambulance and off to the hospital. A week later she called to thank the firefighters. She did fracture her back. The doctor told her it was good that she had been placed in C-spine precautions. If she had had not, he was sure she would have been paralyzed. She never forgot those who helped. This call did not require assistance from another department.

We were dispatched to a vehicle accident on Branciforte Drive near DeLaveaga. An officer and two volunteers arrived on scene. A male was trapped inside the vehicle. His blood pressure was low and falling. We were able to use the Jaws of Life to pop the door and extricate him. We quickly got him on a gurney and into the ambulance. That was the first time we had used the Jaws to extricate a patient. He later called the Fire Station after his discharge from the hospital. He suffered multiple injuries but was told by the doctors that his blood pressure had dropped so low that without the quick extrication he likely would not have not have survived.

One year a very heavy storm was predicted for all of Santa Cruz County. The normal practice at Branciforte Fire is to ask all volunteers who are able to show up at the station for storm watch coverage. These storms can be very bad in our District with many power lines and trees down. This particular time the storm met and exceeded expectations. It was one of the worst storms to hit the county. The NETCOM dispatch center was overwhelmed with emergency calls. Each Department was asked to handle the calls within their Districts without outside radio traffic. So we began taking calls. Every engine and vehicle was used. The District was divided into North and South areas with an officer in charge of the calls in their respective zone. As each call came in, a crew was sent out. The trees kept coming down as did the power lines. All of our chains saws as well as those of some of the volunteers and officers were being used all night long. Downed power lines were marked and areas taped off. We were just able to keep up

most of the night until it got to the point that one after another of the roads in and out of the District were blocked. At each location there was no way to clear all of the obstacles. We were on our own. There would be no help coming into or going out of the District. It was alarming to realize that no matter the emergency, we would have to handle it—and we did. It stayed that way well into the day. Many of the volunteers and staff had been working for well over 24 hours. It was not the first time some areas were blocked off but it was the first time in memory that the whole District was cut off. We had to make plans on what to do if there was a medical emergency or a fire. Determine our options. But at least we were here. At least we were able to handle and help people get out of their driveways and houses. We were able to help a person who needed to get to her home to feed all the animals she had. One of our engines was cut off from returning to the station but was still able to handle emergencies in that area until we were able to clear the road. With help from the county, and help from residents, one with a backhoe, we were able to slowly get one of the roads open. We were all proud of what we had done and the community was glad we had a fire station here to help.

What happened that year could happen now. With the changes in weather events becoming stronger and more frequent, we need to be prepared and have resources within our District.

One time a call for medical help came in for a residence on Jarvis Road. The officer and one volunteer took Engine 2646 to the call. 2646 is our smallest engine. It carries medical equipment, equipment for vehicle accidents, but also has a water pump and 200 gallons of water. It is a Type 4 with four wheel drive. It is meant to get into most locations on all types of roads. It is meant to get into locations where the roads are tight for all sorts of calls. But it is best at going to many of our medical calls. So we took 2646 thinking we were going to a house with a somewhat limited driveway. We were able to attend to the medical and left plenty of room for the ambulance. After the call as we were driving down Vine Hill, we were dispatched to a smoke investigation for a possible brush fire on Vine Hill. We were almost there already and took the call. On scene we found there was a fire moving uphill through the brush heading towards trees and dense vegetation. We were able to switch our gear to firefighting mode and start a hose lay to attack the fire. We asked for an additional engine to respond from Scotts Valley. One of the volunteers had heard the call and responded from the station in a pickup. He joined the crew to help with the hose lay while the officer manned the pump. We were able to knock down the fire's forward progress before the Scotts Valley unit responded. We all worked together to mop up the fire with additional volunteers. The quick response kept the fire from spreading, becoming much harder to put out.

There have been many times when we have had to put a patient on oxygen as we saw difficulty breathing. The simple addition of adding the oxygen to help someone breathe is done on many medical calls when minutes matter. So is the need to start CPR or clear an airway. These are all things EMT's can do when minutes matter. It is a simple thing but it is a timely thing. The first arriving engine can make a size up to let the ambulance know the priority. The officer could also ask for additional help from another department if the ambulance is delayed. But these are the calls where an EMT can

perform some very basic skills that will make a difference. The patient can be prepared for transit quickly when the ambulance arrives. All B40 officers and volunteers are trained for this.

Sometimes it is the simple calls for service that go unnoticed that make a big difference within our community. We once went to a medical call for an elderly couple. They had been working out in the yard and the husband had become lightheaded and took a bit of a spill. It was a warm day. He did not want to go to a hospital and was more concerned about getting some of the trimming done to the plants in the front flowerbed. So we sat him down in the shade with a glass of cold water. Then trimmed the garden for them. They were so happy, and cookies soon were delivered to the station. We did have to explain to them that we did not normally do gardening, but encouraged them to never hesitate to call if there was a question about the health or welfare of either one of them.

The members of the Department are always encouraged to take the extra step if we can help someone. After all the departments Mission Statement states, "All Members Of The Branciforte Fire Department Will Strive To Give Excellent Customer Service, To Always Do The Right Thing, And To Be Nice" The B40 firefighters all spend a considerable time within the District. They are all members of the community even if they do not live in the District. They all work in and for the District.

So, why would anyone ask why we need a Fire Station here?

BRANCIFORTE FIRE PROTECTION DISTRICT

RESOLUTION NO. 2022-02

A RESOLUTION TO INITIATE APPLICATION BY THE BRANCIFORTE FIRE PROTECTION DISTRICT REQUESTING THE LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY TO PURSUE PROCEEDINGS FOR THE REORGANIZATION OF BRANCIFORTE FIRE PROTECTION DISTRICT WITH THE SCOTTS VALLEY FIRE PROTECTION DISTRICT

WHEREAS, the Board of Directors of the Branciforte Fire Protection District (“Branciforte FPD”) desires to initiate proceedings pursuant to the Cortese-Knox-Herzberg Local Government Reorganization Act of 2000, California Government Code Section 56000 et. seq., (“Act”) for the reorganization of Branciforte Fire Protection District with the Scotts Valley Fire Protection District (“Scotts Valley FPD”); and

WHEREAS, the reorganization consists of the dissolution of Branciforte FPD and the concurrent annexation of the dissolved area into Scotts Valley FPD; and

WHEREAS, notice of intent to adopt this Resolution of Application has been given to each interested and each affected local agency; and

WHEREAS, the affected territory is inhabited and is constituted by the respective boundaries of Branciforte FPD; and

WHEREAS, this reorganization is consistent with the Sphere of Influence of Branciforte FPD and Scotts Valley FPD; and

WHEREAS, the reasons for the proposed reorganization of Branciforte FPD and Scotts Valley FPD are as follows:

- 1) It will facilitate the efficient delivery of life and property saving services to individuals and property owners within the affected territory; and
- 2) It will facilitate the continued provision of the current levels of service provided by paid and paid-call firefighters and staff of the respective districts, consistent with local demand expectations and available financing.

WHEREAS, it is desired that the proposed reorganization of Branciforte FPD with Scotts Valley FPD be subject to the following terms and conditions, among others:

- 1) The specific provisions of the Pre-Reorganization Agreement jointly completed by Branciforte FPD, Scotts Valley FPD, and LAFCO, if enacted;
- 2) Branciforte FPD, Scotts Valley FPD, and LAFCO will host and/or participate in multiple community outreach efforts regarding the proposed reorganization and

available options, including but not limited to workshops and forums to be held jointly with representatives from each agency;

- 3) Coordination between Branciforte FPD, Scotts Valley FPD, and LAFCO to determine the best solution for the Branciforte Fire Station;
- 4) The paid employees and the active volunteer firefighters of Branciforte FPD will become a portion of Scotts Valley FPD;
- 5) All tax rate areas will be maintained and all revenue mechanisms currently existing in Branciforte FPD will be maintained post-reorganization; and
- 6) Such other provisions as required by applicable law or as may be agreed by the parties.

WHEREAS, Branciforte FPD reserves the right to withdraw its application to initiate the reorganization and request that LAFCO terminate any such proceedings pursuant to the Act or other applicable law;

WHEREAS, this Board anticipates that the reorganization proposal is categorically exempt from review under the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines Section 15320(b), which exempts special district reorganizations where changes in organization of local governmental agencies do not change the geographical area in which the previously existing powers are exercised, such as here; 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 Branciforte Fire Protection District.

PASSED AND ADOPTED by the Board of Directors of the Branciforte Fire Protection District at a regular meeting thereof held on the 24th of February, 2022, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

APPROVED AS TO CONTENT:

Pat O'Connell, Board President

Samantha Sweeden, Fire Chief

PRE-REORGANIZATION AGREEMENT

By and Among

BRANCIFORTE FIRE PROTECTION DISTRICT,

And

SCOTTS VALLEY FIRE PROTECTION DISTRICT,

And

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

[Dated as of March 14, 2022]

ARTICLE 1. PARTIES AND EFFECTIVE DATE

1.1 Parties. This Pre-Reorganization Agreement (“Agreement”) is entered into by and among (i) the Branciforte Fire Protection District (“BFPD”), (ii) the Scotts Valley Fire Protection District (“SVFPD”), and (iii) the Local Agency Formation Commission of Santa Cruz County (“LAFCO”). BFPD, SVFPD, and LAFCO are sometimes referred to herein as a “Party” and collectively as the “Parties.” This Agreement is dated as of March 7, 2022, for references purposes only and will not become effective until the “Effective Date” defined in Section 1.2 below.

1.2 Effective Date. This Agreement will not become effective until the date (“Effective Date”) on which all the following have occurred: (i) this Agreement has been approved by BFPD, executed by its legally authorized officers, (ii) this Agreement has been approved by SVFPD, executed by its legally authorized officers, and (iii) this Agreement, signed by BFPD and SVFPD, delivered to LAFCO for approval and signature by the Executive Officer.

ARTICLE 2. RECITALS

2.1 BFPD Background. The Branciforte Fire Protection District was formed on January 7, 1950 and operates under the Fire Protection District Law of 1987 (“Principal Act”). BFPD encompasses nearly 9 square miles of territory and provides fire protection services to the unincorporated community known as Branciforte. It currently operates with a temporary part-time retired annuitant fire chief, three full-time firefighters and seven volunteer firefighters. BFPD operates through one fire station with a one-person crew on any given shift. The annuitant fire chief contract was approved on September 30, 2021 and is set to expire on March 14, 2022. In accordance state law, a fire district cannot operate without proper administrative oversight. Additionally, the Principal Act limits board members to act only by ordinance, resolution, or motion (Health & Safety Code Section 13856[b]).

2.2 SVFPD Background. The Scotts Valley Fire Protection District was formed on January 7, 1958 and operates under the Fire Protection District Law of 1987. SVFPD encompasses nearly 21 square miles of territory in the center of Santa Cruz County and includes the City of Scotts Valley. It currently operates with 22 full-time firefighters, 15 volunteer firefighters, three full-time Battalion Chiefs, 2 full-time and 1 part-time administrative personnel, and 1 full-time Fire Chief. SVFPD previously provided administrative and command services to BFPD under an existing contract since 2015. Under this agreement, SVFPD’s Fire Chief functioned as the Fire Chief for BFPD. The contract expired on September 30, 2021.

2.3 LAFCO Background. The Local Agency Formation Commission of Santa Cruz County is a State-mandated, independent agency with countywide jurisdiction over changes in organization and boundaries of cities and special districts including annexations, detachments, formations, consolidations, and reorganizations. LAFCOs were created by the State Legislature in 1963 in response to the rapid growth and sporadic formation of cities and special districts in California in the years following World War II.

In addition to boundary changes, LAFCOs are required by law to establish and periodically update spheres of influence for the county's cities and special districts and perform service reviews on the county's cities and special districts with the goal of increasing efficiency, maximizing existing resources, identifying cost-saving opportunities, and improving local representation. LAFCO completed a countywide fire report in October 2021 which analyzed the 13 local agencies that provide fire protection. LAFCO determined that BFPD had many infractions, inadequate staffing, internal efficiencies, and governance issues. It was recommended that BFPD develop a strategic plan to address LAFCO's findings and outline how it will be a sustainable agency or consider merging with SVFPD. Since 1995, through a combined sphere of influence, LAFCO has recommended a merger between BFPD and SVFPD to ensure that the Branciforte community receive adequate level of service and proper representation.

2.4 Proposed Reorganization. The Reorganization is contemplated by the Parties upon the terms and conditions set forth in this Agreement. The Parties anticipate proceedings will be commenced by LAFCO following the execution and adoption of a resolution by BFPD to initiate the Reorganization and the execution and adoption of this Agreement by the Parties as set forth above.

2.5 Parties Consensus. The Parties understand that the Reorganization as contemplated in this Agreement is essential to the plan for providing services required by LAFCO in its consideration of the Reorganization application.

NOW, THEREFORE, in consideration for the promises and mutual covenants set forth herein, the receipt and adequacy of which is hereby acknowledged, the Parties agree as follows:

ARTICLE 3. TERMS

3.1 BFPD Obligations.

3.1.1 Resolution of Initiation. BFPD shall continue to diligently pursue the approval of the Reorganization Application following the adoption of a Resolution of Initiation on Monday, March 7, 2022.

3.1.2 Application. BFPD shall submit a signed application, with a copy of the adopted resolution, within 30 days of this enacted Agreement to begin the LAFCO process.

3.1.3 Consent. BFPD hereby irrevocably consents to the Reorganization pursuant to the terms of this Agreement and the Reorganization Application submitted pursuant to Section 3.1.2. BFPD shall cooperate in every reasonable way with the requests of LAFCO. Said cooperation shall include, but not be limited to, the filing of all necessary applications, plans, and any other documentation or information required by SVFPD, LAFCO or any public agency associated with the Reorganization process.

3.1.4 Interim Fire Chief Expenses. BFPD hereby agrees to fund the identified governmental entity, existing BFPD firefighter personnel, or consulting firm for services as the temporary, interim supervisory position, whether as a fire chief, executive director, general manager, or district administrator. Invoices from the identified governmental entity, existing BFPD firefighter personnel, or consulting firm will be submitted as specified in the agreement between the parties. If an existing BFPD firefighter is hired as an interim fire chief, policies and procedures clearly defining the role of the BFPD Board and the BFPD interim fire chief as part of this Reorganization must be adopted within 30 days of this enacted Agreement. Any rules and regulations, outlined in the policies and procedures as part of this Reorganization, that are not met or completed shall be a breach of this Agreement. Any termination or expiration of the services from the identified governmental entity, existing BFPD firefighter personnel, or consulting firm shall be a breach of this Agreement.

3.1.5 Community Outreach. BFPD hereby agrees to coordinate with the Parties to co-host community forums, whether in-person or virtual, to educate the Branciforte community about the Reorganization process. Such forums shall be hosted collaborative with the following representatives: (1) BFPD's interim fire chief, executive director, general manager, or district administrator and no more than two board members, (2) SVFPD's fire chief and no more than two board members, (3) LAFCO's Executive Officer and no more than two Commissioner.

3.1.6 Agreement Not to Challenge or Support Challenge. The Parties shall not file lawsuits or to directly or indirectly support litigation filed by others, either as a party, through financial contributions, providing staff support, or by failing to aggressively defend such litigation, that challenges the adequacy of the Reorganization.

3.2 SVFPD Obligations.

3.2.1 Support. SVFPD may provide administrative and operational support throughout the Reorganization process, including but not limited to, payroll and billing services. Additionally, SVFPD may provide additional assistance if requested by BFPD. Such request must be mutually agreed upon by SVFPD's fire chief and BFPD's interim fire chief, executive director, general manager, or district administrator.

3.2.2 Consent. SVFPD hereby irrevocably consents to the Reorganization pursuant to the terms of this Agreement and the Reorganization Application submitted pursuant to Section 3.1.2. SVFPD shall cooperate in every reasonable way with the requests of LAFCO. Said cooperation shall include, but not be limited to, the filing of all necessary applications, plans, and any other documentation or information required by LAFCO or any public agency associated with the Reorganization process.

3.2.3 Agreement Not to Challenge or Support Challenge. The Parties shall not file lawsuits or to directly or indirectly support litigation filed by others, either as a party, through financial contributions, providing staff support, or by failing to aggressively defend such litigation, that challenges the adequacy of the Reorganization.

3.3 LAFCO Obligations.

3.3.1 Application. LAFCO shall process the application submitted by BFPD in accordance with the CKH Act.

3.3.2 Support. LAFCO may provide guidance and assistance to the Parties regarding the LAFCO process, including but not limited to, fulfilling the statutory requirements under the CKH Act. Additionally, LAFCO may provide administrative assistance if requested by BFPD. Such services include but are not limited to assisting with board meetings, community forums, or other outreach efforts.

3.3.3 Interim Fire Chief. The Commission hired the Fire Reorganization Consulting, LLC (“Fire Consultant”) on March 2, 2022 to help LAFCO staff with fire-related projects. Concurrently with approval of this Agreement, BFPD has or may contract with the Fire Consultant to provide interim administrative services at the hourly rate as specified in the agreement between the parties. LAFCO agrees that the Fire Consultant shall not provide services to LAFCO regarding the Reorganization if hired for the temporary, interim supervisory position, whether as a fire chief, executive director, general manager, or district administrator. If the Fire Consultant is not hired for the temporary, interim supervisory position, whether as a fire chief, executive director, general manager, or district administrator, then the Fire Consultant, with LAFCO’s approval, may provide assistance to the identified interim fire chief throughout the Reorganization process.

ARTICLE 4. REORGANIZATION

4.1 Reorganization. For purposes of this Agreement, a Reorganization is defined as the dissolution of Branciforte Fire Protection District and the concurrent annexation of the dissolved area into Scotts Valley Fire Protection District. In accordance with the CKH Act, all assets and liabilities, revenues and expenditures, facilities and apparatuses, district files and records, and other identified items will be transferred over to SVFPD following the Reorganization’s date of recordation.

4.2 New Benefit Assessment Consideration. If determined by Branciforte Fire Protection District and/or Scotts Valley Fire Protection District, the residents of the Branciforte community will have an opportunity to vote on whether to support a new special tax to keep the Branciforte Fire Station open with a two-person crew minimum. This election will be conducted during the November 2022 General Election, unless the Parties agree on a different date. If the new special tax fails, the Reorganization will continue with an alternative designation for the Branciforte Fire Station.

4.3 Timing. The effective date of the Reorganization will be the Certificate of Completion’s recordation date.

ARTICLE 5. DAMAGES

5.1 Remedies. Subject to the limitations herein, in the event of a breach of this Agreement, the non-breaching party may at its option institute legal action to cure, correct, or remedy such breach, enjoin any threatened or attempted violation, or enforce the terms of this Agreement by specific performance. In the event of any breach of this Agreement, the non-breaching party shall have the right to pursue against the breaching party, any and all remedies that are available at law or at equity for breach of contractual obligation, provided however, that in no event shall BFPD have the right to sue SVFPD or LAFCO or any SVFPD or LAFCO officials, employees, contractors or agents for damages or monetary relief arising out of the SVFPD's or LAFCO's default of its obligations set forth in this Agreement, the Parties agreeing that declaratory and injunctive relief, mandate, and specific performance shall be BFPD's sole and exclusive judicial remedy. The prevailing party in any such litigation shall be entitled to its attorney's fees and costs.

ARTICLE 6. GENERAL PROVISIONS

6.1 Duration. This Agreement will remain in place until the Reorganization is finalized. If BFPD, SVFPD, and/or LAFCO decide to oppose, deny, withdraw, or stop the Reorganization process, then the Agreement will be terminated. This LAFCO does not and cannot warrant LAFCO's approval of the Reorganization.

6.2 Attorney's Fees. In the event that any Party brings any legal action to interpret or enforce any provision of this Agreement, the prevailing Party in that action shall be entitled to receive, in addition to all other available relief, costs of litigation and reasonable attorneys' fees, including expert witness fees, costs and fees incurred on appeal and in enforcing any judgment which may be rendered on the underlying action.

6.3 No Third Party Beneficiaries. Except as provided in Section 6.10, the Parties expressly acknowledge that they do not intend, by their execution of this Agreement, to benefit any person or entities not signatory to this Agreement. Except as provided by Section 6.10, no person or entity not a signatory to this Agreement will have any rights or causes of action against the Parties, or any combination thereof, arising out of or due to the Parties' entry into this Agreement.

6.4 Governing Law. This Agreement shall be interpreted and enforced in accordance with the provisions of California law, without regard to conflicts of laws provisions. Any litigation shall be held in a court of competent jurisdiction located in Santa Cruz County, California.

6.5 Notice. Unless otherwise permitted by this Agreement, all notices to be given shall be in writing and may be made by personal delivery, certified mail, postage prepaid and return receipt requested. Mailed notices shall be addressed to the Parties at the addresses listed below, but each party may change the address by written notice in accordance with this paragraph. Receipt will be deemed made as follows: notices delivered personally will be deemed communicated as of actual receipt; mailed notices will be deemed communicated on receipt or region.

If to BFPD:

Branciforte Fire Protection District
2711 Branciforte Drive
Santa Cruz, CA 95065

If to SVFPD:

Scotts Valley Fire Protection District
7 Erba Lane
Scotts Valley, CA 95066

If to LAFCO:

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

6.6 Counterparts. This Agreement may be executed in two (2) or more counterparts, each of which shall constitute an original.

6.7 Entire Agreement. This Agreement contains the entire Agreement of the Parties with respect to the subject matter hereof, and supersedes all prior negotiations, understandings or agreements, either written or oral, express or implied.

6.8 Further Acts. The Parties agree to execute such additional documents and to take such further actions as are reasonably necessary to accomplish the objectives and intent of this Agreement.

6.9 Waiver. The failure of any Party to insist upon strict compliance with any provision of this Agreement or to exercise any right or privilege provided herein, or any Party's waiver of any breach hereunder unless in writing, shall not relieve any other Party of any of obligations hereunder, whether of the same or similar type. The foregoing shall be true whether the waiving Party's actions are intentional or unintentional.

6.10 Authorization to Execute. The signatories to this Agreement warrant that they have been lawfully authorized by their respective Parties to execute this Agreement on their behalf. Upon request, the Parties shall deliver all applicable bylaws, resolutions, or other documents evidencing the signatories' legal authority to execute this Agreement on behalf of the respective Parties.

6.11 Severability. If any provision or clause of this Agreement or any application of it to any person, firm, organization, partnership or corporation is held invalid, such invalidity shall not affect other provisions of this Agreement which can be given effect without the invalid provision or application. To this end, the provisions of this Agreement are declared to be severable.

6.12 Compliance with other Rules and Regulations. BFPD and SVFPD shall comply with all other applicable rules and regulations of LAFCO and all other public agencies having jurisdiction over the Reorganization area. This Agreement does not abrogate, limit or modify any other of Parties' rights which are provided by common law, statute, ordinance or regulation.

6.13 Lack of Reorganization. In the event that BFPD does not dissolve and concurrently annex into SVFPD, the Parties are not bound by the obligations of this Agreement and the Parties retain any of their respective pre-Reorganization rights and duties as local governmental entities. Such inaction may result in BFPD from being able to operate as a special district due to the legal requirements under its Principal Act, the Brown Act, and other state mandates.

“LAFCO”

By: _____

Joe Serrano, Executive Officer

Date: _____

Approved as to form:

By: _____

Joshua Nelson, General Counsel

Date: _____

“BFPD”

By: _____

Pat O’Connell, Board President

Date: _____

Approved as to form:

By: _____

Travis Cochran, General Counsel

Date: _____

“SVFPD”

By: _____

Russ Patterson, Board President

Date: _____

Approved as to form:

By: _____

Phillip A. Passafuime, General Counsel

Date: _____



Santa Cruz Local Agency Formation Commission

Date: April 6, 2022
To: LAFCO Commissioners
From: Joe Serrano, Executive Officer
Subject: **Press Articles during the Months of February and March**

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: "Santa Cruz city voters to weigh in on district elections": The article, dated February 23, discusses the potential creation of six geographical council districts for the City of Santa Cruz. The residents will vote on this matter and the appointment of an at-large mayor during the June Primary Elections.

Article #2: "Water district demands 3 LAFCO commissioners be recused": The article, dated February 25, notes that attorneys for the Monterey Peninsula Water Management District has asked for the recusal of three commissioners from Monterey LAFCO following the denial of water district annexation. The annexation effort was part of a 2018 ballot measure to initiate a public buyout of investor-owned water utility California American Water.

Article #3: "Watsonville corporation to match donations to health care district project": The article, dated March 7, indicates that Driscoll's, a Watsonville-based company, will match up to \$1.75 million in donations made to the Pajaro Valley Healthcare District Project's fundraising campaign. At present, the healthcare group has collected approximately \$45 million to help purchase the Watsonville Community Hospital. The bankruptcy court has noted that at least \$70 million is necessary to close the sale and operate the hospital through its first year. The sale is expected to close in late-August.

Article #4: "Measure U renewal proponents call out Watsonville report as 'illegal' and 'biased'": The article, dated March 7, notes that the 20-year old urban development plan under Measure U is set to expire later this year. Watsonville's urban limit line was approved by the voters in 2002 and broadly dictates where developers can build. Watsonville residents will once again vote on whether to extend Measure U's restrictions until 2040.

Article #5: “Branciforte fire formalizes intent to merge with Scotts Valley fire”: The article, dated March 8, highlights the unanimous decision made by the Branciforte Fire Protection District to adopt a resolution initiating the reorganization process with the Scotts Valley Fire Protection District. This is the first step of a long LAFCO process to ensure that the Branciforte residents receive adequate fire protection services now and in the future.

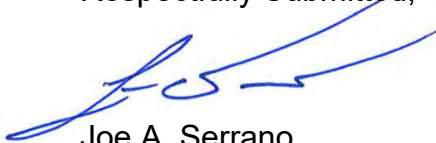
Article #6: “Watsonville’s longtime city clerk retires”: The article, dated March 10, announces Beatriz Vasquez Flores’ retirement as the Watsonville City Clerk. Ms. Flores was honored by the city council on March 8 for her 42 years of dedicated service. Her last day with the City was Friday, March 11, 2022.

Article #7: “Former Santa Cruz County clerk Gail Pellerin announces Assembly run”: The article, dated March 14, notes that former county clerk Gail Pellerin is running for the 28th District Assembly seat. The 28th District is a direct result of the 2021 redistricting process and encompasses most of Santa Clara and Santa Cruz counties. This area was previously within the 29th District and led by Assembly Member Mark Stone. Mr. Stone has indicated that he will not run for re-election.

Article #8: “Branciforte Fire district names interim chief”: The article, dated March 15, indicates that the Branciforte Fire Protection District’s Board of Directors unanimously approved Nate Lackey as their new interim fire chief as the District considers a reorganization with Scotts Valley Fire Protection District. The Board also unanimously approved a “Pre-Reorganization Agreement” which outlines how the two fire districts and LAFCO can work together as part of the reorganization process.

Article #9: “San Lorenzo Valley Water District delays CZU Complex fire rebuild decision”: The article, dated March 21, explains that the water district decided it needed more time to determine how to rebuild approximately seven miles of pipeline that was damaged by the CZU Fire. The District would also like to engage more with the public before finalizing a rebuild decision.

Respectfully Submitted,



Joe A. Serrano
Executive Officer

Attachments:

1. “Santa Cruz city voters to weigh in on district elections”
2. “Water district demands 3 LAFCO commissioners be recused”
3. “Watsonville corporation to match donations to health care district project”
4. “Measure U renewal proponents call out Watsonville report as ‘illegal’ and ‘biased’”
5. “Branciforte fire formalizes intent to merge with Scotts Valley fire”
6. “Watsonville’s longtime city clerk retires”
7. “Former Santa Cruz County clerk Gail Pellerin announces Assembly run”
8. “Branciforte Fire district names interim chief”
9. “San Lorenzo Valley Water District delays CZU Complex fire rebuild decision”

santacruzlocal.org

Santa Cruz city voters to weigh in on district elections

Kara Meyberg Guzman

7-8 minutes

SANTA CRUZ >> City voters will decide in June whether the Santa Cruz City Council should create six geographical council districts and a directly-elected mayor.

Tuesday, the council voted 5-2 to place a measure on the June 7 ballot that would change the city's charter to allow a six-district system. The proposal by Vice Mayor Martine Watkins and councilmembers Renee Golder and Donna Meyers calls for:

- **Six districts established by a city law this spring.** The city would be divided into six geographical districts. Voters in each district would choose a council member who lives in their district. Santa Cruz now has at-large elections where residents from anywhere in the city can vote for any candidate.
- **An at-large, directly elected mayor.** Residents also would vote for a mayor who would represent the entire city for a four-year term. Mayors now serve for one year and are chosen by the city council traditionally based on vote totals. The mayor would have the same power to set meeting agendas. The proposal would allow the mayor to have “the primary but not exclusive” responsibility to interpret policies, programs and needs of city government. City Attorney Tony Condotti said Friday that the mayor's proposed new role is not an expansion of the mayor's powers.
- **Primary elections.** Starting in 2024, the mayor and council members would be elected in two rounds, similar to the Santa Cruz

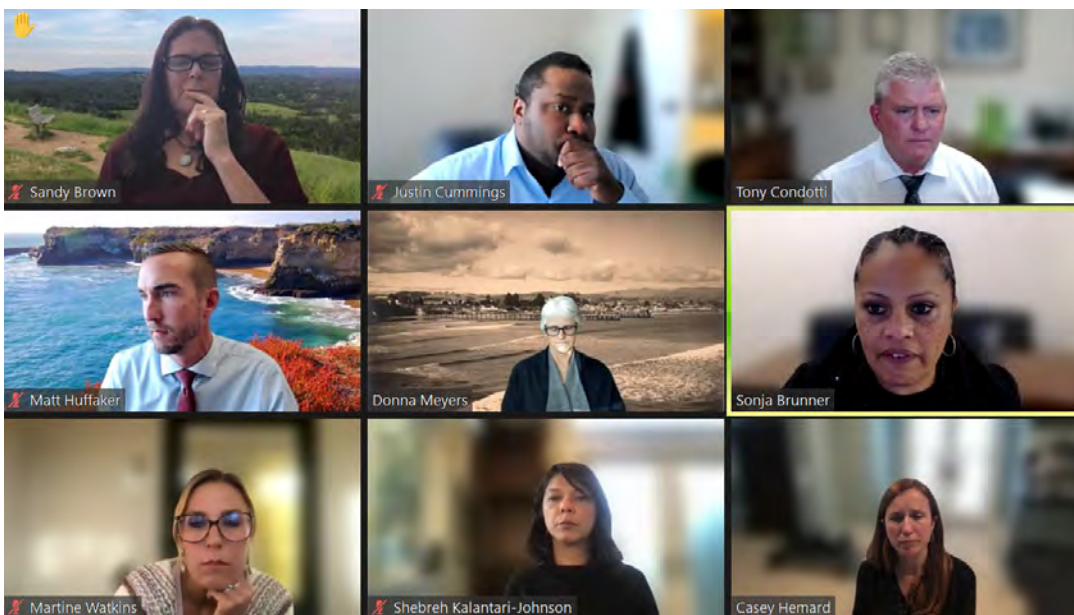
County Board of Supervisors. The first round would coincide with the state primary election, typically in June in even years. If a candidate gets more than 50% of the primary vote, the candidate wins. If not, then the top two candidates for each seat face off in the November election.

- **New term limits.** Council members who have served for two consecutive four-year terms would still have to wait two years to become eligible to run again. However, the new rules would allow council members to run for mayor immediately after two terms as a council member. Mayors also would be allowed to run for a district seat immediately after two terms as mayor. The council members and mayor could not serve for more than 16 consecutive years.

If approved by city voters, six new districts and the new rules could start with the Nov. 8 election. If city voters do not approve it, seven districts are expected to be established by law before the Nov. 8 election.

If voters approve the measure June 7 but the results are not certified by July 6, then the new structure would start in 2024.

The changes come after [threats of lawsuits in 2019 and 2020](#) that alleged a California Voting Rights Act violation and an underrepresentation of Latinos on the city council. In 2020, the council began a process [to establish the boundaries of seven council districts](#). That process is separate and will continue at least until the June 7 election results are clear.



Santa Cruz City Council members and staff discuss the ballot measure proposal in Tuesday's online meeting. From left to right: Councilmembers Sandy Brown and Justin Cummings, City Attorney Tony Condotti, City Manager Matt Huffaker, Councilmember Donna Meyers, Mayor Sonja Brunner, Vice Mayor Martine Watkins, Councilmember Shebreh Kalantari-Johnson and city Principal Management Analyst Casey Hemard. (Zoom screenshot)

Council members explain their votes

Tuesday, Mayor Sonja Brunner, Watkins and councilmembers Shebreh Kalantari-Johnson, Golder, and Meyers voted in favor of the ballot measure.

The city will move to a form of district elections regardless of the election outcome, Watkins and other council members said. The ballot measure will allow voters to weigh in on what the district system looks like. "Ultimately this recommendation really puts the decision before our voters to decide ultimately how they want to see the city move forward with regards to having a directly-elected mayor with six districts as opposed to seven districts only," Watkins said.

Councilmembers Justin Cummings and Sandy Brown voted against the ballot measure due to concerns about a rushed proposal and lack of public input. In outreach and three public hearings on a

switch to district elections, seven districts had been contemplated rather than six.

“The limited opportunities that we’ve had for public discussion have been around seven districts,” Brown said. “There has been no extensive public discourse about the election of an at-large mayor.”

Cummings said the proposed four-year mayoral term with a compensation of about \$40,000 may preclude many people with low incomes from running for that office. He also said a primary election would mean a nearly year-long campaign that likely would be too time-consuming for people with low incomes who can’t take time off work.

Cummings made a motion for city staff to create a process and timeline for community engagement on a directly-elected mayor, district makeup, council member wages, a stronger mayoral role, ranked-choice voting and other topics. The council rejected Cummings’ motion in a 5-2 vote. Brown and Cummings were in the minority.

Why six districts and an at-large mayor?

The city reached a settlement with Gabriela Joseph, a resident who threatened to sue the city in 2020 for noncompliance with the California Voting Rights Act. The agreement states that if the city enacts district elections “with or without an at-large mayor” by the November 2022 election, then Joseph will not sue.

Tuesday, Brunner said that the settlement agreement’s deadline and option for an at-large mayor prompted the council committee of Watkins, Golder and Meyers to focus on the proposal of a ballot measure for the June 7 election. A transition to an at-large mayor would require a majority of voters to approve a change to the city’s charter.

If voters do not approve a system of six districts and an at-large mayor in the June election, then a city law is expected to be adopted that would create seven districts and no direct election of a

mayor.

“This item is not us as a council deciding that there’s going to be six districts with a mayor,” Brunner said before Tuesday’s vote. “That’s not what’s before us. It’s us saying ‘Hey, let’s put it on the ballot and let the voters decide” between seven districts or six districts with an at-large mayor.

Draft maps released

After Tuesday’s vote, city leaders published three new draft maps with six districts. Some of the maps split UC Santa Cruz or lump it into other parts of the Westside. Some maps split the Beach Hill, Beach Flats and Lower Ocean neighborhoods, home to a high concentration of Latino residents (47% of residents, compared to 17% city-wide, [according to a 2012 report](#)).

Click each draft map to expand its view. (City of Santa Cruz)

montereyherald.com

Water district demands 3 LAFCO commissioners be recused

Dennis L. Taylor

4-5 minutes

MONTEREY – Attorneys for the Monterey Peninsula Water Management District have asked for the recusal of three commissioners from the Local Agency Formation Commission’s Monday meeting where the inter-governmental agency will again consider a key element of the public’s bid to buy out California American Water Company’s water delivery system in the district.

A letter sent Friday afternoon from San Francisco-based Shute, Mihaly and Weinberger, states that Commissioners Matt Gourley, Mary Ann Leffel and Warran Poitras need to recuse themselves from Monday’s decision because they have failed to follow their legislative mandates as part of an independent regulatory agency.

“In this case Commissioners Leffel, Gourley and Poitras have demonstrated impermissible bias and an inability to meet the statutory standard for independent judgment,” the letter reads. Attorneys cite several court precedents, primarily the 2015 case of Woody’s Group Inc. versus the city of Newport Beach and the 2020 case of Petrovich Dev. Co. versus the city of Sacramento.

In the case of Leffel, the attorneys in their letter use those precedents to argue that she has been a long advocate against Measure J that mandated the takeover, and then turned around and voted against the effort of the district to fulfill the measure. In fact, attorneys note, Leffel co-authored the official argument against Measure J.

“It is plainly improper for a leading advocate against a ballot measure to later exercise administrative power in an attempt to block the measure from moving forward,” the letter states.

“Commissioner Leffel’s continued participation in this proceeding will only undermine the validity of the Commission’s ultimate decision on this application.”

If the letter reads like causes of action in a lawsuit, that may be exactly what attorneys for the district are beginning to do. It’s no secret that the water district has plans to sue LAFCO should it continue to block the buyout. If the three commissioners don’t recuse themselves, that action could end up as a point in a future lawsuit.

In the case of Gourley, the attorneys argue that he expressed open hostility against public services, despite being a member of a quasi-governmental body. The attorneys cited the same language Gourley used in a Dec. 6 LAFCO meeting that was first reported by the Herald on Dec. 7 (<https://bit.ly/3pdQoUT>)

“And no, I’m definitely from a private sector, not the public sector,” Gourley stated in the Dec. 6 meeting. “I don’t think the government can run anything efficiently, and I think we’ve seen that.”

That prompted a response from the water district’s attorneys that Gourley’s reason for denying the proposal are “unmoored from the record and conflict with the Commission’s recent determination in its municipal service review that the District is well run.

“Commissioner Gourley lacks the ability to serve as a neutral reviewer of the District’s proposal,” the letter says.

Poitras, meanwhile, demonstrated bias, according to the letter, because of his role with the Monterey County Regional Fire District. Citing again from the Dec. 6 meeting, the attorneys quote Poitras as saying “the district I represent, personally, is Monterey County Regional Fire District. They are slated to lose \$140,000 per year if (the takeover) goes through. This is a considerable concern to me.”

The water district attorneys jumped on that as evidence of Poitras’s

inability to render an independent decision.

“The Commission cannot serve as a neutral and independent body when its members are openly partisan on behalf of select interests in the proceeding, in violation of their statutory duty to represent the public as a whole,” the letter reads. “In light of the alarming evidence of bias, Commissioners Leffel, Gourley and Poitras should recuse themselves before the Commission decides the District’s application for reconsideration.”

The commissioners were not immediately available to comment Friday.

santacruzsentinel.com

Watsonville corporation to match donations to health care district project

Melissa Hartman

4-5 minutes

WATSONVILLE — Through May 1, Watsonville-based Driscoll's berry company will match up to \$1.75 million in donations made to the Pajaro Valley Healthcare District Project's fundraising campaign, the project announced Monday.

"After an already tumultuous past two years, the last thing we want to see is disruption to our community's public health services when people need access to quality care most. We hope the community will join PVHDP's fundraising challenge," Driscoll's Chair and CEO Miles Reiter said in the announcement.

Driscoll's commitment to the acquisition and operation of Watsonville Community Hospital is just the last of many generous donations from local businesses, community organizations and governmental entities.

The County of Santa Cruz has allocated \$5.5 million, the County of Monterey \$3 million, the Community Health Trust of Pajaro Valley \$6 million, Central California Alliance for Health \$3 million, Kaiser Foundation \$3 million, Stanford Children's Hospital \$1 million, Dominican Hospital and Common Spirit \$300,000 and the City of Watsonville \$130,000.

This amounts to nearly \$22 million. Certain donors, who have made up for \$3 million more in fundraising, have yet to be identified.

The State of California is expected to contribute \$20 million,

bringing the project's budget to \$45 million — or nearly \$46 million given Driscoll's predicted gift. This figure was provided by the project's representation during a [Feb. 23 U.S. Bankruptcy court hearing](#) – the hearing at which Judge Mary Elaine Hammond granted the coalition of community leaders [led by Mimi Hall](#) to purchase the hospital and its assets.

“PVHDP is securing funding to complete the acquisition and provide transitional capital while the District implements hospital improvements on behalf of patients, staff and the community in order to establish a high-quality, community-serving hospital,” it was said in the statement.

Despite the May 1 deadline for Driscoll's, interested parties can contribute to the campaign beyond that date. Hall told the Sentinel upon the court's decision that at least \$70 million is necessary to close the sale and run the hospital through its first year. The sale is expected to close in late August.

The Pajaro Valley Healthcare District Project's intervention in the running of Watsonville Community Hospital will directly translate to continued health care service for the south county community. This effort comes as a result of Watsonville Hospital Corporation's November announcement that it would file for bankruptcy and, if no buyers were identified, shut down the area's only hospital for good because the facility was running a large deficit.

Hall said that she and the other chairs of the project — who come from the County of Santa Cruz, the City of Watsonville, Community Health Trust of Pajaro Valley and Salud Para La Gente — are working closely with the soon-to-be former ownership to create a smooth handoff.

“We welcome partnering with PVHDP as it shares the same goal of everyone who works here — To provide exceptional, quality health care services to all who walk through our doors,” Watsonville Community Hospital CEO Steven Salyer said last month. “With a community-led hospital, we believe our staff, providers and the

community will have a sustainable facility for years to come.”

How to help

Who: The Pajaro Valley Healthcare District Project

When: Any time

Where: Online by visiting cfsc.org/PajaroValleyHealth or pvhdp.org

[santacruzsentinel.com](https://www.santacruzsentinel.com)

Measure U renewal proponents call out Watsonville report as ‘illegal’ and ‘biased’

Hannah Hagemann

3-4 minutes

WATSONVILLE – Proponents behind an initiative that aims to extend 20-year-old urban development boundaries in Watsonville called an analysis that will be presented at Tuesday’s city council meeting illegal and biased.

Those boundaries are defined largely by Measure U – an initiative that was originally passed by Watsonville voters in 2002. Some of those urban development limits, which exclude building on a large swath of Pajaro Valley farmland, are set to expire this year.

A campaign to renew the limits launched in July 2021 – an effort endorsed by the Santa Cruz County Farm Bureau, Watsonville Wetlands Watch and dozens of agricultural leaders. In February, [campaigners gathered enough petition signatures to put the extension on Watsonville ballots](#). City officials then ordered a study to be conducted on the various impacts a Measure U extension would have on Watsonville.

The city-sponsored report, co-authored by Oakland-based consultant Economic & Planning Systems, largely argues that extending Measure U for another 18 years [would stunt Watsonville’s housing development and the region’s economic growth](#).

In a letter penned Monday, Watsonville Planned Growth and Farmland Protection Committee attorney Sara Clark called out the

analysis as biased.

“The City’s skewed, partisan analysis of the Initiative is both unfair and illegal,” wrote Clark.

The Committee is urging city council members to [reject the report](#).

“This report was required to determine the impacts of our initiative and we feel the study was woefully inadequate and inaccurate,” said Sam Earnshaw, a committee member and longtime Pajaro Valley farmer.

According to the city analysis, building more housing in existing development areas won’t be enough to satiate housing demand.

Consultants wrote that if voters do not renew Measure U, a “strategic economic development growth area” could be developed at a site at Lee Road, near Highway 1 and Highway 129: “This roughly 17-acre site might accommodate a 100-room limited-service hotel and 275,000 square feet of retail development, creating roughly 500 new jobs in Watsonville. The visitor-serving uses likely would have a strong positive impact on the City’s General fund, generating new transient occupancy tax and sales tax for the City.”

Proponents of Measure U assert the city and its consultants overstate how many units could actually be built on lands outside of the Watsonville urban limit line. Measure U, Clark wrote, is an initiative that aims to protect agricultural lands.

“The protection of farmland was a clear primary purpose of Measure U, but affirmative housing production and job creation were not,” Clark wrote.

Watsonville Planning Department officials did not comment before the Sentinel’s print deadline.

On Tuesday the city council will also decide if Measure U would appear on a June ballot – by way of calling a special election – or more typically, if voters would head to the polls in November.

IF YOU GO

What: Watsonville City Council meeting

When: Tuesday, 4:30 p.m.

Where: 275 Main Street, Watsonville, or streamed online at cityofwatsonville.org.

At issue: City analysis of Measure U.

santacruzsentinel.com

Branciforte fire formalizes intent to merge with Scotts Valley fire

Jessica A. York

5-6 minutes

HAPPY VALLEY — The Branciforte Fire Protection District has solidified its intent to merge with its Scotts Valley neighbor.

The district board on Monday night unanimously voted to sign a nonbinding “[resolution of intent](#)” to reorganize, effectively the first step toward a joinder with the Scotts Valley Fire Protection District.

Legal counsel Travis Cochran advised the board that Monday’s vote was the beginning of “a very long process.”

“The resolution of intent is really the starting point. This is the first step you’re taking to essentially, potentially move forward with the reorganization,” Cochran said. “It’s the resolution that’s necessary for LAFCO (Local Agency Formation Commission Santa Cruz) and everybody else to basically say, ‘We’re going to start working together to figure out exactly how this is going to work.’”

A similar process played out over more than two years in the [merging of the Central and Aptos-La Selva fire protection districts](#). In both cases, merger discussions came in the wake of studies initiated by LAFCO calling out [service and spending inefficiencies](#).

More than six years ago, Scotts Valley Fire was hired to manage Branciforte Fire’s largely volunteer department, a relationship that continued until the two agencies allowed the contract to lapse in October. Branciforte Fire’s board then launched public discussions on a [potential permanent merger in November](#).

Six-month turning point

Interim Branciforte Fire Chief Samantha Sweeden's departure from the district has helped push forward merger discussions. As a retired annuitant, Sweeden's workable hours allotment is set to expire Monday. She was brought on board as Scotts Valley and Branciforte fire protection districts parted ways last year.

Sweeden told the Sentinel on Tuesday that she recommended a district merger to provide for basic protection of the Branciforte Fire's coverage area. At a minimum, staffing increases would allow for higher-trained medical response and an immediate increase from one to at least four firefighters responding to fires and other emergency calls.

"It really is going to continue to set the district up for success," Sweeden said of the proposed merger. "All these things are going to be so much better for the community."

Chairman Pat O'Connell said the board had come to the point of passing Monday's resolution after giving itself six months to bolster volunteer firefighter staffing to an "acceptable level" and to find a permanent chief.

"We said we would take six months. If we hadn't reached a certain level, then we would have to reconsider what we were doing," O'Connell said. "Well, we've gotten to that point and we haven't reached that level. It has not been successful."

Sweeden said she had seven new volunteers in the fire academy now and received numerous applications for a new volunteer wildland firefighter role that she had created. Sweeden said her volunteer recruitment process was slowed by numerous other duties she undertook while working for the district, including developing comprehensive department policies and operations, completing construction on firefighter quarters and repairing several years-old damages to the fire station.

Next steps pending

LAFCO Executive Officer Joe Serrano wrote in an email to the Sentinel on Tuesday that much work remains before reorganization is finished and ready for commission consideration, “but this was a significant step in the right direction.” In order to continue forward, however, Serrano said it will be “imperative” that the district identifies a new interim fire chief by Monday.

“LAFCO is working diligently on a Pre-Reorganization Agreement with the two districts that may help address this issue,” Serrano wrote of the leadership void. “Again, as long as the two fire districts and LAFCO work together, we will ensure that the Branciforte residents receive adequate services during and after reorganization process.”

O’Connell added that the evening’s vote was “just the start of an informational campaign” on the issue and that, ultimately, district voters will decide whether or not a merger should happen. He said a formal action plan for merger discussions would be posted on the district’s website, branciforte-fire.com at some unspecified point.

Community members and the board have often discussed concerns about whether or not the closure of Branciforte’s single station, at 2711 Branciforte Drive, would be an acceptable outcome of a fire district merger. O’Connell said that issue will remain under discussion and investigation as merger talks continue.

Community members Chris Norton, who is applying as a volunteer firefighter for the agency, and Becky Steinbruner, shared their hopes that the recent introduction of a plan to recruit volunteer wildland firefighters who may not have undergone traditional fire academies would not be jeopardized in a merger. Steinbruner also recommended the board make an effort to solidify district voting representation on a future merged fire board of directors.

pajaronian.com

Watsonville's longtime city clerk retires - The Pajaronian | Watsonville, CA

By: Tony Nuñez

3-4 minutes

WATSONVILLE—Watsonville leaders past and present showered longtime Watsonville City Clerk Beatriz Vasquez Flores with praise at Tuesday night's Watsonville City Council meeting, honoring the outgoing official for her 42 years of service to the municipality.

Along with kind words from active city council members and City employees, former mayors Manuel Bersamin, Antonio Rivas and Nancy Bilicich and retired city attorney Alan Smith also took to the podium to celebrate the long-standing public servant.

"I never saw her have a bad day at the office. I'm sure she did, but it never seemed to interfere with her work," said Smith, who worked hand-in-hand with Vasquez Flores for the majority of his quarter-century as the City's legal counsel. "We'd argue with each other sometimes and we'd laugh together, even in the most exasperating circumstances."

Vasquez Flores started her career with the City as an intern with Watsonville Police Department at 18 and worked her way up to the executive team. She has served as the Watsonville City Clerk for the past 14 years, handling the City elections and supporting the city council in various capacities. She attended college while working for the city and raising three sons, earning her bachelor's degree in 2015.

In an emotional speech, Vasquez Flores thanked dozens of co-workers, city council members, friends and family for helping her throughout her four-decade career. She gave a special thanks to her son, Kristian Flores, who attended college courses with her and

helped her with homework.

“I love this community and I love serving the community that I grew up in,” she said. “I’m going to miss everyone.”

Many who spoke Tuesday said that Vasquez Flores was inspirational for the way she balanced work, school and her family. It wasn’t out of the ordinary for Vasquez Flores to answer phone calls and text messages from city council members on the weekends or while she was on vacation—even when she was across the globe in Paris.

“You always answered,” Mayor Ari Parker said.

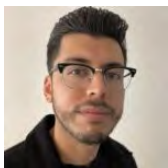
Bersamin and Rivas said that Vasquez Flores, as one of the few Latinos in Watsonville’s executive team when they were in office, was also an inspirational figure for Watsonville’s rising Latino and Chicano leaders. Smith lauded Vasquez Flores for her commitment to transparency, public access to government proceedings and free and fair elections.

“No one has done more for the city than you have,” Bersamin said.

Friday is Vasquez Flores’ final day with the City.

The city council will appoint her replacement in the coming weeks.

In retirement, she says she wants to continue traveling with her husband, Ramon, to scenic hiking locations around the globe. This year, they are planning to go to Japan and Korea when those countries lift Covid-19 restrictions and also do a section of the famed Camino de Santiago in Europe.



[Tony Nuñez](#)

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

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Former Santa Cruz County clerk Gail Pellerin announces Assembly run

Melissa Hartman

5-6 minutes

SANTA CRUZ — Gail Pellerin wants to be Santa Cruz’s civil servant — again.

“I’m telling people, ‘I’m laced up and I’m running,’” she said to the Sentinel Monday afternoon.

The former county clerk [launched a campaign website](#) this weekend asking the community she served for nearly three decades to elect her as 28th District assembly member.



Gail Pellerin’s shoes bring a message of inclusion and democracy during her time at the county elections office. (Shmuel Thaler – Santa Cruz Sentinel file)

The 28th District, a development from the 2021 redistricting process, makes up most of Santa Clara and Santa Cruz counties. Santa Cruz will find its representation there, after the June primary election, instead of the 29th District. The 29th District is currently led by Assemblyman Mark Stone.

Though Stone met nomination requirements for the 28th District seat, according to the county website, he has endorsed Pellerin. This means he will not seek re-election.

“In a time when democracy is literally under attack, I cannot think of another person more qualified or more prepared to fight for our democracy and protect voting rights,” Stone said in an official statement on Pellerin’s website. “She has the experience, integrity and leadership skills to hit the ground running and I can’t wait to see what she will accomplish in the State Assembly.”

In a statement from Pellerin’s campaign consultants at PFW Consulting Monday afternoon, Stone admitted giving up his seat was a difficult decision.

“It is made easier by having an incredible candidate to step forward in Gail Pellerin,” he said.

Pellerin explained that she talked to Stone about running for his seat in 2024. But just days before the filing deadline was set to close, he reached out and confided in her that he was weighing an early exit.

“I understand it’s a huge decision for someone to make to run for this level of office, it really takes a full-time commitment. It impacts a family,” Pellerin said. “He said he wanted me to be his representative and I kicked it into high gear. I sprung forward in time and jumped two years ahead in one weekend.”

Starting with support

Pellerin boasts the endorsements of other state leaders such as Senator John Laird, retired Senator Bill Monning and Assemblymember Robert Rivas. Congressman Jimmy Panetta and retired Congressman Sam Farr are also on the list. Some of Pellerin’s endorsers have known her since before she worked in Santa Cruz County, when she was a legislative staffer in Sacramento, a campaign assistant, a newspaper reporter and even a community college instructor.

“I’m humbled and overwhelmed by the outpouring of support. I’ve always believed in working my ass off and meeting the needs of my constituents, even going above and beyond and doing whatever it takes to ensure that people have access to government services,”

Pellerin said. “On the first call, when they agreed to endorse me, I cried. It was an emotional moment.”

Pellerin [retired from her county position in December 2020](#) after 27 years of being the jurisdiction’s chief elections official. At the time Pellerin told the Sentinel she was leaving to “pursue other interests” and was confident that interim elections official Tricia Webber, running to secure her spot for good this June, would fill her shoes.

Just months after taking her final bow, the longtime official announced her involvement with building a local government leadership academy at Cabrillo College and [forums encouraging women to run for office](#) called the Women in Leadership for Diverse Representation (or the WILDR series). It was this kind of work that had other women asking her to run.

As of Monday, only [one other candidate was named in the race](#) for 28th District assembly member — Joseph “Joe” Thompson. Thompson filed an interest form for the race on Monday. According to [their social media](#), Joe Thompson is a UC Santa Cruz student and [a union organizer at Starbucks](#).

“This is what democracy looks like, it’s what we want: People interested in being civically engaged. I’m keeping my focus on my campaign and what I’m doing and I’ll leave it at that,” Pellerin said.

Pellerin is running with four main campaign priorities: Improving mental health care, affordable housing options, climate change fixes and women’s rights protections. The first priority is especially personal to Pellerin, as she sits on a handful of nonprofit boards that advocate for necessary system reform in honor of her late husband Tom who died by suicide in 2018.

“I’m a helper,” she said. “I want everyone to come together and sit at the table to work on solutions that address the problems we have.”

Pellerin will find the courage and boldness to fight for a seat at the table when she wears a Rising International bracelet painted with the Ukrainian flag’s colors on her walks through the district precincts.

“It will inspire me to... do what I need to do to win this thing,” Pellerin said of her new prized possession, a strength that will sit on one hand as she holds her labradoodle Darwin in the other.

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Branciforte Fire district names interim chief

Jessica A. York

2-3 minutes

HAPPY VALLEY — The Branciforte Fire Protection District board on Monday voted to install a new interim chief, drawing from the ranks of existing staff.

The board unanimously voted to seat Fire Capt. Nate Lackey as temporary chief after the departure of Interim Chief Samantha Sweeden, whose last day working for the district was Monday. Sweeden — a retired Cal Fire engineer-paramedic — was hired as interim chief in the fall, but has run up against her employment hour limits set for state retirees.

Lackey is expected to fill the top administrative role, leading a largely volunteer-staffed department, while Branciforte and Scotts Valley fire protection districts explore a potential merger in the coming months.

Earlier in Monday's meeting, the board also unanimously voted to approve a pre-reorganization agreement spelling out expectations between itself, Scotts Valley Fire and the Santa Cruz County Local Agency Formation Commission as merger talks are expected to begin. The board passed a more similar [resolution of intent to reorganize](#) at its March 7 meeting. The Scotts Valley Fire Protection District board is not scheduled to meet again until May 11.

More than 40 people attended the board's meeting Monday, but no public comment was received.

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San Lorenzo Valley Water District delays CZU Complex fire rebuild decision

Hannah Hagemann

4-5 minutes

FELTON – The San Lorenzo Valley Water District will take more time to decide just how it will rebuild some 7 miles of water pipeline that burned in the CZU Lightning Complex fire.

While the district’s board of directors [could have pulled the trigger in a Thursday meeting](#) it chose not to — citing concerns on project cost, ratepayer feedback, environmental impacts and timeliness.

“We’re just not there yet,” said the district’s general manager Rick Rogers. “I think the board made the right decision — to gather more information to be sure that what we’re doing is the right decision.”

As a result of the CZU Complex fire, water customers were without tap water for weeks to months, and the district now relies on the already-stressed Santa Margarita Groundwater basin to supply drinking water to its ratepayers.

The district hired San Mateo-based Freyer & Laureta Inc. to investigate how it could replace the destroyed pipeline, with a focus on hardening for future wildfires.

“In the framework of ‘what can we do to make sure we get as close to this never happening again?’” said District Engineer Josh Wolff.

With that charge, the engineering firm then recommended the San Lorenzo Valley Water District armor its infrastructure by burying it.

According to Freyer & Laureta, if the same high density polyethylene pipe that burned is placed approximately 2 feet below ground and covered with soil, it will stand a chance against melting.

When discussed Thursday, board directors were largely critical of electing to move forward with such a project, which could cost up to \$60 million.

Director Bob Fultz requested that Freyer & Laureta estimate the cost of replacing the water pipeline in kind – exactly how it sat above ground before it burned in the CZU Complex fire. That above ground rebuild remains an option, which would likely be less expensive than burying the pipeline.

Fultz also expressed concerns about funding the project.

“We need to get money, hopefully more than just from our community, because this is an enormous lift,” Fultz said.

While the Federal Emergency Management Agency has a commitment to cover approximately 75% of the water pipeline reconstruction, Rogers said that standard applies generally to rebuilding the infrastructure to pre-fire conditions. That means above ground, as it was before it melted.

The district is in talks with the agency to understand how much it would contribute to hardening the pipeline, if the purveyor decides to bury the infrastructure.

The pipeline, which is set to be built on steep and fire-scarred terrain across Ben Lomond Mountain, could also be vulnerable to heavy rainfall events – a concern Board President Gail Mahood brought up Thursday. Such stripped landscapes are at-risk of fast-moving slurries of rock, soil and sediment carried in water, or debris flows, in years following a wildfire.

Rogers recommended that before finalizing a rebuild decision, the board hold community meetings with district ratepayers and residents in the Santa Cruz Mountains.

“We’re looking at cutting a single lane road across Ben Lomond Mountain for 7 miles and laying a pipe. It’ll have retaining walls, it’ll remove roughly 7 acres of trees,” Rogers said. “I don’t think our community understands the magnitude of the project.”

The public will certainly be given a chance to provide feedback on the project in the future, during a 45-day Environmental Impact Review comment period.

Rogers and other board members again brought up concerns about costs of operating and maintaining such a pipeline, in rugged backcountry.

“We don’t want to get blindsided by only looking at hardening the pipe from fire,” Rogers said.

The district is likely some months away from a final decision on just how to rebuild the pipeline.

It’s a challenging balance act for the purveyor in the wake of the fire. Putting off such a decision, could also have costs.

“The longer we delay in moving forward with this project, the longer we’re on groundwater and limiting our ability to treat surface water,” said Director Jayme Ackemann. “What does this do to our water source, to our aquifer?”