

LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY
RESOLUTION NO. 2023-08

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
“SCOTTS VALLEY WATER DISTRICT SPHERE ANNEXATION”
(LAFCO PROJECT NO. DA 22-13)

WHEREAS, an application requesting the annexation and subsequent sphere of influence amendment was filed by the affected agency (“Scotts Valley Water District”; “SVWD”) 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 the affected agency through the unanimous adoption of a board resolution. The subject area involves 184 parcels totaling approximately 1,500 acres. Eighty-one percent (81%) of these parcels (149 out of 184) are within SVWD’s sphere boundary and the remaining nineteen percent (19%) of these parcels (35 out of 184) are outside SVWD’s sphere but most of them are already being served by the water district; and

WHEREAS, the proposal was assigned the short-term designation of “Scotts Valley Water District Sphere Annexation”; and

WHEREAS, the proposal consists of the following change of organization: (1) annexation of 184 parcels to the Scotts Valley Water District Water District, and (2) sphere amendment to reflect the thirty five parcels served by SVWD but outside the District’s sphere boundary; and

WHEREAS, the subject area is within unincorporated county territory and is located east of Highway 152, south of Casserly Road, west of Strawberry Hill and Rosa Lane, and north of College Road and Lakeview Road; and

WHEREAS, correspondence summarizing the proposal was sent to all affected and interested agencies requesting comments on September 12, 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 December 13, 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 April 5, 2023; 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 April 5, 2023 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 Scotts 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 Scotts Valley Water District initiated the annexation and has continued to express support throughout the LAFCO process.
- b) Fee Deposit: The multi-parcel annexation is directly tied to LAFCO's recommendation found in the 2022 Countywide Water Service and Sphere Review. Therefore, the fee deposit has been waived due to the District's proactive effort to accomplish LAFCO's recommendations.
- 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. **Exhibit A** is a vicinity map depicting the annexation area.
- d) Sphere Boundary: LAFCO originally adopted a sphere of influence for the Scotts Valley Water District on October 16, 1985. The sphere boundary was previously updated in March 2021. The current sphere boundary was reaffirmed on August 3, 2022. **Exhibit B** is a vicinity map depicting the new sphere boundary.
- 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 March 14, 2023, and scheduled the proposal for Commission consideration on April 5, 2023. Pursuant to Government Code Section 56157, the initiating agency also mailed out a postcard to the affected residents at least 21 days prior to the hearing.

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 September 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 Scotts 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 connection by the affected landowner and/or registered voter.

- 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. The reconsideration period is scheduled for April 6, 2023 to May 5, 2023.

Section 10. The Executive Officer will hereby conduct a 26-day protest proceeding as provided in Government Code Section 57000. The protest period is scheduled for May 8, 2023 to June 2, 2023.

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 5th day of April 2023.

AYES:

NOES:

ABSTAIN:

YVETTE BROOKS, CHAIRPERSON

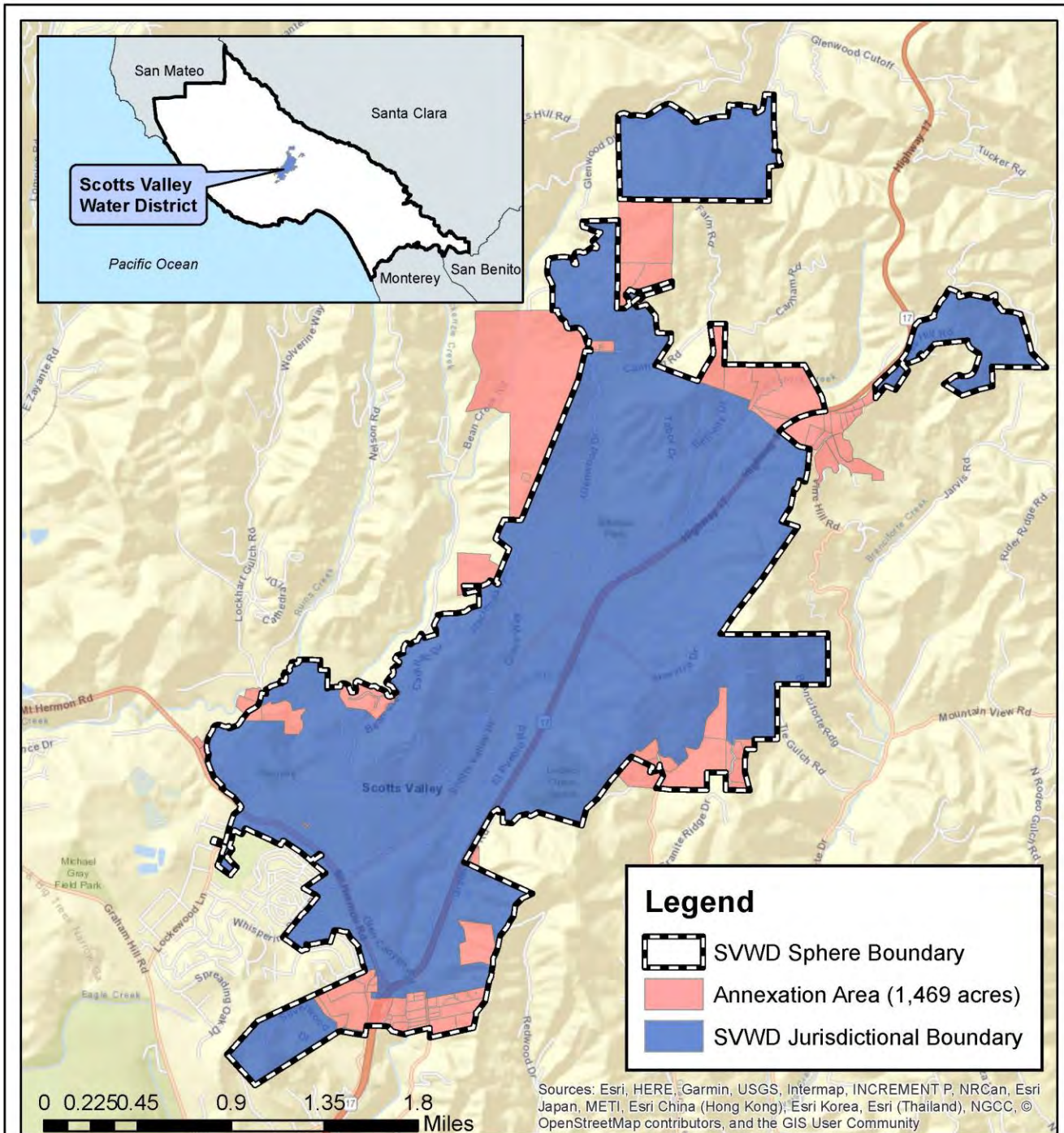
Attest:

Approved as to form:

Joe A. Serrano
Executive Officer

Joshua Nelson
LAFCO Counsel

Exhibit A: Vicinity Map

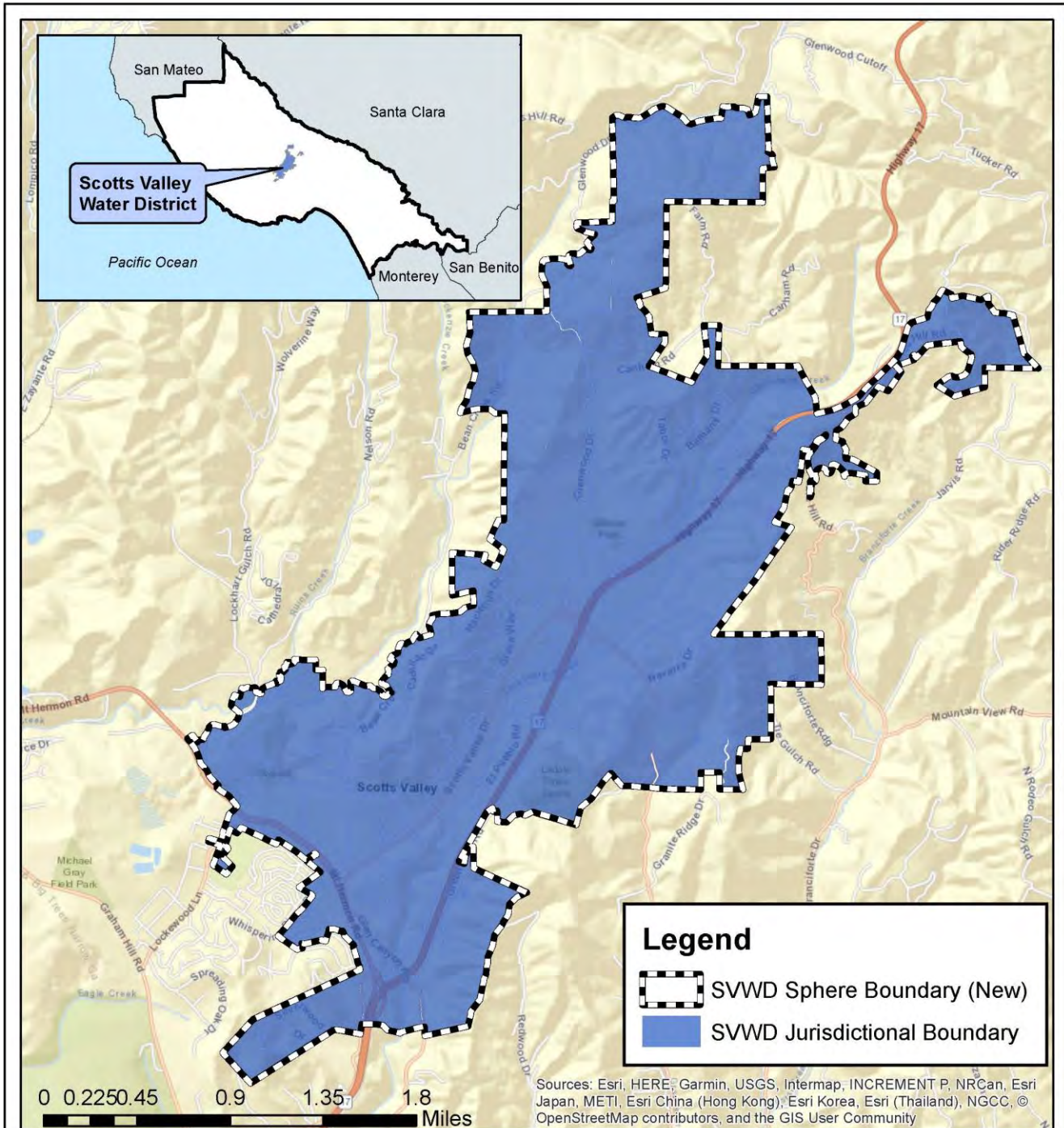


"Scotts Valley Water District Sphere Annexation" (LAFCO Project No. DA 22-13)



There are 184 parcels within the proposed annexation area. 81% of these parcels (149 out of 184) are within the District's sphere boundary. The remaining 35 parcels (19%) are outside the District's sphere but most of them are already being served by SVWD.

Exhibit B: New Sphere Map



Scotts Valley Water District Jurisdictional and Sphere Boundaries

Original sphere adopted on October 16, 1985
 Sphere update on November 2, 2016
 Sphere amendment on March 3, 2021
 Sphere reaffirmed on August 3, 2022
 Sphere amendment on April 5, 2023