



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

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**ADOPTED MINUTES**

**LAFCO REGULAR MEETING AGENDA**

**Wednesday, June 14, 2023**

**Start Time - 9:00 a.m.**

**1. ROLL CALL**

**Vice-Chair John Hunt** 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. He asked staff to conduct the roll call.

The following Commissioners were present:

- Vice-Chair John Hunt
- Commissioner Jim Anderson
- Commissioner Roger Anderson
- Commissioner Justin Cummings
- Commissioner Zach Friend
- Alternate Commissioner Ed Banks

*Alternate Commissioner John Hunt (Vice-Chair) will serve as the meeting facilitator on behalf of Chair Yvette Brooks. Alternate Commissioner Ed Banks will be a voting member on behalf of Commissioner Rachél Lather (Special District Representative).*

The following LAFCO staff members were present:

- Analyst, Francisco Estrada
- Legal Counsel, Joshua Nelson
- Executive Officer, Joe Serrano

**2. EXECUTIVE OFFICER'S MESSAGE**

**2a. Virtual Meeting Process**

**Executive Officer Joe Serrano** announced that the Commission Meeting was being conducted through a hybrid approach with Commissioners and staff attending in-person while members of the public have the option to attend virtually or in-person. Mr. Serrano noted that Legal Counsel was participating remotely in accordance with state law.

### 3. ADOPTION OF MINUTES

**Vice-Chair John Hunt** requested public comments on the draft minutes. **Executive Officer Joe Serrano** noted no public comments. **Vice-Chair John Hunt** closed public comments.

**Vice-Chair John Hunt** called for a motion. **Commissioner Jim Anderson** motioned for approval of the May 3rd Meeting Minutes with no changes and **Commissioner Justin Cummings** seconded the motion.

**Vice-Chair John Hunt** called for a voice vote on the approval of the draft minutes with no changes.

**MOTION:** Jim Anderson

**SECOND:** Justin Cummings

**FOR:** Jim Anderson, Roger Anderson, Ed Banks, Justin Cummings, and Zach Friend.

**AGAINST:** None

**ABSTAIN:** None

**MOTION PASSED: 5-0**

### 4. ORAL COMMUNICATIONS

**Vice-Chair John Hunt** requested public comments on any non-agenda items. **Executive Officer Joe Serrano** indicated that there was one request to address the Commission.

**Becky Steinbruner**, member of the public, spoke about the Branciforte Fire Protection District's special benefit assessment ballot procedure process and the ongoing fire reorganization.

**Vice-Chair John Hunt** closed public comments and moved on to the next agenda item.

### 5. PUBLIC HEARINGS

**Vice-Chair John Hunt** indicated that there were two public hearing items for Commission consideration today.

#### **5a. "Final Budget for Fiscal Year 2023-24"**

**Vice-Chair John Hunt** requested staff to provide a presentation on the final budget for the upcoming fiscal year.

**Executive Officer Joe Serrano** recommended approval of the final budget for Fiscal Year 2023-24. Mr. Serrano noted that the Commission's request to reexamine pension obligations were addressed in the final version of the budget. The proposed final budget for FY 2023-24 is only 1% higher than the current budget (FY 2022-23).

**Vice-Chair John Hunt** requested public comments on the proposal. **Executive Officer Joe Serrano** indicated that there was one request to address the Commission on this item.

**Becky Steinbruner**, member of the public, commended LAFCO staff for keeping costs down in the proposed final budget. Ms. Steinbruner also asked staff and the Commission to remain diligent and continue meeting all of LAFCO's future CalPERS unfunded liability obligations.

**Vice-Chair John Hunt** closed public comments and opened the floor for Commission discussion.

**Vice-Chair John Hunt** called for a motion. **Commissioner Zach Friend** motioned for approval of staff recommendation and **Commissioner Roger Anderson** seconded the motion.

**Vice-Chair John Hunt** called for a voice vote on the motion based on staff's recommendation: **(1) Adopt the draft resolution (LAFCO No. 2023-13) approving the final budget for Fiscal Year 2023-24; and (2) Authorize the Executive Officer to request the Auditor-Controller's Office to distribute the final budget and apportionment amount to the funding agencies by July 2023.**

**MOTION:** Zach Friend

**SECOND:** Roger Anderson

**FOR:** Jim Anderson, Roger Anderson, Ed Banks, Justin Cummings, and Zach Friend.

**AGAINST:** None

**ABSTAIN:** None

**MOTION PASSED: 5-0**

#### **5b. "Service & Sphere Review for County Service Area 53"**

**Vice-Chair John Hunt** requested staff to provide a presentation on the draft service and sphere review for County Service Area 53 (Mosquito Abatement & Vector Control).

**Executive Officer Joe Serrano** informed the Commission that CSA 53 was originally established in 1992 and covered 70 square miles from Aptos to Watsonville providing mosquito abatement and vector control services. Through the LAFCO process, CSA 53 was extended to include the entire county in 2005. CSA 53 provides an essential service to all residents of the county and the agency is currently financially stable. Finally, Mr. Serrano recommended improving transparency and access to important governmental information on their website, but noted that overall, CSA 53 is being efficiently managed by county staff.

**Vice-Chair John Hunt** requested public comments on the proposal. **Executive Officer Joe Serrano** indicated that there was one request to address the Commission.

**Becky Steinbruner**, member of the public, questioned whether financial information is readily available and asked for clarification about what constitutes an exemption under

the California Environmental Quality Act (CEQA). **Executive Officer Joe Serrano** indicated that the information Ms. Steinbruner was requesting on supplemental funding can be found in the document section on the county website and CSA 53 staff is additionally working towards making the information more easily accessible. Finally, Mr. Serrano explained CEQA Guidelines under Section 15300-15331, which define categorical exemptions.

**Vice-Chair John Hunt** opened the floor for Commission discussion. **Commissioner Roger Anderson** asked about the current and future status of CSA 53's fund reserve balance to cover potential deficits, as well as about the benchmarks used to measure the robustness and transparency of CSA 53's website. **Commissioner Jim Anderson** shared with the Commission about his positive experiences working with the staff of CSA 53 on projects. **Executive Officer Joe Serrano** explained that CSA 53 currently has enough in fund reserves to cover potential future deficits. Additionally, although CSA 53's website provides helpful information on mosquito abatement and vector control services, Mr. Serrano mentioned that it would be beneficial for all residents to have more information on the governance structure of an agency as important as CSA 53.

**Amanda Paulson**, CSA 53 Assistant Vector Control Manager, provided the Commission with additional information on CSA 53's governance structure and upcoming revisions to the county website.

**Commissioner Zach Friend** mentioned the likelihood of CSA 53 residents needing to reassess its current fee structure in order to maintain or improve their current level of services.

**Vice-Chair John Hunt** called for a motion. **Commissioner Zach Friend** motioned for approval of staff recommendation and **Commissioner Jim Anderson** seconded the motion.

**Vice-Chair John Hunt** called for a voice vote on the motion based on staff's recommendation: **(1) Find the report to be exempt from CEQA, (2) Determine that the report fulfills the requirements under GCS 56425, (3) Determine that the report fulfills the requirements under GCS 56430, and (4) Adopt the LAFCO Resolution (No. 2023-14) approving the 2023 Service & Sphere Review for CSA 53 with the following conditions: (a) Reaffirm CSA 53's current sphere boundary, and (b) Direct the Executive Officer to distribute a copy of this adopted service and sphere review to the CSA 53 representatives and any other interested or affected parties, including but not limited to the County Agricultural Commissioner's Office and the four cities.**

**MOTION: Zach Friend**

**SECOND: Jim Anderson**

**FOR: Jim Anderson, Roger Anderson, Ed Banks, Justin Cummings, and Zach Friend.**

**AGAINST: None**

**ABSTAIN: None**

**MOTION PASSED: 5-0**

## 6. OTHER BUSINESS

**Vice-Chair John Hunt** indicated that there are three business items for Commission consideration today.

### **6a. “Scotts Valley Water District Sphere Annexation – Protest Results”**

**Vice-Chair John Hunt** requested staff to provide a presentation on the protest results for the Scotts Valley Water District Sphere Annexation.

**Executive Officer Joe Serrano** informed the Commission that a hearing was held on Friday, June 2, 2023, at 9:00 a.m. for residents to protest the proposed annexation. Mr. Serrano stated that at the conclusion of the protest period, out of 184 landowners and 275 registered voters, LAFCO staff received only one valid petition. He recommended that the Commission adopt the draft resolution certifying the protest hearing results.

**Vice-Chair John Hunt** requested public comments on the proposal. **Executive Officer Joe Serrano** indicated that there was one request to address the Commission on this item.

**Becky Steinbruner**, member of the public, asked a question regarding the project’s CEQA Notice of Exemption status. **Executive Officer Joe Serrano** explained that an annexation does not trigger an environmental review, however, if a future development is considered then such a project may trigger an environmental review, including but not limited to, an environmental impact report.

**Vice-Chair John Hunt** closed public comments and called for a motion. **Commissioner Justin Cummings** motioned for approval of staff recommendation and **Commissioner Jim Anderson** seconded the motion.

**Vice-Chair John Hunt** called for a voice vote on the motion based on staff’s recommendation: **(1) Adopt the draft minutes from the June 2, 2023 Protest Hearing and draft resolution (No. 2023-15) certifying the protest period results.**

**MOTION:** Justin Cummings  
**SECOND:** Jim Anderson  
**FOR:** Jim Anderson, Roger Anderson, Ed Banks, and Justin Cummings.  
**AGAINST:** None  
**ABSTAIN:** None

**MOTION PASSED: 4-0**

### **6b. “Special District Risk Management Authority Election Process”**

**Vice-Chair John Hunt** requested staff to provide a presentation on the Special District Risk Management Authority (SDRMA) Board of Directors election process.

**Executive Officer Joe Serrano** noted that all members of SDRMA are eligible to receive a ballot and vote for candidates running to join the Board of Directors. Mr. Serrano recommended voting for Acquanetta Warren from San Bernardino LAFCO and deferred

to the Commission on voting for any additional candidate. The Commission is allowed to vote for up to three candidates.

**Vice-Chair John Hunt** requested public comments on the proposal. **Executive Officer Joe Serrano** indicated that there was no request to address the Commission on this item.

**Vice-Chair John Hunt** closed public comments and opened the floor for Commission discussion. **Commissioner Roger Anderson** recommended a vote in support of Robert Swan from Groveland Community Services District based on his extensive experience. **Commissioner Jim Anderson** made note of the geographical locations represented by the pool of candidates and how well represented Northern California was on the board.

**Commissioner Roger Anderson** motioned to vote for Robert Swan from Groveland Community Services District and Acquanetta Warren from San Bernardino LAFCO. **Commissioner Justin Cummings** seconded the motion.

Vice-Chair John Hunt called for a voice vote on the following motion: **Adopt draft resolution (No. 2023-16) electing Acquanetta Warren from San Bernardino LAFCO and Robert Swan from Groveland Community Services to the SDRMA Board of Directors.**

**MOTION:** Roger Anderson  
**SECOND:** Justin Cummings  
**FOR:** Jim Anderson, Roger Anderson, Ed Banks, and Justin Cummings.  
**AGAINST:** None  
**ABSTAIN:** None

**MOTION PASSED: 4-0**

#### **6c. “Professional Services Agreement – Payroll Services”**

**Vice-Chair John Hunt** requested staff to provide a presentation on the Professional Services Agreement with the County of Santa Cruz for payroll and accounts payable services.

**Executive Officer Joe Serrano** informed the Commission that in an effort to formalize LAFCO’s professional relationship with the County of Santa Cruz for payroll and accounts payable services, a draft contractual agreement would need to be approved. Mr. Serrano assured the Commission that services would not change or be disrupted as this is a step towards better defining the professional partnership between both agencies.

**Vice-Chair John Hunt** requested public comments on the proposal. **Executive Officer Joe Serrano** indicated that there was no request to address the Commission on this item.

**Vice-Chair John Hunt** opened the floor for Commission discussion. **Commissioner Jim Anderson** noted that fees associated with payroll services from the County have increased in recent years and have had an impact on the administration of special districts. **Commissioner Ed Banks** agreed with Commissioner Jim Anderson’s observations and requested LAFCO staff to identify and mitigate unforeseen expenses

related to payroll and accounts payable services from the County. **Commissioner Roger Anderson** invited LAFCO staff to take a deeper dive into the expenses to be fully aware of all expenditures related to the proposed services from the County. **Executive Officer Joe Serrano** explained that staff will follow-up with county staff and hold additional conversations and share with the Commission a detailed analysis of the payroll and accounts payable services being provided to LAFCO.

**Vice-Chair John Hunt** asked if the Professional Services line item in the budget was for County services only. **Executive Officer Joe Serrano** explained that Professional Services paid for professional services from other vendors besides the County.

**Vice-Chair John Hunt** closed public comments and called for a motion. **Commissioner Roger Anderson** motioned for approval of staff recommendation and **Commissioner Jim Anderson** seconded the motion.

**Vice-Chair John Hunt** called for a voice vote to approve the motion based on staff's recommendation: **Adopt draft contractual agreement between LAFCO and the County of Santa Cruz for payroll and accounts payable services.**

**MOTION:** Roger Anderson  
**SECOND:** Jim Anderson  
**FOR:** Jim Anderson, Roger Anderson, Ed Banks, and Justin Cummings.  
**AGAINST:** None  
**ABSTAIN:** None

**MOTION PASSED: 4-0**

## **7. WRITTEN CORRESPONDENCE**

**Vice-Chair John Hunt** inquired whether there was any written correspondence submitted to LAFCO. **Executive Officer Joe Serrano** informed the Commission that there was one letter regarding the recently approved changes by the City Selection Committee to the LAFCO rotation schedule. Mr. Serrano explained to that a policy reflecting the recent change will be presented to the Commission later this year.

**Vice-Chair John Hunt** requested public comments on the proposal. **Executive Officer Joe Serrano** indicated that there was one request to address the Commission on this item.

**Becky Steinbruner**, member of the public, shared her appreciation for the proposed changes to the LAFCO rotation schedule and discussed continued transparency concerns related to the City Selection Committee.

**Vice-Chair John Hunt** moved to the next item since no Commission action was required.

## **8. PRESS ARTICLES**

**Vice-Chair John Hunt** 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. **Vice-Chair John Hunt** moved to the next item since no Commission action was required.

## 9. COMMISSIONERS' BUSINESS

**Vice-Chair John Hunt** inquired whether any Commissioner would like to share any information. There were no comments.


**Vice-Chair John Hunt** allowed public comments on the item. **Executive Officer Joe Serrano** indicated that there was one request to address the Commission on this item.

**Becky Steinbruner**, member of the public, mentioned that the audio volume level for Commissioner Roger Anderson's microphone during the meeting was low and made mention of the current Big Basin water system receivership process with the State and its impact on residents. **Executive Officer Joe Serrano** encouraged Ms. Steinbruner to send him articles that may be of interest to LAFCO.

**Vice-Chair John Hunt** moved to the next item since no Commission action was required.

## 10. ADJOURNMENT

**Vice-Chair John Hunt** adjourned the Regular Commission Meeting at 9:45 a.m. to the next regular LAFCO meeting scheduled for Wednesday, August 2, 2023, at 9:00 a.m.

  
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YVETTE BROOKS, CHAIRPERSON

Attest:

  
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JOE A. SERRANO, EXECUTIVE OFFICER