



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

ADOPTED MINUTES

LAFCO REGULAR MEETING AGENDA

Wednesday, April 6, 2022

Start Time - 9:02 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 9:02 a.m. and welcomed everyone in attendance. She asked staff to conduct roll call.

The following Commissioners were present:

- Chair Rachél Lather
- Commissioner Jim Anderson
- Commissioner Roger Anderson
- Commissioner Ryan Coonerty
- Commissioner Justin Cummings
- Commissioner Francisco Estrada
- Commissioner Zach Friend (arrived at 9:05 a.m.)
- 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 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 March 2nd 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, and Rachél Lather.

AGAINST: None

ABSTAIN: None

MOTION PASSED: 6-0

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, noted that she provided an email to LAFCO about her support for a prescribed burn training center within the Branciforte community. Ms. Steinbruner noted that the Branciforte Fire Protection District's fire station could be used as the training center. **Executive Officer Joe Serrano** thanked Ms. Steinbruner and confirmed that her email was uploaded on LAFCO's website and will be addressed later in the meeting.

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

5. PUBLIC HEARINGS

Chair Rachél Lather noted that there was one public hearing item for Commission consideration today.

5a. Draft Budget for Fiscal Year 2022-23

Chair Rachél Lather requested staff to provide a presentation on the draft budget for the upcoming year.

Executive Officer Joe Serrano informed the Commission that State law requires LAFCOs to adopt a draft budget by May and a final budget by June of each year. The draft budget for Fiscal Year 2022-23 totals \$651,550, which represents an increase of 2% from the current budget (FY 2021-22 = \$641,850). LAFCO's primary source of revenue is the allocations from the County, the four cities, and the 21 independent special districts.

The total allocation amount of \$419,265 represents a 5% increase from the current budget and the first increase in three years. LAFCO staff recommends approval of the draft budget for Fiscal Year 2022-23.

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, asked which budgetary line item addresses the outside consultants hired by the Commission, including Best, Best & Krieger as LAFCO's legal counsel and Fire Reorganization Consulting, LLC as LAFCO's fire consultant. **Executive Officer Joe Serrano** explained that legal services are paid under the budget line item titled "Attorney" and consulting services are paid under the budget line item titled "Professional Services."

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

Chair Rachél Lather called for Commission comments on the draft budget.

Commissioner John Hunt wanted clarification that the expenses from the website consultant (Chase Designs) are also paid under the Professional Services budget line item. **Executive Officer Joe Serrano** confirmed that the website consultant will be paid from that line item but also clarified that their services will be covered under the current budget (FY 2021-22) because the website revamp will be completed by June 2022.

Commissioner Jim Anderson asked how the allocations are calculated for the special districts. **Executive Officer Joe Serrano** noted that the allocations are based on each district's total revenues as a percentage of the combined total district revenues within a county. This information is extracted by the most recent edition of the "Special Districts Annual Report" published by the State Controller. Mr. Serrano notes that the County Auditor-Controller's Office helps LAFCO calculate the allocation breakdown.

Commissioner Roger Anderson requested that certain budget line items include additional breakdown costs, specifically the pension and insurance expenses. Mr. Anderson also requested that the three-year projections be based on historical trends rather than a flat increase for all budget line items based on the consumer price index. **Executive Officer Joe Serrano** noted that the requested information will be implemented in the final budget for FY 2022-23 and future budgets.

Commissioner Zach Friend thanked his fellow Commissioners for the discussion and motioned to approve staff's recommendation. **Commissioner Justin Cummings** seconded the motion.

Chair Rachél Lather noted no further Commission discussion and called for a roll call vote on motion based on staff's recommendation: **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 funding agencies, 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 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

6. OTHER BUSINESS

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

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 while local and state mask mandates have been relaxed, 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 Justin Cummings asked how much it would cost to implement a hybrid approach for future LAFCO meetings during the State of Emergency. **Executive Officer Joe Serrano** noted that he has been in discussion with the County to see if LAFCO could use their equipment to conduct hybrid meetings. It is unknown how much it would cost or if LAFCO staff has capacity to implement this alternative model.

Commissioner Zach Friend motioned to continue remote meetings under AB 361 with the condition that staff provide additional information about the hybrid approach during the next Commission meeting. **Commissioner Justin Cummings** seconded the 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 with the condition that staff provide additional information about implementing a hybrid meeting model.**

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

6b. "Opal Cliffs Recreation District Reorganization" – Protest Results

Chair Rachél Lather requested staff to provide a presentation on protest proceeding held for the residents living within the Opal Cliffs community.

Executive Officer Joe Serrano reported that one of the final steps in the reorganization process was to complete the protest period. This 21-day protest proceeding allowed residents within the Opal Cliffs community to voice their opposition by submitted petitions. The final day to submit petitions was Thursday, March 31 which was the same day as the protest hearing. The hearing was the final opportunity for residents to voice their concerns and submit their petition of opposition. At the hearing, there were no petitions submitted. In total, LAFCO received zero petitions during the protest period. Mr. Serrano noted that this reflected the thorough and transparent process implemented by the Commission.

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, thanked LAFCO for championing this effort and confirmed that the park and recreational service responsibility will now be under the County Parks Department.

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 motioned to approve staff's recommendation. **Commissioner Ryan Coonerty** seconded the motion.

Chair Rachél Lather noted no further Commission discussion and called for a roll call vote on motion based on staff's recommendation: **Adopt the draft minutes from the March 31, 2022 Protest Hearing and the draft resolution (No. 2022-05) certifying the protest period results.**

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

MOTION: Roger Anderson
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

6c. Legislative Update

Chair Rachél Lather requested staff to provide a presentation on the latest news regarding this year's legislative session.

Executive Officer Joe Serrano explained that there is 24 LAFCO-related bills currently in circulation. Mr. Serrano notes that of those 24 bills, staff is closely monitoring three bills: Assembly Bill 2957, Senate Bill 938, and Senate Bill 969. He summarized that Assembly Bill 2957 is the annual omnibus bill that addresses minor edits to the Cortese-Knox-Hertzberg Act, Senate Bill 938 proposes to match the protest threshold for LAFCO-initiated dissolution with other boundary changes, and Senate Bill 969 is a follow-up to Senate Bill 418 which created the Pajaro Valley Health Care District. He explained that Senate Bill 969 proposes to address the recommendations made by CALAFCO, Monterey LAFCO, and Santa Cruz LAFCO. Staff recommended that the Commission adopt "Support" positions for these bills.

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

Commissioner Roger Anderson asked if there were more information on the three validation bills that are identified in CALAFCO's tracking log. **Executive Officer Joe Serrano** noted that he did not have any additional information to provide the Commission at this time.

Commissioner Roger Anderson motioned to approve staff's recommendation. **Commissioner Jim Anderson** seconded the motion.

Chair Rachél Lather noted no further Commission discussion and called for a roll call vote on motion based on staff's recommendation: **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 Joe Serrano conducted a roll call vote on the item.

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

MOTION PASSED: 7-0

6d. List of Extraterritorial Service Agreements – Status Update

Chair Rachél Lather requested staff to provide a presentation on current list of active extraterritorial service agreements in Santa Cruz County.

Executive Officer Joe Serrano informed the Commission that there is currently 42 active extraterritorial service agreements involving eight local agencies. Mr. Serrano noted that a comprehensive review of each agreement was presented to the Commission in September 2021 in which the Commission directed staff to coordinate with the affected local agencies and request them to provide annexation plans by March 31, 2022. He indicated that most of the affected agencies expressed interest in annexation. Staff will continue to coordinate with these agencies to resolve any concerns and move the annexation discussions forward.

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, confirmed that none of the City of Santa Cruz's extraterritorial service agreements involve the University.

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 Jim Anderson inquired whether past extraterritorial service agreements included language to annex the subject territory after a certain amount of time. **Executive Officer Joe Serrano** noted that past approvals did not include such language but since 2019 the Commission has been including annexation language in approved extraterritorial service agreements.

Chair Rachél Lather noted no further Commission discussion and moved to the next item since no Commission action was required.

6e. Branciforte Fire Protection District – Status Update

Chair Rachél Lather requested staff to provide a presentation on latest news regarding the Branciforte Fire Protection District.

Executive Officer Joe Serrano indicated that the Branciforte Fire Protection District ("BFPD") has made a lot of accomplishment in the last month. Mr. Serrano noted that the District adopted a resolution to initiate a reorganization, adopted a Pre-Reorganization Agreement, and officially submitted an application to begin the reorganization process. He also acknowledged that the District's Board Chair, Pat O'Connell, is in attendance.

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

Pat O'Connell, BFPD Board Chair, reaffirmed that the District has made a lot of progress in a short amount of time. Mr. O'Connell indicated that the District continues to focus on keeping the fire station open and is working with LAFCO and Scotts Valley FPD to conduct a benefit assessment study to properly fund the fire station. He asked if LAFCO was aware of an upcoming townhall meeting being hosted by Supervisor Manu Koenig.

Executive Officer Joe Serrano noted that he was aware of the upcoming townhall meeting but it is unknown whether the meeting agenda will include discussion about BFPD's ongoing efforts. Mr. Serrano indicated that he would share any additional information to Mr. O'Connell once obtained.

Becky Steinbruner, member of the public, encouraged BFPD to consider converting the fire station as a prescribed fire burn training center. Ms. Steinbruner also asked how LAFCO's fire consultant will assist on the reorganization effort. **Executive Officer Joe Serrano** noted that the fire consultant has been instrumental in helping BFPD update their policies, crafting the draft request for proposal for BFPD's search for a firm to produce a benefit assessment study, and providing guidance BFPD's interim fire chief on how to properly operate a fire district. Mr. Serrano also mentioned that it is premature to identify BFPD's fire station as a prescribed fire burn training center without the District's support and evaluation. He explained that it is ultimately up to the District to consider, analyze, and implement any program.

Chris Norton, member of the public, provided an overview of the "North Sonoma Model" which focused on prescribed burns.

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 Justin Cummings asked what else is LAFCO staff doing to reassess how fire protection services are provided in other areas in Santa Cruz County. **Executive Officer Joe Serrano** noted that staff is currently searching for a consulting firm to produce a feasibility study. Mr. Serrano explained that this study would focus on the financial impact of fire districts annexing more land as well as the financial impact of County Service Area 48 as those annexing lands are detached from their jurisdiction. He stated that the goal of the study is to successfully transition fire service responsibilities from the County to the independent fire districts.

Chair Rachél Lather noted no further Commission discussion and moved to the next item since no Commission action was required.

7. WRITTEN CORRESPONDENCE

Chair Rachél Lather inquired whether there was any written correspondence submitted to LAFCO. **Executive Officer Joe Serrano** reminded the Commission that LAFCO received one written correspondence but that it has already been addressed during Agenda Item No. 6e (Branciforte Fire Protection District – Status Update). **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.

Commissioner Roger Anderson asked for more information about the issues facing Monterey LAFCO and their recent denial of an application. **Executive Officer Joe Serrano** noted that a water district submitted an application to activate its latent powers and annex territory to provide water services instead of the current private water company. This action is based on a ballot measure approved by the affected residents. However, even though Monterey LAFCO staff recommended approval, the Commission decided to vote against the proposal. This action has triggered backlash from the water district and the affected residents.

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, asked if there is a conflict with Commissioners participating in an ad-hoc committee meeting given the issues with Monterey LAFCO. **Executive Officer Joe Serrano** clarified that there is no conflict with Commissioners participating in ad-hoc committee meetings and staff ensures that the Commission's input on any LAFCO-related project is within the statutory guidelines under state law and the Commission's adopted policies.

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.

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. **Commissioner Francisco Estrada** invited everyone to the City of Watsonville's upcoming "Nerdville" event which is a family-friendly comic, art, fantasy, and collectibles convention.

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 10:33 a.m. to the next regular LAFCO meeting scheduled for Wednesday, May 4, 2022 at 9:00 a.m.



RACHÉL LATHER, CHAIRPERSON

Attest:



JOE A. SERRANO, EXECUTIVE OFFICER