



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

701 Ocean Street, #318-D  
Santa Cruz, CA 95060  
Phone Number: (831) 454-2055  
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**REGULAR MEETING AGENDA**

**Wednesday, September 6, 2023 at 9:00 a.m.**  
(hybrid meeting may be attended remotely or in-person)

**Attend Meeting by Internet:** <https://us02web.zoom.us/j/85888035676>  
(Password 770150)

**Attend Meeting by Conference Call:** **Dial 1-669-900-6833 or 1-253-215-8782**  
(Webinar ID: 858 8803 5676)

**Attend Meeting In-Person:** **Board of Supervisors Chambers**  
(701 Ocean Street, Room 525, Santa Cruz CA 95060)

**HYBRID MEETING PROCESS**

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Santa Cruz LAFCO has established a hybrid meeting process in accordance with Assembly Bill 2449:

- a) Commission Quorum: State law indicates that a quorum must consist of Commissioners in person pursuant to AB 2449.
- b) Public Comments: For those wishing to make public comments remotely, identified individuals will be given up to 3 minutes to speak. Staff will inform the individual when one minute is left and when their time is up. For those attending the meeting remotely, please click on the "Raise Hand" button under the "Reactions Tab" to raise your hand. For those joining via conference call, pressing \*9 will raise your hand. The 3 minute limit also applies to virtual public comments.
- 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, but 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 the appropriate arrangements. Persons with disabilities may also request a copy of the agenda in an alternative format.

## **1. ROLL CALL**

## **2. CLOSED SESSION**

### **CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION**

Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9: 1 case [litigation threat of Becky Steinbruner included in agenda packet with Item 7.a]

## **3. 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. Hybrid Meeting Process**

The Commission will receive an update on the hybrid meeting process.

Recommended Action: No action required; Informational item only.

### **b. CSDA Annual Conference Recap**

The Commission will receive an update on this year's annual conference hosted by the California Association of Special Districts.

Recommended Action: No action required; Informational item only.

## **4. ADOPTION OF MINUTES**

The Commission will consider approving the minutes from the August 2, 2023 Regular LAFCO Meeting.

Recommended Action: Approve the minutes as presented with any desired changes.

## **5. 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.

## **6. 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. Service & Sphere Review for County Service Area 12**

The Commission will consider the adoption of a service and sphere of influence review for County Service Area 12 (Septic Tank Maintenance).

Recommended Actions:

- 1) Find, pursuant to Section 15061(b)(3) of the State CEQA Guidelines, that LAFCO determined that the service and sphere of influence review is not subject to the environmental impact evaluation process because it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment and the activity is not subject to CEQA;

- 2) Determine, pursuant to Government Code Section 56425, that LAFCO is required to develop and determine a sphere of influence for CSA 12, and review and update, as necessary;
- 3) Determine, pursuant to Government Code Section 56430, that LAFCO is required to conduct a service review before, or in conjunction with an action to establish or update a sphere of influence; and
- 4) Adopt LAFCO Resolution (No. 2023-19) approving the 2023 Service and Sphere of Influence Review for CSA 12 with the following conditions:
  - a. Reaffirm CSA 12's current sphere of influence; and
  - b. Direct the Executive Officer to distribute a copy of this adopted service and sphere review to the CSA 12 representatives and any other interested or affected parties, including but not limited to the four cities and the other sanitation agencies located in Santa Cruz County.

## 7. OTHER BUSINESS

Other business items involve administrative, budgetary, legislative, or personnel matters and may or may not be subject to public hearings.

### a. **“Branciforte Fire Protection District Reorganization” – Latest Update**

The Commission will review an update on the recently approved fire reorganization, including a request for reconsideration submittal.

#### Recommended Actions:

- 1) Consider the submitted request for reconsideration; and
- 2) Receive and file the administrative corrections to the adopted resolution (No. 2023-17) in accordance with Government Code Section 56883.

### b. **Policies & Procedures Handbook**

The Commission will consider adopting a comprehensive handbook illustrating all the current policies and procedures.

#### Recommended Actions:

- 1) Adopt LAFCO Resolution (No. 2023-20) approving the development of the comprehensive Policies & Procedures Handbook with the following amendments:
  - a. Amend the Financial Policy to include guidelines on how to manage LAFCO's reserve funds;
  - b. Amend the Proposal Evaluation Policy to include an updated version of LAFCO's application form;
  - c. Adopt the proposed City Selection Committee Policy; and
  - d. Approve the proposed minor and non-substantial adjustments identified throughout the proposed handbook.

## 8. 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.

## 9. 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.

## 10. 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.

## 11. ADJOURNMENT

LAFCO's next regular meeting is scheduled for Wednesday, October 4, 2023 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 LAFCO staff 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](http://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 will require special assistance in order to participate, please contact the LAFCO office at 831-454-2055 at least 24 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, #318-D, 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](http://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**

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**DRAFT MINUTES**

**LAFCO REGULAR MEETING AGENDA**

**Wednesday, August 2, 2023  
Start Time - 9:00 a.m.**

**1. ROLL CALL**

**Chair Yvette Brooks** called the meeting of the Local Agency Formation Commission of Santa Cruz County (LAFCO) to order at 9:00 a.m. and welcomed everyone in attendance. She asked staff to conduct the roll call.

The following Commissioners were present:

- Chair Yvette Brooks
- Vice-Chair John Hunt
- Commissioner Jim Anderson
- Commissioner Roger Anderson
- Commissioner Justin Cummings
- Commissioner Zach Friend
- Commissioner Rachél Lather
- Commissioner Allan Timms
- Alternate Commissioner Ed Banks
- Alternate Commissioner Manu Koenig
- Alternate Commissioner Shebreh Kalantari-Johnson

The following LAFCO staff members were present:

- LAFCO 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

**Chair Yvette Brooks** requested public comments on the draft minutes. **Executive Officer Joe Serrano** noted no public comments. **Chair Yvette Brooks** closed public comments.

**Chair Yvette Brooks** called for a motion. **Commissioner Jim Anderson** motioned for approval of the June 14th Meeting Minutes with no changes and **Commissioner Justin Cummings** seconded the motion.

**Chair Yvette Brooks** 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, Yvette Brooks, Justin Cummings, Zach Friend, and Rachél Lather.  
**AGAINST:** None  
**ABSTAIN:** Allan Timms

**MOTION PASSED: 6-0, with one abstention.**

### 4. ORAL COMMUNICATIONS

**Chair Yvette Brooks** 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 her concern regarding the State Water Board's recent actions on hexavalent chromium limits and its potential impact on local the water supply and on water districts. Ms. Steinbruner also commented on the State Water Board's draft Direct Potable Reuse guidelines and its impact on potential growth and housing elements currently being developed across the county.

**Chair Yvette Brooks** closed public comments and moved on to the next agenda item.

### 5. PUBLIC HEARINGS

**Chair Yvette Brooks** indicated that there were two public hearing items for Commission consideration today.

#### **5a. "Branciforte Fire Protection District Reorganization"**

**Chair Yvette Brooks** requested staff to provide a presentation on the proposed reorganization.

**Executive Officer Joe Serrano** explained to the Commission that the Branciforte Fire Protection District ("BFPD"), formed in 1950, provides fire protection services to residents living in territory located in the central portion of the county, with less than 800 parcels and less than 200 registered voters. Mr. Serrano conveyed to the Commission the importance and reason behind the proposed reorganization between BFPD and the

Scotts Valley Fire Protection District ("SVFPD"). Currently, BFPD has a staff of 3 full-time and 9 volunteer firefighters, a fire station staffed with a single firefighter with basic life support capabilities, no administrative staff or full-time fire chief, and is in a financially distressed situation. By these same metrics, SVFPD is well-managed with sufficient capability to extend and provide fire protection services to the residents of the Branciforte Community without impacting the level of service for the rest of their district. In an effort to ensure that the Branciforte community receives adequate fire protection and emergency services now and in the future, the BFPD Board of Directors initiated the reorganization process. Mr. Serrano noted that the reorganization process between these two agencies has been a collaborative effort. In terms of concerns regarding the proposed reorganization, Mr. Serrano mentioned that LAFCO received two correspondences on the issue of governance post-reorganization and about a potential bond measure. Mr. Serrano addressed these concerns by indicating that SVFPD is considering transitioning to district-based elections after the reorganization is complete and after the district has had sufficient time to adequately study and assess the issue. In the meantime, the proposed Branciforte Advisory Commission will represent residents and advise the SVFPD Board of Directors on matters related to fire protection services in the Branciforte community. This information can be found in the Plan for Service, which was approved by the boards of SVFPD and BFPD, respectively. Finally, in terms of SVFPD's upcoming bond measure to fund the construction of a new fire station, Mr. Serrano explained that language had been added to the resolution to exclude the Branciforte community from funding the bond measure, if enacted.

**Chair Yvette Brooks** opened the floor for Commission discussion.

**Commissioner Roger Anderson** had questions related to call for service levels, call distribution, and how a district election would work for the proposed reorganized territory. **Executive Officer Joe Serrano** mentioned he did not expect the SVFPD's ISO Rating to be significantly affected by the reorganization. He also reminded the Commission about the Countywide Fire Protection Service & Sphere Review which provides a breakdown of all service calls for each fire district in the county. Regarding equal representation on the SVFPD Board post-reorganization, Mr. Serrano informed the Commission that a transition from at-large to district-based elections would first require extensive and careful expert analysis before a change would occur.

**Commissioner Justin Cummings** had a question on the reduction of volunteer firefighters in the Branciforte community over time. **Executive Officer Joe Serrano** explained that aspiring volunteers now face an increase in statutory requirements, coupled with daily life obstacles in their pursuit of becoming a volunteer or professional firefighter. Mr. Serrano also noted that this was a state trend, not an issue unique to BFPD.

**Commissioner Justin Cummings** had an additional clarifying question regarding the role of the Branciforte Advisory Commission. **Executive Director Joe Serrano** explained that Measure T funds were previously approved by the Branciforte community to help fund the purchase of equipment and maintain the Branciforte fire station. All revenues, including Measure T funds and property taxes, currently collected by BFPD will be transferred over to SVFPD to adequately fund the delivery of fire protection and emergency services to the Branciforte community post-reorganization.

**Commissioner Manu Koenig** shared his experience with the reorganization process, appreciated experiencing the evolution of opinion for the proposed reorganization from the residents of the Branciforte community, and mentioned that his office had not received any negative comments from residents about the reorganization process or proposed governance structure.

**Chair Yvette Brooks** noted no additional Commission discussion and requested public comments on the proposal. **Executive Officer Joe Serrano** indicated that there were two requests to address the Commission on this item.

**Kate Anderton**, member of the public and resident of Branciforte, expressed her concern for the use of Measure T funds after the reorganization is complete.

**Becky Steinbruner**, member of the public, expressed her support for transitioning SVFPD from at-large elections to district-based elections to increase representation on the SVFPD Board of Directors for residents of the Branciforte community.

**Executive Officer Joe Serrano** reiterated that as the successor agency, SVFPD would still need the revenue from Measure T in order to continue providing fire protection services directly to the residents of Branciforte. Mr. Serrano also noted the importance and role of the Branciforte Advisory Commission to oversee the appropriate use and management of Measure T funds. Additionally, he explained key differences between the Aptos/La Selva and Central Fire Consolidation and the proposed reorganization in regard to transitioning to district-based elections.

**Chair Yvette Brooks** closed public comments and asked for any further Commission discussion.

**Commissioner John Hunt** asked a clarifying question on the administration of Measure T funds. **Executive Officer Joe Serrano** explained that the Commission has the authority to approve, deny, or modify the draft resolution for the proposed reorganization, however, any change would have to be reviewed and considered by the affected agencies before the reorganization is completed.

**Commissioner Justin Cummings** added that Branciforte residents would still have adequate representation after the reorganization through the Advisory Commission.

**Commissioner Roger Anderson** inquired on the amount collected through Measure T each year and what steps were needed to transition to district-based elections. **Executive Officer Joe Serrano** mentioned that approximately \$160,000 is collected each year and explained that assessments for district-based elections were extensive processes that required considerable time and resources.

**Commissioner Jim Anderson** spoke on the importance and role of the Branciforte Advisory Commission, which will be made up of Branciforte residents.

**Chair Yvette Brooks** closed Commission discussion and called for a motion. **Commissioner Zach Friend** motioned for approval of staff recommendation and **Commissioner Justin Cummings** seconded the motion.

**Chair Yvette Brooks** called for a voice vote on the motion based on staff's recommendation: **(1) Adopt the draft resolution (LAFCO No. 2023-17) approving the reorganization involving the Branciforte and Scotts Valley Fire Protection Districts.**

**MOTION: Zach Friend**

**SECOND: Justin Cummings**

**FOR: Jim Anderson, Roger Anderson, Yvette Brooks, Justin Cummings, Zach Friend, Rachél Lather, and Allan Timms.**

**AGAINST: None**

**ABSTAIN: None**

**MOTION PASSED: 7-0**

*Commissioner Zach Friend left the meeting at 9:58 a.m. Alternate Commissioner Manu Koenig will replace Commissioner Zach Friend as a voting member.*

**5b. "Service & Sphere Review for County Service Area 11"**

**Chair Yvette Brooks** requested staff to provide a presentation on the draft service and sphere review for County Service Area 11.

**Executive Officer Joe Serrano** informed the Commission that CSA 11 was established in 1971 to provide recreational and park-related services to the entire county, excluding the three independent special districts and the four cities within Santa Cruz County. CSA 11 is considered to be financially stable at this time and is being run in an efficient manner. Mr. Serrano did make a recommendation about CSA 11's website, which included adding more information regarding their governance structure and information on how residents can participate in their decision-making process since the CSA provides an essential service to the entire county.

**Chair Yvette Brooks** opened the floor for Commission discussion.

**Commissioner John Hunt** had a clarifying question on requirements for website transparency. **Executive Officer Joe Serrano** explained that LAFCO encourages all agencies to provide more information to the public regarding governance structure, current and future actions, and overall transparency.

**Chair Yvette Brooks** 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, spoke on the importance of increasing transparency for the county website, especially when it comes to Measure G funds, which support local parks such as Aptos Village Park.

**Chair Yvette Brooks** opened the floor for further Commission discussion.

**Chair Yvette Brooks** called for a motion. **Commissioner Justin Cummings** motioned for approval of staff recommendation and **Commissioner Jim Anderson** seconded the motion.

**Chair Yvette Brooks** 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. 2023-18) approving the 2023 Service & Sphere Review for CSA 11 with the following conditions: (a) Reaffirm CSA 11's current sphere of influence, and (b) Direct the Executive Officer to distribute a copy of this adopted service and sphere review to the CSA 11 representatives and any other interested or affected parties identified in the service review.

**MOTION:** Justin Cummings  
**SECOND:** Jim Anderson  
**FOR:** Jim Anderson, Roger Anderson, Yvette Brooks, Justin Cummings, Manu Koenig, Rachél Lather, and Allan Timms.  
**AGAINST:** None  
**ABSTAIN:** None

**MOTION PASSED: 7-0**

## **6. OTHER BUSINESS**

**Chair Yvette Brooks** indicated that there are two business items for Commission consideration today.

### **6a. "CALAFCO Annual Conference"**

**Chair Yvette Brooks** requested staff to provide an update on this year's annual conference and upcoming CALAFCO Board of Directors election process.

**Executive Officer Joe Serrano** informed the Commission that the annual CALAFCO conference will be taking place in Monterey County this year and several Santa Cruz LAFCO Commissioners have registered to attend. As part of the conference, there is an election process for the CALAFCO Board of Directors. Mr. Serrano requested that the Commission appoint a voting delegate and an alternate for the scheduled board election. Additionally, Mr. Serrano provided an overview of the two potential award nominations involving Santa Cruz LAFCO.

**Chair Yvette Brooks** opened the floor for Commission discussion.

**Commissioner Roger Anderson** suggested to the Commission to make two separate motions and take two separate votes to determine the CALAFCO annual conference voting delegates and to approve the award nominations.

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

**Chair Yvette Brooks** closed public comments. **Commissioner Justin Cummings** had a clarifying question about attendance to the CALAFCO annual conference. **Executive**

**Officer Joe Serrano** provided the Commission with an updated list of Commissioners attending the annual conference.

**Chair Yvette Brooks** called for a motion designating **Commissioner Allan Timms** as the Voting Delegate and **Executive Officer Joe Serrano** as the Alternate Voting Delegate for the upcoming CALAFCO Board of Directors election. **Commissioner Justin Cummings** motioned for approval of the recommendation and **Commissioner Rachél Lather** seconded the motion.

**MOTION:** Justin Cummings  
**SECOND:** Rachél Lather  
**FOR:** Jim Anderson, Roger Anderson, Yvette Brooks, Justin Cummings, Manu Koenig, Rachél Lather and Allan Timms.  
**AGAINST:** None  
**ABSTAIN:** None

**MOTION PASSED: 7-0**

**Chair Yvette Brooks** called for a motion approving the proposed nominations for the Mike Gotch Excellence in Public Service Award. **Commissioner Roger Anderson** motioned for approval of staff recommendation and **Commissioner Allan Timms** seconded the motion.

**MOTION:** Roger Anderson  
**SECOND:** Allan Timms  
**FOR:** Jim Anderson, Roger Anderson, Yvette Brooks, Justin Cummings, Manu Koenig, Rachél Lather and Allan Timms.  
**AGAINST:** None  
**ABSTAIN:** None

**MOTION PASSED: 7-0**

#### **6b. "Comprehensive Quarterly Report – Fourth Quarter (FY 2022-23)"**

**Chair Yvette Brooks** requested staff to provide a presentation on the quarterly report.

**LAFCO Analyst Francisco Estrada** 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. Estrada covered these areas and indicated that the fiscal year ended with over 100% of anticipated revenues received and only approximately 62% of anticipated expenses spent.

**Chair Yvette Brooks** opened the floor for Commission discussion.

**Chair Yvette Brooks** noted no Commission discussion and 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 LAFCO staff's willingness to attend and be present at important meetings throughout the county.

**Chair Yvette Brooks** moved to the next item since no Commission action was required.

## **7. WRITTEN CORRESPONDENCE**

**Chair Yvette Brooks** inquired whether there was any written correspondence submitted to LAFCO. **Executive Officer Joe Serrano** informed the Commission that there were none.

**Chair Yvette Brooks** moved to the next item since no Commission action was required.

## **8. PRESS ARTICLES**

**Chair Yvette Brooks** 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 Yvette Brooks** moved to the next item since no Commission action was required.

## **9. COMMISSIONERS' BUSINESS**

**Chair Yvette Brooks** inquired whether any Commissioner would like to share any information. There were no comments.

**Chair Yvette Brooks** moved to the next item since no Commission action was required.

## **10. ADJOURNMENT**

**Chair Yvette Brooks** adjourned the Regular Commission Meeting at 10:14 a.m. to the next regular LAFCO meeting scheduled for Wednesday, September 6, 2023, at 9:00 a.m.

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YVETTE BROOKS, CHAIRPERSON

Attest:

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JOE A. SERRANO, EXECUTIVE OFFICER



Santa Cruz Local Agency Formation Commission

Date: September 6, 2023  
To: LAFCO Commissioners  
From: Joe Serrano, Executive Officer  
Subject: **Service and Sphere Review for County Service Area 12**

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**SUMMARY OF RECOMMENDATION**

LAFCO periodically performs municipal service reviews and sphere of influence updates for each agency subject to LAFCO's boundary regulations. As part of the Commission's Multi-Year Work Program, LAFCO staff has drafted a service and sphere review for County Service Area 12 ("CSA 12") and scheduled a public hearing.

It is recommended that the Commission take the following actions:

1. Find, pursuant to Section 15061(b)(3) of the State CEQA Guidelines, that LAFCO determined that the service and sphere of influence review is not subject to the environmental impact evaluation process because it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment and the activity is not subject to CEQA;
2. Determine, pursuant to Government Code Section 56425, that LAFCO is required to develop and determine a sphere of influence for CSA 12, and review and update, as necessary;
3. Determine, pursuant to Government Code Section 56430, that LAFCO is required to conduct a service review before, or in conjunction with an action to establish or update a sphere of influence; and
4. Adopt LAFCO Resolution (No. 2023-19) approving the 2023 Service and Sphere of Influence Review for CSA 12 with the following conditions:
  - a. Reaffirm CSA 12's current sphere of influence; and
  - b. Direct the Executive Officer to distribute a copy of this adopted service and sphere review to the CSA 12 representatives and any other interested or affected parties, including but not limited to the four cities and the other sanitation agencies located in Santa Cruz County.

**EXECUTIVE OFFICER'S REPORT:**

State law requires LAFCO to periodically review and update the services and spheres of all cities and special districts. In accordance with the Commission's adopted Multi-Year Work Program, LAFCO staff has prepared a service and sphere review for the CSA (refer to **Attachment 1**). Key findings and recommendations are presented in the *Executive Summary* of the attached report. The service and sphere review also includes an analysis of the CSA's ongoing operations, current financial performance, existing governance structure, ability to provide services, and its importance within its jurisdictional area. The attached report concludes with determinations required by State law. This staff report summarizes the service and sphere review's findings, as shown in the following page.

## **Purpose & Key Findings**

The goal of this analysis is to accomplish the Commission's direction to complete a service and sphere review for the CSA under the Multi-Year Work Program and fulfill the service and sphere determinations under the Cortese-Knox-Hertzberg Act. The following are the main conclusions of the report:

### **1. CSA 12 provides services to a large portion of the county.**

The CSA's service area encompasses approximately 407 square miles of unincorporated territory. CSA 12 operates under the County's Department of Environmental Health. The CSA provides funds to support the septic system inspection activities and maintenance programs operated by the Environmental Health Division of the Santa Cruz County Health Services Agency. There are approximately 28,000 septic systems countywide. Approximately 92% of the septic systems serve single family residences, 4.5% serve multiple residential uses, 3% serve commercial uses and 1% serve motels or camps. Most of the septic systems are located in unincorporated areas, with an additional 445 systems in the City of Scotts Valley, 110 in the City of Santa Cruz, 40 in the City of Watsonville, 15 in City of Capitola, and 2,000 within independent sanitation districts.

### **2. CSA 12 is financially stable at this time.**

The CSA's primary source of revenue is from service charges. CSA 12's fund balance ended with approximately \$1.4 million in FY 2021-22, an increase of 4% from the previous fiscal year. Financial statements from Fiscal Years 2017 to 2022 indicate that the CSA ended with a surplus each year, except in FY 2020-21. LAFCO staff believes this positive trend may continue if unanticipated expenses and unscheduled projects are mitigated.

### **3. CSA 12 requires improvement in governmental transparency.**

State law now requires all independent special districts to maintain and operate a website by January 1, 2020. CSA 12 is a dependent special district, and therefore, not subject to this statutory requirement. However, CSA 12 provides an important service to the entire county and should strive to be as transparent as possible. Based on LAFCO's analysis, the CSA does not meet any of the transparency benchmarks evaluated in this service review. LAFCO staff encourages the CSA to create a webpage dedicated to CSA 12 to ensure residents have the opportunity to participate in the CSA's decision-making process and future actions.

### **4. CSA 12's sphere of influence includes the entire county.**

The Commission adopted CSA 12's original sphere of influence in November 1988 which excluded the cities and other sanitation agencies. A countywide sphere boundary was established in 1990. The sphere boundary has remained the same since then. Staff is recommending that the current sphere boundary be reaffirmed as part of this review.

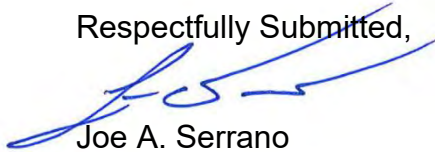
## **Environmental Review**

LAFCO staff has conducted an environmental review for the draft service and sphere review in accordance with the California Environmental Quality Act (CEQA). Staff has determined that the service and sphere review is exempt because it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, and the activity is not subject to CEQA (Section 15061[b][3]). A Notice of Exemption, as shown in **Attachment 2**, will be recorded after Commission action.

### **Agency Coordination and Public Notice**

A hearing notice for this draft service review was published in the August 15th issue of the Santa Cruz Sentinel (**Attachment 3**). The draft service and sphere review is attached to this staff report. As part of the thorough LAFCO process, an administrative draft of the report was also shared with representatives of CSA 12, including Sierra Ryan (Water Resources Manager for the County's Environmental Health Services Department). This allowed the CSA an opportunity to review LAFCO staff's findings and provide corrections and/or feedback before the report was finalized. The assistance of Ms. Ryan and her staff in completing this service review was greatly appreciated. In conclusion, staff is recommending that the Commission adopt the attached resolution (refer to **Attachment 4**) approving the service and sphere review.

Respectfully Submitted,



Joe A. Serrano  
Executive Officer

#### **Attachments:**

1. Service and Sphere Review – Administrative Draft
2. Environmental Determination – Categorical Exemption
3. Public Hearing Notice
4. Draft Resolution No. 2023-19

cc: Sierra Ryan, County Environmental Health Services Department

# County Service Area 12

## (Service & Sphere Review)



**Local Agency Formation Commission  
of Santa Cruz County**



Administrative Version – August 31, 2023



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# EXECUTIVE SUMMARY

## Introduction

This Service and Sphere of Influence Review provides information about the services and boundaries regarding County Service Area 12 (referred to as “CSA 12”). The report will be used by the Local Agency Formation Commission (LAFCO) to conduct a statutorily required review and update process. The Cortese-Knox-Hertzberg Act requires that LAFCO conduct periodic reviews and updates of Spheres of Influence for all cities and special districts in Santa Cruz County (Government Code Section 56425). It also requires LAFCO to conduct a review of municipal services before adopting sphere updates (Government Code Section 56430). The last service review for CSA 12 was adopted on August 1, 2018.

The service review process does not require LAFCO to initiate changes of organization based on service review conclusions or findings; it only requires that LAFCO make determinations regarding the delivery of public services in accordance with Government Code Section 56430. However, LAFCO, local agencies, and the public may subsequently use the determinations and related analysis to consider whether to pursue changes in service delivery, government organization, or spheres of influence. Service and sphere reviews are informational documents and are generally exempt from environmental review. LAFCO staff has conducted an environmental review of the Districts’ existing spheres of influence pursuant to the California Environmental Quality Act (CEQA) and determined that this report is exempt from CEQA. Such exemption is due to the fact that it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment (Section 15061[b][3]).

## Septic Maintenance Provisions

CSA 12 provides services to support and promote effective septic system pumping, maintenance, and management in unincorporated county territory. This task is done through various actions, including but not limited to the following: (1) providing capacity at the Watsonville and Santa Cruz Wastewater Treatment Plants for disposal of septic tank sludge, (2) collecting disposal fees for operation and maintenance of the Santa Cruz Septage Disposal Facility, (3) annual inspections and monitoring of nonstandard systems, (4) investigation of septic system problem areas, (5) promotion of septic system repairs, and (6) tracking and reporting of septic system performance, pumping and maintenance.

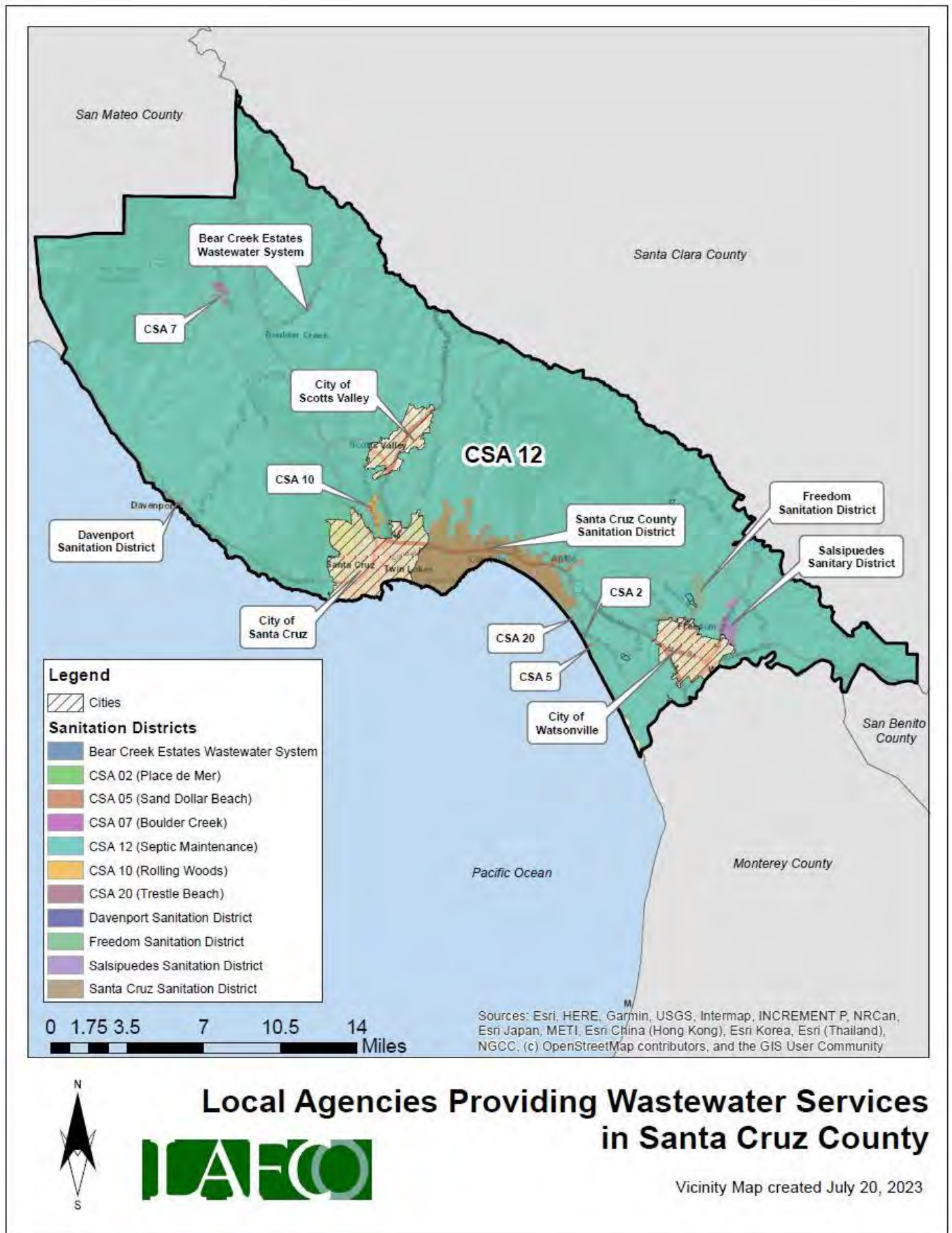
### Sanitation Agencies in Santa Cruz County

Wastewater services beyond septic tank maintenance under CSA 12 in Santa Cruz County are provided by three cities, five special districts, and six CSAs. **Figure 1** on page 3 provides an overview map outlining the local agencies. Facilities range from individual or small community septic systems to local wastewater collection systems and regional treatment plants. In accordance with the Commission’s Multi-Year Work Program, these other sanitation agencies were analyzed in a comprehensive service review on October 2, 2019<sup>1</sup> and will not be analyzed in this report. However, a countywide service review of all sanitation agencies, including CSA 12, is scheduled for October 2024.

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<sup>1</sup> 2019 LAFCO Report: <https://santacruzlafco.org/wp-content/uploads/2019/10/Comprehensive-Sanitation-Service-Sphere-Review-ADOPTED-VERSION.pdf>

Figure 1: Countywide Vicinity Map





## **Legal Authority**

CSA 12 is governed by the County Service Area Law (Government Code Section 25210 et seq.). The Legislature finds and declares the following:

- a) Population growth and development in unincorporated areas result in new and increased demands for public facilities and services that promote the public peace, health, safety, and general welfare.
- b) The residents and property owners in unincorporated areas should have reasonable methods available so that they can finance and provide these needed public facilities and services.
- c) The residents and property owners in some unincorporated areas may propose the incorporation of new cities or annexations to existing cities as a way to fulfill these demands for public facilities and services.
- d) In other unincorporated areas, independent special districts with directly elected or appointed governing boards can fulfill these demands for public facilities and services.
- e) County boards of supervisors need alternative organizations and methods to finance and provide needed public facilities and services to the residents and property owners of unincorporated areas.
- f) In enacting the County Service Area Law by this chapter, it is the intent of the Legislature to continue a broad statutory authority for county boards of supervisors to use county service areas as a method to finance and provide needed public facilities and services.
- g) Further, it is the intent of the Legislature that county boards of supervisors, residents, and property owners use the powers and procedures provided by the County Service Area Law to meet the diversity of local conditions, circumstances, and resources.

### **Sanitary Sewer System Regulations**

All federal and state agencies, municipalities, counties, districts, and other public entities that own or operate sanitary sewer systems greater than one mile in length, that collect and/or convey untreated or partially treated wastewater to a publicly owned treatment facility in the State of California, are required to comply with the terms of the State Water Resources Control Board's Statewide Sanitary Sewer Systems General Order. In 1999, the California State legislature passed Assembly Bill (AB) 885, which called for the State Board to develop statewide standards for regulation of onsite wastewater treatment systems ("OWTS") – better known as septic tank systems.

On June 19, 2012, the State Board adopted the State OWTS Policy, which became effective May 13, 2013. The Central Coast Regional Water Quality Control Board ("Regional Board") then adopted Resolution No. R3-2013-0005 on May 30, 2013, which amended the Basin Plan to incorporate by reference the provisions of the OWTS Policy and delete redundant or conflicting onsite wastewater system criteria. Both the OWTS Policy and the Basin Plan establish minimum standards for regulation of OWTS and allow for continued local regulation of septic systems if the local agency establishes a Local

Area Management Program (LAMP) consistent with the requirements of the State OWTS Policy and approved by the Regional Board. On August 24, 2021, the Board of Supervisors authorized submittal of the LAMP to the Regional Board, which they ultimately approved on October 14, 2021. The LAMP was produced in accordance with requirements set forth in the State OWTS Policy (2013) for County permitting and ongoing oversight of septic systems throughout Santa Cruz County.

## **Key Findings**

The following are key findings of the 2023 Service and Sphere of Influence Review for County Service Area 12 (Septic Tank Maintenance):

### **1. CSA 12 provides services to a large portion of the county.**

The CSA's service area encompasses approximately 407 square miles of unincorporated territory. CSA 12 operates under the County's Department of Environmental Health. The CSA provides funds to support the septic system inspection activities and maintenance programs operated by the Environmental Health Division of the Santa Cruz County Health Services Agency. There are approximately 28,000 septic systems countywide. Approximately 92% of the septic systems serve single family residences, 4.5% serve multiple residential uses, 3% serve commercial uses and 1% serve motels or camps. Most of the septic systems are located in unincorporated areas, with an additional 445 systems in the City of Scotts Valley, 110 in the City of Santa Cruz, 40 in the City of Watsonville, 15 in City of Capitola, and 2,000 within independent sanitation districts.

### **2. CSA 12 is financially stable at this time.**

The CSA's primary source of revenue is from service charges. CSA 12's fund balance ended with approximately \$1.9 million in FY 2022-23, an increase of 26% from the previous fiscal year. Financial statements from Fiscal Years 2017 to 2023 indicate that the CSA ended with a surplus each year, except in FY 2019-20. LAFCO staff believes this positive trend may continue if unanticipated expenses and unscheduled projects are mitigated.

### **3. CSA 12 requires improvement in governmental transparency.**

State law now requires all independent special districts to maintain and operate a website by January 1, 2020. CSA 12 is a dependent special district, and therefore, not subject to this statutory requirement. However, CSA 12 provides an important service to the entire county and should strive to be as transparent as possible. Based on LAFCO's analysis, the CSA does not meet any of the transparency benchmarks evaluated in this service review. LAFCO staff encourages the CSA to create a webpage dedicated to CSA 12 to ensure residents have the opportunity to participate in the CSA's decision-making process and future actions.

### **4. CSA 12's sphere of influence includes the entire county.**

The Commission adopted CSA 12's original sphere of influence in November 1988 which excluded the cities and other sanitation agencies. A countywide sphere boundary was established in 1990. The sphere boundary has remained the same since then. Staff is recommending that the current sphere boundary be reaffirmed as part of this review.

## Recommended Actions

Based on the analysis and findings in the 2023 Service and Sphere of Influence Review for County Service Area 12, the Executive Officer recommends that the Commission:

1. Find that pursuant to Section 15061(b)(3) of the State CEQA Guidelines, LAFCO determined that the sphere of influence review is not subject to the environmental impact evaluation process because it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment and the activity is not subject to CEQA;
2. Determine, pursuant to Government Code Section 56425, the Local Agency Formation Commission of Santa Cruz County is required to develop and determine a sphere of influence for County Service Area 12, and review and update, as necessary;
3. Determine, pursuant to Government Code Section 56430, the Local Agency Formation Commission of Santa Cruz County is required to conduct a service review before, or in conjunction with an action to establish or update a sphere of influence; and
4. Adopt a Resolution (LAFCO No. 2023-19) approving the 2023 Service and Sphere of Influence Review for County Service Area 12 with the following conditions:
  - a. Reaffirm CSA 12's current sphere of influence; and
  - b. Direct the Executive Officer to distribute a copy of the adopted service and sphere review to CSA 12 representatives and any other interested or affected parties, including but not limited to the four cities and the other sanitation agencies located in Santa Cruz County.



## DISTRICT OVERVIEW

### History

County Service Area 12 was formed on July 19, 1972 and its service area encompasses the entire county, excluding the 14 sanitation agencies, as shown in the map on page 3. **Appendix A** provides a copy of the 1972 formation resolution. CSA 12's original purpose was to ensure the maintenance of onsite wastewater disposal systems in two subdivisions in the San Lorenzo Valley (Hidden Glen and Galleon Heights). In 1988, LAFCO established CSA 12's original sphere of influence boundary which restructured the geographical area and the scope of services, as shown in **Appendix B**. In 1990, LAFCO expanded the authorized services to include operating small sewage treatment plants in the San Lorenzo Valley, as shown in **Appendix C**.

### Services & Operations

CSA 12 provides funds to support the septic system inspection activities and maintenance programs operated by the County Environmental Health Department. A total of 43 full-time employees are currently staffed in this department. There are approximately 28,000 septic systems countywide, as shown in **Figure 2** on page 8. Based on LAFCO's research, CSA 12 is comprised of three separate enterprise funds to perform a variety of services designed to promote improved wastewater disposal in the unincorporated areas of the County not served by a sanitation agency. The three enterprise funds are summarized below.

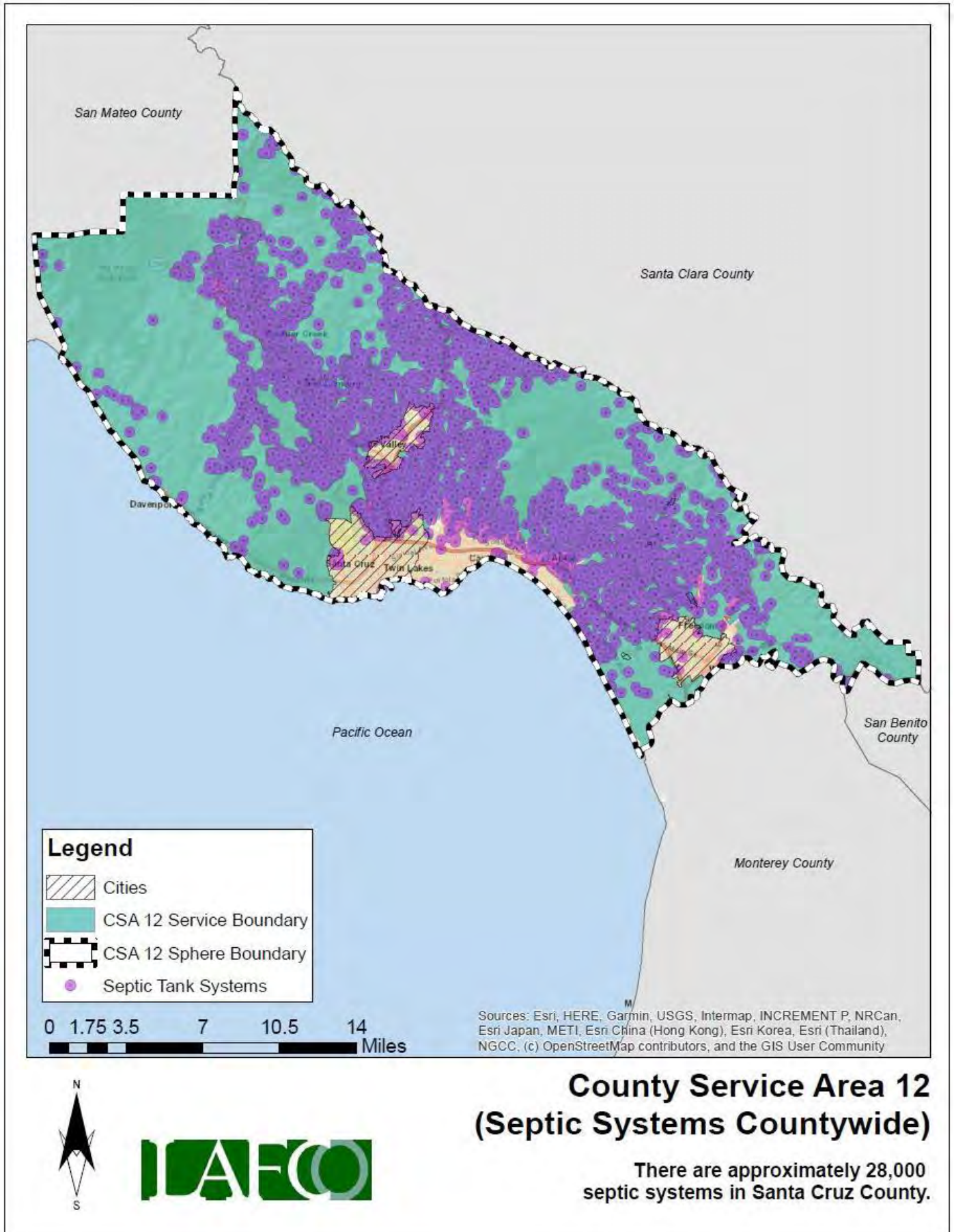
#### Local Agency Management Program

In August 2022, the County adopted the Local Agency Management Program ("LAMP") to clarify how the County will permit and oversee the Onsite Wastewater Treatment Systems ("OWTS") – better known as septic systems. The LAMP was produced in accordance with the requirements set forth by the State Water Resources Control Board ("State Board") in the State OWTS Policy in 2013. This LAMP was also approved by the Central Coast Regional Water Quality Control Board in October 2021. A copy of the LAMP is shown in **Appendix D**. The purpose of the LAMP is to provide for the continued efficient use of septic systems in Santa Cruz County while providing protections for water quality and to safeguard public health. Due to historical development patterns, local climate, geology and soils, most of the existing septic systems cannot meet the State Tier 1 Standards for Low-Risk systems (tiers are defined on page 10). However, with the implementation of appropriate standards and management approaches, systems can be upgraded and utilized to continue meeting housing needs, recharge groundwater basins, and protect water quality. This LAMP updates and builds on the successful wastewater management approaches implemented by Santa Cruz County since 1985.

This LAMP applies to all unincorporated areas of Santa Cruz County. It is proposed that this LAMP would also apply within the Cities of Santa Cruz, Scotts Valley and Capitola, given that these cities may delegate authority for regulation of septic systems within the city limits to the County Health Officer. The City of Watsonville does not issue permits for septic systems and has a small number of legacy systems within city limits. County and city codes will be amended as needed to extend County authority over septic systems to cities, including written agreements extending the LAMP into the city area.



**Figure 2: Septic Systems Map**

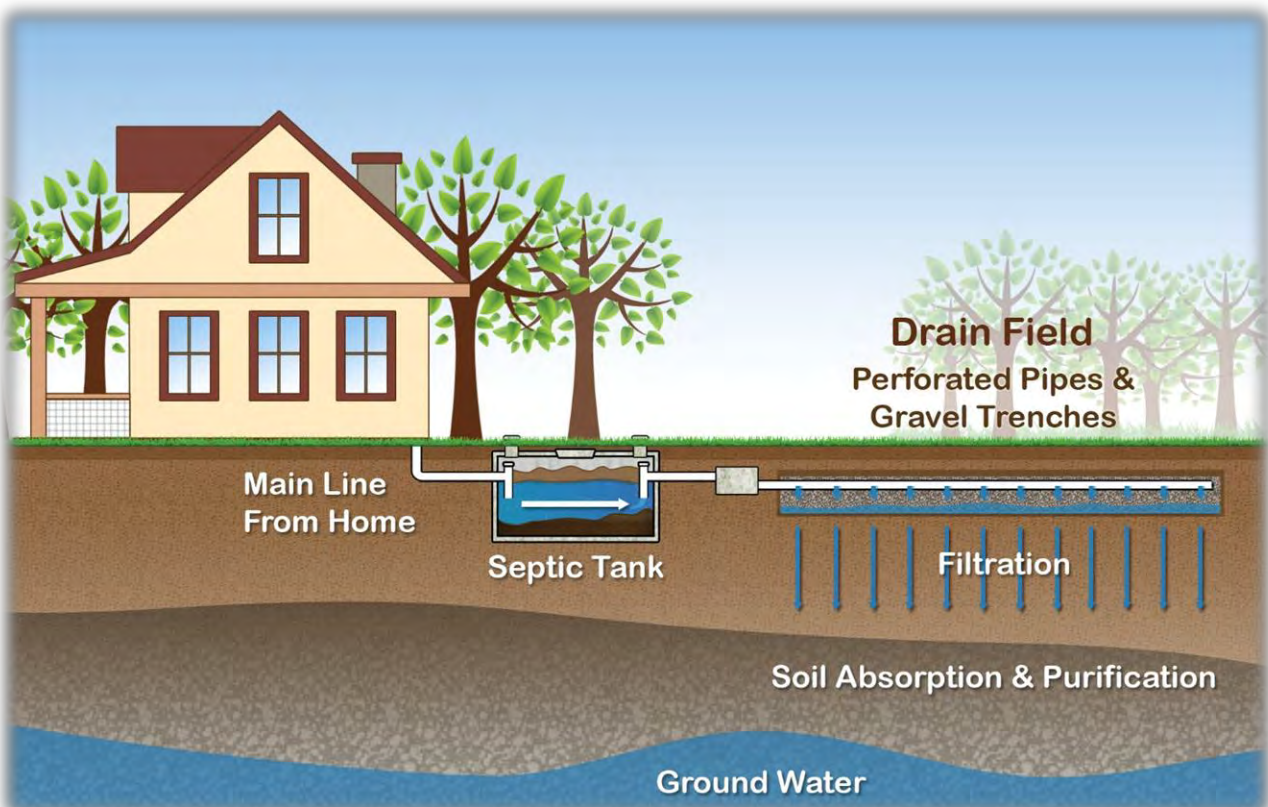


### Overview of Septic Tank Systems

As previously mentioned, Onsite Wastewater Treatment Systems (OWTS) are more commonly known as septic systems. These systems are the primary method for treating and disposing sewage in rural areas where sewer systems are not available or too expensive to install. Septic systems are designed to treat wastewater using a combination of physical processes for solid-liquid separation coupled with biological processes to inactivate pathogens and stabilize organic matter and nutrients. Microorganisms in the soil also contribute to biodegradation mechanisms that prevent the release of contaminants to the land surface and protects the beneficial uses of groundwater and surface water. Santa Cruz County has roughly 27,700 septic systems that serve about 22% of the population (61,000 people) in the rural and mountainous parts of the county. Approximately 92% of the septic systems serve single family residences, 4.5% serve multiple residential uses, 3% serve commercial uses and 1% serve motels or camps. Most of the septic systems are located in unincorporated areas, with an additional 445 systems in the City of Scotts Valley, 110 in the City of Santa Cruz, 40 in the City of Watsonville, 15 in City of Capitola, and 2,000 within independent sanitation districts.

A septic system typically consists of a septic tank and a leaching trench disposal system, as shown in **Figure 3**. The septic tank is usually 1,500-2,000 gallons in size and is designed to retain solids and grease, and provide initial, primary treatment of the wastewater. The wastewater then typically flows by gravity to the dispersal system where the wastewater percolates into the soil and further treatment takes place.

**Figure 3: Conventional Septic System**



*Footnote: Imaged provided by the United States Environmental Protection Agency*

### Septic System Classifications

The complexities of geology, topography, soils, rainfall, and past development patterns pose challenges for septic systems in Santa Cruz County. Since the 1980s, the County has developed specific policies to guide the improvement of existing septic systems and minimize potential impacts from the installation of new septic systems serving new development. The County strives to balance the realities of site constraints, existing development patterns, cost and feasibility of system improvements, with the need to improve water quality and public health protections. Prior to the mid-1980s, system repairs were only required to meet standards to the maximum extent feasible, with no minimum standards. With oversight programs and minimum repair standards in place, the rate of observed system failures dropped from 13% to 1-2% and water quality also improved.

The State OWTS Policy establishes five tiered classifications to regulate management of septic systems, as shown in the table below:

**Table 1: Septic System Classification**

<b>Tiers</b>	<b>Description</b>
Tier 0 (Functioning)	Septic system in place and properly functioning
Tier 1 (Low Risk)	Septic system is new or replaced; low risk and can meet Statewide Standards
Tier 2 (LAMP-Compliant)	Septic system is new or replaced; managed per Local LAMP standards and developed to reflect local conditions
Tier 3 (Impaired Waters)	Septic system is potentially impacting federally listed impaired water sources
Tier 4 (Failing)	Septic system is experiencing failure

### County Guidelines

Santa Cruz County Code Chapter 7.38 (Sewage Disposal) specifies the standards for septic systems installation in unincorporated Santa Cruz County and the Cities of Santa Cruz, Scotts Valley and Capitola. It was developed in conformance with prior Basin Plan requirements and is now being updated to meet the State OWTS Policy and 2014 amended Basin Plan. In addition to the design and operational standards for new conventional septic systems, the Santa Cruz County Code allows specific provisions for the management and repair or upgrade of existing septic systems, and for the use of enhanced treatment systems where design and operational standards for conventional systems cannot be met. Many critical elements of these design and operational standards were developed through review and collaboration with the Regional Board.



### CSA 12 Enterprise Funds

In 1990, the Board authorized CSA 12 to provide two categories of services beginning in Fiscal Year 1990-91. Funds collected by CSA 12 were designated to provide for general administration of a septic tank maintenance program, public education regarding septic permitting, maintenance and administration of septage disposal, including tracking information about septic tank pumping maintenance and septage disposal throughout the county. Funds collected for CSA 12A were to provide for an ongoing program of septic system inspection, repair and maintenance throughout the Watershed; development of small offsite disposal facilities as needed in areas where septic systems cannot perform satisfactorily; and water quality monitoring at established stations in order to identify potential problem areas and incidents of wastewater contamination. Funds from CSA 12 and CSA 12A were also to provide for information management of the septage and septic systems, general accounting, record keeping, support services, and limited fixed assets purchases to provide necessary lab equipment, office equipment and office space.

In 1993, the Board authorized the formation of CSA 12N and for the collection of an additional service charge on the tax bill for properties with nonstandard systems. The charge covers the costs of county programs to inspect and monitor nonstandard sewage disposal systems on those parcels: alternative systems, haul-away systems and nonconforming systems which do not meet conventional standards. Service charges were set at three levels depending on the type of system and the amount of monitoring required. The County Environmental Health Department has been performing these activities since the early 1990s utilizing the funds. **Table 2** depicts the annual charge for parcels within the three funding zones. It is important to note that prior to this past fiscal year, the annual charges had remained the same since 1996 for funding zones CSA 12 and CSA 12A, and since 2009 for funding zone CSA 12N.

**Table 2: Annual Charges**

<b>Funding Zones</b>	<b>Previous Charges (Prior to FY 22-23)</b>	<b>New Charges (since FY 22-23)</b>
<b>CSA 12 (County Septic Management)</b>		
Unit: Parcel	\$6.90	\$33.32
<b>CSA 12A (San Lorenzo Septic Management)</b>		
Unit: Parcel	\$18.54	\$23.14
<b>CSA 12N (Non-Standard Septic)</b>		
Unit: Non-Conforming	\$101.00	\$331.00
Unit: Alternative with Onsite System Service Providers (OSSP)	\$167.00	\$167.00
Unit: Alternative No OSSP Compliance	\$501.00	\$1,326

*Footnote: Annual charges for Zones 12 and 12A remained the same for 26 years and 19 years for Zone 12N*

### Non-Standard Onsite Wastewater Treatment System

Nonstandard system means a system which is not in conformance with all the standards contained in SCCC 7.38.095 through 7.38.180 or which utilizes enhanced treatment. Nonstandard systems include enhanced treatment systems, nonconforming interim sewage disposal systems, low-flow systems, limited expansion systems, and haulaway systems. Nonstandard systems require an operating permit and an additional level of oversight which may include annual inspections, servicing, and sampling of the system.



## Onsite System Service Providers

Specific qualifications and licenses are required to design, construct, maintain, repair and/or for the replacement of an Onsite Wastewater Treatment Systems (OWTS) in Santa Cruz County. The Environmental Health Department has a certification program for Onsite System Service Providers (OSSP) and a registration program for liquid waste haulers. The Department develops a Qualified Professional annual registration program for all qualified professionals to demonstrate that their qualifications are in good standing and based on demonstrated experience and satisfactory performance. OSSPs are individuals or companies approved by the County and certified by an OWTS manufacturer or proprietor to conduct maintenance activities and replace needed parts for each type of enhanced treatment or alternative dispersal system they service, or other qualified OSSP as approved by the County Environmental Health Department. **Table 3** provides a list of approved onsite system service providers.

**Table 3: OSSP List**

Santa Cruz County Environmental Health 2022 Approved Onsite System Service Providers									
Company Name and Contact Information	Sand Filters	Mounds and At-Grades	Advantex	Aqua-klear	Bord Na Mona	FAST	HOOT	Micro Septec	Multi-Flo
Aire-N-Seas Septic Solutions P.O. Box 3389 Santa Cruz, CA 95063 <a href="mailto:murias@aire-n-seas.com">murias@aire-n-seas.com</a> 831-345-9100			X	X				X	
Better Than Septic Jacqueline Sommers <a href="mailto:jacque@betterthanseptic.com">jacque@betterthanseptic.com</a> 844-224-2782				X					
Bonny Doon Environmental Systems David Gill <a href="mailto:office@bonnydoon.info">office@bonnydoon.info</a> 831-335-3666	X	X	X						
Essential Operations Terry Wright <a href="mailto:terry@essentialoperations.com">terry@essentialoperations.com</a> 831-600-5528	X	X	X			X	X	X	X
Natural Systems Utilities Eric Hough <a href="mailto:ehough@sherwoodengineering.com">ehough@sherwoodengineering.com</a> 831-425-1254	X	X			X	X			
PSTS, Inc. Peter Dew 831-659-2465	X	X	X			X			X
Steve Johnson Pumps and Controls <a href="mailto:Steve53y@icloud.com">Steve53y@icloud.com</a> 831-818-2424	X	X				X		X	
Superior On-Site Solutions Richard McCauley <a href="mailto:r.mccauley@sosonsiteca.net">r.mccauley@sosonsiteca.net</a> 877-888-4668							X		
Tom's Septic Construction Keith Potter 831-633-2321	X	X		X	X	X	X		X

## Population & Growth

Based on staff's analysis, the population of CSA 12 in 2020 is estimated to be 55,000. The Association of Bay Area Governments (ABAG) and the Association of Monterey Bay Area Governments (AMBAG) provide population projections for cities and counties in the Coastal Region. Official growth projections are not available for special districts. However, since CSA 12 encompasses the entire unincorporated county, excluding the 14 sanitation agencies, LAFCO was able to determine the current and projected population growth. In general, the Coastal Region is anticipated to have a slow growth over the next fifteen years. **Table 4** shows the anticipated population for the CSA. The average rate of change within CSA 12 is 0.86%.

### Population Projection

Based on the projections for the unincorporated county territory within the service area and the 10 sanitation districts, LAFCO staff was able to develop a population forecast for CSA 12 by subtracting the total unincorporated area population to the estimated population within the 14 sanitation agencies. Under this assumption, LAFCO staff projects that the entire population of the CSA will be approximately 57,000 by 2040.

**Table 4: Projected Population**

	2020	2025	2030	2035	2040
<b>Unincorporated County Territory</b>	<b>136,891</b>	<b>137,896</b>	<b>139,105</b>	<b>140,356</b>	<b>141,645</b>
Bear Creek Estates	185	187	188	190	191
CSA 2 (Place de Mer)	170	171	173	174	176
CSA 5 (Sand Dollar Beach)	220	222	224	226	228
CSA 7 (Boulder Creek)	657	663	668	674	680
CSA 10 (Rolling Woods)	888	896	903	911	919
CSA 20 (Trestle Beach)	42	42	43	43	43
Davenport County Sanitation District	217	219	221	223	225
Freedom County Sanitation District	4,200	4,236	4,273	4,309	4,346
Salsipuedes Sanitary District	2,153	2,172	2,190	2,209	2,228
Santa Cruz County Sanitation District	<u>72,922</u>	<u>73,549</u>	<u>74,182</u>	<u>74,820</u>	<u>75,463</u>
<b>CSA 12 (Septic Tank Maintenance)</b>	<b><u>55,237</u></b>	<b><u>55,540</u></b>	<b><u>56,041</u></b>	<b><u>56,577</u></b>	<b><u>57,146</u></b>

## Disadvantaged Unincorporated Communities

In accordance with Senate Bill 244, which became effective on January 1, 2012, state law requires the identification and description of all "disadvantaged unincorporated communities" (DUCs) located within or contiguous to the existing spheres of influence of cities and special districts which provide fire protection, sewer, and/or water services (Government Code Section 56046). DUCs are defined as inhabited unincorporated areas with an annual median household income that is 80% or less than the statewide annual median household income.

In 2020, the California statewide annual median household income was \$78,672, and 80% of that was \$62,938. LAFCO staff utilized the ArcGIS mapping program to locate potential DUCs in Santa Cruz County. Based on the criteria set forth by SB 244, in conjunction with further evaluation of these areas, staff determined that there are no disadvantaged unincorporated communities in Santa Cruz County at this time.

## FINANCES

This section will highlight the CSA's audited financial performance during the most recent fiscal years. Fiscal Year 2021-22 is the latest audited financial statement publicly available. A comprehensive analysis of the CSA's financial performance during the past five years is shown in **Tables 7** and **8**, on pages 17 and 18.

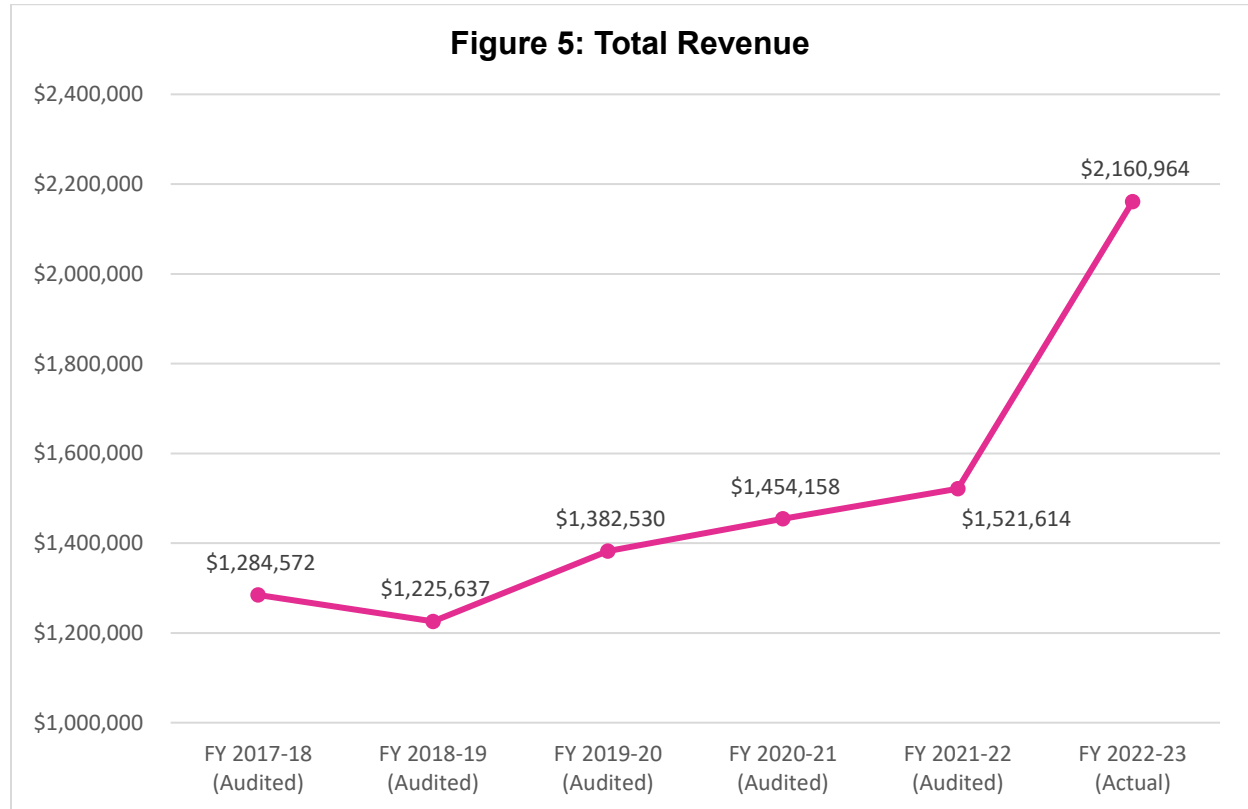
At the end of FY 2021-22, the total revenue collected by the CSA was approximately \$1.51 million, representing a 4% increase from the previous year (\$1.45 million in FY 2020-21). Total expenses for FY 2021-22 were approximately \$1.46 million, which decreased from the previous year by approximately \$91,000 (\$1.56 million in FY 2020-21). As shown in **Figure 4**, the CSA's total revenues have been more than total expenditures each year since FY 2017-18, with the exception of FY 2020-21. During that year, CSA 12 experienced a deficit totaling \$100,000. Additionally, the County is estimating another deficit for FY 2022-23. The implementation of the new local agency management program (LAMP) may be the primary cause of this anticipated shortfall.

**Figure 4: Statement of Revenues & Expenditures**



## Revenues

CSA 12's primary source of revenue is charges for services, such as septic pump inspections and sanitary services. On average, the CSA receives approximately \$1.5 million each year in service fees. Other revenues include intergovernmental funds, interest, and miscellaneous. **Figure 5** highlights the fluctuation of total revenue received since 2017. The table shows an upward trend in current and future revenues.



## Expenditures

CSA 12's total expenditures include various line items, including but not limited to Accounting, Professional Services, Waste Disposal, and County Overhead. Additionally, revenues and expenditures are categorized in two accounts: CSA 12 and CSA 12 Zone A. **Table 5** distinguishes the cost and percentage per category during the latest audited year.

**Table 5: Total Expenditure**

FY 2022-23	Amount (\$)	Percentage (%)
CSA 12	\$1,442,891	81.2%
CSA 12 (Zone A)	<u>\$334,835</u>	<u>18.8%</u>
<b>Total Expenditure</b>	<b>\$1,777,726</b>	<b>100.0%</b>

*Footnote: The Board authorized CSA 12 to provide two categories of services beginning in Fiscal Year 1990-91 (CSA 12 and CSA 12 Zone A).*

## Assets & Liabilities

CSA 12, administered by the County Environmental Health Department, provides septic system maintenance to almost 20,000 systems countywide, and has limited assets and liabilities. The following is an overview of the CSA's assets and liabilities:

- **CSA 12 Assets:** As of June 30, 2022, the CSA had approximately \$1.6 million in total assets. 99% of total assets derive from Current Assets, specifically Cash & Investments. The remaining 1% derives from Non-Current Assets, such as Loans Receivable and Equipment.
- **CSA 12 Liabilities:** As of June 30, 2022, the CSA had approximately \$214,000 in total liabilities. 100% of total liabilities derive from Current Liabilities, specifically Accounts Payable. CSA 12 did not have any long-term obligations identified during this timeframe.

## Fund Balance/Net Position

As of June 30, 2023, the total fund balance was approximately \$1.9 million. The following table highlights the net position balance from 2017 to 2023. As shown in the table below, CSA 12's fund balance has fluctuated over the years, recently experiencing a slight increase in FY 2022-23.

**Table 6: Fund Balance/Net Position**

	<b>FY 17-18 (Audited)</b>	<b>FY 18-19 (Audited)</b>	<b>FY 19-20 (Audited)</b>	<b>FY 20-21 (Audited)</b>	<b>FY 21-22 (Audited)</b>	<b>FY 22-23 (Audited)</b>
<b>Net Position (Ending Balance)</b>	<b>\$1,287,563</b>	<b>\$1,405,160</b>	<b>\$1,445,750</b>	<b>\$1,345,131</b>	<b>\$1,487,043</b>	<b>\$1,870,281</b>
Change in (\$) from previous year		\$117,597	\$40,590	-\$100,619	\$141,912	\$383,238
Change in (%) from previous year		9%	3%	-7%	11%	26%

**Table 7: Total Revenues & Expenditures**

<b>COUNTY SERVICE AREA 12 (SEPTIC TANK MAINTENANCE)</b>						
	<b>FY 2017-18 (Audited)</b>	<b>FY 2018-19 (Audited)</b>	<b>FY 2019-20 (Audited)</b>	<b>FY 2020-21 (Audited)</b>	<b>FY 2021-22 (Audited)</b>	<b>FY 2022-23 (Actual)</b>
<b>REVENUE</b>						
<b>CSA 12 (Fund 50-215)</b>						
Interest	\$ 5,999	\$ 14,981	\$ 12,996	\$ 4,196	\$ 5,282	\$ 23,632
Non Standard Septic Inspections	\$ 137,616	\$ 141,960	\$ 150,472	\$ 152,576	\$ 163,195	\$ 218,315
Sanitary Services	\$ 727,024	\$ 644,451	\$ 815,000	\$ 895,034	\$ 954,785	\$ 857,819
Septic Pump Inspection Fees	\$ 160,159	\$ 160,207	\$ 155,355	\$ 157,205	\$ 154,854	\$ 748,193
<b>Total Revenue</b>	<b>\$1,030,798</b>	<b>\$ 961,599</b>	<b>\$1,133,823</b>	<b>\$1,209,011</b>	<b>\$1,278,116</b>	<b>\$1,847,959</b>
<b>CSA 12 Zone A (Fund 50-225)</b>						
Interest	\$ 9,934	\$ 19,365	\$ 17,224	\$ 4,610	\$ 3,460	\$ 13,063
Septic Pump Inspection Fees	\$ 243,840	\$ 244,673	\$ 231,483	\$ 240,537	\$ 240,038	\$ 299,942
<b>Total Revenue</b>	<b>\$ 253,774</b>	<b>\$ 264,038</b>	<b>\$ 248,707</b>	<b>\$ 245,147</b>	<b>\$ 243,498</b>	<b>\$ 313,005</b>
<b>TOTAL REVENUE</b>	<b>\$1,284,572</b>	<b>\$1,225,637</b>	<b>\$1,382,530</b>	<b>\$1,454,158</b>	<b>\$1,521,614</b>	<b>\$2,160,964</b>
<b>EXPENDITURE</b>						
<b>CSA 12 (Fund 50-215)</b>						
Accounting & Auditing Fees	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500
Data Processing Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,298
HSA-Interdepartment	\$ 114,842	\$ 157,885	\$ 276,509	\$ 243,394	\$ 389,277	\$ 559,891
Prof & Special Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Advertising & Promotion	\$ -	\$ -	\$ -	\$ -	\$ 432	\$ 495
Special Msic Expense	\$ 1,000	\$ 1,360	\$ 3,425	\$ 3,920	\$ 5,457	\$ -
Waste Disposal	\$ 665,400	\$ 684,667	\$ 841,588	\$ 863,912	\$ 740,538	\$ 878,355
Depreciation Equipment	\$ 2,934	\$ -	\$ -	\$ -	\$ -	\$ -
County Overhead	\$ (7,431)	\$ (410)	\$ 500	\$ 455	\$ -	\$ 352
<b>Total Expenses</b>	<b>\$ 777,245</b>	<b>\$ 844,002</b>	<b>\$1,122,522</b>	<b>\$1,112,181</b>	<b>\$1,136,204</b>	<b>\$1,442,891</b>
<b>CSA 12 Zone A (Fund 50-225)</b>						
Accounting & Auditing Fees	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500
HSA-Interdepartment	\$ 146,506	\$ 276,244	\$ 317,555	\$ 190,973	\$ 271,353	\$ 324,959
Prof & Special Services	\$ -	\$ -	\$ -	\$ 33,808	\$ 9,843	\$ 6,157
Advertising & Promotion	\$ -	\$ -	\$ -	\$ -	\$ 266	\$ 308
Special Msic Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,476
Depreciation Equipment	\$ -	\$ 1,635	\$ 2,181	\$ -	\$ -	\$ -
County Overhead	\$ (1,568)	\$ (367)	\$ 528	\$ 511	\$ 3,541	\$ 435
<b>Total Expenses</b>	<b>\$ 145,438</b>	<b>\$ 278,012</b>	<b>\$ 320,764</b>	<b>\$ 225,792</b>	<b>\$ 285,503</b>	<b>\$ 334,835</b>
<b>TOTAL EXPENDITURE</b>	<b>\$ 922,683</b>	<b>\$1,122,014</b>	<b>\$1,443,286</b>	<b>\$1,337,973</b>	<b>\$1,421,707</b>	<b>\$1,777,726</b>
<b>Surplus/(Deficit)</b>	<b>\$ 361,889</b>	<b>\$ 103,623</b>	<b>\$ (60,756)</b>	<b>\$ 116,185</b>	<b>\$ 99,907</b>	<b>\$ 383,238</b>
<b>NET POSITION</b>						
<b>Ending Balance</b>	<b>\$1,287,563</b>	<b>\$1,405,160</b>	<b>\$1,445,750</b>	<b>\$1,345,131</b>	<b>\$1,487,043</b>	<b>\$1,870,281</b>
Change (\$)		\$ 117,597	\$ 40,590	\$ (100,619)	\$ 141,912	\$ 383,238
Change (%)		9%	3%	-7%	11%	26%

**Table 8: Total Assets & Liabilities**

<b>COUNTY SERVICE AREA 12 (SEPTIC TANK MAINTENANCE)</b>					
	<b>FY 2017-18 (Audited)</b>	<b>FY 2018-19 (Audited)</b>	<b>FY 2019-20 (Audited)</b>	<b>FY 2020-21 (Audited)</b>	<b>FY 2021-22 (Audited)</b>
<b>ASSETS</b>					
<u>Current Assets</u>					
Cash & Investments	\$ 1,419,925	\$ 1,521,208	\$ 1,628,439	\$ 1,595,608	\$ 1,445,772
Restricted Cash & Investments	\$ -	\$ -	\$ -	\$ -	\$ -
Receivables	\$ 485	\$ 357	\$ -	\$ -	\$ 150,649
<b>Total Current Assets</b>	<b>\$1,420,410</b>	<b>\$1,521,565</b>	<b>\$1,628,439</b>	<b>\$1,595,608</b>	<b>\$1,596,421</b>
<u>Non-Current Assets</u>					
Loans Receivables	\$ 44,231	\$ 32,729	\$ 20,905	\$ 10,473	\$ 8,148
<u>Capital Assets</u>					
Construction In Progress	\$ -	\$ -	\$ -	\$ -	\$ -
Buildings & Structures	\$ -	\$ -	\$ -	\$ -	\$ -
Equipment	\$ 24,235	\$ 35,138	\$ 35,138	\$ 35,138	\$ 35,138
Accumulated Depreciation	\$ (24,235)	\$ (25,871)	\$ (28,051)	\$ (28,051)	\$ (32,413)
Total Capital Assets	\$ -	\$ 9,267	\$ 7,087	\$ 7,087	\$ 2,725
<b>Total Non-Current Assets</b>	<b>\$ 44,231</b>	<b>\$ 41,996</b>	<b>\$ 27,992</b>	<b>\$ 17,560</b>	<b>\$ 10,873</b>
<b>TOTAL ASSETS</b>	<b>\$1,464,641</b>	<b>\$1,563,561</b>	<b>\$1,656,431</b>	<b>\$1,613,168</b>	<b>\$1,607,294</b>
<b>LIABILITIES</b>					
<u>Current Liabilities</u>					
Accounts Payables	\$ 133,188	\$ 145,480	\$ 200,881	\$ 268,037	\$ 213,930
Due to Other Funds	\$ -	\$ -	\$ -	\$ -	\$ -
Current Portion of Long-Term Liabilities	\$ 16,826	\$ 17,264	\$ 9,800	\$ -	\$ -
Accrued Interest Payable	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Current Liabilities</b>	<b>\$ 150,014</b>	<b>\$ 162,744</b>	<b>\$ 210,681</b>	<b>\$ 268,037</b>	<b>\$ 213,930</b>
<u>Non-Current Liabilities</u>					
Long-Term Liabilities	\$ 27,064	\$ 9,800	\$ -	\$ -	\$ -
<b>Total Non-Current Liabilities</b>	<b>\$ 27,064</b>	<b>\$ 9,800</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>TOTAL LIABILITIES</b>	<b>\$ 177,078</b>	<b>\$ 172,544</b>	<b>\$ 210,681</b>	<b>\$ 268,037</b>	<b>\$ 213,930</b>
<b>NET POSITION</b>					
Net Investment in Capital Assets	\$ -	\$ -	\$ -	\$ 7,087	\$ 2,725
Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	\$ 1,287,563	\$ 1,391,017	\$ 1,445,750	\$ 1,338,044	\$ 1,390,639
<b>Total Net Position</b>	<b>\$1,287,563</b>	<b>\$1,391,017</b>	<b>\$1,445,750</b>	<b>\$1,345,131</b>	<b>\$1,393,364</b>



## GOVERNANCE

CSA 12 is a dependent special district governed by the County Board of Supervisors. All CSAs are formed and operate pursuant to the County Service Area Law (Government Code Section 25210 et seq.). County Supervisors receive no additional compensation for their CSA responsibilities. Santa Cruz County staff from the County Environmental Health Department manages the services related to CSA 12. The Board holds annual public hearings to adopt the annual charges and the work programs are overseen by the Board as part of the Environmental Health budget and work programs.

### Local Accountability & Structure

The current Board is as follows:

**Table 9: Board of Directors**

Board Member	Supervisory District	Term of Office
Manu Koenig	<b>First District</b> (Live Oak, Soquel, Summit, Santa Cruz Gardens, Carbonera, and parts of Scotts Valley & Capitola)	First Elected: 2020 Next Election: Primary 2024
Zach Friend	<b>Second District</b> (Aptos, Freedom, Corralitos, La Selva Beach, and parts of Capitola & Watsonville)	First Elected: 2012 Next Election: Primary 2024
Justin Cummings	<b>Third District</b> (Santa Cruz, Bonny Doon, North Coast)	First Elected: 2022 Next Election: Primary 2026
Felipe Hernandez	<b>Fourth District</b> (Pajaro Valley, Watsonville)	First Elected: 2022 Next Election: Primary 2026
Bruce McPherson	<b>Fifth District</b> (San Lorenzo Valley, most of Scotts Valley, parts of Santa Cruz, and Paradise Park)	First Elected: 2012 Next Election: Primary 2024



## Challenges and Opportunities

Independent special districts are tasked with operating in an efficient and transparent manner on a regular basis. LAFCO staff has taken the position that public agencies should always prepare and consider future opportunities and potential challenges in order to properly provide adequate services to their constituents. The following section explores possible actions that should be considered by the CSA.

### Bear Creek Estates Wastewater System

The San Lorenzo Valley Water District owns, operates, and maintains a wastewater system in Boulder Creek's Bear Creek Estates. The Bear Creek Estates subdivision was first developed between 1963 and 1965 and expanded in 1975. Residential units were historically on private septic systems, and approximately half the units remained on private septic systems during the conversion to the sewer system. A private developer constructed the District's wastewater collection system and septic disposal system in 1985. The Wastewater System was acquired by SLVWD when the development requested annexation into the District's water system. At present, the System collects and treats domestic wastewater flow and consists of 19 manholes, 2 cleanouts, approximately 3,600 linear feet of gravity sewer, 2,600 linear feet of force mains, 2 sewer pump stations, and 56 laterals.

The San Lorenzo Valley Water District has expressed an interest in transferring ownership and operation of the wastewater system to another agency, such as the County of Santa Cruz, which may be able to operate the system more efficiently. The District's 2016 Strategic Plan identifies specific steps to potentially transfer service provisions to another local agency. These steps include:

- Development of a rate-study that will establish operational and capital needs of the wastewater system;
- Implementation of a Proposition 218 rate increase process that will set rates appropriate to the operational and capital needs of the system; and
- Coordination with Bear Creek Estates residents, meeting with County representatives on a regular basis to discuss and move this idea forward, and collaboratively establishing a plan with a timeline, and key milestones.

Since LAFCO expanded the authorized services of CSA 12 to include operating small sewage treatment plants in the San Lorenzo Valley in 1990, there may be an opportunity for the two affected agencies and LAFCO to explore a change in organization.

***LAFCO Staff Recommendation:*** *The CSA should consider coordinating with the San Lorenzo Valley Water District to transfer wastewater system service responsibilities.*

### Potential Countywide Coordination

In addition to CSA 12, the County manages and operates eight other sanitation districts. More importantly, there is overall coordination between the sanitation agencies and other regional treatment plant operators, including the Cities of Santa Cruz and Watsonville.

- **City of Santa Cruz** operates and maintains a regional wastewater treatment and disposal facility. Wastewater treatment and ocean outfall disposal are provided for the City of Santa Cruz and the Santa Cruz County Sanitation District, which includes Live Oak, Capitola, Soquel and Aptos. Ocean outfall disposal is provided for the City of Scotts Valley.
- **City of Watsonville** operates as a regional treatment plant service for the City, the Freedom County Sanitation District, Pajaro Dunes, the Salsipuedes Sanitary District, and the Pajaro County Sanitation District in Monterey County. Additionally, the City of Watsonville has partnered with Pajaro Valley Water Management Agency to treat municipal wastewater through the Water Recycle Plant. The treated water is mixed with well water, delivered through the PVWMA's coastal distribution system, and used for crop irrigation.

Although these partnerships are based on separate contracts and agreements, it is LAFCO's understanding that most of these agreements (if not all of them) are out-of-date. It may be beneficial to explore opportunities to combine, renew, or establish a regional agreement through a Countywide Memorandum of Understanding or the creation of a Joint Powers Authority.

- **Memorandum of Understanding (MOU)** – A Memorandum of Understanding describes an agreement between two or more parties: in this case, between the local agencies that provide sewer services in Santa Cruz County. The MOU expresses a convergence of will between the parties, specifying an intended common line of action or goal. The purpose of a MOU is to formally agree on the objectives, roles and ground rules of the partnership between the local governments that holds the mandate for service provision and the implementing organization. Establishing a clear agreement can help prevent conflict and reputational harm because expectations are discussed, agreed upon and documented at an early stage, leaving less room for misinterpretation. It also increases transparency and trust in the relationship with the public authority, and holds all parties accountable to their commitments<sup>2</sup>.
- **Joint Powers Authority (JPA)** – defined by the California State Legislature Senate Local Government Committee is a formal, legal agreement between two or more public agencies that share a common power and want to jointly implement programs, build facilities, or deliver services. Officials from those public agencies formally approve a cooperative arrangement. JPAs offer another way for governments to deliver services. With a joint powers agreement, a member agency agrees to be responsible for delivering a service on behalf of the other member agencies. For example, the County of Marin, the City of Larkspur, and other special districts recently formed a joint powers authority to plan, acquire, construct, maintain and operate facilities, for either joint or sole use, for the collection, treatment, reclamation and disposal of sewage and other wastewater for the benefit of lands and inhabitants within the collective boundaries of the "Members<sup>3</sup>."

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<sup>2</sup> Definition and purpose provided by the Water Integrity Network: <https://www.waterintegritynetwork.net/2018/03/23/11124/>

<sup>3</sup> Information based on June 2018 Joint Exercise of Powers Agreement:

<https://www.cmsa.us/assets/documents/administrative/2018%20CMSA%20JPA%20with%20Exhibits.pdf>

The establishment of a countywide memorandum of understanding or a joint powers authority may unify the already-established collaboration between the sanitation providers in the County. Such agreements may also lay the foundation for future changes of organization, including but not limited to annexations, consolidations, or mergers.

***LAFCO Staff Recommendation:*** *The County should consider coordinating with the other sanitation agencies to consider renewing or combining existing agreements and/or consider establishing a regional agreement.*

### Website Requirements

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 several components that must be found within an agency's website. Additionally, the Special District Leadership Foundation (SDLF), an independent, non-profit organization formed to promote good governance and best practices among California's special districts, has also outlined recommended website elements as part of its District Transparency Certificate of Excellence. This program was created as an effort to promote transparency in the operations and governance of special districts to the public. Based on SB 929's criteria and the recommendations set by the SDLF, LAFCO conducted a thorough review of the CSA's website even though said law only applies to independent special districts. **Table 10** on page 22 and 23 summarizes staff's findings on whether the website is meeting the statutory requirements. At present, the CSA does not meet the statutory requirements under SB 929 and SDLF's website transparency criteria.

**Table 10: Website Transparency**

Website Components	Checkmark (Yes)
Required Items (SB 949 Criteria and SDLF Benchmarks)	
1. Names and Contact Information of Board Members*	
2. Board Member Term Limits	
3. Names of Key Staff, including General Manager	
4. Contact Information for Staff	
5. Election/Appointment Procedure & Deadlines	
6. Board Meeting Schedule*	
7. Mission Statement	
8. Description of District's Services/Functions and Service Area	
9. Authorizing Statute/Enabling Act	
10. Adopted District Budgets*	
11. Financial Audits*	
12. Archive of Board Meeting Agendas & Minutes*	
13. Link to State Controller's Webpages for District's reported Board Member and Staff Compensation	
14. Link to State Controller's Webpages for District's reported Financial Transaction Report	
15. Reimbursement & Compensation Policy / Annual Policies	
16. Home Page Link to Agendas/Board Packets	
17. SB 272 - Compliance-Enterprise Catalogs	
18. Machine Readable/Searchable Agendas	
19. Recipients of Grant Funding or Assistance	
20. Link or Copies of LAFCO's Service & Sphere Reviews	
<b>Total Score (out of a possible 20)</b>	<b>0 (0%)</b>

<b>Additional Items (SDLF's Recommended Elements)</b>	
1. Board Member Ethics Training Certificates	
2. Picture, Bio, and Email Addresses of Board Members	
3. Last Three Years of Audits	
4. Financial Reserves Policy	
5. Online/Downloadable Public Records Act Request Form	
6. Audio or Video Recordings of Board Meetings	
7. Map of District Boundaries/Service Area	
8. Link to CSDA Mapping Program	
9. General Description of Special Districts or Link to <a href="http://www.districtmakethedifference.org">www.districtmakethedifference.org</a>	
10. Link to Most Recently Filed to FPPC Forms	
<b>Total Score (out of a possible 10)</b>	<b>0 (0%)</b>

\*Footnote: Senate Bill 929 Statutory Requirements

**LAFCO Staff Recommendation:** LAFCO encourages more transparency from CSA 12 by sharing online information on how residents can participate in the CSA's decision-making process and future actions. The CSA is not subject to SB 929, but as a countywide district, it should create a webpage dedicated to CSA 12 to fulfill the requirements under SB 929 to ensure transparency at its highest level.





## SPHERE OF INFLUENCE

### **Cortese-Knox-Hertzberg Act**

City and special district spheres of influence define the probable physical boundaries and service area of a local agency, as determined by the Commission (Government Code Section 56076). The law requires that spheres be updated at least once every five years either concurrently or subsequently in preparation of Municipal Service Reviews. Spheres are determined and amended solely at the discretion of the Commission. In determining the sphere of influence for each local agency, the Commission is required by Government Code Section 56425(e) to consider certain factors, including:

- The present and planned uses in the area, including agricultural and open space lands;
- The present and probable need for public facilities and services in the area;
- The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide;
- The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency; and
- 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.

### **Sphere Boundary**

CSA 12's original sphere was adopted on November 2, 1988, which excluded the cities and other sanitation agencies. Two years later, the sphere was amended to include the entire county. Since then, the sphere has remained coterminous with CSA 12's jurisdictional boundary. Staff is recommending that the sphere of influence be reaffirmed, as shown in **Figure 6** on page 25.

**Figure 6: CSA Sphere Map**





## DISTRICT SUMMARY

CSA 12 (Septic Maintenance)	
<b>Formation</b>	California Government Code, Section 25210 et seq. (County Service Area Law)
<b>Board of Trustees</b>	County Board of Supervisors; five members; elected at-large to a four-year term
<b>Contact Person</b>	Sierra Ryan, Water Resources Program Manager
<b>Employees</b>	43 full-time employees (Environmental Health Department currently has 32 active employees and 11 vacancies)
<b>Facilities</b>	N/A
<b>District Area</b>	406.7 square miles
<b>Sphere of Influence</b>	The sphere boundary is coterminous with the CSA's jurisdictional limits and the County of Santa Cruz.
<b>FY 2021-22 Audit</b>	Total Revenue = \$1,512,872  Total Expenditure = \$1,464,639  Projected Net Position (Ending Balance) = \$1,393,364
<b>Contact Information</b>	Mailing Address: 701 Ocean Street, Room 312 Santa Cruz CA 95060  Phone Number: 831-454-2022  Email Address: <a href="mailto:EnvironmentalHealth@santacruzcounty.us">EnvironmentalHealth@santacruzcounty.us</a>  Website: <a href="https://scceh.com/NewHome.aspx">https://scceh.com/NewHome.aspx</a>
<b>Public Meetings</b>	Annual public meeting is held by the Board of Supervisors to adopt annual charges.
<b>Mission Statement</b>	N/A

## SERVICE AND SPHERE REVIEW DETERMINATIONS

The following service and sphere review determinations fulfill the requirements outlined in the Cortese-Knox-Hertzberg Act.

### Service Provision Determinations

Government Code Section 56430 requires LAFCO to conduct a municipal service review before, or in conjunction with, an action to establish or update a sphere boundary. Written statements of determination must be prepared with respect to each of the following:

**1. Growth and population projections for the affected area.**

CSA 12 encompasses the entire county, excluding the cities and special districts that provide wastewater services. It is estimated that approximately 56,000 residents currently live within the CSA's jurisdiction. LAFCO staff projects that the CSA's population may reach 57,000 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.**

Any community currently using septic systems may consider connecting to a nearby sewer agency to receive adequate services. This transfer may help alleviate the County's burden of responsibility over the existing septic systems found countywide.

**4. Financial ability of agencies to provide services.**

CSA 12's primary source of revenue is from service charges. CSA 12's fund balance ended with approximately \$1.4 million in FY 2021-22. The CSA is currently solvent.

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

The County coordinates with the cities and other sanitation agencies under existing agreements. These partnerships are based on separate contracts and agreements; however, it is LAFCO's understanding that most of these agreements (if not all of them) are out of date. It may be beneficial to explore opportunities to combine, renew, or establish a regional agreement through a Countywide Memorandum of Understanding or the creation of a Joint Powers Authority.

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

LAFCO encourages more transparency from CSA 12 by sharing online information on how residents can participate in the CSA's decision-making process and future actions.

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

No additional local LAFCO policies are specifically relevant to this service review.

## **Sphere of Influence Determinations**

Government Code Section 56425 requires LAFCO to periodically review and update spheres of influence in concert with conducting municipal service reviews. Spheres are used as regional planning tools to discourage urban sprawl and encourage orderly growth. Written statements of determination must be prepared with respect to each of the following:

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

The present and planned land uses are based on the general plan from the County, which range from urban to rural uses. The general plan anticipates growth centered on existing urban areas and the maintenance of agricultural production, rural residential uses, and environmental protection in rural areas.

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

The Regional Water Quality Control Board prohibits the discharge of wastewater from existing or new individual septic tank disposal systems if sewer is available from a public agency (Water Code Section 13281). This law further states that for a sewer system to be deemed available, it is necessary for a sewer system to be within 200 feet of an existing or proposed dwelling unit. Residents currently using septic systems may consider connecting to a nearby sewer agency to receive adequate services.

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

The County's Local Agency Management Plan estimates that there are roughly 27,700 septic systems that serve about 22% of the entire population (61,000 people) in the rural and mountainous parts of the county. Approximately 92% of the septic systems serve single family residences, 4.5% serve multiple residential uses, 3% serve commercial uses and 1% serve motels or camps. Most of the septic systems are located in unincorporated areas, with an additional 445 systems in the City of Scotts Valley, 110 in the City of Santa Cruz, 40 in the City of Watsonville, 15 in City of Capitola, and 2,000 within county sewer/sanitation districts.

**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.**

There are almost 28,000 septic tanks throughout Santa Cruz County, and many are located in rural areas. These residences should consider connecting into a more reliable sewer infrastructure operated by a local agency to ensure adequate levels of service and overall protection of the environment.

**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' sphere boundary.

## APPENDICES

**Appendix A: 1972 Formation Resolution**

**Appendix B: 1988 First Sphere Establishment Resolution**

**Appendix C: 1990 Service Expansion Resolution**

**Appendix D: Local Agency Management Program (August 23, 2022)**



# **APPENDIX A:**

## **1972 Formation Resolution**



RESOLUTION NO. 324

On motion of Commissioner Haber  
seconded by Commissioner Forbus  
The following Resolution is adopted:

RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION OF THE  
COUNTY OF SANTA CRUZ MAKING DETERMINATIONS AND AUTHORIZING  
PROCEEDINGS FOR THE FORMATION OF COUNTY SERVICE AREA NO. 12

The Local Agency Formation Commission of the County of Santa Cruz DOES HEREBY  
RESOLVE, DETERMINE AND ORDER as follows:


1. A petition for the proposed formation of County Service Area No. 12 was heretofore filed with the Executive Officer of this Commission; said County Service Area is assigned the short form designation of "County Service Area No. 12;" the County of Santa Cruz is designated as the conducting agency; and the Board of Supervisors of said County is hereby authorized to conduct proceedings in compliance with this Resolution.
2. The Executive Officer of this Commission has examined said petition and executed his certificate determining and certifying that said petition is sufficient as a legal document; has given notice of public hearing by this Commission upon said petition in the form and manner provided by law; and has reviewed said petition and has prepared a report, including his recommendations, thereon, and has reviewed said petition and has prepared a report, including his recommendations, thereon, and has presented the same before this Commission for consideration.
3. The public hearing by this Commission was held on July 19, 1972, being the time and date, and at the place specified in said notice of public hearing, and at such hearing this Commission heard and received all oral and written protests, objections and evidence which were made, presented, or filed.
4. The boundaries set forth in said petition are approved as submitted.
5. The approval of such formation is conditioned upon the following terms and conditions: "County Service Area No. 12 shall perform only the following extended services:
  - a. "Establish, approve and supervise the design, construction and installation of septic tank systems.
  - b. "Maintain and repair septic tank systems."

PASSED AND ADOPTED by the Local Agency Formation Commission of the County of Santa Cruz this 19th day of July, 1972 by the following vote:

AYES: Commissioners Harry, Haber, Forbus, Wicklund

NOES: Commissioners

ABSENT: Commissioners Walker

  
Chairman  
Santa Cruz Local Agency Formation Commission

Attest:   
E. R. HANNA, Executive Officer



# **APPENDIX B:**

## **1988 First Sphere Establishment Resolution**

SANTA CRUZ LOCAL AGENCY FORMATION COMMISSION  
RESOLUTION No. 727-12

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

ADOPTING A SPHERE OF INFLUENCE FOR  
COUNTY SERVICE AREA 12 - MAINTENANCE OF  
ONSITE WASTEWATER DISPOSAL SYSTEMS  
\*\*\*\*\*

The Santa Cruz Local Agency Formation Commission does hereby RESOLVE,  
DETERMINE, AND ORDER as follows:

1. The Commission has initiated a sphere of influence study pursuant to Government Code Section 56425 for County Service Area 12 - Maintenance of Onsite Wastewater Disposal Systems.
2. The Executive Officer has given notice of public hearing by this Commission upon the sphere of influence in the form and manner prescribed by law.
3. The public hearing was held by this Commission on September 7, 1988; October 5, 1988; and November 2, 1988; and at the hearing this Commission heard all interested persons.
4. The Commission certifies that it has considered the Negative Declaration prepared by the Executive Officer on September 14, 1988, and the comments received during the public review process. The Commission approves the Negative Declaration and finds that the project could not have a significant effect on the environment.
5. The Commission adopts the Sphere of Influence Determinations listed in Exhibit A.
6. The Commission hereby adopts a sphere of influence for County Service Area 12 to be the unincorporated areas of the County as shown generally on Exhibit B attached hereto, and to be subject to the following policy: a) The services provided by this County Service Area shall be limited to: acquisition, design, ownership, construction, installation, operation, inspection, maintenance, and abatement of onsite wastewater disposal systems; collection, transport, treatment and disposal of septic tank sludge; the performance of investigations and analyses to monitor conditions with regard to water quality within the service area; and, the performance of feasibility studies and the connection of properties to offsite wastewater disposal systems.


PASSED AND ADOPTED by the Local Agency Formation Commission of the County of Santa Cruz this 2nd day of November, 1988 by the following vote:

AYES: GARCIA, LEVY, WEED, PATTON

NOES: NONE

ABSTAIN: MURPHY

ABSENT:

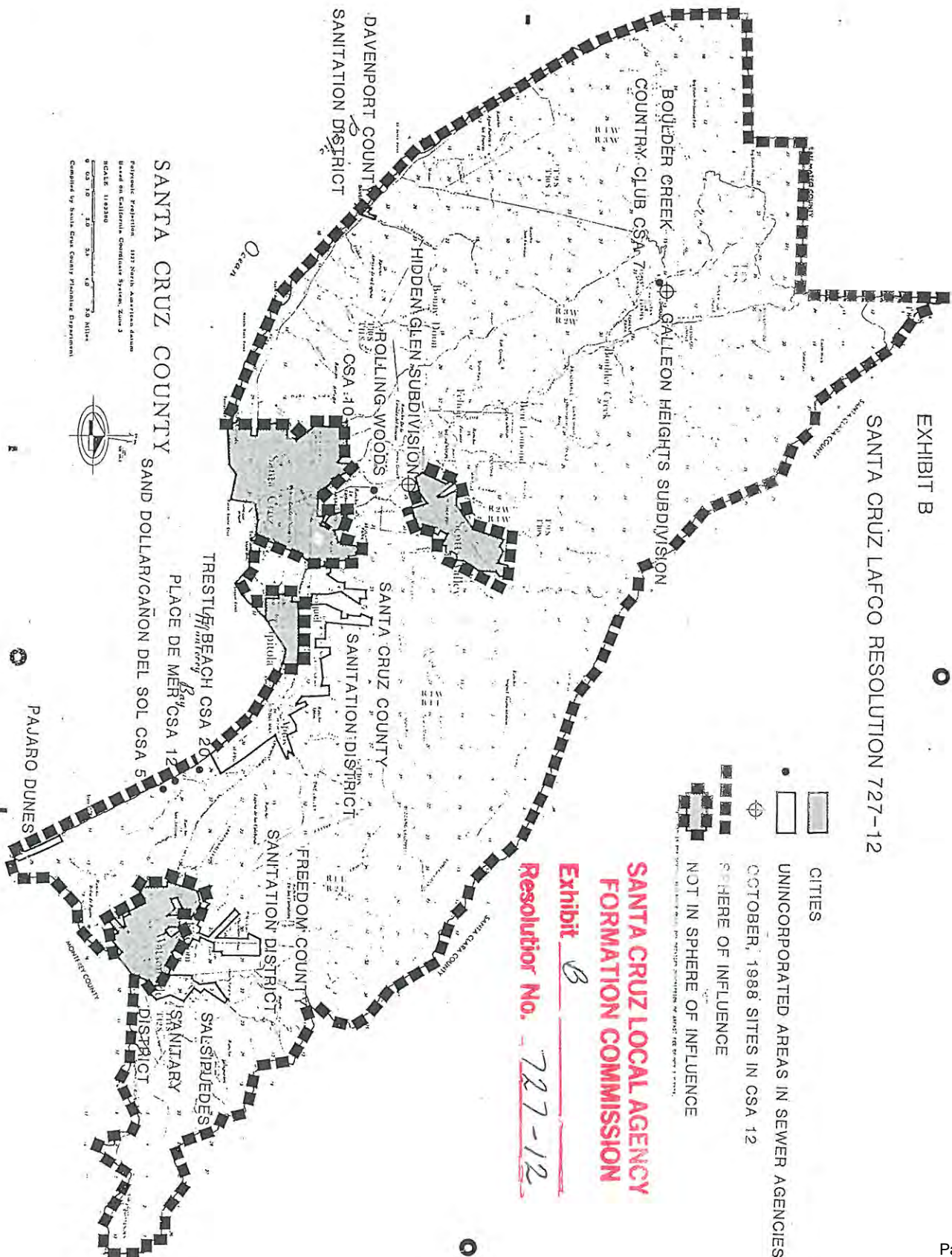
  
\_\_\_\_\_  
ROBERT GARCIA, CHAIRPERSON  
Santa Cruz Local Agency Formation  
Commission

Attest:

  
\_\_\_\_\_  
Patrick M. McCormick  
Executive Officer

EXHIBIT B

SANTA CRUZ LAFCO RESOLUTION 727-12



**SANTA CRUZ LOCAL AGENCY  
FORMATION COMMISSION**

Exhibit B

Resolution No. 727-12

# **APPENDIX C:**

## **1990 Service Expansion Resolution**

SANTA CRUZ LOCAL AGENCY FORMATION COMMISSION  
RESOLUTION NO. 754

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

MAKING DETERMINATIONS AND AUTHORIZING PROCEEDINGS  
TO ANNEX TERRITORY DESIGNATED AS  
RURAL ANNEXATION TO  
COUNTY SERVICE AREA NO. 12  
(SEPTIC MAINTENANCE)

\*\*\*\*\*

The Santa Cruz Local Agency Formation Commission does hereby RESOLVE, DETERMINE,  
AND ORDER as follows:

1. A resolution for the proposed annexation of certain territory to County Service Area 12 (Septic Maintenance) was heretofore filed with the Executive Officer of this Commission pursuant to the Cortese-Knox Local Government Reorganization Act of 1985 (Government Code Section 56000 et seq.); said territory is assigned the short term designation of "Rural Annexation".
2. The Executive Officer of the Commission has examined said application, has prepared a report including his recommendations thereon, and has presented the same before this Commission for consideration.
3. The public hearing by this Commission was held on September 6, 1989 and at such hearing this Commission heard and received all oral and written protests, objections, and evidence which were made, presented, or filed.
4. Said territory includes approximately 400 square miles and is found to be inhabited for purposes of annexation.
5. The boundaries of the areas proposed to be annexed are approved as submitted (see Exhibit A).
6. The approval of such annexation is conditioned upon the following terms and conditions: a) The proponent shall provide a legal map, description, and fees to meet State Board of Equalization requirements.
7. The Commission has considered the Negative Declaration dated August 16, 1989 together with the comments received during the public review process, and approves the Negative Declaration.
8. Pursuant to a Board of Supervisors resolution adopted August 15, 1989, there will be no exchange of property tax revenues.
9. The approval is consistent with the adopted Sphere of Influence for County Service Area 12.



10. The Commission authorizes and limits the Board of Supervisors to expand the range of services that County Service Area 12 may perform to be as follows:

- Acquisition, design, ownership, construction, installation, operation, inspection, maintenance and abatement of onsite wastewater disposal systems;
- Collection, transport, treatment and disposal of septic tank sludge;
- Performance of investigations and analyses to monitor conditions with regard to water quality within the service area;
- Performance of feasibility studies, and the connection of properties to offsite wastewater disposal systems.

11. The Commission hereby approves this proposal and authorizes the Santa Cruz County Board of Supervisors to conduct annexation proceedings in compliance with this resolution and state law.

PASSED AND ADOPTED by the Local Agency Formation of the County of Santa Cruz this 6th day of September, 1989 by the following vote:

AYES: COMMISSIONERS PATTON, WORMHOUDT, TELL, LEVY

NOES: COMMISSIONER MURPHY

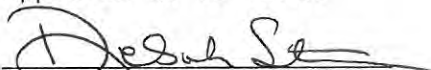
ABSENT:

Attest:

  
Patrick M. McCormick  
Executive Officer

  
ROBLEY LEVY, CHAIRPERSON  
Santa Cruz Local Agency Formation  
Commission

Approved as to form:

  
Deborah Steen  
LAFCO Counsel

# EXHIBIT A

SANTA CRUZ LAFCO RESOLUTION NO. 754

CITIES



UNINCORPORATED AREAS IN SEWER AGENCIES



OCTOBER, 1988 SITES IN CSA 12



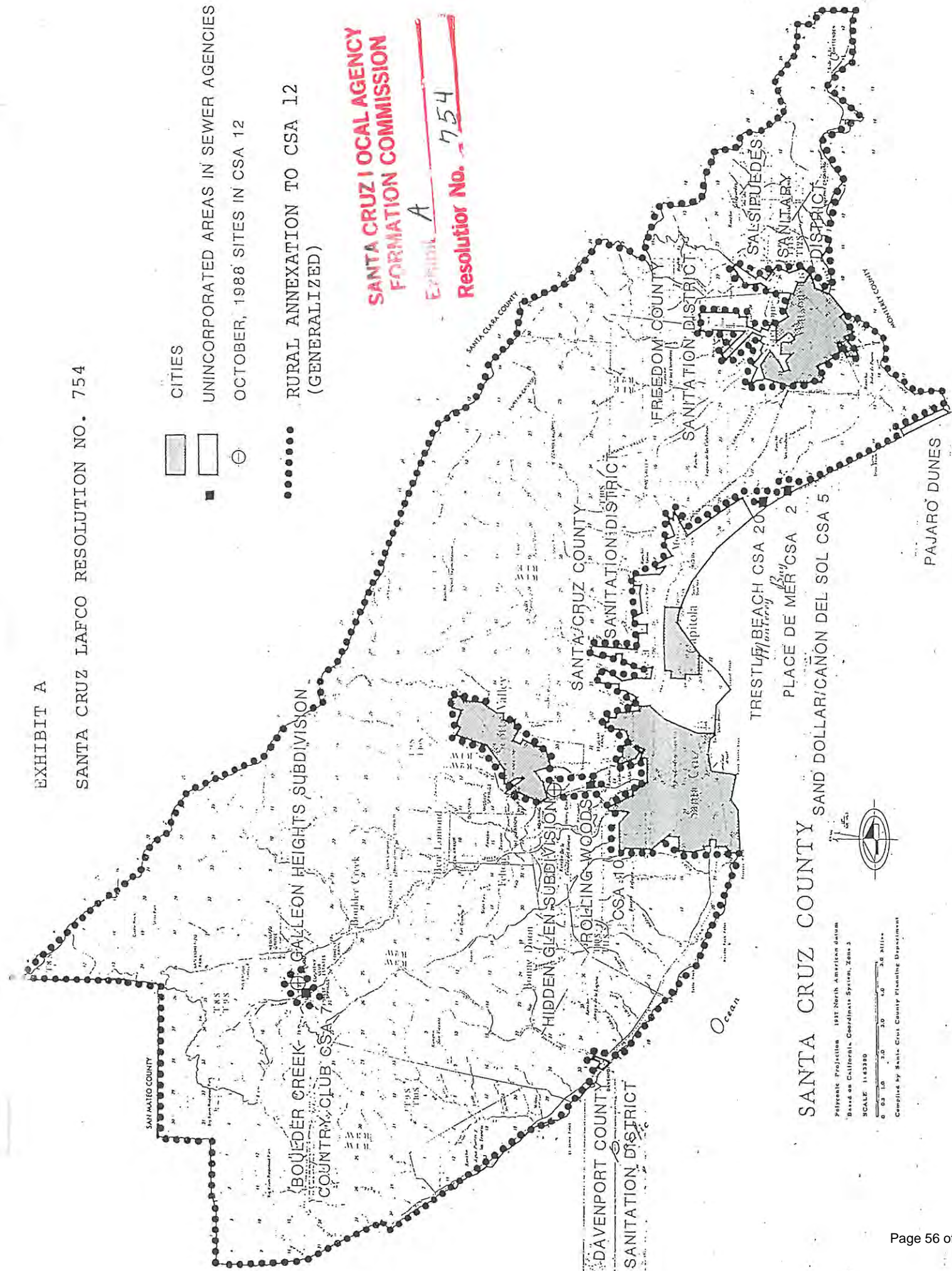
RURAL ANNEXATION TO CSA 12  
(GENERALIZED)



SANTA CRUZ LOCAL AGENCY  
FORMATION COMMISSION

EXHIBIT A

Resolution No. 754



SANTA CRUZ COUNTY

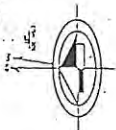
Projection 1983 North American datum

Based on California Coordinate System, Zone 3

SCALE 1:63,360

0 0.5 1.0 2.0 4.0 Miles

Compiled by Santa Cruz County Planning Department





SANTA CRUZ LOCAL AGENCY FORMATION COMMISSION  
RESOLUTION NO. 754-A

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

AMENDING A SPHERE OF INFLUENCE AND AUTHORIZING  
AN ADDITIONAL SERVICE FOR COUNTY SERVICE AREA 12  
\*\*\*\*\*

The Santa Cruz Local Agency Formation Commission does hereby RESOLVE, DETERMINE,  
AND ORDER as follows:

1. The County of Santa Cruz has applied to this Commission for permission to add services related to sewage treatment and disposal to the list of services which County Service Area 12 is authorized to perform.
2. The Executive Officer of this Commission has examined said application, has prepared a report including his recommendation thereon, and has presented the same before this Commission for consideration.
3. A noticed public hearing has been held by this Commission on September 7, 1988; October 5, 1988; November 2, 1988; September 6, 1989; and March 7, 1990.
4. Determination 6a of the Sphere of Influence for County Service Area 12, which was adopted by Santa Cruz LAFCO Resolution No. 727-12 on November 2, 1988, is hereby amended to add the following to the list of services which County Service Area 12 may provide:
  - Acquisition, design, ownership, construction, installation, operation, and maintenance of local offsite treatment and disposal facilities to serve developed properties within the San Lorenzo Wastewater Facilities Study Area, as defined by James M. Montgomery Engineers in their San Lorenzo Valleywide Wastewater Management Study, Phase 1 Report, submitted to the San Lorenzo Valley Water District in June 1981 (Exhibit A). Any such facilities shall have a design capacity of not more than 30,000 gallons per day (gpd), average dry weather flow, and shall only serve properties with approved uses in existence prior to January 1, 1990. If two or more of the CSA's offsite facilities and/or service units are located within 1/4 mile of each other, those capacities shall be aggregated and the total shall not exceed the (30,000 gpd) limit in this paragraph. CSA 12 may not provide facilities for offsite sewage treatment and disposal to serve new development, or to serve other areas outside the San Lorenzo Valley, without prior authorization from LAFCO.
5. Determination 10 of Santa Cruz LAFCO Resolution 754, which actually grants County Service Area 12 the permission to conduct proceedings to perform specified services, is hereby amended to add the following service:
  - Acquisition, design, ownership, construction, installation, operation,

and maintenance of local offsite treatment and disposal facilities to serve developed properties within the San Lorenzo Wastewater Facilities Study Area, as defined by James M. Montgomery Engineers in their San Lorenzo Valleywide Wastewater Management Study, Phase 1 Report, submitted to the San Lorenzo Valley Water District in June 1981 (Exhibit A). Any such facilities shall have a design capacity of not more than 30,000 gallons per day (gpd), average dry weather flow, and shall only serve properties with approved uses in existence prior to January 1, 1990. If two or more of the CSA's offsite facilities and/or service units are located within 1/4 mile of each other, those capacities shall be aggregated and the total shall not exceed the (30,000 gpd) limit in this paragraph. CSA 12 may not provide facilities for offsite sewage treatment and disposal to serve new development, or to serve other areas outside the San Lorenzo Valley, without prior authorization from LAFCO.

6. Since County Service Area 12 has already conducted proceedings pursuant to LAFCO Resolution No. 754, County Service Area 12 is hereby authorized to conduct separate proceedings pursuant to this resolution (No. 754-A) regarding the additional service.
7. The additional service authorized in this resolution is consistent with the Sphere of Influence for County Service Area 12, as amended by Determination 4 of this resolution.
8. The Commission has considered the Negative Declaration together with the comments and amendments received during the public review process, and approves the Negative Declaration dated February 13, 1990, and finds that the project could not have a significant effect on the environment.


PASSED AND ADOPTED by the Local Agency Formation Commission of the County of Santa Cruz this 7th day of March, 1990 by the following vote:

AYES: COMMISSIONERS LEVY, PATTON, MC FARREN, WORMHOUDT, GARCIA

NOES:

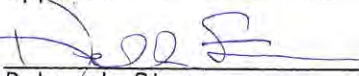
ABSENT:

Attest:

  
 ROBERT GARCIA, CHAIRPERSON  
 Santa Cruz Local Agency Formation  
 Commission

  
 Patrick M. McCormick  
 Executive Officer

Approved as to form:

  
 Deborah Steen  
 LAFCO Counsel

SANTA CRUZ LOCAL AGENCY FORMATION COMMISSION  
RESOLUTION NO. 754-B

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

RESCINDING RESOLUTION NO. 754-A, AMENDING A SPHERE OF INFLUENCE, AND  
AUTHORIZING AN ADDITIONAL SERVICE FOR COUNTY SERVICE AREA 12  
\*\*\*\*\*

The Santa Cruz Local Agency Formation Commission does hereby RESOLVE, DE-  
TERMINE, AND ORDER as follows:

1. The County of Santa Cruz has applied to this Commission for permission to add services related to sewage treatment and disposal to the list of services which County Service Area 12 is authorized to perform.
2. The Executive Officer of this Commission has examined said application, has prepared a report including his recommendations thereon, and has presented the same before this Commission for consideration.
3. A noticed public hearing has been held by this Commission on April 1, 1992 and May 6, 1992.
4. Resolution No. 754-A has been reconsidered and is hereby rescinded.
5. Determination 6a of Santa Cruz LAFCO Resolution No. 727-12 (Sphere of Influence for County Service Area 12) is hereby amended to read as follows, and County Service Area 12 is hereby authorized to conduct proceedings to add the following service:

Acquisition, design, ownership, construction, installation, operation, and maintenance of local offsite treatment and disposal facilities to serve developed properties within the San Lorenzo River Watershed, designated as Zone A of County Service Area No. 12 (Exhibit A). Any such facilities shall have a design capacity of not more than 30,000 gallons per day (gpd), average dry weather flow, except within Boulder Creek and Felton, where up to 45,000 gallons per day is authorized. Except within designated Village Plan Areas, such facilities shall only serve properties with approved uses in existence prior to January 1, 1992. Within the designated Village Plan Areas of Felton, Ben Lomond, and Boulder Creek, the facilities may serve both existing development, and new development which is consistent with the Village Plans as approved by the Board of Supervisors as of May 5, 1992. Designated Village Plan Areas are defined to include only the following areas: the approved Specific Plan Area in the Felton Town Plan (Exhibit B); (Exhibit C); and, the areas designated as



Urban Reserve, Neighborhood Commercial, Community Commercial, Service Commercial, Office Commercial, and Public Facilities in the Boulder Creek Specific Plan (Exhibit D). Sewering of new development in areas not within the designated Village Plan Areas shall be subject to future review and approval by LAFCO. If two or more of the CSA's offsite facilities and/or service units are located within 1/4 mile of each other, those capacities shall be aggregated and the total shall not exceed the capacity limits specified in this paragraph. Without prior authorization from LAFCO, CSA 12 may not provide facilities for offsite sewage treatment and disposal to serve new development (except within village plan areas as authorized above) or to serve areas within one-half mile of the sphere of influence of any City or Service Area providing sewage disposal facilities.


6. The additional service authorized by this resolution is consistent with the Sphere of Influence for County Service Area 12, as amended by this resolution.
7. The Commission has considered the Negative Declarations together with the comments and amendments received during the public review process, approves the Negative Declaration, and finds that the project could not have significant effect on the environment.

PASSED AND ADOPTED by the Local Agency Formation Commission of the County of Santa Cruz this 6th day of May, 1992 by the following vote:

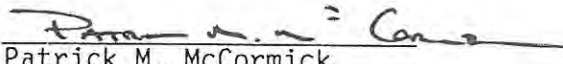
AYES: BEIERS, KOSHLAND, LEVY, KEELEY, GARCIA

NOES: NONE

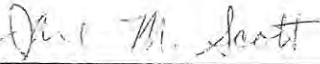
ABSENT: PATTON

  
ROBERT GARCIA, CHAIRPERSON  
Santa Cruz Local Agency  
Formation Commission

Attest:

  
Patrick M. McCormick  
Executive Officer

Approved as to form:

  
Jane M. Scott  
LAFCO Counsel



# **APPENDIX D:**

## **Local Agency Management Program (August 23, 2022)**

**County of Santa Cruz Health Services Agency  
Environmental Health Division**

# **Onsite Wastewater Treatment Systems**

## **Local Agency Management Program**



Approved by Central Coast Regional Water Quality Control Board,  
October 14, 2021

Approved by Santa Cruz County Board of Supervisors with Minor Updates,  
August 23, 2022

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**Appendices:**

- A. Santa Cruz County Code Chapter 7.38. Sewage Disposal (Updated)
- B. Santa Cruz County Code Chapter 7.42, Septic Tank Pumping and Liquid Waste Transport
- C. Summary of Onsite Wastewater Treatment System (OWTS) Requirements (Updated)
- D. Enhanced Treatment System Regulations
- E. Septic Tanks, Distribution Boxes and Chamber Leaching Systems Approved for Use in Santa Cruz County
- F. Site Evaluation and Soil Testing Procedures
- G. State OWTS Policy
- H. LAMP Completeness Checklist



# Onsite Wastewater Treatment Systems (OWTS)

## Local Agency Management Program (LAMP)

### County of Santa Cruz

#### 1 Introduction

This Local Agency Management Program (LAMP) for the County of Santa Cruz (County) describes permitting and oversight of Onsite Wastewater Treatment Systems (OWTS, also known as septic systems). This LAMP is produced in accordance with requirements set forth by the State Water Resources Control Board (State Board) in the State OWTS Policy (2013) for County permitting of OWTS.

The purpose of the LAMP is to provide for the continued use of OWTS in Santa Cruz County while providing protection of water quality and public health. Due to historical development patterns, local climate, geology and soils, a majority of the 27,700 existing OWTS cannot meet the State Tier 1 Standards for Low Risk systems. However, with appropriate standards and management approaches, systems can be upgraded and utilized to continue to meet housing needs, recharge groundwater basins, and protect water quality. This LAMP updates and expands the successful wastewater management approaches conducted by Santa Cruz County since 1985.

This LAMP applies to all unincorporated areas of Santa Cruz County. It is proposed that this LAMP would also apply within Santa Cruz, Scotts Valley and Capitola, given that these cities have delegated authority for regulation of OWTS in the city limits to the County Health Officer. The City of Watsonville does not issue permits for OWTS and has a small number of legacy OWTS in the city limits. County and city codes will be amended as needed to extend County authority over OWTS to cities, including written agreements extending the LAMP to the city area.

##### 1.1 OWTS Oversight – State and County Requirements

Oversight and regulation of OWTS is specified in the federal Clean Water Act, the state Porter-Cologne Water Quality Control Act (a.k.a. California Water Code), the California Health and Safety Code, and the California Building Standards Code. A summary of the regulatory framework is provided in Table 1-1.

Table 1-1: Overview of Federal and State Codes Relevant to OWTS

Code	Key details	Relevance to Santa Cruz County
Federal Clean Water Act <sup>1</sup>	Requirements for control of wastewater discharges and protection of water quality, designates State as Primacy Agency. Restore and maintain the chemical, physical, and biological integrity of the Nation's waters.	Provides overarching requirements for wastewater treatment and water quality protection
Porter-Cologne Water Quality Act <sup>2</sup> (a.k.a. California Water Code, Division 7)	<ul style="list-style-type: none"> <li>Defines the right of every human being to safe, clean, affordable, and accessible water adequate for human consumption, cooking, and sanitary purposes.</li> <li>Provides requirements for OWTS (Chapter 4.5)</li> </ul>	<ul style="list-style-type: none"> <li>Requires the State Board to establish policies and programs for water quality protection.</li> <li>Regional Water Quality Control Boards administer programs</li> </ul>
Water Quality Control Plan for the Central Coastal Basin (Basin Plan, California Water Code, Division 7, Chapter 4.0) <sup>3</sup>	<ul style="list-style-type: none"> <li>The Central Coast Regional Water Quality Control Board (Regional Board) establishes requirements for OWTS installation and management.</li> <li>Local regulatory agencies have oversight for individual OWTS with discharges less than 2,500 gallons per day (gpd).</li> </ul>	Local regulatory agencies must comply with the minimum standards to maintain authority for regulatory permitting of OWTS
California Code of Regulations, Title 23. Waters	<ul style="list-style-type: none"> <li>Division 3. State Water Resources Control Board and Regional Water Quality Control Boards</li> <li>Chapter 22. State Policy for Water Quality Control, Section 2924</li> </ul>	Water Quality Control Policy for Siting, Design, Operation and Maintenance of Onsite Wastewater Treatment Systems (OWTS Policy)
California Health and Safety Code, <sup>4</sup> Division 5	<ul style="list-style-type: none"> <li>Requires effective sewage disposal for all homes and businesses.</li> <li>Prohibits sewage discharge to the ground surface.</li> <li>Delegates responsibility to the County Health Officer or their designee for ensuring effective sewage disposal within a county jurisdiction</li> </ul>	The Santa Cruz County Environmental Health Division is responsible for enforcing requirements per assignment by the County Health Officer
California Building Standards Code (Plumbing Code) part 5 Title 24 of the California Code of Regulations <sup>5</sup>	<ul style="list-style-type: none"> <li>Provides California amendments to the Uniform Plumbing Code of the International Association of Plumbing and Mechanical Officials.</li> <li>Plumbing Code requirements are optional.</li> </ul>	Santa Cruz County has jurisdiction between the building and the OWTS. Santa Cruz County Code 12.10.235 adopts the Plumbing Code.

In 1999, the California State legislature passed Assembly Bill (AB) 885, which called for the State Board to develop statewide standards for regulation of OWTS. On June 19, 2012, the State Board

<sup>1</sup> <https://www.epa.gov/wqs-tech/water-quality-standards-regulations-california>

<sup>2</sup> [https://www.waterboards.ca.gov/laws\\_regulations/docs/portercologne.pdf](https://www.waterboards.ca.gov/laws_regulations/docs/portercologne.pdf)

<sup>3</sup> [https://www.waterboards.ca.gov/centralcoast/publications\\_forms/publications/basin\\_plan/](https://www.waterboards.ca.gov/centralcoast/publications_forms/publications/basin_plan/)

<sup>4</sup> [https://leginfo.ca.gov/faces/codes\\_displayText.xhtml?lawCode=HSC&division=6.&title=&part=2.&chapter=3.&article=3](https://leginfo.ca.gov/faces/codes_displayText.xhtml?lawCode=HSC&division=6.&title=&part=2.&chapter=3.&article=3)

<sup>5</sup> <http://epubs.iapmo.org/2019/CPC/index.html>

adopted a State OWTS Policy, which became effective May 13, 2013. On May 30, 2013, the Regional Board adopted Resolution No. R3-2013-0005 which amended the Basin Plan to incorporate by reference the provisions of the OWTS Policy and delete redundant or conflicting onsite wastewater system criteria. On January 21, 2014, the State Water Board adopted Resolution No. 2014-0003 approving the amendment of the Basin Plan, which was subsequently approved by the Office of Administrative Law on June 3, 2014. Both the OWTS Policy and the Basin Plan include provisions for continued local regulation of OWTS pursuant to Tiers 0, 1, 3, and 4 requirements or Tier 2 requirements for a LAMP that is approved by the Regional Board.

The State OWTS Policy establishes five tiered classifications to regulate management of OWTS:

- **Tier 0** – Functioning: OWTS, existing and properly functioning.
- **Tier 1** – Low Risk: OWTS, new or replacement and low risk that can meet State-wide Standards.
- **Tier 2** – LAMP-compliant: OWTS, new or replacement, managed per Local LAMP standards, developed to reflect local conditions.
- **Tier 3** – Impaired Waters: OWTS potentially impacting federally listed impaired water sources.
- **Tier 4** – Failing: OWTS experiencing failure.

OWTS that do not meet the specifications for any of the five Tiers specified above, must be permitted by the Regional Board.

The Santa Cruz County Code Chapter 7.38 ‘Sewage Disposal’ (Appendix A) specifies the standards for OWTS installation in unincorporated Santa Cruz County and the cities of Santa Cruz, Scotts Valley and Capitola. It was developed in conformance with prior Basin Plan requirements and is now being updated to meet the State OWTS Policy and 2014 amended Basin Plan. In addition to the design and operational standards for new conventional OWTS, the Santa Cruz County Code allows specific provisions for the management and repair or upgrade of existing OWTS, and for the use of enhanced treatment systems where design and operational standards for conventional systems cannot be met. Many critical elements of these design and operational standards were developed through review and collaboration with the Regional Board.

County EH engages in a broad spectrum of activities relevant to OWTS management including:

- evaluations and investigations of existing systems;
- review of building plans for new construction and remodels served by OWTS;
- design review of OWTS repairs and modifications;
- issuance of OWTS permits, including inspections of installations;
- investigation of citizen complaints;
- water quality monitoring;
- record searches and field surveys of existing OWTS;
- qualification of various providers of OWTS services;
- oversight and financing of septage disposal;

- inspection of septage vehicles and pumper certifications;
- maintenance of permanent records for parcels' OWTS history;
- public education and outreach; and
- management of special regional areas of concern.

The County established County Service Area No. 12 (CSA 12) that provides for collection of annual fees from properties served by OWTS to help finance these management efforts. Permit fees finance County EH review and oversight of individual OWTS installations.

## 1.2 Santa Cruz County Land Use, Topography, Geology, and Climate

Santa Cruz County has roughly 27,700 OWTS that serve about 22% of the population (61,000 people) in the rural and mountainous parts of the county. Approximately 92% of the OWTS serve single family residences, 4.5% serve multiple residential uses, 3% serve commercial uses and 1% serve motels or camps. Most of the OWTS are located in unincorporated areas, with an additional 445 systems in the City of Scotts Valley, 110 in the City of Santa Cruz, 40 in the City of Watsonville, 15 in City of Capitola, and 2,000 within county sewer/sanitation districts. (This information is based on records of septic tank pumping, permits, inspections and older unverified records. Some of these records may reflect tank pumping at the time of tank abandonment and connection to sewer.)

The County has diverse topography, geologic features, and soils, including coastal terraces and alluvial valleys, steep foothills and mountains, known and potential earthquake faults and seismic hazards, and a wide range of soil types with varying constraints (e.g., expansion, liquefaction, slow permeability and fast permeability). The County is in the Coast Range physiographic province of California, which was formed by plate tectonic forces associated with the San Andreas Fault system. The northwest-southeast structural grain of the Coast Ranges is controlled by a complex of active faults within the San Andreas fault system. This province is characterized by low mountain ranges, generally parallel to the coast, with elevations of 1,500 to 3,000 feet. The Santa Cruz Mountains are primarily underlain at depth by a large, elongated prism of granite and metamorphic basement rock types, bordered to the northeast by the San Andreas strike-slip fault system and to the southwest by the San Gregorio/Nacimiento strike-slip fault system. Much of the basement material is overlain by sedimentary formations of varying age, texture, and permeability. Some sandy formations have very fast permeability.

Along the coast, the ongoing tectonic activity is most evident in the gradual uplift of the coastline, as indicated by the series of uplifted marine terraces that sculpt the coastline. Coastal areas in the County are characterized by step-like marine terraces. The terrace deposits consist of sediments deposited below sea level; however, the terraces are above sea level now due to a combination of changing sea levels and uplift of the coastal land mass. The coastal terraces are generally characterized by older soils with dense clay subsoils, slow permeability and perched winter groundwater conditions.

Approximately 75 percent of the County lies within the Santa Cruz Mountains, which includes area of very steep slopes exceeding 30 percent. The mountain area, including the unincorporated

towns of Ben Lomond, Felton, and Boulder Creek, is characterized by deep valleys such as the San Lorenzo Valley and intervening ridges such as those along Skyline Boulevard. OWTS in this area are frequently constrained by steep slopes and landsliding on the ridges, with elevated groundwater and close proximity to streams in the valley bottoms. The north coast area, including the unincorporated towns of Davenport and Bonny Doon, is characterized by broad, gently sloping marine terraces that extend along the Pacific Ocean as well as steep foothills that rise into the Santa Cruz Mountains. Conditions for OWTS in the north coast area are generally favorable, although clayey soils and perched groundwater can occur on the marine terraces. The South County Region consists of valley lowlands such as within Pajaro Valley, terraces, rolling hills, sloughs, and floodplains that are intensively used for irrigated and dry-farm crops, as well as the more arid, chaparral dominated mountain range above Watsonville. Portions of this area are subject to clay soils and perched groundwater on old terraces.

The urban areas along the coast and in Scotts Valley are sewered, but the suburban communities in the San Lorenzo Valley are served by OWTS (Figure 1-1). The San Lorenzo Valley was originally developed in the early 1900's for summer homes on small lots, which subsequently were converted to year-round use. While significant amounts of new rural development occurred in the 1970's, the rate of rural development slowed significantly after the 1978 passage of Measure J, which mandated limits on the overall rate of growth and directed most growth into the urban areas with public services (Figure 1-2). The rate of new development served by OWTS has further declined in recent years, with only 11 new systems approved in 2017 and 17 approved in 2018. Most rural development activity is related to remodels and OWTS repairs. In 2018, 38 permits for system upgrades to serve building remodels were approved, and 223 permits to repair or replace existing systems were approved.

Figure 1-1: Santa Cruz County Land Use, Based on Assessor Land Use Records

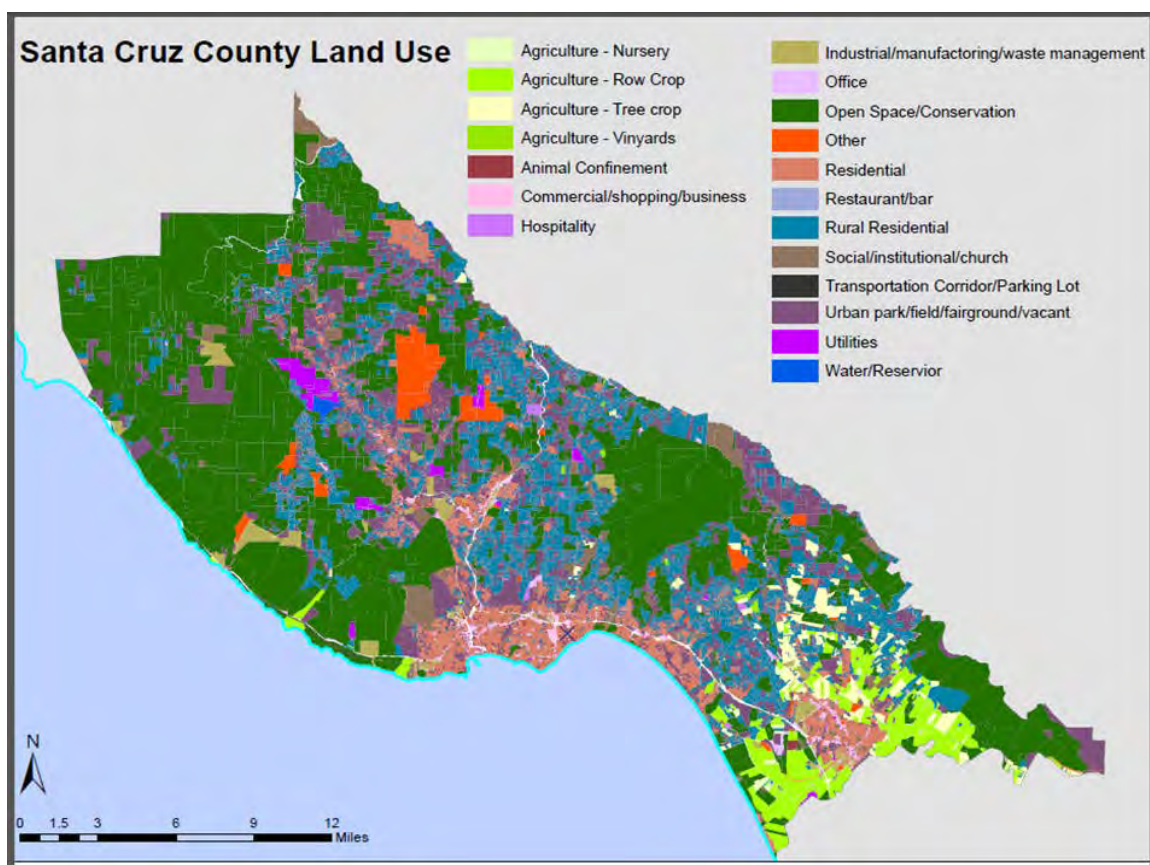
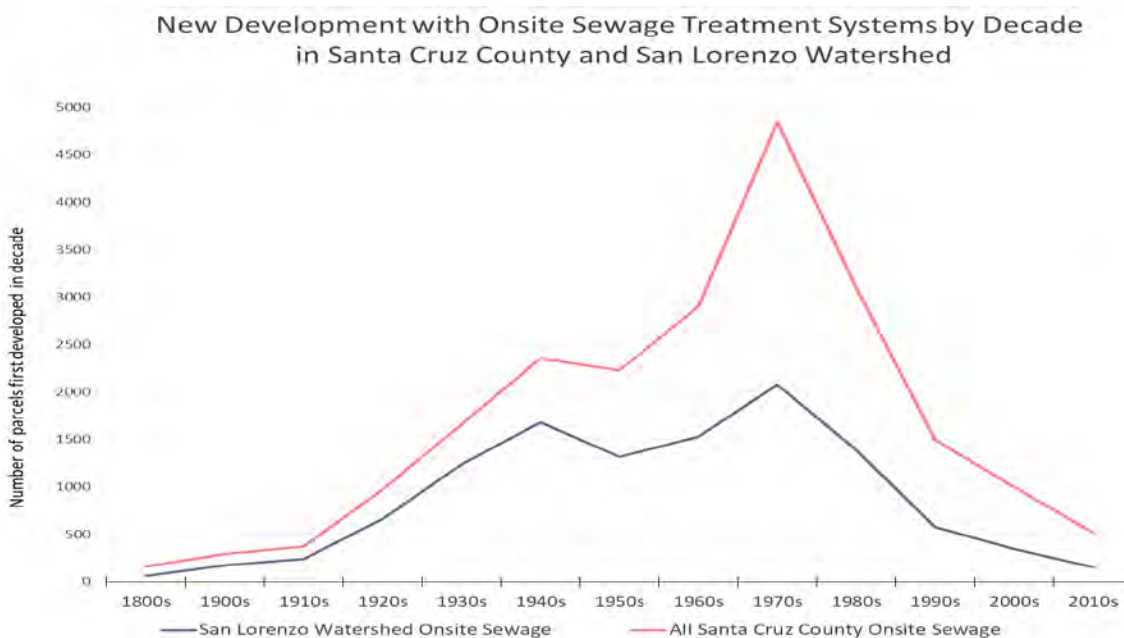


Figure 1-2: Development Trends in County and San Lorenzo Watershed





The average annual rainfall in the County varies from 20 inches in the southern lowlands to 60 inches in the mountains above Boulder Creek and Bonny Doon (Figure 1-3). Most of this rainfall occurs in 3 months and can often lead to elevated seasonal groundwater and transient saturated conditions. This causes soils to be fully saturated during storms and for several days afterward. Because most county soils are relatively well-drained and permeable, well-designed OWTS are able to continue to perform satisfactorily in the winter.

Figure 1-3: Average Annual Rainfall Distribution

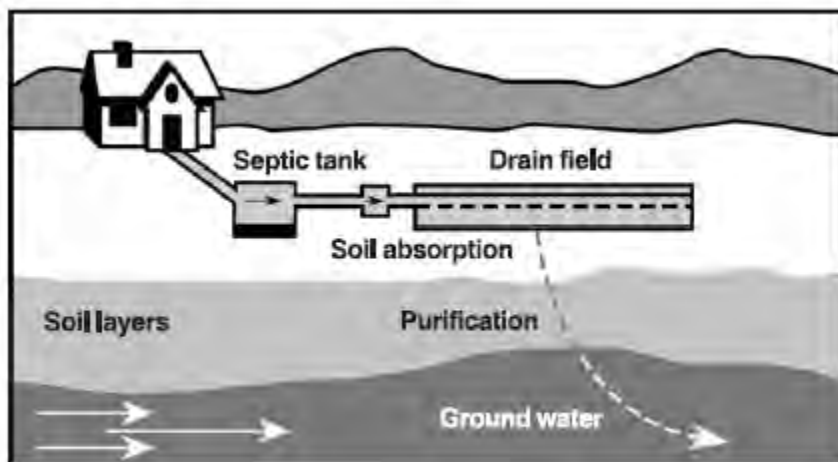


### 1.3 Onsite Wastewater Treatment Systems Overview

Onsite Wastewater Treatment Systems (OWTS), commonly known as septic systems, are the primary method for treating and disposing sewage in rural areas where sewer systems are not available or too expensive to install. OWTS are designed to treat wastewater using a combination of physical processes for solid-liquid separation coupled with biological processes for inactivating pathogens and stabilizing organic matter and nutrients. Microorganisms in the soil also contribute to biodegradation mechanisms to prevent release of contaminants to the land surface and protect groundwater and surface water beneficial uses.

An OWTS typically consists of a septic tank and a leaching trench disposal system, such as a leachfield (Figure 1-4). The septic tank is usually 1,500-2,000 gallons in size and is designed to retain solids and grease and provide initial, primary treatment of the wastewater. The wastewater then typically flows by gravity to the dispersal system where the wastewater percolates into the soil and further treatment takes place.

Figure 1-4: Typical conventional OWTS



Source: NSFC, 2000.

Dispersal systems include perforated pipes set along the top of one or more gravel-filled trenches. The sides and bottom of the trench provide the absorption area for soil percolation. The total square footage of trench and absorption area needed is determined by the expected amount of wastewater flow into the system and absorption capabilities of the soil. A more permeable sandy soil requires less absorption area than a clay soil. Other types of dispersal systems include seepage pits, chamber systems, drip dispersal or mounded bed systems.

Besides the basic septic tank and dispersal system, an OWTS may include other components:

- A pump chamber and pump may be used to move wastewater to a higher, more suitable disposal area on the property. Pump systems include electrical controls, alarms, and excess storage capacity to ensure proper timing of pumping and safeguards in the event of power failures, pump breakdowns, or system overload.

- A distribution box or flow divider ensures that the wastewater is evenly distributed to all parts of the leaching trench disposal system. If this is not installed properly, one part of the system can be overloaded and fail, while other parts remain dry.
- Enhanced treatment systems may be used in place of or in addition to the septic tank to provide a much higher level of wastewater treatment before the wastewater is dispersed to the underground soils. Enhanced treatment reduces organic loading and suspended solids, some designs provide for nitrogen removal, and some designs provide disinfection for inactivation of pathogens.
- Alternative dispersal systems are used for subsurface release of treated wastewater where soil conditions or high groundwater are not appropriate for conventional systems. Alternative dispersal includes pressure distribution, drip dispersal, mounded beds, bottomless sand filters, or at-grade systems. These dispersal systems discharge the effluent subsurface.

Following is a table which shows information regarding the types of OWTS in Santa Cruz County, based on information in the County database. The database now includes detailed information for systems permitted countywide 1995 - 2019 and many of the pre-existing systems in the San Lorenzo Valley and Amesti Road areas that had information from older paper files. More generalized information is available in the database for the other systems.

Table 1-2: Types of OWTS in Santa Cruz County

Type of System	Number
Conventional	
Meets standards	6,175
Not meeting all standards	209
Pressure Distribution	24
Mounded Bed	52
Sand Filter	22
At-Grade	5
Enhanced Treatment System, proprietary	686
Haulaway	21
Large Systems, >2500 gpd	12
Older systems	
Performing satisfactorily	1,558
Pre- 1995, No information in database	18,983
<b>Total OWTS in County</b>	<b>27,747</b>

## 2 Conditions for Onsite Wastewater Disposal in Santa Cruz County

The complexities of geology, topography, soils, rainfall, and past development patterns pose challenges for OWTS in Santa Cruz County. Since the 1980's the County has developed specific policies to guide improvement of existing OWTS and minimize potential impacts from new OWTS serving new development. The County strives to balance the realities of site constraints, existing development patterns, cost and feasibility of system improvements, with the need to improve water quality and public health protection. Prior to the mid-1980s, system repairs were only required to meet standards to the maximum extent feasible, with no minimum standards. With oversight programs and minimum repair standards in place, the rate of observed system failures dropped from 13% to 1-2% and water quality also improved.

As a part of policy development, the County has also been sensitive to issues of affordability and fairness to property owners. Many of the rural areas of the County are inhabited by property owners of limited financial means. A large swath of the San Lorenzo Valley northeast of Boulder Creek is delineated as a Disadvantaged Community (DAC) as shown by the California Department of Water Resources' DAC Mapping Tool based on U.S. Census American Community Survey data from 2012 through 2016 (Figure 4-1, page 95). Although other areas have higher average incomes, there is considerable diversity, with well-off households intermixed with households of limited means to upgrade their OWTS. As a part of maintaining and expanding housing stock, the County wants to be able to allow building remodels and additions if the wastewater disposal system can be upgraded to meet minimum standards that provide for water quality protection.

Conserving water and energy are also important considerations for wastewater management. A properly functioning OWTS returns a significant amount of water to the groundwater basin. During the dry season, about 15% of the baseflow in the San Lorenzo River is estimated to be discharged from OWTS and has percolated through the soil to reach the River as clean groundwater. In the Mid-County Groundwater Basin, of the 1,000 acre-feet per year (af/y) of inland groundwater pumping, over 400 af/y is returned to the groundwater system as return flow from OWTS. This is an important water budget component in a basin that has been experiencing 1,500 af/y of overdraft. Regarding climate impacts and ongoing cost of operation, there is a benefit to utilizing OWTS technology with less energy requirements whenever possible.

The County's onsite wastewater management and policy development has been supported by extensive field work to measure water quality and assess actual field conditions. This work has included:

- County contribution to the U.S. Soil Conservation Service to update the County Soil Survey, 1980.
- Extensive water quality monitoring and investigation dating back to 1975, averaging approximately 2,100 samples per year countywide.
- Evaluation of shallow groundwater quality in 100 boreholes downgradient of disposal systems in various soil and groundwater conditions (1981-82).

- Installation of 200 boreholes to assess shallow groundwater levels in San Lorenzo Valley Communities (1986), ongoing monitoring of 20 holes, with water quality testing in 10.
- Lot-by-lot surveys of 2,200 properties in the San Lorenzo Valley and 300 properties in the Amesti Road area for indications of failing systems, with follow-up corrections as needed.
- Creation and analysis of a database of installation information, site information, inspection results, permits, complaints and pumping results for areas of concerns and eventually all onsite systems in the county.
- Follow-up investigations of systems with failing pumper reports.

The results of this work are reflected in the LAMP requirements and are discussed more fully in the following sections.

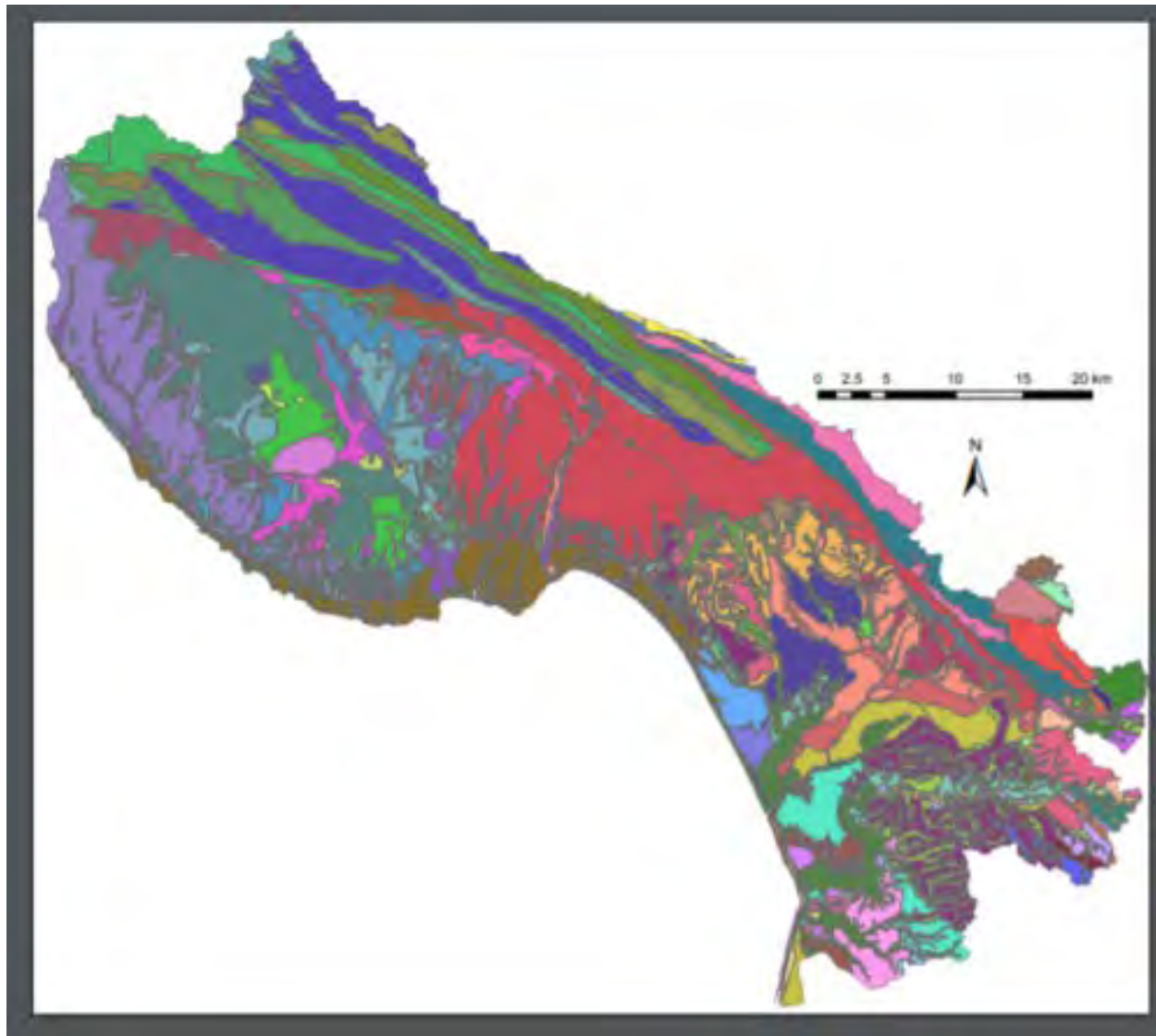
## 2.1 Hydrogeology

There is an interplay between onsite wastewater discharges and hydrogeology. Soil conditions, fractured bedrock, and shallow groundwater affect the hydrodynamics of wastewater discharges. In addition, wastewater discharges affect the quality and availability of local groundwater and surface water resources.

*Within Santa Cruz County, there are three major groundwater basins and four geologic regions, primarily divided by the three major faults in the county (Figure 2-1). The oldest sedimentary rocks occur along the entire northern part of the county. These are old, cemented sandstones and shales, with groundwater generally occurring sporadically in fractures. South of this zone, south of the Zayante fault, occur younger Santa Margarita and Lompico sandstones, which capture and store significant amounts of groundwater in the primary aquifers of the Santa Margarita Groundwater Basin (*

*Figure 2-2).* Immediately to the east is the Purisima Formation and then the Aromas Formation, which both make up the Santa Cruz Mid-County Groundwater Basin. The Aromas extend under the deep alluvial deposits of the Pajaro Valley, which together make up the Pajaro Groundwater Basin. The western edge of the Santa Margarita Basin is defined by Ben Lomond fault and immediately to the west, the large granitic block of Ben Lomond Mountain. Deposits of Santa Margarita Sandstone and other young sedimentary rocks occur over the granite as it slopes gradually to the southwest toward the Pacific Ocean. Most of the granite is deeply weathered, but in places there are deposits of marble, which are honeycombed with caverns, solution channels, sink holes, springs, and other karst features.

Figure 2-1: Geology of Santa Cruz County

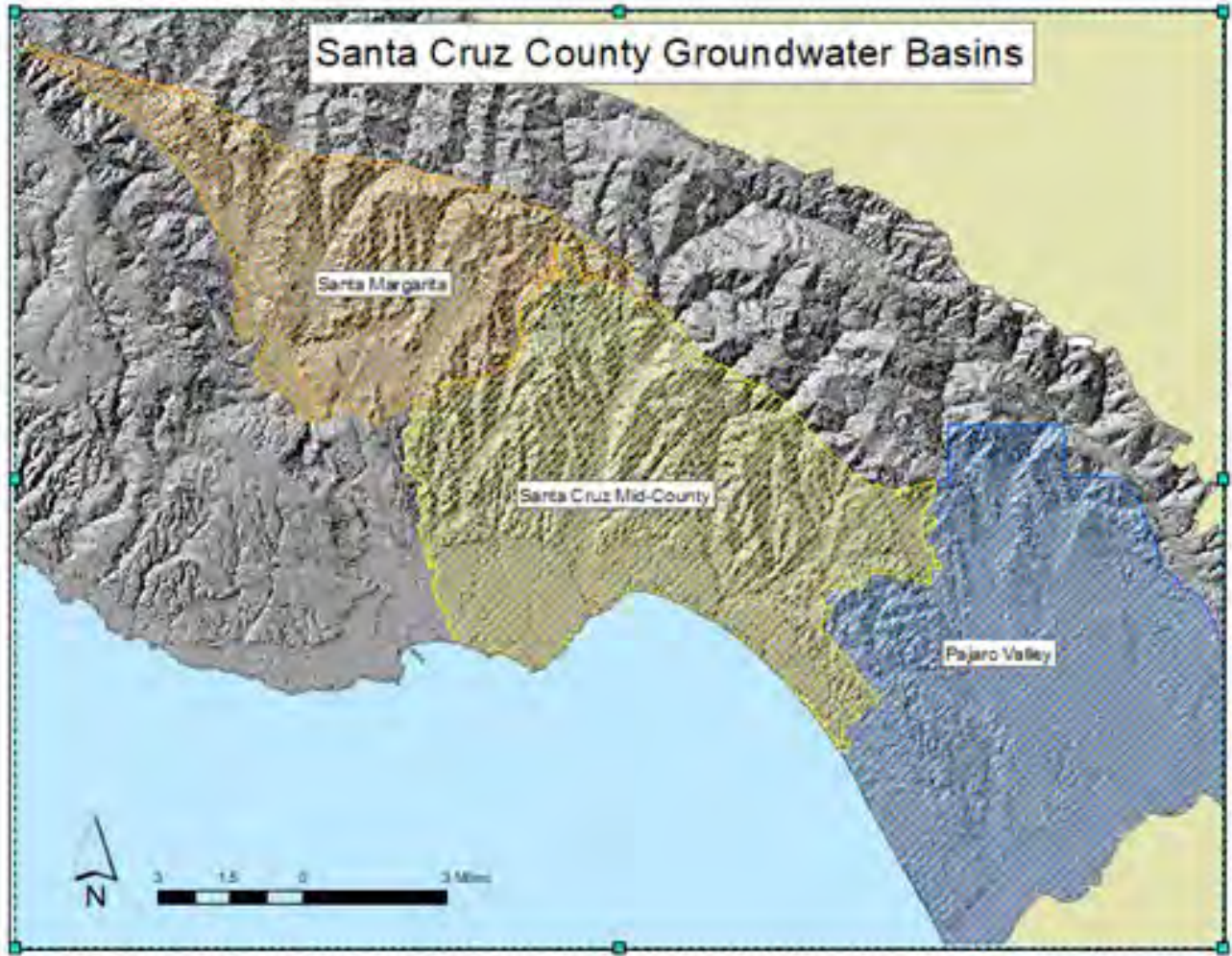


### 2.1.1 Groundwater Basins

The three major groundwater basins in the County are being actively managed under the provisions of the Sustainable Groundwater Management Act (SGMA). Groundwater sustainability plans (GSPs) have been prepared for both the Pajaro Basin and the Santa Cruz Mid-County Basin. The GSP for the Santa Margarita Basin is due to be completed in 2022. County EH is a key partner to all three of the groundwater agencies governing the County's basins. PVWMA manages the Pajaro Basin that is shared by four counties including Santa Cruz, Monterey, San Benito and Santa Clara. PVWMA monitors water quality of its surface and groundwater sources. The California Department of Water Resources (DWR) designated this basin as being critically overdrafted.



Figure 2-2: Santa Cruz County Major Groundwater Basins



### 2.1.2 Domestic and Municipal Wells

OWTS discharge a plume of water into the subsurface that contains high concentrations of nitrogen, pathogens and other potential pollutants. The concentration of pollutants declines with distance and time of travel as biological treatment, filtration and dilution occur. A pumping well located too close to an OWTS may draw that plume of untreated water into the pumping well, degrading the quality of water produced. The potential for pollution is greater where wastewater effluent is discharged deeper into the subsurface through seepage pits. In order to prevent groundwater pollution, an adequate setback between wells and OWTS is required. Santa Cruz County Code has required a basic setback of 100 feet, which is expanded to 150 feet between seepage pits and public water system wells, and a minimum separation of 250 feet for a conventional OWTS located in fast percolating soil with a groundwater separation of less than 20 ft.

Increased setbacks to public water supply wells will now be required, as provided in the State OWTS policy:

- 1) 150 feet from a public water well where the depth of the effluent dispersal system does not exceed 10 feet in depth.
- 2) 200 feet from a public water well where the depth of the effluent dispersal system exceeds 10 feet in depth.
- 3) Where the effluent dispersal system is within 600 feet of a public water well and exceeds 20 feet in depth the horizontal setback required to achieve a two-year travel time for microbiological contaminants shall be evaluated and determined by a qualified professional. However, in no case shall the setback be less than 200 feet, where the dispersal depth exceeds 20 feet.

If any OWTS failure is found to occur within the above setbacks then the County EH staff will notify the operator of the affected public water system well and the State Board, Division of Drinking Water by telephone or email within 24 hours or no later than 72-hours. The water system will also be notified whenever an application is received for a new or replacement OWTS within the setback buffer of their well. The operator will be given a minimum of 10 business days to comment on the application. The County Geographical Information System (GIS) has spatial data on all public water supply wells and the County has contact information for all public water supply well owners. There are presently 170 public water supply wells that provide potable water to approximately 105 water systems in the County that serve more than 14 connections or that are non-community public systems. The County GIS also includes water supply well spatial data for another 30 state small systems with 5-14 connections.

The increased setbacks would likely prevent the elevated nitrate concentrations that have been detected in municipal supply wells in La Selva Beach, as indicated in Figure 2-5. There are three OWTS located inside the previously required 150-foot buffer, and there are many OWTS within the new 200 feet and 600-foot buffers. These OWTS utilize seepage pits for disposal, which are over 20 feet deep in fast percolation soils. Any future repair or replacement of those OWTS will require use of enhanced treatment systems at a minimum.

In addition to the public supply wells, there are an estimated 8,000 properties served by individual private domestic wells in rural areas of the County. Wastewater disposal for all of these properties is accomplished by OWTS. In most cases, these occur on relatively large lots that were developed individually over time. Since 1970, any new lot created must be at least one acre in size if it would be served by both an individual well and an individual OWTS. For older lots, the minimum parcel size with a water supply well is 15,000 square-feet (sf) and a 100-foot setback must be maintained between the well and the onsite dispersal system. Areas of higher density OWTS are served by public water systems and do not have onsite private water supply wells. There are several rural subdivisions in the rural Bonny Doon area, that have one acre lots with both individual private water supply wells and onsite disposal systems.

There are rare occasions with existing developed lots where it is not possible to maintain a 100-foot setback between an OWTS and a domestic well on the same property. Typically, this occurs on smaller lots, or lots with other site limitations and the only suitable locations for the domestic well and the disposal system are less than 100 feet apart. These situations become apparent

when either the domestic well or the disposal system needs to be replaced. If it is not possible to achieve separation, a number of measures are taken to reduce potential for impacts: 1) the existing domestic well will be tested to determine if there is any current impact from the disposal system, 2) the domestic well log will be reviewed to confirm presence of sanitary seal and subsurface conditions that would affect the potential movement of contaminants, 3) the replacement disposal system will be located no closer than the existing system, will be as shallow as possible, and may utilize an enhanced treatment system, 4) a new domestic well will utilize a 100 foot sanitary seal, 5) any old domestic well within the 100 foot setback will be properly destroyed, and 6) the property owner will sign an acknowledgement of the reduced separation and the need to have the domestic well periodically tested for any indication of pollution (nitrate and E. coli).

### 2.1.3 Advanced Groundwater Protection Management Program

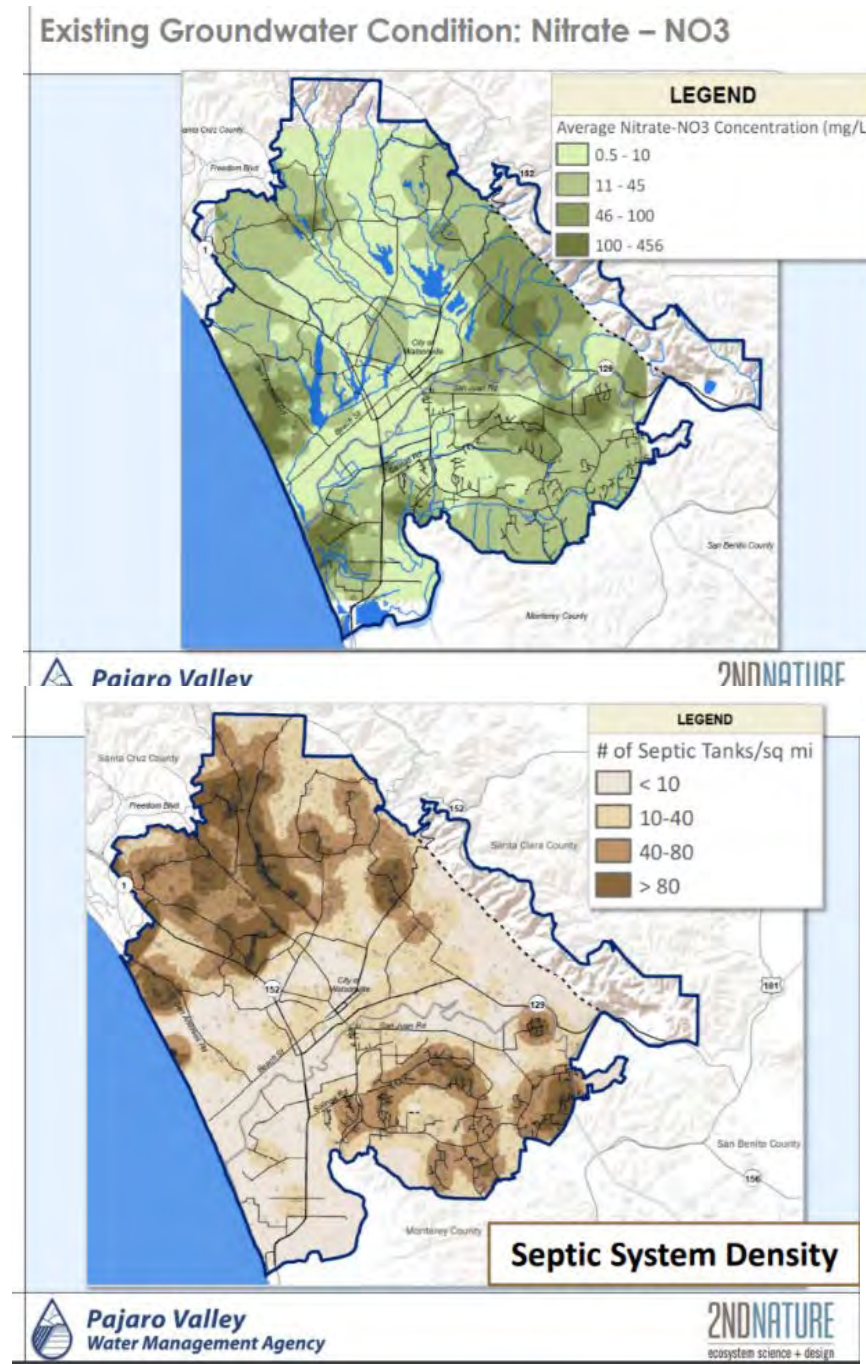
If at some point the County or Regional Board identifies a groundwater basin or sub-basin in Santa Cruz County where the use of OWTS is causing or contributing to significant degradation, the County will develop an Advanced Groundwater Protection Management Program (AGPMP) in close consultation with and approved by the Regional Board. During development of the AGPMP, the County and the Regional Board shall work together to identify the coverage area of the AGPMP (geographical area and site conditions where OWTS's are contributing to groundwater degradation). The AGPMP will require enhanced treatment for all new and replacement systems in such areas; mandatory, routine inspections and maintenance; connection to public sewers; shallow groundwater monitoring; or other appropriate actions. The enhanced treatment standards will be equivalent to Tier 3 requirements to the greatest extent practicable. The requirements for existing systems will be consistent with Tier 4 of the State OWTS Policy. The County will require conformance with current standards, including enhanced treatment standards, to the greatest extent practicable or as specified in the AGMP. Variances are not allowed for the requirements stated in sections 9.4.1 through 9.4.9 of the State OWTS Policy.

#### 2.1.4 Nutrient and Salts Loading in Groundwater

OWTS are potential contributors of point source nitrate and salts to groundwater. As such, County EH and groundwater agencies track water quality of the three groundwater basins within Santa Cruz County. Of the three groundwater basins, only the Pajaro Basin is subject to significantly elevated levels of nitrate pollution from fertilizer, salt input from inland sources, and coastal seawater intrusion. The Pajaro Valley Water Management Agency (PVWMA) is utilizing recycled wastewater to address groundwater overdraft and has completed a Salt and Nutrient Management Plan (SNMP). Aside from seawater intrusion, salt and nutrients have not been identified as significant issues in the Mid-County GSP. The Santa Margarita Basin contributes significant baseflow to the San Lorenzo River, which is designated as impaired due to elevated nitrate concentrations. Nutrients in the Santa Margarita Basin are addressed through the San Lorenzo River Nutrient Total Maximum Load (TMDL). There are also some localized occurrences of elevated nitrate from OWTS in highly permeable soils.

PVWMA developed its SNMP in 2016. Salt from seawater intrusion, and nitrate from agricultural fertilizer are the two primary water quality constituents of concern for Pajaro Basin groundwater. OWTS were determined to be less than 4% of the source of the aquifer's nitrate levels. According to a 2015 PVWMA study, the sources of nitrate pollution for the Pajaro Valley Groundwater Basin aquifer include: 87% agricultural, 5% stream runoff, 4% sewer leakage, and 4% septic systems. (Figure 2-3, PVWMA Salt and Nutrient Management Plan July 2, 2015).

Figure 2-3: Nitrate Levels and Sources of Nitrate in the Pajaro Groundwater Basin





Both Mid-County and Santa Margarita have experienced some localized occurrence of elevated nitrate from OWTS. In Mid-County, one municipal well has had nitrate levels approach drinking water standards and has been taken out of service (Figure 2-4). This well is located in the densely developed La Selva Beach area, with sandy soils, small lots and extensive use of seepage pits for onsite wastewater disposal. It appears that the well in question has at least three OWTS located within 150 feet, eight OWTS within 200 ft and 22 OWTS within 600 ft (Figure 2-4). In the Quail Hollow area of the Santa Margarita Basin, several municipal wells are surrounded by development on one half acre lots in very sandy soils (Figure 2-6). In the mid 1980's the Quail Hollow wells experienced an increase in nitrate levels but have remained well below drinking water standards (Figure 2-7).

Figure 2-4: Municipal Wells and OWTS in the La Selva Beach Area



The Altivo well is to the north and the Sells well to the south. Inner buffer is 150 ft and outer buffer is 600 ft. Black dots are parcels with OWTS.

Figure 2-5: Nitrate Levels in La Selva Beach Wells, mg-N/L  
Sells Well, 1984-2010



Altivo Well, 1985-2019

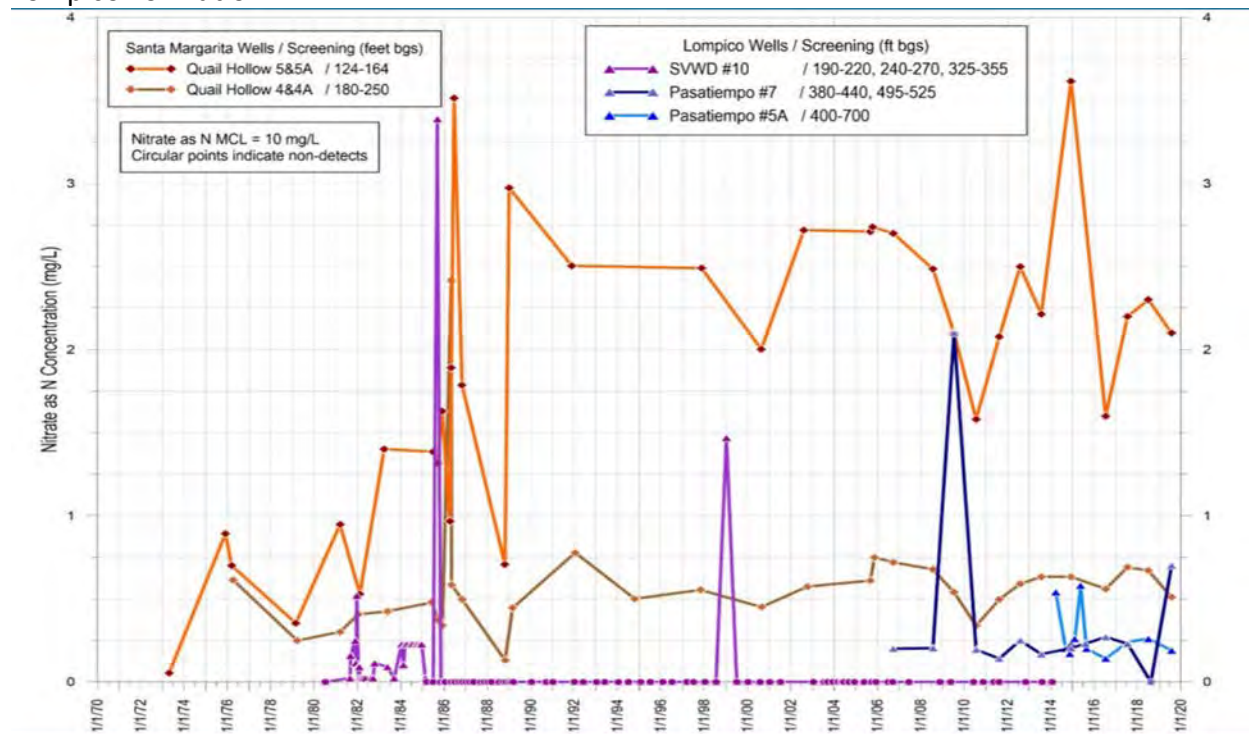




Figure 2-6: Quail Hollow Well Locations and OWTS (Dots)



Figure 2-7: Nitrate Trends in Selected Santa Margarita Basin Wells, 1973-2020  
Quail Hollow Wells, Santa Margarita Formation; and the Camp Evers/ Pasatiempo Areas Wells, Lompico Formation



Source: Montgomery and Associates, 2020

Santa Cruz County has required testing for nitrate, total dissolved solids, chloride, iron and manganese, for all new wells drilled since 2010. The new well data shows no significant nitrate pollution exceeding drinking water standards. Out of 257 wells, only 4 had values between 5.0 and 10 mg-N/L and only 25% had values between 5 and 1 mg-N/L. The State Groundwater Ambient Monitoring (GAMA) shows a similar pattern, with high nitrate levels only occurring in agricultural areas, and somewhat elevated levels in highly permeable soils.

Figure 2-8: Nitrate Measured in New Wells, 2010-2019.

Agricultural and turf parcels shown in yellow, highly permeable soils in green

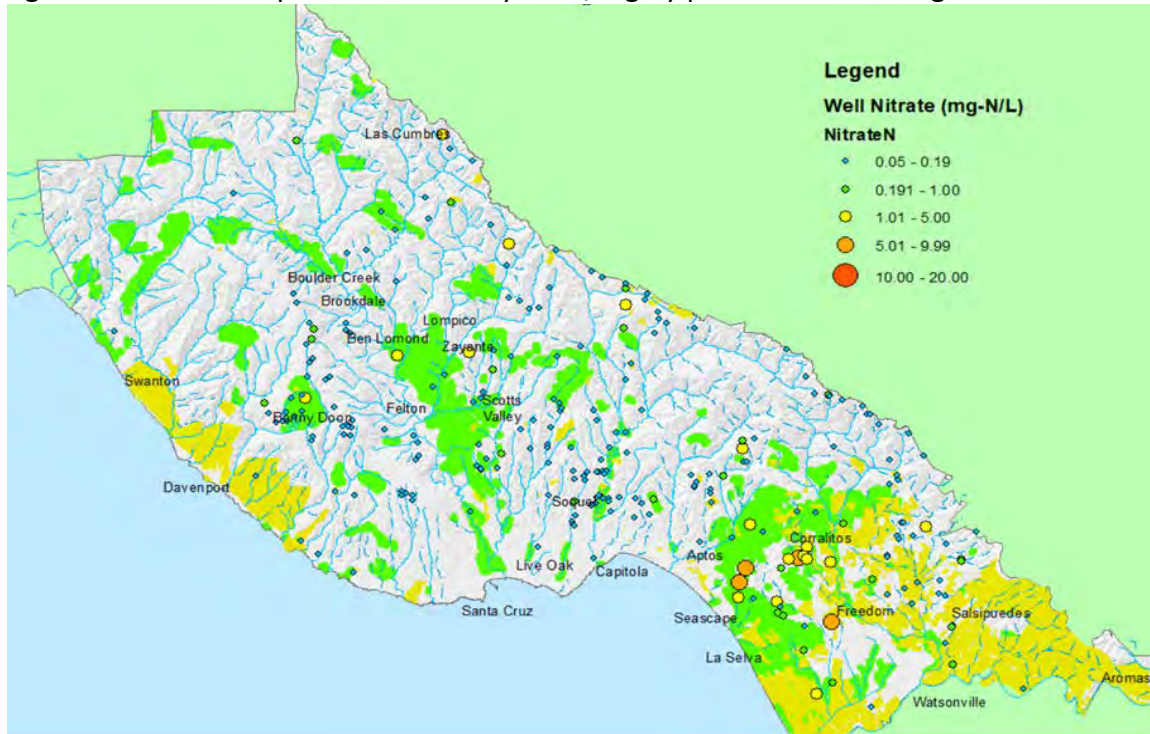
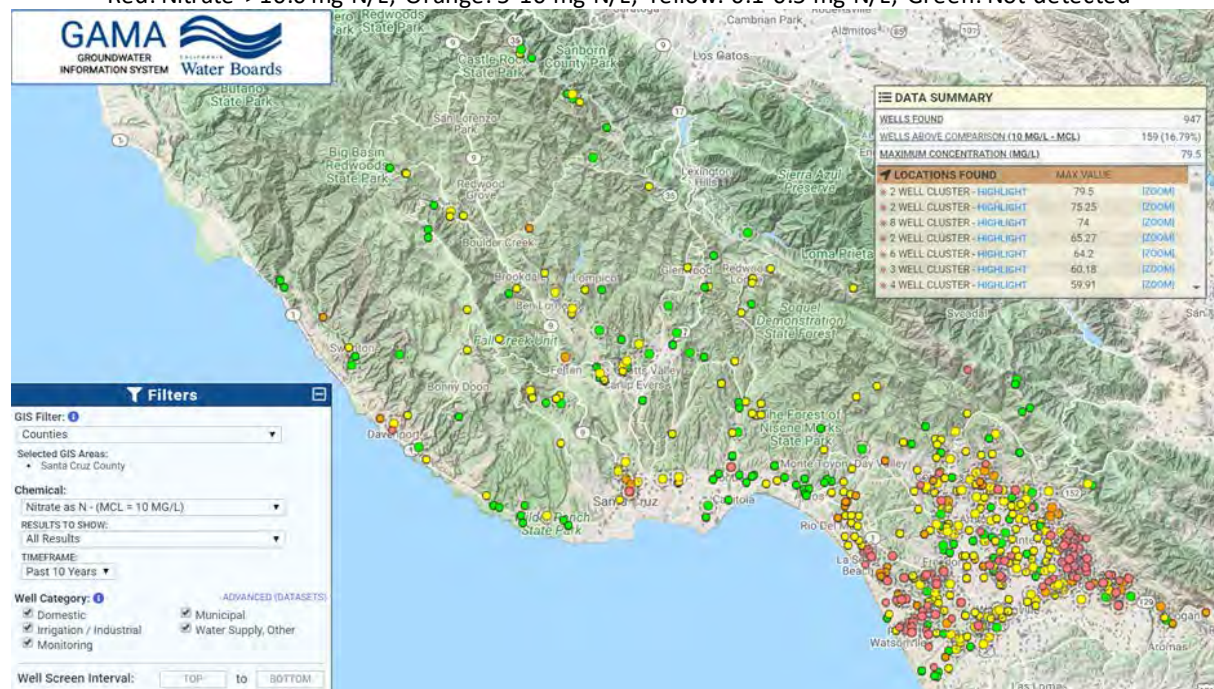




Figure 2-9: Nitrate Levels reported in State GAMA database, 2009-2019

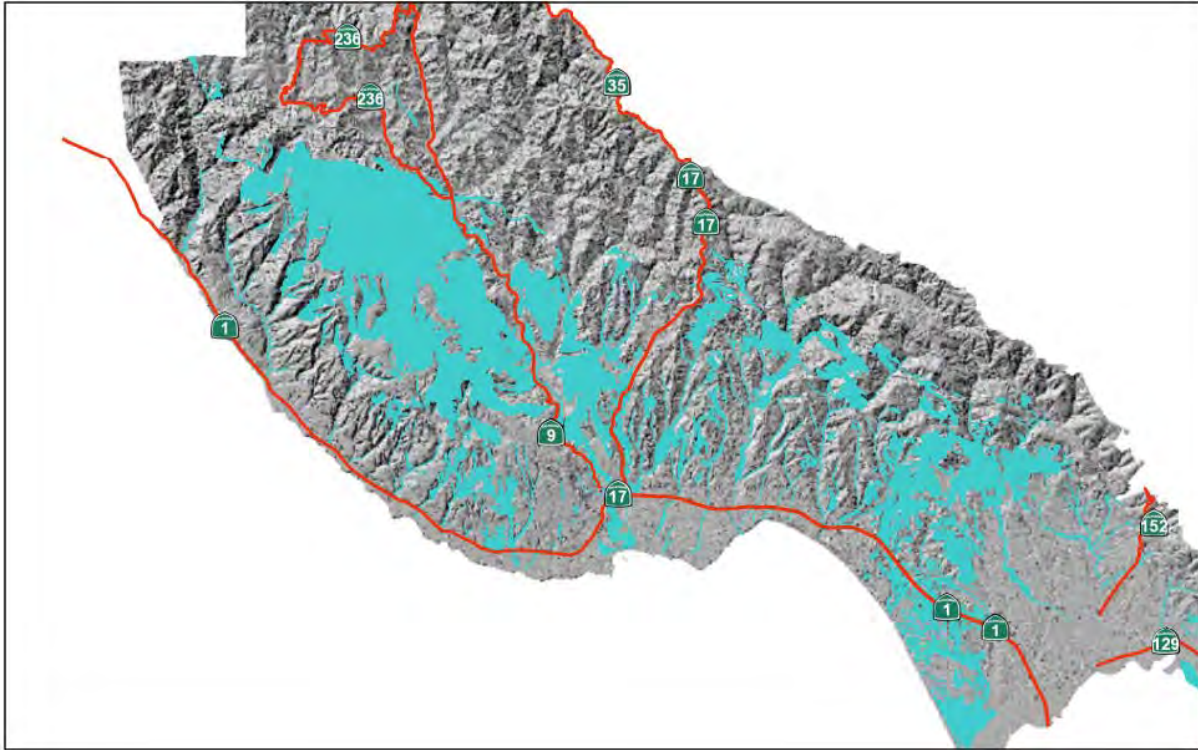
Red: Nitrate >10.0 mg-N/L; Orange: 5-10 mg-N/L; Yellow: 0.1-0.5 mg-N/L; Green: Not detected



### 2.1.5 Groundwater Recharge

The County has long recognized the importance of protecting the quantity and quality of waters recharging the county's groundwater basins. Primary groundwater recharge areas were mapped where moderately to highly permeable soils overlie important water bearing aquifer formations (Figure 2-10). The County established General Plan policies and provisions in the Santa Cruz County Code to protect recharge areas and to regulate wastewater disposal and other land uses overlying recharge areas. The objectives and effects of these policies is to maintain the quality and quantity of percolating waters. The County also recognizes the value of maintaining good quality groundwater recharge derived from the treated wastewater passing through OWTS. It is estimated for the Mid-County Groundwater Basin that 90% of the wastewater from properties served by OWTS returns to groundwater basin as recharge. Of the 1,000 af/yr pumped by inland private domestic wells, 400 af/yr is recharged back to the basin (SCMGA, 2019). Similarly, in the San Lorenzo Watershed it has been estimated that on average, 50% of the water used returns to the groundwater through OWTS (SCCHSA, 1995).

Figure 2-10: Primary Groundwater Recharge Areas in Santa Cruz County



### 2.1.6 Fractured Bedrock and Karst

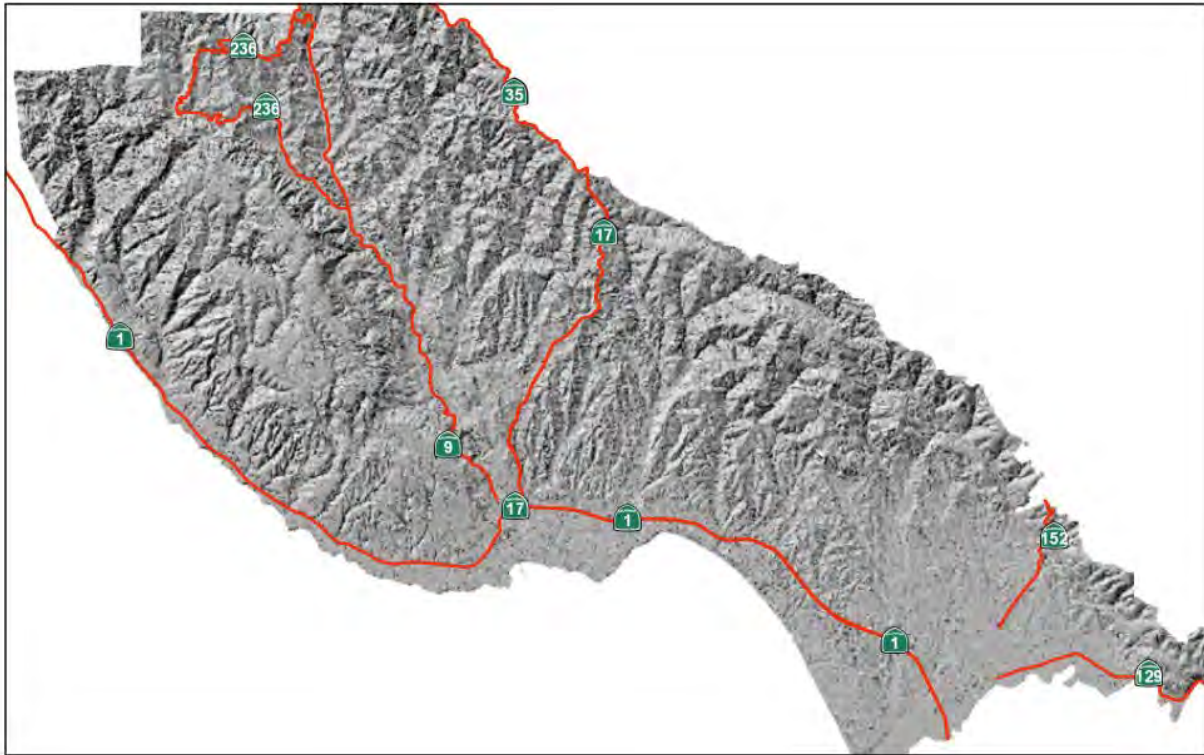
Where onsite wastewater disposal takes place in a location with limited soil depth over fractured bedrock, there is potential for the effluent to move rapidly for great distances with little treatment, resulting in groundwater pollution and/or surface water pollution where the water may exit the ground in springs or stream discharges. This is particularly a concern in karst areas underlain by marble or limestone. Karst occurs in some locations on Ben Lomond Mountain and karst springs are substantial sources of municipal water supply for the town of Felton and for the City of Santa Cruz from sources in the North Coast watersheds. The City of Santa Cruz and County embarked on a project to better map karst areas so that proper precautions could be taken in locating OWTS and other land uses that might contribute to pollution. Marble deposits and karst springs are now indicated in the County GIS and in the septic constraints layer. Provisions are being added to the County General Plan and Santa Cruz County Code Chapter 7.38, Sewage Disposal, to require geologic site evaluation if karst features are present and proper design to prevent adverse impacts of wastewater disposal. There is also a general provision to prohibit installation of a leachfield in fractured bedrock, wherever that may be found to occur. It has been seen occasionally, but rarely, in areas of Santa Cruz Mudstone and other hard sandstone or shale formations. In most cases underlying bedrock is deeply weathered as a result of the high rainfall and dense vegetation of the Santa Cruz Mountains. Presence of fractured bedrock would be identified on a case-by-case basis by soil observations and excessively rapid percolation test results.

### 2.1.7 Steep Slopes and Slope Stability

Over three quarters of Santa Cruz County is considered mountainous, with relatively narrow valleys, steep hillslopes, and mostly narrow ridgetops. Much of the geology is unstable and subject to slope failure and landsliding. OWTS cannot be located on excessively steep slopes due to construction challenges and threat of inducing further instability by introducing liquid into unstable slopes. There is also some concern of increased potential for effluent moving laterally and seeping out of steep slopes, although this has rarely been observed in Santa Cruz due to the prevalence of very deep soils. There are areas in mid-county where presence of clay lenses in the Aromas formation have caused localized saturation and slope failure even on slopes less than 30%.

County code presently prohibits installation of OWTS to serve new development on slopes steeper than 30% but allows OWTS for repairs and replacements on slopes up to 50%. Systems cannot be placed in areas where grading was done to meet the slope requirements. Code also requires a safe setback from the edge of a steep slope, cut or embankment. Of the 28% of the records in the database that have information on slope in the area of the dispersal system 60% have slope less than 10%, 10% have slope 10-15%, 20% have slope 15-30%, 7% have slope of 31-50%, and 3% are on slopes over 50% slope. Only 6% of the records indicate an embankment near the dispersal system requiring a set-back.

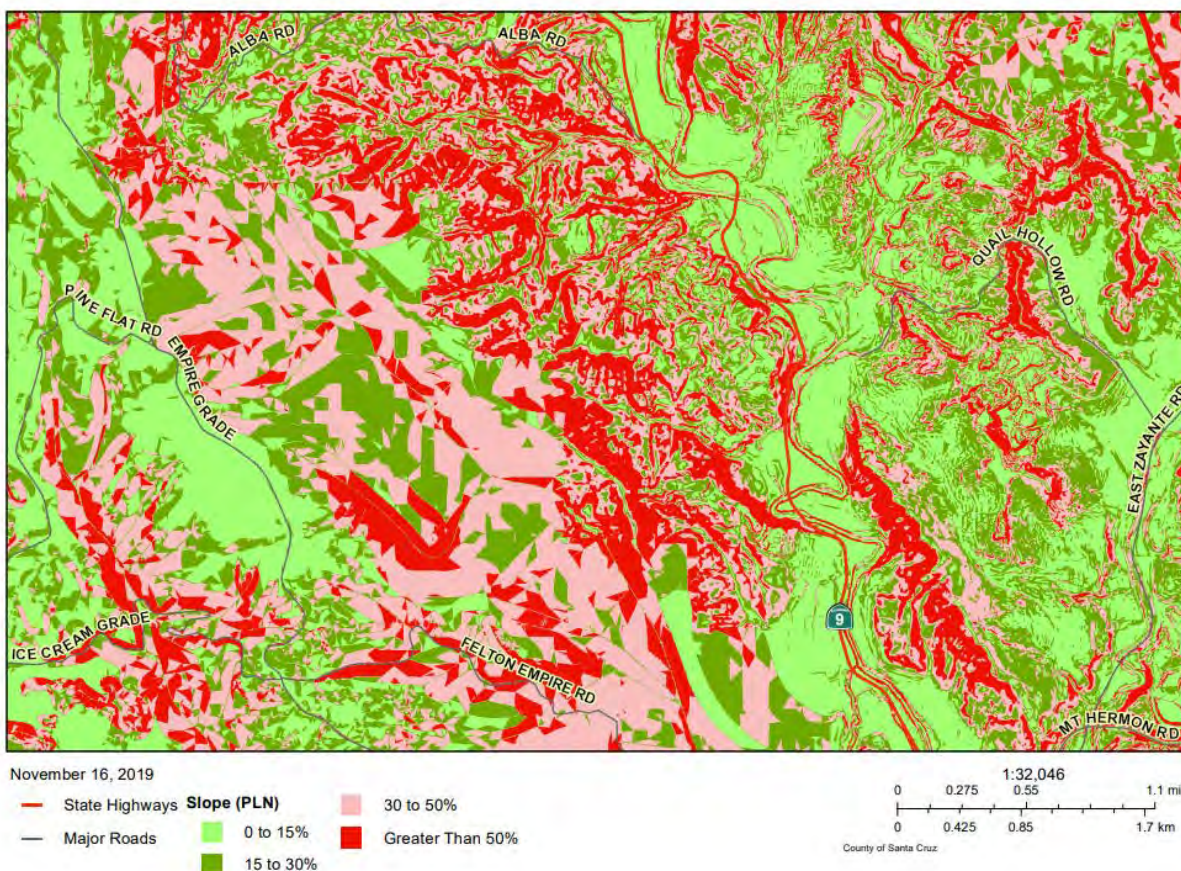
Figure 2-11: Steep Topography of Santa Cruz County



County EH staff work with the County Geologist and Environmental Planning staff to identify areas where slope stability is a concern and to review geologic reports addressing the necessary OWTS location and design to minimize impact on slope stability. Such reports will now be required whenever an OWTS is proposed on a slope over 30% and in other situations where there is evidence of other soil stability concerns. Slopes are assessed based on the 10-meter Digital Elevation Model incorporated in the County GIS. In the field, slopes are measured using clinometers and site-specific topographic surveys of each property. An example of the GIS slope map is shown below for the area northwest of Felton.



Figure 2-12: Example of County Slope Map for Area Northwest of Felton



## 2.2 Soils

Suitable soil is one of the most important aspects of OWTS design. The soil must be able to absorb and treat the effluent, eliminating pathogens before the effluent percolates to groundwater or downgradient surface water. Soil characteristics are a function of underlying geology, topography, climate and vegetation. Soils typically consist of an upper A horizon typically 12-18 inches deep rich in decaying plant material, organisms, and organic material. The deeper B horizon may extend to 3-6 feet below the surface, with less organic material and more clay, but with the presence of tree and shrub roots. The deeper C horizon transitions into weathered bedrock, which is frequently soft and permeable to a depth of 10-20 feet.

A U.S. Department of Agriculture Soil Conservation Service *Natural Resources Conservation Service* (USDA-NRCS) report - 'Soil Survey of Santa Cruz County, CA' (USDA-SCS, 1980) characterizes 84 soils classifications for Santa Cruz County. The soils information is accessed as a data layer in the County's GIS database that is viewed in conjunction with OWTS information for each parcel countywide. Most of the soils in Santa Cruz are very deep as a result of the high rainfall and dense vegetation cover, but there are localized occurrences of soils that may be thin, sandy or clayey, depending on the underlying geology. Because most soils in Santa Cruz County are relatively deep and consistent, a typical absorption trench for wastewater disposal is installed with the bottom of the trench at four feet, with 12 to 18 inches of cover over the top of the trench. Trenches may be

installed deeper if there is limited area on the site and/or if the soil conditions are more suitable at greater depths.

Figure 2-13: Example of a Soil Observation Pit, Zayante Coarse Sand



Prior to 1992, the standard disposal trench depth was 8-12 feet below the surface in most areas of the county if there was not a concern for presence of shallow groundwater. The use of the deeper trenches, with dispersal well below the shallow root zone, has contributed to the recharge of the groundwater basins from OWTS discharge. One of the trade-offs of moving to shallow dispersal systems will be the reduction of wastewater return flow contributing to groundwater recharge.

Soil permeability is a critical consideration for managing wastewater treatment and dispersal in OWTS. Santa Cruz County uses standardized USDA hydrologic soil classification<sup>6</sup> that ranges from high permeability, low runoff potential (Group A) to low permeability, high runoff potential (Group D) to determine dispersal area is needed for an OWTS (Figure 2-14):

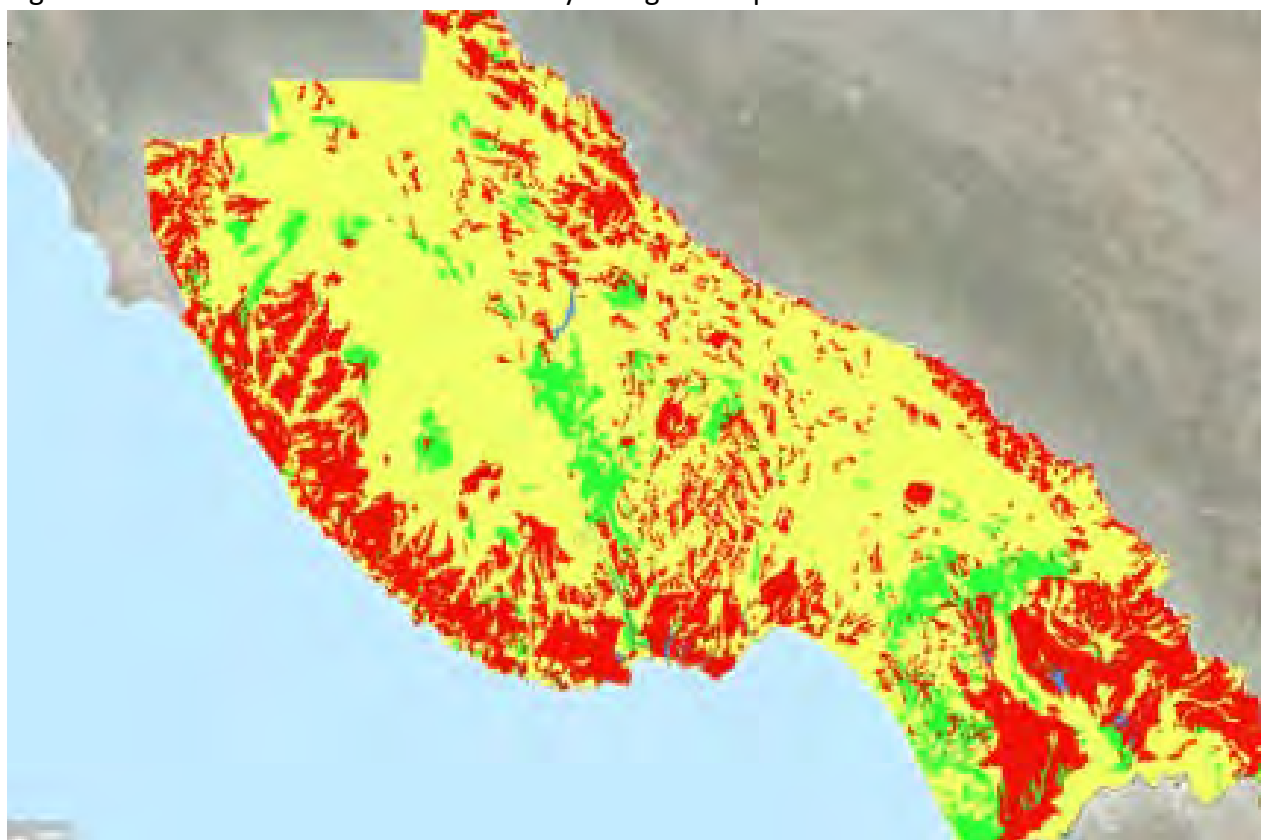
- Fast permeability sandy soils (percolation rate faster than 5 minutes per inch (MPI), permeability 6-20 inches/hour), hydrologic group A
- Moderate permeability loams (percolation 5-30 MPI, permeability 0.2-6 in/hr) hydrologic group B
- Slow permeability clayey soils (slower than 30 MPI, permeability less than 0.2 in/hr) hydrologic group C and D

In Santa Cruz County, OWTS have been sized based on the soil percolation category and the number of bedrooms and/or projected wastewater flow. A review of available data for installed or proposed OWTS in Santa Cruz County indicates the percentage of parcels with soils of various percolation categories:

- 0.1% - faster than 1 MPI
- 12.9% - 1-5 MPI
- 76.3% - 5-30 MPI
- 9.5% - 30-60 MPI
- 1.0% - 60-120 MPI
- 0.2% - slower than 120 MPI (unsuitable)

<sup>6</sup> <https://directives.sc.egov.usda.gov/OpenNonWebContent.aspx?content=17757.wba>

Figure 2-14: Soil Permeabilities Based on Hydrologic Group



**Green:** Very Permeable (Hydro Group A), Fast Percolation Rate (<5 minutes per inch (MPI))

**Yellow:** Permeable (Hydro Group B), Medium Percolation (5-30 MPI)

**Red:** Low to Very Low Permeability (Hydro Groups C/D), Slow to Very Slow Percolation Rate (>30 MPI)

Source: County GIS and USDA-SCS, 1980

To consider soil percolation rates for OWTs permits, the SC County Inspector conducts office research for soil maps, historical percolation tests, field observations and notes, and on-site inspection in the field to evaluate the soil conditions. File and database research, together with field inspection and testing, informs a general characterization of the soil's percolation rate for determining the leachfield size. Soil suitability for wastewater disposal is determined by a combination of reviewing soil maps, percolation test results, exploratory excavation soil logs and soil structural and textural characteristics. Laboratory analyses of soil texture may be required by the Health Officer. Percolation rate alone shall not determine soil suitability. Soil texture shall determine soil suitability where percolation test results are unclear or nonrepresentative.

### 2.2.1 Shallow Soils

Treatment of effluent is most effective in aerated followed by anaerobic soil conditions. It is thus important to have adequate soil depth beneath the horizon of disposal for percolation prior to the effluent reaching groundwater or an impermeable layer that can cause localized soil saturation or mounding. Saturated soils or mounding can occur where there is very shallow soil over hard bedrock, dense clay subsoil, or perched groundwater. Occurrence of perched groundwater is discussed in the following section on groundwater and poorly drained soils.

Given the generally deep weathering of soil and underlying bedrock in Santa Cruz County, there are few areas of extensive shallow soil. These conditions tend to be on ridges of resistant rock where slopes are too steep for use of OWTS. Shallow soil depth also occurs on the Maymen and Boony Doon soil units that overlie the Santa Cruz Mudstone geologic formation in the Pasatiempo and north coast areas. Some of the areas with hard sandstones also have localized areas of shallow soil, but deeper soils can often be found close by. Of the installation records, only 5% indicated an impervious layer less than 5 feet below the bottom of the dispersal field.

For undeveloped parcels or developed parcels with no subsurface soil information, soil excavation to a depth to at least the separation distances as provided in Table 3-4 below the bottom of the proposed dispersal system is required, and soils must be demonstrated to percolate at least 60 MPI within the first three feet below the dispersal system's point of dispersal. If acceptable soil depth is not adequate, the designer may propose an enhanced treatment system with improved effluent treatment and/or a shallower effluent dispersal system using pressurized drip, at-grade dispersal system, or mound technologies. All of these maintain at least 6-12 inches of soil cover over the dispersal system.

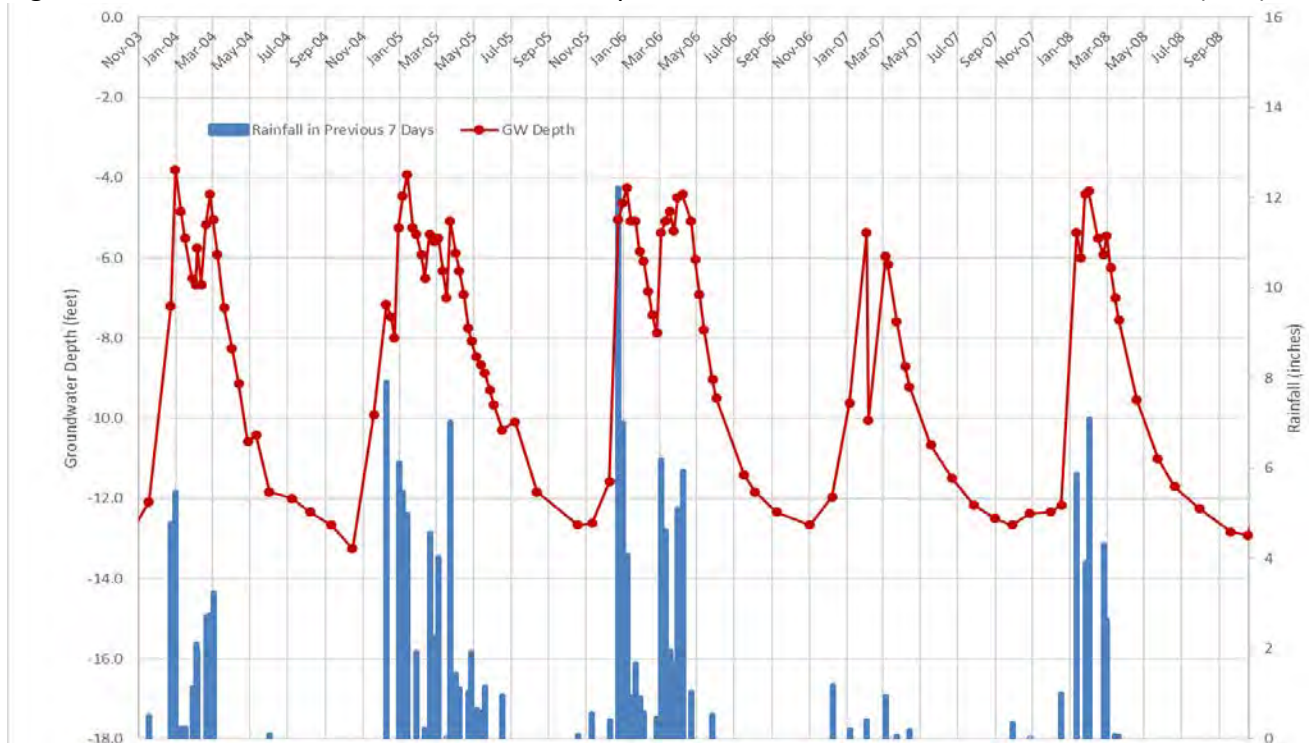
### 2.2.2 Poorly Drained Soils and High Groundwater

Treatment of effluent is not as rapid or effective in saturated soil conditions, and more time and distance of travel is needed for treatment and inactivation of potential pathogens such as viruses and bacteria. Soil saturation can also limit the absorption of effluent and lead to surfacing and discharge of untreated effluent, creating a public health hazard and degrading water quality. To prevent these adverse impacts, dispersal systems need to be located in soil zones that are not prone to becoming saturated, soils with an adequate percolation rate, and have an adequate separation to groundwater. Groundwater includes perched saturated zones, as well as the shallowest local hydraulically unconfined aquifer unit.

After steep slopes, the occurrence of shallow groundwater is probably one of the biggest constraints for locating OWTS in the county. Watsonville Loam, which occurs in 7% of the county on flat terrace deposits, tends to have perched groundwater during the winter. But elevated groundwater can occur during the winter with almost every other soil type, depending on topography and rainfall. Groundwater levels in Santa Cruz County often fluctuate over 20 feet from dry season to wet season. During extreme rainfall events, soils may be fully saturated for up to several days. Even though these soils experience transient saturation, most are well-drained with good permeability and can continue to absorb effluent and groundwater levels drop rapidly after the rains stop. An example of this is shown in the plot for one of the shallow monitoring wells (BC1) in downtown Boulder Creek for the period of 2004-2008, which included a wet winter (2006, 67.8 inches total annual rainfall) and a dry winter (2007, 25 inches total annual rainfall) (Figure 2-15). The average nitrate level in this well is 3.89 mg-N/L and the median level is 2.0 mg-N/L, based on 100 samples from 1988 to 2000.



Figure 2-15: Fluctuation of Groundwater in Response to Rainfall, Boulder Creek, 2004-2008 (BC1)



A study was conducted in 1981-82 to better understand the relationship between shallow groundwater, OWTS performance and water quality. Study participants collected 285 samples over two winters from 86 boreholes constructed at various distances downgradient from leachfields under various shallow groundwater levels. An analysis of the results showed no statistically significant occurrence of fecal coliform at distances greater than 25 feet from a leachfield, even when the leachfields were partially intruded by groundwater (Table 2-1, Figure 2-16). Within 25 feet, fecal coliform levels were statistically greater when leachfields were saturated, but that effect was not observed beyond 25 ft. All boreholes showed a significant increase in fecal coliform during rainfall events, but that also included control boreholes that were not under the influence of any nearby leachfields. Downgradient nitrate levels were actually higher when the leachfields were deeper and when there was greater groundwater separation (SCCHSA, 1989, An Evaluation of Wastewater Disposal and Water Quality in the San Lorenzo River Watershed). In this study, nitrate levels were much higher in sandy soils (mean of 3.06 mg-N/L) than in clay soils (mean of 0.83 mg-N/L). At distances greater than 25 feet from a leachfield, soil texture and permeability have a much greater influence on nitrate concentration than groundwater separation or horizontal setback.

County EH has made a strong effort to characterize areas subject to persistent, shallow, seasonal groundwater. File information includes observations of the date and depth of presence or absence of groundwater. In the San Lorenzo Valley, some 70 boreholes were drilled in 1986-88, and some 25 of these have been maintained for ongoing monitoring throughout the winter season.



Where high seasonal groundwater is suspected based on observed field conditions and/or file information, winter water table testing is generally required as a part of site analysis required for approval of a new OWTS to serve new development. The consultant is required to install several piezometers and make multiple observations over the wet season in order to characterize the range of groundwater occurrence. Winter water table observations will only be accepted if there has been at least 6 inches of rain in the previous 30 days AND at least 60% of the average annual rainfall has occurred. During the 2020 winter water table testing period, 35 parcels were subject to winter groundwater observations.

Table 2-1: Water Quality Results for Shallow Groundwater Monitoring Wells, 1981-82  
Wells were downgradient of leachfields in various soil types in the San Lorenzo Valley.

FECAL COLIFORM DATA (MPN/100ml)-- Logmean  
Range  
Number of Observations

<u>Separation of Leachfield from Groundwater</u>	<u>Distance of Monitoring Well from Leachfield</u>		
	0-24 feet	25-49 feet	50-99 feet
Less than 0 feet (Submerged)	16 *** 0 - 8100 54	5 0 - 980 31	3 0 - 40 9
0 - 5 feet	2 0 - 2182 21	5 0 - 1360 21	1 0 - 8 19
Greater than 5 feet	2 0 - 280 11	4 0 - 280 7	3 0 - 509 19

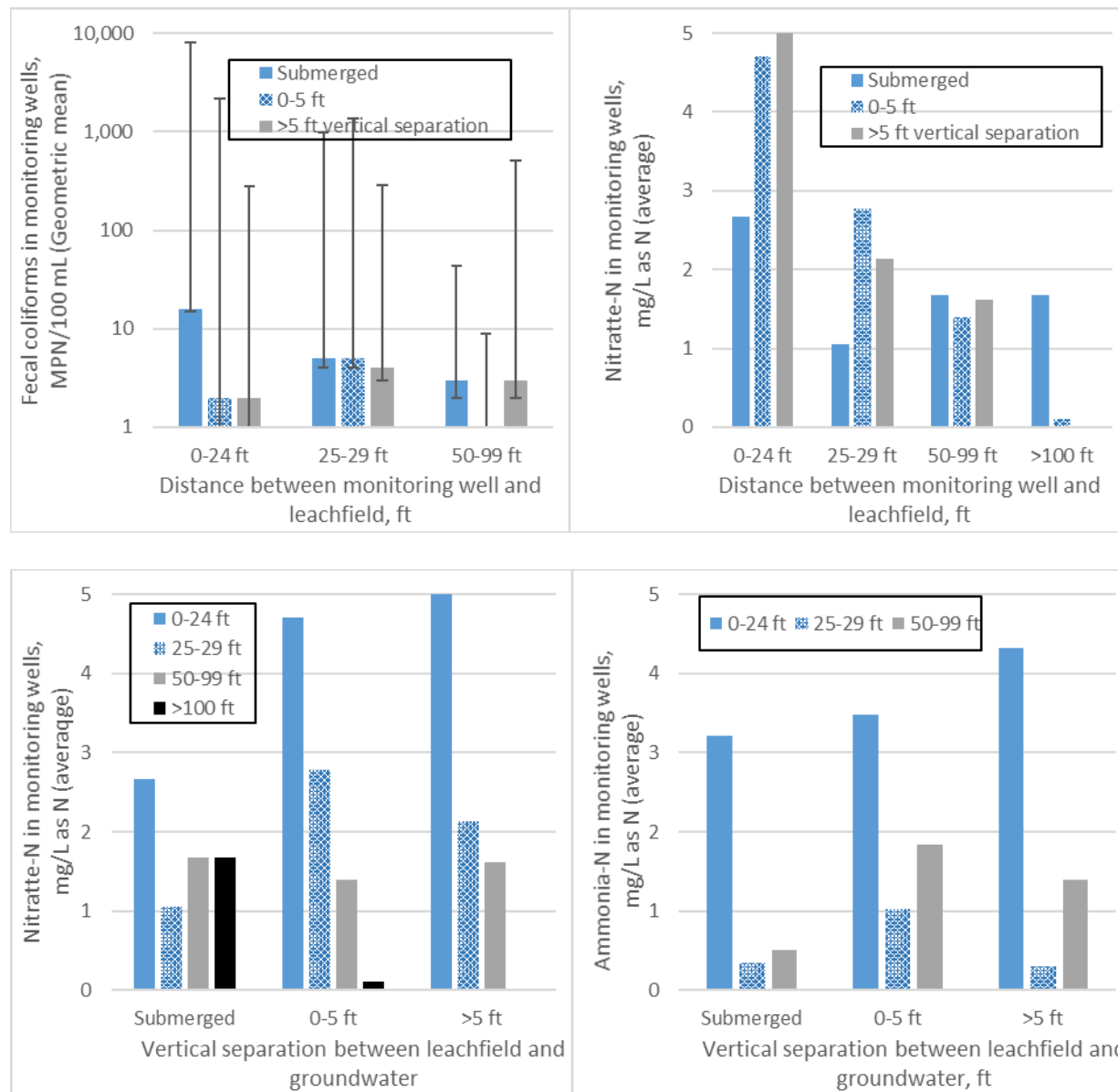
NITROGEN DATA (mg-N/L): Nitrate: Mean (Maximum)  
Ammonia: Mean (Maximum)

<u>Separation of Leachfield from Groundwater</u>	<u>Distance of Monitoring Well from Leachfield</u>			
	0 -24 feet	25 - 49 feet	50 -99 feet	over 100 feet
Less than 0 feet (Submerged)	<u>2.67 (21.9)***</u> 3.21 (42.1)***	<u>1.06 (8.5)</u> 0.35 (4.8)	<u>1.68 (8.4)</u> 0.51 (2.3)	<u>0.44 (1.54)</u> 0.74 (2.5)
0 -5 feet	<u>4.71 (41.8)***</u> 3.48 (48.3)***	<u>2.78 (34.3)</u> 1.03 (11.2)	<u>1.39 (12.1)</u> 1.84 (17.4)	<u>0.11 (0.2)</u> 0.12 (0.23)
Greater than 5 feet	<u>5.05 (16.0)***</u> 4.33 (36.9)***	<u>2.13 (8.7)</u> 0.30 (0.96)	<u>1.61 (9.8)</u> 1.40 (9.3)	

\*\*\* Denotes groups with mean water quality parameters significantly different from other groups.  
Differences among undesignated groups are not statistically significant at the 0.05 probability level.

Figure 2-16. Graphical Summary of Shallow Monitoring Well Data Downgradient of Leachfield.

Fecal coliforms (geometric mean of samples from 1980-1981) and nitrate-N (average of samples collected from 1980-1981). Data represent about 200 samples; 48% of observations are from wells near submerged leachfields, 32% from wells near leachfields with less than 5 ft separation, and 20% of observations from wells near leachfields with over 5 ft vertical separation.



When system replacements occur outside of the winter water table testing period, the designer and EH staff estimate the expected groundwater level based on available groundwater information from surrounding parcels or from extrapolated groundwater information that has been developed for some parts of the San Lorenzo Valley. The EHLUIS database contains site information for approximately 15,000 of the OWTS in the county, including groundwater information for about half of those sites. Twenty percent of that information is based on direct

observations at the site and the rest is based on extrapolations from available data. Based on the information from sites with groundwater information, 6% have seasonal groundwater less than 3 feet from the surface, 14% have groundwater at 3-6 feet, 37% have groundwater at 6-10 feet, and 22% have groundwater at 10-15 feet.

Once the expected highest level of persistent seasonal groundwater is established, the OWTS design must provide an adequate separation, or an enhanced treatment system may be proposed with shallow effluent dispersal technology and enhanced treatment to mitigate a reduced separation to groundwater. The County used to approve a minimum one-foot separation, but under the State OWTS policy, the County will not approve a separation less than 2 feet. Table 3-4 defines the allowed minimum distance to groundwater depending on site conditions.

### 2.2.3 Sandy Soils and Nitrate

OWTS located in sandy soils release higher concentration of nitrate to underlying groundwater and downstream waterways. This is due to the rapid permeability and rapid movement of effluent, aerobic conditions, and limited occurrence of saturated or anaerobic conditions that would lead to denitrification. Investigations in the San Lorenzo Watershed determined that OWTS in sandy soils contributed 10-15 times as much nitrate to the San Lorenzo River as OWTS in less permeable soils (SCCHSA, 1995b). Elevated nitrate levels have also been observed in other areas of the County with OWTS in sandy soils: Bonny Doon, Valencia Creek and La Selva Beach. Drinking water standards for nitrate have been exceeded in groundwater in La Selva Beach, although that may be partially attributable to past agriculture in the area, or to direct interception of a plume(s) from nearby seepage pits.

In order to prevent any increase in nitrate levels in the San Lorenzo River, which is a municipal drinking water source, enhanced treatment systems with nitrogen reduction are required for all new, repairs, and upgraded OWTS in sandy soils in the San Lorenzo Watershed. This requirement will be extended to other sandy soils areas in the county that show evidence of elevated nitrate levels from OWTS discharge in groundwater or surface water.

## 2.3 Surface Water and Watersheds

Santa Cruz County has a number of important surface water bodies and watersheds and multiple interrelated policies and regulations to protect and improve surface water quality relative to operation of existing and new OWTS. The City of Santa Cruz relies on surface water for 95% of its supply and the San Lorenzo Valley Water District obtains on average about 50% of its supply from surface water. Additionally, virtually all county streams support recreational use and threatened salmonid habitat. Some streams have been designated as impaired, in some cases due to OWTS, and programs are being implemented to protect and improve water quality.

### 2.3.1 Water Supply Sources and High-Quality Waters

The County of Santa Cruz General Plan designates water supply watersheds and least disturbed watersheds, and establishes numerous policies and programs for their protection and improvements. Many of these policies involve wastewater disposal and are carried over into Santa Cruz County Code. For new construction, the County has established limits that specifically protect water resources in terms of proximity to floodplains, groundwater recharge areas, and water supply watersheds for drinking water. These water resource protections prevent potential impacts from OWTS. In particular, two limits to parcel size establish protections for drinking water (Figure 2-17).

Figure 2-17: Protected Watershed Designations in Santa Cruz County General Plan



- **Water Supply Watersheds:** To protect countywide water resources, the County General Plan requires a 10-acre minimum for creating new parcels in watersheds that supply drinking water. These areas include most of the San Lorenzo, North Coast and Corralitos watersheds. In the San Lorenzo and North Coast water supply watersheds, new development using OWTS is prohibited on existing parcels less than one acre in size, leaving many existing parcels unbuildable. The area within 1 mile upstream of the north coast water supply intakes is designated as a “Water Quality Constraint Area” and a 2.5-acre minimum parcel size is required for new development on existing parcels.



- Least Disturbed Watersheds: The County's 'Least Disturbed Watershed' (Least Developed) designation establishes a 40-acre minimum limit to parcel size for new parcels in certain areas to protect "clear and running streams."

Additional requirements are added for the operation and repair of existing OWTS located within close proximity to water supply intakes:

- Where the effluent dispersal system is within 1,200 feet from a public water systems' surface water intake point, within the catchment area and upstream of the intake point, the dispersal system shall be located more than 400 feet from the high-water mark of the stream.
- Where the effluent dispersal system is located more than 1,200 feet but less than 2,500 feet from a public water system's surface water intake point, within the catchment area and upstream of the intake point, the dispersal system shall be located more than 200 feet from the high-water mark of the stream.
- For replacement OWTS that do not meet the above horizontal separation requirements, the replacement OWTS shall meet the horizontal separation to the greatest extent practicable. In such case, the replacement OWTS shall utilize enhanced treatment and other mitigation measures, unless the Health Officer finds that there is no indication that the previous system is adversely affecting the public water source, and there is limited potential that the replacement system could impact the water source based on topography, soil depth, soil texture, and groundwater separation.
- For new OWTS, installed on parcels of record existing as of May 13, 2013, that cannot meet the above horizontal separation requirements, the OWTS shall meet the horizontal separation to the greatest extent practicable and shall utilize enhanced treatment for pathogens so that effluent from the enhanced treatment does not exceed a 30-day average total suspended solids of 30 mg/L and shall further achieve an effluent fecal coliform bacteria concentration less than or equal to 200 Most Probable Number (MPN) per 100 milliliters and any other mitigation measures prescribed by the Health Officer.

The County GIS has all of the public water system surface intakes mapped (Figure 2-17), along with the required setback zones described above. If County EH staff become aware of any OWTS failure within those zones then they will notify the operator of the public water system and the State Board, Division of Drinking Water by telephone or email within 24 hours or no later than 72-hours upon knowledge of OWTS failure. The public water system operator will also be notified in the event that an application is received for a new or replacement OWTS within the setback buffer of the intake and will be given a minimum of 10 business days to comment on the application.

### 2.3.2 Impaired and Vulnerable Surface Water

This LAMP is intended to address OWTS that are contributing to impairment of county waterbodies due to pathogens or nutrients. Impaired surface waters are those waterbodies that have been formally designated as impaired pursuant to Section 303(d) of the Clean Water Act. For these surface waters, the presence of some contaminant has caused water quality degradation to the point that it is threatening a beneficial use of that waterbody. Vulnerable surface waters are waterbodies near points of wastewater discharge that may become impaired if pollution control

measures are not enforced. While there are a number of designated impaired waterways in Santa Cruz County, other waterbodies could be considered vulnerable, and programs should be in place and enforced to provide vital water quality protection.

Once a waterbody is listed as impaired, a Total Maximum Daily Load (TMDL) is developed for that waterbody. A TMDL establishes the maximum amount of a pollutant allowed in a waterbody, determines the sources of those pollutants, and establishes numeric targets to reduce or eliminate impairment. The TMDL also includes an implementation plan and serves as the starting point or planning tool for restoring water quality. Multiple waterbodies in Santa Cruz County are considered impaired and are included on the federal 303(d) list of impaired waterbodies. Several TMDLs have been developed and others are planned for the future, with a focus on mitigating sediment, pathogens, and nutrient loading to impaired water bodies. Table 2-2 ranks the significant controllable sources of impairment for each waterbody, as indicated by the Regional Board in the TMDL staff reports with loading calculations for various sources.

**Table 2-2: Summary of Impaired Waterbodies and Pollutant Sources Within Santa Cruz County**  
For listing of specific water bodies in each watershed, see the Section 303(d) List.

Sources, in order of importance, with 1 the most important, when determined. ND= Not Determined										
Water Body	Constituent	MS4, Urban lands	Sewers and Laterals	Home-less	Pets	Live-stock	Onsite Systems	Agricul. Manure Fertilizer	Landfill runoff	Extent of Impairment
Aptos/Valencia Creek	Pathogens	1	3	ND	2	4	ND	ND	ND	Aptos downstream of Valencia Cr, Valencia Cr. downstream of Cox Rd and Valencia Rd, Trout Gulch
Corralitos Cr	Pathogens	1	6	2	3	4	5	ND	ND	Downstream of Browns Valley Rd and Salsipudes Cr.
Pajaro River	Fecal Coliform	1	3	ND		2	ND	ND	ND	Pajaro River
Pajaro River	Sediment	Yes						ND	ND	Pajaro River and Corralitos Cr.
Pajaro River	Nitrate/ Nutrients	2	3			3		1	ND	Various streams in Pajaro Watershed
Pinto Lake	Phosphorus/ Cyanotoxins	2				4	2	1	ND	Pinto Lake Watershed
San Lorenzo Estuary	Pathogens	2	1	4	3	6	5	ND	ND	
San Lorenzo, Lompico	Pathogens	2	3	5	4	6	1	ND	ND	
Branciforte	Pathogens	1	3	4	2	6	5	ND	ND	
Carbonera, Camp Evers	Pathogens	1	6	3	2	5	4	ND	ND	
San Lorenzo Watershed	Nitrate	4	2			3	1	ND	ND	
San Lorenzo Watershed	Sediment	Yes						ND	ND	
Soquel Creek and Lagoon	Pathogens	1	2	4	3	3	ND	ND	ND	Soquel Creek downstream of Porter St. and Noble Gulch
Watsonville Sloughs	Pathogens	Yes	Yes			Yes		Yes	Yes	Watsonville, Harkins, Hanson, Gallighan, Struve

Note: MS4 refers to municipal separate storm sewer systems from urban areas.

Table 2-3 presents a summary of the data for the major waterbodies potentially impacted by OWTS outside of the San Lorenzo River Watershed. Sample locations are shown in Figure 2-19. A comparison of fecal bacterial and nitrate data for the major waterbodies outside of the San

Lorenzo River Watershed is shown in Figure 2-18. Valencia Creek shows elevated nitrate compared to Soquel and Aptos Creek. This is likely related to the sandy soils of the Valencia Creek Watershed, but there is no evidence of impairment. There are 2,140 OWTS in the Aptos and Valencia watersheds, mostly in Valencia, and 3,000 OWTS in the Soquel watershed. Both Soquel and Aptos/Valencia Creeks have TMDLs for pathogens, but the impairment is in the lower urbanized watersheds and not attributed to OWTS. Water quality of the San Lorenzo watershed is discussed in Section 2.3.4.

Table 2-3: Summary of Nitrate and Fecal Indicator Data for Selected Santa Cruz County Waterbodies

Locations: Aptos, Soquel and Watsonville sites	Years of E.coli Record	Geomean E.coli	Years of NO3N Record	Average NO3N Concentration (mg-N/L)
APTOS CREEK @ MOUTH (A0)	30	925	8	0.17
APTOS CREEK @ VALENCIA CREEK (A2)	26	131	8	0.03
VALENCIA CREEK @ APTOS CREEK (A1)	22	834	10	0.64
SOQUEL CREEK @ BATES CREEK (S4)	15	161	12	0.04
WEST BRANCH SOQUEL C @ SAN JOSE-OLIVE SPRINGS (S6)	23	138	11	0.07
PINTO LAKE @ BOAT RENTAL	29	59	3	0.21

Figure 2-18. Bacteria and Nitrate-N Levels in Aptos and Soquel Creek Watersheds.

The horizontal line across each graph represents the target level (400 MPN/100 mL for fecal coliforms [or E. Coli], 0.33 mg/L as N for nitrate-nitrogen). The box represents 75% of the data for each time period and the 95% confidence interval is represented by the horizontal lines above and below the box. The horizontal line within the box represents the median value. The height of the box reflects the range of data. The datapoints above the 95% confidence interval represent outliers.

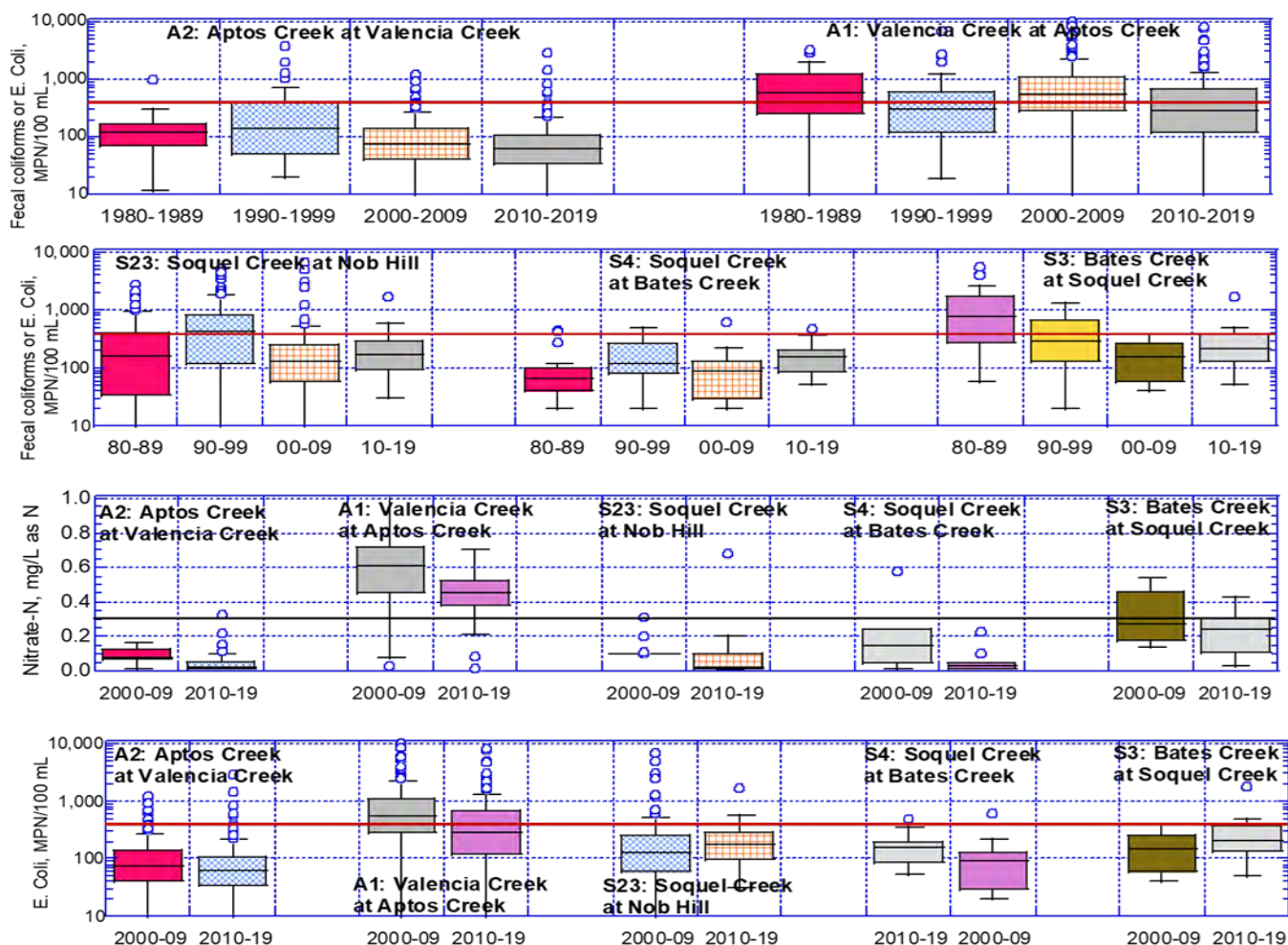
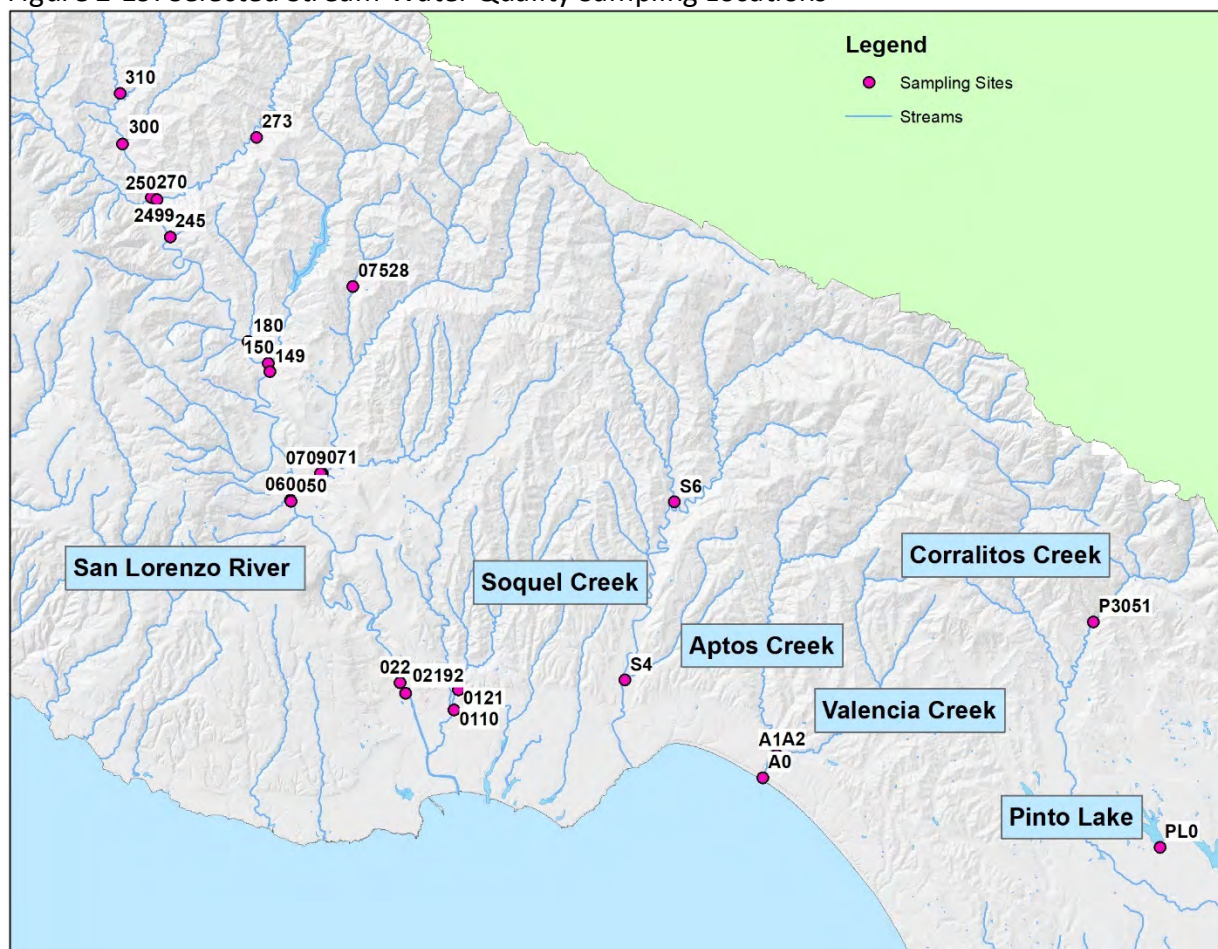


Figure 2-19: Selected Stream Water Quality Sampling Locations



### 2.3.3 Watershed Management

OWTS have historically been managed in Santa Cruz County in the context of larger watershed management and regional water management programs. Many of the OWTS policies in Santa Cruz County Code were originally developed as a part of the 1979 San Lorenzo River Watershed Management Plan, and then also incorporated into the County's Local Coastal Plan and 1980 General Plan, along with many other water resource protection policies and programs. More recently, onsite wastewater management is also considered as a component of the Santa Cruz Integrated Regional Water Management Plan and the Sustainable Groundwater Management Plan for the Santa Margarita Groundwater Basin, and to a lesser extent in the Mid-County Basin and the Pajaro Basin.



County EH staff have also worked closely with other agencies and community groups to promote good onsite wastewater management in conjunction with other management efforts:

- Resource Conservation District of Santa Cruz County
- Land Trust of Santa Cruz County
- Valley Women's Club (San Lorenzo Valley)
- Coastal Watershed Council
- San Lorenzo Valley Water District
- City of Santa Cruz Water Department
- Rural Bonny Doon Association
- Onsite Wastewater Technical Advisory Committee

#### 2.3.4 San Lorenzo River Watershed

The San Lorenzo River Watershed is an area that has received a higher level of OWTS oversight as it presents many challenges for ongoing OWTS management:

- It is a water supply watershed, providing water supply for 95,000 people.
- It is designated as impaired due to OWTS, with TMDLs for nitrate and pathogens.
- Areas of the watershed have some of the highest densities of OWTS in the state, well in excess of the recommended 1-acre parcel size.
- The large majority of development in the San Lorenzo Watershed (85%) pre-dates current OWTS standards, and most parcels could not meet those standards.
- There have been numerous attempts to sewer the watershed, but all have ultimately failed due to high cost and anticipated environmental impact.
- Since 1986, the San Lorenzo Watershed has been the focus of a targeted onsite wastewater management program that has shown great success in terms of reduced failure rate and improved water quality.

The San Lorenzo River Watershed contains 15,200 of the 27,700 OWTS in Santa Cruz County. The great majority of these OWTS are over 40 years old and are located on parcels that could not fully meet today's standards for installation of a new OWTS due to small lot size, close proximity to a stream, high groundwater, steep slope, or clay soil. Many of these systems have been repaired or replaced at least once. However, many of the repairs were done prior to 1986 when there were little or no standards for OWTS repairs. There were no minimum size requirements and systems were allowed to be installed very deep, with little regard to soil conditions or winter groundwater levels.

Poor OWTS conditions in the San Lorenzo Valley during the 1970's and early 1980's led to frequent failures and elevated nitrate and bacteria levels in the watershed's major perennial stream, the San Lorenzo River, which also serves as the City of Santa Cruz's main drinking water source. As a result, in 1982, the Regional Board issued Resolution 82-10, an order limiting new development and prohibiting the continued use of existing OWTS in the San Lorenzo Valley, calling for implementation of a municipal sewer system for the area. However, in 1985, the proposed sewer

project failed, due to high cost, lack of grant funds, and substantial community opposition to sewerage.

In 1986, County EH proposed an alternative solution, whereby OWTS could be allowed to continue their use, provided that they were upgraded over time to meet a minimum set of standards necessary to improve the water quality in the San Lorenzo River. These standards were the precursor for many of the provisions in this LAMP for countywide operations of OWTS. In May 1995, the Regional Board lifted the septic system prohibitions for this region and adopted the San Lorenzo Wastewater Management Plan, which is essentially an APMP for the watershed. Subsequently County EH applied most of the same standards and procedures to all OWTS in the county.

The following impacts from existing disposal systems were observed prior to 1989, at the onset of the program (SCCHSA, 1989):

- Episodes of bacterial pollution occurred occasionally at locations throughout the Watershed, but no stations persistently exceeded standards as a result of onsite wastewater disposal.
- An estimated 6-12% of the samples collected from the River and its tributaries during 1986-1989 showed evidence of fecal coliform pollution from wastewater.
- About 25% of the violations of recreational water fecal indicator standards were estimated to have resulted from wastewater pollution. Other causes of elevated bacteria levels include waterfowl, domestic animals, and cumulative urban nonpoint pollution unrelated to wastewater disposal.
- During area surveys from 1986-89, 3-6% of the systems were found to be failing, discharging untreated wastewater to the ground surface; another 7-9% were illegally discharging graywater which also has a high bacteria and pathogen level.
- Failing systems were observed in locations throughout the San Lorenzo Watershed, discharging wastewater to roadside ditches, public right of ways, or other areas where there was significant risk of public contact.
- Onsite wastewater disposal in sandy soils led to elevated nitrate levels in Quail Hollow area groundwater (about a 4 to 10 fold increase over baseline levels).
- Nitrate levels in the San Lorenzo River had potentially increased 2-3 times since the mid 1960's (although early nitrate data may be suspect). There was concern that elevated nitrate was possibly causing increased biological growth that could be adversely affecting the quality of the water supply for the City of Santa Cruz. OWTS, particularly in sandy soils are the primary source of the increased nitrate.

Since the County EH began its wastewater management program in 1986, OWTS failure rates in the San Lorenzo watershed, and countywide have dropped from 13% to 1-2% (Figure 2-20). The records sometimes show a slight uptick in failures from during wetter years, as indicated by both septic pumping records (2017) and county inspections (2006). In recent years there have not been enough county inspections performed to draw conclusions about failure rates.

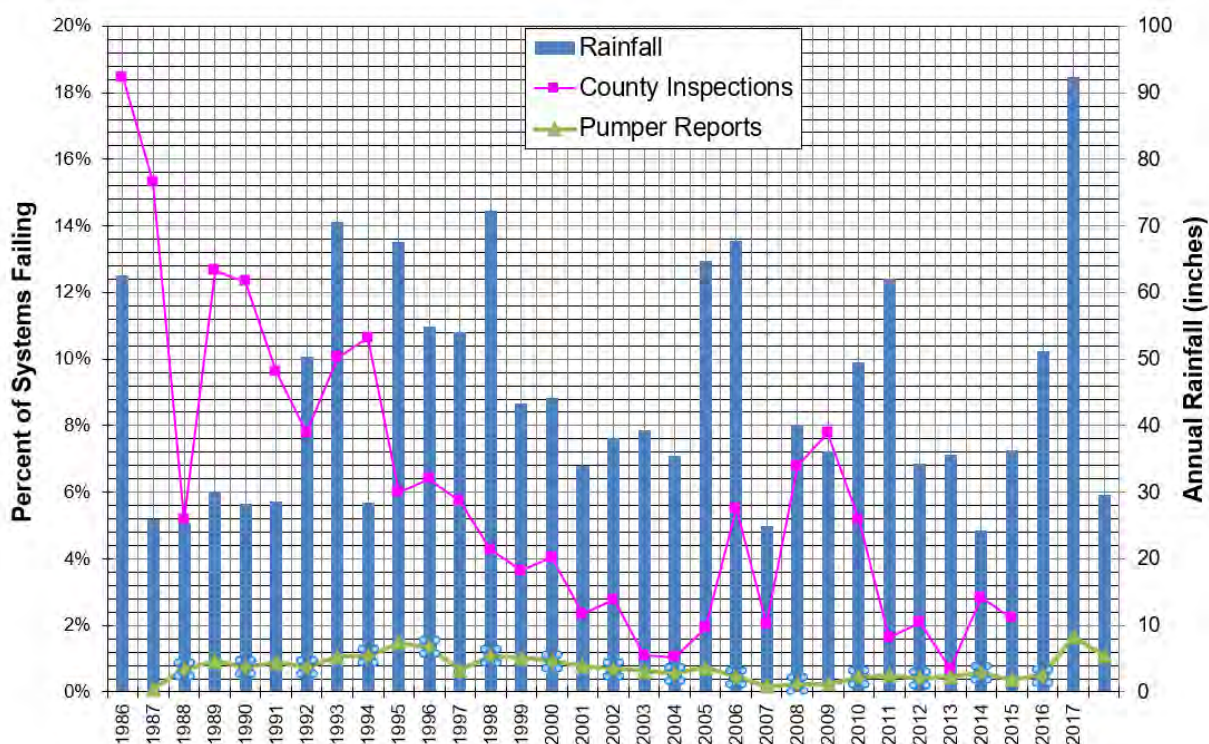
Over this time, more than 5,200 systems have been repaired or upgraded and 85% of these have been able to fully meet the repair standards for a conventional system. Those systems that

couldn't fully meet standards either installed enhanced treatment systems or have used non-conforming systems that require rigorous water conservation and regular inspections to confirm satisfactory performance. Reassessment of upgraded OWTS during the wet winter of 1992-93 and potential problem systems showed very low levels of failures (less than 2%) in areas already subject to management program activities. Ongoing work continues through collaboration among County EH, contractors, and property owners, to upgrade all systems over time.

Figure 2-20: Percentage of OWTS Observed Failures in San Lorenzo Watershed

Percentage of County EH inspections/surveys observed to be failing

Percentage of total systems in watershed reported failing in pumpers reports



Water quality in the San Lorenzo River has somewhat improved since the wastewater program began implementation in 1986. As indicated in Figure 2-23, summer nitrate concentrations declined in the upper watershed (Station 245 below Boulder Creek and Station 180, at Ben Lomond) and have been stable in the lower watershed (Station 060, Felton at Big Trees). See Figure 2-19 for sample station locations.

Water quality in the San Lorenzo River is influenced by numerous factors including precipitation patterns, land-use, stormwater, and other activities within the watershed. A forty year timeseries (1980-2019) of nitrate and fecal coliform (or E.coli) levels in the lower watershed (Station 060, Felton at Big Trees and Station 02192, Santa Cruz) is shown in Figure 2-21 along with flow and rainfall data for the same timeframe. See Figure 2-19 for sample station locations. Nitrate levels tend to be slightly higher at the upstream site (Big Trees) and range from 0.05 to 0.8 mg/L as N (median 0.5 mg/L as N for 209 observations). Nitrate levels at Station 02192 (City of Santa Cruz Water Intake) range from 0.01 to 0.7 mg/L as N (median 0.3 mg/L as N for 235 observations). This

decline can likely be attributed to the denitrification that takes place in the River as it flows an undisturbed reach in Henry Cowell State Park.

Boxplot comparisons of nitrate and indicator bacteria levels are shown in Figure 2-22 in 10-year increments for five sites in the San Lorenzo watershed. The frequency of sampling has varied throughout the years from quarterly to weekly, however the trends are fairly consistent. For the two stations in the lower watershed, there is not a significant difference across the decades from 1990 to 2019 for either site, with the exception of data from 1980-1989, when reported nitrate concentrations were lower for both sites (mean value about 0.2 mg/L as N). For the upstream site (Big Trees), fecal coliform levels were slightly higher in the 1980s than subsequent decades. Bacterial levels fluctuate seasonally, and elevated levels of coliform bacteria tend to occur in the aftermath of storm events (Figure 2-27).

A summary of summer (May 1-Sept 30) nitrate levels at four stations in the San Lorenzo watershed is shown in Figure 2-23 in 10-year increments. The trends are similar to those observed for the annual data (see Figures 2-24 and 2-25). The nitrate TMDL targets summer nitrate concentration, with an objective of 0.33 mg-N/L. That target is not met at Big Trees or Boulder Creek, but it is met for the San Lorenzo River upstream of Love Creek, where the influx of nitrate from the sandy soils of the Santa Margarita Groundwater Basin begins to occur.

Another approach for evaluating year-to-year changes in nitrate loading to the San Lorenzo is estimating changes in nitrate load or flux (mass of nitrate in the river at a specific location per time). The median annual flux at the Big Trees monitoring station is shown in Figure 2-24 in comparison to annual rainfall. There is not a statistically significant trend in nitrate flux over this forty-year period, even though the population of Santa Cruz County has increased about 25% in the intervening years. Year-by-year comparisons of nitrate concentrations are shown in Figure 2-25 for the same time period. In general, nitrate concentrations tend to be lower in high rainfall years.

Figure 2-21: Nitrate, Bacteria, Flow, and Rain in the Lower San Lorenzo River Watershed, 1980-2019. Monitoring data provided by the City of Santa Cruz Water Department, flow data from USGS, and rainfall data from CIMIS. Horizontal lines represent target levels per TMDLs.

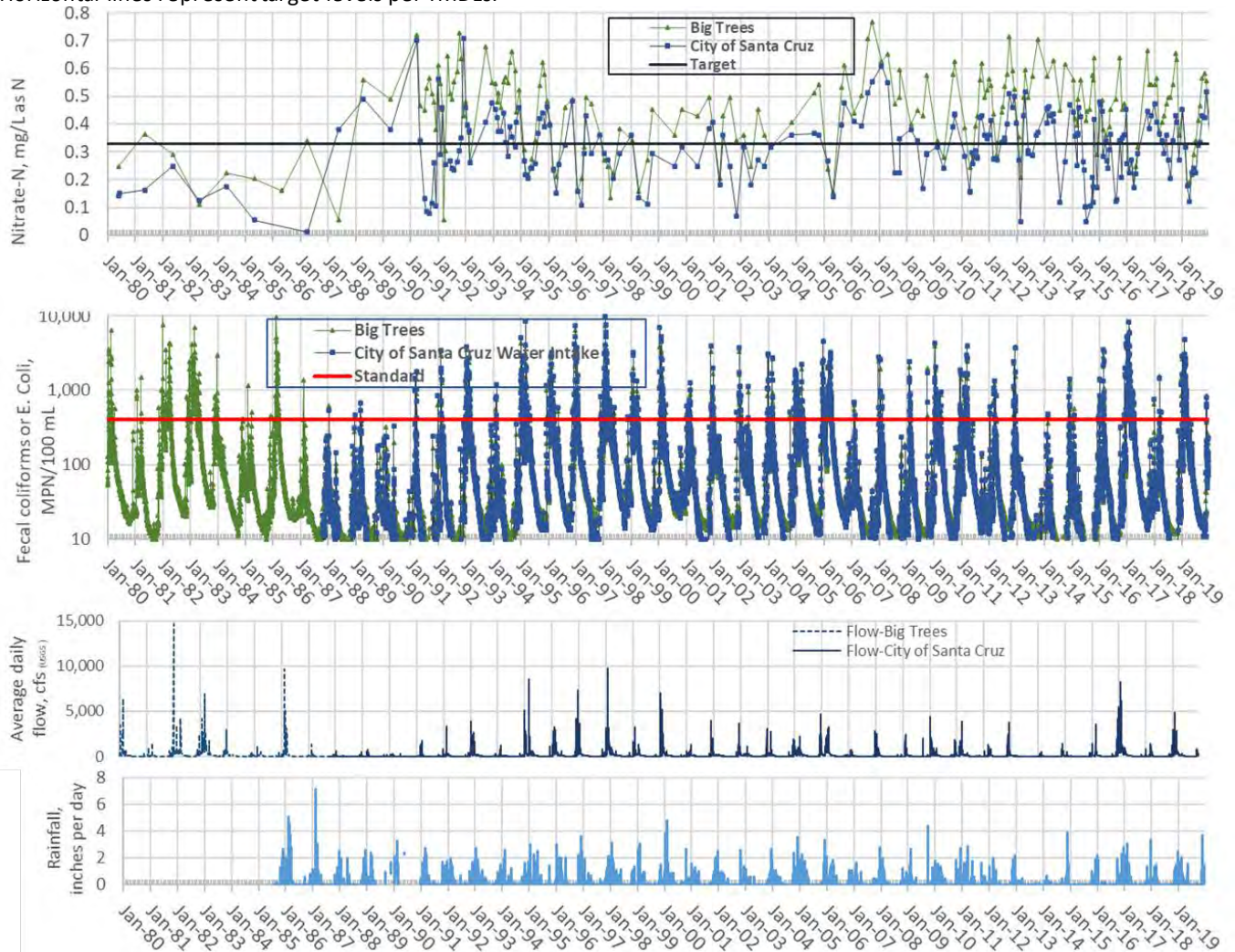




Figure 2-22. Nitrate and Fecal Coliform, San Lorenzo River, 1980-2019.

Boxplot comparisons of nitrate and fecal bacteria levels at five stations in the San Lorenzo River Watershed (Three upstream stations: 300, 250, and 180) and two stations in the lower San Lorenzo River (data for sites 060 and 02192 are from City of Santa Cruz). The red horizontal line represents the recreational water standard of 400 MPN/100 mL. The dark horizontal line in the nitrate plots represents the target nitrate concentration of 0.33 mg/L as N. The box represents 75% of the data for each time period and the 95% confidence interval is represented by the horizontal lines above and below the box. The horizontal line within the box represents the median value.

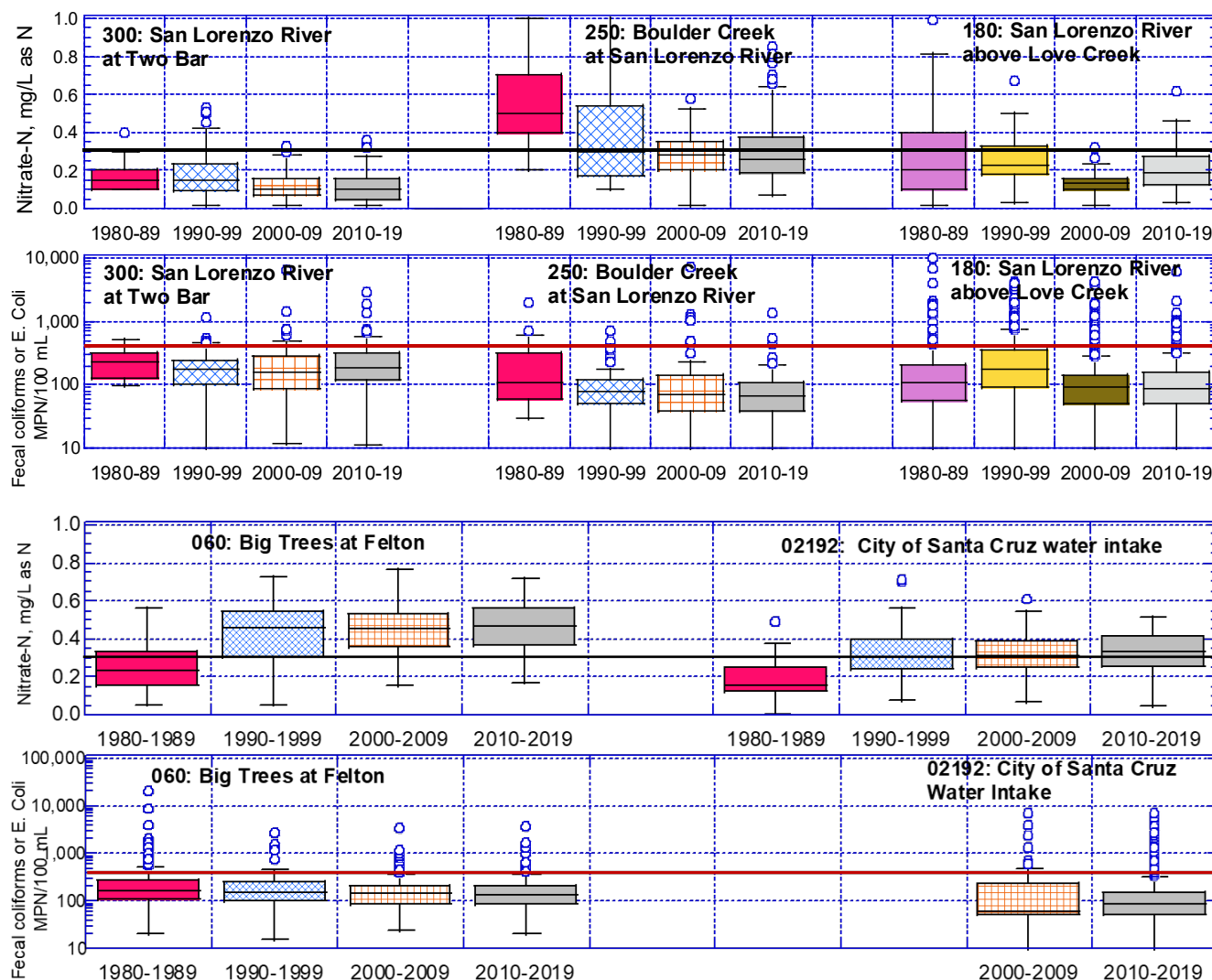


Figure 2-23: Summer Nitrate Concentrations, San Lorenzo River, 1980-2019

Boxplot comparisons of summer (May 1-Sept 30) nitrate levels at four stations in the San Lorenzo River Watershed (Three upstream stations: 300, 250, and 180) and two stations in the lower San Lorenzo River (data for sites 060 and 02192 are from City of Santa Cruz). The horizontal line represents the target nitrate concentration of 0.33 mg/L as N.

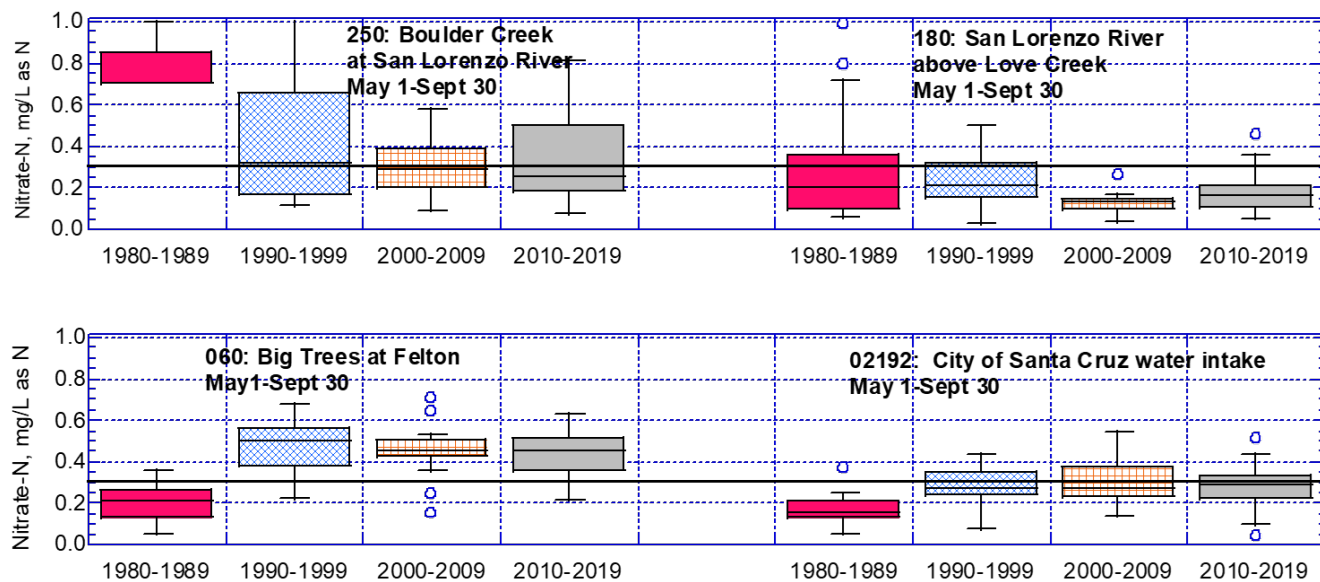


Figure 2-24: Summer Nitrate Load, San Lorenzo River at Big Trees.

Median annual nitrate flux at Big Trees monitoring station (060) between 1980 and 2019 in comparison to annual rainfall. Flow data from USGS<sup>7</sup> gage at Big Trees. Rainfall data are from the California Irrigation Management Information System (CIMIS), site 104 (De Laveaga).

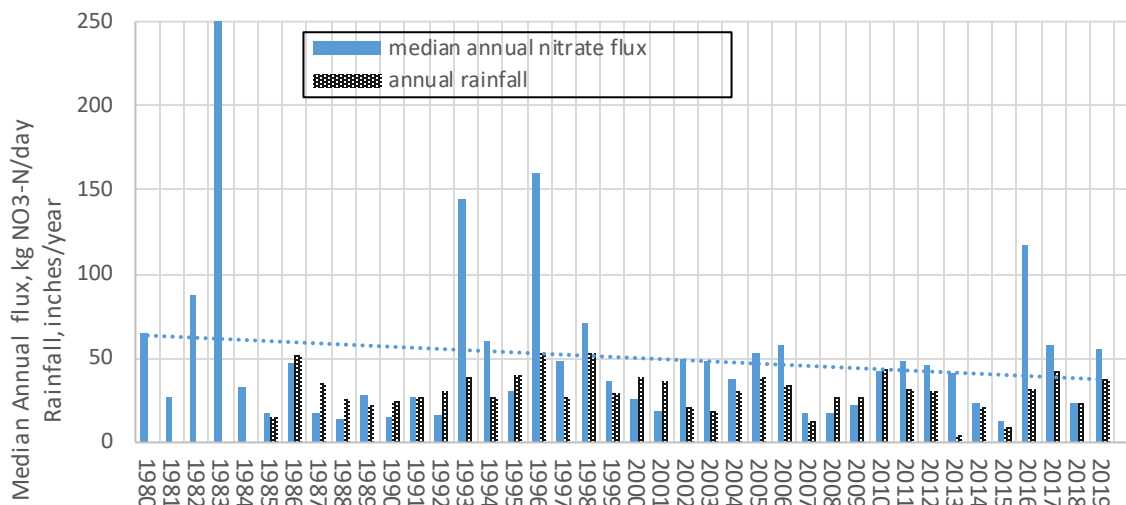
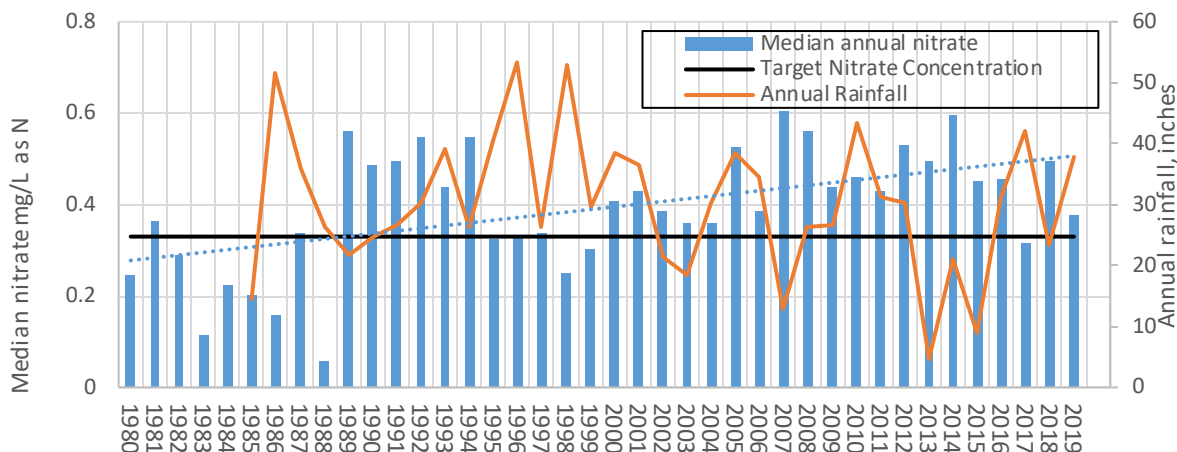


Figure 2-25: Summer Nitrate Concentration, San Lorenzo River at Big Trees

Median annual nitrate concentration at Big Trees monitoring station (060) between 1980 and 2019 in comparison to annual rainfall. Monitoring data from the City of Santa Cruz. Rainfall data are from the California Irrigation Management Information System (CIMIS), site 104 (De Laveaga). The dark horizontal line represents the target nitrate concentration (mg/L as N)



<sup>7</sup> <https://waterdata.usgs.gov/nwis/rt>

Figure 2-26: Exceedance of E. coli Objective for San Lorenzo River at Big Trees, 2011-18

Summary of annual exceedances of E. Coli goal for single sample (400 MPN/100 mL) and geometric mean (200 MPN/100 mL) at the Big Trees monitoring site (060) between 2011 and 2018. Annual rainfall amounts are also shown. E. Coli data are from weekly grab samples taken by the County of Santa Cruz Environmental Health Program. Rainfall data are from the California Irrigation Management Information System (CIMIS), site 104 (De Laveaga).

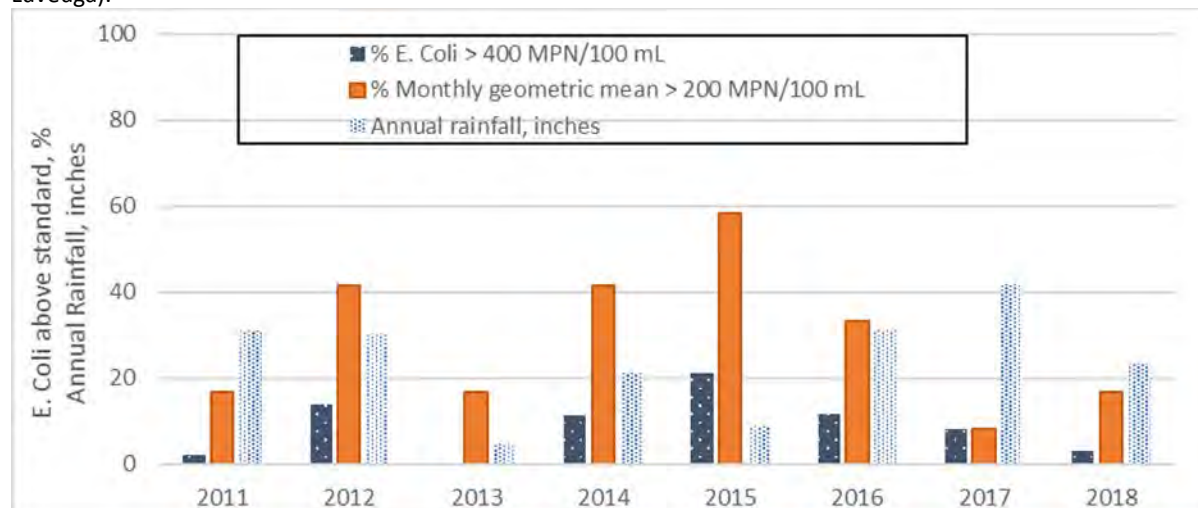
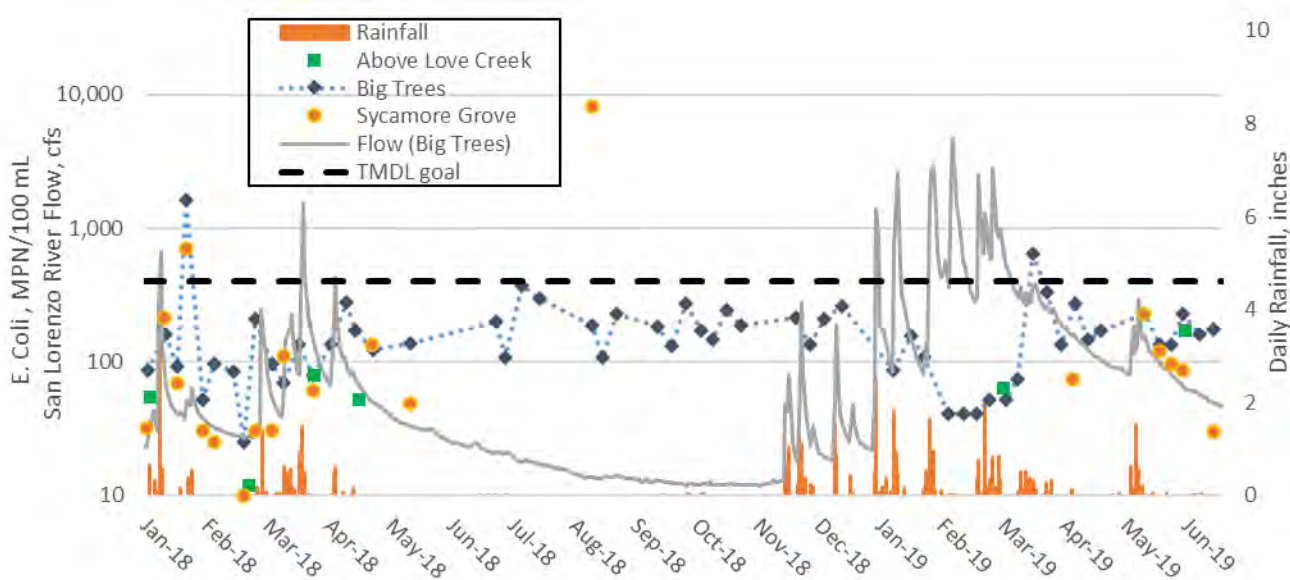


Figure 2-27: Fluctuation of E. coli levels, San Lorenzo River, January 2018-June 2019

Summary of E. Coli monitoring data for upstream sites (Love Creek [180], Big Trees [060], and Sycamore Grove [022]) from January 2018 through June 2019. Monthly rainfall amounts are also shown. E. Coli data are from weekly grab samples taken by the County of Santa Cruz Environmental Health Program. Rainfall data are from the California Irrigation Management Information System (CIMIS), site 104 (De Laveaga).



Most of the San Lorenzo River Watershed and the North Coast Streams serve as municipal water supply sources (Figure 2-17). State drinking water regulations require that sanitary surveys be conducted every five years to evaluate potential sources of pollution that might

threaten the water source or require a higher level of treatment. The first survey was conducted in 1996 and has been updated approximately every 5 years since then. These surveys have identified discharge of nitrate and pathogens from OWTS as potentially significant sources of pollution to the municipal water supply. The 2013 Sanitary Survey (City of Santa Cruz Water Department, 2013) concurred with previous County findings that birds are the major source of fecal coliform pollution and that fecal coliform from OWTS results from surface failures rather than any cumulative pollution of groundwater. OWTS in sandy soils are a significant source of nitrate in the River and since San Lorenzo River water is pumped to Loch Lomond reservoir, the linkage between nitrate, algae production and the resulting odors and disinfection-by-product precursors will continue to be a challenge, especially for the Santa Cruz Water Department as well as for the San Lorenzo Valley Water District.

The 2018 Sanitary Survey (Kennedy/Jenks, 2018) also concluded that the large majority of existing OWTS are not a major source of dry-season microbial concentrations measured in surface waters, except for localized impacts from OWTS failures. However, bacterial contributions from OWTS are probably greater during or following wet periods when runoff can convey surfacing wastewater from failing systems to the San Lorenzo River. Efforts made since 1995 to improve OWTS performance have reduced the septic failure rate and therefore the water quality degradation related to OWTS.

The San Lorenzo River and many of its tributaries continue to experience elevated levels of fecal indicator bacteria, but these levels come from many sources besides onsite wastewater disposal. Levels continue to be periodically above the threshold considered impaired (10% of samples exceeding standards). Analyses using ribotyping for microbial source tracking done in 2002-04 indicated no human pollution present in the San Lorenzo River during the summer months, but 25% of the samples showed presence of human pollution during the wet winter months (SCCHSA, 2006). Recent testing by the City of Santa Cruz also showed presence of some “contaminants of emerging concern” pharmaceuticals and other compounds originating from humans in the San Lorenzo River (City of Santa Cruz, 2016). Of the 96 constituents tested only 20 were detected, predominantly in the wet periods. The types of CEC’s present in the San Lorenzo surface water were also very different from the types found in groundwater in the La Selva Beach area (Carollo, 2017). These results indicate the ongoing need to prevent surface failures by oversight of OWTS, water quality testing, follow-up investigations to identify and correct failing systems, and encouragement of property owners to continue to voluntarily upgrade their failing systems to meet basic requirements.

## 2.4 Existing Development Conditions

Santa Cruz County Assessor records show that 78% of the developed properties with OWTS were developed before 1983, when many of the current OWTS standards went into effect (Figure 1-2). In the early half of the 20<sup>th</sup> century, much of the development occurred along valley bottoms and along stream corridors. Much of the development at the time was originally for summer vacation homes. By the 1970s, most of the vacation homes were converted to year-round use and a number of small lot rural subdivisions were created. Rapid



rural development peaked in 1979, with over 700 homes built that year on OWTS. During the last decade, the average rate of new rural development served by OWTS has been 50 homes/year.

There are several areas in the county with high density of OWTS on small lots (less than 15,000 sf). These are listed in section 2.6. In the last thirty-five years, County EH has conducted parcel by parcel investigations in four of these areas, San Lorenzo Valley, Pasatiempo, Amesti Road, and the Delaney/Salsipuedes subdivisions, in an effort to identify failing OWTS and require them to be brought up to the repair standards that were adopted in 1986. Feasibility studies have been conducted for sewerage those four areas but have not proceeded due to high cost and in some cases environmental concerns. There are a number of areas of high density OWTS in the Aptos area that are within the urban services line and the Sanitation District Sphere of Influence, but presently outside the sanitation district. Several other areas of high density OWTS are well outside the urban services area and at some distance from any sewer lines: Monte Toyon and La Selva Beach. There are also two pockets of high density OWTS to the west of Watsonville in the Buena Vista and Manfre Road area, that are within the sanitation district sphere of influence. There are presently no active efforts to extend sewer service to those areas, but County EH will look for potential opportunities for funding assistance or other incentives for sewerage (see Section 4.6).

Because 78% of the parcels were developed before 1983, and predate current standards, a large number of the OWTS do not meet current standards and many parcels cannot meet current standards. Seepage pits were installed extensively in Pasatiempo, Aptos, La Selva Beach and the Amesti Road area. Cesspools were never permitted and there are no known areas where cesspools occur. If a cesspool is found, it will be required to be abandoned and replaced with an OWTS that meets current requirements.

Most older development originally occurred along stream corridors. A review of County GIS information and the OWTS database indicates that about 15-25% of the parcels with OWTS also have streams or drainageways on them. On the older, smaller lots it was often not possible to achieve a 100-foot setback between the OWTS and a stream. Approximately 6%, or 560 of the OWTS with site information in the database are located between 50 and 100 feet from a stream, and 80 (less than 1%) have a stream setback between 25 and 50 feet.

Approximately 60 existing OWTS are located within the 400-foot setback buffer 1200 feet upstream from a public water system surface water intake and an additional 24 OWTS are within the 200-foot buffer between 1200 and 2500 feet upstream of an intake. Some 50 OWTS may be located within 150 feet of a public water supply well, 40 are located between 150 and 200 ft, and 700 are between 200 and 600 feet from a public well, although it cannot be determined if these are in violation of the setback requirements without further analysis and a determination of the existing dispersal depth. A number of these wells and surface diversions wells are currently in an inactive status. OWTS that are located within protective setbacks will be evaluated at the time that a system failure occurs or there is otherwise a need for system replacement. Systems located near surface water intakes will be investigated for any sign of current system failure.

## 2.5 Policies for New Rural Development

New rural development in Santa Cruz County is limited by a number of policies, including restrictions on both existing lots of record and the creation of new lots. Since 1978, all new rural lots served by OWTS had to be at least one acre in size. Between 1970 and 1978, the minimum parcel size was 15,000 sf if public water was available, but one acre if a well was to be used. After 1978, following passage of Measure J, the Growth Management measure, a number of policies were enacted to focus growth in urban areas and limit the impacts of growth in rural areas. Minimum parcel sizes for new parcels were enacted for Water Supply Watersheds (10 acres) (Figure 2-17), Groundwater Recharge Areas (10 acres) (Figure 2-10) and Least Disturbed Watersheds (40 acres) (Figure 2-17). The rural development matrix was established, which determined the minimum parcel size based on the extent of constraints and critical resources that occurred on a parcel. Since 1998, there have been no rural subdivisions served by OWTS, other than the occasional minor land division of four lots or less.

The allowable average densities under the State OWTS Policy for new lots is related to average annual rainfall and is one acre for 25-35 inch per year (in/yr) and one-half acre for average rainfall over 40 in/yr. With average annual rainfall in Santa Cruz County ranging from 25-60 inches, County policies for new parcels easily meet the State OWTS Policy.

Santa Cruz County also limits new development on existing parcels of record under several circumstances, with no exception available even when utilizing enhanced treatment systems:

- Within a water supply watershed, the minimum parcel size is one acre and 2.5 acres when within one mile of the intake for the north coast watersheds.
- For parcels without public water supply, the minimum parcel size is 15,000 sq. ft.
- For parcels on some older subdivisions in the Aptos area, the minimum parcel size is 15,000 sf ft.
- Parcels must also meet the technical standards of stream setback (100 ft), slope (less than 30%), and outside the flood plain. If any of those three standards cannot be met, the parcel is deemed unbuildable.

## 2.6 Summary of OWTS Conditions and Limitations by Area

Following is a brief description of conditions relative to onsite wastewater disposal in various areas of Santa Cruz County, from North to South. The descriptions represent noteworthy conditions, but many of these areas have a mix of opposite conditions in different parts of the areas. (The number of OWTS refers to the approximate number of parcels with OWTS.)

North Coast-Bonny Doon: 1,450 OWTS; Water Supply Watersheds, Least Disturbed Watersheds, individual wells, large parcels, localized areas of high groundwater, karst, sandy soils, and clay terrace soils.

San Lorenzo Valley: 12,000 OWTS; Water Supply watershed, pathogen and nitrate TMDL, older dense communities with public water supply, some shallow groundwater, streams, and areas of sandy soils.

Pasatiempo: 800 OWTS; small lots, public water, inside urban services area with nearby sewer line, mix of sandy soils, clay soils, perched groundwater, shallow bedrock, and seepage pits.

Carbonera/Branciforte: 2,100 OWTS; pathogen and nitrate TMDL, older homes, larger lots, some sandy soils, and some shallow groundwater.

Soquel Watershed: 2,620 OWTS; older homes, larger lots, wells, some shallow groundwater, and some clay soils

Aptos/Valencia Watershed: 3,360 OWTS; older homes, larger lots, sandy soils, and some small lot (7,000-15,000 sf) subdivisions (Bonita, Huntington, Monte Toyon, Rio del Mar Lodge) on public water with seepage pits, somewhat near sewer lines.

Corralitos Watershed: 1,560 OWTS; water supply watershed, narrow canyons, larger lots, some older small lots, some public water, and agriculture.

Pinto Lake/Amesti Road: 500 OWTS; small lots, public water, clay soils perched groundwater, seepage pits, and generally long travel distance to lake.

Salsipuedes/Delaney: 75 OWTS: small lots (15,000 sf), small lots, small public water system, clay soils, perched groundwater, and low-income community near sewer.

Manfre/Buena Vista Road: 240 OWTS; small lots, public water, clay soils, designated disadvantaged community.

La Selva Beach: 850 OWTS; very small lots (5,000-12,000 sf), seepage pits, sandy soils, public water, high nitrate in groundwater, one mile from sewer, and outside urban services area.

## 2.7 GIS Mapping of Septic Constraints

The County's GIS provides a useful tool for OWTS management. All parcels with records of permits, septic tank pumping, or investigations are identified with the associated information available by selecting a parcel's polygon and viewing the information digitally. This information can be viewed in relation to OWTS density, relationship to well density, streams, soils, and other attributes. Most of the OWTS constraints and other information described in this LAMP are also mapped:

- Steep slopes
- Suspected landslide areas
- Streams
- Public water sources and setback zones
- Karst Areas
- Sandy Soils
- Clay soils
- Floodplains
- Sanitary sewer lines
- Stormdrains and ditches
- Nitrate Concern Areas

### 3 New and Replacement OWTS

This LAMP is intended to provide an explanation and summary of the requirements for system design, installation, and maintenance. However, for details and legal specifics, the County code and adopted regulations should be consulted. Santa Cruz County Code Chapter 7.38, Sewage Disposal, provides the basic requirements for OWTS design, installation and use in the county. It also provides the authority for specific variances from the new system standards for the repair or replacement of existing systems, including minimum thresholds and prohibitions. The basic standards and allowable variances are described in the County's Appendix A Chapter 7.38 Sewage Disposal (takes precedence), Appendix C Summary of Onsite Wastewater Treatment System Requirements, and Appendix D Enhanced Treatment System Regulations. The upgrade and repair standards and allowable variances in these documents apply to 78% of the properties in the county that were developed prior to September 16, 1983, which is the date that stricter standards for onsite wastewater disposal were adopted into the Basin Plan. They are designed to guide the trade-offs between continued use of existing systems, improvements needed for water quality and public health protection, addressing housing needs, and manageable costs for property owners to continue to encourage them to properly repair and upgrade their systems at the first indications of failure.

Where requirements for a standard system cannot be met, in many cases the deficiency can be mitigated by use of an enhanced treatment system and/or alternative method of dispersal. The specific requirements for enhanced treatment systems are described in a separate set of regulations. Since enhanced treatment systems began to be allowed in 1989, a total of 775 systems have been installed, with 25% serving new development, 25% for system upgrades to support remodels, and 50% for repair of failing systems.

#### 3.1 System Categories

A permit is required for new OWTS installation or upgrade, relocation, and repair including tank replacement, subject to approval by County EH, under authority delegated by the County Health Officer. Santa Cruz County has established requirements for different categories of OWTS. These requirements recognize that there are many developed parcels in the County that cannot fully meet the current standards for new development. Although OWTS installations will meet all the requirements as specified in County Code Sections 7.38.042-7.38.186 to the greatest extent possible, minimum requirements are established for different categories of OWTS, as defined for Santa Cruz County:

- New OWTS is an onsite wastewater treatment and dispersal system that is installed to serve a new structure or new use on a parcel where there are no pre-existing legal structures or legal OWTSs.
- Replacement system is an onsite wastewater treatment and/or dispersal system that is installed to serve an existing legal use or development. Replacement systems include both repairs and upgrades.

- Upgrade System is a replacement system or addition to an existing system that is needed to serve an expansion of an existing legal use, including a bedroom addition, accessory dwelling unit, or residential remodel greater than 500 sq. ft. System upgrades to current standards are required in order to do a major remodel.
- System Repair (or Major Repair) is a replacement of the treatment and/or dispersal system in order to correct a failure of an existing dispersal system. It may also include a replacement of the septic tank, if the tank requires replacement.
- Minor Repair includes the installation or replacement of a distribution device, diversion valve, damaged or clogged dispersal pipe resulting in a re-pipe but not replacement of a trench within the existing trench, greywater disposal system, or other repair work requiring a minor repair permit. Minor maintenance activities such as replacement of sanitary tees, effluent filters, lids, etc. do not require a permit.
- Tank Replacement is a replacement of septic tank, grease trap, or other treatment unit that is required due to failure, old age, and/or inadequate size.

Systems are also classified depending on the history of the system, the characteristics of the property, and the potential to upgrade the structure served (Table 3-1):

1. A Standard System meets all of the standard requirements for a conventional system of septic tank and dispersal device as specified in County Code Sections 7.38.095-7.38.180 and enables building additions consistent with the number of bedrooms for which the OWTS is sized, and consistent with building and zoning department regulations. No construction may occur over the OWTS and/or expansion area.
2. Nonstandard System (formally designated as “System with Special Operating Characteristics”) does not meet all the requirements for a conventional standard system, but it does meet the more specialized requirements for the different types of nonstandard systems. Approval of a nonstandard system requires recordation of a “Notice of Onsite Sewage Disposal System with Special Operating Characteristics” on the deed and payment of an annual inspection fee to fund ongoing oversight of the system (the fee is waived for Limited Expansion Systems). Four types of nonstandard systems are recognized:
  - a. An Enhanced Treatment System is a wastewater treatment system that utilizes special designs and/or additional technology to provide effluent treatment or dispersal to a much better level than a conventional system. This can allow reduced dispersal area, dispersal to otherwise unsuitable soils, reduced groundwater separation, specialized shallow dispersal in high groundwater areas, OWTS installation within public water source set-back buffers, or compliance with TMDLs and Advanced Management Programs. Enhanced treatment systems are specifically required in the following circumstances:
    - (1) For new and replacement OWTS in sandy soils in the San Lorenzo Watershed, and any other areas of sandy soils with current or anticipated elevated nitrogen levels in surface or groundwater, including Valencia Creek Watershed, Mill Creek Watershed (Bonny Doon), and La Selva Beach.



- (2) For Large OWTS that serve more than 5 residential units, or which have peak daily flows greater than 2500 gpd but less than 10,000 gpd, and are located in the areas described above.
- b. A Limited Expansion System is a permitted system repair that meets all the requirements for a standard conventional system except for availability of adequate system replacement area. Use of a Limited Expansion system requires water conservation measures and enables only a one-time addition of up to 500 sq. ft. of habitable space with no bedroom additions, and no increase in the volume of wastewater discharge. If the system performs well, no annual inspection fee is charged.
  - c. A Low-Flow System is a permitted system repair that meets the requirements for a standard conventional system except for the required amount of dispersal area. A Low-Flow system requires water conservation measures and enables only a one-time addition of up to 500 sq. ft. of habitable space with no bedroom additions, and no increase in volume of wastewater discharge. An annual fee is charged on the tax bill and the property will be periodically checked for signs of failure.
  - d. A Non-Conforming Interim System is a repair to a failing system that does not fully meet standards due to dispersal size or deferred installation of enhanced treatment. No building additions will be allowed and the system will need to be brought up to standards at the time of property transfer. An annual fee is charged on the tax bill and the property will be periodically checked for signs of failure.
  - e. A Haulaway System is a system that requires that effluent be pumped out on a seasonal or basis to prevent failure, and/or ensure that requirements for groundwater separation are met. No building additions will be allowed. An annual fee is charged on the tax bill, pumping reports are monitored by County EH, and the property will be periodically checked by County EH for signs of failure or wastewater discharge to an unapproved dispersal device.
3. A Prestandard System is an existing OWTS installed prior to 1983 which shows no indication of failure, but which does not meet all requirements for a standard system. Without any further upgrade (but with a satisfactory septic pumpers inspection report), such a system enables a one-time addition of up to 500 sq. ft. of habitable space with no bedroom additions or no increase in volume of wastewater discharge, unless the system is upgraded to meet conventional or enhanced treatment standards as defined in Section 3-2 and County Code Sections 7.38.095-7.38.186.

Table 3-1: Types of Systems, Requirements, and Building Allowances

System Type	Conditions <sup>a</sup>	Requirements	Building Allowed
New	Conventional: meets standards	Minimum Parcel size (7.38.045)	New residence; Possible ADU
	Enhanced Treatment for: reduced groundwater separation, fast or slow soil percolation	<ul style="list-style-type: none"> <li>Minimum Parcel size</li> <li>Maintenance Contract</li> <li>Deed recordation, Periodic Inspection, annual fee</li> </ul>	
Upgrade	Conventional, meets upgrade standards		ADU; Bedroom Addition; and/or >500 sf addition
	Enhanced Treatment for: <ul style="list-style-type: none"> <li>reduced groundwater or surface water separation,</li> <li>fast or slow soil percolation</li> <li>under pavement</li> <li>reduced dispersal area</li> <li>existing seepage pits</li> </ul>	<ul style="list-style-type: none"> <li>Maintenance Contract</li> <li>Deed recordation, Periodic Inspection, annual fee</li> </ul>	
Repair: Replaces old or failing system	Conventional, meets standards as much as possible, improvement over old system and old system not causing impairment, uses allowances for repairs;	<ul style="list-style-type: none"> <li>Meets conventional standards as much as possible</li> <li>Must comply with Prohibitions (7.38.042)</li> </ul>	One-time addition less than 500 sf
	Enhanced Treatment for: <ul style="list-style-type: none"> <li>reduced groundwater or surface water separation,</li> <li>fast or slow soil percolation</li> <li>under pavement</li> <li>reduced dispersal area up to 50%</li> <li>existing seepage pits</li> </ul>	<ul style="list-style-type: none"> <li>Maintenance Contract</li> <li>Deed recordation, Periodic Inspection, annual fee</li> </ul>	
	Limited Expansion System	<ul style="list-style-type: none"> <li>Water efficiency</li> <li>Deed Recordation</li> </ul>	Addition <500 sf
	Low-Flow System	<ul style="list-style-type: none"> <li>Water efficiency</li> <li>Deed recordation, Periodic Inspection, annual fee</li> </ul>	Addition <500 sf
	Nonconforming Interim (deferred enhanced treatment)	<ul style="list-style-type: none"> <li>Water efficiency measures installed</li> <li>Must comply with Prohibitions (7.38.042)</li> </ul>	No Addition
	Haulaway System	<ul style="list-style-type: none"> <li>Must install enhanced treatment at time of property transfer</li> <li>Deed recordation, Periodic Inspection, annual fee</li> </ul>	
Existing System	<ul style="list-style-type: none"> <li>Meets standards for water separation</li> <li>Not failing, good pumper report</li> <li>Not seepage pit or flow depth &gt;10 ft</li> </ul>	Ongoing maintenance	If dispersal size adequate <sup>b</sup> : <ul style="list-style-type: none"> <li>Bedroom Addition, ADU</li> <li>&gt;500 sf addition</li> </ul>
	<ul style="list-style-type: none"> <li>Does not fully meet standards</li> <li>Not failing, good pumper report</li> </ul>	Ongoing maintenance	One-time addition less than 500 sf
	Failing: surfacing effluent	Repair required	Depends on Repair

<sup>a</sup> Standards for conventional systems are specified in County Code Section 7.38.095-180; Additional requirements for enhanced treatment systems and conventional non-standard systems are specified in Sections 7.38.182-186.

<sup>b</sup> A qualified professional must demonstrate to the satisfaction of the Health Officer that the system can accommodate the increased flow for the addition without adversely impacting water quality based on an evaluation of the existing leachfield trenches, soil characteristics and percolation rates. County staff will also consider other risk factors including but not limited to OWTS density, depth to groundwater and proximity to drinking water wells.

## 3.2 Summary of Design Requirements

Following is a summary of the key requirements for new and replacement systems. Detailed requirements are contained in Santa Cruz County Code Chapter 7.38 (Appendix A) and key elements are summarized in Appendix C.

### 3.2.1 Dispersal Area Requirements

The amount of required infiltration area for conventional dispersal systems is a function of the infiltration capacity of the soils, wastewater BOD concentration, and the expected wastewater flow based on the number of bedrooms per residential unit or projected design flow for commercial uses. Infiltration capacity is a function of the soil texture and structure. Acceptable wastewater application rates are typically assigned based on soil texture and/or percolation test results. A considerable margin of safety is usually built into conventional OWTS design standards and takes into account that the infiltration rate will be reduced considerably by formation of biological mat at the infiltrative surface as a result of wastewater organic loading, and potentially anaerobic saturated conditions. For example, a percolation test result of 5 minutes per inch (MPI) would be equivalent to 41.3 gallons per square foot per day. (This assumes you take into account the sidewall area during the perc test.) However, for dispersal system design purposes, a soil with a percolation rate of 5 MPI is typically assigned a conventional dispersal system wastewater application rate of 0.43-1.2 gal/sf/day, depending on the jurisdiction.

5 minutes for a 1 inch drop in a 6 inch diameter 6 inch deep perc hole  
= 2.8 inches per square inch per hour  
x 144 square inches per square foot = 403 cubic inches per square foot per hour  
x 1/1728 cubic foot per cubic inches = 0.23 cubic foot per square foot per hour  
x 24 hours per day = 5.6 cubic feet per square foot per day  
x 7.48 gallons per cubic foot = 41.3 gallons per square foot per day

The State OWTS Policy and EPA OWTS Manual specifies the relationship between percolation rate and/or soil texture and wastewater application rate. The EPA Manual also provides for an increased application rate with the use of treated effluent, which is approximately double the application rate for untreated effluent. Santa Cruz County has consistently allowed a doubling of the application rate for treated effluent (BOD less and 30 mg/L), and it is proposed that this continues.

Table 3-2 presents a summary of the application effluent rates from Table 3 of State OWTS policy and also shows the allowed increase for treated effluent in a simplified table that can be used for sizing new and replacement OWTS in Santa Cruz County. However, the detailed application rates specified in Tables 3 and 4 of the State OWTS policy may also be used. Soil texture and structure is not proposed to be used to determine effluent application rates, except in the case of replacement systems, where there is available site information.

Alternative dispersal systems (drip, chambers, mounds, etc.) will typically require the same square footage of dispersal area, but some may have a different minimum infiltration area

requirement than presented below in Table 3-2, depending on manufacturer's guidelines. The OWTS designer must ensure appropriate infiltration areas are calculated based on the proposed disposal system and level of effluent treatment.

If there is inadequate room on a developed parcel to accommodate a conventional dispersal system for repair, OWTS, installation of 60 – 99% of the standard dispersal area may be allowed as a nonstandard low-flow system, provided, water conservation measures are installed, water use is monitored to ensure that flows are kept within the reduced design flows, and a notice is recorded on the deed regarding the limitations on remodels and use of the system.

Soils percolating faster than 5 MPI must use an enhanced treatment system that provides for nitrogen reduction; disinfection may be required based on vertical separation to groundwater. See Table 3-4 for conditions requiring nitrogen and pathogen reduction. Nitrogen reduction may be waived for soils percolating 1-5 MPI in specific areas where nitrogen is not a concern as long as all other setbacks and separation to groundwater are met. Soils with a percolation rate slower than 60 MPI are non-standard and not in compliance with SCCC 7.38.095 through 7.38.180, therefore are not suitable for a new standard OWTS. System replacements on existing parcels may occur in soils percolating 60-120 MPI. Enhanced treatment may also be recommended for soils percolating slower than 60 MPI.

**Table 3-2: Dispersal System Application Rates**

From State OWTS Policy Table 3. Some application rates may be doubled for enhanced treatment with effluent less than 30 mg/L BOD as noted in the following table. Application rates may be interpolated if the percolation rate falls between the indicated values. Application rates from Table 3 and 4 of the State OWTS Policy may be utilized for conventional systems. Those application rates may be doubled with enhanced treatment that reduces Biological Oxygen Demand (BOD) and Total suspended solids (TSS) to less than 30mg/L.

Percolation Rate - MPI (minutes per inch)	Application gal/sf/day	
	BOD=150 mg/L	BOD<=30 mg/L
<1	--	1.60
1	1.20	1.60
5	1.20	1.60
10	0.80	1.60
15	0.73	1.46
20	0.66	1.32
25	0.59	1.18
30	0.53	1.06
35	0.48	0.96
40	0.42	0.84
45	0.37	0.74
50	0.31	0.62
55	0.26	0.52
60	0.20	0.40
90-120	--	0.20

Table 3-3: Design Flow per Bedroom

Number of Bedrooms	1	2	3	4	5	6	Per Additional Bedroom
Standard Design Flow (gpd)	250	300	375	450	525	600	75
Low Flow System (gpd) Repair Only, with Limitations*	150	200	250	300	350	400	50

\*Low Flow Systems require water conservation devices, flow monitoring, deed recordation, annual fee, periodic inspection, and limits on remodels. Low flow systems with enhanced treatment would not be eligible to also double the application rate, and further reduce the size of the dispersal area.

Alternative design flows for enhanced treatment systems may be proposed by the designer in order to ensure proper operation of the treatment components, provided the hydraulic capacity for soil absorption of peak design flows is maintained.

### 3.2.2 Dispersal Depth and Expansion Area

Effluent treatment takes place in the soil and is aided by the presence of oxygen. Treatment is optimized by shallow and dispersed effluent disposal. With minor exceptions allowed for repaired dispersal systems, standard dispersal trenches will have a maximum depth of 4 feet and a maximum infiltration area of 4 square feet per linear foot (sf/lf). In situations where slopes are steeper or surface soils are dense clay, the trenches may be set a maximum of ten feet below the surface but will maintain the dispersal area of 4 sf/lf. Deeper trenches with enhanced treatment may be used for new development and system upgrades for bedroom additions that have adequate separation to surface waters and groundwater as defined in Table 3.4, and adequate separation from public water sources as provided in Sections 9.4.10, 9.4.11 and 9.4.12 of the State OWTS Policy.

For repaired dispersal systems on parcels with limited suitable disposal area, deeper trenches up to a depth of 10 feet below the ground surface with up to 10 sf/lf of infiltrative area will be considered on a case-by-case basis, with adequate justification provided by a qualified professional. See Table 3-4 for conditions requiring nitrogen and pathogen reduction.

Conventional dispersal systems are expected to have a limited lifetime of 20-40 years, as infiltrative surfaces become clogged with biomat and roots. Because of that, approval of new and replacement OWTS requires designation and protection of expansion area on the parcel to accommodate a replacement dispersal system that meets current requirements. Due to the many constraints on small lots in the county, preserving expansion area may require use of deeper dispersal systems with protective separations to groundwater or with enhanced treatment systems. A property that cannot demonstrate 100% expansion area is not eligible for a major remodel or bedroom addition.

Chamber leaching devices approved by County EH may be utilized in lieu of gravel trenches. Use of such devices will allow the required dispersal area to be reduced by no more than 30% if the chamber leaching device is IAPMO certified. This is consistent with the State OWTS Policy, Uniform Plumbing Code and practice in other jurisdictions. (See Appendix E)



### 3.2.3 Seepage Pits:

Seepage pits shall not be permitted for new installations. Seepage pits may be used to repair an existing individual OWTS, or to expand an existing system in conjunction with a building addition, alteration, expansion or reconstruction, if the existing system utilized seepage pits and when leaching trenches cannot be installed due to unsatisfactory soil conditions or lack of sufficient space. Enhanced treatment with nitrogen reduction is required for all replacement seepage pits or where existing seepage pits are used to support a bedroom addition, major remodel or other increase in wastewater flow. The separation to groundwater may not be less than 10 feet.

### 3.2.4 Minimum Setbacks to Dispersal System and Separation from Groundwater

Treatment of effluent for removal of pathogens, nutrients and other contaminants requires adequate time in the soil for treatment. To that end, dispersal systems need to be located at sufficient distances from embankments or steep slopes to prevent surface discharge of inadequately treated effluent and to prevent discharge of pathogens or nitrate to wells or waterways. Adequate separation from groundwater is also important because wastewater is more rapidly treated in unsaturated soil and the presence of shallow groundwater or an impermeable layer can promote more rapid lateral movement of inadequately treated effluent. Soil permeability is also an important factor in that effluent can move more readily through a sandy permeable soil, with less time for treatment and attenuation of contaminants. Inadequate separation from groundwater or impermeable layer can also limit the ability of the soil to absorb effluent and lead to surfacing effluent.

With the high variability of factors that can affect the movement of contaminants, there is considerable variation in established standards for groundwater separation. The EPA (2002) indicates that 2-4 feet is adequate for pathogen treatment. The State OWTS policy calls for 5-20 ft, depending on soil permeability, and specifies an absolute minimum of 2 feet. Other states generally require from one to four-foot separation (Hall, 1990). A 1982 study of shallow monitoring wells in the San Lorenzo Valley showed no significant occurrence of fecal coliform in shallow groundwater beyond 50 ft from leachfields even when groundwater separation was less than 5 feet. In that study the amount of groundwater separation had no relationship to the amount of nitrate measured in downgradient wells, which showed somewhat elevated levels of nitrate up to 100 feet from the leachfields (SCCHSA, 1989).

Limited groundwater separation, slopes and waterway setback are some of the most significant constraints for siting OWTS in Santa Cruz County. Additionally, there are many properties that were developed before current standards were established, and that cannot meet current standards for stream setback and groundwater separation. Although they can't fully meet current standards, replacing and upgrading those systems results in a significant improvement in water quality protection and at least 90% of the year they fully meet current groundwater separation standards. Because these factors are so widespread and influential, it is important to establish standards that are not overly protective but that provide the

minimum protection of water quality that is needed. Santa Cruz County has expended considerable effort to map areas with high groundwater and measure the levels that occur. Because groundwater levels can fluctuate 10-20 feet from the dry season to the wet season, winter groundwater determination is limited to periods when there has been at least 60% of average annual rainfall and there has been at least 6 inches of rain in the previous 30 days.

Given all these considerations, Santa Cruz County established standards for groundwater separation and stream setback that have been implemented since 1995. Standards have been made more stringent now to meet the required two foot minimum separation and other requirements of the State OWTS Policy as presented in Table 3-4 and the subsequent section, Other Important Setbacks. Table 3-4 presents stream setback and treatment requirements relative to groundwater depth. Other water feature setback requirements are specified below. See Enhanced Treatment Table 3-5 Appendix D for specifications on type of treatment required. Table 3-4 provides OWTS design setback and treatment conditions for existing, new, and replacement OWTS that are within the Pajaro River Watershed, Soquel Lagoon Watershed, Aptos Creek Watershed, San Lorenzo River Watershed, and Corralitos/Salsipuedes Creek Watershed that comply with the Human Fecal Material Discharge Prohibition in section 5.4.2.2 of the Basin Plan.

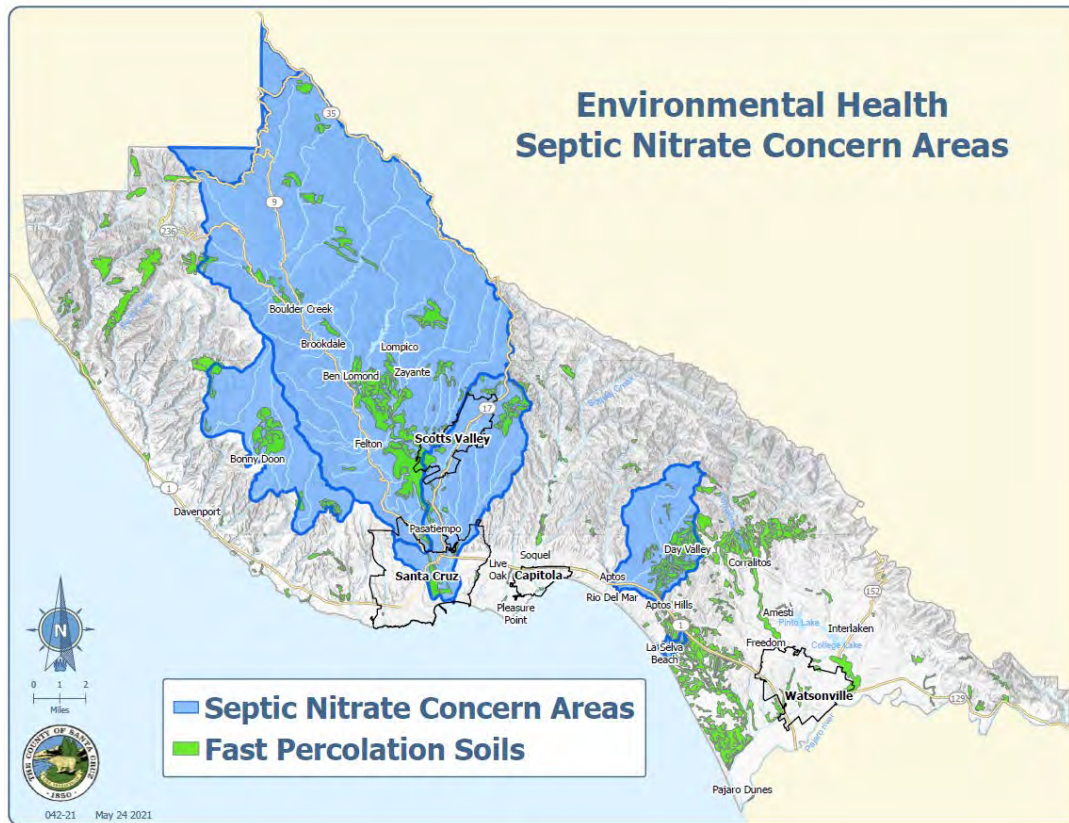
Table 3-4: Groundwater Separation Based on Stream Setback, Treatment, and Soil Percolation (Minutes per Inch (MPI))

Horizontal Setback to Stream	25-50 Feet	50 - 100 Feet	> 100 Feet
<b>Conventional Systems:</b>			
New System on undeveloped parcel	Not Permitted	Not Permitted	<1 MPI – Not Permitted 1-5 MPI Not permitted in nitrate concern area 1-5 MPI = 20 feet outside nitrate concern area 5-29.9 MPI = 8 feet 30-60 MPI = 5 feet >60 MPI – Not Permitted
Upgrade System, increase in flow by ADU, bedroom addition or major remodel	Not Permitted	Not Permitted	<1 MPI – Not Permitted 1-5 MPI Not permitted in nitrate concern area 1-5 MPI = 20 feet outside nitrate concern area 5-29.9 MPI = 8 feet 30-60 MPI = 5 feet >60 MPI – Not Permitted
Repaired System, no increase in flow	Not Permitted	<1 MPI – Not Permitted 1-5 MPI Not permitted in nitrate concern area 1-5 MPI – 20 feet outside nitrate concern area 5-29.9 MPI = 5 feet 30-60 MPI = 5 feet >60 MPI – Not Permitted	<1 MPI – Not Permitted 1-5 MPI Not permitted in nitrate concern area 1-5 MPI = 8 feet outside nitrate concern area 5-29.9 MPI = 5 feet 30-60 MPI = 5 feet >60 MPI – Not Permitted
<b>Greywater Sump</b>	5 feet	5 feet	3 feet
<b>Enhanced Treatment System<sup>a,b</sup></b> (BOD, TSS, TN <30 mg/L;-Fecal coliform/E.coli Reduction to 200 MPN/100 ml)			
New System on undeveloped parcel	Not Permitted	Not Permitted	2 feet
Upgrade System, increase in flow by ADU, bedroom addition or major remodel	Not Permitted	2 feet	2 feet
Repaired System, no increase in flow	4 feet	2 feet	2 feet
Seepage Pit-Repair/Upgrade Only	Not Permitted	Not Permitted	10 feet

<sup>a</sup> Enhanced treatment with nitrogen reduction is required for all new, repaired, and replacement OWTS with soils that percolate faster than 5 MPI in nitrate concern areas (see Figure 3-1, Sec.3.2.6)

<sup>b</sup> Groundwater separation less than 2 ft can only be approved by Regional Water Board

Figure 3-1: Nitrate Concern Areas



**Table 3-5: Other Important Setbacks (for Septic Tanks and Dispersal Systems):**

Where setbacks to streams, wells, karst features, drainageways, and stormwater infiltration devices cannot be met, enhanced treatment shall be utilized, consistent with Table 3-4.

The minimum separation shall be 10 feet from the bottom of the dispersal device to an impermeable layer that percolates slower than 120 MPI. With enhanced treatment and shallow drip dispersal, that separation can be reduced to not less than 3 feet.

Private individual, water line	10 feet
Water Main	25 feet
Stream, well, spring, watercourse <sup>a</sup> , private water supply well, well site <sup>b</sup> , sinkhole or other karst feature that may rapidly convey water	100 feet
Public water supply well	150 feet/200- feet <sup>e</sup>
Vernal pools, wetlands, lakes, ponds, ocean, or other surface water bodies	200 feet
Stormwater Pipeline Tightline, upgradient ditch or swale	10 feet
Drainageway that carries stormwater less than 12 hours after significant rainfall, stormwater infiltration device	25 feet
Drainageway that carries water 12 hours to 7 days after significant rainfall or curtain drain down-gradient from dispersal device	50 feet
Steep Slope <sup>c</sup>	25 feet
Embankment <sup>d</sup>	4 times height of bank to maximum of 25 feet

<sup>a</sup> The edge of the watercourse is the natural or levied bank for creeks and rivers.

<sup>b</sup> Well site would include any potential well location on an adjacent property that is 50 feet from the property line.

<sup>c</sup> Steep slope is a slope of greater than one and one-half feet horizontal to one foot vertical (67 percent).

<sup>d</sup> Fifty feet if slope area is composed of fractured material or if slope area or embankment is intersected by impermeable strata or shallow groundwater.

<sup>e</sup> 200 feet from a public water well where the depth of the effluent dispersal system exceeds 10 feet in depth. If the dispersal system depth exceeds 20 feet below grade and is within 600 feet of a public water well, then a horizontal setback is required to achieve a two-year travel time for microbiological contaminants as evaluated by a qualified professional. However, in no case, shall the setback be less than 200 feet.

### 3.2.5 Slopes, Embankments and Unstable Areas

Much of the Santa Cruz Mountains consist of steep slopes, and unstable geology. Many of the properties have cuts and embankments. Lateral movement and surfacing of effluent have been rarely documented, but there are a number of situations where effluent disposal from OWTS has contributed to slope failure. Although County code has restricted the installation of new OWTS on slopes steeper than 30% for many years, older systems do occur on steeper slopes and system replacements have been allowed on slopes up to 50%. The State OWTS

policy and this LAMP prohibit the installation of dispersal systems on slopes greater than 30% or within 100 ft of unstable land masses unless allowed through a geotechnical report prepared by a qualified professional. Such a report could also address reduced setbacks to embankments, if necessary. If deemed suitable by a qualified professional, installations on slopes between 30% and 50% will be allowed for repairs, upgrades and ADU's.

### 3.2.6 Enhanced Treatment Systems

An enhanced treatment system is required in the following situations:

- For new or replacement OWTS in Zayante or Baywood Soils, or any soil that percolates faster than 5 MPI. See Table 3-4 for setback requirements and conditions requiring nitrogen and pathogen reduction. This requirement can be waived for parcels that are greater than 10 acres or outside the nitrate concern areas of San Lorenzo Watershed, North Coast Water Supply Watersheds, Valencia Watershed and La Selva Beach area (Figure 3-1); and maintain a private well setback of more than 150 ft.
- For repair or upgrade of any large system serving more than 5 residential units or discharging more than 2500 gpd but less than 10,000 gpd, regardless of soil type.
- For new or replacement OWTS to mitigate conditions where standard system requirements cannot be met: reduced dispersal area, reduced separation to groundwater.
- For replacement OWTS where reduced setback to a stream or well is required.

Use of an approved enhanced treatment system requires the installation and continuous operation of monitoring telemetry; an ongoing service contract with an approved service provider; water quality monitoring; submittal of biannual reports for the first two years of operation and thereafter annual reports of system operation, maintenance and monitoring results; and, periodic inspections by County EH to confirm satisfactory performance. Specific requirements for enhanced treatment are described in Appendix D.

### 3.2.7 Minimum parcel size for new development

Santa Cruz County has a number of restrictions on parcel size for new development. For creation of parcels served by an OWTS, the General Plan and Code requires a minimum parcel size of at least one acre. The State OWTS Policy specifies an allowable subdivision density based on average annual rainfall. With the annual average rainfall in areas of Santa Cruz County varying from 25 inches in Watsonville to 60 inches above Boulder Creek, the allowable density would be 0.5 to 1.0 acre per dwelling unit. Other limits on parcel size for new development include:

- 1-acre minimum parcel size required for new development on existing lots of record in San Lorenzo and North Coast/Bonny Doon water supply watersheds.
- 2 ½ acre minimum parcel size required for new development on existing lots in North Coast/Bonny Doon water supply watersheds where the parcel is located within 1 mile of the water supply intake (designated as Water Quality Constraint Areas).



- Pursuant to policies in the General Plan, new parcels created must be 1 to 40 acres in size, depending on zoning and presence of resources and constraints.
- Any new lot created must be demonstrated to be capable of meeting requirements for onsite sewage disposal. Previously, only conventional systems were allowed, but it is proposed that enhanced treatment systems will be acceptable for creation of new lots, if requirements are met.

### 3.2.8 Variances

There are a number of situations where a variance to the requirements for a new standard OWTs may be allowed for replacement systems under specific conditions as described in the LAMP, Santa Cruz County Code and regulations. Standard systems must meet the requirements to the greatest extent possible and must meet the alternative minimum requirements with mitigations or site conditions needed to protect water quality and public health as discussed elsewhere in this document. The following types of variances may be allowed for replacement systems on developed parcels:

- Setback to Foundation or Property Lines – less than 5 ft, as authorized by Building Official or Health Officer.
- Setback to water mains from 25 to 10 ft and to less than 10 ft for private individual water lines if water line is double sleeved.
- Setback to embankments – less than 25-50 ft., if allowed by geologist's report
- Setbacks to waterways for system repairs, if required and mitigated by enhanced treatment and/or site conditions.
- Easements for repairs/upgrade/lot lines for buildable lots.
- Slope in dispersal area from 30% up to 50% for replacement, if approved by a geologist report.
- Winter groundwater separation down to 2-3 ft. mitigated by enhanced treatment and greater separation from waterways.
- Depth of dispersal system, if soil conditions require and minimum groundwater separation is maintained.
- Dispersal area, if mitigated by water conservation and enhanced treatment
- Leaching allowed under paving mitigated with enhanced treatment and if required to accommodate required dispersal area.
- Use of reduced dispersal area for low flow system with water conservation measures, limits on building, deed recordation and periodic inspections.
- Use of an interim nonconforming system with deferred installation of enhanced treatment to time of property transfer, with water conservation measures, limits on building, deed recordation and periodic inspections.

For new development on undeveloped properties, variances to requirements for standard systems may be allowed if an enhanced treatment system is used, and if none of the prohibitions specified below apply.

Records will be maintained in the permit database any time one of these variances is approved and will be reported as a part of the annual reporting. Additionally, minor deviations may be approved by the inspector in the field, required by field conditions, when an inspection in the field makes clear that no individual or cumulative public health hazard will result, and when only slight changes in approved plans are required. These changes are noted in filed notes and on as-built plans.

### 3.2.9 Prohibitions:

In no case will a variance be allowed or an individual OWTS be permitted by the County in any of the following circumstances:

(A) Where the property line of the parcel upon which the system is proposed to be constructed is within 200 feet of a public sewer and connection to the sewer thereto is determined to be feasible. "Feasible" means that sewer service is both (a) available by annexation to or contract with an existing sanitation district, County service area or city under existing Local Agency Formation Commission spheres of influence and County land use policies, and (b) that connection is technically feasible based on engineering and technical factors.

(B) Where the parcel upon which the system is proposed to be constructed is undeveloped and less than the required minimum size specified in Code Section 7.38.045.

(C) Where the system is proposed to be installed on a parcel other than the parcel upon which the use to be served by the system is located, except as provided in SCCC 7.38.060.

(D) Where the system utilizes a cesspool of any kind or size.

(E) Where the separation of the bottom of dispersal system to groundwater is less than 2 feet, except for seepage pits, which shall not be less than 10 feet.

(F) Where the system receives wastewater discharge from whole-house water treatment systems or backwash from swimming pool or spa.

(G) Where the parcel is undeveloped, and the proposed system would be located on slopes over 30% or within 100 feet of a well or water body.

(H) The following types of systems may not be permitted under this LAMP by the County, but may be permitted by the State Water Boards:

- 1) OWTSs receiving a projected flow over 10,000 gpd.
- 2) OWTSs that utilize any form of effluent disposal that discharges on or above the post installation ground surface such as sprinklers, exposed drip lines, free-surface wetlands, or a pond.
- 3) OWTSs dedicated to receiving significant amounts of wastes dumped from RV holding tanks.
- 4) Systems which receive wastewater other than domestic wastewater, such as medical and dental office wastewater, food and beverage industry wastewater, winery waste or brewery waste.
- 5) OWTS that receive high-strength wastewater.

(I) Except as provided for in paragraphs 6 and 7 below, new or replacement OWTS are prohibited with minimum horizontal setbacks less than any of the following:

- 1) 150 feet from a public water well where the depth of the effluent dispersal system does not exceed 10 feet in depth.
- 2) 200 feet from a public water well where the depth of the effluent dispersal system exceeds 10 feet in depth.
- 3) Where the effluent dispersal system is within 600 feet of a public water well and exceeds 20 feet in depth the horizontal setback required to achieve a two-year travel time for microbiological contaminants shall be evaluated. A qualified professional shall conduct this evaluation. However, in no case shall the setback be less than 200 feet.
- 4) Where the effluent dispersal system is within 1,200 feet from a public water systems' surface water intake point, within the catchment of the drainage, and located such that it may impact water quality at the intake point such as upstream of the intake point for flowing water bodies, the dispersal system shall be no less than 400 feet from the high-water mark of the reservoir, lake or flowing water body.
- 5) Where the effluent dispersal system is located more than 1,200 feet but less than 2,500 feet from a public water systems' surface water intake point, within the catchment area of the drainage, and located such that it may impact water quality at the intake point such as upstream of the intake point for flowing water bodies, the dispersal system shall be no less than 200 feet from the high-water mark of the reservoir, lake or flowing water body.
- 6) For replacement OWTS that do not meet the above horizontal separation requirements, the replacement OWTS shall meet the horizontal separation to the greatest extent practicable. In such case, the replacement OWTS shall utilize an enhanced treatment system and other mitigation measures, unless a qualified professional provides information to the satisfaction of the Health Officer that there is no indication that the previous system is adversely affecting the public water source, and there is limited potential that the replacement system could impact the water source based on topography, soil depth, soil texture, and groundwater separation.
- 7) For new OWTS, installed on parcels of record existing as of May 13, 2013, that cannot meet the above horizontal separation requirements, the OWTS shall meet the horizontal separation to the greatest extent practicable and shall utilize enhanced treatment for pathogen and total nitrogen concentration reduction and any other mitigation measures prescribed by the Health Officer.

#### 3.2.10 Proximity of Collection Systems to New or Replacement OWTS

Sewer systems are operated in Santa Cruz County's urban areas by the Cities of Santa Cruz, Scotts Valley, and Watsonville, various Sanitation Districts operated by the County of Santa Cruz, and the private Salsipuedes Sanitary District (Figure 3-2). The County General Plan establishes an Urban Service Boundary, where all new development should be served by public sanitation. Sewer lines are not intended to be extended outside of the Urban Service Boundary and are generally not to be extended outside the sphere of influence of the City of Santa Cruz or sanitation district. In some cases, the Local Agency Formation Commission (LAFCO) has approved annexations or extraterritorial service

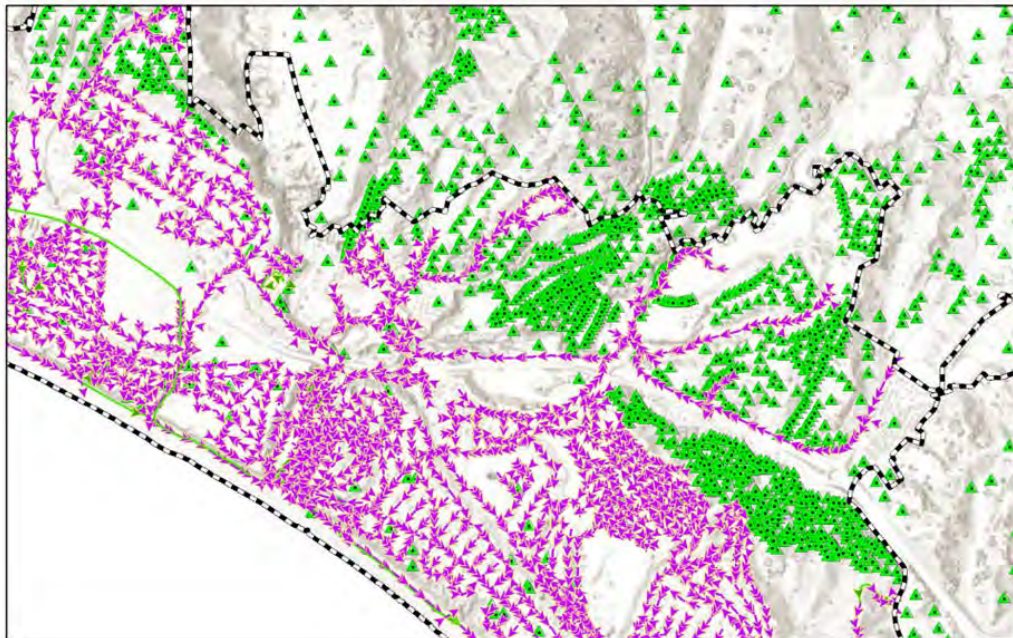
to serve individual parcels close to an existing sewer line that may have a failing OWTS. However, this is not generally done to support new development on individual parcels unless it is part of a much larger General Plan land use amendment.

Figure 3-2: Primary Sewered areas of Santa Cruz County

Grey: Municipal; Lime: Santa Cruz Sanitation District; Purple: Freedom Sanitation District; Red: Salsipuedes Sanitary District



Figure 3-3: OWTS in Relation to Sewer Lines: Sanitation District sphere of influence (Black and white line), sewer lines (purple) and location of OWTS (green) in Aptos area.



### 3.3 Site Evaluation

For all new and replacement OWTS installations, a site evaluation and soil characterization by a qualified professional and witnessed by County EH staff will be required. This includes a soil profile excavation to the minimum depth of required groundwater separation below the bottom of the proposed dispersal device and percolation testing in the area of the disposal field and expansion area. The maximum depth of observation may be reduced if enhanced treatment is proposed with a reduced separation to groundwater or impermeable layer. The requirements for percolation tests may be waived if a qualified professional can provide adequate information to document the soil texture, soil structure, and soil grade to establish a maximum soil application rate to the satisfaction of the Health Officer. The specific soil profile requirements are contained in the code (Appendix A) and the soil test procedures (Appendix F).

Based on mapped information, file information, and observations of site soils and topography, staff will determine whether or not shallow winter groundwater is likely to be present, and if so, winter water table observation will be required pursuant to the Winter Water Table Testing Procedures (Appendix F). Site testing for groundwater will be required unless the system designer demonstrates to the satisfaction of Environmental Health staff that there is already adequate information regarding the location to determine that groundwater separation requirements can be met. During the field visits, EH staff will measure slope, setbacks to streams, wells, and embankments and make observations of other issues such as slope stability concerns. EH Staff will also utilize the Santa Cruz County GIS database for other information such as nearby public water sources, proximity to sewer lines, presence of karst, or other issues that may influence the location and design of the OWTS. If an OWTS is proposed within 200 feet of a public water supply source, the operator of the public water supply source will be notified.

### 3.4 Qualifications for Persons Who Work on OWTS

Specific qualifications and licenses are required to design, construct, maintain, repair and/or replacement of an OWTS in Santa Cruz County. Design, construction, maintenance, repair and replacement of an OWTS shall be conducted by a qualified professional or service provider in accordance with the following requirements:

- Site evaluations, soil investigations and percolation testing for system design shall be conducted by a registered California professional, including Civil Engineer, Professional Geologist, Certified Engineering Geologist, Registered Environmental Health Specialist, or other qualified professional as approved by EH
- Reports justifying installation on a steep slope, reduced setback to an embankment or other concern of slope stability shall be prepared by a California registered Professional Geologist or Engineering Geologist.
- System designs, including site evaluation, will be prepared by a California registered Civil Engineer, registered Geologist or registered Environmental Health Specialist, or other qualified professional as approved by EH.



- Qualified installers that install an OWTS must be a contractor duly licensed by the California State Contractor's Board to install OWTS. Acceptable licensure types are Class A, Class B, Class C-36, and Class C-42. The Class B license holder is limited to installing an OWTS in conjunction with a new construction projects as appropriate under applicable State contractor's law.
- Liquid waste haulers are required to maintain a separate license to operate in Santa Cruz County and shall comply with all the requirements of Chapter 7.42 (Appendix B).
- Onsite System Service Providers (OSSP) are an individual or company approved by County EH and certified by an OWTS manufacturer or proprietor to conduct maintenance and replace needed parts for each type of enhanced treatment or alternative dispersal system they service, or other qualified OSSP as approved by County EH.
- County EH has a certification program for OSSPs and a registration program for liquid waste haulers. County EH will develop a Qualified Professional annual registration program for all qualified professionals to demonstrate that their qualifications are in good standing and based on demonstrated experience and satisfactory performance.

County EH maintains a directory of Qualified Persons to work on OWTS. This information is included as part of the web-based resources maintained on the County's OWTS website. This lists the name, address and phone contact information for professional services providing septage disposal, maintenance services, system design, and permitting assistance. County EH intends to require registration of qualified professionals to work in the County, similar to other jurisdictions. That registration can be suspended for violations of County code and permit requirements.

## 4 Operation of Existing Systems

In order to ensure satisfactory OWTS performance, County EH implements various components to promote operation and maintenance of existing OWTS, to provide for inspections and evaluations as needed to identify problem systems, to require the correction of failing systems, to provide for upgrade of systems at the time of building remodels. The County also conducts more in-depth oversight through advanced protection management programs in areas that impact impaired or vulnerable waterbodies and groundwater. Those programs typically include evaluation of potential for developing or connecting to community wastewater disposal systems and opportunities for financial assistance to address OWTS problems.

### 4.1 Operation and Maintenance

Operation and maintenance of existing OWTS is ultimately the responsibility of the property owner. The County promotes this through education and outreach, facilitating septic tank pumping and sludge disposal, and overseeing service providers for enhanced treatment systems. Compilation of file information on permit history, inspections, and pumping and making that information available also provides more information to qualified professionals and property owners, particularly those that may be interested in purchasing a house with an OWTS.

#### 4.1.1 Education and Outreach for OWTS Owners

Public information regarding OWTS is generated by County EH and then disseminated to the public through County EH watershed groups, Realtors, or other County agencies relative to the building permitting process. Within the past five years, an OWTS brochure was mailed to all residents in the San Lorenzo Watershed.

County EH provides periodic web-based news articles and brochures regarding OWTS construction, performance, and maintenance with special emphasis on the benefits of water conservation. Also, hard copy brochures on water conservation, graywater disposal, and general OWTS use are produced and are widely distributed. Accordingly, County EH provides this information on the County's webpage, and through in-person meetings with owners and operators, either during front desk walk-in questions, or during a permit process consultation.

County EH provides site-specific education for OWTS users tailored to the specific parcel and system. During these consultations, information on proper OWTS use and maintenance is provided to make sure the users have a clear understanding of how to identify and respond to maintenance and repair issues. County EH emphasizes the importance timely responses to OWTS failures and provides checklists for maintenance, repair, or replacement of critical items. County EH provides to OWTS owners and buyers low-cost evaluations of OWTS through file reviews and site inspections. These evaluations analyze the status of a parcel's OWTS. Additionally, County EH staff will review proposed plans and designs for replacement or repair of OWTS to advise potential permit applicants in advance of the OWTS owner formally initiating a permit application. These services are regularly provided to the public, or

to consultants and contractors employed by owners for assistance with OWTS design, permitting, or simple maintenance.

File Reviews: County EH provides as a public service a full evaluation and interpretation of all available information on properties served by OWTS and/or private water systems. This evaluation answers question such as:

- Has the OWTS had problems during the winter or in the past?
- What system upgrades might be needed to add bedrooms?
- Will the property likely need an enhanced treatment system?
- What is the age and construction of the private water supply well?

This service helps to protect prospective home buyers from problems and surprises related to private water supply wells and OWTS after real estate purchases and help to prevent protect home sellers and buyers from surprises, lawsuits, or failed sales. Just getting a septic tank pumper's report is not enough to characterize a parcel's OWTS. County EH recommends that a seller obtain the OWTS file review and system review early in the process of selling a property in order to make those reports available to all prospective buyers, and to provide early notice of any problems that might need attention in order to successfully complete a sale.

On-Site System Review: An on-site review of the property and system can be performed by County EH staff or the approved contractors and consultants currently on the list maintained by the County EH office. Information from an OWTS site review will be provided to the applicant on a standard report completed by EH staff or by a qualified professional.

To ensure that new home buyers are properly informed prior to purchasing an OWTS, and to ensure that older OWTS are evaluated, it is proposed that an OWTS evaluation be required prior to a real estate transaction, with deficiencies addressed during the transfer or the new owner taking responsibility to correct the deficiencies. Such evaluations are already required when a building permit for a remodel is obtained. Within sewer areas, an evaluation of the sewer lateral is already required at the time of sale by all the sewer agencies in the county. If deficiencies are found, those can be corrected during the transfer or the new owner may agree to take responsibility to correct the deficiencies.

#### 4.1.2 Septic Tank Pumping and Septage Disposal

Septic tanks must be periodically pumped out to remove accumulated solids and grease to prevent discharge of solids that would clog the dispersal system. The recommended frequency of pumping is 5-10 years, depending on occupancy, water use, presence of garbage disposal and lifestyle. Septic tanks can only be pumped by a licensed liquid waste hauler in good standing with the County. The hauler must also be approved to discharge septage at an approved disposal facility. There are two approved facilities within Santa Cruz County: the Santa Cruz City Wastewater Treatment Plant and the Watsonville City Wastewater Treatment Plant. Pumpers also go to a disposal site in Marina (Monterey County) or to another approved out-of-county disposal site. From 2010 to 2018, 46 million gallons of septage and grease were generated (9% was grease trap waste). The septage and

grease were distributed among the disposal facilities as follows: 71% went to Santa Cruz, 12% to Watsonville, 12% to Marina, and the remaining 5% went out of county.

The Santa Cruz City Wastewater Treatment Plant septage disposal facility was developed in 1986 and became operational around 1988. Prior to that time, most of the septage went to two approved land disposal sites on ridgetops above the San Lorenzo Valley. Those sites have been closed and Santa Cruz County Code no longer allows for land disposal sites. There appears to be more than adequate disposal capacity at the treatment plants. The septage is mixed in and treated with the incoming wastewater flow. Prior to 1988, Santa Cruz City Wastewater Treatment Plant did not take septage, but because it received grant funding as a regional treatment plant, the plant was upgraded to take septage and the County agreed to administer the billing and collecting disposal fees from the septage haulers.

Santa Cruz County Code Chapter 7.42 was amended in 1987 to establish the requirements for septic tank pumping and septage disposal. It was subsequently amended in 2019 to eliminate the provisions for approval of land disposal sites and to make other minor revisions (Appendix B). Since 1987, septic tank pumpers have been required to provide a report to the property owner and County EH for every tank pumped that indicates:

- Size, material, and condition of the tank, baffles, lids, inlets and outlets
- Indications of leachfield failure, back-up, or greywater bypass
- Volume pumped and disposal location
- Diagram of tank location

This information is entered into the Environmental Health Land Use Information System (EHLUIS) and is available for review by inspectors and members of the public. The database also calculates the number of septic tank pumps for each parcel in the last 1, 3 and 7 years. Frequent pumping, particularly during winter months, can be an indication of a system that is not functioning properly.

A current septic tank pumping report from within 3 years is required to be submitted whenever a building permit is applied for in order to indicate whether the OWTS is performing satisfactorily. Additionally, most real estate transactions require a satisfactory pumpers report as a condition of a real estate transaction. Although these reports, may include a hydraulic load test of the leachfield, they may not be indicative of performance of the OWTS during wet winter conditions or possible increased loading from a new homeowner, particularly if the home has not been occupied.

#### 4.1.3 Nonstandard and Enhanced Treatment Systems

Nonstandard systems include enhanced treatment systems, alternative dispersal systems, and conventional systems that cannot fully meet standards. Enhanced treatment and alternative dispersal systems require routine inspection and maintenance. This is best done by a qualified and approved OSSP. County EH maintains a list of approved OSSP for different types of systems. The permits for enhanced treatment and alternative dispersal systems require that the property owner have and maintain a service contract with a qualified OSSP. The OSSP in turn is required to submit to County EH an annual report of system condition and maintenance performed. These are maintained in the files and in a database. Some systems

require water quality testing of effluent and influent quality, and this information is maintained in a separate database. Nonstandard OWTS are inspected by County EH at least every 3 years to verify the information submitted by the OSSP. If a service contract lapses and/or annual reports are not submitted, County EH inspections are conducted annually and the annual service charge for the system is increased from \$167 to \$501.

Enhanced treatment systems and other approved nonstandard systems are subject to a number of other requirements to ensure proper management and adequate performance:

- restriction on volume of water use, property use, and/or future development to ensure the capacity of the OWTS is not exceeded;
- requirement of a service contract with an OSSP and regular monitoring and maintenance of any pumps, filters, grease traps, alarm systems, disposal system monitoring risers, groundwater monitoring wells, and other OWTS components;
- regular inspection and monitoring by the property owner, OSSP and County staff;
- payment of an annual fee by the property owner to cover the costs of the County for OWTS inspection;
- signed acknowledgement by the property owner accepting these conditions and limitations; and,
- recordation on the deed of a notice notifying potential buyers and future owners of the presence and limitations of the nonstandard system.

When a permit for a nonstandard system is issued, the County notifies the owner of its limitations and the requirements for satisfactory operation and the owner is required to sign an acknowledgment accepting those conditions prior to permit approval. When the installation is complete, the conditions are specified in a "Notice of System with Special Operating Requirements and Limitations" which the County records on the deed. Annual inspection and administration fees are collected through the special charge on the property tax bill under County Service Area 12 (CSA 12N).

There are different levels of charge for the annual inspection, depending on the type of OWTS, the amount of monitoring required, and whether the OWTS is subject to a service agreement with a certified OSSP. For the 2019-2020 fiscal year, the charges are as follows:

- Managed Enhanced Treatment Systems (with OSSP) (Level 6) \$167.00  
Level 6 is for an enhanced treatment system which is receiving annual maintenance and reporting by an OSSP.
- Enhanced Treatment Systems (No OSSP) (Level 3) \$501.00  
Level 3 is for systems where there is no OSSP and/or the service contract and reporting has lapsed. These require a higher level of County oversight and enforcement to require compliance with OSSP requirements.
- Nonconforming OWTS (Level 4) \$101.00  
Level 4 is for a conventional system that does not fully meet the standards for disposal area and requires inspection every three years. This includes Low Flow Systems and Nonconforming Interim Systems.
- Limited Expansion OWTS (Level 5) No Charge  
Level 5 systems substantially meet all standards except for expansion area.

Level 1 and 2 are previous designations that are no longer used.

## 4.2 OWTS Inspection and Evaluation

Improved OWTS maintenance and management is a critical element contributing to the long-term effectiveness of the wastewater management program. This will be accomplished through re-inspection programs, and various efforts to promote adequate maintenance by property owners. After the initial evaluations and upgrades have been completed, properties will continue to be checked for indications of OWTS failure as needed. The frequency of inspection will vary depending on the type of OWTS, the condition and past performance of the OWTS, and the presence of site constraints.

Existing OWTS are subject to performance evaluation and inspection under any one of the following circumstances:

- Septic tank pumping
- Property transfer
- Building permit application
- Periodic inspection as a condition of a permit for a nonstandard system
- Investigation in response to a complaint or observed water quality degradation
- Follow-up inspection in response to a failing pumpers report
- Area-wide survey of OWTS as a part of an APMP (Section 4.5)
- Winter rechecks to follow up on a potentially marginal condition observed in a previous inspection

OWTS subject to a winter re-inspection are low flow OWTS and OWTS which are identified during surveys or complaint investigations for follow-up inspections. Other OWTS subject to a recheck are those in which a graywater bypass has been required to be reconnected to a substandard OWTS, the washer has been required to be removed, a onetime intermittent failure has been observed, the OWTS has had frequent pumping and/or signs of failure identified in a pumper's report, or any others where the inspector believes a follow-up investigation during wet conditions is warranted. A graywater bypass is an indication of back-up or failure that induces the owner to disconnect the washer, shower or other plumbing fixture from the OWTS in order to reduce loading on the OWTS. Enhanced treatment OWTS and low flow OWTS are subject to an inspection every two to three years.

OWTS needing annual inspection or recheck are identified in the computer database and re-inspections are done during wet weather to ensure that the OWTS are working properly under conditions when they would be most likely to fail. During the visit, aspects of OWTS operation and appropriate methods of water conservation/flow reduction, if needed, will be discussed with the occupant of the home. If the OWTS is not operating properly, additional maintenance efforts (i.e. more stringent water conservation) or OWTS improvements will be required. Based on the results of the re-inspection, the frequency of follow-up inspections may be reduced if no problems are found or expected. However, if there are still problems with the OWTS, and it appears that closer supervision will be necessary to ensure proper



functioning, the OWTS will be required to be upgraded, incorporated into the nonstandard system program, and/or the levels of inspection and the annual inspection charge may be increased if it is already in the program.

OWTS evaluations start with a report that identifies the OWTS needing inspection, and which extracts relevant information from EHLUIS database records for those systems, including system characteristics, past pumping results and past inspection results. Staff may further consult EHLUIS, County electronic file records (Laserfiche) for the parcel, and/or GIS maps of land use and site information:

- **EHLUIS Database – OWTS System Components, Site Conditions, and History:** The EHLUIS database stores OWTS records by parcel number. Each parcel's period of record is reviewed to examine data for permits, installations, siter characteristics, pumping records, complaints, inspections, and non-permit-related parcel surveys. This information includes a characterization of each OWTS's physical components, and general geophysical characteristics of the parcel such as ground surface slope, soil profiles, and proximity to surface and groundwater resources. In 1987, the County adopted an ordinance requiring submittal of a pumping and inspection report to the property owner and to the County every time a septic pumper pumps a tank. This allows the County and the property owners to maintain a maintenance record for each parcel. Pumpers' Reports are reviewed for pumping operators' information regarding the status of the system's current operational health, including any noted observations of the OWTS observed when a OWTS is serviced. With pumping records in the database, pumping efforts are monitored, and if necessary, additional action may be taken to ensure adequate pumping.
- **Geographic Information Systems (GIS) Mapping - Parcel land use characterizations:** Parcel-specific land use data is maintained within the County's GIS database including records for OWTS. A parcel considered for operation of an OWTS is examined within the County GIS mapping system for analysis of the parcel's characterizations including things such as: soils, water resources, well locations, elevation contours, protected biological status of various flora and fauna, geology, jurisdictional boundaries, easements, building structures, land use code, ownership, and others. Data for every permit record related to a parcel's OWTS management is exported from the County EH OWTS database and converted to a three-tiered GIS layer for a OWTS's component information. This GIS layer is a matter of public record, searchable as a data layer that stores an overall OWTS system characterization for each parcel. In this way, County EH integrates its OWTS database with the countywide GIS system that is shared with other County land use departments regulating parcels through development review permits, such as the Public Works Department, Cannabis Licensing Office, and Planning Department.
- **Paper Files and Electronic Laserfiche Files**—Current parcel-specific OWTS records are stored by County EH in hard copy until: 1) they are scanned as digital files to be permanently stored for the parcel's period of record; and 2) their primary system characterization data and geophysical characteristics are entered into the County EH OWTS database, EHLUIS, for reporting and analysis. If a parcel's historical data has not

yet been translated into EHLUIS, then its scanned digital files are viewed within the County's digital document management software system, Laserfiche, in order to most fully inform analysis of a parcels' current status.

After a review of background data, the inspector will make a site visit, contacting the occupant of the property and making observations for signs of surfacing effluent, soggy soils, greywater discharge, high level alarms, effluent level in risers, and status of any electrical control panel. Santa Cruz County Code Section 7.38.215 establishes the right of the County Health Officer, and the Officer's delegated authorities within County EH, to conduct field investigations for any suspected operations relating to OWTS, with proper notification of the occupant of the property. For any approved nonstandard system, the right to conduct inspections is also included in the terms of the acknowledgment that the owner signs and that is recorded on the deed.

#### 4.3 Failing Systems and Repairs

OWTS are considered to have operational problems when conditions are found such as surfacing effluent, discharge of graywater, plumbing backing up into the house, or water quality degradation of nearby water resources, as indicated by water quality sampling or complaints. Required solutions may include immediate temporary actions as well as long term improvements. When a problem is identified either through the survey/inspection process or through complaint investigations, a series of actions are taken to have the situation corrected by the property owner. In most cases the property owner is cooperative, and the County's role is to provide assistance and oversee the work. However, if the property owner does not respond to the request to repair their system, follow-up actions become progressively more stringent and punitive.

When a problem is first identified and/or a complaint is received, it is entered into the computer database for tracking and the assigned staff person investigates the situation. If the owner is present when the inspection is conducted, the problem is discussed, and many corrections can be initiated by this minimal enforcement effort.

If the owner is not present when a problem is identified, or if they fail to take action after the initial verbal contact, a Notice to Repair Septic System is mailed to the owner of record giving not more than 15 calendar days from the date of mailing to respond with a proposal to correct the problem. The notice also requires immediate pumping of the septic tank as needed to prevent surface discharge of wastewater. For situations where the failure is creating a significant health hazard, the owner is given only 3 days to start corrective actions. Most owners respond to the first notice and begin to take action to correct the problem. On the average, the repair is completed within 30 days of discovery of the failure.

If no response to the first notice is received, a second and final Notice to Repair Septic System is mailed, and a violation re-inspection fee is levied against the owner. If there is still no response after an additional 15 days, another field inspection is made, and another violation re-inspection fee is levied against the owner. An administrative hearing with the County Director of Environmental Health is then scheduled and the owner of record is duly noticed. If

the hearing is ignored by the owner, or if the hearing produces no action from the owner, the matter is referred to the District Attorney or County Counsel for criminal or civil prosecution.

During the enforcement process, if the owner fails to respond to official notices, an overt OWTS failure with surfacing effluent that directly endangers the public health can be abated through the County Emergency Abatement Process. The house can also be posted as unfit for occupancy.

During installation of a new or replacement OWTS, there may be violations of the standards or permit conditions. In some cases, work being done without County permit or approval may be discovered. Because these do not necessarily result in surface discharge of wastewater, civil or criminal action may not be effectively brought to secure compliance. In these cases, if after due process the owner fails to comply, a notice of violation will be recorded against the property, which clouds the title and warns any prospective buyer or lender of inadequacies of the OWTS. A notation will also be made in the County Planning Department permit information system that will prevent the owner from obtaining any other County permit for building, etc., until the violation is corrected. If work is started without permit approval, double fees for the permit will be charged.

The large majority (92%) of OWTS repairs or upgrades do not result from a County inspection and are voluntarily initiated by the property owner. These may result from a home improvement, a property transfer, recommendations made by a septic tank pumper, or the homeowner's own observation that their OWTS is in 'pre-failure' or other problematic condition. Problems may be indicated by slow drains, frequent pumping required, odor, soggy ground, or occasional surfacing effluent during times of heavy loading. OWTS repairs and replacements are required to conform to the Regulations for the Repair and Upgrade of Septic Systems.

#### 4.4 Remodels and System Upgrades

County EH reviews all building permit applications on properties that are served by an OWTS and that involve, additions, increases in bedrooms, or other construction the property that could impact the OWTS or the replacement area. Before applying for a building permit, the property owner should contact County EH to address any septic issues, including locating and avoiding primary and replacement dispersal areas, pumping the tank to document satisfactory system performance, or obtaining a permit for necessary system upgrades. Once County EH requirements are met, County EH issues a "Clearance to Apply for Building Permit" and the applicant may submit plans and apply for the building permit. During building permit review, the plans are routed to County EH to verify that the building plans are still in conformance with County EH requirements. At that time County EH may also place a hold on the building permit to ensure that all County EH requirements are fully satisfied before the project is completed and signed off.

Following are the County EH requirements for building remodels:

- A one-time addition of up to 500 sq. ft. with no bedroom addition is allowed if the existing OWTS does not show any history of problems and is shown to be functioning

well as indicated by a satisfactory pumper's report within the last 3 years. The building addition cannot encroach into required OWTS replacement area.

- Bedroom additions and additions greater than 500 sq. ft. can be approved if the OWTS is working satisfactorily, meets groundwater separation and horizontal setback requirements, is adequately sized for the proposed number of bedrooms and has adequate expansion area. If these conditions are not met, the OWTS must be upgraded to meet the upgrade standards, including the possible use of an enhanced treatment system.

#### 4.5 Advanced Protection Management Program

Advanced protection management programs (APMP) are a required management program for all OWTS located near a water body that has been listed as impaired due to nitrogen or pathogen indicators pursuant to Section 303(d) of the Clean Water Act. APMPs are implemented to provide a more comprehensive approach to OWTS management and oversight for areas that impact impaired or vulnerable waterbodies. Such programs may also be called for in the TMDL that has been adopted to address the impairment. The requirements of an APMP will be in accordance with a TMDL, if one has been adopted, which supersedes all other requirements in Tier 3 of the OWTS Policy. This LAMP requires a higher level of OWTS oversight in the San Lorenzo River Watershed, the Amesti Road area (Pinto Lake Watershed), and Delaney subdivision (Salsipuedes Creek area). Implementation for other areas as presented in Table 2-2 will be conducted as needed if additional areas are identified with significant surface water or groundwater impairment. Areas within Pinto Lake Watershed, Valencia Creek Watershed, Mill Creek Watershed (Bonny Doon), and La Selva Beach will be considered.

The APMP includes the following elements:

- File review and entry of all historical file information into EHLUIS, the OWTS database. This allows an assessment of area wide conditions and history, and identification of particular areas or OWTS for further assessment.
- Water quality sampling and data analysis of surface water bodies, roadside ditches, and private water supply wells in order to better characterize water quality conditions and problematic areas.
- Parcel by parcel inspections for signs of OWTS failure or greywater discharges.
- Required repair and upgrade of failing OWTS.
- Special studies to investigate sources and causes of degraded water quality.
- Development of specific approaches and technologies that will result in significantly reducing impairment caused by OWTS. This includes the requirement for nitrogen reduction for fast percolation soils in areas with elevated nitrate. This will also include working with Water Board staff to assess technologies and approaches to reduce phosphorus discharge from OWTS to Pinto Lake.
- Groundwater separation requirements of the LAMP (Table 3-4) should be more than adequate to prevent fecal contamination of groundwater and surface water from new and replacement OWTS. The primary method to reduce fecal contamination in

impaired waterways will be to prevent, identify and correct surface failures with discharge of inadequately treated effluent.

- Feasibility study of the potential use of centralized wastewater collection and treatment.
- Distribution of information and community meetings to discuss with residents and owners, the program, the findings, and the options for improved OWTS management or developing community sewers.
- Continued oversight of OWTS through water quality monitoring and rechecks of marginal systems.
- Analysis and reporting of OWTS performance and water quality information.

#### 4.6 Connection to Community Disposal Systems

When a failing OWTS is found or there is a proposal for an upgrade as a part of a building permit, County EH staff consult mapped information for nearby community sewer systems. Sewer connection is required if a sewer is within 200 feet and it is feasible to connect. For problematic areas with larger concentrations of substandard systems, consideration is also given to extending sewer service, or developing new community wastewater collection systems. To date, sewer line extensions have been evaluated for Amesti Road (Pinto Lake), Delaney Subdivision (Salsipuedes), and Pasatiempo/Rolling Woods (San Lorenzo Watershed). The development of new community disposal systems has also been evaluated for the major communities of the San Lorenzo Valley that includes the unincorporated communities of Boulder Creek, Ben Lomond, Glen Arbor and Felton. In general, community collection systems have been found to be very expensive, and property owners were not in favor of pursuing a project. There are presently low-interest loans, but no grant funds for sewerage and any projects must be funded by assessment districts, subject to the approval of a majority of the property owners. Sewer feasibility for downtown Boulder Creek is now being re-evaluated in response to requests from the community.

In the past 20 years, sewer line extensions to areas served by OWTS have been completed in the following areas:

- Graham Hill Road, Rolling Woods, Orchard Drive (San Lorenzo)
- County Fairgrounds (Salsipuedes)
- North Polo Drive in Aptos (Valencia Creek)
- There is currently interest in the Boulder Creek business community to re-evaluate the feasibility of sewerage downtown Boulder Creek.

Where a concentration of OWTS problems is found, with site conditions which limit the potential for successful OWTS repair, County EH staff will take the following steps:

- Document extent of system failures and non-compliance with current standards for upgrade and repair.
- Document extent of water quality impacts.
- Evaluate potential availability of grants or loans.
- Prepare high level feasibility study of the cost of developing a community collection system.

- Share information with all property owners in the affected area and determine support for proceeding with a project.
- Work with County Sanitation District staff to form an assessment district with majority support to initially fund the local cost of designs and environmental review.
- Pursue funding assistance if available.
- If there continues to be majority support from property owners for funding the project, proceed with funding and construction.

If there is a feasible potential and property owner support for developing community centralized treatment and disposal systems, interim improvements of existing OWTS will be required while County EH staff evaluates the potential for a community centralized treatment and disposal system approach. Interim measures usually involve water conservation, use of nonconforming repairs, and/or seasonal pumping of the tank as necessary to prevent surfacing of effluent until a final solution can be developed.

#### 4.7 Financial Assistance

Construction and financing of the necessary improvements to individual OWTS are primarily the responsibility of the individual property owner. The role of County EH is to require that improvements be performed according to County standards, provide information on financing assistance, provide technical advice, and generally help facilitate and support the project. The County has also sought out ways to provide financial assistance as many homeowners are challenged by the cost of OWTS replacement, which can range from \$20,000 for a simple conventional system to \$70,000 for an enhanced treatment system. There are some areas of the county designated as disadvantaged communities (Figure 4-1) and there are many other low-income homes and neighborhoods that would meet the income definition of disadvantaged, but which are located in larger more affluent census blocks.

Immediate financial assistance can be provided through the nuisance abatement process, although this ultimately costs the homeowner more due to administrative costs. The County has conducted considerable past research on state, federal and local opportunities to help fund improvements. The County did implement a low-cost loan program from 2004 to 2009 using Clean Water Act Funds to help fund costs of design and construction for use of enhanced treatment systems to replace failing OWTS in the San Lorenzo Watershed. A total of eleven replacements were funded. Despite extensive public outreach, only 12% of the available \$2.2 million was utilized. At the end of the program, the collapse of the real estate market during the recession left homeowners with inadequate equity to qualify for loans. County EH staff will continue to seek out and pursue possible mechanisms for funding assistance through grants or low interest loans. Potential sources include State Revolving Fund, Community Development Block Grants, or other housing development funds.



[illegible]

## 5 Water Quality Monitoring and Assessment Program

The Santa Cruz LAMP provides for ongoing water quality monitoring to track the potential impact of OWTS use on groundwater and surface water as well as the effectiveness of this LAMP in addressing those impacts. Water quality monitoring also ensures that the water quality is suitable for beneficial uses as defined by the Basin Plan that includes drinking water, recreational use, fisheries habitat, and ecosystem services. Santa Cruz County's water supply is derived locally from within the county, without importing water from outside its boundary. Countywide non-agricultural water supply is 40% surface water and 60% groundwater, with northern half of county residents served primarily by surface water.

Nitrate and fecal indicator bacteria are the two most significant water quality parameters that County EH monitors to track the potential effects of stormwater, sewer leaks, OWTS, and other sources. County EH utilizes a variety of data sources to monitor these and other water quality constituents within its watersheds for both surface water and groundwater:

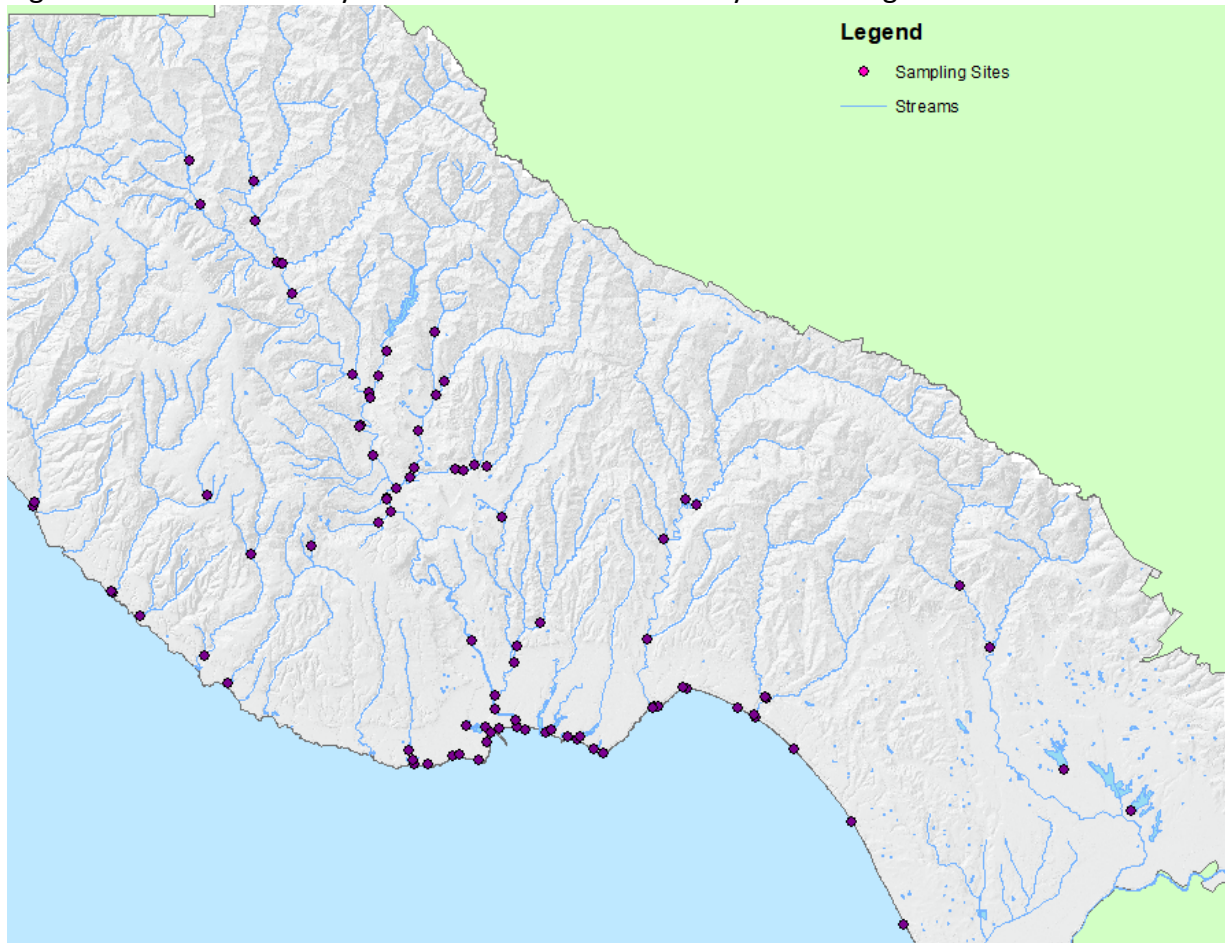
- Surface water data is mostly provided by the County Water Quality Lab, which has monitored water quality of beaches, natural bathing areas, streams and some groundwater since the 1970's.
- Surface water quality data is also provided by other entities, including City of Santa Cruz monitoring of their surface water sources, citizen monitoring programs, stormwater monitoring efforts, and others.
- Groundwater quality is provided by required testing of private wells upon installation, source water monitoring of small and large public water systems, and state and federal monitoring programs with a number of datasets that provide surface and groundwater quality data.

County EH reviews all available data to evaluate water quality trends, compliance with objectives, and assessment of potential sources of pollution, including OWTS. Numerous reports have been presented on overall watershed health, beach water quality, effectiveness of the San Lorenzo Wastewater Management program, stormwater program effectiveness and progress in achieving TMDL objectives. The State OWTS policy provides for assessment of water quality trends relative to OWTS every five years.

### 5.1 Surface Water Quality Monitoring

The County EH Lab monitors surface waters countywide, including streams and ocean beaches, per CA Health & Safety Code §115885, as well as some limited shallow monitoring wells for tracking groundwater. Monitoring sites occur within the County's five principal watersheds: North Coast (Waddell, Scott, San Vicente, Laguna, Majors Creeks) San Lorenzo River and tributaries, Soquel Creek, Aptos Creek, and Pajaro (Corralitos Creek, Salsipuedes Creek, Pinto Lake, Pajaro River and Watsonville Sloughs).

Figure 5-1: Routine County EH Lab Surface Water Quality Monitoring Locations



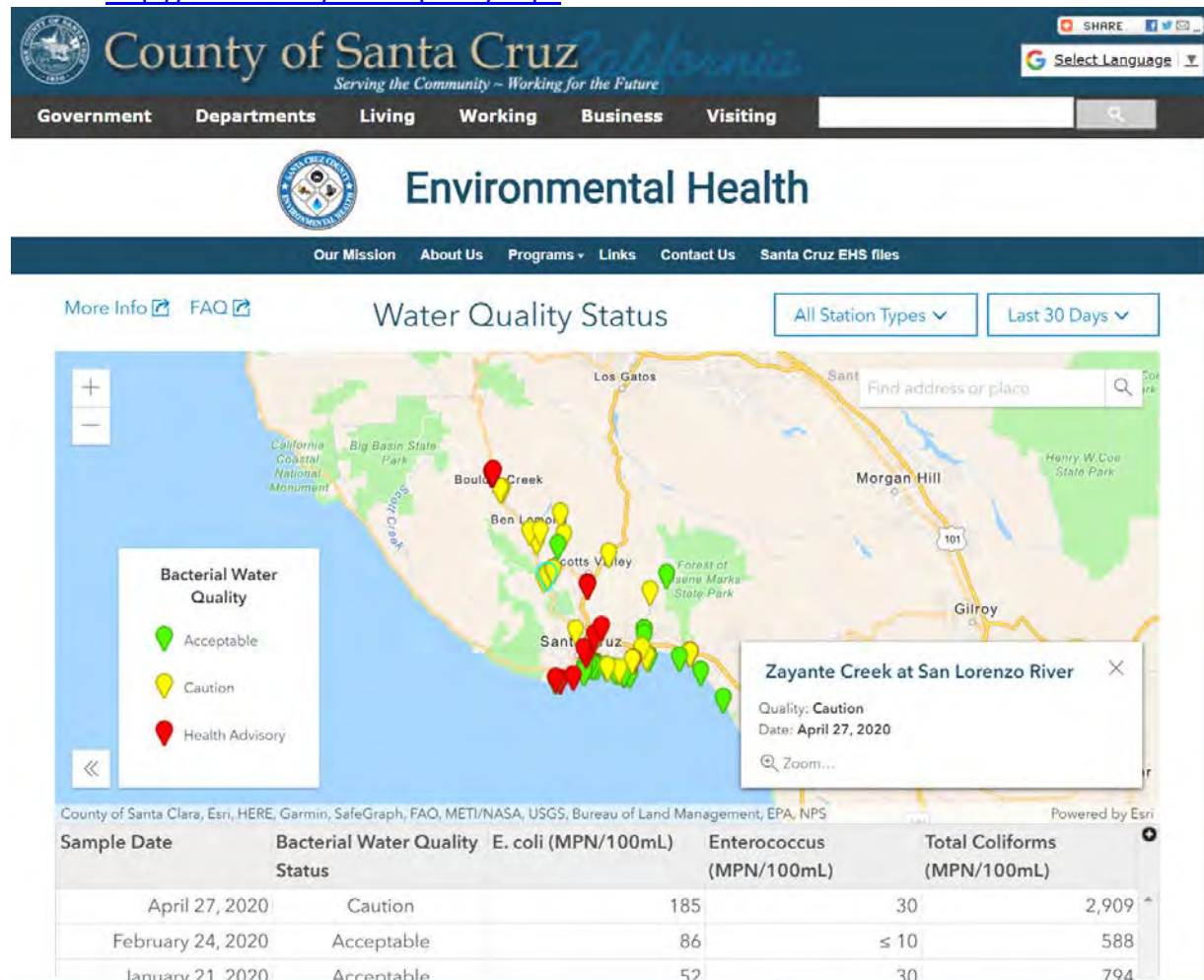
County EH conducts routine monitoring of nitrate and fecal indicator bacteria and other water quality parameters throughout the year. Additional samples are collected from ditches, storm drain outfalls and other stream locations as a part of source investigations or in response to complaints.

The County EH Lab posts results of fecal indicator bacteria on a public website <sup>8</sup> hosted by County EH, reporting three bacterial types: 1) *Escherichia coli* (E. coli); 2) Enterococcus; and 3) Total Coliforms. The website posts data for over 100 sampling locations under the categories: Ocean, Streams, Urban Streams, Sloughs, and Lakes and Ponds.

<sup>8</sup> <http://scceh.com/waterquality.aspx>

Figure 5-2: EH Surface Water Quality Website for Fecal Indicator Bacteria

<http://scceh.com/waterquality.aspx>



The County EH Lab provides comprehensive support for the County EH OWTS program and for the annual water quality data reporting requirements of this LAMP. The County EH Lab conduct field sample collection, laboratory analysis, and data management and reporting. The EH Lab is state certified for recreational water and drinking water microbiology and inorganic chemistry. An overview of analytical capabilities is given in Table 5-1.

Table 5-1: Overview of Analytical Capabilities of the Santa Cruz County EH Lab

Category	Test	Purpose or Application
<b>Microbiology tests</b>		
	Indicator Bacteria	
	Coliforms-ELAP certified	
	Drinking Water: Total Coliforms and E. Coli	Safe Drinking Water Act Compliance (rTCR)
	Total Coliforms and E. Coli enumeration-ELAP certified	Recreational water, illicit discharges, TMDLs
	Fecal Coliforms (44.5 C)	E. Coli verification
	Enterococci-ELAP certified	Recreational water, illicit discharges, TMDLs
	Heterotrophic Plate Count -ELAP certified	Groundwater, surface water, and drinking water screening
	Bacterial and coliphage screening (Iron bacteria)	
	Bacterial screening (Pseudomonas, Legionella, Vibrio)	Triggered by illness or indicator test results
	Microbiological investigations	
	Microbial Profiling	Isolate DNA for investigations
	Microbial Source tracking	Identify potential sources of microorganisms
	Coliform or Enterococci speciation	Identify dominant bacteria
	Cyanobacteria	Cyanotoxin screening
<b>Geochemical parameters</b>		
	pH, conductivity, Turbidity	General characterization; solids proxy
	Alkalinity	Carbonate in freshwater samples
	Hardness (Total and Calcium); Magnesium (calculation)	Calcium and magnesium (freshwater)
	Chlorine, Free and Total	Drinking water or chlorinated water systems
	Dissolved anions: chloride, fluoride, bromide, sulfate	Dominant anions (freshwater)
	Dissolved minerals: potassium, sodium	Baseline and temporal screening
	Reduced Minerals (Iron, Manganese)	Groundwater screening
	Boron	Irrigation water, illicit discharges, or stormwater
	Copper, Zinc	Stormwater and illicit discharges
<b>Nutrients</b>		
	Nitrogen	
	Ammonia-Nitrogen	Spills and illicit discharges
	Nitrate-Nitrogen, Nitrite-Nitrogen	TMDLs, Freshwater and stormwater monitoring
	Total-Nitrogen	Nitrogen balance
	Ortho-Phosphate (as P)	Mitigation of algal blooms
	Total-Phosphorus	Phosphorus balance
<b>Organics</b>		
	UV-absorbance	Surrogate for dissolved organics
	Algal toxins	Health risks, NPDES, TMDLs
	Microcystins and Nodularins	
	Anatoxin-a	
	Cylindrospermopsin	
	Saxitoxins	
	Pesticides	Freshwater investigations
	Glyphosate	
	Pyrethroids, Fipronil, 2,4-D	
<b>Specialized tests</b>		
	Irrigation suitability: pH, alkalinity, conductivity, calcium, magnesium, sodium, potassium, boron, chloride, sulfate nitrogen	Water quality evaluation for irrigation systems
	Storm drain analysis: Compliance and investigatory	Site investigations
	On-site wastewater treatment: pH, conductivity, indicator bacteria, nutrients, boron, potassium, anions	Field investigations of treatment efficacy and alternative technologies

The EH Lab routinely uploads beach water quality data to State's Beach Water Quality database, which eventually is loaded into California Environmental Data Exchange Network



(CEDEN). The EH Lab has recently updated the County's water quality database and is developing capabilities to upload all freshwater data to CEDEN. The EH Lab also provides analysis of data, trend analysis and compliance review in support of the County stormwater program, beach water quality program and TMDL compliance.

Surface water quality data related to OWTS performance is also provided to the City of Santa Cruz Water Department (City), other public water systems that use surface water, Pajaro Valley Water Management District (PV Water), various stormwater and discharger programs, several citizen and academic monitoring efforts, and the Water Board's Central Coast Ambient Monitoring Program (CCAMP).

The City conducts routine monitoring of its raw water sources on the San Lorenzo River at Felton and at the City Limits (Tait Street), as well as at its North Coast sources on Laguna, Majors and Liddell creeks. Constituents of interest potentially related to OWTS are nitrogen, indicator bacteria, total organic carbon, and taste and odor. The City has conducted special studies testing for disinfection byproducts, constituents of emerging concern (pharmaceuticals, pesticides, etc.) and specific pathogens such as giardia and cryptosporidium. City staff have also conducted regular monitoring of the San Lorenzo Lagoon for fish numbers, nutrients, dissolved oxygen, algae growth, stratification and other parameters related to condition of the lagoon for fish habitat. City and County EH staff communicate regularly and share data and observations regarding the quality of the water sources and potential impact of OWTS.

Other large and small public water systems conduct routine monitoring of their drinking water supply sources, but most of these drinking water supply sources are located in relatively undisturbed watershed areas with limited presence of OWTS. Three sources that would have some influence by OWTS are: Mill Creek, water source for Davenport that captures some of the Bonny Doon area; and, Corralitos Creek and Browns Creek, which serve the City of Watsonville. Data from these sources can be accessed by EH staff from the state's drinking water database.

- PV Water conducts monitoring of surface and groundwater for nutrients and salts. They readily share data with County EH.
- The stormwater jurisdictions in the county conduct monitoring of storm drains and receiving waters as a part of the municipal stormwater program. Data is shared and presented in a joint annual report prepared by County EH and city staff. Much of the EH Lab monitoring data is incorporated into the annual stormwater report. The City of Watsonville conducts monitoring in the slough system. Scotts Valley and Capitola contract with the County EH Lab to conduct additional monitoring within their areas. The City of Santa Cruz Public Works Department conducts monitoring of ocean waters, storm drains, the San Lorenzo River, Branciforte and Carbonera Creeks for fecal indicator bacteria (FIB), nutrients, caffeine and some other constituents as a part of their stormwater management program and compliance with their wastewater discharge permit. Although most of the stormwater monitoring relates to urban runoff in sewered areas, OWTS are identified as potential sources of pollutants and OWTS



management is specified as one of the components of the County Stormwater Management Program.

- CCLEAN is a long-term effort funded by the City of Santa Cruz, City of Watsonville, and other wastewater dischargers, to measure the relative effects on Monterey Bay water and sediment quality of discharges from wastewater plants, rivers and stormwater.
- The Coastal Watershed Council conducts citizen monitoring along the San Lorenzo River and other nearby streams for Snapshot Day.
- Watsonville Wetlands Watch conducts monitoring of the slough system for FIB and nutrients; some locations have some limited influence from OWTs.
- UCSC has monitored harmful algal blooms and algal toxins at Pinto Lake and the San Lorenzo River Lagoon, CSUMB has also conducted monitoring efforts at Pinto Lake and Watsonville Sloughs.
- CCAMP provides routine and periodic and in-depth sampling of surface waters for a variety of constituents. Data is uploaded to CEDEN and reported on the CCAMP website where data analysis and comparison can be done.

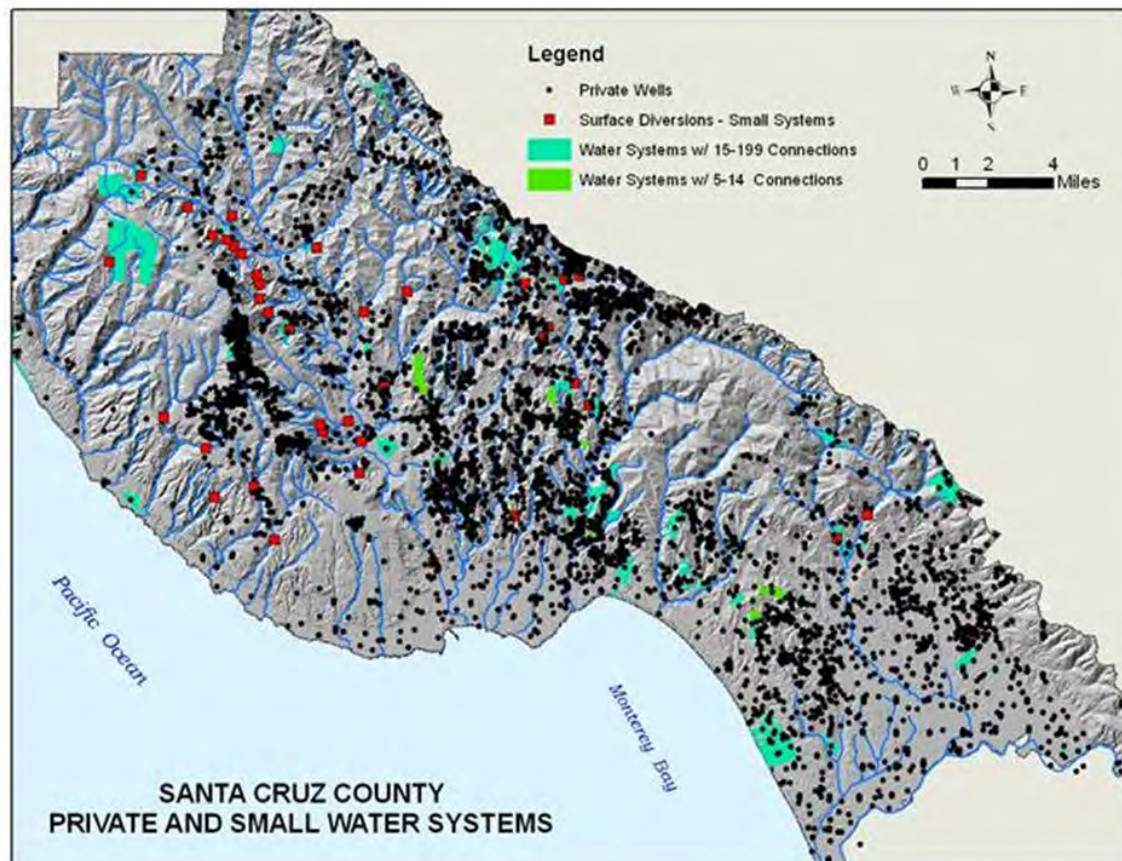
## 5.2 Groundwater Monitoring

Groundwater quality data is available from several different sources, including sampling of new wells and individual water systems, routine testing of wells serving public water systems, monitoring programs conducted by groundwater sustainability agencies, monitoring of contaminated sites, and some past testing by the EH Water Quality Lab. Much of this data is made available through the Water Board's GAMA Groundwater information System (Figure 2-9). Since 2010, County EH has required water sampling for all wells at the time of initial drilling installation. For Individual Water System (IWS) Permits (1-4 connections), sampling is required initially and again if an additional property is developed and sharing the well and the previous data is over three years old. Testing is done for total dissolved solids, chloride, nitrate, iron and manganese. For an IWS permit, testing is also required for yield, total coliform and E. coli. Since 2010, the chemistry data has been entered in a spreadsheet and the data can be plotted to show geographic distribution of results.

There are presently 200 public water supply wells that provide potable water to approximately 105 water systems in the County that serve more than 14 connections or that are non-community public systems. The County GIS also includes water supply well spatial data for another 30 state small systems with 5-14 connections. For State Small systems, broader sampling is done initially, and then bacteriologic sampling is done quarterly. For small public water systems (15 to 199 connections), water quality sampling occurs periodically at a frequency that varies from monthly to triennially, depending on the type of water system, the constituent, and sampling history. The data is maintained in the state's Safe Drinking Water Information System (SDWIS) and can be accessed by staff through Water Quality Inquiry or through Drinking Water Watch, which is accessible to the public. Sampled constituents include:

- Total Coliform Bacteria Most Probable Number
- Fecal Coliform or E. coli
- E. coli
- Lead and Copper (as needed)
- Sodium
- Hardness
- Nitrate (as nitrogen, N)
- Chlorine Residual
- Total Chromium or Hexavalent Chromium
- Chloride
- Sulfate
- Total Dissolved Solids (TDS)
- Iron
- Manganese
- Turbidity
- Total Organic Carbon, as needed
- Total Trihalomethanes, as needed

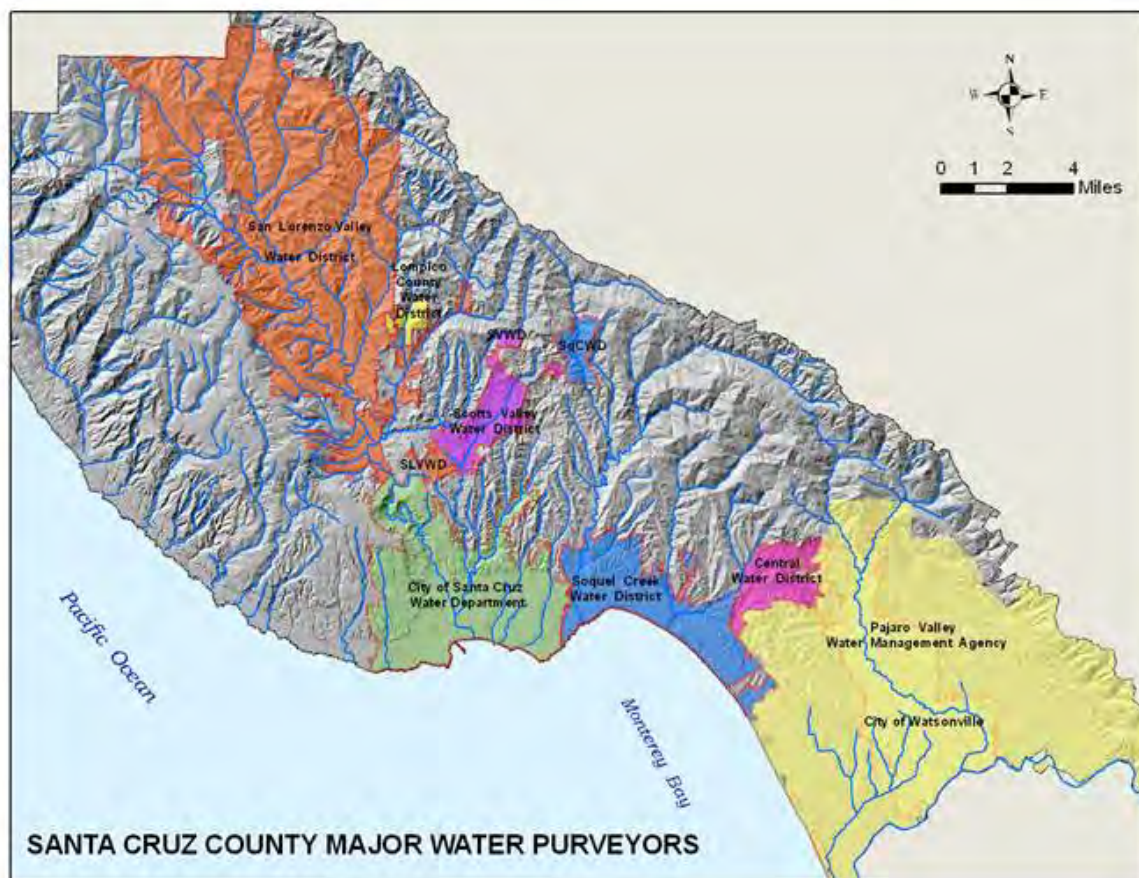
Figure 5-3: Private Wells and Small Water Systems in Santa Cruz County



Santa Cruz County contains nine Large Public Water Systems (LWS) with more than 200 connections operated by various water districts or agencies (Figure 5-4). Each LWS monitors their surface and groundwater sources for water quality and publishes annual Consumer Confidence Reports (CCRs) to attest to compliance with State drinking water standards. The nine LWSs in Santa Cruz County are:

- San Lorenzo Valley Water District (SLVWD)
- Scotts Valley Water District (SVWD)
- Santa Cruz Water Department (City SC)
- Soquel Creek Water District
- Central Water District
- City of Watsonville
- Big Basin Water Company
- Mt. Hermon Association
- Forest Lakes Mutual Water Company

Figure 5-4: Large Public Water Systems in Santa Cruz County



Water System water quality data can be extracted from WQI and utilized to monitor for potential impacts of OWTs. In 2019, there were 389 analyses for nitrate from 135 sources and 86 systems. This also included surface water sources. Most (241) of the results were less than 1 mg-N/L, while 74 were greater than 5 mg-N/L, all within the agricultural area of the Pajaro Valley.

Under the Sustainable Groundwater Management Act (SGMA) there are three Groundwater Sustainability Agencies (GSAs) in the county that are now conducting groundwater monitoring and annual reporting to document compliance with the water quality goals of their groundwater sustainability plans. These include Pajaro Valley Water Management Agency, Santa Cruz Mid-County Groundwater Agency and the Santa Margarita Groundwater Agency. Much of this monitoring represents a continuation of monitoring historically conducted by their member agencies, but the monitoring does include additional monitoring wells. Monitoring includes nitrate.

Groundwater quality data is collected from monitoring efforts during the investigation and remediation of contaminated sites. Some of this data includes information of interest relative to potential impacts of OWTs. This information is available through the State Geotracker

program and much of it is also published on the GAMA website and can be downloaded for further analysis.

The County EH Lab has historically monitored groundwater quality in some deeper supply wells throughout the county and in shallow groundwater (2-15 feet) in the San Lorenzo Valley as a part of developing the San Lorenzo Wastewater Management Plan. Over 500 samples were analyzed from 30 different shallow monitoring wells in Valley communities. The mean values were all less than 10 mg-N/L, with only 4 having a mean value greater than 5 mg-N/L. This program was discontinued but may be started up again if new surface or groundwater quality data indicates that there is water quality impairment indicating a need for further investigation.

### 5.3 Data Reporting and Assessment

Fecal indicator bacteria data obtained by the County EH Lab are validated and reviewed to identify anomalies and determine if follow-up testing is needed. If levels of indicator bacteria exceed the state standards, sites are resampled to identify potential causes. The data are posted to the County's water quality website. All data are summarized and inspected regularly to evaluate trends and optimize sampling frequencies for the beach water quality program, stormwater program, TMDLs, and the annual LAMP reporting. Every 5 years more detailed trend analysis will be conducted and reported. This analysis will utilize available datasets for surface and groundwater. A summary of available current and historical water quality data related to OWTS performance is contained in Section 2 of the LAMP.

County EH is continuing work already underway to establish procedures that can efficiently integrate the County's water quality data with that of CEDEN and with the State's Water Quality Assessment Database. County EH is investigating ways to better access and coordinate datasets maintained by the County and the State regarding drinking water quality. The County is also working with the other agencies in the GSAs to establish new data management systems to maintain all data required by SGMA. It is anticipated that this will be completed by 2021.

## 6 Program Management

In Santa Cruz County, OWTS are managed by the Environmental Health Division of the Health Services Agency. Within Environmental Health, permitting and inspection is completed by the Land Use Program staff, with assistance from the Water Quality Laboratory (EH Lab) and the Water Resources Program staff. County EH staff participates with the Planning Department on building permit review, discretionary permit review, geologic hazard assessment and biotic resource review. County EH works with Public Works Department staff on stormwater management, establishing consistent policies for separation between OWTS and stormwater conveyance and infiltration devices, and reviewing individual building proposals for compliance with those requirements. EH staff also work with DPW Sanitation staff on considering the potential for extending sewer service to properties currently on OWTS. County EH wastewater management activities are funded by permit fees and annual service charges collected on the tax bill of properties served by OWTS through CSA 12.

### 6.1 OWTS Data Compilation

County EH maintains records of OWTS activities in several different systems:

- Paper files are created when a permit application is received, or a complaint investigation is initiated. An electronic record is also initiated. Once the complaint is resolved and an installation is complete and signed-off, the paper file is scanned, the relevant information is entered in the database, and the paper file is purged. During the active life of a project, paper files are available for review by the public at the counter.
- All records are permanently maintained as scanned records in an electronic filing system (Fortis, or Laserfiche). This includes permit records, pumper reports, plot plans, inspection records, emails, correspondence, field notes, and notes from discussions at the counter. There is some delay between the time a paper record is generated and the time it takes to be scanned and entered into the electronic database. The electronic records are available from terminals at the counter and are also available online over the internet: <https://www.sceeh.org/NewHome/EnvironmentalHealthDocuments.aspx>
- Records of all activities are entered into an electronic database the Environmental Health Land Use Information System (EHLUIS) that can be used to summarize information for a parcel, track problem systems, analyze trends and provide for reporting of activities. EHLUIS is available to staff but is not available to the public. EHLUIS includes the following elements:
  - Background Summary Records are created for each OWTS (there may be multiple OWTS on one parcel). Records are also included for vacant parcels or sewer parcels where there has been some related activity, such as grease trap pumping, water quality complaint investigation, or permit application.
  - History by APN shows a listing of all the records for that parcel on one screen. These records can be selected for more in-depth inquiry.
  - Permit information is shown for all OWTS permits, well permits, building application clearances, requests for system evaluations, and individual water system permits. A permit record is created at the time of application submission and is updated as the project proceeds to permit approval and completion. All permits have been entered



since July 1, 1991, and there are now over 31,000 permit records. OWTS permits were entered going back to 1983. Data entry fields will be modified to capture information on variances that are allowed for individual permits.

- Installation Records capture information on the nature of the OWTS and the site conditions, including tank size and material, date of installation, dispersal system size and depth, slope, soil, percolation rate, groundwater depth, stream setback, well setback, embankment setback, and use of other system components such as pumps, distribution box, valves, greywater sump, etc. Installation records have been entered for all systems installed between 1991 and 2018, with older installations back to 1968 entered for special study areas including the San Lorenzo Valley and Amesti Road area. There are 18,200 installation records in the database, some of them representing multiple installations over time on one parcel.
- Pumping records are entered for each time an OWTS is pumped indicating the tank size, material and conditions and any signs of failure or greywater discharge, past high level or liquid flowback when pumping. There are presently 35,000 records in the database going back to October of 1987, when pumping reports were first required to be submitted.
- Inspection records are entered for complaint investigations, area surveys of individual parcels, rechecks, or the routine inspections required for nonstandard systems. There are currently 14,300 inspection records going back to January 1984.
- The County Geographic Information System (GIS) displays some 100 layers of information, much of which is relevant to OWTS. A significant amount of this is publicly available over web-based GIS application, GISWeb: <https://gis.santacruzcounty.us/gisweb/>. Some of the most relevant layers include:
  - Parcels with OWTS and links to information from EHLUIS
  - Domestic wells, public water system wells, public water systems surface diversions, water supply watershed boundaries, and water system service areas
  - Streams, watersheds, groundwater basins and groundwater recharge areas
  - Soils, geology, slope, landslides, geologic reports
  - Biotic resources
  - Sanitation districts and sewer lines
  - OWTS constraints: clay soils, sandy soils, public water sources, karst
- The Envision data system is used to track permit records, complaints, individual systems, and time accounting of staff time spent on permits, complaints, facilities, and the outcomes.
- Records of enhanced treatment systems are maintained in a spreadsheet, including system type, OSSP, date of service contract, and date of most recent inspection report. A separate spreadsheet tracks the water quality results for enhanced treatment system monitoring.
- The Water Quality Database contains records of County water quality sampling going back to the 1970's. It also includes flow data and monitoring data of shallow groundwater levels. This database has some 220,000 records of fecal indicator bacteria, nitrate, temperature, dissolved oxygen, conductivity, turbidity, geochemical data, nutrient speciation, cyanotoxins, flow and groundwater level, among other parameters.

## 6.2 Data Management and Reporting

All the County data systems have provisions for relating and exporting data in order to summarize data, evaluate trends, and relate various factors such as variations from standards. From 1986 through 2016, reports have been provided of OWTS management activities relative to the San Lorenzo Wastewater Management Program. Pursuant to the State OWTS Policy, data will be extracted to provide by February 1 annually reports on:

- Number and location of complaints received pertaining to OWTS operation and maintenance, investigations and inspections conducted, results of inspections, and outcomes.
- Septic Tank pumping records, including volumes pumped, frequency of pumping, indications of system malfunction, and applications and registrations issued as part of the local septic tank cleaning registration program pursuant to Section 117400 et seq. of the California Health and Safety Code.
- Number, location, and Tier of permits for new and replacement systems, including variances approved.
- Summary of water quality data obtained as required per section 9.3.2 et. al of the State OWTS Policy.

Every five years, the County will prepare an analysis of the water quality data and system data to provide an assessment of overall OWTS performance, with recommendations for any further management needs for protection of water quality. All permanent records of County permitting actions will be made available within 10 working days upon written request for review by a Regional Board. The records for each permit will reference the Tier under which the permit was issued.

## 6.3 Program Administration and Funding

The OWTS program is conducted by primarily by the Land Use Program, which consists of one Program Manager, 5 district inspectors and 2 clerical staff. Approximately 1 full time equivalent (FTE) is devoted to permitting of wells and water systems, but the remainder is devoted to OWTS permitting, and oversight, including building permit review for properties served by OWTS. Water Resources staff provide about 1.5 FTE for water quality monitoring, data analysis, and reporting. Efforts were somewhat reduced in 2008-10 and 2018-19 due to staff vacancies in both programs. Approximately half of the revenues come from permit fees and the other half comes from annual service charges collected from properties served by OWTS within the countywide onsite wastewater district, CSA 12.

CSA 12 was originally created to provide OWTS oversight to two relatively small subdivision in the San Lorenzo Watershed. In 1989, CSA 12 was expanded to cover the entire county outside the boundaries of the cities and the existing sewer sanitation districts. At the same time, a special Zone A (CSA 12A) was created within the San Lorenzo Watershed to fund the additional oversight activities of the San Lorenzo Wastewater Management Program. Charges were first collected in Fiscal Year 1990-1991. In 1993 a third category of fees was added for oversight of Nonstandard systems (CSA 12N). Fees are established and levied each year by resolution of the Board of Supervisors. The CSA 12 and 12A fees pre-date Proposition 218 and

have not been increased since 1996. The CSA 12N fees are considered development related fees and can be increased but have been stable since 2009-10.

Every OWTS-owning parcel in the county pays the CSA 12 fee. Every OWTS parcel in the San Lorenzo watershed pays an additional CSA 12A fee, and every parcel with a permitted nonstandard system pays an additional CSA 12N Fee. A parcel can fall into the first, second, or all three of the fee categories. The fee levels for Fiscal Year 2019-20 are as follows:

1. CSA 12: \$6.90 per parcel - County wide Septic System Maintenance.
2. CSA 12A: \$18.54 per parcel - Zone A- San Lorenzo Wastewater Management.
3. CSA 12 N: \$101.00; \$501.00; or \$167.00 – three tiers for Nonstandard Systems, depending on the type of system, maintenance of a service contract and reporting, and degree of oversight required.

The charges fund the following activities:

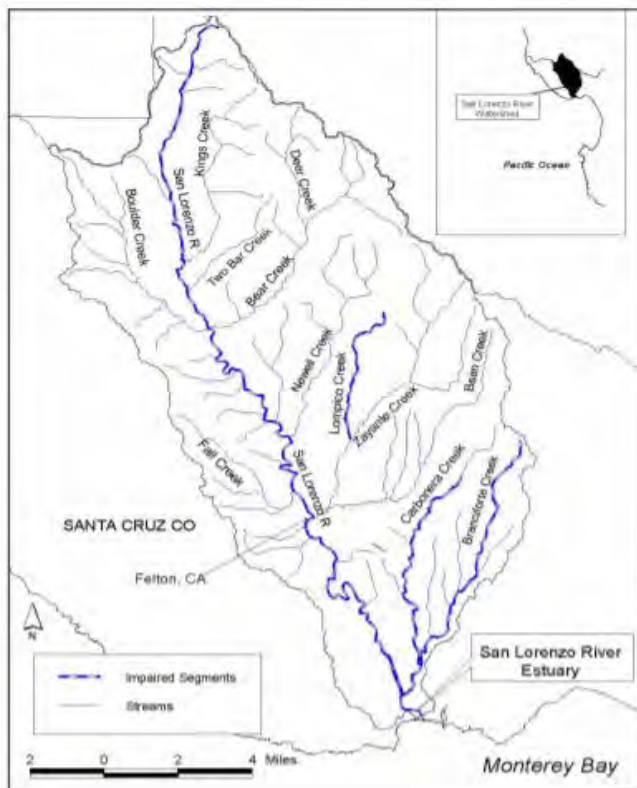
- development and operation of septic tank sludge disposal facilities,
- development and maintenance of a computerized information system to track OWTS performance and maintenance,
- water quality monitoring to evaluate impacts of wastewater disposal,
- educational programs for property owners, realtors and others for enhanced OWTS management.
- oversight of existing systems including inspections, evaluations, investigations, and monitoring of nonstandard systems.
- data management and reporting.

Figure 6-1: Boundaries of County Service Area No. 12 (CSA 12), Septic Maintenance



The CSA12 fee of \$6.90/year (FY 20-21) is charged to all parcels operating an OWTS. For septic tanks to be properly maintained, they must be pumped out regularly to remove accumulated solids. Regular pumping is dependent on the availability of a suitable location for disposal of the septic tank sludge. The CSA 12 fees provide funding to pay for countywide OWTS program permitting management; administration, collection and treatment of septic tank sludge at the City of Santa Cruz Sewage Treatment Plant; public education on OWTS maintenance; and maintenance of the computerized record keeping database systems for tracking septic tank pumping, inspections, and permitting.

Figure 6-2: Boundaries of CSA 12 Zone A, San Lorenzo Septic Management



The additional CSA12A fee of \$18.54/year (FY 20-21) is charged to all parcels operating an OWTS within the San Lorenzo River Watershed. The San Lorenzo River Watershed area has the highest need for proper OWTS management within the County. Accordingly, County EH has managed this region for the last twenty-three years with a concentrated planning and management regime according to the SWRCB's approval of the County's 1995 Wastewater Management Plan for the San Lorenzo River Watershed, following a period of strict wastewater discharge prohibitions imposed by the State from 1982-1995. This Management Plan provides a comprehensive wastewater management program for the San Lorenzo Watershed which includes regular water quality testing to identify problems; field inspections and evaluations of all OWTS approximately once every six years; and other efforts to promote better wastewater management. This increased level of management is partially funded by the added annual fee paid by all properties with OWTS in this watershed.

Beginning in 1993-94, an additional charge under CSA 12N is collected for those parcels served by nonstandard OWTS. This charge pays the costs of the County's monitoring efforts, which are needed to ensure that the systems are continuing to perform adequately. Over 860 nonstandard OWTS have been approved for use in Santa Cruz County. The additional CSA 12N fee is charged to parcels served by nonstandard wastewater disposal systems (enhanced treatment systems, alternative dispersal systems, haul away systems, or nonconforming systems) as designated by the County Health Officer pursuant to Chapter 7.38 of the Santa Cruz County Code, depending on the type of system and whether the system is subject to a service agreement with a certified onsite system service provider (OSSP), and where payment of a charge is required as a condition of a sewage disposal system permit. These CSA12N charges for the FY 20-21 are:

- \$ 167.00: Managed Alternative Dispersal/Enhanced Treatment Systems (with OSSP) (Level 6)
- \$ 501.00: Alternative Dispersal/Enhanced Treatment Systems (with no OSSP) (Level 3)
- \$ 101.00: - Nonconforming Conventional Systems (Level 4)

## 7 Definitions

(A) “Abatement” means the installation, construction, alteration, enlargement, reconstruction, replacement, improvement or reconditioning of any OWTS, or the filling in and abandonment of any OWTS which cannot be repaired, and/or the construction, alteration, enlargement, reconstruction or replacement of any required building sewer line connecting with a public sewer, so as to eliminate a violation of this chapter.

(B) “Bedroom”. For the purposes of sizing an OWTS, any room that could be utilized as a bedroom shall be counted as a bedroom as determined by the Health Officer, including any room in a dwelling that is at least 70 square feet in area, that by its design can furnish the minimum isolation necessary for use as a sleeping area .

(C) “Cesspool” means an excavation in the ground receiving domestic wastewater, designed to retain the organic matter and solids, while allowing the liquids to seep into the soil. Cesspools differ from seepage pits because cesspool systems do not have septic tanks and are not authorized for continued use. The term cesspool does not include pit-prives and out-houses.

(D) “Construction” means the installation, major repair, alteration, enlargement, replacement, improvement or relocation of an OWTS.

(E) “Curtain drain” means a trench filled with drain rock that is designed to intercept and divert ambient groundwater with surface discharge via piping to another location. Curtain drains are typically used to dewater areas upslope of a retaining wall or a foundation and lower the water table. Curtain drains are also known as French drains.

(F) “Dispersal system” or “disposal system” means a leachfield, seepage pit, mound, at-grade, subsurface drip field, evapotranspiration and infiltration bed, or other type of system for wastewater subsurface discharge. Alternative dispersal system means a dispersal system that is not a trench or seepage pit and includes mounded bed, drip dispersal, or at-grade systems. Chambers in trenches are not considered alternative dispersal systems.

(G) “Domestic wastewater” means wastewater with a measured strength less than high-strength wastewater and is the type of wastewater normally discharged from, or similar to, that discharged from plumbing fixtures, appliances and other household devices including, but not limited to toilets, bathtubs, showers, laundry facilities, dishwashing facilities, and garbage disposals. Domestic wastewater may include wastewater from commercial buildings such as office buildings, retail stores, and some restaurants, or from industrial facilities where the domestic wastewater is segregated from the industrial wastewater. Domestic wastewater may include incidental recreational vehicle (RV) holding tank dumping but does not include wastewater consisting of a significant portion of RV holding tank wastewater such as at RV dump stations. Domestic wastewater does not include wastewater from industrial processes.

(H1) “Drainageway” means a natural or artificial channel that flows for no more than seven days after significant rainfall



(H2) “Drainage Device” means a ditch, swale or stormwater facility that carries stormwater for less than 12 hours after significant rainfall and that is used for the treatment and/or dispersal of roof runoff or other site drainage, such as a vegetated swale and infiltration/percolation trench or basin.

(I) “Finding of compliance” means a determination by the Health Officer that the design and specifications for an OWTS to serve a property for which it is intended are in conformance with standards in effect at the time the finding is made.

(J) “Environmental Health Division” means the Environmental Health Division of the Santa Cruz County Health Services Agency.

(K) “Expansion Area” means a designated area on a parcel where there is adequate room and soil conditions to accommodate a replacement of the dispersal systems that meets the requirements of County Code Chapter 7.38.

(L) “Health Officer” means the Santa Cruz County Health Officer or their authorized representative.

(M) “High-strength wastewater” means wastewater having a 30-day average concentration of biochemical oxygen demand (BOD) greater than 300 milligrams-per-liter (mg/L) or of total suspended solids (TSS) greater than 330 mg/L or a fats, oil, and grease (FOG) concentration greater than 100 mg/L prior to the septic tank or other OWTS treatment component.

(N) “Infiltrative area” means the infiltrative area below the distribution pipe where effluent may leach into the soil through the trench sides and bottom. Infiltrative area is expressed as square feet of infiltrative area per linear feet of trench. The depth between the pipe and the bottom of the trench is also referred to as “effective depth,” or “flow depth.”

(N) “Infiltrative area” means the infiltrative area below the distribution pipe where effluent may leach into the soil through the trench sides and bottom. Infiltrative area is expressed as square feet of infiltrative area per linear feet of trench. The depth between the pipe and the bottom of the trench is also referred to as “effective depth,” or “flow depth.”

(O) “Karst” means a type of underlying geology that may have the presence of subsurface fissures, caverns, sinkholes or other features resulting from dissolution of limestone or marble that could lead to the rapid subsurface movement of untreated sewage.

(P) “Lot or parcel size” means the total horizontal area included within the property lines of the lot(s) or parcel(s) upon which an OWTS is installed; provided, that the area of any rights-of-way for vehicular access may be deducted for purposes of determining the size of any lot(s) or parcel(s) having a gross area less than one acre, where the Health Officer has determined that the vehicular access would have an adverse impact on the OWTS.

(Q) “Major repair” or “repair” means a replacement of an old or malfunctioning OWTS.

(R) “Minor maintenance” means replacement of septic tank tees, ells, filter, lids, sewer tight lines, pump, valve, electrical component, or other minor maintenance work not specified as a minor repair.

(S) “Minor repair” means installation of a distribution device, diversion valve, damaged or clogged dispersal pipe, greywater system, or other minimal repair work requiring a minor repair permit as determined by the Health Officer.

(T) “New System” or “New development” means an OWTS that is installed to serve a new structure or new use on a parcel where there are no pre-existing legal structures or legal OWTS.

(U) “Nitrate Concern Areas” are those areas where effluent discharge from OWTS in fast percolating soils have caused elevated levels of nitrate in surface water or groundwater, including the San Lorenzo River Watershed, North Coast Water Supply Watersheds, Valencia Creek Watershed and La Selva Beach area, as shown on the map of Nitrate Concern Areas maintained by the Director of Environmental Health.

(V) “Onsite Wastewater Treatment System (OWTS)” means individual treatment and disposal systems, community collection and disposal systems, and alternative collection and disposal systems that use subsurface disposal of sewage. These may include any of the following types of systems:

(1) “Conventional system” means a system which utilizes a septic tank (with or without a lift pump) and leaching trench dispersal system or seepage pits.

(2) “Standard system” means a conventional system which is constructed in accordance with the specifications for a standard system as described in SCCC 7.38.095 through 7.38.180.

(3) “Nonstandard system” means a system which is not in conformance with all the standards contained in SCCC 7.38.095 through 7.38.180 or which utilizes enhanced treatment. Nonstandard systems include enhanced treatment systems, nonconforming interim sewage disposal systems, limited expansion systems, low-flow systems, and haulaway systems.

(4) “Nonconforming interim sewage disposal system” means a conventional system design that provides for insufficient leaching area that is not in compliance with SCCC 7.38.150(A)(3), that is in soils that percolate in the range 60 to 120 MPI, that requires seasonal haulaway of effluent to function properly and meet required groundwater separation, or which is not in compliance with other requirements for a standard system contained in SCCC 7.38.095 through 7.38.180. Use of a nonconforming interim sewage disposal system requires use of water conservation devices.

(5) A Low-Flow System is a permitted system repair that meets the requirements for a standard conventional system except that it has a reduced amount of dispersal area and requires water conservation measures to keep the flow within design capacity and enables only a one-time addition of up to 500 sq. ft. of habitable space with no bedroom additions, no increase in volume of wastewater discharge, and must monitor average monthly flows with a wastewater meter. An annual fee is charged on the property tax bill and the property will be periodically checked for signs of failure.

(5) "Limited expansion system" means a conventional system that has sufficient leaching area but does not have sufficient area to accommodate a replacement system in compliance with the requirements for a standard system contained in SCCC 7.38.095 through 7.38.180.

(6) "Enhanced treatment system" means a system that utilizes an additional component (except a septic tank or dosing tank), that performs additional wastewater treatment so that the effluent is of a higher quality prior to discharge of effluent into the soil. An enhanced treatment system may utilize a wastewater treatment system that reduces pathogen, nitrogen, total suspended solids and biological oxygen demand concentrations and/or nonconventional means of dispersal such as mounded beds, pressure-distribution, at-grade dispersal, or drip dispersal.

(7) "Alternative dispersal system" means a dispersal system that is not a trench or seepage pit and includes mounded bed, drip dispersal, or at-grade systems. Chambers in trenches are not considered alternative dispersal systems.

(8) "Haulaway system" means an existing sewage system for which the Health Officer has ordered that the outlet of the septic tank, or other sewage holding container, be permanently or seasonally sealed, and the accumulated sewage pumped out and hauled away to an approved disposal site.

(9) "Greywater system" means a system for the year-round disposal of greywater originating from a clothes-washer, laundry sink, shower, bathtub, hand sink or similar source of low strength wastewater. This does not include "greywater" irrigation reuse systems pursuant to Health and Safety Code Section 17922.12

(W) "Pollution" means the introduction of a substance into surface or groundwater that degrades the quality of water so that it is in violation of established water quality standards or otherwise diminishes the suitability for beneficial uses.

(X) "Public Water System" is a water system regulated by the California Division of Drinking Water or a Local Primacy Agency pursuant to Chapter 12, Part 4, California Safe Drinking Water Act, Section 116275 (h) of the California Health and Safety Code.

(Y) "Public Water Well" is a groundwater well serving a public water system. A spring which is not subject to the California Surface Water Treatment Rule (SWTR), CCR, Title 22, sections 64650 through 64666 is a public well.

(Z) "Qualified Professional" means an individual licensed or certified by a State of California agency or the Health Officer to design, install, and/or maintain OWTS and to practice as professionals for other associated reports, as allowed under their license or registration. Qualified professionals must obtain an annual registration from the Environmental Health Division.

(AA) "Replacement System" means an existing OWTS that has its treatment capacity expanded, or its dispersal system replaced or added onto. This includes major repairs, upgrades and additions.

(BB) “San Lorenzo Watershed” means all of the land area that drains into the San Lorenzo River upstream of its mouth at the Pacific Ocean.

(CC) “Sewage” means waste substance, liquid or solid, which is associated with human occupancy, or which contains, or may be contaminated with human or animal excretion or excrement, offal or feculent matter, or matters or substances that may be injurious or dangerous to health.

(DD) “Soil” consists of the natural organic and inorganic material near the earth’s surface which, in contrast to the underlying rock material, has been formed over time by the interactions between climate, relief, parent materials and living organisms.

(EE) “Stormwater infiltration device” means a subsurface trench, pit or bed or a surface rock bed designed to infiltrate stormwater and/or dissipate the flow at the discharge point of a pipe or ditch carrying stormwater.

(FF) “Upgrade or Addition” means partial or total replacement of an OWTS or addition of dispersal area or treatment components in order to meet current standards and support a remodel or addition to the structure or use that system serves. Installation of an additional OWTS to serve an accessory dwelling unit on a developed parcel is considered an upgrade.

(GG) “Water Body” means a body of non-flowing water, including vernal pools, ponds, lakes, tidal areas, and the ocean.

(HH) “Water supply watershed” means that area of a watershed that contributes surface water flow to a public water system water supply intake located in the San Lorenzo River Watershed or North Coast or Bonny Doon planning areas.

(II) “Watercourse” means a perennial or intermittent stream fed from permanent or natural sources, including rivers, creeks, runs, and rivulets, usually flowing in a particular direction (for at least seven days after rainfall) in a definite channel having a bed or banks, and usually discharging into some other stream or body of water.

(JJ) “Water quality constraint area” means the following areas which are located within one mile of intakes used for public water supply and are located within the watersheds of those intakes:

- (1) City of Santa Cruz intakes on Reggiardo, Laguna, and Majors Creeks, and Liddell Spring;
- (2) Bonnymede Mutual intake on Reggiardo Creek;
- (3) Davenport water system intakes on Mill and San Vicente Creeks.

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## 9 Appendices

- A. Santa Cruz County Code Chapter 7.38. Sewage Disposal (Updated)
- B. Santa Cruz County Code Chapter 7.42, Septic Tank Pumping and Liquid Waste Transport
- C. Summary of Onsite Wastewater Treatment System (OWTS) Requirements (Updated)
- D. Enhanced Treatment System Regulations
- E. Septic Tanks, Distribution Boxes and Chamber Leaching Systems Approved for Use in Santa Cruz County
- F. Site Evaluation and Soil Testing Procedures
- G. State OWTS Policy
- H. LAMP Completeness Checklist

## 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: Service and Sphere of Influence Review for County Service Area 12

Project Location: CSA 12 was formed in 1972 to support and promote effective septic system pumping, maintenance, and management in unincorporated county territory. CSA 12's service area encompasses the entire county, excluding the local agencies that provide sanitation services (3 cities, 5 special districts, and 6 county service areas). A vicinity map depicting the CSA's jurisdictional and sphere boundaries is attached (refer to Attachment A).

Project Location City: Capitola; Santa Cruz; Scotts Valley; Watsonville  
Project Location County: Santa Cruz County

Description of Nature, Purpose, and Beneficiaries of Project: The report is for use by the Local Agency Formation Commission in conducting a statutorily required review and update process. The Cortese-Knox-Hertzberg Act requires that the Commission conduct periodic reviews and updates of spheres of influence of all cities and districts in Santa Cruz County (Government Code section 56425). It also requires LAFCO to conduct a review of municipal services before adopting sphere updates (Government Code section 56430). Santa Cruz LAFCO has prepared a municipal service review, and sphere of influence update for the CSA. The purpose of the report is to ensure the effectiveness and efficiency in the delivery of public services by the CSA, in accordance with the statutory requirements outlined in the Cortese-Knox-Hertzberg Act.

Name of Public Agency Approving Project: Local Agency Formation Commission of Santa Cruz County. The LAFCO public hearing on this proposal is scheduled for 9:00 a.m. on September 6, 2023.

Name of Person or Agency Carrying Out Project: Santa Cruz Local Agency Formation Commission

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: The LAFCO action does not change the services or the planned service area of the City. There is no possibility that the activity may have a significant impact on the environment--State CEQA Guidelines Section 15061(b)(3).

Lead Agency Contact Person: Joe A. Serrano

Area Code/Phone Extension: 831-454-2055

Signature: \_\_\_\_\_ Date: September 7, 2023  
Joe A. Serrano, Executive Officer

☒ Signed by Lead Agency



**NOTICE OF PUBLIC HEARING  
LOCAL AGENCY FORMATION COMMISSION**

NOTICE IS HEREBY GIVEN that at 9:00 a.m., Wednesday, September 6, 2023, the Local Agency Formation Commission of Santa Cruz County (LAFCO) will hold a public hearing on the following item:

- **County Service Area 12 Service and Sphere of Influence Review:** Consideration of a service and sphere review for CSA 12 (Septic Tank Maintenance). CSA 12's service area encompasses the entire County of Santa Cruz, excluding the jurisdictional boundary of the existing sanitation agencies (3 cities, 5 special districts, and 5 county service areas).

In compliance with the California Environmental Quality Act (CEQA), LAFCO staff is scheduled to prepare a Categorical Exemption for both proposals listed above. Instructions for members of the public to participate in-person or 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](http://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 require special assistance in order to participate, please contact the LAFCO office at least 24 hours in advance of the meeting to make arrangements.

Joe A. Serrano  
Executive Officer  
Date: August 15, 2023

LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY  
RESOLUTION NO. 2023-19

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

RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION  
APPROVING THE 2023 SERVICE AND SPHERE OF INFLUENCE REVIEW  
FOR COUNTY SERVICE AREA 12

\*\*\*\*\*

The Local Agency Formation Commission of Santa Cruz County (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 2023 Service and Sphere of Influence Review for County Service Area 12 ("CSA 12").
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 September 6, 2023, and at the hearing, the Commission heard and received all oral and written protests, objections, and evidence that were presented.
4. This approval of the 2023 Service and Sphere of Influence Review for CSA 12 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 agency. 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 and staff is directed to file the same.
5. The Commission hereby approves the 2023 Service and Sphere of Influence Review for CSA 12.
6. The Commission hereby approves the Service Review Determinations, as shown on Exhibit A.
7. The Commission hereby approves the Sphere of Influence Determinations, as shown on Exhibit B.
8. The Commission hereby reaffirms the Sphere of Influence Map for CSA 12, as shown in Exhibit C.

PASSED AND ADOPTED by the Local Agency Formation Commission of Santa Cruz County this 6th day of September 2023.

AYES:

NOES:

ABSTAIN:

\_\_\_\_\_  
YVETTE BROOKS, CHAIRPERSON

Attest:

\_\_\_\_\_  
Joe A. Serrano  
Executive Officer

Approved as to form:

\_\_\_\_\_  
Joshua Nelson  
LAFCO Counsel



**EXHIBIT A**  
**COUNTY SERVICE AREA 12**  
**2023 SERVICE REVIEW DETERMINATIONS**

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**1. Growth and population projections for the affected area.**

CSA 12 encompasses the entire county, excluding the cities and special districts that provide wastewater services. It is estimated that approximately 56,000 residents currently live within the CSA's jurisdiction. LAFCO staff projects that the CSA's population may reach 57,000 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.**

Any community currently using septic systems may consider connecting to a nearby sewer agency to receive adequate services. This transfer may help alleviate the County's burden of responsibility over the existing septic systems found countywide.

**4. Financial ability of agencies to provide services.**

CSA 12's primary source of revenue is from service charges. CSA 12's fund balance ended with approximately \$1.4 million in FY 2021-22. The CSA is currently solvent.

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

The County coordinates with the cities and other sanitation agencies under existing agreements. These partnerships are based on separate contracts and agreements; however, it is LAFCO's understanding that most of these agreements (if not all of them) are out of date. It may be beneficial to explore opportunities to combine, renew, or establish a regional agreement through a Countywide Memorandum of Understanding or the creation of a Joint Powers Authority.

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

LAFCO encourages more transparency from CSA 12 by sharing online information on how residents can participate in the CSA's decision-making process and future actions.

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

No additional local LAFCO policies are specifically relevant to this service review.

**EXHIBIT B**  
**COUNTY SERVICE AREA 12**  
**2023 SPHERE OF INFLUENCE DETERMINATIONS**

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

The present and planned land uses are based on the general plan from the County, which range from urban to rural uses. The general plan anticipates growth centered on existing urban areas and the maintenance of agricultural production, rural residential uses, and environmental protection in rural areas.

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

The Regional Water Quality Control Board prohibits the discharge of wastewater from existing or new individual septic tank disposal systems if sewer is available from a public agency (Water Code Section 13281). This law further states that for a sewer system to be deemed available, it is necessary for a sewer system to be within 200 feet of an existing or proposed dwelling unit. Residents currently using septic systems may consider connecting to a nearby sewer agency to receive adequate services.

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

The County's Local Agency Management Plan estimates that there are roughly 27,700 septic systems that serve about 22% of the entire population (61,000 people) in the rural and mountainous parts of the county. Approximately 92% of the septic systems serve single family residences, 4.5% serve multiple residential uses, 3% serve commercial uses and 1% serve motels or camps. Most of the septic systems are located in unincorporated areas, with an additional 445 systems in the City of Scotts Valley, 110 in the City of Santa Cruz, 40 in the City of Watsonville, 15 in City of Capitola, and 2,000 within county sewer/sanitation districts.

**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.**

There are almost 28,000 septic tanks throughout Santa Cruz County, and many are located in rural areas. These residences should consider connecting into a more reliable sewer infrastructure operated by a local agency to ensure adequate levels of service and overall protection of the environment.

**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 C**  
**COUNTY SERVICE AREA 12**  
**SPHERE OF INFLUENCE MAP**

LAFCO reaffirms the Sphere of Influence for CSA 12.





Santa Cruz Local Agency Formation Commission

Date: September 6, 2023  
To: LAFCO Commissioners  
From: Joe Serrano, Executive Officer  
Subject: **“Branciforte Fire Protection District Reorganization” – Latest Update**

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### **SUMMARY OF RECOMMENDATION**

The Commission unanimously adopted a resolution approving the reorganization involving two fire districts on August 2, 2023. Two proceedings occur following the approval of a reorganization: a 30-day Request for Reconsideration and a 24-day Protest Period. LAFCO received a request to reconsider the Commission’s approval in August.

It is recommended that the Commission take the following actions:

- a. Consider the submitted request for reconsideration; and
- b. Receive and file the administrative corrections to the adopted resolution (No. 2023-17) in accordance with Government Code Section 56883.

### **EXECUTIVE OFFICER’S REPORT:**

On August 2, 2023, the Commission considered and approved the reorganization involving the Branciforte and Scotts Valley Fire Protection Districts. This action once recorded will dissolve the Branciforte Fire Protection District (BFPD), concurrently annex the dissolved area into the Scotts Valley Fire Protection District (SVFPD), and amend the existing sphere to include the entire annexation area.

The purpose of the reorganization is to address BFPD’s distressed situation, and more importantly, facilitate the efficient delivery of fire protection and emergency services to individual and property owners within the affected territory (approximately 1,700 residents). After Commission action, state law requires the commencement of a request for reconsideration period and a protest proceeding. These two periods were summarized in the August staff report<sup>1</sup>.

### **REQUEST FOR RECONSIDERATION PERIOD**

In accordance with Government Code Section 56895, when the Commission adopts a resolution making determinations regarding a change of organization, any person or affected agency may file a written request with the Executive Officer requesting amendments to or reconsideration of the resolution. The request shall state the specific modification to the resolution being requested and shall state what new or different facts that could not have been presented previously are claimed to warrant the reconsideration. Individuals or agencies have up to 30 days after adoption of the resolution to submit a written request. The reconsideration period was scheduled for August 3 to September 1.

LAFCO staff did receive one request on August 25, 2023 (refer to **Attachment 1**). The request identified nine concerns about the proposed reorganization. These concerns are summarized and addressed in the following pages.

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<sup>1</sup> 8/2/23 LAFCO Staff Report: [https://santacruzlafco.org/wp-content/uploads/2023/07/5a.0-RO-22-07-Staff-Report\\_Hyperlinked.pdf](https://santacruzlafco.org/wp-content/uploads/2023/07/5a.0-RO-22-07-Staff-Report_Hyperlinked.pdf)

## 1. Resolution Has Incorrect Dates

Certain dates found in the adopted resolution (No. 2023-17) were incorrect.

**LAFCO Response:** In accordance with Government Code Section 56883, *“the Executive Officer may, before the completion of a proceeding, on good cause being shown, correct clerical errors or mistakes made through inadvertence, surprise, or excusable neglect that may be contained in the resolution adopted by the commission making determinations, upon written request by any member of the commission, by the executive officer, or by any affected agency. A correction made pursuant to this section shall not be cause for filing a request pursuant to Section 56895.”*

The dates in question were accurately shown in the August 2nd Staff Report but were not reflected in the adopted resolution. Initially, the reorganization was scheduled to be presented to the Commission in June but was moved to August in order to allow the two fire districts additional time to adopt the Plan for Service document during their respective board meetings. Therefore, staff has updated the resolution to accurately reflect the LAFCO hearing date and the dates for the scheduled proceedings following LAFCO’s action in August pursuant to GCS 56883. **Attachment 2** shows the edits in tracked changes while **Attachment 3** shows a clean version of the resolution with the edits already implemented. No Commission action is required.

## 2. CalPERS Analysis Has Expired

The California Public Employees’ Retirement System (“CalPERS”) developed a cost analysis in April 2023 for the proposed reorganization. The cost analysis expired on July 1, 2023.

**LAFCO Response:** The adopted resolution includes language that states *“The current cost analysis will expire on July 1, 2023. An updated cost analysis may be available as early as September 2023.... SVFPD submitted a request to CalPERS in July 2023 for an updated cost analysis. The updated report will replace the initial analysis included in the Plan for Service prior to the recordation of the reorganization.”*

BFPD, SVFPD, and LAFCO were fully aware that the cost analysis had an expiration date, which is why SVFPD requested for an updated version. It is LAFCO’s understanding that the new cost analysis will be available in September. Once the new cost analysis is provided by CalPERS, it will replace the older version in the Plan for Service document and will be part of the updated resolution (Exhibit 3) before recordation.

## 3. Measure T Funds (Part 1 of 2)

The BFPD Board of Directors should be provided additional time to address constituent concerns regarding the continuation of Measure T post-reorganization.

**LAFCO Response:** Representatives from BFPD, SVFPD, and LAFCO formed a joint ad-hoc committee to develop a transition plan known as a Plan for Service in accordance with Government Code Section 56653. The plan covered various factors, including but not limited to the transfer of all assets and liabilities, such as the Measure T funds. Both affected agencies agreed to transfer all existing revenues and fiscal obligations to the successor agency (SVFPD). Since SVFPD will now assume fire protection and emergency service responsibility for the Branciforte community, the existing revenue funds will be used to ensure the delivery of these service provisions.

LAFCO does not have the authority to force the continuation or discontinuation of revenue funds. However, LAFCO may place terms and conditions that have been vetted by the affected agencies. BFPD and SVFPD unanimously adopted the Plan for Service in June 2023, during their respective board meetings, agreeing that all revenue funds (including Measure T) will be transferred over to SVFPD post-reorganization. Additionally, the BFPD Board nor its staff has requested for additional time to review the continuation of Measure T.

**4. Measure T Funds (Part 2 of 2)**

LAFCO staff did not provide complete and accurate information about the continuation of Measure T funds.

**LAFCO Response:** Refer to Response to Concern #3.

**5. County Elections Department Data**

LAFCO was provided inaccurate registered voter information.

**LAFCO Response:** In accordance with state law on processing a submitted application, LAFCO staff requested a list of the most recent registered voters within BFPD. The Elections Department identified 171 registered voters within the reorganization area as of May 4, 2022. This list is used to ensure registered voters are received statutory notices about the reorganization. LAFCO understands that the two districts would not be interested in moving forward at this time if LAFCO sought to force the successor agency in changing its election practices. The transition from at-large to district-based elections will fall under the successor agency's discretion and subject to compliance with applicable law. The discussion about future governance, including the California Voting Rights Act, was addressed in the adopted LAFCO resolution and Plan for Service document. Additionally, the County Elections Department has not informed LAFCO of any inaccuracies in the listed provided in May 2022.

**6. California Voting Rights Act**

The adopted LAFCO resolution must address the California Voting Rights Act.

**LAFCO Response:** Refer to Response to Concern #5.

**7. Branciforte Advisory Commission**

The adopted LAFCO resolution should be amended to give greater inclusion of the Branciforte Advisory Commission.

**LAFCO Response:** LAFCO may place terms and conditions on reorganizations, including governance items. The role of the Branciforte Advisory Commission was vetted by the affected agencies. BFPD and SVFPD unanimously adopted the Plan for Service in June 2023, during their respective board meetings, agreeing that a Branciforte Advisory Commission would be formed post-reorganization. Further, the SVFPD Board will adopt a policy forming the Branciforte Advisory Commission and will also appoint members of the Branciforte community to Commission in accordance with Health and Safety Code Section 13956. The purpose of the Advisory Commission will be to review the finances, operations, and projects that directly benefit and/or affect the Branciforte community. The adopted Plan for Service included a draft policy and bylaws for the proposed advisory commission.



## 8. Exclusion of Certain Parcels

The reorganization excludes BFPD property owners and will create “islands.”

**LAFCO Response:** This is incorrect. The reorganization will dissolve the Branciforte Fire Protection District and the dissolved area will be concurrently annexed into the Scotts Valley Fire Protection District. The maps, parcel data, and GIS shapefiles will accurately reflect the reorganization. No unincorporated islands will be created as part of the proposed reorganization. Additionally, the change of organization will be filed with the California State Board of Equalization, the County of Santa Cruz, and SVFPD to ensure that the boundary change is reflected at the local, regional, and state level.

## 9. Feasibility Study

No feasibility study was produced as part of the reorganization.

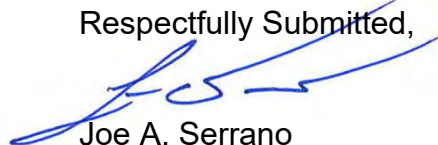
**LAFCO Response:** The reorganization was processed under the Cortese-Knox-Herzberg Act. State law does not require the completion of a feasibility study for a reorganization. State law does require certain factors to be addressed. The August 2, 2023 staff report and supporting attachments provide a detailed analysis of the proposed reorganization and fulfilled the statutory requirements.

## NEXT STEPS

The request does not meet the criteria under Government Code Section 56895, since all of the identified concerns were addressed by LAFCO in either the staff report, adopted resolution, or Plan for Service document presented to the Commission on August 2, 2023, prior to LAFCO action. However, the request did inform LAFCO about incorrect dates within the adopted resolution, specifically the date of the LAFCO hearing and the scheduled dates for the request for reconsideration and protest proceedings. Staff has made the necessary corrections, which are shown in Attachments 2 and 3. Now that the request for reconsideration period is over. The reorganization now enters into the protest period.

In accordance with Government Code Section 57000, when the Commission adopts a resolution making determinations regarding a change of organization, affected residents within the proposal area will have an opportunity to voice their opposition during the protest period. The Commission adopted a 24-day protest proceeding which started after the end of the Request for Reconsideration Period (September 1, 2023). The protest period began on Monday, September 4 and will end on Wednesday, September 27. A protest hearing will be held on September 27 to collect the final petitions and hear any resident feedback. A public notice for the protest hearing was advertised in the Sentinel and mailed out to the residents on Friday, September 1, 2023. A resolution certifying the protest period results will be considered by the Commission during the next regularly scheduled meeting on October 4, 2023.

Respectfully Submitted,



Joe A. Serrano  
Executive Officer

Attachments:

1. Request for Reconsideration Submittal (received August 25, 2023)
2. Resolution No. 2023-17 with corrected dates (Tracked Change Version)
3. Resolution No. 2023-17 with corrected dates (Clean Version)

cc: Branciforte Fire Protection District  
Scotts Valley Fire Protection District

August 24, 2023

Santa Cruz County LAFCO

701 Ocean Street

Suite 318D

Santa Cruz, CA 95060

RECEIVED

AUG 25 2023

Santa Cruz LAFCO

RE: REQUEST FOR RECONSIDERATION OF RESOLUTION 2023-17

MAKING DETERMINATIONS AND ORDERING

THE "BRANCIFORTE FIRE PROTECTION DISTRICT REORGANIZATION"

(LAFCO PROJECT NO. RO 22-07)

Dear Santa Cruz County LAFCO,

*"A written request for reconsideration of a LAFCO decision must be filed within 30-days of adoption of the Commission's resolution making determinations (56895)"*

*"The Commission can approve or disapprove with or without amendment, wholly, partially, or conditionally, proposals for changes of organization (such as special district dissolutions) Government Code Section 56375(a)"*

Under provision of Gov't Code 56895, I hereby am filing a REQUEST FOR RECONSIDERATION of RESOLUTION 2023-17, "RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION MAKING DETERMINATIONS AND ORDERING THE "BRANCIFORTE FIRE PROTECTION DISTRICT REORGANIZATION" (LAFCO PROJECT NO. RO 22-07) approved by your Commission on August 2, 2023. (Exhibit A) and ask that your Commission make amendments to the RESOLUTION on the following grounds:

- 1) **The RESOLUTION Approved and Adopted by the LAFCO on August 2, 2023 Has Multiple Incorrect Critical Dates That Cloud the Integrity of the Document, CalPERS and Labor Contract Issues, and the Integrity of the Reorganization Process Itself:**

- a) Page 2 states : *"WHEREAS, a public hearing by the Commission was held on June 14, 2023; and at the hearing the Commission heard and received all oral and written protests, objections, and evidence that were presented."*

- b) Page 4, item (f) states: "After deeming the proposal complete, the Executive Officer advertised the reorganization in the Santa Cruz sentinel on May 23, 2023 and posted the public notice on LAFCO's website and in several locations in the County Governmental Building. The public notice indicated that the reorganization was scheduled for Commission consideration on June 14, 2023."
- c) Page 5, states: "A resolution of intention declaring the agency's intent to amend the contract must be approved by the agency's governing body. **The approved resolution must be received by CalPERS on or before July 1, 2023.** If neither of these two conditions are met, an updated cost analysis will be required to merge the contracts. **The current cost analysis will expire on July 1, 2023.** An updated cost analysis may be available as early as September 2023. Assuming the reorganization is approved by LAFCO in June 2023, the following steps will be completed by the affected fire districts:
- d) Page 5 item 2. States: "Complete and return the adopted Resolution of Intention to CalPERS on or before July 1, 2023. Adoption of the Final Resolution/Ordinance by this dates is not required."
- e) Page 7, Section 7 states: "„Any memoranda of understanding, letters of understanding, side letters or related written agreements with any and all employees or bargaining groups (labor contracts) adopted after June 14, 2023 but prior to the date of recordation shall be honored by the successor agency, unless alternative measures are agreed to by all affected parties. ..."
- f) Page 7, Section 9 states: "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 June 15 to July 14, 2023."
- g) Page 7, Section 10 states : "The Executive Officer will hereby conduct a 30-day protest proceeding as provided in Government Code Section 57000. The protest period is scheduled for July 27 to August 25, 2023. A protest hearing will be held on August 25, 2023."
- h) Page 7 conclusion states: "PASSED AND ADOPTED by the Local Agency Formation Commission of Santa Cruz County this 14<sup>th</sup> day of June 2023."

The LAFCO hearing and adoption was on August 2, 2023, not June 14, 2023.

The copy of the RESOLUTION provided me by Mr. Serrano is the correct document. The title page shows "On the motion of Commissioner Zach Friend duly seconded by Commissioner Justin Cummings the following resolution is adopted:"

The list of Commissioners approving the Resolution is Jim Anderson, Roger Anderson, Yvette Brooks, Justin Cummings, Zach Friend, Rachel Lather and Allan Timms. The document is signed by LAFCO Chairperson Yvette Brooks, Executive Officer Joe A. Serrano, and LAFCO Counsel Josh Nelson.

The LAFCO erred in approving a Resolution with multiple incorrect dates that cloud the veracity of the document, and therefore, on its face, may be rendered invalid in a court of law.

Therefore, LAFCO should reconsider the approval of RESOLUTION 2023-17 as such and correct all inaccurate dates, especially the date of LAFCO approval.

**2) CalPERS Analysis of Cost is Stale and Has Expired, and Therefore Labor Contract Merger Information May Be Invalid and Has Not Been Approved by Either Board.**

The statements regarding requirements and the CalPERS are of great concern because not only has the cost analysis expired, but also new information from Scotts Valley Fire Chief Mark Correia indicates that a NEW pension cost analysis will not be available until after September 1, 2023, due to a CalPERS black-out of such determinations during the month of August.

The RESOLUTION 2023-17 is invalid because the CalPERS information presented to the LAFCO was stale and expired, rendering the actions to move the Reorganization forward invalid until the new CalPERS cost analysis can be provided to both the Branciforte Fire District Board and the Scotts Valley Fire District Board for approval, before submitting the matter to LAFCO for approval in a RESOLUTION.

Currently, the LAFCO RESOLUTION 2023-17, as approved on August 2, 2023:

- a) On page 4, Section 6(c) states: *"The California Public Employees' Retirement System (CalPERS)" developed a cost analysis in April 2023 for the proposed reorganization."*
- b) Page 5, Section 6(c) continued states: *"SVFPD submitted a request to CalPERS in July 2023 for an updated cost analysis. The updated report will replace the initial analysis included in the Plan for Service prior to the recordation of the reorganization."*
- c) Page 5, Section 6(d) states *"Board Action Prior to Reorganization: All decisions or actions affecting the proposed reorganization and made prior to the effective date of reorganization shall require the majority approval of the boards of directors of both fire districts."*

Attachment 12 of the August 2, 2023 LAFCO RESOLUTION 2023-17 documentation confirms the CalPERS cost analysis report expired July 1, 2023. (Exhibit B)  
Neither the Branciforte Fire District Board nor the Scotts Valley Fire Protection District Board has publicly approved, as an agenda item, any updated CalPERS cost analysis report.

CalPERS did not receive LAFCO'S approved Resolution on or before July 1, 2023, so an updated cost analysis is required to merge the labor contracts.

On August 10, 2023, I met with Scotts Valley Fire Protection District Chief Mark Correia to discuss my concerns regarding the Reorganization of Branciforte Fire District. He let me know that he had just that morning contacted CalPERS staff about the updated cost analysis report, and learned that it will not be possible to obtain such a report until after September 1, 2023 and that analysis may take considerable time to develop.

Until the Boards of both fire districts public discuss and approve this updated labor contract information, neither the Branciforte Fire Protection District staff nor affected public will have complete and accurate information during the formal protest period available (September 4-27, 2023).

The residents of Branciforte Fire District have consistently voiced concerns that the existing staff of Branciforte Fire Department are treated with equity as the Reorganization process is finalized. LAFCO must provide accurate and current information to the Branciforte Fire District Community in order to allow them to make informed decisions relating to the labor contract issues on any potential protest action that is currently set for September 4-27, 2023.

**The updated CalPERS cost analysis information will simply not be ready and available by September 4, 2023.**

Therefore, the LAFCO should reconsider approval of RESOLUTION 2023-17, and in fact vacate it, because it is invalid by right of the inaccurate information relating to the CalPERS and labor contract issues and no party will have an updated cost analysis to meet the currently-approved LAFCO timeline.



This very issue caused delays to the Aptos/La Selva Fire District and Central Fire Protection District consolidation in 2021, because the matter was critical to smooth transition and blending of staff after the consolidation.

Likewise, any and all such CalPERS and labor contract issues must be resolved prior to the LAFCO action to approve the Amended RESOLUTION 2023-17 Reorganization of Branciforte Protection Fire District, or a new Resolution altogether.

LAFCO STAFF REPORT STATES: (Page 9):

*"Pension Obligations*

*The California Public Employees' Retirement System ("CalPERS") developed a cost analysis in April 2023 for the proposed reorganization (refer to Attachment 12). Government Code sections 20463 (b) and (c) require the governing body of a public agency, which requests a contract cost analysis, to provide each affected employee organization with a copy within five days of receipt.*

*Likewise, if a cost analysis is requested by an employee organization, the employee organization is required to provide a copy of the analysis to the public agency within five days of receipt. A resolution of intention declaring the agency's intent to amend the contract must be approved by the agency's governing body.*

*Assuming the reorganization is approved by LAFCO, the following steps will be completed by the affected fire districts:*

- 1) Complete and return the Contract Request and Schedule of Agency Actions forms. Within 90 days, CalPERS staff will send the agency the Resolution of Intention form for adoption; and*
- 2) Complete and return the adopted Resolution of Intention to CalPERS. SVFPD, in coordination with BFPD and LAFCO, submitted a request to CalPERS in July 2023 for an updated cost analysis. The updated report will replace the initial analysis included in the Plan for Service prior to the recordation of the reorganization."*

The LAFCO should Reconsider your August 2, 2023 approval of RESOLUTION 2023-17 because the CalPERS and potentially other labor contract information and required approval process is flawed.

However, this problem can be corrected by vacating the currently-approved RESOLUTION 2023-17 and amending the dates to comply with the necessary timeline for receiving the updated CalPERS cost analysis to a date that is realistic for CalPERS to provide the updated information to both Fire Districts and their staff and constituents for public presentation, discussion and approval, and adjusting the dates of the Protest Period accordingly.

**3) The Board of Directors of the Branciforte Fire Protection District Should Be Provided Additional Time to Address Constituent Concerns Regarding Continued Measure T Funds Prior to Dissolution in the Reorganization Process.**

At the LAFCO August 2, 2023 hearing, Branciforte Fire Protection District property owner Ms. Kate Anderton testified that she and many other Branciforte residents are concerned that the Measure T monies will transfer directly to the Scotts Valley Fire Protection District upon completion of the Reorganization process, which will dissolve the Branciforte Fire Protection Board.

She clearly stated that she wanted the language in the RESOLUTION 2023-17 (page 6) Section 6(i) Branciforte Fire Protection District Revenue Source amended to omit inclusion of the "Measure T" funds.

*"Upon the effective date of the reorganization, the successor agency will receive the property taxes, benefit assessments, special assessments, special taxes, fees, and charges currently in effect and being collected by BFPD, including Measure T and any new benefit assessment to fund the Branciforte Fire Station. Pursuant to Government Code Section 56886(t), all charges, fees, assessments, or taxes existing within BFPD shall be extended and shall continue to be levied and collected by the successor agency until otherwise determined by the successor agency's board of directors."*

Ms. Anderton made the cogent and reasonable argument that the Measure T ballot language assured the voters in 2016 that only the Branciforte Fire District Board of Directors, *"as the people who established this tax"*, are to have control over the use of Measure T funds, and the taxation can only be amended by the Branciforte Fire Protection Board of Directors and the Branciforte Fire District voters. However, upon completion of the Reorganization, the Branciforte Fire Protection District and it's Board will dissolve and cease to exist.

Measure T Ballot information stated:

*"Section V Authority for Reduced Amounts.*

*The **Board of Directors of the Branciforte Fire Protection District** shall be authorized to annually establish the amount of the increase in the District's Special Tax at or below the amounts set forth at Section IV hereof.*

*Section VI Annual Establishment of Amount.*

*At the time of adoption of its annual final budget, the **Board of Directors of the Branciforte Fire Protection District** shall establish the amount of the increase in the District's Special Tax to be levied during the ensuing fiscal year; provided, however, that such tax shall not exceed the maximum amounts set forth in Section IV hereof."* (Exhibit C)

## ***2016 August 30th - Special Election***

### ***Measure T***

#### ***Branciforte Fire Protection District***

#### ***Branciforte Fire Protection District***

*Shall the Branciforte Fire Protection District be authorized to increase the special tax within the district and use said funds to maintain financial stability at current level of services to the community? These funds will enable the District to fund the Contingency Fund for unfunded emergencies, the Building Fund and a Vehicle Replacement Fund as determined by the Board of Directors. Such increase will raise an estimated \$80,000 dollars per year.*

***Approved.*** (2/3 majority required)

*Votes yes: 634*

*Votes no: 78*

***Note: All mail ballot election.***

As Ms. Anderton testified to your Commission on August 2, 2023, and under the provisions of the Measure T ballot language (Exhibit C), only the Board of Directors of the Branciforte Fire Protection District has the legal authority to amend or repeal the Measure T monies.

There is no explicit language in RESOLUTION 2023-17 that addresses this legal fact. The document, as approved, does not provide adequate legal authority of the successor Scotts Valley Fire Protection District Board of Directors to take any action regarding Measure T funds and/or policies related.

Section 6 (a) on page 4 of the RESOLUTION states: *“All laws, ordinances, resolutions, actions, contracts, agreements, rules and regulations, policies and procedure that have been enacted, adopted or passed by the affected fire districts for the successor agency prior to the effective date of the reorganization shall remain in effect after the reorganization until superseded, amended, modified or deleted by the SVFDP Board of Directors.”*

However, the Board of Directors for the Branciforte Fire Protection District has not publicly discussed this issue at any meeting. It was not listed on the District’s August 17, 2023 agenda and was not discussed, even though the Board held a scheduled public hearing on the BFD Final Budget for Fiscal Year 2023/2024. (Exhibit D)

Therefore, at a minimum, the AMENDED RESOLUTION 2023-17 should require a Resolution approved by the existing Branciforte Fire Protection District Board of Directors granting legal authority to the successor Scotts Valley Fire Protection District Board of Directors to administer any and all Measure T monies and potentially vacate the need for and collection of Measure T tax going forward.

**4) The LAFCO Executive Officer Did Not Provide Complete and Accurate Information to Present to the LAFCO on August 2, 2023 Regarding the Measure T Revenues or the Source of Funding of Branciforte Fire Protection District’s Purchase of a New Type 6 Engine Relating to Use of Measure T Monies.**

In response to Ms. Anderton’s testimony, Commissioner Manu Koenig, whose County Supervisorial District includes the Branciforte Fire Protection District, inquired about the Measure T monies and whether or not the Commission could make changes to the proposed RESOLUTION, possibly addressing the Measure T monies.

What ensued was an incomplete and inaccurate presentation of information that likely caused the LAFCO to dismiss the importance of Ms. Anderton’s concerns and fail to address the Measure T problems with an amendment to RESOLUTION 2023-17.



The 2016 Measure T ballot language stated:

## 2016 August 30th - Special Election

### Measure T

#### **Branciforte Fire Protection District**

#### **Branciforte Fire Protection District**

Shall the Branciforte Fire Protection District be authorized to increase the special tax within the district and use said funds to maintain financial stability at current level of services to the community? These funds will enable the District to fund the Contingency Fund for unfunded emergencies, the Building Fund and a Vehicle Replacement Fund as determined by the Board of Directors. Such increase will raise an estimated \$80,000 dollars per year.

**Approved.** (2/3 majority required)

Votes yes: 634

Votes no: 78

**Note:** All mail ballot election.

The full text of Measure T is included as Exhibit C.

- a) The LAFCO had incomplete and inaccurate information for decision-making regarding the status of the Measure T funds, receiving no actual account data or legal description of restrictions regarding Measure T administration.**

The LAFCO should reconsider approval of the RESOLUTION 2023-17 because the issue of the legal fate of Measure T funds and the amount of the revenues generated by Measure T taxation was not adequately documented in the LAFCO packet nor addressed at the August 2, 2023 meeting, following Ms. Anderton's testimony. The LAFCO Executive Officer was not sure about how much money the Measure T taxation brings in annually for the Branciforte Fire Protection District, and asked Chief Nate Lackey to answer from the audience. Chief Lackey also had no exact figure, but answered with an estimate of *"about \$160,000 per year."*

LAFCO Executive Officer Mr. Serrano also stated to the Commission during this discussion of Measure T funds that the Branciforte Fire District is purchasing a new Type 6 engine with Measure T monies. This is not true.

- b) Commissioners were not informed of the existence of the Barnes Family Gift**

Contrary to what the LAFCO Executive Director stated during the August 2, 2023 LAFCO meeting, in further response to Commissioner Koenig (who was sitting in the Alternate's seat and did not even vote on the RESOLUTION 2023-17 even though Branciforte Fire District is within his First District County Supervisorial responsibility), the current Branciforte Fire District's purchase of a new Type 6 engine for rapid wildland response is being made from the one-time \$500,000 Barnes Family Gift to the Branciforte Fire Protection District and residents, not from Measure T funds.

The Branciforte Fire administrator has elected to store the Barnes Family gift in the same account as the Measure T funds, but it is a separate source of funding entirely.

I know this because I have attended multiple meetings of the Branciforte Fire District Board of Directors when residents raised the issue, including the July 20, 2023 meeting at which the Board approved spending \$105,000 from the Barnes Family Trust to purchase the new Type 6 engine. (Exhibit D)

At the August 17, 2023 Branciforte Fire Protection District Board meeting, Chief Lackey provided the Preliminary Budget for the District during Item 5.1 during the scheduled public hearing on the matter. Page 16 of the agenda packet details the accurate Measure T fund accounting, showing the annual revenue is \$155,000. (Exhibit E)

<https://branciforte-fire.com/wp-content/uploads/2023/08/BRN-8-17-23-Board-Packet.pdf>

During the budget discussion, upon questioning of the public and Director Kuksht, Chief Lackey's oral report stated the Barnes Family Gift is included in the Measure T account but has a separate ledger number. This is not apparent in the Preliminary BFD Final Budget for Fiscal Year 2023/2024.

After the August 2, 2023 LAFCO meeting had adjourned, I did inform Mr. Serrano, Commissioner Roger Anderson and Commissioner Jim Anderson that the Branciforte Fire District Board had approved purchase of a new Type 6 engine, using the Barnes Family Gift, which I know to be true because I have attended many Branciforte Fire District Board meetings when the issue was discussed, most recently being July 20, 2023.

Mr. Serrano and the two Commissioners did not seem aware of the \$500,000 Barnes Family Gift and restrictions that the money be used only to benefit the Branciforte



Fire Protection District and residents therein. The Gift is not mentioned in the RESOLUTION 2023-17 or in the Plan for Service.

Therefore, in light of this NEW INFORMATION, the LAFCO should reconsider the August 2, 2023 approval of the RESOLUTION 2023-17 in order to publicly discuss the potential fate and appropriation of those restricted monies that have been in part allocated by approvals of the Branciforte Fire District Board to purchase a new Type 6 engine but likely will not be fully expended before the Reorganization process is completed and the Branciforte Fire District is dissolve.

An AMENDED RESOLUTION 2023-17 must legally recognize the Barnes Family Gift, provide for legal authority of the successor Scotts Valley Fire District Board of Directors to assume control of the Barnes Family Gift funds and the new type 6 engine that is being purchased with the Barnes Family Gift restricted-use monies to only benefit Branciforte Fire District and it's residents. LAFCO must disclose and publicly discuss this issue during a LAFCO meeting.

An AMENDED RESOLUTION that must address this issue clearly and with legal equity to the property owners and residents in the Branciforte Fire District, and fully discuss how the issues relating to the need for organized services, probably future needs (GCS 56668(b)(2)).

**5) The LAFCO Was Provided Inaccurate Information Regarding Percentage of Voters in Branciforte Fire District Area vs. Successor Agency Voter Numbers.**

According to information received from Santa Cruz County Clerk and Elections Manager Ms. Tricia Webber, staff analysis presented to your LAFCO deliberation on August 2, 2023 regarding the number of voters in the existing Branciforte Fire District area vs. number of voters in the successor Scotts Valley Fire District area was inaccurate. This likely influenced deliberation of the need to require future district-based Board elections, causing your Commission to disregard my requests in writing and in oral testimony August 2, 2023, that, in compliance with the California Voting Rights Act, RESOLUTION 2023-17 and the Plan for Service be amended.

During the August 2, 2023 LAFCO meeting, Staff reported that the Branciforte Fire District voters would compose "only 7% of the total vote."

According to this information obtained from Ms. Webber (Exhibit F), the total number of voters for the successor Scotts Valley Fire District would be 15,791. If that is divided into five districts with equal representation, each district would have about 3,158 voters.

**The existing 1,611 Branciforte voters would make up about 51% of the Branciforte Fire Protection District area's representational district on the successor Scotts Valley Fire District Board if there were district-based Board elections.**

The current 1,611 Branciforte voter number would be 10.2% of the combined voter number (1,611 B40 + 14,180 SVFD).

Therefore, I request that your Commission reconsider the approval of RESOLUTION 2023-17 because the issue of representational equity and governance for the Branciforte Fire Protection District voters was not accurately presented to the LAFCO on August 2, 2023.

**6) Governance Issues Must Be Addressed and the RESOLUTION Language Altered to Ensure Adherence to the California Voting Rights Act Because the Successor Agency Likely Will Not, Resulting in Legal Fee Burden on the Successor Agency.**

In *Alexander v. State Personnel Bd.* (1943) 22 Cal. 2d 198 [137 P.2d 433], the court held that "when the Legislature has provided that a petitioner before an administrative tribunal "may" seek reconsideration or rehearing of an adverse decision of that tribunal, the petitioner always must seek reconsideration in order to exhaust his or her administrative remedies prior to seeking recourse in the courts. The Alexander rule has received little attention since its promulgation, and several legal scholars and at least one Court of Appeal have expressed the belief that the rule has been abandoned or legislatively abrogated. That conclusion was premature; the rule remains controlling law." *Sierra Club vs. San Joaquin Local Agency Formation Com.* (1999) California Supreme Court, 981 P. 2d 543.

Government Code section 56857, subdivision (a) provides: "Any person or affected agency may file a written request with the executive officer requesting amendments to [\*\*\*\*7] or **reconsideration** of any resolution adopted by the commission making determinations. The request shall state the specific modification to the resolution being requested." (Italics added.) Such requests must be filed within 30 days of the adoption of the **LAFCO** resolution, and no further action may be taken on the annexation until the **LAFCO** has acted on the request. (*Id.*, subds. (b), (c).) Nothing in the statutory scheme explicitly states that an aggrieved party must seek rehearing prior to filing a court action. *Sierra Club vs. San Joaquin Local Agency Formation Com.* (1999) California Supreme Court, 981 P. 2d 543

As I stated in correspondence included in the Commission's August 2, 2023 packet, I intend to take legal action to challenge the inequity of the successor agency's governance, as currently approved. I am requesting that LAFCO reconsider your



approval of RESOLUTION 2023-17, and amend it to alter the Plan for Service to include explicit language that will cause the Scotts Valley Fire District to initiate immediate transition to district-based Board elections upon completion of the LAFCO procedure of Reorganization and inherent dissolution of the Branciforte Fire Protection District.

The need for this action is clear upon reading the Santa Cruz County LAFCO Plan for Service.

Operations and Governance proposed by the Santa Cruz County LAFCO August 2, 2023 meeting agenda on page 7 of the Plan for Service (page 20 of the LAFCO agenda) describes that the existing Scotts Valley Fire District Board of Directors will continue to govern the Branciforte Fire District area once dissolved, will be responsible for forming a Branciforte Service Zone and will establish an Advisory Commission. The people of Happy Valley will have no meaningful voice in the matter, once the Reorganization is complete:

#### **Management & Governance**

*The reorganized Scotts Valley Fire Protection District will include all the territory currently within the boundaries of the Scotts Valley Fire District and all the territory currently within the boundaries of the Branciforte Fire District. **The District will be governed by a 5-member Board of Directors, elected at large from the entire district. The Board of Directors of the Scotts Valley Fire Protection District as composed at the time the reorganization is deemed complete will continue to serve until their individual terms expire, at which time the seats will stand for election.** Any registered voter within the reorganized district boundaries may file and run for an open seat on the Board.*

***To avoid conflict with the California Voting Rights Act, SVFPD may consider transitioning to a system of elections by district in the foreseeable future following additional analysis.***

#### **Branciforte Oversight and Representation**

*The Scotts Valley FPD Board of Directors will establish a Service Zone encompassing the territory of the former Branciforte Fire Protection District, in accordance with Health and Safety Code Section 13950. The purpose of the Service Zone is to provide the community with accountability for the use of taxes, assessments, or fees collected solely within the Service Zone (Health and Safety Code Section 13955).*

***Further, the Scotts Valley FPD Board of Directors will adopt a policy forming the Branciforte Advisory Commission and will also appoint members of the Branciforte community to Commission in accordance with Health and Safety Code Section 13956. The purpose of the Advisory Commission will be to review the finances, operations, and projects that directly benefit and/or affect the Branciforte community. The formation of the Branciforte Advisory Commission***



***will be as soon as practical after the recordation of the reorganization. Exhibit F provides the draft policy and bylaws for the proposed advisory commission.***

(See page 81 of August 2, 2023 LAFCO agenda packet: [https://santacruzlafco.org/wp-content/uploads/2023/07/Aug-2023-Entire-Agenda-Packet\\_.pdf](https://santacruzlafco.org/wp-content/uploads/2023/07/Aug-2023-Entire-Agenda-Packet_.pdf))

Clearly, there would be no incentive for the Scotts Valley Fire District Board of Directors to CONSIDER transitioning to a system of elections by district once the Reorganization is complete. According to comments stated by Branciforte Fire District Director Marilyn Kuksht at the July 20, 2023 meeting, it is highly unlikely that the Scotts Valley Fire Board would do so. (“...it would be a deal-breaker and we would be back at ground zero.”)

*Unlike the [Voting Rights Act of 1965](#), which is a federal law, the CVRA does not require [plaintiffs](#) to demonstrate a specific geographic district where a minority is concentrated enough to establish a majority. Certain cities that have never had minority representation or have a history of minority candidate suppression can be liable for triple damages and be forced to make changes within 90 days. That makes it easier for minority voters to sue [local governments](#) and eliminate at-large elections. The Act was eventually signed into law on 9 July 2002.*

I have placed both Branciforte Fire District Board and Scotts Valley Fire District Board ON NOTICE that I intend to file legal action for public benefit to force the successor Scotts Valley Fire District Board to initiate action to transition to district-based elections. (Exhibit G)

I will take legal action if necessary.

*“A LAFCO annexation determination is quasi-legislative; judicial review thus arises under the ordinary mandamus provisions of [Code of Civil Procedure section 1085](#), rather than the administrative mandamus provisions of [Code of Civil Procedure section 1094.5](#).” ( [City of Santa Cruz v. Local Agency Formation Com.](#) (1978) 76 Cal. App. 3d 381, 387, 390 [142 Cal. Rptr. 873].)*

Because LAFCO is indemnified, the successor Scotts Valley Fire District will incur all associated legal fees should the RESOLUTION remain unamended.. (Exhibit H)

The LAFCO can and should remedy this potential legal burden upon the successor Scotts Valley Fire Protection District by amending RESOLUTION 2023-17 to include clear language that the successor Scotts Valley Fire District Board of Directors will immediately take action to begin transition to district-based elections upon completion of the Branciforte Fire Protection District Reorganization process.

**7) The LAFCO-approved RESOLUTION 2023-17 should be amended to give greater inclusion of the Branciforte Advisory Commission in the successor Scotts Valley Fire Protection District governance.**

Pages 8 and 9 of the August 2, 2023 LAFCO BFPD Reorganization Staff Report describes a level of “Governance” and “Branciforte Oversight & Representation” that is meaningless and in

effect will strip the Branciforte Fire District residents of all direct representation regarding the use of their monies and assets once their District is dissolved. (Exhibit I)

As approved in RESOLUTION 2023-17, the *“SVFPD Board of Directors will adopt a policy forming the Branciforte Advisory Commission and will also appoint members of the Branciforte Community to said Commission in accordance with Health and Safety Code Section 13956.”*

The effective existence of the Branciforte Advisory Commission will likely be short-lived because the actual Branciforte Community will have no ability to choose their own representation to advise the successor Scotts Valley Fire Protection District Board on how their monies and assets (including the Branciforte Fire Station) are used, and will have no assurances that the successor Board would heed the Advisory Commission’s recommendations.

Therefore, the Branciforte Advisory Commission must be selected by the residents of the Branciforte Community, not the Chief of the successor Scotts Valley Fire District. The Advisory Commission should create and adopt their own By-Laws, and there should be a dedicated seat reserved at the successor Scotts Valley Fire District Board meetings for a member of the Branciforte Advisory Commission at all Board meetings to actively participate in the meetings.

The AMENDED RESOLUTION 2023-17 must also include the above requests for amendments.

**8) The LAFCO-approved RESOLUTION 2023-17 and the Reorganization inherent creates a map that may exclude some existing Branciforte Fire District property owners from the successor Scotts Valley Fire District service boundary and/or an island of service will be created.**

Upon examination of the LAFCO August 2, 2023 BFPD Reorganization Staff Report maps on pages 4 and 6, it is apparent that some parcels currently in the Branciforte Fire District service boundaries will be excluded from the successor Scotts Valley Fire District service boundaries. (Exhibit J) and there will be islands of service created.

This does not comply with the requirements that boundaries are logical, contiguous, not difficult to serve, definite and certain (GCS 56668(f) and Commission Policy 4.3 and 4.11) and that the Reorganization prevents “Islands” (Commission Policy 4.8).

The LAFCO should reconsider the approved RESOLUTION 2023-17 and amend the proposed Service Boundary Map of the successor Scotts Valley Fire Protection District to comply with all required Codes and Policies.

**9) There has been no feasibility study provided to the Branciforte Fire Protection District, Scotts Valley Fire Protection District, or LAFCO to provide adequate and accurate**



**cost/benefit analysis of the Reorganization action or to explore any other feasible alternative and therefore the Reorganization action may be premature.**

LAFCO must examine the "Effect of alternate courses of action on cost & adequacy of service in area and adjacent areas." (GCS 56668(c)), per the Staff Report presented August 2, 2023. (page 12).

LAFCO has not conducted a Feasibility Study for the Reorganization of Branciforte Fire Protection District to adequately analyze the cost/benefit of such action, or whether there are alternate methods to better fund the existing Branciforte Fire Protection District.

As discussed earlier, the Branciforte Fire District Board has the legal authority to define and alter matters related to the Measure T funds, assessments and uses. That Board has the ability to define "Contingencies" to include staffing support.

However, LAFCO Executive Officer and Consultant Don Jarvis have caused the Branciforte Fire District Board and property owners to focus only on a Special Benefit Assessment ballot and engineer's report to fund full time staffing at the Branciforte Fire Station once the Reorganization process is complete. That very expensive proposed Assessment failed.

The LAFCO should carefully examine the fact that the Branciforte Fire District has successfully operated as a hybrid paid/volunteer rural fire station with a relatively low number of monthly calls for decades. Causing such a drastic change as to dissolve the Branciforte Fire Protection District, surrendering all equipment, assets, tax monies to the successor Scotts Valley Fire District but lose all direct forms of representation. LAFCO needs to conduct a feasibility study that would provide accurate and complete data for all parties' decision-making.

Two Board members of the Branciforte Fire Protection District were pressured to resign and resigned due to the extreme controversy of the Reorganization matter and inherent submissions of control of assets and tax monies, while being pressured by LAFCO to move forward with the Special Benefit Assessment ballot procedure. They were replaced with appointed Directors who have pushed for LAFCO Executive Director's focused Reorganization efforts.

However, having friends in the Branciforte Fire District area, and attending many of the District's Board and Community meetings, I am not convinced that the broad



constituency of the Branciforte Fire Protection District area is in agreement with the findings made in LAFCO Director Serrano's report in 2021.

The LAFCO should slow down the pace of this Reorganization effort in general to bring transparency to more members of the affected public for the discussion with complete and accurate data.

For all the reasons stated above, I hereby request that the LAFCO of Santa Cruz County reconsider the August 2, 2023 approval of the RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION MAKING DETERMINATIONS AND ORDERING THE "BRANCIFORTE FIRE PROTECTION DISTRICT REORGANIZATION" (LAFCO PROJECT NO. RO 22-07) and publicly discuss an AMENDED RESOLUTION 2023-17 to include the following:

- A) Vacate the August 2, 2023 LAFCO approval of RESOLUTION 2023-17;
- B) Postpone any further actions or approvals until all CalPERS and labor contract cost analysis reports are updated and publicly discussed and approved by the Board of Directors of both the Branciforte Fire Protection District and the Scotts Valley Fire Protection District;
- C) Postpone any further actions or approvals until the Branciforte Fire Protection District Board of Directors has held a noticed public hearing at a regularly scheduled Board meeting to discuss the fate of the Measure T funds with the property owners, possibly voting to dissolve the Measure T taxation all together.
- D) Postpone any actions or approvals until the Branciforte Fire Protection District Board of Directors has held a noticed public hearing at a regularly-scheduled Board meeting to discuss the allocation of the \$500, 000 Barnes Family Gift that is to be used only for the benefit of the Branciforte Fire Protection District and affected residents.
- E) When all above actions have been taken, LAFCO should consider an AMENDED RESOLUTION 2023-17 incorporating all amendments requested above at a regularly-scheduled and noticed public hearing.

Under penalty of perjury, and the laws of California, I , Becky Steinbruner, declare that the above is true and correct to the best of my knowledge.

I hereby submit this REQUEST FOR RECONSIDERATION of RESOLUTION 2023-17, "RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION MAKING DETERMINATIONS AND ORDERING THE "BRANCIFORTE FIRE PROTECTION DISTRICT REORGANIZATION" (LAFCO PROJECT NO. RO 22-07).

August 24, 2023



---

Becky Steinbruner

For Public Benefit

3441 Redwood Drive

Aptos, CA 95003

831-685-2915

KI6TKB@yshoo.com

# EXHIBIT A

LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY  
RESOLUTION NO. 2023-17

On the motion of Commissioner Zach Friend  
duly seconded by Commissioner Justin Cummings  
the following resolution is adopted:

RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION  
MAKING DETERMINATIONS AND ORDERING THE  
"BRANCIFORTE FIRE PROTECTION DISTRICT REORGANIZATION"  
(LAFCO PROJECT NO. RO 22-07)

\*\*\*\*\*

WHEREAS, an application by the Branciforte Fire Protection District ("BFPD") for the proposed reorganization involving the Scotts Valley Fire Protection District ("SVFPD" or "Successor Agency") was filed with the Executive Officer of this Local Agency Formation Commission ("LAFCO" or "Commission") in accordance with the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Section 56000 et seq.); and

WHEREAS, the proposed reorganization involves three key actions: (1) dissolution of the Branciforte Fire Protection District, (2) concurrent annexation of the dissolved area into the Scotts Valley Fire Protection District, and (3) sphere amendment to reflect the annexation area; and

WHEREAS, the subject area includes 745 parcels totaling approximately 5,800 acres (9 square miles) and an estimated 1,700 residents; and

WHEREAS, the purpose of the proposal is to facilitate the efficient delivery of fire protection services to individuals and property owners within the affected territory. If approved, the reorganization will preserve the current levels of service, maintain local demand expectations, and continue to use existing funding sources; and

WHEREAS, the proposal area is located within unincorporated county territory. The City of Scotts Valley is within Scotts Valley Fire Protection District's service and sphere boundaries. The application does not propose any changes to the existing land use designations found in the general plans for Scotts Valley or the County; and

WHEREAS, the proposal area is inhabited and involves the unincorporated community known as Branciforte and is located in the central part of Santa Cruz County. A vicinity map of the proposal area is attached and identified as **Exhibit 1**; and

WHEREAS, no other change of organization is required. The proposal area will continue to receive municipal services from the existing service providers, including but not limited to water service from Scotts Valley Water District and the City of Santa Cruz; and

WHEREAS, the vast majority of the subject area is designated as R-M (Mountain Residential) and R-R (Rural Residential) under the County's General Plan. The reorganization will not change the existing land use designations; and

WHEREAS, correspondence summarizing the proposed reorganization and requesting comments was sent on April 28, 2022 to all affected and interested agencies. 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 agencies before LAFCO can consider a jurisdictional change. The County Board of Supervisors, acting as the authorizing body for the two fire districts regarding property tax adjustments, adopted a property tax exchange agreement on March 28, 2023; and

WHEREAS, the Executive Officer deemed the application complete in accordance with Government Code Sections 56651 and 56658 and signed a Certificate of Filing on May 18, 2023; and

WHEREAS, the Executive Officer advertised the reorganization in the Santa Cruz Sentinel on May 23, 2023 in accordance with Government Code Section 56157; and

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

WHEREAS, a public hearing by the Commission was held on June 14, 2023; and at the hearing the Commission heard and received all oral and written protests, objections, and evidence that were presented; and

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. The proposed reorganization is categorically exempt under the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines Section 15320, Class 20(b) because the two fire protection districts have identical powers and the change in the organization or reorganization of the fire districts does not change the geographical area in which previously existing powers are exercised.

Section 3. The Commission considered the requirements set forth for reorganizations in the Cortese-Knox-Hertzberg Act, Government Code Section 57550, and found the proposal to be consistent with those requirements as set forth below:

- a) Initiating Resolution: Pursuant to Government Code Section 56654, the BFPD Board of Directors unanimously adopted a resolution on March 7, 2022 to initiate the reorganization process. The reorganization addresses issues with BFPD's current internal operations, compliance with state laws, inadequate governance structure, and the lack of firefighters and volunteers.
- b) Pre-Reorganization Agreement: The two fire districts and LAFCO entered into an agreement in March 2022, as shown in **Exhibit 2**. This Pre-Reorganization Agreement allowed SVFPD and LAFCO to provide administrative and operational support to BFPD during the reorganization process, including but not limited to, payroll and billing services, board meeting and technological support, and other staffing-related assistance.



- c) Application: BFPD submitted a signed application, with a copy of the adopted resolution, on April 1, 2022. The applicant does not propose any additional changes to their boundaries other than dissolving the BFPD, concurrently annexing the dissolved area, and amending SVFPD's sphere to reflect the annexation.
- d) Plan for Service: Pursuant to Government Code Section 56653, the applicant shall submit a plan for providing services within the affected territory ("Plan for Service"). The Plan for Service shall include all of the following information and any additional information required by LAFCO: (1) An enumeration and description of the services currently provided or to be extended to the affected territory; (2) The level and range of those services; (3) An indication of when those services can feasibly be extended to the affected territory, if new services are proposed; (4) An indication of any improvement or upgrading of structures, roads, sewer or water facilities, or other conditions the local agency would impose or require within the affected territory if the change of organization or reorganization is completed; and (5) Information with respect to how those services will be financed. In accordance with the Pre-Reorganization Agreement, the two fire districts and LAFCO developed the Plan for Service in a collaborative effort, as shown in **Exhibit 3**. For an added layer of transparency, the Boards of Directors for BFPD and SVFPD adopted the Plan for Service on June 14, 2023, and June 15, 2023, respectively.
- e) Environmental Review: Compliance with CEQA has been met by a categorical exemption pursuant to CEQA Guidelines Section 15320, Class 20(b): Changes in the organization or reorganization of local governmental agencies where the changes do not change the geographical area in which previously existing powers are exercised, including but not limited to consolidation of two or more districts having identical powers. A Notice of Exemption will be recorded after Commission action.
- f) Sphere Determination: The two fire districts have shared one sphere boundary since 1994 indicating that the two fire districts should merge to provide the best level of service to the affected residents. Upon the effective date of the reorganization, the combined sphere will be amended to accurately reflect the annexation area, as shown in **Exhibit 4**.

Section 4. The Commission determined that the proposal is consistent with LAFCO's Policies and Procedures Relating to Proposals and Sphere Amendments as set forth below:

- a) Agency Endorsement: The Executive Officer shall not file the application unless the affected public agencies have submitted a written endorsement indicating their willingness to provide services if the Commission approves the request. BFPD, SVFPD, and LAFCO entered into a Pre-Reorganization Agreement in March 2022 indicating support for the reorganization process.
- b) Fee Deposit: The applicant submitted a letter on August 25, 2022 seeking a fee waiver request due to its limited staff and dwindling funding source. The reorganization is also directly tied to LAFCO's recommendation found in the 2021 Countywide Fire Service and Sphere Review. Therefore, the fee deposit was waived at the District's request and in part due to a proactive effort to implement LAFCO's recommendation.



- 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 ensure that any approved boundary changes are definite and certain. The subject area encompasses 9 square miles and involves the unincorporated community known as Branciforte.
- d) General Plan/Zoning Designation: The subject area is inhabited and the vast majority of territory located within BFPD is designated as R-M (Mountain Residential) and R-R (Rural Residential) under the County's General Plan. The proposal does not propose any changes to the existing land use designations.
- e) Other Municipal Services: No other change of organization is required as part of the reorganization. The subject area will continue to receive municipal services from existing public agencies, including but not limited to water service from the Scotts Valley Water District and the City of Santa Cruz.
- f) Commission Hearing: The Commission shall consider the reorganization after it has been placed on the agenda of a Commission meeting. After deeming the proposal complete, the Executive Officer advertised the reorganization in the Santa Cruz Sentinel on May 23, 2023 and posted the public notice on LAFCO's website and in several locations in the County Governmental Building. The public notice indicated that the reorganization was scheduled for Commission consideration on June 14, 2023. Information on how to participate in the LAFCO Meeting was included in the public notice.

Section 5. The applicant shall agree, as a condition of the approval of the reorganization, to be bound by the LAFCO Indemnification and Defense Form signed on April 1, 2022.

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

- a) Transfer of Functions and Responsibilities: Upon the effective date of the reorganization, the functions of the Branciforte Fire Protection District will cease and be transferred to the Scotts Valley Fire Protection District as the successor agency. All laws, ordinances, resolutions, actions, contracts, agreements, rules and regulations, policies and procedures that have been enacted, adopted or passed by the affected fire districts for the successor agency prior to the effective date of reorganization shall remain in effect after the reorganization until superseded, amended, modified or deleted by the SVFPD Board of Directors.
- b) Transfer of Assets & Liabilities: Upon the effective date of the reorganization, all assets and liabilities of BFPD shall become assets and liabilities of SVFPD at the time the reorganization is deemed complete.
- c) Pension Obligations: The California Public Employees' Retirement System ("CalPERS") developed a cost analysis in April 2023 for the proposed reorganization. Government Code sections 20463 (b) and (c) require the governing body of a public agency which requests a contract cost analysis to provide each affected employee organization with a copy within five days of receipt. Likewise, if a cost analysis is requested by an employee organization, the employee organization is required to provide a copy of the analysis to the public agency within five days of receipt.

A resolution of intention declaring the agency's intent to amend the contract must be approved by the agency's governing body. The approved resolution must be received by CalPERS on or before July 1, 2023. If neither of these two conditions are met, an updated cost analysis will be required to merge the contracts. The current cost analysis will expire on July 1, 2023. An updated cost analysis may be available as early as September 2023. Assuming the reorganization is approved by LAFCO in June 2023, the following steps will be completed by the affected fire districts:

1. Complete and return the enclosed Contract Request and Schedule of Agency Actions forms. Within 90 days, CalPERS staff will send the agency the Resolution of Intention form for adoption; and
2. Complete and return the adopted Resolution of Intention to CalPERS on or before July 1, 2023. Adoption of the Final Resolution/Ordinance by this date is not required.

SVFPD submitted a request to CalPERS in July 2023 for an updated cost analysis. The updated report will replace the initial analysis included in the Plan for Service prior to the recordation of the reorganization.

- d) Board Action Prior to Reorganization: All decisions or actions affecting the proposed reorganization and made prior to the effective date of reorganization shall require the majority approval of the boards of directors of both fire districts.
- e) Current Staff Members: Upon the effective date of the reorganization, SVFPD will offer full employment to the full-time permanent members of BFPD. The current BFPD employees will be expected to meet all minimum requirements as outlined in the current SVFPD Policy. In addition, SVFPD will accept BFPD Volunteer / Paid-Call personnel meeting SVFPD standards into the SVFPD Paid Call Program. The terms and conditions of employment including but not limited to rank, seniority, probationary periods etc., will be outlined in a separate employment agreement.
- f) Successor Agency Board Composition: Upon the effective date of the reorganization, the reorganized Scotts Valley Fire Protection District will include all the territory currently within the boundaries of SVFPD and all the territory currently within the boundaries of BFPD. The successor agency will be governed by a 5-member Board of Directors, elected at large from the entire reorganized district. The Board of Directors of the Scotts Valley Fire Protection District as composed at the time the reorganization is recorded will continue to serve until their individual terms expire, at which time the seats will stand for election. Any registered voter within the reorganized district boundaries may file and run for an open seat on the Board. To avoid conflict with the California Voting Rights Act, SVFPD may consider transitioning to a system of elections by district in the foreseeable future following additional analysis.
- g) Branciforte Oversight and Representation: Upon the effective date of the reorganization, the SVFPD Board of Directors will establish a Service Zone encompassing the territory of the former Branciforte Fire Protection District, in accordance with Government Code Section 13950. The purpose of the Service Zone is to provide the community with accountability for the use of taxes, assessments, or fees collected solely within the Service Zone (Government Code

Section 13955). Further, the SVFPD Board of Directors will adopt a policy forming the Branciforte Advisory Commission and will also appoint members of the Branciforte community to the Commission in accordance with Government Code Section 13956. The purpose of the Advisory Commission will be to review the finances, operations, and projects that directly benefit and/or affect the Branciforte community. The formation of the Branciforte Advisory Commission will be completed as soon as practical after the recordation of the reorganization. The Plan for Service document provides the draft policy and bylaws for the proposed advisory commission.

- h) Branciforte Fire Station: Prior to recordation, the Branciforte community will determine whether a new benefit assessment is passed by a mailed-in election process to adequately fund the Branciforte Fire Station. If the assessment passes, SVFPD will manage the funds, with consultation from the Branciforte Advisory Commission, to operate the Branciforte Fire Station with a minimum of two firefighters. If the assessment fails, SVFPD will maintain the fire station in a serviceable order and be ready for emergency staffing at any time. The Plan for Service provides additional information about the alternative use for the Branciforte Fire Station.
- i) Branciforte Fire Protection District Revenue Source: Upon the effective date of the reorganization, the successor agency will receive the property taxes, benefit assessments, special assessments, special taxes, fees, and charges currently in effect and being collected by BFPD, including Measure T and any new benefit assessments to fund the Branciforte Fire Station. Pursuant to Government Code Section 56886(t), all charges, fees, assessments, or taxes existing within BFPD shall be extended and shall continue to be levied and collected by the successor agency until otherwise determined by the successor agency's board of directors. The successor agency shall have full authority to impose, administer, and collect said special taxes and fire suppression benefit assessments in the same manner as the existing districts within the applicable portions of the successor agency.
- j) Successor Agency Revenue Source: If the SVFPD is successful in passing a General Obligation Bond measure in 2023 to fund construction of a new fire station and headquarters office, the obligation for bond payments will not extend to the former BFPD territory. Upon the effective date of the reorganization, the successor agency may consider extending to the former BFPD territory any current and/or new benefit assessments, special taxes, bond measures (except as noted above), fees and charges as may be lawfully imposed upon all territory within the whole of the reorganized district.
- k) Plan for Service: Upon the effective date of the reorganization, the successor agency shall serve the affected territory through the implementation of the Plan for Service until it is determined by the successor agency's board of directors that fiscal or service requirements justify changes to the Plan for Service.
- l) Automatic Aid Agreements: Upon the effective date of the reorganization, SVFPD must demonstrate that Automatic Aid agreements with the Santa Cruz Fire Department and the Central Fire District have been amended to provide automatic closest-resource dispatching for all types of emergency incidents to all of the former BFPD territory.



- m) State Board of Equalization: The reorganization may be subject to a special fee provision of \$0 for dissolutions or \$300 for entire district/coterminous transactions.
- n) LAFCO Processing Fees: The applicant submitted a fee waiver request on August 25, 2022.

Section 7. The successor agency shall honor all memoranda of understanding, letters of understanding, side letters or related written agreements with any and all employees or bargaining groups (labor contracts), in effect when the LAFCO Certificate of Completion is recorded with the Santa Cruz County Recorder's Office, until such agreements expire on their own terms or are superseded by labor contracts negotiated through the collective bargaining process. Any memoranda of understanding, letters of understanding, side letters or related written agreements with any and all employees or bargaining groups (labor contracts) adopted after June 14, 2023 but prior to the date of recordation shall be honored by the successor agency, unless alternative measures are agreed to by all affected parties. All labor contracts shall remain in effect until expiration or until superseded by new labor contracts.

Section 8. The effective date of this reorganization is subject to completion of terms and conditions outlined in this resolution for approval as authorized by Government Code Sections 56886(p) and 57202 and will be effective upon recordation of the Certificate of Completion.

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 June 15 to July 14, 2023.

Section 10. The Executive Officer will hereby conduct a 30-day protest proceeding as provided in Government Code Section 57000. The protest period is scheduled for July 27 to August 25, 2023. A protest hearing will be held on August 25, 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.

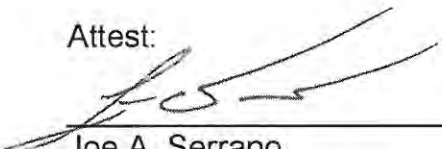
PASSED AND ADOPTED by the Local Agency Formation Commission of Santa Cruz County this 14th day of June 2023.

AYES: Commissioners Jim Anderson, Roger Anderson, Yvette Brooks, Justin Cummings, Zach Friend, Rachél Lather, and Allan Timms


NOES:

ABSTAIN:

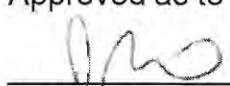
Attest:

  
Joe A. Serrano  
Executive Officer

RO 22-07 Resolution

  
YVETTE BROOKS, CHAIRPERSON

Approved as to form:

  
Josh Nelson  
LAFCO Counsel

# EXHIBIT 1

## VICINITY MAP (CURRENT BOUNDARIES)

# **EXHIBIT 2**

## **PRE-REORGANIZATION AGREEMENT**



# **EXHIBIT 3**

## **PLAN FOR SERVICE**

# EXHIBIT 4

## VICINITY MAP (POST-REORGANIZATION)

# EXHIBIT B



California Public Employees' Retirement System

Actuarial Office

400 Q Street, Sacramento, CA 95811 | Phone: (916) 795-3000 | Fax: (916) 795-2744

888 CalPERS (or 888-225-7377) | TTY: (877) 249-7442 | [www.calpers.ca.gov](http://www.calpers.ca.gov)

April 4, 2023

**Safety Plan of the Scotts Valley Fire Protection District**

**(CalPERS ID: 4027652040)**

**Amendment Actuarial Valuation Report as of June 30, 2021**

**Section 20508 Cost Analysis for Merger with Branciforte Fire Protection District**

Dear Requestor:

A cost analysis for the valuation(s) requested above and related information is enclosed.

The change in the employer contribution rate, as of the effective date of the proposed merger, is displayed on page 3.

Government Code sections 20463 (b) and (c) require the governing body of a public agency which requests a contract cost analysis to provide each affected employee organization with a copy within five days of receipt. Likewise, if a cost analysis is requested by an employee organization, the employee organization is required to provide a copy of the analysis to the public agency within five days of receipt.

➔ **This cost analysis expires July 1, 2023.** A Resolution of Intention declaring the agency's intent to amend the contract must be approved by the agency's governing body. The approved resolution must be received by this office on or before July 1, 2023. If either of these two conditions is not met, an updated cost analysis is required to merge the contracts. An updated cost analysis may be available as early as September 2023.

To complete the contract merger process based on the enclosed analysis, do the following:

- Complete and return the enclosed Contract Request and Schedule of Agency Actions forms. Within 90 days, CalPERS staff will send your agency the Resolution of Intention form for adoption.
- Complete and return the adopted Resolution of Intention to CalPERS on or before July 1, 2023. Adoption of the Final Resolution/Ordinance by this date is not required.

If you have questions about the cost analysis, please call (888) CalPERS (225-7377). Please ask to speak to a contract analyst for questions about the timing of the contract amendment. Please ask to speak to me for questions about this cost analysis.

DAVID CLEMENT, ASA, MAAA, EA  
Senior Actuary, CalPERS



**Amendment Actuarial Valuation  
as of June 30, 2021**

**for the  
Safety Plan  
of the  
Scotts Valley Fire Protection District  
(CalPERS ID: 4027652040)**

**Required Contributions  
for Fiscal Year  
July 1, 2023 – June 30, 2024**

# EXHIBIT C





## Voter Information Guide

# Branciforte Fire Protection District Special All-Mail Ballot Election Tuesday, August 30, 2016

This election is conducted only with ballots mailed to all registered voters within the Branciforte Fire Protection District.

The last day to register to vote in this election is August 15. [registertovote.ca.gov](http://registertovote.ca.gov)

The enclosed ballot **is the only one you will receive.**

If you lose your ballot or make a mistake you may request a new one.

### What's in this guide

How to vote by mail & Election Day Voter Assistance Centers    page 1

Information about Measure T    page 3

**Santa Cruz County Elections Department**  
701 Ocean Street, Room 210, Santa Cruz  
Open Monday - Friday, 8am to 5pm

[www.votescount.com](http://www.votescount.com)  
[info@votescount.com](mailto:info@votescount.com)

Information: 831-454-2060  
Toll Free: 866-282-5900  
TDD: 711  
FAX: 831-454-2445

Información en español al otro lado ➔

## Branciforte Fire Protection District

### Elección Especial de Boletas Enviadas por Correo

### Martes, 30 de agosto de 2016

Esta elección se llevará a cabo solamente por medio de boletas enviadas por correo a todos los votantes registrados dentro del Distrito de Branciforte Fire Protection.

El último día para registrarse para votar en esta elección es el 15 de agosto.

[registertovote.ca.gov](http://registertovote.ca.gov)

La boleta incluida es **la única que recibirá.**

Si usted pierde su boleta o comete un error, puede solicitar una nueva.

### Lo que hay en esta guía

Cómo votar por correo y Centros de Asistencia para el  
Día de las Elecciones

pagina 1

Información sobre medida T

pagina 3



## How to vote by mail

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### Make your vote-by-mail ballot count!

#### Mark your ballot

Use a blue or black ballpoint pen.

Use a single line to connect the head and tail of the arrow that points to your choice.

If you lose your ballot or make a mistake, you may request a new ballot. You can:



Call the Elections Department at **831-454-2060**



For a new ballot, email **2ndballot@votescount.com**

For assistance, email **info@votescount.com**



#### Sign and date the envelope

Remove the top stub from your ballot by tearing at the perforated line.

Place the ballot in the **green** postage-paid return envelope provided.

Write the **address where you live** in Santa Cruz County on the envelope in the space provided.

**Sign** your name on the envelope. If you do not sign your envelope, we cannot count your ballot.

If you cannot sign your name, make a mark and have a witness sign in the line provided.

*Do not let someone else sign your name for you.*

Write the **date** you signed the envelope.

### How to return your vote-by-mail ballot

To be counted your ballot must be **postmarked on or before Election Day, August 30** and received by the Elections Department by Friday, September 2. To return your ballot, you can:

#### Mail your ballot early to be sure it is received on time

Send it by mail to the address on the return envelope. This election is being conducted only with vote-by-mail ballots, so the postage is paid.

- OR -

#### Drop it off at the 24-hour drop box by 8pm on Election Day

Use the white mail box in front of the County Building

- County Government Center, 701 Ocean Street, Santa Cruz

- OR -

#### Return it in person before and including Election Day

You may personally drop it off at one of the locations below or you can have a relative or someone who lives with you drop it off.

- County Elections: 701 Ocean St., Room 210    Mon – Fri, 8am—5pm    831-454-2060

- OR -

#### Return it in person on Election Day

We will be open on Election Day from 7am—8pm to assist voters

- County Elections: 701 Ocean St., Room 210, Santa Cruz





## Cómo Votar Por Correo

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### ¡Haga que su boleta de voto por correo cuente!

#### Marque su boleta

Use un bolígrafo con tinta azul o negra.

Use una sola línea que conecte la cabeza y la cola de la flecha que señale su selección.

Si usted pierde su boleta o comete un error, puede solicitar una nueva boleta. Usted puede:



Llamar al departamento de elecciones **831-454-2060**



Para una boleta nueva, mande correo electrónico **2ndballot@votescount.com**

Para asistencia, mande correo electrónico **info@votescount.com**

#### Firme y feche el sobre

Remueva el talón superior de su boleta desgarrarlo en la línea perforada.

Coloque la boleta en el sobre **verde** con franqueo pagado proporcionado.

Escriba la **dirección de donde usted vive** en el condado de Santa Cruz en el sobre en el espacio proporcionado.

**Firme** su nombre en el sobre. Si usted no firma el sobre, no podemos contar con su voto.

Si no puede firmar su nombre, haga una marca y que un testigo firme en la línea proporcionada.

*No permita que otra persona firme su nombre por usted.*

Escriba la **fecha** en que firmó el sobre.

### Cómo regresar su boleta de voto por correo

Para que su boleta cuente, debe tener el **sello postal en el día o antes del día de las elecciones, 30 de agosto** y ser recibida por el Departamento de Elecciones hasta el viernes, 2 de septiembre. Para regresar su boleta, puede:

#### Enviar por correo su boleta de votación anticipadamente para asegurar que se reciba a tiempo

Envíe por correo a la dirección en el sobre de retorno. Esta elección se llevara a cabo únicamente por voto por boletas por correo, así que el franqueo es pagado.

- O -

#### Deposítelo en el buzón de 24 horas hasta las 8pm en el día de las elecciones

Utilice el buzón de correo blanco que está enfrente del edificio del condado.

- County Government Center, 701 Ocean Street, Santa Cruz

- O -

#### Regréselo personalmente antes e incluyendo el día de las elecciones

Puede dejarlo personalmente en una de las localizaciones anotadas abajo o puede dejar que un pariente o alguien que viva con usted lo entreguen por usted.

- County Elections: 701 Ocean St., Room 210    lun – vie, 8am—5pm    831-454-2060

- O -

#### Regréselo personalmente en el día de la elección

Estamos abiertos en la jornada electoral de 7am-8pm para asistir a los votantes

- County Elections: 701 Ocean St., Room 210, Santa Cruz



## Local ballot measure: T

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# T

## Branciforte Fire Protection District

### Ballot question

Shall the Branciforte Fire Protection District be authorized to increase the special tax within the district and use said funds to maintain financial stability at current level of services to the community? These funds will enable the District to fund the Contingency Fund for unfunded emergencies, the Building Fund and a Vehicle Replacement Fund as determined by the Board of Directors. Such increase will raise an estimated \$80,000 dollars per year.

### Pregunta de boleta

¿Debe ser autorizado el Distrito de Protección de Fuego de Branciforte para incrementar el impuesto especial dentro el distrito y usar estos fondos para mantener estabilidad financiero de servicios a la comunidad a niveles corrientes? Estos fondos permitirán al distrito financiar el Fondo Para Imprevistos para casos de urgencia sin financiación prevista el Fondo Para Construcción y un Fondo de Reemplazo de Vehículos como sea determinado por la Junta Directiva. Tal incremento recaudará un estimado de \$80,000 por año.

### What your vote means

YES	NO
A "yes" vote on this measure authorizes the Branciforte Fire Protection District to levy a special tax on real property. The measure requires 2/3 vote for passage.	A "no" vote on this measure is against imposition of the special parcel tax.

### For and against Measure T

FOR	AGAINST
<p><b>Benjamin F. Cahill</b> Chairman Branciforte Board of Directors</p> <p><b>James Adkisson</b> Retired Executive, President Healthy Child Foundation</p> <p><b>Neal Austin</b> Vice President and Business Manager, Mercury Systems</p> <p><b>George I. Purnell</b> Trustee, Board Chairman, Happy Valley School District</p> <p><b>Pat O'Connell</b> Retired Fire Chief, Branciforte Fire Protection District</p>	<p>No argument against was filed.</p>



### Local ballot measure: T

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Argument in favor of Measure T	Argument against Measure T
--------------------------------	----------------------------

The 2015 Santa Cruz County Grand Jury reported that Branciforte Fire Protection District lacks the funds to sustain operations at the present level, leaving its residents vulnerable to a significant reduction in service, or the closing of one or both fire engine locations.

The Grand Jury recommended a merger with Scotts Valley Fire Protection District as well as an increase in the district annual assessment. In October 2015, the District entered into an agreement with Scotts Valley Fire Protection District to provide management oversight, with the Scotts Valley Chief acting as Branciforte Chief. As a result, the Branciforte Fire Protection District was able to renegotiate labor and administrative costs that have enabled the District to operate at near normal levels through Fiscal year 2016.

The District has, and continues to review all possible cost cutting measures. However, Branciforte Fire is operating with insufficient financial reserves. Reliably maintaining service levels requires funding basic contingency monies for unforeseen emergencies such as a serious medical emergency to any staff or volunteer, funding the Building Fund, and creating a Vehicle Replacement program for apparatus nearing their end of life.

In addition, costs such as retirement and Workman's Compensation continue to increase and must be funded. Without the increase, the District runs the risk of reducing service levels, which would impact all citizens, along with potential impact on homeowner's fire insurance.

The District's fire tax has not been increased in 20 years. A YES vote on this measure would increase the assessment fee for the average single family home from \$100 to \$200 annually. This increase will generate approximately \$80,000. When combined with continued cost controls this increase allows Branciforte Fire to continue to operate at current service levels.

We urge you to vote YES on this measure.

**Benjamin F. Cahill**

Chairman Branciforte Board of Directors

**James Adkisson**

Retired Executive, President Healthy Child Foundation

**Neal Austin**

Vice President and Business Manager, Mercury Systems

**George I. Purnell**

Trustee, Board Chairman, Happy Valley School District

**Pat O'Connell**

Retired Fire Chief, Branciforte Fire Protection District

No argument against was filed.





## Local ballot measure: T

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### Impartial analysis of Measure T

**Dana McRae**, County Counsel

By Jane M. Scott, Assistant County Counsel

The voters of the Branciforte Fire Protection District ("the District") previously passed ballot measures which imposed a special tax on properties within the District, and made the tax indefinite in duration.

The Directors of the District have called this election for the purpose of submitting to the voters the ballot question identified as Measure T in this ballot pamphlet.

If approved by at least two-thirds of those voting on it, Measure T would enact the increases in the special tax as shown in the Resolution 2016-5 which is printed in this ballot pamphlet. At the adoption of each annual final budget, the District's Board of Directors would establish the exact amount of increase in the special tax to be levied during the ensuing fiscal year, not to exceed the maximum amounts shown in the Resolution.

The special tax will continue to be collected by the County of Santa Cruz in the same manner as other taxes collected by it on behalf of the District. Appeals regarding application of the tax amounts set out in the Resolution will be resolved by the District's Board of Directors pursuant to rules it establishes for such appeals.

A "yes" vote is in favor of Measure T.

A "no" vote is opposed to Measure T.

### Full text of Measure T

#### BRANCIFORTE FIRE PROTECTION DISTRICT

#### RESOLUTION 2016-5

**RESOLUTION REQUESTING THAT THE DISTRICT'S SPECIAL TAX BE INCREASED IN ORDER TO MAINTAIN FINANCIAL STABILITY AT THE CURRENT LEVEL OF SERVICE TO THE COMMUNITY. THESE FUNDS WILL ENABLE THE DISTRICT TO FUND CONTINGENCIES FOR UNFUNDED EMERGENCIES, THE BUILDING FUND, AND A VEHICLE REPLACEMENT FUND, AS DIRECTED BY THE BOARD.**

The people residing in the Branciforte Fire Protection District of the County of Santa Cruz, State of California, do resolve as follows:

#### Section I

The Board of Directors of the Branciforte Fire Protection District deem and determine it necessary to increase the District's Special Tax to fund Contingencies for unfunded emergencies, Building Fund, and a Vehicle Replacement Fund, which the District is authorized to under Fire Protection District Law of 1987, as amended, as set forth at Health and Safety Code Sec. 13800 and following.

#### Section II

**Duration.** If said change is approved by the voters for use in District operations as determined by the Board of Directors on a permanent basis.

#### Section III

**Priorities.** To the extent that additional revenues are received from the District as a result of the adoption of this resolution, the District may use the revenues for Contingency Funds, Vehicle Replacement Funds, and Building Maintenance and Construction Funds. Because the exact nature of additional tax revenues cannot be predicted and major unforeseen events can force a reordering of priorities, the Board of Directors shall have final responsibility for determining the time, financing and extent of expenditures pursuant to the established priorities.

#### Section IV

**Increase of the Special Tax Upon Voter Approval.** The Board of Directors of the Branciforte Fire Protection District hereby enact a resolution authorizing the increase of the District's Special Tax to be submitted on August 30, 2016, to the voters voting upon said resolution. The cognation of the Special Tax thereby authorized to be imposed by the District shall be as follows:



## Local ballot measure: T

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Category	Current Amount	Proposed Increase To:
Land/Parcel less than 10,000 square feet	\$10	\$20
Land/Parcel greater than 10,000 square feet and less than 25 acres	\$40	\$80
Land/Parcel greater than 25 acres	\$60	\$120
Improved Residential per single family dwelling unit	\$60	\$120
Special Charges	Current Amount	Proposed Increase To:
Residential Care Facility per licensed bed	\$20	\$100
Commercial Campground/Trailer Park per space	\$20	\$25
Hotel, Motel, Hostel or Apartment per sleeping room	\$20	\$25

The current typical cost for a Single Family Home at \$40 for a parcel with more than 10,000 square feet **plus** \$60 for a single dwelling unit will equal \$100 per year.

The proposed typical cost for a Single Family Home if the increase is approved will be \$80 for a parcel with more than 10,000 Square feet but less than 25 acres **plus** \$120 per single family dwelling unit will equal \$200 per year.

- (a) **Land.** The maximum amount of the increase in the District's Special Tax imposed annually upon each parcel of land in the District which does not exceed 10,000 square feet in size shall be an amount not to exceed an additional \$10.00. The maximum amount of the increase in the District's Special Tax imposed annually upon each parcel of land in the District which is larger than 10,000 square feet and less than 25 acres in size shall be an amount not to exceed an additional \$40.00. The maximum annual amount of the increase in the District's Special Tax imposed upon each parcel of land in the District which is 25 acres or more in size shall be an amount not to exceed an additional \$60.00. The term 'parcel of land', as used herein, shall mean any unit of land as shown on the last equalized secured assessment roll of the County of Santa Cruz. The following additional amounts shall be added to the amount due for the parcel, as applicable to each individual parcel.
- (b) **Improved Residential Property.** The maximum amount of the increase in the District's Special Tax imposed annually upon improved residential property shall be an amount not exceeding an additional \$60.00 per dwelling unit. This amount shall be in addition to the amount imposed upon the parcel. The term 'dwelling unit' as used herein shall mean any structure, including mobile home, composed of one or more rooms, habitable for humans, which is occupied or is intended or designated to be occupied by one or more persons with complete independent facilities for living, sleeping, cooking, eating and sanitation. Hotels, motels, hostels and apartment structures are excluded from the term 'dwelling unit'.



## Local ballot measure: T

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- (c) **Special Charges.** There shall be special charges imposed upon occupancies of parcels as listed below. The maximum amount of the increase in the District's Special Tax imposed upon each residential care facility annually

shall be an amount not to exceed an additional \$80.00 per licensed bed in such facility. The maximum amount of the increase in the District's Special Tax imposed upon each commercial campground or travel trailer park shall be an amount not to exceed an additional \$5.00 per camping/travel trailer/motor home space. The maximum amount of the increase in the District's Special Tax imposed upon each hotel, motel, hostel or apartment structure annually shall be an amount not to exceed an additional \$5.00 per sleeping room.

#### Section V

**Authority for Reduced Amounts.** The Board of Directors of the Branciforte Fire Protection District shall be authorized to annually establish the amount of the increase in the District's Special Tax at or below the amounts set forth at Section IV hereof.

#### Section VI

**Annual Establishment of Amount.** At the time of adoption of its annual final budget, the Board of Directors of the Branciforte Fire Protection District shall establish the amount of the increase in the District's Special Tax to be levied during the ensuing fiscal year; provided, however, that such tax shall not exceed the maximum amounts set forth in Section IV hereof.

#### Section VII

**Collection.** The revenues collected by the way of the permanent increase in the District's Special Tax imposed by this resolution shall be collected with and in the same manner as, and be subject to the same penalty as, other taxes fixed and collected by the County of Santa Cruz on behalf of the Branciforte Fire Protection District. The County of Santa Cruz may deduct its reasonable costs incurred for such service before remittal of the balance to the Branciforte Fire Protection District.

#### Section VIII

**Regulations.** The Board of Directors of the Branciforte Fire Protection District may from time to time adopt regulations necessary or convenient for the administration and enforcement of the increase in the District's Special Tax provided herein; provided that any such regulation be consistent with the purpose and intent of this resolution.

#### Section XI

**Appeals.** The Board of Directors of the Branciforte Fire Protection District is established as the Board of Appeals for any and all appeals to the application of various charges listed in Section IV hereof. The Board shall establish the rules relating to such appeals and the method of processing same.

#### Section X

**Amendment to Conform with Judgment of Court.** If any part of this resolution is held invalid or unenforceable by the final judgment of any court, that part may be amended by majority vote of the Board of Directors of the Branciforte Fire Protection District to conform with the judgment of such court, provided that such amendment be consistent with the purpose and intent of this resolution.

#### Section XI

**Severability.** If any part of this resolution is for any reason held to be invalid by the final judgment of any court, such judgment shall not effect the validity of the remaining portion of this resolution. The people of the Branciforte Fire Protection District hereby declare that they would have adopted this resolution and each and every section, subsection, sentence, phrases, clauses, or parts may be declared invalid.

#### Section XII

**Estimated Revenue.** Estimated revenue from this Resolution, if approved by the voters, will be approximately Eighty Thousand dollars (\$80,000.00) per year.

# EXHIBIT D

**Branciforte Fire Protection District  
Board of Directors Meeting MINUTES for July 20, 2023**

**6.0 Items – Discussion/Action**

**6.1 Discuss and Approve the Purchase of Dodge Ram Cab and Chassis for the New Type 6 Engine, not to exceed \$105,000.00**

Interim Chief Lackey advised that the manufacturer advised that if the District secured their own cab and chassis, that the production of the New Type 6 Engine would move closer to the beginning of the production line; and, advised that the cost of the Cab and Chassis will range between \$75,000.00-\$80,000.00, and that he was requesting the Board's approval not to exceed \$105,000.00 due to taxes and other charges.

Discussion ensued regarding whether the boxes were included in this request for funding; the timeframe for completion; that the new Engine is being funded by a gift from the Barnes Family Trust; that the new Engine will be operated by Scotts Valley; where the new Engine will be stored; whether the new Engine is being kept in Scotts Valley because it won't fit in the Branciforte Station; the new Engine's ability to access a lot of the properties in the Branciforte community; whether the Branciforte Station will be staffed, and if it is staffed, when the Station would be staffed; and, the use of the monies gifted from the Barnes Family Trust. ➡

Director O'Connell made a motion to approve the Purchase of Dodge Ram Cab and Chassis for the New Type 6 Engine, not to exceed \$105,000.00. The motion was seconded by Director Kuksht.

**The motion passed with 5-Ayes.**

**7.0 Other Business – Information/Discussion**

**7.1 Contract with Central Cost Critical Incident Team (CCCIT)**

Interim Chief Lackey advised that this is an informational item, and gave an overview of the contract and the need to enter into a contract with CCIT; and, mentioned that Scotts Valley uses a different, but similar company.

**7.2 Fire Chief's Operational Update**

Interim Chief Lackey advised that the RFP for the repair of the Fire Station had gone out, and advised that the bids are to be delivered by 5:00 p.m., August 17, 2023; advised that there is some damage to one of the apparatus bays, and a company has been contacted to come out do repairs; and, advised that the final number for Workers Compensation Coverage have been received, and the quote is \$20,000.00 less than originally estimated.

**7.3 Receive a Status Update on the Reorganization Process**

Interim Chief Lackey advised that there had been no recent meetings of the AdHoc Committee; and, advised that staff had been focusing on moving the Benefit Assessment Process moving forward.

Chair Pageler reiterated that LAFCO will be addressing the annexation matter at their August 2, 2023 Meeting.



**Branciforte Fire Protection District  
Board of Directors Meeting MINUTES for July 20, 2023**

Becky Steinbruner addressed the Board, inquiring about why the Board wasn't pushing for the annexation with Scotts Valley to include a District Based Board Election Process; stated that the Branciforte residents would have a much better voice on the Scotts Valley Board, and that the residents in Branciforte are going to suffer without representation; and, advised that she believed the Branciforte Board needed to insist on their being District Based Board Elections.

**7.4 Staff Reports**

**7.4a. Staffing Report 7.4b. Incident Report 7.4c. Apparatus Report**

Interim Chief Lackey mentioned that the reports in the Board Packet.

**8.0 Correspondence**

**8.1 Email from Dick Landon – Status of the Two BFD Board Members**

**8.2 Email from Becky Steinbruner -Please Amend District plan for Services for Branciforte Reorganization**

Chair Pageler mentioned the two pieces of correspondence received.

Dick Landon addressed the Board, inquiring about names on the PDF list of owners of properties in the Branciforte Community; and, inquired about why Pete Vannerus "was kicked off the Board".

There was discussion about whether Mr. Landon's questions were agenda items, and how his questions should be addressed, which included a lot of people talking over each other.

A member of the public inquired about whether there were stipulations attached to the monies gifted to the Branciforte District by the Barnes Family.

Discussion ensued about discussion having been had about putting a plaque on the new Engine acknowledging the Barnes Family; the renovations that need to be done to the Branciforte Station, to include repairs that are necessary, as well as work to the conference room so that it can be more accessible for public use/meetings, and that a plaque could be put up naming the conference room after the Barnes, etcetera; and, that when the monies were gifted to the District by the Barnes Family, that there was a stipulation that the monies were to be used for the Branciforte District, but at the time of the gifting, there was no discussion of annexation.

The Regular Meeting of the Board of Directors ended at 7:16 p.m., and moved the meeting to a recess until the Tabulation Process is completed.

**2.6 Announcement of the Results of the Proposition 218 Ballot**

Chair Pageler called for a Report of the Results at 8:33 p.m.

At 8:33 p.m., County Clerk/Elections, Tricia Webber, announced that 434 ballots were returned; 53 Ballots or 103393.05% voted yes; 379 Ballots or 875554.23% voted No; and 2 Ballots or 1868.87% were considered invalid, as they did not contain a vote.



**Branciforte Fire Protection District  
Board of Directors Meeting MINUTES for July 20, 2023**

**9.0 Adjournment**

The meeting was adjourned at 8:34 p.m.

This will certify that the foregoing is a true copy of discussion during the Branciforte Fire Protection District Special Board of Directors Meeting held July 20, 2023, as prepared by me.

\_\_\_\_\_  
Donna J. Steward

Dated:

ATTEST: \_\_\_\_\_ Dated:  
Board Chair

**Next Regularly Scheduled Board Meeting Thursday, August 17, 2023 at 6:00 p.m.**

# EXHIBIT E

**Branciforte Fire Protection District  
Board of Directors Meeting Agenda for August 17, 2023**

**2. Agenda Amendments (GC §54954.2) – Discussion/Action**

This is an opportunity for the Board to make any necessary amendments to the current agenda, provided that no action may be taken on an Off- Agenda Item(s) unless authorized by law.

**3. Oral Communications**

This is an opportunity for members of the public to address the Board on items not on the agenda, provided that the subject matter is within the jurisdiction of the Board and that no action may be taken on an off-agenda item(s) unless authorized by law.

**4. Consent Agenda**

Consent Calendar items will be enacted upon by one motion. There will be no separate discussion on items unless a Board Member, staff, or member of the public requests the removal of the item for separate action.

4.1 Approve Regular Board Meeting Minutes of July 20, 2023

4.2 Approve BFPD Claims Disbursements for the Month of July 1, 2023 through July 31, 2023, in the amount of:

Payroll and Benefits:	\$311,943.71
General Fund:	\$ 36,255.40
Measure T:	\$ 2,130.99
TOTAL:	\$350,330.10

**5. Items – Discussion/Action**

Action items may require board action regarding the District's policies, operations, or other business matters. Members of the public may provide comments after staff presentations but before board actions.

5.1 Scheduled Public Hearing for the BFD Final Budget for Fiscal Year 2023/2024:

681110	General Fund	\$1,301,983
681120	Measure T Fund	\$ 1,104,551

Public Hearing Process: BFD staff will make a summary of the proposed budget. The Board President will ask for public comment. Each speaker should raise their hand, state their name and address. Each speaker will be allowed three (3) minutes in an effort to have as much public input as possible. Upon completion of the public hearing, the matter will be brought before the Board.

5.2 Receive Public Comment and Adopt Resolution 2023-08: Resolution Adopting Final Budget for Fiscal Year 2023/2024

# BRANCIFORTE FIRE PROTECTION DISTRICT

## RESOLUTION NO. 2023-08

### RESOLUTION ADOPTING FINAL BUDGET FOR FISCAL YEAR 2023/2024

WHEREAS, In compliance with Sections 13890, 13891 and 13893 of the California Health and Safety Code;

NOW, THEREFORE, BE IT RESOLVED AND ORDERED that the Final Budget of the Branciforte Fire Protection District of Santa Cruz County for which the Board of Directors is the governing board, for fiscal year 2023/2024 be and is hereby adopted in accordance with the following:

#### Preliminary Branciforte Fire Protection District Budget

General Fund	Index 681110	\$ 1,301,983
Measure "T"	Index 681120	\$ 1,104,551

BE IT FURTHER RESOLVED that the appropriations for each budget unit which constitute the respective totals for each of the objects of the expenditures listed are attached hereto and known as the Preliminary Budget (on file with the Secretary of the Board).

PASSED AND ADOPTED BY THE Board of Directors of the Branciforte Fire Protection District, County of Santa Cruz, State of California, at a regular meeting held on August 17, 2023, by the following vote:

<u>AYES</u>	<u>NOES</u>	<u>ABSENT</u>	<u>ABSTAIN</u>
-------------	-------------	---------------	----------------

Director Tim Dodds  
Director Marilyn Kuksht  
Director Larry Pageler  
Director Patrick O'Connell  
Director Fareed Rayyis

ATTEST:

\_\_\_\_\_  
Nate Lackey  
Board Secretary

\_\_\_\_\_  
Larry Pageler  
Board Chair

## Branciforte Fire Protection District

Measure T Fund (681120)

Preliminary 2023/2024 Budget

### Revenue Summary

Account #	Revenue Description		Revenue Amount
40196	Fire Protection Tax - Measure T	\$	155,000
40430	Interest	\$	3,000
42372	Contributions and Donations	\$	-
42384	Other Revenue - Grants	\$	-
Total Revenue			\$ 158,000
Beginning Fund Balance			\$ 946,551
Total Measure T Revenue			\$ 1,104,551

### Expenditure Summary

Account #	Expense Category		Expense Amount
60000	Service & Supplies	\$	132,500
86000	Fixed Assets	\$	829,551
Total Expenditures			\$ 962,051
Contingencies			\$ 50,000
General Reserves			\$ 92,500
Total Measure T / Capital Fund Budget			\$ 1,104,551

Shall the Branciforte Fire Protection District be authorized to increase the special tax within the District and use funds to maintain financial stability at current level of services to the Community? These funds will enable the District to fund the Contingency Fund for unfunded emergencies, the Building Fund and a Vehicle Replacement Fund as determined by the Board of Directors. Such increase will raise an estimated \$80,000 dollars per year.

# Branciforte Fire Protection District

General Fund (681110)

Preliminary 2023/2024 Budget

## Revenue Summary

Account #	Revenue Description	Revenue Amount
40100	Prop Tax-Current Secured	\$ 894,968
40110	Prop Tax-Current Unsecured	\$ 16,000
40130	Prop Tax-Prior Unsecured	\$ -
40142	Penalties for Delinquent Taxes	\$ -
40143	Redemption Penalties for Delinquent	\$ -
40150	Supplemental Prop Tax-Current Secured	\$ -
40151	Supplemental Prop Tax-Current Unsecured	\$ -
40160	Supplemental Property Tax-Prior Secured	\$ -
40330	Permit Fees	\$ 2,500
40430	Interest	\$ 6,000
40830	St-Homeowners' Prop Tax Relief	\$ 1,000
40894	ST-Aid Others	\$ 30,000
42384	Other Revenue	\$ 1,000
42390	Stale Dated Checks - Escheated	\$ -
Total Revenue		\$ 951,468
Beginning Fund Balance		\$ 310,515
Total General Fund Revenue		\$ 1,261,983

## Expenditure Summary

Account #	Expense Category	Expense Amount
50000	Salaries & Benefits	\$ 1,074,921
60000	Services & Supplies	\$ 185,107
75000	Other Charges	\$ 1,955
Total Expenditures		\$ 1,261,983
Contingencies		\$ 30,000
Reserves - Undesignated		\$ 10,000
Total General Fund Budget		\$ 1,301,983

### Notes:

1. Schedule of Revenue: 50% in December, 45% in April and 5% in June
2. Account 40330 - Revenue from Permits, Plan Checks and Inspections
3. Account 40894 - Revenue from Statewide Strike Teams and Overhead Assignments
4. Account 42384 - Revenue from CPR Classes, Donations and Misc. Revenue
5. Fund Balan Fund Balance as of July 1, 2023
6. Other Charges are for the annual LAFCO Fees.
7. Reserves = Fund Balance minus amount needed to balance the Expenditures Budget.
8. Account 40100 reflect a 4.0% increase as per Santa Cruz County Auditor's Office.



# Branciforte Fire Protection District

Measure T Fund (681120)

Preliminary 2023/2024 Budget

## Expenditure Accounts

Account #	Category	Amount
<b>Services and Supplies</b>		
61110	Personal Protective Equipment	\$ 28,000
61720	Maintenance Mobile Equipment	\$ 42,500
61845	Maintenance Building & Grounds	\$ 22,000
62111	Miscellaneous	\$ 15,000
62223	Computer Equipment	\$ 3,000
62715	Small Tools and Instruments	\$ 22,000
<b>Total Services &amp; Supplies</b>		<b>\$ 132,500</b>
<b>Fixed Assets</b>		
86110	Buildings	\$ 429,551
86209	Mobile Equipment	\$ 400,000
<b>Total Fixed Assets</b>		<b>\$ 829,551</b>
<b>Appropriation for Contingencies</b>		
98700	Contingencies	\$ 50,000
<b>Total Contingencies</b>		<b>\$ 50,000</b>
<b>General Reserves</b>		
98695	Fund Balance - Undesignated	\$ 202,500
<b>Total General Reserves</b>		<b>\$ 92,500</b>
<b>Total Expenditures</b>		<b>\$ 1,104,551</b>

# Branciforte Fire Protection District

General Fund (681110)

Preliminary 23/24 Budget

## Expenditure Accounts

Account #	Category	Amount
<b>Salaries and Benefits</b>		
51000	Regular Pay, Permanent	\$ 328,471
51005	Overtime and Strike Team Pay	\$ 107,674
51010	Extra Help and Volunteer Stipends	\$ 189,200
52010	Social Security and Medicare Tax	\$ 49,392
52015	Retirement	\$ 123,558
53010	Employee Group Insurance	\$ 60,653
54010	Workers' Compensation Insurance	\$ 199,500
55020	Regular Pay: Sick Leave Incentive	\$ 10,473
<b>Total Salaries and Benefits</b>		<b>\$ 1,074,921</b>
<b>Services and Supplies</b>		
61110	Clothing and Personal Supplies	\$ -
61125	Uniforms	\$ 2,000
61215	Radio Services	\$ 7,990
61221	Telephone and Telegraph	\$ 4,700
61310	Food/ Emergency Meals	\$ 1,200
61425	Household Expense	\$ 250
61535	Insurance	\$ 22,000
61720	Maintenance, Mobile Equipment	\$ -
61725	Maintenance, Office Equipment	\$ 3,050
61730	Maintenance, Other Equipment	\$ 5,550
61845	Maintenance, Structure/Grounds	\$ -
61920	Medical Supplies	\$ 1,500
62020	Memberships	\$ 4,350
62219	Computer Software	\$ 4,307
62223	Office Expense	\$ 1,000
62301	Accounting & Auditing Fees	\$ 10,600
62327	Directors Fees	\$ 3,300
62358	Laundry Service	\$ 500
62367	Medical Services	\$ 12,000
62381	Professional/Special Services	\$ 55,800
62420	Publications and Legal Notices	\$ 1,000
62715	Small Tools and Instruments	\$ -
62826	Education & Training	\$ 8,850
62886	Employee Service Awards	\$ 500
62888	Special District Expense	\$ 1,010
62920	Gas, Oil and Fuel	\$ 15,650
63070	Utilities	\$ 18,000
<b>Total Services &amp; Supplies</b>		<b>\$ 185,107</b>
<b>Other Charges</b>		
75231	LAFCO Contributions	\$ 1,955
<b>Total Other Charges</b>		<b>\$ 1,955</b>
<b>Appropriation for Contingencies</b>		
98700	Contingencies	\$ 30,000
<b>Total Contingencies</b>		<b>\$ 30,000</b>
<b>General Reserves</b>		
98965	Undesignated Fund Balance	\$ 10,000
<b>Total Reserves</b>		<b>\$ 10,000</b>
<b>TOTAL EXPENDITURES</b>		<b>\$ 1,301,983</b>

## Revenue/Expenditure Balances

As Of = @prior-month-end; Years = 1; Balances = Adopted Budget, Adjusted Budget, Month-To-Date Actual, Year-To-Date Actual; Revenues/Expenditures = R,E

GL Key [681110]

Run: 2023-08-11 10:31 AM

FY 2024

GL Key	Object	GL Object Title	Adopted		Adjusted		Month-To-Date		Year-To-Date	
			Budget		Budget		Actual		Actual	
681110	40100	PROPERTY TAX-CURRENT SEC-GEN	894,968.00		894,968.00		0.00		0.00	
681110	40110	PROPERTY TAX-CURRENT UNSEC-GEN	16,000.00		16,000.00		0.00		0.00	
681110	40130	PROPERTY TAX-PRIOR UNSEC-GEN	0.00		0.00		0.00		0.00	
681110	40150	SUPP PROP TAX-CURRENT SEC	0.00		0.00		0.00		0.00	
681110	40151	SUPP PROP TAX-CURRENT UNSEC	0.00		0.00		0.00		0.00	
681110	40160	SUPP PROP TAX-PRIOR SEC	0.00		0.00		0.00		0.00	
681110	40330	OTHER LICENSES & PERMITS	2,500.00		2,500.00		0.00		0.00	
681110	40430	INTEREST	6,000.00		6,000.00		957.27		957.27	
681110	40830	ST-HOMEOWNERS' PROP TAX RELIEF	1,000.00		1,000.00		0.00		0.00	
681110	40894	ST-OTHER	30,000.00		30,000.00		0.00		0.00	
681110	42384	OTHER REVENUE	1,000.00		1,000.00		0.00		0.00	
681110	42390	UNCLAIMED MONEY-ESCHEATED	0.00		0.00		0.00		0.00	
681110	51000	REGULAR PAY-PERMANENT	328,471.00		328,471.00		18,672.18		18,672.18	
681110	51005	OVERTIME PAY-PERMANENT	107,674.00		107,674.00		3,017.76		3,017.76	
681110	51010	REGULAR PAY-EXTRA HELP	90,200.00		90,200.00		12,915.00		12,915.00	
681110	52010	OASDI-SOCIAL SECURITY	41,818.00		41,818.00		2,699.19		2,699.19	
681110	52015	PERS	123,558.00		123,558.00		70,116.94		70,116.94	
681110	53010	EMPLOYEE INSURANCE & BENEFITS	60,653.00		60,653.00		5,081.55		5,081.55	
681110	53015	UNEMPLOYMENT INSURANCE	6,000.00		6,000.00		95.09		95.09	
681110	54010	WORKERS COMPENSATION INSURANCE	213,000.00		213,000.00		199,346.00		199,346.00	
681110	55020	SICK LEAVE RESERVE	10,473.00		10,473.00		0.00		0.00	
681110	61110	CLOTHING & PERSONAL SUPPLIES	0.00		0.00		0.00		0.00	
681110	61125	UNIFORM REPLACEMENT	2,000.00		2,000.00		0.00		0.00	
681110	61215	RADIO	8,200.00		8,200.00		2,857.00		2,857.00	
681110	61221	TELEPHONE-NON TELECOM 1099	4,700.00		4,700.00		638.00		638.00	
681110	61310	FOOD	1,200.00		1,200.00		0.00		0.00	
681110	61425	OTHER HOUSEHOLD EXP-SERVICES	250.00		250.00		0.00		0.00	
681110	61535	OTHER INSURANCE	23,000.00		23,000.00		21,906.00		21,906.00	
681110	61720	MAINT-MOBILE EQUIPMENT-SERV	0.00		0.00		0.00		0.00	
681110	61725	MAINT-OFFICE EQUIPMNT-SERVICES	3,050.00		3,050.00		0.00		0.00	
681110	61730	MAINT-OTH EQUIP-SERVICES	5,550.00		5,550.00		876.44		876.44	

GL Key	Object	GL Object Title	Adopted Budget	Adjusted Budget	Month-To-Date Actual	Year-To-Date Actual
681110	61845	MAINT-STRUCT/IMPS/GRDS-OTH-SRV	0.00	0.00	0.00	0.00
681110	61920	MEDICAL, DENTAL & LAB SUPPLIES	1,500.00	1,500.00	0.00	0.00
681110	62020	MEMBERSHIPS	4,350.00	4,350.00	1,502.51	1,502.51
681110	62219	PC SOFTWARE PURCHASES	4,200.00	4,200.00	57.60	57.60
681110	62223	SUPPLIES	1,000.00	1,000.00	0.00	0.00
681110	62301	ACCOUNTING AND AUDITING FEES	12,411.00	12,411.00	472.50	472.50
681110	62327	DIRECTORS' FEES	3,300.00	3,300.00	0.00	0.00
681110	62358	LAUNDRY SERVICES	500.00	500.00	0.00	0.00
681110	62367	MEDICAL SERVICES-OTHER	12,000.00	12,000.00	0.00	0.00
681110	62381	PROF & SPECIAL SERV-OTHER	55,800.00	55,800.00	4,714.95	4,714.95
681110	62420	LEGAL NOTICES	1,000.00	1,000.00	0.00	0.00
681110	62715	SMALL TOOLS & INSTRUMENTS	0.00	0.00	0.00	0.00
681110	62826	EDUCATION AND/OR TRAINING	8,850.00	8,850.00	538.25	538.25
681110	62886	EMPLOYEE SVCS AWARDS	500.00	500.00	0.00	0.00
681110	62888	SPEC DIST EXP-SERVICES	1,010.00	1,010.00	0.00	0.00
681110	62920	GAS, OIL, FUEL	15,650.00	15,650.00	2,439.95	2,439.95
681110	63070	UTILITIES	18,000.00	18,000.00	252.20	252.20
681110	75231	CONTRIB TO OTHER AGENCIES-OTH	1,600.00	1,600.00	0.00	0.00
681110	98695	FUND BALANCE-UNDESIGNATED	50,000.00	50,000.00	0.00	0.00
681110	98700	APPROP FOR CONTINGENCIES	30,000.00	30,000.00	0.00	0.00
			-300,000.00	-300,000.00	-347,241.84	-347,241.84

# Rev EXP 681120 FY23-24

As Of = @prior-month-end; Years = 1; Balances = Adopted Budget, Adjusted Budget, Month-To-Date Actual, Year-To-Date Actual, Year-To-Date Encumbrances; Revenues/Expenditures = R, E

GL Key [681120]

Run: 2023-08-11 10:06 AM

		FY 2024					
GL Key	Object	GL Object Title	Adopted Budget	Adjusted Budget	Month-To-Date Actual	Year-To-Date Actual	
681120	40196	FIRE PROTECTION TAX	150,000.00	160,000.00	0.00	0.00	0.00
681120	40430	INTEREST	3,000.00	3,000.00	2,369.54	2,369.54	
681120	42372	CONTRIBUTIONS AND DONATIONS	0.00	0.00	0.00	0.00	
681120	42384	OTHER REVENUE	0.00	0.00	0.00	0.00	
681120	61110	CLOTHING & PERSONAL SUPPLIES	28,000.00	28,000.00	0.00	0.00	
681120	61720	MAINT-MOBILE EQUIPMENT-SERV	42,500.00	42,500.00	1,786.24	1,786.24	
681120	61845	MAINT-STRUCT/IMPS/GRDS-OTH-SRV	22,000.00	22,000.00	270.00	270.00	
681120	62111	MISCELLANEOUS EXPENSE-SERVICES	15,000.00	15,000.00	0.00	0.00	
681120	62223	SUPPLIES	3,000.00	3,000.00	0.00	0.00	
681120	62715	SMALL TOOLS & INSTRUMENTS	22,000.00	22,000.00	74.75	74.75	
681120	86110	BUILDINGS AND IMPROVEMENTS	242,000.00	242,000.00	0.00	0.00	
681120	86209	MOBILE EQUIPMENT	400,000.00	400,000.00	0.00	0.00	
681120	98695	FUND BALANCE-UNDESIGNATED	192,500.00	192,500.00	0.00	0.00	
681120	98700	APPROP FOR CONTINGENCIES	100,000.00	100,000.00	0.00	0.00	
			-904,000.00	-904,000.00	238.55	238.55	

# EXHIBIT F



RE: Requesting Number of Voters Registered in Scotts Valley Fire Protection District  
and Branciforte Fire Protection District

From: Tricia Webber (tricia.webber@santacruzcounty.us)

To: ki6tkb@yahoo.com; helen.ruiz-thomas@santacruzcounty.us

Date: Sunday, August 20, 2023, 6:34 PM PDT

Hi Becky –

Here are the number of registered voters you are requesting:

Branciforte Fire Protection District – 1,611

Scotts Valley Fire Protection District – 14,180

Tricia



**From:** Becky Steinbruner <ki6tkb@yahoo.com>  
**Sent:** Friday, August 18, 2023 6:06 PM  
**To:** Helen Ruiz-Thomas <Helen.Ruiz-Thomas@santacruzcounty.us>  
**Cc:** Tricia Webber <Tricia.Webber@santacruzcounty.us>; Becky Steinbruner <ki6tkb@yahoo.com>  
**Subject:** Requesting Number of Voters Registered in Scotts Valley Fire Protection District and Branciforte Fire Protection District

\*\*\*\***CAUTION:**This is an EXTERNAL email. Exercise caution. DO NOT open attachments or click links from unknown senders or unexpected email.\*\*\*\*

Dear Ms. Ruiz-Thomas,

I came to the County Election Dept. a few days ago, requesting the number of registered voters in the Scotts Valley Fire Protection District and Branciforte Fire Protection District. Staff informed me that you are the contact for that information, and relayed my request to you in a note, as you are working remotely.

I have not received the information yet, but need it as soon as possible because I am filing a legal appeal that requires knowing the number of registered voters in each fire district.

Can you please provide the information by Monday, August 21st?

Thank you for your help.

Sincerely,

Becky Steinbruner

# EXHIBIT G

## Placing Branciforte Fire District Board ON NOTICE re: Potential Future Violation of California Voting Rights Act Regarding Reorganization Plan for Service With Scotts Valley Fire District

From: Becky Steinbruner (ki6tkb@yahoo.com)

To: natel@branciforte-fire.com; larryp@branciforte-fire.com

Cc: tim@happyvalleycc.org; kuksht112@gmail.com; pato@branciforte-fire.com; fareed.rayyis@gmail.com; joe.serrano@santacruzcounty.us; manu.koenig@santacruzcounty.us; ki6tkb@yahoo.com

Date: Sunday, July 30, 2023, 8:48 PM PDT

Dear Branciforte Fire District Board of Directors,

I am hereby placing your Board ON NOTICE that if the Plan for Service regarding the Reorganization of Branciforte Fire District and Scotts Valley Fire District is not altered immediately to include transition of Scotts Valley Fire District to district-based elections for all seats on the Board, I will pursue legal action to uphold the Fair Voting Rights Act and take the matter to court, on behalf of Public Benefit for Branciforte Fire District residents and property owners.

I will seek an injunction against the LAFCO process of Reorganization and thereby halt the dissolution of the Branciforte Fire District and merger with the Scotts Valley Fire District until such agreement to alter the Plan for Service to include explicit language that will cause the Scotts Valley Fire District to initiate immediate transition to district-based Board elections upon completion of the LAFCO procedure of Reorganization.

The need for this action is clear upon reading the Santa Cruz County LAFCO Plan for Service.

Operations and Governance proposed by the Santa Cruz County LAFCO August 2, 2023 meeting agenda on page 7 of the Plan for Service (page 20 of the LAFCO agenda) describes that the existing Scotts Valley Fire District Board of Directors will continue to govern the Branciforte Fire District area once dissolved, will be responsible for forming a Branciforte Service Zone and will establish an Advisory Commission. The people of Happy Valley will have no meaningful voice in the matter, once the Reorganization is complete:

### **Management & Governance**

*The reorganized Scotts Valley Fire Protection District will include all the territory currently within the boundaries of the Scotts Valley Fire District and all the territory currently within the boundaries of the Branciforte Fire District. **The District will be governed by a 5-member Board of Directors, elected at large from the entire district. The Board of Directors of the Scotts Valley Fire Protection District as composed at the time the reorganization is deemed complete will continue to serve until their individual terms expire, at which time the seats will stand for election.** Any registered voter within the reorganized district boundaries may file and run for an open seat on the Board.*

***To avoid conflict with the California Voting Rights Act, SVFPD may consider transitioning to a system of elections by district in the foreseeable future following***

***additional analysis.******Branciforte Oversight and Representation***

***The Scotts Valley FPD Board of Directors will establish a Service Zone encompassing the territory of the former Branciforte Fire Protection District, in accordance with Health and Safety Code Section 13950. The purpose of the Service Zone is to provide the community with accountability for the use of taxes, assessments, or fees collected solely within the Service Zone (Health and Safety Code Section 13955).***

***Further, the Scotts Valley FPD Board of Directors will adopt a policy forming the Branciforte Advisory Commission and will also appoint members of the Branciforte community to Commission in accordance with Health and Safety Code Section 13956. The purpose of the Advisory Commission will be to review the finances, operations, and projects that directly benefit and/or affect the Branciforte community. The formation of the Branciforte Advisory Commission will be as soon as practical after the recordation of the reorganization. Exhibit F provides the draft policy and bylaws for the proposed advisory commission.***

(See page 81 of August 2, 2023 LAFCO agenda packet: [https://santacruzlafco.org/wp-content/uploads/2023/07/Aug-2023-Entire-Agenda-Packet\\_.pdf](https://santacruzlafco.org/wp-content/uploads/2023/07/Aug-2023-Entire-Agenda-Packet_.pdf))

Clearly, there would be no incentive upon completion of the Reorganization for the Scotts Valley Fire Board to CONSIDER transitioning to a system of elections by district, and according to comments stated by Branciforte Fire District Director Marilyn Kuksht at the July 20, 2023, it is highly unlikely that the Scotts Valley Fire Board would do so.

Happy Valley residents and property owners will effectively lose their representation in the governance of their fire protection district because current at-large Scotts Valley Fire Board elections would favor the interests of the larger number of Scotts Valley Fire voters.

The smaller disadvantaged population of the dissolved Branciforte Fire District voters would not have an equal ability to gain a member on the Board to ensure their interests would be well-represented on the Scotts Valley Fire Board after the Reorganization is complete.

Furthermore, "Exhibit F" information in the August 2, 2023 LAFCO agenda packet regarding the proposed Branciforte Advisory Commission Draft Policy and By-Laws has never appeared on the Branciforte Fire District Board agenda for public discussion with the affected property owners and residents. (page 112 of LAFCO agenda).

[https://santacruzlafco.org/wp-content/uploads/2023/07/Aug-2023-Entire-Agenda-Packet\\_.pdf](https://santacruzlafco.org/wp-content/uploads/2023/07/Aug-2023-Entire-Agenda-Packet_.pdf)

Chief Lackey failed to even notify the many residents gathered at the July 20, 2023 District meeting that LAFCO would be meeting August 2, 2023 to discuss and approve the final Resolution regarding the Reorganization efforts. He instead said there was "nothing really to report because we've been focused on the Special Benefit Assessment ballots."

It is unacceptable that the Happy Valley residents and property owners will have NO voice in the appointment of the proposed Advisory Commission members who would



supposedly provide oversight of their tax monies, Measure T monies and use of other assets to benefit the dissolved Branciforte Fire District area.

Instead, the power would be solely in the hands of the Scotts Valley Fire Chief to be responsible for recommending to the Scotts Valley Fire District Board whom to appoint to the Advisory Commission:

**Membership.**

(A) *The Commission shall consist of five members, residents of the Branciforte Service Zone (former territory of the Branciforte Fire Protection District), **appointed by the Board of Directors.***

(B) ***Prospective members shall submit a letter of interest to the Fire Chief. The Fire Chief shall recommend members for appointment by the Board of Directors***

THEREFORE, as a concerned member of the Public with friends in the Branciforte Fire District who will be significantly and potentially adversely affected by the complete loss of representation in matters of governance and operations under the current LAFCO recommendations and Plan for Service, I am compelled to take legal action if there is no explicit requirement for the Scotts Valley Fire District to immediately begin transitioning to district-based governance elections, under the California Voting Rights Act, and to provide that the members of the proposed Advisory Commission are selected by vote of the Branciforte Fire District property owners once the District is dissolved.

I use the following as legal support and cause for Declaratory Relief:

1) The people of Happy Valley will be placed at unfair disadvantage in future representation of their former Branciforte Fire District assets, monies and representation after their District is dissolved and they will no longer have representatives they have elected or that would fairly represent their area of the new Scotts Valley Fire boundaries.

*To' plead a cause of action for declaratory relief, Plaintiff must plead the following elements: (1) person interested under a written instrument or a contract; or (2) a declaration of his or her rights or duties (a) with respect to another or (b) in respect to, in, over or upon property; and (3) an actual controversy. (CCP § 1060; Ludgate Ins. Co. v. Lockheed Martin Corp. (2000) 82 Cal. App. 4th 592, 605-06, 98 Cal. Rptr. 2d 277; Bennett v. Hibernia Bank (1956) 47 Cal. 2d 540, 549, 305 P.2d 20; Stonehouse Homes v. City of Sierra Madre (2008) 167 Cal.App.4th 531, 542, 84 Cal. Rptr. 3d 223 ("For declaratory relief, the party must show it has either suffered or is about to suffer an injury of 'sufficient magnitude reasonably to assure that all of the relevant facts and issues will be adequately presented.'"); Pellegrini v. Weiss (2008) 165 Cal.App.4th 515, 529, 81 Cal.*



*Rptr. 3d 387 ("The question whether declaratory relief is appropriate in a given case is addressed to the trial court's discretion.").*)

2) The residents and property owners of the Branciforte Fire District will be placed at significant and adverse economic and representational disadvantage after the Reorganization is complete unless Scotts Valley Fire District transitions immediately from at-large Governance to district-based Governance.

They are a disadvantaged community, as defined by Water Code 79505.5, and their votes for representation will be overwhelmed by votes of existing Scotts Valley Fire District voters who are not familiar with or understand the Happy Valley Community needs and/or do not care about the Happy Valley Community and their needs.

To do otherwise would be in violation of the California Voting Rights Act.

*"At-large method of election" means one of the following methods are used to elect members of the governing body of the political subdivision: (1) voters of the entire district elect the members of the governing body; (2) candidates are required to reside within given areas of the jurisdiction and voters of the entire jurisdiction elect the members of the governing body; or (3) one that combines at-large elections with district-based elections." Elec. Code § 14026(a) (1)-(3).*

*"District-based elections" means a method of electing members to the governing body of a political subdivision in which the candidate must reside within an election district that is a divisible part of the political subdivision and is elected only by voters residing within that election district." Elec. Code § 14026(b).*

*"Political subdivision" means a geographic area of representation created for the provision of government services, including, but not limited to, a general law city, general law county, charter city, charter county, charter city and county, school district, community college district, **or other district organized pursuant to state law.**" Elec. Code § 14026(c).*

***The CVRA is intended to provide a broader cause of action for voter dilution than is provided under federal law. ( Sanchez v. City of Modesto (2006) 145 Cal.App.4th 660, 669, 51 Cal. Rptr. 3d 821)(the legislative history of the CVRA indicates it was intended to provide a broader cause of action for voter dilution than federal law provides).***

3) Therefore, continued at-large elections of the Scotts Valley Fire District Board of governance subsequent to the Reorganization under LAFCO will be in violation of the California Voting Rights Act.

*Unlike the Voting Rights Act of 1965, which is a federal law, the CVRA does not require plaintiffs to demonstrate a specific geographic district where a minority is concentrated enough to establish a majority. Certain cities that have never had minority representation or have a history of minority candidate suppression can be liable for triple damages and be forced to make changes within 90 days. That makes it easier for minority voters to sue local governments and eliminate at-large elections.<sup>[2]</sup> The Act was eventually signed into law on 9 July 2002.<sup>[1]</sup>*

#### 4) Standing

I have standing to take legal action in this matter, for Public Benefit. I have testified many times throughout this Reorganization process and throughout the recent Branciforte Fire District Special Benefits Assessment ballot procedure, for public benefit and in interest of my friends who own property within the existing Branciforte Fire District boundaries. I submitted written correspondence to your Board on this matter June 18, 2023.

I also testified on behalf of my friends and for public benefit before the Scotts Valley Fire Board on June 14, 2023 regarding the need for existing at-large Board elections to convert to district-based elections allowing Happy Valley residents to benefit by fair representation once the Reorganization is complete, and also sent written correspondence on June 14, 2023, following my testimony. I provided this correspondence to your Board on June 18, 2023.

*"A determination of standing rests upon the particular facts of the case." Braude v. City of Los Angeles (1990) 226 Cal.App.3d 83, 88, 276 Cal. Rptr. 256.*

5) Legal Challenges of this nature are nearly always granted by the Courts when a Cause of Action is the violation of the California Voting Rights Act,

Election Code 14027, Article 1, Section 7 of the California Constitution and Section 2 of the Fourteenth Amendment to the U.S. Constitution. This very issue caused Central Fire District to pursue the recent transition from at-large elections of Board members to district-based election upon completion of the consolidation with the Aptos/ La Selva Fire District.

For Public Benefit, I will indeed bring this Cause of Action to the Court unless the Plan for Service and District Plan for Services for Branciforte Fire Reorganization are amended and approved by both Branciforte Fire District Board and the Scotts Valley Fire Board before the completion of the Reorganization process, and approved by Santa Cruz County LAFCO to make the changes I have requested above, for Public Benefit of the existing residents and property owners in the Branciforte Fire District.

Please contact Mr. Joe Serrano, Director of Santa Cruz County LAFCO, regarding this situation before the August 2, 2023 Commission meeting. I will be testifying at that meeting, and present my concerns and NOTICE to the Commissioners. I will also immediately provide this correspondence to the Santa Cruz County LAFCO.

Please acknowledge receipt of this message. I will also send a copy of this message to your Board via Certified Mail within the next 24 hours.

Sincerely,  
Becky Steinbruner

I do not wish to cause expensive court time and legal costs by taking this matter to the Courts and thereby respectfully request that the Board of Directors for the Branciforte Fire District and Scotts Valley Fire District amend the current Plan for Service that Santa Cruz County LAFCO presented in June,

2023 and that was approved without any modification at all by the Branciforte Fire District Board on June---, 2023 and by the Scotts Valley Fire District Board on June----, 2023.

I demand that both Boards make the amendment to include language in the Plan for Service that will cause the Scotts Valley Fire District to begin transition to district-based governance elections immediately upon completion of LAFCO's Reorganization process that would dissolve the existing Branciforte Fire District and that District's elected Board.

## Placing Scotts Valley Fire District ON NOTICE re: Reorganization and Governance Issues

From: Becky Steinbruner (ki6tkb@yahoo.com)

To: mcorreira@scottsvalleyfire.com; awalton@scottsvalleyfire.com

Cc: joe.serrano@santacruzcounty.us; francisco.estrada@santacruzcounty.us; natel@branciforte-fire.com; larryp@branciforte-fire.com; ki6tkb@yahoo.com

Date: Wednesday, August 9, 2023, 5:18 PM PDT

Dear Scotts Valley Fire District Board and Clerk of the Board,

I am hereby placing the Scotts Valley Fire District ON NOTICE regarding the Plan for Service and impending Reorganization of Scotts Valley Fire District and inherent dissolution of Branciforte Fire Protection District, for the following reasons:

1) On June 14, 2023, I personally attended your Board meeting and testified in support of future transition to district-based Board elections upon completion of the Branciforte Fire Protection District Reorganization process overseen by Santa Cruz County LAFCO.

2) On June 18, 2023, I sent your Board e-mail correspondence as a follow-up to the points in my testimony, and asked that your Board agenda the issue of district-based Board elections for discussion at your July 12, 2023 Board meeting.

3) On July 12, 2023, your Board agenda did not include the issue of possible transition to district-based Board elections:

<https://www.scottsvalleyfire.com/wp-content/uploads/2023/07/7.12.2023-Board-Packet-1.pdf>

and according to the Draft Minutes, the matter was not discussed.

4) On July 30, 2023, I submitted e-mail correspondence to your Board regarding my action to place the Branciforte Fire Protection District ON NOTICE due to my continued concerns for property owners and residents in that District who will, upon completion of the Reorganization, will effectively have no representation regarding finances, use of assets, and level of service in their area. This correspondence is listed in your August 9, 2023 agenda packet.

5) On August 2, 2023, I attended and testified before the Santa Cruz County LAFCO, and urged them to amend the Resolution RO22-07 for the Reorganization. The Commissioners did not make any amendments that I asked for and did not make any amendments requested by Branciforte Fire District property owner Ms. Kate Anderton, regarding Measure T funds.

Therefore, I am hereby placing the Scotts Valley Fire District and your Board ON NOTICE that I will bring legal challenge, for Public Benefit, regarding the California Voting Rights Act and requirements inherent to pursue the matter of equitable representation for the property owners and residents of the current Branciforte Fire Protection District.

Sincerely,

Becky Steinbruner

# EXHIBIT H



Local Agency Formation Commission of Santa Cruz County  
 Governmental Center  
 701 Ocean St. #318 D  
 Santa Cruz CA 95060



PROJECT NUMBER: RO 22-07  
 TITLE: "Branciforte Fire Protection District Reorganization"

### INDEMNIFICATION AND DEFENSE

The undersigned applicant for the above-referenced application ("Applicant"), as a condition of submission of this application, approval of the application and any subsequent amendment of the approval which is requested by the Applicant, hereby agrees to defend, using counsel reasonably acceptable to the Local Agency Formation Commission of Santa Cruz County ("LAFCO"), indemnify, and hold harmless LAFCO, its officers, employees, and agents, from and against any claim, demand, damages, costs or liability of any kind (including attorneys' fees) against LAFCO arising from or relating to this application or any approval or subsequent amendment to the approval thereof, subject to the conditions set forth below.

A) Notification and Cooperation

LAFCO shall notify the Applicant of any claim, action, or proceeding against which LAFCO seeks to be defended, indemnified, or held harmless. LAFCO shall reasonably cooperate in such defense.

B) Fees and Costs:

Nothing contained herein shall prohibit LAFCO from participating in the defense of any claim, action, or proceeding if either of the following occur:

- 1) LAFCO bears its own attorneys' fees and costs; or
- 2) LAFCO and the Applicant agree in writing to the Applicant paying part or all of the Commission's attorneys' fees and costs.

C) Settlement:

When representing LAFCO, the Applicant shall not enter into any stipulation or settlement modifying or affecting the interpretation or validity of any of the terms or conditions of the approval without the prior written consent of LAFCO.

D) Successors Bound:

The obligations of the Applicant under this Indemnity and Defense agreement are specifically associated with and shall run with the land that is the subject of the application and/ or approval and shall be binding upon the applicant and the successor(s) in interest, transferee(s), and assign(s) of the applicant in the land.

E) Recordation:

At any time after submission of the application, LAFCO may, at its sole option, record in the office of the Santa Cruz County Recorder a memorandum of agreement which incorporates the provisions of this condition, or this approval shall become null and void.

  
 (Signature of LAFCO Executive Officer)

Joe A. Serrano  
 (Printed Name)

April 1, 2022  
 (Date)

  
 (Signature of Applicant)

LARRY PAGELER  
 (Printed Name)

JULY 12, 2023  
 (Date)

EXHIBIT  
I

## **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 agencies before LAFCO can consider a jurisdictional change. LAFCO staff requested that a property tax exchange agreement be placed on a future agenda for adoption by the County Board of Supervisors. The County Administrative Office scheduled the proposed tax agreement on March 28, 2023. The Board of Supervisors, acting as the authorizing body for the two fire districts in regards to property tax adjustments, adopted a property tax exchange agreement on March 28, 2023. A copy of the adopted resolution is available as **Attachment 10**.

## **Plan for Service**

In accordance with Government Code Section 56653, the applicant shall submit a plan for providing services within the affected territory. The Plan for Service includes all of the following information and any additional information required by LAFCO: (1) An enumeration and description of the services currently provided or to be extended to the affected territory, (2) The level and range of those services, (3) An indication of when those services can feasibly be extended to the affected territory, if new services are proposed, (4) An indication of any improvement or upgrading of structures, roads, sewer or water facilities, or other conditions the local agency would impose or require within the affected territory if the change of organization or reorganization is completed, and (5) Information with respect to how those services will be financed.

A copy of the Plan for Service was provided to LAFCO on June 16, 2023. While not required by State law, both BFPD and SVFPD Boards unanimously adopted the Plan for Service during separate public meetings. Consideration and adoption of the plan offered an additional opportunity for public input and discussion. The Board of Directors for BFPD and SVFPD adopted the Plan for Service on June 14 and June 15, 2023, respectively. **Attachment 11** provides a copy of the adopted Plan for Service. The following section summarizes key items covered in the plan for service.

### Governance

The Scotts Valley Fire Protection District (post-reorganization) will include all the territory currently within the boundaries of SVFPD and all the territory currently within the boundaries of BFPD. The newly reorganized District will be governed by a 5-member Board of Directors, elected at large from the entire district. The SVFPD Board of Directors, as composed at the time the reorganization is deemed complete, will continue to serve until their individual terms expire, at which time the seats will stand for election. Any registered voter within the reorganized district boundaries (both SVFPD and the former-BFPD area) may file and run for an open seat on the Board. To avoid conflict with the California Voting Rights Act, SVFPD may consider transitioning to a system of elections by district in the foreseeable future following additional analysis.

### Branciforte Oversight & Representation

The SVFPD Board of Directors will establish a Service Zone encompassing the territory of the former Branciforte Fire Protection District, in accordance with Health and Safety Code Section 13950. The purpose of the Service Zone is to provide the community with accountability for the use of taxes, assessments, or fees collected solely within the Service Zone (Health and Safety Code Section 13955). Further, the SVFPD Board of Directors will adopt a policy forming the Branciforte Advisory Commission and will also



appoint members of the Branciforte community to said Commission in accordance with Health and Safety Code Section 13956. The purpose of the Advisory Commission will be to review the finances, operations, and projects that directly benefit and/or affect the Branciforte community. The formation of the Branciforte Advisory Commission will be made as soon as practical after the recordation of the reorganization. Following the reorganization, the SVFPD will continue to be managed by the incumbent SVFPD Fire Chief, along with their staff and officers. This includes, but is not limited to, Human Resources, Payroll, Finance, Information Technology, Fire Prevention, Plan Checking, Fleet Management, Facility Management, Public Education and Community Outreach, and any other service currently provided or authorized in the future.

### Personnel

SVFPD will offer full employment to the full-time permanent members of the BFPD. The current BFPD employees will be expected to meet all minimum requirements as outlined in the current SVFPD Policy. In addition, SVFPD will accept BFPD Volunteer / Paid-Call personnel meeting SVFPD standards into the SVFPD Paid Call Program. The terms and conditions of employment including but not limited to rank, seniority, probationary periods etc., will be outlined in a separate employment agreement.

### Pension Obligations

The California Public Employees' Retirement System ("CalPERS") developed a cost analysis in April 2023 for the proposed reorganization (refer to **Attachment 12**). Government Code sections 20463 (b) and (c) require the governing body of a public agency, which requests a contract cost analysis, to provide each affected employee organization with a copy within five days of receipt. Likewise, if a cost analysis is requested by an employee organization, the employee organization is required to provide a copy of the analysis to the public agency within five days of receipt. A resolution of intention declaring the agency's intent to amend the contract must be approved by the agency's governing body. Assuming the reorganization is approved by LAFCO, the following steps will be completed by the affected fire districts:

- 1) Complete and return the Contract Request and Schedule of Agency Actions forms. Within 90 days, CalPERS staff will send the agency the Resolution of Intention form for adoption; and
- 2) Complete and return the adopted Resolution of Intention to CalPERS.

SVFPD, in coordination with BFPD and LAFCO, submitted a request to CalPERS in July 2023 for an updated cost analysis. The updated report will replace the initial analysis included in the Plan for Service prior to the recordation of the reorganization.

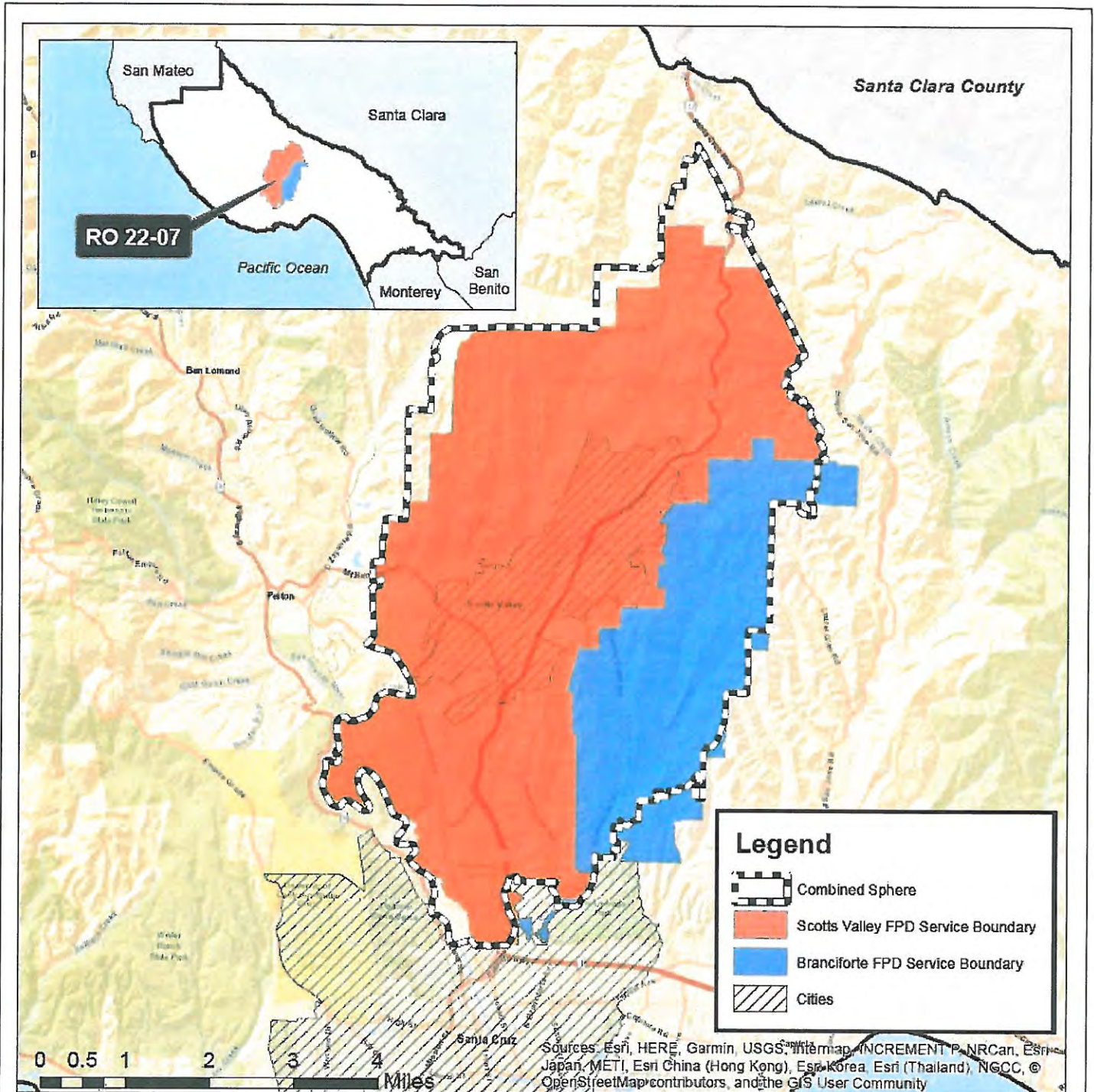
### **Branciforte Fire Station**

With the annexation of the Branciforte Fire Protection District into the service area of the Scotts Valley Fire Protection District, there may not be sufficient funding to staff the BFPD station on a full-time basis, unless a new benefit assessment is passed by the voters of the Branciforte community. The BFPD Board of Directors hired a consulting firm to calculate and determine the amount needed to adequately operate the Branciforte Fire Station with at least two firefighters on duty. A benefit assessment for each parcel within the Branciforte community will be proposed to fund the station's ongoing operation. **Table A** on page 10 shows the ballot proceedings timeline.

EXHIBIT  
J



Figure A – Vicinity Map



## "Branciforte Fire Protection District Reorganization" (LAFCO Project No. RO 22-07)



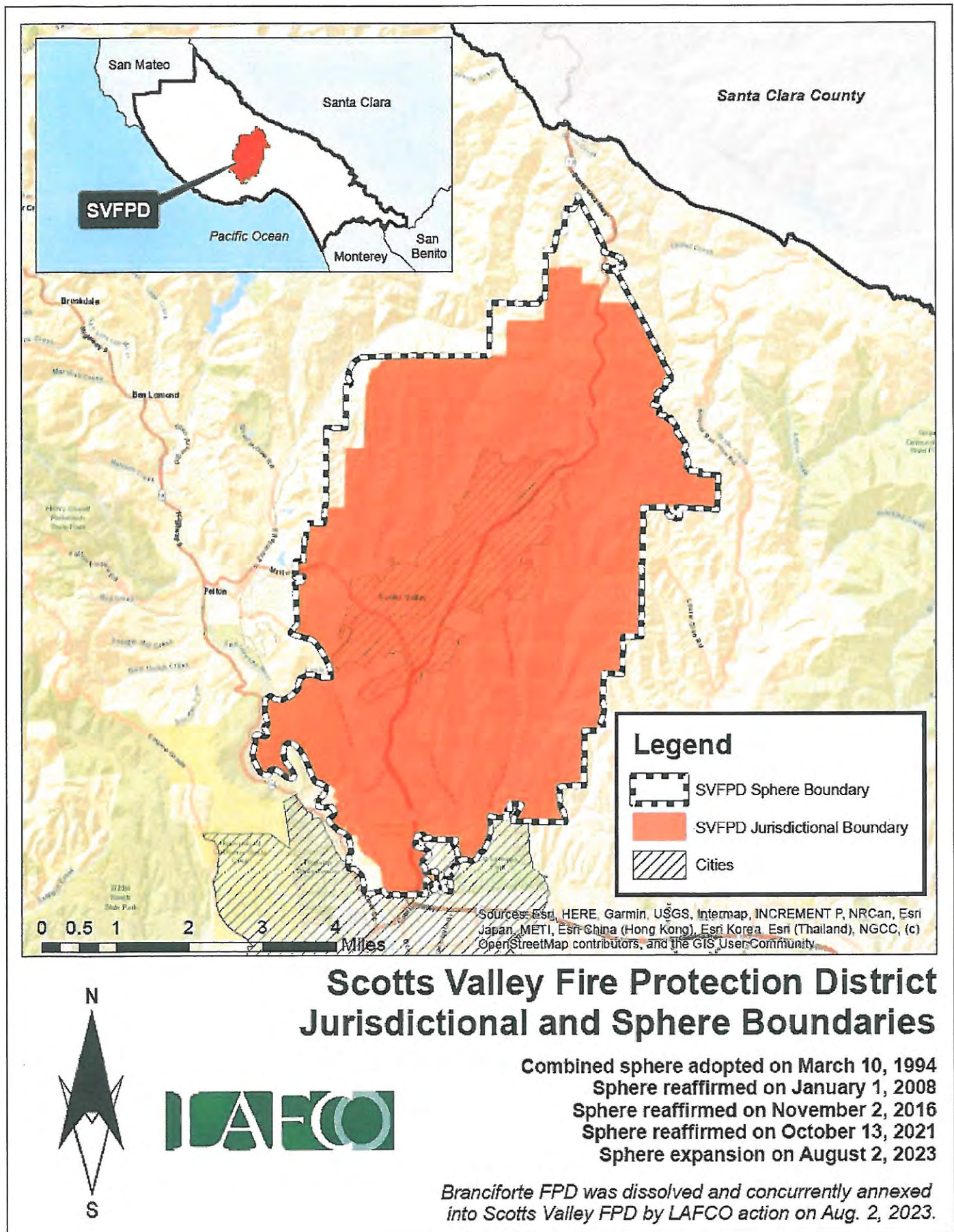
The proposed reorganization includes three actions:

- 1) dissolution of the Branciforte FPD
- 2) concurrent annexation of the dissolved area into SVFPD
- 3) sphere amendment to include the annexation area

*In 1994, Branciforte FPD was added to Scotts Valley FPD's sphere boundary as a precursor to consolidation.*



Figure B – SVFPD's New Sphere (Post-Reorganization)



LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY  
RESOLUTION NO. 2023-17

On the motion of Commissioner Zach Friend  
duly seconded by Commissioner Justin Cummings  
the following resolution is adopted:

RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION  
MAKING DETERMINATIONS AND ORDERING THE  
“BRANCIFORTE FIRE PROTECTION DISTRICT REORGANIZATION”  
(LAFCO PROJECT NO. RO 22-07)

\*\*\*\*\*

WHEREAS, an application by the Branciforte Fire Protection District (“BFPD”) for the proposed reorganization involving the Scotts Valley Fire Protection District (“SVFPD” or “Successor Agency”) was filed with the Executive Officer of this Local Agency Formation Commission (“LAFCO” or “Commission”) in accordance with the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Section 56000 et seq.); and

WHEREAS, the proposed reorganization involves three key actions: (1) dissolution of the Branciforte Fire Protection District, (2) concurrent annexation of the dissolved area into the Scotts Valley Fire Protection District, and (3) sphere amendment to reflect the annexation area; and

WHEREAS, the subject area includes 745 parcels totaling approximately 5,800 acres (9 square miles) and an estimated 1,700 residents; and

WHEREAS, the purpose of the proposal is to facilitate the efficient delivery of fire protection services to individuals and property owners within the affected territory. If approved, the reorganization will preserve the current levels of service, maintain local demand expectations, and continue to use existing funding sources; and

WHEREAS, the proposal area is located within unincorporated county territory. The City of Scotts Valley is within Scotts Valley Fire Protection District’s service and sphere boundaries. The application does not propose any changes to the existing land use designations found in the general plans for Scotts Valley or the County; and

WHEREAS, the proposal area is inhabited and involves the unincorporated community known as Branciforte and is located in the central part of Santa Cruz County. A vicinity map of the proposal area is attached and identified as **Exhibit 1**; and

WHEREAS, no other change of organization is required. The proposal area will continue to receive municipal services from the existing service providers, including but not limited to water service from Scotts Valley Water District and the City of Santa Cruz; and

WHEREAS, the vast majority of the subject area is designated as R-M (Mountain Residential) and R-R (Rural Residential) under the County’s General Plan. The reorganization will not change the existing land use designations; and

WHEREAS, correspondence summarizing the proposed reorganization and requesting comments was sent on April 28, 2022 to all affected and interested agencies. 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 agencies before LAFCO can consider a jurisdictional change. The County Board of Supervisors, acting as the authorizing body for the two fire districts regarding property tax adjustments, adopted a property tax exchange agreement on March 28, 2023; and

WHEREAS, the Executive Officer deemed the application complete in accordance with Government Code Sections 56651 and 56658 and signed a Certificate of Filing on May 18, 2023; and

WHEREAS, the Executive Officer advertised the reorganization in the Santa Cruz Sentinel on ~~May 23~~July 11, 2023 in accordance with Government Code Section 56157; and

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

WHEREAS, a public hearing by the Commission was held on ~~June 14~~August 2, 2023; and at the hearing the Commission heard and received all oral and written protests, objections, and evidence that were presented; and

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. The proposed reorganization is categorically exempt under the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines Section 15320, Class 20(b) because the two fire protection districts have identical powers and the change in the organization or reorganization of the fire districts does not change the geographical area in which previously existing powers are exercised.

Section 3. The Commission considered the requirements set forth for reorganizations in the Cortese-Knox-Hertzberg Act, Government Code Section 57550, and found the proposal to be consistent with those requirements as set forth below:

- a) Initiating Resolution: Pursuant to Government Code Section 56654, the BFPD Board of Directors unanimously adopted a resolution on March 7, 2022 to initiate the reorganization process. The reorganization addresses issues with BFPD's current internal operations, compliance with state laws, inadequate governance structure, and the lack of firefighters and volunteers.
- b) Pre-Reorganization Agreement: The two fire districts and LAFCO entered into an agreement in March 2022, as shown in **Exhibit 2**. This Pre-Reorganization Agreement allowed SVFPD and LAFCO to provide administrative and operational support to BFPD during the reorganization process, including but not limited to, payroll and billing services, board meeting and technological support, and other staffing-related assistance.



- c) Application: BFPD submitted a signed application, with a copy of the adopted resolution, on April 1, 2022. The applicant does not propose any additional changes to their boundaries other than dissolving the BFPD, concurrently annexing the dissolved area, and amending SVFPD's sphere to reflect the annexation.
- d) Plan for Service: Pursuant to Government Code Section 56653, the applicant shall submit a plan for providing services within the affected territory ("Plan for Service"). The Plan for Service shall include all of the following information and any additional information required by LAFCO: (1) An enumeration and description of the services currently provided or to be extended to the affected territory; (2) The level and range of those services; (3) An indication of when those services can feasibly be extended to the affected territory, if new services are proposed; (4) An indication of any improvement or upgrading of structures, roads, sewer or water facilities, or other conditions the local agency would impose or require within the affected territory if the change of organization or reorganization is completed; and (5) Information with respect to how those services will be financed. In accordance with the Pre-Reorganization Agreement, the two fire districts and LAFCO developed the Plan for Service in a collaborative effort, as shown in **Exhibit 3**. For an added layer of transparency, the Boards of Directors for BFPD and SVFPD adopted the Plan for Service on June 14, 2023, and June 15, 2023, respectively.
- e) Environmental Review: Compliance with CEQA has been met by a categorical exemption pursuant to CEQA Guidelines Section 15320, Class 20(b): Changes in the organization or reorganization of local governmental agencies where the changes do not change the geographical area in which previously existing powers are exercised, including but not limited to consolidation of two or more districts having identical powers. A Notice of Exemption will be recorded after Commission action.
- f) Sphere Determination: The two fire districts have shared one sphere boundary since 1994 indicating that the two fire districts should merge to provide the best level of service to the affected residents. Upon the effective date of the reorganization, the combined sphere will be amended to accurately reflect the annexation area, as shown in **Exhibit 4**.

Section 4. The Commission determined that the proposal is consistent with LAFCO's Policies and Procedures Relating to Proposals and Sphere Amendments as set forth below:

- a) Agency Endorsement: The Executive Officer shall not file the application unless the affected public agencies have submitted a written endorsement indicating their willingness to provide services if the Commission approves the request. BFPD, SVFPD, and LAFCO entered into a Pre-Reorganization Agreement in March 2022 indicating support for the reorganization process.
- b) Fee Deposit: The applicant submitted a letter on August 25, 2022 seeking a fee waiver request due to its limited staff and dwindling funding source. The reorganization is also directly tied to LAFCO's recommendation found in the 2021 Countywide Fire Service and Sphere Review. Therefore, the fee deposit was waived at the District's request and in part due to a proactive effort to implement LAFCO's recommendation.

- 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 ensure that any approved boundary changes are definite and certain. The subject area encompasses 9 square miles and involves the unincorporated community known as Branciforte.
- d) General Plan/Zoning Designation: The subject area is inhabited and the vast majority of territory located within BFPD is designated as R-M (Mountain Residential) and R-R (Rural Residential) under the County's General Plan. The proposal does not propose any changes to the existing land use designations.
- e) Other Municipal Services: No other change of organization is required as part of the reorganization. The subject area will continue to receive municipal services from existing public agencies, including but not limited to water service from the Scotts Valley Water District and the City of Santa Cruz.
- f) Commission Hearing: The Commission shall consider the reorganization after it has been placed on the agenda of a Commission meeting. After deeming the proposal complete, the Executive Officer advertised the reorganization in the Santa Cruz Sentinel on May 23, 2023 and posted the public notice on LAFCO's website and in several locations in the County Governmental Building. The public notice indicated that the reorganization was scheduled for Commission consideration on ~~June 14~~ August 2, 2023. Information on how to participate in the LAFCO Meeting was included in the public notice.

Section 5. The applicant shall agree, as a condition of the approval of the reorganization, to be bound by the LAFCO Indemnification and Defense Form signed on April 1, 2022.

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

- a) Transfer of Functions and Responsibilities: Upon the effective date of the reorganization, the functions of the Branciforte Fire Protection District will cease and be transferred to the Scotts Valley Fire Protection District as the successor agency. All laws, ordinances, resolutions, actions, contracts, agreements, rules and regulations, policies and procedures that have been enacted, adopted or passed by the affected fire districts for the successor agency prior to the effective date of reorganization shall remain in effect after the reorganization until superseded, amended, modified or deleted by the SVFPD Board of Directors.
- b) Transfer of Assets & Liabilities: Upon the effective date of the reorganization, all assets and liabilities of BFPD shall become assets and liabilities of SVFPD at the time the reorganization is deemed complete.
- c) Pension Obligations: The California Public Employees' Retirement System ("CalPERS") developed a cost analysis in April 2023 for the proposed reorganization. Government Code sections 20463 (b) and (c) require the governing body of a public agency which requests a contract cost analysis to provide each affected employee organization with a copy within five days of receipt. Likewise, if a cost analysis is requested by an employee organization, the employee organization is required to provide a copy of the analysis to the public agency within five days of receipt.

A resolution of intention declaring the agency's intent to amend the contract must be approved by the agency's governing body. The approved resolution must be received by CalPERS on or before July 1, 2023. If neither of these two conditions are met, an updated cost analysis will be required to merge the contracts. The current cost analysis will expire on July 1, 2023. An updated cost analysis may be available as early as September 2023. Assuming the reorganization is approved by LAFCO in June 2023, the following steps will be completed by the affected fire districts:

1. Complete and return the enclosed Contract Request and Schedule of Agency Actions forms. Within 90 days, CalPERS staff will send the agency the Resolution of Intention form for adoption; and
2. Complete and return the adopted Resolution of Intention to CalPERS on or before July 1, 2023. Adoption of the Final Resolution/Ordinance by this date is not required.

SVFPD submitted a request to CalPERS in July 2023 for an updated cost analysis. The updated report will replace the initial analysis included in the Plan for Service prior to the recordation of the reorganization.

- d) Board Action Prior to Reorganization: All decisions or actions affecting the proposed reorganization and made prior to the effective date of reorganization shall require the majority approval of the boards of directors of both fire districts.
- e) Current Staff Members: Upon the effective date of the reorganization, SVFPD will offer full employment to the full-time permanent members of BFPD. The current BFPD employees will be expected to meet all minimum requirements as outlined in the current SVFPD Policy. In addition, SVFPD will accept BFPD Volunteer / Paid-Call personnel meeting SVFPD standards into the SVFPD Paid Call Program. The terms and conditions of employment including but not limited to rank, seniority, probationary periods etc., will be outlined in a separate employment agreement.
- f) Successor Agency Board Composition: Upon the effective date of the reorganization, the reorganized Scotts Valley Fire Protection District will include all the territory currently within the boundaries of SVFPD and all the territory currently within the boundaries of BFPD. The successor agency will be governed by a 5-member Board of Directors, elected at large from the entire reorganized district. The Board of Directors of the Scotts Valley Fire Protection District as composed at the time the reorganization is recorded will continue to serve until their individual terms expire, at which time the seats will stand for election. Any registered voter within the reorganized district boundaries may file and run for an open seat on the Board. To avoid conflict with the California Voting Rights Act, SVFPD may consider transitioning to a system of elections by district in the foreseeable future following additional analysis.
- g) Branciforte Oversight and Representation: Upon the effective date of the reorganization, the SVFPD Board of Directors will establish a Service Zone encompassing the territory of the former Branciforte Fire Protection District, in accordance with Government Code Section 13950. The purpose of the Service Zone is to provide the community with accountability for the use of taxes, assessments, or fees collected solely within the Service Zone (Government Code



Section 13955). Further, the SVFPD Board of Directors will adopt a policy forming the Branciforte Advisory Commission and will also appoint members of the Branciforte community to the Commission in accordance with Government Code Section 13956. The purpose of the Advisory Commission will be to review the finances, operations, and projects that directly benefit and/or affect the Branciforte community. The formation of the Branciforte Advisory Commission will be completed as soon as practical after the recordation of the reorganization. The Plan for Service document provides the draft policy and bylaws for the proposed advisory commission.

- h) Branciforte Fire Station: Prior to recordation, the Branciforte community will determine whether a new benefit assessment is passed by a mailed-in election process to adequately fund the Branciforte Fire Station. If the assessment passes, SVFPD will manage the funds, with consultation from the Branciforte Advisory Commission, to operate the Branciforte Fire Station with a minimum of two firefighters. If the assessment fails, SVFPD will maintain the fire station in a serviceable order and be ready for emergency staffing at any time. The Plan for Service provides additional information about the alternative use for the Branciforte Fire Station.
- i) Branciforte Fire Protection District Revenue Source: Upon the effective date of the reorganization, the successor agency will receive the property taxes, benefit assessments, special assessments, special taxes, fees, and charges currently in effect and being collected by BFPD, including Measure T and any new benefit assessments to fund the Branciforte Fire Station. Pursuant to Government Code Section 56886(t), all charges, fees, assessments, or taxes existing within BFPD shall be extended and shall continue to be levied and collected by the successor agency until otherwise determined by the successor agency's board of directors. The successor agency shall have full authority to impose, administer, and collect said special taxes and fire suppression benefit assessments in the same manner as the existing districts within the applicable portions of the successor agency.
- j) Successor Agency Revenue Source: If the SVFPD is successful in passing a General Obligation Bond measure in 2023 to fund construction of a new fire station and headquarters office, the obligation for bond payments will not extend to the former BFPD territory. Upon the effective date of the reorganization, the successor agency may consider extending to the former BFPD territory any current and/or new benefit assessments, special taxes, bond measures (except as noted above), fees and charges as may be lawfully imposed upon all territory within the whole of the reorganized district.
- k) Plan for Service: Upon the effective date of the reorganization, the successor agency shall serve the affected territory through the implementation of the Plan for Service until it is determined by the successor agency's board of directors that fiscal or service requirements justify changes to the Plan for Service.
- l) Automatic Aid Agreements: Upon the effective date of the reorganization, SVFPD must demonstrate that Automatic Aid agreements with the Santa Cruz Fire Department and the Central Fire District have been amended to provide automatic closest-resource dispatching for all types of emergency incidents to all of the former BFPD territory.

- m) State Board of Equalization: The reorganization may be subject to a special fee provision of \$0 for dissolutions or \$300 for entire district/coterminous transactions.
- n) LAFCO Processing Fees: The applicant submitted a fee waiver request on August 25, 2022.

Section 7. The successor agency shall honor all memoranda of understanding, letters of understanding, side letters or related written agreements with any and all employees or bargaining groups (labor contracts), in effect when the LAFCO Certificate of Completion is recorded with the Santa Cruz County Recorder's Office, until such agreements expire on their own terms or are superseded by labor contracts negotiated through the collective bargaining process. Any memoranda of understanding, letters of understanding, side letters or related written agreements with any and all employees or bargaining groups (labor contracts) adopted after ~~June 14~~August 2, 2023 but prior to the date of recordation shall be honored by the successor agency, unless alternative measures are agreed to by all affected parties. All labor contracts shall remain in effect until expiration or until superseded by new labor contracts.

Section 8. The effective date of this reorganization is subject to completion of terms and conditions outlined in this resolution for approval as authorized by Government Code Sections 56886(p) and 57202 and will be effective upon recordation of the Certificate of Completion.

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 ~~June 15~~August 3 to ~~July 14~~September 1, 2023.

Section 10. The Executive Officer will hereby conduct a ~~30~~24-day protest proceeding as provided in Government Code Section 57000. The protest period is scheduled for ~~July 27~~September 4 to ~~August 25~~September 27, 2023. A protest hearing will be held on ~~August 25~~September 27, 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.

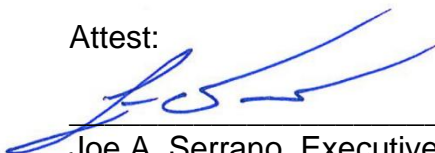
PASSED AND ADOPTED by the Local Agency Formation Commission of Santa Cruz County this ~~14th~~2nd day of ~~June~~August 2023.

AYES: Commissioners Jim Anderson, Roger Anderson, Yvette Brooks, Justin Cummings, Zach Friend, Rachél Lather, and Allan Timms

NOES: N/A

ABSTAIN: N/A

Attest:



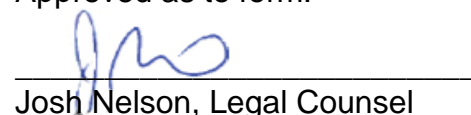
Joe A. Serrano, Executive Officer

RO 22-07 Resolution



YVETTE BROOKS, CHAIRPERSON

Approved as to form:



Josh Nelson, Legal Counsel

# **EXHIBIT 1**

## **VICINITY MAP (CURRENT BOUNDARIES)**

# **EXHIBIT 2**

## **PRE-REORGANIZATION AGREEMENT**

# **EXHIBIT 3**

## **PLAN FOR SERVICE**

# **EXHIBIT 4**

## **VICINITY MAP (POST-REORGANIZATION)**



LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY  
RESOLUTION NO. 2023-17

On the motion of Commissioner Zach Friend  
duly seconded by Commissioner Justin Cummings  
the following resolution is adopted:

RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION  
MAKING DETERMINATIONS AND ORDERING THE  
“BRANCIFORTE FIRE PROTECTION DISTRICT REORGANIZATION”  
(LAFCO PROJECT NO. RO 22-07)

\*\*\*\*\*

WHEREAS, an application by the Branciforte Fire Protection District (“BFPD”) for the proposed reorganization involving the Scotts Valley Fire Protection District (“SVFPD” or “Successor Agency”) was filed with the Executive Officer of this Local Agency Formation Commission (“LAFCO” or “Commission”) in accordance with the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Section 56000 et seq.); and

WHEREAS, the proposed reorganization involves three key actions: (1) dissolution of the Branciforte Fire Protection District, (2) concurrent annexation of the dissolved area into the Scotts Valley Fire Protection District, and (3) sphere amendment to reflect the annexation area; and

WHEREAS, the subject area includes 745 parcels totaling approximately 5,800 acres (9 square miles) and an estimated 1,700 residents; and

WHEREAS, the purpose of the proposal is to facilitate the efficient delivery of fire protection services to individuals and property owners within the affected territory. If approved, the reorganization will preserve the current levels of service, maintain local demand expectations, and continue to use existing funding sources; and

WHEREAS, the proposal area is located within unincorporated county territory. The City of Scotts Valley is within Scotts Valley Fire Protection District’s service and sphere boundaries. The application does not propose any changes to the existing land use designations found in the general plans for Scotts Valley or the County; and

WHEREAS, the proposal area is inhabited and involves the unincorporated community known as Branciforte and is located in the central part of Santa Cruz County. A vicinity map of the proposal area is attached and identified as **Exhibit 1**; and

WHEREAS, no other change of organization is required. The proposal area will continue to receive municipal services from the existing service providers, including but not limited to water service from Scotts Valley Water District and the City of Santa Cruz; and

WHEREAS, the vast majority of the subject area is designated as R-M (Mountain Residential) and R-R (Rural Residential) under the County’s General Plan. The reorganization will not change the existing land use designations; and

WHEREAS, correspondence summarizing the proposed reorganization and requesting comments was sent on April 28, 2022 to all affected and interested agencies. 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 agencies before LAFCO can consider a jurisdictional change. The County Board of Supervisors, acting as the authorizing body for the two fire districts regarding property tax adjustments, adopted a property tax exchange agreement on March 28, 2023; and

WHEREAS, the Executive Officer deemed the application complete in accordance with Government Code Sections 56651 and 56658 and signed a Certificate of Filing on May 18, 2023; and

WHEREAS, the Executive Officer advertised the reorganization in the Santa Cruz Sentinel on July 11, 2023 in accordance with Government Code Section 56157; and

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

WHEREAS, a public hearing by the Commission was held on August 2, 2023; and at the hearing the Commission heard and received all oral and written protests, objections, and evidence that were presented; and

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. The proposed reorganization is categorically exempt under the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines Section 15320, Class 20(b) because the two fire protection districts have identical powers and the change in the organization or reorganization of the fire districts does not change the geographical area in which previously existing powers are exercised.

Section 3. The Commission considered the requirements set forth for reorganizations in the Cortese-Knox-Hertzberg Act, Government Code Section 57550, and found the proposal to be consistent with those requirements as set forth below:

- a) Initiating Resolution: Pursuant to Government Code Section 56654, the BFPD Board of Directors unanimously adopted a resolution on March 7, 2022 to initiate the reorganization process. The reorganization addresses issues with BFPD's current internal operations, compliance with state laws, inadequate governance structure, and the lack of firefighters and volunteers.
- b) Pre-Reorganization Agreement: The two fire districts and LAFCO entered into an agreement in March 2022, as shown in **Exhibit 2**. This Pre-Reorganization Agreement allowed SVFPD and LAFCO to provide administrative and operational support to BFPD during the reorganization process, including but not limited to, payroll and billing services, board meeting and technological support, and other staffing-related assistance.

- c) Application: BFPD submitted a signed application, with a copy of the adopted resolution, on April 1, 2022. The applicant does not propose any additional changes to their boundaries other than dissolving the BFPD, concurrently annexing the dissolved area, and amending SVFPD's sphere to reflect the annexation.
- d) Plan for Service: Pursuant to Government Code Section 56653, the applicant shall submit a plan for providing services within the affected territory ("Plan for Service"). The Plan for Service shall include all of the following information and any additional information required by LAFCO: (1) An enumeration and description of the services currently provided or to be extended to the affected territory; (2) The level and range of those services; (3) An indication of when those services can feasibly be extended to the affected territory, if new services are proposed; (4) An indication of any improvement or upgrading of structures, roads, sewer or water facilities, or other conditions the local agency would impose or require within the affected territory if the change of organization or reorganization is completed; and (5) Information with respect to how those services will be financed. In accordance with the Pre-Reorganization Agreement, the two fire districts and LAFCO developed the Plan for Service in a collaborative effort, as shown in **Exhibit 3**. For an added layer of transparency, the Boards of Directors for BFPD and SVFPD adopted the Plan for Service on June 14, 2023, and June 15, 2023, respectively.
- e) Environmental Review: Compliance with CEQA has been met by a categorical exemption pursuant to CEQA Guidelines Section 15320, Class 20(b): Changes in the organization or reorganization of local governmental agencies where the changes do not change the geographical area in which previously existing powers are exercised, including but not limited to consolidation of two or more districts having identical powers. A Notice of Exemption will be recorded after Commission action.
- f) Sphere Determination: The two fire districts have shared one sphere boundary since 1994 indicating that the two fire districts should merge to provide the best level of service to the affected residents. Upon the effective date of the reorganization, the combined sphere will be amended to accurately reflect the annexation area, as shown in **Exhibit 4**.

Section 4. The Commission determined that the proposal is consistent with LAFCO's Policies and Procedures Relating to Proposals and Sphere Amendments as set forth below:

- a) Agency Endorsement: The Executive Officer shall not file the application unless the affected public agencies have submitted a written endorsement indicating their willingness to provide services if the Commission approves the request. BFPD, SVFPD, and LAFCO entered into a Pre-Reorganization Agreement in March 2022 indicating support for the reorganization process.
- b) Fee Deposit: The applicant submitted a letter on August 25, 2022 seeking a fee waiver request due to its limited staff and dwindling funding source. The reorganization is also directly tied to LAFCO's recommendation found in the 2021 Countywide Fire Service and Sphere Review. Therefore, the fee deposit was waived at the District's request and in part due to a proactive effort to implement LAFCO's recommendation.

- 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 ensure that any approved boundary changes are definite and certain. The subject area encompasses 9 square miles and involves the unincorporated community known as Branciforte.
- d) General Plan/Zoning Designation: The subject area is inhabited and the vast majority of territory located within BFPD is designated as R-M (Mountain Residential) and R-R (Rural Residential) under the County's General Plan. The proposal does not propose any changes to the existing land use designations.
- e) Other Municipal Services: No other change of organization is required as part of the reorganization. The subject area will continue to receive municipal services from existing public agencies, including but not limited to water service from the Scotts Valley Water District and the City of Santa Cruz.
- f) Commission Hearing: The Commission shall consider the reorganization after it has been placed on the agenda of a Commission meeting. After deeming the proposal complete, the Executive Officer advertised the reorganization in the Santa Cruz Sentinel on May 23, 2023 and posted the public notice on LAFCO's website and in several locations in the County Governmental Building. The public notice indicated that the reorganization was scheduled for Commission consideration on August 2, 2023. Information on how to participate in the LAFCO Meeting was included in the public notice.

Section 5. The applicant shall agree, as a condition of the approval of the reorganization, to be bound by the LAFCO Indemnification and Defense Form signed on April 1, 2022.

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

- a) Transfer of Functions and Responsibilities: Upon the effective date of the reorganization, the functions of the Branciforte Fire Protection District will cease and be transferred to the Scotts Valley Fire Protection District as the successor agency. All laws, ordinances, resolutions, actions, contracts, agreements, rules and regulations, policies and procedures that have been enacted, adopted or passed by the affected fire districts for the successor agency prior to the effective date of reorganization shall remain in effect after the reorganization until superseded, amended, modified or deleted by the SVFPD Board of Directors.
- b) Transfer of Assets & Liabilities: Upon the effective date of the reorganization, all assets and liabilities of BFPD shall become assets and liabilities of SVFPD at the time the reorganization is deemed complete.
- c) Pension Obligations: The California Public Employees' Retirement System ("CalPERS") developed a cost analysis in April 2023 for the proposed reorganization. Government Code sections 20463 (b) and (c) require the governing body of a public agency which requests a contract cost analysis to provide each affected employee organization with a copy within five days of receipt. Likewise, if a cost analysis is requested by an employee organization, the employee organization is required to provide a copy of the analysis to the public agency within five days of receipt.

A resolution of intention declaring the agency's intent to amend the contract must be approved by the agency's governing body. The approved resolution must be received by CalPERS on or before July 1, 2023. If neither of these two conditions are met, an updated cost analysis will be required to merge the contracts. The current cost analysis will expire on July 1, 2023. An updated cost analysis may be available as early as September 2023. Assuming the reorganization is approved by LAFCO in June 2023, the following steps will be completed by the affected fire districts:

1. Complete and return the enclosed Contract Request and Schedule of Agency Actions forms. Within 90 days, CalPERS staff will send the agency the Resolution of Intention form for adoption; and
2. Complete and return the adopted Resolution of Intention to CalPERS on or before July 1, 2023. Adoption of the Final Resolution/Ordinance by this date is not required.

SVFPD submitted a request to CalPERS in July 2023 for an updated cost analysis. The updated report will replace the initial analysis included in the Plan for Service prior to the recordation of the reorganization.

- d) Board Action Prior to Reorganization: All decisions or actions affecting the proposed reorganization and made prior to the effective date of reorganization shall require the majority approval of the boards of directors of both fire districts.
- e) Current Staff Members: Upon the effective date of the reorganization, SVFPD will offer full employment to the full-time permanent members of BFPD. The current BFPD employees will be expected to meet all minimum requirements as outlined in the current SVFPD Policy. In addition, SVFPD will accept BFPD Volunteer / Paid-Call personnel meeting SVFPD standards into the SVFPD Paid Call Program. The terms and conditions of employment including but not limited to rank, seniority, probationary periods etc., will be outlined in a separate employment agreement.
- f) Successor Agency Board Composition: Upon the effective date of the reorganization, the reorganized Scotts Valley Fire Protection District will include all the territory currently within the boundaries of SVFPD and all the territory currently within the boundaries of BFPD. The successor agency will be governed by a 5-member Board of Directors, elected at large from the entire reorganized district. The Board of Directors of the Scotts Valley Fire Protection District as composed at the time the reorganization is recorded will continue to serve until their individual terms expire, at which time the seats will stand for election. Any registered voter within the reorganized district boundaries may file and run for an open seat on the Board. To avoid conflict with the California Voting Rights Act, SVFPD may consider transitioning to a system of elections by district in the foreseeable future following additional analysis.
- g) Branciforte Oversight and Representation: Upon the effective date of the reorganization, the SVFPD Board of Directors will establish a Service Zone encompassing the territory of the former Branciforte Fire Protection District, in accordance with Government Code Section 13950. The purpose of the Service Zone is to provide the community with accountability for the use of taxes, assessments, or fees collected solely within the Service Zone (Government Code

Section 13955). Further, the SVFPD Board of Directors will adopt a policy forming the Branciforte Advisory Commission and will also appoint members of the Branciforte community to the Commission in accordance with Government Code Section 13956. The purpose of the Advisory Commission will be to review the finances, operations, and projects that directly benefit and/or affect the Branciforte community. The formation of the Branciforte Advisory Commission will be completed as soon as practical after the recordation of the reorganization. The Plan for Service document provides the draft policy and bylaws for the proposed advisory commission.

- h) Branciforte Fire Station: Prior to recordation, the Branciforte community will determine whether a new benefit assessment is passed by a mailed-in election process to adequately fund the Branciforte Fire Station. If the assessment passes, SVFPD will manage the funds, with consultation from the Branciforte Advisory Commission, to operate the Branciforte Fire Station with a minimum of two firefighters. If the assessment fails, SVFPD will maintain the fire station in a serviceable order and be ready for emergency staffing at any time. The Plan for Service provides additional information about the alternative use for the Branciforte Fire Station.
- i) Branciforte Fire Protection District Revenue Source: Upon the effective date of the reorganization, the successor agency will receive the property taxes, benefit assessments, special assessments, special taxes, fees, and charges currently in effect and being collected by BFPD, including Measure T and any new benefit assessments to fund the Branciforte Fire Station. Pursuant to Government Code Section 56886(t), all charges, fees, assessments, or taxes existing within BFPD shall be extended and shall continue to be levied and collected by the successor agency until otherwise determined by the successor agency's board of directors. The successor agency shall have full authority to impose, administer, and collect said special taxes and fire suppression benefit assessments in the same manner as the existing districts within the applicable portions of the successor agency.
- j) Successor Agency Revenue Source: If the SVFPD is successful in passing a General Obligation Bond measure in 2023 to fund construction of a new fire station and headquarters office, the obligation for bond payments will not extend to the former BFPD territory. Upon the effective date of the reorganization, the successor agency may consider extending to the former BFPD territory any current and/or new benefit assessments, special taxes, bond measures (except as noted above), fees and charges as may be lawfully imposed upon all territory within the whole of the reorganized district.
- k) Plan for Service: Upon the effective date of the reorganization, the successor agency shall serve the affected territory through the implementation of the Plan for Service until it is determined by the successor agency's board of directors that fiscal or service requirements justify changes to the Plan for Service.
- l) Automatic Aid Agreements: Upon the effective date of the reorganization, SVFPD must demonstrate that Automatic Aid agreements with the Santa Cruz Fire Department and the Central Fire District have been amended to provide automatic closest-resource dispatching for all types of emergency incidents to all of the former BFPD territory.



- m) State Board of Equalization: The reorganization may be subject to a special fee provision of \$0 for dissolutions or \$300 for entire district/coterminous transactions.
- n) LAFCO Processing Fees: The applicant submitted a fee waiver request on August 25, 2022.

Section 7. The successor agency shall honor all memoranda of understanding, letters of understanding, side letters or related written agreements with any and all employees or bargaining groups (labor contracts), in effect when the LAFCO Certificate of Completion is recorded with the Santa Cruz County Recorder's Office, until such agreements expire on their own terms or are superseded by labor contracts negotiated through the collective bargaining process. Any memoranda of understanding, letters of understanding, side letters or related written agreements with any and all employees or bargaining groups (labor contracts) adopted after August 2, 2023 but prior to the date of recordation shall be honored by the successor agency, unless alternative measures are agreed to by all affected parties. All labor contracts shall remain in effect until expiration or until superseded by new labor contracts.

Section 8. The effective date of this reorganization is subject to completion of terms and conditions outlined in this resolution for approval as authorized by Government Code Sections 56886(p) and 57202 and will be effective upon recordation of the Certificate of Completion.

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 August 3 to September 1, 2023.

Section 10. The Executive Officer will hereby conduct a 24-day protest proceeding as provided in Government Code Section 57000. The protest period is scheduled for September 4 to September 27, 2023. A protest hearing will be held on September 27, 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 2nd day of August 2023.

AYES: Commissioners Jim Anderson, Roger Anderson, Yvette Brooks, Justin Cummings, Zach Friend, Rachél Lather, and Allan Timms

NOES: N/A

ABSTAIN: N/A

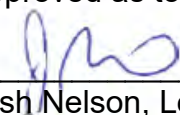
Attest:

  
\_\_\_\_\_  
Joe A. Serrano, Executive Officer

RO 22-07 Resolution

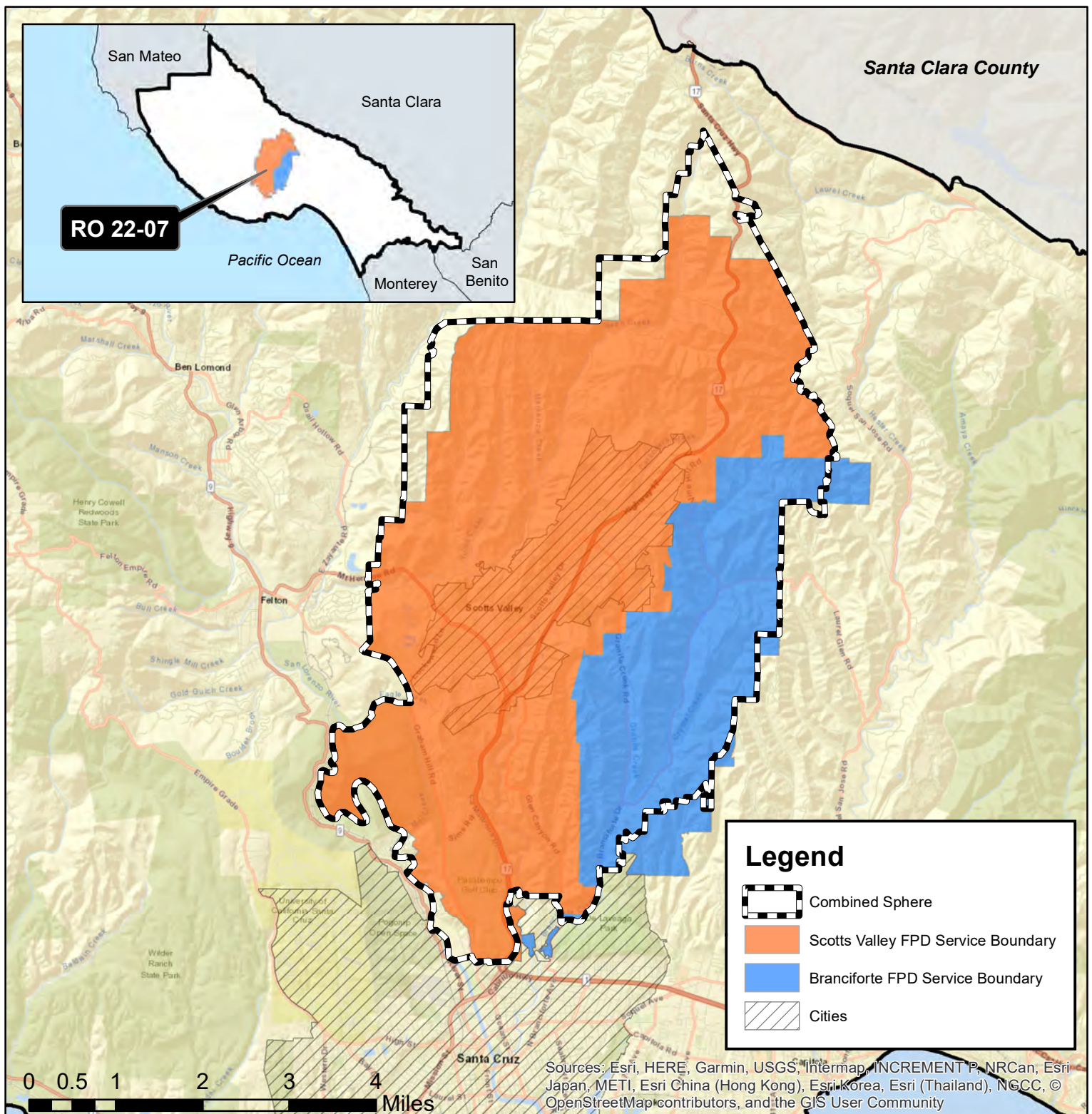
  
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YVETTE BROOKS, CHAIRPERSON

Approved as to form:

  
\_\_\_\_\_  
Josh Nelson, Legal Counsel

# **EXHIBIT 1**

## **VICINITY MAP (CURRENT BOUNDARIES)**



# "Branciforte Fire Protection District Reorganization" (LAFCO Project No. RO 22-07)



The proposed reorganization includes three actions:

- 1) dissolution of the Branciforte FPD
- 2) concurrent annexation of the dissolved area into SVFPD
- 3) sphere amendment to include the annexation area

*In 1994, Branciforte FPD was added to Scotts Valley FPD's sphere boundary as a precursor to consolidation.* Page 284 of 662

## **EXHIBIT 2**

# **PRE-REORGANIZATION AGREEMENT**

## **PRE-REORGANIZATION AGREEMENT**

By and Among

**BRANCIFORTE FIRE PROTECTION DISTRICT,**

And

**SCOTTS VALLEY FIRE PROTECTION DISTRICT,**

And

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

[Dated as of March 14, 2022]

## ARTICLE 1. PARTIES AND EFFECTIVE DATE

**1.1 Parties.** This Pre-Reorganization Agreement (“Agreement”) is entered into by and among (i) the Branciforte Fire Protection District (“BFPD”), (ii) the Scotts Valley Fire Protection District (“SVFPD”), and (iii) the Local Agency Formation Commission of Santa Cruz County (“LAFCO”). BFPD, SVFPD, and LAFCO are sometimes referred to herein as a “Party” and collectively as the “Parties.” This Agreement is dated as of March 7, 2022, for references purposes only and will not become effective until the “Effective Date” defined in Section 1.2 below.

**1.2 Effective Date.** This Agreement will not become effective until the date (“Effective Date”) on which all the following have occurred: (i) this Agreement has been approved by BFPD, executed by its legally authorized officers, (ii) this Agreement has been approved by SVFPD, executed by its legally authorized officers, and (iii) this Agreement, signed by BFPD and SVFPD, delivered to LAFCO for approval and signature by the Executive Officer.

## ARTICLE 2. RECITALS

**2.1 BFPD Background.** The Branciforte Fire Protection District was formed on January 7, 1950 and operates under the Fire Protection District Law of 1987 (“Principal Act”). BFPD encompasses nearly 9 square miles of territory and provides fire protection services to the unincorporated community known as Branciforte. It currently operates with a temporary part-time retired annuitant fire chief, three full-time firefighters and seven volunteer firefighters. BFPD operates through one fire station with a one-person crew on any given shift. The annuitant fire chief contract was approved on September 30, 2021 and is set to expire on March 14, 2022. In accordance state law, a fire district cannot operate without proper administrative oversight. Additionally, the Principal Act limits board members to act only by ordinance, resolution, or motion (Health & Safety Code Section 13856[b]).

**2.2 SVFPD Background.** The Scotts Valley Fire Protection District was formed on January 7, 1958 and operates under the Fire Protection District Law of 1987. SVFPD encompasses nearly 21 square miles of territory in the center of Santa Cruz County and includes the City of Scotts Valley. It currently operates with 22 full-time firefighters, 15 volunteer firefighters, three full-time Battalion Chiefs, 2 full-time and 1 part-time administrative personnel, and 1 full-time Fire Chief. SVFPD previously provided administrative and command services to BFPD under an existing contract since 2015. Under this agreement, SVFPD’s Fire Chief functioned as the Fire Chief for BFPD. The contract expired on September 30, 2021.

**2.3 LAFCO Background.** The Local Agency Formation Commission of Santa Cruz County is a State-mandated, independent agency with countywide jurisdiction over changes in organization and boundaries of cities and special districts including annexations, detachments, formations, consolidations, and reorganizations. LAFCOs were created by the State Legislature in 1963 in response to the rapid growth and sporadic formation of cities and special districts in California in the years following World War II.



In addition to boundary changes, LAFCOs are required by law to establish and periodically update spheres of influence for the county's cities and special districts and perform service reviews on the county's cities and special districts with the goal of increasing efficiency, maximizing existing resources, identifying cost-saving opportunities, and improving local representation. LAFCO completed a countywide fire report in October 2021 which analyzed the 13 local agencies that provide fire protection. LAFCO determined that BFPD had many infractions, inadequate staffing, internal efficiencies, and governance issues. It was recommended that BFPD develop a strategic plan to address LAFCO's findings and outline how it will be a sustainable agency or consider merging with SVFPD. Since 1995, through a combined sphere of influence, LAFCO has recommended a merger between BFPD and SVFPD to ensure that the Branciforte community receive adequate level of service and proper representation.

**2.4 Proposed Reorganization.** The Reorganization is contemplated by the Parties upon the terms and conditions set forth in this Agreement. The Parties anticipate proceedings will be commenced by LAFCO following the execution and adoption of a resolution by BFPD to initiate the Reorganization and the execution and adoption of this Agreement by the Parties as set forth above.

**2.5 Parties Consensus.** The Parties understand that the Reorganization as contemplated in this Agreement is essential to the plan for providing services required by LAFCO in its consideration of the Reorganization application.

**NOW, THEREFORE,** in consideration for the promises and mutual covenants set forth herein, the receipt and adequacy of which is hereby acknowledged, the Parties agree as follows:

### **ARTICLE 3. TERMS**

#### **3.1 BFPD Obligations.**

**3.1.1 Resolution of Initiation.** BFPD shall continue to diligently pursue the approval of the Reorganization Application following the adoption of a Resolution of Initiation on Monday, March 7, 2022.

**3.1.2 Application.** BFPD shall submit a signed application, with a copy of the adopted resolution, within 30 days of this enacted Agreement to begin the LAFCO process.

**3.1.3 Consent.** BFPD hereby irrevocably consents to the Reorganization pursuant to the terms of this Agreement and the Reorganization Application submitted pursuant to Section 3.1.2. BFPD shall cooperate in every reasonable way with the requests of LAFCO. Said cooperation shall include, but not be limited to, the filing of all necessary applications, plans, and any other documentation or information required by SVFPD, LAFCO or any public agency associated with the Reorganization process.

**3.1.4 Interim Fire Chief Expenses.** BFPD hereby agrees to fund the identified governmental entity, existing BFPD firefighter personnel, or consulting firm for services as the temporary, interim supervisory position, whether as a fire chief, executive director, general manager, or district administrator. Invoices from the identified governmental entity, existing BFPD firefighter personnel, or consulting firm will be submitted as specified in the agreement between the parties. If an existing BFPD firefighter is hired as an interim fire chief, policies and procedures clearly defining the role of the BFPD Board and the BFPD interim fire chief as part of this Reorganization must be adopted within 30 days of this enacted Agreement. Any rules and regulations, outlined in the policies and procedures as part of this Reorganization, that are not met or completed shall be a breach of this Agreement. Any termination or expiration of the services from the identified governmental entity, existing BFPD firefighter personnel, or consulting firm shall be a breach of this Agreement.

**3.1.5 Community Outreach.** BFPD hereby agrees to coordinate with the Parties to co-host community forums, whether in-person or virtual, to educate the Branciforte community about the Reorganization process. Such forums shall be hosted collaborative with the following representatives: (1) BFPD's interim fire chief, executive director, general manager, or district administrator and no more than two board members, (2) SVFPD's fire chief and no more than two board members, (3) LAFCO's Executive Officer and no more than two Commissioner.

**3.1.6 Agreement Not to Challenge or Support Challenge.** The Parties shall not file lawsuits or to directly or indirectly support litigation filed by others, either as a party, through financial contributions, providing staff support, or by failing to aggressively defend such litigation, that challenges the adequacy of the Reorganization.

## **3.2 SVFPD Obligations.**

**3.2.1 Support.** SVFPD may provide administrative and operational support throughout the Reorganization process, including but not limited to, payroll and billing services. Additionally, SVFPD may provide additional assistance if requested by BFPD. Such request must be mutually agreed upon by SVFPD's fire chief and BFPD's interim fire chief, executive director, general manager, or district administrator.

**3.2.2 Consent.** SVFPD hereby irrevocably consents to the Reorganization pursuant to the terms of this Agreement and the Reorganization Application submitted pursuant to Section 3.1.2. SVFPD shall cooperate in every reasonable way with the requests of LAFCO. Said cooperation shall include, but not be limited to, the filing of all necessary applications, plans, and any other documentation or information required by LAFCO or any public agency associated with the Reorganization process.

**3.2.3 Agreement Not to Challenge or Support Challenge.** The Parties shall not file lawsuits or to directly or indirectly support litigation filed by others, either as a party, through financial contributions, providing staff support, or by failing to aggressively defend such litigation, that challenges the adequacy of the Reorganization.

### **3.3 LAFCO Obligations.**

**3.3.1 Application.** LAFCO shall process the application submitted by BFPD in accordance with the CKH Act.

**3.3.2 Support.** LAFCO may provide guidance and assistance to the Parties regarding the LAFCO process, including but not limited to, fulfilling the statutory requirements under the CKH Act. Additionally, LAFCO may provide administrative assistance if requested by BFPD. Such services include but are not limited to assisting with board meetings, community forums, or other outreach efforts.

**3.3.3 Interim Fire Chief.** The Commission hired the Fire Reorganization Consulting, LLC ("Fire Consultant") on March 2, 2022 to help LAFCO staff with fire-related projects. Concurrently with approval of this Agreement, BFPD has or may contract with the Fire Consultant to provide interim administrative services at the hourly rate as specified in the agreement between the parties. LAFCO agrees that the Fire Consultant shall not provide services to LAFCO regarding the Reorganization if hired for the temporary, interim supervisory position, whether as a fire chief, executive director, general manager, or district administrator. If the Fire Consultant is not hired for the temporary, interim supervisory position, whether as a fire chief, executive director, general manager, or district administrator, then the Fire Consultant, with LAFCO's approval, may provide assistance to the identified interim fire chief throughout the Reorganization process.

## **ARTICLE 4. REORGANIZATION**

**4.1 Reorganization.** For purposes of this Agreement, a Reorganization is defined as the dissolution of Branciforte Fire Protection District and the concurrent annexation of the dissolved area into Scotts Valley Fire Protection District. In accordance with the CKH Act, all assets and liabilities, revenues and expenditures, facilities and apparatuses, district files and records, and other identified items will be transferred over to SVFPD following the Reorganization's date of recordation.

**4.2 New Benefit Assessment Consideration.** If determined by Branciforte Fire Protection District and/or Scotts Valley Fire Protection District, the residents of the Branciforte community will have an opportunity to vote on whether to support a new special tax to keep the Branciforte Fire Station open with a two-person crew minimum. This election will be conducted during the November 2022 General Election, unless the Parties agree on a different date. If the new special tax fails, the Reorganization will continue with an alternative designation for the Branciforte Fire Station.

**4.3 Timing.** The effective date of the Reorganization will be the Certificate of Completion's recordation date.

## ARTICLE 5. DAMAGES

**5.1 Remedies.** Subject to the limitations herein, in the event of a breach of this Agreement, the non-breaching party may at its option institute legal action to cure, correct, or remedy such breach, enjoin any threatened or attempted violation, or enforce the terms of this Agreement by specific performance. In the event of any breach of this Agreement, the non-breaching party shall have the right to pursue against the breaching party, any and all remedies that are available at law or at equity for breach of contractual obligation, provided however, that in no event shall BFPD have the right to sue SVFPD or LAFCO or any SVFPD or LAFCO officials, employees, contractors or agents for damages or monetary relief arising out of the SVFPD's or LAFCO's default of its obligations set forth in this Agreement, the Parties agreeing that declaratory and injunctive relief, mandate, and specific performance shall be BFPD's sole and exclusive judicial remedy. The prevailing party in any such litigation shall be entitled to its attorney's fees and costs.

## ARTICLE 6. GENERAL PROVISIONS

**6.1 Duration.** This Agreement will remain in place until the Reorganization is finalized. If BFPD, SVFPD, and/or LAFCO decide to oppose, deny, withdraw, or stop the Reorganization process, then the Agreement will be terminated. This LAFCO does not and cannot warrant LAFCO's approval of the Reorganization.

**6.2 Attorney's Fees.** In the event that any Party brings any legal action to interpret or enforce any provision of this Agreement, the prevailing Party in that action shall be entitled to receive, in addition to all other available relief, costs of litigation and reasonable attorneys' fees, including expert witness fees, costs and fees incurred on appeal and in enforcing any judgment which may be rendered on the underlying action.

**6.3 No Third Party Beneficiaries.** Except as provided in Section 6.10, the Parties expressly acknowledge that they do not intend, by their execution of this Agreement, to benefit any person or entities not signatory to this Agreement. Except as provided by Section 6.10, no person or entity not a signatory to this Agreement will have any rights or causes of action against the Parties, or any combination thereof, arising out of or due to the Parties' entry into this Agreement.

**6.4 Governing Law.** This Agreement shall be interpreted and enforced in accordance with the provisions of California law, without regard to conflicts of laws provisions. Any litigation shall be held in a court of competent jurisdiction located in Santa Cruz County, California.

**6.5 Notice.** Unless otherwise permitted by this Agreement, all notices to be given shall be in writing and may be made by personal delivery, certified mail, postage prepaid and return receipt requested. Mailed notices shall be addressed to the Parties at the addresses listed below, but each party may change the address by written notice in accordance with this paragraph. Receipt will be deemed made as follows: notices delivered personally will be deemed communicated as of actual receipt; mailed notices will be deemed communicated on receipt or return.

**If to BFPD:**

Branciforte Fire Protection District  
2711 Branciforte Drive  
Santa Cruz, CA 95065

**If to SVFPD:**

Scotts Valley Fire Protection District  
7 Erba Lane  
Scotts Valley, CA 95066

**If to LAFCO:**

Local Agency Formation Commission of Santa Cruz County  
701 Ocean Street, Room 318-D  
Santa Cruz, CA 95060

**6.6 Counterparts.** This Agreement may be executed in two (2) or more counterparts, each of which shall constitute an original.

**6.7 Entire Agreement.** This Agreement contains the entire Agreement of the Parties with respect to the subject matter hereof, and supersedes all prior negotiations, understandings or agreements, either written or oral, express or implied.

**6.8 Further Acts.** The Parties agree to execute such additional documents and to take such further actions as are reasonably necessary to accomplish the objectives and intent of this Agreement.

**6.9 Waiver.** The failure of any Party to insist upon strict compliance with any provision of this Agreement or to exercise any right or privilege provided herein, or any Party's waiver of any breach hereunder unless in writing, shall not relieve any other Party of any of obligations hereunder, whether of the same or similar type. The foregoing shall be true whether the waiving Party's actions are intentional or unintentional.

**6.10 Authorization to Execute.** The signatories to this Agreement warrant that they have been lawfully authorized by their respective Parties to execute this Agreement on their behalf. Upon request, the Parties shall deliver all applicable bylaws, resolutions, or other documents evidencing the signatories' legal authority to execute this Agreement on behalf of the respective Parties.

**6.11 Severability.** If any provision or clause of this Agreement or any application of it to any person, firm, organization, partnership or corporation is held invalid, such invalidity shall not affect other provisions of this Agreement which can be given effect without the invalid provision or application. To this end, the provisions of this Agreement are declared to be severable.

**6.12 Compliance with other Rules and Regulations.** BFPD and SVFPD shall comply with all other applicable rules and regulations of LAFCO and all other public agencies having jurisdiction over the Reorganization area. This Agreement does not abrogate, limit or modify any other of Parties' rights which are provided by common law, statute, ordinance or regulation.

**6.13 Lack of Reorganization.** In the event that BFPD does not dissolve and concurrently annex into SVFPD, the Parties are not bound by the obligations of this Agreement and the Parties retain any of their respective pre-Reorganization rights and duties as local governmental entities. Such inaction may result in BFPD from being able to operate as a special district due to the legal requirements under its Principal Act, the Brown Act, and other state mandates.

"LAFCO"

By: 

Joe Serrano, Executive Officer

Date: 3/14/22

"BFPD"

By: 

Pat O'Connell, Board President

Date: 3-14-22

Approved as to form:

By: 

Joshua Nelson, General Counsel

Date: 4/15/2022

Approved as to form:

By: \_\_\_\_\_

Travis Cochran, General Counsel

Date: \_\_\_\_\_

"SVFPD"

By: \_\_\_\_\_

Russ Patterson, Board President

Date: \_\_\_\_\_

Approved as to form:

By: \_\_\_\_\_

Phillip A. Passafiume, General Counsel

Date: \_\_\_\_\_



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"LAFCO"

By: \_\_\_\_\_

Joe Serrano, Executive Officer

Date: \_\_\_\_\_

Approved as to form:

By: \_\_\_\_\_

Joshua Nelson, General Counsel

Date: \_\_\_\_\_

"BFPD"

By: \_\_\_\_\_

Pat O'Connell, Board President

Date: \_\_\_\_\_


Approved as to form:

By: \_\_\_\_\_

Travis Cochran, General Counsel

Date: \_\_\_\_\_

"SVFPD"

By:  \_\_\_\_\_

Russ Patterson, Board President

Date: 4/13/2022

Approved as to form:

By:  \_\_\_\_\_

Phillip A. Passafuime, General Counsel

Date: 4-13-22

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"LAFCO"

By: 

Joe Serrano, Executive Officer

Date: 3/14/22

"BFPD"

By:  11

Pat O'Connell, Board President

Date: \_\_\_\_\_

Approved as to form:

By: \_\_\_\_\_

Joshua Nelson, General Counsel

Date: \_\_\_\_\_

Approved as to form:

By: 

Travis Cochran, General Counsel

Date: 3/24/22

"SVFPD"

By: \_\_\_\_\_

Russ Patterson, Board President

Date: \_\_\_\_\_

Approved as to form:

By: \_\_\_\_\_

Phillip A. Passafiume, General Counsel

Date: \_\_\_\_\_

# **EXHIBIT 3**

## **PLAN FOR SERVICE**

# **DISTRICT PLAN FOR SERVICES**

Prepared for

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

Proposed

## **BRANCIFORTE FIRE PROTECTION DISTRICT REORGANIZATION (LAFCO PROJECT NO. RO 22-07)**

A proposed reorganization involving Branciforte and Scotts Valley Fire Protection Districts (FPDs) has been initiated by the Branciforte FPD Board of Directors. Following the conclusion of the LAFCO process, the Branciforte FPD will be dissolved and the dissolved area will be concurrently annexed into the Scotts Valley FPD.



June 14, 2023

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## PLAN FOR SERVICE

Government Code Section 56653 requires that a Plan for Service in narrative form must be submitted with the application for a reorganization. This plan must respond to each of the following questions and be signed and certified by an official of the affected agency(ies):

- 1) A description of the level and range of each service to be provided to the affected territory;
- 2) An indication of when the service can be feasibly extended to the affected territory;
- 3) An identification of any improvement or upgrading of structures, roads, water or sewer facilities, other infrastructure, or other conditions the affected agency would impose upon the affected territory;
- 4) The estimated cost of extending the service and a description of how service or required improvements will be financed. A discussion of sufficiency of revenues for anticipated service extensions is also required; and
- 5) An indication of whether the annexing territory is, or will be, proposed for inclusion within an existing or proposed improvement zone/district, redevelopment area, assessment district or community facilities district.

## BACKGROUND

### Countywide Fire Protection Service & Sphere Review

LAFCO periodically performs municipal service reviews and sphere of influence updates for each agency subject to LAFCO's boundary regulations. In October, LAFCO completed a countywide service and sphere review for the 13 local agencies that provide fire protection services. During the October meeting, the Commission adopted the report, reaffirmed most spheres, and requested that each fire agency develop an annexation plan regarding their existing sphere boundaries by August 2022. Additionally, the Commission required that the Branciforte Fire Protection District (BFPD) develop a detailed plan outlining how internal operations and all administrative services will be completed without the assistance of Scotts Valley Fire Protection District (SVFPD) or any other governmental entity. The deadline to submit the plan was March 31, 2022.

### LAFCO Findings & Recommendations

LAFCO staff identified major concerns about the BFPD's ability to comply with the statutory requirements as an independent special district. Since 2015, BFPD had relied on SVFPD to fulfill the daily, weekly, monthly, quarterly, and annual duties on behalf of BFPD under the now expired contract (which ended in September 2021). Following the September sunset date, BFPD hired an interim, part-time fire chief that was a CalPERS retired annuitant. A "retired annuitant" is a CalPERS retiree who, without applying for *Reinstatement From Retirement*, returns to work with a CalPERS employer in a designated retired annuitant position. An annuitant has a number of restrictions, including



but not limited to, a maximum of 960 hours worked within a fiscal year. A search for a permanent fire chief was unsuccessful during the six months that the annuitant was present. The interim fire chief's last day was March 14, 2022. While a partial strategic plan was submitted to LAFCO before the March deadline (**Exhibit A**), it did not fulfill LAFCO's requirements.

Given that the recruitment process for a new fire chief was unsuccessful, coupled with the fact that BFPD was unable to produce a detailed plan, LAFCO worked diligently with BFPD and SVFPD to find a long-term solution. The two districts and LAFCO collaborated during the Spring of 2022 to develop a well-coordinated plan that would ensure Branciforte residents receive adequate level of services now and in the future. This cooperative plan was accomplished by hosting two joint meetings with representatives from both districts and LAFCO ("stakeholder group") to discuss the future governance of the Branciforte community. It was determined by the stakeholder group that a reorganization should be analyzed and considered.

As a result, the BFPD Board unanimously adopted a resolution to initiate the reorganization process on March 7, 2022 (**Exhibit B**). The next key step was to address the fire chief vacancy. It was determined by the stakeholder group that developing a "Pre-Reorganization Agreement" would help clearly outline how both districts and LAFCO can work together to ensure BFPD remains in operation and a temporary fire chief is in place as the reorganization process unfolds. **Exhibit C** provides a copy of the Pre-Reorganization Agreement. The BFPD and SVFPD Boards unanimously approved the agreement on March 14, 2022 and April 13, 2022, respectively.

### **Previous & Current Collaboration**

BFPD and SVFPD were in a six-year contract for operational services. Their collaborative effort reflected the combined sphere boundary between the two districts. This combined sphere boundary was originally adopted in 1994 and indicates that the Branciforte community would benefit if the two districts were reorganized as a single district (refer to **Exhibit D**). It is LAFCO's perspective that both districts were "unofficially merged" for the past six years – internally maximizing their staff and resources as one entity. An official merger between the two districts today can be accomplished as a reorganization, meaning that BFPD would be dissolved and the dissolved area would be concurrently annexed into SVFPD. The reorganization would also address LAFCO's concerns about BFPD's internal operations, compliance with state laws, inadequate governance structure, and the lack of firefighters and volunteers. The two districts have agreed to work with LAFCO to analyze the benefits of a reorganization. Now that a resolution of initiation has been adopted and an application has been submitted by BFPD, LAFCO has begun the reorganization process with the help of both districts and LAFCO's fire consultant. LAFCO also developed a detailed timeline illustrating the entire reorganization process as well as upcoming community workshops and other outreach efforts, as shown in **Exhibit E**.

### **Conclusion**

A reorganization is considered when there is a more efficient way to provide services to a specific area. In this case, BFPD, SVFPD, and LAFCO have determined that a reorganization would improve the level of service and overall governance within the

Branciforte community. A full analysis must be completed and presented to the residents to clearly indicate the benefits of a reorganization. In order to provide such transparency, the two districts and LAFCO will coordinate throughout the entire reorganization process. This collaborative effort will help produce cohesive findings about the reorganization involving BFPD and SVFPD.

## **CURRENT LEVEL AND RANGE OF SERVICE**

### **Branciforte Fire Protection District**

Branciforte Fire Protection District (BFPD) was formed on January 7, 1950 and operates under the Fire Protection District Law of 1987. BFPD encompasses nearly 9 square miles of territory located in the central portion of the county. At present, the lands within the District vary from agriculture to urban residential. The vast majority of the District is designated as Mountain Residential and Rural Residential.

#### Services & Operations

BFPD currently provides fire protection services to the unincorporated community of Branciforte. It currently operates with three full-time permanent employees, three full-time temporary employees, one part-time administrative assistant, and 9 volunteer firefighters. One of the permanent employees has been appointed Interim Fire Chief, while concurrently staffing one of the three shifts. The current staffing model provides for a minimum of two firefighters on duty in the Branciforte fire station 24 hours a day / 7 days a week. It is important to note that none of the volunteers live within BFPD's jurisdictional boundary, precluding the use of volunteers for initial operations.

#### Type of Services

At present, BFPD offers 9 different types of services: (1) Basic Life Support, (2) Basic Rescue, (3) Community Education, (4) Construction Plan Check, (5) Fire Code Enforcement, (6) Fire Investigation, (7) Fire Suppression, (8) Haz Mat Response, and (9) Public Awareness.

#### Apparatus & Inventory

At present, BFPD operates using seven (7) apparatuses, as listed below:

- Type 1 Fire Engine = 1 in total
- Type 3 Fire Engine = 2 in total
- Type 6 Fire Engine = 1 in total
- Utility Vehicle = 2 in total
- Water Tender = 1 in total

#### Existing Fire Stations

The District currently operates one fire station. Station 1 was built in 1950 and has undergone an expansion over the past 10 years or so. It is located at 2711 Branciforte Drive in Santa Cruz. Another "station" was built in 2010 and is located at 2300 Jarvis Road in Santa Cruz. However, this building is not staffed nor owned by BFPD, and there are no volunteers in the area to staff the engine. Therefore, this facility is not considered a functioning fire station and does not factor into the future deployment for SVFPD.

### Call Data

BFPD responded to approximately 1,200 calls over the last six years. The annual call average is estimated to be 202 calls per year. The District's average response time was approximately 8 minutes. In 2020, Branciforte FPD had 159 calls. Almost 40% of those calls were first responded by an outside agency. Specifically by Central FPD (1 time), the City of Santa Cruz (2 times), CSA 48/Cal Fire (9 times), and Scotts Valley FPD (28 times). The District currently has a Class 5 rating with the Insurance Service Office (ISO), which is the poorest in Santa Cruz County.

### Board of Directors

BFPD is an independent special district governed by a five-member Board of Directors elected at-large by the voters within the District. When candidates run unopposed, or when there is a vacancy, seats are appointed by the County Board of Supervisors in lieu of conducting the election. The following identifies the current board members:

- Pat O'Connell – First elected in 2016
- Tim Dodds – First elected in 2020
- Marilyn Kuksht – Originally appointed in 2023
- Larry Pageler – Originally appointed in 2023
- Fareed Rayyis – Originally appointed in 2022

### **Scotts Valley Fire Protection District**

Scotts Valley Fire Protection District (SVFPD) was formed on January 7, 1958 and operates under the Fire Protection District Law of 1987. SVFPD encompasses nearly 21 square miles of territory located in the center of Santa Cruz County and includes the City of Scotts Valley. At present, the lands within the District vary from agriculture to urban residential. The vast majority of the District, outside the City limits, is designated as Mountain Residential and Rural Residential.

### Type of Services

At present, SVFPD offers 14 different types of services: (1) Advance Life Support, (2) Basic Life Support, (3) Basic Rescue, (4) Community Education, (5) Construction Plan Check, (6) Fire Code Enforcement, (7) Fire Code Permitting, (8) Fire Investigation, (9) Fire Suppression, (10) Haz Mat Administration, (11) Haz Mat Response, (12) Public Awareness, (13) Technical Rescue, and (14) Vegetation Management.

### Apparatus & Inventory

At present, SVFPD operates using 14 apparatus, as listed below:

- Admin/Battalion SUV = 1 in total
- Chief Officer SUV = 1 in total
- Command Vehicle = 3 in total
- Type 1 Fire Engine = 3 in total
- Type 3 Fire Engine = 2 in total
- Haz Mat Vehicle = 1 in total
- Utility Vehicle = 2 in total
- Water Tender = 1 in total

### Existing Fire Stations

The District currently operates two fire stations. Station 1 was built in 1964, remodeled in 1985, and is located at 7 Erba Lane Scotts Valley, CA. Station 2 was built in 2001 and is located at 251 Glenwood Drive Scotts Valley, CA. The District has indicated that Station 1 needs extensive seismic upgrading and remodeling. Station 1 is staffed with 4.5 administrative personnel during regular business hours and 1 Battalion Chief and 4 firefighters 24 hours a day. Station 2 is staffed with 3 firefighters 24 hours a day. At present, SVFPD has 28 full-time employees, 1 part-time employee, and 15 volunteer firefighters. The District currently has a Class 2 rating with the Insurance Service Office (ISO), which is one of the best in Santa Cruz County.

### Call Data

SVFPD responded to approximately 13,000 calls over the last six years. The annual call average is estimated to be 2,122 calls per year. The District's average response time was approximately 5 minutes.

### Board of Directors

SVFPD is an independent special district governed by a five-member Board of Directors elected at-large by the voters within the District. When candidates run unopposed, or when there is a vacancy, seats are appointed by the County Board of Supervisors in lieu of conducting the election. The following identifies the current board members:

- Russ Patterson – First elected in 2016
- Adam Cosner – Recently appointed in 2022
- Kris Hurst – Recently appointed in 2022
- Joseph Parker – Originally appointed in 2019
- Daron Pisciotta – First elected in 2016

## **PROPOSED LEVEL AND RANGE OF SERVICE**

### **Management & Governance**

The reorganized Scotts Valley Fire Protection District will include all the territory currently within the boundaries of the Scotts Valley Fire District and all the territory currently within the boundaries of the Branciforte Fire District. The District will be governed by a 5-member Board of Directors, elected at large from the entire district. The Board of Directors of the Scotts Valley Fire Protection District as composed at the time the reorganization is deemed complete will continue to serve until their individual terms expire, at which time the seats will stand for election. Any registered voter within the reorganized district boundaries may file and run for an open seat on the Board. To avoid conflict with the California Voting Rights Act, SVFPD may consider transitioning to a system of elections by district in the foreseeable future following additional analysis.

### Branciforte Oversight and Representation

The Scotts Valley FPD Board of Directors will establish a Service Zone encompassing the territory of the former Branciforte Fire Protection District, in accordance with Health and Safety Code Section 13950. The purpose of the Service Zone is to provide the

community with accountability for the use of taxes, assessments, or fees collected solely within the Service Zone (Health and Safety Code Section 13955). Further, the Scotts Valley FPD Board of Directors will adopt a policy forming the Branciforte Advisory Commission and will also appoint members of the Branciforte community to Commission in accordance with Health and Safety Code Section 13956. The purpose of the Advisory Commission will be to review the finances, operations, and projects that directly benefit and/or affect the Branciforte community. The formation of the Branciforte Advisory Commission will be as soon as practical after the recordation of the reorganization. **Exhibit F** provides the draft policy and bylaws for the proposed advisory commission.

Following reorganization, the SVFPD will continue to be managed by the incumbent SVFPD Fire Chief and their staff and officers. This includes, but is not limited to, Human Resources, Payroll, Finance, Information Technology, Fire Prevention, Plan Checking, Fleet Management, Facility Management, Public Education and Community Outreach, and any other service currently provided or authorized in the future.

### **Operations**

Following reorganization, the SVFPD will be responsible for providing service to the Branciforte community. SVFPD will deploy emergency response assets from the two existing Scotts Valley fire stations, located at 7 Erba Lane (Station 1), and 251 Glenwood Drive (Station 2). In addition, SVFPD will modify its current Automatic Aid agreements with the Santa Cruz Fire Department and with Central Fire District to ensure response of the closest appropriate resource to any emergency incident occurring in Branciforte.

In order to mitigate the impacts of serving 9 square miles of additional territory, SVFPD plans to add an additional firefighter to each of the three shifts by utilizing BFPD's three existing firefighters. The increased staffing will allow more flexibility for the rapid deployment of adequate resources to mitigate all incidents within the Fire District. The District will utilize its current Type 1 and Type 3 engines as well as the proposed addition of a Type 5/6 engine to provide service to the Branciforte Community. It is anticipated that this new Type 5/6 engine will be purchased, maintained, and eventually replaced using accumulated Measure T funds.

SVFPD provides Advanced Life Support (ALS) paramedic first responder service using on-duty crews staffing both stations. Regardless of which station is responding to an emergency call in the Branciforte community (and this includes Auto-Aid apparatus from Santa Cruz or Central), the crew will have at least one Paramedic Firefighter that is licensed and equipped to provide life-saving care.

Analysis shows that 88% of the parcels within the former BFPD boundaries are within 5 road miles of a fire station. Staff believes that the presence of fully staffed, ALS capable response assets within 5 road miles is an improved level of service as compared to the model operated by the BFPD. Many rural, mountainous areas of Santa Cruz County are further than 5 miles from the nearest fire station. For the remaining 12% of parcels that are beyond 5 miles, staff has determined the level of service to be adequate, given the ability of SVFPD to amass large numbers of resources and the provision of paramedic services. **Exhibits G and H** show the 5-mile driving distance with and without the Branciforte Fire Station in full operation.

### **Transfer of Assets / Liabilities**

All assets and liabilities of the Branciforte Fire Protection District shall become assets and liabilities of the Scotts Valley Fire Protection District at the time the reorganization is deemed complete.

### **Transfer of Personnel**

Scotts Valley FPD will offer full employment to the full-time permanent members of the BFPD. The current BFPD employees will be expected to meet all minimum requirements as outlined in the current SVFPD Policy. In addition, Scotts Valley FPD will accept BFPD Volunteer / Paid-Call personnel meeting Scotts Valley FPD standards into the Scotts Valley FPD Paid Call Program. The terms and conditions of employment including but not limited to rank, seniority, probationary periods etc., will be outlined in a separate employment agreement.

### **Cost of Services**

#### Current Revenue Stream

Recurring revenue for the Branciforte Fire District for FY 22/23 consists of an estimated \$908,458 in Property Tax receipts and \$167,000 in Measure T Special Tax receipts, for a total of approximately \$1,075,458. This amount is insufficient to fund an appropriate number of firefighters on duty in the fire station (minimum of 2), let alone the funds needed to provide for a permanent Fire Chief and Administrative Assistant.

General Fund revenue for the Scotts Valley Fire District is approximately \$8,111,350 for FY 22/23, and derived primarily from Property Tax receipts. This amount is sufficient to sustain the SVFPD operation into the foreseeable future.

The reorganized District will have recurring revenue (FY 22/23) as follows:

General Fund- \$9,019,800

Measure T (restricted) - \$167,000

Total- \$9,186,800

Staff has determined that the total recurring revenue is sufficient to fund the operational plan detailed above.

### **Additional Factors to Address**

#### Branciforte Fire Station

BFPD has one fire station located at 2711 Branciforte Drive, which was built in 1950. The station operates with one full-time firefighter on duty by rotating its three non-paramedic firefighters. At present, the Branciforte Fire Station is understaffed and underfunded, which results in the noncompliance of the Occupational Safety and Health Administration (OSHA) and the National Fire Protection Association (NFPA) standards.



### *State Standards (OSHA)*

The Occupational Safety and Health Administration (OSHA) was established in 1970 to ensure safe and healthful working conditions for workers by setting and enforcing standards and by providing training, outreach, education and assistance. OSHA is part of the United States Department of Labor. In the late-1990s, OSHA established the Respiratory Protection Standard. This provision requires that at least two employees enter the Immediately Dangerous to Life or Health (IDLH) atmosphere and remain in visual or voice contact with each other at all times. It also requires that at least two employees be located outside the IDLH atmosphere, thus the term, "two in/two out". This assures that the "two in" can monitor each other and assist with equipment failure or entrapment or other hazards, and the "two out" can monitor those in the building, initiate rescue, or call for back-up. One of the "two out" can be assigned another role such as incident commander.

### *National Standards (NFPA)*

One of the most well-known and respected standards organizations is the National Fire Protection Association (NFPA). Since 1896, NFPA has developed standards directly affecting the fire service at the department level. As an advocate of fire prevention and an authoritative source on public safety, NFPA develops, publishes, and disseminates more than 300 consensus codes and standards intended to minimize the possibility and effects of fire and other risks. Their vision is to advocate for the elimination of death, injury, property and economic loss due to fire, electrical and related hazards. Their mission is to help save lives and reduce loss with information, knowledge and passion.

The NFPA has developed standards specifically for volunteer departments known as the NFPA 1720 Standard for the Organization and Deployment of Fire Suppression Operations, Emergency Medical Operations, and Special Operations to the Public by Volunteer Fire Departments. NFPA believes that volunteer departments must maximize resources and be able to evaluate and improve firefighter safety and service to meet the modern challenges of local firefighting operations. The 1720 Standards offer a framework for defining levels of service, deployment capabilities, and staffing requirements for volunteer and combination fire departments. At present, NFPA recommends a minimum of four firefighters.

### *Potential Benefit Assessment*

The BFPD Board of Directors hired a consulting firm to calculate and determine the amount needed to adequately operate the Branciforte Fire Station with at least two firefighters on duty. A benefit assessment for each parcel within the Branciforte community will be proposed to fund the station's operation. If the benefit assessment is approved by the Branciforte community, the benefit assessment will be managed by the SVFPD with input from the Branciforte Advisory Commission post-reorganization. It is important to note that SVFPD's two existing fire stations and surrounding fire stations can provide adequate services with or without the Branciforte Fire Station. **Exhibits G and H** show the 5-mile driving distance with and without the Branciforte Fire Station in full operation.

### CalPERS Actuarial Report

The California Public Employees' Retirement System ("CalPERS") developed a cost analysis in April 2023 for the proposed reorganization (refer to **Exhibit I**). Government Code sections 20463 (b) and (c) require the governing body of a public agency which requests a contract cost analysis to provide each affected employee organization with a copy within five days of receipt. Likewise, if a cost analysis is requested by an employee organization, the employee organization is required to provide a copy of the analysis to the public agency within five days of receipt.

A resolution of intention declaring the agency's intent to amend the contract must be approved by the agency's governing body. The approved resolution must be received by the CalPERS' office on or before July 1, 2023. If either of these two conditions is not met, an updated cost analysis will be required to merge the contracts. The current cost analysis will expire on July 1, 2023. An updated cost analysis may be available as early as September 2023.

Assuming the reorganization is approved by LAFCO in June 2023, the following steps will be completed by the affected fire districts:

1. Complete and return the Contract Request and Schedule of Agency Actions forms. Within 90 days, CalPERS staff will send the agency the Resolution of Intention form for adoption; and
2. Complete and return the adopted Resolution of Intention to CalPERS on or before July 1, 2023. Adoption of the Final Resolution/Ordinance by this date is not required.

### Branciforte Fire Station Alternative Use

With the annexation of the Branciforte Fire Protection District into the service area of the Scotts Valley Fire Protection District, there may not be sufficient funding to staff the BFPD station on a full-time basis, unless a new benefit assessment is passed by the Branciforte community. If that does not occur, SVFPD will maintain the fire station in a serviceable order, and be ready for emergency staffing at any time.

The potential exists for SVFPD to staff the BFPD station on an as needed basis, based on certain conditions such as red flags warnings, significant wind or weather related events, or other public safety situations that may require an additional staffed piece of equipment. The station may also be used to house mutual aid resources that may be staged in-county, such as a strike team or pre-position resources.

It is the intent of SVFPD to continue with the station remodel plans for the older portion of the station, as well as exterior upgrades that have been previously identified.

SVFPD also intends to make the station available for public meetings, once the meeting space can be remodeled to provide secure separation from the living quarters and access to a bathroom that is compliant with the Americans with Disabilities Act ("ADA").

## FINANCIAL SYNOPSIS OF BRANCIFORTE FIRE PROTECTION DISTRICT

	Adopted Budget	Funds Spent (as of 12/31/22)	Remaining Balance	Unanticipated Rev / Exp (12/31/22 – 6/30/23)	Year-End Balance (projected)
<b>General Fund</b>					
Salaries / Benefits	\$1,173,420	\$688,711	\$484,708	<\$412,700>	\$72,000
Services / Supplies	\$242,852	\$99,740	\$143,111	<\$100,000 >	\$43,000
Undesignated / Contingencies	\$227,665	-0-	\$227,665	\$54,000	\$282,000
<b>Total General Fund</b>	<b>\$1,645,337</b>	<b>\$789,555</b>	<b>\$855,484</b>	<b>&lt;\$458,800&gt;</b>	<b>\$397,000</b>
<b>Capital Outlay</b>					
Services / Supplies	\$109,500	\$13,704	\$95,795	<\$25,000>	\$70,000
Fixed Assets	\$592,000	\$28,131	\$563,868	<\$100,000>	\$464,000
Undesignated / Contingencies	\$302,500	-0-	\$302,500	\$25,000	\$328,000
<b>Total Capital Outlay</b>	<b>\$1,004,000</b>	<b>\$37,916</b>	<b>\$966,083</b>	<b>&lt;\$100,000&gt;</b>	<b>\$862,000</b>
<b>Total BFPD Funds</b> (projected amount)					<b>\$1,259,000</b>

### General Fund

The General Fund anticipated revenue of \$1.645M, including \$876,000 in property tax and a carryover of \$725,000 from the prior year, along with some small incidental revenue sources. A sum of \$54,000 in unanticipated revenue (from a CalFire cover assignment) has been added to the fund. Given that all the large expenses (PERS and WC) have been paid, it is projected that the GF will end the FY with a balance of just under \$400,000. This means that BFPD will use about \$325,000 of reserve funds (nearly half the beginning reserves) to balance the budget this fiscal year.

### Capital Outlay

The Capital Outlay Fund (also known as the Measure T fund) began the year with a fund balance of \$815,000. Proceeds from Measure T added an additional \$166,000, for a total of just over \$1M. There have been minor expenses charged to this account so far, but we have projected up to \$100,000 will be encumbered for the station repairs before the FY ends. The “Measure T” fund actually contains funds derived both from Measure T and from a large donation (nearly \$600,000) the District received from a resident. The Measure T funds are restricted to “...fund a Contingency Fund for unfunded emergencies, the Building Fund and a Vehicle Replacement Fund as determined by the Board of Directors” while the donation has no such formal restrictions. It is unclear whether expenditures from this fund over the past several years have been from the restricted funds or from the donated funds, thus it’s not possible to determine conclusively how much of the \$860,000 projected year-end balance is restricted by the Measure T language. In the most liberal interpretation, all of the past capital expenses could be said to have been drawn on the restricted Measure T funds, which would leave the entire \$593,889.32 available for whatever purpose the Board determines is necessary for the functioning of the District. This is probably a moot point, because the language of Measure T allows for “unfunded emergencies... as determined by the Board of Directors”, of which the need for reorganizing the District should certainly qualify.

## **EXHIBITS**

**Exhibit A – BFPD Original Strategic Plan**

**Exhibit B – BFPD Resolution of Initiation**

**Exhibit C – Pre-Reorganization Agreement**

**Exhibit D – Current “Combined” Sphere Boundary**

**Exhibit E – Tentative Reorganization Timeline**

**Exhibit F – Branciforte Advisory Commission (Policy & Bylaws)**

**Exhibit G – 5 Driving Mile Distance (without Branciforte Fire Station)**

**Exhibit H – 5 Driving Mile Distance (with Branciforte Fire Station)**

**Exhibit I – CalPERS Cost Analysis (dated April 4, 2023)**

**EXHIBIT A:**

**BFPD's**

**Original Strategic Plan**

**(dated 3/31/22)**

# Branciforte Fire Protection District Proposed Strategic Plan

March 31, 2022

## INTRODUCTION

This plan provides information to the residents of the Branciforte Fire Protection District on the efforts and direction the District is proceeding with to provide the best method of emergency and fire prevention services to the community. This plan also gives direction to the staff and Board of Directors of the Fire District. This plan also supports the input from the community.

## HISTORY

The 8th Area Fire District was established in 1942. It included a large area of the county that is now covered by Felton, Scotts Valley, Zayante and Branciforte Fire Districts. Staffed by volunteers with limited equipment and volunteers, response times to any fire within the 8th area were lengthy. Structures often burned down completely before they arrived. At that time the next closest station had been an unstaffed volunteer station on Sims Road just outside the city limits of Scotts Valley.

Branciforte Fire Protection District was formed in 1950 to improve the response time to fires within the Happy Valley and surrounding areas. Gino Delucchi was the first Fire Chief of Branciforte Fire. The volunteers built a small 14' by 26' station across the street from the Chief's house on Branciforte Drive. It housed the District's first engine, a 1939 GMC truck equipped with 450 gallons of water, 200 ft of 1" hose, 750 ft of 1.5" hose, and a 500GPM pump. When calls came in they were answered by Jennie Delucchi and went through a phone call tree to all of the volunteers to respond. The engine would drive to the fire and pick up the volunteers on the way. Chief Delucchi and his wife Jennie donated land to the department next door to their home in 1965 to build the current existing station. A training room was added onto the station and was built by the volunteers and staff in 1997. A part time bookkeeper was hired to handle the bills and payroll.

The department grew from its beginning as an all volunteer department with a volunteer Fire Chief to having three paid career employees made up of two Captains and a Fire Chief who worked shifts. Staffing is supplemented by Volunteer Firefighters. A sleeper program was instituted to a career officer and a volunteer firefighter responding from the station to all calls during the night.

In year 2000 the staffing model changed to three full time Fire Captains and a part time Fire Chief with a part time administrative position and volunteer firefighters supplementing the staffing.



From 2016 to 2021 an Administrative Services Agreement was in place with the Scotts Valley Fire District.

In September 2021 an Interim Part Time Administrative Fire Chief was hired. The three Captains covered the shifts. Efforts to get more volunteers became the top priority.

On March 14, 2022 a Fire Chief was promoted from within the current ranks. The District has returned to operating on it's own with two Captains and a Fire Chief covering shifts. Administrative assistance is provided by part time help.

The number of volunteers has always varied. In the beginning of the District a volunteer was given some gear and some very basic training. The Volunteers all lived in the area. A volunteer now days has to go through a basic Firefighter Academy that takes three months to complete and continuing training and drills at the station. Most Volunteers live outside of the District. In 2016 Branciforte had 26 volunteers. Today we are down to a low of 9 volunteers. The highest priority is to add more volunteers. The District is looking at options to help increase our volunteer coverage. The goal of having the station staffed with a minimum of two career firefighters with additional volunteer firefighters in the station 24/7. There could then be a minimum of three responding on the first out engine.

The process of completing another apparatus bay and expanded living quarters for male and female firefighters at the Branciforte Station is almost complete. Additional beds were planned for the new sleeping areas. These will need to be added when the volunteer numbers are increased. The kitchen and day room area is to be renovated. These renovations have been budgeted and will be completed with Measure T funds.

There is a structural issue with the front corner of the main apparatus bay. It is under review by a Structural Engineer. It is still to be determined as to the extent of what will be need to be completed. The costs of the repair should be covered by the Measure T funds.

The Fire District has had a substation in the Ryder Ridge Area for many years. There had been times after heavy storms the residents were without access from outside the area. Jarvis Road had washed out in multiple spots. Upper Jarvis Road which is largely a dirt and rocks road also washed out. The only option for a fire emergency was to keep an apparatus available for emergencies in the area. A 1958 model GMC 4 wheel dive pickup was kept up on Rider Rider Ridge with a 250 gallon tank and pumping capabilities and a hose line. It also carried a basic medical bag. One of the volunteers lived in the area kept it on his property. Eventually in a garage that was built by the residents to house it. Many brush fires were put out over the years with this available apparatus before any other engines had arrived.

Station 2 was eventually built on the Vine Hill Winery Property entirely with the contributions and donations from those who live in Rider Ridge area of the District. Those who lived there had begun losing their fire insurance. Once the Station was built

and the District could show that we could meet the water flow standards for what was needed to put out a structure fire there were fewer issues with insurance. The Station now houses one of the District's Type 3 Wildland Engines. There are minimal costs involved with keeping Station 2 open. The District should explore how to at better utilize Station 2.

The Fire District has a full complement of fire apparatus.

This includes:

- 1 - Type 1 Structural Fire Engine
- 2 - Type 3 Wildland Fire Engines
- 1 - Type 4 Engine equipped with medical plus pumping capabilities
- 1 - Water Tender with 2500 gallons capacity
- 2 - Pickups with 4 Wheel Drive
- 1 - Command Vehicle

The equipment is in good condition and a replacement program was set up with the funds coming from Measure T. There has been discussion over the addition of a Type 6 quick response vehicle and costs and information is being researched. But the higher priority is to increase staffing first.

## **LEVEL AND RANGE OF SERVICE**

The District provides services to a small community in the Happy Valley Area of Santa Cruz County. Branciforte Fire Station currently operates with three full-time employees and nine volunteer firefighters. The station is staffed with two Fire Captains and a Fire Chief that are covering shifts on the 2on/4off schedule. While there are occasions where the engine responds with just one on the engine, the goal is to have a two Firefighter minimum responding 24/7. Some progress has been made to add additional volunteers. We are now looking into options to add temporary additional volunteers. This would greatly help the district's ability to always have two and potentially three firefighters responding on the first-out engine. This could be accomplished with current reserves and contingency funds already within the budget. These funds could cover the costs of the additional staffing for up to two years before reserves could be depleted.

Administrative assistance is provided by part time resources, with bookkeeping and technical assistance with the website.

The District has a sphere expanding beyond its service area. Santa Cruz County Local Agency Formation Committee (LAFCO) adopted BFPD's combined sphere of influence on March 10, 1994, which included areas beyond the District's jurisdictional boundary. This sphere determination indicated that BFPD and Scotts Valley FPD should be merged or consolidated in the foreseeable future. LAFCO staff believes that the merger concept should be considered by BFPD and its residents to ensure the level of service remain would improve as a result of the proposed reorganization. Santa Cruz County LAFCO staff recommends reaffirming the existing sphere boundary.

On March 14, 2022 The Branciforte Fire Protection District signed a Pre-Reorganization Agreement through LAFCO to start the Merger Process with Scotts Valley.

## **FINANCIAL HEALTH**

The District is financially stable. Branciforte FPD has closed the past six years with an annual surplus. The 2021/2022 Final Budget shows the General Fund Budget is at \$1,606,318. The Measure T Fund is at \$984,358. The ending fund balance was \$697,860, which is up by approximately \$97,000 from what was estimated.

The yearly draft budget is adopted by March 31, of each year and the final budget is adopted by before June 30th of each year.

## **MANAGEMENT AND GOVERNANCE**

### **BOARD COMPOSITION**

BFPD is an independent special district governed by a five-member Board of Directors elected at-large by the voters within the District. When candidates run unopposed, or when there is a vacancy, seats are appointed by the County Board of Supervisors in lieu of conducting the election.

The Board Members are elected for 4-year terms.

The Board votes for a Board Chairman and Vice Chairman at the last meeting of the calendar year for a term of one year. A board Member may be voted to serve as Chair or Vice Chair for consecutive years.

The Board meetings are regularly scheduled for the third Thursday of each month at 6pm.

The Board Members roles are outlined in the Board of Directors Roles and Responsibilities Policy adopted in 2012. See Appendix B

### **STAFFING**

The District is currently staffed with a Fire Chief and two Fire Captains who all work on the 2on/4off schedule. They are full time career officers for the Branciforte Fire District. There are nine volunteers available to respond from home or the station. There is part time help available for administrative assistance.

The District has hired the Lozano Smith Law Firm as the Districts legal counsel.

### **ADMINISTRATIVE DUTIES**

### **COUNTY PARTNERSHIPS**

### **FIRE DISTRICT PARTNERSHIPS**

### **STRATEGIC MANDATES**

### **DISTINGUISH BOARD/STAFF ROLES**

# **EXHIBIT B:**

## **BFPD's**

### **Resolution of Initiation**

## **BRANCIFORTE FIRE PROTECTION DISTRICT**

### **RESOLUTION NO. 2022-02**

#### **A RESOLUTION TO INITIATE APPLICATION BY THE BRANCIFORTE FIRE PROTECTION DISTRICT REQUESTING THE LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY TO PURSUE PROCEEDINGS FOR THE REORGANIZATION OF BRANCIFORTE FIRE PROTECTION DISTRICT WITH THE SCOTTS VALLEY FIRE PROTECTION DISTRICT**

WHEREAS, the Board of Directors of the Branciforte Fire Protection District ("Branciforte FPD") desires to initiate proceedings pursuant to the Cortese-Knox-Herzberg Local Government Reorganization Act of 2000, California Government Code Section 56000 et. seq., ("Act") for the reorganization of Branciforte Fire Protection District with the Scotts Valley Fire Protection District ("Scotts Valley FPD"); and

WHEREAS, the reorganization consists of the dissolution of Branciforte FPD and the concurrent annexation of the dissolved area into Scotts Valley FPD; and

WHEREAS, notice of intent to adopt this Resolution of Application has been given to each interested and each affected local agency; and

WHEREAS, the affected territory is inhabited and is constituted by the respective boundaries of Branciforte FPD; and

WHEREAS, this reorganization is consistent with the Sphere of Influence of Branciforte FPD and Scotts Valley FPD; and

WHEREAS, the reasons for the proposed reorganization of Branciforte FPD and Scotts Valley FPD are as follows:

- 1) It will facilitate the efficient delivery of life and property saving services to individuals and property owners within the affected territory; and
- 2) It will facilitate the continued provision of the current levels of service provided by paid and paid-call firefighters and staff of the respective districts, consistent with local demand expectations and available financing.

WHEREAS, it is desired that the proposed reorganization of Branciforte FPD with Scotts Valley FPD be subject to the following terms and conditions, among others:

- 1) The specific provisions of the Pre-Reorganization Agreement jointly completed by Branciforte FPD, Scotts Valley FPD, and LAFCO, if enacted;
- 2) Branciforte FPD, Scotts Valley FPD, and LAFCO will host and/or participate in multiple community outreach efforts regarding the proposed reorganization and



available options, including but not limited to workshops and forums to be held jointly with representatives from each agency;

- 3) Coordination between Branciforte FPD, Scotts Valley FPD, and LAFCO to determine the best solution for the Branciforte Fire Station;
- 4) The paid employees and the active volunteer firefighters of Branciforte FPD will become a portion of Scotts Valley FPD;
- 5) All tax rate areas will be maintained and all revenue mechanisms currently existing in Branciforte FPD will be maintained post-reorganization; and
- 6) Such other provisions as required by applicable law or as may be agreed by the parties.

WHEREAS, Branciforte FPD reserves the right to withdraw its application to initiate the reorganization and request that LAFCO terminate any such proceedings pursuant to the Act or other applicable law;

WHEREAS, this Board anticipates that the reorganization proposal is categorically exempt from review under the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines Section 15320(b), which exempts special district reorganizations where changes in organization of local governmental agencies do not change the geographical area in which the previously existing powers are exercised, such as here; and

NOW, THEREFORE BE IT RESOLVED that this Resolution of Initiation of reorganization proceedings as described is adopted and approved by the Board of Directors of the Branciforte Fire Protection District.

PASSED AND ADOPTED by the Board of Directors of the Branciforte Fire Protection District at a regular meeting thereof held on the 24th of February, 2022, by the following vote:

AYES: 5

NOES: 0

ABSENT: 0

ABSTAIN: 0

ATTEST:

APPROVED AS TO CONTENT:



**Pat O'Connell, Board President**



**Samantha Sweeden, Fire Chief**  
Fire Chief Nate Lackey for Samantha Sweden

# **EXHIBIT C:**

## **Pre-Reorganization Agreement**

## **PRE-REORGANIZATION AGREEMENT**

By and Among

**BRANCIFORTE FIRE PROTECTION DISTRICT,**

And

**SCOTTS VALLEY FIRE PROTECTION DISTRICT,**

And

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

[Dated as of March 14, 2022]

## ARTICLE 1. PARTIES AND EFFECTIVE DATE

**1.1 Parties.** This Pre-Reorganization Agreement (“Agreement”) is entered into by and among (i) the Branciforte Fire Protection District (“BFPD”), (ii) the Scotts Valley Fire Protection District (“SVFPD”), and (iii) the Local Agency Formation Commission of Santa Cruz County (“LAFCO”). BFPD, SVFPD, and LAFCO are sometimes referred to herein as a “Party” and collectively as the “Parties.” This Agreement is dated as of March 7, 2022, for references purposes only and will not become effective until the “Effective Date” defined in Section 1.2 below.

**1.2 Effective Date.** This Agreement will not become effective until the date (“Effective Date”) on which all the following have occurred: (i) this Agreement has been approved by BFPD, executed by its legally authorized officers, (ii) this Agreement has been approved by SVFPD, executed by its legally authorized officers, and (iii) this Agreement, signed by BFPD and SVFPD, delivered to LAFCO for approval and signature by the Executive Officer.

## ARTICLE 2. RECITALS

**2.1 BFPD Background.** The Branciforte Fire Protection District was formed on January 7, 1950 and operates under the Fire Protection District Law of 1987 (“Principal Act”). BFPD encompasses nearly 9 square miles of territory and provides fire protection services to the unincorporated community known as Branciforte. It currently operates with a temporary part-time retired annuitant fire chief, three full-time firefighters and seven volunteer firefighters. BFPD operates through one fire station with a one-person crew on any given shift. The annuitant fire chief contract was approved on September 30, 2021 and is set to expire on March 14, 2022. In accordance state law, a fire district cannot operate without proper administrative oversight. Additionally, the Principal Act limits board members to act only by ordinance, resolution, or motion (Health & Safety Code Section 13856[b]).

**2.2 SVFPD Background.** The Scotts Valley Fire Protection District was formed on January 7, 1958 and operates under the Fire Protection District Law of 1987. SVFPD encompasses nearly 21 square miles of territory in the center of Santa Cruz County and includes the City of Scotts Valley. It currently operates with 22 full-time firefighters, 15 volunteer firefighters, three full-time Battalion Chiefs, 2 full-time and 1 part-time administrative personnel, and 1 full-time Fire Chief. SVFPD previously provided administrative and command services to BFPD under an existing contract since 2015. Under this agreement, SVFPD’s Fire Chief functioned as the Fire Chief for BFPD. The contract expired on September 30, 2021.

**2.3 LAFCO Background.** The Local Agency Formation Commission of Santa Cruz County is a State-mandated, independent agency with countywide jurisdiction over changes in organization and boundaries of cities and special districts including annexations, detachments, formations, consolidations, and reorganizations. LAFCOs were created by the State Legislature in 1963 in response to the rapid growth and sporadic formation of cities and special districts in California in the years following World War II.

In addition to boundary changes, LAFCOs are required by law to establish and periodically update spheres of influence for the county's cities and special districts and perform service reviews on the county's cities and special districts with the goal of increasing efficiency, maximizing existing resources, identifying cost-saving opportunities, and improving local representation. LAFCO completed a countywide fire report in October 2021 which analyzed the 13 local agencies that provide fire protection. LAFCO determined that BFPD had many infractions, inadequate staffing, internal efficiencies, and governance issues. It was recommended that BFPD develop a strategic plan to address LAFCO's findings and outline how it will be a sustainable agency or consider merging with SVFPD. Since 1995, through a combined sphere of influence, LAFCO has recommended a merger between BFPD and SVFPD to ensure that the Branciforte community receive adequate level of service and proper representation.

**2.4 Proposed Reorganization.** The Reorganization is contemplated by the Parties upon the terms and conditions set forth in this Agreement. The Parties anticipate proceedings will be commenced by LAFCO following the execution and adoption of a resolution by BFPD to initiate the Reorganization and the execution and adoption of this Agreement by the Parties as set forth above.

**2.5 Parties Consensus.** The Parties understand that the Reorganization as contemplated in this Agreement is essential to the plan for providing services required by LAFCO in its consideration of the Reorganization application.

**NOW, THEREFORE,** in consideration for the promises and mutual covenants set forth herein, the receipt and adequacy of which is hereby acknowledged, the Parties agree as follows:

### **ARTICLE 3. TERMS**

#### **3.1 BFPD Obligations.**

**3.1.1 Resolution of Initiation.** BFPD shall continue to diligently pursue the approval of the Reorganization Application following the adoption of a Resolution of Initiation on Monday, March 7, 2022.

**3.1.2 Application.** BFPD shall submit a signed application, with a copy of the adopted resolution, within 30 days of this enacted Agreement to begin the LAFCO process.

**3.1.3 Consent.** BFPD hereby irrevocably consents to the Reorganization pursuant to the terms of this Agreement and the Reorganization Application submitted pursuant to Section 3.1.2. BFPD shall cooperate in every reasonable way with the requests of LAFCO. Said cooperation shall include, but not be limited to, the filing of all necessary applications, plans, and any other documentation or information required by SVFPD, LAFCO or any public agency associated with the Reorganization process.



**3.1.4 Interim Fire Chief Expenses.** BFPD hereby agrees to fund the identified governmental entity, existing BFPD firefighter personnel, or consulting firm for services as the temporary, interim supervisory position, whether as a fire chief, executive director, general manager, or district administrator. Invoices from the identified governmental entity, existing BFPD firefighter personnel, or consulting firm will be submitted as specified in the agreement between the parties. If an existing BFPD firefighter is hired as an interim fire chief, policies and procedures clearly defining the role of the BFPD Board and the BFPD interim fire chief as part of this Reorganization must be adopted within 30 days of this enacted Agreement. Any rules and regulations, outlined in the policies and procedures as part of this Reorganization, that are not met or completed shall be a breach of this Agreement. Any termination or expiration of the services from the identified governmental entity, existing BFPD firefighter personnel, or consulting firm shall be a breach of this Agreement.

**3.1.5 Community Outreach.** BFPD hereby agrees to coordinate with the Parties to co-host community forums, whether in-person or virtual, to educate the Branciforte community about the Reorganization process. Such forums shall be hosted collaborative with the following representatives: (1) BFPD's interim fire chief, executive director, general manager, or district administrator and no more than two board members, (2) SVFPD's fire chief and no more than two board members, (3) LAFCO's Executive Officer and no more than two Commissioner.

**3.1.6 Agreement Not to Challenge or Support Challenge.** The Parties shall not file lawsuits or to directly or indirectly support litigation filed by others, either as a party, through financial contributions, providing staff support, or by failing to aggressively defend such litigation, that challenges the adequacy of the Reorganization.

## **3.2 SVFPD Obligations.**

**3.2.1 Support.** SVFPD may provide administrative and operational support throughout the Reorganization process, including but not limited to, payroll and billing services. Additionally, SVFPD may provide additional assistance if requested by BFPD. Such request must be mutually agreed upon by SVFPD's fire chief and BFPD's interim fire chief, executive director, general manager, or district administrator.

**3.2.2 Consent.** SVFPD hereby irrevocably consents to the Reorganization pursuant to the terms of this Agreement and the Reorganization Application submitted pursuant to Section 3.1.2. SVFPD shall cooperate in every reasonable way with the requests of LAFCO. Said cooperation shall include, but not be limited to, the filing of all necessary applications, plans, and any other documentation or information required by LAFCO or any public agency associated with the Reorganization process.

**3.2.3 Agreement Not to Challenge or Support Challenge.** The Parties shall not file lawsuits or to directly or indirectly support litigation filed by others, either as a party, through financial contributions, providing staff support, or by failing to aggressively defend such litigation, that challenges the adequacy of the Reorganization.

### **3.3 LAFCO Obligations.**

**3.3.1 Application.** LAFCO shall process the application submitted by BFPD in accordance with the CKH Act.

**3.3.2 Support.** LAFCO may provide guidance and assistance to the Parties regarding the LAFCO process, including but not limited to, fulfilling the statutory requirements under the CKH Act. Additionally, LAFCO may provide administrative assistance if requested by BFPD. Such services include but are not limited to assisting with board meetings, community forums, or other outreach efforts.

**3.3.3 Interim Fire Chief.** The Commission hired the Fire Reorganization Consulting, LLC ("Fire Consultant") on March 2, 2022 to help LAFCO staff with fire-related projects. Concurrently with approval of this Agreement, BFPD has or may contract with the Fire Consultant to provide interim administrative services at the hourly rate as specified in the agreement between the parties. LAFCO agrees that the Fire Consultant shall not provide services to LAFCO regarding the Reorganization if hired for the temporary, interim supervisory position, whether as a fire chief, executive director, general manager, or district administrator. If the Fire Consultant is not hired for the temporary, interim supervisory position, whether as a fire chief, executive director, general manager, or district administrator, then the Fire Consultant, with LAFCO's approval, may provide assistance to the identified interim fire chief throughout the Reorganization process.

## **ARTICLE 4. REORGANIZATION**

**4.1 Reorganization.** For purposes of this Agreement, a Reorganization is defined as the dissolution of Branciforte Fire Protection District and the concurrent annexation of the dissolved area into Scotts Valley Fire Protection District. In accordance with the CKH Act, all assets and liabilities, revenues and expenditures, facilities and apparatuses, district files and records, and other identified items will be transferred over to SVFPD following the Reorganization's date of recordation.

**4.2 New Benefit Assessment Consideration.** If determined by Branciforte Fire Protection District and/or Scotts Valley Fire Protection District, the residents of the Branciforte community will have an opportunity to vote on whether to support a new special tax to keep the Branciforte Fire Station open with a two-person crew minimum. This election will be conducted during the November 2022 General Election, unless the Parties agree on a different date. If the new special tax fails, the Reorganization will continue with an alternative designation for the Branciforte Fire Station.

**4.3 Timing.** The effective date of the Reorganization will be the Certificate of Completion's recordation date.

## ARTICLE 5. DAMAGES

**5.1 Remedies.** Subject to the limitations herein, in the event of a breach of this Agreement, the non-breaching party may at its option institute legal action to cure, correct, or remedy such breach, enjoin any threatened or attempted violation, or enforce the terms of this Agreement by specific performance. In the event of any breach of this Agreement, the non-breaching party shall have the right to pursue against the breaching party, any and all remedies that are available at law or at equity for breach of contractual obligation, provided however, that in no event shall BFPD have the right to sue SVFPD or LAFCO or any SVFPD or LAFCO officials, employees, contractors or agents for damages or monetary relief arising out of the SVFPD's or LAFCO's default of its obligations set forth in this Agreement, the Parties agreeing that declaratory and injunctive relief, mandate, and specific performance shall be BFPD's sole and exclusive judicial remedy. The prevailing party in any such litigation shall be entitled to its attorney's fees and costs.

## ARTICLE 6. GENERAL PROVISIONS

**6.1 Duration.** This Agreement will remain in place until the Reorganization is finalized. If BFPD, SVFPD, and/or LAFCO decide to oppose, deny, withdraw, or stop the Reorganization process, then the Agreement will be terminated. This LAFCO does not and cannot warrant LAFCO's approval of the Reorganization.

**6.2 Attorney's Fees.** In the event that any Party brings any legal action to interpret or enforce any provision of this Agreement, the prevailing Party in that action shall be entitled to receive, in addition to all other available relief, costs of litigation and reasonable attorneys' fees, including expert witness fees, costs and fees incurred on appeal and in enforcing any judgment which may be rendered on the underlying action.

**6.3 No Third Party Beneficiaries.** Except as provided in Section 6.10, the Parties expressly acknowledge that they do not intend, by their execution of this Agreement, to benefit any person or entities not signatory to this Agreement. Except as provided by Section 6.10, no person or entity not a signatory to this Agreement will have any rights or causes of action against the Parties, or any combination thereof, arising out of or due to the Parties' entry into this Agreement.

**6.4 Governing Law.** This Agreement shall be interpreted and enforced in accordance with the provisions of California law, without regard to conflicts of laws provisions. Any litigation shall be held in a court of competent jurisdiction located in Santa Cruz County, California.

**6.5 Notice.** Unless otherwise permitted by this Agreement, all notices to be given shall be in writing and may be made by personal delivery, certified mail, postage prepaid and return receipt requested. Mailed notices shall be addressed to the Parties at the addresses listed below, but each party may change the address by written notice in accordance with this paragraph. Receipt will be deemed made as follows: notices delivered personally will be deemed communicated as of actual receipt; mailed notices will be deemed communicated on receipt or return.

**If to BFPD:**

Branciforte Fire Protection District  
2711 Branciforte Drive  
Santa Cruz, CA 95065

**If to SVFPD:**

Scotts Valley Fire Protection District  
7 Erba Lane  
Scotts Valley, CA 95066

**If to LAFCO:**

Local Agency Formation Commission of Santa Cruz County  
701 Ocean Street, Room 318-D  
Santa Cruz, CA 95060

**6.6 Counterparts.** This Agreement may be executed in two (2) or more counterparts, each of which shall constitute an original.

**6.7 Entire Agreement.** This Agreement contains the entire Agreement of the Parties with respect to the subject matter hereof, and supersedes all prior negotiations, understandings or agreements, either written or oral, express or implied.

**6.8 Further Acts.** The Parties agree to execute such additional documents and to take such further actions as are reasonably necessary to accomplish the objectives and intent of this Agreement.

**6.9 Waiver.** The failure of any Party to insist upon strict compliance with any provision of this Agreement or to exercise any right or privilege provided herein, or any Party's waiver of any breach hereunder unless in writing, shall not relieve any other Party of any of obligations hereunder, whether of the same or similar type. The foregoing shall be true whether the waiving Party's actions are intentional or unintentional.

**6.10 Authorization to Execute.** The signatories to this Agreement warrant that they have been lawfully authorized by their respective Parties to execute this Agreement on their behalf. Upon request, the Parties shall deliver all applicable bylaws, resolutions, or other documents evidencing the signatories' legal authority to execute this Agreement on behalf of the respective Parties.

**6.11 Severability.** If any provision or clause of this Agreement or any application of it to any person, firm, organization, partnership or corporation is held invalid, such invalidity shall not affect other provisions of this Agreement which can be given effect without the invalid provision or application. To this end, the provisions of this Agreement are declared to be severable.

**6.12 Compliance with other Rules and Regulations.** BFPD and SVFPD shall comply with all other applicable rules and regulations of LAFCO and all other public agencies having jurisdiction over the Reorganization area. This Agreement does not abrogate, limit or modify any other of Parties' rights which are provided by common law, statute, ordinance or regulation.

**6.13 Lack of Reorganization.** In the event that BFPD does not dissolve and concurrently annex into SVFPD, the Parties are not bound by the obligations of this Agreement and the Parties retain any of their respective pre-Reorganization rights and duties as local governmental entities. Such inaction may result in BFPD from being able to operate as a special district due to the legal requirements under its Principal Act, the Brown Act, and other state mandates.

"LAFCO"

By: \_\_\_\_\_

Joe Serrano, Executive Officer

Date: \_\_\_\_\_

3/14/22

"BFPD"

By: \_\_\_\_\_

Pat O'Connell, Board President

Date: \_\_\_\_\_

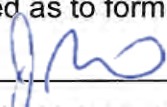


Approved as to form:

By: \_\_\_\_\_

Joshua Nelson, General Counsel

Date: \_\_\_\_\_



Approved as to form:

By: \_\_\_\_\_

Travis Cochran, General Counsel

Date: \_\_\_\_\_

"SVFPD"

By: \_\_\_\_\_

Russ Patterson, Board President

Date: \_\_\_\_\_

Approved as to form:

By: \_\_\_\_\_

Phillip A. Passafiume, General Counsel

Date: \_\_\_\_\_

**6.12 Compliance with other Rules and Regulations.** BFPD and SVFPD shall comply with all other applicable rules and regulations of LAFCO and all other public agencies having jurisdiction over the Reorganization area. This Agreement does not abrogate, limit or modify any other of Parties' rights which are provided by common law, statute, ordinance or regulation.

**6.13 Lack of Reorganization.** In the event that BFPD does not dissolve and concurrently annex into SVFPD, the Parties are not bound by the obligations of this Agreement and the Parties retain any of their respective pre-Reorganization rights and duties as local governmental entities. Such inaction may result in BFPD from being able to operate as a special district due to the legal requirements under its Principal Act, the Brown Act, and other state mandates.

"LAFCO"

By: \_\_\_\_\_

Joe Serrano, Executive Officer

Date: \_\_\_\_\_

Approved as to form:

By: \_\_\_\_\_

Joshua Nelson, General Counsel

Date: \_\_\_\_\_

"BFPD"

By: \_\_\_\_\_

Pat O'Connell, Board President

Date: \_\_\_\_\_


Approved as to form:

By: \_\_\_\_\_

Travis Cochran, General Counsel

Date: \_\_\_\_\_

"SVFPD"

By:  \_\_\_\_\_

Russ Patterson, Board President

Date: 4/13/2022

Approved as to form:

By:  \_\_\_\_\_

Phillip A. Passafiume, General Counsel

Date: 4-13-22



**6.12 Compliance with other Rules and Regulations.** BFPD and SVFPD shall comply with all other applicable rules and regulations of LAFCO and all other public agencies having jurisdiction over the Reorganization area. This Agreement does not abrogate, limit or modify any other of Parties' rights which are provided by common law, statute, ordinance or regulation.

**6.13 Lack of Reorganization.** In the event that BFPD does not dissolve and concurrently annex into SVFPD, the Parties are not bound by the obligations of this Agreement and the Parties retain any of their respective pre-Reorganization rights and duties as local governmental entities. Such inaction may result in BFPD from being able to operate as a special district due to the legal requirements under its Principal Act, the Brown Act, and other state mandates.

"LAFCO"

By: 

Joe Serrano, Executive Officer

Date: 3/14/22

"BFPD"

By:  11

Pat O'Connell, Board President

Date: \_\_\_\_\_

Approved as to form:

By: \_\_\_\_\_

Joshua Nelson, General Counsel

Date: \_\_\_\_\_

Approved as to form:

By: 

Travis Cochran, General Counsel

Date: 3/24/22

"SVFPD"

By: \_\_\_\_\_

Russ Patterson, Board President

Date: \_\_\_\_\_

Approved as to form:

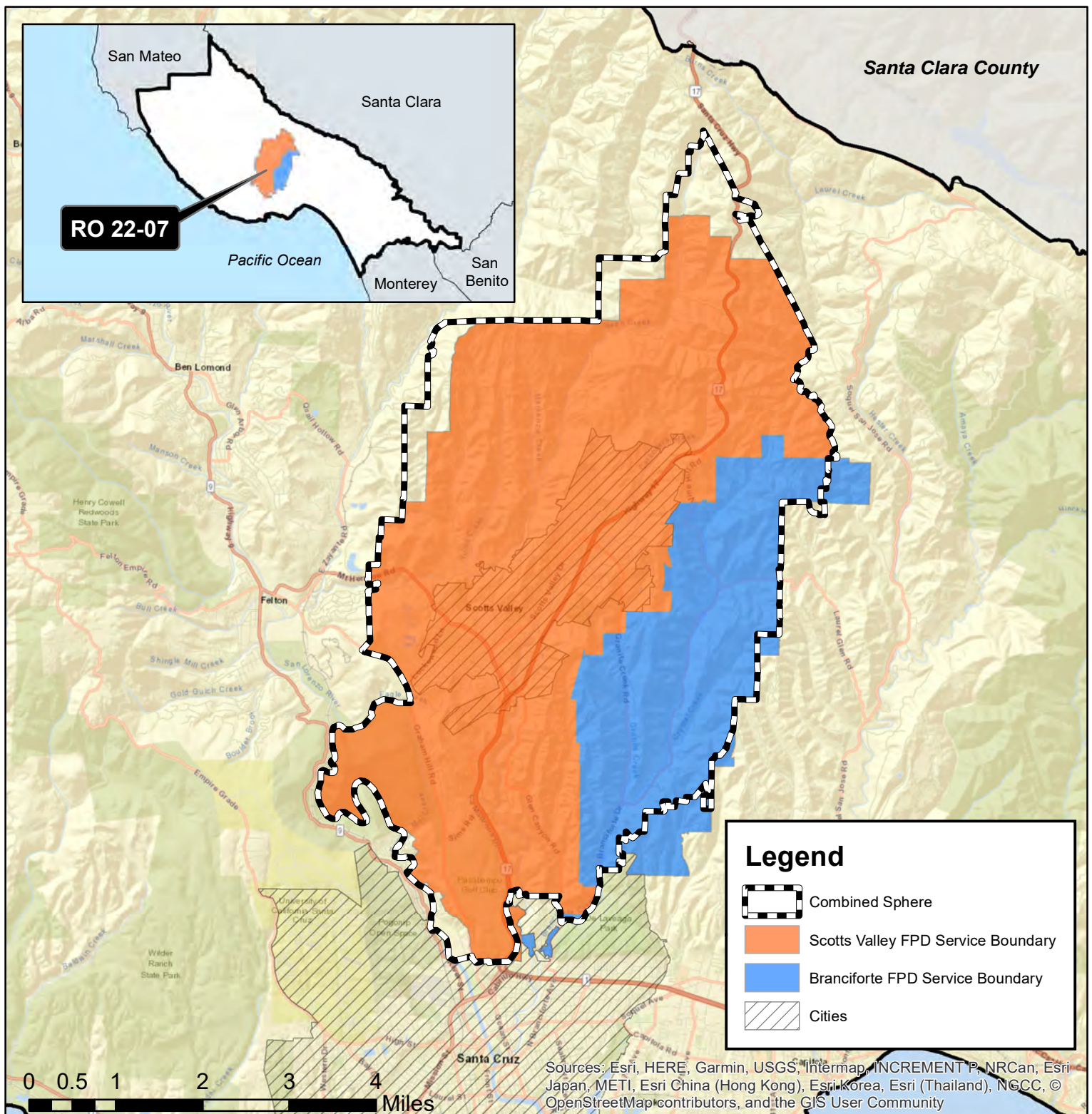
By: \_\_\_\_\_

Phillip A. Passafiume, General Counsel

Date: \_\_\_\_\_

# **EXHIBIT D:**

## **Current “Combined” Sphere Boundary**



# "Branciforte Fire Protection District Reorganization" (LAFCO Project No. RO 22-07)



The proposed reorganization includes three actions:

- 1) dissolution of the Branciforte FPD
- 2) concurrent annexation of the dissolved area into SVFPD
- 3) sphere amendment to include the annexation area

*In 1994, Branciforte FPD was added to Scotts Valley FPD's sphere boundary as a precursor to consolidation.* Page 332 of 662

# **EXHIBIT E:**

## **Tentative Reorganization Timeline (as of 5/3/23)**

## "Branciforte Fire Protection District Reorganization" (Tenative Timeline - Completed and Scheduled Milestones)

Milestones Completed	Responsible Agency	Target Date	Description
1) Discussion Application Requirements	BFPD, SVFPD, and LAFCO	September 2021 to March 2022	Discuss the LAFCO process, proposal area, and application requirements to transfer service responsibilities from BFPD to SVFPD.
2) Submit Application to LAFCO	BFPD	April 1, 2022	Any change of organization (i.e. reorganization of two fire districts) requires initiation by the affected agency(ies), affected landowners/registered voters, or by LAFCO. BFPD adopted a resolution of initaiton on February 24, 2022. An application must fulfill the statutory requirements under LAFCO law.
3) Review Application (Status/Referral Letters)	LAFCO	April 27, 2022	Pursuant to state law, LAFCO will identify any missing items to the applicant within 30 days. Concurrently, LAFCO will solicit comments from affected and interested agencies/parties.
4) Host Study Session (Virtual Event)	BFPD & LAFCO	September 14, 2022	BFPD and LAFCO will host a virtual educational study session to inform the community about the reorganization effort, discuss the future of the Branciforte Fire Station, and answer any questions by the residents.
5) Host Study Session (In-Person Event)	BFPD & LAFCO	September 14, 2022	BFPD and LAFCO will host an in-person educational study session to inform the community about the reorganization effort, discuss the future of the Branciforte Fire Station, and answer any questions by the residents.
6) Hire Consulting Firm to Produce Benefit Assessment Study	BFPD	October 20, 2022	Based on the input from the community, the Board will consider hiring SCI Consulting to produce a benefit assessment study to determine the cost to keep the Branciforte Fire Station open post-reorganization.
7) Post Notice of Vacancy	BFPD	December 1, 2022	One board member resigned from BFPD on November 7, 2022. In accordance with state law, BFPD will post a Notice of Vacancy to solicit applications from eligible candidates who live within BFPD and are registered voters. Deadline to submit applications will be December 16, 2022.
8) Post Updated Notice of Vacancy	BFPD	December 16, 2022	A second board member residedented from BFPD on December 7, 2022. A new Notice of Vacancy will be posted with a new deadline to submit applications (December 30). Eligible candidates may apply for either seat or both. A special meeting will be conducted to appoint the two new members.
9) Conduct Board Meeting (Appoint New Board Members)	BFPD	January 19, 2023	Appoint two new board members to address the current vacancies on the BFPD Board.
10) Review Draft Report (BFPD Study Session)	BFPD & LAFCO	February 10, 2023	BFPD will review the draft study and determine whether a mailed-in election process will be conducted. Registered Voters within BFPD will vote to approve the proposed benefit assessment measure to fund the BFPD Fire Station with two full-time paramedic firefighters.
11) Discuss Application Status (Pending Items)	BFPD, SVFPD, and LAFCO	February 15, 2023	Address any pending items (ex. Plan for Service). These items must be resolved before LAFCO staff can deem this project complete and ready for Commission consideration.
12) Conduct Board Meeting (Schedule Election Process)	BFPD & LAFCO	March 16, 2023	The BFPD will decide if they will coordinate with the County Election's Department to determine how to properly organize and schedule the vote-by-mail process for the proposed benefit assessment.
13) Adopt Property Tax Agreement	County	March 28, 2023	The County will need to determine the transfer of ad valorem property tax revenues to fulfill the requirements of Section 99 of the Revenue and Taxation Code. Unanimously approved by BOS.
14) CALPERS Actuarial Report	CALPERS	April 10, 2023	CalPERS will provide an actuarial report showing SVFPD as the successor agency of BFPD's existing pension obligations.
15) Host Educational Workshop (In-Person Setting)	BFPD	April 22, 2023	BFPD will host an in-person educational study session to inform the community about the reorganization effort, discuss the proposed benefit assessment process, and answer any questions by the residents. 1 of 4 workshops (2 in-person; 2 virtual)
Milestones To Be Completed	Responsible Agency	Target Date	Description
16) Host Educational Workshop (Virtual Setting)	BFPD	May 11, 2023	BFPD will host an in-person educational study session to inform the community about the reorganization effort, discuss the proposed benefit assessment process, and answer any questions by the residents. 2 of 4 workshops (2 in-person; 2 virtual)
17) Complete Certificate of Filing	LAFCO	May 18, 2023	Pursuant to State law, LAFCO's Executive Officer will deem the project complete when a Certificate of Filing is signed. All required documents and actions need to be accomplished before this step is taken.
18) Host Educational Workshop (In-Person Setting)	BFPD	May 21, 2023	BFPD will host an in-person educational study session to inform the community about the reorganization effort, discuss the proposed benefit assessment process, and answer any questions by the residents. 3 of 4 workshops (2 in-person; 2 virtual)
19) Advertise LAFCO Hearing in Newspaper(s)	LAFCO	May 22, 2023	Pursuant to State law, LAFCO will advertise the consideration of the proposed reorganization in a newspaper(s) at least 21-days prior to the hearing date (GCS 56157[h] - 1/8 page in newspaper).
20) Host Educational Workshop (Virtual Setting)	BFPD	June 7, 2023	BFPD will host an in-person educational study session to inform the community about the reorganization effort, discuss the proposed benefit assessment process, and answer any questions by the residents. 4 of 4 workshops (2 in-person; 2 virtual)
21) Conduct LAFCO Hearing (Consider Proposal)	LAFCO	June 14, 2023	<b>The Commission will consider the proposed change of organization in a public forum. Affected/interested agencies and members of the public will have an opportunity to address the Commission on this matter.</b>
22) Record CEQA Document	LAFCO	June 15, 2023	The affected parties and LAFCO must determine which environmental document will be needed to fulfill the requirements of the California Environmental Quality Act. LAFCO may act as the Lead Agency.
23) Conduct 30-day Request for Reconsideration Period	LAFCO	June 15, 2023 to July 14, 2023	Pursuant to state law, the request for reconsideration period is 30 days. <u>Reconsideration:</u> If the reorganization is approved, any person or affected agency may file a written request with the executive officer requesting amendments to or reconsideration of the adopted resolution. The request shall state the specific modification to the resolution being requested and shall state what new or different facts that could not have been presented previously are claimed to warrant the reconsideration.
24) Mailed-In Election Results (If Conducted)	BFPD	July 20, 2023	BFPD will certify the results of the mailed-in election. A public hearing will also occur on this date.
25) Mail-Out Protest Notice	LAFCO	July 21, 2023	<b>State law requires LAFCO to conduct a protest proceeding and notify the affected residents. A protest notice will be mailed to the landowners/registered voters.</b>
26) Advertise LAFCO Protest Hearing in Newspaper(s)	LAFCO	July 27, 2023	Pursuant to State law, LAFCO will advertise the protest proceedings for the reorganization in a newspaper(s) at least 21-days prior to the hearing date (GCS 56157[h] - 1/8 page in newspaper).
27) Conduct Protest Proceedings	LAFCO	July 27, 2023 to August 25, 2023  (30 days)	Pursuant to state law, the date of the protest hearing shall not be less than 21 days or more than 60 days after the date the notice is given. This is an opportunity for affected residents/landowners to submit protest petitions against the Commission's action (i.e. approval of the reorganization).  If less than 25% oppose, then Commission action holds If 25%-50% oppose, then election is required If more than 50% oppose, then Commission action is terminated
28) Conduct Protest Hearing (Collect Final Petitions)	LAFCO	August 25, 2023	A protest hearing will be held to receive any final protest petitions from affected residents/landowners.
29) Conduct LAFCO Hearing (Adopt Protest Results)	LAFCO	September 6, 2023	<b>Pursuant to state law, LAFCO will adopt a resolution acknowledging the results of the protest proceedings.</b>
30) Complete Terms & Conditions	BFPD, SVFPD, and LAFCO	September 2023	The adopted resolution from the June 2023 LAFCO Meeting will list a number of terms and conditions. The affected parties will be responsible to fulfill such conditions prior to recordation, including but not limited to legislative assistance, bond measures, etc.
31) Record Proposal (Officially Dissolve BFPD and Concurrently Annex Dissolved Area to SVFPD)	LAFCO	September - October 2023	<u>LAFCO:</u> Recordation of the approved proposal with the County and the State Board of Equalization.  <u>BFPD-SVFPD:</u> The effective date of the reorganization may be the day of recordation or a specified date. The affected parties may specify the effective date as a potential condition in the LAFCO resolution.
32) Distribute Certificate of Completion	LAFCO	September - October 2023	LAFCO will send a copy of the Certificate of Completion, which includes the adopted resolution, to all affected/interested parties.
33) State Board of Equalization (Update Tax Roll)	SBE	October 2023	Reorganization will be reflected in new tax roll.

# **EXHIBIT F:**

## **Branciforte Advisory Commission (Draft Policy & Bylaws)**



## **BRANCIFORTE FIRE ADVISORY COMMISSION (POLICY)**

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### **Establishment – Statutory authority.**

The Scotts Valley Fire Protection District establishes the Branciforte Fire Advisory Commission under the authority of Government Code Section 13596.

### **Membership.**

- (A) The Commission shall consist of five members, residents of the Branciforte Service Zone (former territory of the Branciforte Fire Protection District), appointed by the Board of Directors.
- (B) Prospective members shall submit a letter of interest to the Fire Chief. The Fire Chief shall recommend members for appointment by the Board of Directors.

### **Term of office.**

Each member shall serve a term of four years, with terms beginning January 1 of odd years. Terms shall be staggered i.e. two seats in the first cycle and three seat in the second cycle. The initial members shall draw lots to determine which serve two year terms and which serve four year terms.

### **Organization and procedures**

- (A) General Organization. The Commission shall comply with all Scotts Valley Fire Protection District policies, particularly those governing conduct of Board meeting and Committees of the Board of Directors.
- (B) Staff Support. The Fire Chief shall provide staff support for the Commission as appropriate.
- (C) Meetings. The Commission shall meet twice yearly; during budget preparation and again at the time of mid-year budget review. With approval of the Fire Chief, the Commission may convene additional meetings for specific purposes, but in no case will more than four meetings be held in a calendar year.
- (D) Quorum. A quorum must be present in order for any matters requiring a vote to be acted on. A quorum shall be one person more than one-half the appointed members.

### **Powers and duties.**

The Commission shall make efforts to ensure the interests of the Branciforte community are protected and promoted by monitoring, studying, and advising the Fire Chief and the Board of Directors on:

- (A) The preparation and implementation of Scotts Valley Fire Protection District plans and processes, including the development of Master Plans, Strategic Plans, Standards of Cover, Capital Plans, Community Wildfire Protection Plans, and Annual Budgets.
- (B) The continued use and maintenance of the Branciforte Fire Station.
- (C) The continued collection and allocation of Measure T funds.
- (D) The Commission shall also serve as a liaison to community-based groups such as Firewise Communities, Community Emergency Response Teams, and others as may be organized.
- (E) Such other matters relating to the Fire District's services and programs as the Commission desires to bring to the attention of the Fire Chief and the Board of Directors.

## **BRANCIFORTE FIRE ADVISORY COMMISSION (BYLAWS)**

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### **I. DUTIES AND RESPONSIBILITIES**

The Commission shall exercise those duties and responsibilities set forth for the Commission in Scotts Valley Fire Protection District Policy (Enter Policy No.)

### **II. MEETINGS**

1. The regular meeting of the Commission shall be held twice each calendar year, by schedule, as determined by a majority of Commission members each January.

Special meetings may be called by the Chair, or by a majority vote of the Commission, during any regular or special meeting and must be approved by the Fire Chief. A quorum is represented by a simple majority of those Commissioners currently appointed.

Meetings will typically be held at the Branciforte Fire Station.

2. At least seventy-two (72) hours prior to each regular meeting, an agenda shall be mailed to each Commission member and to any person or organization which has submitted a written request to the Commission for notification of meetings and shall be posted at a location that is freely accessible to the public. The agenda shall contain a brief general description of each item of business to be transacted or discussed at the meeting.
3. Notice for a special meeting must be received at least twenty-four (24) hours prior to the time of the meeting. An agenda for the special meeting shall be mailed to each Commission member and to each person or organization which has submitted a written request to the Commission for notification of meetings and shall be posted at least twenty-four (24) hours prior to the special meeting at a location that is freely accessible to members of the public. No business other than that listed on the agenda shall be considered at a special meeting.
4. A person shall not be required to register his or her name or fulfill any other obligation as a condition to attendance at any meeting of this Commission but may volunteer such information for inclusion in the Commission minutes.
5. The meetings will be conducted in accordance with Roberts Rules of Order Revised unless otherwise specified by the authorizing legislation or these bylaws.

### **III. OFFICERS**

1. The officers of the Commission are the Chair, Vice-Chair, and Secretary.
2. The duties of the Chair are to preside over the meetings, prepare agendas, and execute all documents on behalf of the Commission. The Vice-Chair shall assume these same duties in the absence of the Chair. The Secretary shall keep minutes of each meeting.
3. Election of officers shall take place at the annual organizational meeting held in January of each year at a day, time and place to be announced in its meeting notice. Term of office is limited to one year.

#### **IV. AGENDAS**

1. No action or discussion shall be undertaken on any item not appearing on the posted agenda except that members of the Commission may briefly respond to statements made or questions posed by persons exercising their public testimony rights or ask a question for clarification, refer the matter to staff or to other resources for factual information, or request staff to report back at a subsequent meeting concerning any matter.
2. Notwithstanding, the foregoing action may be taken on a item of business not appearing on the posted agenda upon a determination by two-thirds vote of the membership of the Commission, or if less than two-thirds of the members are present, by unanimous vote of those members present, that there is a need to take immediate action and that the need for action came to the attention of the Commission subsequent to the agenda being posted.
3. Community oral communication will be heard as the first item of business on each agenda. Oral communication shall be limited to non-agenda items which are within the subject matter jurisdiction of the Commission.
4. Public comments presented during oral communication will be limited to three minutes.
5. The Chair of the Commission may establish reasonable limits on the amount of time allotted to each speaker on a particular item.
6. The Chair may establish a reasonable limit on the total amount of time allotted for public testimony of a particular item or the total amount of time allotted for community oral communications.
7. When further discussion is required, the Commission may vote to allot time in the agenda of the following meetings.

#### **V. COMMITTEES**

1. Committees or task forces may be appointed as needed by the Chair with the majority approval of the Commission. The Chair, with the majority approval of the Commission, shall terminate the committee when its function is no longer necessary.
2. All committees shall comply with the notice and agenda requirements otherwise applicable to the Commission in these Bylaws, except for committees composed solely of less than a quorum of the members of the Commission which are not standing subcommittees of the Commission with either a continuing subject matter jurisdiction or a meeting schedule fixed by resolution or other formal action of the Commission.

#### **VI. PUBLIC INPUT**

Beside public input on non-agenda items as described in Item 4 (c), the public may comment on agenda items before or during the Commission consideration of the item. Comments should be directly related to the agenda item and be concise. The Chair shall regulate such comments to insure they come at an appropriate time to be considered in Commission deliberations and are not too long or duplicative. Written materials may also be submitted related to agenda items. These shall be considered as part of the Commission deliberations.

## VII. AMENDMENTS TO BYLAWS

1. Amendments to these Bylaws may be recommended to the Board of Directors by a majority vote of the Commission.
2. These Bylaws, and any subsequent amendments thereto, shall be approved by the Board of Directors pursuant to Scotts Valley Fire District Policy (Enter Policy No.).
3. Proposed amendments shall be sent out with the agendas.

\_\_\_\_\_  
Chair, Branciforte Fire Advisory Commission

Date Adopted by Commission: \_\_\_\_\_

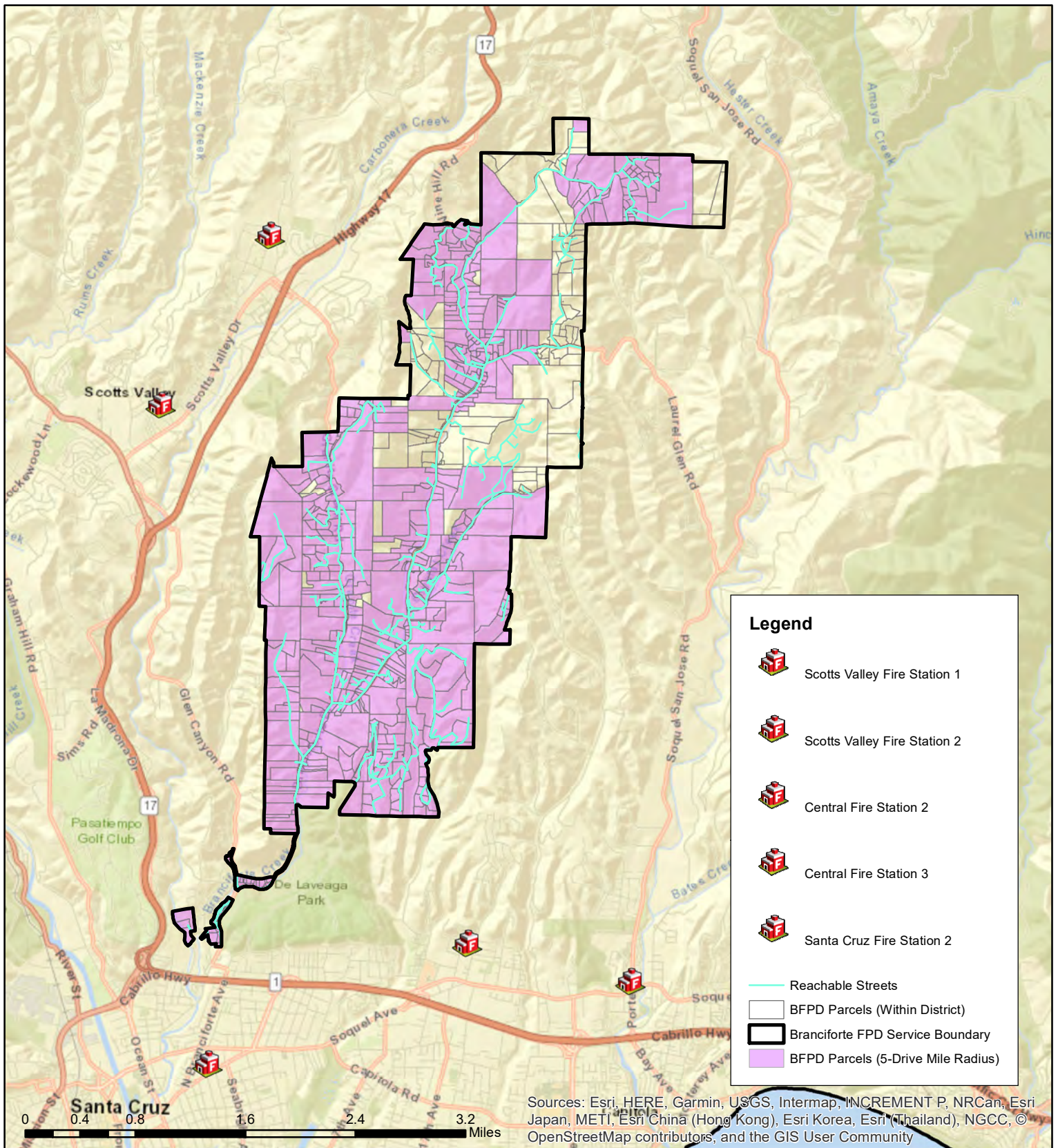
\_\_\_\_\_  
Chair, Scotts Valley Fire District Board of Directors

Date Adopted by Board of Directors: \_\_\_\_\_

DRAFT

# **EXHIBIT G:**

## **5-Driving Mile Distance (without Branciforte Fire Station)**



# Branciforte Fire Protection District (Surrounding Fire Stations)

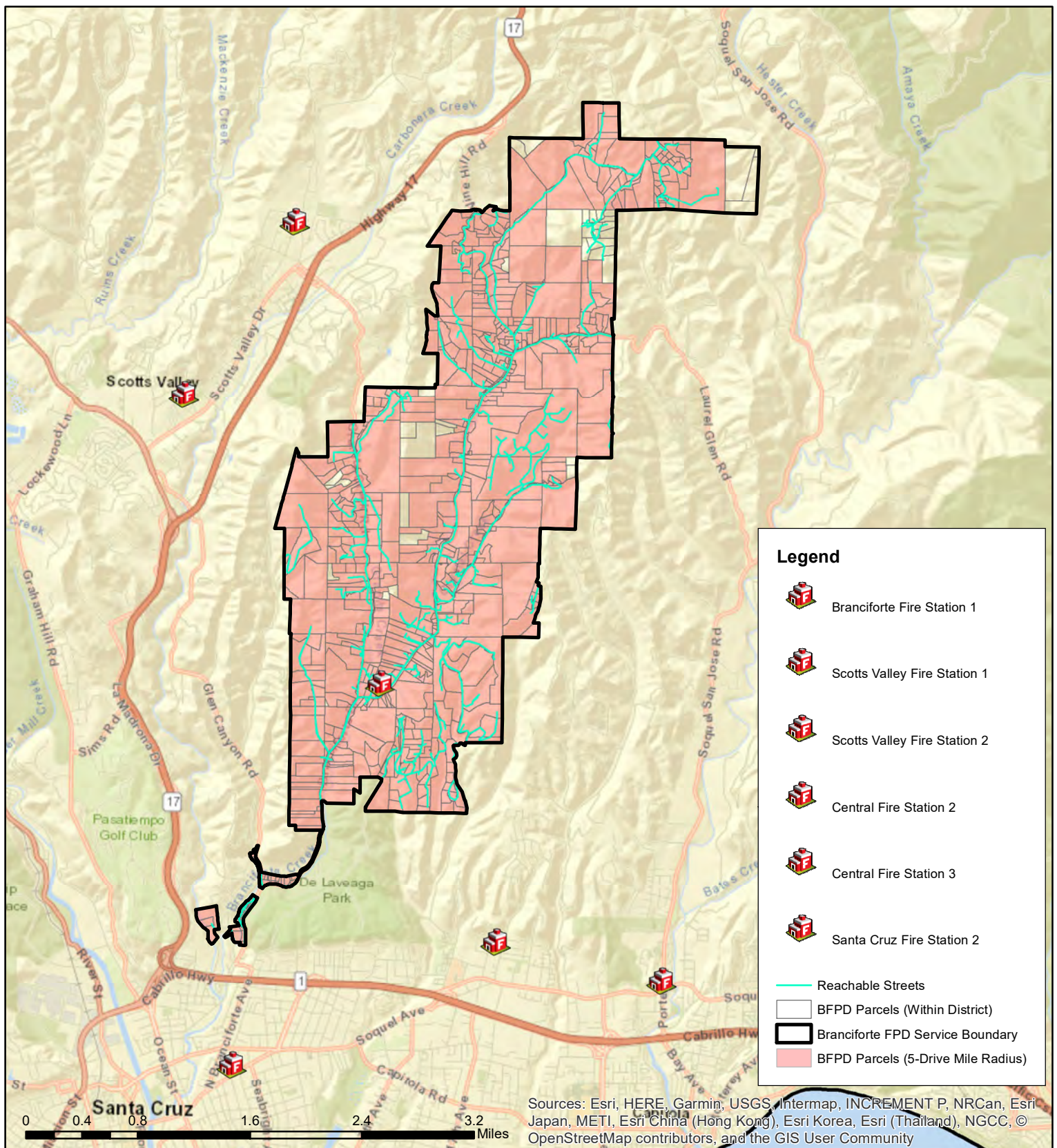


Based on LAFCO's analysis, 655 out of 745 parcels (88%) can be reached by surrounding fire stations (with at least 3 firefighters) within a 5-mile driving distance excluding the B40 Fire Station in operation. This means that 90 parcels (12%) will be beyond a 5-mile driving distance from a fire station if the B40 station does not obtain proper funding or staffing.



# **EXHIBIT H:**

## **5-Driving Mile Distance (with Branciforte Fire Station)**



# Branciforte Fire Protection District (Surrounding Fire Stations)

Based on LAFCO's analysis, 737 out of 745 parcels (99%) can be reached by surrounding fire stations within a 5-mile driving distance including the B40 Fire Station in full operation (at least 2 firefighters on duty). This means that 8 parcels (1%) are currently beyond a 5-mile driving distance from a nearby fire station.

Under this scenario, the B40 Fire Station requires a new benefit assessment to be in full operation.

# **EXHIBIT I:**

## **CalPERS Cost Analysis (dated 4/4/23)**



**California Public Employees' Retirement System**

**Actuarial Office**

400 Q Street, Sacramento, CA 95811 | Phone: (916) 795-3000 | Fax: (916) 795-2744

888 CalPERS (or 888-225-7377) | TTY: (877) 249-7442 | [www.calpers.ca.gov](http://www.calpers.ca.gov)

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April 4, 2023

Safety Plan of the Scotts Valley Fire Protection District  
(CalPERS ID: 4027652040)  
Amendment Actuarial Valuation Report as of June 30, 2021

Section 20508 Cost Analysis for Merger with Branciforte Fire Protection District

Dear Requestor:

A cost analysis for the valuation(s) requested above and related information is enclosed.

The change in the employer contribution rate, as of the effective date of the proposed merger, is displayed on page 3.

Government Code sections 20463 (b) and (c) require the governing body of a public agency which requests a contract cost analysis to provide each affected employee organization with a copy within five days of receipt. Likewise, if a cost analysis is requested by an employee organization, the employee organization is required to provide a copy of the analysis to the public agency within five days of receipt.

This cost analysis expires July 1, 2023. A Resolution of Intention **declaring the agency's intent** to amend the contract must be approved by the agency's governing body. The approved resolution must be received by this office on or before July 1, 2023. If either of these two conditions is not met, an updated cost analysis is required to merge the contracts. An updated cost analysis may be available as early as September 2023.

To complete the contract merger process based on the enclosed analysis, do the following:

- Complete and return the enclosed Contract Request and Schedule of Agency Actions forms. Within 90 days, CalPERS staff will send your agency the Resolution of Intention form for adoption.
- Complete and return the adopted Resolution of Intention to CalPERS on or before July 1, 2023. Adoption of the Final Resolution/Ordinance by this date is not required.

If you have questions about the cost analysis, please call (888) CalPERS (225-7377). Please ask to speak to a contract analyst for questions about the timing of the contract amendment. Please ask to speak to me for questions about this cost analysis.

A handwritten signature in black ink, appearing to read "David Clement".

DAVID CLEMENT, ASA, MAAA, EA  
Senior Actuary, CalPERS



Amendment Actuarial Valuation  
as of June 30, 2021

for the  
Safety Plan  
of the  
Scotts Valley Fire Protection District  
(CalPERS ID: 4027652040)

Required Contributions  
for Fiscal Year  
July 1, 2023 – June 30, 2024

## Introduction

This report presents the June 30, 2021 actuarial valuation results of the proposed merger of the Branciforte Fire Protection District with the Scotts Valley Fire Protection District Safety Plan, pursuant to Section 20508 of the **California Public Employees' Retirement Law**.

The pension funding information presented in this report should not be used in financial reports subject to GASB Statement No. 68. A separate accounting valuation report for annual GASB reporting purposes is available from CalPERS and details for ordering are available on our website.

The measurements shown in this actuarial valuation may not be applicable for other purposes. The employer should contact their actuary before disseminating any portion of this report for any reason that is not explicitly described above.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; changes in actuarial policies; and changes in plan provisions or applicable law; and differences between the required contributions determined by the valuation and the actual contributions made by the agency.

### Assessment and Disclosure of Risk

This report includes the following risk disclosures consistent with the recommendations of Actuarial Standards of Practice No. 51 and recommended by the California Actuarial Advisory Panel (CAAP) in the Model Disclosure Elements document:

- **A "Scenario Test," projecting future results** under different investment income returns.
- **A "Sensitivity Analysis," showing the impact on current valuation results using alternative discount rates** of 5.8% and 7.8%.
- **A "Sensitivity Analysis," showing the impact on current valuation results assuming rates of mortality** are 10% lower or 10% higher than our current post-retirement mortality assumptions adopted in 2021.
- Plan maturity measures indicating how sensitive a plan may be to the risks noted above.



## Required Employer Contributions

The following tables show the change in the plans' employer contribution requirements for fiscal year 2023-24 due to the proposed merger. If the effective date of the proposed merger is prior to July 1, 2023, the contribution requirements for the remainder of fiscal year 2023-24 will remain unchanged.

	Scotts Valley Fire Protection District (Pre-Merger)	Branciforte Fire Protection District (Pre-Merger)	Scotts Valley Fire Protection District (Post-Merger)
	Fiscal Year 2023-24	Fiscal Year 2023-24	Fiscal Year 2023-24
Development of Normal Cost as a Percentage of Payroll			
Base Total Normal Cost for Formula	31.82%	31.82%	31.82%
Surcharge for Class 1 Benefits <sup>1</sup>			
a) FAC 1	1.32%	0.00%	1.32%
<b>Plan's Total Normal Cost</b>	<b>33.14%</b>	<b>31.82%</b>	<b>33.14%</b>
<b>Plan's Employee Contribution Rate<sup>2</sup></b>	<b><u>8.99%</u></b>	<b><u>8.99%</u></b>	<b><u>8.99%</u></b>
Employer Normal Cost Rate	24.15%	22.83%	24.15%
Projected Payroll for Contribution Fiscal Year	\$1,949,471	\$169,596	\$2,119,067
Estimated Employer Contributions Based on Projected Payroll			
<b>Plan's Estimated Employer Normal Cost</b>	<b>\$470,797</b>	<b>\$38,719</b>	<b>\$511,755</b>
<b>Plan's Payment on Amortization Bases</b>	<b>1,021,417</b>	<b>68,255</b>	<b>1,089,672</b>
% of Projected Payroll (illustrative only)	52.39%	40.25%	51.42%
Estimated Total Employer Contribution	\$1,492,214	\$106,974	\$1,601,427
% of Projected Payroll (illustrative only)	76.54%	63.08%	75.57%
Required Employer Contributions			
Employer Normal Cost Rate	24.15%	22.83%	24.15%
<i>Plus, Either</i>			
1) Monthly UAL Payment	\$85,118.08	\$5,687.92	\$90,806.00
<i>Or</i>			
2) Annual UAL Prepayment*	\$988,365	\$66,046	\$1,054,411

*The total minimum required employer contribution is the sum of the Plan's Employer Normal Cost Rate (expressed as a percentage of payroll) plus the Employer Unfunded Accrued Liability (UAL) Contribution Amount (billed monthly in dollars).*

*\*Only the UAL portion of the employer contribution can be prepaid (which must be received in full no later than July 31).*

<sup>1</sup> The Section 2 report contains a list of Class 1 benefits and corresponding surcharges for each benefit.

<sup>2</sup> The rate displayed is the actual average employee contribution rate for the Risk Pool, which takes into account adjustments for Social Security contribution offsets. The required employee contribution, which is set by statute, is <<9%>> of pay.

## Plan's Funded Status

June 30, 2021	Scotts Valley Fire Protection District (Pre-Merger)	Branciforte Fire Protection District (Pre-Merger)	Scotts Valley Fire Protection District (Post-Merger)
1. Present Value of Projected Benefits (PVB)	\$54,346,477	\$4,006,414	\$58,379,757
2. Entry Age Accrued Liability (AL)	50,846,730	3,509,364	54,356,094
<b>3. Plan's Market Value of Assets (MVA)</b>	41,417,299	3,212,821	44,630,120
4. Unfunded Accrued Liability (UAL) [(2) - (3)]	9,429,431	296,543	9,725,974
5. Funded Ratio [(3) / (2)]	81.5%	91.5%	82.1%

The UAL and funded ratio are assessments of the need for future employer contributions based on the actuarial cost method used to fund the plan. The UAL is the present value of future employer contributions for service that has already been earned and is in addition to future normal cost contributions for active members. The funded ratio, on the other hand, is a relative measure of funded status that allows for comparison between plans of different sizes. For measures of funded status that are appropriate for assessing the sufficiency of plan assets to cover **estimated termination liabilities**, please see "Hypothetical Termination Liability" in the "Risk Analysis" section.

## Projected Employer Contributions

The tables below show the required and projected employer contributions (before cost sharing) for the next six fiscal years. The projection assumes that all actuarial assumptions will be realized and that no further changes to assumptions, contributions, benefits, or funding will occur during the projection period. In particular, the investment return beginning with fiscal year 2021-22 is assumed to be 6.80% per year, net of investment and administrative expenses. Actual contribution rates during this projection period could be significantly higher or lower than the projection shown below. The projected normal cost percentages below reflect that the normal cost will continue to decline over time as new employees are hired into lower cost benefit tiers. Future contribution requirements may differ significantly from those shown below. The actual long-term cost of the plan will depend on the actual benefits and expenses paid and the actual investment experience of the fund.

### Scotts Valley Fire Protection District

#### Pre-Merger

	Required Contribution	Projected Future Employer Contributions (Assumes 6.80% Return for Fiscal Year 2021-22)				
Fiscal Year	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Normal Cost %	24.15%	24.2%	24.2%	24.2%	24.2%	24.2%
UAL Payment	\$1,021,417	\$1,007,000	\$961,000	\$913,000	\$845,000	\$878,000

### Branciforte Fire Protection District

#### Pre-Merger

	Required Contribution	Projected Future Employer Contributions (Assumes 6.80% Return for Fiscal Year 2021-22)				
Fiscal Year	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Normal Cost %	22.83%	22.8%	22.8%	22.8%	22.8%	22.8%
UAL Payment	\$68,255	\$0	\$0	\$0	\$0	\$0

### Scotts Valley Fire Protection District

#### Post-Merger

	Required Contribution	Projected Future Employer Contributions (Assumes 6.80% Return for Fiscal Year 2021-22)				
Fiscal Year	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Normal Cost %	24.15%	24.2%	24.2%	24.2%	24.2%	24.2%
UAL Payment	\$1,089,672	\$1,007,000	\$961,000	\$913,000	\$845,000	\$878,000

## Schedule of Plan's Amortization Bases

The following pages display the amortization base schedules for Scotts Valley Fire Protection District before and after the proposed merger, as well as the amortization base schedule for Branciforte Fire Protection District before the proposed merger. Note that there is a two-year lag between the valuation date and the start of the contribution fiscal year.

- The assets, liabilities, and funded status of the plan are measured as of the valuation date: June 30, 2021.
- The required employer contributions determined by the valuation are for the fiscal year beginning two years after the valuation date: fiscal year 2023-24.

This two-year lag is necessary due to the amount of time needed to extract and test the membership and financial data, and the need to provide public agencies with their required employer contribution well in advance of the start of the fiscal year.

The Unfunded Accrued Liability (UAL) is used to determine the employer contribution and therefore must be rolled forward two years from the valuation date to the first day of the fiscal year for which the contribution is being determined. The UAL is rolled forward each year by subtracting the expected payment on the UAL for the fiscal year and adjusting for interest. The expected payment on the UAL for a fiscal year is equal to the Expected Employer Contribution for the fiscal year minus the Expected Normal Cost for the year. The Employer Contribution for the first fiscal year is determined by the actuarial valuation two years ago and the contribution for the second year is from the actuarial valuation one year ago. Additional discretionary payments are reflected in the Expected Payments column in the fiscal year they were made by the agency.

## Schedule of Plan's Amortization Bases (Continued)

### Scotts Valley Fire Protection District (Pre-Merger)

Reason for Base	Date Est.	Ramp Level 2023-24	Ramp Shape	Escalation Rate	Amort. Period	Balance 6/30/21	Expected Payment 2021-22	Balance 6/30/22	Expected Payment 2022-23	Balance 6/30/23	Minimum Required Payment 2023-24
Investment (Gain)/Loss	6/30/13	100%	Up/Down	2.80%	22	4,405,318	307,114	4,387,495	315,560	4,359,732	316,439
Non-Investment (Gain)/Loss	6/30/13	100%	Up/Down	2.80%	22	(267,710)	(18,663)	(266,627)	(19,177)	(264,939)	(19,230)
Share of Pre-2013 Pool UAL	6/30/13	No Ramp		2.80%	14	2,893,408	249,140	2,832,688	255,991	2,760,759	258,116
Assumption Change	6/30/14	100%	Up/Down	2.80%	13	1,943,428	195,423	1,873,623	200,798	1,793,517	203,023
Investment (Gain)/Loss	6/30/14	100%	Up/Down	2.80%	23	(3,157,689)	(214,208)	(3,151,041)	(220,099)	(3,137,852)	(220,524)
Non-Investment (Gain)/Loss	6/30/14	100%	Up/Down	2.80%	23	38,398	2,605	38,317	2,676	38,157	2,682
Investment (Gain)/Loss	6/30/15	100%	Up/Down	2.80%	24	1,938,165	128,165	1,937,509	131,689	1,933,167	131,833
Non-Investment (Gain)/Loss	6/30/15	100%	Up/Down	2.80%	24	(6,988)	(462)	(6,986)	(475)	(6,970)	(475)
Assumption Change	6/30/16	100%	Up/Down	2.80%	15	761,230	56,013	755,108	71,942	732,108	72,603
Investment (Gain)/Loss	6/30/16	100%	Up/Down	2.80%	25	2,523,969	132,014	2,559,170	169,555	2,557,968	169,601
Non-Investment (Gain)/Loss	6/30/16	100%	Up/Down	2.80%	25	(405,766)	(21,223)	(411,425)	(27,259)	(411,231)	(27,266)
Assumption Change	6/30/17	100%	Up/Down	2.80%	16	987,755	53,778	999,346	73,676	991,162	92,860
Investment (Gain)/Loss	6/30/17	100%	Up/Down	2.80%	26	(1,251,743)	(49,192)	(1,286,025)	(67,393)	(1,303,828)	(84,199)
Non-Investment (Gain)/Loss	6/30/17	100%	Up/Down	2.80%	26	31,162	1,225	32,015	1,678	32,458	2,096
Assumption Change	6/30/18	80%	Up/Down	2.80%	17	1,479,161	53,938	1,524,002	83,132	1,541,722	111,637
Investment (Gain)/Loss	6/30/18	80%	Up/Down	2.80%	27	(388,929)	(10,338)	(404,692)	(15,934)	(415,744)	(21,213)
Method Change	6/30/18	80%	Up/Down	2.80%	17	333,447	12,159	343,556	18,741	347,550	25,166
Non-Investment (Gain)/Loss	6/30/18	80%	Up/Down	2.80%	27	181,653	4,829	189,015	7,442	194,177	9,908
Investment (Gain)/Loss	6/30/19	60%	Up Only	0.00%	18	189,066	4,134	197,650	8,267	202,547	12,178
Non-Investment (Gain)/Loss	6/30/19	No Ramp		0.00%	18	220,837	20,152	215,028	20,152	208,824	19,799
Investment (Gain)/Loss	6/30/20	40%	Up Only	0.00%	19	863,999	0	922,751	20,213	964,609	39,652
Non-Investment (Gain)/Loss	6/30/20	No Ramp		0.00%	19	151,315	0	161,604	14,775	157,324	14,509
Assumption Change	6/30/21	No Ramp		0.00%	20	269,045	(19,772)	307,773	(20,326)	349,707	31,447
Net Investment (Gain)	6/30/21	20%	Up Only	0.00%	20	(4,064,124)	0	(4,340,484)	0	(4,635,637)	(99,642)
Non-Investment (Gain)/Loss	6/30/21	No Ramp		0.00%	20	(190,925)	0	(203,908)	0	(217,774)	(19,583)
Risk Mitigation	6/30/21	No Ramp		0.00%	1	1,228,060	(25,303)	1,337,717	(26,011)	1,455,563	1,504,238
Risk Mitigation Offset	6/30/21	No Ramp		0.00%	1	(1,276,111)	0	(1,362,887)	0	(1,455,563)	(1,504,238)
Total						9,429,431	861,528	9,180,292	999,613	8,771,513	1,021,417

## Schedule of Plan's Amortization Bases (Continued)

Branciforte Fire Protection District (Pre-Merger)											
Reason for Base	Date Est.	Ramp Level 2023-24	Ramp Shape	Escala- tion Rate	Amort. Period	Balance 6/30/21	Expected Payment 2021-22	Balance 6/30/22	Expected Payment 2022-23	Balance 6/30/23	Minimum Required Payment 2023-24
Fresh Start	6/30/21	No Ramp		0.00%	1	296,543	129,785	182,583	124,780	66,046	68,255
Total						296,543	129,785	182,583	124,780	66,046	68,255



## Schedule of Plan's Amortization Bases (Continued)

### Scotts Valley Fire Protection District (Post-Merger)

Reason for Base	Date Est.	Ramp Level 2023-24	Ramp Shape	Escalation Rate	Amort. Period	Balance 6/30/21	Expected Payment 2021-22	Balance 6/30/22	Expected Payment 2022-23	Balance 6/30/23	Minimum Required Payment 2023-24
Investment (Gain)/Loss	6/30/13	100%	Up/Down	2.80%	22	4,405,318	307,114	4,387,495	315,560	4,359,732	316,439
Non-Investment (Gain)/Loss	6/30/13	100%	Up/Down	2.80%	22	(267,710)	(18,663)	(266,627)	(19,177)	(264,939)	(19,230)
Share of Pre-2013 Pool UAL	6/30/13	No Ramp		2.80%	14	2,893,408	249,140	2,832,688	255,991	2,760,759	258,116
Assumption Change	6/30/14	100%	Up/Down	2.80%	13	1,943,428	195,423	1,873,623	200,798	1,793,517	203,023
Investment (Gain)/Loss	6/30/14	100%	Up/Down	2.80%	23	(3,157,689)	(214,208)	(3,151,041)	(220,099)	(3,137,852)	(220,524)
Non-Investment (Gain)/Loss	6/30/14	100%	Up/Down	2.80%	23	38,398	2,605	38,317	2,676	38,157	2,682
Investment (Gain)/Loss	6/30/15	100%	Up/Down	2.80%	24	1,938,165	128,165	1,937,509	131,689	1,933,167	131,833
Non-Investment (Gain)/Loss	6/30/15	100%	Up/Down	2.80%	24	(6,988)	(462)	(6,986)	(475)	(6,970)	(475)
Assumption Change	6/30/16	100%	Up/Down	2.80%	15	761,230	56,013	755,108	71,942	732,108	72,603
Investment (Gain)/Loss	6/30/16	100%	Up/Down	2.80%	25	2,523,969	132,014	2,559,170	169,555	2,557,968	169,601
Non-Investment (Gain)/Loss	6/30/16	100%	Up/Down	2.80%	25	(405,766)	(21,223)	(411,425)	(27,259)	(411,231)	(27,266)
Assumption Change	6/30/17	100%	Up/Down	2.80%	16	987,755	53,778	999,346	73,676	991,162	92,860
Investment (Gain)/Loss	6/30/17	100%	Up/Down	2.80%	26	(1,251,743)	(49,192)	(1,286,025)	(67,393)	(1,303,828)	(84,199)
Non-Investment (Gain)/Loss	6/30/17	100%	Up/Down	2.80%	26	31,162	1,225	32,015	1,678	32,458	2,096
Assumption Change	6/30/18	80%	Up/Down	2.80%	17	1,479,161	53,938	1,524,002	83,132	1,541,722	111,637
Investment (Gain)/Loss	6/30/18	80%	Up/Down	2.80%	27	(388,929)	(10,338)	(404,692)	(15,934)	(415,744)	(21,213)
Method Change	6/30/18	80%	Up/Down	2.80%	17	333,447	12,159	343,556	18,741	347,550	25,166
Non-Investment (Gain)/Loss	6/30/18	80%	Up/Down	2.80%	27	181,653	4,829	189,015	7,442	194,177	9,908
Investment (Gain)/Loss	6/30/19	60%	Up Only	0.00%	18	189,066	4,134	197,650	8,267	202,547	12,178
Non-Investment (Gain)/Loss	6/30/19	No Ramp		0.00%	18	220,837	20,152	215,028	20,152	208,824	19,799
Investment (Gain)/Loss	6/30/20	40%	Up Only	0.00%	19	863,999	0	922,751	20,213	964,609	39,652
Non-Investment (Gain)/Loss	6/30/20	No Ramp		0.00%	19	151,315	0	161,604	14,775	157,324	14,509
Assumption Change	6/30/21	No Ramp		0.00%	20	269,045	(19,772)	307,773	(20,326)	349,707	31,447
Net Investment (Gain)	6/30/21	20%	Up Only	0.00%	20	(4,064,124)	0	(4,340,484)	0	(4,635,637)	(99,642)
Non-Investment (Gain)/Loss	6/30/21	No Ramp		0.00%	20	(190,925)	0	(203,908)	0	(217,774)	(19,583)
Risk Mitigation	6/30/21	No Ramp		0.00%	1	1,228,060	(25,303)	1,337,717	(26,011)	1,455,563	1,504,238
Risk Mitigation Offset	6/30/21	No Ramp		0.00%	1	(1,276,111)	0	(1,362,887)	0	(1,455,563)	(1,504,238)
Merger (Branciforte)	6/30/21	No Ramp		0.00%	1	296,543	129,785	182,583	124,780	66,046	68,255
Total						9,725,974	991,313	9,362,875	1,124,393	8,837,559	1,089,672

## Future Investment Return Scenarios

Analysis using the investment return scenarios from the Asset Liability Management process completed in 2021 was performed to determine the effects of various future investment returns on required employer contributions. The projections below reflect the impact of the CalPERS Funding Risk Mitigation policy. The projected normal cost rates reflect that the rates are anticipated to decline over time as new employees are hired into lower-cost benefit tiers. The projections also assume that all other actuarial assumptions will be realized and that no further changes in assumptions, contributions, benefits, or funding will occur.

The first table shows projected contribution requirements if the fund were to earn either 3.0% or 10.8% annually. These alternate investment returns were chosen because 90% of long-term average returns are expected to fall between them over the 20-year period ending June 30, 2041.

### Scotts Valley Fire Protection District (Pre-Merger)

Assumed Annual Return FY 2021-22 through FY 2040-41	Projected Employer Contributions				
	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
3.0% (5 <sup>th</sup> percentile)					
Normal Cost Rate	24.2%	24.2%	24.2%	24.2%	24.2%
UAL Contribution	\$1,045,000	\$1,079,000	\$1,149,000	\$1,242,000	\$1,477,000
10.8% (95 <sup>th</sup> percentile)					
Normal Cost Rate	24.6%	25.0%	25.4%	25.8%	26.3%
UAL Contribution	\$971,000	\$854,000	\$694,000	\$0	\$0

### Scotts Valley Fire Protection District (Post-Merger)

Assumed Annual Return FY 2021-22 through FY 2040-41	Projected Employer Contributions				
	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
3.0% (5 <sup>th</sup> percentile)					
Normal Cost Rate	24.2%	24.2%	24.2%	24.2%	24.2%
UAL Contribution	\$1,048,000	\$1,088,100	\$1,167,000	\$1,273,000	\$1,523,000
10.8% (95 <sup>th</sup> percentile)					
Normal Cost Rate	24.6%	25.0%	25.4%	25.8%	26.3%
UAL Contribution	\$971,000	\$854,000	\$694,000	\$0	\$0

Required contributions outside of this range are also possible. In particular, whereas it is unlikely that investment returns will average less than 3.0% or greater than 10.8% over a 20-year period, the likelihood of a single investment return less than 3.0% or greater than 10.8% in any given year is much greater. The following analysis illustrates the effect of an extreme, single year investment return.

The portfolio has an expected volatility (or standard deviation) of 12.0% per year. Accordingly, in any given year there is a 16% probability that the annual return will be -5.2% or less and a 2.5% probability that the annual return will be -17.2% or less. These returns represent one and two standard deviations below the expected return of 6.8%.

The following table shows the effect of a one or two standard deviation investment loss in FY 2021-22 on the FY 2024-25 contribution requirements. Note that a single-year investment gain or loss decreases or increases the required UAL contribution amount incrementally for each of the next five years, not just one, due to the 5-year ramp in the amortization policy. However, the contribution requirements beyond the first year are also impacted by investment returns beyond the first year. Historically, significant downturns in the market are often followed by higher than average returns. Such investment gains would offset the impact of these single year negative returns in years beyond FY 2024-25.

## Future Investment Return Scenarios (Continued)

### Scotts Valley Fire Protection District (Pre-Merger)

Assumed Annual Return for Fiscal Year 2021-22	Required Employer Contributions	Projected Employer Contributions
	FY 2023-24	FY 2024-25
(17.2%) (2 standard deviation loss)		
Normal Cost Rate	24.15%	24.2%
UAL Contribution	\$1,021,417	\$1,251,000
(5.2%) (1 standard deviation loss)		
Normal Cost Rate	24.15%	24.2%
UAL Contribution	\$1,021,417	\$1,129,000

### Scotts Valley Fire Protection District (Post-Merger)

Assumed Annual Return for Fiscal Year 2021-22	Required Employer Contributions	Projected Employer Contributions
	FY 2023-24	FY 2024-25
(17.2%) (2 standard deviation loss)		
Normal Cost Rate	24.15%	24.2%
UAL Contribution	\$1,089,672	\$1,270,000
(5.2%) (1 standard deviation loss)		
Normal Cost Rate	24.15%	24.2%
UAL Contribution	\$1,089,672	\$1,138,500

- Without investment gains (returns higher than 6.8%) in year FY 2022-23 or later, projected contributions rates would continue to rise over the next four years due to the continued phase-in of the impact of the illustrated investment loss in FY 2021-22.
- The Pension Outlook Tool can be used to model projected contributions for these scenarios beyond FY 2024-25 as well as to model other investment return scenarios.

## Discount Rate Sensitivity

The discount rate assumption is calculated as the sum of the assumed real rate of return and the assumed annual price inflation, currently 4.5% and 2.3%, respectively. Changing either the price inflation assumption or the real rate of return assumption will change the discount rate. The sensitivity of the valuation results to the discount rate assumption depends on which component of the discount rate is changed. Shown below are various valuation results as of June 30, 2021 assuming alternate discount rates by changing the two components independently. Results are shown using the current discount rate of 6.8% as well as alternate discount rates of 5.8% and 7.8%. The rates of 5.8% and 7.8% were selected since they illustrate the impact of a 1.0% increase or decrease to the 6.8% assumption.

### Sensitivity to the Real Rate of Return Assumption

#### Scotts Valley Fire Protection District (Pre-Merger)

As of June 30, 2021	1% Lower Real Return Rate	Current Assumptions	1% Higher Real Return Rate
Discount Rate	5.8%	6.8%	7.8%
Inflation	2.3%	2.3%	2.3%
Real Rate of Return	3.5%	4.5%	5.5%
a) Total Normal Cost	41.56%	33.14%	26.71%
b) Accrued Liability	57,502,422	50,846,730	45,344,237
c) Market Value of Assets	41,417,299	41,417,299	41,417,299
d) Unfunded Liability/(Surplus) [(b) - (c)]	16,085,123	9,429,431	3,926,938
e) Funded Status	72.0%	81.5%	91.3%

#### Scotts Valley Fire Protection District (Post-Merger)

As of June 30, 2021	1% Lower Real Return Rate	Current Assumptions	1% Higher Real Return Rate
Discount Rate	5.8%	6.8%	7.8%
Inflation	2.3%	2.3%	2.3%
Real Rate of Return	3.5%	4.5%	5.5%
a) Total Normal Cost	41.56%	33.14%	26.71%
b) Accrued Liability	61,477,779	54,356,094	48,470,902
c) Market Value of Assets	44,630,120	44,630,120	44,630,120
d) Unfunded Liability/(Surplus) [(b) - (c)]	16,847,659	9,725,974	3,840,782
e) Funded Status	72.6%	82.1%	92.1%

## Discount Rate Sensitivity (continued)

Sensitivity to the Price Inflation Assumption

### Scotts Valley Fire Protection District (Pre-Merger)

As of June 30, 2021	1% Lower Inflation Rate	Current Assumptions	1% Higher Inflation Rate
Discount Rate	5.8%	6.8%	7.8%
Inflation	1.3%	2.3%	3.3%
Real Rate of Return	4.5%	4.5%	4.5%
a) Total Normal Cost	34.78%	33.14%	30.09%
b) Accrued Liability	52,558,072	50,846,730	46,723,312
c) Market Value of Assets	41,417,299	41,417,299	41,417,299
d) Unfunded Liability/(Surplus) [(b) - (c)]	11,140,773	9,429,431	5,306,013
e) Funded Status	78.8%	81.5%	88.6%

### Scotts Valley Fire Protection District (Post-Merger)

As of June 30, 2021	1% Lower Inflation Rate	Current Assumptions	1% Higher Inflation Rate
Discount Rate	5.8%	6.8%	7.8%
Inflation	1.3%	2.3%	3.3%
Real Rate of Return	4.5%	4.5%	4.5%
a) Total Normal Cost	34.78%	33.14%	30.09%
b) Accrued Liability	56,190,052	54,356,094	49,951,044
c) Market Value of Assets	44,630,120	44,630,120	44,630,120
d) Unfunded Liability/(Surplus) [(b) - (c)]	11,559,932	9,725,974	5,320,924
e) Funded Status	79.4%	82.1%	89.3%

## Mortality Rate Sensitivity

The following tables look at the change in the June 30, 2021 plan costs and funded ratio under two different longevity scenarios, namely assuming post-retirement rates of mortality are 10% lower or 10% higher than our current mortality assumptions adopted in 2021. This type of analysis highlights the impact on the plan on a future change in the mortality assumption

Scotts Valley Fire Protection District (Pre-Merger)

As of June 30, 2021	10% Lower Mortality Rates	Current Assumptions	10% Higher Mortality Rates
a) Total Normal Cost	33.61%	33.14%	32.70%
b) Accrued Liability	51,751,984	50,846,730	50,010,330
c) Market Value of Assets	41,417,299	41,417,299	41,417,299
d) Unfunded Liability/(Surplus) [(b) - (c)]	10,334,685	9,429,431	8,593,031
e) Funded Status	80.0%	81.5%	82.8%

Scotts Valley Fire Protection District (Post-Merger)

As of June 30, 2021	10% Lower Mortality Rates	Current Assumptions	10% Higher Mortality Rates
a) Total Normal Cost	33.61%	33.14%	32.70%
b) Accrued Liability	55,328,781	54,356,094	53,457,466
c) Market Value of Assets	44,630,120	44,630,120	44,630,120
d) Unfunded Liability/(Surplus) [(b) - (c)]	10,698,661	9,725,974	8,827,346
e) Funded Status	80.7%	82.1%	83.5%



## Maturity Measures

As pension plans mature they become more sensitive to risks. Understanding plan maturity and how it affects the ability of a pension plan sponsor to tolerate risk is important in understanding how the plan is impacted by investment return volatility, other economic variables and changes in longevity or other demographic assumptions.

**One way to look at the maturity level of CalPERS and its plans is to look at the ratio of a plan's retiree liability to its total liability.** A pension plan in its infancy will have a very low ratio of retiree liability to total liability. As the plan matures, the ratio increases. A mature plan will often have a ratio above 60%-65%.

### Scotts Valley Fire Protection District as of June 30, 2021

Ratio of Retiree Accrued Liability to Total Accrued Liability	Pre-Merger	Post-Merger
1. Retired Accrued Liability	34,717,994	37,315,551
2. Total Accrued Liability	50,846,730	54,356,094
3. Ratio of Retiree AL to Total AL [(1) / (2)]	0.68	0.69

Another measure of the maturity level of CalPERS and its plans is the ratio of actives to retirees, also called the support ratio. A pension plan in its infancy will have a very high ratio of active to retired members. As the plan matures and members retire, the ratio declines. A mature plan will often have a ratio near or below one.

To calculate the support ratio for the rate plan, retirees and beneficiaries receiving a continuance are each counted as one, even though they may have only worked a portion of their careers as an active member of this rate plan. For this reason, the support ratio, while intuitive, may be less informative than the ratio of retiree liability to total accrued liability above. For comparison, the support ratio for all CalPERS public agency plans is 0.82 and is calculated consistently with how it is for the individual rate plan. Note that to calculate the support ratio for all public agency plans, a retiree with service from more than one CalPERS agency is counted as a retiree more than once.

### Scotts Valley Fire Protection District as of June 30, 2021

Support Ratio	Pre-Merger	Post-Merger
1. Number of Actives	12	14
2. Number of Retirees	36	46
3. Support Ratio [(1) / (2)]	0.33	0.31

## Maturity Measures (Continued)

Actuarial calculations are based on a number of assumptions about long-term demographic and economic behavior. Unless these assumptions (e.g., terminations, deaths, disabilities, retirements, salary growth, and investment return) are exactly realized each year, there will be differences on a year-to-year basis. The year-to-year differences between actual experience and the assumptions are called actuarial gains and losses and serve to lower or raise required employer contributions from one year to the next. Therefore, employer contributions will inevitably fluctuate, especially due to the ups and downs of investment returns.

### Asset Volatility Ratio (AVR)

Plans that have higher asset-to-payroll ratios experience more volatile employer contributions (as a percentage of payroll) due to investment return. For example, a plan with an asset-to-payroll ratio of 8 may experience twice the contribution volatility due to investment return volatility than a plan with an asset-to-payroll ratio of 4. Shown below is the **asset volatility ratio, a measure of the plan's current contribution volatility. It should be noted that this ratio is a measure of the current situation. It increases over time but generally tends to stabilize as the plan matures.**

### Liability Volatility Ratio (LVR)

Plans that have higher liability-to-payroll ratios experience more volatile employer contributions (as a percentage of payroll) due to changes in liability. For example, a plan with a liability-to-payroll ratio of 8 is expected to have twice the contribution volatility of a plan with a liability-to-payroll ratio of 4. The liability volatility ratio is also shown in the table below. It should be noted that this ratio indicates a longer-term potential for contribution volatility. The asset volatility ratio, described above, will tend to move closer to the liability volatility ratio as the plan matures.

Scotts Valley Fire Protection District as of June 30, 2021

Contribution Volatility	Pre-Merger	Post-Merger
1. Market Value of Assets	\$41,417,299	\$44,630,120
2. Payroll	1,794,475	1,950,587
3. Asset Volatility Ratio (AVR) [(1) / (2)]	23.1	22.9
4. Accrued Liability	\$50,846,730	\$54,356,094
5. Liability Volatility Ratio (LVR) [(4) / (2)]	28.3	27.9

## Participant Data

The table below summarizes changes in the **plan's member data**.

June 30, 2021	Scotts Valley Fire Protection District (Pre-Merger)	Branciforte Fire Protection District (Pre- Merger)	Scotts Valley Fire Protection District (Post-Merger)
Reported Payroll	\$1,794,475	\$156,112	\$1,950,587
Projected Payroll for Contribution Purposes	\$1,949,471	\$169,596	\$2,119,067
Number of Members			
Actives	12	2	14
Transferred	8	3	11
Separated	2	1	3
Retired	36	10	46
Total	58	16	74

### Additional Disclosure

If your agency is requesting cost information for two or more benefit changes, the cost of adopting more than one of these changes may not be obtained by adding the individual costs. Instead, a separate valuation must be done to provide a cost analysis for the combination of benefit changes.

Please note that the cost analysis provided in this document may not be relied upon after July 1, 2023. If you have not taken action to contract by this date, you must contact our office for an updated cost analysis, based on the new annual valuation.

Descriptions of the actuarial methodologies, actuarial assumptions, and plan benefit provisions may be found in the appendices of the June 30, 2021 annual report. Please note that the results shown here are subject to change if any of the data or plan provisions differ from what was used in this study.

### Certification

This actuarial valuation for the proposed merger is based on the participant, benefits, and asset data used in the June 30, 2021 annual valuation, with the benefits modified, if necessary, to reflect what is currently provided under **the agency's** contract with CalPERS, and further modified to reflect the proposed merger. It is my opinion that the valuation has been performed in accordance with standards of practice prescribed by the Actuarial Standards Board, and the assumptions and methods are internally consistent and reasonable for this plan, as prescribed by the CalPERS Board of Administration according to provisions set forth in the California Public Employees' Retirement Law.



DAVID CLEMENT, ASA, MAAA, EA  
 Senior Actuary, CalPERS



**California Public Employees' Retirement System**

**Actuarial Office**

400 Q Street, Sacramento, CA 95811 | Phone: (916) 795-3000 | Fax: (916) 795-2744

**888 CalPERS** (or **888-225-7377**) | TTY: (877) 249-7442 | [www.calpers.ca.gov](http://www.calpers.ca.gov)

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April 4, 2023

PEPRA Safety Plan of the Scotts Valley Fire Protection District  
(CalPERS ID: 4027652040)  
Amendment Actuarial Valuation Report as of June 30, 2021

Section 20508 Cost Analysis for Merger with Branciforte Fire Protection District

Dear Requestor:

A cost analysis for the valuation(s) requested above and related information is enclosed.

The change in the employer contribution rate, as of the effective date of the proposed merger, is displayed on page 3.

Government Code sections 20463 (b) and (c) require the governing body of a public agency which requests a contract cost analysis to provide each affected employee organization with a copy within five days of receipt. Likewise, if a cost analysis is requested by an employee organization, the employee organization is required to provide a copy of the analysis to the public agency within five days of receipt.

This cost analysis expires July 1, 2023. A Resolution of Intention **declaring the agency's intent** to amend the contract must be approved by the agency's governing body. The approved resolution must be received by this office on or before July 1, 2023. If either of these two conditions is not met, an updated cost analysis is required to merge the contracts. An updated cost analysis may be available as early as September 2023.

To complete the contract merger process based on the enclosed analysis, do the following:

- Complete and return the enclosed Contract Request and Schedule of Agency Actions forms. Within 90 days, CalPERS staff will send your agency the Resolution of Intention form for adoption.
- Complete and return the adopted Resolution of Intention to CalPERS on or before July 1, 2023. Adoption of the Final Resolution/Ordinance by this date is not required.

If you have questions about the cost analysis, please call (888) CalPERS (225-7377). Please ask to speak to a contract analyst for questions about the timing of the contract amendment. Please ask to speak to me for questions about this cost analysis.

A handwritten signature in black ink, appearing to read "David Clement".

DAVID CLEMENT, ASA, MAAA, EA  
Senior Actuary, CalPERS



Amendment Actuarial Valuation  
as of June 30, 2021

for the  
PEPRA Safety Plan  
of the  
Scotts Valley Fire Protection District  
(CalPERS ID: 4027652040)

Required Contributions  
for Fiscal Year  
July 1, 2023 – June 30, 2024

## Introduction

This report presents the June 30, 2021 actuarial valuation results of the proposed merger of the Branciforte Fire Protection District with the Scotts Valley Fire Protection District PEPRA Safety Plan, pursuant to Section 20508 of the California **Public Employees' Retirement Law**.

The pension funding information presented in this report should not be used in financial reports subject to GASB Statement No. 68. A separate accounting valuation report for annual GASB reporting purposes is available from CalPERS and details for ordering are available on our website.

The measurements shown in this actuarial valuation may not be applicable for other purposes. The employer should contact their actuary before disseminating any portion of this report for any reason that is not explicitly described above.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; changes in actuarial policies; and changes in plan provisions or applicable law; and differences between the required contributions determined by the valuation and the actual contributions made by the agency.

### Assessment and Disclosure of Risk

This report includes the following risk disclosures consistent with the recommendations of Actuarial Standards of Practice No. 51 and recommended by the California Actuarial Advisory Panel (CAAP) in the Model Disclosure Elements document:

- A "Scenario Test," projecting future results under different investment income returns.
- A "Sensitivity Analysis," showing the impact on current valuation results using alternative discount rates of 5.8% and 7.8%.
- A "Sensitivity Analysis," showing the impact on current valuation results assuming rates of mortality are 10% lower or 10% higher than our current post-retirement mortality assumptions adopted in 2021.
- Plan maturity measures indicating how sensitive a plan may be to the risks noted above.



## Required Contributions

The following tables show the change in the plans' employer contribution requirements for fiscal year 2023-24 due to the proposed merger. If the effective date of the proposed merger is prior to July 1, 2023, the contribution requirements for the remainder of fiscal year 2023-24 will remain unchanged.

	Scotts Valley Fire Protection District (Pre-Merger)	Branciforte Fire Protection District (Pre-Merger)	Scotts Valley Fire Protection District (Post-Merger)
	Fiscal Year 2023-24	Fiscal Year 2023-24	Fiscal Year 2023-24
Development of Normal Cost as a Percentage of Payroll			
Base Total Normal Cost for Formula 2.7% @ 57	27.29%	27.29%	27.29%
Surcharge for Class 1 Benefits <sup>1</sup>			
None	0.00%	0.00%	0.00%
<b>Plan's Total Normal Cost</b>	27.29%	27.29%	27.29%
<b>Plan's Employee Contribution Rate</b>	<u>13.75%</u>	<u>13.75%</u>	<u>13.75%</u>
Employer Normal Cost Rate	13.54%	13.54%	13.54%
Projected Payroll for Contribution Fiscal Year	\$1,686,148	\$76,997	\$1,763,145
Estimated Employer Contributions Based on Projected Payroll			
<b>Plan's Estimated Employer Normal Cost</b>	\$228,304	\$10,425	\$238,729
<b>Plan's Payment on Amortization Bases</b>	0	584	584
% of Projected Payroll (illustrative only)	N/A	0.75%	0.03%
Estimated Total Employer Contribution	\$228,304	\$11,009	\$239,313
% of Projected Payroll (illustrative only)	13.54%	14.30%	13.57%
Required Employer Contributions			
Employer Normal Cost Rate	13.54%	13.54%	13.54%
Plus			
1) Monthly UAL Payment	\$0	\$48.67	\$48.67
Or			
2) Annual UAL Prepayment*	\$0	\$565	\$565
Required PEPRA Member Rate	13.75%	13.75%	13.75%

*The total minimum required employer contribution is the sum of the Plan's Employer Normal Cost Rate (expressed as a percentage of payroll) plus the Employer Unfunded Accrued Liability (UAL) Contribution Amount (billed monthly in dollars).*

*\*Only the UAL portion of the employer contribution can be prepaid (which must be received in full no later than July 31).*

*For additional detail regarding the determination of the required contribution for PEPRA members, see "PEPRA Member Contribution Rates" in the June 30, 2021 annual valuation report.*

<sup>1</sup> The Section 2 report contains a list of Class 1 benefits and corresponding surcharges for each benefit.

## Plan's Funded Status

June 30, 2021	Scotts Valley Fire Protection District (Pre-Merger)	Branciforte Fire Protection District (Pre-Merger)	Scotts Valley Fire Protection District (Post-Merger)
1. Present Value of Projected Benefits (PVB)	\$7,167,714	\$308,105	\$7,529,344
2. Entry Age Accrued Liability (AL)	1,616,496	10,236	1,626,732
<b>3. Plan's Market Value of Assets (MVA)</b>	1,773,541	11,435	1,784,976
4. Unfunded Accrued Liability (UAL) [(2) - (3)]	(157,045)	(1,199)	(158,244)
5. Funded Ratio [(3) / (2)]	109.7%	111.7%	109.7%

The UAL and funded ratio are assessments of the need for future employer contributions based on the actuarial cost method used to fund the plan. The UAL is the present value of future employer contributions for service that has already been earned and is in addition to future normal cost contributions for active members. The funded ratio, on the other hand, is a relative measure of funded status that allows for comparison between plans of different sizes. For measures of funded status that are appropriate for assessing the sufficiency of plan assets to cover **estimated termination liabilities**, please see "Hypothetical Termination Liability" in the "Risk Analysis" section.

## Projected Employer Contributions

The tables below show the required and projected employer contributions (before cost sharing) for the next six fiscal years. The projection assumes that all actuarial assumptions will be realized and that no further changes to assumptions, contributions, benefits, or funding will occur during the projection period. In particular, the investment return beginning with fiscal year 2021-22 is assumed to be 6.80% per year, net of investment and administrative expenses. Actual contribution rates during this projection period could be significantly higher or lower than the projection shown below. The projected normal cost percentages below reflect that the normal cost will continue to decline over time as new employees are hired into lower cost benefit tiers. Future contribution requirements may differ significantly from those shown below. The actual long-term cost of the plan will depend on the actual benefits and expenses paid and the actual investment experience of the fund.

### Scotts Valley Fire Protection District

#### Pre-Merger

	Required Contribution	Projected Future Employer Contributions (Assumes 6.80% Return for Fiscal Year 2021-22)				
Fiscal Year	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Normal Cost %	13.54%	13.5%	13.5%	13.5%	13.5%	13.5%
UAL Payment	\$0	\$0	\$0	\$0	\$0	\$0

### Branciforte Fire Protection District

#### Pre-Merger

	Required Contribution	Projected Future Employer Contributions (Assumes 6.80% Return for Fiscal Year 2021-22)				
Fiscal Year	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Normal Cost %	13.54%	13.5%	13.5%	13.5%	13.5%	13.5%
UAL Payment	\$584	\$584	\$584	\$584	\$585	\$0

### Scotts Valley Fire Protection District

#### Post-Merger

	Required Contribution	Projected Future Employer Contributions (Assumes 6.80% Return for Fiscal Year 2021-22)				
Fiscal Year	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Normal Cost %	13.54%	13.5%	13.5%	13.5%	13.5%	13.5%
UAL Payment	\$584	\$584	\$584	\$584	\$585	\$0

## Schedule of Plan's Amortization Bases

The following pages display the amortization base schedules for Scotts Valley Fire Protection District before and after the proposed merger, as well as the amortization base schedule for Branciforte Fire Protection District before the proposed merger. Note that there is a two-year lag between the valuation date and the start of the contribution fiscal year.

- The assets, liabilities, and funded status of the plan are measured as of the valuation date: June 30, 2021.
- The required employer contributions determined by the valuation are for the fiscal year beginning two years after the valuation date: fiscal year 2023-24.

This two-year lag is necessary due to the amount of time needed to extract and test the membership and financial data, and the need to provide public agencies with their required employer contribution well in advance of the start of the fiscal year.

The Unfunded Accrued Liability (UAL) is used to determine the employer contribution and therefore must be rolled forward two years from the valuation date to the first day of the fiscal year for which the contribution is being determined. The UAL is rolled forward each year by subtracting the expected payment on the UAL for the fiscal year and adjusting for interest. The expected payment on the UAL for a fiscal year is equal to the Expected Employer Contribution for the fiscal year minus the Expected Normal Cost for the year. The Employer Contribution for the first fiscal year is determined by the actuarial valuation two years ago and the contribution for the second year is from the actuarial valuation one year ago. Additional discretionary payments are reflected in the Expected Payments column in the fiscal year they were made by the agency.

## Schedule of Plan's Amortization Bases (Continued)

### Scotts Valley Fire Protection District (Pre-Merger)

Reason for Base	Date Est.	Ramp Level 2023-24	Ramp Shape	Escalation Rate	Amort. Period	Balance 6/30/21	Expected Payment 2021-22	Balance 6/30/22	Expected Payment 2022-23	Balance 6/30/23	Minimum Required Payment 2023-24
Fresh Start	6/30/2021				N/A	(157,045)	(38,986)	(127,434)	(39,163)	(95,627)	0
Total						(157,045)	(38,986)	(127,434)	(39,163)	(95,627)	0

### Branciforte Fire Protection District (Pre-Merger)

Reason for Base	Date Est.	Ramp Level 2023-24	Ramp Shape	Escalation Rate	Amort. Period	Balance 6/30/21	Expected Payment 2021-22	Balance 6/30/22	Expected Payment 2022-23	Balance 6/30/23	Minimum Required Payment 2023-24
Fresh Start	6/30/2021	No Ramp		0.00%	5	(1,199)	(1,780)	559	(1,830)	2,488	584
Total						(1,199)	(1,780)	559	(1,830)	2,488	584

### Scotts Valley Fire Protection District (Post-Merger)

Reason for Base	Date Est.	Ramp Level 2023-24	Ramp Shape	Escalation Rate	Amort. Period	Balance 6/30/21	Expected Payment 2021-22	Balance 6/30/22	Expected Payment 2022-23	Balance 6/30/23	Minimum Required Payment 2023-24
Fresh Start	6/30/2021				N/A	(157,045)	(38,986)	(127,434)	(39,163)	(95,627)	0
Merger (Branciforte)	6/30/2021	No Ramp		0.00%	5	(1,199)	(1,780)	559	(1,830)	2,488	584
Total						(158,244)	(40,766)	(126,875)	(40,993)	(93,139)	584

## Future Investment Return Scenarios

Analysis using the investment return scenarios from the Asset Liability Management process completed in 2021 was performed to determine the effects of various future investment returns on required employer contributions. The projections below reflect the impact of the CalPERS Funding Risk Mitigation policy. The projected normal cost rates reflect that the rates are anticipated to decline over time as new employees are hired into lower-cost benefit tiers. The projections also assume that all other actuarial assumptions will be realized and that no further changes in assumptions, contributions, benefits, or funding will occur.

The first table shows projected contribution requirements if the fund were to earn either 3.0% or 10.8% annually. These alternate investment returns were chosen because 90% of long-term average returns are expected to fall between them over the 20-year period ending June 30, 2041.

### Scotts Valley Fire Protection District (Pre-Merger)

Assumed Annual Return FY 2021-22 through FY 2040-41	Projected Employer Contributions				
	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
3.0% (5 <sup>th</sup> percentile)					
Normal Cost Rate	13.5%	13.5%	13.5%	13.5%	13.5%
UAL Contribution	\$0	\$1,100	\$4,000	\$8,600	\$15,000
10.8% (95 <sup>th</sup> percentile)					
Normal Cost Rate	13.9%	14.3%	14.1%	14.5%	14.8%
UAL Contribution	\$0	\$0	\$0	\$0	\$0

### Scotts Valley Fire Protection District (Post-Merger)

Assumed Annual Return FY 2021-22 through FY 2040-41	Projected Employer Contributions				
	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29
3.0% (5 <sup>th</sup> percentile)					
Normal Cost Rate	13.5%	13.5%	13.5%	13.5%	13.5%
UAL Contribution	\$600	\$1,720	\$4,650	\$9,290	\$15,170
10.8% (95 <sup>th</sup> percentile)					
Normal Cost Rate	13.9%	14.3%	14.1%	14.5%	14.8%
UAL Contribution	\$570	\$550	\$0	\$0	\$0

Required contributions outside of this range are also possible. In particular, whereas it is unlikely that investment returns will average less than 3.0% or greater than 10.8% over a 20-year period, the likelihood of a single investment return less than 3.0% or greater than 10.8% in any given year is much greater. The following analysis illustrates the effect of an extreme, single year investment return.

The portfolio has an expected volatility (or standard deviation) of 12.0% per year. Accordingly, in any given year there is a 16% probability that the annual return will be -5.2% or less and a 2.5% probability that the annual return will be -17.2% or less. These returns represent one and two standard deviations below the expected return of 6.8%.

The following table shows the effect of a one or two standard deviation investment loss in FY 2021-22 on the FY 2024-25 contribution requirements. Note that a single-year investment gain or loss decreases or increases the required UAL contribution amount incrementally for each of the next five years, not just one, due to the 5-year ramp in the amortization policy. However, the contribution requirements beyond the first year are also impacted by investment returns beyond the first year. Historically, significant downturns in the market are often followed by higher than average returns. Such investment gains would offset the impact of these single year negative returns in years beyond FY 2024-25.



## Future Investment Return Scenarios (Continued)

### Scotts Valley Fire Protection District (Pre-Merger)

Assumed Annual Return for Fiscal Year 2021-22	Required Employer Contributions	Projected Employer Contributions
	FY 2023-24	FY 2024-25
(17.2%) (2 standard deviation loss)		
Normal Cost Rate	13.54%	13.5%
UAL Contribution	\$0	\$8,300
(5.2%) (1 standard deviation loss)		
Normal Cost Rate	13.54%	13.5%
UAL Contribution	\$0	\$3,000

### Scotts Valley Fire Protection District (Post-Merger)

Assumed Annual Return for Fiscal Year 2021-22	Required Employer Contributions	Projected Employer Contributions
	FY 2023-24	FY 2024-25
(17.2%) (2 standard deviation loss)		
Normal Cost Rate	13.54%	13.5%
UAL Contribution	\$584	\$8,950
(5.2%) (1 standard deviation loss)		
Normal Cost Rate	13.54%	13.5%
UAL Contribution	\$584	\$3,620

- Without investment gains (returns higher than 6.8%) in year FY 2022-23 or later, projected contributions rates would continue to rise over the next four years due to the continued phase-in of the impact of the illustrated investment loss in FY 2021-22.
- The Pension Outlook Tool can be used to model projected contributions for these scenarios beyond FY 2024-25 as well as to model other investment return scenarios.

## Discount Rate Sensitivity

The discount rate assumption is calculated as the sum of the assumed real rate of return and the assumed annual price inflation, currently 4.5% and 2.3%, respectively. Changing either the price inflation assumption or the real rate of return assumption will change the discount rate. The sensitivity of the valuation results to the discount rate assumption depends on which component of the discount rate is changed. Shown below are various valuation results as of June 30, 2021 assuming alternate discount rates by changing the two components independently. Results are shown using the current discount rate of 6.8% as well as alternate discount rates of 5.8% and 7.8%. The rates of 5.8% and 7.8% were selected since they illustrate the impact of a 1.0% increase or decrease to the 6.8% assumption.

### Sensitivity to the Real Rate of Return Assumption

#### Scotts Valley Fire Protection District (Pre-Merger)

As of June 30, 2021	1% Lower Real Return Rate	Current Assumptions	1% Higher Real Return Rate
Discount Rate	5.8%	6.8%	7.8%
Inflation	2.3%	2.3%	2.3%
Real Rate of Return	3.5%	4.5%	5.5%
a) Total Normal Cost	34.35%	27.29%	21.95%
b) Accrued Liability	\$1,976,736	\$1,616,496	\$1,334,460
c) Market Value of Assets	\$1,773,541	\$1,773,541	\$1,773,541
d) Unfunded Liability/(Surplus) [(b) - (c)]	\$203,195	(\$157,045)	(\$439,081)
e) Funded Status	89.7%	109.7%	132.9%

#### Scotts Valley Fire Protection District (Post-Merger)

As of June 30, 2021	1% Lower Real Return Rate	Current Assumptions	1% Higher Real Return Rate
Discount Rate	5.8%	6.8%	7.8%
Inflation	2.3%	2.3%	2.3%
Real Rate of Return	3.5%	4.5%	5.5%
a) Total Normal Cost	34.35%	27.29%	21.95%
b) Accrued Liability	\$1,990,645	\$1,626,732	\$1,342,192
c) Market Value of Assets	\$1,784,976	\$1,784,976	\$1,784,976
d) Unfunded Liability/(Surplus) [(b) - (c)]	\$205,669	(\$158,244)	(\$442,784)
e) Funded Status	89.7%	109.7%	133.0%

## Discount Rate Sensitivity (continued)

### Sensitivity to the Price Inflation Assumption

#### Scotts Valley Fire Protection District (Pre-Merger)

As of June 30, 2021	1% Lower Inflation Rate	Current Assumptions	1% Higher Inflation Rate
Discount Rate	5.8%	6.8%	7.8%
Inflation	1.3%	2.3%	3.3%
Real Rate of Return	4.5%	4.5%	4.5%
a) Total Normal Cost	28.79%	27.29%	24.69%
b) Accrued Liability	\$1,690,109	\$1,616,496	\$1,469,331
c) Market Value of Assets	\$1,773,541	\$1,773,541	\$1,773,541
d) Unfunded Liability/(Surplus) [(b) - (c)]	(\$83,432)	(\$157,045)	(\$304,210)
e) Funded Status	104.9%	109.7%	120.7%

#### Scotts Valley Fire Protection District (Post-Merger)

As of June 30, 2021	1% Lower Inflation Rate	Current Assumptions	1% Higher Inflation Rate
Discount Rate	5.8%	6.8%	7.8%
Inflation	1.3%	2.3%	3.3%
Real Rate of Return	4.5%	4.5%	4.5%
a) Total Normal Cost	28.79%	27.29%	24.69%
b) Accrued Liability	\$1,700,799	\$1,626,732	\$1,478,752
c) Market Value of Assets	\$1,784,976	\$1,784,976	\$1,784,976
d) Unfunded Liability/(Surplus) [(b) - (c)]	(\$84,177)	(\$158,244)	(\$306,224)
e) Funded Status	104.9%	109.7%	120.7%

## Mortality Rate Sensitivity

The following tables look at the change in the June 30, 2021 plan costs and funded ratio under two different longevity scenarios, namely assuming post-retirement rates of mortality are 10% lower or 10% higher than our current mortality assumptions adopted in 2021. This type of analysis highlights the impact on the plan on a future change in the mortality assumption

Scotts Valley Fire Protection District (Pre-Merger)

As of June 30, 2021	10% Lower Mortality Rates	Current Assumptions	10% Higher Mortality Rates
a) Total Normal Cost	27.65%	27.29%	26.95%
b) Accrued Liability	\$1,642,763	\$1,616,496	\$1,592,033
c) Market Value of Assets	\$1,773,541	\$1,773,541	\$1,773,541
d) Unfunded Liability/(Surplus) [(b) - (c)]	(\$130,778)	(\$157,045)	(\$181,508)
e) Funded Status	108.0%	109.7%	111.4%

Scotts Valley Fire Protection District (Post-Merger)

As of June 30, 2021	10% Lower Mortality Rates	Current Assumptions	10% Higher Mortality Rates
a) Total Normal Cost	27.65%	27.29%	26.95%
b) Accrued Liability	\$1,653,127	\$1,626,732	\$1,602,149
c) Market Value of Assets	\$1,784,976	\$1,784,976	\$1,784,976
d) Unfunded Liability/(Surplus) [(b) - (c)]	(\$131,849)	(\$158,244)	(\$182,827)
e) Funded Status	108.0%	109.7%	111.4%

## Maturity Measures

As pension plans mature they become more sensitive to risks. Understanding plan maturity and how it affects the ability of a pension plan sponsor to tolerate risk is important in understanding how the plan is impacted by investment return volatility, other economic variables and changes in longevity or other demographic assumptions.

**One way to look at the maturity level of CalPERS and its plans is to look at the ratio of a plan's retiree liability to its total liability.** A pension plan in its infancy will have a very low ratio of retiree liability to total liability. As the plan matures, the ratio increases. A mature plan will often have a ratio above 60%-65%.

Scotts Valley Fire Protection District as of June 30, 2021

Ratio of Retiree Accrued Liability to Total Accrued Liability	Pre-Merger	Post-Merger
1. Retired Accrued Liability	\$210,089	\$210,089
2. Total Accrued Liability	1,616,496	1,626,732
3. Ratio of Retiree AL to Total AL [(1) / (2)]	0.13	0.13

Another measure of the maturity level of CalPERS and its plans is the ratio of actives to retirees, also called the support ratio. A pension plan in its infancy will have a very high ratio of active to retired members. As the plan matures and members retire, the ratio declines. A mature plan will often have a ratio near or below one.

To calculate the support ratio for the rate plan, retirees and beneficiaries receiving a continuance are each counted as one, even though they may have only worked a portion of their careers as an active member of this rate plan. For this reason, the support ratio, while intuitive, may be less informative than the ratio of retiree liability to total accrued liability above. For comparison, the support ratio for all CalPERS public agency plans is 0.82 and is calculated consistently with how it is for the individual rate plan. Note that to calculate the support ratio for all public agency plans, a retiree with service from more than one CalPERS agency is counted as a retiree more than once.

Scotts Valley Fire Protection District as of June 30, 2021

Support Ratio	Pre-Merger	Post-Merger
1. Number of Actives	14	15
2. Number of Retirees	1	1
3. Support Ratio [(1) / (2)]	14.00	15.00

## Maturity Measures (Continued)

Actuarial calculations are based on a number of assumptions about long-term demographic and economic behavior. Unless these assumptions (e.g., terminations, deaths, disabilities, retirements, salary growth, and investment return) are exactly realized each year, there will be differences on a year-to-year basis. The year-to-year differences between actual experience and the assumptions are called actuarial gains and losses and serve to lower or raise required employer contributions from one year to the next. Therefore, employer contributions will inevitably fluctuate, especially due to the ups and downs of investment returns.

### Asset Volatility Ratio (AVR)

Plans that have higher asset-to-payroll ratios experience more volatile employer contributions (as a percentage of payroll) due to investment return. For example, a plan with an asset-to-payroll ratio of 8 may experience twice the contribution volatility due to investment return volatility than a plan with an asset-to-payroll ratio of 4. Shown below is the **asset volatility ratio, a measure of the plan's current contribution volatility. It should be noted that this ratio is a measure of the current situation. It increases over time but generally tends to stabilize as the plan matures.**

### Liability Volatility Ratio (LVR)

Plans that have higher liability-to-payroll ratios experience more volatile employer contributions (as a percentage of payroll) due to changes in liability. For example, a plan with a liability-to-payroll ratio of 8 is expected to have twice the contribution volatility of a plan with a liability-to-payroll ratio of 4. The liability volatility ratio is also shown in the table below. It should be noted that this ratio indicates a longer-term potential for contribution volatility. The asset volatility ratio, described above, will tend to move closer to the liability volatility ratio as the plan matures.

Scotts Valley Fire Protection District as of June 30, 2021

Contribution Volatility	Pre-Merger	Post-Merger
1. Market Value of Assets	\$1,773,541	\$1,784,976
2. Payroll	1,552,088	1,622,963
3. Asset Volatility Ratio (AVR) [(1) / (2)]	1.1	1.1
4. Accrued Liability	\$1,616,496	\$1,626,732
5. Liability Volatility Ratio (LVR) [(4) / (2)]	1.0	1.0



## Participant Data

The table below summarizes changes in the **plan's member data**.

June 30, 2021	Scotts Valley Fire Protection District (Pre-Merger)	Branciforte Fire Protection District (Pre- Merger)	Scotts Valley Fire Protection District (Post-Merger)
Reported Payroll	\$1,552,088	\$70,875	\$1,622,963
Projected Payroll for Contribution Purposes	\$1,686,148	\$76,997	\$1,763,145
Number of Members			
Actives	14	1	15
Transferred	1	1	2
Separated	1	0	1
Retired	1	0	1
Total	17	2	19

### Additional Disclosure

If your agency is requesting cost information for two or more benefit changes, the cost of adopting more than one of these changes may not be obtained by adding the individual costs. Instead, a separate valuation must be done to provide a cost analysis for the combination of benefit changes.

Please note that the cost analysis provided in this document may not be relied upon after July 1, 2023. If you have not taken action to contract by this date, you must contact our office for an updated cost analysis, based on the new annual valuation.

Descriptions of the actuarial methodologies, actuarial assumptions, and plan benefit provisions may be found in the appendices of the June 30, 2021 annual report. Please note that the results shown here are subject to change if any of the data or plan provisions differ from what was used in this study.

### Certification

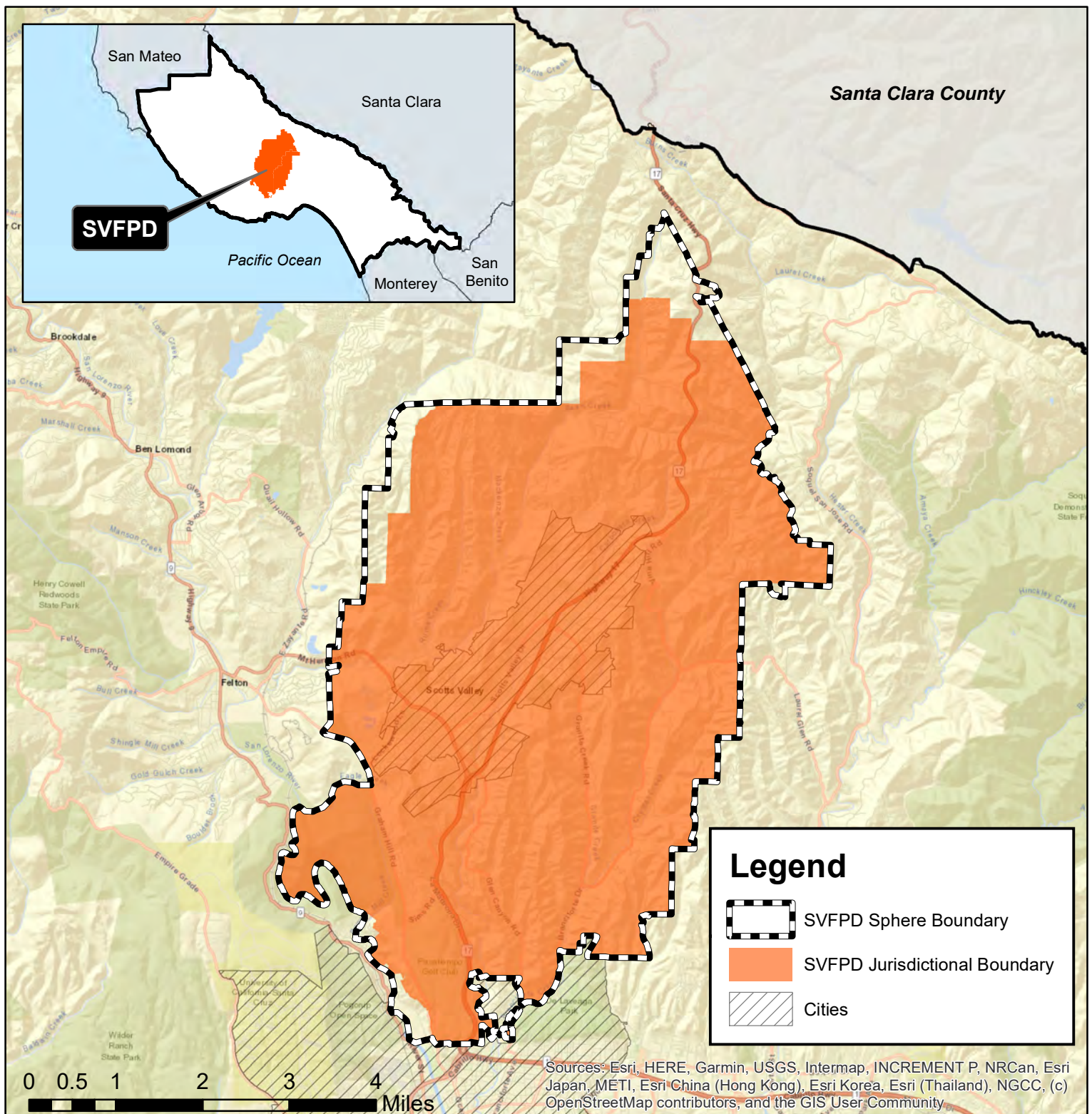
This actuarial valuation for the proposed merger is based on the participant, benefits, and asset data used in the June 30, 2021 annual valuation, with the benefits modified, if necessary, to reflect what is currently provided under **the agency's** contract with CalPERS, and further modified to reflect the proposed merger. It is my opinion that the valuation has been performed in accordance with standards of practice prescribed by the Actuarial Standards Board, and the assumptions and methods are internally consistent and reasonable for this plan, as prescribed by the **CalPERS Board of Administration according to provisions set forth in the California Public Employees' Retirement Law**.



DAVID CLEMENT, ASA, MAAA, EA  
 Senior Actuary, CalPERS

# **EXHIBIT 4**

## **VICINITY MAP (POST-REORGANIZATION)**



# Scotts Valley Fire Protection District Jurisdictional and Sphere Boundaries

Combined sphere adopted on March 10, 1994  
Sphere reaffirmed on January 1, 2008  
Sphere reaffirmed on November 2, 2016  
Sphere reaffirmed on October 13, 2021  
Sphere expansion on August 2, 2023

Branciforte FPD was dissolved and concurrently annexed into Scotts Valley FPD by LAFCO action on Aug. 2, 2023.



Date: September 6, 2023  
To: LAFCO Commissioners  
From: Joe Serrano, Executive Officer  
Subject: **Policies & Procedures Handbook**

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### **SUMMARY OF RECOMMENDATION**

This Commission established various policies to provide clear guidance on how to oversee internal operations, process applications, appoint board members, and efficiently operate Santa Cruz LAFCO as a governmental entity. Previous amendments to 20 existing policies were done separately and on an as-needed basis. LAFCO staff believes that an annual review should be implemented. Combining the policies into one comprehensive handbook will ensure that all policies are considered by the Commission on a regular basis and kept up-to-date.

It is recommended that the Commission take the following actions:

1. Adopt LAFCO Resolution (No. 2023-20) approving the development of the comprehensive Policies & Procedures Handbook with the following amendments:
    - a. Amend the *Financial Policy* to include guidelines on how to manage LAFCO's reserve funds;
    - b. Amend the *Proposal Evaluation Policy* to include an updated version of LAFCO's application form;
    - c. Adopt the proposed *City Selection Committee Policy*; and
    - d. Approve the proposed minor and non-substantial adjustments identified throughout the proposed handbook.
- 

### **EXECUTIVE OFFICER'S REPORT:**

Since 1963, the Commission has adopted various policies over the years to help staff be productive and efficient. Overall, the Commission has adopted 20 distinctive policies to address LAFCO's internal and external responsibilities. These policies were individually updated during the 2020 calendar year. This extensive update addressed outdated language, inconsistent formatting, and inactive policies. Staff believes that in order to keep these policies updated on a regular basis, it may be beneficial to combine all of them into one handbook for easier access and review.

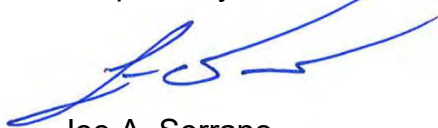
**Attachment 1** provides a draft copy of the proposed handbook with the following changes:

- **Financial Policy** – proposed new language in this policy on how to manage LAFCO’s reserve funds. It establishes two restricted accounts: Litigation Reserves to address potential lawsuits (minimum balance of \$100,000) and Contingency Reserves to address unforeseen expenses and/or balance future LAFCO budgets (minimum balance of \$100,000).
- **Proposal Evaluation Policy** – proposed new application format. The current application was last updated in April 2015 and includes several questions/requests that applicants do not have answers to, are not applicable, or no longer needed when processing their application. The proposed new application fulfills the statutory requirements needed when accepting an application and reflects LAFCO’s current practices and formatting structure.
- **City Selection Committee Policy** – proposed new policy to reflect the recent rotation schedule approved by the City Selection Committee in early-2023. This policy explains how the four cities will rotate representation on LAFCO as regular and alternate members.
- **Minor / Non-Substantial Edits** – proposed minor modifications throughout the entire handbook. When compiling the handbook, staff noticed minor errors in different policies, specifically typos and formatting issues.

#### **STAFF RECOMMENDATION**

The primary reason for the development of the handbook, with the proposed amendments, is to clarify the practices that are already in place but not necessarily reflected in the current policies. Therefore, staff is recommending that the Commission adopt the attached resolution (see **Attachment 2**). The attached resolution includes a “clean” version of the proposed comprehensive handbook, without the tracked changes.

Respectfully Submitted,



Joe A. Serrano  
Executive Officer

#### **Attachments:**

1. Policies & Procedures Handbook (Proposed Version with tracked changes)
2. Draft Resolution No. 2023-20 (with “clean version” of policy as Exhibit A)

# **Santa Cruz LAFCO Policies & Procedures Handbook**

**Local Agency Formation Commission of Santa Cruz County**

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701 Ocean Street, Room 318-D Santa Cruz, CA 95060

Website: [www.santacruzlafco.org](http://www.santacruzlafco.org)

Phone: (831) 454-2055





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# **CHAPTER I**

## **ADMINISTRATION & OPERATIONS**



## LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY

### **EMPLOYMENT POLICY**

#### **1. OVERVIEW**

This policy applies to the employees of the Local Agency Formation Commission of Santa Cruz County ("LAFCO" or "Commission"). It is not intended to be comprehensive or address all aspects of the topics described below. This Policy supersedes all prior LAFCO employment policies and is intended to supplement, not supersede, current applicable state and federal statutes. Applicable state and federal statutes control if they conflict with any of the guidelines in this Policy.

Employees are expected to read this Policy carefully and know, understand and abide by its contents. LAFCO reserves the right to interpret the Policy's provisions and make changes to the Policy at any time. This Policy does not confer any contractual rights or guarantee any terms or conditions of employment.

#### **2. EQUAL EMPLOYMENT OPPORTUNITY**

LAFCO provides equal employment opportunity for all applicants and employees. LAFCO does not unlawfully discriminate on the basis of race, color, religion, religious creed (including religious dress and religious grooming), sex (including pregnancy, perceived pregnancy, childbirth, breastfeeding, or related medical conditions), gender, gender identity, gender expression, national origin, ancestry, citizenship, age, physical or mental disability, legally protected medical condition or information (including genetic information) family care or medical leave status, military caregiver status, military status, veteran status, marital status, domestic partner status, sexual orientation, or any other basis protected by local, state, or federal laws.

#### **3. DISABILITY ACCOMMODATION**

LAFCO is committed to complying fully with state and federal disability discrimination laws. As previously stated, no program or activity administered by the employer shall exclude from participation, deny benefits to or subject to discrimination any individual based on an employee's actual or perceived disability or based on an employee's association with someone who has an actual or perceived disability.

LAFCO is further committed to providing reasonable accommodation to the known physical or mental limitations of an otherwise qualified applicant or employee. If you believe you are a qualified individual with a disability and that you need a reasonable accommodation in order to perform the essential functions of your job, please notify the Executive Officer. The accommodation process is interactive and allows the applicant or employee to identify possible accommodations. However, LAFCO has the right to choose among effective accommodations.

#### **4. AT-WILL EMPLOYMENT**

The employment relationship between LAFCO and its employees is for an unspecified term and may be terminated by the employee, Executive Officer or the Commission at any time, with or without cause or advanced notice. Also, LAFCO reserves the right

to transfer, demote, suspend, or administer discipline with or without cause or advance notice. None of the policies, procedures, or contents of this policy is intended to create any contractual obligations which in any way conflict with LAFCO's policy of At-Will Employment. The at-will relationship can only be modified by a written agreement signed by the employee and the LAFCO Executive Officer.

## **5. POLICY AGAINST HARRASMENT**

LAFCO prohibits and will not tolerate harassment of employees, applicants, or persons providing services pursuant to a contract based on factors such as race, color, religion, national origin, ancestry, sex, gender, age, medical condition, sexual orientation, marital status, pregnancy, physical and mental disabilities, veteran or other protected status, including persons perceived to have any of these characteristics or associating with someone who has or is perceived to have any of these characteristics. LAFCO will also take all reasonable steps to prevent harassment based on protected status by third parties, such as customers, clients and suppliers. All such harassment is prohibited by LAFCO and is against the law.

### **5.1 Definition**

Harassment is unwelcomed, and inappropriate conduct directed at an employee, based upon one of the characteristics protected under the federal and state anti-discrimination laws, that substantially prevents an employee from performing their duties, serves to threaten or intimidate an employee, and/or produce a hostile work environment.

Prohibited unlawful harassment includes, but is not limited to, the following behavior: (1) Verbal conduct such as epithets, derogatory jokes or comments, slurs or unwanted sexual advances, invitations or comments; (2) Visual conduct such as derogatory and/or sexually-oriented posters, photography, cartoons, drawing or gestures; (3) Physical conduct such as assault, unwanted touching, blocking normal movement or interfering with work because of sex, race or any other protected basis; and (4) Threats, demands to submit to sexual requests as a condition of continued employment, or to avoid some other loss, and offers of employment benefits in return for sexual favors.

### **5.2 Reporting and Compliant Procedure**

An employee who believes that they have been subjected to any form of unlawful harassment should promptly make a complaint, preferably written, to the Executive Officer, or if it involves the Executive Officer, to the Chair of the Commission. Complaints should be specific and should include the names of individuals involved and the names of any witnesses. LAFCO will immediately undertake an effective, thorough, and objective investigation and attempt to resolve the situation. If LAFCO determines that unlawful harassment has occurred, effective remedial action will be taken commensurate with the severity of the offense, up to and including termination. Appropriate action will also be taken to deter any future unlawful harassment.

### **5.3 Retaliation**

Employees will not be retaliated against for bringing a complaint in good faith under the Equal Employment Opportunity Policy or the Policy Against Harassment, or for honestly assisting in investigating such a complaint, even if the investigation produces insufficient evidence that there has been a violation, or if the charges cannot be proven. However, disciplinary action may be taken if false or frivolous accusations are

made in bad faith. An employee who believes that they have been subjected to any form of unlawful retaliation should promptly make a complaint, preferably written, in the same manner as described above. Complaints of harassment will be investigated, and appropriate action will be taken to protect LAFCO employees from any form of unlawful retaliation.

## **6. PERFORMANCE MANAGEMENT**

The intent of the performance review process is to create a supportive, safe, professional performance review process and environment that optimizes the employee's ability to receive and actualize constructive performance feedback and that motivates the employee to pursue personal and professional growth/excellence authentically and actively. The Commission's Personnel Policy provides more information regarding staff's annual performance evaluation.

## **7. PERSONNEL RECORDS**

Employees have the right to inspect certain documents in their personnel file, as provided by law, in the presence of a LAFCO representative at a mutually convenient time. Employees may add written versions of any disputed item to their file.

LAFCO will attempt to restrict disclosure of an employee's personnel file to authorized individuals within the organization. Any request for information from the file must be made to the Executive Officer or specific designee. Only the Executive Officer or specific designee is authorized to release information regarding current or former employees. Disclosure of personnel information to outside sources will be limited to the extent allowed by law. However, LAFCO will cooperate with requests from authorized law enforcement or local, state or federal agencies conducting official investigations, with validly issued subpoenas and as otherwise required by law or legal proceeding to be released.

## **8. EMPLOYMENT CATEGORIES**

The intent of this section is to define employment categories so that employees understand their employment status and benefit eligibility. These classifications do not guarantee employment for any specified period of time. Accordingly, the right to terminate the employment relationship at will at any time is retained by both the employee and LAFCO.

### **8.1 Exempt/Non-Exempt**

Each employee is designated as either Exempt or Non-Exempt from federal and state wage and hours. An employee's Exempt or Non-Exempt classification may be changed only upon written notification by the Executive Officer. Generally, Exempt employees (as defined by the Fair Labor Standards of 1938) are not eligible for minimum wage or overtime pay, while Non-Exempt employees are eligible.

### **8.2 Employment Categories**

In addition to information above, each employee will belong to one of the following employment categories:

- **Regular Full Time** – Employees who are not in an extra help status and who are regularly scheduled to work LAFCO's full-time schedule. Generally, they are eligible for LAFCO's benefit package, subject to the terms, conditions, and limitations of each benefit program.

- Part Time – Employees who are not assigned to an extra help status and who are regularly scheduled to work less than 30 hours per week. While part time employees do receive all legally mandated benefits (such as Social Security and workers' compensation insurance), they may be ineligible for some of LAFCO's other benefit programs.
- Extra help – Employees who are hired as interim replacements, to temporarily supplement the work force, or to assist in the completion of a specific project. Employment assignments in this category are of a limited duration. Employment beyond any initially stated period does not in any way imply a change in employment status. Extra help employees retain that status unless and until notified of a change in writing signed by the Executive Officer. Extra help employees are ineligible for LAFCO's benefit programs unless otherwise required by law.
- Intern – LAFCO may utilize the services of paid student interns. Interns are used to supplement the LAFCO work force and provide opportunities for local students to gain local government work experience. Employment is for a specified period of time. Interns are ineligible for LAFCO's benefit programs.

## 9. JOB CLASSIFICATIONS

The intent of this section is to define job descriptions so that employees understand their employment duties and responsibilities. Job descriptions identified in the following section summarize typical tasks but may comprise further responsibilities not listed.

### 9.1 Executive Officer Classifications

- Position Responsibilities: Under general supervision of the Commission to conduct and perform the Commission's administrative and advisory services, to supervise the daily activities of the Commission staff, and to act as a liaison between the Commission and governmental agencies and the general public.
- Typical Duties: Analyze and evaluate information on administrative and policy matters and advise the Commission on recommended action; conduct studies on governmental reorganization; comply with all legal requirements relating to the Commission's hearings; staff advisory committees to the Commission; prepare correspondence; supervise the maintenance of the Commission's files; attend all Commission meetings; attend City Council, County Board of Supervisors, and Special District Board meetings as necessary; perform as liaison officer between the Commission and cities, special districts, the County, State institutions and the general public; prepare the annual budget for the Commission; supervise the Commission's staff; review proposed local and state legislation, and appear at legislative hearings to represent the position of the Commission.

### 9.2 LAFCO Analyst

- Position Responsibilities: Under the direction of the Executive Officer, the LAFCO Analyst provides a full range of administrative and analytical services to Santa Cruz LAFCO involving a variety of matters that are complex and technical. Other roles include planning, organizing, and managing office activities, and performing other related duties as required. This "at will" position is appointed by and serves at the pleasure of the LAFCO Executive Officer and the Commission.

- Typical Duties: Under the direction of the Executive Officer, the LAFCO Analyst completes various tasks and duties including but not limited to: (1) Assembling LAFCO meeting agenda packets and notices of meetings; recording LAFCO meetings and preparing resulting documents including minutes and resolutions; (2) Developing, maintaining and updating LAFCO files and records systems for tracking applications, project activities, contracts, and other records; (3) Ordering supplies and services and maintain records of expenditures; (4) Preparing and reviewing correspondence, memoranda and other written materials; (5) Tracking correspondence, filings, and materials with deadlines and expiration dates; (6) Handling a wide variety of correspondence which requires knowledge of policies and procedures and research skills; (7) Answering and screening telephone calls and visitors; (8) Maintaining the LAFCO Website; and (9) Serving as liaison between the Executive Officer, officials and staff, and the public and interacting with Commissioners.

### **9.23 Commission Clerk**

- Position Responsibilities: Under the direction of the Executive Officer, the Commission Clerk provides a full range of administrative and secretarial services to Santa Cruz LAFCO involving a variety of matters that are complex and technical. Other roles include planning, organizing, and managing office activities, and performing other related duties as required. This “at will” position is appointed by and serves at the pleasure of the LAFCO Executive Officer and the Commission.
- Typical Duties: Under the direction of the Executive Officer, the Commission Clerk completes various tasks and duties including but not limited to: (1) Assembling LAFCO meeting agenda packets and notices of meetings; recording LAFCO meetings and preparing resulting documents including minutes and resolutions; (2) Developing, maintaining and updating LAFCO files and records systems for tracking applications, project activities, contracts, and other records; (3) Ordering supplies and services and maintain records of expenditures; (4) Preparing and reviewing correspondence, memoranda and other written materials; (5) Tracking correspondence, filings, and materials with deadlines and expiration dates; (6) Handling a wide variety of correspondence which requires knowledge of policies and procedures and research skills; (7) Answering and screening telephone calls and visitors; (8) Maintaining the LAFCO Website; and (9) Serving as liaison between the Executive Officer, officials and staff, and the public and interacting with Commissioners.

### **9.3 Administrative Analyst**

- Position Responsibilities: Under the direction of the Executive Officer, the Administrative Analyst conducts analyses and special studies, and make recommendations on local agency boundary change proposals to the Commission; collect data relating to proposals; and process proposals in accordance with state law, the Commission’s procedures, and the Commission’s policies.
- Typical Duties: Under the direction of the Executive Officer, the Administrative Analyst performs a variety of routine to complex professional and analytical assignments. As experience is gained, assignments become more varied and are performed with greater independence. Positions at this entry level usually perform

most of the duties required of the positions at higher levels but are not expected to function at the same skill level and usually exercise less independent discretion and judgement. Work is usually supervised more closely while in progress and fits and established structure or pattern.

## **10. HIRING AND STAFFING**

To attract and retain qualified staff for LAFCO, it is the policy of LAFCO to use a criterion-based recruitment process and behavioral-based interview process to ensure the most qualified candidates are hired.

### **10.1 Recruiting**

Recruiting applicants will be aggressive enough to assure an adequate supply of qualified candidates. The recruitment process may include, but is not limited to, the use of professional recruitment firms, referrals from current or past employees, walk-in applicants, and/or web-based postings.

### **10.2 Interviews**

The employment interview is a major element in the selection process. It allows the applicant an opportunity to demonstrate their capabilities to perform the job and provides information to the candidate about the position. Interviews may be conducted by telephone or in face-to-face sessions. All interview questions must be job-related and have direct bearing on the tasks of the position. Interviews and questions are standardized so that all applicants are evaluated equally. Questions that express (directly or indirectly) any preference, limitation, or general reference to race, national origin, sex, age, physical handicap, or any other protected category are prohibited.

### **10.3 Probationary Period**

All LAFCO new hires will have a twelve-month probationary period beginning on the first day of employment. The LAFCO staff will provide job training during this time period and the employee will be evaluated every three months during the probationary period. LAFCO may terminate an employee during this twelve-month probationary period or at any point in time therein. Nothing in this provision shall alter the at-will status of any employee.

## **11. SALARIES**

The salaries of all employees shall be set by resolution adopted by the Commission. The salary resolutions for all employees except the Executive Officer shall include provisions for merit increases, if deemed appropriate by the Commission. The Executive Officer shall conduct annual performance reviews and determine if the merit increases are granted. The process for the Executive Officer's performance and compensation review is found in LAFCO's Personnel Policy.

## **12. WORKING HOURS**

LAFCO offices shall be open on all days and the hours that Santa Cruz County offices are open to the public for business. Full-time employees shall work 40 hours per work week and part-time employees shall work at least 20 hours per week.

"Overtime" means authorized time worked in excess of 40 hours in a one-week work period. The Executive Officer must authorize employees' overtime work. Paid time off from work for any purpose shall not count as time worked for purposes of overtime.



Overtime shall be paid at the rate of one and a half times the employee's regular hourly salary or as otherwise required by applicable federal or state law. The Executive Officer must approve regular and overtime work schedules. The Executive Officer is an exempt employee and is not eligible for overtime compensation.

### **13. EXPENSES AND TRAVEL**

Employees shall be reimbursed for all actual and necessary expenses incurred in the transaction of LAFCO business in accordance with LAFCO's Financial Policy.

### **14. PAID LEAVES**

The following paid leaves shall be provided to LAFCO employees:

- Executive Officer: The Executive Officer shall receive the same paid leave benefits as those provided to appointed Santa Cruz County department heads including vacation, sick leave, administrative leave, bereavement leave, and holidays.
- Other LAFCO Employees: Employees, except the Executive Officer, shall receive the same paid leave benefits as those provided to Santa Cruz County employees in the General Representation Unit including annual leave, bereavement leave, and holidays.

### **15. RETIREMENT AND INSURANCE**

LAFCO employees will receive health insurance, dental insurance and other insurance depending on their particular classifications. These insurance benefits will generally be the same as provided to County of Santa Cruz employees. The Commission will review and establish the benefits annually at its discretion.

#### **15.1 Retirement**

LAFCO contracts with the California Public Employees' Retirement System ("CalPERS") to provide pension benefits to full-time and half-time employees. Employee retirement contributions to CalPERS shall be set by resolution adopted by the Commission.

#### **15.2 Insurance**

The following insurance benefits shall be provided to LAFCO employees:

- Executive Officer: Insurance benefits which are provided to appointed department heads of Santa Cruz County shall be provided to the Executive Officer. These benefits are health insurance, dental insurance, vision insurance, life insurance, and long-term disability insurance.
- Other LAFCO Employees: Insurance benefits which are provided to Santa Cruz County employees in the General Representation Unit shall be provided to LAFCO full-time employees other than the Executive Officer. These benefits are health insurance, dental insurance, vision insurance, life insurance, and long-term disability insurance.
- Annuitant Employees: LAFCO annuitants who retired through CalPERS may enroll in a CalPERS' health plan as provided under the Public Employee's Medical and Hospital Care Act and CalPERS regulations. Eligibility and annuitant contribution

amounts are set by the Commission's health insurance contract.

### **15.3 Health Insurance**

Employees' health insurance contributions shall be the same as the contributions made by employees who hold comparable jobs with Santa Cruz County.

### **15.4 Deferred Compensation**

LAFCO shall provide a deferred compensation program for employees. LAFCO shall not make employer contributions to the deferred compensation program.

## **16. SAFETY**

Every employee is responsible for safety. To achieve our goal of providing a completely safe workplace, everyone must be safety conscious. Employees should report any unsafe or hazardous condition directly to their supervisor immediately. In case of an accident involving a personal injury, regardless of how serious, employees should notify the Executive Officer or LAFCO Chair immediately. Failure to report accidents can result in a violation of legal requirements and can lead to difficulties in processing insurance and benefit claims. If an employee is injured on the job, they will be entitled to benefits under the state workers' compensation law in most cases. LAFCO carries workers' compensation insurance and will assist employees to obtain all benefits to which they are legally entitled.

## **17. WORKPLACE VIOLENCE**

LAFCO is committed to providing a safe work environment that is free of violence and the threat of violence. LAFCO will not tolerate any violent or dangerous behavior of any kind, whether through physical abuse, threats of any kind, intimidation, coercion, stalking or otherwise, defacing LAFCO'S property or causing physical damage to the facilities, bringing weapons or firearms of any kind onto LAFCO'S premises, parking lots, or while conducting business, or any other behavior that suggests a propensity towards violence.

LAFCO strictly prohibits employees, consultants, customers, visitors, or anyone else on LAFCO premises or engaging in a LAFCO-related activity from behaving in a violent or threatening manner. Employees may report all incidents of direct or indirect violence or dangerous behavior to the Executive Officer or LAFCO Chair as soon as possible. Reporting incidents and concerns early can help prevent a situation from escalating and becoming even more dangerous. Employees should never attempt to handle a potentially dangerous situation by themselves. Any LAFCO employee that violates this policy will be subject to discipline, up to and including termination, as well as potential legal action.

## **18. OFFICE INSPECTION**

Although desks, cabinets and shelves are made available for the convenience of employees while at work, employees should remember that all desks, cabinets and shelves remain the sole property of LAFCO. Moreover, LAFCO reserves the right to open and inspect desks, cabinets, and shelves, as well as any contents, effects, or articles in desks, cabinets, and shelves. Such an inspection can occur at any time, with or without advance notice or consent. An inspection may be conducted before, during, or after working hours by the Executive Officer or designee.

Employees have no expectation of privacy in any of these items. Prohibited materials,

including weapons, explosives, alcohol and non-prescribed drugs or medications, may not be placed in a desk, cabinet or shelf. Employees who, if requested, fail to cooperate in any inspection will be subject to disciplinary action, up to and including termination. LAFCO is not responsible for any articles that are placed or left in a desk, cabinet, or shelf that are lost, damaged, stolen or destroyed.

#### **19. THEFT OR LOSS OF OFFICE EQUIPMENT**

The use of any LAFCO-related equipment (computers, cell phones, laptops, or other office-related equipment) outside of the LAFCO offices must be approved by the Executive Officer. LAFCO employees are fully responsible for the care and safekeeping of all office equipment offsite. Should an item be stolen or lost offsite while under the care of a LAFCO employee, the LAFCO employee is responsible to reimburse LAFCO for the replacement cost of all lost or stolen items. Any loss or theft of the LAFCO equipment must be reported immediately to the Executive Officer, and the employee is responsible to reimburse LAFCO for the replacement cost of the device.

#### **20. OFFICE PROBLEM RESOLUTION PROCEDURE**

LAFCO is committed to encouraging an open and frank atmosphere in which any problem, complaint, suggestion, or question receives a timely response. LAFCO strives to ensure fair and honest treatment of all employees. All employees are expected to treat each other with mutual respect. All employees are encouraged to offer positive and constructive criticism. If there is a disagreement concerning established rules of conduct, policies, or practices, employees may express their concern through the problem resolution procedure. No one will be penalized, formally or informally, for voicing a complaint with LAFCO in a reasonable, business-like manner, or for using the problem resolution procedure.

#### **21. TERMINATION OF EMPLOYMENT**

Any employee whose employment is terminated by LAFCO for any reason shall be entitled to two weeks' notice or two weeks' pay in lieu of notice.

*Adopted on June 4, 1986 (Resolution No.141-DD)*

*Amended on December 9, 2015 (Resolution No. 2015-12)*

*Previous Revision on August 3, 2016 (Resolution No. 2016-12)*

*~~Last~~ Revision on June 3, 2020 (Resolution No. 2020-16)*

*Last Revision on September 6, 2023 (Resolution No. 2023-20)*



## LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY

### **PERSONNEL POLICY**

#### **1. PERFORMANCE EVALUATION – LAFCO STAFF**

Evaluations of staff personnel other than the Executive Officer will be made by the Executive Officer on an annual basis. To assist in this process, staff will submit a report documenting their accomplishments from the prior year and their goals for the upcoming year to the Executive Officer for review and discussion. The Executive Officer's review of this report will be conducted by December of each year.

#### **2. PERFORMANCE EVALUATION – EXECUTIVE OFFICER**

Personnel evaluations of the Executive Officer will be made by the Commission on an annual basis. To assist in this process, the Executive Officer will submit a report documenting their accomplishments from the prior year and their goals for the upcoming year to the Personnel Committee for review and discussion. The Personnel Committee's review of this report will be conducted by January of each year.

#### **3. COMMISSION REVIEW**

All performance evaluations, and any other pertinent information, will be forwarded to the Commission for their review and consideration at the February meeting of each year. In accordance with Government Code Sections 54957 and 54957.6, staff's performance evaluations will be discussed in a closed session.

#### **4. SALARY ADJUSTMENTS**

Following the Commission's review and consideration of staff's performance evaluations, the Personnel Committee will provide an annual report on staff salaries and benefits at the March meeting of each year. At this time, the Commission may consider possible salary adjustments to bring staff salaries into alignment with other comparable positions or as compensation for their job performance. This review may include a report by a personnel consultant, when indicated.

#### **5. PERSONNEL COMMITTEE MEMBERSHIP**

The members of the Personnel Committee will have at least a two-year term but may continue if reaffirmed by the Commission. At least two Commissioners should be on the Personnel Committee. The current LAFCO Chair is encouraged to be part this committee.

*Adopted on June 7, 2000 (Resolution No. 2000-4)  
Revised on January 9, 2008 (Resolution No. 2008-3)  
Last Revision on February 5, 2020 (Resolution No. 2020-02)*



# LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY

## FINANCIAL POLICY

### 1. OVERVIEW

It is the policy of Santa Cruz LAFCO to follow ethical, responsible, and reasonable procedures related to purchasing, claims, auditing, money management, and other financial matters. The following accounting discussion is intended to provide an overview of the accounting policies and procedures applicable to LAFCO. This policy documents the financial operations of the organization. Its primary purpose is to formalize accounting policies and selected procedures for the accounting staff and to document internal controls.

### 2. USE OF COUNTY FINANCIAL OFFICES, POLICIES AND PROCEDURES

It is the policy of Santa Cruz LAFCO to utilize the offices, policies, and procedures of the County of Santa Cruz in the conduct of LAFCO's financial matters.

#### 2.1 Santa Cruz County Policies and Procedures Manual

LAFCO shall follow "Title 1—Financing and Accounting Policies and Procedures" of the County of Santa Cruz Policies and Procedures Manual, except as specified in LAFCO's policies. LAFCO is an independent agency; therefore, neither the Board of Supervisors nor the County Administrative Officer has any authority over LAFCO's financial matters. The County Policies and Procedures shall be translated to LAFCO's Policies and Procedures by the following substitutions:

County of Santa Cruz	Santa Cruz LAFCO
Board of Supervisors	LAFCO Commission
County Administrative Officer	LAFCO Executive Officer
Department Head	LAFCO Executive Officer
Purchasing Agent	LAFCO Executive Officer

#### 2.2 Santa Cruz County Auditor-Controller

LAFCO shall use the Santa Cruz County Auditor-Controller for the following functions:

- Claims and warrants;
- Petty cash;
- Payroll and deductions;
- Collection of county, city, and independent district contributions to the LAFCO budget as required by Government Code Section 56381;
- Maintenance of the LAFCO trust fund; and
- Audits.

### **2.3 Santa Cruz County Purchasing Policy Manual**

For procuring goods and services, LAFCO may follow the most recent edition of the County of Santa Cruz, Purchasing Policy Manual.

LAFCO staff may choose to either use the purchasing services of the Santa Cruz County General Services Department, or may make direct purchases. In the case of direct purchases, LAFCO staff will follow to the extent possible the County's Purchasing Policy Manual, with the Executive Officer functioning as the Purchasing Agent.

## **3. AUTHORIZATIONS**

It shall be the responsibility of the Executive Officer to authorize expenditures of funds within the framework and limitations of the budget adopted by the Commission.

### **3.1 Payroll**

When payroll is due to be filed with the Auditor-Controller and the Executive Officer is absent from the office, the Secretary-Clerk shall attempt to contact the Executive Officer. The Secretary-Clerk may sign the payroll if either:

- The Executive Officer authorizes the payroll amounts verbally or by e-mail, and the Secretary-Clerk keeps a written record of the authorization; or
- The Executive Officer cannot be contacted, and the Secretary-Clerk presents the payroll to the Executive Officer as soon as possible after the Executive Officer becomes available in the office or electronically.

### **3.2 Claims**

When an urgent claim is due and the Executive Officer is absent from the office, the Secretary-Clerk may utilize LAFCO's designated County Administrative Office (CAO) representative to address the claim. If the Executive Officer and the CAO representative are unavailable, the Secretary-Clerk may sign the urgent claim if either:

- The Executive Officer authorizes the urgent claim amount verbally or by e-mail, and the Secretary-Clerk keeps a written record of the authorization, or
- The Executive Officer cannot be contacted, and the Secretary-Clerk presents the urgent claim to the Executive Officer as soon as possible after the Executive Officer becomes available in the office or electronically.

As used in this section, "urgent claim" means a valid claim for which LAFCO would incur a late payment penalty of \$25 or more if the claim were not submitted to the Auditor-Controller on that workday.

### **3.3 Executive Officer Follow-up Action(s)**

Upon returning to the office or becoming available electronically, the Executive Officer shall review any payroll or urgent claim that was authorized by the Secretary-Clerk, separately sign the payroll or claim, and take any necessary actions to correct any errors or oversights.

#### **4. EXPENSES AND TRAVEL**

Commissioners (regular and alternate members), employees, and staff shall be entitled to reimbursement for all actual and necessary expenses incurred in the transaction of Commission business, including participation on the CALAFCO board and CALAFCO committees, in accordance with the following provisions:

##### **4.1 Stipends**

Regular and Alternate Commissioners shall receive \$50.00 per meeting in order to help defray the costs of attending the meetings.

##### **4.2 Travel Expenses**

Regular and Alternate Commissioners, employees, and staff shall be reimbursed in conformance with current County policy for out-of-county travel, meals, and related expenses incurred while on Commission business.

##### **4.3 Mileage Reimbursement**

Regular and Alternate Commissioners, employees, and staff shall be reimbursed for authorized use of their private automobiles in conformance with current County policy.

##### **4.4 Lodging Expenses**

Travel reimbursements for lodging at rates higher than County policy shall be permitted when Commissioners (Regular and Alternate), employees, and staff stay at the host facility for CALAFCO events, including but not limited to, meetings, workshops, and conferences.

##### **4.5 Staff Definition**

As used in this section, "staff" means the LAFCO Counsel or the LAFCO Counsel's back-up attorney when either is traveling on LAFCO business.

##### **4.6 Reimbursement Authorization**

No travel expenses shall be reimbursable unless authorized by the Executive Officer.

##### **4.7 Extended Meeting Expenses**

For day meetings of the Commission that are expected to last more than four hours, or for any night meetings, the Commission authorizes expenses not to exceed \$5 per attending Commissioners for light refreshments (coffee, bottled water, soft drinks, cookies, etc.)

#### **5. BUDGET**

Government Code Section 56381 indicates that LAFCO shall adopt a proposed budget no later than May 1 and a final budget no later than June 15. LAFCO shall prepare an annual budget in conformance with Government Code Section 56381.

##### **5.1 Performance Evaluations**

Completion of staff's performance evaluation, as outlined in the Personnel Policy, should be completed by February of each year.



## 5.2 Salary & Benefit Adjustments

Following the Commission's review and consideration of staff's performance evaluation, any adjustments to their salaries and benefits should occur by March of each year.

## 5.3 Proposed Budgets

The Commission should consider adopting a draft budget by April of each year. Copies of the draft budget, with the proposed allocation breakdown, should be shared with the funding agencies for review and comments.

## 5.4 Final Budgets

The Commission should consider adopting a final budget by May of each year. Copies of the final budget, with the final allocation breakdown, should be shared with the funding agencies for their records.

## 6. RESERVES

As of July 1, 2024, Santa Cruz LAFCO has two reserve funds restricted to the agency's account with the Santa Cruz County. These funds are as follows: (1) Litigation and (2) Contingency. These accounts are considered "restricted" accounts and are only used for the specific purposes described below:

### 6.1 Litigation Reserves

Restricted funds for cost related to agency legal challenges. The minimum balance in the Litigation Reserve Account shall be \$100,000.

### 6.2 Contingency Reserves

Restricted funds to cover any unforeseen future agency loss and/or urgency which includes but is not limited to property or equipment damage, loss, or theft. These funds may also be used to balance annual LAFCO budgets. The minimum balance in the Contingency Reserve Account shall be \$100,000.

*Adopted on June 2, 2004 (Resolution No. 2004-10)*

*~~Last~~ Revision on February 5, 2020 (Resolution No. 2020-03)*

*Last Revision on September 6, 2023 (Resolution No. 2023-20)*



## LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY

### **RECORDS MANAGEMENT POLICY**

#### **1. OVERVIEW**

The purpose of this policy is to offer guidelines to staff regarding the retention of Santa Cruz LAFCO files; provide for the identification, maintenance, and safeguarding of Santa Cruz LAFCO records and the destruction of obsolete documents in the normal course of business; ensure prompt and accurate retrieval of records; and ensure compliance with legal and regulatory requirements.

#### **2. COMPLIANCE**

It is the policy of this Commission to retain Santa Cruz LAFCO documents and other records in accordance with the retention schedule established in the attached table (refer to **Figure 1**; page 3 of policy). The schedule is in compliance with the minimum retention periods mandated by the California Government Code, the California Code of Civil Procedure, the Code of Federal Regulations, the Secretary of State Local Government Records Management Guidelines, and other legal authorities cited.

#### **3. PROCEDURE**

Government Code Section 56382 allows LAFCO to authorize the destruction of any duplicate record which is older than two years as long as a copy is kept in some reliable format. This policy documents the records management of the organization. The following section outlines how LAFCO staff should determine if a document is obsolete and subject to potential destruction.

##### **3.1 Request for Destruction Form**

A LAFCO staff member must complete and sign a "Request for Destruction of Obsolete Records" form, listing the date and description of each document to be destroyed. A sample form is attached to this policy as **Figure 2**; page 4 of policy). The form must include the Executive Officer's signature.

##### **3.2 Approval of Form**

After receiving the signed form from the Executive Officer, the Commission Clerk will oversee the destruction of the obsolete documents.

##### **3.3 Records Log**

The Commission Clerk will permanently retain a master log of all destroyed obsolete documents which includes the titles or brief descriptions of the purged files that were destroyed, the method of destruction and the date of destruction.

#### **4. GENERAL GUIDELINES**

The Commission Clerk shall be responsible for the administration of this policy and shall follow the general guidelines outlined in this document. The following general guidelines apply to all Santa Cruz LAFCO records.

#### **4.1 Duplicate Records**

The Commission may authorize the destruction of any duplicate records at any time (Government Code Sections 26201; 60200).

#### **4.2 Two-Year Threshold**

Unless otherwise required by State or Federal law, the Commission may authorize the destruction of any original document which is more than two (2) years old without retaining a copy of the document as long as the retention and destruction of the document complies with the retention schedule as set forth in this policy (Government Code Sections 26202; 60201).

#### **4.3 Significant Project Documents**

In addition to the retention periods required under this policy, the Commission shall retain original administrative, legal, fiscal, and/or historical records with continued value (i.e., records for long-term transactions and/or special projects) until all matters pertaining to such records are completely resolved or the time for appeals has expired (Government Code Sections 14755; 34090).

#### **4.4 Indestructible Files**

Pursuant to Government Code Section 60201, the Commission shall not destroy any of the following records:

- a) Records relating to the formation change of organization or reorganization of the Commission;
- b) Ordinances and resolutions, unless they have been repealed or have become invalid or otherwise unenforceable for five years;
- c) Minutes of any meeting of the Commission;
- d) Records relating to any pending claim, litigation, any settlement or other disposition of litigation within the past two (2) years;
- e) Records that are the subject of any pending request for records under the California Public Records Act, whether or not the record is exempt from disclosure, until the request has been granted or two (2) years after the request has been denied by the Commission;
- f) Records relating to any non-discharged debt of the Commission;
- g) Records relating to the title to real property in which the Commission has an interest;
- h) Records relating to any nondischarged contract to which the Commission is a party;
- i) Records that have not fulfilled the administrative, fiscal, or legal purpose for which they were created or received;
- j) Records less than seven (7) years old that specify the amount of compensation or expense reimbursement paid to Commission employees, officers, retired annuitant, or independent contractors.

**Figure 1 – Records Retention Schedule**

#	Type of Record	Description or Example of Record	Legal Authority	Minimum Legal Retention Period
1	Accident/Illness Reports (OSHA Reports)	<p>Not a public record;</p> <p>For Employee Medical Records &amp; Employee Exposure Records regarding exposure to toxic substances or harmful physical agents:</p> <p>*Includes Material Safety Data Sheets (MSDS)</p> <p>*Does NOT include records of health insurance claims maintained separate from employer's records; first aid records of one-time treatments for minor injuries; records of employees who worked less than one (1) year if records are given to employee upon termination.</p>	GCS 6254(c); CCR 32304(d)(1)(A)(B)	Duration of employment plus 30 years
2	Accidents/Damage to LAFCO Property	Risk Management Administration	GCS 340901 CCP 337.15	10 years
3	Accounting Records – General Ledger	General Ledger	GCS 34090; CCP 337; Sec. of State Local Govt Records Mgmt. Guidelines	<p>Until audited +4 years</p> <p>Published articles show 4-7 years retention</p> <p>Sec. of State Guidelines recommends permanent retention</p>
4	Accounting Records – Permanent Books of Accounts	Records showing items of gross income, receipts and disbursement (including inventories per IRS regulations)	CFR 31.6001-1(c)&(e)	Permanent

#	Type of Record	Description or Example of Record	Legal Authority	Minimum Legal Retention Period
5	Accounts Payable	Journals, statements, asset inventories, account postings with supporting documents, vouchers, investments, invoices and back-up documents, purchase orders, petty cash, postage, OCERS reports, check requests, etc.  Expense reimbursements to employees & officers; travel expense reimbursements or travel compensation.	CCP 337; CFR 31.6001-1(e)(2); Secretary of State Local Gov't. Records Mgmt. Guidelines	Until audited + 4 years  7 years after date of payment
6	Accounts Receivable	Receipts for deposited checks, coins, currency; reports, investments, receipt books, receipts, cash register tapes, payments for fees, permits, etc.	CFR 31.6001- 1(e)(2); Sec. of State Local Gov't Records Mgmt. Guidelines recommendation	Until audited +4 years
7	Affidavits of Publication / Posting	Legal notices for public hearings, publication of ordinances, etc.	GCS 34090	2 years
8	Agency Report of Public Official Appointments (FPPC Form 806)	Report of additional compensation received by LAFCO official when appointing themselves to committees, boards or commission of other public agencies, special districts, joint powers agencies or joint powers authorities. Current report must be posted on LAFCO's website.	CCR 18705.5; GCS 34090.5	Recommended retention; keep a copy of report for 2 years after removal from LAFCO's website
9	Agenda / Agenda Packets	Original agendas, agenda packets, staff reports and related attachments, supplemental items and documentation submitted by staff/public in relation to agenda items.  Paper copies of agenda packets should be maintained for 1 year as complete packets. Originals will later be imaged for permanent records retention; the imaged record may serve as the permanent record.	GCS 34090, 34090.5	Current + 2 years
10	Agreements (see also Contracts)	Original contracts and agreements and back-up materials, including leases, service/maintenance agreements, etc.	CCP 337; 337.2; 343	4 years after termination/ completion

#	Type of Record	Description or Example of Record	Legal Authority	Minimum Legal Retention Period
11	Annexations / Reorganizations	Notices, Resolutions, Certificates of Completion; documents may be imaged, but the originals can never be destroyed.	GCS 34090 GCS 60201(d)(1)	Permanent
12	Annual Financial Report	May include independent auditor analysis.	GCS 26201, 34090 GCS 34090, 60201 Sec of State Local Gov't Records Mgmt. Guidelines	Until audited + 7 years
13	Articles of Incorporation	Including but not limited to JPAs, mutual water companies, and changes of organization	GCS 34090(a)	Permanent
14	Audit Reports	Financial services; internal and/or external reports;	GCS 34090; CCP 337, 343; Sec. of State Local Gov't. Records Retention Guidelines	Minimum retention – Current + 4 years  Sec. of State Guidelines recommends permanent retention
15	Audit Hearing or Review	Documentation created and or received in connection with an audit hearing or review	GCS 26202, 34090	2 years
16	Ballots – Special District elections	Copies of ballots from elections of Special Districts (LAFCO members)	GCS 26202, 34090, 60201	2 years
17	Bank Account Reconciliations	Bank statements, receipts, certificates of deposit, etc.	CFR 31.6001-1(e)(2)	Until audited + 4 years; Secretary of State recommends until audited + 5 years
18	Brochures/Publications	Retain selected documents only for historic value	GCS 26202, 34090	2 years
19	Budget, Annual	Annual operating budget approved by LAFCO	GCS 26202, 34090; Sec. of State Local Gov't Records Mgmt. Guidelines	Until audited + 2 years; Sec. of State recommends permanent retention
20	Cal-OSHA	Personnel logs, supplementary records; annual summary (Federal and State-Cal-OSHA)	LAB 6410; CCR 14307	5 years
21	CalPERS - Employee Benefits	Retirement Plan	USC 1027	6 years

#	Type of Record	Description or Example of Record	Legal Authority	Minimum Legal Retention Period
22	Checks (issued by LAFCO)	LAFCO checks paid – expense reimbursements; payments to independent contractors, etc. Includes check copies; canceled and voided checks; electronic versions of checks.  LAFCO check paid to vendors; other LAFCO payments - includes check copies; canceled or voided checks; electronic versions of checks.	GCS 60201(d)(12); CCP 337; Sec. of State Local Gov't Records Mgmt. Guidelines; CCP 31.6001-1(e)(2)	7 years  Until audited +4 years
23	Citizen Feedback	General correspondence	GCS 26202, 34090	2 years
24	Claims Against LAFCO	Paid/denied	GCS 60201(d)(4); GCS 25105.5	Until settled + 5 years
25	Complaints/Requests	Various files, not related to specific lawsuits involving the agency and not otherwise specifically covered by the retention schedule	GCS 26202, 34090	2 years
26	Contracts	Original contracts and agreements and back-up materials, including leases, service/maintenance contracts, etc.	CCP 337, 337.2, 343	4 years after termination/ completion
27	Correspondence	General correspondence, including letters and e-mail; various files, not otherwise specifically covered by the retention schedule	GCS 26202, 34090	2 years
28	Deferred Compensation Reports	Finance - pension/retirement funds	CFR 516.5; CFR 1627.3	3 years
29	Demographic/ Statistical Data	Including but not limited to special studies and boundary changes	GCS 26202, 34090	Current +2 years
30	Deposits, Receipts	Receipts for deposited checks, coins, currency	Sec. of State Local Gov't Records Mgmt. Guidelines; CCP 337	Until audited + 4 years
31	DMV Driver's Records, Reports (DMV Pull Notice System)	Part of personnel records – not a public record	GC 34090; GC 6254(c) VC 1808.1(c); Sec. of State Local Gov't Records Mgmt. Guidelines	Until superseded (should receive new report every 12 months)  Sec. of State recommends retention until termination + 7 years



#	Type of Record	Description or Example of Record	Legal Authority	Minimum Legal Retention Period
32	Employee Files	Personnel - information - may include release authorizations, certifications, reassignments, outside employment, commendations, disciplinary actions, terminations, oaths of office, evaluations, pre- employee medicals, fingerprints, identification cards	GCS 12946 CFR 1627.3	While current + 3 years
33	Employee Information Applicant Identification Records	Personnel – data recording race, sex, national origin of applicants	CCR 7287(b)(c)(2)	2 years
34	Employee Information, General	Name, address, date of birth, occupation	GCS 12946 CFR 1627.3 LAB 1174	3 years
35	Employee Information, Payment	Rate of pay and weekly compensation earned	GCS 60201	7 years
36	Employee Programs	Includes EAP and Recognition	GCS 26202, 34090; GCS 12946	Current + 2 years
37	Employee, Recruitment	Alternate lists/logs, examination materials, examination answer sheets, job bulletins	GCS 12946; GCS 26202, 34090; CFR 1602 et.seq.; CFR 1627.3	Current + 2 years
38	Employee, Reports	Employee statistics, benefit activity, liability loss	GCS 26202, 34090	Current + 2 years
39	Employee Rights - General		GCS 12946; CFR 1602.31	Length of employment + 2 years
40	Employment Applications - Not Hired	Applications submitted for existing or anticipated job openings, including any records pertaining to failure or refusal to hire applicant	GCS 26202, 34090; GCS 12946; CFR 1627.3	2 years
41	Employment Eligibility Verification (I-9 Forms)	Federal Immigration and Nationality Act; Immigration Reform/Control Act 1986	USC 1324a(b)(3) Pub. Law 99-603	3 years after date of hire, or 1 year after date of termination, whichever is later
42	Employment - Surveys and Studies	Includes classification, wage rates	GCS 12946 GCS 26202, 34090 CFR 516.6	2 years
43	Employment - Training Records, Non-Safety	Volunteer program training - class training materials, internships	GCS 34090 GCS 12946	Length of employment + 2 years

#	Type of Record	Description or Example of Record	Legal Authority	Minimum Legal Retention Period
44	Employment - Vehicle Mileage Reimbursement Rates	Annual mileage reimbursement rates	GCS 26202, 34090	Until superseded + 2 years
45	Environmental Quality California Environmental Quality Act (CEQA)	Exemptions, Environmental Impact Reports, mitigation monitoring, Negative Declarations, Notices of Completion and Determination, comments, Statements of Overriding Considerations	GCS 34090; 60201 CEQA Guidelines	Permanent
46	Environmental Quality Environmental Review	Correspondence, consultants, issues, conservation	GCS 26202, 34090	Completion + 2 years
47	ERISA Records	Employee Retirement Income Security Act of 1974 – plan reports, certified information filed, records of benefits due	USC 1027, 2059 <i>La Barbera v. A. Morrison Trucking, Inc.</i> 2011 US Dist. LEXIS 16343 (E.D.N.Y. Feb. 17, 2011)	6 years
48	Family and Medical Leave Act (FMLA) (Federal)	Records of leave taken, LAFCO policies relating to leave, notices, communications relating to taking leave	CFR 825.500; GCS 12946	While employed +3 years (Federal) or 2 years (State)
49	Fixed Assets Inventory	Reflects purchase date, cost, account number	GCS 26202, 34090	Until audited + 2 years
50	Fixed Assets Surplus Property	Auction, disposal, listing of property	GCS 26202, 34090; CCP 337	Until audited + 4 years
51	Forms	Including but not limited to administrative/project docs		Until Superseded
52	Fund Transfers	Internal; bank transfers & wires	GCS 26202, 34090	Until audited + 2 years
53	General Ledgers	All annual financial summaries	GCS 34090; CCP 337; Sec. of State Local Gov't. Records Retention Guidelines	Until audited +4 years  Sec. of State Guidelines recommends permanent retention
54	Gift to Agency Report (FPPC Form 801)	FPPC form showing payment or donation made to Santa Cruz LAFCO or to a Santa Cruz LAFCO official and which can be accepted as being made to LAFCO	FPPC Reg.18944(c)(3)(F)(G); FPPC Fact Sheet: "Gifts to an Agency – Part 2"	Must be posted on LAFCO website for 4 years (per FPPC Fact Sheet)

#	Type of Record	Description or Example of Record	Legal Authority	Minimum Legal Retention Period
55	Gifts/Bequests	Receipts or other documentation	GCS 34090	Until completed + 2 years
56	Grants - Successful Federal, State, or other grants	Grants documents and all supporting documents: applications, reports, contracts, project files, proposals, statements, sub- recipient dockets, environmental review, grant documents, inventory, consolidated plan, etc.	GCS 34090; CFR 570.502; CFR 85.42	Until completed + 4 years
57	Grants – Unsuccessful	Applications not entitled	GCS 26202, 34090	2 years
58	Insurance	Personnel related	GCS 26202, 34090	Current + 2 years
59	Insurance, Joint Powers Agreement	Accreditation, MOU, agreements and agendas	GCS 26202, 34090	Current + 2 years
60	Insurance Certificates	Liability, performance bonds, employee bonds, property; insurance certificates filed separately from contracts, includes insurance filed by licensees	GCS 26202, 34090	Current + 2 years
61	Insurance, Liability/Property	May include liability, property, Certificates of Participation, deferred, use of facilities	GCS 26202, 34090	Current + 2 years
62	Insurance, Risk Management Reports	Federal and State OSHA forms; loss analysis report; safety reports; actuarial studies	CFR 1904.44; GCS 26202, 34090	5 years (Federal) 2 years (State)
63	Investment Reports, Transactions	Summary of transactions, inventory and earnings report	GCS 34090, 60201; CCP 337; Sec. of State Local Gov't. Records Retention Guidelines	Until audited +4 years  Sec. of State Guidelines recommends permanent retention
64	Invoices	Copies sent for fees owed, billing, related documents	GCS 26202, 34090	Until audited + 2 years
65	Legal Notices/ Affidavits of Publication	Notices of public hearings, proof of publication of notices	GCS 26202, 34090	2 years
66	Legal Opinions	Confidential - not for public disclosure (attorney-client privilege)	GCS 26202, 34090	Until superseded + 2 years
67	Litigation	Case files	GCS 26202, 34090	Until settled or addressed + 2 years

#	Type of Record	Description or Example of Record	Legal Authority	Minimum Legal Retention Period
68	Maintenance Manuals	Equipment service/maintenance	GCS 26202, 34090	Current + 2 years
69	Maintenance/Repair Records	Equipment	GCS 26202, 34090	2 years
70	Marketing, Promotional	Brochures, announcements, etc.	GCS 26202, 34090	2 years
71	Minutes	Meeting minutes; paper records are to be maintained permanently by the agency.	GCS 34090, 60201(d)(3)	Permanent
72	Newsletters	May wish to retain permanently for historic reference	GCS 26202, 34090	2 years
73	Notices – Public Meetings	Including but not limited to regular and special meetings	GCS 26202, 34090	2 years
74	Oaths of Office	Elected and public officials – commissioners	GCS 26202, 34090; USC 1113; Secretary of State Guidelines	Current plus 6 years
75	Occupational Safety and Health Administration (OSHA)	OSHA Log 200, Supplementary Record, Annual Summary (Federal & State- Cal-OSHA); OSHA 300 Log, privacy case list, annual summary, OSHA 301 incident report forms	LC 6410; CCR 14307; CFR 1904.2 -1904.6, 1904.33	5 years
76	Payroll - Federal/State Reports	Annual W-2's, W-4's, Form 1099s, etc.; quarterly and year- end reports	GCS 60201	7 years
77	Payroll Deduction/Authorizations	Finance	CFR 516.6(c); GCS 60201	While Current + 7 years
78	Payroll, registers	Finance – payroll, registers, payroll reports	CFR 516.5(a); LAB 1174(d); GCS 60201	7 years from date of last entry
79	Payroll records terminated employees	Finance files	CFR 516.5; GCS 60201	7 years from date of last entry
80	Payroll, timecards/sheets	Employee	CFR 516.6; LAB 1174; Sec. of State Local Gov't Records Mgmt. Guidelines	3 years Sec. of State recommendation – Until audited + 6 years
81	Payroll - Wage Rates / Job Classifications	Employee records	GCS 60201	le current + 7 years
82	Personnel Records	Other records (not payroll) containing name, address, date of birth, occupation, etc., including records relating to promotion, demotion, transfer, lay-off, termination	CFR 1627.3	3 years

#	Type of Record	Description or Example of Record	Legal Authority	Minimum Legal Retention Period
83	Personnel Rules and Regulations	Including employee handbook, employee manuals, and other policies/procedures	CFR 516.6, 1627.3(a)	Current + 3 years
84	Petitions	Submitted to legislative bodies	GCS 26202, 34090	Current + 2 years
85	Policies & Procedures	All policies and procedures adopted by the Commission; directives rendered by the agency not assigned a resolution number; Commission Bylaws	GCS 26202, 34090	Current + 2 years
86	Political Support/Opposition, Requests & Responses	Related to legislation	GCS 26202, 34090	2 years
87	Press Releases	Related to LAFCO actions/activities	GCS 26202, 34090	2 years
88	Procedure Manuals	Administrative	GCS 26202, 34090	Current + 2 years
89	Public Records Request	Requests from the public to inspect or copy public documents	GCS 26202, 34090, 60201(d)(5)	2 years
90	Purchasing RFQs, RFPs	Requests for Qualifications; Requests for Proposals – regarding goods and services	GCS 26202, 34090	Current + 2 years
91	Purchasing, Requisitions, Purchase Orders	Original documents	GC 34090; CCP 337	Until audited + 4 years
92	Recordings - audio (e.g., for preparation of meeting minutes)	Audio recordings of Commission meetings	GCS 54953.5	Minimum 30 days
93	Recordings, video meetings of legislative bodies	Video recordings of public meetings made by or at the direction of the Commission	GCS 54953.5	Minimum 30 days
94	Recordings, video, other events	Other than video recordings of public meetings; considered duplicate records if another record of the same event is kept (i.e., written minutes or audio recording)	GCS 53161	Minimum 90 days after event is recorded; if no other record of the event exists, the recording must be kept 2 years
95	Records Management Disposition/ Destruction Certification	Documentation of final disposition/destruction of records	GCS 34090, 60201	Permanent

#	Type of Record	Description or Example of Record	Legal Authority	Minimum Legal Retention Period
96	Records Retention Schedules		GCS 26202, 34090	Current + 2 years
97	Recruitments and Selection	Records relating to hiring, promotion, selection for training	CFR 1627.3	3 years
98	Requests for Qualifications (RFQs); Requests for Proposals (RFPs)	Requests for Qualifications, Requests for Proposals, and related responses	GCS 26202; CCP 337	Current + 4 years
99	Resolutions	Vital records – may be imaged, but originals can never be destroyed	GCS 34090, 60201	Permanent
100	Returned Checks	Finance – Adjustments – NSF, etc. (not LAFCO checks)	GCS 26202, 34090; CCP 337	Until audited + 4 years
101	Salary/Compensation Studies, Surveys	Studies of agencies regarding wages, salaries and other compensation benefits	GCS 26202, 34090	While current + 2 years
102	State Controller	Annual reports	GCS 26202, 34090	2 years
103	Statement of Economic Interest (SEI) (FPPC Form 700) (originals – designated employees)	Original SEIs of officers and employees designated in LAFCO's Conflict of Interest Code	GCS 81009(e), (g)	7 years (can image after 2 years)
104	Stop Payments	Finance - bank statements	GCS 26202, 34090	2 years
105	Unemployment Insurance Records	Records relating to unemployment insurance – claims, payments, correspondence, etc.	USC 3301-3311; Calif. Unemployment Insurance Code; CCP 343	4 years
106	Vouchers - Payments	Account postings with supporting documents	GCS 26202, 34090; CCP 337	Until audited + 4 years
107	Wage Garnishment	Wage or salary garnishment	CCP 337	Active until garnishment is satisfied; then retain until audited + 4 years
108	Warrant Register/Check Register	Record of checks issued; approved by the Commission (copy is normally retained as part of agenda packet information)	GCS 26202, 34090	Until audited + 2 years
109	Workers Compensation Files	Work-injury claims (including denied claims); claim files, reports, etc.	CCR 10102; CCR 15400.2	Until settled + 5 years



Figure 2 – Request for Destruction Form



LOCAL AGENCY FORMATION COMMISSION  
OF SANTA CRUZ COUNTY

**“Request for Destruction of Obsolete Records”**

To: Joe A. Serrano, LAFCO Executive Officer

From: \_\_\_\_\_

Subject: Request for Destruction of Obsolete Records

I am requesting approval to destroy the obsolete records listed below.

DATE OF RECORD	TYPE OF RECORD	LEGAL AUTHORITY	RETENTION PERIOD

APPROVED:

\_\_\_\_\_  
Commission Clerk

\_\_\_\_\_  
Date

\_\_\_\_\_  
Executive Officer

\_\_\_\_\_  
Date

The obsolete records described above were destroyed under my supervision using the following method:

☐ Shredding

☐ Recycling

☐ Other (specify method)

I certify that such destruction meets the requirements of the Records Retention and Destruction Policy of LAFCO and all applicable requirements of State and federal law.

\_\_\_\_\_  
Commission Clerk

\_\_\_\_\_  
Date of Records Destruction

*Adopted on April 5, 2000 (Resolution No. 2000-2)  
Last Revision on March 4, 2020 (Resolution No. 2020-05)*



## **CHAPTER II**

# **COMMISSION MEETINGS & SELECTION PROCESS**



## LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY

### **MEETING RULES POLICY**

#### **1. TIME AND PLACE OF MEETINGS**

The Local Agency Formation Commission of Santa Cruz County shall hold regular meetings on the first Wednesday of each month at the hour of 9:00 o'clock A. M. in the Board of Supervisors Chambers in the County Governmental Center, 701 Ocean Street, Santa Cruz, California. Meetings may be cancelled at the Chair's discretion.

#### **2. AGENDA**

The agenda packet shall be available for the Commissioners by Thursday evening, six days preceding the Wednesday meeting. The agenda packet will also be made available on the LAFCO website for the general public.

The Chairperson or the Chairperson's designee shall determine the appropriate content of the agenda, and arrange the order of the agenda, or may delegate the same to the Executive Officer. A majority of the Commission may direct the placement of any item on a future agenda by action taken in a noticed public meeting of the Commission.

The agenda may be organized in the following manner:

<b>Agenda Item</b>	<b>Description</b>
1) Roll Call	Identify Commissioners in attendance.
2) Adoption of Minutes	Consideration of previous meeting minutes.
3) Oral Communications	Opportunity for the public to address the Commission on items not on the agenda, provided that the subject matter is within the Commission's jurisdiction.
4) Public Hearing(s)	Items that require expanded public notification per provisions in state law, Commission direction, or voluntarily placed by the Executive Officer
5) Other Business	Items that involve administrative, budgetary, legislative, or personnel matters and may be subject to broader discussion
6) Written Correspondence	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
7) Press Articles	LAFCO staff monitors newspapers, publications, and other media outlets for any news affecting local cities, districts, and communities in Santa Cruz County
8) Commissioners' Business	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
9) Adjournment	Conclusion of LAFCO's open and closed session items

In some cases, special items may be added to the agenda, including but not limited to Oath of Office, Closed Sessions, or other non-periodic items. The agenda outline above may include such special items, when applicable.

All reports, communications, resolutions, or other matters to be submitted to the Commission shall be submitted to the Executive Officer no later than noon on Monday, nine days preceding a regular Commission meeting. Correspondence presented to the Commission after that date but before the regular meeting will be made available on the LAFCO website and at the meeting for public review.

Items not on the agenda should not be considered at the scheduled meeting, but should be set for the next available meeting, unless the Commission grants its consent for urgent matters consistent with the Ralph M. Brown Act (Government Code Section 54950.5 *et seq.*).

### **3. ELECTION OF CHAIRPERSON**

The Commission shall, at its first regular meeting in January of each year, or as duly continued by action of the Commission, choose one of its members to serve as Chairperson and one of its members to serve as Vice-Chairperson, to serve the balance of the calendar year or until the election of their successors.

Should the office of Chairperson or Vice-Chairperson become vacant during the calendar year, the Commission shall, at the meeting at which the vacancy occurs, choose a successor to fill the vacancy for the balance of that calendar year, or until the election of a successor.

### **4. CHAIRPERSON TO PRESIDE**

The Chairperson shall preside at the meetings of the Commission. If the Chairperson is absent or unable to act, the Vice-Chairperson shall serve until the Chairperson returns or is able to act. The Vice-Chairperson has the same powers and duties of the Chairperson while acting as Chairperson.

### **5. QUORUM**

A majority of the regular members of the Commission shall constitute a quorum for the transaction of business. Alternate members, when seated in place of regular members, shall be considered a regular member for quorum determination. When there is no quorum, the Chairperson or Vice-Chairperson, or if no Commissioners are present, the Executive Officer shall adjourn the meeting.

### **6. MAJORITY VOTE**

An affirmative vote of at least four members of the Commission, including alternate members when seated in place of regular members, shall be required to approve any motion before the Commission.

### **7. READING OF MINUTES**

Unless a Commissioner requests a reading of the minutes, the Commission may approve minutes without formal reading if the Executive Officer has previously furnished each member with a draft of the minutes.

### **8. RULES OF DEBATE**

Sturgis Rules of Order shall be followed by the Commission to the fullest extent possible; provided, procedural failure shall not invalidate an otherwise legal act of the Commission. In addition, the Chairperson may second motions and enter into debate regarding all Commission items. Every member desiring to speak shall address the Chairperson, and, upon recognition by the Chairperson, shall speak to the question under debate.

## **9. MANNER OF ADDRESSING THE COMMISSION--TIME LIMIT**

All persons addressing the Commission shall step up to the podium, give their name, geographical area (or City) of residence, and interest in the area under consideration in an audible tone for the record, and unless further time is granted by the Commission, shall limit their time to three minutes. The Chairperson, unless otherwise changed by a motion and vote from the Commission, may set a different time limit.

All remarks shall be addressed to the Commission as a body and not to any member thereof. No person, other than the Chairperson and the person having the floor, shall be permitted to enter into any discussion, either directly or through a member of the Commission, without permission of the Chairperson. No question shall be asked of a Commissioner or staff member except through the Chairperson.

## **10. METHOD OF VOTING**

The Commission shall vote by voice, unless one Commissioner requests a roll call vote. Roll call voting shall be random with the Chairperson voting last. Unless a member of the Commission states that they are disqualified or abstaining from voting, the silence shall be recorded as an affirmative vote.

## **11. ABSTAINING FROM VOTING**

No Commissioner shall abstain from voting without first notifying the Chairperson of the Commissioner's intent to abstain from the vote.

## **12. DISQUALIFICATION FROM VOTING**

Whenever any Commissioner is disqualified from voting, that Commissioner shall announce their disqualification to the extent required by law, step from the dais, and may then participate to the extent permitted by the California Political Reform Act.

## **13. ALTERNATE COMMISSIONERS**

Whenever present at a Commission meeting, Alternate Commissioners shall take part in all of the proceedings of the Commission, but shall not vote on any matter before the Commission, nor attend a closed session unless seated in place of an absent or disqualified regular member of the Commission.

## **14. ORAL COMMUNICATIONS**

The Commission will hear presentations from the public not to exceed three minutes on subjects within the Commission's jurisdiction and not on the agenda that day. No action will be taken by the Commission on any matter presented at that time. The Chairperson, subject to a motion and direction from the Commission, may set a different time limit.

## **15. SUMMARY ADJOURNMENT**

The Chairperson is empowered to summarily, and without motion, second, or voting, declare a meeting of the Commission adjourned if the Chairperson is unable to enforce the proper decorum of a meeting.

## **16. RESOLUTION**

No resolution shall be adopted by the Commission unless it is presented before the Commission in writing and read aloud. When each Commissioner has received a copy of the resolution, the reading of the resolution is automatically waived unless a

Commissioner specifically requests that it is read. Prior to Commission consideration, draft resolutions will be reviewed by Legal Counsel. Resolutions will be signed by the Chair, Legal Counsel, and the Executive Officer after the Commission has approved them at a public meeting.

#### **17. SPECIAL COMMITTEES**

The Commission may appoint special committees at any time for any lawful purpose of the Commission. Unless otherwise directed by the Commission, all special committees shall be appointed by the Chairperson, subject to approval of the Commission.

#### **18. PROTESTS AND DISSENTS BY COMMISSIONERS**

Any Commissioner shall have the right to have the reasons for their dissent from, or protest against, any action of the Commission, entered in the minutes.

#### **19. POSTING NOTICES**

Posting of official notices, notices of public hearings, and any other official papers of the Commission where posting is required by law, shall be posted on the Official Bulletin Board of the Local Agency Formation Commission of Santa Cruz County at the County Governmental Center at 701 Ocean Street, Santa Cruz, California. These official postings shall also be posted on the Commission's website at [www.santacruzlafco.org](http://www.santacruzlafco.org).

Should the Commission hold a public hearing at any other location than its regular place of meeting, then, in addition to posting the notice on the Official Bulletin Board as listed above, posting shall be made upon or near the door to the stated place of meeting.

#### **20. DOCUMENTS SUBMITTED AFTER AGENDA PACKET IS DISTRIBUTED**

Materials related to an item on the agenda that are submitted to the Commission after the agenda packet is distributed, are available to the public at the LAFCO office and during the meeting at the meeting location. Each agenda shall include a statement that the public may review these materials at the Commission office or during the meeting at the meeting location.

#### **21. ATTENDANCE AT MEETINGS**

Should any Regular Commissioner be absent for three consecutive regular meetings of the Commission without valid excuse, the Chairperson shall, through the Executive Officer, notify the appointing authority of such unexcused absences.

#### **22. COMMISSION STIPENDS AND EXPENSE REIMBURSEMENT**

Commissioners receive a stipend payment of \$50 per posted meeting of the Commission and for attendance at any other Commission approved meetings (i.e. standing or special committee meeting). Commissioners may also receive reimbursement for expenses such as mileage or transportation costs, lodging, and food for approved travel associated with LAFCO business.

*Adopted on May 5, 1999 (Resolution No. 1999-4)  
Revised on October 2, 2019 (Resolution No. 2019-20)  
Latest Revision on March 4, 2020 (Resolution No. 2020-04)*



## LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY

### **PUBLIC MEMBER SELECTION POLICY**

#### **1. OVERVIEW**

The Public Member Selection Policy establishes guidelines towards the appointment of LAFCO's regular and alternate public members. As stipulated in the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, if the office of a regular public member becomes vacant, the alternate member may serve and vote in place of the former regular public member until the appointment and qualification of a regular public member to fill the vacancy. Pursuant to Government Code Section 56334, the term of office of each member shall be four years and until the appointment and qualification of his or her successor.

#### **2. PROCEDURAL GUIDELINES**

When the regular public member and/or alternate public member position becomes vacant during a term, or two months in advance of either of these terms ending, the Chairperson and Executive Officer shall place on the agenda a memo advising the Commission of the need to advertise for candidates to apply for the position(s).

At the meeting, the Commission shall direct staff to advertise the vacancy and receive applications. Unless the Commission gives alternate directions, the following steps will be completed:

- a. Vacancy Notification: Staff will advertise the vacancy as soon as possible on the LAFCO website and in at least two newspapers of general circulation which jointly have broad coverage throughout Santa Cruz County. The notice shall include a summary of the qualifications for the position as specified in Government Code Section 56331 (e.g. can't be an officer or employee of the county, city, or district). Pursuant to Government Code Section 56325(d), a copy of the notice will also be sent to all city clerks, to all independent special districts secretaries, and to the clerk of the Board of Supervisors.
- b. Deadline Establishment: The deadline for applications shall be at least 21 days following the meeting at which the Commission authorizes the solicitation.
- c. Candidate Application: Individuals interested in the position shall apply by completing a form provided by LAFCO staff and submitting the application before the deadline.

#### **3. CANDIDATE REVIEW**

The Executive Officer shall compile the applications and present them to the Commission as part of the meeting agenda following the application deadline. Candidates may withdraw an application before or after the application deadline. If a candidate withdraws an application after the deadline, the candidate shall not be considered for the appointment unless the Commission votes to reopen the process and the person reapplies.

#### **4. SELECTION PROCESS**

Final appointment for the regular public member and/or alternate public member shall be conducted during an open session at a regularly scheduled LAFCO Meeting. Upon receiving and reviewing the applications, the Commission by majority vote shall choose one of the following three courses of actions:

- a. Make an appointment from the list of candidates;
- b. Invite all candidates to make oral presentations at a subsequent LAFCO Meeting; or
- c. Reopen the application process.

In the event no candidate from the applicants submitted receives a majority vote and an affirmative vote of at least one county, city, and special district member, the Commission shall conduct a run-off vote of two candidates receiving the most votes. In the event that neither candidate receive a majority vote and an affirmative vote of at least one county, city, and special district member, the Chair shall direct the Executive Officer to re-advertise that a vacancy (ies) exist(s) in the manner set forth in these procedures.

*Adopted on April 7, 2004 (Resolution No. 2004-6)*  
*Last Revision on May 6, 2020 (Resolution No. 2020-10)*





## LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY

### **INDEPENDENT SPECIAL DISTRICTS SELECTION POLICY**

#### **1. OVERVIEW**

The purpose of the Independent Special District Selection Committee shall be to appoint the regular and alternate special district members of the Local Agency Formation Commission (LAFCO) and to fill unexpired terms when vacancies occur. It is important to note that nothing in these Rules of Procedure shall supersede Government Code Section 56332, which governs the establishment of the Independent Special District Selection Committee.

#### **2. MEMBERSHIP**

Membership of the Independent Special District Selection Committee shall be composed of the presiding officer or designated board member of the legislative body of each independent special district either located wholly within Santa Cruz County or containing territory within the county that represents 50% or more of the assessed value of taxable property of the district.

#### **3. MEETINGS**

##### **3.1 Notification and Solicitation of Nominations**

The Executive Officer of the Commission shall give written notice to all eligible independent special districts of any meeting of the Independent Special District Selection Committee, specifying the date, time, and place.

Any person qualified to serve as an Independent Special District representative to LAFCO shall be qualified to submit a nomination which shall be accompanied by a brief resume on the form provided by LAFCO. Each district shall be encouraged to submit nominations.

##### **3.2 Registration**

Each member of the Selection Committee shall be entitled to one vote for each independent special district of which he or she is the presiding officer.

In the event that the presiding officer is unable to attend a meeting of the Committee, the legislative body may appoint one of its members to attend in the presiding officer's place. Such a designated member shall submit written authorization at the time of registration.

Each voting member shall register and complete a declaration of qualification. The voting member will then be given the required number of ballots and other voting materials.

### **3.3 Quorum**

Members representing a majority of the eligible districts shall constitute a quorum for the conduct of Committee business. No meeting shall be called to order earlier than the time specified in the notice and until a quorum has been declared to be present.

Before calling the meeting to order, the Executive Officer shall announce that a quorum is present and request that any voting member who has not yet registered do so at that time. Only those eligible members registered and present shall be allowed to vote.

### **3.4 Sequential Balloting**

If there is more than one position to fill, sequential balloting will be held in the following order using a ballot with names of all eligible nominees: (1) Full term, regular member; (2) Partial term, regular member; and (3) Alternate member.

If a candidate is elected to a position, his or her name will be crossed out on the subsequent ballots.

### **3.5 Majority to Win**

In order for a candidate to be elected, that candidate must receive a majority of the votes being cast.

If no candidate receives a majority, a subsequent round of voting shall be conducted with the eligible candidates limited to the two candidates who received the most votes in the previous round and any candidates who received the same number of votes as the second candidate.

## **4. COMPOSITION OF SPECIAL DISTRICT REPRESENTATION ON LAFCO**

It is desirable that the special district members on LAFCO have a broad cross-section of duties and experience in district matters. Therefore, the following four classes of districts are established:

### **Class 1: Fire Protection Districts**

- Aptos/La Selva Fire Protection District
- Ben Lomond Fire Protection District
- Boulder Creek Fire Protection District
- Branciforte Fire Protection District
- Central Fire Protection District
- Felton Fire Protection District
- Pajaro Valley Fire Protection District<sup>1</sup>
- Scotts Valley FPD
- Zayante FPD

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<sup>1</sup> The original resolution listed the Freedom Fire Protection District and the Salsipuedes Fire Protection District, which were subsequently consolidated into the Pajaro Valley Fire Protection District.

### **Class 2: Water Districts**

- Central Water District
- San Lorenzo Valley Water District<sup>2</sup>
- Scotts Valley Water District
- Soquel Creek Water District

### **Class 3: Recreation and Park Districts**

- Alba Recreation and Park District
- Boulder Creek Recreation and Park District
- La Selva Beach Recreation and Park District
- Opal Cliffs Recreation and Park District

### **Class 4: Miscellaneous Districts**

- Pajaro Valley Cemetery District
- Pajaro Valley Water Management Agency
- Reclamation District No. 2049 (College Lake)
- Salsipuedes Sanitary District
- Santa Cruz County Resource Conservation District
- Santa Cruz Port District

#### **4.1 Overlapping Classes**

At no time shall the two regular special district members on LAFCO come from the same class of districts.

#### **4.2 Class Diversity**

Where feasible, nominations for vacancies on LAFCO may not come from the class that already has a regular member sitting on LAFCO.

#### **4.3 Conflicting Classes**

Any election that would result in the two regular special district members being from the same class of district shall be immediately deemed invalid, and a subsequent ballot will be prepared excluding the conflicting class of candidates and voted upon.

## **5. MAILED-BALLOT ELECTIONS**

### **5.1 Authority**

A mailed-ballot election may be conducted if the Executive Officer has determined that a meeting of the Special District Selection Committee is not feasible.

### **5.2 Notification and Solicitation of Nominations**

The Executive Officer of the Commission shall give written notice to all eligible independent special districts of the intention to conduct a mailed-ballot election. Each district shall acknowledge receipt of the Executive Officer's notice.

Each district shall be encouraged to submit nominations, accompanied by a brief resume on the form provided by LAFCO. All nominations must be received by a specified date that shall be at least six weeks from the date of notification. Emailed copies of nominations may be submitted, if necessary, to meet the established deadline; however, replacement originals must be submitted as soon thereafter as possible.

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<sup>2</sup> The original resolution listed the Lompico County Water District which was subsequently dissolved and annexed into the San Lorenzo Valley Water District.

### **5.3 Distribution and Return of Ballots**

All eligible districts shall be sent, by certified mail, return receipt requested, the following materials: (1) copies of all nominations received by the deadline, (2) ballot(s) as required to vote for Commission members, and (3) voting instructions.

The following outlines the necessary information and steps to submit a complete ballot:

1. The ballots shall include the names of all nominees.
2. Each ballot shall be accompanied by a certification sheet to be completed by the presiding officer or designated alternate who cast that district's vote.
3. A specified period of time, not less than six weeks, shall be allowed for the districts to cast their votes and return their ballots.
4. Ballots shall be sent by certified mail, return receipt requested.
5. Emailed copies of ballots may be submitted, if necessary, to meet the established deadline; however, replacement originals must be submitted as soon thereafter as possible.
6. All ballots received by the deadline shall be counted and the results announced within seven days.
7. Certified ballots representing a simple majority of the eligible districts must be returned for a valid election.

### **5.4 Appointment by Majority Vote**

A candidate for a regular or alternate member of the Commission must receive at least a majority of the votes cast in order to be selected. Results of the election will be reviewed and adopted by the Commission during an open session of a regularly scheduled LAFCO Meeting.

In the event that no candidate receives the required number of votes, a run-off election shall be conducted, either by a second mailed ballot or a meeting of the Independent Special District Selection Committee, at the discretion of the Executive Officer.

*Adopted on September 7, 1994 (Resolution No. 801-B)  
Last Revision on May 6, 2020 (Resolution No. 2020-11)*



## LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY

### CITY SELECTION POLICY

#### 1. PURPOSE

The purpose of the City Selection Committee shall be to appoint the regular and alternate city members of the Local Agency Formation Commission (LAFCO) and to fill unexpired terms when vacancies occur (Government Code Section 56325[b]).

#### 2. MEMBERSHIP

Membership of the City Selection Committee shall be composed of the presiding mayor or designated council member of the legislative body of each city located wholly within Santa Cruz County.

#### 3. CLERK OF THE CITY SELECTION COMMITTEE

The County Administrative Officer, acting as the Clerk of the Board, shall function as the recording officer of the City Selection Committee. All meetings of a City Selection Committee shall be conducted in the presence of the clerk or designated personnel. All votes and action taken by a City Selection Committee shall be recorded in writing by the clerk of the committee. The written record of any vote or action taken by the selection committee shall include the name of each member voting and how they voted. Written records and minutes of a selection committee's clerk are public records (Government Code Section 50276).

#### 4. SELECTION/APPOINTMENT OF CITY COMMISSIONERS

The City Selection Committee shall appoint two regular commissioners and one alternate commissioner to serve on LAFCO, each of whom shall be a mayor or city council member from one of the County's incorporated communities (Government Code Section 56325). Such appointments shall be made in accordance with the procedure established by the City Selection Committee and described in the rules and regulations of that body.

#### 5. TERMS OF OFFICE & VACANCIES

The Cities of Capitola, Santa Cruz, Scotts Valley, and Watsonville alternate staggered, four-year terms on LAFCO. All terms end the first Monday in May. Prior to the expiration of a term limit, LAFCO staff will notify the County Administrative Officer to schedule a City Selection Committee meeting to address upcoming vacancies and appoint a new city member.

If a city council member is unable to finish their term on LAFCO, then the City Selection Committee may allow that city to nominate another council member to complete that city's term. In the case of all appointments, a city's nomination must be accepted by the City Selection Committee at a noticed meeting.

## **6. CITY ROTATION PROCEDURE**

The City Selection Committee established a rotation protocol regarding the appointments to LAFCO on June 6, 2023. This procedure ensures that each of the four cities have equal representation on the Commission. The city rotation goes with the city and not with the person. The unanimous action reflects the following rotation schedule:

- The Cities of Santa Cruz and Watsonville will share and rotate between one regular seat and the alternate seats every two years; and
- The Cities of Capitola and Scotts Valley will share and rotate every two years with the other regular seat.

A comprehensive review of the next series of rotation, based on the procedure outlined above, is shown in the table below. The rotation schedule within the table indicates when a city will hold a regular or alternate seat between 2024 to 2030.

*Adopted on September 6, 2023 (Resolution No. 2023-20)*

## **CHAPTER III**

# **APPLICATIONS & PROPOSALS**





## LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY

### **PROPOSAL EVALUATION POLICY**

#### **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. [This policy concludes with a copy of the application form.](#)

#### **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.

### **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 over drafted 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.

*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)*  
*Last Revision on September 6, 2023 (Resolution No. 2023-20)*



# PROJECT APPLICATION FORM OF THE LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY

Santa Cruz LAFCO  
701 Ocean Street, Room 318-D  
Santa Cruz, CA 95060  
(831) 454-2055

## **APPLICATION INSTRUCTIONS**

This application form is used to initiate the application process to the Local Agency Formation Commission of Santa Cruz County (LAFCO) for a city or district annexation, reorganization, detachment, or a sphere of influence amendment. LAFCO staff looks forward to assisting you with your project.

In addition to the information that you will provide us on this form, LAFCO staff is required to analyze additional data regarding your proposal from our Geographic Information System (GIS) and in-house data base, including, but not limited to: affected agencies, interested agencies, spheres of influence, school districts, land use/zoning, acres of prime agricultural land, and number of dwelling units. A Plan of Services may also be required demonstrating how municipal services will be provided to the affected territory.

**To assist staff in this effort, a mandatory pre-filing meeting is required of all applicants so we can fully understand your project. It is the applicant's responsibility to set up the pre-filing meeting by contacting the LAFCO offices at (831) 454-2055 and requesting an appointment. This application form must be completed prior to the pre-filing meeting.**

Please fill out this application as completely as possible. If you need assistance, please do not hesitate to contact a LAFCO staff member for guidance. If a question does not apply to your proposal, indicate "N/A". Santa Cruz LAFCO is transitioning into a "paperless" office and encourages digital copies, when applicable. It is important that you list all email addresses where indicated on the application. Correspondence, staff reports, resolutions and other LAFCO forms and mailings, whenever possible, will be distributed electronically.

**APPLICATION FOR:** (check all that apply)

- ☐ Annexation to: \_\_\_\_\_
- ☐ Detachment from: \_\_\_\_\_
- ☐ Reorganization (2 or more changes of organization) of: \_\_\_\_\_
- ☐ Service Review / Sphere Update / Sphere Amendment: \_\_\_\_\_
- ☐ Other (explain): \_\_\_\_\_
- ☐ \*Extraterritorial Service Agreement ("ESA"): \_\_\_\_\_

*If requesting an extraterritorial service agreement "only", please answer the following two questions:*

- a. Why is an ESA needed rather than annexation? Does it meet the criteria under Government Code Section 56133?
- b. How would an ESA affect the present and future need for services in the project area?

**GENERAL DESCRIPTION AND JUSTIFICATION OF PROPOSAL:**

1. What changes of organization are included? What agencies are involved? What parcels are involved? Please identify all affected assessed parcel numbers (APNs).
2. Explain the purpose of the requested change in organization.
3. Explain how the proposal provides more logical boundaries and/or improves the provision of service.
4. Does this proposal have 100% consent of all property owners? (If so, please complete *Attachment A on page 5*).

**WHO INITIATED THIS PROPOSAL?** Generally, LAFCO proposals may be initiated by a resolution of an affected agency, a city council, special district or by the Board of Supervisors. In addition, a proposal may be initiated by a petition of the affected area's registered voters or landowners. **Attach one of the following to this application form:**

- ☐ Agency Resolution
- ☐ Landowner Petition
- ☐ Registered Voter Petition

**LOCATION AND ADDRESS OF PROPERTY:**

**MAP AND LEGAL DESCRIPTION:**

A map and legal description of the proposal may be prepared by a private engineering firm. An application can be filed with LAFCO without a map and legal, but a proposal cannot be scheduled for LAFCO hearing prior to receipt map and legal description.

Additionally, the map and legal description must meet the State Board of Equalization's requirements. The BOE's "Change of Jurisdictional Boundary" requirements are available for download at <http://www.boe.ca.gov/proptaxes/sprdcnt.htm>. Please note, the BOE requires an additional vicinity map that shows the project area in relation to a larger geographic area.

A map and legal description has been:

- ☐ Certified by a private engineering firm and is attached to this application.
- ☐ Currently being reviewed / developed.
- ☐ Other (please explain)

**DISCLOSURE OF POLITICAL EXPENDITURES:**

LAFCO requires applicants to report all expenditures for political purposes related to an application and proceedings to be reported to the Commission's Executive Officer in compliance with Government Code Sections 56700.1 and 57009. The following is attached to this application form:

- ☐ LAFCO Disclosure Form (please complete *LAFCO Disclosure of Political Expenditures*, see Attachment 2 on page 6); copy of Financial reports and disclosures submitted to FPPC (please attach)
- ☐ Please check here if you have no related financial reports or disclosures.

**ENVIRONMENTAL DOCUMENT:**

The California Environmental Quality Act (CEQA) requires LAFCO and other public agencies to consider the potential environmental impacts of all applications it reviews. An environmental document should accompany all applications and reference the proposed LAFCO action (e.g., annexation).

The following is included with this application form:

- ☐ Environmental Document (ex. Final EIR) produced by the lead agency.
- ☐ Other (explain why Environmental Document not included):

**INDEMNIFICATION AGREEMENT:**

LAFCO policy requires that all applicants sign an indemnification agreement (see *Attachment 3 on page 7*) which indemnifies LAFCO employees, agents and attorneys in the event of litigation is filed concerning the approval of an application.

The following is included with this application form:

- ☐ Signed Indemnification Agreement

**FILING FEES:**

*Applicants are required to pay fees in accordance with LAFCO's adopted fee schedule (see Fee Schedule Policy) to cover the administrative and staff costs required to evaluate proposals for hearing. Checks must be made payable to: "Santa Cruz LAFCO".*

The following is included with this application form:

- ☐ Check for Filing Fees
- ☐ Other (explain why Filing Fees not included):

**CERTIFICATION**

I certify, under penalty of perjury by the laws of the State of California, that the information contained in this application is true and correct. I acknowledge and agree that Santa Cruz LAFCO is relying on the accuracy of the information provided and my representations in order to process this application proposal.

**Signature:** \_\_\_\_\_

**Name:** \_\_\_\_\_

**Title:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**ATTACHMENT 1****Property Owner Consent Form**

(All legal owners must sign a consent form or submit a letter of signed consent.)

I, \_\_\_\_\_, consent to the annexation/reorganization of my property

located at \_\_\_\_\_

or Assessor Parcel Numbers \_\_\_\_\_

to the [agency(ies)] \_\_\_\_\_

**Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Address:** \_\_\_\_\_

**City, State, Zip:** \_\_\_\_\_

**ATTACHMENT 2****INDEMNIFICATION AND DEFENSE**

The undersigned applicant for the above-referenced application ("Applicant"), as a condition of submission of this application, approval of the application and any subsequent amendment of the approval which is requested by the Applicant, hereby agrees to defend, using counsel reasonably acceptable to the Local Agency Formation Commission of Santa Cruz County ("LAFCO"), indemnify, and hold harmless LAFCO, its officers, employees, and agents, from and against any claim, demand, damages, costs or liability of any kind (including attorneys' fees) against LAFCO arising from or relating to this application or any approval or subsequent amendment to the approval thereof, subject to the conditions set forth below.

A) Notification and Cooperation

LAFCO shall notify the Applicant of any claim, action, or proceeding against which LAFCO seeks to be defended, indemnified, or held harmless. LAFCO shall reasonably cooperate in such defense.

B) Fees and Costs:

Nothing contained herein shall prohibit LAFCO from participating in the defense of any claim, action, or proceeding if either of the following occur:

- 1) LAFCO bears its own attorneys' fees and costs; or
- 2) LAFCO and the Applicant agree in writing to the Applicant paying part or all of the Commission's attorneys' fees and costs.

C) Settlement:

When representing LAFCO, the Applicant shall not enter into any stipulation or settlement modifying or affecting the interpretation or validity of any of the terms or conditions of the approval without the prior written consent of LAFCO.

D) Successors Bound:

The obligations of the Applicant under this Indemnity and Defense agreement are specifically associated with and shall run with the land that is the subject of the application and/ or approval and shall be binding upon the applicant and the successor(s) in interest, transferee(s), and assign(s) of the applicant in the land.

E) Recordation:

At any time after submission of the application, LAFCO may, at its sole option, record in the office of the Santa Cruz County Recorder a memorandum of agreement which incorporates the provisions of this condition, or this approval shall become null and void.

\_\_\_\_\_  
(Signature of LAFCO Executive Officer)

\_\_\_\_\_  
(Signature of Applicant)

\_\_\_\_\_  
Joe A. Serrano  
(Printed Name)

\_\_\_\_\_  
(Printed Name)

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Date)

**ATTACHMENT 3*****LAFCO Disclosure of Political Expenditures***

Effective January 1, 2008, political expenditures related to a proposal for a change of organization or reorganization that will be or has been submitted to LAFCO are subject to the reporting and disclosure requirements of the Political Reform Act of 1974 and the Cortese-Knox-Hertzberg Act of 2000.

***Please carefully read the following information to determine if reporting and disclosure provisions apply to you.***

1. Any person or combination of persons who, for political purposes, directly or indirectly contributes \$1,000 or more, or expends \$1,000 or more in support of, or in opposition to a proposal for a change of organization or reorganization that will be submitted to the Commission, shall disclose and report the contribution to the Commission pursuant to the requirements of the Political Reform Act of 1974 (Government Code Section 81000 *et seq.*) as provided for local initiative measures, and Section 56700.1 of the Cortese-Knox-Hertzberg Act of 2000.
2. Pursuant to Government Code Section 57009, any person or combination of persons who directly or indirectly contributes \$1,000 or more, or expends \$1,000 or more in support of, or in opposition to, the conducting authority proceedings for a change of organization or reorganization, must comply with the disclosure requirements of the Political Reform Act of 1974, (Government Code section 81000 *et seq.*). Applicable reports must be filed with the Secretary of the State and the appropriate city or county clerk. Copies of the report must also be filed with the LAFCO Executive Officer.

**Evaluation Checklist for Disclosure of Political Expenditures**

The following checklist is provided to assist you in determining if the requirements of Government Code Sections 81000 *et seq.* apply to you. For further assistance, contact the Fair Political Practices Commission at 428 J Street, Suite 450, Sacramento, CA 95814, (866) 275-3772 or at <http://www.fppc.ca.gov>.

1. Have you directly or indirectly made a contribution or expenditure of \$1,000 or more related to the support or opposition of a proposal that has been or will be submitted to LAFCO?

Yes ☐ No ☐

Date of contribution \_\_\_\_\_ Amount \$ \_\_\_\_\_ Name/ Ref. No of LAFCO Proposal \_\_\_\_\_

Date proposal was submitted to LAFCO \_\_\_\_\_

2. Have you, in combination with other person(s), directly or indirectly contributed or expended \$1,000 or more related to the support or opposition of a proposal that has been or will be submitted to LAFCO?

Yes ☐ No ☐

Date of contribution \_\_\_\_\_ Amount \$ \_\_\_\_\_ Name/ Ref. No of LAFCO Proposal \_\_\_\_\_

Date proposal was submitted to LAFCO \_\_\_\_\_

3. If you filed a report in accordance with FPPC requirements, has a copy of the report been filed with Santa Cruz LAFCO?

Yes ☐ No ☐





## LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY

### **PROCESSING FEES AND DEPOSITS POLICY**

#### **1. OVERVIEW**

All deposits are initial payments toward the total cost of processing (“project cost”). Project cost is defined as staff time plus materials. Staff billing rates include personnel costs. Other application-related costs include, but are not limited to, charges for the advertisement of hearings, as well as any fees charged for project reviews by affected agencies. A cost breakdown will be completed at the end of each LAFCO application. If any funds are remaining at the end of the LAFCO process, then a refund will be provided to the applicant.

#### **2. PETITION CHECKING**

There is no charge for verification of the first 20 signatures on a petition. Beginning with the 21st signature, a fee of \$0.55 per signature shall be charged to the applicant.

#### **3. PROCESSING**

The following identifies the initial deposits for each boundary change request.

##### **a) District annexations, detachments, and reorganizations not changing city boundaries:**

Total Acreage	Fee Deposit
Less than 1	\$1,600
1 – 24.9	\$2,500
25 – 149.9	\$7,000
More than 150	\$8,000

##### **b) Municipal annexations, detachments, and reorganizations involving at least one change in a city boundary:**

Total Acreage	Fee Deposit
Less than 1	\$3,150
1 – 24.9	\$4,900
25 – 149.9	\$7,350
More than 150	\$14,600

##### **c) Consolidations, mergers, and establishments of a subsidiary district:**

Total Acreage	Fee Deposit
N/A	\$1,800

**d) Dissolutions of an independent special district and county service areas:**

Total Acreage	Fee Deposit
N/A	\$1,250

**e) Formation of a county service area:**

Total Acreage	Fee Deposit
N/A	\$5,000

*Footnote: includes petition filing fee and sphere adoption*

**f) Addition of a service to the list of services that a county service area may perform:**

Total Acreage	Fee Deposit
N/A	\$1,250

**g) Formation of a special district:**

Total Acreage	Fee Deposit
N/A	\$15,000

*Footnote: includes sphere adoption*

**h) City incorporations:**

Total Acreage	Fee Deposit
N/A	\$30,000

*Footnote: includes sphere adoption*

**i) Request for the State Controller's Review of a Comprehensive Fiscal Analysis on an incorporation proposal:**

Actual cost billed by the Controller. If the Controller has not set a cost at the time the deposit is due, the deposit shall be \$ 38,200.

If the costs will exceed the deposit in the opinion of the Executive Officer, the Executive Officer shall bill the party who requested the Controller's review for the estimated costs to complete Controller's review. Failure to pay an additional deposit may result in cessation of the Controller's report and other remedies as determined by the Controller's office and the Commission.

**j) Sphere of Influence revision or amendment:**

Total Acreage	Fee Deposit
N/A	\$5,150

**k) Provision of a new function or service by a district:**

Total Acreage	Fee Deposit
N/A	\$1,500

**l) Requests for extraterritorial service:**

Total Acreage	Fee Deposit
N/A	\$950

**m) Request for a service review outside the Commission's schedule in accordance with the adopted multi-year work program:**

Actual cost. Note: Initiation of a service review outside of LAFCO's work program is subject to LAFCO's discretion whether the service review can be conducted in a manner that doesn't prejudice the work program, and to LAFCO's discretion as to the appropriate geographic areas, agencies, and scope of the service review.

**n) Copies or other reproduction efforts:**

Requests	Fee Deposit
Copies	First 30 pages free; thereafter \$0.18 per page
Digital Audio Files	\$14.42 per 80-minute CD
Other Electronic Media	The fees as charged by the County of Santa Cruz on its Unified Fee Schedule

**4. BILLING RATES**

The Commission will review billing rates and the fee schedule on an annual basis and may adjust rates as necessary to assure the cost recovery with processing each type of application. Documentation regarding actual costs (salaries, benefits, etc.) is available in the LAFCO office.

As of August 5, 2020, staff's hourly rate are the following:

LAFCO Staff	Hourly Rate
Executive Officer	\$138.27
Commission Clerk	\$102.71
Legal Counsel	Same rate charged to LAFCO

*Adopted on December 4, 2002 (Resolution No. 2002-9)*

*Revision on August 3, 2011 (Resolution No. 2011-8)*

*Revision on February 4, 2014 (Resolution No. 2014-2)*

*Previous Revision on December 6, 2017 (Resolution No. 2017-12)*

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



## LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY

### **ENVIRONMENTAL REVIEW POLICY**

#### **1. OVERVIEW**

This policy outlines the specific procedures used by LAFCO to tailor the general provisions of the California Environmental Quality Act ("CEQA") Guidelines (California Code of Regulations, Title 14, sections 15000 et seq.) ("State CEQA Guidelines") to LAFCO's specific functions as both a "Responsible" and a "Lead" agency under CEQA. This version of LAFCO's environmental review guidelines incorporates changes in the State CEQA Guidelines through 2019.

These provisions and procedures incorporate by reference (and are to be utilized in conjunction with) the State CEQA Guidelines, a copy of which is available on LAFCO's website. These procedures will be revised as necessary to conform to amendments to the State CEQA Guidelines, within 120 days after the effective date of such amendments. However, LAFCO will implement any such statutory changes that the California Legislature makes to CEQA regulations as soon as those statutory changes become effective, even if not expressly stated herein.

#### **2. PUBLIC AGENCIES' RESPONSIBILITIES**

A public agency must meet its own responsibilities under CEQA and shall not rely on comments from other public agencies or private citizens as a substitute for work that CEQA requires the Lead Agency to accomplish. For example, a Lead Agency is responsible for the adequacy of its environmental documents. The Lead Agency shall not knowingly release a deficient document hoping that public comments will correct defects in the document. When making decisions that trigger some type of CEQA review, LAFCO's duty is to minimize the environmental damage that may result from those decisions and to balance the competing public objectives as outlined in the State CEQA Guidelines, section 15021.

#### **3. LAFCO'S ENVIRONMENTAL RESPONSIBILITIES**

LAFCO's role as a regulatory agency involves "the discouragement of urban sprawl, the encouragement of the orderly formation, and development of local agencies." A few of its duties require minimal environmental review, especially those involving the commissioning of studies, the hearing of protests, and consolidations, reorganizations and mergers of cities or districts. Most of these duties only constitute jurisdictional changes with no potential for land use changes or for significant effects on the physical environment.

LAFCO's more prominent roles include, but are not limited to, creation of spheres of influence, formation of new districts, incorporation of new cities, and annexations/reorganizations to cities or special districts. These types of LAFCO actions generally require more in-depth analysis, especially if they result in the direct or indirect physical change in the environment, like facilitation of growth and/or land use alterations. Factors that must be assessed in these cases involve land area and

use, all aspects of the physical and human environment, geographical features, population growth and density, social and economic changes, availability of infrastructure and government services, conformity with city or county land use plans, and creation of unincorporated “islands,” etc.

#### **4. LAFCO’S ROLE AS AN “INTERESTED” AGENCY**

In situations where LAFCO is not a “Responsible Agency” but has an interest in reviewing a project to ensure that LAFCO related information is correctly identified, LAFCO plays a more limited role in the CEQA process. In those instances, the Executive Officer will review, and, if necessary, comment on all environmental documents submitted by a Lead Agency involving projects/decisions relating to and/or affecting LAFCO projects or policies.

#### **5. LAFCO’S ROLE AS AN “RESPONSIBLE” AGENCY**

“Responsible” Agency status occurs when LAFCO is not the “Lead” Agency, but nevertheless has discretionary approval authority over a project or some aspect of a project, in tandem with, or separate from that of the Lead Agency in accordance with Section 15096 of the State CEQA Guidelines. Examples of situations where LAFCO may be a Responsible Agency include, but are not limited to:

- A city approving an annexation request to LAFCO, only after pre-zoning the area in question. When a city has pre-zoned an area, the city serves as the Lead Agency for any subsequent annexation of the area and should prepare the environmental documents at the time of pre-zoning or other land use decision; or
- When a special district has conducted an environmental review and prepared an environmental determination for a plan to serve an area proposed for annexation to the district.

LAFCO shall use the environmental document prepared by the Lead Agency for LAFCO’s environmental determinations if the Executive Officer deems it adequate for such use pursuant to State CEQA Guidelines, Section 15096. Procedures for determining the adequacy of the lead agency’s CEQA document are summarized in the following sub-sections.

##### **4.1 Consultation**

Pre-Application Discussion: Regardless of whether LAFCO is a Responsible Agency, each Lead Agency carrying out any project within LAFCO’s jurisdiction and function shall inform LAFCO in writing of its intent and process for that project at the beginning of the Lead Agency’s CEQA review process, and the Lead Agency shall provide LAFCO with copies of any project applications.

CEQA Determination: The Lead Agency shall consult with LAFCO regarding the preparation of its environmental documents/determinations (Statutory Exemptions, Categorical Exemptions, Initial Studies/Negative Declarations, Environmental Impact Reports (“EIR”), etc.), which must also be used by LAFCO in its role as a Responsible Agency; consultation can be written or verbal and LAFCO’s input shall be incorporated/addressed in the Lead Agency’s analysis, documentation and determinations.

LAFCO Initial Comments: The Executive Officer shall, as soon as practical but within 30 days of notification, comment as to the appropriate environmental determination from LAFCO's perspective as well as issues of concern to be addressed in any environmental document. The requirement for written notification from the Lead Agency can be waived at the Executive Officer's discretion.

Where LAFCO disagrees with the Lead Agency's proposed environmental determination (such as a Negative Declaration), LAFCO will identify the specific environmental effects which it believes could result from the project and recommend the project be mitigated with measures to reduce the potential impacts to less than "significant" (when feasible) or that an EIR be prepared to properly characterize potentially significant impacts.

Notice of Preparation: When it intends to prepare an EIR, the Lead Agency shall send a Notice of Preparation by certified mail to LAFCO to solicit input in accordance with Section 15082 of the State CEQA Guidelines.

LAFCO shall respond to any Notice of Preparation submitted to LAFCO in accordance with subsection (A)(5) above in writing within 30 days, specifying the scope and content of the environmental data and analysis germane to LAFCO's statutory responsibilities for the proposed project. LAFCO shall also provide the Lead Agency with input regarding environmental issues and the minimum content of the analysis needed to meet a standard of adequacy for use of the environmental document/determination by LAFCO as a CEQA Responsible Agency.

#### **4.2 Preparation of Environmental Documents by a Lead Agency**

The Lead Agency shall include information in the Statutory Exemption, Categorical Exemption, Initial Study/Negative Declaration/EIR to allow its subsequent use by LAFCO for its considerations; referencing on the title page and in the project description any boundary changes, changes of organization or reorganization, or other proposed actions requiring subsequent discretionary action by LAFCO to fully implement the project.

The Lead Agency shall send the draft document to LAFCO as part of the public review process required by the CEQA and applicable guidelines (sections 15072 and 15082 of the State CEQA Guidelines). The Executive Officer will, within the established review period, send comments to the Lead Agency in writing (which can be transmitted either via U.S. mail or overnight delivery, or electronically by email or other messaging system), all of which LAFCO expects to be incorporated and assessed in the final document. LAFCO's comments on a draft CEQA document submitted to LAFCO by a lead agency should focus on the appropriateness of the CEQA document chosen, the adequacy of the environmental document's content, in the case of an EIR -- additional alternatives or mitigation measures, etc., that are germane to environmental impacts that could result from LAFCO's subsequent discretionary action or to the adequacy of the document for use by LAFCO as a CEQA Responsible Agency.

A final EIR prepared by a Lead Agency or a Negative Declaration adopted by a Lead Agency shall be conclusively presumed to comply with CEQA for purposes of use by Responsible Agencies which were consulted pursuant to Sections 15072 or 15082, unless one of the following conditions occurs:

- The EIR or Negative Declaration is finally adjudged in a legal proceeding not to comply with the requirements of CEQA; or
- A subsequent EIR is made necessary by Section 15162 of the State CEQA Guidelines.

#### **4.3 LAFCO Requirement of Environmental Documents/Determinations**

Applications filed by Lead Agencies with LAFCO shall include copies of one of the following environmental documents as specified in LAFCO's filing requirements and all applicable findings for an EIR per Sections 15091, 15092 and 15093 of the State CEQA Guidelines.

- Exemptions: Certification of Categorical or Statutory Exemption;
- Negative Declaration: Notice of Intent to Adopt a Negative Declaration and a Final Negative Declaration (including copy of Initial Study) or a Final Negative Declaration with mitigation measures (including copy of Initial Study), all technical appendices, and Mitigation Monitoring/Reporting Plan;
- Environmental Impact Report: Notice of Subsequent Use of an Existing EIR (which was previously available or has been made available to LAFCO), Notice of Preparation of a Draft EIR, Notice of Availability/Notice of Completion of Draft EIR (including copy of Draft EIR), Final EIR, Statements of Findings/Overriding Considerations, and Mitigation Monitoring/Reporting Plan;
- California Department of Fish and Wildlife: copy of environmental filing fee receipt including, if applicable, a CEQA Filing Fee No Effect Determination Form; and/or
- Other Appropriate CEQA Documents: copy of any other environmental document/determination not listed in this policy.

#### **4.4 LAFCO's Use of Lead Agency's Environmental Documents**

In making its determinations on boundary change proposals, changes of organization or reorganization, or other proposed actions requiring discretionary action by LAFCO, LAFCO will generally use the environmental document prepared by the Lead Agency if the procedures regarding consultation and preparation of environmental documents by a Lead Agency outlined above have been followed.

Prior to project approval, the Commission will certify that it has reviewed and considered the information contained in the Lead Agency's document. LAFCO may request the Lead Agency furnish additional information or findings as required to support a legally adequate Responsible Agency environmental determination in accordance with Section 15096 of the State CEQA Guidelines.

When a Lead Agency's EIR identifies significant environmental effects, LAFCO will incorporate the Lead Agency's findings or formulate its own, for each significant effect, or otherwise make findings in accordance with State CEQA Guidelines, Section 15091 for each significant environmental effect that is identified in a Lead Agency's EIR.



LAFCO may take any of the following actions to conform to CEQA requirements when rendering a decision on an application:

- LAFCO will not approve a proposed project with significant impacts if it can adopt feasible alternatives or mitigation measures within its powers that would substantially lessen the magnitude of such effects, unless it adopts a Statement of Overriding Considerations (State CEQA Guidelines, section 15093);
- If LAFCO mitigates impacts listed in the EIR to a less than significant level via the adoption of boundary alternatives or conditions of approval (negotiated with the local agency), such findings shall be reinforced by adequate rationale and inserted in the record; or
- If the environmental impacts of the LAFCO decision cannot be mitigated to a less than significant level, LAFCO will adopt a Statement of Overriding Considerations per State CEQA Guidelines, Sections 15093 and 15096.

Upon project approval, LAFCO shall file a Notice of Determination in a like manner as a Responsible Agency in accordance with Section 15096(i) of the State CEQA Guidelines. The Notice of Determination shall be filed with the Santa Cruz County Clerk of the Board.

## **6. LAFCO'S ROLE AS AN "LEAD" AGENCY**

LAFCO will be the Lead Agency responsible for performing CEQA mandated environmental review when its discretion for approval or denying a project involves general governmental powers. This is in contrast with a Responsible Agency role which only has single, limited powers over the project, normally subsequent and secondary to LAFCO's function, such as pre-zoning for the property of interest. Examples of projects requiring LAFCO to act as a Lead Agency include but are not limited to the following:

- Establishment of spheres of influence for cities and special districts;
- Adoption of studies or municipal service reviews; and
- Special District activation or divestiture of a function or class of service.

### **6.1 Delegation of Responsibilities by the Commission to the Executive Officer**

The following quotations from Section 15025 of the State CEQA Guidelines indicate those functions that can and cannot be delegated to the Executive Officer by the Commission:

A public agency (the Commission) may assign specific functions to its staff (Executive Officer) to assist in administering CEQA. Functions which may be delegated include but are not limited to:

- Determining whether a project is exempt;
- Conducting an Initial Study and deciding whether to prepare a draft EIR or Negative Declaration (refer to Section IV, F. 2. of these guidelines for a discussion of the appeal process when an EIR is required.);

- Preparing a Negative Declaration or EIR;
- Determining that a Negative Declaration has been completed within a period of 180 days (see Section 21100.2 of CEQA);
- Preparing responses to comments on environmental documents; and
- Filing of notices.

The decision-making body of a public agency (the Commission) shall not delegate the following functions:

- Reviewing and considering a final EIR or approving a Negative Declaration prior to approving a project before the Commission; and
- The making of findings as required by Sections 15091 and 15093.

## 7. LAFCO'S LEAD AGENCY PROCEDURES

The following process and procedures, specific to LAFCO's function, summarize or supplement the State CEQA Guidelines and are to be used to process all accepted applications.

### 7.1 Statutory Exemptions (CEQA Guidelines, Sections 15260-15285)

Statutorily exempt projects defined by the Legislature that could apply to a LAFCO project include the following:

- Disapproved Projects: CEQA does not apply to projects that LAFCO rejects or disapproves. This statutory exemption is intended to allow an initial screening of projects on the merits for quick disapprovals prior to the initiation of the CEQA process where LAFCO can determine that the project cannot be approved. This statutory exemption shall not relieve an applicant from paying the costs for an EIR or negative declaration prepared for the project prior to the lead agency's disapproval of the project after normal evaluation and processing.
- Feasibility and Planning Studies: A project involving only feasibility or planning studies for possible future actions which the agency, board, or commission has not approved, adopted, or funded does not require the preparation of an EIR or Negative Declaration but does require consideration of environmental factors. This section does not apply to the adoption of a plan that will have a legally binding effect on later activities.
- Ministerial Projects: Actions or Ministerial Projects involve the application of fixed standards without the option of exercising personal or subjective judgment (discretion) by the Executive Officer or the Commission. Examples include but are not limited to the following: (1) Consolidation/reorganization of special districts where the district boards adopt similar resolutions of applications for said consolidation/reorganization into a single agency (pursuant to Government Code Section 56853), and (2) Certain island annexations (pursuant to Government Code Section 56375) where approval is mandated if the annexation meets certain specific findings.

## **7.2 Categorical Exemptions (CEQA Guidelines, Section 15300)**

The following classes of projects, specifically pertaining to LAFCO's activities, have been identified in the State CEQA Guidelines as not having the potential to cause significant environmental effects, and may be categorically exempt from the requirements of CEQA if certain specified criteria are satisfied (Note: A categorical exemption shall not be used for these activities where there is substantial evidence to support that one of the exceptions to the categorical exemptions in State CEQA Guidelines, section 15300.2 is present.):

- Construction or Conversion of New, Small Structures (Class 3): Included within this category are extraterritorial or out-of-agency service contracts/agreements involving the extension of water, sewer, and/or other utility services by a city or district outside its boundaries but lying within its respective sphere of influence.
- Annexations of Existing Facilities and Lots for Exempt Facilities (Class 19): Included within this category are: (1) Annexations to special districts where the district's services would be provided even without annexation and construction has been initiated prior to the issuance of a Certificate of Filing, (2) Annexations of areas containing existing public or private structures developed to the density allowed by current zoning or pre-zoning, whichever is more restrictive, (provided, however, that the extension of utility services within the annexed area would have a capacity to serve only those existing facilities), (3) Detachments from cities where the land being detached is committed, by virtue of an adopted land-use plan, to remain in agricultural use or open space; or where the land is presently developed and no change in land-use can be reasonably anticipated, and (4) Detachments from special districts which will not result in any change in zoning or land use.
- Changes in Organization of Local Agencies (Class 20): Included within this category are changes in the organization or reorganization of local agencies where the changes do not modify the geographic area in which previously existing powers are exercised. Examples include but are not limited to: (1) Establishment of a subsidiary district, (2) Consolidation of two or more districts having identical boundaries, (3) Merger with a city of a district lying entirely within the boundaries of the city, or (4) Reorganization of agencies consisting of annexations or detachments providing similar services.

## **7.3 Recordation of Notice of Exemptions**

When a LAFCO project qualifies for an exemption, LAFCO staff may develop and record with the Santa Cruz County Clerk of the Board a "Notice of Exemption" form, to include: (1) A brief project description, (2) The project location with supporting map, (3) The specific exemption including the finding and citation of the CEQA Guidelines section or statute under which it is found to be exempt, and (4) The rationale for its selection, including a brief statement of reasons to support the findings.

## **7.4 Initial Studies**

A project for which LAFCO is the Lead Agency and which is not exempt will require the preparation of an Initial Study to determine if the project has the potential for causing a significant environmental effect. The Initial Study assessment shall consider all phases of the project; the purposes, policies, rules, regulations and standards set

forth in CEQA and its State CEQA Guidelines; these procedures and the adopted plans and policies of cities, the County, and LAFCO. An Initial Study need not be prepared if the Executive Officer determines at the beginning stages of review that a full-scope EIR will be required, but will be used to document the significance of specific impacts requiring a focused EIR, i.e. the Initial Study shall document the rationale for narrowing the scope of issues to be addressed in an EIR.

- Process: The Initial Study will be prepared on a State CEQA Guidelines Standard Initial Study Environmental Checklist Form using the project application, environmental description forms, appropriate literature, etc. A site visit may be necessary. Individual findings for environmental issues will be documented with sufficient technical data to substantiate conclusions regarding the potential for significant adverse impact. Insufficiency of available information will be noted on the form if it affects the ability to reach a conclusion.

The preparer shall consult with all Responsible Agencies and other public agencies/persons/organizations affected by or knowledgeable of the project and its issues. Under appropriate circumstances such review could also involve use of the County's or a city's Environmental Review Committee and its public forum to more fully assess the physical, social and infrastructural implications of complex projects. The Initial Study will be the supporting document for findings of "significance" and "non-significance" (whether to prepare a Negative Declaration or EIR). It is a tool for modifying projects and/or identifying mitigation measures to allow a finding of "non-significance." It can also be used to focus the EIR on effects determined to be potentially significant or to determine whether a previously prepared EIR could be used/modified for the project, etc.

The Initial Study shall contain: (1) A project description and location; (2) Environmental setting; (3) Identification of all environmental impacts using the most recent version of the State CEQA Guidelines environmental checklist form (Appendix G) and substantial evidence to support environmental impact findings, including ways to mitigate (avoid, minimize, compensate or otherwise reduce) a significant impact to a less than significant level; and (4) Examination of project consistency with zoning and land-use plans, etc. Section 15063 of the State CEQA Guidelines contains a detailed description of the content of and uses for the Initial Study and it is hereby incorporated by reference. Funding for the preparation of an Initial Study shall be borne by the applicant for the LAFCO action pursuant to Commission policy.

- Executive Officer's Determinations/Findings: After review of the Initial Study and all supporting information, the Executive Officer shall determine the appropriate environmental determination based on one of the following findings:
  - 1) The project will not have a significant environmental effect. Prepare a Negative Declaration and a Notice of Determination and publish a Notice of Intent to Adopt a Negative Declaration. After an appropriate public review period consistent with the applicable State CEQA Guideline's requirements, the documentation will be finalized and forwarded to the Commission with a recommendation for adoption;

- 2) The project, as proposed, would have a significant environmental effect, but with alterations, stipulations, or mitigation measures, all adverse impacts can be mitigated to a less than significant level. Prepare a Mitigated Negative Declaration and a Notice of Determination and publish a Notice of Intent to Adopt a Negative Declaration. After appropriate public review period consistent with State CEQA Guideline's requirements, the documentation will be forwarded to the Commission with a recommendation for adoption;
- 3) The project will have a significant environmental effect, but all such impacts have been adequately assessed in a final EIR previously reviewed by LAFCO and mitigated to the extent feasible. Submit the EIR to the Commission with appropriate findings for certification;
- 4) The project will have a significant environmental effect. An EIR will be prepared and submitted to the Commission with appropriate findings; or
- 5) The project will have a significant environmental effect and an EIR has been prepared. However, new information or changed conditions affecting the project or the site warrant additional analysis. Prepare a supplemental EIR or addendum to the original EIR focusing on these changes. Submit to the Commission with appropriate findings for certification.

### **7.5 Negative Declaration or Mitigated Negative Declaration**

A Negative Declaration (finding of non-significant effect) or a Mitigated Negative Declaration (finding of non-significant effect with project changes/mitigation measures/conditions of approval) will be prepared on the State CEQA Guidelines Initial Study Environmental Checklist Form by staff per the findings of the Initial Study based on substantiating evidence.

The Negative Declaration or Mitigated Negative Declaration's contents will include a brief project description, location (i.e., vicinity map), name of applicant, the finding of non-significance, attached Initial Study with any applicable technical reports, data or other information constituting the substantial evidence supporting the environmental analysis, and a list of mitigation measures (if any, in the context of a Mitigated Negative Declaration). A determination of the Initial Study's adequacy and the preparation of the accompanying Negative Declaration or Mitigated Negative Declaration initially rests with the Executive Officer. The formal adoption of the Negative Declaration or Mitigated Negative Declaration rests ultimately with the Commission.

- **Notice Requirements:** The document will be available at the LAFCO office for public review and comment for a minimum of 21 days prior to LAFCO action on the project. Recommended Negative Declarations and Mitigated Negative Declaration (in the form of a Notice of Intent to Adopt a Negative Declaration or Mitigated Negative Declaration) will be noticed at least once in a newspaper of general circulation in the project area; noticed in the "local" newspaper of the affected area (if any); mailed to all Responsible Agencies and public agencies with jurisdiction within the project area; mailed to those individuals and organizations who have requested such notices.

Where one or more state agencies will be a Responsible or Trustee Agency or will exercise jurisdiction over natural resources affected by the project, LAFCO shall send copies of the Negative Declaration or Mitigated Negative Declaration to the State Clearinghouse for distribution to these state agencies. Review by state agency(ies) will require a 30-day period unless reduced by prior approval of the State Clearinghouse. Pursuant to adopted Commission policy, costs associated with the Notice and distribution requirements shall be funded by the applicant for the LAFCO action.

- LAFCO Consideration: The Commission will consider the proposed Negative Declaration or Mitigated Negative Declaration and any public and agency comments prior to approving a project, and will approve the Negative Declaration or Mitigated Negative Declaration if it finds there is no substantial evidence in the whole of the administrative record that the project will have a significant environmental effect. Where mitigation is included as a condition of the Mitigated Negative Declaration, the mitigation monitoring and reporting program (MMRP) shall assign responsibility for implementing the mitigation measure(s) when the Mitigated Negative Declaration is approved by the Commission.
- Notice of Determination: After the Commission's approval of a project for which a Negative Declaration or Mitigated Negative Declaration has been adopted, the Executive Officer shall file a Notice of Determination. The Notice of Determination's content shall include: (1) Project description, identification and location; (2) Date project approved by LAFCO; (3) Determination of "non-significant" effect, or determination that mitigation measures were imposed and made conditions of approval for the project to reduce impacts to less than significant levels; (4) Statement that a Negative Declaration or Mitigated Negative Declaration has been prepared and approved; and (5) Address of LAFCO office where a copy of Negative Declaration or Mitigated Negative Declaration is filed.

The Notice shall be filed with the Santa Cruz County Clerk of the Board. If the project requires a discretionary approval from any state agency, the Notice shall also be filed with the State Office of Planning and Research, State Clearinghouse. Fees for filing a Notice of Determination for a Negative Declaration or Mitigated Negative Declaration shall be funded by the applicant for the LAFCO action.

## **7.6 Environmental Impact Report**

If the Executive Officer or the Commission finds, based on substantial evidence in the record or contained in the Initial Study and public comments, that a project may have a significant environmental effect, the Executive Officer will initiate the preparation of an Environmental Impact Report ("EIR").

- Purpose: An EIR is an informational document; a major tool in the decision-making process, informing Commissioners and all parties involved of the environmental consequences of project decisions before they are made. An EIR's primary functions are to identify and mitigate significant adverse impacts and to provide alternative project and boundary options that may reduce potentially significant impacts of the proposed project.

- An EIR is not an instrument to rationalize approval or denial of a project; nor do indications of adverse impacts require automatic denial. LAFCO has the authority to balance environmental, economic, social or other objectives as part of its mandate to develop orderly governmental boundaries (Sections 15091, 15092 and 15093, State CEQA Guidelines). An EIR should be prepared early in the application process to facilitate the integration of environmental considerations in project or boundary design. The applicant is responsible for submitting all necessary project data for the EIR per the Executive Officer's request or funding the preparation of required project data for the EIR.
- Appeals: The Executive Officer's determination to require an EIR is appealable to the Commission within 10 working days of the issuance of the decision to prepare an EIR. Such appeal must be filed, on LAFCO forms, with the Executive Officer and must include specific substantiation for the appeal, directly related to environmental issues. The appeal shall be heard on the next regularly scheduled Commission agenda that permits adequate public notification. The Commission's decision shall be final. The only legal remedy available to appeal the Commission's final action is to file a petition for writ of mandate in the superior court under California Code of Civil Procedure Section 1085.
- Notice of Preparation: At the earliest feasible date following the Executive Officer's/Commission's formal decision to prepare an EIR (based on the administrative record or an Initial Study), a Notice of Preparation ("NOP") will be mailed to all responsible and affected agencies (including the State Clearinghouse and affected state agencies, if any) and any parties requesting notification. State review of an EIR will result in the issuance of an identification number (State Clearinghouse Number) which shall be used on all subsequent documentation and correspondence.

The NOP shall include sufficient information on the project and its anticipated impacts to facilitate meaningful responses on the environmental issues that may cause significant adverse impacts. Such content to include: (1) Project description; (2) Mapped location; (3) Probable environmental effects; and (4) A copy of the Initial Study or substantial evidence in the record justifying the preparation of an EIR, etc. The NOP shall be sent to all responsible/trustee agencies or interested parties via certified mail or other method to document its receipt.

Within 30 days after LAFCO's release of the NOP, each Responsible Agency/interested party shall submit to LAFCO specific information directly related to that agency's/party's statutory responsibility for the project; the environmental issues, alternatives, and mitigation measures to be explored; and the agency's/party's role in the project's review, etc. If LAFCO does not receive a response or request to extend the public comment period on the NOP by the end of the 30-day NOP review period, LAFCO may presume that no response will be made from an agency or party that received the NOP.

- Scope of EIR: LAFCO may also convene meetings involving all parties (especially at the request of a Responsible Agency) to further assist in the determination of the EIR's scope and content, no later than 30 days after such request. Early and complete scoping, consultation and negotiation are critical to the preparation of an adequate EIR. LAFCO may request use of the County's or a local agency's



Environmental Review Committee in a public meeting forum to aid in the identification and resolution of any technical issues. LAFCO will compile all comments and identify in writing the focus for the EIR. An EIR can be prepared by staff or consultants under contract to LAFCO, coordinated by the Executive Officer or designee. LAFCO may accept data for an EIR from any source subject to independent validation by LAFCO staff. Also, LAFCO may charge an applicant appropriate fee to cover all costs for preparing and processing an EIR.

- EIR Content: Article 9 of the State CEQA Guidelines describes the complete content of all required sections of an EIR, as modified from time to time. However, LAFCO has discretion to narrow the scope of an EIR's content during the scoping process (State CEQA Guidelines, section 15063).
- Consultant EIRs: The Executive Officer shall use a Request for Proposals bidding process to select a consultant to write the EIR. The Executive Officer shall maintain and update as necessary a list of consultants, a minimum of three from which proposals shall be solicited for each consultant prepared EIR. The Executive Officer and the applicant will screen the proposals in an attempt to gain a consensus on choosing the consultant. However, the Executive Officer is ultimately responsible for final selection of the consultant. The Commission will review the scope of work, consultant qualifications, contract cost, and all other aspects before authorizing a contract.

The applicant will be charged a fee to cover all contract and staff costs, to be deposited into a LAFCO trust fund. (Note: The contract will be between LAFCO and the consultant which will work solely at the Executive Officer's, not the applicant's, direction.) The Executive Officer will disburse the funds to the consultant at stages specified in the contract based on completion and performance. In addition to the contract costs, the fees charged will be based on actual staff time involved in, but not limited to: (1) Consultant selection including bid solicitation and review, submission of information to consultants, etc.; (2) Review of Draft EIR, corrections, additions, legal review by the Commission's legal counsel, etc.; (3) Compiling comments and reviewing responses to comments for preparation of Final EIR; and (4) Meetings with applicant, consultant and public regarding EIR preparation.

- Public Participation (CEQA Guidelines, Section 15201): Public participation is an essential part of the CEQA process. LAFCO includes provisions in its CEQA procedures for wide public involvement, formal and informal, consistent with its existing activities and procedures, in order to receive and evaluate public reactions to environmental issues related to the agency's activities. Such procedures include, whenever possible, making environmental information available in electronic format and on LAFCO's web site.

Interacting with the public is an important CEQA process that allows the public to voice its concerns about environmental issues and the potential effect of a project on the physical environment. Therefore, in order to ensure public involvement in LAFCO's CEQA process, the Commission—in addition to the requirements for public notification on the NOP and/or the Notice of Completion—will provide the public with the opportunity to participate in any meetings related to the EIR, whether through a scoping meeting (optional) to provide verbal or written

comments on the content of the EIR and/or through the public hearing (required) on the certification of the Final EIR.

- Completion Notice (CEQA Guidelines, Section 15085): Because most LAFCO EIRs will require circulation through the State Clearinghouse, the default procedure is that as soon as the draft EIR is completed, a Notice of Completion (“NOC”) must be filed with the California Governor's Office of Planning and Research, denoting the project's description and location, address where EIR copies are available, and the period which comments can be submitted.
- Agency/Public Review: At the time the NOC is sent, the Executive Officer shall provide public notice of the draft EIR's availability to all organizations, agencies and individuals who previously requested such notice; as well as publication in The Santa Cruz Sentinel (newspaper of general circulation) and/or local newspapers. The Executive Officer shall also distribute copies of the draft EIRs and requests for comments to all public agencies with jurisdiction within the project area; to persons or organizations previously requesting such copies; to public libraries in the affected areas; as well as maintaining copies in the LAFCO and any Responsible Agency's offices (upon request). The Executive Officer may consult with any person who has special expertise in any environmental issue involved.

Review periods are not to be less than 30 days nor longer than 60 days from the date of the NOC except in unusual situations, per the Executive Officer's discretion. The review period for draft EIRs submitted to state agencies via the State Clearinghouse will be a minimum of 45 days. The last date for comment submittal shall be specified in the request for comments. A lack of response by that date constitutes a non-objection or “no-comment” by that particular party.

The sufficiency of the EIR per State CEQA Guidelines is the only issue to be addressed during this review. Questions/issues regarding the feasibility or desirability of the project itself shall only be considered by the Commission at the appropriate hearing, not integrated into the environmental review process. In instances where complex technical issues or disagreements among experts arise in the context of an EIR, the Executive Officer can convene a meeting of the County's or a local agency's Environmental Review Committee to provide a forum for a more thorough review of the EIR's adequacy.

- Adequacy: The Executive Officer will make preliminary (not appealable) determinations of the EIR's adequacy, utilizing all aspects of the public record; in turn making specific recommendations on adequacy to the Commission, for its findings, at the time the project is heard.
- Response to Comments on an EIR (CEQA Guidelines, Section 15088): The Executive Officer shall prepare a written response to all comments received during the comment period (and MAY respond to those received after the period): describing the disposition of issues, opinions or facts raised, project revisions or mitigation measures resulting from these comments, reasons for not accepting recommendations, all substantiated by factual information. The response to comments may be in the form of revisions to the EIR text, a separate section in the final EIR or as notes typed in the margins of the comment letters, depending on the event of the resulting revisions.

- Preparation of Final EIR (CEQA Guidelines, Sections 15089 and 15132): The Executive Officer/consultant will prepare a final EIR before the Commission makes a decision on the project. Project denial does not require certification of the Final EIR. Final EIR contents include: (1) The draft EIR and any revisions made to it in response to comments; (2) Comments and recommendations received on the draft EIR verbatim; (3) A list of persons, organizations and agencies commenting on the draft EIR; (4) LAFCO's responses to significant points raised during review and consultation; (5) Plus any other pertinent information. Final EIRs shall be available a minimum of 10 days prior to the Commission hearing on a project and shall be provided to any commenting parties 10 days prior to a Commission hearing on a project. The final EIR shall be submitted to the Commission with the project application and a mitigation measure monitoring plan/program (if necessary) for certification prior to the decision.
- Certification of Final EIR (CEQA Guidelines, Section 15090): Prior to approving a project for which an EIR has been prepared, the Commission shall certify that: (1) The final EIR has been completed in compliance with CEQA; (2) The final EIR was presented to the Commission which reviewed and considered it prior to approving the project; and, (3) The final EIR reflects the lead agency's independent judgment and analysis. If the Commission, through testimony or its own review of the data, finds that the environmental review is incomplete or the EIR does not adequately assess the full range of project impacts, it can refer it back to staff for revisions; deferring approval of the project until it can certify the amended final EIR. Under such circumstances, the Commission shall instruct staff to recirculate/not recirculate the amended EIR in accordance with the extent of requested revisions and as required by CEQA Guidelines, section 15088.5.
- Findings (CEQA Guidelines, Section 15091): The Commission cannot approve or carry out a project for which an EIR identifies one or more significant environmental effects, unless it makes one or more written findings for each significant effect, each reinforced by substantial evidence in the record. Such findings include: (1) Changes have been incorporated into the project which avoid or substantially reduce the significant environmental effect(s) identified in the final EIR, (2) Such changes are not within LAFCO's jurisdiction, but are within the responsibility and jurisdiction of another agency which has adopted such changes, or which can and should adopt such changes, or (3) Specific economic, social or other considerations make infeasible the mitigation measures or project alternatives identified in the final EIR.
- Approval (CEQA Guidelines, Section 15092): LAFCO shall not approve or carry out a project for which an EIR was prepared unless either: (1) The project, as approved, will not have a significant environmental effect, or (2) LAFCO has eliminated or substantially reduced all significant effects where feasible per State CEQA Guidelines, section 15091, and determined that any remaining significant effects found to be unavoidable per State CEQA Guidelines, section 15091, are acceptable due to overriding concerns described in CEQA Guidelines, section 15093.

- Statement of Overriding Considerations (CEQA Guidelines, Section 15093): When LAFCO approves a project that will have a significant effect on the environment that cannot be avoided or mitigated to a less than significant level, LAFCO shall state in writing the specific reasons to support its action based on the final EIR and/or other information in the record. The Commission shall balance, as applicable, the economic, legal, social, technological, or other benefits, including region-wide or statewide environmental benefits, of a proposed project against its unavoidable environmental risks when determining whether to approve the project. If the specific economic, legal, social, technological, or other benefits, including region-wide or statewide environmental benefits, of a proposed project outweigh the unavoidable adverse environmental effects, the adverse environmental effects may be considered “acceptable”. The statement of overriding considerations shall be supported by substantial evidence in the record. The Commission’s statement of overriding considerations should be included in the record of the project approval and so stated in the Notice of Determination.
- Notice of Determination (CEQA Guidelines, Section 15094): The Executive Officer shall file a Notice of Determination following each project approval for which an EIR was certified. The notice shall include: (1) The final EIR has been completed in compliance with CEQA; (2) The final EIR was presented to the Commission which reviewed and considered it prior to approving the project; (3) The final EIR reflects the lead agency’s independent judgment and analysis; (4) Determination of any significant environmental effects; (5) Statement that an EIR was prepared and certified pursuant to CEQA; (6) Whether mitigation measures were made conditions of the project; (7) Whether findings were made per State CEQA Guidelines, section 15091; (8) Whether a statement of overriding considerations was adopted; (9) The address of the location of a copy of the final EIR and the project record; and (10) If different from the applicant, the identity of the person undertaking the project which is supported, in whole or in part, through contracts, grants, subsidies, loans, or other forms of assistance from one or more public agencies or the identity of the person receiving a lease, permit, licenser, certificate, and other entitlement for use from one or more public agencies. The notice shall be filed with the Clerk of the County Board. If the project requires discretionary approval from a state agency, the notice shall also be filed with OPR State Clearinghouse.
- Disposition of Final EIR (CEQA Guidelines, Section 15095): The Executive Officer shall: (1) File a copy of the Final EIR with the Santa Cruz County Planning Department and the city, if applicable, where significant environmental effects may occur; (2) Include the Final EIR in all subsequent project administration; (3) Maintain a copy of the Final EIR as a permanent public record for the project; and (4) Require the applicant to provide a copy of the certified, final EIR to each Responsible Agency. Pursuant to adopted Commission policy, funding for the preparation of an EIR, fees for filing a Notice of Determination, and other related fees (i.e. notice and distribution requirements), are the responsibility of the applicant for the LAFCO action.

*Adopted on September 6, 2000 (Resolution No.2000-5)  
Last Revision on August 5, 2020 (Resolution No. 2020-19)*



## LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY

### **INDEMNIFICATION AGREEMENT POLICY**

#### **1. OVERVIEW**

The purpose of this policy is to establish guidelines that require all applicants to indemnify the Commission, its agents, officers, attorneys, and employees from any action brought to challenge the discretionary approvals of proposals by the Commission.

#### **2. BACKGROUND**

Applicants to the Commission for discretionary approvals of proposals for changes of organization are typically the real parties in interest and therefore have financial interest in the Commission's decisions on their applications. Applicants who are not the real parties in interest also have interest in the outcome of their applications. Therefore, LAFCO believes that it is fair and equitable for all applicants to indemnify LAFCO from suits brought to challenge the discretionary approvals of their applications by the Commission. LAFCO also believes that indemnifying LAFCO furthers good government practices and public policy by providing applicants with an incentive to assist the Commission in complying with all laws, including those intended to ensure public rights.

#### **3. PROCESS**

In order to fulfill this practice, and to protect the integrity of the Commission's ability to make good government decisions, it is the policy of this Commission that:

- a) As part of any application submitted to the Commission, the applicant(s) shall be required to submit a signed agreement to indemnify the Commission, its agents, officers, attorneys, and employees from any action brought to challenge the Commission's discretionary approvals related to the application in the form provided in Exhibit "A";
- b) In the event that an action is brought to challenge the discretionary approval of a proposal by the Commission, the Commission shall promptly notify the applicant(s) and real party(ies) in interest of the existence of the legal challenge; and
- c) The Executive Officer shall not issue a Certificate of Filing for an application if an indemnification agreement in the form provided in Exhibit "A" has not been executed and submitted to the Executive Officer by the applicant(s).

*Adopted on September 6, 1995 (Resolution No. 141-QQQ)  
Previous Revision on April 1, 2015 (Resolution No. 2015-6)  
Last Revision on September 2, 2020 (Resolution No. 2020-23)*

# Exhibit A

## Local Agency Formation Commission of Santa Cruz County

701 Ocean St. #318 D

Santa Cruz CA 95060



PROJECT NUMBER: \_\_\_\_\_

TITLE: \_\_\_\_\_

### INDEMNIFICATION AND DEFENSE

The undersigned applicant for the above-referenced application ("Applicant"), as a condition of submission of this application, approval of the application and any subsequent amendment of the approval which is requested by the Applicant, hereby agrees to defend, using counsel reasonably acceptable to the Local Agency Formation Commission of Santa Cruz County ("LAFCO"), indemnify, and hold harmless LAFCO, its officers, employees, and agents, from and against any claim, demand, damages, costs or liability of any kind (including attorneys' fees) against LAFCO arising from or relating to this application or any approval or subsequent amendment to the approval thereof, subject to the conditions set forth below.

F) Notification and Cooperation

LAFCO shall notify the Applicant of any claim, action, or proceeding against which LAFCO seeks to be defended, indemnified, or held harmless. LAFCO shall reasonably cooperate in such defense.

G) Fees and Costs:

Nothing contained herein shall prohibit LAFCO from participating in the defense of any claim, action, or proceeding if either of the following occur:

- 3) LAFCO bears its own attorneys' fees and costs; or
- 4) LAFCO and the Applicant agree in writing to the Applicant paying part or all of the Commission's attorneys' fees and costs.

H) Settlement:

When representing LAFCO, the Applicant shall not enter into any stipulation or settlement modifying or affecting the interpretation or validity of any of the terms or conditions of the approval without the prior written consent of LAFCO.

I) Successors Bound:

The obligations of the Applicant under this Indemnity and Defense agreement are specifically associated with and shall run with the land that is the subject of the application and/ or approval and shall be binding upon the applicant and the successor(s) in interest, transferee(s), and assign(s) of the applicant in the land.

J) Recordation:

At any time after submission of the application, LAFCO may, at its sole option, record in the office of the Santa Cruz County Recorder a memorandum of agreement which incorporates the provisions of this condition, or this approval shall become null and void.

\_\_\_\_\_  
(Signature of LAFCO Executive Officer)

\_\_\_\_\_  
(Signature of Applicant)

\_\_\_\_\_  
Joe A. Serrano

\_\_\_\_\_  
(Printed Name)

\_\_\_\_\_  
(Printed Name)

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Date)



## LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY

### **CERTIFICATE OF FILING POLICY**

#### **1. OVERVIEW**

Pursuant to Government Code Section 56020.6, a Certificate of Filing is a document issued by the Executive Officer that confirms an application for a change of organization has met submission requirements and is ready for Commission consideration.

#### **2. INACTIVE APPLICATIONS**

Applicants for a change of organization or reorganization must meet submission requirements established in the Cortese-Knox-Hertzberg Act as well as Commission policies and procedures. Once these requirements are met, a Certificate of Filing will be issued by the Executive Officer deeming the application complete. Any application not deemed complete will be found incomplete and the applicant notified of missing requirements. If the application remains incomplete for a period of twelve (12) months without substantial progress being made towards its completion, the Executive Officer will notify the applicant and affected agencies that the application is deemed inactive will be closed without prejudice, and may be subject to a refund if any portion of the application fee has not already been used to cover staff time and other processing costs. If the applicant chooses to refile at a later date, a new application and filing fees will be required.

#### **3. COMPLETE APPLICATIONS**

Once a Certificate of Filing has been issued, the application officially becomes a proposal (Government Code Section 56069) and is scheduled for consideration by the Commission. When a proposal has been scheduled for hearing, no additional modification or amendment may be made to the proposal unless requested by Commission staff or the Commission's board by majority vote. However, an applicant may withdraw its application prior to the closing of the scheduled hearing. Withdrawal of an application must be submitted in writing to the Executive Officer. If an application is withdrawn and resubmitted, the applicant must file a completely new application and associated fee.

*Adopted on December 2, 1981 (Resolution No. 97-M)  
Last Revision on September 2, 2020 (Resolution No. 2020-24)*





## LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY

### **PROTEST PROCEEDINGS POLICY**

#### **1. OVERVIEW**

Prior to January 1, 2000, LAFCO would designate an affected agency as the “conducting authority” to approve a change of organization or reorganization and direct that agency to conduct protest proceedings pursuant to Government Code Section 57000 et seq. With the passage of AB 2838 (Hertzberg – Chapter 761, Statutes of 2000), the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code § 56000 et seq.) established LAFCO as the “conducting authority” for protest proceedings.

The purpose of this policy is to carry out LAFCO’s functions and responsibilities as a conducting authority pursuant to Government Code Section 57000 et seq. Protest proceedings for changes of organization and reorganization shall be conducted by the Commission in accordance with the following guidelines.

#### **2. PROTEST PROCEEDING GUIDELINES**

The Commission will adopt a resolution that makes findings and determinations when approving a change of organization or reorganization. The resolution will contain terms and conditions, which include a condition that addresses the protest proceedings.

**2.1 Protest Proceeding Timeframe:** The Commission shall specify a timeframe between twenty-one (21) and sixty (60) days for the collection and filing of written protests pursuant to Government Code Section 56886(o), and that timeframe shall be included in the terms and conditions of an approval for a change of organization or reorganization for which protest proceedings are not waived pursuant to Government Code Section 56663.

**2.2 Public Noticing:** Within thirty (35) days of the adoption of the Commission’s resolution making determinations and approving a change of organization or reorganization, the Executive Officer shall notice a protest hearing and, in the notice, set the hearing date as prescribed by the Commission in its terms and conditions.

**2.3 Types of Public Noticing:** Notice of the hearing shall be provided pursuant to Government Code Section 56150 et seq., and as follows:

- a) Notice must be published, posted, and mailed to affected agencies, proponents, and any persons requesting special notice;
- b) Mailed notice must be provided to all landowners affected by the proposal;
- c) The time, date, and location of the hearing shall be specified in the notice as determined by the Executive Officer; and

- d) The protest hearing must be held in the affected territory if the hearing is a proposal initiated by the Commission pursuant to Government Code Section 56375(a) for a district consolidation, dissolution, or merger, or the establishment of a subsidiary district.

**2.4 Protest Hearing:** At the protest hearing, the Executive Officer, or designee, shall (1) summarize the Commission's resolution, and (2) hear and receive any oral or written protests, objections, or evidence. Written protests may be filed by any affected landowner or registered voter. The Executive Officer, or designee, may continue the protest, but for no more than sixty (60) days from the date specified in the notice.

**2.5 Protest Hearing Results:** At the conclusion of the protest hearing:

- a) If no written protests have been filed, the Executive Officer, or designee, shall adopt a form of resolution ordering the change of organization or reorganization without an election; or
- b) If written protests have been filed, the Executive Officer, or designee, shall within thirty (30) days after the conclusion of the hearing, make determinations on the value of written protests filed and not withdrawn; and
- c) To determine the value of written protests filed and not withdrawn, the Executive Officer, or designee, shall cause the names of the signers on the protests to be compared with the voters' register in the County Elections Department pursuant to Government Code Section 56707 and/or the names of the owners of land on the most recent assessment roll pursuant to Government Code Sections 56708 and 56710.

**2.6 LAFCO Actions after Protest Proceedings:** Upon determination of the value of written protests filed and not withdrawn, the Executive Officer, or designee, shall take one of the following actions, depending on the nature of the change of organization or reorganization:

- a) If less than 25% of the affected registered voters or landowners oppose the proposal, then a form of resolution making determinations and ordering the change of organization or reorganization will be adopted without an election;
- b) If 25% to 50% of the affected registered voters or landowners oppose the proposal, then a form of resolution making determinations and ordering the change of organization or reorganization will be adopted subject to confirmation by the voters; or
- c) If more than 50% of the affected registered voters or landowners oppose the proposal, then a Certificate of Termination will be issued, which ends the LAFCO proceedings.

**2.7 Election Process:** If an election is required, the Executive Officer or designee, pursuant to Government Code Section 57000(d), shall inform the legislative body of the affected agency of LAFCO's determination and request the legislative body to direct the elections official to conduct the election.

### **3. LAFCO AS A CONDUCTING AUTHORITY**

Pursuant to Government Code Section 57000(c), the Commission has the option of delegating any or all of the functions and responsibilities of the conducting authority to the Executive Officer. Any references made to the “Commission” or “LAFCO” in the following discussion also pertains to the Executive Officer for any functions they will perform on behalf of the Commission. It should also be noted that, pursuant to Government Code Section 57008, the Commission or Executive Officer is required to hold the protest hearing in the affected territory if the proposal was initiated by the Commission pursuant to Government Code Section 56375(a) (district consolidation, dissolution, merger, establishment of a subsidiary district, or a reorganization that includes any of the previous).

Following summarization of the Commission’s resolution at the protest hearing, the Commission hears and receives any oral or written protests, objections, or evidence. Anyone who has filed a written protest can withdraw that protest prior to the conclusion of the hearing. Within thirty (30) days after the hearing, LAFCO makes a finding on the value of written protests filed and not withdrawn. The percentage thresholds for LAFCO to terminate or order the change of organization or reorganization with or without an election is consistent with existing law. LAFCO, however, does not have statutory authority to conduct an election if one is required. Therefore, if LAFCO’s determination on a proposal is subject to confirmation by the voters and an election must be conducted, LAFCO, pursuant to Government Code Section 57000(d), is required to inform the board of supervisors or city council of the affected city of the Commission’s determination and request the board or council to direct the elections official to conduct the election.

### **4. PROTEST THRESHOLD FOR OTHER BOUNDARY CHANGES**

The percentage protest thresholds for a dissolution, consolidation, merger, or the establishment of a subsidiary district differ from the previous changes of organization discussed in the previous sections. While Government Code Section 57077 addresses the requirements for these changes of organization, Government Code Section 56854 supersedes those provisions.

The provisions of Government Code Section 56854 (previously Government Code Section 56839.1) was the product of legislation passed in 1997. Pursuant to Government Code Section 56854(a), LAFCO is required to order a dissolution, consolidation, merger, or the establishment of a subsidiary district without an election unless certain protest requirements are met. Those requirements are enumerated in the outline below. However, pursuant to Government Code Section 56854(b), the Commission is prohibited from ordering a merger or the establishment of a subsidiary district without the consent of the affected city.

The Commission is required to order a dissolution, consolidation, merger, or the establishment of a subsidiary district subject to confirmation of the voters, only if the following written protest thresholds are reached.

**4.1 Not Initiated by the Commission:** Where the proposal was not initiated by the Commission, and where an affected city or district has not objected by resolution to the proposal:

- a) In the case of inhabited territory, a petition signed by:
  - i. At least 25% of the registered voters residing, or owning land, within the affected territory; or
  - ii. At least 25% of the number of landowners who own at least 25% of the assessed value of land within the affected territory.
- b) In the case of a landowner-voter district, and the territory is uninhabited, a petition signed by:
  - i. At least 25% of the number of landowners owning at least 25% of the assessed value of the land within the affected territory.

Note: In the case of a proposal for the dissolution of one or more districts and the annexation of all or substantially all of their territory to another district, the voter requirements outlined above do not apply if each affected district has consented to the proposal by a resolution adopted by a majority of its board of directors (Government Code Section 57114b).

**4.2 Initiated by the Commission:** Where the proposal was initiated by the Commission, and regardless of whether an affected city or district has objected to the proposal by resolution:

- a) In the case of inhabited territory where there are 300 or more landowners or registered voters within the affected territory, a petition signed by:
  - i. At least 10% of the number of landowners who own at least 10% of the assessed value of land within the affected territory; or
  - ii. At least 10% of the registered voters residing, or owning land, within the affected territory.
- b) In the case of inhabited territory where there are less than 300 landowners or registered voters within the affected territory, a petition signed by:
  - i. At least 25% of the number of landowners who own at least 25% of the assessed value of land within the affected territory; or
  - ii. At least 25% of the registered voters residing, or owning land, within the affected territory.
- c) In the case of a landowner-voter district where the territory is uninhabited and there are 300 or more landowner voters entitled to vote, a petition signed by:
  - i. At least 10% of the number of landowners who own at least 10% of the assessed value of land within the affected territory.
- d) In the case of a landowner-voter district where the territory is uninhabited and there are less than 300 or more landowner voters entitled to vote, a petition signed by:
  - i. At least 25% of the landowner voters entitled to vote.

*Adopted on March 7, 2001 (Resolution No. 2001-6)  
Last Revision on September 2, 2020 (Resolution No. 2020-25)*

## **CHAPTER IV**

# **TYPE OF APPLICATIONS**



## LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY

### **EXTRATERRITORIAL SERVICES POLICY**

#### **1. OVERVIEW**

The purpose of this policy is to explain to the public, cities, and districts the procedures by which the Commission will review requests to authorize a city or district in Santa Cruz County to provide one or more services outside its jurisdictional limits pursuant to Government Code Section 56133.

#### **2. COMMISSION APPROVAL REQUIRED FOR NEW OR EXTENDED SERVICES**

Except for the specific situations exempted by Government Code Section 56133, a city or district shall not provide new or extended services to any party outside its jurisdictional boundaries unless it has obtained written approval from the Local Agency Formation Commission of Santa Cruz County ("LAFCO").

#### **3. LIST OF PRE-EXISTING SERVICES**

In 1994, the Executive Officer originally asked each city and district to provide a list or map of parcels receiving extraterritorial service under Government Code Section 56133. The Executive Officer subsequently presented a report on these extraterritorial services with the Commission. As a regular practice, a list of all approved extraterritorial service agreements are presented to the Commission on an annual basis.

#### **4. AREAWIDE APPROVALS**

Upon the initiative of either a public agency or the Commission, the Commission shall consider an areawide approval as a regularly agendaized item and may grant approval for subsequent services to be provided by a city or district within a mapped area as specified by the Commission. The approval may include conditions. The Commission shall specify a time period not greater than ten years for which the areawide approval shall be valid. The Commission may, upon its own initiative or at the request of a public agency, renew with or without amendments, an areawide approval for a period not to exceed ten years.

Before granting an areawide approval, the Commission shall determine that the city or district is able to provide the service in a manner that does not negatively affect the services provided within the agency's boundaries and sphere of influence, and in a manner that does not negatively affect the resources in the area. Also, before granting an areawide approval, the Commission shall determine that the approval is consistent with the requirements of law and LAFCO policies.

#### **5. INDIVIDUAL REQUESTS**

Individual requests for extraterritorial service shall be filed with the Executive Officer on a prescribed application form. The applicant shall pay the costs of processing the application as specified in the Commission's Schedule of Fees and Deposits. The application deposit regarding the request for extraterritorial service is \$950. Deposit amount may be subsequently changed in future revisions of the Schedule of Fees and Deposits.

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 Commission shall consider the request after it has been placed on an agenda of a Commission meeting.

## **6. ENVIRONMENTAL REVIEW**

All matters that are reviewable pursuant to these regulations are subject to the applicable provisions of the California Environmental Quality Act.

## **7. COMMISSION ACTION**

The Executive Officer shall prepare a report and place the request for extraterritorial service on the Commission's agenda. The Commission shall provide an opportunity for any interested individual or party to address it. The Commission may call a subsequent public hearing in order to receive additional public testimony before acting upon a request. The Commission acts on the request by majority vote. Subsequently, the Executive Officer shall notify the applicant in writing of the Commission's action. 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.

## **8. DELIVERY OF MUNICIPAL SERVICES**

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 and this Commission's adopted policies encourages smart growth and relies on the appropriate governance options to ensure the effective and efficient delivery of municipal services. Therefore, the Commission intends to reinforce that the standard manner in which services will be extended is by annexation (and sphere of influence amendment, if necessary). The Commission shall limit its extraterritorial service authorizations to public health emergencies and circumstances where:

- a) Facilities are already in place, and
- b) Annexation would not be practical, and
- c) Extraterritorial service is determined by the Commission to be consistent with the policies adopted in and pursuant to the Cortese-Knox-Hertzberg Act.

When the Commission authorizes the emergency provision of municipal services via extraterritorial service outside an agency's boundaries, and annexation is practical, the Commission will require annexation to be completed within two years.

## **9. WATER PROVISIONS**

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 extraterritorial service 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. A water policy has also been adopted by this Commission and should be reviewed before submitting any application for potential service delivery, including annexations or requests for extraterritorial services.





## LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY

### **SPHERES OF INFLUENCE POLICY**

#### **1. OVERVIEW**

The Knox-Nisbet Act of 1963 (former Government Code Section 54773 et seq.) established the Local Agency Formation Commission to promote the orderly development of local government agencies in the County and discourage urban sprawl. The law was subsequently combined with other laws regarding boundary changes and recodified as the Cortese-Knox- Hertzberg Local Government Reorganization Act of 2000 (Government Code Sections 56000-57550).

Among its objectives, LAFCO is authorized to perform studies which will contribute to the logical and reasonable development of local governments to provide for the present and future needs of each county and its communities. (Government Code Section 56301). State law further provides that, in order to carry out its responsibilities for planning and shaping the logical and orderly development of local government agencies, the Local Agency Formation Commission shall develop and determine the sphere of influence of each local governmental agency within the county. (Government Code Section 56425). 'Sphere of Influence' means a plan for the probable physical boundaries and service area of a local government agency. (Government Code Section 56076).

#### **2. TYPES OF SPHERES**

There are several types of sphere boundaries that the Commission may adopt:

- a) Coterminous Sphere: A sphere of influence may be coterminous, or identical, with the agency's current jurisdictional boundary.
- b) Larger-than-jurisdiction Sphere: A sphere of influence may be larger than the agency's current jurisdictional boundary. This designation identifies areas that should be annexed into the agency in the foreseeable future.
- c) Smaller-than-jurisdiction Sphere: A sphere of influence may be smaller than the agency's current jurisdictional boundary. This designation identifies areas that should be detached from the agency in the foreseeable future.
- d) Zero Sphere: A sphere of influence may be removed entirely if the Commission determines that the service responsibilities and functions of the agency should be reassigned to another local government, and that the agency assigned a "zero sphere of influence" should be dissolved.

### **3. SPHERE DETERMINATIONS**

In accordance with Government Code Section 56425, the Commission is required to consider and prepare a written statement of its determination with respect to each of the following:

- a) The present and planned land uses in the area, including agricultural and open-space lands;
- b) The present and probable need for public facilities and services in the area;
- c) The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide, including the funding of capital, debt, service, and operations;
- d) The existence of any social or economic communities of interest in the area if the Commission determines that they are relevant to the agency; and
- e) For an update of a sphere of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere.

None of the individual factors listed above will be deemed to be a determining factor but will be reviewed collectively when considering the establishment or revision to a sphere of influence for a city or special district.

### **4. SPHERE UPDATES**

Spheres of influence are to be adopted by the Commission following a public hearing and are to be reviewed and updated every five years. After adoption, the sphere of influence "shall be used by the Commission as a factor in making regular decisions on proposals over which it has jurisdiction. The Commission may recommend governmental reorganizations to particular agencies in the county, using the sphere of influence as a basis for such recommendations... (Government Code Section 56425)." The purpose of a sphere of influence study is to provide the Commission information needed to determine an agency's potential growth and to make recommendations towards future service provisions within areas the county.

### **5. POLICY GUIDELINES**

The Commission will use spheres of influence to discourage inefficient development patterns and to encourage the orderly expansion of local government agencies. Spheres of influence will be used to:

- a) Provide long-range guidelines for the efficient provision of services and timely changes of governmental organization;
- b) Discourage duplication of services by two or more local government agencies;
- c) Guide the Commission in considering individual proposals for changes of organization; and
- d) Identify the need for specific reorganization studies.

**5.1 Municipal Service Reviews:** Pursuant to Government Code Section 56425, spheres of influence shall be reviewed and/or updated every five years. Additionally, state law mandates that spheres be prepared or updated in conjunction with or after completion of a related Municipal Service Review (Government Code Section 56430).

**5.2 Overlapping Spheres:** To promote efficient and coordinated planning among the county's various agencies, city spheres shall not overlap, and districts that provide the same type of service should not have overlapping sphere boundaries.

**5.3 Logical Service Provider:** 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.

**5.4 Service Efficiencies:** The Commission will encourage the elimination or consolidation of small, single-purpose special districts when a more efficient alternative exists for providing the necessary services. Whenever a combination of urban services is required, general purpose governments or multi-services districts will be preferred to single-purpose districts.

**5.5 Sphere Designations and Annexation:** 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.

**5.6 Long-Range Planning:** LAFCO recognizes the planning accomplishments of local agencies in the County. In developing spheres of influence, the Commission will consider those adopted plans, and policies of local governments which encourage staged, cost-effective development patterns and the efficient provision of services. Sphere boundaries will identify probable boundaries for an agency's expansion and will be periodically reviewed to reflect changing conditions and circumstances.

Once established, an agency's sphere of influence will be a primary guide to the Commission in its decisions on individual proposals affecting that agency. Before the Commission may approve a change of organization inconsistent with the adopted sphere of influence, the Commission shall amend the sphere of influence.

**5.7 Consistency with General Plans and Pre-Zoning:** The Commission will review the existing and future land uses of territory prior to including it within a city's sphere in order to determine the logical extension of municipal services and the probable future boundary of a city or district. The Commission strongly encourages each city to include all territory within its sphere of influence within the city's General Plan and each special district to address in its infrastructure, facilities and operational planning documents.

**5.8 Land Use Inconsistencies:** City and County general plans will be a significant factor in determining spheres of influence. Where a city's and the County's general plan for the same area are inconsistent, the Commission should encourage the affected agencies to resolve any inconsistencies. In the event the inconsistency cannot be resolved, by law the final decision for the Sphere of Influence must remain with LAFCO.

**5.9 Encourage Annexation of Unincorporated Islands:** The Commission acknowledges that unincorporated islands are generally costly for County government to serve and often have impacts on the surrounding city or district. Cities and special districts (where applicable), will be encouraged to annex unincorporated islands within their sphere of influence.

**5.10 Urban Development:** Proposals for urban development within a city's sphere of influence should first be considered for annexation to that city, unless such annexation would create a "leapfrog" pattern of expansion with respect to existing city boundaries.

**5.11 Water Supply:** 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 sphere of influence adoptions and amendments, 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.

To assist in the review of Spheres of Influence and other LAFCO reports, the Commission will utilize the following data sources to maintain an ongoing data base of the supply, demand, and related water data of the local water agencies subject to LAFCO's boundary regulation:

- a) The Public Water System Annual Reports filed by each public water agency with the California Department of Public Health;
- b) The Urban Water Management Plans prepared by water suppliers with 3000 or more customers as required by the California Water Code Sections 10610 et seq.; and
- c) The annual Water Resources Report prepared for consideration by the Santa Cruz County Board of Supervisors.

It is preferable that the residents who use water also participate in the governance of the system that provides the water. Therefore, in making decisions on spheres of influence and boundary changes, the Commission will favor water supply entities for which the users of the system participate in the governance of the system.

**5.12 Coastal Zone:** In an effort to promote cooperation among the land use agencies with jurisdiction over lands in the Coastal Zone, any application to LAFCO for a sphere of influence amendment regarding land in the Coastal Zone shall contain the following information:

- a) A statement that the staffs of the Coastal Commission and other land use agencies with jurisdiction over the land which is the subject of the application have reviewed and jointly discussed the sphere of influence amendment application with respect to consistency with applicable general plans, the Coastal Act, and local coastal programs. The statement should also memorialize the results of the review;

- b) Preliminary review and comments from the Coastal Commission staff as to potential issues of Coastal Act consistency; and
- c) Review and comments from any other land use agency with jurisdiction, through a Local Coastal Program or otherwise, over the land which is the subject of the application, including an analysis of consistency of the proposed amendment with its general plan.

LAFCO will consider consistency with the Coastal Act and the relevant general plans in making its Sphere of Influence determination.

*Adopted on June 1, 1977 (Resolution No. 97-F)*  
*Previous Revision on February 2, 2010 (Resolution No. 2011-1)*  
*Last Revision on November 4, 2020 (Resolution No. 2020-32)*

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## LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY

### **CITY INCORPORATION POLICY**

#### **1. OVERVIEW**

In each county, a Local Agency Formation Commission (LAFCO) has been set up by the State of California to regulate city incorporations and other boundary changes to cities and districts. LAFCO's mission is to promote the orderly formation and development of local governments through its enforcement of state-mandated procedures, State policies, and local LAFCO policies.

The purpose of these guidelines is to provide guidance to citizens who are considering and proposing the incorporations of a new city within the County of Santa Cruz ("County"). These guidelines do not supersede State law or local policies. Local policies include "Spheres of Influence Policies and Guidelines" and "Standards for Evaluating Proposals." In order to make a final decision on a particular proposal, LAFCO may need additional information not specified in these guidelines. While LAFCO will assist in obtaining any additional information that is needed, the proponents may also have to prepare additional information.

#### **2. PURPOSE OF FEASIBILITY STUDY**

The preparation of an incorporation feasibility study is the responsibility of the proponents of a city incorporation. It is an important step in the process. It allows the proponents to understand and, in turn, explain to the citizenry how the new city would operate. Major topics include boundaries, functions, revenues, and expenditures. The feasibility study allows LAFCO to review the effects of the proposal on the entire structure of governmental services. Two of LAFCO's major duties are to make sure that the new city would have sufficient funds with which to operate and would not negatively impact the provision of services by other governmental agencies.

#### **3. STATUTORY BASIS**

Incorporation proceedings are set up by the Cortese-Knox Local Government Reorganization Act of 1985 (Government Code Sections §56000-57550)(the "Act"). Under the Act, LAFCO has the responsibility to review applications and to approve; approve subject to amendments, conditions or modifications; or deny applications. If LAFCO denies the proposal, the Act specifies a one-year waiting period before the proponents may initiate another incorporation proposal. If a proposal is approved, LAFCO will forward it to the County Board of Supervisors, which is responsible for calling an election within the authorized incorporation boundaries. If a majority of registered voters in the proposed city petition the Board of Supervisors to terminate the incorporation process, it is terminated and cannot be resubmitted for two years. If a majority of registered voters in the incorporation area vote for the incorporation, then the new city is incorporated. If the proposal is defeated at the election, then there is a two-year waiting period.

#### **4. CONTENTS OF FEASIBILITY STUDY**

For LAFCO to make its decision, sufficient information needs to be put on record and analyzed by the registered voters, the affected governmental agencies, and LAFCO staff. The basic elements of a feasibility study are:

- 1) Reason for proposal.
- 2) Proposed boundary map at a scale that allows the identification of individual assessor's parcels.
- 3) The population and number of registered voters in the incorporation area. Projection of population growth for the next ten years.
- 4) The assessed value of the property in incorporation area.
- 5) A description of the local agencies which presently serve the community, with a discussion of the range and level of services currently provided.
- 6) A list and discussion of the functions that the new city would assume.
- 7) A discussion and supporting data on the financial and service efficiency impacts that the proposal would have on all governmental agencies that would give up service responsibility as a result of this proposal. This discussion should include the effects of the incorporation on adjacent communities, special districts, and the County.
- 8) A list and descriptions of the County and special district functions that the new city is not proposed to assume, a list of the special districts that are proposed to continue services to the new city, and a discussion of the foreseeable level of services in the community after incorporation. If the new city would have any impacts on these districts (including economic or level of service impacts), the feasibility study should discuss the impacts and quantify them, where possible.

A clear and compelling rationale must be provided if the continued overlap of any special district (e.g., water, fire, parks, sanitation, or storm drainage) is proposed. There should be a special emphasis on the impact of incorporation on the County or any special districts which are currently providing services to the area immediately surrounding the proposed city.

- 9) A map showing a proposed sphere of influence of the new city, including the existing sphere of influence of any city that overlaps or comes within two miles of the proposed city sphere.
- 10) A ten-year forecast of revenues and expenditures for the new city broken out by revenue and expenditure categories. The forecast should include the applicable categories in the same order. Where fees will be set by municipality, include projection of fee levels and anticipated volume. Table A depicts the required financial information as part of the ten-year projections.



**Table A: Ten-Year Forecast (Revenue & Expenditure)**

<b>Revenue</b>		<b>Expenditure</b>	
1. Property Tax		1. Legislative	
2. Sales and Use Taxes		2. Management and Support	
3. Transportation Taxes		3. Capital Improvements (Municipal Buildings, etc.)	
4. Transient Lodging Taxes		4. Police	
5. Franchise		5. Fire	
6. Business License Taxes		6. Animal Regulation	
7. Real Property Transfer Taxes		7. Weed Abatement	
8. Utility Users Tax		8. Street Lighting	
9. Construction Permits		9. Disaster Preparedness	
10. Vehicle Code Fines and Forfeitures		10. Streets, Highways, and Storm Drains	
11. Investment Earnings		11. Street Trees and Landscaping	
12. State Motor Vehicle In-Lieu Tax		12. Public Transit	
13. State Cigarette Tax		13. Planning	
14. State Homeowners Relief Tax		14. Construction and Engineering Regulations Enforcement	
15. State Gasoline Tax and SB 325 Funds		15. Housing and Community Development	
16. Federal Aid for Urban Streets		16. Community Promotion	
17. Zoning and Subdivision Fees		17. Physical and Mental Health	
18. Plan Checking Fees		18. Solid Waste	
19. Animal Shelter Fees		19. Sewers	
20. Engineering Fees		20. Parks and Recreation	
21. Weed and Lot Cleaning		21. Libraries	
22. Sewer Service Charges and Connection Fees		22. Water	
23. Solid Waste Revenues		23. Child Care	
24. Library Fines and Fees		24. Senior Services	
25. Park and Recreation Fees		25. Other Expenses	
26. Water Service Charges and Connection Fees			
27. Other Revenues			

The above list is not meant to be all-inclusive. Additional items may be added. When appropriate, any additions should be included in the same category as outlined in the State Controller's Annual Report of the Financial Transactions Concerning Cities of California. The expenditure chart should summarize the level of service and basis for each expenditure. Projected staffing levels should be included. The background information should be included in the report and based on prevailing staffing patterns and wage rates in comparable communities.

- 11) A map of any agricultural or other open space lands in the incorporation boundaries, or the proposed sphere of influence. A discussion of the effect of the proposal on maintaining or converting these lands to other uses.
- 12) A justification of the proposed boundaries explaining why certain sub-areas were included and why adjoining sub-areas were excluded.
- 13) Based upon existing master plans and capital improvement programs of the County and affected districts, the feasibility study shall include a list of planned capital improvements related to city responsibilities, their costs, an indication of which projects would likely be funded, and the source of the funds.

**5. EARLY DISTRIBUTION OF FORECAST OF LOCAL REVENUES**

Upon learning that a community group has been formed to sponsor an incorporation effort and after receiving an appropriate street map of the proposed city from the proponents, LAFCO staff will request a "Forecast of Local Revenues" from the proper State and/or County agencies to determine what funds would be available to the proposed new city.

**6. FURTHER ASSISTANCE**

LAFCO staff is available to incorporation proponents, opponents, affected public agencies, and the general citizenry to provide further assistance. This assistance includes explanations of the incorporation process, copies of the incorporation laws and LAFCO policies, and notices of LAFCO's hearing on the incorporation proposal.

*Adopted on April 5, 1989 (Resolution No. 97-S)  
Last Revision on October 7, 2020 (Resolution No. 2020-29)*

# **CHAPTER V**

## **OTHER POLICIES**



## LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY

### **CONFLICT OF INTEREST POLICY**

#### **1. OVERVIEW**

LAFCO's Conflict of Interest Policy outlines conflicts of interest rules and the role of LAFCO's legal counsel. The goal of this policy is to provide consistency and fairness to the Commission's decision-making process. Commissioners have a personal responsibility to comply with conflict of interest regulations as promulgated by the California Fair Political Practices Commission ("FPPC"), but they may consult with LAFCO's legal counsel to assist in making decisions in the event of a potential conflict of interest.

#### **2. THE CALIFORNIA POLITICAL REFORM ACT**

The California Political Reform Act (Government Code section 81000, *et seq.*) (the "Act") requires state and local government agencies to establish a conflict of interest code. The FPPC, as the state agency responsible for administering and enforcing the Act, enacted regulations to implement the law. FPPC Regulation section 18730 (Tit. 2, Div. 6, Cal. Code of Regs.) states that an agency can incorporate by reference its model conflict of interest code, which the FPPC amends from time to time. LAFCO adopted and incorporated this model code along with the designation of positions and formulation of disclosure categories in section 18730.

The Act prohibits a Commissioner from using their official position to influence a governmental decision in which they have a financial interest. To help identify potential conflicts of interest, the Act and the FPPC Regulations require Commissioners to report their financial interests (i.e., reportable investments, real property interests, business positions, income and its sources, and other financial interests that may give rise to a conflict of interest) on a form called Statement of Economic Interests ("Form 700"). The conflict of interest code and the Form 700s provide transparency in local government and are fundamental tools in ensuring that officials are acting in the public's best interest and not their own.

#### **3. CONFLICTS OF INTEREST RULES**

Under the Act, a Commissioner has a disqualifying conflict of interest in a LAFCO decision if it is foreseeable that the decision will have a financial impact on their personal finances or other financial interests. A Commissioner with a disqualifying conflict of interest must not make, participate in making, or use their position to influence a LAFCO decision. Commissioners must publicly identify the presence of a conflict of interest and recuse themselves from participating in the affected decision. Recusal allows Commissioners to avoid actual biased decision-making or any appearance of improprieties in favor of the public's interest over their own.

There are five types of interests that might result in disqualification:

- **Business Entity.** A business entity in which a Commissioner has an investment of \$2,000 or more and is a director, officer, partner, trustee, employee, or manager.
- **Real Property.** Real property in which a Commissioner has an interest of \$2,000 or more, including leaseholds.
- **Income.** An individual or an entity from whom a Commissioner has received income or promised income aggregating to \$500 or more in the previous 12 months, including the Commissioner's community property interest in the income of their spouse or registered domestic partner.
- **Gifts.** An individual or an entity from whom a Commissioner has received gifts aggregating to \$500 or more in the previous 12 months.
- **Personal Finances.** A Commissioner's personal finances, including their expenses, income, assets, or liabilities, as well as those of their immediate family.

The financial impact or effect on any of the above interests disqualifies a Commissioner from a LAFCO decision if: (1) the financial impact or effect is foreseeable, and (2) the financial impact or effect is significant enough to be considered material. The FPPC has rules called "materiality standards" to inform which financial effects are important enough to trigger a conflict of interest.

There are two limited exceptions to the conflict of interest rules:

- **The Public Generally Exception.** A Commissioner is not disqualified from a decision if the effect on the Commissioner's interests is indistinguishable from the effect on the public.
- **Legally Required to Participate.** In certain rare circumstances, a Commissioner may be randomly selected to take part in a decision if a quorum cannot be reached because too many Commissioners are disqualified under the Act.

#### **4. ROLE OF LEGAL COUNSEL**

**A.** Commissioners are individually responsible for understanding and following the duties and responsibilities of their office, including making determinations on whether they have disqualifying conflicts of interest in LAFCO decisions. Commissioners are encouraged to consult with legal counsel regarding potential conflicts, exceptions, and recusal. However, counsel's advice cannot provide a Commissioner with any immunities from criminal or civil prosecutions. Only good faith reliance upon written advice from the FPPC on a specific situation can protect a Commissioner. Legal counsel will provide assistance in obtaining an advice letter from the FPPC. Legal counsel is authorized to engage experts, such as appraisers or business consultants in an amount not to exceed \$5,000 if counsel deems such experts are necessary to provide this assistance.

- B.** Legal counsel represents LAFCO as an agency governed by the Commission as a corporate body. Therefore, individual consultations with legal counsel are not separately protected by the attorney-client privilege.
- C.** Upon consultation, legal counsel will respond directly to the individual Commissioner seeking advice and shall not share the advice with the entire Commission, unless the advice provided involves a Commissioner with a disqualifying interest who intends to participate in a LAFCO decision notwithstanding that advice.
- D.** Legal Counsel is not available to provide advice relating to past conduct, to investigate conflicts of interest, or to enforce conflict of interest laws.
- E.** Legal Counsel is not available to provide advice to one Commissioner about the implications of another Commissioner's financial interest. However, at the request of the Commission, legal counsel may provide the Commission advice about the validity of its decisions under Government Code section 1090, which restricts Commissioners and designated employees from making a contract in which they are financially interested.
- F.** When a member of the public or government agency submits an inquiry about whether a Commissioner has a disqualifying interest under the Act or a financial interest in a contract under Government Code section 1090, that inquiry will be forwarded to the entire Commission, with a copy to legal counsel. It shall be the responsibility of the individual Commissioner, who is the subject of the inquiry, to determine whether they will seek advice from legal counsel, the FPPC, or their own counsel in addressing these inquiries.

*Adopted on September 5, 1979 (Resolution No. 141-H)  
Previous Revision on June 2, 2004 (Resolution No. 2004-9)  
Last Revision on May 6, 2020 (Resolution No. 2020-08)*



## LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY

### **DISCLOSURE OF POLITICAL CONTRIBUTIONS POLICY**

#### **1. OVERVIEW**

The Commission finds that the public interest would be served by adoption of procedures for the public disclosure of contributions and expenditures relating to Commission proposals, and further finds that adopting the process is consistent with State law, including the Political Reform Act of 1974, as amended.

#### **2. DEFINITIONS**

Unless otherwise provided, definitions of the terms used herein shall be those contained in the Political Reform Act of 1974, as amended.

“Contribution” as used herein shall have the same definition as provided in Government Code Section 82015, as amended.

“Expenditure” as used herein shall have the same definition as provided in Government Code Section 82025, as amended.

“Independent expenditure” as used herein shall have the same definition as provided in Government Code Section 82031, as amended, except that the term “measure” as used in Section 82031 shall be replaced with the term “LAFCO Proposal.”

“Political purposes” as used herein shall mean for the purpose(s) of: (i) influencing public opinion and/or actions of voters; (ii) lobbying public officials including LAFCO Commissioners; and/or, (iii) influencing legislative or administrative action as defined in Government Code § 82032.

It shall not include for the purpose(s) of complying with legal requirements and LAFCO rules for the processing of a proposal, including, but not limited to and by way of example only, preparation of a comprehensive fiscal analysis for an incorporation (Government Code Section 56800) or documents necessary to comply with the California Environmental Quality Act, Public Resources Code Section 21000 et seq., such as a mitigated negative declaration or environmental impact report.

#### **3. APPLICABILITY**

These policies and procedures are applicable to LAFCO Proposals, as defined in Government Code § 82035.5 and sphere of influence adoption, amendment or review, when applications for same are submitted for filing with Executive Officer. LAFCO proposals include but are not limited to annexation to a city or district, incorporation, or formation or dissolution of a special district.



#### **4. GENERAL REQUIREMENTS OF DISCLOSURE**

Any person or combination of persons who directly or indirectly makes an expenditure or independent expenditure for political purposes of \$1,000 or more in support of, or in opposition to, a change of organization, reorganization, or sphere of influence adoption or amendment proposal submitted to the commission shall comply with the reporting and disclosure requirements of Article 2.5 (commencing with Section 84250) of Chapter 4 of the Political Reform Act (Government Code §§ 81000 et seq.). Such reporting and disclosure requirements, except as otherwise excluded herein, extend to those required by the Fair Political Practices Commission Regulations regarding such disclosures and shall include disclosure of contributions, expenditures and independent expenditures.

A committee primarily formed to support or oppose a LAFCO proposal shall file all statements required under Chapter 4 of the Political Reform Act except that, in lieu of the statements required by Sections 84200 and 84202.3, the committee shall file monthly campaign statements from the time circulation of a petition begins until a measure is placed on the ballot or, if a measure is not placed on the ballot, until the committee is terminated pursuant to Section 84214.

The committee shall file an original and one copy of each statement on the 15th day of each calendar month, covering the prior calendar month, with the clerk of the county in which the measure may be voted on. If the petition results in a measure that is placed on the ballot, the committee thereafter shall file campaign statements required by Chapter 4. In addition to any other statements required by Chapter 4, a committee that makes independent expenditures in connection with a LAFCO proposal shall file statements pursuant to Section 84203.5.

#### **5. CERTAIN REPORTS AND DISCLOSURES**

This policy also requires that the persons subject to it comply with the regulations regarding the names of campaign committees, disclosures of the sources of mass mailings, and disclosures of the source of automated telephone calls under Government Code Sections 84501 et seq. and the regulations of the Fair Political Practices Commission implementing those sections.

#### **6. FILING OFFICE**

All reports and disclosures required hereunder shall be filed with the Santa Cruz County elections official, who the Santa Cruz LAFCO hereby designates as a deputy of LAFCO for purposes of receiving and filing such reports. LAFCO Commissioners (Regular and Alternate) and staff (Executive Officer, Legal Counsel, Commission Clerk, and Analysts) submit their annual Statement of Economic Interests (Form 700) by using the County's e-filing system. This online platform is managed and operated by the County Clerk/Elections Department.

For this purpose, forms developed by the Fair Political Practices Commission for disclosures relating to ballot measures shall be used as specified by the Santa Cruz County Elections Office. Acceptable methods of filing or delivery shall conform to those applicable to elections relating to ballot measures. Copies of filed statements will be available to any person upon payment of 10¢ per page.

## **7. FILING SCHEDULE**

Prior to a LAFCO decision by resolution on an application, any required disclosures shall be filed with the Santa Cruz County Elections Department no later than twelve days before the noticed date of the public hearing or continued deliberation or discussion on the proposal at LAFCO. The period covered by this report shall be from any prior filing period to seventeen days preceding the LAFCO hearing date.

Additionally, contributions and expenditures for the period commencing sixteen days before the LAFCO meeting and ending one day before the LAFCO meeting shall also be filed with the Santa Cruz County Elections Department within 24 hours of receipt or expenditure but in no event later than 24 hours before the LAFCO meeting begins. Should the LAFCO hearing or deliberation or discussion be continued to additional dates, or be accepted for reconsideration, the foregoing periods apply for expenditures or contributions received after the initial date and prior to the subsequent dates. Additionally, contributions and expenditures from any prior filing period to seven days after a decision has been made, shall be filed with the Elections Department no later than fourteen days after a decision has been made.

After a final LAFCO decision by resolution and until the completion of protest and election proceedings, disclosures shall conform to all requirements for campaign committees pursuant to the Political Reform Act. For purposes of determining the deadlines by which such reports and disclosures must be filed, the term "election" as used in the Political Reform Act for determining such deadlines shall mean the date of the originally scheduled commission hearing on a proposal for organization, reorganization, or sphere of influence adoption or amendment. If no hearing date has been scheduled at the time a person becomes subject to disclosure under this policy, he or she shall request that the executive officer establish a date to serve as the "election" date for this purpose. The executive officer shall establish a date, such as, but not limited to, the date which is 6 months after the first filing with the commission regarding the proposal, and inform the requestor of that date in writing.

## **8. NOTICE**

The following notice shall be printed on the Commission's application forms, the resulting notices of public hearing, the agenda of each meeting, and the Commission's website:

"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)."

## **9. AMENDMENT**

These policies and procedures may be further amended from time to time by Santa Cruz LAFCO following a noticed public hearing pursuant to State law.

## **10. REPORTING REQUIREMENTS ARE NON-EXCLUSIVE**

The disclosure and reporting requirements herein are in addition to any other requirements that may be otherwise applicable under provisions of the Political Reform Act or by local ordinance.

## **11. ENFORCEMENT**

Enforcement and penalties for violation of these policies and procedures shall be pursuant to the Political Reform Act of 1974 and its corresponding regulations, to the extent permitted by law.

*Adopted on March 3, 2010 (Resolution No. 2010-1)  
Last Revision on May 6, 2020 (Resolution No. 2020-09)*



## LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY

### **SPECIAL DISTRICTS GOVERNANCE POLICY**

#### **1. OVERVIEW**

The Special Districts Governance Policy was first introduced in December 1981. The intent was to set rules and regulations that will govern the functions and services of independent special districts. The purpose was to clarify the legal requirements under Government Code Section 56450 et seq. These particular sections were eventually repealed and replaced with the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 ("Cortese-Knox-Hertzberg Act" or "CKH Act"). The Cortese-Knox-Hertzberg Act establishes procedures for local government changes or organization, including city incorporations, annexations to a city or special district, and city and special district consolidations.

#### **2. GOVERNANCE**

There are three primary sources of authority for forming and reorganizing special districts. The first is the special district's enabling act. Most types of districts have a series of statutes specific to that type of special district. These statutes often contain the procedures for creating that type of special district. The second is the Cortese-Knox-Hertzberg Act, which governs the establishment and reorganizations of local governments. Finally, there is the District Organization Law, which provides standardized special district organization and governance procedures for certain types of special districts<sup>3</sup>.

For purposes of this policy, the following sections will focus on the special districts under LAFCO's purview in accordance with Government Code Section 56036:

- a) "District" or "special district" are synonymous and mean an agency of the state, formed pursuant to general law or special act, for the local performance of governmental or proprietary functions within limited boundaries and in areas outside district boundaries when authorized by the commission pursuant to Government Code Section 56133.
- b) "District" or "special district" includes a county service area, but excludes all of the following: (1) The state, (2) A county, (3) A city, (4) A school district or a community college district, (5) An assessment district or special assessment district, (6) An improvement district, (7) A community facilities district formed pursuant to the Mello-Roos Community Facilities Act of 1982 (California Government Code section 53311 et seq.), (8) A permanent road division (formed pursuant to California Government Code 1160), (9) An air pollution control district or an air quality maintenance district, and (10) A zone of any special district.

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<sup>3</sup> California Special Districts Association – Laws Governing Special Districts (December 23, 2015)

**3. PRINCIPAL ACTS**

Principal Acts are statutes established for an entire category of special districts. The Commission creates and governs independent special districts under the authority of these acts. Each special district type has its own principal act. Exhibit A is a list of independent special district types, the location of the associated principal act, and other relevant information about the district types.

**4. SPECIAL ACTS**

Special Acts are statutes that address the specific needs of a community and establish a specific special district to address those needs. These districts (rather than district types) are uniquely created by the Legislature. Below is a list of special acts affecting Santa Cruz County:

Type	Code Section
<b>Flood Control</b>	
Santa Cruz County Flood Control and Water Conservation District Act (1955; Chapter 1489)	Water Code (77-1)
<b>Transit</b>	
Santa Cruz Metropolitan Transit District Act of 1967	Public Utilities Code (§98000 et seq.)
<b>Water Agency or Authority</b>	
County Water Authority Act (1943; Chapter 545)	Water Code (45-1)
Pajaro Valley Water Management Agency Act (1984)	Water Code (124-1)

## Special District Principal Acts

Special District Type & Principal Act	Powers & Functions	Formation	Election Process	Number of Board Members
<b>Airport Districts</b>  Public Utilities Code (§22001 et seq.)	Assist in the development of airports, spaceports, and air navigation facilities	Any territories of one or more counties and one or more cities, all or any part of any city and any part of the unincorporated territory of any county; the boundaries of a district may be altered and outlying contiguous territory in the same or an adjoining county annexed to the district.	Elected by resident voters to 4-year terms	5 Directors
<b>California Water Districts</b>  Water Code (§34000 et seq.)	Maintain the necessary works for the production, storage, and distribution of water for irrigation, domestic, industrial, and municipal purposes, and any drainage or reclamation works	Any area of land which is capable of using water beneficially for irrigation, domestic, industrial or municipal purposes and which can be serviced from common sources of supply and by the same system of works; area need not be contiguous	Elected by landowner voters to 4-year terms	At least 5 Directors (may be increased to 7, 9, or 11)
<b>California Water Storage Districts</b>  Water Code (§39000 et seq.)	Maintain the necessary works for the storage and distribution of water and drainage or reclamation works	Any land irrigated or capable of irrigation from a common source; under specific conditions the district need not be contiguous	Elected by landowner voters to 4-year terms	At least 5 Directors
<b>Citrus Pest Districts</b>  Food & Agri. Code (§8401 et seq.)	Control and eradicate citrus pests	Any county devoted exclusively to the growing of citrus fruits	Appointed by the Board of Supervisors to fixed 4-year terms	5 Directors
<b>Community Services Districts</b>  Government Code (§61000 et seq.)	Provide up to 32 different services such as, water, garbage collection, wastewater management, security, fire protection, public recreation, street lighting, mosquito abatement services, etc.	Any county or counties of an unincorporated territory or incorporated territory of a contiguous or noncontiguous area	Elected by resident voters to 4-year terms	5 Directors
<b>Cotton Pest Abatement Districts</b>  Food & Agri. Code (§6051 et seq.)	Control and prevent introduction of pests, and oversee cotton plants in areas that are at risk of pests	Any land in more than one of the counties of Imperial, Los Angeles, Orange, Riverside, San Bernardino, San Diego, and Ventura with the consent of the Board of Supervisors of the counties affected	Appointed by the Board of Supervisors to fixed 4-year terms	5 Directors

Special District Type & Principal Act	Powers & Functions	Formation	Election Process	Number of Board Members
<b>County Sanitation Districts</b>  Health & Safety Code (§4700 et seq.)	Maintain and operate sewage systems and sewage disposal or treatment plants	Any unincorporated or incorporated territory or both; the incorporated territory included in the district may include the whole or part of one or more cities with the permission of that city	Elected by resident voters to 4-year terms or may choose to have a mixed board	3 Directors
<b>County Water Districts</b>  Water Code (§30000 et seq.)	Develop regulations for the distribution and consumption of water; sell water; collect and dispose sewage, garbage, waste, trash and storm water; store water for future needs; may generate hydroelectric power; and provide fire protection under specified conditions	Any county or two or more contiguous counties or of a portion of such county or counties, whether the portion includes unincorporated territory or not	Elected by resident voters to 4-year terms	At least 5 Directors (may be increased to 7, 9, or 11)
<b>Fire Protection Districts</b>  Health & Safety Code (§13800 et seq.)	Provide fire protection and other emergency services	Any territory, whether incorporated or unincorporated, whether contiguous or noncontiguous, may be included	Elected by resident voters to 4-year terms or appointed by the Board of Supervisors (and City Council where applicable) to fixed 4-year terms	May be 3, 5, 7, 9, or 11 Directors (not to exceed 11)
<b>Harbor Districts</b>  Harbors & Navigation Code (§6000 et seq.)	Manage any bay, harbor, inlet, river, channel, etc. in which tides are affected by the Pacific Ocean	Any portion or whole part of a county, city, or cities, the exterior boundary of which includes a harbor	Elected by resident voters to 4-year terms	5 Commissioners
<b>Health Care / Hospital Districts</b>  Health & Safety Code (§32000 et seq.)	Establish, maintain, and operate, or provide assistance in the operation of, one or more health facilities or health services, including, but not limited to: outpatient programs, services, and facilities; retirement programs, services, and facilities; chemical dependency programs, services, and facilities	Any incorporated or unincorporated territory, or both, or territory in any one or more counties; the territory comprising this district need not be contiguous but the territory of a municipal corporation shall not be divided	Elected by resident voters to 4-year terms	5 Directors



Special District Type & Principal Act	Powers & Functions	Formation	Election Process	Number of Board Members
<b>Irrigation Districts</b>  Water Code (\$20500 et seq.)	Sell and lease water; operate sewage collection and disposal system; deliver water for fire protection; dispose and salvage sewage water; protect against damage from flood or overflow; provide drainage made necessary by the irrigation provided; maintain recreational facilities in connection with any dams, reservoirs, etc.; and operate and sell electrical power	Any land capable of irrigation; includes land used for residential or business purposes susceptible of receiving water for domestic or agriculture purposes; need not be contiguous	Elected by resident voters to 4-year terms	3 or 5 Directors
<b>Levee Districts</b>  Water Code (\$70000 et seq.)	Protect the district's land from overflow by constructing and maintaining the necessary infrastructure	Any county or counties or any portion thereof of an unincorporated territory or incorporated territory in need of protection of the lands of the district from overflow and for the purpose of conserving or adding water to the sloughs and drains	Elected by landowner voters to 4-year terms	3 Directors
<b>Library Districts</b>  Education Code (\$19400 et seq.)	Equip and maintain a public library in order to exhibit knowledge in a variety of areas	Any incorporated or unincorporated territory, or both, in any one or more counties, so long as the territory of the district consists of contiguous parcels and the territory of no city is divided	Appointed by the Board of Supervisors to fixed 4-year terms	3 or 5 Trustees
<b>Memorial Districts</b>  Military & Veterans Code (\$1170 et seq.)	Operate and maintain memorial halls, meeting places, etc. for veterans	Any incorporated territory of the county together with any contiguous unincorporated territory thereof; or may be formed entirely of contiguous incorporated territory; or entirely of contiguous unincorporated territory	Elected by resident voters to 4-year terms	5 Directors
<b>Mosquito Abatement &amp; Vector Control Districts</b>  Health & Safety Code (\$2000 et seq.)	Conduct effective programs for the surveillance, prevention, abatement and control of mosquitos and other vectors	Any territory, whether incorporated or unincorporated, whether contiguous or noncontiguous and districts may not overlap	Appointed by the Board of Supervisors or the City Council to fixed 2–4-year terms	5 Trustees

Special District Type & Principal Act	Powers & Functions	Formation	Election Process	Number of Board Members
<b>Municipal Utility Districts</b>  Public Utilities Code (§11501 et seq.)	Manage and supply light, water, power, heat, transportation, telephone service, or other means of communication, or means for the collection, treatment, or disposition of garbage, sewage or refuse matter	Any public agency together with unincorporated territory, or two or more public agencies, with or without unincorporated territory; public agencies and unincorporated territory included within a district may be in the same or separate counties and need not be contiguous; no public agency shall be divided in the formation of a district	Elected by resident voters to 2-4 year terms	5 Directors
<b>Municipal Water Districts</b>  Water Code (§71000 et seq.)	Develop and sell water; promote water use efficiency; operate public recreational facilities; provide fire protection; collect and dispose trash, garbage, sewage, storm water and waste; and generate, sell and deliver hydroelectric power	Any county or counties, or of any portions thereof, whether such portions include unincorporated territory only or incorporated territory of any city or cities; cities and unincorporated territory does not need to be contiguous	Elected by resident voters to 4-year terms	5 Directors
<b>Police Protection Districts</b>  Health & Safety Code (§20000 et seq.)	Provide police service to a community	May be formed in unincorporated towns	Elected by resident voters to 2-4 year terms	3 Commissioners
<b>Port Districts</b>  Harbors & Navigation Code (§6200 et seq.)	Maintain and secure the ports	Shall include one municipal corporation and any contiguous unincorporated territory in any one county, but a municipal corporation shall not be divided	Appointed by the Board of Supervisors and City Council to fixed 4-year terms, and approved by resident voters	5 Commissioners
<b>Public Cemetery Districts</b>  Health & Safety Code (§9000 et seq.)	Maintain public cemeteries in communities as necessary	Any territory, whether incorporated or unincorporated, whether contiguous or noncontiguous; districts may not overlap	Appointed by the Board of Supervisors to fixed 4-year terms	3 or 5 Trustees

Special District Type & Principal Act	Powers & Functions	Formation	Election Process	Number of Board Members
<b>Public Utility Districts</b>  Public Utilities Code (§15501 et seq.)	Maintain the infrastructure to provide electricity, natural gas, water, power, heat, transportation, telephone service, or other means of communication, or the disposition of garbage, sewage, or refuse matter	May be incorporated and managed in unincorporated territory	Elected by resident voters to 2-4 Year terms	At least 3 Directors
<b>Reclamation Districts</b>  Water Code (§50000 et seq.)	Reclaim and maintain land that is at risk of flooding for a variety of purposes	Any land within any city in which land is subject to overflow or incursions from the tide or inland waters of the state	Elected by landowner voters to 4-year terms	3, 5 or 7 Trustees
<b>Recreation &amp; Park Districts</b>  Public Resource Code (§5780 et seq.)	Organize and promote programs of community recreation, parks and open space, parking, transportation and other related services that improve the community's quality of life	Any territory, whether incorporated or unincorporated, whether contiguous or noncontiguous	Elected by resident voters to 4-year terms or appointed by the Board of Supervisors to fixed 4-year terms	5 Directors
<b>Resource Conservation Districts</b>  Public Resource Code (§9151 et seq.)	Manage a diversity of resource conservation projects, including soil and water conservation projects, wildlife habitat enhancement and restoration, control of exotic plant species, watershed restoration, conservation planning, education, and many others	Any land shall be those generally of value for agricultural purposes, but other lands may be included in a district if necessary to conserve resources	Elected by resident voters to 4-year terms	5 ,7, or 9 Directors
<b>Sanitary Districts</b>  Health & Safety Code (§6400 et seq.)	Maintain and operate garbage dumpsites, garbage collection and disposal systems, sewers, storm water drains and storm water collection, recycling and distribution systems	Any county, or in two or more counties within the same natural watershed area	Elected by resident voters to 4-year terms	5 Directors

Special District Type & Principal Act	Powers & Functions	Formation	Election Process	Number of Board Members
<b>Transit Districts</b>  Public Utilities Code (§24501 et seq.)	Construct and operate rail lines, bus lines, stations, platforms, terminals and any other facilities necessary or convenient for transit service	Any city together with unincorporated territory, or two or more cities, with or without unincorporated territory may organize and incorporate as a transit district; cities and unincorporated territory included within a district may be in the same or separate counties and need not be contiguous; no city shall be divided in the formation of a district	Elected by resident voters to 2-4 year terms	7 Directors
<b>Water Conservation Districts</b>  Water Code (§74000 et seq.)	Maintain, survey, and research water supplies	Unincorporated territory or partly within unincorporated and partly within incorporated territory, and may be within one or more counties that need water conservation services; territory does not need to be contiguous	Elected by resident voters to 4-year terms	3, 5 or 7 Directors
<b>Water Replenishment Districts</b>  Water Code (§60000 et seq.)	Replenish the water and protect and preserve the groundwater supplies	Any land entirely within unincorporated territory, or partly within unincorporated territory and partly within incorporated territory, and within one or more counties in this state	Elected by resident voters to 4-year terms	5 Directors

*Adopted on December 7, 1994 (Resolution No. 801-D)  
Last Revision on October 7, 2020 (Resolution No. 2020-28)*



## LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY

### WATER POLICY

#### **1. OVERVIEW**

Government Code Section 56300 requires each Local Agency Formation Commission to establish written policies and to exercise its powers in a manner pursuant to the Cortese-Knox-Hertzberg Local Government Act of 2000 and consistent with the written policies of each Commission. In 1964, the Commission adopted the first water policy to align the limited water supply with existing service providers and smart growth as population continues to increase in Santa Cruz County. The purpose of this policy is to clarify LAFCO's role when considering boundary changes involving cities and special districts.

#### **2. SPHERES OF INFLUENCE**

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 sphere adoptions and amendments, LAFCO will 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.

To assist in the review of sphere boundaries and other LAFCO reports, the Commission will utilize the following data sources to maintain an ongoing data base of the supply, demand, and related water data of the local water agencies subject to LAFCO's boundary regulation:

- a) The Public Water System Annual Reports filed by each public water agency with the State Water Resources Control Board;
- b) The Urban Water Management Plans prepared by water suppliers with 3000 or more customers as required by the California Water Code Sections 10610 et.seq; and
- c) The annual Water Resources Report prepared for consideration by the Santa Cruz County Board of Supervisors.

#### **3. BOUNDARY CHANGES**

In any proposal requiring water service, the Commission requires that the affected agency identified as the potential water provider to demonstrate the availability of an adequate, reliable and sustainable supply of water. The following factors may be considered:

- 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.

#### **4. SERVICE REQUEST**

Proposals requesting water service from a city or special district will need to provide proof of lack of services to existing urban land uses, a building permit application, allocation for a single-family dwelling, or for a larger project by: (1) a tentative or final land use entitlement (tentative subdivision map use permit, etc.) conditioned on obtaining water service and (2) a growth rate and pattern that the subject area will be developed within 5 years.

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.

#### **5. EXTRATERRITORIAL SERVICE AGREEMENTS**

When the Commission authorizes the emergency provision of water services via extraterritorial service outside an agency's boundaries, and annexation is practical, the Commission will require annexation to be completed within two years.

#### **6. CONNECTION MORATORIUM**

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 such transfer shall be in a manner that is consistent with the adopted Spheres of Influence of those agencies; and
- d) To change a boundary, in a manner consistent with an adopted Sphere of Influence, an agency boundary shall 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. In this case, an additional criteria not subject to the 1% cumulative impact limitation would be to provide facilities or funding that will allow the agency to lift its service limitation.

## **7. PUBLIC PARTICIPATION**

Water resources and supplies are critical issues for many spheres of influence and application decisions made by LAFCO. Public information and participation are important component in the decisions made by the Commission, the land use agencies, and the water agencies. To promote public education, at least every two years, the Local Agency Formation Commission will sponsor, or co-sponsor with the Regional Water Management Foundation, the County of Santa Cruz, and local water agencies, a public forum that provides the public with an overview of the state of the water supplies in Santa Cruz County.

It is preferable that the residents who use water also participate in the governance of the system that provides the water. Therefore, in making decisions on spheres of influence and boundary changes, the Commission will favor water supply entities for which the users of the system participate in the governance of the system.

*Adopted on March 17, 1964 (Resolution No. 14)  
Previous Revision on February 2, 2010 (Resolution No. 2011-1)  
Last Revision on November 4, 2020 (Resolution No. 2020-33)*



LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY  
RESOLUTION NO. 2023-20

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

RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION  
APPROVING THE ESTABLISHMENT OF THE  
COMPREHENSIVE POLICIES AND PROCEDURES HANDBOOK

\*\*\*\*\*

WHEREAS, the Local Agency Formation Commission of Santa Cruz County (“LAFCO” or “Commission”) adopted a series of policies and procedures since its creation in 1963; and

WHEREAS, the first policy was adopted on March 17, 1964 (Water Policy) and the most recent policy was adopted on March 10, 2010 (Disclosure of Political Contributions Policy); and

WHEREAS, the Commission individually reviewed and updated each of the 20 existing policies and procedures on a period basis; and

WHEREAS, the Commission conducted an extensive review and update of each of the 20 existing policies and procedures during the 2020 calendar year; and

WHEREAS, on September 6, 2023, the Commission determined that the existing policies and procedures should be combined into a single handbook for a more efficient annual review process; and

WHEREAS, on September 6, 2023, the Commission also determined that a policy clarifying the city seat appointment process was warranted; and

NOW, THEREFORE, BE IT RESOLVED, the Commission hereby establishing a comprehensive policies and procedures handbook, as shown in Exhibit A, including the adoption of the City Selection Policy and amendments to address outdated language and incorporate best practices.

PASSED AND ADOPTED by the Local Agency Formation Commission of Santa Cruz County this 6th day of September 2023.

AYES:

NOES:

ABSTAIN:

\_\_\_\_\_  
YVETTE BROOKS, CHAIRPERSON

Attest:

Approved as to form:

\_\_\_\_\_  
Joe A. Serrano  
Executive Officer

\_\_\_\_\_  
Joshua Nelson  
LAFCO Counsel

# **Santa Cruz LAFCO Policies & Procedures Handbook**

**Local Agency Formation Commission of Santa Cruz County**

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701 Ocean Street, Room 318-D Santa Cruz, CA 95060

Website: [www.santacruzlafco.org](http://www.santacruzlafco.org)

Phone: (831) 454-2055



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# **CHAPTER I**

## **ADMINISTRATION & OPERATIONS**



## LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY

### **EMPLOYMENT POLICY**

#### **1. OVERVIEW**

This policy applies to the employees of the Local Agency Formation Commission of Santa Cruz County ("LAFCO" or "Commission"). It is not intended to be comprehensive or address all aspects of the topics described below. This Policy supersedes all prior LAFCO employment policies and is intended to supplement, not supersede, current applicable state and federal statutes. Applicable state and federal statutes control if they conflict with any of the guidelines in this Policy.

Employees are expected to read this Policy carefully and know, understand and abide by its contents. LAFCO reserves the right to interpret the Policy's provisions and make changes to the Policy at any time. This Policy does not confer any contractual rights or guarantee any terms or conditions of employment.

#### **2. EQUAL EMPLOYMENT OPPORTUNITY**

LAFCO provides equal employment opportunity for all applicants and employees. LAFCO does not unlawfully discriminate on the basis of race, color, religion, religious creed (including religious dress and religious grooming), sex (including pregnancy, perceived pregnancy, childbirth, breastfeeding, or related medical conditions), gender, gender identity, gender expression, national origin, ancestry, citizenship, age, physical or mental disability, legally protected medical condition or information (including genetic information) family care or medical leave status, military caregiver status, military status, veteran status, marital status, domestic partner status, sexual orientation, or any other basis protected by local, state, or federal laws.

#### **3. DISABILITY ACCOMMODATION**

LAFCO is committed to complying fully with state and federal disability discrimination laws. As previously stated, no program or activity administered by the employer shall exclude from participation, deny benefits to or subject to discrimination any individual based on an employee's actual or perceived disability or based on an employee's association with someone who has an actual or perceived disability.

LAFCO is further committed to providing reasonable accommodation to the known physical or mental limitations of an otherwise qualified applicant or employee. If you believe you are a qualified individual with a disability and that you need a reasonable accommodation in order to perform the essential functions of your job, please notify the Executive Officer. The accommodation process is interactive and allows the applicant or employee to identify possible accommodations. However, LAFCO has the right to choose among effective accommodations.

#### **4. AT-WILL EMPLOYMENT**

The employment relationship between LAFCO and its employees is for an unspecified term and may be terminated by the employee, Executive Officer or the Commission at any time, with or without cause or advanced notice. Also, LAFCO reserves the right

to transfer, demote, suspend, or administer discipline with or without cause or advance notice. None of the policies, procedures, or contents of this policy is intended to create any contractual obligations which in any way conflict with LAFCO's policy of At-Will Employment. The at-will relationship can only be modified by a written agreement signed by the employee and the LAFCO Executive Officer.

## **5. POLICY AGAINST HARRASMENT**

LAFCO prohibits and will not tolerate harassment of employees, applicants, or persons providing services pursuant to a contract based on factors such as race, color, religion, national origin, ancestry, sex, gender, age, medical condition, sexual orientation, marital status, pregnancy, physical and mental disabilities, veteran or other protected status, including persons perceived to have any of these characteristics or associating with someone who has or is perceived to have any of these characteristics. LAFCO will also take all reasonable steps to prevent harassment based on protected status by third parties, such as customers, clients and suppliers. All such harassment is prohibited by LAFCO and is against the law.

### **5.1 Definition**

Harassment is unwelcomed, and inappropriate conduct directed at an employee, based upon one of the characteristics protected under the federal and state anti-discrimination laws, that substantially prevents an employee from performing their duties, serves to threaten or intimidate an employee, and/or produce a hostile work environment.

Prohibited unlawful harassment includes, but is not limited to, the following behavior: (1) Verbal conduct such as epithets, derogatory jokes or comments, slurs or unwanted sexual advances, invitations or comments; (2) Visual conduct such as derogatory and/or sexually-oriented posters, photography, cartoons, drawing or gestures; (3) Physical conduct such as assault, unwanted touching, blocking normal movement or interfering with work because of sex, race or any other protected basis; and (4) Threats, demands to submit to sexual requests as a condition of continued employment, or to avoid some other loss, and offers of employment benefits in return for sexual favors.

### **5.2 Reporting and Compliant Procedure**

An employee who believes that they have been subjected to any form of unlawful harassment should promptly make a complaint, preferably written, to the Executive Officer, or if it involves the Executive Officer, to the Chair of the Commission. Complaints should be specific and should include the names of individuals involved and the names of any witnesses. LAFCO will immediately undertake an effective, thorough, and objective investigation and attempt to resolve the situation. If LAFCO determines that unlawful harassment has occurred, effective remedial action will be taken commensurate with the severity of the offense, up to and including termination. Appropriate action will also be taken to deter any future unlawful harassment.

### **5.3 Retaliation**

Employees will not be retaliated against for bringing a complaint in good faith under the Equal Employment Opportunity Policy or the Policy Against Harassment, or for honestly assisting in investigating such a complaint, even if the investigation produces insufficient evidence that there has been a violation, or if the charges cannot be proven. However, disciplinary action may be taken if false or frivolous accusations are

made in bad faith. An employee who believes that they have been subjected to any form of unlawful retaliation should promptly make a complaint, preferably written, in the same manner as described above. Complaints of harassment will be investigated, and appropriate action will be taken to protect LAFCO employees from any form of unlawful retaliation.

## **6. PERFORMANCE MANAGEMENT**

The intent of the performance review process is to create a supportive, safe, professional performance review process and environment that optimizes the employee's ability to receive and actualize constructive performance feedback and that motivates the employee to pursue personal and professional growth/excellence authentically and actively. The Commission's Personnel Policy provides more information regarding staff's annual performance evaluation.

## **7. PERSONNEL RECORDS**

Employees have the right to inspect certain documents in their personnel file, as provided by law, in the presence of a LAFCO representative at a mutually convenient time. Employees may add written versions of any disputed item to their file.

LAFCO will attempt to restrict disclosure of an employee's personnel file to authorized individuals within the organization. Any request for information from the file must be made to the Executive Officer or specific designee. Only the Executive Officer or specific designee is authorized to release information regarding current or former employees. Disclosure of personnel information to outside sources will be limited to the extent allowed by law. However, LAFCO will cooperate with requests from authorized law enforcement or local, state or federal agencies conducting official investigations, with validly issued subpoenas and as otherwise required by law or legal proceeding to be released.

## **8. EMPLOYMENT CATEGORIES**

The intent of this section is to define employment categories so that employees understand their employment status and benefit eligibility. These classifications do not guarantee employment for any specified period of time. Accordingly, the right to terminate the employment relationship at will at any time is retained by both the employee and LAFCO.

### **8.1 Exempt/Non-Exempt**

Each employee is designated as either Exempt or Non-Exempt from federal and state wage and hours. An employee's Exempt or Non-Exempt classification may be changed only upon written notification by the Executive Officer. Generally, Exempt employees (as defined by the Fair Labor Standards of 1938) are not eligible for minimum wage or overtime pay, while Non-Exempt employees are eligible.

### **8.2 Employment Categories**

In addition to information above, each employee will belong to one of the following employment categories:

- Regular Full Time – Employees who are not in an extra help status and who are regularly scheduled to work LAFCO's full-time schedule. Generally, they are eligible for LAFCO's benefit package, subject to the terms, conditions, and limitations of each benefit program.



- Part Time – Employees who are not assigned to an extra help status and who are regularly scheduled to work less than 30 hours per week. While part time employees do receive all legally mandated benefits (such as Social Security and workers' compensation insurance), they may be ineligible for some of LAFCO's other benefit programs.
- Extra help – Employees who are hired as interim replacements, to temporarily supplement the work force, or to assist in the completion of a specific project. Employment assignments in this category are of a limited duration. Employment beyond any initially stated period does not in any way imply a change in employment status. Extra help employees retain that status unless and until notified of a change in writing signed by the Executive Officer. Extra help employees are ineligible for LAFCO's benefit programs unless otherwise required by law.
- Intern – LAFCO may utilize the services of paid student interns. Interns are used to supplement the LAFCO work force and provide opportunities for local students to gain local government work experience. Employment is for a specified period of time. Interns are ineligible for LAFCO's benefit programs.

## 9. JOB CLASSIFICATIONS

The intent of this section is to define job descriptions so that employees understand their employment duties and responsibilities. Job descriptions identified in the following section summarize typical tasks but may comprise further responsibilities not listed.

### 9.1 Executive Officer Classifications

- Position Responsibilities: Under general supervision of the Commission to conduct and perform the Commission's administrative and advisory services, to supervise the daily activities of the Commission staff, and to act as a liaison between the Commission and governmental agencies and the general public.
- Typical Duties: Analyze and evaluate information on administrative and policy matters and advise the Commission on recommended action; conduct studies on governmental reorganization; comply with all legal requirements relating to the Commission's hearings; staff advisory committees to the Commission; prepare correspondence; supervise the maintenance of the Commission's files; attend all Commission meetings; attend City Council, County Board of Supervisors, and Special District Board meetings as necessary; perform as liaison officer between the Commission and cities, special districts, the County, State institutions and the general public; prepare the annual budget for the Commission; supervise the Commission's staff; review proposed local and state legislation, and appear at legislative hearings to represent the position of the Commission.

### 9.2 LAFCO Analyst

- Position Responsibilities: Under the direction of the Executive Officer, the LAFCO Analyst provides a full range of administrative and analytical services to Santa Cruz LAFCO involving a variety of matters that are complex and technical. Other roles include planning, organizing, and managing office activities, and performing other related duties as required. This "at will" position is appointed by and serves at the pleasure of the LAFCO Executive Officer and the Commission.

- **Typical Duties:** Under the direction of the Executive Officer, the LAFCO Analyst completes various tasks and duties including but not limited to: (1) Assembling LAFCO meeting agenda packets and notices of meetings; recording LAFCO meetings and preparing resulting documents including minutes and resolutions; (2) Developing, maintaining and updating LAFCO files and records systems for tracking applications, project activities, contracts, and other records; (3) Ordering supplies and services and maintain records of expenditures; (4) Preparing and reviewing correspondence, memoranda and other written materials; (5) Tracking correspondence, filings, and materials with deadlines and expiration dates; (6) Handling a wide variety of correspondence which requires knowledge of policies and procedures and research skills; (7) Answering and screening telephone calls and visitors; (8) Maintaining the LAFCO Website; and (9) Serving as liaison between the Executive Officer, officials and staff, and the public and interacting with Commissioners.

### **9.3 Commission Clerk**

- **Position Responsibilities:** Under the direction of the Executive Officer, the Commission Clerk provides a full range of administrative and secretarial services to Santa Cruz LAFCO involving a variety of matters that are complex and technical. Other roles include planning, organizing, and managing office activities, and performing other related duties as required. This “at will” position is appointed by and serves at the pleasure of the LAFCO Executive Officer and the Commission.
- **Typical Duties:** Under the direction of the Executive Officer, the Commission Clerk completes various tasks and duties including but not limited to: (1) Assembling LAFCO meeting agenda packets and notices of meetings; recording LAFCO meetings and preparing resulting documents including minutes and resolutions; (2) Developing, maintaining and updating LAFCO files and records systems for tracking applications, project activities, contracts, and other records; (3) Ordering supplies and services and maintain records of expenditures; (4) Preparing and reviewing correspondence, memoranda and other written materials; (5) Tracking correspondence, filings, and materials with deadlines and expiration dates; (6) Handling a wide variety of correspondence which requires knowledge of policies and procedures and research skills; (7) Answering and screening telephone calls and visitors; (8) Maintaining the LAFCO Website; and (9) Serving as liaison between the Executive Officer, officials and staff, and the public and interacting with Commissioners.

### **9.3 Administrative Analyst**

- **Position Responsibilities:** Under the direction of the Executive Officer, the Administrative Analyst conducts analyses and special studies, and make recommendations on local agency boundary change proposals to the Commission; collect data relating to proposals; and process proposals in accordance with state law, the Commission’s procedures, and the Commission’s policies.
- **Typical Duties:** Under the direction of the Executive Officer, the Administrative Analyst performs a variety of routine to complex professional and analytical assignments. As experience is gained, assignments become more varied and are performed with greater independence. Positions at this entry level usually perform

most of the duties required of the positions at higher levels but are not expected to function at the same skill level and usually exercise less independent discretion and judgement. Work is usually supervised more closely while in progress and fits and established structure or pattern.

## **10. HIRING AND STAFFING**

To attract and retain qualified staff for LAFCO, it is the policy of LAFCO to use a criterion-based recruitment process and behavioral-based interview process to ensure the most qualified candidates are hired.

### **10.1 Recruiting**

Recruiting applicants will be aggressive enough to assure an adequate supply of qualified candidates. The recruitment process may include, but is not limited to, the use of professional recruitment firms, referrals from current or past employees, walk-in applicants, and/or web-based postings.

### **10.2 Interviews**

The employment interview is a major element in the selection process. It allows the applicant an opportunity to demonstrate their capabilities to perform the job and provides information to the candidate about the position. Interviews may be conducted by telephone or in face-to-face sessions. All interview questions must be job-related and have direct bearing on the tasks of the position. Interviews and questions are standardized so that all applicants are evaluated equally. Questions that express (directly or indirectly) any preference, limitation, or general reference to race, national origin, sex, age, physical handicap, or any other protected category are prohibited.

### **10.3 Probationary Period**

All LAFCO new hires will have a twelve-month probationary period beginning on the first day of employment. The LAFCO staff will provide job training during this time period and the employee will be evaluated every three months during the probationary period. LAFCO may terminate an employee during this twelve-month probationary period or at any point in time therein. Nothing in this provision shall alter the at-will status of any employee.

## **11. SALARIES**

The salaries of all employees shall be set by resolution adopted by the Commission. The salary resolutions for all employees except the Executive Officer shall include provisions for merit increases, if deemed appropriate by the Commission. The Executive Officer shall conduct annual performance reviews and determine if the merit increases are granted. The process for the Executive Officer's performance and compensation review is found in LAFCO's Personnel Policy.

## **12. WORKING HOURS**

LAFCO offices shall be open on all days and the hours that Santa Cruz County offices are open to the public for business. Full-time employees shall work 40 hours per work week and part-time employees shall work at least 20 hours per week.

"Overtime" means authorized time worked in excess of 40 hours in a one-week work period. The Executive Officer must authorize employees' overtime work. Paid time off from work for any purpose shall not count as time worked for purposes of overtime.

Overtime shall be paid at the rate of one and a half times the employee's regular hourly salary or as otherwise required by applicable federal or state law. The Executive Officer must approve regular and overtime work schedules. The Executive Officer is an exempt employee and is not eligible for overtime compensation.

### **13. EXPENSES AND TRAVEL**

Employees shall be reimbursed for all actual and necessary expenses incurred in the transaction of LAFCO business in accordance with LAFCO's Financial Policy.

### **14. PAID LEAVES**

The following paid leaves shall be provided to LAFCO employees:

- Executive Officer: The Executive Officer shall receive the same paid leave benefits as those provided to appointed Santa Cruz County department heads including vacation, sick leave, administrative leave, bereavement leave, and holidays.
- Other LAFCO Employees: Employees, except the Executive Officer, shall receive the same paid leave benefits as those provided to Santa Cruz County employees in the General Representation Unit including annual leave, bereavement leave, and holidays.

### **15. RETIREMENT AND INSURANCE**

LAFCO employees will receive health insurance, dental insurance and other insurance depending on their particular classifications. These insurance benefits will generally be the same as provided to County of Santa Cruz employees. The Commission will review and establish the benefits annually at its discretion.

#### **15.1 Retirement**

LAFCO contracts with the California Public Employees' Retirement System ("CalPERS") to provide pension benefits to full-time and half-time employees. Employee retirement contributions to CalPERS shall be set by resolution adopted by the Commission.

#### **15.2 Insurance**

The following insurance benefits shall be provided to LAFCO employees:

- Executive Officer: Insurance benefits which are provided to appointed department heads of Santa Cruz County shall be provided to the Executive Officer. These benefits are health insurance, dental insurance, vision insurance, life insurance, and long-term disability insurance.
- Other LAFCO Employees: Insurance benefits which are provided to Santa Cruz County employees in the General Representation Unit shall be provided to LAFCO full-time employees other than the Executive Officer. These benefits are health insurance, dental insurance, vision insurance, life insurance, and long-term disability insurance.
- Annuitant Employees: LAFCO annuitants who retired through CalPERS may enroll

in a CalPERS' health plan as provided under the Public Employee's Medical and Hospital Care Act and CalPERS regulations. Eligibility and annuitant contribution amounts are set by the Commission's health insurance contract.

### **15.3 Health Insurance**

Employees' health insurance contributions shall be the same as the contributions made by employees who hold comparable jobs with Santa Cruz County.

### **15.4 Deferred Compensation**

LAFCO shall provide a deferred compensation program for employees. LAFCO shall not make employer contributions to the deferred compensation program.

## **16. SAFETY**

Every employee is responsible for safety. To achieve our goal of providing a completely safe workplace, everyone must be safety conscious. Employees should report any unsafe or hazardous condition directly to their supervisor immediately. In case of an accident involving a personal injury, regardless of how serious, employees should notify the Executive Officer or LAFCO Chair immediately. Failure to report accidents can result in a violation of legal requirements and can lead to difficulties in processing insurance and benefit claims. If an employee is injured on the job, they will be entitled to benefits under the state workers' compensation law in most cases. LAFCO carries workers' compensation insurance and will assist employees to obtain all benefits to which they are legally entitled.

## **17. WORKPLACE VIOLENCE**

LAFCO is committed to providing a safe work environment that is free of violence and the threat of violence. LAFCO will not tolerate any violent or dangerous behavior of any kind, whether through physical abuse, threats of any kind, intimidation, coercion, stalking or otherwise, defacing LAFCO'S property or causing physical damage to the facilities, bringing weapons or firearms of any kind onto LAFCO'S premises, parking lots, or while conducting business, or any other behavior that suggests a propensity towards violence.

LAFCO strictly prohibits employees, consultants, customers, visitors, or anyone else on LAFCO premises or engaging in a LAFCO-related activity from behaving in a violent or threatening manner. Employees may report all incidents of direct or indirect violence or dangerous behavior to the Executive Officer or LAFCO Chair as soon as possible. Reporting incidents and concerns early can help prevent a situation from escalating and becoming even more dangerous. Employees should never attempt to handle a potentially dangerous situation by themselves. Any LAFCO employee that violates this policy will be subject to discipline, up to and including termination, as well as potential legal action.

## **18. OFFICE INSPECTION**

Although desks, cabinets and shelves are made available for the convenience of employees while at work, employees should remember that all desks, cabinets and shelves remain the sole property of LAFCO. Moreover, LAFCO reserves the right to open and inspect desks, cabinets, and shelves, as well as any contents, effects, or articles in desks, cabinets, and shelves. Such an inspection can occur at any time, with or without advance notice or consent. An inspection may be conducted before, during, or after working hours by the Executive Officer or designee.

Employees have no expectation of privacy in any of these items. Prohibited materials, including weapons, explosives, alcohol and non-prescribed drugs or medications, may not be placed in a desk, cabinet or shelf. Employees who, if requested, fail to cooperate in any inspection will be subject to disciplinary action, up to and including termination. LAFCO is not responsible for any articles that are placed or left in a desk, cabinet, or shelf that are lost, damaged, stolen or destroyed.

#### **19. THEFT OR LOSS OF OFFICE EQUIPMENT**

The use of any LAFCO-related equipment (computers, cell phones, laptops, or other office-related equipment) outside of the LAFCO offices must be approved by the Executive Officer. LAFCO employees are fully responsible for the care and safekeeping of all office equipment offsite. Should an item be stolen or lost offsite while under the care of a LAFCO employee, the LAFCO employee is responsible to reimburse LAFCO for the replacement cost of all lost or stolen items. Any loss or theft of the LAFCO equipment must be reported immediately to the Executive Officer, and the employee is responsible to reimburse LAFCO for the replacement cost of the device.

#### **20. OFFICE PROBLEM RESOLUTION PROCEDURE**

LAFCO is committed to encouraging an open and frank atmosphere in which any problem, complaint, suggestion, or question receives a timely response. LAFCO strives to ensure fair and honest treatment of all employees. All employees are expected to treat each other with mutual respect. All employees are encouraged to offer positive and constructive criticism. If there is a disagreement concerning established rules of conduct, policies, or practices, employees may express their concern through the problem resolution procedure. No one will be penalized, formally or informally, for voicing a complaint with LAFCO in a reasonable, business-like manner, or for using the problem resolution procedure.

#### **21. TERMINATION OF EMPLOYMENT**

Any employee whose employment is terminated by LAFCO for any reason shall be entitled to two weeks' notice or two weeks' pay in lieu of notice.

*Adopted on June 4, 1986 (Resolution No. 141-DD)*

*Amended on December 9, 2015 (Resolution No. 2015-12)*

*Previous Revision on August 3, 2016 (Resolution No. 2016-12)*

*Revision on June 3, 2020 (Resolution No. 2020-16)*

*Last Revision on September 6, 2023 (Resolution No. 2023-20)*



## LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY

### **PERSONNEL POLICY**

#### **1. PERFORMANCE EVALUATION – LAFCO STAFF**

Evaluations of staff personnel other than the Executive Officer will be made by the Executive Officer on an annual basis. To assist in this process, staff will submit a report documenting their accomplishments from the prior year and their goals for the upcoming year to the Executive Officer for review and discussion. The Executive Officer's review of this report will be conducted by December of each year.

#### **2. PERFORMANCE EVALUATION – EXECUTIVE OFFICER**

Personnel evaluations of the Executive Officer will be made by the Commission on an annual basis. To assist in this process, the Executive Officer will submit a report documenting their accomplishments from the prior year and their goals for the upcoming year to the Personnel Committee for review and discussion. The Personnel Committee's review of this report will be conducted by January of each year.

#### **3. COMMISSION REVIEW**

All performance evaluations, and any other pertinent information, will be forwarded to the Commission for their review and consideration at the February meeting of each year. In accordance with Government Code Sections 54957 and 54957.6, staff's performance evaluations will be discussed in a closed session.

#### **4. SALARY ADJUSTMENTS**

Following the Commission's review and consideration of staff's performance evaluations, the Personnel Committee will provide an annual report on staff salaries and benefits at the March meeting of each year. At this time, the Commission may consider possible salary adjustments to bring staff salaries into alignment with other comparable positions or as compensation for their job performance. This review may include a report by a personnel consultant, when indicated.

#### **5. PERSONNEL COMMITTEE MEMBERSHIP**

The members of the Personnel Committee will have at least a two-year term but may continue if reaffirmed by the Commission. At least two Commissioners should be on the Personnel Committee. The current LAFCO Chair is encouraged to be part this committee.

*Adopted on June 7, 2000 (Resolution No. 2000-4)  
Revised on January 9, 2008 (Resolution No. 2008-3)  
Last Revision on February 5, 2020 (Resolution No. 2020-02)*





# LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY

## **FINANCIAL POLICY**

### **1. OVERVIEW**

It is the policy of Santa Cruz LAFCO to follow ethical, responsible, and reasonable procedures related to purchasing, claims, auditing, money management, and other financial matters. The following accounting discussion is intended to provide an overview of the accounting policies and procedures applicable to LAFCO. This policy documents the financial operations of the organization. Its primary purpose is to formalize accounting policies and selected procedures for the accounting staff and to document internal controls.

### **2. USE OF COUNTY FINANCIAL OFFICES, POLICIES AND PROCEDURES**

It is the policy of Santa Cruz LAFCO to utilize the offices, policies, and procedures of the County of Santa Cruz in the conduct of LAFCO's financial matters.

#### **2.1 Santa Cruz County Policies and Procedures Manual**

LAFCO shall follow "Title 1—Financing and Accounting Policies and Procedures" of the County of Santa Cruz Policies and Procedures Manual, except as specified in LAFCO's policies. LAFCO is an independent agency; therefore, neither the Board of Supervisors nor the County Administrative Officer has any authority over LAFCO's financial matters. The County Policies and Procedures shall be translated to LAFCO's Policies and Procedures by the following substitutions:

<b>County of Santa Cruz</b>	<b>Santa Cruz LAFCO</b>
Board of Supervisors	LAFCO Commission
County Administrative Officer	LAFCO Executive Officer
Department Head	LAFCO Executive Officer
Purchasing Agent	LAFCO Executive Officer

#### **2.2 Santa Cruz County Auditor-Controller**

LAFCO shall use the Santa Cruz County Auditor-Controller for the following functions:

- Claims and warrants;
- Petty cash;
- Payroll and deductions;
- Collection of county, city, and independent district contributions to the LAFCO budget as required by Government Code Section 56381;
- Maintenance of the LAFCO trust fund; and
- Audits.

### **2.3 Santa Cruz County Purchasing Policy Manual**

For procuring goods and services, LAFCO may follow the most recent edition of the County of Santa Cruz, Purchasing Policy Manual.

LAFCO staff may choose to either use the purchasing services of the Santa Cruz County General Services Department, or may make direct purchases. In the case of direct purchases, LAFCO staff will follow to the extent possible the County's Purchasing Policy Manual, with the Executive Officer functioning as the Purchasing Agent.

## **3. AUTHORIZATIONS**

It shall be the responsibility of the Executive Officer to authorize expenditures of funds within the framework and limitations of the budget adopted by the Commission.

### **3.1 Payroll**

When payroll is due to be filed with the Auditor-Controller and the Executive Officer is absent from the office, the Secretary-Clerk shall attempt to contact the Executive Officer. The Secretary-Clerk may sign the payroll if either:

- The Executive Officer authorizes the payroll amounts verbally or by e-mail, and the Secretary-Clerk keeps a written record of the authorization; or
- The Executive Officer cannot be contacted, and the Secretary-Clerk presents the payroll to the Executive Officer as soon as possible after the Executive Officer becomes available in the office or electronically.

### **3.2 Claims**

When an urgent claim is due and the Executive Officer is absent from the office, the Secretary-Clerk may utilize LAFCO's designated County Administrative Office (CAO) representative to address the claim. If the Executive Officer and the CAO representative are unavailable, the Secretary-Clerk may sign the urgent claim if either:

- The Executive Officer authorizes the urgent claim amount verbally or by e-mail, and the Secretary-Clerk keeps a written record of the authorization, or
- The Executive Officer cannot be contacted, and the Secretary-Clerk presents the urgent claim to the Executive Officer as soon as possible after the Executive Officer becomes available in the office or electronically.

As used in this section, "urgent claim" means a valid claim for which LAFCO would incur a late payment penalty of \$25 or more if the claim were not submitted to the Auditor-Controller on that workday.

### **3.3 Executive Officer Follow-up Action(s)**

Upon returning to the office or becoming available electronically, the Executive Officer shall review any payroll or urgent claim that was authorized by the Secretary-Clerk, separately sign the payroll or claim, and take any necessary actions to correct any errors or oversights.

#### **4. EXPENSES AND TRAVEL**

Commissioners (regular and alternate members), employees, and staff shall be entitled to reimbursement for all actual and necessary expenses incurred in the transaction of Commission business, including participation on the CALAFCO board and CALAFCO committees, in accordance with the following provisions:

##### **4.1 Stipends**

Regular and Alternate Commissioners shall receive \$50.00 per meeting in order to help defray the costs of attending the meetings.

##### **4.2 Travel Expenses**

Regular and Alternate Commissioners, employees, and staff shall be reimbursed in conformance with current County policy for out-of-county travel, meals, and related expenses incurred while on Commission business.

##### **4.3 Mileage Reimbursement**

Regular and Alternate Commissioners, employees, and staff shall be reimbursed for authorized use of their private automobiles in conformance with current County policy.

##### **4.4 Lodging Expenses**

Travel reimbursements for lodging at rates higher than County policy shall be permitted when Commissioners (Regular and Alternate), employees, and staff stay at the host facility for CALAFCO events, including but not limited to, meetings, workshops, and conferences.

##### **4.5 Staff Definition**

As used in this section, "staff" means the LAFCO Counsel or the LAFCO Counsel's back-up attorney when either is traveling on LAFCO business.

##### **4.6 Reimbursement Authorization**

No travel expenses shall be reimbursable unless authorized by the Executive Officer.

##### **4.7 Extended Meeting Expenses**

For day meetings of the Commission that are expected to last more than four hours, or for any night meetings, the Commission authorizes expenses not to exceed \$5 per attending Commissioners for light refreshments (coffee, bottled water, soft drinks, cookies, etc.)

#### **5. BUDGET**

Government Code Section 56381 indicates that LAFCO shall adopt a proposed budget no later than May 1 and a final budget no later than June 15. LAFCO shall prepare an annual budget in conformance with Government Code Section 56381.

##### **5.1 Performance Evaluations**

Completion of staff's performance evaluation, as outlined in the Personnel Policy, should be completed by February of each year.

## **5.2 Salary & Benefit Adjustments**

Following the Commission's review and consideration of staff's performance evaluation, any adjustments to their salaries and benefits should occur by March of each year.

## **5.3 Proposed Budgets**

The Commission should consider adopting a draft budget by April of each year. Copies of the draft budget, with the proposed allocation breakdown, should be shared with the funding agencies for review and comments.

## **5.4 Final Budgets**

The Commission should consider adopting a final budget by May of each year. Copies of the final budget, with the final allocation breakdown, should be shared with the funding agencies for their records.

# **6. RESERVES**

As of July 1, 2024, Santa Cruz LAFCO has two reserve funds restricted to the agency's account with the Santa Cruz County. These funds are as follows: (1) Litigation and (2) Contingency. These accounts are considered "restricted" accounts and are only used for the specific purposes described below:

## **6.1 Litigation Reserves**

Restricted funds for cost related to agency legal challenges. The minimum balance in the Litigation Reserve Account shall be \$100,000.

## **6.2 Contingency Reserves**

Restricted funds to cover any unforeseen future agency loss and/or urgency which includes but is not limited to property or equipment damage, loss, or theft. These funds may also be used to balance annual LAFCO budgets. The minimum balance in the Contingency Reserve Account shall be \$100,000.

*Adopted on June 2, 2004 (Resolution No. 2004-10)  
Revision on February 5, 2020 (Resolution No. 2020-03)  
Last Revision on September 6, 2023 (Resolution No. 2023-20)*



## LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY

### **RECORDS MANAGEMENT POLICY**

#### **1. OVERVIEW**

The purpose of this policy is to offer guidelines to staff regarding the retention of Santa Cruz LAFCO files; provide for the identification, maintenance, and safeguarding of Santa Cruz LAFCO records and the destruction of obsolete documents in the normal course of business; ensure prompt and accurate retrieval of records; and ensure compliance with legal and regulatory requirements.

#### **2. COMPLIANCE**

It is the policy of this Commission to retain Santa Cruz LAFCO documents and other records in accordance with the retention schedule established in the attached table (refer to **Figure 1**; page 3 of policy). The schedule is in compliance with the minimum retention periods mandated by the California Government Code, the California Code of Civil Procedure, the Code of Federal Regulations, the Secretary of State Local Government Records Management Guidelines, and other legal authorities cited.

#### **3. PROCEDURE**

Government Code Section 56382 allows LAFCO to authorize the destruction of any duplicate record which is older than two years as long as a copy is kept in some reliable format. This policy documents the records management of the organization. The following section outlines how LAFCO staff should determine if a document is obsolete and subject to potential destruction.

##### **3.1 Request for Destruction Form**

A LAFCO staff member must complete and sign a "Request for Destruction of Obsolete Records" form, listing the date and description of each document to be destroyed. A sample form is attached to this policy as **Figure 2**; page 4 of policy). The form must include the Executive Officer's signature.

##### **3.2 Approval of Form**

After receiving the signed form from the Executive Officer, the Commission Clerk will oversee the destruction of the obsolete documents.

##### **3.3 Records Log**

The Commission Clerk will permanently retain a master log of all destroyed obsolete documents which includes the titles or brief descriptions of the purged files that were destroyed, the method of destruction and the date of destruction.

#### **4. GENERAL GUIDELINES**

The Commission Clerk shall be responsible for the administration of this policy and shall follow the general guidelines outlined in this document. The following general guidelines apply to all Santa Cruz LAFCO records.

#### **4.1 Duplicate Records**

The Commission may authorize the destruction of any duplicate records at any time (Government Code Sections 26201; 60200).

#### **4.2 Two-Year Threshold**

Unless otherwise required by State or Federal law, the Commission may authorize the destruction of any original document which is more than two (2) years old without retaining a copy of the document as long as the retention and destruction of the document complies with the retention schedule as set forth in this policy (Government Code Sections 26202; 60201).

#### **4.3 Significant Project Documents**

In addition to the retention periods required under this policy, the Commission shall retain original administrative, legal, fiscal, and/or historical records with continued value (i.e., records for long-term transactions and/or special projects) until all matters pertaining to such records are completely resolved or the time for appeals has expired (Government Code Sections 14755; 34090).

#### **4.4 Indestructible Files**

Pursuant to Government Code Section 60201, the Commission shall not destroy any of the following records:

- a) Records relating to the formation change of organization or reorganization of the Commission;
- b) Ordinances and resolutions, unless they have been repealed or have become invalid or otherwise unenforceable for five years;
- c) Minutes of any meeting of the Commission;
- d) Records relating to any pending claim, litigation, any settlement or other disposition of litigation within the past two (2) years;
- e) Records that are the subject of any pending request for records under the California Public Records Act, whether or not the record is exempt from disclosure, until the request has been granted or two (2) years after the request has been denied by the Commission;
- f) Records relating to any non-discharged debt of the Commission;
- g) Records relating to the title to real property in which the Commission has an interest;
- h) Records relating to any nondischarged contract to which the Commission is a party;
- i) Records that have not fulfilled the administrative, fiscal, or legal purpose for which they were created or received;
- j) Records less than seven (7) years old that specify the amount of compensation or expense reimbursement paid to Commission employees, officers, retired annuitant, or independent contractors.

**Figure 1 – Records Retention Schedule**

#	Type of Record	Description or Example of Record	Legal Authority	Minimum Legal Retention Period
1	Accident/Illness Reports (OSHA Reports)	<p>Not a public record;</p> <p>For Employee Medical Records &amp; Employee Exposure Records regarding exposure to toxic substances or harmful physical agents:</p> <p>*Includes Material Safety Data Sheets (MSDS)</p> <p>*Does NOT include records of health insurance claims maintained separate from employer's records; first aid records of one-time treatments for minor injuries; records of employees who worked less than one (1) year if records are given to employee upon termination.</p>	GCS 6254(c); CCR 32304(d)(1)(A)(B)	Duration of employment plus 30 years
2	Accidents/Damage to LAFCO Property	Risk Management Administration	GCS 340901 CCP 337.15	10 years
3	Accounting Records – General Ledger	General Ledger	GCS 34090; CCP 337; Sec. of State Local Govt Records Mgmt. Guidelines	<p>Until audited +4 years</p> <p>Published articles show 4-7 years retention</p> <p>Sec. of State Guidelines recommends permanent retention</p>
4	Accounting Records – Permanent Books of Accounts	Records showing items of gross income, receipts and disbursement (including inventories per IRS regulations)	CFR 31.6001-1(c)&(e)	Permanent



#	Type of Record	Description or Example of Record	Legal Authority	Minimum Legal Retention Period
5	Accounts Payable	Journals, statements, asset inventories, account postings with supporting documents, vouchers, investments, invoices and back-up documents, purchase orders, petty cash, postage, OCERS reports, check requests, etc.  Expense reimbursements to employees & officers; travel expense reimbursements or travel compensation.	CCP 337; CFR 31.6001-1(e)(2); Secretary of State Local Gov't. Records Mgmt. Guidelines	Until audited + 4 years  7 years after date of payment
6	Accounts Receivable	Receipts for deposited checks, coins, currency; reports, investments, receipt books, receipts, cash register tapes, payments for fees, permits, etc.	CFR 31.6001-1(e)(2); Sec. of State Local Gov't Records Mgmt. Guidelines recommendation	Until audited +4 years
7	Affidavits of Publication / Posting	Legal notices for public hearings, publication of ordinances, etc.	GCS 34090	2 years
8	Agency Report of Public Official Appointments (FPPC Form 806)	Report of additional compensation received by LAFCO official when appointing themselves to committees, boards or commission of other public agencies, special districts, joint powers agencies or joint powers authorities. Current report must be posted on LAFCO's website.	CCR 18705.5; GCS 34090.5	Recommended retention; keep a copy of report for 2 years after removal from LAFCO's website
9	Agenda / Agenda Packets	Original agendas, agenda packets, staff reports and related attachments, supplemental items and documentation submitted by staff/public in relation to agenda items.  Paper copies of agenda packets should be maintained for 1 year as complete packets. Originals will later be imaged for permanent records retention; the imaged record may serve as the permanent record.	GCS 34090, 34090.5	Current + 2 years
10	Agreements (see also Contracts)	Original contracts and agreements and back-up materials, including leases, service/maintenance agreements, etc.	CCP 337; 337.2; 343	4 years after termination/ completion

#	Type of Record	Description or Example of Record	Legal Authority	Minimum Legal Retention Period
11	Annexations / Reorganizations	Notices, Resolutions, Certificates of Completion; documents may be imaged, but the originals can never be destroyed.	GCS 34090 GCS 60201(d)(1)	Permanent
12	Annual Financial Report	May include independent auditor analysis.	GCS 26201, 34090 GCS 34090, 60201 Sec of State Local Gov't Records Mgmt. Guidelines	Until audited + 7 years
13	Articles of Incorporation	Including but not limited to JPAs, mutual water companies, and changes of organization	GCS 34090(a)	Permanent
14	Audit Reports	Financial services; internal and/or external reports;	GCS 34090; CCP 337, 343; Sec. of State Local Gov't. Records Retention Guidelines	Minimum retention – Current + 4 years  Sec. of State Guidelines recommends permanent retention
15	Audit Hearing or Review	Documentation created and or received in connection with an audit hearing or review	GCS 26202, 34090	2 years
16	Ballots – Special District elections	Copies of ballots from elections of Special Districts (LAFCO members)	GCS 26202, 34090, 60201	2 years
17	Bank Account Reconciliations	Bank statements, receipts, certificates of deposit, etc.	CFR 31.6001-1(e)(2)	Until audited + 4 years; Secretary of State recommends until audited + 5 years
18	Brochures/Publications	Retain selected documents only for historic value	GCS 26202, 34090	2 years
19	Budget, Annual	Annual operating budget approved by LAFCO	GCS 26202, 34090; Sec. of State Local Gov't Records Mgmt. Guidelines	Until audited + 2 years; Sec. of State recommends permanent retention
20	Cal-OSHA	Personnel logs, supplementary records; annual summary (Federal and State-Cal-OSHA)	LAB 6410; CCR 14307	5 years
21	CalPERS - Employee Benefits	Retirement Plan	USC 1027	6 years

#	Type of Record	Description or Example of Record	Legal Authority	Minimum Legal Retention Period
22	Checks (issued by LAFCO)	LAFCO checks paid – expense reimbursements; payments to independent contractors, etc. Includes check copies; canceled and voided checks; electronic versions of checks.  LAFCO check paid to vendors; other LAFCO payments - includes check copies; canceled or voided checks; electronic versions of checks.	GCS 60201(d)(12); CCP 337; Sec. of State Local Gov't Records Mgmt. Guidelines; CCP 31.6001-1(e)(2)	7 years  Until audited +4 years
23	Citizen Feedback	General correspondence	GCS 26202, 34090	2 years
24	Claims Against LAFCO	Paid/denied	GCS 60201(d)(4); GCS 25105.5	Until settled + 5 years
25	Complaints/Requests	Various files, not related to specific lawsuits involving the agency and not otherwise specifically covered by the retention schedule	GCS 26202, 34090	2 years
26	Contracts	Original contracts and agreements and back-up materials, including leases, service/maintenance contracts, etc.	CCP 337, 337.2, 343	4 years after termination/ completion
27	Correspondence	General correspondence, including letters and e-mail; various files, not otherwise specifically covered by the retention schedule	GCS 26202, 34090	2 years
28	Deferred Compensation Reports	Finance - pension/retirement funds	CFR 516.5; CFR 1627.3	3 years
29	Demographic/ Statistical Data	Including but not limited to special studies and boundary changes	GCS 26202, 34090	Current +2 years
30	Deposits, Receipts	Receipts for deposited checks, coins, currency	Sec. of State Local Gov't Records Mgmt. Guidelines; CCP 337	Until audited + 4 years
31	DMV Driver's Records, Reports (DMV Pull Notice System)	Part of personnel records – not a public record	GC 34090; GC 6254(c) VC 1808.1(c); Sec. of State Local Gov't Records Mgmt. Guidelines	Until superseded (should receive new report every 12 months)  Sec. of State recommends retention until termination + 7 years

#	Type of Record	Description or Example of Record	Legal Authority	Minimum Legal Retention Period
32	Employee Files	Personnel - information - may include release authorizations, certifications, reassignments, outside employment, commendations, disciplinary actions, terminations, oaths of office, evaluations, pre- employee medicals, fingerprints, identification cards	GCS 12946 CFR 1627.3	While current + 3 years
33	Employee Information Applicant Identification Records	Personnel – data recording race, sex, national origin of applicants	CCR 7287(b)(c)(2)	2 years
34	Employee Information, General	Name, address, date of birth, occupation	GCS 12946 CFR 1627.3 LAB 1174	3 years
35	Employee Information, Payment	Rate of pay and weekly compensation earned	GCS 60201	7 years
36	Employee Programs	Includes EAP and Recognition	GCS 26202, 34090; GCS 12946	Current + 2 years
37	Employee, Recruitment	Alternate lists/logs, examination materials, examination answer sheets, job bulletins	GCS 12946; GCS 26202, 34090; CFR 1602 et.seq.; CFR 1627.3	Current + 2 years
38	Employee, Reports	Employee statistics, benefit activity, liability loss	GCS 26202, 34090	Current + 2 years
39	Employee Rights - General		GCS 12946; CFR 1602.31	Length of employment + 2 years
40	Employment Applications - Not Hired	Applications submitted for existing or anticipated job openings, including any records pertaining to failure or refusal to hire applicant	GCS 26202, 34090; GCS 12946; CFR 1627.3	2 years
41	Employment Eligibility Verification (I-9 Forms)	Federal Immigration and Nationality Act; Immigration Reform/Control Act 1986	USC 1324a(b)(3) Pub. Law 99-603	3 years after date of hire, or 1 year after date of termination, whichever is later
42	Employment - Surveys and Studies	Includes classification, wage rates	GCS 12946 GCS 26202, 34090 CFR 516.6	2 years
43	Employment - Training Records, Non-Safety	Volunteer program training - class training materials, internships	GCS 34090 GCS 12946	Length of employment + 2 years

#	Type of Record	Description or Example of Record	Legal Authority	Minimum Legal Retention Period
44	Employment - Vehicle Mileage Reimbursement Rates	Annual mileage reimbursement rates	GCS 26202, 34090	Until superseded + 2 years
45	Environmental Quality California Environmental Quality Act (CEQA)	Exemptions, Environmental Impact Reports, mitigation monitoring, Negative Declarations, Notices of Completion and Determination, comments, Statements of Overriding Considerations	GCS 34090; 60201 CEQA Guidelines	Permanent
46	Environmental Quality Environmental Review	Correspondence, consultants, issues, conservation	GCS 26202, 34090	Completion + 2 years
47	ERISA Records	Employee Retirement Income Security Act of 1974 – plan reports, certified information filed, records of benefits due	USC 1027, 2059 <i>La Barbera v. A. Morrison Trucking, Inc.</i> 2011 US Dist. LEXIS 16343 (E.D.N.Y. Feb. 17, 2011)	6 years
48	Family and Medical Leave Act (FMLA) (Federal)	Records of leave taken, LAFCO policies relating to leave, notices, communications relating to taking leave	CFR 825.500; GCS 12946	While employed +3 years (Federal) or 2 years (State)
49	Fixed Assets Inventory	Reflects purchase date, cost, account number	GCS 26202, 34090	Until audited + 2 years
50	Fixed Assets Surplus Property	Auction, disposal, listing of property	GCS 26202, 34090; CCP 337	Until audited + 4 years
51	Forms	Including but not limited to administrative/project docs		Until Superseded
52	Fund Transfers	Internal; bank transfers & wires	GCS 26202, 34090	Until audited + 2 years
53	General Ledgers	All annual financial summaries	GCS 34090; CCP 337; Sec. of State Local Gov't. Records Retention Guidelines	Until audited +4 years  Sec. of State Guidelines recommends permanent retention
54	Gift to Agency Report (FPPC Form 801)	FPPC form showing payment or donation made to Santa Cruz LAFCO or to a Santa Cruz LAFCO official and which can be accepted as being made to LAFCO	FPPC Reg.18944(c)(3)(F)(G); FPPC Fact Sheet: "Gifts to an Agency – Part 2"	Must be posted on LAFCO website for 4 years (per FPPC Fact Sheet)

#	Type of Record	Description or Example of Record	Legal Authority	Minimum Legal Retention Period
55	Gifts/Bequests	Receipts or other documentation	GCS 34090	Until completed + 2 years
56	Grants - Successful Federal, State, or other grants	Grants documents and all supporting documents: applications, reports, contracts, project files, proposals, statements, sub- recipient dockets, environmental review, grant documents, inventory, consolidated plan, etc.	GCS 34090; CFR 570.502; CFR 85.42	Until completed + 4 years
57	Grants – Unsuccessful	Applications not entitled	GCS 26202, 34090	2 years
58	Insurance	Personnel related	GCS 26202, 34090	Current + 2 years
59	Insurance, Joint Powers Agreement	Accreditation, MOU, agreements and agendas	GCS 26202, 34090	Current + 2 years
60	Insurance Certificates	Liability, performance bonds, employee bonds, property; insurance certificates filed separately from contracts, includes insurance filed by licensees	GCS 26202, 34090	Current + 2 years
61	Insurance, Liability/Property	May include liability, property, Certificates of Participation, deferred, use of facilities	GCS 26202, 34090	Current + 2 years
62	Insurance, Risk Management Reports	Federal and State OSHA forms; loss analysis report; safety reports; actuarial studies	CFR 1904.44; GCS 26202, 34090	5 years (Federal) 2 years (State)
63	Investment Reports, Transactions	Summary of transactions, inventory and earnings report	GCS 34090, 60201; CCP 337; Sec. of State Local Gov't. Records Retention Guidelines	Until audited +4 years  Sec. of State Guidelines recommends permanent retention
64	Invoices	Copies sent for fees owed, billing, related documents	GCS 26202, 34090	Until audited + 2 years
65	Legal Notices/ Affidavits of Publication	Notices of public hearings, proof of publication of notices	GCS 26202, 34090	2 years
66	Legal Opinions	Confidential - not for public disclosure (attorney-client privilege)	GCS 26202, 34090	Until superseded + 2 years
67	Litigation	Case files	GCS 26202, 34090	Until settled or addressed + 2 years



#	Type of Record	Description or Example of Record	Legal Authority	Minimum Legal Retention Period
68	Maintenance Manuals	Equipment service/maintenance	GCS 26202, 34090	Current + 2 years
69	Maintenance/Repair Records	Equipment	GCS 26202, 34090	2 years
70	Marketing, Promotional	Brochures, announcements, etc.	GCS 26202, 34090	2 years
71	Minutes	Meeting minutes; paper records are to be maintained permanently by the agency.	GCS 34090, 60201(d)(3)	Permanent
72	Newsletters	May wish to retain permanently for historic reference	GCS 26202, 34090	2 years
73	Notices – Public Meetings	Including but not limited to regular and special meetings	GCS 26202, 34090	2 years
74	Oaths of Office	Elected and public officials – commissioners	GCS 26202, 34090; USC 1113; Secretary of State Guidelines	Current plus 6 years
75	Occupational Safety and Health Administration (OSHA)	OSHA Log 200, Supplementary Record, Annual Summary (Federal & State- Cal-OSHA); OSHA 300 Log, privacy case list, annual summary, OSHA 301 incident report forms	LC 6410; CCR 14307; CFR 1904.2 -1904.6, 1904.33	5 years
76	Payroll - Federal/State Reports	Annual W-2's, W-4's, Form 1099s, etc.; quarterly and year- end reports	GCS 60201	7 years
77	Payroll Deduction/Authorizations	Finance	CFR 516.6(c); GCS 60201	While Current + 7 years
78	Payroll, registers	Finance – payroll, registers, payroll reports	CFR 516.5(a); LAB 1174(d); GCS 60201	7 years from date of last entry
79	Payroll records terminated employees	Finance files	CFR 516.5; GCS 60201	7 years from date of last entry
80	Payroll, timecards/sheets	Employee	CFR 516.6; LAB 1174; Sec. of State Local Gov't Records Mgmt. Guidelines	3 years Sec. of State recommendation – Until audited + 6 years
81	Payroll - Wage Rates / Job Classifications	Employee records	GCS 60201	le current + 7 years
82	Personnel Records	Other records (not payroll) containing name, address, date of birth, occupation, etc., including records relating to promotion, demotion, transfer, lay-off, termination	CFR 1627.3	3 years



#	Type of Record	Description or Example of Record	Legal Authority	Minimum Legal Retention Period
83	Personnel Rules and Regulations	Including employee handbook, employee manuals, and other policies/procedures	CFR 516.6, 1627.3(a)	Current + 3 years
84	Petitions	Submitted to legislative bodies	GCS 26202, 34090	Current + 2 years
85	Policies & Procedures	All policies and procedures adopted by the Commission; directives rendered by the agency not assigned a resolution number; Commission Bylaws	GCS 26202, 34090	Current + 2 years
86	Political Support/Opposition, Requests & Responses	Related to legislation	GCS 26202, 34090	2 years
87	Press Releases	Related to LAFCO actions/activities	GCS 26202, 34090	2 years
88	Procedure Manuals	Administrative	GCS 26202, 34090	Current + 2 years
89	Public Records Request	Requests from the public to inspect or copy public documents	GCS 26202, 34090, 60201(d)(5)	2 years
90	Purchasing RFQs, RFPs	Requests for Qualifications; Requests for Proposals – regarding goods and services	GCS 26202, 34090	Current + 2 years
91	Purchasing, Requisitions, Purchase Orders	Original documents	GC 34090; CCP 337	Until audited + 4 years
92	Recordings - audio (e.g., for preparation of meeting minutes)	Audio recordings of Commission meetings	GCS 54953.5	Minimum 30 days
93	Recordings, video meetings of legislative bodies	Video recordings of public meetings made by or at the direction of the Commission	GCS 54953.5	Minimum 30 days
94	Recordings, video, other events	Other than video recordings of public meetings; considered duplicate records if another record of the same event is kept (i.e., written minutes or audio recording)	GCS 53161	Minimum 90 days after event is recorded; if no other record of the event exists, the recording must be kept 2 years
95	Records Management Disposition/ Destruction Certification	Documentation of final disposition/destruction of records	GCS 34090, 60201	Permanent

#	Type of Record	Description or Example of Record	Legal Authority	Minimum Legal Retention Period
96	Records Retention Schedules		GCS 26202, 34090	Current + 2 years
97	Recruitments and Selection	Records relating to hiring, promotion, selection for training	CFR 1627.3	3 years
98	Requests for Qualifications (RFQs); Requests for Proposals (RFPs)	Requests for Qualifications, Requests for Proposals, and related responses	GCS 26202; CCP 337	Current + 4 years
99	Resolutions	Vital records – may be imaged, but originals can never be destroyed	GCS 34090, 60201	Permanent
100	Returned Checks	Finance – Adjustments – NSF, etc. (not LAFCO checks)	GCS 26202, 34090; CCP 337	Until audited + 4 years
101	Salary/Compensation Studies, Surveys	Studies of agencies regarding wages, salaries and other compensation benefits	GCS 26202, 34090	While current + 2 years
102	State Controller	Annual reports	GCS 26202, 34090	2 years
103	Statement of Economic Interest (SEI) (FPPC Form 700) (originals – designated employees)	Original SEIs of officers and employees designated in LAFCO's Conflict of Interest Code	GCS 81009(e), (g)	7 years (can image after 2 years)
104	Stop Payments	Finance - bank statements	GCS 26202, 34090	2 years
105	Unemployment Insurance Records	Records relating to unemployment insurance – claims, payments, correspondence, etc.	USC 3301-3311; Calif. Unemployment Insurance Code; CCP 343	4 years
106	Vouchers - Payments	Account postings with supporting documents	GCS 26202, 34090; CCP 337	Until audited + 4 years
107	Wage Garnishment	Wage or salary garnishment	CCP 337	Active until garnishment is satisfied; then retain until audited + 4 years
108	Warrant Register/Check Register	Record of checks issued; approved by the Commission (copy is normally retained as part of agenda packet information)	GCS 26202, 34090	Until audited + 2 years
109	Workers Compensation Files	Work-injury claims (including denied claims); claim files, reports, etc.	CCR 10102; CCR 15400.2	Until settled + 5 years

Figure 2 – Request for Destruction Form



LOCAL AGENCY FORMATION COMMISSION  
OF SANTA CRUZ COUNTY

**“Request for Destruction of Obsolete Records”**

To: Joe A. Serrano, LAFCO Executive Officer

From: \_\_\_\_\_

Subject: Request for Destruction of Obsolete Records

I am requesting approval to destroy the obsolete records listed below.

DATE OF RECORD	TYPE OF RECORD	LEGAL AUTHORITY	RETENTION PERIOD

APPROVED:

\_\_\_\_\_  
Commission Clerk

\_\_\_\_\_  
Date

\_\_\_\_\_  
Executive Officer

\_\_\_\_\_  
Date

The obsolete records described above were destroyed under my supervision using the following method:

☐ Shredding      ☐ Recycling      ☐ Other (specify method)

I certify that such destruction meets the requirements of the Records Retention and Destruction Policy of LAFCO and all applicable requirements of State and federal law.

\_\_\_\_\_  
Commission Clerk

\_\_\_\_\_  
Date of Records Destruction

*Adopted on April 5, 2000 (Resolution No. 2000-2)  
Last Revision on March 4, 2020 (Resolution No. 2020-05)*

## **CHAPTER II**

# **COMMISSION MEETINGS & SELECTION PROCESS**



## LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY

### **MEETING RULES POLICY**

#### **1. TIME AND PLACE OF MEETINGS**

The Local Agency Formation Commission of Santa Cruz County shall hold regular meetings on the first Wednesday of each month at the hour of 9:00 o'clock A. M. in the Board of Supervisors Chambers in the County Governmental Center, 701 Ocean Street, Santa Cruz, California. Meetings may be cancelled at the Chair's discretion.

#### **2. AGENDA**

The agenda packet shall be available for the Commissioners by Thursday evening, six days preceding the Wednesday meeting. The agenda packet will also be made available on the LAFCO website for the general public.

The Chairperson or the Chairperson's designee shall determine the appropriate content of the agenda, and arrange the order of the agenda, or may delegate the same to the Executive Officer. A majority of the Commission may direct the placement of any item on a future agenda by action taken in a noticed public meeting of the Commission.

The agenda may be organized in the following manner:

<b>Agenda Item</b>	<b>Description</b>
1) Roll Call	Identify Commissioners in attendance.
2) Adoption of Minutes	Consideration of previous meeting minutes.
3) Oral Communications	Opportunity for the public to address the Commission on items not on the agenda, provided that the subject matter is within the Commission's jurisdiction.
4) Public Hearing(s)	Items that require expanded public notification per provisions in state law, Commission direction, or voluntarily placed by the Executive Officer
5) Other Business	Items that involve administrative, budgetary, legislative, or personnel matters and may be subject to broader discussion
6) Written Correspondence	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
7) Press Articles	LAFCO staff monitors newspapers, publications, and other media outlets for any news affecting local cities, districts, and communities in Santa Cruz County
8) Commissioners' Business	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
9) Adjournment	Conclusion of LAFCO's open and closed session items

In some cases, special items may be added to the agenda, including but not limited to Oath of Office, Closed Sessions, or other non-periodic items. The agenda outline above may include such special items, when applicable.

All reports, communications, resolutions, or other matters to be submitted to the Commission shall be submitted to the Executive Officer no later than noon on Monday, nine days preceding a regular Commission meeting. Correspondence presented to the Commission after that date but before the regular meeting will be made available on the LAFCO website and at the meeting for public review.

Items not on the agenda should not be considered at the scheduled meeting, but should be set for the next available meeting, unless the Commission grants its consent for urgent matters consistent with the Ralph M. Brown Act (Government Code Section 54950.5 *et seq.*).

### **3. ELECTION OF CHAIRPERSON**

The Commission shall, at its first regular meeting in January of each year, or as duly continued by action of the Commission, choose one of its members to serve as Chairperson and one of its members to serve as Vice-Chairperson, to serve the balance of the calendar year or until the election of their successors.

Should the office of Chairperson or Vice-Chairperson become vacant during the calendar year, the Commission shall, at the meeting at which the vacancy occurs, choose a successor to fill the vacancy for the balance of that calendar year, or until the election of a successor.

### **4. CHAIRPERSON TO PRESIDE**

The Chairperson shall preside at the meetings of the Commission. If the Chairperson is absent or unable to act, the Vice-Chairperson shall serve until the Chairperson returns or is able to act. The Vice-Chairperson has the same powers and duties of the Chairperson while acting as Chairperson.

### **5. QUORUM**

A majority of the regular members of the Commission shall constitute a quorum for the transaction of business. Alternate members, when seated in place of regular members, shall be considered a regular member for quorum determination. When there is no quorum, the Chairperson or Vice-Chairperson, or if no Commissioners are present, the Executive Officer shall adjourn the meeting.

### **6. MAJORITY VOTE**

An affirmative vote of at least four members of the Commission, including alternate members when seated in place of regular members, shall be required to approve any motion before the Commission.

### **7. READING OF MINUTES**

Unless a Commissioner requests a reading of the minutes, the Commission may approve minutes without formal reading if the Executive Officer has previously furnished each member with a draft of the minutes.

### **8. RULES OF DEBATE**

Sturgis Rules of Order shall be followed by the Commission to the fullest extent possible; provided, procedural failure shall not invalidate an otherwise legal act of the Commission. In addition, the Chairperson may second motions and enter into debate regarding all Commission items. Every member desiring to speak shall address the Chairperson, and, upon recognition by the Chairperson, shall speak to the question under debate.

## **9. MANNER OF ADDRESSING THE COMMISSION--TIME LIMIT**

All persons addressing the Commission shall step up to the podium, give their name, geographical area (or City) of residence, and interest in the area under consideration in an audible tone for the record, and unless further time is granted by the Commission, shall limit their time to three minutes. The Chairperson, unless otherwise changed by a motion and vote from the Commission, may set a different time limit.

All remarks shall be addressed to the Commission as a body and not to any member thereof. No person, other than the Chairperson and the person having the floor, shall be permitted to enter into any discussion, either directly or through a member of the Commission, without permission of the Chairperson. No question shall be asked of a Commissioner or staff member except through the Chairperson.

## **10. METHOD OF VOTING**

The Commission shall vote by voice, unless one Commissioner requests a roll call vote. Roll call voting shall be random with the Chairperson voting last. Unless a member of the Commission states that they are disqualified or abstaining from voting, the silence shall be recorded as an affirmative vote.

## **11. ABSTAINING FROM VOTING**

No Commissioner shall abstain from voting without first notifying the Chairperson of the Commissioner's intent to abstain from the vote.

## **12. DISQUALIFICATION FROM VOTING**

Whenever any Commissioner is disqualified from voting, that Commissioner shall announce their disqualification to the extent required by law, step from the dais, and may then participate to the extent permitted by the California Political Reform Act.

## **13. ALTERNATE COMMISSIONERS**

Whenever present at a Commission meeting, Alternate Commissioners shall take part in all of the proceedings of the Commission, but shall not vote on any matter before the Commission, nor attend a closed session unless seated in place of an absent or disqualified regular member of the Commission.

## **14. ORAL COMMUNICATIONS**

The Commission will hear presentations from the public not to exceed three minutes on subjects within the Commission's jurisdiction and not on the agenda that day. No action will be taken by the Commission on any matter presented at that time. The Chairperson, subject to a motion and direction from the Commission, may set a different time limit.

## **15. SUMMARY ADJOURNMENT**

The Chairperson is empowered to summarily, and without motion, second, or voting, declare a meeting of the Commission adjourned if the Chairperson is unable to enforce the proper decorum of a meeting.

## **16. RESOLUTION**

No resolution shall be adopted by the Commission unless it is presented before the Commission in writing and read aloud. When each Commissioner has received a copy of the resolution, the reading of the resolution is automatically waived unless a



Commissioner specifically requests that it is read. Prior to Commission consideration, draft resolutions will be reviewed by Legal Counsel. Resolutions will be signed by the Chair, Legal Counsel, and the Executive Officer after the Commission has approved them at a public meeting.

#### **17. SPECIAL COMMITTEES**

The Commission may appoint special committees at any time for any lawful purpose of the Commission. Unless otherwise directed by the Commission, all special committees shall be appointed by the Chairperson, subject to approval of the Commission.

#### **18. PROTESTS AND DISSENTS BY COMMISSIONERS**

Any Commissioner shall have the right to have the reasons for their dissent from, or protest against, any action of the Commission, entered in the minutes.

#### **19. POSTING NOTICES**

Posting of official notices, notices of public hearings, and any other official papers of the Commission where posting is required by law, shall be posted on the Official Bulletin Board of the Local Agency Formation Commission of Santa Cruz County at the County Governmental Center at 701 Ocean Street, Santa Cruz, California. These official postings shall also be posted on the Commission's website at [www.santacruzlafco.org](http://www.santacruzlafco.org).

Should the Commission hold a public hearing at any other location than its regular place of meeting, then, in addition to posting the notice on the Official Bulletin Board as listed above, posting shall be made upon or near the door to the stated place of meeting.

#### **20. DOCUMENTS SUBMITTED AFTER AGENDA PACKET IS DISTRIBUTED**

Materials related to an item on the agenda that are submitted to the Commission after the agenda packet is distributed, are available to the public at the LAFCO office and during the meeting at the meeting location. Each agenda shall include a statement that the public may review these materials at the Commission office or during the meeting at the meeting location.

#### **21. ATTENDANCE AT MEETINGS**

Should any Regular Commissioner be absent for three consecutive regular meetings of the Commission without valid excuse, the Chairperson shall, through the Executive Officer, notify the appointing authority of such unexcused absences.

#### **22. COMMISSION STIPENDS AND EXPENSE REIMBURSEMENT**

Commissioners receive a stipend payment of \$50 per posted meeting of the Commission and for attendance at any other Commission approved meetings (i.e. standing or special committee meeting). Commissioners may also receive reimbursement for expenses such as mileage or transportation costs, lodging, and food for approved travel associated with LAFCO business.

*Adopted on May 5, 1999 (Resolution No. 1999-4)  
Revised on October 2, 2019 (Resolution No. 2019-20)  
Latest Revision on March 4, 2020 (Resolution No. 2020-04)*



## LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY

### **PUBLIC MEMBER SELECTION POLICY**

#### **1. OVERVIEW**

The Public Member Selection Policy establishes guidelines towards the appointment of LAFCO's regular and alternate public members. As stipulated in the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, if the office of a regular public member becomes vacant, the alternate member may serve and vote in place of the former regular public member until the appointment and qualification of a regular public member to fill the vacancy. Pursuant to Government Code Section 56334, the term of office of each member shall be four years and until the appointment and qualification of his or her successor.

#### **2. PROCEDURAL GUIDELINES**

When the regular public member and/or alternate public member position becomes vacant during a term, or two months in advance of either of these terms ending, the Chairperson and Executive Officer shall place on the agenda a memo advising the Commission of the need to advertise for candidates to apply for the position(s).

At the meeting, the Commission shall direct staff to advertise the vacancy and receive applications. Unless the Commission gives alternate directions, the following steps will be completed:

- a. Vacancy Notification: Staff will advertise the vacancy as soon as possible on the LAFCO website and in at least two newspapers of general circulation which jointly have broad coverage throughout Santa Cruz County. The notice shall include a summary of the qualifications for the position as specified in Government Code Section 56331 (e.g. can't be an officer or employee of the county, city, or district). Pursuant to Government Code Section 56325(d), a copy of the notice will also be sent to all city clerks, to all independent special districts secretaries, and to the clerk of the Board of Supervisors.
- b. Deadline Establishment: The deadline for applications shall be at least 21 days following the meeting at which the Commission authorizes the solicitation.
- c. Candidate Application: Individuals interested in the position shall apply by completing a form provided by LAFCO staff and submitting the application before the deadline.

#### **3. CANDIDATE REVIEW**

The Executive Officer shall compile the applications and present them to the Commission as part of the meeting agenda following the application deadline. Candidates may withdraw an application before or after the application deadline. If a candidate withdraws an application after the deadline, the candidate shall not be considered for the appointment unless the Commission votes to reopen the process and the person reapplies.

#### **4. SELECTION PROCESS**

Final appointment for the regular public member and/or alternate public member shall be conducted during an open session at a regularly scheduled LAFCO Meeting. Upon receiving and reviewing the applications, the Commission by majority vote shall choose one of the following three courses of actions:

- a. Make an appointment from the list of candidates;
- b. Invite all candidates to make oral presentations at a subsequent LAFCO Meeting; or
- c. Reopen the application process.

In the event no candidate from the applicants submitted receives a majority vote and an affirmative vote of at least one county, city, and special district member, the Commission shall conduct a run-off vote of two candidates receiving the most votes. In the event that neither candidate receive a majority vote and an affirmative vote of at least one county, city, and special district member, the Chair shall direct the Executive Officer to re-advertise that a vacancy (ies) exist(s) in the manner set forth in these procedures.

*Adopted on April 7, 2004 (Resolution No. 2004-6)  
Last Revision on May 6, 2020 (Resolution No. 2020-10)*



## LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY

### **INDEPENDENT SPECIAL DISTRICTS SELECTION POLICY**

#### **1. OVERVIEW**

The purpose of the Independent Special District Selection Committee shall be to appoint the regular and alternate special district members of the Local Agency Formation Commission (LAFCO) and to fill unexpired terms when vacancies occur. It is important to note that nothing in these Rules of Procedure shall supersede Government Code Section 56332, which governs the establishment of the Independent Special District Selection Committee.

#### **2. MEMBERSHIP**

Membership of the Independent Special District Selection Committee shall be composed of the presiding officer or designated board member of the legislative body of each independent special district either located wholly within Santa Cruz County or containing territory within the county that represents 50% or more of the assessed value of taxable property of the district.

#### **3. MEETINGS**

##### **3.1 Notification and Solicitation of Nominations**

The Executive Officer of the Commission shall give written notice to all eligible independent special districts of any meeting of the Independent Special District Selection Committee, specifying the date, time, and place.

Any person qualified to serve as an Independent Special District representative to LAFCO shall be qualified to submit a nomination which shall be accompanied by a brief resume on the form provided by LAFCO. Each district shall be encouraged to submit nominations.

##### **3.2 Registration**

Each member of the Selection Committee shall be entitled to one vote for each independent special district of which he or she is the presiding officer.

In the event that the presiding officer is unable to attend a meeting of the Committee, the legislative body may appoint one of its members to attend in the presiding officer's place. Such a designated member shall submit written authorization at the time of registration.

Each voting member shall register and complete a declaration of qualification. The voting member will then be given the required number of ballots and other voting materials.

### **3.3 Quorum**

Members representing a majority of the eligible districts shall constitute a quorum for the conduct of Committee business. No meeting shall be called to order earlier than the time specified in the notice and until a quorum has been declared to be present.

Before calling the meeting to order, the Executive Officer shall announce that a quorum is present and request that any voting member who has not yet registered do so at that time. Only those eligible members registered and present shall be allowed to vote.

### **3.4 Sequential Balloting**

If there is more than one position to fill, sequential balloting will be held in the following order using a ballot with names of all eligible nominees: (1) Full term, regular member; (2) Partial term, regular member; and (3) Alternate member.

If a candidate is elected to a position, his or her name will be crossed out on the subsequent ballots.

### **3.5 Majority to Win**

In order for a candidate to be elected, that candidate must receive a majority of the votes being cast.

If no candidate receives a majority, a subsequent round of voting shall be conducted with the eligible candidates limited to the two candidates who received the most votes in the previous round and any candidates who received the same number of votes as the second candidate.

## **4. COMPOSITION OF SPECIAL DISTRICT REPRESENTATION ON LAFCO**

It is desirable that the special district members on LAFCO have a broad cross-section of duties and experience in district matters. Therefore, the following four classes of districts are established:

### **Class 1: Fire Protection Districts**

- Aptos/La Selva Fire Protection District
- Ben Lomond Fire Protection District
- Boulder Creek Fire Protection District
- Branciforte Fire Protection District
- Central Fire Protection District
- Felton Fire Protection District
- Pajaro Valley Fire Protection District<sup>1</sup>
- Scotts Valley FPD
- Zayante FPD

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<sup>1</sup> The original resolution listed the Freedom Fire Protection District and the Salsipuedes Fire Protection District, which were subsequently consolidated into the Pajaro Valley Fire Protection District.

**Class 2: Water Districts**

- Central Water District
- San Lorenzo Valley Water District<sup>2</sup>
- Scotts Valley Water District
- Soquel Creek Water District

**Class 3: Recreation and Park Districts**

- Alba Recreation and Park District
- Boulder Creek Recreation and Park District
- La Selva Beach Recreation and Park District
- Opal Cliffs Recreation and Park District

**Class 4: Miscellaneous Districts**

- Pajaro Valley Cemetery District
- Pajaro Valley Water Management Agency
- Reclamation District No. 2049 (College Lake)
- Salsipuedes Sanitary District
- Santa Cruz County Resource Conservation District
- Santa Cruz Port District

**4.1 Overlapping Classes**

At no time shall the two regular special district members on LAFCO come from the same class of districts.

**4.2 Class Diversity**

Where feasible, nominations for vacancies on LAFCO may not come from the class that already has a regular member sitting on LAFCO.

**4.3 Conflicting Classes**

Any election that would result in the two regular special district members being from the same class of district shall be immediately deemed invalid, and a subsequent ballot will be prepared excluding the conflicting class of candidates and voted upon.

**5. MAILED-BALLOT ELECTIONS****5.1 Authority**

A mailed-ballot election may be conducted if the Executive Officer has determined that a meeting of the Special District Selection Committee is not feasible.

**5.2 Notification and Solicitation of Nominations**

The Executive Officer of the Commission shall give written notice to all eligible independent special districts of the intention to conduct a mailed-ballot election. Each district shall acknowledge receipt of the Executive Officer's notice.

Each district shall be encouraged to submit nominations, accompanied by a brief resume on the form provided by LAFCO. All nominations must be received by a specified date that shall be at least six weeks from the date of notification. Emailed copies of nominations may be submitted, if necessary, to meet the established deadline; however, replacement originals must be submitted as soon thereafter as possible.

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<sup>2</sup> The original resolution listed the Lompico County Water District which was subsequently dissolved and annexed into the San Lorenzo Valley Water District.

### **5.3 Distribution and Return of Ballots**

All eligible districts shall be sent, by certified mail, return receipt requested, the following materials: (1) copies of all nominations received by the deadline, (2) ballot(s) as required to vote for Commission members, and (3) voting instructions.

The following outlines the necessary information and steps to submit a complete ballot:

1. The ballots shall include the names of all nominees.
2. Each ballot shall be accompanied by a certification sheet to be completed by the presiding officer or designated alternate who cast that district's vote.
3. A specified period of time, not less than six weeks, shall be allowed for the districts to cast their votes and return their ballots.
4. Ballots shall be sent by certified mail, return receipt requested.
5. Emailed copies of ballots may be submitted, if necessary, to meet the established deadline; however, replacement originals must be submitted as soon thereafter as possible.
6. All ballots received by the deadline shall be counted and the results announced within seven days.
7. Certified ballots representing a simple majority of the eligible districts must be returned for a valid election.

### **5.4 Appointment by Majority Vote**

A candidate for a regular or alternate member of the Commission must receive at least a majority of the votes cast in order to be selected. Results of the election will be reviewed and adopted by the Commission during an open session of a regularly scheduled LAFCO Meeting.

In the event that no candidate receives the required number of votes, a run-off election shall be conducted, either by a second mailed ballot or a meeting of the Independent Special District Selection Committee, at the discretion of the Executive Officer.

*Adopted on September 7, 1994 (Resolution No. 801-B)  
Last Revision on May 6, 2020 (Resolution No. 2020-11)*





## LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY

### **CITY SELECTION POLICY**

#### **1. PURPOSE**

The purpose of the City Selection Committee shall be to appoint the regular and alternate city members of the Local Agency Formation Commission (LAFCO) and to fill unexpired terms when vacancies occur (Government Code Section 56325[b]).

#### **2. MEMBERSHIP**

Membership of the City Selection Committee shall be composed of the presiding mayor or designated council member of the legislative body of each city located wholly within Santa Cruz County.

#### **3. CLERK OF THE CITY SELECTION COMMITTEE**

The County Administrative Officer, acting as the Clerk of the Board, shall function as the recording officer of the City Selection Committee. All meetings of a City Selection Committee shall be conducted in the presence of the clerk or designated personnel. All votes and action taken by a City Selection Committee shall be recorded in writing by the clerk of the committee. The written record of any vote or action taken by the selection committee shall include the name of each member voting and how they voted. Written records and minutes of a selection committee's clerk are public records (Government Code Section 50276).

#### **4. SELECTION/APPOINTMENT OF CITY COMMISSIONERS**

The City Selection Committee shall appoint two regular commissioners and one alternate commissioner to serve on LAFCO, each of whom shall be a mayor or city council member from one of the County's incorporated communities (Government Code Section 56325). Such appointments shall be made in accordance with the procedure established by the City Selection Committee and described in the rules and regulations of that body.

#### **5. TERMS OF OFFICE & VACANCIES**

The Cities of Capitola, Santa Cruz, Scotts Valley, and Watsonville alternate staggered, four-year terms on LAFCO. All terms end the first Monday in May. Prior to the expiration of a term limit, LAFCO staff will notify the County Administrative Officer to schedule a City Selection Committee meeting to address upcoming vacancies and appoint a new city member.

If a city council member is unable to finish their term on LAFCO, then the City Selection Committee may allow that city to nominate another council member to complete that city's term. In the case of all appointments, a city's nomination must be accepted by the City Selection Committee at a noticed meeting.

## **6. CITY ROTATION PROCEDURE**

The City Selection Committee established a rotation protocol regarding the appointments to LAFCO on June 6, 2023. This procedure ensures that each of the four cities have equal representation on the Commission. The city rotation goes with the city and not with the person. The unanimous action reflects the following rotation schedule:

- The Cities of Santa Cruz and Watsonville will share and rotate between one regular seat and the alternate seats every two years; and
- The Cities of Capitola and Scotts Valley will share and rotate every two years with the other regular seat.

A comprehensive review of the next series of rotation, based on the procedure outlined above, is shown in the table below. The rotation schedule within the table indicates when a city will hold a regular or alternate seat between 2024 to 2030.

*Adopted on September 6, 2023 (Resolution No. 2023-20)*

## **CHAPTER III**

# **APPLICATIONS & PROPOSALS**



## LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY

### **PROPOSAL EVALUATION POLICY**

#### **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. This policy concludes with a copy of the application form.

#### **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.

### **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.

*Adopted on September 21, 1966 (Resolution No. 97)  
Previous Revision on February 2, 2011 (Resolution No. 2011-1)  
Revision on August 5, 2020 (Resolution No. 2020-19)  
Last Revision on September 6, 2023 (Resolution No. 2023-20)*

# PROJECT APPLICATION FORM OF THE LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY

Santa Cruz LAFCO  
701 Ocean Street, Room 318-D  
Santa Cruz, CA 95060  
(831) 454-2055

## **APPLICATION INSTRUCTIONS**

This application form is used to initiate the application process to the Local Agency Formation Commission of Santa Cruz County (LAFCO) for a city or district annexation, reorganization, detachment, or a sphere of influence amendment. LAFCO staff looks forward to assisting you with your project.

In addition to the information that you will provide us on this form, LAFCO staff is required to analyze additional data regarding your proposal from our Geographic Information System (GIS) and in-house data base, including, but not limited to: affected agencies, interested agencies, spheres of influence, school districts, land use/zoning, acres of prime agricultural land, and number of dwelling units. A Plan of Services may also be required demonstrating how municipal services will be provided to the affected territory.

**To assist staff in this effort, a mandatory pre-filing meeting is required of all applicants so we can fully understand your project. It is the applicant's responsibility to set up the pre-filing meeting by contacting the LAFCO offices at (831) 454-2055 and requesting an appointment. This application form must be completed prior to the pre-filing meeting.**

Please fill out this application as completely as possible. If you need assistance, please do not hesitate to contact a LAFCO staff member for guidance. If a question does not apply to your proposal, indicate "N/A". Santa Cruz LAFCO is transitioning into a "paperless" office and encourages digital copies, when applicable. It is important that you list all email addresses where indicated on the application. Correspondence, staff reports, resolutions and other LAFCO forms and mailings, whenever possible, will be distributed electronically.

**APPLICATION FOR:** (check all that apply)

- ☐ Annexation to: \_\_\_\_\_
- ☐ Detachment from: \_\_\_\_\_
- ☐ Reorganization (2 or more changes of organization) of: \_\_\_\_\_
- ☐ Service Review / Sphere Update / Sphere Amendment: \_\_\_\_\_
- ☐ Other (explain): \_\_\_\_\_
- ☐ \*Extraterritorial Service Agreement ("ESA"): \_\_\_\_\_

*If requesting an extraterritorial service agreement "only", please answer the following two questions:*

- a. Why is an ESA needed rather than annexation? Does it meet the criteria under Government Code Section 56133?
- b. How would an ESA affect the present and future need for services in the project area?

**GENERAL DESCRIPTION AND JUSTIFICATION OF PROPOSAL:**

1. What changes of organization are included? What agencies are involved? What parcels are involved? Please identify all affected assessed parcel numbers (APNs).
2. Explain the purpose of the requested change in organization.
3. Explain how the proposal provides more logical boundaries and/or improves the provision of service.
4. Does this proposal have 100% consent of all property owners? (If so, please complete *Attachment A on page 5*).

**WHO INITIATED THIS PROPOSAL?** *Generally, LAFCO proposals may be initiated by a resolution of an affected agency, a city council, special district or by the Board of Supervisors. In addition, a proposal may be initiated by a petition of the affected area's registered voters or landowners. **Attach one of the following to this application form:***

- ☐ Agency Resolution
- ☐ Landowner Petition
- ☐ Registered Voter Petition

**LOCATION AND ADDRESS OF PROPERTY:**

**MAP AND LEGAL DESCRIPTION:**

*A map and legal description of the proposal may be prepared by a private engineering firm. An application can be filed with LAFCO without a map and legal, but a proposal cannot be scheduled for LAFCO hearing prior to receipt map and legal description.*

*Additionally, the map and legal description must meet the State Board of Equalization's requirements. The BOE's "Change of Jurisdictional Boundary" requirements are available for download at <http://www.boe.ca.gov/proptaxes/sprdcnt.htm>. Please note, the BOE requires an additional vicinity map that shows the project area in relation to a larger geographic area.*

A map and legal description has been:

- ☐ Certified by a private engineering firm and is attached to this application.
- ☐ Currently being reviewed / developed.
- ☐ Other (please explain)

**DISCLOSURE OF POLITICAL EXPENDITURES:**

LAFCO requires applicants to report all expenditures for political purposes related to an application and proceedings to be reported to the Commission's Executive Officer in compliance with Government Code Sections 56700.1 and 57009. The following is attached to this application form:

- ☐ LAFCO Disclosure Form (please complete *LAFCO Disclosure of Political Expenditures*, see Attachment 2 on page 6); copy of Financial reports and disclosures submitted to FPPC (please attach)
- ☐ Please check here if you have no related financial reports or disclosures.

**ENVIRONMENTAL DOCUMENT:**

The California Environmental Quality Act (CEQA) requires LAFCO and other public agencies to consider the potential environmental impacts of all applications it reviews. An environmental document should accompany all applications and reference the proposed LAFCO action (e.g., annexation).

The following is included with this application form:

- ☐ Environmental Document (ex. Final EIR) produced by the lead agency.
- ☐ Other (explain why Environmental Document not included):

**INDEMNIFICATION AGREEMENT:**

LAFCO policy requires that all applicants sign an indemnification agreement (see *Attachment 3 on page 7*) which indemnifies LAFCO employees, agents and attorneys in the event of litigation is filed concerning the approval of an application.

The following is included with this application form:

- ☐ Signed Indemnification Agreement

**FILING FEES:**

*Applicants are required to pay fees in accordance with LAFCO's adopted fee schedule (see Fee Schedule Policy) to cover the administrative and staff costs required to evaluate proposals for hearing. Checks must be made payable to: "Santa Cruz LAFCO".*

The following is included with this application form:

- ☐ Check for Filing Fees
- ☐ Other (explain why Filing Fees not included):

**CERTIFICATION**

I certify, under penalty of perjury by the laws of the State of California, that the information contained in this application is true and correct. I acknowledge and agree that Santa Cruz LAFCO is relying on the accuracy of the information provided and my representations in order to process this application proposal.

**Signature:** \_\_\_\_\_

**Name:** \_\_\_\_\_

**Title:** \_\_\_\_\_

**Date:** \_\_\_\_\_



**ATTACHMENT 1*****Property Owner Consent Form***

(All legal owners must sign a consent form or submit a letter of signed consent.)

I, \_\_\_\_\_, consent to the annexation/reorganization of my property

located at \_\_\_\_\_

or Assessor Parcel Numbers \_\_\_\_\_

to the [agency(ies)] \_\_\_\_\_

**Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Address:** \_\_\_\_\_

**City, State, Zip:** \_\_\_\_\_

**ATTACHMENT 2****INDEMNIFICATION AND DEFENSE**

The undersigned applicant for the above-referenced application ("Applicant"), as a condition of submission of this application, approval of the application and any subsequent amendment of the approval which is requested by the Applicant, hereby agrees to defend, using counsel reasonably acceptable to the Local Agency Formation Commission of Santa Cruz County ("LAFCO"), indemnify, and hold harmless LAFCO, its officers, employees, and agents, from and against any claim, demand, damages, costs or liability of any kind (including attorneys' fees) against LAFCO arising from or relating to this application or any approval or subsequent amendment to the approval thereof, subject to the conditions set forth below.

A) Notification and Cooperation

LAFCO shall notify the Applicant of any claim, action, or proceeding against which LAFCO seeks to be defended, indemnified, or held harmless. LAFCO shall reasonably cooperate in such defense.

B) Fees and Costs:

Nothing contained herein shall prohibit LAFCO from participating in the defense of any claim, action, or proceeding if either of the following occur:

- 1) LAFCO bears its own attorneys' fees and costs; or
- 2) LAFCO and the Applicant agree in writing to the Applicant paying part or all of the Commission's attorneys' fees and costs.

C) Settlement:

When representing LAFCO, the Applicant shall not enter into any stipulation or settlement modifying or affecting the interpretation or validity of any of the terms or conditions of the approval without the prior written consent of LAFCO.

D) Successors Bound:

The obligations of the Applicant under this Indemnity and Defense agreement are specifically associated with and shall run with the land that is the subject of the application and/ or approval and shall be binding upon the applicant and the successor(s) in interest, transferee(s), and assign(s) of the applicant in the land.

E) Recordation:

At any time after submission of the application, LAFCO may, at its sole option, record in the office of the Santa Cruz County Recorder a memorandum of agreement which incorporates the provisions of this condition, or this approval shall become null and void.

\_\_\_\_\_  
(Signature of LAFCO Executive Officer)

\_\_\_\_\_  
(Signature of Applicant)

\_\_\_\_\_  
Joe A. Serrano  
(Printed Name)

\_\_\_\_\_  
(Printed Name)

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Date)

**ATTACHMENT 3*****LAFCO Disclosure of Political Expenditures***

Effective January 1, 2008, political expenditures related to a proposal for a change of organization or reorganization that will be or has been submitted to LAFCO are subject to the reporting and disclosure requirements of the Political Reform Act of 1974 and the Cortese-Knox-Hertzberg Act of 2000.

***Please carefully read the following information to determine if reporting and disclosure provisions apply to you.***

1. Any person or combination of persons who, for political purposes, directly or indirectly contributes \$1,000 or more, or expends \$1,000 or more in support of, or in opposition to a proposal for a change of organization or reorganization that will be submitted to the Commission, shall disclose and report the contribution to the Commission pursuant to the requirements of the Political Reform Act of 1974 (Government Code Section 81000 *et seq.*) as provided for local initiative measures, and Section 56700.1 of the Cortese-Knox-Hertzberg Act of 2000.
2. Pursuant to Government Code Section 57009, any person or combination of persons who directly or indirectly contributes \$1,000 or more, or expends \$1,000 or more in support of, or in opposition to, the conducting authority proceedings for a change of organization or reorganization, must comply with the disclosure requirements of the Political Reform Act of 1974, (Government Code section 81000 *et seq.*). Applicable reports must be filed with the Secretary of the State and the appropriate city or county clerk. Copies of the report must also be filed with the LAFCO Executive Officer.

**Evaluation Checklist for Disclosure of Political Expenditures**

The following checklist is provided to assist you in determining if the requirements of Government Code Sections 81000 *et seq.* apply to you. For further assistance, contact the Fair Political Practices Commission at 428 J Street, Suite 450, Sacramento, CA 95814, (866) 275-3772 or at <http://www.fppc.ca.gov>.

1. Have you directly or indirectly made a contribution or expenditure of \$1,000 or more related to the support or opposition of a proposal that has been or will be submitted to LAFCO?

Yes ☐ No ☐

Date of contribution \_\_\_\_\_ Amount \$ \_\_\_\_\_ Name/ Ref. No of LAFCO Proposal \_\_\_\_\_

Date proposal was submitted to LAFCO \_\_\_\_\_

2. Have you, in combination with other person(s), directly or indirectly contributed or expended \$1,000 or more related to the support or opposition of a proposal that has been or will be submitted to LAFCO?

Yes ☐ No ☐

Date of contribution \_\_\_\_\_ Amount \$ \_\_\_\_\_ Name/ Ref. No of LAFCO Proposal \_\_\_\_\_

Date proposal was submitted to LAFCO \_\_\_\_\_

3. If you filed a report in accordance with FPPC requirements, has a copy of the report been filed with Santa Cruz LAFCO?

Yes ☐ No ☐



## LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY

### **PROCESSING FEES AND DEPOSITS POLICY**

#### **1. OVERVIEW**

All deposits are initial payments toward the total cost of processing (“project cost”). Project cost is defined as staff time plus materials. Staff billing rates include personnel costs. Other application-related costs include, but are not limited to, charges for the advertisement of hearings, as well as any fees charged for project reviews by affected agencies. A cost breakdown will be completed at the end of each LAFCO application. If any funds are remaining at the end of the LAFCO process, then a refund will be provided to the applicant.

#### **2. PETITION CHECKING**

There is no charge for verification of the first 20 signatures on a petition. Beginning with the 21st signature, a fee of \$0.55 per signature shall be charged to the applicant.

#### **3. PROCESSING**

The following identifies the initial deposits for each boundary change request.

##### **a) District annexations, detachments, and reorganizations not changing city boundaries:**

Total Acreage	Fee Deposit
Less than 1	\$1,600
1 – 24.9	\$2,500
25 – 149.9	\$7,000
More than 150	\$8,000

##### **b) Municipal annexations, detachments, and reorganizations involving at least one change in a city boundary:**

Total Acreage	Fee Deposit
Less than 1	\$3,150
1 – 24.9	\$4,900
25 – 149.9	\$7,350
More than 150	\$14,600

##### **c) Consolidations, mergers, and establishments of a subsidiary district:**

Total Acreage	Fee Deposit
N/A	\$1,800

**d) Dissolutions of an independent special district and county service areas:**

Total Acreage	Fee Deposit
N/A	\$1,250

**e) Formation of a county service area:**

Total Acreage	Fee Deposit
N/A	\$5,000

*Footnote: includes petition filing fee and sphere adoption*

**f) Addition of a service to the list of services that a county service area may perform:**

Total Acreage	Fee Deposit
N/A	\$1,250

**g) Formation of a special district:**

Total Acreage	Fee Deposit
N/A	\$15,000

*Footnote: includes sphere adoption*

**h) City incorporations:**

Total Acreage	Fee Deposit
N/A	\$30,000

*Footnote: includes sphere adoption*

**i) Request for the State Controller's Review of a Comprehensive Fiscal Analysis on an incorporation proposal:**

Actual cost billed by the Controller. If the Controller has not set a cost at the time the deposit is due, the deposit shall be \$ 38,200.

If the costs will exceed the deposit in the opinion of the Executive Officer, the Executive Officer shall bill the party who requested the Controller's review for the estimated costs to complete Controller's review. Failure to pay an additional deposit may result in cessation of the Controller's report and other remedies as determined by the Controller's office and the Commission.

**j) Sphere of Influence revision or amendment:**

Total Acreage	Fee Deposit
N/A	\$5,150

**k) Provision of a new function or service by a district:**

Total Acreage	Fee Deposit
N/A	\$1,500

**l) Requests for extraterritorial service:**

Total Acreage	Fee Deposit
N/A	\$950

**m) Request for a service review outside the Commission's schedule in accordance with the adopted multi-year work program:**

Actual cost. Note: Initiation of a service review outside of LAFCO's work program is subject to LAFCO's discretion whether the service review can be conducted in a manner that doesn't prejudice the work program, and to LAFCO's discretion as to the appropriate geographic areas, agencies, and scope of the service review.

**n) Copies or other reproduction efforts:**

Requests	Fee Deposit
Copies	First 30 pages free; thereafter \$0.18 per page
Digital Audio Files	\$14.42 per 80-minute CD
Other Electronic Media	The fees as charged by the County of Santa Cruz on its Unified Fee Schedule

**4. BILLING RATES**

The Commission will review billing rates and the fee schedule on an annual basis and may adjust rates as necessary to assure the cost recovery with processing each type of application. Documentation regarding actual costs (salaries, benefits, etc.) is available in the LAFCO office.

As of August 5, 2020, staff's hourly rate are the following:

LAFCO Staff	Hourly Rate
Executive Officer	\$138.27
Commission Clerk	\$102.71
Legal Counsel	Same rate charged to LAFCO

*Adopted on December 4, 2002 (Resolution No. 2002-9)  
Revision on August 3, 2011 (Resolution No. 2011-8)  
Revision on February 4, 2014 (Resolution No. 2014-2)  
Previous Revision on December 6, 2017 (Resolution No. 2017-12)  
Last Revision on August 5, 2020 (Resolution No. 2020-19)*



## LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY

### **ENVIRONMENTAL REVIEW POLICY**

#### **1. OVERVIEW**

This policy outlines the specific procedures used by LAFCO to tailor the general provisions of the California Environmental Quality Act ("CEQA") Guidelines (California Code of Regulations, Title 14, sections 15000 et seq.) ("State CEQA Guidelines") to LAFCO's specific functions as both a "Responsible" and a "Lead" agency under CEQA. This version of LAFCO's environmental review guidelines incorporates changes in the State CEQA Guidelines through 2019.

These provisions and procedures incorporate by reference (and are to be utilized in conjunction with) the State CEQA Guidelines, a copy of which is available on LAFCO's website. These procedures will be revised as necessary to conform to amendments to the State CEQA Guidelines, within 120 days after the effective date of such amendments. However, LAFCO will implement any such statutory changes that the California Legislature makes to CEQA regulations as soon as those statutory changes become effective, even if not expressly stated herein.

#### **2. PUBLIC AGENCIES' RESPONSIBILITIES**

A public agency must meet its own responsibilities under CEQA and shall not rely on comments from other public agencies or private citizens as a substitute for work that CEQA requires the Lead Agency to accomplish. For example, a Lead Agency is responsible for the adequacy of its environmental documents. The Lead Agency shall not knowingly release a deficient document hoping that public comments will correct defects in the document. When making decisions that trigger some type of CEQA review, LAFCO's duty is to minimize the environmental damage that may result from those decisions and to balance the competing public objectives as outlined in the State CEQA Guidelines, section 15021.

#### **3. LAFCO'S ENVIRONMENTAL RESPONSIBILITIES**

LAFCO's role as a regulatory agency involves "the discouragement of urban sprawl, the encouragement of the orderly formation, and development of local agencies." A few of its duties require minimal environmental review, especially those involving the commissioning of studies, the hearing of protests, and consolidations, reorganizations and mergers of cities or districts. Most of these duties only constitute jurisdictional changes with no potential for land use changes or for significant effects on the physical environment.

LAFCO's more prominent roles include, but are not limited to, creation of spheres of influence, formation of new districts, incorporation of new cities, and annexations/reorganizations to cities or special districts. These types of LAFCO actions generally require more in-depth analysis, especially if they result in the direct or indirect physical change in the environment, like facilitation of growth and/or land use alterations. Factors that must be assessed in these cases involve land area and



use, all aspects of the physical and human environment, geographical features, population growth and density, social and economic changes, availability of infrastructure and government services, conformity with city or county land use plans, and creation of unincorporated “islands,” etc.

#### **4. LAFCO’S ROLE AS AN “INTERESTED” AGENCY**

In situations where LAFCO is not a “Responsible Agency” but has an interest in reviewing a project to ensure that LAFCO related information is correctly identified, LAFCO plays a more limited role in the CEQA process. In those instances, the Executive Officer will review, and, if necessary, comment on all environmental documents submitted by a Lead Agency involving projects/decisions relating to and/or affecting LAFCO projects or policies.

#### **5. LAFCO’S ROLE AS AN “RESPONSIBLE” AGENCY**

“Responsible” Agency status occurs when LAFCO is not the “Lead” Agency, but nevertheless has discretionary approval authority over a project or some aspect of a project, in tandem with, or separate from that of the Lead Agency in accordance with Section 15096 of the State CEQA Guidelines. Examples of situations where LAFCO may be a Responsible Agency include, but are not limited to:

- A city approving an annexation request to LAFCO, only after pre-zoning the area in question. When a city has pre-zoned an area, the city serves as the Lead Agency for any subsequent annexation of the area and should prepare the environmental documents at the time of pre-zoning or other land use decision; or
- When a special district has conducted an environmental review and prepared an environmental determination for a plan to serve an area proposed for annexation to the district.

LAFCO shall use the environmental document prepared by the Lead Agency for LAFCO’s environmental determinations if the Executive Officer deems it adequate for such use pursuant to State CEQA Guidelines, Section 15096. Procedures for determining the adequacy of the lead agency’s CEQA document are summarized in the following sub-sections.

##### **4.1 Consultation**

Pre-Application Discussion: Regardless of whether LAFCO is a Responsible Agency, each Lead Agency carrying out any project within LAFCO’s jurisdiction and function shall inform LAFCO in writing of its intent and process for that project at the beginning of the Lead Agency’s CEQA review process, and the Lead Agency shall provide LAFCO with copies of any project applications.

CEQA Determination: The Lead Agency shall consult with LAFCO regarding the preparation of its environmental documents/determinations (Statutory Exemptions, Categorical Exemptions, Initial Studies/Negative Declarations, Environmental Impact Reports (“EIR”), etc.), which must also be used by LAFCO in its role as a Responsible Agency; consultation can be written or verbal and LAFCO’s input shall be incorporated/addressed in the Lead Agency’s analysis, documentation and determinations.

LAFCO Initial Comments: The Executive Officer shall, as soon as practical but within 30 days of notification, comment as to the appropriate environmental determination from LAFCO's perspective as well as issues of concern to be addressed in any environmental document. The requirement for written notification from the Lead Agency can be waived at the Executive Officer's discretion.

Where LAFCO disagrees with the Lead Agency's proposed environmental determination (such as a Negative Declaration), LAFCO will identify the specific environmental effects which it believes could result from the project and recommend the project be mitigated with measures to reduce the potential impacts to less than "significant" (when feasible) or that an EIR be prepared to properly characterize potentially significant impacts.

Notice of Preparation: When it intends to prepare an EIR, the Lead Agency shall send a Notice of Preparation by certified mail to LAFCO to solicit input in accordance with Section 15082 of the State CEQA Guidelines.

LAFCO shall respond to any Notice of Preparation submitted to LAFCO in accordance with subsection (A)(5) above in writing within 30 days, specifying the scope and content of the environmental data and analysis germane to LAFCO's statutory responsibilities for the proposed project. LAFCO shall also provide the Lead Agency with input regarding environmental issues and the minimum content of the analysis needed to meet a standard of adequacy for use of the environmental document/determination by LAFCO as a CEQA Responsible Agency.

#### **4.2 Preparation of Environmental Documents by a Lead Agency**

The Lead Agency shall include information in the Statutory Exemption, Categorical Exemption, Initial Study/Negative Declaration/EIR to allow its subsequent use by LAFCO for its considerations; referencing on the title page and in the project description any boundary changes, changes of organization or reorganization, or other proposed actions requiring subsequent discretionary action by LAFCO to fully implement the project.

The Lead Agency shall send the draft document to LAFCO as part of the public review process required by the CEQA and applicable guidelines (sections 15072 and 15082 of the State CEQA Guidelines). The Executive Officer will, within the established review period, send comments to the Lead Agency in writing (which can be transmitted either via U.S. mail or overnight delivery, or electronically by email or other messaging system), all of which LAFCO expects to be incorporated and assessed in the final document. LAFCO's comments on a draft CEQA document submitted to LAFCO by a lead agency should focus on the appropriateness of the CEQA document chosen, the adequacy of the environmental document's content, in the case of an EIR -- additional alternatives or mitigation measures, etc., that are germane to environmental impacts that could result from LAFCO's subsequent discretionary action or to the adequacy of the document for use by LAFCO as a CEQA Responsible Agency.

A final EIR prepared by a Lead Agency or a Negative Declaration adopted by a Lead Agency shall be conclusively presumed to comply with CEQA for purposes of use by Responsible Agencies which were consulted pursuant to Sections 15072 or 15082, unless one of the following conditions occurs:

- The EIR or Negative Declaration is finally adjudged in a legal proceeding not to comply with the requirements of CEQA; or
- A subsequent EIR is made necessary by Section 15162 of the State CEQA Guidelines.

#### **4.3 LAFCO Requirement of Environmental Documents/Determinations**

Applications filed by Lead Agencies with LAFCO shall include copies of one of the following environmental documents as specified in LAFCO's filing requirements and all applicable findings for an EIR per Sections 15091, 15092 and 15093 of the State CEQA Guidelines.

- Exemptions: Certification of Categorical or Statutory Exemption;
- Negative Declaration: Notice of Intent to Adopt a Negative Declaration and a Final Negative Declaration (including copy of Initial Study) or a Final Negative Declaration with mitigation measures (including copy of Initial Study), all technical appendices, and Mitigation Monitoring/Reporting Plan;
- Environmental Impact Report: Notice of Subsequent Use of an Existing EIR (which was previously available or has been made available to LAFCO), Notice of Preparation of a Draft EIR, Notice of Availability/Notice of Completion of Draft EIR (including copy of Draft EIR), Final EIR, Statements of Findings/Overriding Considerations, and Mitigation Monitoring/Reporting Plan;
- California Department of Fish and Wildlife: copy of environmental filing fee receipt including, if applicable, a CEQA Filing Fee No Effect Determination Form; and/or
- Other Appropriate CEQA Documents: copy of any other environmental document/determination not listed in this policy.

#### **4.4 LAFCO's Use of Lead Agency's Environmental Documents**

In making its determinations on boundary change proposals, changes of organization or reorganization, or other proposed actions requiring discretionary action by LAFCO, LAFCO will generally use the environmental document prepared by the Lead Agency if the procedures regarding consultation and preparation of environmental documents by a Lead Agency outlined above have been followed.

Prior to project approval, the Commission will certify that it has reviewed and considered the information contained in the Lead Agency's document. LAFCO may request the Lead Agency furnish additional information or findings as required to support a legally adequate Responsible Agency environmental determination in accordance with Section 15096 of the State CEQA Guidelines.

When a Lead Agency's EIR identifies significant environmental effects, LAFCO will incorporate the Lead Agency's findings or formulate its own, for each significant effect, or otherwise make findings in accordance with State CEQA Guidelines, Section 15091 for each significant environmental effect that is identified in a Lead Agency's EIR.

LAFCO may take any of the following actions to conform to CEQA requirements when rendering a decision on an application:

- LAFCO will not approve a proposed project with significant impacts if it can adopt feasible alternatives or mitigation measures within its powers that would substantially lessen the magnitude of such effects, unless it adopts a Statement of Overriding Considerations (State CEQA Guidelines, section 15093);
- If LAFCO mitigates impacts listed in the EIR to a less than significant level via the adoption of boundary alternatives or conditions of approval (negotiated with the local agency), such findings shall be reinforced by adequate rationale and inserted in the record; or
- If the environmental impacts of the LAFCO decision cannot be mitigated to a less than significant level, LAFCO will adopt a Statement of Overriding Considerations per State CEQA Guidelines, Sections 15093 and 15096.

Upon project approval, LAFCO shall file a Notice of Determination in a like manner as a Responsible Agency in accordance with Section 15096(i) of the State CEQA Guidelines. The Notice of Determination shall be filed with the Santa Cruz County Clerk of the Board.

## **6. LAFCO'S ROLE AS AN "LEAD" AGENCY**

LAFCO will be the Lead Agency responsible for performing CEQA mandated environmental review when its discretion for approval or denying a project involves general governmental powers. This is in contrast with a Responsible Agency role which only has single, limited powers over the project, normally subsequent and secondary to LAFCO's function, such as pre-zoning for the property of interest. Examples of projects requiring LAFCO to act as a Lead Agency include but are not limited to the following:

- Establishment of spheres of influence for cities and special districts;
- Adoption of studies or municipal service reviews; and
- Special District activation or divestiture of a function or class of service.

### **6.1 Delegation of Responsibilities by the Commission to the Executive Officer**

The following quotations from Section 15025 of the State CEQA Guidelines indicate those functions that can and cannot be delegated to the Executive Officer by the Commission:

A public agency (the Commission) may assign specific functions to its staff (Executive Officer) to assist in administering CEQA. Functions which may be delegated include but are not limited to:

- Determining whether a project is exempt;
- Conducting an Initial Study and deciding whether to prepare a draft EIR or Negative Declaration (refer to Section IV, F. 2. of these guidelines for a discussion of the appeal process when an EIR is required.);

- Preparing a Negative Declaration or EIR;
- Determining that a Negative Declaration has been completed within a period of 180 days (see Section 21100.2 of CEQA);
- Preparing responses to comments on environmental documents; and
- Filing of notices.

The decision-making body of a public agency (the Commission) shall not delegate the following functions:

- Reviewing and considering a final EIR or approving a Negative Declaration prior to approving a project before the Commission; and
- The making of findings as required by Sections 15091 and 15093.

## **7. LAFCO'S LEAD AGENCY PROCEDURES**

The following process and procedures, specific to LAFCO's function, summarize or supplement the State CEQA Guidelines and are to be used to process all accepted applications.

### **7.1 Statutory Exemptions (CEQA Guidelines, Sections 15260-15285)**

Statutorily exempt projects defined by the Legislature that could apply to a LAFCO project include the following:

- Disapproved Projects: CEQA does not apply to projects that LAFCO rejects or disapproves. This statutory exemption is intended to allow an initial screening of projects on the merits for quick disapprovals prior to the initiation of the CEQA process where LAFCO can determine that the project cannot be approved. This statutory exemption shall not relieve an applicant from paying the costs for an EIR or negative declaration prepared for the project prior to the lead agency's disapproval of the project after normal evaluation and processing.
- Feasibility and Planning Studies: A project involving only feasibility or planning studies for possible future actions which the agency, board, or commission has not approved, adopted, or funded does not require the preparation of an EIR or Negative Declaration but does require consideration of environmental factors. This section does not apply to the adoption of a plan that will have a legally binding effect on later activities.
- Ministerial Projects: Actions or Ministerial Projects involve the application of fixed standards without the option of exercising personal or subjective judgment (discretion) by the Executive Officer or the Commission. Examples include but are not limited to the following: (1) Consolidation/reorganization of special districts where the district boards adopt similar resolutions of applications for said consolidation/reorganization into a single agency (pursuant to Government Code Section 56853), and (2) Certain island annexations (pursuant to Government Code Section 56375) where approval is mandated if the annexation meets certain specific findings.

## **7.2 Categorical Exemptions (CEQA Guidelines, Section 15300)**

The following classes of projects, specifically pertaining to LAFCO's activities, have been identified in the State CEQA Guidelines as not having the potential to cause significant environmental effects, and may be categorically exempt from the requirements of CEQA if certain specified criteria are satisfied (Note: A categorical exemption shall not be used for these activities where there is substantial evidence to support that one of the exceptions to the categorical exemptions in State CEQA Guidelines, section 15300.2 is present.):

- Construction or Conversion of New, Small Structures (Class 3): Included within this category are extraterritorial or out-of-agency service contracts/agreements involving the extension of water, sewer, and/or other utility services by a city or district outside its boundaries but lying within its respective sphere of influence.
- Annexations of Existing Facilities and Lots for Exempt Facilities (Class 19): Included within this category are: (1) Annexations to special districts where the district's services would be provided even without annexation and construction has been initiated prior to the issuance of a Certificate of Filing, (2) Annexations of areas containing existing public or private structures developed to the density allowed by current zoning or pre-zoning, whichever is more restrictive, (provided, however, that the extension of utility services within the annexed area would have a capacity to serve only those existing facilities), (3) Detachments from cities where the land being detached is committed, by virtue of an adopted land-use plan, to remain in agricultural use or open space; or where the land is presently developed and no change in land-use can be reasonably anticipated, and (4) Detachments from special districts which will not result in any change in zoning or land use.
- Changes in Organization of Local Agencies (Class 20): Included within this category are changes in the organization or reorganization of local agencies where the changes do not modify the geographic area in which previously existing powers are exercised. Examples include but are not limited to: (1) Establishment of a subsidiary district, (2) Consolidation of two or more districts having identical boundaries, (3) Merger with a city of a district lying entirely within the boundaries of the city, or (4) Reorganization of agencies consisting of annexations or detachments providing similar services.

## **7.3 Recordation of Notice of Exemptions**

When a LAFCO project qualifies for an exemption, LAFCO staff may develop and record with the Santa Cruz County Clerk of the Board a "Notice of Exemption" form, to include: (1) A brief project description, (2) The project location with supporting map, (3) The specific exemption including the finding and citation of the CEQA Guidelines section or statute under which it is found to be exempt, and (4) The rationale for its selection, including a brief statement of reasons to support the findings.

## **7.4 Initial Studies**

A project for which LAFCO is the Lead Agency and which is not exempt will require the preparation of an Initial Study to determine if the project has the potential for causing a significant environmental effect. The Initial Study assessment shall consider all phases of the project; the purposes, policies, rules, regulations and standards set

forth in CEQA and its State CEQA Guidelines; these procedures and the adopted plans and policies of cities, the County, and LAFCO. An Initial Study need not be prepared if the Executive Officer determines at the beginning stages of review that a full-scope EIR will be required, but will be used to document the significance of specific impacts requiring a focused EIR, i.e. the Initial Study shall document the rationale for narrowing the scope of issues to be addressed in an EIR.

- Process: The Initial Study will be prepared on a State CEQA Guidelines Standard Initial Study Environmental Checklist Form using the project application, environmental description forms, appropriate literature, etc. A site visit may be necessary. Individual findings for environmental issues will be documented with sufficient technical data to substantiate conclusions regarding the potential for significant adverse impact. Insufficiency of available information will be noted on the form if it affects the ability to reach a conclusion.

The preparer shall consult with all Responsible Agencies and other public agencies/persons/organizations affected by or knowledgeable of the project and its issues. Under appropriate circumstances such review could also involve use of the County's or a city's Environmental Review Committee and its public forum to more fully assess the physical, social and infrastructural implications of complex projects. The Initial Study will be the supporting document for findings of "significance" and "non-significance" (whether to prepare a Negative Declaration or EIR). It is a tool for modifying projects and/or identifying mitigation measures to allow a finding of "non-significance." It can also be used to focus the EIR on effects determined to be potentially significant or to determine whether a previously prepared EIR could be used/modified for the project, etc.

The Initial Study shall contain: (1) A project description and location; (2) Environmental setting; (3) Identification of all environmental impacts using the most recent version of the State CEQA Guidelines environmental checklist form (Appendix G) and substantial evidence to support environmental impact findings, including ways to mitigate (avoid, minimize, compensate or otherwise reduce) a significant impact to a less than significant level; and (4) Examination of project consistency with zoning and land-use plans, etc. Section 15063 of the State CEQA Guidelines contains a detailed description of the content of and uses for the Initial Study and it is hereby incorporated by reference. Funding for the preparation of an Initial Study shall be borne by the applicant for the LAFCO action pursuant to Commission policy.

- Executive Officer's Determinations/Findings: After review of the Initial Study and all supporting information, the Executive Officer shall determine the appropriate environmental determination based on one of the following findings:
  - 1) The project will not have a significant environmental effect. Prepare a Negative Declaration and a Notice of Determination and publish a Notice of Intent to Adopt a Negative Declaration. After an appropriate public review period consistent with the applicable State CEQA Guideline's requirements, the documentation will be finalized and forwarded to the Commission with a recommendation for adoption;



- 2) The project, as proposed, would have a significant environmental effect, but with alterations, stipulations, or mitigation measures, all adverse impacts can be mitigated to a less than significant level. Prepare a Mitigated Negative Declaration and a Notice of Determination and publish a Notice of Intent to Adopt a Negative Declaration. After appropriate public review period consistent with State CEQA Guideline's requirements, the documentation will be forwarded to the Commission with a recommendation for adoption;
- 3) The project will have a significant environmental effect, but all such impacts have been adequately assessed in a final EIR previously reviewed by LAFCO and mitigated to the extent feasible. Submit the EIR to the Commission with appropriate findings for certification;
- 4) The project will have a significant environmental effect. An EIR will be prepared and submitted to the Commission with appropriate findings; or
- 5) The project will have a significant environmental effect and an EIR has been prepared. However, new information or changed conditions affecting the project or the site warrant additional analysis. Prepare a supplemental EIR or addendum to the original EIR focusing on these changes. Submit to the Commission with appropriate findings for certification.

### **7.5 Negative Declaration or Mitigated Negative Declaration**

A Negative Declaration (finding of non-significant effect) or a Mitigated Negative Declaration (finding of non-significant effect with project changes/mitigation measures/conditions of approval) will be prepared on the State CEQA Guidelines Initial Study Environmental Checklist Form by staff per the findings of the Initial Study based on substantiating evidence.

The Negative Declaration or Mitigated Negative Declaration's contents will include a brief project description, location (i.e., vicinity map), name of applicant, the finding of non-significance, attached Initial Study with any applicable technical reports, data or other information constituting the substantial evidence supporting the environmental analysis, and a list of mitigation measures (if any, in the context of a Mitigated Negative Declaration). A determination of the Initial Study's adequacy and the preparation of the accompanying Negative Declaration or Mitigated Negative Declaration initially rests with the Executive Officer. The formal adoption of the Negative Declaration or Mitigated Negative Declaration rests ultimately with the Commission.

- **Notice Requirements:** The document will be available at the LAFCO office for public review and comment for a minimum of 21 days prior to LAFCO action on the project. Recommended Negative Declarations and Mitigated Negative Declaration (in the form of a Notice of Intent to Adopt a Negative Declaration or Mitigated Negative Declaration) will be noticed at least once in a newspaper of general circulation in the project area; noticed in the "local" newspaper of the affected area (if any); mailed to all Responsible Agencies and public agencies with jurisdiction within the project area; mailed to those individuals and organizations who have requested such notices.

Where one or more state agencies will be a Responsible or Trustee Agency or will exercise jurisdiction over natural resources affected by the project, LAFCO shall send copies of the Negative Declaration or Mitigated Negative Declaration to the State Clearinghouse for distribution to these state agencies. Review by state agency(ies) will require a 30-day period unless reduced by prior approval of the State Clearinghouse. Pursuant to adopted Commission policy, costs associated with the Notice and distribution requirements shall be funded by the applicant for the LAFCO action.

- LAFCO Consideration: The Commission will consider the proposed Negative Declaration or Mitigated Negative Declaration and any public and agency comments prior to approving a project, and will approve the Negative Declaration or Mitigated Negative Declaration if it finds there is no substantial evidence in the whole of the administrative record that the project will have a significant environmental effect. Where mitigation is included as a condition of the Mitigated Negative Declaration, the mitigation monitoring and reporting program (MMRP) shall assign responsibility for implementing the mitigation measure(s) when the Mitigated Negative Declaration is approved by the Commission.
- Notice of Determination: After the Commission's approval of a project for which a Negative Declaration or Mitigated Negative Declaration has been adopted, the Executive Officer shall file a Notice of Determination. The Notice of Determination's content shall include: (1) Project description, identification and location; (2) Date project approved by LAFCO; (3) Determination of "non-significant" effect, or determination that mitigation measures were imposed and made conditions of approval for the project to reduce impacts to less than significant levels; (4) Statement that a Negative Declaration or Mitigated Negative Declaration has been prepared and approved; and (5) Address of LAFCO office where a copy of Negative Declaration or Mitigated Negative Declaration is filed.

The Notice shall be filed with the Santa Cruz County Clerk of the Board. If the project requires a discretionary approval from any state agency, the Notice shall also be filed with the State Office of Planning and Research, State Clearinghouse. Fees for filing a Notice of Determination for a Negative Declaration or Mitigated Negative Declaration shall be funded by the applicant for the LAFCO action.

## **7.6 Environmental Impact Report**

If the Executive Officer or the Commission finds, based on substantial evidence in the record or contained in the Initial Study and public comments, that a project may have a significant environmental effect, the Executive Officer will initiate the preparation of an Environmental Impact Report ("EIR").

- Purpose: An EIR is an informational document; a major tool in the decision-making process, informing Commissioners and all parties involved of the environmental consequences of project decisions before they are made. An EIR's primary functions are to identify and mitigate significant adverse impacts and to provide alternative project and boundary options that may reduce potentially significant impacts of the proposed project.

- An EIR is not an instrument to rationalize approval or denial of a project; nor do indications of adverse impacts require automatic denial. LAFCO has the authority to balance environmental, economic, social or other objectives as part of its mandate to develop orderly governmental boundaries (Sections 15091, 15092 and 15093, State CEQA Guidelines). An EIR should be prepared early in the application process to facilitate the integration of environmental considerations in project or boundary design. The applicant is responsible for submitting all necessary project data for the EIR per the Executive Officer's request or funding the preparation of required project data for the EIR.
- Appeals: The Executive Officer's determination to require an EIR is appealable to the Commission within 10 working days of the issuance of the decision to prepare an EIR. Such appeal must be filed, on LAFCO forms, with the Executive Officer and must include specific substantiation for the appeal, directly related to environmental issues. The appeal shall be heard on the next regularly scheduled Commission agenda that permits adequate public notification. The Commission's decision shall be final. The only legal remedy available to appeal the Commission's final action is to file a petition for writ of mandate in the superior court under California Code of Civil Procedure Section 1085.
- Notice of Preparation: At the earliest feasible date following the Executive Officer's/Commission's formal decision to prepare an EIR (based on the administrative record or an Initial Study), a Notice of Preparation ("NOP") will be mailed to all responsible and affected agencies (including the State Clearinghouse and affected state agencies, if any) and any parties requesting notification. State review of an EIR will result in the issuance of an identification number (State Clearinghouse Number) which shall be used on all subsequent documentation and correspondence.

The NOP shall include sufficient information on the project and its anticipated impacts to facilitate meaningful responses on the environmental issues that may cause significant adverse impacts. Such content to include: (1) Project description; (2) Mapped location; (3) Probable environmental effects; and (4) A copy of the Initial Study or substantial evidence in the record justifying the preparation of an EIR, etc. The NOP shall be sent to all responsible/trustee agencies or interested parties via certified mail or other method to document its receipt.

Within 30 days after LAFCO's release of the NOP, each Responsible Agency/interested party shall submit to LAFCO specific information directly related to that agency's/party's statutory responsibility for the project; the environmental issues, alternatives, and mitigation measures to be explored; and the agency's/party's role in the project's review, etc. If LAFCO does not receive a response or request to extend the public comment period on the NOP by the end of the 30-day NOP review period, LAFCO may presume that no response will be made from an agency or party that received the NOP.

- Scope of EIR: LAFCO may also convene meetings involving all parties (especially at the request of a Responsible Agency) to further assist in the determination of the EIR's scope and content, no later than 30 days after such request. Early and complete scoping, consultation and negotiation are critical to the preparation of an adequate EIR. LAFCO may request use of the County's or a local agency's

Environmental Review Committee in a public meeting forum to aid in the identification and resolution of any technical issues. LAFCO will compile all comments and identify in writing the focus for the EIR. An EIR can be prepared by staff or consultants under contract to LAFCO, coordinated by the Executive Officer or designee. LAFCO may accept data for an EIR from any source subject to independent validation by LAFCO staff. Also, LAFCO may charge an applicant appropriate fee to cover all costs for preparing and processing an EIR.

- EIR Content: Article 9 of the State CEQA Guidelines describes the complete content of all required sections of an EIR, as modified from time to time. However, LAFCO has discretion to narrow the scope of an EIR's content during the scoping process (State CEQA Guidelines, section 15063).
- Consultant EIRs: The Executive Officer shall use a Request for Proposals bidding process to select a consultant to write the EIR. The Executive Officer shall maintain and update as necessary a list of consultants, a minimum of three from which proposals shall be solicited for each consultant prepared EIR. The Executive Officer and the applicant will screen the proposals in an attempt to gain a consensus on choosing the consultant. However, the Executive Officer is ultimately responsible for final selection of the consultant. The Commission will review the scope of work, consultant qualifications, contract cost, and all other aspects before authorizing a contract.

The applicant will be charged a fee to cover all contract and staff costs, to be deposited into a LAFCO trust fund. (Note: The contract will be between LAFCO and the consultant which will work solely at the Executive Officer's, not the applicant's, direction.) The Executive Officer will disburse the funds to the consultant at stages specified in the contract based on completion and performance. In addition to the contract costs, the fees charged will be based on actual staff time involved in, but not limited to: (1) Consultant selection including bid solicitation and review, submission of information to consultants, etc.; (2) Review of Draft EIR, corrections, additions, legal review by the Commission's legal counsel, etc.; (3) Compiling comments and reviewing responses to comments for preparation of Final EIR; and (4) Meetings with applicant, consultant and public regarding EIR preparation.

- Public Participation (CEQA Guidelines, Section 15201): Public participation is an essential part of the CEQA process. LAFCO includes provisions in its CEQA procedures for wide public involvement, formal and informal, consistent with its existing activities and procedures, in order to receive and evaluate public reactions to environmental issues related to the agency's activities. Such procedures include, whenever possible, making environmental information available in electronic format and on LAFCO's web site.

Interacting with the public is an important CEQA process that allows the public to voice its concerns about environmental issues and the potential effect of a project on the physical environment. Therefore, in order to ensure public involvement in LAFCO's CEQA process, the Commission—in addition to the requirements for public notification on the NOP and/or the Notice of Completion—will provide the public with the opportunity to participate in any meetings related to the EIR, whether through a scoping meeting (optional) to provide verbal or written

comments on the content of the EIR and/or through the public hearing (required) on the certification of the Final EIR.

- Completion Notice (CEQA Guidelines, Section 15085): Because most LAFCO EIRs will require circulation through the State Clearinghouse, the default procedure is that as soon as the draft EIR is completed, a Notice of Completion (“NOC”) must be filed with the California Governor's Office of Planning and Research, denoting the project's description and location, address where EIR copies are available, and the period which comments can be submitted.
- Agency/Public Review: At the time the NOC is sent, the Executive Officer shall provide public notice of the draft EIR's availability to all organizations, agencies and individuals who previously requested such notice; as well as publication in The Santa Cruz Sentinel (newspaper of general circulation) and/or local newspapers. The Executive Officer shall also distribute copies of the draft EIRs and requests for comments to all public agencies with jurisdiction within the project area; to persons or organizations previously requesting such copies; to public libraries in the affected areas; as well as maintaining copies in the LAFCO and any Responsible Agency's offices (upon request). The Executive Officer may consult with any person who has special expertise in any environmental issue involved.

Review periods are not to be less than 30 days nor longer than 60 days from the date of the NOC except in unusual situations, per the Executive Officer's discretion. The review period for draft EIRs submitted to state agencies via the State Clearinghouse will be a minimum of 45 days. The last date for comment submittal shall be specified in the request for comments. A lack of response by that date constitutes a non-objection or “no-comment” by that particular party.

The sufficiency of the EIR per State CEQA Guidelines is the only issue to be addressed during this review. Questions/issues regarding the feasibility or desirability of the project itself shall only be considered by the Commission at the appropriate hearing, not integrated into the environmental review process. In instances where complex technical issues or disagreements among experts arise in the context of an EIR, the Executive Officer can convene a meeting of the County's or a local agency's Environmental Review Committee to provide a forum for a more thorough review of the EIR's adequacy.

- Adequacy: The Executive Officer will make preliminary (not appealable) determinations of the EIR's adequacy, utilizing all aspects of the public record; in turn making specific recommendations on adequacy to the Commission, for its findings, at the time the project is heard.
- Response to Comments on an EIR (CEQA Guidelines, Section 15088): The Executive Officer shall prepare a written response to all comments received during the comment period (and MAY respond to those received after the period): describing the disposition of issues, opinions or facts raised, project revisions or mitigation measures resulting from these comments, reasons for not accepting recommendations, all substantiated by factual information. The response to comments may be in the form of revisions to the EIR text, a separate section in the final EIR or as notes typed in the margins of the comment letters, depending on the event of the resulting revisions.

- Preparation of Final EIR (CEQA Guidelines, Sections 15089 and 15132): The Executive Officer/consultant will prepare a final EIR before the Commission makes a decision on the project. Project denial does not require certification of the Final EIR. Final EIR contents include: (1) The draft EIR and any revisions made to it in response to comments; (2) Comments and recommendations received on the draft EIR verbatim; (3) A list of persons, organizations and agencies commenting on the draft EIR; (4) LAFCO's responses to significant points raised during review and consultation; (5) Plus any other pertinent information. Final EIRs shall be available a minimum of 10 days prior to the Commission hearing on a project and shall be provided to any commenting parties 10 days prior to a Commission hearing on a project. The final EIR shall be submitted to the Commission with the project application and a mitigation measure monitoring plan/program (if necessary) for certification prior to the decision.
- Certification of Final EIR (CEQA Guidelines, Section 15090): Prior to approving a project for which an EIR has been prepared, the Commission shall certify that: (1) The final EIR has been completed in compliance with CEQA; (2) The final EIR was presented to the Commission which reviewed and considered it prior to approving the project; and, (3) The final EIR reflects the lead agency's independent judgment and analysis. If the Commission, through testimony or its own review of the data, finds that the environmental review is incomplete or the EIR does not adequately assess the full range of project impacts, it can refer it back to staff for revisions; deferring approval of the project until it can certify the amended final EIR. Under such circumstances, the Commission shall instruct staff to recirculate/not recirculate the amended EIR in accordance with the extent of requested revisions and as required by CEQA Guidelines, section 15088.5.
- Findings (CEQA Guidelines, Section 15091): The Commission cannot approve or carry out a project for which an EIR identifies one or more significant environmental effects, unless it makes one or more written findings for each significant effect, each reinforced by substantial evidence in the record. Such findings include: (1) Changes have been incorporated into the project which avoid or substantially reduce the significant environmental effect(s) identified in the final EIR, (2) Such changes are not within LAFCO's jurisdiction, but are within the responsibility and jurisdiction of another agency which has adopted such changes, or which can and should adopt such changes, or (3) Specific economic, social or other considerations make infeasible the mitigation measures or project alternatives identified in the final EIR.
- Approval (CEQA Guidelines, Section 15092): LAFCO shall not approve or carry out a project for which an EIR was prepared unless either: (1) The project, as approved, will not have a significant environmental effect, or (2) LAFCO has eliminated or substantially reduced all significant effects where feasible per State CEQA Guidelines, section 15091, and determined that any remaining significant effects found to be unavoidable per State CEQA Guidelines, section 15091, are acceptable due to overriding concerns described in CEQA Guidelines, section 15093.

- Statement of Overriding Considerations (CEQA Guidelines, Section 15093): When LAFCO approves a project that will have a significant effect on the environment that cannot be avoided or mitigated to a less than significant level, LAFCO shall state in writing the specific reasons to support its action based on the final EIR and/or other information in the record. The Commission shall balance, as applicable, the economic, legal, social, technological, or other benefits, including region-wide or statewide environmental benefits, of a proposed project against its unavoidable environmental risks when determining whether to approve the project. If the specific economic, legal, social, technological, or other benefits, including region-wide or statewide environmental benefits, of a proposed project outweigh the unavoidable adverse environmental effects, the adverse environmental effects may be considered “acceptable”. The statement of overriding considerations shall be supported by substantial evidence in the record. The Commission’s statement of overriding considerations should be included in the record of the project approval and so stated in the Notice of Determination.
- Notice of Determination (CEQA Guidelines, Section 15094): The Executive Officer shall file a Notice of Determination following each project approval for which an EIR was certified. The notice shall include: (1) The final EIR has been completed in compliance with CEQA; (2) The final EIR was presented to the Commission which reviewed and considered it prior to approving the project; (3) The final EIR reflects the lead agency’s independent judgment and analysis; (4) Determination of any significant environmental effects; (5) Statement that an EIR was prepared and certified pursuant to CEQA; (6) Whether mitigation measures were made conditions of the project; (7) Whether findings were made per State CEQA Guidelines, section 15091; (8) Whether a statement of overriding considerations was adopted; (9) The address of the location of a copy of the final EIR and the project record; and (10) If different from the applicant, the identity of the person undertaking the project which is supported, in whole or in part, through contracts, grants, subsidies, loans, or other forms of assistance from one or more public agencies or the identity of the person receiving a lease, permit, licenser, certificate, and other entitlement for use from one or more public agencies. The notice shall be filed with the Clerk of the County Board. If the project requires discretionary approval from a state agency, the notice shall also be filed with OPR State Clearinghouse.
- Disposition of Final EIR (CEQA Guidelines, Section 15095): The Executive Officer shall: (1) File a copy of the Final EIR with the Santa Cruz County Planning Department and the city, if applicable, where significant environmental effects may occur; (2) Include the Final EIR in all subsequent project administration; (3) Maintain a copy of the Final EIR as a permanent public record for the project; and (4) Require the applicant to provide a copy of the certified, final EIR to each Responsible Agency. Pursuant to adopted Commission policy, funding for the preparation of an EIR, fees for filing a Notice of Determination, and other related fees (i.e. notice and distribution requirements), are the responsibility of the applicant for the LAFCO action.

*Adopted on September 6, 2000 (Resolution No.2000-5)  
Last Revision on August 5, 2020 (Resolution No. 2020-19)*





## LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY

### **INDEMNIFICATION AGREEMENT POLICY**

#### **1. OVERVIEW**

The purpose of this policy is to establish guidelines that require all applicants to indemnify the Commission, its agents, officers, attorneys, and employees from any action brought to challenge the discretionary approvals of proposals by the Commission.

#### **2. BACKGROUND**

Applicants to the Commission for discretionary approvals of proposals for changes of organization are typically the real parties in interest and therefore have financial interest in the Commission's decisions on their applications. Applicants who are not the real parties in interest also have interest in the outcome of their applications. Therefore, LAFCO believes that it is fair and equitable for all applicants to indemnify LAFCO from suits brought to challenge the discretionary approvals of their applications by the Commission. LAFCO also believes that indemnifying LAFCO furthers good government practices and public policy by providing applicants with an incentive to assist the Commission in complying with all laws, including those intended to ensure public rights.

#### **3. PROCESS**

In order to fulfill this practice, and to protect the integrity of the Commission's ability to make good government decisions, it is the policy of this Commission that:

- a) As part of any application submitted to the Commission, the applicant(s) shall be required to submit a signed agreement to indemnify the Commission, its agents, officers, attorneys, and employees from any action brought to challenge the Commission's discretionary approvals related to the application in the form provided in Exhibit "A";
- b) In the event that an action is brought to challenge the discretionary approval of a proposal by the Commission, the Commission shall promptly notify the applicant(s) and real party(ies) in interest of the existence of the legal challenge; and
- c) The Executive Officer shall not issue a Certificate of Filing for an application if an indemnification agreement in the form provided in Exhibit "A" has not been executed and submitted to the Executive Officer by the applicant(s).

*Adopted on September 6, 1995 (Resolution No. 141-QQQ)  
Previous Revision on April 1, 2015 (Resolution No. 2015-6)  
Last Revision on September 2, 2020 (Resolution No. 2020-23)*

# Exhibit A

## Local Agency Formation Commission of Santa Cruz County

701 Ocean St. #318 D

Santa Cruz CA 95060



PROJECT NUMBER: \_\_\_\_\_

TITLE: \_\_\_\_\_

### INDEMNIFICATION AND DEFENSE

The undersigned applicant for the above-referenced application ("Applicant"), as a condition of submission of this application, approval of the application and any subsequent amendment of the approval which is requested by the Applicant, hereby agrees to defend, using counsel reasonably acceptable to the Local Agency Formation Commission of Santa Cruz County ("LAFCO"), indemnify, and hold harmless LAFCO, its officers, employees, and agents, from and against any claim, demand, damages, costs or liability of any kind (including attorneys' fees) against LAFCO arising from or relating to this application or any approval or subsequent amendment to the approval thereof, subject to the conditions set forth below.

F) Notification and Cooperation

LAFCO shall notify the Applicant of any claim, action, or proceeding against which LAFCO seeks to be defended, indemnified, or held harmless. LAFCO shall reasonably cooperate in such defense.

G) Fees and Costs:

Nothing contained herein shall prohibit LAFCO from participating in the defense of any claim, action, or proceeding if either of the following occur:

- 3) LAFCO bears its own attorneys' fees and costs; or
- 4) LAFCO and the Applicant agree in writing to the Applicant paying part or all of the Commission's attorneys' fees and costs.

H) Settlement:

When representing LAFCO, the Applicant shall not enter into any stipulation or settlement modifying or affecting the interpretation or validity of any of the terms or conditions of the approval without the prior written consent of LAFCO.

I) Successors Bound:

The obligations of the Applicant under this Indemnity and Defense agreement are specifically associated with and shall run with the land that is the subject of the application and/ or approval and shall be binding upon the applicant and the successor(s) in interest, transferee(s), and assign(s) of the applicant in the land.

J) Recordation:

At any time after submission of the application, LAFCO may, at its sole option, record in the office of the Santa Cruz County Recorder a memorandum of agreement which incorporates the provisions of this condition, or this approval shall become null and void.

\_\_\_\_\_  
(Signature of LAFCO Executive Officer)

\_\_\_\_\_  
(Signature of Applicant)

\_\_\_\_\_  
Joe A. Serrano  
(Printed Name)

\_\_\_\_\_  
(Printed Name)

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Date)



## LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY

### **CERTIFICATE OF FILING POLICY**

#### **1. OVERVIEW**

Pursuant to Government Code Section 56020.6, a Certificate of Filing is a document issued by the Executive Officer that confirms an application for a change of organization has met submission requirements and is ready for Commission consideration.

#### **2. INACTIVE APPLICATIONS**

Applicants for a change of organization or reorganization must meet submission requirements established in the Cortese-Knox-Hertzberg Act as well as Commission policies and procedures. Once these requirements are met, a Certificate of Filing will be issued by the Executive Officer deeming the application complete. Any application not deemed complete will be found incomplete and the applicant notified of missing requirements. If the application remains incomplete for a period of twelve (12) months without substantial progress being made towards its completion, the Executive Officer will notify the applicant and affected agencies that the application is deemed inactive will be closed without prejudice, and may be subject to a refund if any portion of the application fee has not already been used to cover staff time and other processing costs. If the applicant chooses to refile at a later date, a new application and filing fees will be required.

#### **3. COMPLETE APPLICATIONS**

Once a Certificate of Filing has been issued, the application officially becomes a proposal (Government Code Section 56069) and is scheduled for consideration by the Commission. When a proposal has been scheduled for hearing, no additional modification or amendment may be made to the proposal unless requested by Commission staff or the Commission's board by majority vote. However, an applicant may withdraw its application prior to the closing of the scheduled hearing. Withdrawal of an application must be submitted in writing to the Executive Officer. If an application is withdrawn and resubmitted, the applicant must file a completely new application and associated fee.

*Adopted on December 2, 1981 (Resolution No. 97-M)  
Last Revision on September 2, 2020 (Resolution No. 2020-24)*



## LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY

### **PROTEST PROCEEDINGS POLICY**

#### **1. OVERVIEW**

Prior to January 1, 2000, LAFCO would designate an affected agency as the “conducting authority” to approve a change of organization or reorganization and direct that agency to conduct protest proceedings pursuant to Government Code Section 57000 et seq. With the passage of AB 2838 (Hertzberg – Chapter 761, Statutes of 2000), the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code § 56000 et seq.) established LAFCO as the “conducting authority” for protest proceedings.

The purpose of this policy is to carry out LAFCO’s functions and responsibilities as a conducting authority pursuant to Government Code Section 57000 et seq. Protest proceedings for changes of organization and reorganization shall be conducted by the Commission in accordance with the following guidelines.

#### **2. PROTEST PROCEEDING GUIDELINES**

The Commission will adopt a resolution that makes findings and determinations when approving a change of organization or reorganization. The resolution will contain terms and conditions, which include a condition that addresses the protest proceedings.

**2.1 Protest Proceeding Timeframe:** The Commission shall specify a timeframe between twenty-one (21) and sixty (60) days for the collection and filing of written protests pursuant to Government Code Section 56886(o), and that timeframe shall be included in the terms and conditions of an approval for a change of organization or reorganization for which protest proceedings are not waived pursuant to Government Code Section 56663.

**2.2 Public Noticing:** Within thirty (35) days of the adoption of the Commission’s resolution making determinations and approving a change of organization or reorganization, the Executive Officer shall notice a protest hearing and, in the notice, set the hearing date as prescribed by the Commission in its terms and conditions.

**2.3 Types of Public Noticing:** Notice of the hearing shall be provided pursuant to Government Code Section 56150 et seq., and as follows:

- a) Notice must be published, posted, and mailed to affected agencies, proponents, and any persons requesting special notice;
- b) Mailed notice must be provided to all landowners affected by the proposal;
- c) The time, date, and location of the hearing shall be specified in the notice as determined by the Executive Officer; and

- d) The protest hearing must be held in the affected territory if the hearing is a proposal initiated by the Commission pursuant to Government Code Section 56375(a) for a district consolidation, dissolution, or merger, or the establishment of a subsidiary district.

**2.4 Protest Hearing:** At the protest hearing, the Executive Officer, or designee, shall (1) summarize the Commission's resolution, and (2) hear and receive any oral or written protests, objections, or evidence. Written protests may be filed by any affected landowner or registered voter. The Executive Officer, or designee, may continue the protest, but for no more than sixty (60) days from the date specified in the notice.

**2.5 Protest Hearing Results:** At the conclusion of the protest hearing:

- a) If no written protests have been filed, the Executive Officer, or designee, shall adopt a form of resolution ordering the change of organization or reorganization without an election; or
- b) If written protests have been filed, the Executive Officer, or designee, shall within thirty (30) days after the conclusion of the hearing, make determinations on the value of written protests filed and not withdrawn; and
- c) To determine the value of written protests filed and not withdrawn, the Executive Officer, or designee, shall cause the names of the signers on the protests to be compared with the voters' register in the County Elections Department pursuant to Government Code Section 56707 and/or the names of the owners of land on the most recent assessment roll pursuant to Government Code Sections 56708 and 56710.

**2.6 LAFCO Actions after Protest Proceedings:** Upon determination of the value of written protests filed and not withdrawn, the Executive Officer, or designee, shall take one of the following actions, depending on the nature of the change of organization or reorganization:

- a) If less than 25% of the affected registered voters or landowners oppose the proposal, then a form of resolution making determinations and ordering the change of organization or reorganization will be adopted without an election;
- b) If 25% to 50% of the affected registered voters or landowners oppose the proposal, then a form of resolution making determinations and ordering the change of organization or reorganization will be adopted subject to confirmation by the voters; or
- c) If more than 50% of the affected registered voters or landowners oppose the proposal, then a Certificate of Termination will be issued, which ends the LAFCO proceedings.

**2.7 Election Process:** If an election is required, the Executive Officer or designee, pursuant to Government Code Section 57000(d), shall inform the legislative body of the affected agency of LAFCO's determination and request the legislative body to direct the elections official to conduct the election.

### **3. LAFCO AS A CONDUCTING AUTHORITY**

Pursuant to Government Code Section 57000(c), the Commission has the option of delegating any or all of the functions and responsibilities of the conducting authority to the Executive Officer. Any references made to the “Commission” or “LAFCO” in the following discussion also pertains to the Executive Officer for any functions they will perform on behalf of the Commission. It should also be noted that, pursuant to Government Code Section 57008, the Commission or Executive Officer is required to hold the protest hearing in the affected territory if the proposal was initiated by the Commission pursuant to Government Code Section 56375(a) (district consolidation, dissolution, merger, establishment of a subsidiary district, or a reorganization that includes any of the previous).

Following summarization of the Commission’s resolution at the protest hearing, the Commission hears and receives any oral or written protests, objections, or evidence. Anyone who has filed a written protest can withdraw that protest prior to the conclusion of the hearing. Within thirty (30) days after the hearing, LAFCO makes a finding on the value of written protests filed and not withdrawn. The percentage thresholds for LAFCO to terminate or order the change of organization or reorganization with or without an election is consistent with existing law. LAFCO, however, does not have statutory authority to conduct an election if one is required. Therefore, if LAFCO’s determination on a proposal is subject to confirmation by the voters and an election must be conducted, LAFCO, pursuant to Government Code Section 57000(d), is required to inform the board of supervisors or city council of the affected city of the Commission’s determination and request the board or council to direct the elections official to conduct the election.

### **4. PROTEST THRESHOLD FOR OTHER BOUNDARY CHANGES**

The percentage protest thresholds for a dissolution, consolidation, merger, or the establishment of a subsidiary district differ from the previous changes of organization discussed in the previous sections. While Government Code Section 57077 addresses the requirements for these changes of organization, Government Code Section 56854 supersedes those provisions.

The provisions of Government Code Section 56854 (previously Government Code Section 56839.1) was the product of legislation passed in 1997. Pursuant to Government Code Section 56854(a), LAFCO is required to order a dissolution, consolidation, merger, or the establishment of a subsidiary district without an election unless certain protest requirements are met. Those requirements are enumerated in the outline below. However, pursuant to Government Code Section 56854(b), the Commission is prohibited from ordering a merger or the establishment of a subsidiary district without the consent of the affected city.

The Commission is required to order a dissolution, consolidation, merger, or the establishment of a subsidiary district subject to confirmation of the voters, only if the following written protest thresholds are reached.

**4.1 Not Initiated by the Commission:** Where the proposal was not initiated by the Commission, and where an affected city or district has not objected by resolution to the proposal:

- a) In the case of inhabited territory, a petition signed by:
  - i. At least 25% of the registered voters residing, or owning land, within the affected territory; or
  - ii. At least 25% of the number of landowners who own at least 25% of the assessed value of land within the affected territory.
- b) In the case of a landowner-voter district, and the territory is uninhabited, a petition signed by:
  - i. At least 25% of the number of landowners owning at least 25% of the assessed value of the land within the affected territory.

Note: In the case of a proposal for the dissolution of one or more districts and the annexation of all or substantially all of their territory to another district, the voter requirements outlined above do not apply if each affected district has consented to the proposal by a resolution adopted by a majority of its board of directors (Government Code Section 57114b).

**4.2 Initiated by the Commission:** Where the proposal was initiated by the Commission, and regardless of whether an affected city or district has objected to the proposal by resolution:

- a) In the case of inhabited territory where there are 300 or more landowners or registered voters within the affected territory, a petition signed by:
  - i. At least 10% of the number of landowners who own at least 10% of the assessed value of land within the affected territory; or
  - ii. At least 10% of the registered voters residing, or owning land, within the affected territory.
- b) In the case of inhabited territory where there are less than 300 landowners or registered voters within the affected territory, a petition signed by:
  - i. At least 25% of the number of landowners who own at least 25% of the assessed value of land within the affected territory; or
  - ii. At least 25% of the registered voters residing, or owning land, within the affected territory.
- c) In the case of a landowner-voter district where the territory is uninhabited and there are 300 or more landowner voters entitled to vote, a petition signed by:
  - i. At least 10% of the number of landowners who own at least 10% of the assessed value of land within the affected territory.
- d) In the case of a landowner-voter district where the territory is uninhabited and there are less than 300 or more landowner voters entitled to vote, a petition signed by:
  - i. At least 25% of the landowner voters entitled to vote.

*Adopted on March 7, 2001 (Resolution No. 2001-6)  
Last Revision on September 2, 2020 (Resolution No. 2020-25)*



## **CHAPTER IV**

# **TYPE OF APPLICATIONS**



## LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY

### **EXTRATERRITORIAL SERVICES POLICY**

#### **1. OVERVIEW**

The purpose of this policy is to explain to the public, cities, and districts the procedures by which the Commission will review requests to authorize a city or district in Santa Cruz County to provide one or more services outside its jurisdictional limits pursuant to Government Code Section 56133.

#### **2. COMMISSION APPROVAL REQUIRED FOR NEW OR EXTENDED SERVICES**

Except for the specific situations exempted by Government Code Section 56133, a city or district shall not provide new or extended services to any party outside its jurisdictional boundaries unless it has obtained written approval from the Local Agency Formation Commission of Santa Cruz County ("LAFCO").

#### **3. LIST OF PRE-EXISTING SERVICES**

In 1994, the Executive Officer originally asked each city and district to provide a list or map of parcels receiving extraterritorial service under Government Code Section 56133. The Executive Officer subsequently presented a report on these extraterritorial services with the Commission. As a regular practice, a list of all approved extraterritorial service agreements are presented to the Commission on an annual basis.

#### **4. AREAWIDE APPROVALS**

Upon the initiative of either a public agency or the Commission, the Commission shall consider an areawide approval as a regularly agendaized item and may grant approval for subsequent services to be provided by a city or district within a mapped area as specified by the Commission. The approval may include conditions. The Commission shall specify a time period not greater than ten years for which the areawide approval shall be valid. The Commission may, upon its own initiative or at the request of a public agency, renew with or without amendments, an areawide approval for a period not to exceed ten years.

Before granting an areawide approval, the Commission shall determine that the city or district is able to provide the service in a manner that does not negatively affect the services provided within the agency's boundaries and sphere of influence, and in a manner that does not negatively affect the resources in the area. Also, before granting an areawide approval, the Commission shall determine that the approval is consistent with the requirements of law and LAFCO policies.

#### **5. INDIVIDUAL REQUESTS**

Individual requests for extraterritorial service shall be filed with the Executive Officer on a prescribed application form. The applicant shall pay the costs of processing the application as specified in the Commission's Schedule of Fees and Deposits. The application deposit regarding the request for extraterritorial service is \$950. Deposit amount may be subsequently changed in future revisions of the Schedule of Fees and Deposits.

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 Commission shall consider the request after it has been placed on an agenda of a Commission meeting.

## **6. ENVIRONMENTAL REVIEW**

All matters that are reviewable pursuant to these regulations are subject to the applicable provisions of the California Environmental Quality Act.

## **7. COMMISSION ACTION**

The Executive Officer shall prepare a report and place the request for extraterritorial service on the Commission's agenda. The Commission shall provide an opportunity for any interested individual or party to address it. The Commission may call a subsequent public hearing in order to receive additional public testimony before acting upon a request. The Commission acts on the request by majority vote. Subsequently, the Executive Officer shall notify the applicant in writing of the Commission's action. 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.

## **8. DELIVERY OF MUNICIPAL SERVICES**

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 and this Commission's adopted policies encourages smart growth and relies on the appropriate governance options to ensure the effective and efficient delivery of municipal services. Therefore, the Commission intends to reinforce that the standard manner in which services will be extended is by annexation (and sphere of influence amendment, if necessary). The Commission shall limit its extraterritorial service authorizations to public health emergencies and circumstances where:

- a) Facilities are already in place, and
- b) Annexation would not be practical, and
- c) Extraterritorial service is determined by the Commission to be consistent with the policies adopted in and pursuant to the Cortese-Knox-Hertzberg Act.

When the Commission authorizes the emergency provision of municipal services via extraterritorial service outside an agency's boundaries, and annexation is practical, the Commission will require annexation to be completed within two years.

## **9. WATER PROVISIONS**

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 extraterritorial service 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. A water policy has also been adopted by this Commission and should be reviewed before submitting any application for potential service delivery, including annexations or requests for extraterritorial services.



## LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY

### **SPHERES OF INFLUENCE POLICY**

#### **1. OVERVIEW**

The Knox-Nisbet Act of 1963 (former Government Code Section 54773 et seq.) established the Local Agency Formation Commission to promote the orderly development of local government agencies in the County and discourage urban sprawl. The law was subsequently combined with other laws regarding boundary changes and recodified as the Cortese-Knox- Hertzberg Local Government Reorganization Act of 2000 (Government Code Sections 56000-57550).

Among its objectives, LAFCO is authorized to perform studies which will contribute to the logical and reasonable development of local governments to provide for the present and future needs of each county and its communities. (Government Code Section 56301). State law further provides that, in order to carry out its responsibilities for planning and shaping the logical and orderly development of local government agencies, the Local Agency Formation Commission shall develop and determine the sphere of influence of each local governmental agency within the county. (Government Code Section 56425). 'Sphere of Influence' means a plan for the probable physical boundaries and service area of a local government agency. (Government Code Section 56076).

#### **2. TYPES OF SPHERES**

There are several types of sphere boundaries that the Commission may adopt:

- a) Coterminous Sphere: A sphere of influence may be coterminous, or identical, with the agency's current jurisdictional boundary.
- b) Larger-than-jurisdiction Sphere: A sphere of influence may be larger than the agency's current jurisdictional boundary. This designation identifies areas that should be annexed into the agency in the foreseeable future.
- c) Smaller-than-jurisdiction Sphere: A sphere of influence may be smaller than the agency's current jurisdictional boundary. This designation identifies areas that should be detached from the agency in the foreseeable future.
- d) Zero Sphere: A sphere of influence may be removed entirely if the Commission determines that the service responsibilities and functions of the agency should be reassigned to another local government, and that the agency assigned a "zero sphere of influence" should be dissolved.

### **3. SPHERE DETERMINATIONS**

In accordance with Government Code Section 56425, the Commission is required to consider and prepare a written statement of its determination with respect to each of the following:

- a) The present and planned land uses in the area, including agricultural and open-space lands;
- b) The present and probable need for public facilities and services in the area;
- c) The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide, including the funding of capital, debt, service, and operations;
- d) The existence of any social or economic communities of interest in the area if the Commission determines that they are relevant to the agency; and
- e) For an update of a sphere of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere.

None of the individual factors listed above will be deemed to be a determining factor but will be reviewed collectively when considering the establishment or revision to a sphere of influence for a city or special district.

### **4. SPHERE UPDATES**

Spheres of influence are to be adopted by the Commission following a public hearing and are to be reviewed and updated every five years. After adoption, the sphere of influence "shall be used by the Commission as a factor in making regular decisions on proposals over which it has jurisdiction. The Commission may recommend governmental reorganizations to particular agencies in the county, using the sphere of influence as a basis for such recommendations... (Government Code Section 56425)." The purpose of a sphere of influence study is to provide the Commission information needed to determine an agency's potential growth and to make recommendations towards future service provisions within areas the county.

### **5. POLICY GUIDELINES**

The Commission will use spheres of influence to discourage inefficient development patterns and to encourage the orderly expansion of local government agencies. Spheres of influence will be used to:

- a) Provide long-range guidelines for the efficient provision of services and timely changes of governmental organization;
- b) Discourage duplication of services by two or more local government agencies;
- c) Guide the Commission in considering individual proposals for changes of organization; and
- d) Identify the need for specific reorganization studies.

**5.1 Municipal Service Reviews:** Pursuant to Government Code Section 56425, spheres of influence shall be reviewed and/or updated every five years. Additionally, state law mandates that spheres be prepared or updated in conjunction with or after completion of a related Municipal Service Review (Government Code Section 56430).

**5.2 Overlapping Spheres:** To promote efficient and coordinated planning among the county's various agencies, city spheres shall not overlap, and districts that provide the same type of service should not have overlapping sphere boundaries.

**5.3 Logical Service Provider:** 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.

**5.4 Service Efficiencies:** The Commission will encourage the elimination or consolidation of small, single-purpose special districts when a more efficient alternative exists for providing the necessary services. Whenever a combination of urban services is required, general purpose governments or multi-services districts will be preferred to single-purpose districts.

**5.5 Sphere Designations and Annexation:** 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.

**5.6 Long-Range Planning:** LAFCO recognizes the planning accomplishments of local agencies in the County. In developing spheres of influence, the Commission will consider those adopted plans, and policies of local governments which encourage staged, cost-effective development patterns and the efficient provision of services. Sphere boundaries will identify probable boundaries for an agency's expansion and will be periodically reviewed to reflect changing conditions and circumstances.

Once established, an agency's sphere of influence will be a primary guide to the Commission in its decisions on individual proposals affecting that agency. Before the Commission may approve a change of organization inconsistent with the adopted sphere of influence, the Commission shall amend the sphere of influence.

**5.7 Consistency with General Plans and Pre-Zoning:** The Commission will review the existing and future land uses of territory prior to including it within a city's sphere in order to determine the logical extension of municipal services and the probable future boundary of a city or district. The Commission strongly encourages each city to include all territory within its sphere of influence within the city's General Plan and each special district to address in its infrastructure, facilities and operational planning documents.

**5.8 Land Use Inconsistencies:** City and County general plans will be a significant factor in determining spheres of influence. Where a city's and the County's general plan for the same area are inconsistent, the Commission should encourage the affected agencies to resolve any inconsistencies. In the event the inconsistency cannot be resolved, by law the final decision for the Sphere of Influence must remain with LAFCO.

**5.9 Encourage Annexation of Unincorporated Islands:** The Commission acknowledges that unincorporated islands are generally costly for County government to serve and often have impacts on the surrounding city or district. Cities and special districts (where applicable), will be encouraged to annex unincorporated islands within their sphere of influence.

**5.10 Urban Development:** Proposals for urban development within a city's sphere of influence should first be considered for annexation to that city, unless such annexation would create a "leapfrog" pattern of expansion with respect to existing city boundaries.

**5.11 Water Supply:** 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 sphere of influence adoptions and amendments, 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.

To assist in the review of Spheres of Influence and other LAFCO reports, the Commission will utilize the following data sources to maintain an ongoing data base of the supply, demand, and related water data of the local water agencies subject to LAFCO's boundary regulation:

- a) The Public Water System Annual Reports filed by each public water agency with the California Department of Public Health;
- b) The Urban Water Management Plans prepared by water suppliers with 3000 or more customers as required by the California Water Code Sections 10610 et seq.; and
- c) The annual Water Resources Report prepared for consideration by the Santa Cruz County Board of Supervisors.

It is preferable that the residents who use water also participate in the governance of the system that provides the water. Therefore, in making decisions on spheres of influence and boundary changes, the Commission will favor water supply entities for which the users of the system participate in the governance of the system.

**5.12 Coastal Zone:** In an effort to promote cooperation among the land use agencies with jurisdiction over lands in the Coastal Zone, any application to LAFCO for a sphere of influence amendment regarding land in the Coastal Zone shall contain the following information:

- a) A statement that the staffs of the Coastal Commission and other land use agencies with jurisdiction over the land which is the subject of the application have reviewed and jointly discussed the sphere of influence amendment application with respect to consistency with applicable general plans, the Coastal Act, and local coastal programs. The statement should also memorialize the results of the review;



- b) Preliminary review and comments from the Coastal Commission staff as to potential issues of Coastal Act consistency; and
- c) Review and comments from any other land use agency with jurisdiction, through a Local Coastal Program or otherwise, over the land which is the subject of the application, including an analysis of consistency of the proposed amendment with its general plan.

LAFCO will consider consistency with the Coastal Act and the relevant general plans in making its Sphere of Influence determination.

*Adopted on June 1, 1977 (Resolution No. 97-F)*  
*Previous Revision on February 2, 2010 (Resolution No. 2011-1)*  
*Last Revision on November 4, 2020 (Resolution No. 2020-32)*



## LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY

### **CITY INCORPORATION POLICY**

#### **1. OVERVIEW**

In each county, a Local Agency Formation Commission (LAFCO) has been set up by the State of California to regulate city incorporations and other boundary changes to cities and districts. LAFCO's mission is to promote the orderly formation and development of local governments through its enforcement of state-mandated procedures, State policies, and local LAFCO policies.

The purpose of these guidelines is to provide guidance to citizens who are considering and proposing the incorporations of a new city within the County of Santa Cruz ("County"). These guidelines do not supersede State law or local policies. Local policies include "Spheres of Influence Policies and Guidelines" and "Standards for Evaluating Proposals." In order to make a final decision on a particular proposal, LAFCO may need additional information not specified in these guidelines. While LAFCO will assist in obtaining any additional information that is needed, the proponents may also have to prepare additional information.

#### **2. PURPOSE OF FEASIBILITY STUDY**

The preparation of an incorporation feasibility study is the responsibility of the proponents of a city incorporation. It is an important step in the process. It allows the proponents to understand and, in turn, explain to the citizenry how the new city would operate. Major topics include boundaries, functions, revenues, and expenditures. The feasibility study allows LAFCO to review the effects of the proposal on the entire structure of governmental services. Two of LAFCO's major duties are to make sure that the new city would have sufficient funds with which to operate and would not negatively impact the provision of services by other governmental agencies.

#### **3. STATUTORY BASIS**

Incorporation proceedings are set up by the Cortese-Knox Local Government Reorganization Act of 1985 (Government Code Sections §56000-57550)(the "Act"). Under the Act, LAFCO has the responsibility to review applications and to approve; approve subject to amendments, conditions or modifications; or deny applications. If LAFCO denies the proposal, the Act specifies a one-year waiting period before the proponents may initiate another incorporation proposal. If a proposal is approved, LAFCO will forward it to the County Board of Supervisors, which is responsible for calling an election within the authorized incorporation boundaries. If a majority of registered voters in the proposed city petition the Board of Supervisors to terminate the incorporation process, it is terminated and cannot be resubmitted for two years. If a majority of registered voters in the incorporation area vote for the incorporation, then the new city is incorporated. If the proposal is defeated at the election, then there is a two-year waiting period.

#### **4. CONTENTS OF FEASIBILITY STUDY**

For LAFCO to make its decision, sufficient information needs to be put on record and analyzed by the registered voters, the affected governmental agencies, and LAFCO staff. The basic elements of a feasibility study are:

- 1) Reason for proposal.
- 2) Proposed boundary map at a scale that allows the identification of individual assessor's parcels.
- 3) The population and number of registered voters in the incorporation area. Projection of population growth for the next ten years.
- 4) The assessed value of the property in incorporation area.
- 5) A description of the local agencies which presently serve the community, with a discussion of the range and level of services currently provided.
- 6) A list and discussion of the functions that the new city would assume.
- 7) A discussion and supporting data on the financial and service efficiency impacts that the proposal would have on all governmental agencies that would give up service responsibility as a result of this proposal. This discussion should include the effects of the incorporation on adjacent communities, special districts, and the County.
- 8) A list and descriptions of the County and special district functions that the new city is not proposed to assume, a list of the special districts that are proposed to continue services to the new city, and a discussion of the foreseeable level of services in the community after incorporation. If the new city would have any impacts on these districts (including economic or level of service impacts), the feasibility study should discuss the impacts and quantify them, where possible.

A clear and compelling rationale must be provided if the continued overlap of any special district (e.g., water, fire, parks, sanitation, or storm drainage) is proposed. There should be a special emphasis on the impact of incorporation on the County or any special districts which are currently providing services to the area immediately surrounding the proposed city.

- 9) A map showing a proposed sphere of influence of the new city, including the existing sphere of influence of any city that overlaps or comes within two miles of the proposed city sphere.
- 10) A ten-year forecast of revenues and expenditures for the new city broken out by revenue and expenditure categories. The forecast should include the applicable categories in the same order. Where fees will be set by municipality, include projection of fee levels and anticipated volume. Table A depicts the required financial information as part of the ten-year projections.

**Table A: Ten-Year Forecast (Revenue & Expenditure)**

<b>Revenue</b>		<b>Expenditure</b>	
1. Property Tax		1. Legislative	
2. Sales and Use Taxes		2. Management and Support	
3. Transportation Taxes		3. Capital Improvements (Municipal Buildings, etc.)	
4. Transient Lodging Taxes		4. Police	
5. Franchise		5. Fire	
6. Business License Taxes		6. Animal Regulation	
7. Real Property Transfer Taxes		7. Weed Abatement	
8. Utility Users Tax		8. Street Lighting	
9. Construction Permits		9. Disaster Preparedness	
10. Vehicle Code Fines and Forfeitures		10. Streets, Highways, and Storm Drains	
11. Investment Earnings		11. Street Trees and Landscaping	
12. State Motor Vehicle In-Lieu Tax		12. Public Transit	
13. State Cigarette Tax		13. Planning	
14. State Homeowners Relief Tax		14. Construction and Engineering Regulations Enforcement	
15. State Gasoline Tax and SB 325 Funds		15. Housing and Community Development	
16. Federal Aid for Urban Streets		16. Community Promotion	
17. Zoning and Subdivision Fees		17. Physical and Mental Health	
18. Plan Checking Fees		18. Solid Waste	
19. Animal Shelter Fees		19. Sewers	
20. Engineering Fees		20. Parks and Recreation	
21. Weed and Lot Cleaning		21. Libraries	
22. Sewer Service Charges and Connection Fees		22. Water	
23. Solid Waste Revenues		23. Child Care	
24. Library Fines and Fees		24. Senior Services	
25. Park and Recreation Fees		25. Other Expenses	
26. Water Service Charges and Connection Fees			
27. Other Revenues			

The above list is not meant to be all-inclusive. Additional items may be added. When appropriate, any additions should be included in the same category as outlined in the State Controller's Annual Report of the Financial Transactions Concerning Cities of California. The expenditure chart should summarize the level of service and basis for each expenditure. Projected staffing levels should be included. The background information should be included in the report and based on prevailing staffing patterns and wage rates in comparable communities.

- 11) A map of any agricultural or other open space lands in the incorporation boundaries, or the proposed sphere of influence. A discussion of the effect of the proposal on maintaining or converting these lands to other uses.
- 12) A justification of the proposed boundaries explaining why certain sub-areas were included and why adjoining sub-areas were excluded.
- 13) Based upon existing master plans and capital improvement programs of the County and affected districts, the feasibility study shall include a list of planned capital improvements related to city responsibilities, their costs, an indication of which projects would likely be funded, and the source of the funds.

**5. EARLY DISTRIBUTION OF FORECAST OF LOCAL REVENUES**

Upon learning that a community group has been formed to sponsor an incorporation effort and after receiving an appropriate street map of the proposed city from the proponents, LAFCO staff will request a "Forecast of Local Revenues" from the proper State and/or County agencies to determine what funds would be available to the proposed new city.

**6. FURTHER ASSISTANCE**

LAFCO staff is available to incorporation proponents, opponents, affected public agencies, and the general citizenry to provide further assistance. This assistance includes explanations of the incorporation process, copies of the incorporation laws and LAFCO policies, and notices of LAFCO's hearing on the incorporation proposal.

*Adopted on April 5, 1989 (Resolution No. 97-S)  
Last Revision on October 7, 2020 (Resolution No. 2020-29)*

# **CHAPTER V**

## **OTHER POLICIES**



## LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY

### **CONFLICT OF INTEREST POLICY**

#### **1. OVERVIEW**

LAFCO's Conflict of Interest Policy outlines conflicts of interest rules and the role of LAFCO's legal counsel. The goal of this policy is to provide consistency and fairness to the Commission's decision-making process. Commissioners have a personal responsibility to comply with conflict of interest regulations as promulgated by the California Fair Political Practices Commission ("FPPC"), but they may consult with LAFCO's legal counsel to assist in making decisions in the event of a potential conflict of interest.

#### **2. THE CALIFORNIA POLITICAL REFORM ACT**

The California Political Reform Act (Government Code section 81000, *et seq.*) (the "Act") requires state and local government agencies to establish a conflict of interest code. The FPPC, as the state agency responsible for administering and enforcing the Act, enacted regulations to implement the law. FPPC Regulation section 18730 (Tit. 2, Div. 6, Cal. Code of Regs.) states that an agency can incorporate by reference its model conflict of interest code, which the FPPC amends from time to time. LAFCO adopted and incorporated this model code along with the designation of positions and formulation of disclosure categories in section 18730.

The Act prohibits a Commissioner from using their official position to influence a governmental decision in which they have a financial interest. To help identify potential conflicts of interest, the Act and the FPPC Regulations require Commissioners to report their financial interests (i.e., reportable investments, real property interests, business positions, income and its sources, and other financial interests that may give rise to a conflict of interest) on a form called Statement of Economic Interests ("Form 700"). The conflict of interest code and the Form 700s provide transparency in local government and are fundamental tools in ensuring that officials are acting in the public's best interest and not their own.

#### **3. CONFLICTS OF INTEREST RULES**

Under the Act, a Commissioner has a disqualifying conflict of interest in a LAFCO decision if it is foreseeable that the decision will have a financial impact on their personal finances or other financial interests. A Commissioner with a disqualifying conflict of interest must not make, participate in making, or use their position to influence a LAFCO decision. Commissioners must publicly identify the presence of a conflict of interest and recuse themselves from participating in the affected decision. Recusal allows Commissioners to avoid actual biased decision-making or any appearance of improprieties in favor of the public's interest over their own.

There are five types of interests that might result in disqualification:



- *Business Entity.* A business entity in which a Commissioner has an investment of \$2,000 or more and is a director, officer, partner, trustee, employee, or manager.
- *Real Property.* Real property in which a Commissioner has an interest of \$2,000 or more, including leaseholds.
- *Income.* An individual or an entity from whom a Commissioner has received income or promised income aggregating to \$500 or more in the previous 12 months, including the Commissioner's community property interest in the income of their spouse or registered domestic partner.
- *Gifts.* An individual or an entity from whom a Commissioner has received gifts aggregating to \$500 or more in the previous 12 months.
- *Personal Finances.* A Commissioner's personal finances, including their expenses, income, assets, or liabilities, as well as those of their immediate family.

The financial impact or effect on any of the above interests disqualifies a Commissioner from a LAFCO decision if: (1) the financial impact or effect is foreseeable, and (2) the financial impact or effect is significant enough to be considered material. The FPPC has rules called "materiality standards" to inform which financial effects are important enough to trigger a conflict of interest.

There are two limited exceptions to the conflict of interest rules:

- *The Public Generally Exception.* A Commissioner is not disqualified from a decision if the effect on the Commissioner's interests is indistinguishable from the effect on the public.
- *Legally Required to Participate.* In certain rare circumstances, a Commissioner may be randomly selected to take part in a decision if a quorum cannot be reached because too many Commissioners are disqualified under the Act.

#### **4. ROLE OF LEGAL COUNSEL**

**A.** Commissioners are individually responsible for understanding and following the duties and responsibilities of their office, including making determinations on whether they have disqualifying conflicts of interest in LAFCO decisions. Commissioners are encouraged to consult with legal counsel regarding potential conflicts, exceptions, and recusal. However, counsel's advice cannot provide a Commissioner with any immunities from criminal or civil prosecutions. Only good faith reliance upon written advice from the FPPC on a specific situation can protect a Commissioner. Legal counsel will provide assistance in obtaining an advice letter from the FPPC. Legal counsel is authorized to engage experts, such as appraisers or business consultants in an amount not to exceed \$5,000 if counsel deems such experts are necessary to provide this assistance.

- B.** Legal counsel represents LAFCO as an agency governed by the Commission as a corporate body. Therefore, individual consultations with legal counsel are not separately protected by the attorney-client privilege.
- C.** Upon consultation, legal counsel will respond directly to the individual Commissioner seeking advice and shall not share the advice with the entire Commission, unless the advice provided involves a Commissioner with a disqualifying interest who intends to participate in a LAFCO decision notwithstanding that advice.
- D.** Legal Counsel is not available to provide advice relating to past conduct, to investigate conflicts of interest, or to enforce conflict of interest laws.
- E.** Legal Counsel is not available to provide advice to one Commissioner about the implications of another Commissioner's financial interest. However, at the request of the Commission, legal counsel may provide the Commission advice about the validity of its decisions under Government Code section 1090, which restricts Commissioners and designated employees from making a contract in which they are financially interested.
- F.** When a member of the public or government agency submits an inquiry about whether a Commissioner has a disqualifying interest under the Act or a financial interest in a contract under Government Code section 1090, that inquiry will be forwarded to the entire Commission, with a copy to legal counsel. It shall be the responsibility of the individual Commissioner, who is the subject of the inquiry, to determine whether they will seek advice from legal counsel, the FPPC, or their own counsel in addressing these inquiries.

*Adopted on September 5, 1979 (Resolution No. 141-H)*  
*Previous Revision on June 2, 2004 (Resolution No. 2004-9)*  
*Last Revision on May 6, 2020 (Resolution No. 2020-08)*



## LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY

### **DISCLOSURE OF POLITICAL CONTRIBUTIONS POLICY**

#### **1. OVERVIEW**

The Commission finds that the public interest would be served by adoption of procedures for the public disclosure of contributions and expenditures relating to Commission proposals, and further finds that adopting the process is consistent with State law, including the Political Reform Act of 1974, as amended.

#### **2. DEFINITIONS**

Unless otherwise provided, definitions of the terms used herein shall be those contained in the Political Reform Act of 1974, as amended.

“Contribution” as used herein shall have the same definition as provided in Government Code Section 82015, as amended.

“Expenditure” as used herein shall have the same definition as provided in Government Code Section 82025, as amended.

“Independent expenditure” as used herein shall have the same definition as provided in Government Code Section 82031, as amended, except that the term “measure” as used in Section 82031 shall be replaced with the term “LAFCO Proposal.”

“Political purposes” as used herein shall mean for the purpose(s) of: (i) influencing public opinion and/or actions of voters; (ii) lobbying public officials including LAFCO Commissioners; and/or, (iii) influencing legislative or administrative action as defined in Government Code § 82032.

It shall not include for the purpose(s) of complying with legal requirements and LAFCO rules for the processing of a proposal, including, but not limited to and by way of example only, preparation of a comprehensive fiscal analysis for an incorporation (Government Code Section 56800) or documents necessary to comply with the California Environmental Quality Act, Public Resources Code Section 21000 et seq., such as a mitigated negative declaration or environmental impact report.

#### **3. APPLICABILITY**

These policies and procedures are applicable to LAFCO Proposals, as defined in Government Code § 82035.5 and sphere of influence adoption, amendment or review, when applications for same are submitted for filing with Executive Officer. LAFCO proposals include but are not limited to annexation to a city or district, incorporation, or formation or dissolution of a special district.

#### **4. GENERAL REQUIREMENTS OF DISCLOSURE**

Any person or combination of persons who directly or indirectly makes an expenditure or independent expenditure for political purposes of \$1,000 or more in support of, or in opposition to, a change of organization, reorganization, or sphere of influence adoption or amendment proposal submitted to the commission shall comply with the reporting and disclosure requirements of Article 2.5 (commencing with Section 84250) of Chapter 4 of the Political Reform Act (Government Code §§ 81000 et seq.). Such reporting and disclosure requirements, except as otherwise excluded herein, extend to those required by the Fair Political Practices Commission Regulations regarding such disclosures and shall include disclosure of contributions, expenditures and independent expenditures.

A committee primarily formed to support or oppose a LAFCO proposal shall file all statements required under Chapter 4 of the Political Reform Act except that, in lieu of the statements required by Sections 84200 and 84202.3, the committee shall file monthly campaign statements from the time circulation of a petition begins until a measure is placed on the ballot or, if a measure is not placed on the ballot, until the committee is terminated pursuant to Section 84214.

The committee shall file an original and one copy of each statement on the 15th day of each calendar month, covering the prior calendar month, with the clerk of the county in which the measure may be voted on. If the petition results in a measure that is placed on the ballot, the committee thereafter shall file campaign statements required by Chapter 4. In addition to any other statements required by Chapter 4, a committee that makes independent expenditures in connection with a LAFCO proposal shall file statements pursuant to Section 84203.5.

#### **5. CERTAIN REPORTS AND DISCLOSURES**

This policy also requires that the persons subject to it comply with the regulations regarding the names of campaign committees, disclosures of the sources of mass mailings, and disclosures of the source of automated telephone calls under Government Code Sections 84501 et seq. and the regulations of the Fair Political Practices Commission implementing those sections.

#### **6. FILING OFFICE**

All reports and disclosures required hereunder shall be filed with the Santa Cruz County elections official, who the Santa Cruz LAFCO hereby designates as a deputy of LAFCO for purposes of receiving and filing such reports. LAFCO Commissioners (Regular and Alternate) and staff (Executive Officer, Legal Counsel, Commission Clerk, and Analysts) submit their annual Statement of Economic Interests (Form 700) by using the County's e-filing system. This online platform is managed and operated by the County Clerk/Elections Department.

For this purpose, forms developed by the Fair Political Practices Commission for disclosures relating to ballot measures shall be used as specified by the Santa Cruz County Elections Office. Acceptable methods of filing or delivery shall conform to those applicable to elections relating to ballot measures. Copies of filed statements will be available to any person upon payment of 10¢ per page.

## **7. FILING SCHEDULE**

Prior to a LAFCO decision by resolution on an application, any required disclosures shall be filed with the Santa Cruz County Elections Department no later than twelve days before the noticed date of the public hearing or continued deliberation or discussion on the proposal at LAFCO. The period covered by this report shall be from any prior filing period to seventeen days preceding the LAFCO hearing date.

Additionally, contributions and expenditures for the period commencing sixteen days before the LAFCO meeting and ending one day before the LAFCO meeting shall also be filed with the Santa Cruz County Elections Department within 24 hours of receipt or expenditure but in no event later than 24 hours before the LAFCO meeting begins. Should the LAFCO hearing or deliberation or discussion be continued to additional dates, or be accepted for reconsideration, the foregoing periods apply for expenditures or contributions received after the initial date and prior to the subsequent dates. Additionally, contributions and expenditures from any prior filing period to seven days after a decision has been made, shall be filed with the Elections Department no later than fourteen days after a decision has been made.

After a final LAFCO decision by resolution and until the completion of protest and election proceedings, disclosures shall conform to all requirements for campaign committees pursuant to the Political Reform Act. For purposes of determining the deadlines by which such reports and disclosures must be filed, the term "election" as used in the Political Reform Act for determining such deadlines shall mean the date of the originally scheduled commission hearing on a proposal for organization, reorganization, or sphere of influence adoption or amendment. If no hearing date has been scheduled at the time a person becomes subject to disclosure under this policy, he or she shall request that the executive officer establish a date to serve as the "election" date for this purpose. The executive officer shall establish a date, such as, but not limited to, the date which is 6 months after the first filing with the commission regarding the proposal, and inform the requestor of that date in writing.

## **8. NOTICE**

The following notice shall be printed on the Commission's application forms, the resulting notices of public hearing, the agenda of each meeting, and the Commission's website:

"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)."

**9. AMENDMENT**

These policies and procedures may be further amended from time to time by Santa Cruz LAFCO following a noticed public hearing pursuant to State law.

**10. REPORTING REQUIREMENTS ARE NON-EXCLUSIVE**

The disclosure and reporting requirements herein are in addition to any other requirements that may be otherwise applicable under provisions of the Political Reform Act or by local ordinance.

**11. ENFORCEMENT**

Enforcement and penalties for violation of these policies and procedures shall be pursuant to the Political Reform Act of 1974 and its corresponding regulations, to the extent permitted by law.

*Adopted on March 3, 2010 (Resolution No. 2010-1)  
Last Revision on May 6, 2020 (Resolution No. 2020-09)*



## LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY

### **SPECIAL DISTRICTS GOVERNANCE POLICY**

#### **1. OVERVIEW**

The Special Districts Governance Policy was first introduced in December 1981. The intent was to set rules and regulations that will govern the functions and services of independent special districts. The purpose was to clarify the legal requirements under Government Code Section 56450 et seq. These particular sections were eventually repealed and replaced with the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 ("Cortese-Knox-Hertzberg Act" or "CKH Act"). The Cortese-Knox-Hertzberg Act establishes procedures for local government changes or organization, including city incorporations, annexations to a city or special district, and city and special district consolidations.

#### **2. GOVERNANCE**

There are three primary sources of authority for forming and reorganizing special districts. The first is the special district's enabling act. Most types of districts have a series of statutes specific to that type of special district. These statutes often contain the procedures for creating that type of special district. The second is the Cortese-Knox-Hertzberg Act, which governs the establishment and reorganizations of local governments. Finally, there is the District Organization Law, which provides standardized special district organization and governance procedures for certain types of special districts<sup>3</sup>.

For purposes of this policy, the following sections will focus on the special districts under LAFCO's purview in accordance with Government Code Section 56036:

- a) "District" or "special district" are synonymous and mean an agency of the state, formed pursuant to general law or special act, for the local performance of governmental or proprietary functions within limited boundaries and in areas outside district boundaries when authorized by the commission pursuant to Government Code Section 56133.
- b) "District" or "special district" includes a county service area, but excludes all of the following: (1) The state, (2) A county, (3) A city, (4) A school district or a community college district, (5) An assessment district or special assessment district, (6) An improvement district, (7) A community facilities district formed pursuant to the Mello-Roos Community Facilities Act of 1982 (California Government Code section 53311 et seq.), (8) A permanent road division (formed pursuant to California Government Code 1160), (9) An air pollution control district or an air quality maintenance district, and (10) A zone of any special district.

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<sup>3</sup> California Special Districts Association – Laws Governing Special Districts (December 23, 2015)



**3. PRINCIPAL ACTS**

Principal Acts are statutes established for an entire category of special districts. The Commission creates and governs independent special districts under the authority of these acts. Each special district type has its own principal act. Exhibit A is a list of independent special district types, the location of the associated principal act, and other relevant information about the district types.

**4. SPECIAL ACTS**

Special Acts are statutes that address the specific needs of a community and establish a specific special district to address those needs. These districts (rather than district types) are uniquely created by the Legislature. Below is a list of special acts affecting Santa Cruz County:

Type	Code Section
<b>Flood Control</b>	
Santa Cruz County Flood Control and Water Conservation District Act (1955; Chapter 1489)	Water Code (77-1)
<b>Transit</b>	
Santa Cruz Metropolitan Transit District Act of 1967	Public Utilities Code (§98000 et seq.)
<b>Water Agency or Authority</b>	
County Water Authority Act (1943; Chapter 545)	Water Code (45-1)
Pajaro Valley Water Management Agency Act (1984)	Water Code (124-1)

## Special District Principal Acts

Special District Type & Principal Act	Powers & Functions	Formation	Election Process	Number of Board Members
<b>Airport Districts</b>  Public Utilities Code (§22001 et seq.)	Assist in the development of airports, spaceports, and air navigation facilities	Any territories of one or more counties and one or more cities, all or any part of any city and any part of the unincorporated territory of any county; the boundaries of a district may be altered and outlying contiguous territory in the same or an adjoining county annexed to the district.	Elected by resident voters to 4-year terms	5 Directors
<b>California Water Districts</b>  Water Code (§34000 et seq.)	Maintain the necessary works for the production, storage, and distribution of water for irrigation, domestic, industrial, and municipal purposes, and any drainage or reclamation works	Any area of land which is capable of using water beneficially for irrigation, domestic, industrial or municipal purposes and which can be serviced from common sources of supply and by the same system of works; area need not be contiguous	Elected by landowner voters to 4-year terms	At least 5 Directors (may be increased to 7, 9, or 11)
<b>California Water Storage Districts</b>  Water Code (§39000 et seq.)	Maintain the necessary works for the storage and distribution of water and drainage or reclamation works	Any land irrigated or capable of irrigation from a common source; under specific conditions the district need not be contiguous	Elected by landowner voters to 4-year terms	At least 5 Directors
<b>Citrus Pest Districts</b>  Food & Agri. Code (§8401 et seq.)	Control and eradicate citrus pests	Any county devoted exclusively to the growing of citrus fruits	Appointed by the Board of Supervisors to fixed 4-year terms	5 Directors
<b>Community Services Districts</b>  Government Code (§61000 et seq.)	Provide up to 32 different services such as, water, garbage collection, wastewater management, security, fire protection, public recreation, street lighting, mosquito abatement services, etc.	Any county or counties of an unincorporated territory or incorporated territory of a contiguous or noncontiguous area	Elected by resident voters to 4-year terms	5 Directors
<b>Cotton Pest Abatement Districts</b>  Food & Agri. Code (§6051 et seq.)	Control and prevent introduction of pests, and oversee cotton plants in areas that are at risk of pests	Any land in more than one of the counties of Imperial, Los Angeles, Orange, Riverside, San Bernardino, San Diego, and Ventura with the consent of the Board of Supervisors of the counties affected	Appointed by the Board of Supervisors to fixed 4-year terms	5 Directors

Special District Type & Principal Act	Powers & Functions	Formation	Election Process	Number of Board Members
<b>County Sanitation Districts</b>  Health & Safety Code (§4700 et seq.)	Maintain and operate sewage systems and sewage disposal or treatment plants	Any unincorporated or incorporated territory or both; the incorporated territory included in the district may include the whole or part of one or more cities with the permission of that city	Elected by resident voters to 4-year terms or may choose to have a mixed board	3 Directors
<b>County Water Districts</b>  Water Code (§30000 et seq.)	Develop regulations for the distribution and consumption of water; sell water; collect and dispose sewage, garbage, waste, trash and storm water; store water for future needs; may generate hydroelectric power; and provide fire protection under specified conditions	Any county or two or more contiguous counties or of a portion of such county or counties, whether the portion includes unincorporated territory or not	Elected by resident voters to 4-year terms	At least 5 Directors (may be increased to 7, 9, or 11)
<b>Fire Protection Districts</b>  Health & Safety Code (§13800 et seq.)	Provide fire protection and other emergency services	Any territory, whether incorporated or unincorporated, whether contiguous or noncontiguous, may be included	Elected by resident voters to 4-year terms or appointed by the Board of Supervisors (and City Council where applicable) to fixed 4-year terms	May be 3, 5, 7, 9, or 11 Directors (not to exceed 11)
<b>Harbor Districts</b>  Harbors & Navigation Code (§6000 et seq.)	Manage any bay, harbor, inlet, river, channel, etc. in which tides are affected by the Pacific Ocean	Any portion or whole part of a county, city, or cities, the exterior boundary of which includes a harbor	Elected by resident voters to 4-year terms	5 Commissioners
<b>Health Care / Hospital Districts</b>  Health & Safety Code (§32000 et seq.)	Establish, maintain, and operate, or provide assistance in the operation of, one or more health facilities or health services, including, but not limited to: outpatient programs, services, and facilities; retirement programs, services, and facilities; chemical dependency programs, services, and facilities	Any incorporated or unincorporated territory, or both, or territory in any one or more counties; the territory comprising this district need not be contiguous but the territory of a municipal corporation shall not be divided	Elected by resident voters to 4-year terms	5 Directors

Special District Type & Principal Act	Powers & Functions	Formation	Election Process	Number of Board Members
<b>Irrigation Districts</b>  Water Code (§20500 et seq.)	Sell and lease water; operate sewage collection and disposal system; deliver water for fire protection; dispose and salvage sewage water; protect against damage from flood or overflow; provide drainage made necessary by the irrigation provided; maintain recreational facilities in connection with any dams, reservoirs, etc.; and operate and sell electrical power	Any land capable of irrigation; includes land used for residential or business purposes susceptible of receiving water for domestic or agriculture purposes; need not be contiguous	Elected by resident voters to 4-year terms	3 or 5 Directors
<b>Levee Districts</b>  Water Code (§70000 et seq.)	Protect the district's land from overflow by constructing and maintaining the necessary infrastructure	Any county or counties or any portion thereof of an unincorporated territory or incorporated territory in need of protection of the lands of the district from overflow and for the purpose of conserving or adding water to the sloughs and drains	Elected by landowner voters to 4-year terms	3 Directors
<b>Library Districts</b>  Education Code (§19400 et seq.)	Equip and maintain a public library in order to exhibit knowledge in a variety of areas	Any incorporated or unincorporated territory, or both, in any one or more counties, so long as the territory of the district consists of contiguous parcels and the territory of no city is divided	Appointed by the Board of Supervisors to fixed 4-year terms	3 or 5 Trustees
<b>Memorial Districts</b>  Military & Veterans Code (§1170 et seq.)	Operate and maintain memorial halls, meeting places, etc. for veterans	Any incorporated territory of the county together with any contiguous unincorporated territory thereof; or may be formed entirely of contiguous incorporated territory; or entirely of contiguous unincorporated territory	Elected by resident voters to 4-year terms	5 Directors
<b>Mosquito Abatement &amp; Vector Control Districts</b>  Health & Safety Code (§2000 et seq.)	Conduct effective programs for the surveillance, prevention, abatement and control of mosquitos and other vectors	Any territory, whether incorporated or unincorporated, whether contiguous or noncontiguous and districts may not overlap	Appointed by the Board of Supervisors or the City Council to fixed 2–4-year terms	5 Trustees

Special District Type & Principal Act	Powers & Functions	Formation	Election Process	Number of Board Members
<b>Municipal Utility Districts</b>  Public Utilities Code (§11501 et seq.)	Manage and supply light, water, power, heat, transportation, telephone service, or other means of communication, or means for the collection, treatment, or disposition of garbage, sewage or refuse matter	Any public agency together with unincorporated territory, or two or more public agencies, with or without unincorporated territory; public agencies and unincorporated territory included within a district may be in the same or separate counties and need not be contiguous; no public agency shall be divided in the formation of a district	Elected by resident voters to 2-4 year terms	5 Directors
<b>Municipal Water Districts</b>  Water Code (§71000 et seq.)	Develop and sell water; promote water use efficiency; operate public recreational facilities; provide fire protection; collect and dispose trash, garbage, sewage, storm water and waste; and generate, sell and deliver hydroelectric power	Any county or counties, or of any portions thereof, whether such portions include unincorporated territory only or incorporated territory of any city or cities; cities and unincorporated territory does not need to be contiguous	Elected by resident voters to 4-year terms	5 Directors
<b>Police Protection Districts</b>  Health & Safety Code (§20000 et seq.)	Provide police service to a community	May be formed in unincorporated towns	Elected by resident voters to 2-4 year terms	3 Commissioners
<b>Port Districts</b>  Harbors & Navigation Code (§6200 et seq.)	Maintain and secure the ports	Shall include one municipal corporation and any contiguous unincorporated territory in any one county, but a municipal corporation shall not be divided	Appointed by the Board of Supervisors and City Council to fixed 4-year terms, and approved by resident voters	5 Commissioners
<b>Public Cemetery Districts</b>  Health & Safety Code (§9000 et seq.)	Maintain public cemeteries in communities as necessary	Any territory, whether incorporated or unincorporated, whether contiguous or noncontiguous; districts may not overlap	Appointed by the Board of Supervisors to fixed 4-year terms	3 or 5 Trustees

Special District Type & Principal Act	Powers & Functions	Formation	Election Process	Number of Board Members
<b>Public Utility Districts</b>  Public Utilities Code (§15501 et seq.)	Maintain the infrastructure to provide electricity, natural gas, water, power, heat, transportation, telephone service, or other means of communication, or the disposition of garbage, sewage, or refuse matter	May be incorporated and managed in unincorporated territory	Elected by resident voters to 2-4 Year terms	At least 3 Directors
<b>Reclamation Districts</b>  Water Code (§50000 et seq.)	Reclaim and maintain land that is at risk of flooding for a variety of purposes	Any land within any city in which land is subject to overflow or incursions from the tide or inland waters of the state	Elected by landowner voters to 4-year terms	3, 5 or 7 Trustees
<b>Recreation &amp; Park Districts</b>  Public Resource Code (§5780 et seq.)	Organize and promote programs of community recreation, parks and open space, parking, transportation and other related services that improve the community's quality of life	Any territory, whether incorporated or unincorporated, whether contiguous or noncontiguous	Elected by resident voters to 4-year terms or appointed by the Board of Supervisors to fixed 4-year terms	5 Directors
<b>Resource Conservation Districts</b>  Public Resource Code (§9151 et seq.)	Manage a diversity of resource conservation projects, including soil and water conservation projects, wildlife habitat enhancement and restoration, control of exotic plant species, watershed restoration, conservation planning, education, and many others	Any land shall be those generally of value for agricultural purposes, but other lands may be included in a district if necessary to conserve resources	Elected by resident voters to 4-year terms	5 ,7, or 9 Directors
<b>Sanitary Districts</b>  Health & Safety Code (§6400 et seq.)	Maintain and operate garbage dumpsites, garbage collection and disposal systems, sewers, storm water drains and storm water collection, recycling and distribution systems	Any county, or in two or more counties within the same natural watershed area	Elected by resident voters to 4-year terms	5 Directors

Special District Type & Principal Act	Powers & Functions	Formation	Election Process	Number of Board Members
<b>Transit Districts</b>  Public Utilities Code (§24501 et seq.)	Construct and operate rail lines, bus lines, stations, platforms, terminals and any other facilities necessary or convenient for transit service	Any city together with unincorporated territory, or two or more cities, with or without unincorporated territory may organize and incorporate as a transit district; cities and unincorporated territory included within a district may be in the same or separate counties and need not be contiguous; no city shall be divided in the formation of a district	Elected by resident voters to 2-4 year terms	7 Directors
<b>Water Conservation Districts</b>  Water Code (§74000 et seq.)	Maintain, survey, and research water supplies	Unincorporated territory or partly within unincorporated and partly within incorporated territory, and may be within one or more counties that need water conservation services; territory does not need to be contiguous	Elected by resident voters to 4-year terms	3, 5 or 7 Directors
<b>Water Replenishment Districts</b>  Water Code (§60000 et seq.)	Replenish the water and protect and preserve the groundwater supplies	Any land entirely within unincorporated territory, or partly within unincorporated territory and partly within incorporated territory, and within one or more counties in this state	Elected by resident voters to 4-year terms	5 Directors

*Adopted on December 7, 1994 (Resolution No. 801-D)*  
*Last Revision on October 7, 2020 (Resolution No. 2020-28)*





## LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY

### WATER POLICY

#### **1. OVERVIEW**

Government Code Section 56300 requires each Local Agency Formation Commission to establish written policies and to exercise its powers in a manner pursuant to the Cortese-Knox-Hertzberg Local Government Act of 2000 and consistent with the written policies of each Commission. In 1964, the Commission adopted the first water policy to align the limited water supply with existing service providers and smart growth as population continues to increase in Santa Cruz County. The purpose of this policy is to clarify LAFCO's role when considering boundary changes involving cities and special districts.

#### **2. SPHERES OF INFLUENCE**

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 sphere adoptions and amendments, LAFCO will 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.

To assist in the review of sphere boundaries and other LAFCO reports, the Commission will utilize the following data sources to maintain an ongoing data base of the supply, demand, and related water data of the local water agencies subject to LAFCO's boundary regulation:

- a) The Public Water System Annual Reports filed by each public water agency with the State Water Resources Control Board;
- b) The Urban Water Management Plans prepared by water suppliers with 3000 or more customers as required by the California Water Code Sections 10610 et.seq; and
- c) The annual Water Resources Report prepared for consideration by the Santa Cruz County Board of Supervisors.

#### **3. BOUNDARY CHANGES**

In any proposal requiring water service, the Commission requires that the affected agency identified as the potential water provider to demonstrate the availability of an adequate, reliable and sustainable supply of water. The following factors may be considered:

- 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.

#### **4. SERVICE REQUEST**

Proposals requesting water service from a city of special district will need to provide proof of lack of services to existing urban land uses, a building permit application, allocation for a single-family dwelling, or for a larger project by: (1) a tentative or final land use entitlement (tentative subdivision map use permit, etc.) conditioned on obtaining water service and (2) a growth rate and pattern that the subject area will be developed within 5 years.

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.

#### **5. EXTRATERRITORIAL SERVICE AGREEMENTS**

When the Commission authorizes the emergency provision of water services via extraterritorial service outside an agency's boundaries, and annexation is practical, the Commission will require annexation to be completed within two years.

#### **6. CONNECTION MORATORIUM**

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 such transfer shall be in a manner that is consistent with the adopted Spheres of Influence of those agencies; and
- d) To change a boundary, in a manner consistent with an adopted Sphere of Influence, an agency boundary shall 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. In this case, an additional criteria not subject to the 1% cumulative impact limitation would be to provide facilities or funding that will allow the agency to lift its service limitation.

## **7. PUBLIC PARTICIPATION**

Water resources and supplies are critical issues for many spheres of influence and application decisions made by LAFCO. Public information and participation are important component in the decisions made by the Commission, the land use agencies, and the water agencies. To promote public education, at least every two years, the Local Agency Formation Commission will sponsor, or co-sponsor with the Regional Water Management Foundation, the County of Santa Cruz, and local water agencies, a public forum that provides the public with an overview of the state of the water supplies in Santa Cruz County.

It is preferable that the residents who use water also participate in the governance of the system that provides the water. Therefore, in making decisions on spheres of influence and boundary changes, the Commission will favor water supply entities for which the users of the system participate in the governance of the system.

*Adopted on March 17, 1964 (Resolution No. 14)  
Previous Revision on February 2, 2010 (Resolution No. 2011-1)  
Last Revision on November 4, 2020 (Resolution No. 2020-33)*



Date: September 6, 2023  
To: LAFCO Commissioners  
From: Joe Serrano, Executive Officer  
Subject: **Press Articles during the Months of July and August**

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### **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.

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### **EXECUTIVE OFFICER'S REPORT**

The following is a summary of recent press articles. Full articles are attached.

**Article #1: "Keeping Branciforte fire station open 'too expensive,' voters say":** The article, dated July 21, notes that the Branciforte community resoundingly voted against the proposed benefit assessment measure to secure funds for the Branciforte fire station. In total, 378 voted against the measure while 53 voted in favor of the additional cost. The Branciforte fire station will fall under the leadership of SVFPD once the reorganization is finalized.

**Article #2: "Watsonville Community Hospital hosts town hall on agency's future":** The article, dated July 21, highlights the significant progress made by the hospital when it originally began the bankruptcy proceedings. The hospital is now under the leadership of the Pajaro Valley Health Care District. The townhall meeting summarized the hospital's past and future.

**Article #3: "Meeting gives update on potential Big Basin Water Company receivership":** The article, dated July 21, states that local agencies, including the State Water Resources Control Board, held a meeting with Big Basin residents to discuss the status of the Big Basin Water Company and the proposed receivership. A receiver is a court-appointed remedy tasked to bring the private water system back into compliance with drinking water laws and regulations. It is unknown when a receivership or potential buyer will assume responsibility of the private water system.

**Article #4: "North Tahoe Fire Protection District looks to annex Meeks Bay Fire; Both agencies support the move":** The article, dated July 22, explains how the two fire districts have been in contract for more than a decade before considering the proposed reorganization. The two districts are currently located in Placer and El Dorado Counties which requires the coordination of both counties and respective LAFCOs.

**Article #5: “College Lake pipeline construction moving along”:** The article, dated July 27, notes that the Pajaro Valley Water Management Agency continues to make progress on their \$80 million project to construct a new pump station, water treatment plant and six-mile pipeline at College Lake. Once completed, the project will provide supplemental water to farmers in the coastal area.

**Article #6: “Scotts Valley Fire District seek new \$22 million facility after current station has reached ‘end of its useful life’”:** The article, dated August 2, states that the SVFPD Board unanimously approved a resolution to place the consideration of a bond measure in the November 2023 ballot. The additional funds will help build a new fire station on a property previously purchased by the District in 2022. If constructed, the new fire station would be strategically located to the majority of incidents within the community.

**Article #7: “Santa Cruz County RTC Executive Director Guy Preston to retire at end of year”:** The article, dated August 3, states that the Executive Director for the Santa Cruz County Regional Transportation Commission will retire at the end of the 2023 calendar year. Mr. Preston has over 34 years of experience in the transportation sector.

**Article #8: “Scotts Valley, Branciforte fire districts cleared to combine”:** The article, dated August 3, highlights LAFCO’s approval of the reorganization involving Branciforte and Scotts Valley Fire Protection Districts. The reorganization requires the completion of two proceedings before it can be recorded and finalized. Recordation is scheduled to be completed before the end of the 2023 calendar year.

**Article #9: “Santa Cruz County Supervisor Zach Friend will not seek fourth term”:** The article, dated August 4, informs that Supervisor Zach Friend will not run for reelection when his term ends in January 2025. Supervisor Friend has been a LAFCO Commissioner since 2013.

**Article #10: “Expansion likely completed for San Diego County Fire as it takes over cash-strapped Borrego Springs”:** The article, dated August 5, notes that a small independent fire district was the last small fire department to join San Diego County Fire, which was set up in 2008 to support underfunded fire districts and centralize command of the region’s firefighting resources. San Diego County Fire was formed in the aftermath of devastating wildfires in 2003 and 2007. Since then, the agency has unified administration, communication, training, and fire protection countywide.

**Article #11: “Nevada County Supervisors Support Consolidation of Three Fire Districts”:** The article, dated August 8, indicates that the Nevada County Board of Supervisors voted to support the consolidation of three fire districts. The Board also approved a temporary gap funding up to \$1 million to operate one of the three districts while the consolidation effort unfolds. This is an example of another multi-year effort among fire agencies throughout the state exploring alternative ways to provide the best level of service possible to their constituents.

**Article #12: “SoHum fire departments to receive new trucks to amp up wildfire protection”:** The article, dated August 9, explains how fire agencies throughout the state qualify for state budget allocations in order to help purchase apparatuses and other equipment upgrades. The article focuses on fire districts in southern Humboldt and northern Mendocino counties.

**Article #13: “Mayor’s Message – Scotts Valley marks a birthday”:** The article, dated August 12, provides a historical overview of Scotts Valley inception back in 1966. The article was written by Scotts Valley City Mayor Jack Dilles.

Respectfully Submitted,



Joe A. Serrano  
Executive Officer

Attachments:

1. “Keeping Branciforte fire station open ‘too expensive,’ voters say”
2. “Watsonville Community Hospital hosts town hall on agency’s future”
3. “Meeting gives update on potential Big Basin Water Company receivership”
4. “North Tahoe Fire Protection District looks to annex Meeks Bay Fire...”
5. “College Lake pipeline construction moving along”
6. “Scotts Valley Fire District seek new \$22 million facility...”
7. “Santa Cruz County RTC Executive Director Guy Preston to retire at end of year”
8. “Scotts Valley, Branciforte fire districts cleared to combine”
9. “Santa Cruz County Supervisor Zach Friend will not seek fourth term”
10. “Expansion likely completed for San Diego County Fire as it takes over...”
11. “Nevada County Supervisors Support Consolidation of Three Fire Districts”
12. “SoHum fire departments to receive new trucks to amp up wildfire protection”
13. “Mayor’s message – Scotts Valley marks a birthday”

[santacruzsentinel.com](https://www.santacruzsentinel.com)

## Keeping Branciforte fire station open ‘too expensive,’ voters say

Jessica A. York

4–5 minutes

HAPPY VALLEY — The price is too high, voters overwhelmingly agreed, to continue fully staffing the Branciforte Fire Station year-round after a joinder with neighboring Scotts Valley Fire Protection District likely concludes late this year.



Branciforte Fire Protection District voters resoundingly voted “no” on paying a cumulative extra \$1 million a year to continue full-time fire station operations. (Jessica A. York — Santa Cruz Sentinel)

With special assistance from the Santa Cruz County Elections division, ballots representing more than half of the nearly 750

mailed out to district property owners last month were opened and officially counted after a well-attended public hearing Thursday night at Happy Valley Elementary School. Voters were asked to give a simple “yes” or “no” on helping to foot the approximately \$1-million-a-year bill to fund the fire station’s fully staffed operations. Each ballot reflected the individual assessment cost that property owner would be expected to pay.

Clement Shields, an 11-year resident of the district with his wife, told the Sentinel he was one of the highest of the proposed ratepayers and had voted against the ballot measure. Saying he lived near enough to Scotts Valley to receive a quick response and that he did not believe his property was one of the most valuable in the district, Shields also questioned the Branciforte Fire Protection Board of Directors on how the costs were divided up among property owners.

According to a firm hired by the fire district, property owners receiving a greater “benefit,” as determined by their fire risk, structural value, location within a fire hazard zone and travel time premiums, were expected to pay a larger portion of the assessment.

“For us, it’s a pretty huge amount,” Shields said. “It would, like, double our entire taxes.”

Shields’ ballot was joined by another 378 “no” votes, versus 53 “yes” votes, [according to the final tally](#). After ballot weighting, the equivalent of nine out of every 10 votes cast were in opposition, 875,554 to 103,393.

Larry Pageler, the Branciforte Fire board chairman, commended the high voter turnout “that seems to resolve this initial approach to funding and staffing the fire station.” Pageler said he and other district leaders were not entirely surprised by the night’s outcome after seeing what individual property owners would be expected to



pay.

“We will continue to work with options for use of the station and what ideas the new Scotts Valley fire chief might have for other funding sources,” Pageler said after the meeting’s conclusion.

The fire agency, which has struggled financially in recent years, has traditionally relied heavily on volunteer staff to operate the station since its opening at 2711 Branciforte Drive in 1950. Scotts Valley Fire, while likely to continue using the station as needed, would require extra funding for a paid staff to keep the station open full-time. For six years, Branciforte contracted out its administrative duties to Scotts Valley Fire under a deal that expired in September 2021. Scotts Valley Fire, under the leadership of recently hired Chief Mark Correira, will soon be [seeking financial support of its own from that city’s voters](#). The November ballot will include a proposed \$22.2 million bond to fund construction of a new fire station, relocated from Erba Lane to La Madrona Drive.

The two districts’ boards of directors separately voted last month to approve a joint service plan detailing their joinder, pending approval Aug. 2 from the Local Agency Formation Commission of Santa Cruz County. If approved, Branciforte Fire Protection District will be dissolved and its land annexed under the Scotts Valley Fire Protection District.

[santacruzsentinel.com](https://www.santacruzsentinel.com)

## Watsonville Community Hospital hosts town hall on agency's future

*Nick Sestanovich*

4–5 minutes

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WATSONVILLE — The last time Matko Vranjes, the interim CEO of Watsonville Community Hospital, was in the cafeteria at Watsonville High School in late 2021, the mood was a lot more somber. The hospital had begun bankruptcy proceedings, and its owner at the time — Halsen Healthcare — was looking to sell or shutter it.

But what a difference a year and a half can make. The hospital got a reprieve with the formation of the Pajaro Valley Healthcare District, which allowed it to continue to operate. The status of the hospital and its future were the subject of another town hall held in the Watsonville High cafeteria Thursday.

Tony Nunez-Palomino, a member of the district's board of directors, reviewed the history of the hospital. It was established in 1895 as a nonprofit and continued to operate as such for 103 years until it shifted to for-profit ownership by Community Health Systems and Quorum in 1998.

“That is when some of the financial shortcomings started to arise for the hospital,” he said.

In 2019, ownership changed hands again to Halsen. However, the COVID-19 pandemic hit not too long after and the hospital

struggled even more financially. Bankruptcy was announced in December 2021, but State Sen. John Laird — whose state Senate district includes Watsonville — introduced Senate Bill 418 to create a health care district that would allow the hospital to keep operating. It was signed by Gov. Gavin Newsom in February 2022.

What followed over the next six months was a major fundraising campaign that ended up raking in \$64 million to cover not only the cost of bankruptcy proceedings but also to take control of the hospital's assets. The district, which spans the Pajaro Valley from Aptos to Las Lomas, officially began operating in September, the fundraising arm — the Watsonville Community Hospital Foundation — was established in January, and the hospital is in the early stages of its strategic planning process.

Today, the hospital employs more than 600 staff — 53% of whom live in the community — and has provided services to more than 30,000 patients.

June Ponce, executive director of the Watsonville Community Hospital Foundation, said the hospital received support from everyone from local businesses to labor organizations to political leaders and community stakeholders. Of the \$64.3 million raised, \$6 million was set aside to cover the cost of bankruptcy, \$15 million was earmarked to fund hospital deficits, \$34 million was to fund the acquisition of hospital operations and \$9.3 million was set aside for working capital for a new community-owned hospital.

“We’re no longer the same hospital that we were a year ago,” she said. “We’re a new company, and with any new company ... there’s growth that needs to happen. We felt it was important for the hospital to have some sort of a leeway runway.”

Vranjes said the hospital experienced a \$21 million loss in 2021, but a financial turnaround plan is already underway. The hospital

has decreased expenses, increased revenues, renegotiated insurance contracts, continued fundraising and is exploring a potential general obligation bond measure for next year.

“As a district and public entity, we have the opportunity to do that,” he said. “That’s the right direction for us.”

Vranjes also highlighted some new initiatives at the hospital, such as a Da Vinci Surgical System, a program in which a surgeon works from an electronic console and uses robotic arms to perform minimally invasive surgery on a patient; and a cardiac catheterization lab slated to open by December.

Vranjes was asked about the bond measure. He said the district was still in the early stages of exploring the possibility of such a measure and had just authorized a community survey.

Ponce also said the hospital would plan to continue to host community dialogues.

[pressbanner.com](https://pressbanner.com)

## Meeting gives update on potential Big Basin Water Company receivership - Press Banner | Scotts Valley, CA

*By: Christina Wise*

5–6 minutes

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On July 13, the Highlands Park Senior Center was teeming with frustrated San Lorenzo Valley residents. Customers of Big Basin Water Company (BBWC) gathered—in-person and virtually—to get updates on the potential receivership being planned for the utility following years of failing infrastructure and fiscal mismanagement.

(A receivership is a remedy provided by the court. A receiver is court-appointed, and they are tasked with bringing the system back into compliance with drinking water laws and regulations.)

Local agencies, including the State Water Resources Control Board (SWRCB) and the California Public Utilities Commission (CPUC), dispatched representatives to better explain the process to the community.

With more than 140 attendees, members of the SWRCB's Division of Drinking Water (DDW) fielded questions from BBWC customers, the majority of whom had lost their homes in the 2020 CZU August Lightning Complex Fire.

Several in attendance were in the process of rebuilding their homes, with some just waiting for that final water hookup in order to move in. DDW reps confirmed that until the utility either addressed the infrastructure problems or moved into receivership, restoration of water hookups would be declined.

While BBWC water has been tested and currently meets all standards for clean, safe and potable drinking water—the frequent boil orders notwithstanding—the main issue with the utility is its

wastewater treatment facility.

According to Attorney Laura Mooney of the State Water Board Office of Enforcement, about 30 parcels in the Fern Rock Way and Cypress Tree Lane neighborhoods receive wastewater service from BBWC.

While the wastewater treatment plan has been without power since the 2020 fire, the relentless storms of the winter further taxed the holding tanks beyond capacity; photos of the BBWC in-ground wastewater tanks showed raw sewage exceeding the lip of the container and saturating the ground; another showed a mosquito breeding habitat with thousands of mosquitos perched atop the mucky green surface of untreated waste.

Mooney stated that her agency learned last fall that, despite the catastrophic failure of the wastewater treatment plant, BBWC wasn't addressing the issue.

According to Mooney, other wastewater treatment facilities that experience failure use a "pump and haul" method to remove the waste, meaning the material is pumped into a truck and taken to a functioning wastewater treatment facility for proper disposal.

Although that option was available to BBWC, the utility failed to utilize it. Despite applying "progressive enforcement tools" to encourage the BBWC to solve the problem, Mooney stated that the lack of response from the utility had forced her agency to reach out to Rob Bonta, California's Attorney General, to undertake more formal enforcement actions to demand compliance.

Mooney said that BBWC recently hired a contractor to assist with restoration of the wastewater plant's operation. That will come as a relief to the utility's users who have seen raw sewage appear in toilets and bathtubs as alleged in an April report from SWRCB.

Any scenario in which BBWC could address and solve the multitude of issues within its system in a timely manner—if at all—is far-fetched given the severity of the problems and the ensuing price tag; estimates are that it will take nearly \$3M to provide critical repairs and bring the facility into compliance.

DDW speakers Stefan Cajina (North Coastal Section Chief) and

Jonathan Weininger (Monterey District Engineer) emphasized that their division has been aware of, and working on, this issue for several years, and they had finally reached a point where information could be shared with the public.

The public was none too pleased with what they heard.

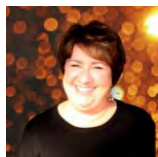
Fifth District Supervisor Bruce McPherson, who attended the meeting, was castigated by one attendee for his lack of efforts and response to the issue, and was pointedly asked why the San Lorenzo Valley Water District couldn't be forced to take over BBWC.

McPherson stated that his office has encouraged the SLV utility to purchase BBWC, but they had opted out.

"I don't think you should hold that against the SLV District," McPherson said.

For now, residents are left waiting to hear what will happen to the utility.

Members of the DDW announced there is a potential buyer for BBWC, but that the purchase process would take many months. Residents were warned not to expect any movement toward a purchase or receivership until the end of 2023.



[Christina Wise](#)

Christina Wise covers politics, education, art & culture, and housing issues. She has a degree in Communication from San Diego State University, and has lived in the San Lorenzo Valley since 1996. She's a community advocate and a mother of two.

[sierrasun.com](https://www.sierrasun.com)

# North Tahoe Fire Protection District looks to annex Meeks Bay Fire; Both agencies support the move

Sara Jackson / Special to the Sun

6–8 minutes



**Steve Leighton**

TAHOMA, Calif. – While the North Tahoe Fire and Meeks Bay Fire Protection Districts have been in contract for more than a decade, there has been a years-long push to annex Meeks Bay Fire into North Tahoe Fire.

North Tahoe Fire Protection District (NTFPD) covers everything from the state line in Crystal Bay, all the way down to the El Dorado County line on the west shore, and then up a little way to Alpine Meadows. Station 67 in Meeks Bay Fire, located in El Dorado County covers Sugar Pine Point State Park, General Creek Campground, which is part of Sugar Pine and D.L. Bliss State Park, and then just about all the way down to Emerald Bay, to the Falls.



North Tahoe Fire and Meeks Bay Fire have been operationally consolidated since 2014. Meaning that when someone calls 911, they have the fire trucks and paramedics show up at their door, either from North Tahoe or Meeks Bay. All the employees are North Tahoe Fire Protection District employees. So, when someone calls 911, they get the same level of services no matter where they are in the district. It's basically one big district operationally.

So, what does the annexation of the two districts mean for the community?

According to Edward Miller, President of the Board of Directors for Meeks Bay Fire, "There will be absolutely no difference in services, because right now, we're being serviced by North Tahoe Fire. So, whether the engine, or the back of the turnout coat says Meeks Bay Fire or North Tahoe Fire, it's still North Tahoe firefighters and paramedics."

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The headquarters station of Meeks Bay Fire District is staffed by North Tahoe firefighters. There are people that think that when annexation is complete, there won't be a Meeks Bay Fire station anymore. There has been a Meeks Bay station since 1967, and there will continue to be one after the annexation. Those working at the Meeks Bay Fire Station have been working for North Tahoe Fire under the contract so that station will not lose personnel, response times, or apparatus. Everything will stay the way it's been for the last 13 years under the contract.

The potential unification of Meeks Bay Fire with North Tahoe Fire has been on the NTFPD's board agenda since August 2018. The annexation of the two districts was supposed to happen towards the end of 2022 or the beginning of 2023. It is currently in the hands of Placer and El Dorado county's chief negotiators and LAFCo (Local Agency Formation Commission office), which consists of two staff members from each county responsible for negotiating the final process of the annexation.

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There have been 24 different items that the North Tahoe Fire Protection District and Meeks Bay Fire Protection District have

taken care of, in order to get this plan rolling. From December 7-8, 2021, they first had to get Board resolutions from both Boards, saying that both Boards wanted to do this. Letters of support were received on December 20, 2021.

“We had a plan for the services that we needed to get done. We’d had multiple fiscal analyses, one from AP Triton. We filed the application for LAFCo on August 31, 2022. We determined what the Board makeup was going to look like with the combined district, and had resolutions, both approved by both Boards. So, we think that we’re at a point now where we’ve done everything we’ve possibly can, and now it’s basically in El Dorado County’s hands on what they want this to look like going forward,” explains Steve Leighton, Fire Chief for both North Tahoe Fire and Meeks Bay Fire Protection Districts.

If this was a single county situation, the process would be going much smoother. Part of the problem is that Placer County does not have any responsibility toward paying any of Meeks Bay’s liabilities. If Meeks Bay was located within Placer County, then the county could take responsibility. But Placer County does not want to take responsibility for Meeks Bay’s unfunded liabilities such as retired employees.

At this point, El Dorado is not wanting to either. The unfunded liabilities are currently about \$2.5 million. One of the things the county is saying is, why should the taxpayers throughout the county take responsibility for the Meeks Bay Fire Protection District?

“And our answer to that is, we serve not only the people who pay taxes within our district, but we serve an enormous amount of people from out of our district more than we serve in our district. So, all the people that come to the state parks, all the people that are traveling through, all the people that get lost in the woods, have to be rescued. All of the accidents on the highway caused by people from other places, including parts of El Dorado County. So, when people come to South Lake Tahoe or Meyers, or any of the other parts of the South Shore, El Dorado County, they don’t just stay down there. They come up to Sugar Pine Point State Park, they come up to Emerald Bay, Tahoe City, and pass through to the

Meeks Bay District,” adds Miller.

Meeks Bay Fire is funded by property taxes and by voter approved benefit assessments and special taxes. So, if the annexation were to go through, the special taxes and benefit assessments in the Meeks Bay District would have to be equalized with those currently charged to those in the North Tahoe District so that everyone in the “new” District would be paying the same.

According to Miller, “this would amount to about \$75/per parcel less for Meeks Bay Fire property owners than they currently pay.”

“So, what we’re trying to do here is, we’re trying to be as efficient as we possibly can, and it’s really hard to be efficient when you have two board meetings that our staff need to prepare for and attend. We have two separate budgets that we need to prepare for and make sure we’re doing the right thing. We have two audits, and everything we do, we double. So, our efficiency in operation right now is not overly efficient,” adds Leighton.

The annexation of the two districts is a couple years in the making but Meeks Bay and North Tahoe Fire Protection districts need El Dorado County’s help to get them across the finish line.

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## College Lake pipeline construction moving along

*Nick Sestanovich*

5–6 minutes

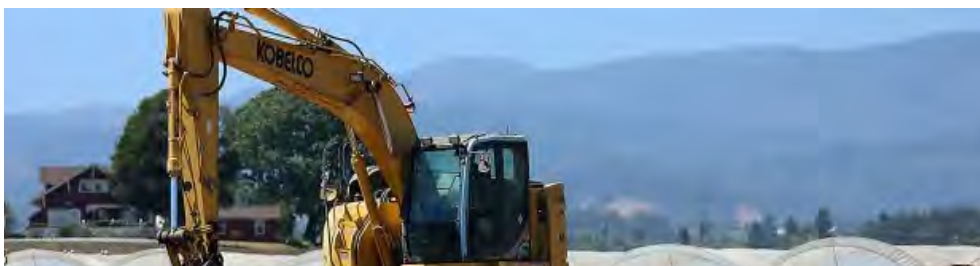
WATSONVILLE — More than a month after its groundbreaking ceremony, the \$80 million construction of a new pump station, water treatment plant and 6-mile pipeline at College Lake is taking shape. This week, crews have been working on building open trenches off Holohan Road during the day and constructing pipeline near the intersection of Highway 152 and Holohan and College roads during the night. Crews are also placing machinery near Lakeview Road to commence the construction process there.

The project, located on a former apple orchard along Holohan, aims to connect a pipeline to deliver treated water from the new treatment plant to more than 5,500 acres of farmland through Pajaro Valley Water's Coastal Distribution System in an effort to reduce groundwater extraction.

"Pajaro Valley has been overdrenched, more groundwater extraction than replenishment for decades," said Brian Lockwood, general manager of Pajaro Valley Water Management Agency.

"That's led to water levels to drop and groundwater quality degradation, most particularly from seawater intrusion."

Lockwood said the pipeline will provide supplemental water to farmers in the coastal area.





The College Lake Integrated Resources Management Project along Holohan Road will develop facilities to use the water from the seasonal lake to be used as an alternative to groundwater for agricultural irrigation. (Shmuel Thaler – Santa Cruz Sentinel)

“We can keep agriculture in production while, at the same time, reducing groundwater extractions so we can protect the groundwater basin for all customers, whether it be the city, rural residents (and) any of the other municipalities,” he said. “If you have contaminated water, you’re not gonna be able to drink it.”

The project will serve the area along the Monterey Bay from La Selva Beach to Moss Landing and will allow treated water to travel from College Lake to more than 5,500 acres of farmland throughout the region. It will consist of three primary components that were outlined by Marcus Mendiola, Pajaro Valley Water’s conservation and outreach specialist. The first is a pump station near College Lake that will feature an adjustable flap and screening area and step pools for fish to pass through.

“That is where we will, when we are allowed through our water rights permit and our agreements with the California Department of Fish and Wildlife and National Marine Fisheries, pull water when the fish are no longer utilizing the lake or when flows are sufficient,” he said.

The second component is a water treatment plant with a decanting structure, pump station and solids handling lagoons to allow for dirt, dust and algae to be removed.

“Because this water is quite turbid, there’s lots of material in this water from the upper watershed,” said Mendiola. “That’s where we

will send the sediment to dry out.”

Once the sediment is cleared out, the water will go through the third component — the pipeline — from 76 Holohan Road to west of Highway 1 to connect to the existing Coastal Water Distribution system, including the recycling plant that was completed in 2009.

Mendiola said the project received a \$7.6 million grant from the California Department of Water Resources last year and recently received an \$8.9 million block grant from the California Department of Conservation for both the pipeline project and the Watsonville Slough System recharge and recovery project. An application for further funding has also been submitted to the Environmental Protection Agency.

“I’ve gotta thank those funders for helping us finance this project,” he said.

Lockwood said Indigenous tribal monitors, archaeologists and biologists have been on site to make sure the contractor is in compliance with permits. He expressed excitement about the project’s prospects.

“I’m looking forward to achieving sustainable water resources, helping to keep our agricultural customers thriving while also helping to protect the water resources for the community at large,” he said. “It’s a major project, so we are excited that it’s underway.”

Mendiola said it was a multibenefit project, particularly for farmers.

“This project is so valuable for the community, and it’s so valuable for the environment,” he said. “This project has so many winners. ... It’s obviously going to help any human who uses water in the Pajaro Valley, but it also helps all the other animals that use the water in College Lake.”

Lockwood said construction is expected to be completed by the end of 2024. Construction progress will be updated at [Pvwater.org/construction](https://pwater.org/construction).

[kion546.com](https://kion546.com)

## Scott Valley Fire District seek new \$22 million facility after current station has reached "end of its useful life" – KION546

*By Ricardo Tovar, Scott Rates*

~3 minutes

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SCOTTS VALLEY, Calif. (KION-TV)- Scotts Valley Fire Protection District Board of Directors unanimously approved Resolution 2023-7 which will put the replacement for the current fire station on the November ballot.

This was decided at the July 12 board meeting. The proposed \$22.2 million bond would allow for the building of a new fire station in Scotts Valley.

The current fire station at Erba Lane "does not meet essential services building and safety standards, putting the community of Scotts Valley at risk in the event of a disaster," said the Scotts Valley Fire District.

The new proposed fire station would be located on La Madrona Drive across from the Hilton. This location was purchased in 2022 by the fire district with a future new location in mind.

The Scotts Valley Fire District argues that the new location "would decrease the overlap in fire station response areas and place the station closer to the majority of the incidents in the community."

On top of that, they will have the ability to assist in disaster



response by housing a crisis headquarters like during the CZU Lightning Complex of 2020, and atmospheric river events of 2022.

The old station would then be retired once the new location is completed.

The Erba Lane Fire Station was built in 1964, was the first station in Scotts Valley, and was comprised of an all-volunteer staff.

"Scotts Valley is a growing city, far exceeding the growth expected in 1964 when the Erba Lane station was built," said the Scotts Valley Fire Station.

The Scotts Valley Fire Station said due to limited funding staff had to focus on immediate emergency services for the community, Thus, leaving the station updates falling behind.

"The Erba Lane Fire Station's structural integrity does not meet seismic standards or modern building codes. This leaves the station and staff at risk of being unavailable for emergency services in the event of a major earthquake," said the Scotts Valley Fire District.

In 2018 the Fire District conducted a facilities study and then a seismic study in 2022. Both studies concluded that the dependability of the building had reached the end of its life with the potential impacts of a natural disaster being dire on the station and the community.

To learn more, click [here](#).



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## Santa Cruz County RTC Executive Director Guy Preston to retire at end of year

*PK Hattis*

5–6 minutes

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SANTA CRUZ — In a surprise announcement at the Santa Cruz County Regional Transportation Commission's meeting Thursday, Executive Director Guy Preston said he will be retiring at the end of the year.

"After a very dynamic and fulfilling 34 years in transportation planning, programming, engineering and project delivery, I have decided on Dec. 1 I will pack up my empty coffee Thermos, jump on my bike and ride home from (the) RTC office for the last time," said Preston, closing out his regularly scheduled director's report. "RTC has made great progress and I am very proud of our accomplishments. It is now time for me to retire and spend more time at home. Tonya and I have always known that we would retire here in Santa Cruz. We are well settled and I have a long list of home projects to keep me busy while I ease into this new chapter of my life."

Despite at least two commissioners admitting to being caught off guard by the announcement, the immediate reaction included expressions of gratitude and admiration for Preston's work at the commission for the past 4.5 years.

"I've been on this commission for 10 years and I've never

experienced more success stories and getting projects delivered than we have under Guy Preston,” said Commissioner and 5th District County Supervisor Bruce McPherson, who himself plans to retire next year. “He has been phenomenal I think at trying to get people together in some very controversial issues, in particular the rail trail. We’ve had split votes and so forth and he’s always had a measured approach and delivery of what can be done and what is being done.”

Andy Schiffrin, the alternate for Supervisor Justin Cummings, shared similar appreciations and even a plea for Preston to reconsider.

“I’m really saddened that you’re going to be retiring,” said Schiffrin. “I wish there was some way to persuade you to stay on; there’s still so much to be done.”

Preston, 57, a Santa Cruz resident since 2010, was [hired by the commission](#) in December 2018. Prior to that, he spent four years as the regional delivery manager for the California High-Speed Rail Authority along with previous jobs at the Sonoma County Transportation Authority and Caltrans.

Preston told the Sentinel that he and his wife Tonya, who have four adult children and one grandchild, recently welcomed his 90-year-old mother into their home and, he said, having some extra time to care for her was an important part of his decision as well.

He admitted to keeping his retirement close to the vest, saying he thought it best to let everyone know at once so he “could be productive up until the end” and avoid any temptation to lose focus by providing too much advance notice. He said he’d prefer not to be involved in the process to find his replacement.

The announcement comes amid the commission’s pursuit of a number of high-profile transportation projects.

After the defeat of the hotly contested Measure D Greenway

Initiative last summer, commissioners approved a [project concept report](#) aimed at providing a preliminary analysis of an electric passenger rail project stretching from Pajaro to Santa Cruz within the commission-owned Santa Cruz Branch Rail Line.

The \$7.7 million study is expected to take about two years to complete and is almost fully funded thanks to a [recent grant](#) from the California State Transportation Agency.

Meanwhile, the commission is leading the effort to continue development of the 32-mile Coastal Rail Trail that will provide a multi-use trail along the rail line from Davenport to Watsonville/Pajaro. [According to commission staff](#), 17 miles of rail trail projects have been completed or are under development. The remaining segments have not yet been developed beyond the master planning level.

Additionally, in April the commission [broke ground](#) on the three-phase [Watsonville to Santa Cruz Multimodal Corridor Program](#) with targeted improvements at Highway 1, Soquel Avenue/Drive and the Coastal Rail Trail. The project received a \$30 million federal grant in January and the first phase could be complete by the end of 2025.

Preston told the Sentinel he holds the multimodal corridor program and rail trail projects among his proudest achievements during his tenure, in part, for their ability to push the county toward a more sustainable approach to transportation.

"I think this community is transitioning from one that's been overly dependent on the automobile to one that's more sustainable and provides more choices," said Preston. "We really can do a little bit for everybody and that's the right approach."

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## Scotts Valley, Branciforte fire districts cleared to combine

Jessica A. York

5–6 minutes

SANTA CRUZ — A body overseeing governmental boundaries approved Scotts Valley Fire Protection District’s absorption of neighboring Branciforte Fire in a unanimous vote.

On Wednesday, the Santa Cruz Local Agency Formation Commission accepted the two agencies’ reorganization, a move that will be finalized by Sept. 27, absent a significant challenge. The effort has been some two years in the making, as Branciforte Fire [leaders recognized they were fighting an uphill battle](#) to fund continued operations.



The Scotts Valley Fire Protection District board, during a special

meeting last year, discussed early-stage preparations to absorb the Branciforte Fire Protection District area. (Jessica A. York — Santa Cruz Sentinel)

LAFCO Executive Director Joe Serrano told the commission that Branciforte Fire was “in distress” and that the consolidation was not a perfect process. Rather, the effort was born out of necessity, he said.

“Based on Branciforte’s own analysis, they are draining their reserves and they are going to run out of money within a year, if not sooner,” Serrano said.

In a staff report for Wednesday’s meeting, Serrano wrote that the purpose of having the 73-year-old Branciforte Fire Protection District dissolve was to facilitate efficient delivery of fire protection and emergency services to about 1,700 residents. In 2020, the first responding firefighter units for about 40% of Branciforte Fire’s 159 emergency calls were from neighboring agencies, according to an October 2021 Countywide Fire Protection Service & Sphere Review. The majority of those calls, Serrano said, were medical-related.

“Also, they have one fire station and they have one person on duty at that fire station, that’s it. Which is not in compliance with local standards, with state standards, with regional standards,” Serrano told the commission. “When you call 911, you expect a team to show up, not one person. And these three firefighters have basic life support.”

Branciforte Fire services about 9 square miles of unincorporated area between Scotts Valley and Santa Cruz and relies on three paid fire captains — one per shift — plus a volunteer firefighting force to conduct its operations. According to Serrano’s report, volunteer levels dropped from 41 to 9 between 2013 and 2022. The department also has been without a full-time paid fire chief since a contract to have Scotts Valley Fire serve as a department

administrator expired in September 2021. Meanwhile, Scotts Valley Fire has a more robust paid firefighting force, administrative staff and an approximately \$9 million annual budget, Serrano said.

“Consider them two ships,” Serrano said. “One of them is clearly sinking.”

Should the merger be finalized, the newly combined areas will be named the Scotts Valley Fire Protection District, overseen by that body’s existing five-member board, elected at large from the entire district as existing members’ terms expire. As part of a plan for service approved by both existing districts’ boards, Scotts Valley Fire may consider transitioning to a by-district election process in the foreseeable future in order to avoid conflict with the California Voting Rights Act, after additional analysis.

Through Sept. 1, individuals may request amendments to or reconsideration of the commission’s resolution approving the reorganization, if they are able to show previously unknown information. The commission then will accept written protests from affected residents within the combined proposal area, from Sept. 4-Sept. 27. If more than 50% of the affected registered voters or landowners oppose the proposal, then the LAFCO decision will be reversed.





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Branciforte Fire Protection District's station was first opened in 1950. (Shmuel Thaler — Santa Cruz Sentinel file)

Commissioner Manu Koenig, who also serves as the 1st District Santa Cruz County supervisor, said he had been following the reorganization discussions since he took office. In that time, Koenig said, he had seen “quite a bit of evolution” from the Branciforte Fire district.

“Those first meetings that I had with the Branciforte Fire Protection board, there were definitely folks that were dead-set against the idea of a merger, despite the significant challenges that they faced, both from a financial perspective and level-of-service perspective,” Koenig said.

A citizen vote last month to determine if the existing district's property owners were willing to levee a special assessment to guarantee continued full-time staffing and operation of Branciforte Fire's single station [failed to pass muster](#). Two board members [resigned late last year](#) in the midst of merger and benefit assessment talks, one in protest for the other's forced termination.

The special mail-in election drew 434 out of 745 distributed ballots. Of those who voted, 87% voted against the benefit assessment, meaning the station remodeling plans will move forward and the building will be maintained in serviceable order, ready for emergency staffing.

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## Santa Cruz County Supervisor Zach Friend will not seek fourth term

*PK Hattis*

6–8 minutes

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SANTA CRUZ — Santa Cruz County Supervisor and current Board Chair Zach Friend on Friday announced that he will not seek a fourth term.

“Representing this County has been the nonpareil opportunity of a lifetime,” said Friend in a prepared release. “We are a region blessed with the most caring people, unrivaled natural gifts and unmatched innovation. The privilege of representing our area has been remarkable.”

Friend, 44, has represented the county’s 2nd District on the board since 2012 and coasted to reelection in 2016 and 2020. He plans to step down from the dais in the county building when his current term expires in January 2025.

The 2nd District encompasses the coastal communities of Aptos, La Selva Beach, Seacliff, Rio Del Mar and a portion of Capitola. It also includes the agricultural industry-rich zones within the Pajaro Basin, Corralitos, Freedom and the northwestern edge of the city of Watsonville.

During his time in office, Friend lead efforts to expand broadband in rural areas and leveraged connections and previous experience working at all levels of government – including the White House Council of Economic Advisers and the U.S. Congress – to advocate



for transportation and flood-protection issues.

Additionally, he ushered forward efforts to remake Willowbrook County Park in honor of fallen Sgt. Damon Gutzwiller, remodel Seascape Park and Hidden Beach Park, construct bicycle and skateboarding opportunities in Seacliff and foster redevelopment of the Aptos, La Selva and Capitola libraries.

“We were proud to spearhead efforts resulting in the greatest investments in parks and youth activities in decades and to improve public spaces from libraries to coastal access in ways that make our community even more special,” Friend said. “Whether it was the creation of the new Mid-County Public Safety Service Center in Aptos, working to save Watsonville Hospital from closure or the construction of the new South County Government Center, my goal has been to ensure that areas of historic underinvestment in County services — like the mid and south county — received equitable access and resources.”

Most recently he played a key role in securing the \$400 million needed for the Pajaro River Levee Project and leaned again on his state and federal connections to facilitate a visit from President Joe Biden and California Gov. Gavin Newsom after this winter’s historically damaging storms.

“He’s lead the way on many significant issues; none more impressive than getting the federal government, after some 50 years, to finally move on funding to upgrade the Pajaro River levee,” 5th District Supervisor Bruce McPherson, who Friend noted as one of his closest collaborators on the board, told the Sentinel. “He is one of the brightest, well-informed, forward-looking, public servant politicians I’ve ever worked with, state or any level.”

Before his tenure as supervisor, Friend was a crime analyst and spokesperson for the Santa Cruz Police Department for eight years. He was also a spokesperson and surrogate for multiple

presidential campaigns, including for presidents Joe Biden and Barack Obama.

“Zach became a trusted adviser during one of my most challenging moments in elected office,” former Santa Cruz Mayor and current Donor Services Director for Community Foundation Santa Cruz County Hilary Bryant wrote in an email to the Sentinel. “His steady and thoughtful leadership on the Board of Supervisors will be enormously missed, and his deep understanding of policy and willingness to always be there for our community is what I admire most.”

Karen and John Hibble are co-executive directors of the Aptos Chamber of Commerce and heaped praise on Friend for his work as supervisor, highlighting his weekly town halls during the COVID-19 pandemic and ability to bring the Aptos Village project to fruition after decades of planning.

“I don’t think he ever slept,” said Karen Hibble. “We’re going to miss him very much.”

## **Open seat**

Speculation about the prospect of Friend running for another term began swirling after his wife, Tina Friend, became city manager for the city of Coronado in 2021, a role that is based in San Diego. Asked by the Sentinel on Friday to share any future plans he may have in the works, Friend wrote in an email “While the next chapter is still yet defined I plan to stay actively engaged locally and keep contributing to our community in any way possible.”

Friend’s departure will leave yet another major opening on a board that is already in a period of significant transition. In June, McPherson announced he’d be retiring at the end of his third term, meaning, the board’s two most-tenured supervisors will be absent from ballots in March.

As of Friday, longtime county resident and water watchdog Doug Deitch and Pajaro Valley Unified School District Board member Kim De Serpa were the only individuals that have filed an “intention to run” form for the District 2 seat. The form allows them to begin fundraising efforts, but the declaration of candidacy to officially join the race doesn’t open until Nov. 13.

Deitch told the Sentinel prior to Friend’s announcement that he fully intends to run for the position and has put water supply issues front and center. By his own count, he has previously run for a supervisor seat five or six times.

Friend’s absence from the race may also inspire those who were previously on the fence to throw their hats in the ring.

De Serpa told the Sentinel in July that she’d be “honored to serve” but that there were multiple factors at play and she was “exploring the possibility.”

Capitola Vice Mayor Kristen Brown also voiced an interest in running, saying she was giving it “a lot of consideration” but would only run “in the event that Supervisor Friend chooses not to.”

Supervisor districts 1, 2 and 5 all have expiring terms next year and will appear in the March 5 Presidential Primary Election. Outright victory for a supervisor candidate can only be declared in March if one candidate in any given race achieves more than 50% of the total vote. If all fail to do so, the top two vote-getters will advance to a runoff in November.

[sandiegouniontribune.com](https://www.sandiegouniontribune.com)

## Expansion likely completed for San Diego County Fire as it takes over cash-strapped Borrego Springs - The San Diego Union-Tribune

*Karen Kucher*

8–10 minutes

There's been a lot of new stuff showing up at the Borrego Springs fire station this summer: A brand-new \$300,000 ambulance. A 2-year-old fire engine. Raises for its 14 firefighters. Fresh blue uniforms.

The patches on the uniforms give a hint as to what's changed at the single-station fire department located 85 miles east of San Diego. Borrego Springs is no longer an independent fire protection district. As of July 1, it is part of San Diego County Fire with staffing provided by Cal Fire.





Cal Fire gear hangs on the wall of San Diego County Station 60.

(Nelvin C. Cepeda / The San Diego Union-Tribune)

Fifteen years after county officials launched an effort to improve and coordinate fire service in rural areas, the county department has absorbed its 20th fire agency — the last one eyed by the county.

Now, fire protection and emergency medical services for the community of Borrego Springs are the responsibility of the San Diego County Fire Department. As part of the switch, all 14 firefighters who formerly worked for the Borrego Springs Fire Protection District are now employed by Cal Fire.

The district has around 4,000 permanent residents, attracts more than 1 million visitors to nearby desert recreation areas and covers about 310 square miles in northeastern San Diego County.

Fire Chief Tony Mecham said Borrego Springs may well be the last department to join County Fire, which was set up in 2008 to support underfunded districts and centralize command of the region's firefighting resources.





Capt. Miguel Manzano has been with Borrego Springs Fire District for the past 45 years. As of July the department is now part of Cal Fire.

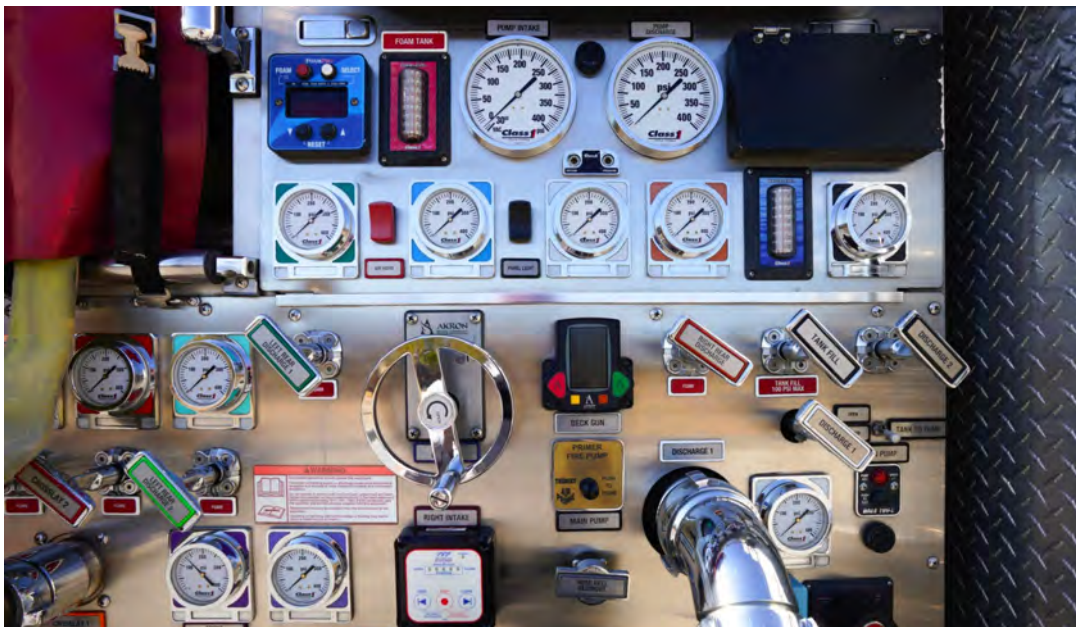
(Nelvin C. Cepeda / The San Diego Union-Tribune)

“I would say for now I think the expansion of County Fire has probably gone as far as I see it going,” said Mecham, who also heads Cal Fire San Diego.

The county fire agency was formed in the aftermath of devastating wildfires in 2003 and 2007. The massive fires — which collectively killed more than two dozen people and destroyed nearly 4,200 homes — exposed weaknesses in the region’s firefighting abilities, especially in the backcountry, where fire protection was provided by a patchwork of departments largely staffed by volunteers.

Communications between firefighting agencies also was spotty.

As a result, the county formed the San Diego County Fire Authority with a goal of unifying “the administrative support, communications and training of 15 rural fire agencies covering 1.5 million acres of unincorporated area” that previously had limited on-call protection, according to a 2020 strategic plan for the department. In late 2020, [it was renamed](#) the County Fire Department.





(Nelvin C. Cepeda / The San Diego Union-Tribune)

Over the years, the organization grew — initially targeting rural fire companies that mainly used volunteer firefighters and then fire departments funded through taxes paid by property owners in county service areas. In its final phase, the department absorbed fire protection districts such as San Diego Rural, Pine Valley, Julian and now, Borrego Springs.

At peak staffing, San Diego County Fire employs 425 seasonal firefighters and 576 permanent full-time firefighters. Nearly 100 county support staff, including those in the Emergency Services Administration, also are part of the department, which operates on a \$110.5 million annual budget, said Cal Fire spokesperson Michael Cornette.

The growth of the County Fire Department at times has been rocky, most notably [in 2019 when the Julian-Cuyamaca Fire Protection District was absorbed](#) into the county system. That change came after legal fights and a very public squabble that at one point had volunteer firefighters opposed to the takeover locking themselves into the fire station.

Eventually, the fire protection district — the last volunteer fire department in the region — was dissolved.

The remaining independent fire districts that operate in unincorporated areas of the county are managed by their own elected boards, the chief said. “I think there’s this perception that we are out to take people over and that’s just not true... We don’t go raid other people’s jurisdictions,” he said.





Gear hangs on the wall of the station.

(Nelvin C. Cepeda / The San Diego Union-Tribune)

Other fire departments are “always invited to join, but we are not seeking anybody else to join,” Mecham said. “If any of them at any point in the future want to sit down and talk to us and it makes sense for both sides, we will proceed. But there isn’t really any conversations out there that are currently occurring.”

The decision to dissolve the Borrego Springs Fire Protection District came after the district’s voters in November 2018 rejected Measure PP, a proposed special parcel tax increase. It would have provided more revenue to the district, which needed funds to cover increasing pension liabilities and to replace aging equipment.

Bruce Kelley, who headed a group of Borrego Springs residents who studied the issue, said the old setup left the department unable to provide competitive benefits to staff or to update equipment. To cover the district’s needs, the supplemental tax would have had to increase more than six-fold, he said.

Meetings were held with residents in Borrego Springs before the district board voted last year on transitioning to County Fire and Cal Fire control. Three board members were in favor; two were opposed.

Elizabeth Reisman and her father, fellow board member Paul



Reisman, voted against the measure. Reisman said she was mainly opposed to losing local control of the department.



Firefighter paramedics Robert Amaya, left, and Fernando Ayala check the gear and medical supplies of the ambulance at the start of their shift.

(Nelvin C. Cepeda / The San Diego Union-Tribune)

“I didn’t feel like the five of us should have said, ‘OK, we are going to let go of our control and send it up to Sacramento without a community vote,’” she said. “I think it should have been a community vote. It is something that is not reversible and it affects the entire community.”

San Diego County Fire Department

Twenty departments have been absorbed into the San Diego County Fire Department since it formed in 2008:

### **County Service Areas**

Boulevard

Campo

Laguna

Palomar

San Pasqual

### **Volunteer Companies**

De Luz

Intermountain

Ocotillo Wells

Ranchita

Shelter Valley

Sunshine Summit

Warner Springs

### **Districts**

Borrego Springs Fire Protection District

Julian Cuyamaca Fire Protection District

Pine Valley Fire Protection District

San Diego Rural Fire Protection District

[Ramona](#) Municipal Water District (fire services)

Mootamai Municipal Water District\*\*

Pauma Municipal Water District\*\*

Yuima Municipal Water District\*\*

*\*\*Operated as a Joint Powers Authority, with Yuima acting as the lead*

Reisman said Borrego Springs is small and has unique needs, which she fears will be overlooked in a large organization. “I hope it works out,” she said. “We are stuck with them now.”

After becoming part of County Fire, Borrego Springs has increased staffing at its fire station, going from four people a day to five. It used to have two people assigned to the fire engine and two on its paramedic ambulance — it now has three on the engine.

Mecham hopes to replace the aging fire station — formerly a drive-thru lumber yard which he described as being in “horrendous condition” — in the next five years. As a temporary fix, the county

plans to bring a double-wide mobile home to the site, which is just north of Christmas Circle in the center of town, to give crews better living quarters.

While dissolving the fire protection district brought about a jurisdictional change and better gear, Mecham said from an operations standpoint nothing much has changed. Fire engines in nearby Ocotillo Wells, Ranchita and Shelter Valley, staffed with Cal Fire crews, have long responded to medical and fire calls alongside Borrego Springs crews.

Borrego Springs residents became more familiar with Cal Fire personnel during the pandemic after they ran vaccination clinics in the community. Mecham said he believes those interactions likely left some community members seeing “the benefits of being part of a larger organization that frankly has more resources.”

[yubanet.com](https://yubanet.com)

## Nevada County Supervisors Support Consolidation of Three Fire Districts

*County of Nevada CA*

4–5 minutes

*Nevada City, CA* – Today, the Nevada County Board of Supervisors voted to support the consolidation of three fire districts — Rough & Ready Fire Protection District, Penn Valley Fire Protection District, and Nevada County Consolidated Fire District — into one combined district.



Board members, Chiefs and staff after the vote. Photo courtesy Jamie Jones, Fire Safe Council of Nevada County

The Board also approved the fire district chiefs' request for up to \$1 Million in temporary gap funding to operate Rough & Ready Fire Station #59 while the reorganization effort is underway.

Consolidated Fire Chief Jason Robitaille said the consolidation will allow the fire districts to increase efficiency and eliminate redundancies. He assured the supervisors they will get a good return on their investment. “We want the county to realize we’re an investment and not a bill,” he said.

The Board vote assures continued fire protection for the Rough & Ready community as their fire station was slated to close permanently on June 30. The County agreed to provide funds to “match” Rough & Ready Fire Protection District’s current funding allocation to ensure Station #59 is open 24/7. The County funds are tied to the three districts meeting agreed-upon milestones leading to their consolidation within one to two years. The \$1 million breaks down to approximately \$400,000 in Fiscal Year 2023-24 and \$600,000 in Fiscal Year 2024-25.

Rough & Ready Fire Protection District initially announced its plans to dissolve in March. But over the past few months, the three fire districts developed this plan to reorganize into one district, which will have the long-term benefit of increasing the effectiveness and efficiency of fire protection while also keeping Rough & Ready Station #59 fully operational now.

Supervisor Sue Hoek, co-chair of the County’s Fire Services Ad Hoc Committee, said that her original focus was on simply ensuring that Station #59 remained open to serve her Rough & Ready constituents. “I couldn’t have predicted at the start that we’d be here today not only saving the station but consolidating all three districts into one, which will make everyone safer and more secure in the long run.”

Supervisor Lisa Swarthout, the other co-chair of the committee, is confident the County is making a good investment by supporting the consolidation. “I’m proud to support this consolidation plan. I commend the leadership of the fire districts and thank everyone involved,” she said.



The three districts' reorganization application, expected to be submitted early next year, is subject to approval by the Nevada Local Agency Formation Commission (LAFCo).

LAFCo President Josh Susman praised the consolidation effort in a letter to the Board of Supervisors: "As we have seen this year, the financial state of several of our fire agencies is precarious. The failure of even one agency would have serious and widespread impacts on public safety, given the coordinated response patterns of our emergency response providers."

The firefighters are enthusiastic about the prospect of the combined district as well.

Clayton Thomas, president of the Nevada County Professional Firefighters union, said his members are 100 percent in favor of the consolidation because of the increased efficiencies. He also praised all the involved agencies for working together. "I've never seen the kind of movement, the kind of collaboration, the kind of relationships built and fostered in such a short amount of time," he said. "It is truly impressive."

[times-standard.com](https://www.times-standard.com)

## SoHum fire departments to receive new trucks to amp up wildfire protection

*Jackson Guilfoil*

7–8 minutes

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New type six fire trucks are headed for Southern Humboldt and Northern Mendocino counties courtesy of state budget allocations, Sen. Mike McGuire said Wednesday. (Screenshot)

Courtesy of state budget allocations, fire departments across

southern Humboldt and Northern Mendocino counties will receive 10 new fire trucks, replacing decades-old vehicles in the current fleet, one of which is 50-years-old.

The allocations were announced by North Coast state Sen. Mike McGuire, who also said that nearly \$6 million was earmarked for fire prevention throughout the region, with \$982,287 specifically for Humboldt County to be doled out via grants. Most of the fire departments in Humboldt County's rural regions are small and staffed by volunteers.



McGuire

“The state has never invested so heavily in equipment upgrades in the SoHum, Northern Mendocino region benefiting local fire departments and it comes on the heels of unprecedented cooperation between 15 fire districts and departments throughout Northern Mendocino and Southern Humboldt with us for over a year to develop a regional wildfire response plan,” McGuire said.

The new fire engines — expected to be delivered and used during next year's fire season, according to Shelter Cove Fire Chief Nick Pape — are “type-six” vehicles, meaning they can access the rural



backroads and pathways ubiquitous throughout the region. The trucks will go to the Briceland, Whitethorn, Garberville, Palo Verde, Telegraph Ridge, Piercy and Leggett volunteer fire departments.

Pape said the new trucks would allow firefighters to put out small fires before they balloon into the gigantic, expensive infernos the state spends millions annually fighting.

“Type sixes are perfect for keeping fires small,” Pape said. “Every large fire starts with a small fire, and if we can put the fires at about a quarter acre, we don’t need to spend millions and millions of dollars on these million-acre fires to put them out.”

Pape added the trucks might be utilized for a range of public safety purposes, including rescues and medical responses.

This year has seen a slow start to California’s fire season, especially in the north. Torrential downpours are part of the reason, but Pape noted that vegetation is beginning to dry out, providing fuel to potential blazes.

The trucks were bundled together in a \$2 million package headed to the fire departments, funds which would not have come from Humboldt County this year, as the county is facing a \$17.7 million fiscal deficit.

“I think that’s one of the bigger frustrations when it comes to volunteer fire departments: fire districts in our region, the equipment is incredibly expensive and the money is hard to come by and that is why this investment is so critical,” McGuire said.

*Jackson Guilfoil can be reached at 707-441-0506.*

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## Mayor's message | Scotts Valley marks a birthday

*Jack Dilles*

5–6 minutes

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Scotts Valley became a city 57 years ago on Aug. 2, 1966. Scotts Valley is still a young city and still evolving. The city's population has grown from approximately 3,600 in 1970 to about 12,000 residents living in some 4,600 homes today.



Jack Dilles

Forming a new city did not happen overnight. It took the threat of a proposed memorial park and cemetery to spur Scotts Valley residents to begin the difficult process of incorporation. The idea of incorporation had previously been discussed, but not pursued. However, when the City of Santa Cruz moved to annex the Skypark Airport property along Mount Hermon Road, and concerns were raised about the proposed cemetery project east of Highway 17, some residents believed it was a good time to push for local control. To spearhead the process, the Scotts Valley Property Owners Association formed in 1960, with Agnes Lewis as president.

After extensive study group meetings, committee meetings, and spirited public forums in the early 1960's, the incorporation measure went to the ballot on April 14, 1964. The proposal passed with the narrow margin of 344 voters in favor of incorporation and 323 voters against. The results were challenged in court over the next two years until the case was finally heard in the state's district court of appeal. Some challenged votes were thrown out, but city incorporation still held the majority vote; and Scotts Valley became a city on Aug. 2, 1966. As for the proposed cemetery, the developer never appeared at the final hearing and the cemetery's use permit expired.

On Aug. 2, 1966, the first elected officials for the new city took office. Business owner and developer Bill Graham was elected mayor, winning a coin toss with C. R. Roberson, who became vice mayor. M. Willis Lotts took his seat as an elected council member. The other two elected council members, Ken Stacy and Dave Alford, had moved out of the city limits during the two-year challenge period, so Paul Couchman Jr. and James Kennedy were appointed by the City Council to replace them.

Scotts Valley Water District Board President Friend Stone was appointed to be the first city administrator. In later years, he served as mayor. In a 1971 newspaper interview, he explained his vision for Scotts Valley: "Just another city is not our aim. Our plan is a well-balanced city with enough business revenue to pay for city government, enough industrial enterprise to furnish jobs to those who want to live in the area and enough green belt areas scattered around within this so we don't get crowded."

When the city was formed, there were no funds on hand, so the city borrowed \$20,000 from a local bank and obtained an \$11,000 law enforcement grant to start up city operations.

Gerald Pittenger was appointed as the city's first police chief and worked for nine months by himself. Initially, he had no car,

equipment, uniform, nor citation forms, so he borrowed supplies from other jurisdictions. Scotts Valley has had only six police chiefs in its history, including Stephen Walpole I, Thomas Bush, Steven Lind, John Weiss and current Chief Stephen Walpole II. They have all worked hard to make Scotts Valley a safe place to live. Current Council Member (and former Mayor) Donna Lind was hired as the first city hall secretary and went on to lead a productive law enforcement career in Scotts Valley.

Much of the historical information in this article has been borrowed from the enlightening book “Images of America – Scotts Valley” by Deborah Muth, president of the Scotts Valley Historical Society. This book provides a lot of fascinating information about the history of our area, including events long before Scotts Valley became incorporated. This book is available in local stores. In addition, portions of this article derive from an illuminating article entitled “Founding fathers – Water, airplanes, and tombstones” written by then Mayor Donna Lind for the 50th Anniversary of Scotts Valley. If you haven't already discovered these wonderful resources, I encourage you to read them to learn more about the history of Scotts Valley.

Today, we are blessed with a wonderful city, featuring great schools, a safe community and a green environment. Our economy is growing and we enjoy abundant parks and recreational activity. I thank the visionaries who were instrumental in forming the city and the residents who approved the ballot measure. Scotts Valley is a special place to live.

*Jack Dilles is the mayor of Scotts Valley.*