



**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, September 7, 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 staff 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 August 3, 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. "El Alamein Road Annexation" to the San Lorenzo Valley Water District

The Commission will consider a two-parcel annexation, totaling approximately 31 acres, into the San Lorenzo Valley Water District.

Recommended Action: Adopt the draft resolution (No. 2022-12) approving the two-parcel annexation to the San Lorenzo Valley Water District.

b. Proposal Evaluation Policy Update

The Commission will consider the amendments to the Proposal Evaluation Policy and approval of four separate fee waiver requests.

Recommended Actions:

- 1) Adopt the draft resolution (2022-13) approving the amendments to the Proposal Evaluation Policy to include language on how to process fee waiver requests; and
- 2) Approve the fee waiver requests from the following agencies: Branciforte Fire Protection District, Felton Fire Protection District, Pajaro Valley Fire Protection District, and Scotts Valley Water District.

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 Actions:

- 1) Cancel the October 5, 2022 LAFCO Meeting; and
- 2) Ratify the existing resolution (No. 2021-19) approving the continuation of remote meetings under AB 361 to the next regularly scheduled meeting.

b. Soquel Creek Water District Sphere Update – Continued Item

The Commission will consider approving the proposed sphere boundary for the Soquel Creek Water District.

Recommended Action: Adopt the draft resolution (No. 2022-11a) approving the sphere determinations and boundary update for the Soquel Creek Water District.

c. Fire District Spheres – Annexation Plans

The Commission will receive an update on the submitted annexation plans requested by LAFCO as part of the 2021 Countywide Fire Protection Service and Sphere Review.

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 July and August

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, November 2, 2022 at 9:00 a.m.

ADDITIONAL NOTICES:

Campaign Contributions

State law (Government Code Section 84308) requires that a LAFCO Commissioner disqualify themselves from voting on an application involving an "entitlement for use" (such as an annexation or sphere amendment) if, within the last twelve months, the Commissioner has received \$250 or more in campaign contributions from an applicant, any financially interested person who actively supports or opposes an application, or an agency (such as an attorney, engineer, or planning consultant) representing an applicant or interested participant. The law also requires any applicant or other participant in a LAFCO proceeding to disclose the amount and name of the recipient Commissioner on the official record of the proceeding.

The Commission prefers that the disclosure be made on a standard form that is filed with the Commission Clerk at least 24 hours before the LAFCO hearing begins. If this is not possible, a written or oral disclosure can be made at the beginning of the hearing. The law also prohibits an applicant or other participant from making a contribution of \$250 or more to a LAFCO Commissioner while a proceeding is pending or for 3 months afterward. Disclosure forms and further information can be obtained from the LAFCO office at Room 318-D, 701 Ocean Street, Santa Cruz CA 95060 (phone 831-454-2055).

Contributions and Expenditures Supporting and Opposing Proposals

Pursuant to Government Code Sections §56100.1, §56300(b), §56700.1, §59009, and §81000 et seq., and Santa Cruz LAFCO's Policies and Procedures for the Disclosures of Contributions and Expenditures in Support of and Opposition to proposals, any person or combination of persons who directly or indirectly contributes a total of \$1,000 or more or expends a total of \$1,000 or more in support of or opposition to a LAFCO Proposal must comply with the disclosure requirements of the Political Reform Act (Section 84250). These requirements contain provisions for making disclosures of contributions and expenditures at specified intervals. Additional information may be obtained at the Santa Cruz County Elections Department, 701 Ocean Street, Room 210, Santa Cruz CA 95060 (phone 831-454-2060).

More information on the scope of the required disclosures is available at the web site of the Fair Political Practices Commission: www.fppc.ca.gov. Questions regarding FPPC material, including FPPC forms, should be directed to the FPPC's advice line at 1-866-ASK-FPPC (1-866-275-3772).

Accommodating People with Disabilities

The Local Agency Formation Commission of Santa Cruz County 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 staff at the LAFCO office or in the meeting room before or after the meeting.



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

Agenda
Item
No. 3

DRAFT MINUTES

LAFCO REGULAR MEETING AGENDA

Wednesday, August 3, 2022

Start Time - 9:00 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 Francisco Estrada
- Commissioner Zach Friend
- Alternate Commissioner Donna Lind
- 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.

2b. Fire Reorganization Effort

Executive Officer Joe Serrano informed the Commission about the latest news regarding the proposed reorganization between the Branciforte and Scotts Valley Fire Protection Districts (“FPDs”). Mr. Serrano noted that the Branciforte FPD Board decided not to hire SCI Consulting to produce a benefit assessment study that would have determined the cost to keep the Branciforte Fire Station open after the completion of the reorganization. He explained that without the study, there would be no assessment and no election for the voters to determine the future of the fire station. As a result, the fire station will close because it will not have adequate staffing or funding to be operated by Scotts Valley FPD post-reorganization. LAFCO staff will continue to provide assistance to Branciforte FPD as the reorganization process unfolds.

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

Becky Steinbruner, member of the public, expressed concern about the reorganization’s timeframe and the proposed benefit assessment study. Ms. Steinbruner also highlighted a fire program in San Mateo County.

Michael Beaton, Santa Cruz County’s Director of General Services and Administrator of the County Fire Services Agreement with CALFIRE, expressed support on behalf of the County for the proposed feasibility study (Agenda Item No. 7b). Mr. Beaton appreciated the collaborative effort between the County and LAFCO to develop a detailed scope of work for the study and looks forward to working with the consulting firm and LAFCO throughout the process.

Chair Rachél Lather noted no further public comments and moved to the next agenda item.

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 Roger Anderson** motioned for approval of the June 1st Meeting Minutes and **Commissioner Jim Anderson** seconded the motion.

Chair Rachél Lather called for a roll call vote on the approval of the draft minutes. **Executive Officer Joe Serrano** conducted a roll call vote on the item.

MOTION: Roger Anderson

SECOND: Jim Anderson

FOR: Jim Anderson, Roger Anderson, Yvette Brooks, Ryan Coonerty, Francisco Estrada, and Zach Friend.

AGAINST: None

ABSTAIN: Rachél Lather

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, informed the Commission about the \$7.6 million grant awarded to the Santa Cruz Mid-County Groundwater Agency. Ms. Steinbruner is glad to see the funding be used for the implementation of the basin groundwater sustainability plan which involves various projects.

Chair Rachél Lather noted no further public comments and moved to the next agenda item.

5. SPECIAL PRESENTATIONS

Chair Rachél Lather noted that there was one special presentation from the Alba Recreation and Park District (“ARPD”).

5a. Alba Recreation & Park District – Status Update

Chair Rachél Lather requested staff to provide a presentation on this item.

Executive Officer Joe Serrano reminded the Commission that last year LAFCO completed a Countywide Park & Recreation Service and Sphere Review that analyzed the four recreation districts, including ARPD. Mr. Serrano noted that due to the District’s operational and financial issues, LAFCO staff recommended that the District but dissolved unless it developed a strategic plan to address all the outstanding issues. He indicated that the District was able to produce a strategic plan and has turned things around since the adoption of the countywide report. He introduced the District’s new general manager Lindsay Speth and Board Member Martin Mills, who will provide additional information.

Lindsay Speth (ARPD General Manager) and **Martin Mills** (ARPD Board Member) highlighted the various improvements made since the adoption of the countywide report. Ms. Speth indicated that the District now has a full five-member board, established a new website, adopted new policies, is financially solvent, and is currently coordinating with several public agencies to help rebuild the Alba Schoolhouse.

Chair Rachél Lather requested public comments on this item. **Executive Officer Joe Serrano** indicated that there was no request to address the Commission.

Chair Rachél Lather closed public comments and called for Commission comments.

Commissioner John Hunt extended his appreciation to the District and its staff for their diligent work in addressing their governance and operational issues and encouraged them to continue their proactive efforts.

Commissioner Francisco Estrada commended the District and its staff for their passion and perseverance.

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

6. PUBLIC HEARINGS

Chair Rachél Lather noted that there were two public hearing items for Commission consideration today.

6a. “Blossom Way / Stephen Bell Extraterritorial Service Agreement”

Chair Rachél Lather requested staff to provide a presentation on the proposed extraterritorial service agreement involving the City of Scotts Valley.

Executive Officer Joe Serrano indicated that the proposal was submitted by landowner petition under Government Code Section 56133. The purpose of the extraterritorial service agreement is to connect the single parcel into a more reliable sewer infrastructure. Mr. Serrano noted that the City of Scotts Valley is willing and capable of providing sewer service to the subject area. He also stated that the proposal fulfilled the requirements identified in LAFCO law and outlined in the Commission’s adopted policies. He is recommending that the Commission approve the extraterritorial service agreement by adopting the proposed resolution, which includes a condition for the City and LAFCO to coordinate on the potential annexation of the property in the future.

Chair Rachél Lather requested public comments on this item. **Executive Officer Joe Serrano** indicated that there was no request to address the Commission.

Chair Rachél Lather closed public comments and called for Commission comments.

Commissioner Roger Anderson asked if this proposal was addressing a health and safety issue under Government Code Section 56133. Mr. Anderson also questioned whether the agreement includes a deadline to annex the property.

Executive Officer Joe Serrano indicated that the Government Code Section 56133 allows extension of services without annexation if it meets one of two requirements: (1) the subject area is experiencing a health and safety issues, or (2) the subject area is within the affected district’s sphere and annexation is considered in the future. This proposal’s subject area is within the City’s sphere and the proposed resolution includes language for the City and LAFCO to coordinate to determine when annexation may occur.

Commissioner Jim Anderson asked whether the City would consider annexation of the other existing extraterritorial service agreements. **Executive Officer Joe Serrano** noted that LAFCO staff will be encouraging the City to consider annexing all existing extraterritorial service agreements during their scheduled discussions. Mr. Serrano explained that the goal is to assist the City in developing a plan and also help update their current annexation policy.

Chair Rachél Lather noted no further comments and asked for a motion. **Commissioner Zach Friend** motioned to approve staff’s recommendations and **Commissioner Jim Anderson** seconded the motion.

Chair Rachél Lather called for a roll call vote on motion based on staff’s recommendation: **Adopt the draft resolution (LAFCO No. 2022-10) approving the extraterritorial service agreement involving the City of Scotts Valley.**

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

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

MOTION PASSED: 7-0

6b. Countywide Water Service and Sphere Review

Chair Rachél Lather requested staff to provide a presentation on the water report.

Executive Officer Joe Serrano summarized the findings for each of the nine water agencies evaluated in the comprehensive report. Mr. Serrano explained that based on staff's analysis, several sphere boundaries should be amended. He noted that most of the water agencies are financially sound and operating efficiently but stated that two districts should be dissolved: the Reclamation District No. 2049 and County Service Area 54. Both affected agencies have agreed to move forward with the dissolution process based on LAFCO's findings and recommendations. It was recommended that the Commission approve staff's recommendations and adopt the 2022 Countywide Water Service & Sphere Review.

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

Becky Steinbruner, member of the public, appreciated the detailed work shown in the report and asked for clarification whether a private water system (PureSource Water) is within Soquel Creek Water District's proposed sphere boundary. Ms. Steinbruner also noted that it is her understanding that PureSource residents are not in favor of annexing into the water district. **Executive Officer Joe Serrano** indicated that the proposed sphere boundary includes areas already being served by the district including extraterritorial service agreements and areas that are substantially surrounded by the district.

Brian Lockwood, Pajaro Valley Water Management Agency General Manager, thanked staff for their coordination with the water agencies to complete the water report.

Sierra Ryan, Santa Cruz County Water Resources Manager, extended her appreciation to staff for including the private water systems in their analysis and for allowing the County to participate in the completion of the water report.

Martin Mills, owner of PureSource Water, explained that the private water system has an emergency intertie with Soquel Creek Water District and asked if the sphere boundary would affect the intertie or water system's overall operations. **Executive Officer Joe Serrano** stated that the sphere boundary would not affect the current service provisions and only identifies Soquel Creek Water District as an alternative water source if the PureSource Water residents desire to receive water from the District in the future.

Chair Rachél Lather noted no further public comments and called for Commission comments.

Commissioner Roger Anderson had several comments including the evaluation of "islands" within a district's sphere boundary, more information about the agencies' production of water, and the importance of clearly locating the private water systems.

Commissioner Ryan Coonerty left the meeting at 10:20am.

Commissioner Yvette Brooks questioned whether the expansion of spheres affect the cost to consumers and the existing water supply. Ms. Brooks also asked how LAFCO can expand Pajaro Valley Water Management Agency's sphere outside Santa Cruz County. **Executive Officer Joe Serrano** stated that the proposed sphere amendments would not affect the cost to consumers or the existing water supply because based on LAFCO's analysis, these areas are already being served by the affected agencies. He also noted that state law gives Principal LAFCOs the authority over multi-county districts, such as the Pajaro Valley Water Management Agency. Santa Cruz LAFCO is the Principal LAFCO for the agency, which is why staff is proposing a multi-county sphere boundary to reflect their existing service area.

Chair Rachél Lather called for a 15 minute break. The meeting resumed at 10:35am.

Commissioner John Hunt asked if the proposed sphere amendment for Soquel Creek Water District can include a condition restricting development in areas zoned as agriculture. **Executive Officer Joe Serrano** discouraged including language regarding land use designation since state law prohibits LAFCO from such action. **Legal Counsel Josh Nelson** also discouraged the inclusion of land use restrictions as part of a sphere update. Mr. Serrano and Mr. Nelson recommended that the Commission approve staff's recommendation and defer action on Soquel Creek Water District's sphere to the next LAFCO meeting for further discussion.

Commissioner Zach Friend motioned to approve staff's recommendations with the request to defer action on Soquel Creek Water District's sphere boundary until the next regularly scheduled LAFCO Meeting for further discussion. **Commissioner Jim Anderson** seconded the motion.

Commissioner Yvette Brooks left the meeting at 10:45am.

Chair Rachél Lather called for a roll call vote on motion based on staff's recommendation and the additional action: **(1) Find the report exempt from CEQA; (2) Determine the report fulfills the requirements under Government Code Section 56425; (3) Determine the report fulfills the requirements under Government Code Section 56430; (4) Adopt the draft resolution (LAFCO No. 2022-11) approving the 2022 Countywide Water Service & Sphere Review; and (5) Defer action on Soquel Creek Water District's sphere boundary until the next regularly scheduled LAFCO Meeting for further discussion.**

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

MOTION: Zach Friend

SECOND: Jim Anderson

FOR: Jim Anderson, Roger Anderson, Francisco Estrada, Zach Friend, and Rachél Lather.

AGAINST: None

ABSTAIN: None

MOTION PASSED: 5-0

7. OTHER BUSINESS

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

7a. 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 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. Staff recommended that the Commission continue conducting remote meetings under AB 361 and allow the Executive Officer to determine whether a hybrid model can be implemented for future LAFCO meetings.

Chair Rachél Lather requested public comments on this item. **Executive Officer Joe Serrano** indicated that there was no request to address the Commission.

Chair Rachél Lather closed public comments and called for Commission comments.

Commissioner Zach Friend motioned to approve staff's recommendations. **Commissioner Jim Anderson** seconded the motion.

Chair Rachél Lather 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 option of implementing a hybrid model at the next LAFCO meeting, if possible.**

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

MOTION: Zach Friend

SECOND: Jim Anderson

FOR: Jim Anderson, Roger Anderson, Francisco Estrada, Zach Friend, and Rachél Lather.

AGAINST: None

ABSTAIN: None

MOTION PASSED: 5-0

7b. Consulting Firm Selection for the Upcoming Feasibility Study

Chair Rachél Lather requested staff to provide a presentation on the proposed contract with AP Triton for professional services.

Executive Officer Joe Serrano noted the success of the countywide fire report adopted by the Commission last October. Mr. Serrano explained that during the adoption, the Commission reviewed the sphere boundaries of all the fire agencies and reaffirmed

several spheres with the condition that those affected fire agencies develop an annexation plan. He indicated that many of the fire agencies are interested in annexing the areas within their current spheres but were under the impression that there was no revenue to offset the cost to provide fire protection. As a result, the Commission directed staff to distribute a request for proposal to hire an outside consultant to produce a feasibility study. Mr. Serrano stated that three firms submitted bids and after assessing their qualifications, staff recommended that the Commission hire AP Triton. He also thanked County staff for helping LAFCO craft the scope of work included in the draft contract.

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, wanted clarification in whether County Service Area 4 will be analyzed in the feasibility study. **Executive Officer Joe Serrano** clarified that all fire agencies within Santa Cruz County will be analyzed, including CSA 4.

Chair Rachél Lather noted no further public comments and called for Commission comments.

Commissioner Roger Anderson noted that he supports this effort and asked if AP Triton has identified who will be conducting the study. **Executive Officer Joe Serrano** stated that AP Triton has already identified the team members assigned to produce the study as well as a point person. These individuals are identified in the proposed contract.

Chair Rachél Lather noted no further comments and asked for a motion. **Commissioner Roger Anderson** motioned to approve staff's recommendations and **Commissioner Jim Anderson** seconded the motion.

Chair Rachél Lather called for a roll call vote on motion based on staff's recommendation: **Approve the draft contractual agreement to hire AP Triton as LAFCO's consulting firm to produce a feasibility study regarding the sphere boundaries for the fire agencies in Santa Cruz County.**

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

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

MOTION PASSED: 5-0

7c. Grand Jury Report – LAFCO Response

Chair Rachél Lather requested staff to provide a presentation on LAFCO's response to the Grand Jury's water report.

Executive Officer Joe Serrano noted that the Santa Cruz County Civil Grand Jury issues several reports on an annual basis. A recent report focused on the water supply and long-

term planning of the water agencies in Santa Cruz County. Mr. Serrano indicated that the Grand Jury asked LAFCO to respond to specific findings and recommendations before August 22, 2022. Staff drafted a response letter and is recommending that the Commission review and approve the letter for submittal.

Chair Rachél Lather requested public comments on this item. **Executive Officer Joe Serrano** indicated that there was no request to address the Commission.

Chair Rachél Lather closed public comments and called for Commission comments.

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

Chair Rachél Lather called for a roll call vote on motion based on staff's recommendation: **Approve the draft comments and direct the Executive Officer to distribute the attached comment letter to the Grand Jury before the August 22, 2022 deadline.**

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

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

MOTION PASSED: 5-0

7d. CALAFCO Update

Chair Rachél Lather requested staff to provide a presentation on the updates regarding CALAFCO's upcoming annual conference.

Executive Officer Joe Serrano noted that CALAFCO is scheduled to host an annual conference during the third week of October in Southern California (Newport Beach). During the conference, there will be an election to appoint new representatives on the CALAFCO Board of Directors. Staff is recommending that the Commission designate a voting delegate and alternate to vote on behalf of Santa Cruz LAFCO.

Chair Rachél Lather requested public comments on this item. **Executive Officer Joe Serrano** indicated that there was no request to address the Commission.

Chair Rachél Lather closed public comments and called for Commission comments.

Commissioner Zach Friend motioned to approve staff's recommendations and nominated Chair Rachél Lather to be the voting member and Executive Officer Joe Serrano to be the alternate member. **Commissioner Roger Anderson** seconded the motion.

Chair Rachél Lather called for a roll call vote on motion based on staff's recommendation: **Discuss attendance at the upcoming CALAFCO Annual Conference; Designate a Voting Member at the Regional Caucus and Business Meeting (Voting Member – Rachél Later; Alternate Member: Joe Serrano); and Discuss whether to make any board or award nominations.**

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

MOTION: Zach Friend

SECOND: Roger Anderson

FOR: Jim Anderson, Roger Anderson, Francisco Estrada, Zach Friend, and Rachél Lather.

AGAINST: None

ABSTAIN: None

MOTION PASSED: 5-0

7e. Comprehensive Quarterly Report – Fourth Quarter (FY 2021-22)

Chair Rachél Lather requested staff to provide a presentation on the quarterly report.

Executive Officer Joe Serrano noted that this report is meant to keep the Commission informed about all LAFCO-related activities, including the status of active proposals, the schedule of upcoming service reviews, the current financial performance of LAFCO's adopted budget, and other projects. Mr. Serrano covered these areas and indicated that the Commission's budget ended with over 100% of anticipated revenues and less than 60% of anticipated expenses actually being incurred.

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 staff for their dedicated work and encouraged staff to coordinate with the liaisons for the road-related county service areas as part of the upcoming countywide review. **Executive Officer Joe Serrano** reminded the Commission that staff is scheduled to present later in the year a comprehensive report which will analyze the 34 road-related county service areas. Staff is currently coordinating with the County to retrieve all the necessary data to complete this countywide evaluation.

Chair Rachél Lather noted no further public comments and called for Commission comments.

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

8. WRITTEN CORRESPONDENCE

Chair Rachél Lather inquired whether there was any written correspondence submitted to LAFCO. **Executive Officer Joe Serrano** noted that staff received three late correspondence regarding the countywide water report but the Commission already

addressed them during Agenda Item No. 6b. **Chair Rachél Lather** moved to the next item since no Commission action was required.

9. 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 requested public comments on this item. **Executive Officer Joe Serrano** indicated that there was no request to address the Commission.

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

10. COMMISSIONERS' BUSINESS

Chair Rachél Lather inquired whether any Commissioner would like to share any information.

Commissioner Francisco Estrada expressed his appreciation to LAFCO staff for helping public agencies improve their governance and operational structure. Mr. Estrada also noted that staff's assistance could be helpful with the City of Watsonville and the two measures focused on the City's future growth. **Executive Officer Joe Serrano** indicated that he was more than happy to provide assistance to the City if invited.

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

11. ADJOURNMENT

Chair Rachél Lather adjourned the Regular Commission Meeting at 11:16 a.m. to the next regular LAFCO meeting scheduled for Wednesday, September 7, 2022 at 9:00 a.m.

RACHÉL LATHER, CHAIRPERSON

Attest:

JOE A. SERRANO, EXECUTIVE OFFICER



Date: September 7, 2022
To: LAFCO Commissioners
From: Joe Serrano, Executive Officer
Subject: **“El Alamein Road Annexation” to the San Lorenzo Valley Water District (LAFCO Project No. DA 22-08)**

SUMMARY OF RECOMMENDATION

This application proposes an annexation involving the San Lorenzo Valley Water District (“SLVWD”). If approved, the subject area (totaling 2 parcels; 31 acres) will receive water services from a nearby public agency. The subject area is within SLVWD’s sphere boundary and the proposal is supported by the affected landowners and District.

It is recommended that the Commission adopt the draft resolution (LAFCO No. 2022-12) approving the two-parcel annexation to the San Lorenzo Valley Water District.

EXECUTIVE OFFICER’S REPORT:

The proposed annexation was initiated by landowner petition. The subject area includes two parcels, totaling approximately 31-acres. Both affected landowners submitted signed consent petitions supporting the proposed governance change. The purpose of the application is for the provision of water services towards existing single-family homes. The subject area is within unincorporated county territory and is located north of Mount Hermon Road, east of Highway 9, south of Crown Drive, and west of East Zayante Road. **Attachment 1** is a vicinity map of the subject area.

General Plan/Zoning Designation

The subject area is uninhabited (less than 12 registered voters) and currently designated as R-R (Rural Residential) under the County’s General Plan. The application does not propose any changes to the existing land use designation.

Other Municipal Services

No other change of organization is required. The proposal area will continue to receive municipal services from other existing public agencies, including but not limited to fire services from the Zayante Fire Protection District.

Affected/Interested Agency Comments

A referral letter, which summarized the proposal, was distributed to all the affected and interested agencies within or near the subject area. This was an opportunity for an agency to provide comments regarding the proposed boundary change. LAFCO did not receive any opposition during the comment period. Representatives from SLVWD did provide a Will-Serve Letter to LAFCO dated March 31, 2022, as shown in **Attachment 2**.

Property Tax Exchange Agreement

California Revenue and Taxation Code Section 99(b)(6) requires the adoption of a property tax exchange agreement involving the affected local agency before LAFCO can consider a jurisdictional change. The Board of Supervisors (BOS) acts as the authorizing body for SLVWD regarding property tax adjustments. On June 7, 2022, the BOS adopted the property tax exchange agreement for this proposal (refer to **Attachment 3**).

Sphere of Influence

LAFCO originally adopted a sphere of influence for SLVWD on October 16, 1985. The District has seen several sphere amendments over the years. More recently, the Commission approved a sphere expansion on November 4, 2020 to reflect the District's current service area and designate SLVWD as the most logical service provider for areas near its jurisdictional boundary. The sphere boundary was reaffirmed on August 3, 2022 as part of the Countywide Water Service & Sphere Review. The subject area is already within the District's sphere boundary; therefore, no sphere amendment is required as part of this proposal.

Environmental Review

The proposal is subject to an environmental review. Santa Cruz LAFCO served as the lead agency for assessing impacts under CEQA. Based on staff's analysis, the underlying action qualifies as a project under CEQA. As the lead agency, LAFCO staff determined that the proposal was exempt pursuant to CEQA Guidelines Section 15319, Class 19(a):

Annexations to a city or special district of areas containing existing or private structures developed to the density allowed by the current zoning or pre-zoning, of either the gaining or losing governmental agency whichever is more restrictive, provided, however, that the extension of utility services to the existing facilities would have a capacity to serve only the existing facilities.

The purpose of the application is for the provision of water services by allowing the landowners to connect to a nearby water line, and therefore, aligns with the categorical exemption identified above. A Notice of Exemption, as shown in **Attachment 4**, will be recorded following the Commission's approval.

Notice of Public Hearing

A hearing notice for this proposal was published in the August 16th issue of the Santa Cruz Sentinel (refer to **Attachment 5**) pursuant to Government Code Section 56153. A digital copy was also distributed to SLVWD and the affected landowners for their records. Advertising this notice in a newspaper and notifying the affected parties fulfills the legal requirement under LAFCO law.

Protest Proceedings

State law requires a protest proceeding to occur if a boundary change (i.e. annexation) is approved. This protest period provides an opportunity for affected residents within the subject area to voice their opposition of the Commission's action. However, pursuant to Government Code Section 56662(d), the protest proceedings may be waived entirely if the following occurs:

1. The territory is uninhabited;

2. The proposal is accompanied by proof, satisfactory to the Commission, that all the owners of land within the affected territory, exclusive of land owned by a private railroad company, have given their written consent to the proposal and a private railroad company that is an owner of land within the affected territory has not submitted written opposition to the waiver of protest proceedings prior to the conclusion of the commission hearing; and
3. A subject agency has not submitted written opposition to a waiver of protest proceedings.

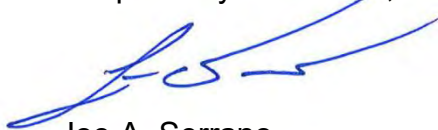
The subject area is uninhabited (only five registered voters), and all affected landowners within the subject parcel submitted signed content petitions supporting the proposal. Additionally, no subject agency has submitted a written opposition to the proposed waiver of protest proceedings. LAFCO staff is recommending that the protest proceedings be waived based on the statutory criteria.

STAFF RECOMMENDATION

SLVWD currently serves 60 square miles to approximately 20,000 people. At present, it has 8,000 connections through 170 miles of pipeline. In a recent service review, LAFCO has indicated that the District is financially sound, is operating efficiently, and should consider annexation of areas within its sphere boundary. The proposed annexation area is within the District's sphere. Additionally, the proposal meets the criteria outlined in LAFCO law and the Commission's Proposal Evaluation Policy. San Lorenzo Valley Water District representatives have also indicated that there is sufficient capacity and ability to provide water service to the subject area.

In summary, this proposal accomplishes two key milestones: (1) it will allow the affected residents the opportunity to connect to a more sustainable public infrastructure, and (2) it reinforces the Commission's sphere boundary for the District by identifying SLVWD as the most logical service provider for the area. Therefore, staff is recommending that the Commission adopt the draft resolution approving the proposed annexation (see **Attachment 6**).

Respectfully Submitted,

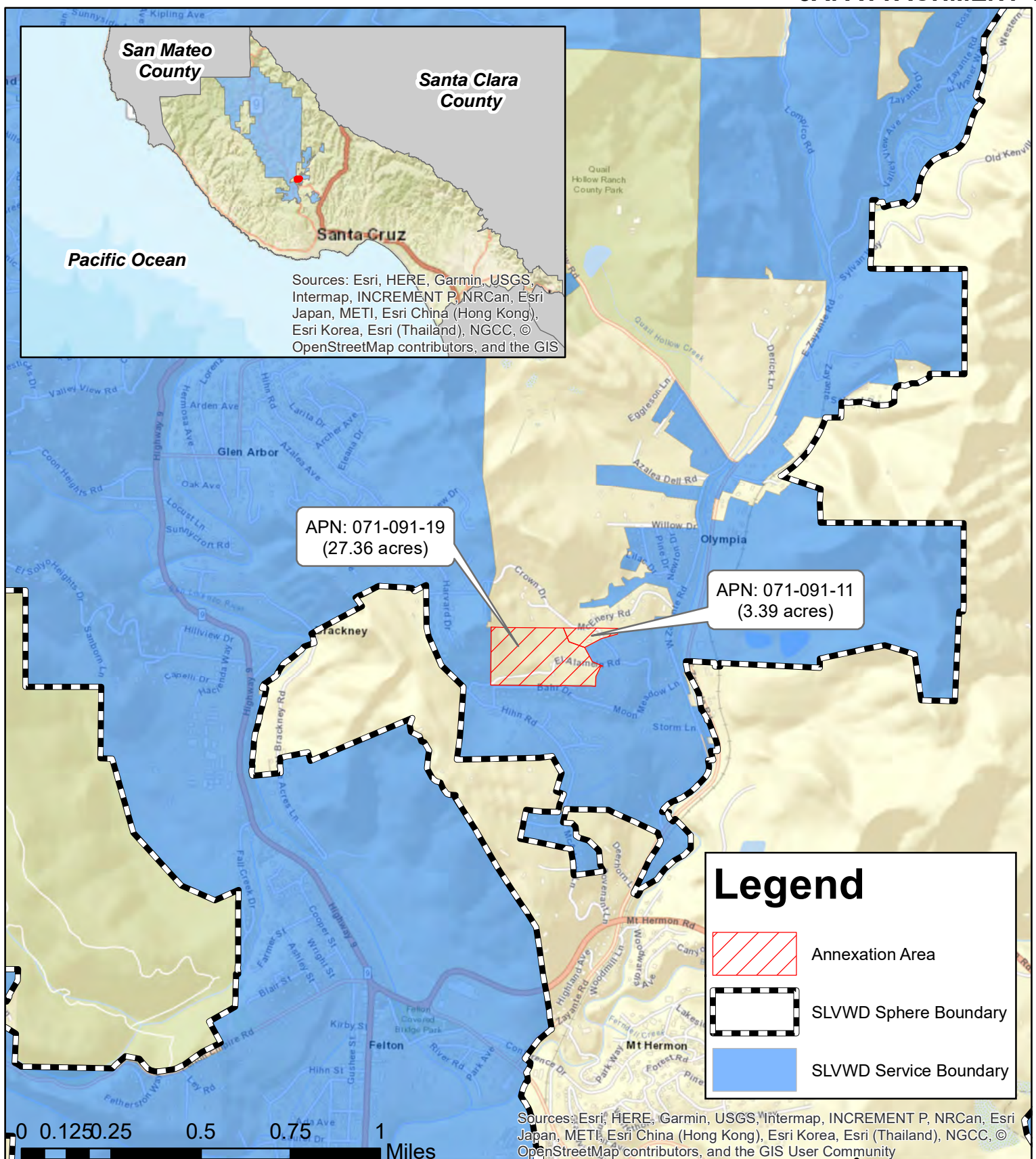


Joe A. Serrano
Executive Officer

Attachments:

1. Vicinity Map
2. Will-Serve Letter
3. Property Tax Exchange Agreement
4. Notice of Exemption
5. Notice of Public Hearing
6. Draft Resolution (LAFCO No. 2022-12)

cc: Randy Egner, Applicant
Rick Rogers, SLVWD General Manager



"El Alamein Road Annexation" to the San Lorenzo Valley Water District (LAFCO Project No. DA 22-08)

The two-parcel annexation is currently outside the District's jurisdictional boundary but within its sphere boundary. This means that the water district is the most logical service provider for the subject area. If the annexation is approved, the affected landowners may receive water services from SLVWD.





13060 Highway 9
Boulder Creek, CA 95006-9119
(831) 338-2153 phone
(831) 338-7986 fax

March 31, 2022

John Christensen
500 El Alamein Road
Felton, CA 95018

Subject: Meter Review
APN: 071-091-11

Dear property owner,

The District has reviewed the information provided regarding your property and considered our ability to serve this location and need. The following conclusion has been reached.

Your request has been:

- ☒ Approved. Please contact the District to pay your connection charges.
- ☐ Approved. Please bring the documents below to the District to determine the cost of the water connection.
- ☐ Conditions. Please read and adhere to the conditions listed below, making necessary arrangements where applicable.
- ☐ Denied. Please see reasoning provided below.

Next steps:

- Based on fixture count, a ¾" meter will be required. This meter will be set in a meter bank along Bahr Road.
- This parcel is currently outside of the SLVWD's boundaries. A Boundary Change Application must be submitted to Santa Cruz LAFCO before installation of the new meter.
- This connection will also require a Long Service Line Agreement with the District.

Also note that:

- Approval can be withdrawn at any time.
- Water service is never guaranteed until service has been approved, sized and all fees paid.

If you have any questions regarding this matter, please contact our office.

Sincerely,

A handwritten signature in black ink, appearing to read "Joel Scianna". The signature is fluid and cursive.

Joel Scianna
Assistant Engineer

RESOLUTION 175-2022

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

Adopted 06/07/2022
Board of Supervisors
DOC-2022-518 29.a

RESOLUTION NO. 175-2022

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

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

**LAFCO #DA 22-08 – El Alamein Road Annexation to the San Lorenzo Valley
Water District**

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

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

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

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

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

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

PASSED AND ADOPTED by the Board of Supervisors of the County of Santa Cruz, State of California, this 7th day of June, 2022, by the following vote:

AYES: Supervisors: Friend, Coonerty, Caput, McPherson and Koenig
NOES: None
ABSENT: None

RESOLUTION 175-2022

DocuSigned by:

Manu Koenig

43369812764640D...

Manu Koenig
Chair of the Board of Supervisors

ATTEST:

DS



DocuSigned by:

Juliette Burke

466B074F3141450...

Juliette Burke
Deputy Clerk of the Board

APPROVED AS TO FORM:

DocuSigned by:

Jason M. Heath

AF757CF913B5419...

Jason M. Heath (5/25/22, AMS 12790)
County Counsel

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

RESOLUTION 175-2022

Exhibit A

Agenda: June 7, 2022

LAFCO #DA 22-08 – El Alamein Road Annexation to the San Lorenzo Valley Water District

1. Description

LAFCO # DA 22-08 – El Alamein Road Annexation to the San Lorenzo Valley Water District

Assessor's Parcel Numbers: 071-091-11, 071-091-19

2. Property Tax Exchange

A. Base Year Full Cash Value: No Exchange

B. Incremental Full Cash Value: No Exchange

The exchange of property taxes for both Base Year and Incremental Values are based on property tax revenues after the shift to the Education Revenue Augmentation Fund (ERAF).

Certificate Of Completion

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Certificate Pages: 5

Initials: 0

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Santa Cruz, CA 95060

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Pool: County of Santa Cruz

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Jason M. Heath

jason.heath@santacruzcounty.us

County Counsel -- Approved as to Form

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(None)**Signature**

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County of Santa Cruz

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RESOLUTION 175-2022

Envelope Summary Events	Status	Timestamps
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Santa Cruz, CA 95060

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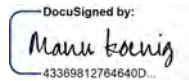
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Manu Koenig

Manu.Koenig@santacruzcounty.us

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Juliette Burke

Juliette.Burke@santacruzcounty.us

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Intermediary Delivery Events	Status	Timestamp
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Completed	Security Checked	6/21/2022 10:02:59 AM
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To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please confirm that you have read this ERSD, and (i) that you are able to print on paper or electronically save this ERSD for your future reference and access; or (ii) that you are able to email this ERSD to an email address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format as described herein, then select the check-box next to ‘I agree to use electronic records and signatures’ before clicking ‘CONTINUE’ within the DocuSign system.

By selecting the check-box next to ‘I agree to use electronic records and signatures’, you confirm that:

- You can access and read this Electronic Record and Signature Disclosure; and
- You can print on paper this Electronic Record and Signature Disclosure, or save or send this Electronic Record and Disclosure to a location where you can print it, for future reference and access; and
- Until or unless you notify County of Santa Cruz as described above, you consent to receive exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you by County of Santa Cruz during the course of your relationship with County of Santa Cruz.

Notice of Exemption

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

From: (Public Agency)
Santa Cruz Local Agency Formation Commission
701 Ocean Street, Room 318-D
Santa Cruz CA 95060

To: ☒ Clerk of the Board
County of Santa Cruz
701 Ocean Street, Room 500
Santa Cruz CA 95060

Project Title: "El Alamein Road **Annexation**" to the San Lorenzo Valley Water District

Project Location: The subject area is within unincorporated county territory and is located north of Mount Hermon Road, east of Highway 9, south of Crown Drive, and west of East Zayante Road. Attached is a vicinity map of the subject area (refer to Attachment A).

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

Description of Nature, Purpose, and Beneficiaries of Project: The proposal was initiated by landowner petition. The subject area includes two parcels, totaling approximately 31 acres. The landowners of each subject parcel support the proposal and have each signed a consent form. The purpose of the application is for the provision of water services from a nearby public agency to the existing single-family homes.

Name of Public Agency Approving Project: Local Agency Formation Commission of Santa Cruz County ("**Santa Cruz LAFCO**"). **A public hearing on this proposal is scheduled for 9:00 a.m. on September 7, 2022.** Additional information on the upcoming meeting is available on the LAFCO website (<https://www.santacruzlafco.org>).

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

Exempt Status: (check one)

- ☐ Ministerial (Sec. 21080(b)(1); 15268);
☐ Declared Emergency (Sec. 21080(b)(3); 15269(a));
☐ Emergency Project (Sec. 21080(b)(4); 15269 (b)(c));
☒ Categorical Exemption: State type and section number
☐ Statutory Exemptions: State code number
☐ Other: The activity is not a project subject to CEQA.

Reason Why Project is Exempt: Pursuant to CEQA Guidelines Section 15319, Class 19(a): Annexations to a city or special district of areas containing existing or private structures developed to the density allowed by the current zoning or pre-zoning, of either the gaining or losing governmental agency whichever is more restrictive, provided, however, that the extension of utility services to the existing facilities would have a capacity to serve only the existing facilities.

Lead Agency Contact Person: Joe A. Serrano

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

Signature: _____
Joe A. Serrano, Executive Officer

Date: September 8, 2022

☒ Signed by Lead Agency



NOTICE OF PUBLIC HEARING LOCAL AGENCY FORMATION COMMISSION

NOTICE IS HEREBY GIVEN that at 9:00 a.m., Wednesday, September 7, 2022, the Local Agency Formation Commission of Santa Cruz County (LAFCO) will hold public hearings on the following:

- **“El Alamein Road Annexation” to the San Lorenzo Valley Water District (LAFCO Project No. DA 22-08):** Consideration of a two-parcel annexation involving a water district. If approved, the existing single family homes may receive water service from a public agency immediately adjacent to the subject area. The subject area is within unincorporated county territory and is located north of Mount Hermon Road, east of Highway 9, south of Crown Drive, and west of East Zayante Road. In compliance with the California Environmental Quality Act (CEQA), LAFCO staff has prepared a Categorical Exemption for this report.
- **Proposal Evaluation Policy Update (LAFCO Project No. CPP 22-12):** Consideration of proposed modifications to LAFCO’s Proposal Evaluation Policy to include language with guidelines on how to process fee waiver requests.

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

During the meeting, the Commission will consider oral or written comments from any interested person. Maps, written reports, environmental review documents and further information can be obtained by contacting LAFCO’s staff at (831) 454-2055 or from LAFCO’s website at www.santacruzlafco.org. LAFCO does not discriminate on the basis of disability, and no person shall, by reason of a disability, be denied the benefits of its services, programs or activities. If you wish to attend this meeting and you will require special assistance in order to participate, please contact the LAFCO office at least 48 hours in advance of the meeting to make arrangements.

Joe A. Serrano
Executive Officer
Date: August 16, 2022

LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY
RESOLUTION NO. 2022-12

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

RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION
MAKING DETERMINATIONS AND ORDERING THE
“EL ALAMEIN ROAD ANNEXATION” TO THE
SAN LORENZO VALLEY WATER DISTRICT
(LAFCO PROJECT NO. DA 22-08)

WHEREAS, an application requesting the annexation and subsequent sphere of influence amendment was filed by landowner petition pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Section 56000 et seq.); and

WHEREAS, the proposal was initiated by landowner petition. The subject area includes two parcels totaling approximately 31 acres. The landowners of each subject parcel support the proposal and have each signed a consent form. The purpose of the proposal is for the provision of water services from a nearby public agency to existing single family homes; and

WHEREAS, the proposal was assigned the short-term designation of “El Alamein Road Annexation”; and

WHEREAS, the proposal consists of the following change of organization: (1) annexation to the San Lorenzo Valley Water District; and

WHEREAS, the subject area is in unincorporated county territory, within the San Lorenzo Valley Water District’s sphere of influence boundary, and is located north of Mount Hermon Road, east of Highway 9, south of Crown Drive, and west of East Zayante Road; and

WHEREAS, correspondence summarizing the proposal was sent to all affected and interested agencies requesting comments on May 11, 2022. LAFCO did not receive any opposition following the conclusion of the comment period; and

WHEREAS, California Revenue and Taxation Code Section 99(b)(6) requires the adoption of a property tax exchange agreement involving the affected local agency before LAFCO can consider a jurisdictional change. The Board of Supervisors acting as the authorizing body for the San Lorenzo Valley Water District regarding property tax adjustments adopted a property tax exchange agreement on June 7, 2022; and

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

WHEREAS, a public hearing by the Commission was held on September 7, 2022; and at the hearing the Commission heard and received all oral and written protests, objections, and evidence that were presented.

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

Section 1. The foregoing recitals are true and correct.

Section 2. Compliance with the California Environmental Quality Act (CEQA) has been met by a categorical exemption pursuant to State CEQA Guidelines Section 15319, Class 19(a): Annexations to a city or special district of areas containing existing or private structures developed to the density allowed by the current zoning or pre-zoning, of either the gaining or losing governmental agency whichever is more restrictive, provided, however, that the extension of utility services to the existing facilities would have a capacity to serve only the existing facilities.

Section 3. The Commission considered the requirements set forth for annexation in the Cortese-Knox-Hertzberg Act, Government Code Section 56668, and found the proposal to be consistent with those requirements as outlined below:

- a) District Annexation: Government Code Section 56668.3(a) requires the Commission to analyze several factors as part of the change of organization. These factors include:
 - a. The case of district annexation, whether the proposed annexation will be for the interest of landowners or present or future inhabitants within the district and within the territory proposed to be annexed to the district;
 - b. Any factors which may be considered by the Commission as provided in Government Code Section 56668;
 - c. Any resolution raising objections to the action that may be filed by an affected agency; and
 - d. Any other matters which the Commission deems material.

LAFCO analyzed these and other factors as part of the September 7, 2022 staff report.

- b) District Annexation: Government Code Section 56857(a) requires the Commission to notify the affected agency if the proposal was not filed by the district to which annexation of territory is proposed. The affected agency may transmit to the Commission a resolution requesting termination of the proceedings. LAFCO staff did not receive any terminating resolution or correspondence from the San Lorenzo Valley Water District opposing the application.

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

- a) Agency Endorsement: The Executive Officer shall not file the application unless the affected public agency has submitted a written endorsement indicating its willingness to provide the service if the Commission approves the request. The San Lorenzo Valley Water District provided a Will-Serve Letter to the applicant on March 31, 2022, and has continued to express support throughout the LAFCO process.
- b) Fee Deposit: The applicant shall pay the costs of processing the application as specified in the Commission's Schedule of Fees and Deposits. The applicant submitted a fee deposit of \$2,500 as part of the application packet.
- c) Map & Legal Description: A map of any proposed boundary changes shall show the present and proposed boundaries of all affected agencies in the vicinity of the proposal site. The Commission shall assure that any approved boundary changes are definite and certain. The required metes and bounds were submitted on July 15, 2022, as shown on Exhibit A.
- d) Sphere Boundary: LAFCO originally adopted a sphere of influence for the San Lorenzo Valley Water District on October 16, 1985. The sphere boundary was expanded in June 2006 and November 2020. The current sphere boundary was reaffirmed on August 3, 2022. The "El Alamein Road Annexation" does not require a sphere amendment because the proposal area is already within the District's sphere boundary, as shown in Exhibit B.
- e) Commission Hearing: The Commission shall consider the request after it has been placed on an agenda of a Commission meeting. After deeming the proposal complete, the Executive Officer advertised the proposal in the Santa Cruz Sentinel newspaper on August 16, 2022, and scheduled the proposal for Commission consideration on September 7, 2022.

Section 5. The applicant shall agree, as a condition of the approval of the application for annexation, to be bound by the LAFCO Indemnification and Defense Form signed in July 2022 by the affected parties.

Section 6. The Certificate of Completion for the proposal shall not be issued until all of the following terms and conditions are met:

- a) State Board of Equalization: The proponent shall provide a legal map, description, and fees to meet State Board of Equalization requirements.
- b) District Fees & Charges: The San Lorenzo Valley Water District shall levy and collect within the territory being annexed any previously established and collected benefit assessment of property-related fees or charges that are collected within all or part of the district at the time of annexation. The applicant shall be responsible for all fees and costs associated with the connection of water service with the San Lorenzo Valley Water District.

- c) LAFCO Processing Fees: The applicant shall pay any remaining processing fees as set in this Commission's Schedule of Fees and Deposits.

Section 7. The annexation shall be effective as of the date of recordation of the Certificate of Completion.

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

Section 9. The Executive Officer will hereby conduct a 30-day request for reconsideration in accordance with Government Code Section 56895.

Section 10. The Executive Officer is hereby authorized and directed to waive the protest proceedings entirely because the proposal meets the criteria outlined in Government Code Section 56662(d).

Section 11. The Executive Officer is hereby authorized and directed to mail certified copies of this resolution in the manner and as provided in Government Code Section 56882.

PASSED AND ADOPTED by the Local Agency Formation Commission of Santa Cruz County this 7th day of September 2022.

AYES:

NOES:

ABSTAIN:

RACHÉL LATHER, CHAIRPERSON

Attest:

Approved as to form:

Joe A. Serrano
Executive Officer

Joshua Nelson
LAFCO Counsel

Exhibit A: Map & Legal Description

LEGAL DESCRIPTION "El Alamein Road Annexation" to the San Lorenzo Valley Water District (LAFCO Project No. DA 22-08)

SITUATE in Section 15, Township 10 South, Range 2 West, Mount Diablo Base and Meridian, County of Santa Cruz, State of California.

Being the lands granted to the Alan Robert Anderson Revocable Trust, by grant deed recorded August 18th, 2020 at Document Number 2020-0031590, Official Records of Santa Cruz County, and the lands granted to John B. Christensen and Marguerite A. Christensen, husband and wife as community property with right of survivorship, by grant deed recorded June 24th, 2004 at Document Number 2004-0045960, Official Records of Santa Cruz County, and being more particularly described as follows:

BEGINNING at a found 1-1/2 inch iron pipe "RCE 9685" marking the Southwest corner of the lands of Alan Robert Anderson, from which a 1-1/2 inch iron pipe "RCE 9685" bears North 89°09'57" East, a distance of 1039.90 feet;

thence along the Westerly boundary of the lands of Anderson

1. North 03°54'00" West, a distance of 856.97 feet to the Northwestern corner of the lands of Anderson;

thence along the Northerly boundary of the lands of Anderson and Christensen

2. North 89°19'16" East, a distance of 1924.57 feet to the Northeasterly corner of the lands of Christensen;

thence along the Easterly boundary of the lands of Christensen

3. South 03°06'16" West, a distance of 72.91 feet; thence
4. South 72°56'16" West, a distance of 254.90 feet; thence
5. South 60°56'16" West, a distance of 273.99 feet to the Easterly boundary of the lands of Anderson;

thence along the Easterly boundary of the lands of Anderson

6. South 29°03'44" East, a distance of 238.30 feet; thence
7. South 69°36'20" East, a distance of 173.13 feet; thence
8. South 77°11'16" West, a distance of 25.00 feet; thence
9. South 25°44'20" West, a distance of 165.29 feet; thence
10. South 00°53'44" East, a distance of 151.31 feet to the Southerly boundary of the lands of Anderson;

thence along the Southerly boundary of the lands of Anderson

11. South 89°09'57" West, a distance of 1563.43 feet to the POINT OF BEGINNING.

4113 Scotts Valley Drive, #102 Scotts Valley, CA 95066

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See Exhibit Map, page 1 of 1, attached hereto, and by this reference made a part hereof.

Containing 31.33 Acres, more or less.

END OF DESCRIPTION.



Vernon C. Little, PLS
GV Land Surveying

4113 Scotts Valley Drive, #102 Scotts Valley, CA 95066

D:\Civil3d_2022\IV-22041\LAFCO_EIA\amein_071522.docx



GV Land Surveying

4113 Scotts Valley Drive, Suite 102
Scotts Valley, CA 95066
gvlandsurveying.com

JOB NO. V22041
SHEET NO. 1 OF 1
CALCULATED BY VCL DATE 07/15/2022
SCALE: 1" = 250'

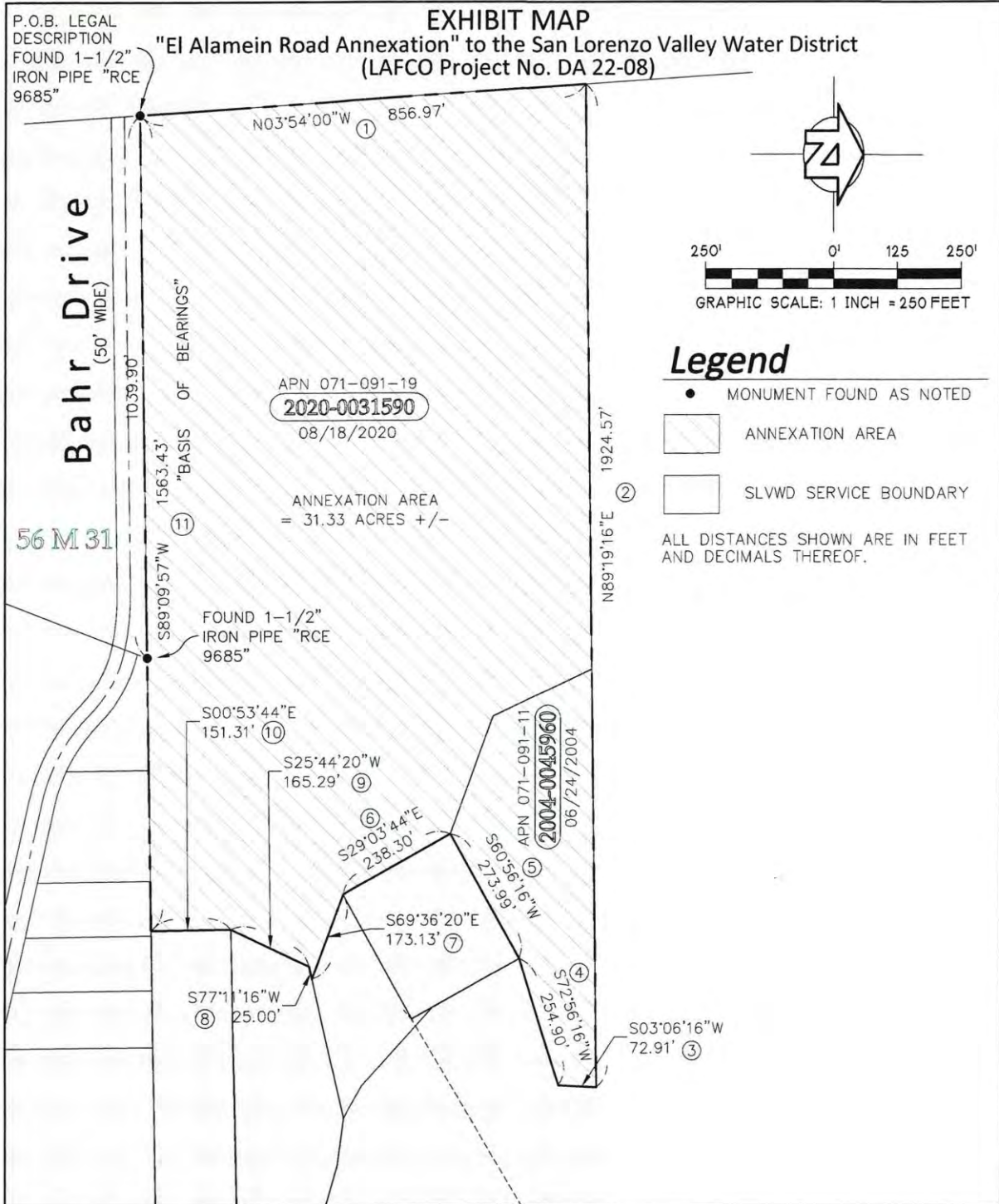
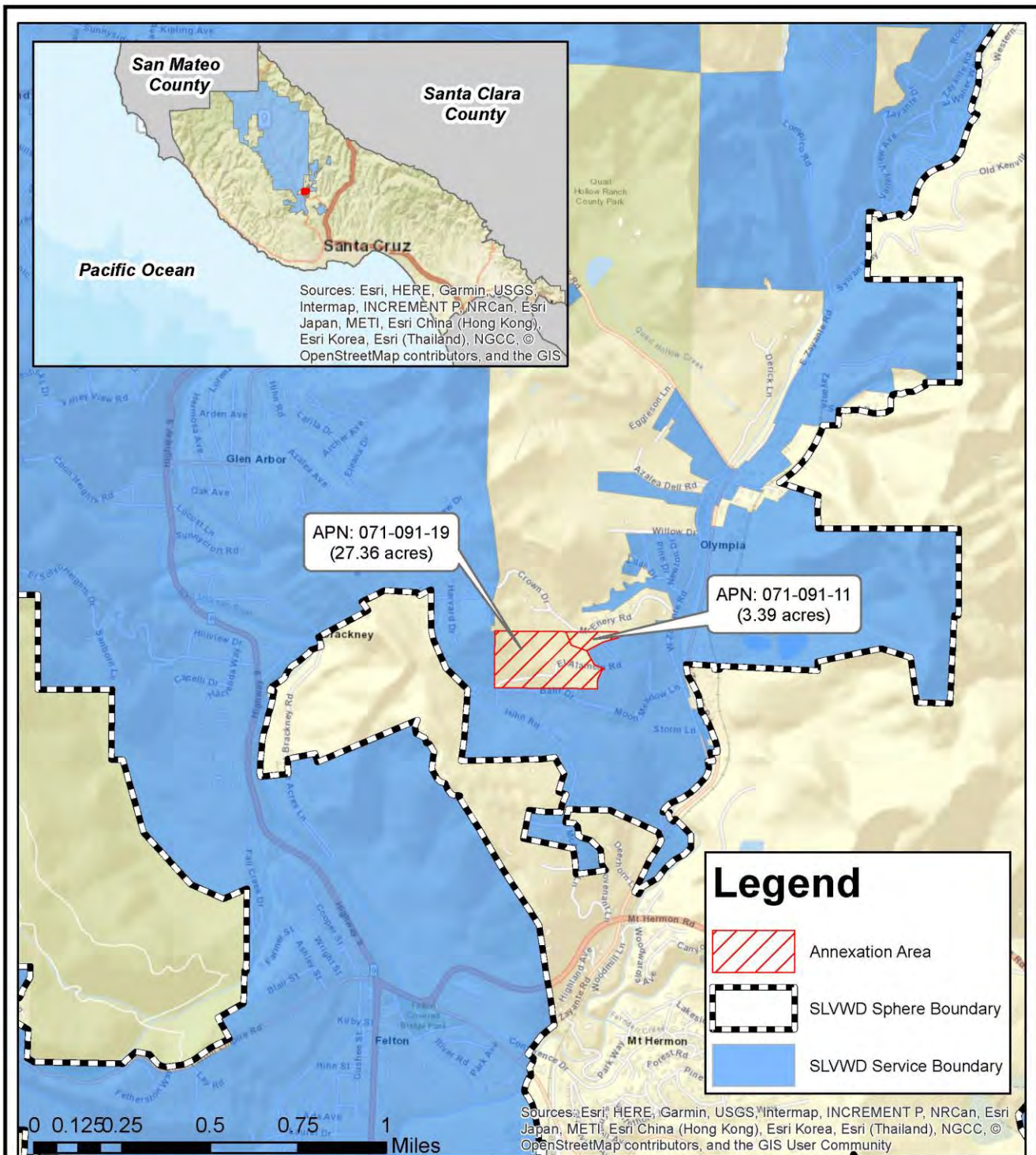


Exhibit B: Vicinity Map



"El Alamein Road Annexation" to the San Lorenzo Valley Water District (LAFCO Project No. DA 22-08)



The two-parcel annexation is currently outside the District's jurisdictional boundary but within its sphere boundary. This means that the water district is the most logical service provider for the subject area. If the annexation is approved, the affected landowners may receive water services from SLVWD.



Santa Cruz Local Agency Formation Commission

Date: September 7, 2022
To: LAFCO Commissioners
From: Joe Serrano, Executive Officer
Subject: **Proposal Evaluation Policy Update (LAFCO Project No. CPP 22-12)**

SUMMARY OF RECOMMENDATION

The Commission has adopted several distinctive policies to review a boundary change request or conduct a special study, including the Proposal Evaluation Policy. Based on staff's analysis, this policy requires modifications to address instances where a fee waiver request is considered by the Commission.

It is recommended that the Commission take the following actions:

1. Adopt the draft resolution (LAFCO No. 2022-13) approving the amendments to the Proposal Evaluation Policy to include language on how to process fee waiver requests; and
2. Approve the fee waiver requests from the following agencies: Branciforte Fire Protection District, Felton Fire Protection District, Pajaro Valley Fire Protection District, and Scotts Valley Water District.

EXECUTIVE OFFICER'S REPORT:

This Commission reviewed and updated all 20 policies during the 2020 calendar year, as shown in the table below. More recently, staff has received a number of requests to waive application fees regarding LAFCO recommended boundary changes. At present, the Commission does not have any established guidelines on how to process a fee waiver request. This report will introduce proposed language to implement in the Proposal Evaluation Policy and will summarize the recent fee waiver requests.

LAFCO Policies (Updated List)	2020 Hearing Date
(1) Personnel Policy and (2) Financial Policy	February 5
(3) Meeting Rules Policy and (4) Records Management Policy	March 4
(5) Conflict of Interest Policy, (6) Disclosure Laws Policy, (7) Public Member Selection Policy, and (8) Special Districts Selection Policy	May 6
(9) Employment Policy and (10) Extraterritorial Policy	June 3
(11) Proposal Evaluation Policy, (12) Environmental Review Policy, and (13) Fee Schedule Policy	August 5
(14) Indemnification Agreement Policy, (15) Certificate of Filing Policy, and (16) Protest Proceedings Policy	September 2
(17) Special Districts Governance Policy and (18) City Incorporation Policy	October 7
(19) Sphere of Influence Policy & (20) Water Policy	November 4

Proposal Evaluation Policy

This policy was first introduced in September 1966 to establish guidelines on how to analyze submitted applications. The Commission has updated the policy in August 2020 to address outdated language and implementing the new standard format for all the established policies (**Attachment 1**). However, the current policy does not have any guidelines when considering fee waiver requests. Staff believes that it may be beneficial to include a defined criteria to easily determine if a request is eligible for a fee waiver. The proposed criteria is shown in tracked changes in **Attachment 2** and summarized below.

Automatic Fee Waivers

Under unique circumstances, LAFCO should consider automatic fee waivers only if the proposal involves one of two boundary changes: (1) city annexations of “islands” that comply with Government Code Section 56375.3; or (2) the proposal corrects a boundary alignment problem, such as a divided assessor’s parcel or inadvertent exclusion. All other fee waiver requests should require Commission approval.

Other Fee Waiver Requests

An applicant may request for a fee waiver or reduction only if the proposal directly stems from a recently adopted service and sphere review. Such request must be submitted in writing, be initiated by the affected agency(ies), be accompanied by a submitted application, and be submitted within one year of the adopted service and sphere review.

An example of a *fee waiver request* under this policy is when:

- LAFCO recommends that a city/district annex areas within its existing sphere boundaries.

An example of a *fee reduction* under this policy is when:

- LAFCO recommends that two or more districts consolidate to maximize existing resources, optimize economies of scale, and/or improve the provision of services.

Submitted Fee Waiver Requests

The Commission’s recent service and sphere reviews have evolved to in-depth evaluations with recommended actions. The evolution of these reports have been highly appreciated by the affected agencies and have sparked interest in exploring boundary changes. As a result, LAFCO has received three applications and is expecting an additional application in the coming weeks – all of which are directly tied to recent service reviews. The following summarizes the proposed boundary changes.

Pajaro Valley Fire Protection District Reorganization

The District Board of Directors submitted an application in March 2022 to annex the entire area within its existing sphere boundary (approximately 3,200 parcels; 26,000 acres) and concurrently detach the subject area from County Service Areas 4 and 48. This application is based on LAFCO’s recommendation in the 2021 Countywide Fire Protection Service & Sphere Review. The District has requested a fee waiver for this proposal (**Attachment 3**).

Branciforte Fire Protection District Reorganization

The District Board of Directors submitted an application in April 2022 to dissolve and concurrently annex into Scotts Valley Water District (approximately 780 parcels; 5,800 acres). This application is based on LAFCO's recommendation in the 2021 Countywide Fire Protection Service & Sphere Review. The District has requested a fee waiver for this proposal (**Attachment 4**).

Scotts Valley Water District Annexation

The District Board of Directors submitted an application in August 2022 to annex approximately 180 parcels and 1,500 acres, with the vast majority located within SVWD's sphere. This application is based on LAFCO's recommendation in SVWD's 2021 Service & Sphere Review and again in the 2022 Countywide Water Service & Sphere Review. The District has requested a fee waiver for this proposal (**Attachment 5**).

Felton Fire Protection District

The District Board of Directors adopted an initiating resolution in June 2022 to annex the entire area within its existing sphere boundary (23 parcels; approximately 1,100 acres) and concurrently detach the subject area from County Service Area 48 and Scotts Valley Fire Protection District. This application is based on LAFCO's recommendation in the 2021 Countywide Fire Protection Service & Sphere Review. The District has requested a fee waiver for this proposal (**Attachment 6**).

STAFF RECOMMENDATION

The Commission has established significant policies that help staff be productive and efficient. Staff believes that with the proposed fee waiver criteria in place, it may offer an additional incentive for interested agencies. Therefore, staff is recommending that the Commission review the suggested language for the Proposal Evaluation Policy and adopt the resolution approving the proposed edits (**Attachment 7**).

Respectfully Submitted,



Joe A. Serrano
Executive Officer

Attachments:

1. Proposal Evaluation Policy (Current Version)
2. Proposal Evaluation Policy (Proposed Version with tracked changes)
3. PVFPD Fee Waiver Request Letter
4. BFPD Fee Waiver Request Letter
5. SVWD Fee Waiver Request Letter
6. FFPD Fee Water Request Letter
7. Draft Resolution No. 2022-13

cc: Branciforte Fire Protection District
Felton Fire Protection District
Pajaro Valley Fire Protection District
Scotts Valley Water District



LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY

PROPOSAL EVALUATION POLICY

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

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

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

1. OVERVIEW

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

2. CONSISTENCY WITH SPHERE OF INFLUENCE

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

2.1 Sphere Consistency

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

3. INITIAL PROPOSAL EVALUATION

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

3.1 Prezoning & General Plan Updates

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

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

3.2 Existing Land Use Designations

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

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

3.3 Divestiture of Services

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

3.4 Population Analysis

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

3.5 Overlapping Plans

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

3.6 In-Fill Development

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

3.7 Provision of Services

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

3.8 Proposals exceeding 50 acres

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

4. AFFECTED AGENCIES AND BOUNDARIES

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

4.1 Ranking Different Boundary Changes

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

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

4.2 Consolidation Proposals

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

4.3 Logical Boundaries

LAFCO shall promote more logical agency boundaries.

4.4 Political Boundaries

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

4.5 Roads and Streets (Right-of-Way)

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

4.6 Community Boundaries

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

4.7 Parcel Boundaries

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

4.8 Prevention of “Islands”

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

4.9 Prevention of Irregular Boundaries

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

4.10 Social & Economic Interests

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

4.11 Metes & Bounds

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

4.12 Timely LAFCO Actions

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

4.13 Financially Desirable Areas

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

4.14 City Jobs & Housing

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

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

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

5. AGRICULTURAL LANDS

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

5.1 Smart Growth

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

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

5.2 Infill Development

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

5.3 Ranking Urban Development on Open Spaces and/or Farmlands

The priorities for urbanization are:

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

5.4 Urbanization of Prime Agricultural Lands

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

6. WATER AND SEWER RESOURCES

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

6.1 Supply of Water

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

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

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

6.2 Service Limitations

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

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

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

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

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

6.3 Urban Land uses

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

6.4 Commission Approval

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

6.5 Multiple Service Providers

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



LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY

PROPOSAL EVALUATION POLICY

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

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

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

Last Revision on September 7, 2022 (Resolution No. 2022-13)

1. OVERVIEW

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

2. CONSISTENCY WITH SPHERE OF INFLUENCE

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

2.1 Sphere Consistency

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

3. INITIAL PROPOSAL EVALUATION

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

3.1 Rezoning & General Plan Updates

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

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

3.2 Existing Land Use Designations

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

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

3.3 Divestiture of Services

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

3.4 Population Analysis

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

3.5 Overlapping Plans

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

3.6 In-Fill Development

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

3.7 Provision of Services

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

3.8 Proposals exceeding 50 acres

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

4. AFFECTED AGENCIES AND BOUNDARIES

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

4.1 Ranking Different Boundary Changes

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

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

4.2 Consolidation Proposals

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

4.3 Logical Boundaries

LAFCO shall promote more logical agency boundaries.

4.4 Political Boundaries

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

4.5 Roads and Streets (Right-of-Way)

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

4.6 Community Boundaries

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

4.7 Parcel Boundaries

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

4.8 Prevention of “Islands”

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

4.9 Prevention of Irregular Boundaries

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

4.10 Social & Economic Interests

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

4.11 Metes & Bounds

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

4.12 Timely LAFCO Actions

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

4.13 Financially Desirable Areas

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

4.14 City Jobs & Housing

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

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

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

5. AGRICULTURAL LANDS

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

5.1 Smart Growth

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

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

5.2 Infill Development

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

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The priorities for urbanization are:

- a) open-space lands within existing boundaries;
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6. WATER AND SEWER RESOURCES

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

6.1 Supply of Water

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

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

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

6.2 Service Limitations

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

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

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

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

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

6.3 Urban Land uses

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

6.4 Commission Approval

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

6.5 Multiple Service Providers

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

7. FEE WAIVER REQUESTS

LAFCO has established a fee schedule policy in accordance with the allowances provided by the State of California under California Government Code Sections 56383 and 66014. In some cases, a fee waiver may be considered and approved by the Commission, if warranted. The following policies direct the setting and criteria when considering a fee waiver request.

7.1 Automatic Waivers

The LAFCO filing fee for the following types of proposal will be automatically waived provided, however, that a deposit will be required for the anticipated direct costs for environmental review and state board of equalization recordation fees. Compliance with these conditions is to be determined by the LAFCO Executive Officer.

- a) City annexations of island areas that comply with Government Code Section 56375.3; and
- b) The proposal corrects a boundary alignment problem (i.e. a divided assessor's parcel or inadvertent exclusion).

7.2 Proposals Based on Service & Sphere Review Findings/Recommendations

An applicant may request for a waiver or reduction of the LAFCO filing fee if the proposal stems from an adopted service and sphere review. A request must be submitted in writing, be initiated by the affected agency(ies), accompanied by the submission of an application, and within one (1) year from the most recently adopted service and sphere review for consideration. The Executive Officer shall present the waiver request at the next regular hearing for Commission consideration.

Example of fee waiver request under this policy:

- a) LAFCO recommends that a city/district annex areas within its existing sphere boundaries.

Example of fee reduction request under this policy:

- a) LAFCO recommends that two or more districts consolidate to maximize existing resources, optimize economies of scale, and/or improve the provision of services.

PAJARO VALLEY FIRE PROTECTION DISTRICT

562 Casserly Road Watsonville, CA 95076 P 831.722.6188 F 831.722.7333 PajaroValleyFire.com



March 10, 2022

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

Dear Executive Officer Serrano,

The Board of Directors for Pajaro Valley FPD is requesting a wavier of the application fee for the potential consolidation of CSA 4 Pajaro Dunes and the reorganization of CSA 48 Corralitos into Pajaro Valley FPD. The District believes that this application will be part of a much larger reorganization of fire services in Santa Cruz County. The District is aware that LAFCO will be utilizing a consultant to provide a comprehensive fiscal analysis as part of this reorganization. The District is asking the Commission to wave such fees.

Sincerely,

A handwritten signature in blue ink, appearing to read "D. Martone", with a long horizontal stroke extending to the right.

Dave Martone

Board Chair
Pajaro Valley FPD



BRANCIFORTE FIRE PROTECTION DISTRICT

2711 Branciforte Drive, Santa Cruz, California 95065-9731 * 831.423.8856 * Fax 831.423.8859

August 25, 2022

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

Re: Request for Waiver of Fees

Dear Director Serrano,

The Branciforte Fire Protection District ("District") would like to formally request a waiver of any applicable fee(s) related to the reorganization/annexation process that is currently underway between the District and the Scotts Valley Fire Protection District ("SVFPD").

The District currently lies within the sphere of influence of SVFPD, and as such, the District is cognizant that the reorganization/annexation will inevitably provide a better and higher level of service to the residents of the District. The District is also aware that LAFCO will be utilizing the services of a consulting firm in order to evaluate and assess the potential risks and benefits of consolidating the two fire districts.

If you have any questions or concerns, please do not hesitate to contact me. Thank you in advance for your time and attention to this matter.

Respectfully submitted,

Nate Lackey
Interim Fire Chief
Branciforte Fire Protection District

Board of Directors

Tim Dodds Richard Landon Kurt Meyer Pat O'Connell Pete Vannerus



June 8, 2022

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

RE: Annexation of Parcels to Scotts Valley Water District

Dear Mr. Serrano,

There are parcels in the City of Scotts Valley and in the unincorporated area of the County of Santa Cruz that are 1) currently in the District's sphere of influence but not its service area or 2) served by the District and not in its sphere of influence and therefore also outside of its service area boundaries. The affected area encompasses 177 parcels totaling approximately 1,400 acres. The District is proceeding with requesting an annexation of all parcels that are in its sphere of influence and the parcels that are currently served by the District.

In addition, certain geographical zones that currently are not in the District's sphere of influence are located in between two noncontiguous areas served by the District. Taking into account that District's main infrastructure extends to and beyond these zones, and that the whole region (Scotts Valley and its adjacent unincorporated areas) relies on the water supply from a shared source, the local groundwater basin, it makes sense to consider expanding the sphere and service area amendment to include those parcels.

In consideration of the District's effort to expand the water supply delivery options and efficiently provide governmental services, the District would like to request LAFCO's assistance by waiving the fees associated with the annexation process.

Thank you for the support in this matter.

Sincerely,

General Manager



FELTON FIRE PROTECTION DISTRICT
131 Kirby Street, Felton CA 95018 831 335-4422

August 25, 2022

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

RE: Annexation of Parcels to the Felton Fire Protection District

Dear Mr. Serrano,

Based on the recommendations identified in LAFCO's Countywide Fire Report, the Felton FPD Board adopted a resolution to initiate the annexation of the CSA 48 and Scotts Valley Fire Protection district areas within the district's sphere. Since this application stems from LAFCO's recommendations, and there is very little financial gain, the district is requesting that the filing fees be waived.

The Felton Fire Board agrees that Felton Fire District is the best located to serve the area in question and is willing to take on the additional responsibilities for the betterment of service to the community.

Regards,

A handwritten signature in black ink, appearing to read "R. Gray", followed by a long horizontal line.

Robert Gray
Fire Chief
On behalf of the Board of Directors

LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY
RESOLUTION NO. 2022-13

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

RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION
APPROVING THE AMENDMENTS TO PROPOSAL EVALUATION POLICY

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

WHEREAS, the Commission previously reviewed and updated its Proposal Evaluation Policy on February 2, 2011 and August 5, 2020; and

WHEREAS, on September 7, 2022, the Commission determined that amendments to the existing policy are warranted.

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

PASSED AND ADOPTED by the Local Agency Formation Commission of Santa Cruz County this 7th day of September 2022.

AYES:

NOES:

ABSENT:

RACHÉL LATHER, CHAIRPERSON

Attest:

Approved as to form:

Joe A. Serrano
Executive Officer

Joshua Nelson
LAFCO Counsel



Date: September 7, 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 cancel the October 5, 2022 LAFCO Meeting and ratify the existing resolution (No. 2021-19) approving the continuation of remote meetings under AB 361 to the next regularly scheduled meeting.

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.

Continuation of Remote Meetings

There are only two regularly scheduled LAFCO Meetings left in the 2022 calendar year. Staff is recommending that the October 5th LAFCO Meeting be canceled to allow additional time for staff to complete the Countywide Road Maintenance Service & Sphere Review, which will analyze 34 county service areas, and to prepare for the upcoming CALAFCO Annual Conference, which staff will be a guest speaker on two separate sessions. Therefore, staff is recommending that the Commission approve the continuation of remote meetings under AB 361 to the next regularly scheduled meeting (November 2, 2022).

Respectfully Submitted,

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

Joe A. Serrano
Executive Officer

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

NOES: None

ABSTAIN: None



JUSTIN CUMMINGS, CHAIRPERSON

Attest:



Joe A. Serrano
Executive Officer

Approved as to form:



Daniel H. Zazueta
LAFCO Counsel

Date: September 7, 2022
To: LAFCO Commissioners
From: Joe Serrano, Executive Officer
Subject: Soquel Creek Water District Sphere Update – Continued Item

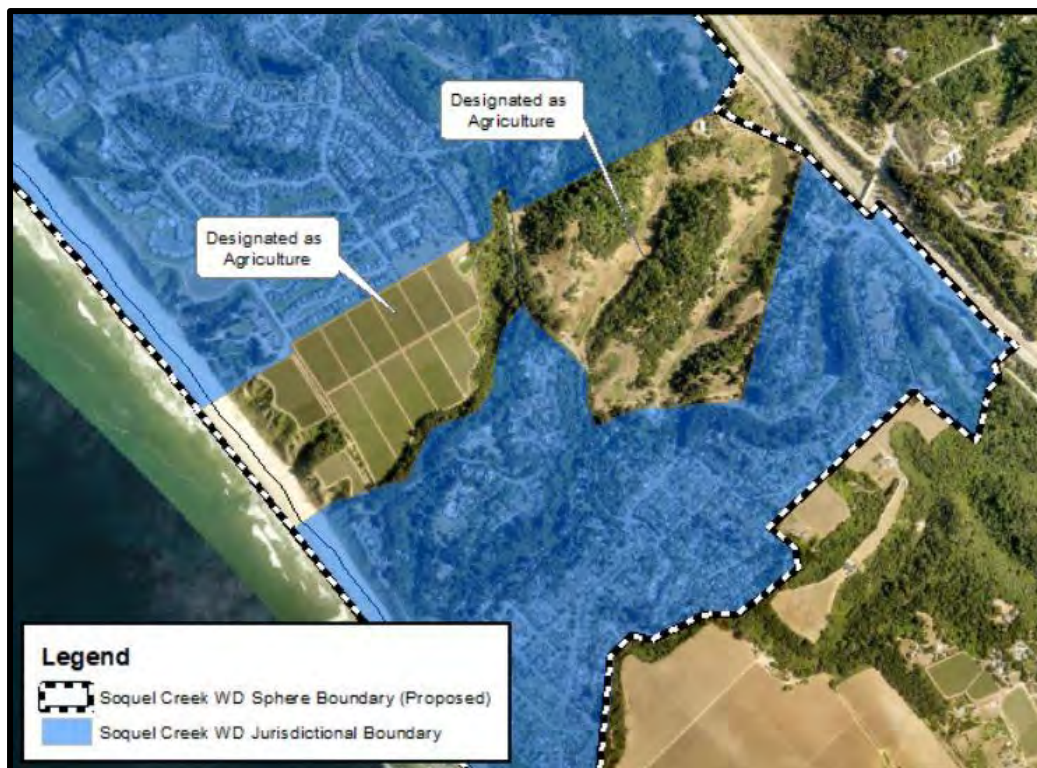
SUMMARY OF RECOMMENDATION

In August, the Commission adopted the Countywide Water Service & Sphere Review. This comprehensive report analyzed the nine water agencies in Santa Cruz County. During the August 3rd Meeting, the Commission approved the service and sphere determinations for all the water agencies, except for the Soquel Creek Water District (“SqCWD”). The Commission wanted to discuss the proposed sphere amendment in more detail before taking action. The consideration of the District’s sphere update was continued to LAFCO’s September 7th Meeting.

It is recommended that the Commission adopt the draft resolution (LAFCO No. 2022-11a) approving the sphere determinations and boundary update for SqCWD.

EXECUTIVE OFFICER’S REPORT:

The Commission deferred action on Soquel Creek Water District’s sphere boundary until September to allow more time to discuss the potential impacts towards areas designated as agriculture if they are included in the District’s sphere, specifically the area shown in the image below. This report will summarize the intent of the sphere amendment and its impact towards any land use designation, including agricultural lands.



Proposed Sphere Boundary Amendment

Spheres of influence are meant to identify areas that may benefit from receiving services from a nearby public agency. However, an area within a sphere boundary is not automatically annexed into the affected agency. In fact, in order for an annexation to be successful, an extensive process needs to be completed with clear support from each of the four affected parties throughout the entire process: (1) the affected landowner(s), (2) the affected agency, (3) the County, and (4) LAFCO. In addition, the Commission's sphere policy indicates that *"Before territory can be annexed to a city or special district, it must be within the agency's sphere (Government Code Section 56375.5). However, a sphere is only one of several factors the Commission considers when evaluating changes of organization"* (Section 5.5 Sphere Designations and Annexation¹).

That being said, spheres can be used as a planning tool to distinguish which agency is the most logical service provider to a specific area before annexation is even considered. In this case, SqCWD's sphere amendment would include areas that are substantially surrounded by the District's jurisdictional boundary on both sides, already receiving services from the District, or may benefit from connecting to the District if their existing private water systems are no longer adequate. The proposed sphere amendment is based on LAFCO's findings in the 2022 Countywide Water Service & Sphere Review, but more importantly, it is based on the collaborative discussions between SqCWD and LAFCO staff. Since 2019, LAFCO staff has coordinated with the affected agencies when developing service reviews and proposing sphere amendments in order to get clear guidance and support directly from the agency. The proposed sphere boundary is the result of this cooperative effort.

Land Use Designation

During the August Meeting, the Commission questioned whether LAFCO could place a condition on the proposed sphere to prevent agricultural lands from being used for future development. State law prohibits LAFCO from taking such action. Government Code Section 56375(a)(6) states that *"A commission shall not impose any conditions that would directly regulate land use density or intensity, property development, or subdivision requirements."* It is important to note that neither LAFCO nor SqCWD has jurisdiction over land use designations. This responsibility falls directly with the County for any unincorporated territory. **Attachment 1** depicts the land use designation within the District's jurisdictional boundary under the County's general plan.

While SqCWD does not have purview over land use within its jurisdiction, it does have full authority to determine whether they are willing and capable of providing services to an area - whether its towards an existing single family unit, a commercial building, a seasonal farmland, or a new housing development. Additionally, LAFCO has the full authority to approve an annexation request if an area is not within SqCWD's jurisdictional boundary before connection into the District's water infrastructure may occur. It is important to note that SqCWD already has agricultural lands within its jurisdiction (refer to **Attachment 2**) and is also providing services to areas outside its jurisdictional boundary under several extraterritorial service agreements. For those reasons, staff is proposing that the District's sphere be expanded to include those areas and officially identify SqCWD as the most logical service provider, as shown in **Attachment 3**.

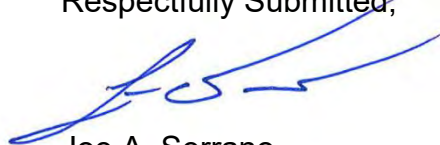
¹ Sphere Policy: https://santacruzlafo.org/wp-content/uploads/2021/06/Sphere-Policy-Adopted-Version-11-4-20_.pdf

STAFF RECOMMENDATION

SqCWD currently serves 17 square miles to approximately 41,000 people. At present, it has approximately 16,000 connections through 167 miles of pipeline. In the recent countywide service review, LAFCO has indicated that the District is financially sound, is operating efficiently, and should consider annexation of areas within its sphere boundary, if warranted. Sphere boundaries are not meant to force annexation on the affected landowners or agencies, but rather, indicate which agency is best equipped to deliver services if such services are needed in the foreseeable future. Spheres also do not change land use designations nor do they promote a change in land use designations.

If and when areas within SqCWD's sphere are interested in connecting to the District, those proposals will be analyzed on a case-by-case basis to ensure they fulfill the statutory requirements in LAFCO law and address the criteria outlined in the Commission's adopted policies. And finally, service provisions through annexations will only occur if there is clear support from the affected landowner(s), the subject agency(ies), the County, and LAFCO. Therefore, staff is recommending that the Commission adopt the draft resolution approving the sphere determinations and boundary update for the Soquel Creek Water District (**Attachment 4**).

Respectfully Submitted,

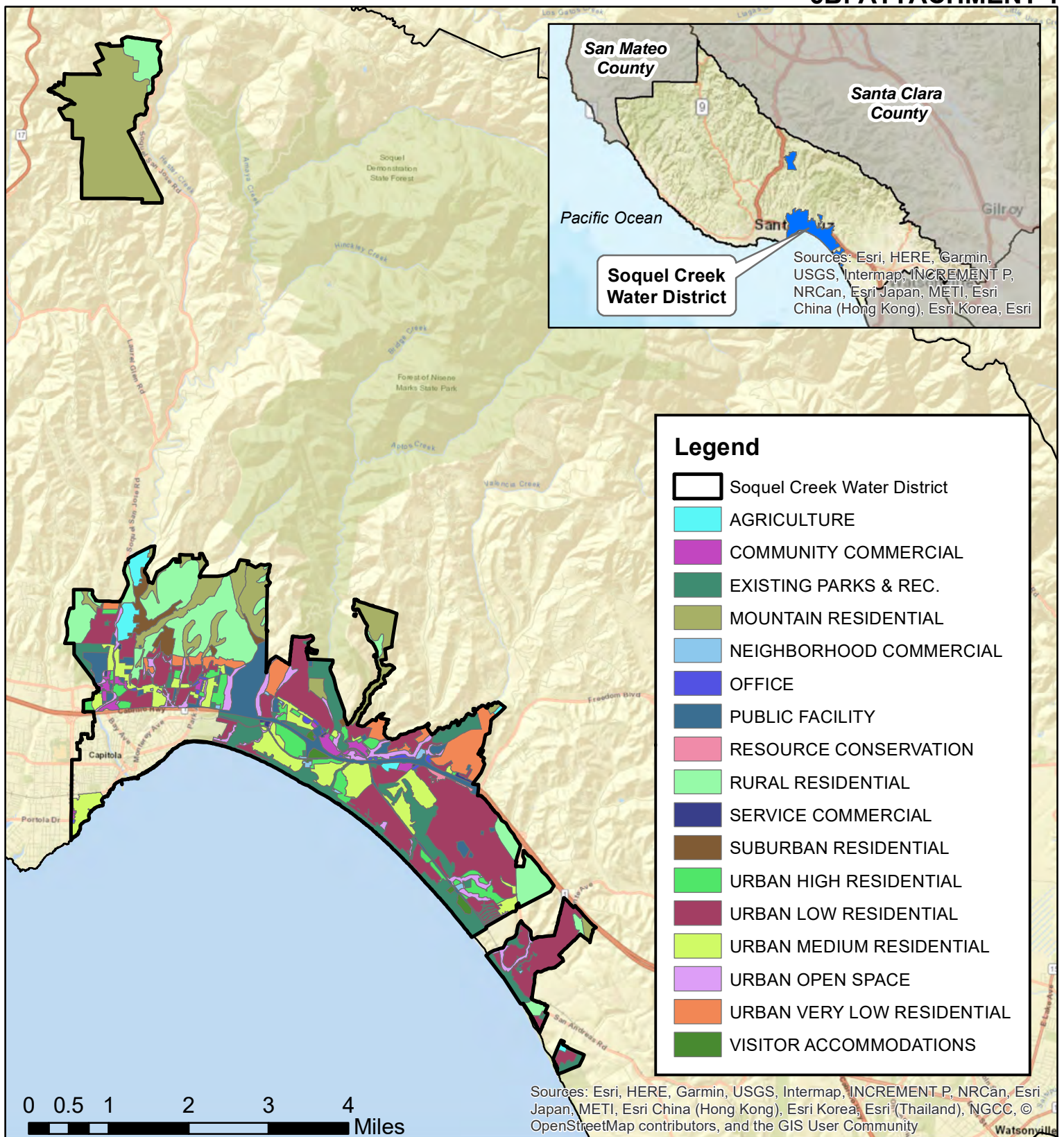


Joe A. Serrano
Executive Officer

Attachments:

1. Land Use Map
2. SqCWD's Agricultural Lands Map
3. Proposed Sphere Map
4. Draft Resolution (LAFCO No. 2022-11a)

cc: Ron Duncan, SqCWD General Manager



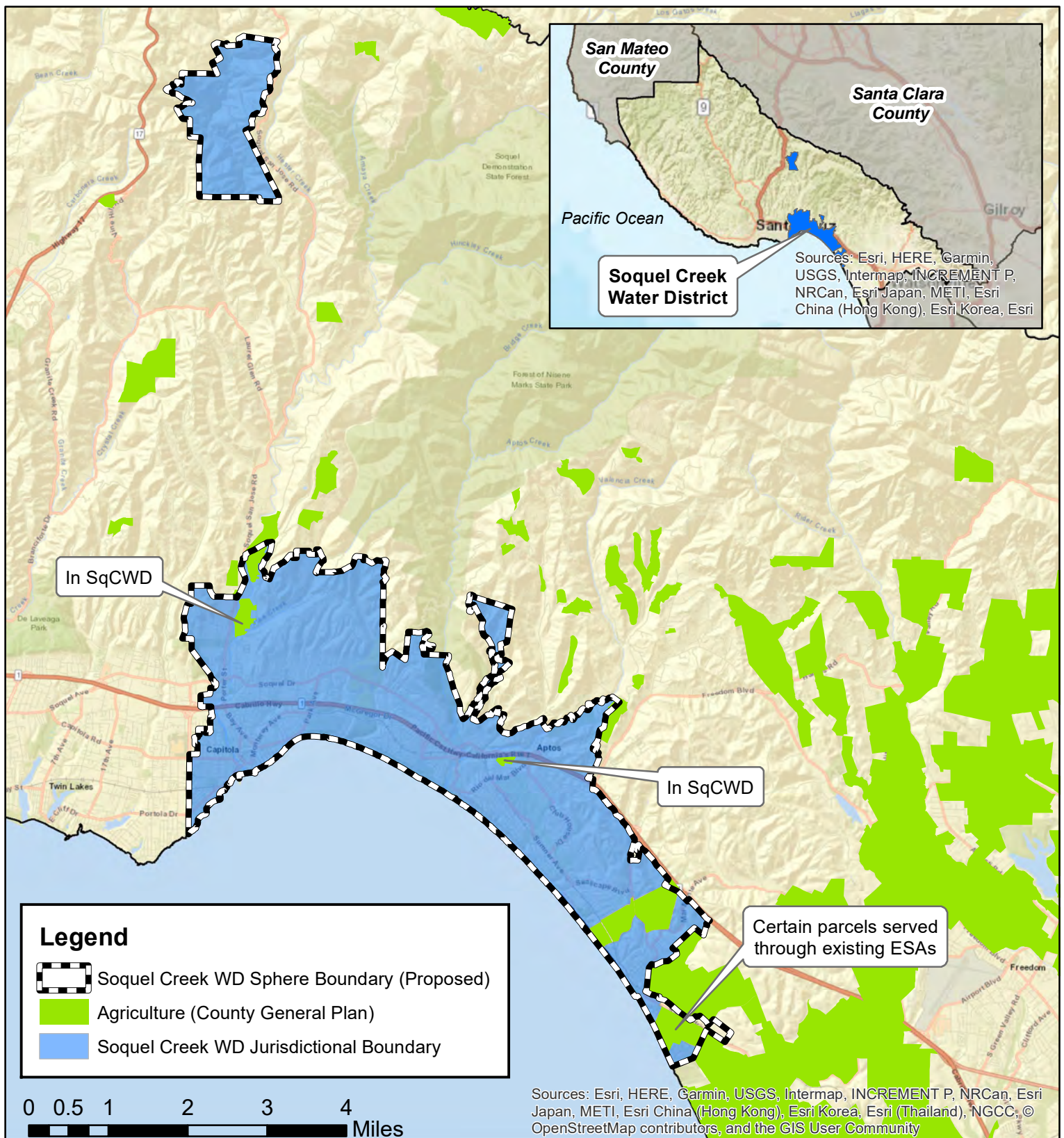
Soquel Creek Water District Jurisdictional Boundary

Santa Cruz County's General Plan has multiple land use designations within SCWD ranging from commercial to suburban residential.

The vast majority is designated as Urban Low Residential.



Vicinity map created on May 31, 2022

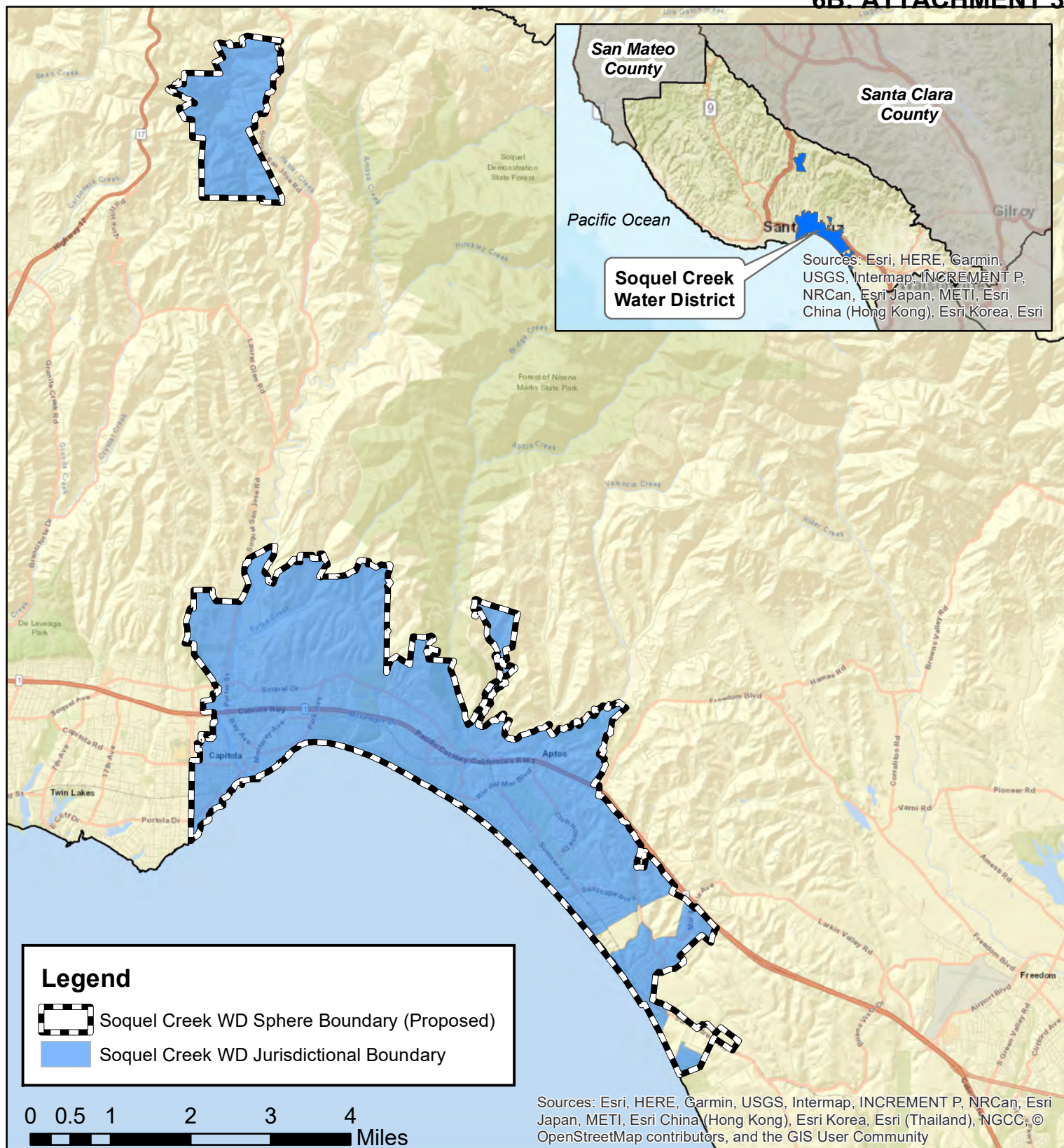


Soquel Creek Water District Jurisdictional and Sphere Boundaries

Original sphere adopted on November 12, 1986
 Sphere amendment on October 4, 1995
 Sphere amendment on March 6, 2002
 Sphere reaffirmed on June 7, 2017
 Sphere amendment on September 7, 2022



Vicinity map created on August 11, 2022



Soquel Creek Water District Jurisdictional and Sphere Boundaries

Original sphere adopted on November 12, 1986
 Sphere amendment on October 4, 1995
 Sphere amendment on March 6, 2002
 Sphere reaffirmed on June 7, 2017
 Sphere amendment on September 7, 2022



Vicinity map created on August 11, 2022

LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY
RESOLUTION NO. 2022-11a

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

RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION
APPROVING THE SPHERE OF INFLUENCE FOR THE
SOQUEL CREEK WATER DISTRICT

The Local Agency Formation Commission of Santa Cruz County (“LAFCO” or the “Commission”) does hereby resolve, determine, and order as follows:

1. In accordance with Government Code Sections 56425, 56427, and 56430, the Commission has initiated and conducted the 2022 Countywide Water Service and Sphere of Influence Review for nine water agencies: Central Water District, Cities of Santa Cruz and Watsonville, County Service Area 54, Pajaro Valley Water Management Agency, Reclamation District No. 2049, San Lorenzo Valley Water District, Scotts Valley Water District, and Soquel Creek Water District (“water agencies”).
2. The Commission’s Executive Officer has given notice of a public hearing by this Commission of the service and sphere of influence review in the form and manner prescribed by law.
3. The Commission held a public hearing on August 3, 2022, and at the hearing, the Commission heard and received all oral and written protests, objections, and evidence that were presented.
4. The Commission approved the 2022 Countywide Water Service and Sphere of Influence Review, the service review determinations, and the sphere determinations for all the water agencies, except for the Soquel Creek Water District, on August 3, 2022.
5. The Commission deferred action regarding Soquel Creek Water District’s sphere boundary to September 7, 2022 for further discussion.
6. The Commission held a public hearing on September 7, 2022 to discuss Soquel Creek Water District’s current and proposed sphere boundaries, and at the hearing, the Commission heard and received all oral and written protests, objections, and evidence that were presented.

7. The proposed service and sphere review of Soquel Creek Water District is exempt under the California Environmental Quality Act ("CEQA") pursuant to the CEQA Guidelines Section 15061(b)(3) because this Commission action does not change the services or the planned service area of the subject agencies. There is no possibility that the activity may have a significant impact on the environment. This action qualifies for a Notice of Exemption under CEQA.
8. The Commission hereby approves the Service Review Determinations for Soquel Creek Water District, as shown on Exhibit 1.
9. The Commission hereby approves the Sphere of Influence Determinations for Soquel Creek Water District, as shown on Exhibit 2.
10. The Commission hereby increases the existing spheres of influence to reflect the current service delivery area for Soquel Creek Water District, as shown as Exhibit 3.

PASSED AND ADOPTED by the Local Agency Formation Commission of Santa Cruz County this 7th day of September 2022.

AYES:

NOES:

ABSTAIN:

RACHÉL LATHER, CHAIRPERSON

Attest:

Joe A. Serrano
Executive Officer

Approved as to form:

Joshua Nelson
LAFCO Counsel

EXHIBIT 1
SOQUEL CREEK WATER DISTRICT
2022 SERVICE REVIEW DETERMINATIONS

1. Growth and population projections for the affected area.

The population of SqCWD in 2020 was estimated to be 39,000. Based on LAFCO's analysis, the population within SqCWD will be approximately 47,200 by 2040.

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

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the District's sphere boundary.

3. Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the sphere of influence.

SqCWD currently has an urban water management plan in place.

4. Financial ability of agencies to provide services.

SqCWD is financially sound. The District ended with a surplus in each of the last six fiscal years during 2015 to 2021. As of June 30, 2021, the total net position balance ended with approximately \$83 million. LAFCO believes that this positive trend will continue based upon the District's ongoing conservative budgetary practices reflected in their audited financial statements.

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

LAFCO encourages SqCWD to explore additional methods to collaborate with neighboring water agencies, including the privately-owned water companies surrounding the District. At present, there are 33 private water systems near SqCWD.

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

Senate Bill 929 was signed into law in September 2018 and requires all independent special districts to have and maintain a website by January 1, 2020. SB 929 identifies a number of components that must be found within an agency's website. At present, the District almost meets all the statutory requirements under SB 929 and SDLF's website transparency criteria.

7. Any other matter related to effective or efficient service delivery, as required by commission policy.

LAFCO recommends that SqCWD consider annexing the parcels currently served through five separate extraterritorial service agreements for residents to receive better local representation and fully utilize the District's services.

EXHIBIT 2
SOQUEL CREEK WATER DISTRICT
2022 SERVICE REVIEW DETERMINATIONS

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

At present, the majority of land within the District is designated as Urban Low Residential. The District's customer base is predominantly single-family residential. The District does not have any agricultural customers.

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

SqCWD has an Urban Water Management Plan and a capital improvement plan, in addition to a Community Water Plan and the region's Groundwater Sustainability Plan, which collectively help to ensure and plan for future capital improvement projects.

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

SqCWD manages and operates a complex and integrated water supply infrastructure, including storage tanks, groundwater wells, and booster pumps. The District currently has approximately 16,000 connections – 80% is used for residential and 20% for non-residential (commercial, schools, governmental, and landscape irrigation).

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

At present, there are 33 private water systems near SqCWD. Additionally, there are 290 parcels that are receiving services from the District but not part of the District's jurisdictional boundary. These residents do not have the ability to vote on District matters or express their opinions as their neighbors who are official constituents. These parcels should be annexed in the near future for adequate representation.

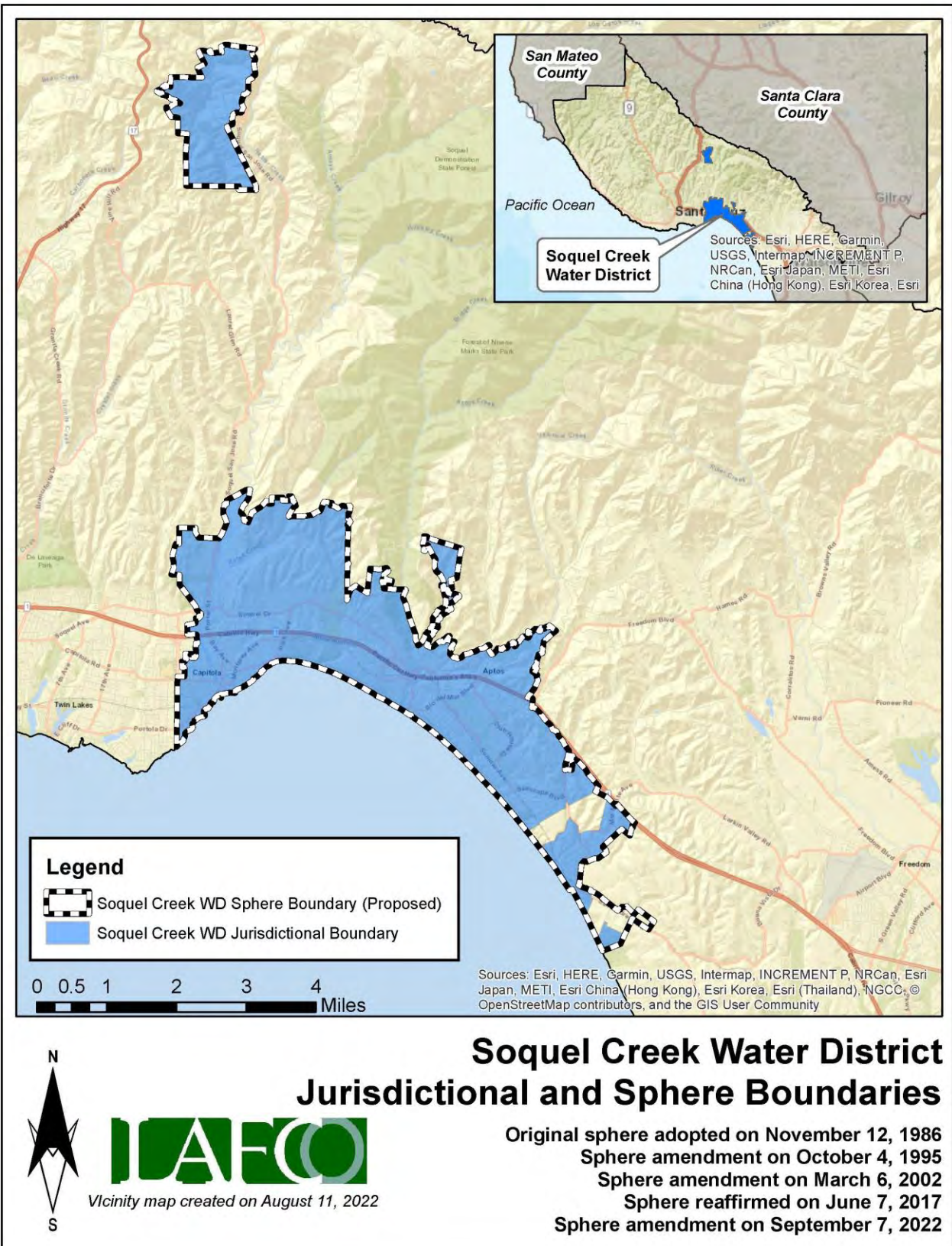
5. For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those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

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the District's sphere boundary.

EXHIBIT 3

SOQUEL CREEK WATER DISTRICT SPHERE OF INFLUENCE MAP

LAFCO increases sphere to reflect service area (larger-than-district sphere).





Santa Cruz Local Agency Formation Commission

Date: September 7, 2022
To: LAFCO Commissioners
From: Joe Serrano, Executive Officer
Subject: **Fire District Spheres – Annexation Plans**

SUMMARY OF RECOMMENDATION

The Commission reaffirmed a number of sphere boundaries as part of the 2021 Countywide Fire Protection Service & Sphere Review, with the condition that the affected fire districts provide LAFCO an annexation plan by August 31, 2022. The intent was to determine whether the sphere boundaries accurately reflect the districts' future. This report will summarize the plans and identify next steps in LAFCO's ongoing effort to evaluate the existing and future fire protection services in Santa Cruz County. This agenda item is for informational purposes only and does not require any action. Therefore, it is recommended that the Commission receive and file the Executive Officer's report.

EXECUTIVE OFFICER'S REPORT:

In October 2021, the Commission reviewed the sphere boundaries for all the fire agencies as part of the 2021 Countywide Fire Protection Service & Sphere Review. Most of the spheres of influence for each fire agency were originally adopted between 1983 to 1994. Since then, the sphere boundaries have been evaluated twice during the last two rounds of service reviews back in 2008 and 2016.

The Commission reaffirmed eight sphere boundaries with the condition that the affected fire agencies coordinate with LAFCO to develop a plan to address the areas within the agencies' sphere boundaries. These plans may lead to sphere amendments that would accurately reflect the agencies' future plans. Additionally, their responses may also help determine the potential revenue amount within each sphere as part of LAFCO's upcoming feasibility study. AP Triton, which was hired by LAFCO in June, is tasked in calculating the financial impact towards the fire agencies and the County if areas within spheres are annexed and concurrently detached from County Service Area 48.

All eight agencies submitted responses to LAFCO before the August 31st deadline. **Table A**, in the following page, summarizes their responses.

Table A: Annexation Plan Responses

Fire Agency	Current Sphere Designation	Agency Response
Ben Lomond FPD	Larger than District	Supports existing sphere and potential changes identified in the countywide fire report; Request to review potential boundary adjustments with surrounding fire agencies
Boulder Creek FPD	Larger than District	Supports existing sphere and is interested in annexing the areas within its sphere boundary
Branciforte FPD	Larger than District	Submittal of an application to reorganize with SVFPD
Central FD	Larger than District	Request to maintain sphere boundary and explore annexation at a countywide perspective
Felton FPD	Larger than District	Submittal of an application to annex areas within sphere
Pajaro Valley FPD	Larger than District	Submittal of an application to annex areas within sphere
Scotts Valley FPD	Larger than District	Supports reorganization application submitted by BFPD
Zayante FPD	Larger than District	Supports existing sphere and expressed interest in reviewing the findings from the feasibility study

CONCLUSION

Since LAFCO's countywide fire report, two agencies initiated a reorganization, two agencies have submitted separate applications to annex areas within their sphere boundaries, and the remaining four agencies are interested in exploring possible boundary adjustments based on the findings and recommendations identified in the upcoming feasibility study. This type of response was exactly what LAFCO staff was hoping for – a clear indication that the fire agencies are open to discuss future boundary changes if the necessary data is available. LAFCO's upcoming report will provide the required information which may progress the ongoing discussions with the fire agencies.

Respectfully Submitted,



Joe A. Serrano
Executive Officer

Attachments:

- 1) Ben Lomond FPD's Response Letter
- 2) Boulder Creek FPD's Response Letter
- 3) Central FD's Response Letter
- 4) Zayante FPD's Response Letter

cc: County of Santa Cruz (CAO Office, CSA 4, CSA 48, and FDAC)
Ben Lomond Fire Protection District
Boulder Creek Fire Protection District
Branciforte Fire Protection District
Central Fire District
Felton Fire Protection District
Pajaro Valley Fire Protection District
Scotts Valley Fire Protection District
Zayante Fire Protection District



Ben Lomond Fire Protection District

Post Office Box 27, Ben Lomond, California 95005

Telephone: 831-336-5495 Fax: 831-336-0300

To: LAFCO

From: Ben Lomond Fire Protection Board of Directors

Regarding: Annexation Plan

Ben Lomond Fire Protection District Board of Directors supports the recommended sphere of influence boundary areas and potential changes that LAFCO identified in their recent Countywide Sphere Review. These represent areas that Ben Lomond Fire responds to and has done so for years. The District would like to pursue this potential annexation in the upcoming feasibility study that LAFCO plans to perform.

Attached are maps indicating additional areas for review and consideration. The areas of concern include roads that go in and out of multiple districts, which causes potential response delays and dispatch concerns.

Thank you,

A handwritten signature in blue ink, appearing to read 'Tom Maxson', is written over the printed name. The signature is fluid and cursive, with a long, sweeping underline that extends below the name.

Tom Maxson, Board Chair

attachments



Rd

Coon Heights Rd

Coon Heights Rd

Felton



Hill Guitar Company

Locust

BEN-E004-A

Young Chiropractic

Central Ct

Wellness Cr

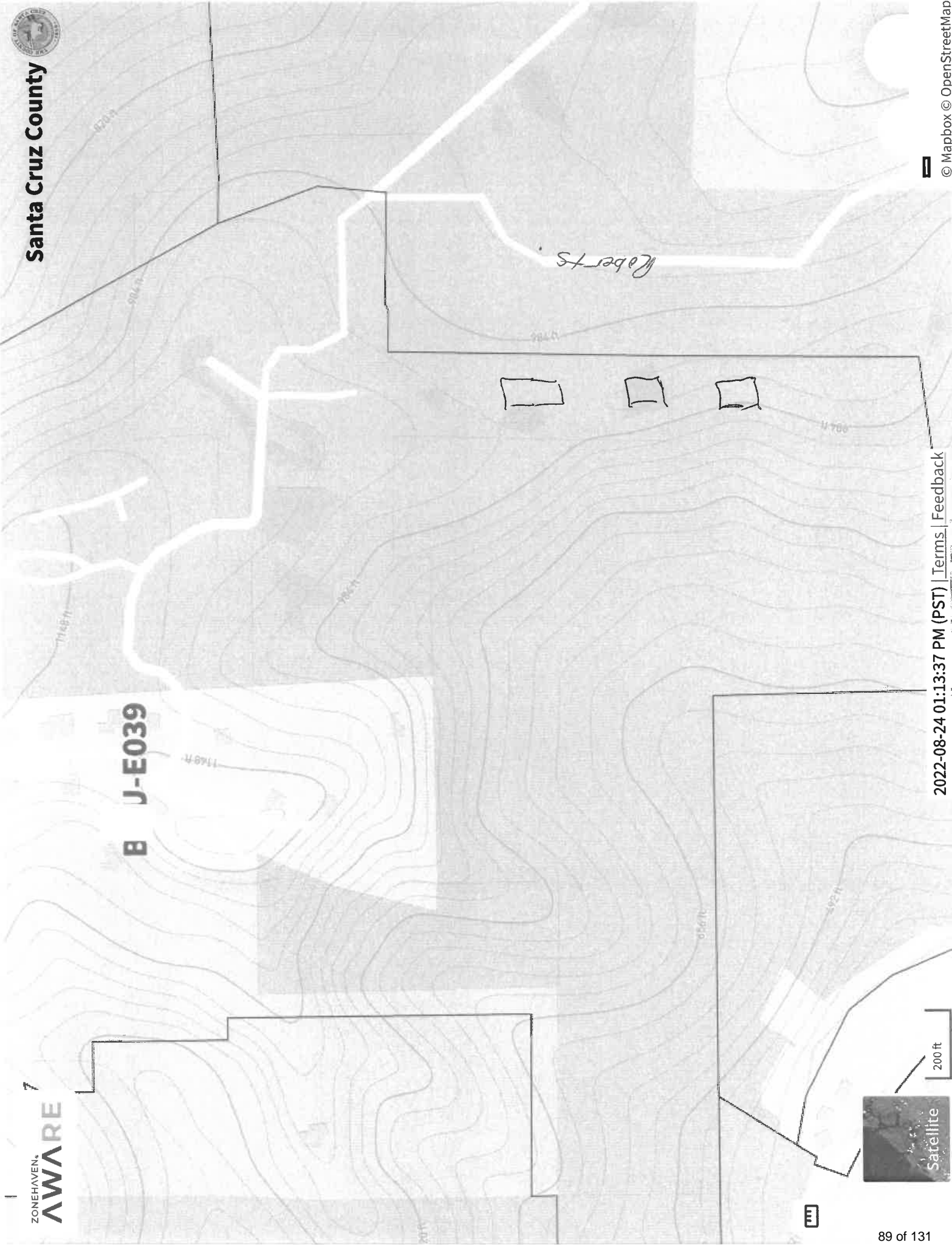
FEL-E002-B

Mt. Cross Ministries

Mount Cross Camp

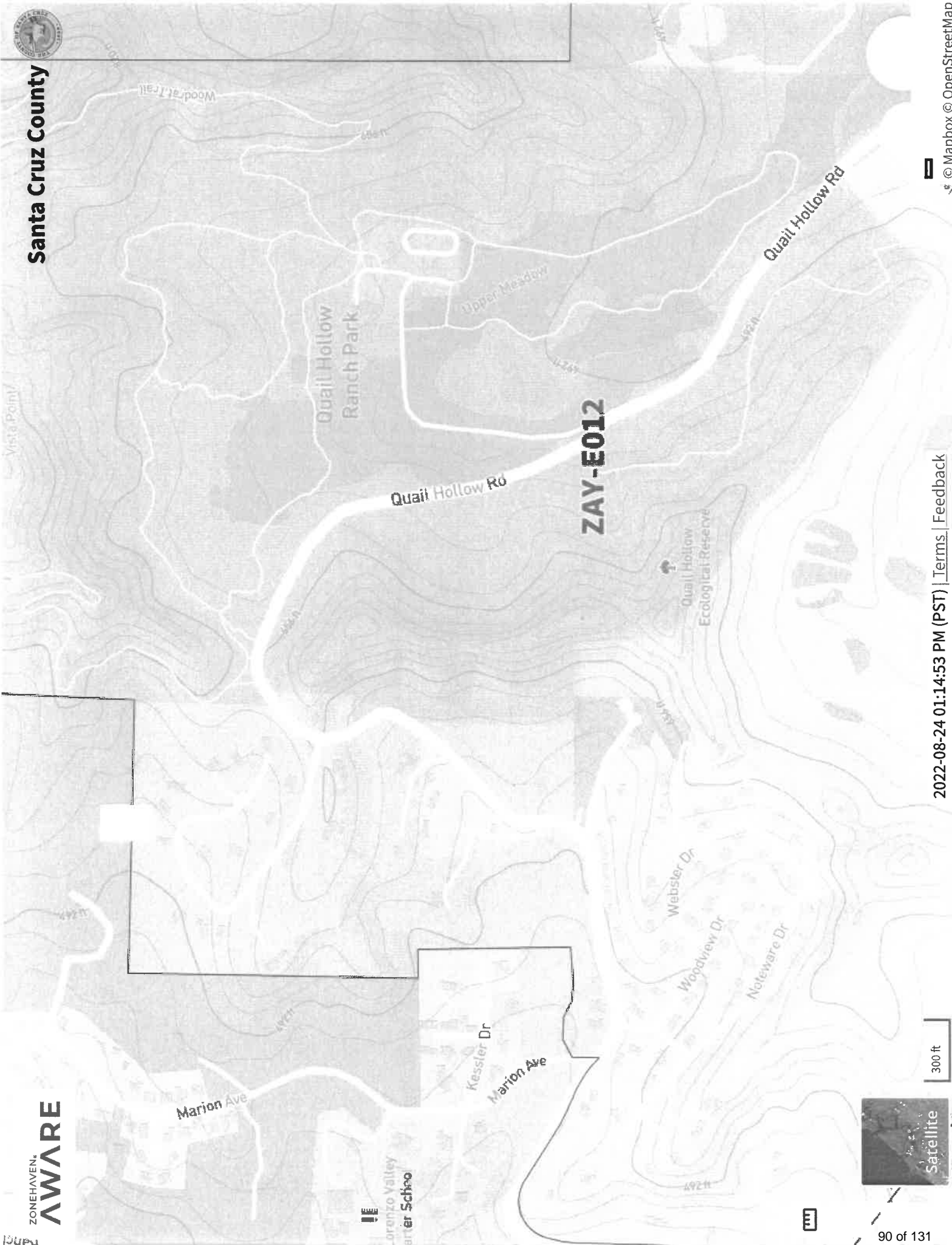


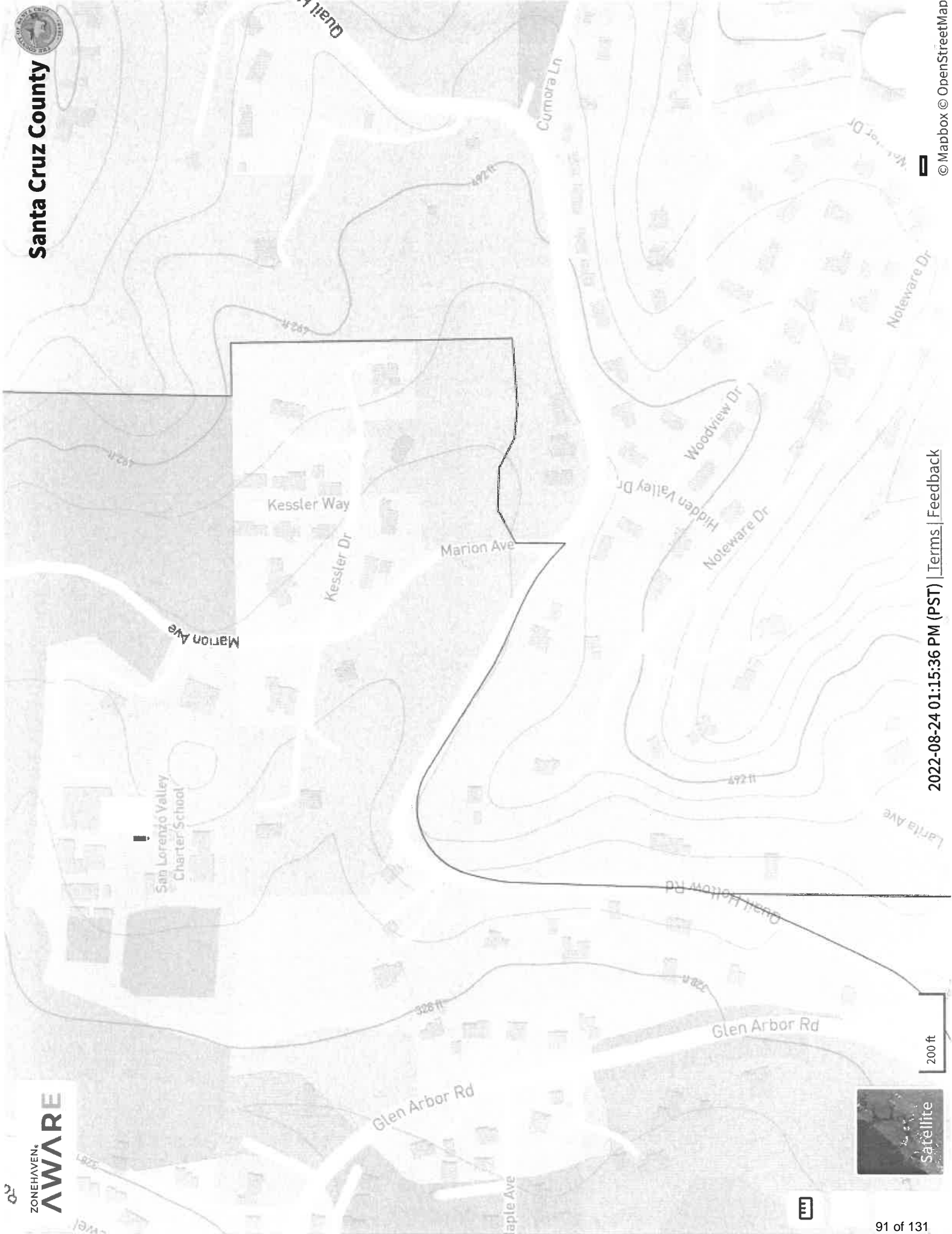
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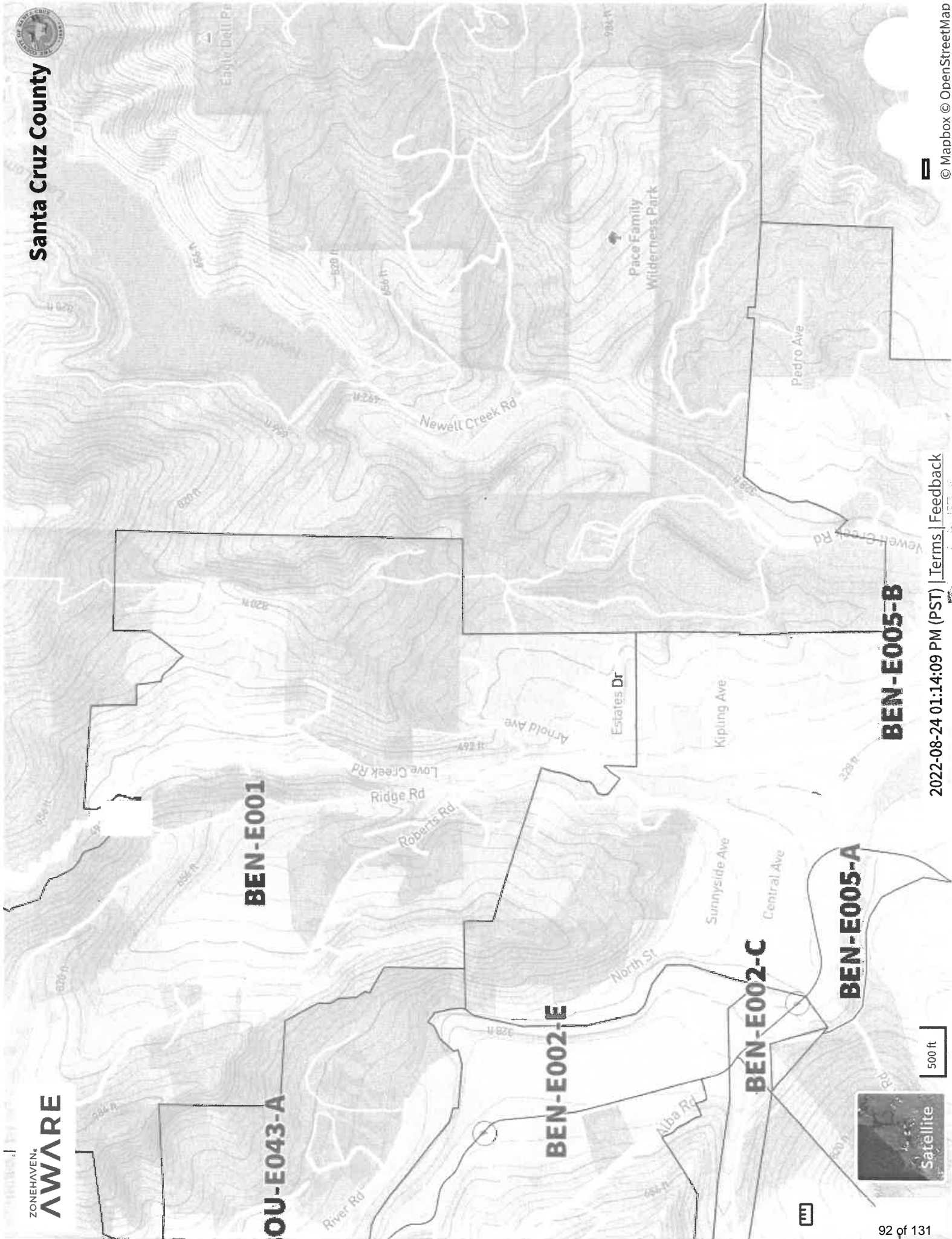


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Roberts







500 ft

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BEN-E005-A

BEN-E002-C

BEN-E002-E

BEN-E001

BEN-E043-A

BOU-E041-A

Santa Cruz County

BOU-E043-C

-E008-B

BOU-E042-A

BOU-E043-B

BEN-E002-F

BOU-E042-B

BEN-E002-G



Brookdale Post
Office - 95007

Alta Via Dr

Center St

High St

High St

Oak St

Clear Creek Rd

ar Creek Rd

Forest Way

Park Way

Western Ave

Satellite

300 ft



BOULDER CREEK FIRE PROTECTION DISTRICT

13230 Central Avenue, Boulder Creek CA 95006 • Office: (831) 338-7222 • Fax: (831) 338-7226

To: LAFCO

From: Boulder Creek Fire Protection Board of Directors

Regarding: Annexation Plan

Boulder Creek Fire Protection District Board of Directors supports further research towards a LAFCO sponsored feasibility study of annexing our current sphere of influence. Regarding the areas within the SOI that are already served by the District, 486 parcels were proposed by LAFCO in the BCFPD SOI and are commonly responded to by BCFPD resources on a mutual aid basis. This means that BCFPD is often the closest responding unit and is dispatched to emergency incidents due to the proximity of the incident to County Fire/CSA 48 resources who currently are the authority having jurisdiction. This response is done without compensation. The District would like to pursue this potential annexation in the upcoming feasibility study that LAFCO plans to perform.

Thank you,

A handwritten signature in blue ink, which appears to read "Mark Bingham", followed by the date "8/29/22".

Fire Chief - Mark Bingham



Central Fire District of Santa Cruz County

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

August 11, 2022

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

Subject: Annexation Plan

Dear Executive Officer Serrano,

This communication is in response to your letter to Central Fire District dated June 10, 2022, with the subject: *Annexation Plan (Deadline Reminder)*. Central Fire District has considered its current sphere of influence (SOI) boundaries and held conversations with partner agencies that correspond with District boundaries. The Board of Directors of the Central Fire District has heard testimony from Executive Officer Serrano regarding the intent of the sphere of influence and held discussions in public regarding the possibility of expanding the District boundaries. The conclusion of these discussions is that Central Fire would like to present the initial statement of a plan for annexation of some of the area within the established sphere of influence boundaries.

Central Fire worked with Santa Cruz County GIS office to determine that there are 97 parcels in the area on the SOI map at the northern most area of the map in the Soquel hills. Further to the east, County GIS identified 572 parcels in the Aptos hills area. The combined total of 669 identified parcels would be under consideration for annexation into the Central Fire District. The areas identified in the SOI map that border Branciforte Fire District on the western boundary of the map would be addressed based on the most logical access from existing infrastructure and normal routes of travel.

In the letter from LAFCO, the District was asked to address the following questions:

- Which areas within the sphere are already served by the District?
- When does the District anticipate initiating annexation of the areas within its sphere?
- Which areas should be excluded from your sphere?
- What are your concerns or issues that prevent you from annexing these areas (ex. funding, accessibility, response time, staffing, infrastructure, etc.)?

Regarding the areas within the SOI that are already served by the District, the areas mentioned above in the Soquel and Aptos hills are already served by the District to varying degrees. The 97 parcels in the Soquel hills are commonly responded to by Central Fire resources on an automatic aid basis. This means that Central Fire is often the closest responding unit and is dispatched to emergency incidents due to the proximity of the incident to County Fire/CSA 48 resources. This

response is done without compensation, and County Fire/CSA 48 resources are unable to provide reciprocal service for varying reasons.

The 572 parcels of the Aptos hills are commonly responded to by the District in accordance with a Memorandum of Understanding (MOU) for emergency service calls. This MOU was executed in 2021 and is limited to “first responder” basis. This includes calls for fire suppression, emergency medical service and other emergency responses with Central Fire providing one fire engine and one chief officer. Other services customarily provided by Central Fire such as inspection and code enforcement are not covered by the MOU.

Regarding the time frame for when the District would anticipate initiating annexation of the two areas, it would not begin until 2023 at the earliest. This is due to the amount of work staff are currently engaged in.

The areas of the SOI that would be excluded from the current discussion would be along the Central Fire/Branciforte Fire boundary. It would be Central Fire’s intent that Central and Branciforte work together with LAFCO to clean up the sphere and boundaries to address any parcels that should be serviced by the most appropriate agency and to have the sphere be coterminous with the respective District boundaries.

Central Fire has several areas of concern that might prevent annexation. Funding is the most obvious area of concern. Central Fire would like to know with accuracy the amount of funding that would come from the potential annexation. This is directly tied to the services that are currently not being provided by the District to the areas in the form of fire prevention, defensible space inspections and the like. Under Central Fire’s current Community Risk Reduction (CRR) program there is not enough staff hours that would allow for the same level of service to the entire proposed annexation area. Central Fire would insist that the revenue derived from the annexation would be at least equal to the amount that is currently received by responding to the area covered under the existing MOU.

Central Fire is interested in pursuing annexation under the assumption that the annexed lands are able and willing to support the District with a similar financial contribution as current District constituents contribute. The District feels strongly that the contributions should be equitable for all constituents and should not be supplemented or subsidized by current constituents. Previous annexations to the District were conditioned on extension of the Benefit Assessment/Special Tax (approved by voters in La Selva Beach and Day Valley) to the newly annexed areas.

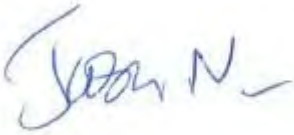
Finally, infrastructure is a concern to accommodate necessary staff. Central Fire does not have excess space to accommodate additional CRR staff without making substantial changes to the workspaces in the current facilities. If the increase in funding allowed for increased staffing, office space for those employees would need to be addressed. This is not insurmountable, but there is a cost of time and finances that need to be assessed to best meet the needs of an increased workforce.

Central Fire District would like to emphasize that it is open to future boundary changes and remains willing to discuss with our partner agencies the future annexation of lands into our

District or other districts around Santa Cruz County. Central Fire's belief is that the discussion of annexation of lands amongst the existing fire districts is probably best done from an entire county perspective and not from the perspective of a single agency.

Thank you for your assistance in providing Central Fire's Board of Directors on the intent of the sphere of influence. Please contact me with any questions or comments regarding this matter.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jason N.", with a stylized flourish at the end.

Jason Nee, Fire Chief
Central Fire District of Santa Cruz County



ZAYANTE FIRE PROTECTION DISTRICT

7700 E. Zayante Rd
 Felton Ca. 95018
 Office: 831-335-5100
 Dan Walters, Fire chief

August 25, 2022


LAFCO Commission
 Joe A. Serrano
 Executive Officer
 701 Ocean Street
 Room 318-D
 Santa Cruz, CA 95060

Dear LAFCO Commission:

On July 19th, 2022, the Board of Directors for the Zayante Fire Protection District has directed me to respond to the Commission's annexation plan following the Countywide Fire Service & Spere Review of 2021.

The Fire Board has met on several occasions following the published review and appreciates your presentation to the board in April 2022. The Board greatly appreciated this one-on-one opportunity and was a contributing factor in assisting to a decision. After careful review of the situation the board has come to the following conclusions.

1. The Board agrees with the assessment of the ZFPD Service boundary, as indicated in yellow (figure 111 of your report) but feels that it should reflect that we also service eastern banks of Loch Lomond (as reflected in your sphere boundary). This is property owned by the City of Santa Cruz with a mutual aid response by this fire District. This currently is reflected as CSA48 service area.
2. The Board feels that there is insufficient information to evaluate any other increase, or reduction to, our spere and/or district service boundary. We would need additional information to include property values, revenue values and emergency vehicle access to provide proper fiducial consideration.
3. The Board would be prepared to review any additional information should it become available following the completion of the future feasibility study as proposed.

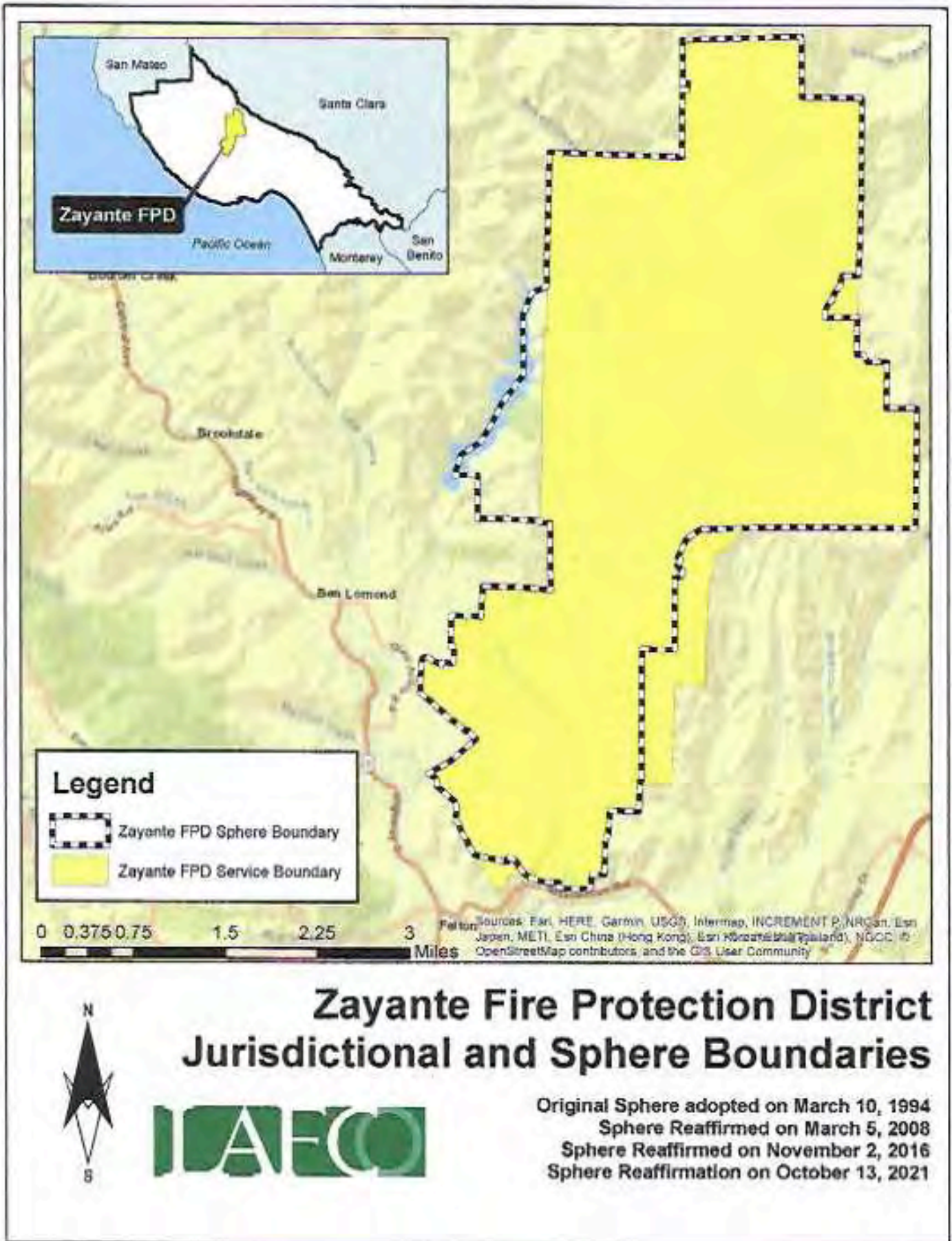


The Zayante Fire Protection District will continue to evaluate our ability to respond to emergencies and strive to provide the highest level of service to the community. We appreciate the LAFCO process of review and welcome any opportunity to work together in the future to the betterment of our communities and neighboring fire districts.

Sincerely,

Dan Walters
FireChief

Figure 111: ZFPD's Proposed Sphere Map





Santa Cruz Local Agency Formation Commission

Date: September 7, 2022
To: LAFCO Commissioners
From: Joe Serrano, Executive Officer
Subject: **Press Articles during the Months of July and August**

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: "Amid drought, Santa Cruz County water managers describe challenges": The article, dated July 29, highlights the Grand Jury's findings and recommendations identified in their recent water report, including the request for the development of a joint drought-resilience action plan by the water agencies. The article also discusses the current water supply and demand within Santa Cruz County.

Article #2: "Ramona Fire gains new crew members": The article, dated August 2, notes that the recent consolidation in San Diego County is already benefiting the unincorporated Ramona community. As part of the consolidation, the Ramona community now has more firefighters and paramedics on duty, an increase in adequate equipment, and the addition of advanced life support services.

Article #3: "Watsonville ballot measures tackle development, farm land": The article, dated August 5, indicates that Watsonville residents will consider two ballot measures in November that focus on future growth opportunities for the City. The first measure was initiated by a community group called the Committee for Planned Growth and Farmland Protection. The second measure was initiated by the City of Watsonville.

Article #4: "LAFCO to be co-applicant on ag grant": The article, dated August 5, notes that San Diego LAFCO has agreed to be a co-applicant with the County of San Diego for a \$500,000 Sustainable Agriculture Lands Conservation Program grant. In December 2020, LAFCO and the Resource Conservation District of Greater San Diego were also awarded a \$250,000 grant to develop and implement plans for the protection of agricultural lands at risk of conversion to more intensive non-agricultural uses.

Article #5: “Two years later, CZU fire recovery continues in Santa Cruz Mountains”:

The article, dated August 15, summarizes how the 2020 CZU Lightning Complex Fire affected 900 residential homes, around 1,500 structures, and approximately 87,000 acres of land within Santa Cruz and San Mateo counties. The recovery process is still underway.

Article #6: “Capitola Aids Watsonville Community Hospital Purchase”: The article, dated August 15, notes that the City of Capitola unanimously approved a loan agreement for \$5 million with Santa Cruz County to help close the purchase of the Watsonville Community Hospital.

Article #7: “Officials say enough money raised for Watsonville hospital purchase”:

The article, dated August 23, indicates that the Pajaro Valley Healthcare District will have enough money to purchase the Watsonville Community Hospital before the court-ordered August 31st deadline. Over 450 donors contributed to this public effort.

Article #8: “California homeowners could continue losing insurance as wildfire threat looms”: The article, dated August 30, points out that fire insurance coverage continues to affect homeowners in rural areas. The article discusses the growing fire risks statewide, the recent laws enacted to protect homeowners, and the concerns from the fire insurance companies.

Respectfully Submitted,



Joe A. Serrano
Executive Officer

Attachments:

1. “Amid drought, Santa Cruz County water managers describe challenges”
2. “Ramona Fire gains new crew members”
3. “Watsonville ballot measures tackle development, farm land”
4. “LAFCO to be co-applicant on ag grant”
5. “Two years later, CZU fire recovery continues in Santa Cruz Mountains”
6. “Capitola Aids Watsonville Community Hospital Purchase”
7. “Officials say enough money raised for Watsonville hospital purchase”
8. “California homeowners could continue losing insurance as wildfire threat looms”

santacruzlocal.org

Amid drought, Santa Cruz County water managers describe challenges

Jesse Kathan

12-15 minutes

Loch Lomond reservoir, which supplies water to the city of Santa Cruz, was 90% full in late March and about 86% full as of Friday, according to the city water department. (City of Santa Cruz)

SANTA CRUZ >> Santa Cruz County's water agencies need more cooperation, a plan to recycle more wastewater and a united approach to adapt to drought, a recent Santa Cruz County Civil Grand Jury report concluded.

[Since the report's release](#) this spring, water agency leaders said that some collaboration is already happening. Some water leaders added that the report's recommendations have the potential to complicate an already complex system of water agencies — and it might not solve future water-scarcity problems.

Volunteers on the [civil grand jury](#) investigate public agencies, produce reports and make recommendations that require responses from elected leaders and agencies.

The civil grand jury found:

- Collaboration between water districts is “limited and narrow in scope.”
- No water districts or groundwater sustainability agencies have the money or resources to develop a drought plan for the entire county.
- There is no county-level agency charged with building drought-resilience projects across the county.

The civil grand jury recommended that by Dec. 31:

- The groundwater management agencies, the San Lorenzo Valley

Water District, the Scotts Valley Water District, the City of Santa Cruz Water Department and the Soquel Creek Water District jointly publish a drought-resilience action plan.

- The county's water districts jointly publish a plan for the full use of wastewater for water recycling. Full use of wastewater for water recycling should start by 2026.
- The boards of the Santa Margarita Groundwater Management Agency and the Mid-County Groundwater Management Agency extend their charters to include plans for drought resilience.

The report states that the county's limited water resources and fractured leadership have led to an environment where water districts sometimes focus more on maintaining water supply for their customers rather than addressing the needs of the county as a whole.

"During interviews on district priorities, phrases such as 'protect our districts' surfaced. However, water in Santa Cruz County need not be viewed as a zero-sum game," the civil grand jury wrote.

"Unfortunately, there is no oversight agency or organizational structure in place to resolve conflicts and ensure that outcomes serve the greater good of the entire county,".

The civil grand jury requires the county's water agencies and groundwater sustainability agencies boards, as well as the city councils of Santa Cruz and Watsonville, to formally respond to the report's findings and recommendations by Aug. 22.

Water supply and demand

The county uses about 17 billion gallons of water each year. About half of that water is used for agriculture. The remainder is used by residents, businesses, governments and others.

Santa Cruz County is in "severe" drought, according to the [National Integrated Drought Information System](#). January to June was about 16 inches of rain short of "normal" rain in that period, making it the second driest January to June in the past 128 years, the drought information system reported.

Climate change has led to longer and more severe droughts and

increased odds for heavier and more infrequent storms, according to [research from UCLA](#) and other institutions. That variability makes the flow in rivers and creeks less predictable, and makes creating plans to store surface water more difficult, the civil grand jury report stated.

About 80% of the county's water comes from underground aquifers. Other water comes from the San Lorenzo River and coastal creeks. Decades of climate change and heavy water use have made both sources less reliable, according to the report.

A map shows the major water sources within Santa Cruz County. Unlike much of California, all of the county's water is sourced from local rivers, streams and aquifers. Most California counties receive water from other counties. (Santa Cruz County Civil Grand Jury)

Decades of groundwater use have depleted the Santa Cruz County's three main aquifers. Two aquifers, the Santa Cruz Mid-County Basin and the Pajaro Valley Basin, are in "[critical overdraft](#)," according to the California Department of Water Resources. As the groundwater has been extracted, saltwater from the coast has seeped inward, threatening the water quality of the aquifers.

Following a [2014 state law](#) that requires groundwater to be sustainably managed, the Santa Margarita Groundwater Management Agency, the Mid-County Groundwater Management Agency, and the Pajaro Valley Water Management Agency must plan to maintain a stable source of groundwater.

In addition to the groundwater sustainability agencies, the county's water is managed by five major water districts or departments, dozens of small private water systems and thousands of private wells. Each agency has its own rights to pump specific amounts of groundwater or divert a specific amount of surface water.

A table from the report shows who manages Santa Cruz County's water. (Santa Cruz County Civil Grand Jury, Pajaro Valley Water Management Agency)

Within the past decade, the districts have started to work together to share water when it is plentiful. For example, in 2016, San Lorenzo Valley Water District and Scotts Valley Water District

completed an intertie that allows the two districts to share water when one is in need.

Another example is the [Pure Water Soquel Conveyance Project](#). To help block saltwater intrusion into the Santa Cruz Mid-County Groundwater Basin, construction recently began on a project to inject up to 500 million gallons of purified wastewater each year into coastal wells. The injected treated fresh water is planned to block saltwater from seeping into the wells.

Wastewater will come from the City of Santa Cruz wastewater treatment plant through new underground pipes to a new water purification plant in Live Oak. Work started in December on the plant, and crews have been [installing pipes](#) under city and county roads for months. Soquel Creek Water District will operate the injection wells.

Workers install a water pipe on Broadway from Riverside Avenue to Clay Street in Santa Cruz in February as part of the Pure Water Soquel Conveyance Project. (Brian Phan — Santa Cruz Local)

Water leaders react

Water district leaders said this month that a centralized drought plan isn't as easy as it sounds. They also said it may not solve the county's water supply problems.

Piret Harmon, general manager of the Scotts Valley Water District, said a county-level water agency would only add another level of bureaucracy to an already complex system.

"I wish it was simpler," Harmon said. "It's not, so we just have to work within the existing framework and make the best out of it."

"There's been collaboration for decades," said Brian Lockwood, general manager of the Pajaro Valley Water Management Agency. The agency, which stewards the Pajaro Valley groundwater basin, spans across Santa Cruz, Monterey and San Benito counties. That makes a more centralized water system difficult to imagine, Lockwood said.

"When the report from the Grand Jury says there needs to be a Santa Cruz County water agency, you know they're not thinking

about Pajaro, where we have to work equally well with Monterey County Water Resource Agency and Monterey County water purveyors,” he said.

City of Santa Cruz Water Director Rosemary Menard agrees that robust collaboration already exists within the county.

“We’ve had for years really a very motivated self interest in working together to find regional solutions,” said Menard. “We know that no one is coming over the hill to save us.”

While fragmented water rights can make creating a centralized drought plan more challenging, Menard said many county residents appreciate the local control that comes with maintaining a smaller system.

“There’s that famous old saying that’s attributed to Mark Twain— ‘whiskey is for drinking, water is for fighting,’” said Menard.

“Anybody who thinks we could wave a magic wand and tell people they’re not going to control their water rights anymore — that’s not gonna work.”

The City of Santa Cruz is in the process of altering its water rights to allow more flexibility in when and how the city uses water from the San Lorenzo River. The updated rules would allow the city to share water with the Soquel Creek, Scotts Valley, and San Lorenzo Valley water districts during periods of heavy flow.

The rules await approval from the State Control Water Board.

Some consolidation possible

While local water leaders do not foresee a county-wide water district, some small water systems are consolidating with larger ones. That’s due in part to [a state law passed in 2021](#) that requires small water suppliers to proactively plan for drought.

The San Lorenzo Valley Water District merged with Lompico Water District in 2016. Now, they’re [in the process of merging with Big Basin Water Co.](#)

Harmon, the Scotts Valley Water District manager, foresees more consolidation across the county as small water systems confront the cost of replacing aging equipment. “I think they need to make a

tough decision,” Harmon said of water agency consolidation.

Scotts Valley Water District faces its own tough decision, as the district considers partnerships with the neighboring Soquel Creek Water District or the City of Santa Cruz Water District. Last year, Scotts Valley and San Lorenzo Valley water districts considered a merger to operate more efficiently. But the idea [faced pushback](#) from some San Lorenzo Valley residents who feared that Scotts Valley development would consume a large amount of water.

Harmon said that attitude is a roadblock in creating a more interconnected water system. “I see a lot of pointing fingers,” she said. “I see a lot of language like, ‘Don’t come and take our water.’ So that is for me the biggest challenge.”

After the proposed merger was rejected by San Lorenzo Valley Water District’s board, Harmon said Scotts Valley Water is still exploring how to keep water supply stable and rates low in the coming years.

Wastewater recycling

Menard sees the possibility for wastewater recycling in the City of Santa Cruz to increase, but she doesn’t think the civil grand jury’s request for a plan to use all available wastewater by 2026 is feasible.

“There’s no way that resource can be fully utilized in four years,” Menard said. “The process of design, construction, environmental review, permitting, all takes a long time.” Depending on future water conditions and the success of aquifer recharge, the county may not require all of the city’s wastewater to be recycled to meet its water needs, Menard said.

Lockwood, the general manager of the Pajaro Valley Water, works with Watsonville city leaders to recycle 3,000 acre-feet of wastewater each year for farm irrigation in coastal Santa Cruz and Monterey counties. “We’re pretty much using all of the water that’s available for recycling throughout the summer, and then we use a portion of it in the wintertime,” he said.

A Pajaro Valley Water [basin management plan from 2014](#) explored

the possibility of expanding water recycling during the winter for injection into the groundwater basin. Costs prompted the project to be deprioritized in favor of other efforts.

“I think to some extent, we’ve checked that box by looking at how we can utilize all the recycled water available to us,” Lockwood said. “When we do the next evaluation of our plan within the next five years, I think we’ll take a close look at the status of the basin and determine if any additional projects are necessary.”

The agency is focusing on projects it hopes to complete by 2025 that include:

- Expanding the amount of water stored in [College Lake](#) from 1,000 acre-feet to 1,700 acre-feet, and building a new pipeline to connect the lake to its agricultural distribution system.
- Further developing facilities that divert fresh water from [Harkins Slough](#) that would otherwise flow into Monterey Bay into flooded basins that allow water to percolate into the aquifer. Similar facilities are being developed in Struve Slough.
- Constructing [a new pipeline](#) that will allow more farmers to use recycled water and water recovered from the slough facilities.

Read more about water

- [Does more housing mean more water demand in Santa Cruz County? Feb. 15, 2021](#)
- [Water quality, rates could rise with Big Basin, San Lorenzo Valley Water merger – Jan. 24, 2022](#)

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Ramona Fire gains new crew members

Village News

2-3 minutes

San Diego County Fire has accepted a transfer of responsibility for fire protection and emergency medical services in Ramona. The deal benefits the community, the Ramona Municipal Water District and County Fire.

The 40,000 people in Ramona are already seeing increased personnel in fire stations. The County has provided an additional crew member on two fire engines in the area. The idea is to increase fire services and staffing at Ramona's three fire stations to regionally acceptable levels. Ramona Fire Station 80 had three crew members on its engines. Now engines at Ramona Fire Stations 81 and 82 will also have a third team member.

"This is a great example of two groups coming together to better serve the community", says Jeff Collins, San Diego County Fire Director. "Ramona will gain more firefighters, more paramedics and updated equipment that promotes safety and well-being for our residents. County Fire protects the community, and the Ramona Municipal Water District can focus on providing water and wastewater services."

Since County Fire functions through a partnership with CAL FIRE, fire and emergency medical services are still provided in Ramona by professionals from CAL FIRE.

County Fire is also adding an advanced life support paramedic to the area. Ramona will also get an additional ambulance, which will be based at Ramona Fire Station 82 once the ambulance is built

and delivered. Six cardiac monitors will be added to fire engines and ambulances serving the Ramona community.

Eventually, older fire engines at Ramona Stations 81 and 82 will be replaced.

The transfer of responsibility allows the county to further consolidate and enhance regional fire protection throughout the unincorporated areas of San Diego County and leverage its size to purchase goods and services at a lower cost.

The San Diego County Local Agency Formation Commission (LAFCO) approved the transfer of responsibility Aug. 1.

Watsonville ballot measures tackle development, farm land

Grace Stetson

7-9 minutes

Watsonville leaders have wrestled with development at its city limits and how much land to set aside for agriculture. (Stephen Baxter — Santa Cruz Local file)

WATSONVILLE >> Watsonville voters in November will weigh two ballot measures that help guide where new housing, shops, parks and other development could be built near the city limits.

Some boundaries of agricultural land near the city's borders are set to expire in November and in 2027. Two competing measures expected on the Nov. 8 ballot will decide how to handle those expirations and what areas can be developed.

- The first measure, an amendment to the 2002 voter-approved Measure U, would extend agricultural land protections until the year 2040. A community group called the Committee for Planned Growth and Farmland Protection gathered more than 2,400 valid signatures to get the measure on the ballot.
- A “counter measure” that is being drafted by city staff would extend those protections until 2040 and give future Watsonville City Council members chances to identify areas for potential development during the city's General Plan update. Residents could weigh in on those city council decisions.

Both measures broadly create a vision for Watsonville's growth, said new Watsonville City Manager René Mendez. A major difference is that the counter measure would allow the city council

to move the urban limit line to allow for development and “create a process for growth,” Mendez said.

“It doesn’t mean that the city can just grow — it means we have to follow the General Plan and all the processes and procedures,” Mendez said. “It’s very challenging and difficult to grow, but this would just eliminate the boundary.”

Areas in green show an urban limit line that started in 2002 and is set to expire in November. Areas in orange are set to expire in November 2027. Areas in red are wetlands that will not be developed based on agreements between the city and landowners. (City of Watsonville)

The Committee for Planned Growth and Farmland Protection has pushed for agricultural land protections since 2018. They spoke with city council members and the previous city manager, Matt Huffaker.

“There are many vacant and underutilized lots within city limits — this is a major category for the city’s housing element,” said Sam Earnshaw in a March 8 city council meeting before the council’s initial vote on the ballot initiative. Earnshaw is a member of the committee and operator of the agricultural business Hedgerows Unlimited. “Saving our agricultural lands is what this initiative is about.”

Earnshaw said, “People of Watsonville don’t want to see their valuable coastal farmlands turned into San Jose.”

The Committee for Planned Growth and Farmland Protection found 174 addresses for vacant lots and underutilized spaces in Watsonville. In an interview this week, Earnshaw said the city’s Planning Department and developers are doing great work, but it’s the city council who has “their heads in the sand.” He said the Downtown Specific Plan includes areas that could accommodate about 3,900 housing units downtown.

“Trying to take farmland to build single-family housing is absurd — no one can afford that,” he said. “This is not going to solve

anything — can anybody name one place where sprawling out on farmland for development has actually worked?”

Like most California cities, Watsonville already has a challenge of meeting requirements for housing development over the next eight years. According to the AMBAG’s draft regional housing plan, Watsonville [must plan or build 2,053 homes from 2023 through 2031](#).

Development limits

Debates about where to develop in Watsonville are decades old. In November 2002, Watsonville voters approved the original Measure U with about 60% of the vote. It set an “urban limit line” that separated agricultural land from land that could be developed on the city’s borders.

There are three main sections of the urban limit line.

- Areas for agriculture set to expire in November.
- Areas for agriculture set to expire in 2027.
- Other areas where city agreements do not allow development.

In June 2021, Amy Newell, Betty Bobeda and Peter Navarro filed a notice of intent with the city that aimed to amend the city’s General Plan and urban limit line through 2040. The [Committee for Planned Growth and Farmland Protection](#) submitted required signatures for the November 2022 ballot.

This year, city council members worked with the Committee for Planned Growth and Farmland Protection to change the group’s ballot initiative to allow for development at 320 Lee Road. However, at the July 7 council meeting, Watsonville City Council could not agree on the settlement for the 13.6 acre parcel, denying the plan 3-4.

The council agreed to have city staff draft a counter measure for the Nov. 8 ballot — unless a new agreement is reached with the community group. Aug. 12 is the deadline to put measures on the

November ballot.

City staff also proposed possible annexation sites in the counter measure during the July 7 council meeting. Those sites include:

- A 77-acre property near Wagner and East Lake avenues. Watsonville planners said the land could accommodate at least 860 housing units.
- Areas of Freedom Boulevard for commercial development.
- Areas of West Beach Street for commercial development.

What does a “yes” vote mean on the Measure U amendment on the Nov. 8 ballot?

A yes vote means the city would keep the current urban line through 2040. Commercial or residential development could only be within those boundaries.

What does a “no” vote mean on the Measure U amendment?

A no vote means that the parts of the urban limit line set to expire this November — outlined in green on the map above — would expire, said Watsonville Assistant City Manager Tamara Vides. Other parts of the urban limit line set to expire in 2027 should expire in 2027.

What does a “yes” vote mean on the counter measure?

A yes vote would mean the city could move forward with a slightly different plan, maintaining the urban limit line as it is now, but allow for development conversations through the 2050 General Plan. Through that process, the city could explore housing and commercial opportunities outside of the current boundaries.

“We will be able to engage the community and stakeholders across the board to plan together,” Vides said. “It’s through the General Plan conversation, that’s what’s very specific about it. It’s community input.”

What does a “no” vote mean for the counter measure?

If the counter measure does not pass but Measure U passes, the city would maintain the status quo, said Vides. The city would not be able to annex any new land for development.

“Development is not in our hands, we just provide the tools. Not having the urban limit line would give property owners the option to annex land to the city, but only if they’re interested in development,” Vides said.

If both measures fail, the urban limit line portion that expires in 2022 would expire and open development possibilities along that line.

If both measures get more than 50% of the vote, the measure with the most votes wins, Watsonville’s city attorney said during the July 7 council meeting.

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LAFCO to be co-applicant on ag grant

Joe Naiman

3 minutes



San Diego County's Local Agency Formation Commission will be a co-applicant for an agricultural conservation planning grant.

LAFCO's board voted 7-0 August 1, with no City of San Diego representative present, to authorize LAFCO to be a co-applicant with the County of San Diego for a \$500,000 Sustainable Agriculture Lands Conservation Program grant, to authorize a \$25,000 matching funds expenditure, and to authorize LAFCO executive officer Keene Simonds to sign the grant award and execute a Memorandum of Understanding with the County of San Diego.

"We're very excited to come forward with this," Simonds said.

The state's Department of Conservation administers the Sustainable Agriculture Lands Conservation Program which was

created in 2014. The program's principal goals are to protect at-risk agricultural lands from development by promoting growth within existing jurisdictions, to ensure that open space remains available, to support a healthy agricultural economy, and to avoid increases in greenhouse gas emissions associated with the conversion of agricultural land to more intensive non-agricultural uses. Grants are awarded annually each December, so the next grants will be awarded in December 2022, and funding is for a two-year period. In December 2020 LAFCO and the Resource Conservation District of Greater San Diego were awarded a \$250,000 grant to develop and implement plans for the protection of agricultural lands at risk of conversion to more intensive non-agricultural uses.

The current grant application would generate market information and best practice data to support and sustain agriculture in San Diego County with a focus on aiding small-scale farming operations. "It would include some cost-benefit analysis on some specific crops and emerging crops here in San Diego County," Simonds said.

The analysis would identify the average return on investment for key crops in the region, the average return on investment needed to sustain small farms over time, the gap in return on investment between marginal farms and economically sustainable farms, and the key cost centers (for example water, labor, and entry barriers) contributing to that gap.

The county's Department of Planning and Development Services would partner with LAFCO on the grant. The ten percent local match requirement, which can include staff time costs, would be evenly split between the two agencies.



santacruzsentinel.com

Two years later, CZU fire recovery continues in Santa Cruz Mountains

PK Hattis

5-7 minutes

SANTA CRUZ – Two years have passed since a series of lightning strikes unleashed an unprecedented level of fire devastation in Santa Cruz County, flattening more than 900 residential homes and nearly 1,500 structures overall.

When the smoke cleared from the 2020 CZU Lightning Complex fire, the recovery process began and efforts to rebuild infrastructure, restore wildland and refine response efforts have been ongoing ever since.



A rare lightning storm crackles over Mitchell's Cove in Santa Cruz around 3 a.m. Aug. 16, 2020. The lightning strikes ignited several fires within the Santa Cruz Mountains, which grew to be the CZU August Lightning Complex fire. (Shmuel Thaler – Santa Cruz Sentinel file)

Rebuilding efforts

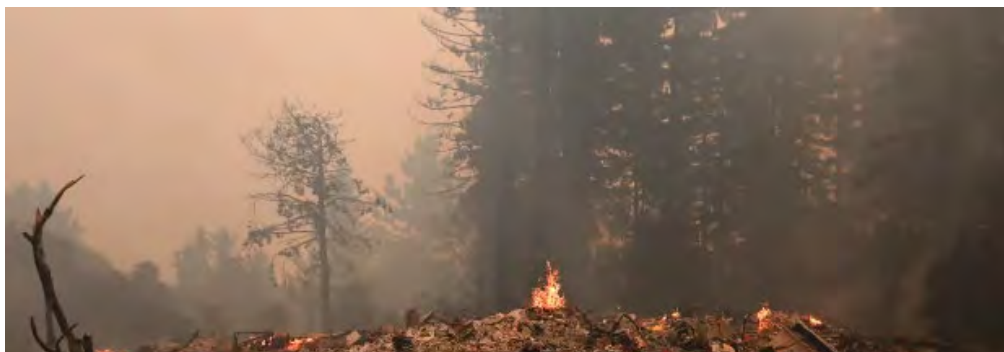
The fire started on Aug. 16, 2020 and [burned for 37 days](#), decimating 86,509 acres of land across Santa Cruz and San Mateo counties. The Sentinel reported that [911 homes were destroyed](#) in Santa Cruz County alone, primarily in northern county regions like Boulder Creek, Ben Lomond and Felton.

“It’s overwhelming to think about and even more overwhelming for the people who lived through it with their homes and lives at risk,” said District 3 Santa Cruz County Supervisor Ryan Coonerty, whose district includes much of the acreage destroyed by the fire. “It’s been on one hand, satisfying to see everyone pull together from the community ... to help each other in this time of need. The recovery has been slower than we wanted it to be.”

Coonerty said the county has made efforts to fast track and simplify permitting requirements falling under its purview, such as a 2021 amendment to a [geologic hazard code](#) that provided fire survivors with some recovery flexibility.

Earlier this year, the county launched a [recovery permit dashboard](#) that tracks the status of rebuilding efforts for residential and non-residential properties. As of Tuesday, 187 permits for single family dwelling units were in process, including 145 permits that have been issued or were ready for pickup, according to the dashboard.

Additionally, 152 properties have received the three county clearances necessary to submit dwelling unit permits, but have been unable to do so because of barriers outside of county control, such as insurance payout, financial considerations or technical consultant lead times. Santa Cruz County Spokesperson Jason Hoppin told the Sentinel that the county did not hear back from about one-third of the 911 impacted families.





Fire burns a home on Pine Hill Drive in Bonny Doon in August 2020. (Shmuel Thaler — Santa Cruz Sentinel file)

Wildland restoration

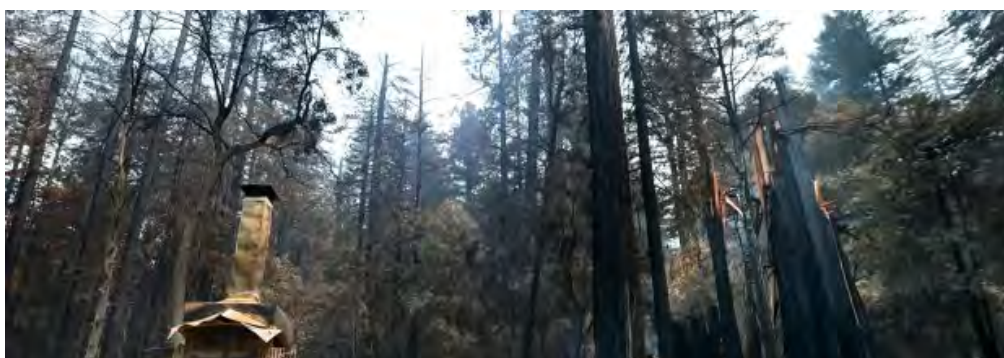
Big Basin Redwoods State Park – a beloved environmental treasure – has been working tirelessly on restoration projects of its own after about 97% of its trees were burned in the CZU fire.

Two years later, the park is well on its way to recovery. Most redwoods survived the fire and small shoots of light green new growth can be seen amongst the charred trunks. The park was able to [partially reopen](#) to day-use reservations in July and overnight camping options are expected to become available in the next three to five years.

“Not surprising,” said District 5 Supervisor Bruce McPherson of the encouraging new growth that has emerged. “Those magnificent redwoods that are 2,000 plus years old are very resilient.”

McPherson said he has been told by park representatives that it will be about a 10 year project to get the park back to something that resembles its former self.

“It’s another one of those understandably slow-moving processes to get it back to what a magnificent place it was and will be again,” he said.





The stark post-burn reality at Big Basin Redwoods State Park in August 2020. (Shmuel Thaler — Santa Cruz Sentinel file)

Fire outlook

While the county has managed to avoid a fire incident as severe as the CZU Lightning Complex in the past two years, the threat is still present and fire officials have remained vigilant.

In a [June presentation](#) to the board of supervisors, Cal Fire San Mateo-Santa Cruz Unit Fire Chief Nate Armstrong said that historic drought conditions in the region have persisted and created, as his team calls it, a “fire year.” This has extended what used to be a five to six month fire season to one that is nine to 10 months.

“There’s been a lot of increase in technology since the CZU fires,” said Cal Fire CZU Deputy Chief Jed Wilson. “These programs simulate what the fire’s going to do and where it’s going to impact which allows you to make a more educated decision in terms of strategies and tactics.”

Last week crews managed to stop forward progress on a 5 acre [wildland fire at DeLaveaga Park](#) within hours. Wilson said Cal Fire’s goal is to stop 95% of all fires from exceeding 10 acres.

At this point last year, 2,452 fires had been reported within Cal Fire’s jurisdiction, burning about 458,000 total acres. So far this year, 2,106 fires have occurred, with 14,500 acres burned.

The documentary “The CZU Fire In Their Own Words – Fighting Fires, Losing Homes, and Rebuilding Community,” tells the story of the 2020 fire and the community that survived it. A final screening will be held at 7:30 p.m., Tuesday at the Del Mar Theatre. The screening includes a Q&A with the director, Peter Gelblum.

tpgonlinedaily.com

Capitola Aids Watsonville Community Hospital Purchase — TPG, Inc.

by See Below

3-4 minutes

In a special meeting Thursday, the Capitola City Council authorized a 60-day loan agreement for \$5 million with the County of Santa Cruz to help close the purchase of Watsonville Community Hospital by a Pajaro Valley nonprofit. The vote was 5-0, contingent on the cities of Santa Cruz and Watsonville each putting up a \$5 million 60-day loan.



After Watsonville Community Hospital filed for bankruptcy, Santa Cruz County faced the challenge of raising \$67 million to buy the hospital operation from the out-of-town owner or see it close, leaving county residents with just one hospital with an emergency room. About 40% of emergency room visits are at Watsonville Community Hospital, which County Administrative Officer Carlos Palacios said is “critical to the overall medical system of the entire county.”



More than 400 donations came in, with state legislators agreeing to allocate \$25 million from the historic budget surplus. However, due to a budget drafting error, the state is unable to release those funds before the Aug. 31 hospital sale date, Capitola City Manager Jamie Goldstein explained.

Palacios expected a budget amendment would make the \$25 million available by mid-September.

So Palacios reached out to community partners to ask for a \$5 million “bridge loan” until the budget error is rectified.

Partners Salud Para La Gente and Community Foundation Santa Cruz County have made commitments. Palacios was loath to get a private loan, because the fees would be more than \$250,000.

“This entire project is an extraordinary testimony to the generosity of our community

and the strength of our region’s leaders,” said Susan True, CEO of the Community Foundation. “From Senator John Laird’s heroic work on Senate Bill 418 to establish the new health care district, to County Administrative Officer Carlos Palacios pulling together a team and resources, to Salud Para La Gente CEO Dori Rose Indra’s persistent work to keep all the pieces together, to Steven Salyer’s work to run the hospital, and so many more. It has taken many hands.”

Palacios said the hospital’s payor mix is 50% MediCal and 30% Medicare, and government reimburses less than private insurance. A new business plan maps out a turnaround in one year, and Palacios is confident that can happen based on Natividad Medical Center and Salinas Valley Memorial Hospital, as both have a balanced budget.

Jamine Najera, Joe Gallagher and Marcus Pimental are candidates for two seats on the Pajaro Valley Healthcare District Project board in the Nov. 8 election.

To donate, see www.cfsc.org/PajaroValleyHealth.

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Officials say enough money raised for Watsonville hospital purchase

PK Hattis

5-6 minutes

SANTA CRUZ – Representatives from the Santa Cruz County Health Services Agency on Tuesday confirmed for the County Board of Supervisors that enough money had been raised to purchase the bankrupt Watsonville Community Hospital before the court-ordered Aug. 31 deadline.

The fundraising effort is still about \$1.6 million shy of the \$67 million goal it set earlier this year, however that funding gap is not needed for the actual purchase, but for necessary operating capital for the coming year of activity, according to County Administrative Officer Carlos Palacios.

“Today I have very good news. We had a gap in our fundraising and we’ve just received word that we have received a commitment for a pledge of over \$4.5 million from Kaiser,” Palacios said before a presentation to the board on Tuesday. “We’re now in the final stages of the actual close of the purchase. We believe we will close that purchase by early next week.”

Kaiser Permanente on Tuesday morning announced that it was contributing an additional \$4.5 million in funds to the effort with an overall contribution total of \$7.5 million.

“We thank Kaiser Permanente for their generous donation in support of the community,” said Pajaro Valley Healthcare District Project Chair Mimi Hall in a prepared release from Kaiser.

“Watsonville Community Hospital is a vital part of the health care

safety net for Santa Cruz County and northern Monterey County residents and provides access to care for patients throughout Santa Cruz County.” The district project is the entity responsible for fundraising the \$67 million goal.

Palacios said more than 450 unique donors contributed to the effort, with individual totals ranging from \$5 to several million. More than \$7 million was donated through the Santa Cruz County Community Foundation, \$6 million was committed by the Community Health Trust of Pajaro Valley and a \$25 million grant was provided by the state. A lengthier list of contributors can be viewed in the [meeting agenda](#).

The hospital will ultimately have public ownership through the Pajaro Valley Health Care District and the Pajaro Valley Health Care District Hospital Corp. The organizations have the same five board members, comprised of local health care professionals and stakeholders.

The district itself was formed in February through rapid state legislative action led by District 17 Sen. John Laird and District 30 Assemblymember Robert Rivas. Fundraising efforts began in quick succession to meet the looming purchase deadline which, at that time, was roughly six months away.

“I am elated to see the final pieces of the Watsonville Hospital purchase fall into place – this is an incredible health care access victory for the entire Pajaro Valley region that I was proud to play a part in,” said Laird in a statement shared with the Sentinel. “Thank you to Kaiser Permanente for their additional \$4.5 million contribution, and to the many other individuals and organizations that contributed so much to this effort.”

The hospital employs more than 600 health care professionals and delivers more newborns than any other birthing hospital in the county, according to a release from the district. About 50% of its patients have MediCal as their insurer and 30% utilize the Medicare program that serves seniors and the disabled. The hospital has

existed for more than 100 years, about 80 of which it has operated under public ownership, according to Palacios.

In July, the health care district board voted to hold an at-large election on Nov. 8 to fill two of its five total seats. The election will include voters from both Monterey and Santa Cruz counties, as district lines encompass portions from both areas.

Four candidates will run to fill the two seats in November, including the two incumbents Marcus Pimentel and Jasmine Najera. The other two candidates listed on the ballot will be Joe Gallagher, a retired physician, and Peter Radin, according to the [Santa Cruz County elections website](#). The other three board members not yet up for re-election will continue serving a four-year term.

“We have completed the marathon, but now we have to get ready for the next marathon, which means we have to keep the hospital open,” said 4th District Supervisor Greg Caput who represents the Watsonville and Pajaro Valley region. “I think we’re capable of doing that. Actually, after the last couple years, I think we’re capable of doing almost anything.”

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California homeowners could continue losing insurance as wildfire threat looms

Ethan Varian

6-7 minutes

Almost a year to the day after evacuating during the [devastating CZU Lightning Complex fires](#) in August 2020, Judy Osborn learned she'd been dropped by her home insurance company.

Her two-bedroom house in the Santa Cruz Mountains had become too risky to cover, her provider explained, and Osborn was left to seek out a new policy in the middle of fire season.

"It was just like adding insult to injury," Osborn said. "It triggered a whole lot of memories and fear."

Following a string of destructive and deadly fires in 2017 and 2018, insurance companies have ended coverage for tens of thousands of California homeowners as providers have pulled out of high fire-risk areas – forcing many homeowners to buy policies through the expensive [California FAIR Plan](#), the state's insurer of last resort.

Now, heading into what could be the worst of this year's fire season, many more homeowners may soon be in jeopardy of losing their policies.

"It's that time of year, and here we go again," said Osborn, who eventually found new private coverage for the home she's owned since 1985.





Judy Osborn's house is seen through trees and bushes on Aug. 24, 2022, in Felton, Calif. (Photo: Dai Sugano/Bay Area News Group)

In response to growing uncertainty in the insurance market, the state has imposed new wildfire regulations in recent years aimed at bringing down costs and protecting homeowners. But the insurance industry has pushed back hard against the reforms, arguing the state should instead overhaul how it regulates policy rates to account for more frequent catastrophic fires.

"Risks are getting worse, and rates are going to have to go up to ensure insurers are solvent and operational in California," said Seren Taylor, senior legislative advocate with the Personal Insurance Federation of California, an industry trade group.

In 2018, former Gov. Jerry Brown signed a law prohibiting insurance companies from [canceling or refusing to renew homeowners' policies](#) in areas impacted by a wildfire until twelve months after the blaze. In 2019, California Insurance Commissioner Ricardo Lara ordered the [FAIR Plan to expand its coverage](#) beyond fire to include liability, theft and other parts of a traditional homeowner's policy. Insurance companies, which manage and fund the state-created FAIR Plan, have challenged the regulation in court.

And later this year, the state insurance department is expected to begin requiring that providers offer lower rates to homeowners who [fireproof their homes](#).

While consumer advocates have cheered the new rules, some in the insurance industry worry they could lead to providers scaling back their presence in the state even further.

“If (Commissioner Lara) reaches too far, and he already has several times, insurance companies will just say, ‘We’re leaving California – we’re not going to write that product anymore,’” said Edan Cassidy, a broker with Cassidy Insurance Agency in Scotts Valley near Santa Cruz.

Early this year, high-end home insurers [American International Group Inc. and Chubb Ltd. drastically reduced coverage](#) in California in the wake of recent fire seasons. And this summer, [Geico closed all of its brick-and mortar sales offices](#) in the state, though company officials said it will continue offering policies online.

Department of Insurance spokesperson Michael Soller said the agency is working with the industry to understand their concerns and refuted the notion the new rules could push many insurers out of the state.

“We have a strong insurance market statewide, even with massive wildfires we’ve seen over the past few years,” Soller said.

In 2020, insurers ended coverage for over 212,000 properties in California, according to the [most recent state data](#). More than 77,000 homeowners couldn’t find private insurance that year and signed up for the FAIR Plan. That was a slight increase from 2019, but more than triple the number of new FAIR Plan policies in 2018.

To reverse that trend, insurance companies argue they must be allowed to set rates based on the wildfire risk caused by the climate crisis. The industry wants to use computer models to predict future fire danger and guide the approach to policies. That would increase premiums, but it would also enable insurers to write policies for more high-risk areas and drop fewer homeowners, insurance companies say.

“We’re dealing with regulations that say we can only look backward

and we can't look forward," said Taylor, with the Personal Insurance Federation. "That's what's missing from the conversations to increase availability."

The state insurance department – which under a voter-approved 1988 law called Prop. 103 must sign off on changes to insurance companies' policies – currently requires insurers to determine rates based on historical damages. Providers have been able to raise rates in recent years, but they contend it's not enough to shield their risk.

State insurance officials and consumer advocates say changing that policy and allowing so-called "[catastrophe modeling](#)" could unfairly raise rates for homeowners through an opaque and potentially discriminatory process.

"The insurance companies have been claiming 'we need to use algorithms to set insurance rates,'" said Harvey Rosenfield, founder of Consumer Watchdog. "But under Prop. 103, they're required to use historic data, which is empirical."

With seemingly no resolution on the horizon, that could mean more lost policies and rising premiums in the years ahead.

Sean Murawsky had to buy a FAIR Plan policy after his insurer stopped covering his home in Boulder Creek following the CZU fires. His annual premium is now around \$3,000, roughly three times what he was paying before.

Despite the increased cost and growing wildfire threat, he has no plans of moving his family from the area.

"I'm not scared off," he said. "I know there's high risk, but there's high risk in many areas of California."