



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

ADOPTED 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 be 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