

## LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY

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

Website: <a href="www.santacruzlafco.org">www.santacruzlafco.org</a>
Email: <a href="mailto:info@santacruzlafco.org">info@santacruzlafco.org</a>

#### **REGULAR MEETING AGENDA**

Wednesday, November 1, 2023 at 9:00 a.m.

(hybrid meeting may be attended remotely or in-person)

Attend Meeting by Internet: <a href="https://us02web.zoom.us/j/85888035676">https://us02web.zoom.us/j/85888035676</a>

(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**

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

- a) <u>Commission Quorum:</u> State law indicates that a quorum must consist of Commissioners in person pursuant to AB 2449.
- b) <u>Public Comments:</u> For those wishing to make public comments remotely, identified individuals will be given up to three (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 three (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. 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. California Special Districts Association - Magazine Interview

The Commission will receive an update on LAFCO staff's upcoming interview.

Recommended Action: No action required; Informational item only.

#### 3. ADOPTION OF MINUTES

The Commission will consider approving the minutes from the October 4, 2023 Regular LAFCO Meeting.

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

#### 4. ORAL COMMUNICATIONS

This is an opportunity for members of the public to address the Commission on items not on the agenda, provided that the subject matter is within the jurisdiction of the Commission and that no action may be taken on an off-agenda item(s) unless authorized by law.

#### 5. SPECIAL PRESENTATION

This is an opportunity for the Commission to receive special presentations from local, regional, or state agencies/representatives regarding LAFCO-related matters. These presentations may or may not require Commission action.

#### a. CALAFCO Annual Conference

The Commission will receive an update on the recent CALAFCO conference from Rene LaRoche, CALAFCO Executive Director.

Recommended Action: No action required; Informational item only.

#### 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. "Holohan Road Parcel Annexation"

The Commission will consider the annexation of a single parcel, totaling four acres, to the Salsipuedes Sanitary District for sewer service. If approved, a Notice of Exemption will be recorded to fulfill the requirements under the California Environmental Quality Act (CEQA).

<u>Recommended Action:</u> Adopt the draft resolution (No. 2023-24) approving the single parcel annexation into the Salsipuedes Sanitary District.

#### b. "Branciforte Drive / Michael Greenspon Extraterritorial Service Agreement"

The Commission will consider the extraterritorial service request for a single parcel to receive water service from the City of Santa Cruz under Government Code Section 56133. If approved, a Notice of Exemption will be recorded to fulfill the requirements under the California Environmental Quality Act (CEQA).

<u>Recommended Action:</u> Adopt the draft resolution (No. 2023-25) approving the extraterritorial service agreement involving the City of Santa Cruz.

#### 7. OTHER BUSINESS

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

#### a. Multi-Year Work Program Update

The Commission will review the scheduled projects, tasks, and service reviews for the 2024 calendar year.

<u>Recommended Action:</u> Approve the scheduled projects and reports for the 2024 calendar year.

#### b. LAFCO Meeting Schedule (2024 Calendar Year)

The Commission will consider the adoption of next year's meeting schedule.

Recommended Action: Adopt the meeting schedule for the 2024 calendar year.

#### c. Comprehensive Quarterly Report – First Quarter (FY 2023-24)

The Commission will receive an update on active proposals, scheduled service reviews, budgetary performance, and other LAFCO activities.

Recommended Action: No action required; Informational item only.

#### 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.

#### a. October Correspondence

The Commission will receive an update on written correspondence from October.

Recommended Action: No action required; Informational item only.

#### 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 September and October

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, January 10, 2024 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: <a href="https://www.fppc.ca.gov">www.fppc.ca.gov</a>. 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 <a href="www.santacruzlafco.org">www.santacruzlafco.org</a>. 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.

Agenda I tem No. 3



#### **DRAFT MINUTES**

#### LAFCO REGULAR MEETING AGENDA

Wednesday, October 4, 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 9:03 a.m. and welcomed everyone in attendance. She asked staff to conduct the roll call.

The following Commissioners were present:

- Chair Yvette Brooks
- Commissioner Jim Anderson
- Commissioner Roger Anderson
- Commissioner Rachél Lather
- Commissioner Allan Timms
- Alternate Commissioner Ed Banks
- Alternate Commissioner Manu Koenig

Alternate Commissioner Manu Koenig will be a voting member on behalf of Commissioner Zach Friend (County Representative).

The following LAFCO staff members were present:

- Legal Counsel, Joshua Nelson
- Executive Officer, Joe Serrano

#### 2. EXECUTIVE OFFICER'S MESSAGE

#### 2a. Virtual Meeting Process

**Executive Officer Joe Serrano** had two announcements to make to the Commission. The first was that the 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.

#### 2b. CSA 38 Service & Sphere Review - Additional Time Needed

The second announcement was an update on the proposed service & sphere review for County Service Area 38 (Sheriff's Patrol). The draft report was scheduled to be presented however, the County requested more time to review LAFCO's findings and recommendations before finalizing the report. The item will be rescheduled for future Commission consideration and action.

#### 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 Roger Anderson motioned for approval of the September 6th Meeting Minutes and Commissioner Jim Anderson seconded the motion.

**Chair Yvette Brooks** called for a voice vote on the approval of the draft minutes.

MOTION: Roger Anderson SECOND: Jim Anderson

FOR: Jim Anderson, Roger Anderson, Yvette Brooks, Manu Koenig, Rachél

Lather, and Allan Timms.

AGAINST: None ABSTAIN: None

**MOTION PASSES: 6-0** 

#### 4. ORAL COMMUNICATIONS

Chair Yvette Brooks requested public comments on any non-agenda items. Executive Officer Joe Serrano noted no public comments. Chair Yvette Brooks closed public comments and moved on to the next agenda item.

#### 5. PUBLIC HEARINGS

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

#### 5a. "Branciforte Fire Protection District Reorganization" - Protest Results

**Chair Yvette Brooks** requested staff to provide a presentation on the protest results for the Branciforte Fire Protection District Reorganization.

**Executive Officer Joe Serrano** informed the Commission that a protest hearing was held on Wednesday, September 27, 2023, at 9:00 a.m. for Branciforte residents to submit petitions of opposition regarding the proposed fire reorganization. Mr. Serrano stated that at the conclusion of the protest period, out of almost 1,000 potential petitions, LAFCO staff received zero petitions. He recommended that the Commission adopt the draft

resolution certifying the protest proceeding results. Mr. Serrano did indicate that staff received one written correspondence from a non-Branciforte resident and addressed each of their concerns.

Chair Yvette Brooks requested public comments on the proposal. Executive Officer Joe Serrano noted no public comments.

Chair Yvette Brooks closed public comments and called for a motion. Commissioner Jim Anderson motioned for approval of staff recommendation with an amendment to correctly acknowledge the September 6th LAFCO Meeting date identified in the draft resolution. Commissioner Rachél Lather seconded the motion.

Chair Yvette Brooks called for a voice vote on the motion based on staff's recommendation with the proposed amendment: Adopt the draft minutes from the September 27 Protest Hearing and draft resolution (No. 2023-21) certifying the protest period results with an amendment to revise the incorrect date.

MOTION: Jim Anderson SECOND: Rachél Lather

FOR: Jim Anderson, Roger Anderson, Yvette Brooks, Manu Koenig, Rachél

Lather, and Allan Timms.

AGAINST: None ABSTAIN: None

**MOTION PASSES: 6-0** 

#### 5b. "La Cuesta Drive / Richard Latos Extraterritorial Service Agreement"

**Chair Yvette Brooks** requested staff to provide a presentation on the proposed extraterritorial service agreement (ESA) involving the City of Scotts Valley.

**Executive Officer Joe Serrano** informed the Commission that the proposed extraterritorial service agreement involves a single parcel, less than acre in size, that is experiencing a failing septic system. Mr. Serrano noted that the proposal met the requirements outlined in State law and within the Commission's adopted policies, and therefore, recommended approval of the ESA request. He also recommended that the Commission consider adding a condition that LAFCO will have the authority to terminate the ESA if the City denies or discontinues sewer service in the future.

**Chair Yvette Brooks** opened the floor for Commission discussion. **Commissioner Roger Anderson** asked about the status of the ongoing discussions to annex the Manana Woods area into the City of Scotts Valley. **Executive Officer Joe Serrano** mentioned that LAFCO continues to discuss future boundary changes with Scotts Valley's city manager.

Chair Yvette Brooks requested public comments on the proposal. Executive Officer Joe Serrano noted no public comments.

Chair Yvette Brooks closed public comments and asked if the proposed condition was specific to this particular proposal or if it would be a condition that will be included in future

ESAs. **Executive Officer Joe Serrano** informed the Commission that the condition may be used as a standard condition for future ESAs. **Chair Yvette Brooks** requested to have the condition reviewed by legal counsel and then brought back for future Commission discussion. **Legal Counsel Joshua Nelson** recommended approving the extraterritorial service agreement with the proposed condition and deferred to the Commission on considering a policy discussion at a future meeting.

Commissioner Rachél Lather asked if there have been ESAs approved by the Commission that were never connected. Executive Officer Joe Serrano indicated that there are ESAs that were approved by LAFCO and were never connected. Commissioner Roger Anderson agreed that further analysis is required before considering implementation of the proposed policy.

Chair Yvette Brooks called for a motion. Commissioner Allan Timms motioned for approval of staff recommendation with an additional condition stating that LAFCO will have the authority to terminate the ESA if the City denies or discontinues sewer service. Commissioner Roger Anderson seconded the motion.

**Chair Yvette Brooks** requested the Executive Officer to return with a draft policy for Commission consideration at a future meeting.

Chair Yvette Brooks called for a voice vote on the motion based on staff recommendation with the additional condition: Adopt the draft resolution (No. 2023-22) approving the extraterritorial service agreement involving the City of Scotts Valley with the condition that LAFCO can terminate the ESA if the City denies or discontinues sewer service.

MOTION: Allan Timms SECOND: Roger Anderson

FOR: Jim Anderson, Roger Anderson, Yvette Brooks, Manu Koenig, Rachél

Lather, and Allan Timms.

AGAINST: None ABSTAIN: None

**MOTION PASSES: 6-0** 

#### 5c. "Renaissance High School Extraterritorial Service Agreement"

**Chair Yvette Brooks** requested staff to provide a presentation on the proposed extraterritorial service agreement involving the Soquel Creek Water District.

**Executive Officer Joe Serrano** informed the Commission that the proposed extraterritorial service agreement involves a single parcel, approximately 10 acres in size, with the intention to provide water services to the students and faculty of Renaissance High School. The school's current water system is failing and contains an unhealthy and unsafe level of hexavalent chromium. LAFCO, along with the County, the State Water Board, the Pajaro Valley Unified School District, and the Soquel Creek Water District have been working collaboratively for months to address this health and safety issue.

**Chair Yvette Brooks** opened the floor for Commission discussion. **Commissioner Roger Anderson** inquired if this was the only outstanding water issue faced by the high school. **Executive Officer Joe Serrano** indicated that this was the only issue faced by the high school regarding their water system.

Chair Yvette Brooks 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**, a member of the public, inquired as to why the proposed ESA did not include the parcel operated by KOA Campground, which is affected by the same water contamination issues. **Commissioner Rachél Lather** indicated that the water district board of directors supported the decision to provide a Will-Serve Letter to the high school only in an effort to address this health and safety issue. **Commissioner Roger Anderson** noted that LAFCO cannot initiate annexations or ESA requests and these actions must be initiated by the affected agency(ies) or residents.

Chair Yvette Brooks closed public comments and called for a motion. Commissioner Manu Koenig motioned for approval of staff recommendation and Commissioner Allan Timms seconded the motion.

Chair Yvette Brooks called for a voice vote on the motion based on staff's recommendation: Adopt the draft resolution (No. 2023-23) approving the extraterritorial service agreement with the Soquel Creek Water District.

MOTION: Manu Koenig SECOND: Allan Timms

FOR: Jim Anderson, Roger Anderson, Yvette Brooks, Manu Koenig, Rachél

Lather, and Allan Timms.

AGAINST: None ABSTAIN: None

**MOTION PASSES: 6-0** 

#### 6. OTHER BUSINESS

**Chair Yvette Brooks** indicated that there are no business items for Commission consideration today.

#### 7. WRITTEN CORRESPONDENCE

**Chair Yvette Brooks** inquired whether there was any written correspondence submitted to LAFCO. **Executive Officer Joe Serrano** informed the Commission that LAFCO staff, in an effort to support their ongoing general plan process, submitted a comment letter to the City of Scotts Valley regarding the status of their extraterritorial service agreements. The purpose of the letter is to ensure acknowledgement of these ESAs in their updated general plan.

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.

**Executive Director Joe Serrano** informed the Commission that LAFCO staff and Commissioners will be attending the CALAFCO Annual Conference in mid-October and will provide and update at the November 1st LAFCO Regular Meeting.

**Chair Yvette Brooks** indicated that there was one request to address the Commission on this item. **Becky Steinbruner**, a member of the public, spoke about the correspondence letter she submitted to the Commission regarding the Branciforte Fire Protection District Reorganization Protest Hearing held on September 27, 2023.

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 9:34 a.m. to the next regular LAFCO meeting scheduled for Wednesday, November 1, 2023, at 9:00 a.m.

YVETTE BROOKS, CHAIRPERSON
Attest:
Allost
JOE A. SERRANO, EXECUTIVE OFFICER





Santa Cruz Local Agency Formation Commission

Date: November 1, 2023
To: LAFCO Commissioners

From: Joe Serrano, Executive Officer

Subject: "Holohan Road Parcel Annexation" to Salsipuedes Sanitary District

(LAFCO Project No. DA 23-14)

#### SUMMARY OF RECOMMENDATION

This application is requesting the annexation of unincorporated land into the Salsipuedes Sanitary District ("District"). If approved, the subject area (totaling one parcel; approximately four acres) will receive adequate sewer service from a public agency immediately adjacent to the parcel (APN: 051-271-02).

It is recommended that the Commission adopt the draft resolution (LAFCO No. 2023-24) approving the single parcel annexation into the Salsipuedes Sanitary District.

#### **EXECUTIVE OFFICER'S REPORT:**

The proposed annexation was initiated by landowner petition. The signed application was submitted to LAFCO on August 7, 2023. The subject area includes one parcel, totaling 3.80 acres. The landowner signed both the required petition and subsequent consent form expressing support for the proposed annexation. The purpose of the application is for the provision of sewer services to an existing facility (produce/fruit stand). The subject area is within unincorporated county territory and is located east of Green Valley Road, south of Holohan Road, west of East Lake Avenue and Highway 152, and north of Wagner Avenue. The subject area is also immediately adjacent to the District's jurisdictional boundary and within the District's current sphere of influence, indicating that the Salsipuedes Sanitary District is the most logical service provider to the parcel. **Attachment 1** is a vicinity map of the subject area.

#### **General Plan/Zoning Designation**

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

#### **Other Municipal Services**

No other change of organization is required. The proposal area will continue to receive municipal services from existing public agencies, including but not limited to water service from the Pajaro Valley Water Management Agency and fire service from the Pajaro Valley Fire Protection District.

#### **Affected/Interested Agency Comments**

A referral letter, which summarized the proposal, was distributed to all the affected and interested agencies within or near the subject area. This was an opportunity for an agency to provide comments regarding the proposed boundary change. LAFCO did not receive any opposition during the comment period.

#### **Property Tax Exchange Agreement**

California Revenue and Taxation Code Section 99(b)(6) requires the adoption of a property tax exchange agreement involving the affected local agency before LAFCO can consider a jurisdictional change. The Board of Supervisors (BOS) acts as the authorizing body for the District regarding property tax adjustments. The BOS adopted a property tax exchange agreement for this proposal on October 17, 2023.

#### **Environmental Review**

The proposal is subject to an environmental review. Santa Cruz LAFCO will serve as the lead agency for assessing impacts under CEQA. Based on staff analysis, the underlying action qualifies as a project under CEQA. As the lead agency, LAFCO staff determined that the proposal was exempt pursuant to CEQA Guidelines Section 15319, Class 9(a):

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

The purpose of the application is for the provision of sewer services by allowing the landowners to connect to a nearby sewer line and reopen a produce/fruit stand, therefore, aligns with the categorical exemption identified above. A Notice of Exemption, as shown in **Attachment 2**, will be recorded following the Commission's approval of this proposal.

#### **Notice of Public Hearing**

Pursuant to Government Code Section 56662(a), a proposed annexation may not require notice or a hearing if the proposal meets all of the following criteria:

- 1. The territory is uninhabited;
- An affected local agency has not submitted a written demand for notice and hearing during the comment period; and
- 3. The proposal has written consent from the affected landowner.

While the proposal meets the criteria under GCS 56662(a), staff published a voluntary hearing notice in the Santa Cruz Sentinel on October 10, 2023 (refer to **Attachment 3**).

#### **Protest Proceedings**

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

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

3. A subject agency has not submitted written opposition to a waiver of protest proceedings.

The subject area is uninhabited (two registered voters), and the only affected landowner is the applicant of this proposal. Additionally, no subject agency submitted written opposition to the proposed waiver of the protest proceedings. Thus, LAFCO staff is recommending to waive the protest proceedings based on the statutory criteria.

#### STAFF RECOMMENDATION

The Salsipuedes Sanitary District operates a sanitary sewer collection system and has been serving the unincorporated area northeast of Watsonville since 1965. The service area of the District encompasses about 800 acres. At present, the District provides services to residential properties, as well as Lakeview Middle School, St. Francis High School, Our Lady Help of Christians Catholic Church, the Santa Cruz County Fairgrounds, and several commercial businesses. The proposal meets the criteria outlined in LAFCO law and the Commission's Proposal Evaluation Policy. The proposal is also consistent with the District's current sphere of influence boundary. Furthermore, the District has indicated that there is sufficient capacity and ability to provide sewer service to the subject area. More importantly, this proposal allows the affected landowner to connect into a sustainable public infrastructure. Therefore, staff is recommending that the Commission adopt the draft resolution approving the proposed annexation (see **Attachment 4**).

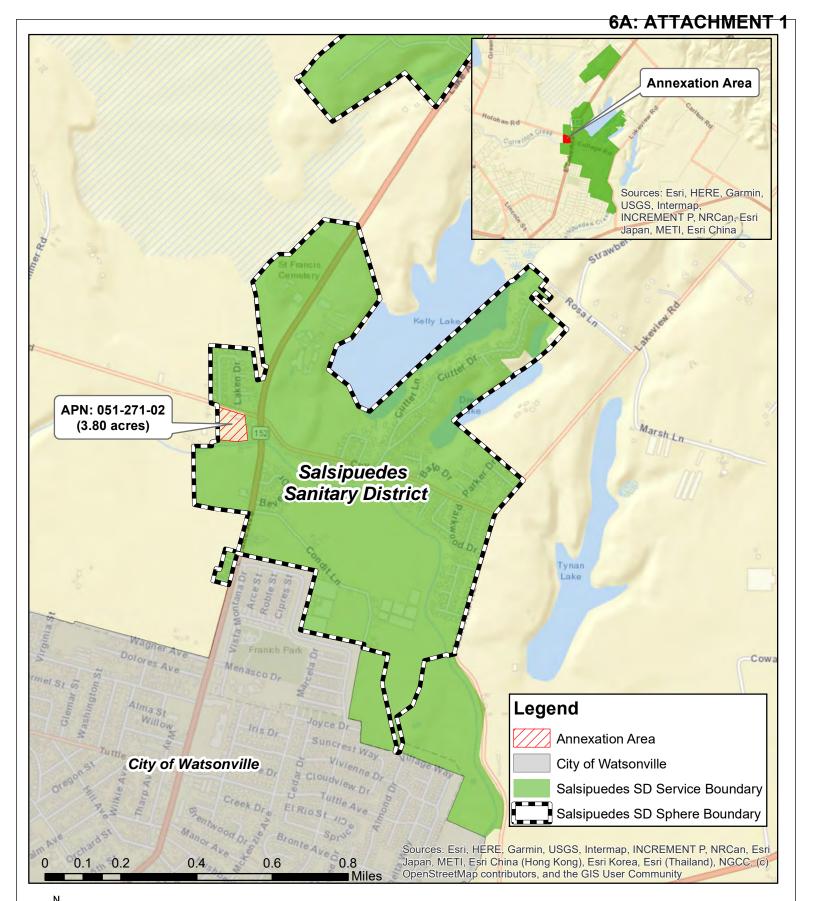
Respectfully Submitted,

Joe A. Serrano Executive Officer

#### Attachments:

- 1. Vicinity Map
- 2. Notice of Exemption
- 3. Notice of Public Hearing
- 4. Draft Resolution (LAFCO No. 2023-24)

cc: Delia Brambila, Salsipuedes Sanitary District Charlie Eadie, Landowner Consultant Bill Lewis, Landowner Consultant





# "Holohan Road Parcel Annexation" to the Salsipuedes Sanitary District

The subject parcel is within the District's sphere boundary but outside the District's jurisdictional boundary. This mean that the subject parcel must be annexed into the District before it can connect to the District's infrastructure.

Notice	e of Exe	emption	
То:		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
То:		Clerk of the Board County of Santa Cruz 701 Ocean Street, Room 500 Santa Cruz CA 95060	Santa Graz GA 73000
Projec	ct Title:	: "Holohan Road Parcel Annexation" to	the Salsipuedes Sanitary District
Green	Valley I	Road, south of Holohan Road, west o	ncorporated county territory and is located east of of East Lake Avenue and Highway 152, and north subject area (refer to Attachment A).
Projec	ct Loca	tion City: N/A Project Location Co	ounty: Santa Cruz
landow is for t parcel	vner pet the prov is withi	ition. The subject area includes a single vision of sewer services from a nearby	aries of Project: The proposal was initiated by a parcel totaling 4 acres. The purpose of the proposal public agency to the existing facility. The subject dicating that the Salsipuedes Sanitary District is the r sewer services.
<b>County</b> 1, 202	<b>/ ("Sant</b> a 23. Add	a Cruz LAFCO"). A public hearing on th	ocal Agency Formation Commission of Santa Cruz is proposal is scheduled for 9:00 a.m. on November ng meeting is available on the LAFCO website
Name	of Per	son or Agency Carrying Out Projec	ct: Santa Cruz LAFCO
X	Minister Declarec Emergei Categor Statutor	us: (check one) ial (Sec. 21080(b)(1); 15268); d Emergency (Sec. 21080(b)(3); 15269 ncy Project (Sec. 21080(b)(4); 15269 ical Exemption: State type and section y Exemptions: State code number The activity is not a project subject to	(b)(c)); number
to a ci allowed whiche	ity or sp d by th ever is r	pecial district of areas containing exis be current zoning or pre-zoning, of e	A Guidelines Section 15319, Class 9(a): Annexations ting or private structures developed to the density either the gaining or losing governmental agency hat the extension of utility services to the existing sting facilities.
Lead /	Agency	Contact Person: Joe A. Serrano	
Area (	Code/P	hone Extension: 831-454-2055.	
		e A. Serrano, Executive Officer	Date: November 2, 2023
<b>///</b> S	igned by	y Lead Agency	



NOTICE IS HEREBY GIVEN that at 9:00 a.m., Wednesday, November 1, 2023, the Local Agency Formation Commission of Santa Cruz County (LAFCO) will hold public hearings on the following items:

- "Holohan Road Parcel Annexation" to the Salsipuedes Sanitary District (LAFCO Project No. DA 23-14): Consideration of a single parcel annexation into the Salsipuedes Sanitary District. The subject area is located east of Highway 152, south of Casserly Road, west of Strawberry Hill and Rosa Lane, and north of College Road and Lakeview Road. If approved, the subject area will discontinue its existing septic tank system and receive sewer service from the identified public agency.
- "Branciforte Drive / Michael Greenspon Extraterritorial Service Agreement" with the
  City of Santa Cruz (LAFCO Project No. ESA 23-16): Consideration of an extraterritorial
  service agreement request for a single parcel to receive water services from the City of Santa
  Cruz. The proposal area is located north of Old San Pit Road, east of Glen Canyon Road,
  south of Mystery Spot Road, and west of Branciforte Drive. If approved, the ESA would
  address a health and safety issue under GCS 56133(c).

In compliance with the California Environmental Quality Act (CEQA), LAFCO staff is scheduled to prepare a Categorical Exemption for the proposals listed above. Instructions for members of the public to participate in-person or remotely are available in the Agenda and Agenda Packet: <a href="https://santacruzlafco.org/meetings/">https://santacruzlafco.org/meetings/</a>. 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 <a href="www.santacruzlafco.org">www.santacruzlafco.org</a>. 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: October 10, 2023

**6A: ATTACHMENT 4** 

## LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY RESOLUTION NO. 2023-24

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

RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION
MAKING DETERMINATIONS AND ORDERING THE
"HOLOHAN ROAD PARCEL ANNEXATION"
TO THE SALSIPUEDES SANITARY DISTRICT
(LAFCO PROJECT NO. DA 23-14)

\*

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

WHEREAS, the proposal was initiated by the affected landowner and therefore has 100% landowner consent. The subject area includes a single parcel totaling approximately four acres. The purpose of the proposal is for the provision of sewer services from a nearby public agency to the existing facility; and

WHEREAS, the proposal was assigned the short-term designation of "Holohan Road Parcel Annexation"; and

WHEREAS, the subject area is within unincorporated county territory and is located east of Green Valley Road, south of Holohan Road, west of East Lake Avenue and Highway 152, and north of Wagner Avenue; and

WHEREAS, the subject parcel is within the District's sphere of influence, indicating that the Salsipuedes Sanitary District is the most logical service provider to the subject parcel for sewer services; and

WHEREAS, the proposal consists of the following change of organization: annexation into the Salsipuedes Sanitary District ("District"); and

WHEREAS, correspondence summarizing the proposal was sent to all affected and interested agencies requesting comments on September 1, 2023. LAFCO did not receive any opposition following the conclusion of the comment period; and

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

WHEREAS, a public hearing by the Commission was held on November 1, 2023; and at the hearing the Commission heard and received all oral and written protests, objections, and evidence that were presented.

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

<u>Section 1</u>. The foregoing recitals are true and correct.

Section 2. Compliance with the California Environmental Quality Act (CEQA) has been met by a categorical exemption pursuant to State CEQA Guidelines Section 15319, Class 9(a): Annexations to a city or special district of areas containing existing or private structures developed to the density allowed by the current zoning or pre-zoning, of either the gaining or losing governmental agency whichever is more restrictive, provided, however, that the extension of utility services to the existing facilities would have a capacity to serve only the existing facilities. Staff may file a notice of exemption.

<u>Section 3.</u> The Commission considered the requirements set forth for annexation in the Cortese-Knox-Hertzberg Act, Government Code Section 56650, and found the proposal to be consistent with those requirements as outlined below:

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

LAFCO analyzed these and other factors as part of the November 1st staff report.

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

<u>Section 4.</u> The Commission determined that the proposal is consistent with the Policies and Procedures Relating to Proposals as outlined below:

a) Agency Endorsement: The Executive Officer shall not file the application unless the affected public agency has submitted a written endorsement indicating its willingness to provide the service if the Commission approves the request. The District submitted a Will-Serve Letter on July 26, 2022 indicating its willingness and ability to provide services to the existing facility and future development.

- b) <u>Fee Deposit:</u> The applicant shall pay the costs of processing the application as specified in the Commission's Schedule of Fees and Deposits. The applicant submitted a fee deposit of \$2,500 as part of the application packet.
- c) Map & Legal Description: A map of any proposed boundary changes shall show the present and proposed boundaries of all affected agencies in the vicinity of the proposal site. The Commission shall assure that any approved boundary changes are definite and certain. The required metes and bounds of the proposal are shown on Exhibit A. The vicinity map of the proposal is shown on Exhibit B.
- d) <u>Commission Hearing:</u> The Commission shall consider the request after it has been placed on an agenda of a Commission meeting. After deeming the proposal complete, the Executive Officer advertised the proposal in the Santa Cruz Sentinel newspaper on October 10, 2023, and scheduled the proposal for Commission consideration on November 1, 2023.

<u>Section 5.</u> The applicant shall agree, as a condition of the approval of the application for annexation, to be bound by the LAFCO Indemnification and Defense Form signed on August 7, 2023.

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

- a) Property Tax Exchange Agreement: California Revenue and Taxation Code Section 99(b)(6) requires the adoption of a property tax exchange agreement involving the affected local agency before LAFCO can consider a jurisdictional change. The Board of Supervisors (BOS) acts as the authorizing body for the District regarding property tax adjustments. The BOS adopted the property tax exchange agreement for this proposal on October 17, 2023.
- b) <u>State Board of Equalization:</u> The proponent shall provide a legal map, description, and fees to meet State Board of Equalization requirements.
- c) <u>District Fees & Charges</u>: The District shall levy and collect within the territory being annexed any previously established and collected benefit assessment of property-related fees or charges that are collected within all or part of the district at the time of annexation. The applicant shall be responsible for all fees and costs associated with the connection of sewer service with the District.
- d) <u>LAFCO Processing Fees</u>: The applicant shall pay any remaining processing fees as set in this Commission's Schedule of Fees and Deposits.

<u>Section 7.</u> The annexation shall be effective as of the date of recordation of the Certificate of Completion.

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

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

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

<u>Section 11.</u> 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 1st day of November 2023.

AYES:	
NOES:	
ABSTAIN:	
YVETTE BROOKS, CHAIRPERSON	
TVETTE BROOKS, CHAIRPERSON	
Attest:	Approved as to form:
Joe A. Serrano	Joshua Nelson
Executive Officer	LAFCO Counsel

#### **Exhibit A: Map & Legal Description**

Order Number: **4408-6862394**Page Number: 7

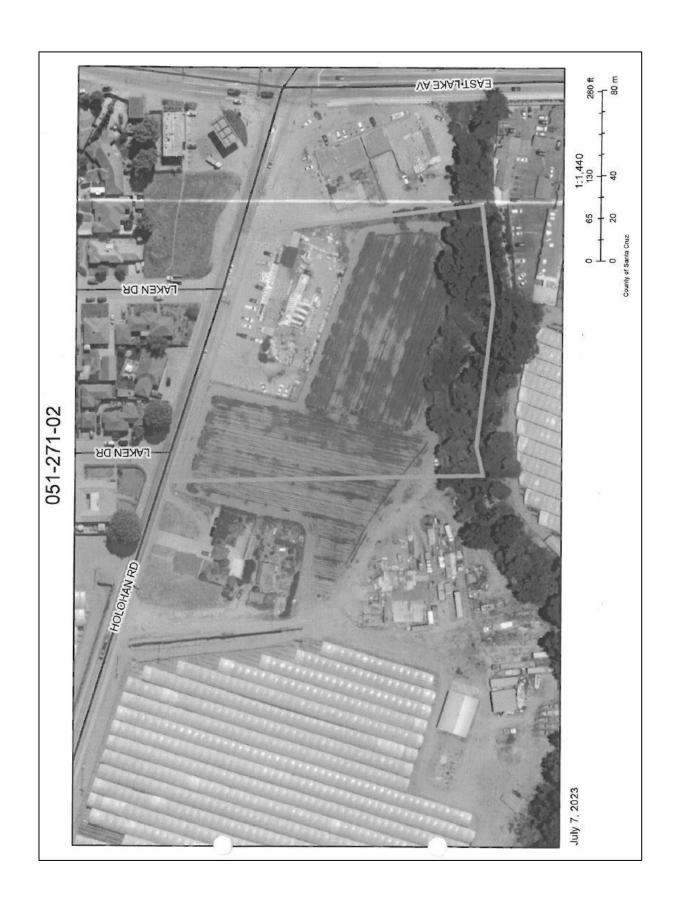
#### LEGAL DESCRIPTION

Real property in the unincorporated area of the County of Santa Cruz, State of California, described as follows:

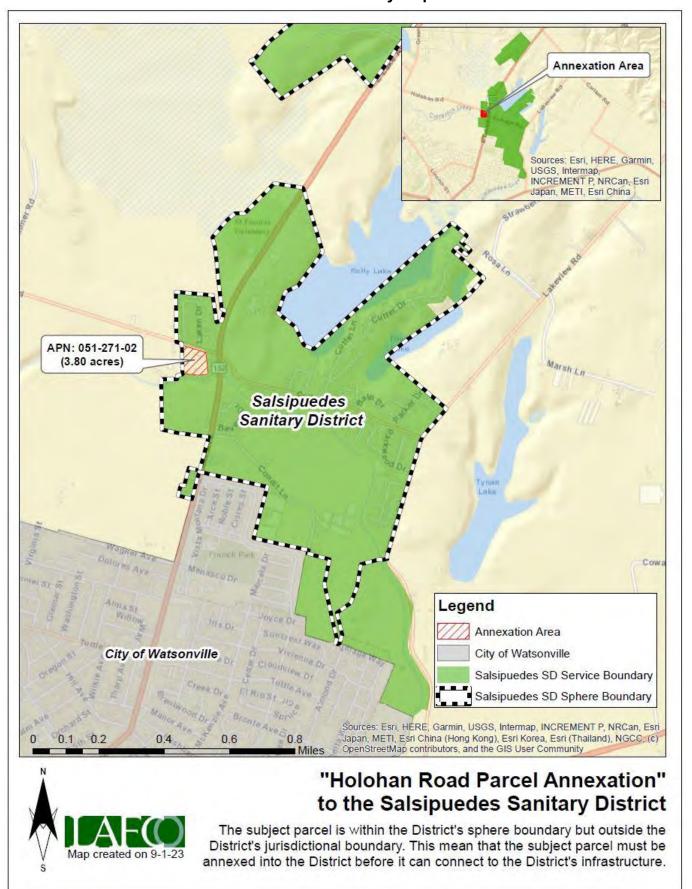
BEING A PART OF THE RANCHO SALSIPUEDES, AND BEGINNING IN THE MIDDLE OF THE COUNTY OF ROAD KNOWN AS THE "HOLOHAN ROAD" AND AT THE NORTHEASTERN CORNER OF A 1.00 ACRE TRACT OF LAND CONVEYED BY HENRY R. OLSON, ET UX., TO FRANK KUSANOVICH, ET UX., BY DEED RECORDED FEBRUARY 28TH, 1942, IN VOLUME 430, AT PAGE 257, OFFICIAL RECORDS OF SANTA CRUZ COUNTY, AND RUNNING THENCE ALONG THE CENTERLINE OF SAID HOLOHAN ROAD SOUTH 73° 37' EAST 401.86 FEET; THENCE LEAVING ROAD SOUTH 7° 33' EAST 372.14 FEET TO A STATION IN THE CORRALITOS CREEK; THENCE UP SAID CREEK SOUTH 82° 5' WEST 155.38 FEET; NORTH 85° 0' WEST 220.44 FEET AND SOUTH 76° 5' WEST 46.14 FEET TO THE AFORESAID ONE ACRE TRACT CONVEYED BY HENRY R. OLSON, ET UX., TO FRANK KUSANOVICH, ET UX., AS AFORESAID, AND THENCE ALONG THE BOUNDARY OF SAID LAST NAMED LANDS NORTH 1° 52' WEST 495.81 FEET TO THE PLACE OF BEGINNING.

APN: 051-271-02

First American Title Page 7 of 14



**Exhibit B: Vicinity Map** 







Santa Cruz Local Agency Formation Commission

Date: November 1, 2023
To: LAFCO Commissioners

From: Joe Serrano, Executive Officer

Subject: "Branciforte Drive / Michael Greenspon Extraterritorial Service

Agreement" with the City of Santa Cruz (Project No. ESA 23-16)

#### SUMMARY OF RECOMMENDATION

LAFCO has received an application from a landowner requesting an extraterritorial service agreement involving the City of Santa Cruz. The proposed agreement would allow the City to provide water service to a single parcel.

Staff is recommending that the Commission adopt the draft Resolution (No. 2023-25) approving the extraterritorial service agreement involving the City of Santa Cruz.

\_\_\_\_\_\_

#### **EXECUTIVE OFFICER'S REPORT:**

In August, a landowner submitted an application to establish an extraterritorial service agreement between the City of Santa Cruz and a single parcel (APN: 068-121-27) in order to provide water service to a future single-family home. The proposal area is currently located outside the City's jurisdictional and sphere boundaries. **Attachment 1** provides a map of the agency's current boundaries in relation to the location of the proposal area. Approval of the extraterritorial service request would allow the City to provide water service from a nearby water line and maintain consistency in water provisions with surrounding neighbors.

#### City of Santa Cruz - Water Service Area

While the proposal area is outside City limits, the subject parcel is within the City's Water Service Area. Historically, the water service area has been, and continues to be, larger than the City limits. The water system originated in 1866 and encompasses nearly 27 square miles of territory including the entire City of Santa Cruz, adjoining unincorporated areas of Santa Cruz County, a small part of the City of Capitola, and coastal agricultural lands north of the City. There are approximately 28,000 parcels within the City's water service area (totaling approximately 17,000 acres). At present, the City has approximately 25,000 connections.

#### State Law

In accordance with State law, a city or district may provide new or extended services by contract or agreement outside its jurisdictional boundary only if it first requests and receives written approval from the Commission (Government Code Section 56133). An application with a supporting Will-Serve Letter was submitted to LAFCO on August 14, 2023. The following section explains how the proposal fulfills the state requirements and LAFCO's adopted policies.

#### **Commission Policy**

In 2011, the Commission adopted the Extraterritorial Services Policy, which outlines regulations for agencies to provide services outside their jurisdictional and/or sphere boundaries. This policy is now available under one comprehensive handbook containing all LAFCO's policies and procedures<sup>1</sup>. Under this policy, the Commission typically limits its extraterritorial service authorizations to public health emergencies and three specific circumstances:

#### a) Facilities are already in place.

The City provides water services to properties directly adjacent to the proposal area. The proposal area is substantially surrounded by the City's water service area.

#### b) Annexation would not be practical.

The proposal area is non-contiguous to the City's jurisdictional boundary. However, LAFCO will coordinate with the City to determine if and when areas within the water service area and sphere boundary may be annexed in the future. That is why staff is also recommending that the City's sphere be amended to include this parcel, as shown in **Attachment 2**.

#### c) Cortese-Knox-Hertzberg Act Requirements.

The proposed extraterritorial service agreement meets the statutory criteria outlined in LAFCO law, pursuant to Government Code Section 56133.

Pursuant to the Commission's policy, individual requests for extraterritorial service shall be filed with the Executive Officer on a prescribed application form. The applicant is responsible for paying the costs of processing the application as specified in the Commission's Schedule of Fees and Deposits. An application and fee deposit of \$950 was submitted to LAFCO on August 14, 2023.

#### **Application Packet**

In accordance with LAFCO law and the Commission's adopted policy, this type of application requires several documents. The following section summarizes these items:

- **1) Application Form** Commission Policy requires a signed extraterritorial service agreement form. A signed application was submitted on August 14.
- **2) Consent Form** Commission Policy requires documentation showing consent from the affected property owner as part of the application. The property owner of APN: 068-121-27 submitted a signed consent form on August 14.
- **3) Will-Serve Letter** Government Code Section 56133 requires documentation from the affected agency indicating support and capacity to provide the requested service. The City of Santa Cruz submitted a letter on May 1, 2023. (**Attachment 3**).
- 4) Notification to Alternative Service Provider Government Code Section 56133(c) requires the Commission to notify any alternative service provider that has filed a map and a statement of its service capabilities with the Commission. LAFCO staff has determined that there are no alternative service providers nearby for water service. However, a public notice was advertised in the Sentinel on October 10, 2023, as shown in Attachment 4.

<sup>&</sup>lt;sup>1</sup> LAFCO Policies & Procedures Handbook: https://santacruzlafco.org/wp-content/uploads/2023/09/Santa-Cruz-LAFCO-Policy-Handbook-9-6-23.pdf

- 5) Environmental Document Commission Policy indicates that proposals warranting environmental regulations are subject to the applicable provisions of the California Environmental Quality Act (CEQA). The City of Santa Cruz, as the Lead Agency, recorded a Notice of Exemption on October 10, 2023 pursuant to CEQA Guidelines Section 15061(b)(3): "The activity is covered by the common sense exemption that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA." (Attachment 5).
- **6) Indemnification Agreement** Commission Policy requires a signed indemnification agreement in the event that a lawsuit is filed against LAFCO's action. A signed indemnification agreement was submitted with the application packet (**Attachment 6**).
- 7) Fee Deposit Commission Policy requires a fee deposit of \$950 for any proposed extraterritorial service request. A deposit was included with the application packet. Following the completion of the LAFCO process, staff will conduct a cost analysis and refund any remaining funds, if available.

#### Conclusion

LAFCO typically encourages boundary changes, such as annexations, when there is a request for municipal services. In some cases, annexations are not practical. LAFCO staff evaluated this application and confirmed that the proposed extraterritorial service agreement meets all the requirements under State law and the Commission's adopted policy. The terms and conditions outlined in the draft resolution ensure that the proposal area may now have the opportunity to connect to a reliable water source (refer to **Attachment 7**). LAFCO legal counsel has also reviewed the draft resolution with the proposed terms and conditions. Therefore, staff is recommending that the Commission approve the attached resolution.

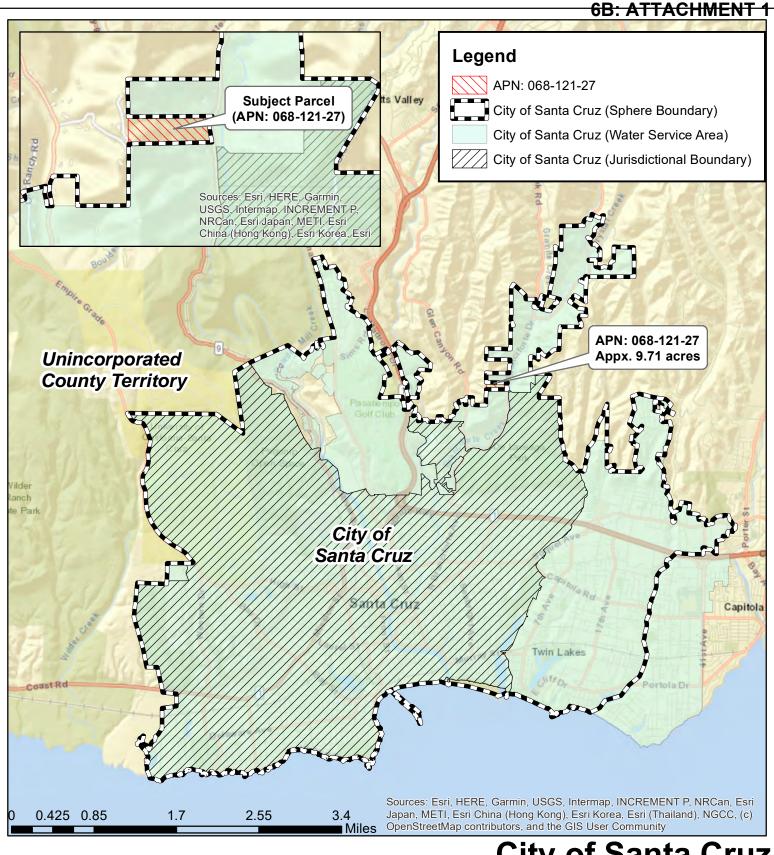
Respectfully Submitted,

Joe A. Serrano Executive Officer

#### Attachments:

- 1. Proposal Area Map
- 2. City Sphere Boundary (Proposed Amendment)
- 3. City Will-Serve Letter
- 4. Notice of Public Hearing
- 5. Notice of Exemption
- 6. Indemnification Agreement
- 7. Draft Resolution No. 2023-25

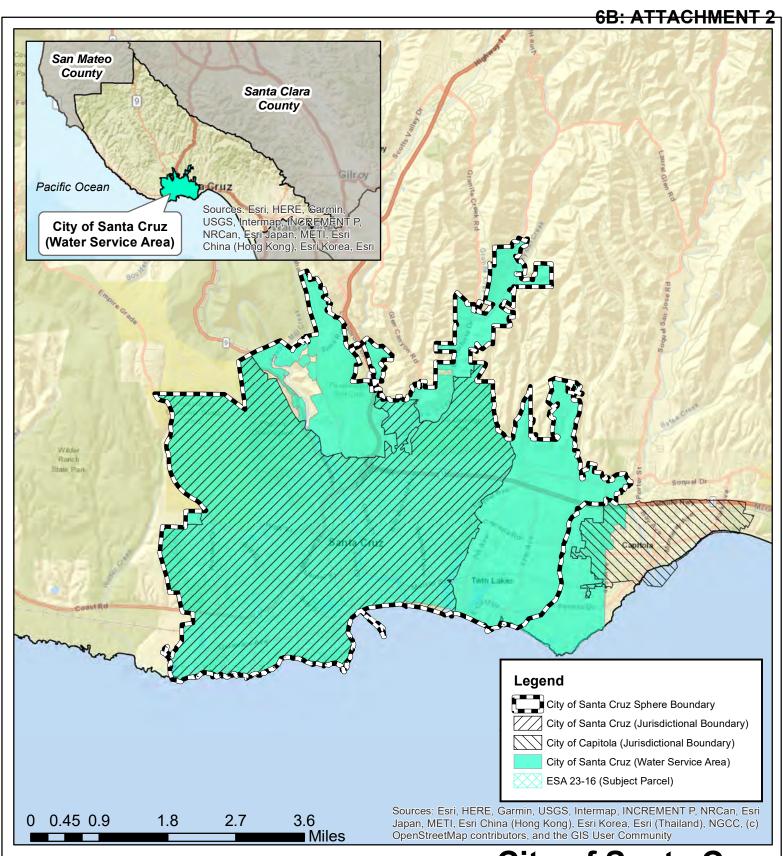
cc: Michael Greenspon (Property Owner; APN: 068-121-27) Sarah Easley Perez, City of Santa Cruz





# City of Santa Cruz Jurisdictional and Sphere Boundaries (LAFCO Project No. ESA 23-16)

The subject parcel is currently outside the City's limits, sphere boundary, and water service area. Pursuant to GCS 56133, the parcel may receive water services if it first receives approval from LAFCO.





# City of Santa Cruz Jurisdictional and Sphere Boundaries



Sphere amendment on January 9, 2019
Sphere reaffirmed on October 13, 2021
Sphere amendment on August 3, 2022
Sphere amendment on November 1, 2023

Original sphere adopted on August 3, 1983



#### WATER DEPARTMENT

212 Locust Street, Suite C Santa Cruz CA 95060 Phone (831) 420-5200 Fax (831) 420-5201

May 1, 2023

Michael Greenspon 343 Soquel Ave. #256 Santa Cruz, CA 95062

Re: PROPOSED TINY HOME ON WHEELS, APN 068-121-27, BRANCIFORTE DRIVE, SANTA CRUZ, CA 95065

#### Dear Mr. Greenspon:

This letter is to advise you that the subject parcel is not located within the service area of the Santa Cruz Water Department, however, potable water is currently available for normal domestic use and fire protection. Service will be provided to the parcel subject to compliance with California Environmental Quality Act (CEQA), as applicable, and upon payment of the fees and charges in effect at the time-of-service application and upon completion of the installation, at developer expense, of any water mains, service connections, fire hydrants and other facilities required for the development under the rules and regulations of the Santa Cruz Water Department. The development will also be subject to the City's Landscape Water Conservation requirements.

#### At the present time:

- environmental review under CEQA has not been completed including development of a costreimbursement agreement with the City;
- City Council has not declared its willingness to provide water service upon completion of the CEQA process;
- Applicant has not received LAFCO approval for an extra-territorial service agreement (ESA) with the City;
- the required water system improvements are undetermined at this time; and
- financial arrangements have not been made to the satisfaction of the City to guarantee payment of all unpaid claims.

This letter will remain in effect for a period of two years from the above date. It should be noted, however, that the City Council may elect to declare a moratorium on new service connections due to drought conditions or other water emergency. Such a declaration would supersede this statement of water availability.

If you have any questions regarding service or landscape water conservation requirements, please call the Engineering Division at (831) 420-5210.

Sincerely.

Rosemary Men Id, Water Director



NOTICE IS HEREBY GIVEN that at 9:00 a.m., Wednesday, November 1, 2023, the Local Agency Formation Commission of Santa Cruz County (LAFCO) will hold public hearings on the following items:

- "Holohan Road Parcel Annexation" to the Salsipuedes Sanitary District (LAFCO Project No. DA 23-14): Consideration of a single parcel annexation into the Salsipuedes Sanitary District. The subject area is located east of Highway 152, south of Casserly Road, west of Strawberry Hill and Rosa Lane, and north of College Road and Lakeview Road. If approved, the subject area will discontinue its existing septic tank system and receive sewer service from the identified public agency.
- "Branciforte Drive / Michael Greenspon Extraterritorial Service Agreement" with the
  City of Santa Cruz (LAFCO Project No. ESA 23-16): Consideration of an extraterritorial
  service agreement request for a single parcel to receive water services from the City of Santa
  Cruz. The proposal area is located north of Old San Pit Road, east of Glen Canyon Road,
  south of Mystery Spot Road, and west of Branciforte Drive. If approved, the ESA would
  address a health and safety issue under GCS 56133(c).

In compliance with the California Environmental Quality Act (CEQA), LAFCO staff is scheduled to prepare a Categorical Exemption for the proposals listed above. Instructions for members of the public to participate in-person or remotely are available in the Agenda and Agenda Packet: <a href="https://santacruzlafco.org/meetings/">https://santacruzlafco.org/meetings/</a>. 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 <a href="https://www.santacruzlafco.org">www.santacruzlafco.org</a>. 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: October 10, 2023

#### 6BZATTACHMENT 5

# CITY OF SANTA CRUZ Notice of Exemption

Fleceived CLERK OF THE BOARD

OCT 03 2023

To: Clerk of the Board
County of Santa Cruz
Governmental Center
701 Ocean Street

Santa Cruz, CA 95060

Office of Planning and Rev Barth SANTA CRUZ 1400 Tenth Street, Room 121 Sacramento, CA 95814

From: City of Santa Cr	uz Water Department, 212	Locust Street, Suite	e C, Santa Cruz, CA 95060
Project Title: Water Service	e for APN 068-121-27		
Project Address: Brancifo Santa Ci	rte Drive ruz, CA 95060	Assessor's Parcel No.:	068-121-27
City of: N/A		County of:	Santa Cruz

**Project Description:** The City of Santa Cruz Water Department (SCWD) is proposing to provide water service to an undeveloped parcel, Assessor's Parcel Number (APN) 068-121-27, on Branciforte Drive in unincorporated Santa Cruz County in support of the development of a tiny home by the property owner. The subject parcel is surrounded on two sides by parcels served by the City of Santa Cruz Water Department and fronts an existing City water main, but it is outside the City's current Water Service Area Boundary. Santa Cruz City Council has declared its willingness to provide water service to the subject parcel on September 26, 2023. Provision of water service by the City of Santa Cruz Water Department is conditioned upon approval of an Extraterritorial Service Agreement by Santa Cruz Local Agency Formation Commission which is currently in process.

Reasons why project is exempt: This project is exempt from CEQA under California Public Resources Code Section 15061(b)(3). It is covered by the common sense exemption as it can be seen with certainty that there is no possibility the activity in question, provision of water service to support development of a tiny home on a parcel that fronts an existing City water main adjacent to the City's Water Service Area Boundary, will have a significant effect on the environment. As such, the activity is not subject to CEQA.

Lead Agency Contact Person: Heidi Luckenbach	Phone: (831) 420-5214		
Department: City of Santa Cruz Water Department	Address: 212 Locust St., Suite C.		
	Santa Cruz, CA 95060		
Signature: Mirch & Luckerbal	Date: 10/2/2023		
	Signed by Lead Agency		
Title: _Deputy Director/Engineering Manager	☐ Signed by Applicant		
If filed by applicant:  1. Attach certified document of exemption finding. 2. Has a notice of exemption been filed by the public agency approving the project?			
Date Received for filing at County Clerk:	· · · · · · · · · · · · · · · · · · ·		
Date Received for filing at OPR:			

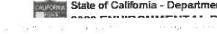
क्षांक विकास स्थान	DFW 753.5a (REV. 01/01/23) Previously DFG 753.5a	The state of the s	Print	StartOver	Save
			RECEIPT NU	JMBER: 10/02/2023 —	- 267
					JMBER (if applicable)
	SEE INSTRUCTIONS ON REVERSE. TYPE OR PRINT CLEARLY.		STATE CLLA	ININGHOUSE NO	MBEIT (II applicable)
13 - 15 - 6	LEAD AGENCY	LEAD AGENCY EMAIL		DATE	
and the same	City of Santa Cruz	LEAD AGENOT EMALE		10/02/20	023
	COUNTY/STATE AGENCY OF FILING			DOCUMENT	
	Santa Cruz			252-23	
	PROJECT TITLE				
	Water Service for APN 068-121-27				
Militar All Colon Address Colon	PROJECT APPLICANT NAME	PROJECT APPLICANT	EMAIL	PHONE NUM	BER
	Heidi Luckenbach	11100201711121071111		(831) 420	
	PROJECT APPLICANT ADDRESS	CITY	STATE	ZIP CODE	
	212 Locust Street, Suite C	Santa Cruz	CA	95060	
	PROJECT APPLICANT (Check appropriate box)				
		Other Special District	State	Agency	✓ Private Entity
consistencia consistencia				-	
:	CHECK APPLICABLE FEES:				
	Environmental Impact Report (EIR)		\$3,539.25	\$	0.00
	Mitigated/Negative Declaration (MND)(ND)		\$2,764.00	\$	0.00
	Certified Regulatory Program (CRP) document - payment due d	lirectly to CDFW	\$1,203.25	\$	0.00
The state of the second	Exempt from fee  Notice of Exemption (attach)  CDFW No Effect Determination (attach)  Fee previously paid (attach previously issued cash receipt copy	)			
	Water Right Application or Petition Fee (State Water Resources	s Control Board only)	\$850.00	\$	0.00
	County documentary handling fee			\$	0.00
ation Manhaer Concess	✓ Other . COB Coll \$50 10/3/23			\$	50.00
	PAYMENT METHOD:  ☐ Cash ☐ Credit ☐ Check ☑ Other	TOTA	L RECEIVED	\$	50.00
2		cy of filing printed in			t

COPY - COFWIASE

COFY - LEAD AGENCY

COPY - COUNTY CLERK

OFW 753.5a (Rev. 01/01/2023)



State of California - Department of Fish and Wildlife

Local Agency Formation Commission of Santa Cruz County

Governmental Center 701 Ocean St. #318 D Santa Cruz CA 95060



PROJECT NUMBER: ESA 23-16

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.

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:

4

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.

he de la	Sinds	
(Signature of LAFCO Executive Officer)	(Signature of Applicant)	
Joe A. Serrano	Michael Greenspon	
(Printed Name)	(Printed Name)	
08/14/23	August 8, 2023	
(Date)	(Date)	

**6B: ATTACHMENT 7** 

### LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY RESOLUTION NO. 2023-25

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

RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION APPROVING THE BRANCIFORTE DRIVE / MICHAEL GREENSPON EXTRATERRITORIAL SERVICE AGREEMENT WITH THE CITY OF SANTA CRUZ (LAFCO PROJECT NO. ESA 23-16)

\*

WHEREAS, an application for an extraterritorial service agreement involving a single parcel (APN 068-121-27) (the "proposal") was submitted and accepted for filing by the Executive Officer of this Local Agency Formation Commission ("LAFCO" or "Commission"); and

WHEREAS, the proposal area is outside the City of Santa Cruz's ("City") jurisdictional and sphere boundaries, and located north of Old San Pit Road, east of Glen Canyon Road, south of Mystery Spot Road, and west of Branciforte Drive, as shown in Exhibit A; and

WHEREAS, in accordance with Government Code Section 56133, a city or district may provide new or extended services by contract or agreement outside its jurisdictional boundary only if it first requests and receives written approval from the Commission; and

WHEREAS, the City determined that it is willing and capable of providing water services to the subject parcel and its proposed development of a single family home; and

WHEREAS, the Executive Officer, pursuant to Government Code Section 56133 and the Commission's Extraterritorial Services Policy, determined that the proposal met the statutory requirements and set November 1, 2023, as the hearing date on this proposal and provided public notice as required by law; and

WHEREAS, the Executive Officer, pursuant to Government Code Section 56665, has reviewed this proposal and prepared a report, including recommendations thereon, and has furnished a copy of this report to each person entitled to a copy; and

WHEREAS, this Commission, on November 1, 2023, heard from interested parties and considered the proposal and the report of the Executive Officer, and considered the factors determined by the Commission to be relevant to this proposal.

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

<u>Section 1</u>. The foregoing recitals are true and correct.

<u>Section 2.</u> Compliance with the California Environmental Quality Act (CEQA) has been met by a categorical exemption pursuant to State CEQA Guidelines Section 15061(b)(3), "The activity is covered by the common sense exemption that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA." The City, as the lead agency, recorded a Notice of Exemption in October 2023.

<u>Section 3.</u> The Commission considered the requirements set forth for extraterritorial services in the Cortese-Knox-Hertzberg Act, Government Code Section 56133, and found the proposal to be consistent with those requirements as outlined below:

- a) Within Sphere Boundary: Government Code Section 56133(b) requires the subject area to be within the City's sphere of influence boundary. LAFCO is requesting that the sphere boundary be amended to include the subject parcel if the ESA is approved by the Commission, as shown in Exhibit B.
- b) <u>Later Change of Organization</u>: Government Code Section 56133(b) also requires the subject area to be annexed at a future date. The City of Santa Cruz and LAFCO will coordinate to determine when annexation may occur.

<u>Section 4.</u> The Commission determined that the proposal is consistent with the Policies and Procedures Relating to Extraterritorial Services as outlined below:

- a) <u>Agency Endorsement:</u> 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 City of Santa Cruz submitted a Will-Serve Letter, dated May 1, 2023, expressing support, as shown in Exhibit C.
- b) <u>Fee Deposit:</u> The applicant shall pay the costs of processing the application as specified in the Commission's Schedule of Fees and Deposits. The landowner, as the applicant, submitted a fee deposit of \$950 as part of the application packet.
- c) <u>Commission Hearing:</u> The Commission shall consider the request after it has been placed on an agenda of a Commission meeting. After deeming the proposal complete, the Executive Officer advertised the proposal in the Santa Cruz Sentinel newspaper on October 10, 2023, and scheduled the proposal for Commission consideration on November 1, 2023.

<u>Section 5.</u> The applicant shall agree, as a condition of the approval of the application for an extraterritorial service agreement, to be bound by the LAFCO Indemnification and Defense Form signed on August 8, 2023 by the applicant and on August 14, 2023 by LAFCO. The applicant, on behalf of itself and future owners and assigns, further agrees to annex the subject area to the City as determined by the City and LAFCO.

<u>Section 6.</u> The City and LAFCO must coordinate to discuss annexation of existing extraterritorial service agreements in the foreseeable future.

<u>Section 7.</u> The Certificate of Completion for the extraterritorial service agreement shall not be issued until all terms and conditions are met.

<u>Section 8.</u> The proposed extraterritorial service agreement shall be effective as of the date of recordation of the Certificate of Completion.

<u>Section 9.</u> The Commission shall approve, disapprove, or approve with conditions the extended services. If the new or extended services are disapproved or approved with conditions, the applicant may request reconsideration, citing the reasons for reconsideration. If the Commission denies a request, a similar application cannot be refiled for one year unless the Commission grants an exception to this rule.

<u>Section 10.</u> 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.

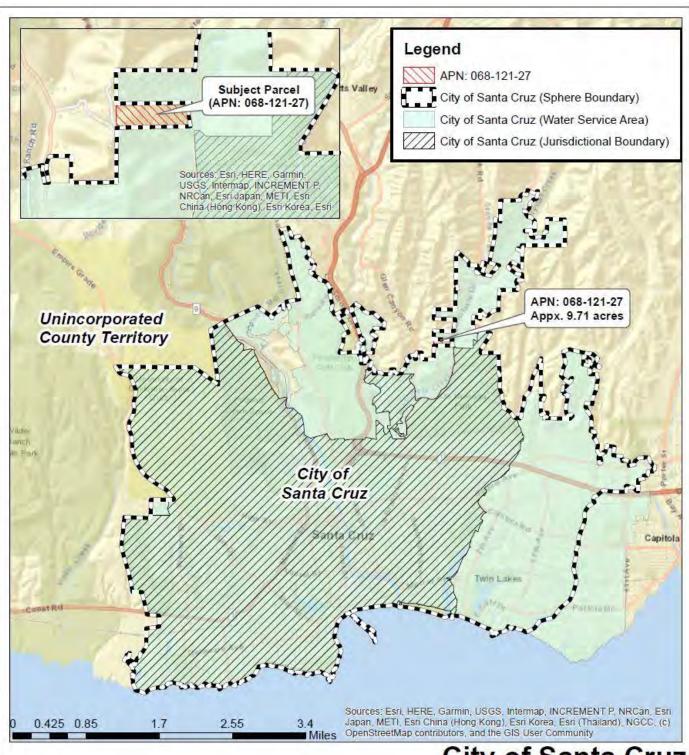
PASSED AND ADOPTED by the Local Agency Formation Commission of Santa Cruz County this 1st day of November 2023.

AYES:	
NOES:	
ABSTAIN:	
	YVETTE BROOKS, CHAIRPERSON
Attest:	Approved as to form:
Joe A. Serrano	Joshua Nelson
Executive Officer	LAFCO Counsel

### **EXHIBIT A**

### **VICINITY MAP**





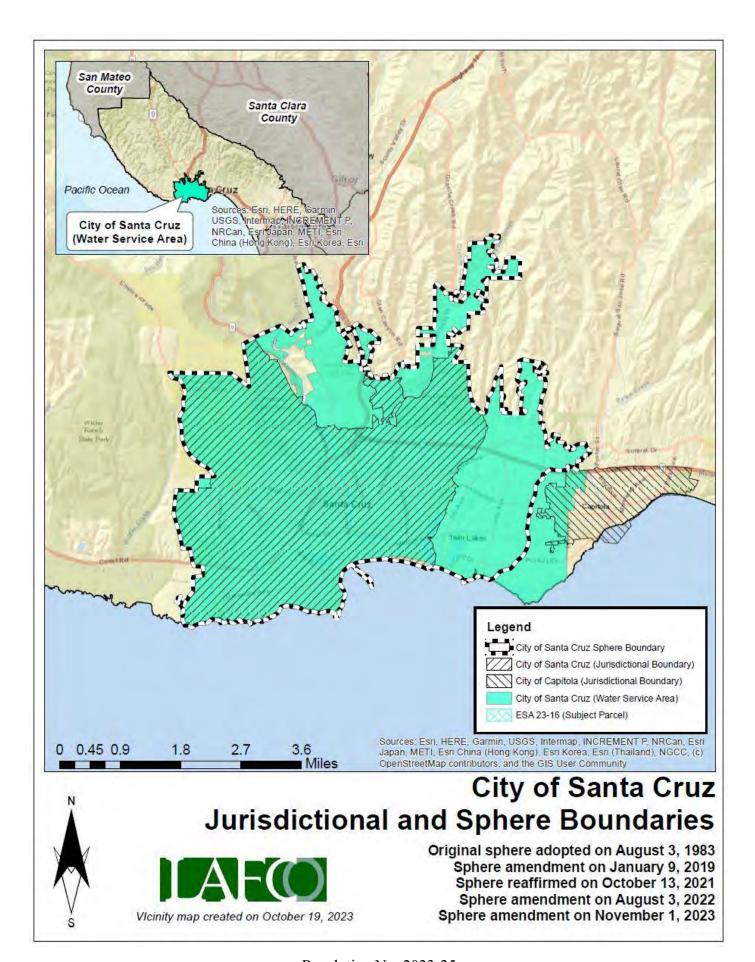
### City of Santa Cruz Jurisdictional and Sphere Boundaries (LAFCO Project No. ESA 23-16)

The subject parcel is currently outside the City's limits, sphere boundary, and water service area. Pursuant to GCS 56133, the parcel may receive water services if it first receives approval from LAFCO.

### **EXHIBIT B**

### AMENDED SPHERE MAP





### **EXHIBIT C**

## CITY OF SANTA CRUZ'S WRITTEN CORRESPONDENCE REGARDING THE ABILITY TO PROVIDE WATER SERVICES





### WATER DEPARTMENT

212 Locust Street, Suite C Santa Cruz CA 95060 Phone (831) 420-5200 Fax (831) 420-5201

May 1, 2023

Michael Greenspon 343 Soquel Ave. #256 Santa Cruz, CA 95062

Re: PROPOSED TINY HOME ON WHEELS, APN 068-121-27, BRANCIFORTE DRIVE, SANTA CRUZ, CA 95065

Dear Mr. Greenspon:

This letter is to advise you that the subject parcel is not located within the service area of the Santa Cruz Water Department, however, potable water is currently available for normal domestic use and fire protection. Service will be provided to the parcel subject to compliance with California Environmental Quality Act (CEQA), as applicable, and upon payment of the fees and charges in effect at the time-of-service application and upon completion of the installation, at developer expense, of any water mains, service connections, fire hydrants and other facilities required for the development under the rules and regulations of the Santa Cruz Water Department. The development will also be subject to the City's Landscape Water Conservation requirements.

### At the present time:

- environmental review under CEQA has not been completed including development of a costreimbursement agreement with the City;
- City Council has not declared its willingness to provide water service upon completion of the CEQA process;
- Applicant has not received LAFCO approval for an extra-territorial service agreement (ESA) with the City;
- the required water system improvements are undetermined at this time; and
- financial arrangements have not been made to the satisfaction of the City to guarantee payment of all unpaid claims.

This letter will remain in effect for a period of two years from the above date. It should be noted, however, that the City Council may elect to declare a moratorium on new service connections due to drought conditions or other water emergency. Such a declaration would supersede this statement of water availability.

If you have any questions regarding service or landscape water conservation requirements, please call the Engineering Division at (831) 420-5210.

Sincerely,

Rosemary Menard, Water Director

RM/CO

Co: SCWD Engineering



Santa Cruz Local Agency Formation Commission

Date: November 1, 2023
To: LAFCO Commissioners

From: Joe Serrano, Executive Officer

Subject: Multi-Year Work Program Update

### **SUMMARY OF RECOMMENDATION**

Government Code Section 56425 requires LAFCO to review and update each sphere of influence every five years. Pursuant to Government Code Section 56430, a service review shall either be conducted before or in conjunction with the sphere update. The adoption of the multi-year work program in November 2019 indicates when the next round of service and sphere reviews will be conducted for each city and district until the 2024 calendar year.

It is recommended that the Commission approve the scheduled service and sphere reviews for the 2024 calendar year.

### **EXECUTIVE OFFICER'S REPORT:**

At present, there are 79 public agencies that are subject to Santa Cruz LAFCO's purview: 4 cities, 24 independent special districts, and 51 dependent districts (primarily county service areas). The scheduled service reviews between 2020 to 2024 are shown in **Attachment 1**. The adopted schedule ensures that this Commission is up-to-date and in compliance with LAFCO law. A total of seven separate reports will be completed next year to evaluate 15 local agencies, as shown below.

Table A: Proposed Service & Sphere Reviews in 2024

Subject Agencies	Commission Meeting (Proposed Hearing Date)
City of Santa Cruz	January 10
CSA 38 (Sheriff's Patrol)	February 7
CSA 3 (Aptos Seascape)	April 3
CSA 57 (Graham Hill)	June 5
Santa Cruz Port District	August 7
Midpeninsula Regional Open Space District	October 2
Sanitation Districts (9 in total)	November 6

Respectfully Submitted,

Joe A. Serrano Executive Officer

Attachment: Adopted Service & Sphere Review Multi-Year Work Program

### Service Review Work Program (2020 to 2024) Adopted on November 6, 2019

	Last Service	Next Service
	Review Cycle	Review Cycle
Cities		
Capitola	August 2017	May 2022
Santa Cruz	December 2018	January 2024
Scotts Valley	October 2016	March 2021
Watsonville	April 2018	May 2023
Cemetery District		
Pajaro Valley	April 2015	August 2020
County Service Areas		
CSA 2 (Place de Mer)	October 2019	October 2024
CSA 3 (Aptos Seascape)	June 2019	June 2024
CSA 4 (Pajaro Dunes)	October 2016	October 2021
CSA 5 (San Dollar/Canyon del Sol)	October 2019	October 2024
CSA 7 (Boulder Creek Country Club)	October 2019	October 2024
CSA 9 (County Public Works)	July 2015	May 2020
CSA 10 (Rolling Woods)	October 2019	October 2024
CSA 11 (County Parks)	May 2018	August 2023
CSA 12 (Septic Maintenance)	August 2018	September 2023
CSA 13 (Hutchinson Road)	July 2017	October 2022
CSA 15 (Huckleberry Woods)	July 2017	October 2022
CSA 16 (Robak Drive)	July 2017	October 2022
CSA 17 (Empire Acres)	July 2017	October 2022
CSA 18 (Whitehouse Canyon)	July 2017	October 2022
CSA 20 (Trestle Beach)	October 2019	October 2024
CSA 21 (Westdale)	July 2017	October 2022
CSA 22 (Kelly Hill)	July 2017	October 2022
CSA 23 (Old Ranch Road)	July 2017	October 2022
CSA 24 (Pineridge)	July 2017	October 2022
CSA 25 (View Point Road)	July 2017	October 2022
CSA 26 (Hidden Valley)	July 2017	October 2022
CSA 28 (Lomond Terrace)	July 2017	October 2022
CSA 30 (Glenwood Acres)	July 2017	October 2022
CSA 32 (View Circle)	July 2017	October 2022
CSA 33 (Redwood Drive)	July 2017	October 2022
CSA 34 (Larsen Road)	July 2017	October 2022
CSA 35 (Country Estates)	July 2017	October 2022
CSA 36 (Forest Glen)	July 2017	October 2022
CSA 37 (Roberts Road)	July 2017	October 2022
CSA 38 (Sheriff's Patrol)	August 2018	January 2024
CSA 39 (Reed Street)	July 2017	October 2022
CSA 40 (Ralston Way)	July 2017	October 2022
CSA 41 (Loma Prieta Drive)	July 2017	October 2022
CSA 42 (Sunlit Lane)	July 2017	October 2022
CSA 43 (Bonita Encino)	July 2017	October 2022
CSA 44 (Sunbeam Woods)	July 2017	October 2022
CSA 46 (Pinecrest Drive)	July 2017	October 2022
CSA 47 (Braemoor Drive)	July 2017	October 2022
CSA 48 (County Fire)	June 2018	October 2021
CSA 50 (The Vineyard)	July 2017	October 2022
CSA 51 (Hopkins Gulch Road)	July 2017	October 2022
CSA 52 (Upper Pleasant Valley Road)	July 2017	October 2022
CSA 53 (County Mosquito Abatement)	October 2018	June 2023
CSA 54 (Summit West Water) Dissolved on 3/3/23	July 2017	August 2022
		·

### Service Review Work Program (2020 to 2024) Adopted on November 6, 2019

		N
	Last Service Review Cycle	Next Service Review Cycle
CSA 55 (Riverdale Park)	July 2017	October 2022
CSA 56 (Felton Grove)	July 2017	October 2022
CSA 57 (Graham Hill)	June 2019	June 2024
CSA 58 (Ridge Drive)	July 2017	October 2022
CSA 59 (McGaffigan Bill Road)	July 2017	October 2022
CSA 60 (Huckleberry Island) Dissolved on 2/23/21	July 2015	March 2020
Fire Districts		
Aptos/La Selva (Consolidation w/ CFPD on 2/4/21)	October 2016	October 2021
Aromas Tri-County	October 2016	October 2021
Ben Lomond	October 2016	October 2021
Boulder Creek	October 2016	October 2021
Branciforte	October 2016	October 2021
Central Fire District (Consolidation w/ ALSFPD on 2/4/21)	June 2018	October 2021
Felton	October 2016	October 2021
Pajaro Valley	October 2016	October 2021
Scotts Valley	October 2016	October 2021
Zayante	October 2016	October 2021
Health Care District		
Pajaro Valley Health Care Dist. (Created by Special Legisla	tion on 7/1/22)	December 2025
Port District		
Santa Cruz Port District	July 2019	July 2024
Reclamation District		
No. 2049	November 2017	August 2022
Recreation and Park Districts		
Alba	March 2016	August 2021
Boulder Creek	March 2016	August 2021
La Selva Beach	March 2016	August 2021
<del>Opal Cliffs</del> Dissolved on 4/11/22	March 2016	August 2021
Resource Conservation District		
Resource Conservation Districts of Santa Cruz County	July 2015	October 2020
Regional Open Space District		
Midpeninsula Regional Open Space District	November 2019	November 2024
Sanitation Districts		
Davenport	October 2019	October 2024
Freedom	October 2019	October 2024
Salsipuedes	October 2019	October 2024
Santa Cruz County	October 2019	October 2024
Water Districts		
Central	August 2017	August 2022
Pajaro Valley Water Management Agency	November 2017	August 2022
San Lorenzo Valley	July 2014	Nov 2020;
Jan Lorenzo Valley	July 2014	Aug 2022
Scotts Valley	October 2016	May 2021;
·	Octobel 2010	Aug 2022
Soquel Creek	May 2017	August 2022

Footnote: Proposed dates may be subject to change





Santa Cruz Local Agency Formation Commission

Date: November 1, 2023
To: LAFCO Commissioners

From: Joe Serrano, Executive Officer

**Subject:** LAFCO Meeting Schedule (2024 Calendar Year)

### SUMMARY OF RECOMMENDATION

Each year, LAFCO approves a meeting schedule for the upcoming year. This type of action informs the Commission, local agencies, and the general public when the next regular LAFCO meetings will be held.

It is recommended that the Commission adopt the meeting schedule for the 2024 calendar year.

### **EXECUTIVE OFFICER'S REPORT:**

LAFCO normally meets at 9:00am on the first Wednesday of each month. The attached draft meeting schedule outlines next year's anticipated regular LAFCO meetings, with the following exceptions:

- **January 10, 2024** LAFCO meeting held on the second Wednesday to prevent any scheduling conflicts due to the start of the new year and the upcoming holidays;
- July 3, 2024 No LAFCO Meeting will be held to allow for a summer recess; and
- **December 4, 2024** No LAFCO Meeting will be held to allow for a holiday recess.

The Commission may set special meetings in accordance with the Commission's adopted policies, if needed. Pursuant to Assembly Bill 2449, the Commission may continue utilizing online platforms such as Zoom to conduct meetings remotely. The Commission will have full discretion on whether to conduct virtual meetings, hybrid meetings, or revert back to in-person meetings at any point in the calendar year.

Respectfully Submitted,

Joe A. Serrano Executive Officer

Attachment: 2024 LAFCO Meeting Schedule (draft version)

**7B: ATTACHMENT 1** 



Local Agency Formation Commission of Santa Cruz County

### 2024 SCHEDULE OF REGULAR LAFCO MEETINGS

(Approved on November 1, 2023)

January 10 – Second Wednesday

February 7

March 6

April 3

May 1

June 5

July - No Meeting

August 7

September 4

October 2

November 6

December - No Meeting

All regular meetings begin at 9:00am and are typically held in the Board of Supervisors Chambers, located on the fifth floor of the County Governmental Center – 701 Ocean Street (Room 525), Santa Cruz, CA

### VIRTUAL LAFCO MEETINGS

Santa Cruz LAFCO has established a hybrid meeting process in accordance with Assembly Bill 2449. Members of the public will have the option to attend virtually or inperson. The Commission will have full discretion on whether to conduct hybrid meetings or revert back to in-person meetings at any point in the calendar year.





Santa Cruz Local Agency Formation Commission

Date: November 1, 2023
To: LAFCO Commissioners

From: Joe Serrano, Executive Officer

Subject: Comprehensive Quarterly Report – First Quarter (FY 2023-24)

### SUMMARY OF RECOMMENDATION

This report provides an overview of projects currently underway, the status of the Commission's Multi-Year Work Program, the financial performance of the annual budget, and staff's outreach efforts from July through September. This agenda item is for informational purposes only and does not require any action. Therefore, it is recommended that the Commission receive and file the Executive Officer's report.

### **EXECUTIVE OFFICER'S REPORT**

The Cortese-Knox-Hertzberg Act delegates LAFCOs with regulatory and planning duties to coordinate the logical formation and development of local governmental agencies. **Attachment 1** summarizes how several of these statutory mandates are being met through the consideration of boundary changes, the development of scheduled service reviews, and staff's ongoing collaboration with local agencies.

Respectfully Submitted,

Joe A. Serrano Executive Officer

### Attachment:

1. FY 2023-24 Comprehensive Quarterly Report (First Quarter)

## Comprehensive Quarterly Report

FISCAL YEAR 2023-24
FIRST QUARTER
(JULY TO SEPTEMBER)



LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY

### **ACTIVE PROPOSALS**

Santa Cruz LAFCO currently has six active applications:

1. "Pajaro Valley Fire Protection District Reorganization" (Project No. RO 22-06): This application was initiated by board resolution on March 22, 2022 and proposes the annexation of approximately 72 square miles into the fire district, concurrent dissolution of CSA 4, and the concurrent detachment of the annexed area from CSA 48. The purpose of the reorganization is to provide a better level of fire protection services to approximately 20,000 people through an independent fire district rather than two separate county service areas.

**Latest Status:** LAFCO is currently working with a consulting firm to determine how the proposed reorganization will financially impact the affected agencies. This analysis is now tentatively scheduled to be presented to the Commission in early-2024.

2. "Branciforte Fire Protection District Reorganization" (Project No. RO 22-07): This application was initiated by board resolution on April 1, 2022 and proposes the dissolution of the Branciforte Fire Protection District and concurrent annexation of the dissolved area into the Scotts Valley Fire Protection District. The purpose of the reorganization is to provide a better level of fire protection services to the Branciforte community (approximately 1,700 people) by merging the two fire districts.

**Latest Status:** The Commission approved the reorganization in August. LAFCO staff is scheduled to record the proposal before the end of the calendar year.

3. "Reclamation District No. 2049 Dissolution" (Project No. DDI 23-03): This application was initiated by district resolution on March 8, 2023 and proposes to dissolve the only reclamation district in Santa Cruz County. If approved, the dissolution will address the inactive status of the district which currently has no full-time staff, no office or website, and only one board member.

**Latest Status:** Government Code Section 58879 requires the State Controller's Office to create an annual list of inactive special districts. LAFCO staff believes that the Reclamation District may be identified as an inactive district in the next published list, scheduled to be released in November 2023. If this occurs, the application may be superseded by the statutory requirement.

4. "RTC Parcel Annexation" to the Davenport County Sanitation District (Project No. DA 23-12): This application was initiated by landowner petition on June 23, 2023 and proposes to annex a single parcel (APN: 058-072-03) owned by the Regional Transportation Commission of Santa Cruz County ("RTC"). The purpose of the annexation is for the delivery of water and sewer service to a proposed development project by RTC.

**Latest Status:** LAFCO staff is currently coordinating with the County to schedule a property tax exchange agreement. LAFCO is also determining whether an existing extraterritorial service agreement should be included in the annexation. The proposal is tentatively scheduled for Commission consideration in early-2024.

5. "Holohan Road Parcel Annexation" to the Salsipuedes Sanitary District (Project No. DA 23-14): This application was initiated by landowner petition on August 7, 2023 and proposes to annex a single parcel (APN: 051-271-02) to the sewer district. The purpose of the annexation is for the delivery of sewer service to an existing structure (produce/fruit stand).

**Latest Status:** The proposal was presented to the Commission in November. If approved, the proposal is tentatively scheduled to be recorded in mid-December.

**6.** "Branciforte Drive / Michael Greenspon Extraterritorial Service Agreement" with the City of Santa Cruz (Project No. ESA 23-16): This application was initiated by landowner petition on August 14, 2023 and requests an extraterritorial service agreement (ESA) involving a single parcel (APN: 068-121-27). The purpose of the ESA is for the delivery of water service to a proposed development project within the City's water service area.

**Latest Status:** The proposal was presented to the Commission in November. If approved, the proposal is tentatively scheduled to be recorded in mid-December.

### MULTI-YEAR WORK PROGRAM (SERVICE REVIEWS)

A five-year work program was originally adopted in 2019 to ensure that service reviews for each local agency under LAFCO's purview are considered within the legislative deadline. The Commission reviews and adopts the work plan on an annual basis. A total of seven separate service and sphere reviews will be completed in 2024. Below is a summary of each scheduled review.

1. City of Santa Cruz – The City was incorporated in 1866 and provides a variety of municipal services, including water services under the City's Water Department. The City's water service area encompasses nearly 27 square miles of territory including the entire City of Santa Cruz, adjoining unincorporated areas of Santa Cruz County, a small part of the City of Capitola, and coastal agricultural lands north of the City.

<u>Tentative Hearing Date</u>: A service and sphere review was originally scheduled to be presented to the Commission in November 2023 but was moved to January 2024 in order to allow more time for the City to explore potential changes in organization prior to LAFCO's analysis.

2. County Service Area 38 (Sheriff's Patrol) – The CSA was formed in 1983 and provides extended police protection, under the County Sherriff's Department, to areas outside city limits. The Sheriff's Office has three divisions: (1) the Operations Bureau patrols the unincorporated areas of the County, (2) the Corrections Bureau operates the detention facilities and programs, and (3) the Court Security provides security to courts in Santa Cruz and Watsonville. The CSA serves the entire county excluding the four cities.

<u>Tentative Hearing Date</u>: A service and sphere review was originally scheduled to be presented to the Commission in October 2023 but was postponed to allow the County more time to review LAFCO's proposed findings and recommendations in the draft report. The service review is now scheduled for the January 10, 2024 LAFCO Meeting.

3. County Service Area 3 (Aptos Seascape) – The CSA was formed in 1965 to provide a series of services to the unincorporated community known as Seascape. Services allowed to be provided by CSA 3 include road median landscaping maintenance, street sweeping, beach access maintenance, beach patrol, and beach litter control.

<u>Tentative Hearing Date</u>: A service and sphere review is scheduled to be presented to the Commission in April 2024.

4. County Service Area 57 (Graham Hill) – The CSA was formed in 2001 to provide sanitary and storm sewer services to the Woods Cove Subdivision. In 2014, sanitary sewer services along Graham Hill Road were transferred to County Service Area 10 (Rolling Woods). CSA 57 continues to provide storm drain maintenance to Woods Cove.

<u>Tentative Hearing Date</u>: A service and sphere review is scheduled to be presented to the Commission in June 2024.

5. Santa Cruz Port District – The District was formed in 1950 to provide for and manage small craft harbor facilities in Santa Cruz County. The District offers slip renter services including wet berthing and dry storage, as well as visitor services such as visitor berthing, launching and parking. The District also leases space for restaurant, retail, office, and marine commercial businesses.

<u>Tentative Hearing Date</u>: A service and sphere review is scheduled to be presented to the Commission in August 2024.

6. Midpeninsula Regional Open Space District – The District was formed in 1972 to preserve the regional greenbelt in northwestern Santa Clara County. In accordance with its principal act, the District may be located within multiple counties as long as the lands are contiguous. In the last four decades, the District has expanded its services into three counties. In 1992, the District was extended to include a small portion of Santa Cruz County.

<u>Tentative Hearing Date</u>: A service and sphere review is scheduled to be presented to the Commission in October 2024.

7. Sanitation Districts (10 in total) – Wastewater services within Santa Cruz County are provided by three cities, five special districts, and six CSAs. Facilities range from individual or small community septic systems to local wastewater collection systems and regional treatment plants. This service review will focus on the following 10 special districts: Bear Creek Estates Wastewater System (San Lorenzo Valley Water District), CSA 2, CSA 5, CSA 7, CSA 10, CSA 20, Davenport County Sanitation District, Freedom Sanitation District, Salsipuedes Sanitary District, and Santa Cruz County Sanitation District.

<u>Tentative Hearing Date</u>: A service and sphere review is scheduled to be presented to the Commission in November 2024.

### PROFESSIONAL SERVICES AGREEMENT

Santa Cruz LAFCO currently has three active professional service agreements:

- 1. <u>AP Triton (Feasibility Study)</u>: The Commission hired AP Triton in August 2022 to produce a feasibility study evaluating the sphere boundaries of each fire agency in Santa Cruz County. The County also hired AP Triton to produce a countywide Fire Master Plan. While the hiring of AP Triton to complete the County's master plan does provide consistency in the data source and analysis with LAFCO's feasibility study, it has also delayed the completion of our study. *Latest Status:* The feasibility study is now tentatively scheduled to be presented to the Commission in Spring-2024.
- 2. <u>Don Jarvis (Fire Services)</u>: The Commission hired Don Jarvis in March 2022 to help with LAFCO's ongoing effort to address the efficient delivery of fire protection and emergency services throughout Santa Cruz County. In 2022, Mr. Jarvis worked 124 hours for LAFCO totaling \$12,410 in total cost, which was approximately 30% the amount allowed under his contract (no more than \$40,000 per calendar year). In 2023, Mr. Jarvis has worked 52 hours (\$5,155 in total). *Latest Status: Mr. Jarvis will continue to assist staff with fire-related projects*.
- 3. <u>Best, Best & Krieger (Legal Counsel)</u>: The Commission hired Best, Best & Krieger (BBK) in November 2021 to provide legal counsel services. This effort strengthened LAFCO's independence by utilizing an outside law firm rather than County counsel. BBK has assigned Josh Nelson as LAFCO's primary counsel. Mr. Nelson has been instrumental in reviewing draft resolutions, providing legal guidance to staff and the Commission, and continues to be a crucial asset to Santa Cruz LAFCO. *Latest Status: Mr. Nelson will continue to assist staff with all LAFCO matters*.

### **BUDGET REPORT**

The first quarter of Fiscal Year 2023-24 ended on September 30, 2023. During this three-month period, the Commission received approximately \$386,000 in revenue. During the same period, the Commission incurred approximately \$176,000 in total expenses. In total, LAFCO used 26% of estimated costs during the first quarter, as shown in the table below.

	FY 22-23 (1st Qtr.)	Available Funds	FY 23-24 Total Amt	FY 22-23 Budget	Percent (%)
Total Revenue	\$386,121	\$254,685	\$640,806	\$668,750	96%
Total Expense	<u>\$176,158</u>	=	\$176,158	\$668,750	26%
Difference	\$209,963	\$254,685	\$464,648	-	-

### Fund Balance / Reserves

Approximately \$560,000 was the ending balance of the Commission's reserves on September 30, 2023: \$254,685 is earmarked to balance the budget and the remaining \$305,451 is designated as unrestricted revenue. The unrestricted revenue may be used to address any unanticipated expenses during this fiscal year.

### FY 2023-24 Budget (Financial Performance By Quarter)

FISCAL YEAR 2023-24	Fi	7 23-24 rst Qtr. ıl - Sep)	A	Y 23-24 Idopted Budget	F	Y 23-24 Actual	D	ifference (\$)	Budget Line Item Notes
REVENUES DESCRIPTION				9					
Interest	\$	4,042	\$	1,500	\$	4,042	\$	2,542	Surplus Funds
Contributions from Other Govt Agencies	\$	373,848	\$	419,265	\$	373,848	\$	(45,417)	Awaiting dues from Watsonville
LAFCO Processing Fees	\$	7,850	\$	-	\$	7,850	\$	7,850	Application Deposits
Medical Charges-Employee	\$	381	\$	-	\$	381	\$	381	Surplus Funds
Re-budget from Fund Balance	\$	-	\$	254,685	\$	254,685	\$	247,985	Net Position Funds (if needed)
TOTAL REVENUES	<u>\$3</u>	886,121	\$	675,450	<u>\$</u>	640,806	H	213,341	Additional Funds in
EXPENDITURES DESCRIPTION									Total Revenue
Regular Pay	\$	49,999	\$	245,000	\$	49,999	\$	195,001	Remaining Funds
Holiday Pay	\$	1,560	\$	10,000	\$	1,560	\$	8,440	Remaining Funds
Social Security	\$	4,021	\$	18,000	\$	4,021	\$	13,979	Remaining Funds
PERS	\$	90,728	\$	103,000	\$	90,728	\$	12,272	Remaining Funds
Insurances	\$	9,270	\$	45,000	\$	9,270	\$	35,730	Remaining Funds
Unemployment	\$	-	\$	250	\$		\$	250	Remaining Funds
Workers Comp	\$	(3)	\$	500	\$	(3)	\$	503	Remaining Funds
Workers Comp	Φ_	(3)	_		ф	(3)	φ	303	Remaining Funds in
Salaries Sub-total	\$1	55,575	\$	421,750	\$	155,575	\$	266,175	Salaries & Benefits
Telecom	\$	157	\$	1,200	\$	157	\$	1,043	Remaining Funds
Office Equipment	\$	77	\$	200	\$	77	\$	123	Remaining Funds
Memberships	\$	5,413	\$	7,500	\$	5,413	\$	2,087	Remaining Funds
Hardware	\$	-	\$	150	\$	-	\$	150	Remaining Funds
Duplicating	\$	-	\$	500	\$	-	\$	500	Remaining Funds
PC Software	\$	237	\$	600	\$	237	\$	363	Remaining Funds
Postage	\$	12	\$	1,000	\$	12	\$	988	Remaining Funds
Subscriptions	\$	1,719	\$	1,800	\$	1,719	\$	81	Remaining Funds
Supplies	\$	-	\$	800	\$	-	\$	800	Remaining Funds
Accounting	\$	-	\$	1,500	\$	-	\$	1,500	Remaining Funds
Attorney	\$	1,183	\$	150,000	\$	1,183	\$	148,818	Remaining Funds
Data Process GIS	\$	1,305	\$	12,000	\$	1,305	\$	10,695	Remaining Funds
Director Fees	\$	1,000	\$	5,000	\$	1,000	\$	4,000	Remaining Funds
Prof. Services	\$	1,991	\$	45,000	\$	1,991	\$	43,009	Remaining Funds
Legal Notices	\$	3,160	\$	3,500	\$	3,160	\$	340	Remaining Funds
Rents	\$	-	\$	9,400	\$	-	\$	9,400	Remaining Funds
Misc. Expenses	\$	1,255	\$	5,000	\$	1,255	\$	3,745	Remaining Funds
Air Fare	\$	-	\$	1,500	\$	-	\$	1,500	Remaining Funds
Auto Rental	\$	-	\$	-	\$	-	\$	-	Remaining Funds
Training	\$	-	\$	1,000	\$	-	\$	1,000	Remaining Funds
Lodging	\$	-	\$	2,000	\$	-	\$	2,000	Remaining Funds
Meals	\$	-	\$	-	\$	-	\$	-	Remaining Funds
Mileage	\$	-	\$	800	\$	-	\$	800	Remaining Funds
Travel-Other	\$	-	\$	250	\$	-	\$	250	Remaining Funds
Registrations	\$	3,075	\$	3,000	\$	3,075	\$	(75)	Overbudget Amount (however, LAFCO is expecting a \$650 refund from CALAFCO)
Supplies Sub-total	\$	20,583	\$	253,700	\$	20,583	\$	233,117	Remaining Funds in Services & Supplies
TOTAL DVDDVDTTVD						456455	_	400.000	Remaining Funds in
TOTAL EXPENDITURES	<u>\$1</u>	76.158	\$	<u>675,450</u>	\$	176,158	\$	499,292	Total Expenditures
RESERVES									
Contingency Reserve (Balance Budget)			\$	254,685					
Unreserved Funds			\$						
Total Reserve Balance (as of 9/30/23)			_	560,136					

### **RECENT & UPCOMING MEETINGS**

LAFCO staff values the collaboration with local agencies, members of the public, and other LAFCOs to explore and initiate methods to improve efficiency in the delivery of municipal services. Several meetings were held during the first quarter (July, August, and September). A summary of those meetings is shown in the following table.

		July Meetings	
Topic	Date	Subject Agency(ies)	Purpose
New Fire Chief (Meet & Greet)	7/5	Scotts Valley Fire Protection District	Staff met with Mark Correira, the new fire chief for Scotts Valley FPD.
Draft Service Review	7/11	CSA 12 (County)	Staff met with County reps to discuss the draft service review before the report is finalized.
Sphere Boundary	7/12	City of Capitola	Staff met with the city manager to discuss Capitola's current sphere and the development of an annexation plan.
Annual Conference	7/13	CALAFCO	Staff is a member of this year's planning committee for the upcoming annual conference in Monterey.
Board Meeting	7/14	CALAFCO	Staff attended CALAFCO's regular board meeting.
District Dissolution	7/19	Reclamation District No. 2049 & PV Water Management Agency	Staff formed a stakeholder group with reps from the reclamation district and PVWMA to discuss the scheduled designation of an inactive district.
Land Trust (Meet & Greet)	7/21	Land Trust of Santa Cruz County	Staff met with Sarah Newkirk, the executive director for the Land Trust of Santa Cruz County to discuss current and future conservation efforts.
LAFCO Chair	7/25	LAFCO	Staff met with the LAFCO Chair to review the August Agenda.

		August Meetings	
Topic	Date	Subject Agency(ies)	Purpose
CSA Formation (Road Service)	8/3	Lake Boulevard Road Association	Staff met with reps from the road association to discuss the steps to form a CSA for road services in the Lompico area.
Sewer Connection (City of Scotts Valley)	8/7	Landowner	Staff met with a landowner to discuss the steps to connect into Scotts Valley's sewer infrastructure.
CSA Formation (Lompico Area)	8/9	County	Staff met with reps from the County and Supervisor McPherson's office to discuss the potential formation of a road-CSA in the Lompico area.
District Dissolution	8/10	Reclamation District No. 2049 & PV Water Management Agency	Staff met with the stakeholder group to discuss the scheduled discussion of an inactive district.
Annual Conference	8/14	CALAFCO	Staff is a member of this year's planning committee for the upcoming annual conference in Monterey.
Service Review	8/14	CSA 57	Staff met with a County rep to discuss the current status of CSA 57 and the upcoming service review (mid-2024).
Water Connection (Soquel Creek WD)	8/14	Soquel Creek Water District	Staff is part of a stakeholder group with reps from the County, SqCWD, State Water Board, and the PV Unified School District to address the water issues at the Renaissance High School.
CSA Formation (Road Service)	8/15	Soquel Avenue Community	Staff met with reps from the community to discuss the steps to form a CSA for road services in the Lompico area.
Annual Conference Breakout Session	8/23	CALAFCO	Staff will be a guest speaker in 4 separate sessions at this year's conference, including one that will focus on fire-related service reviews.
Draft Service Review	8/24	CSA 12 (County)	Staff met with County reps to discuss the draft service review before the report is finalized.
Legislative Committee	8/25	CALAFCO	Staff is the Omnibus Bill Liaison for CALAFCO and presented the submitted proposals for the 2024 omnibus bill.
CSDA Annual Conference	8/29	California Special Districts Association	Staff was invited to be a guest speaker at this year's CSDA annual conference. The session focused on how LAFCOs and districts can effectively collaborate.

		September Meetings	
Topic	Date	Subject Agency(ies)	Purpose
District Dissolution	9/7	Reclamation District No. 2049 & PV Water Management Agency	Staff met with the stakeholder group to discuss the scheduled discussion of an inactive district.
CSA 33	9/7	County	Staff met with County reps to discuss CSA 33's authorized services and existing boundaries.
CSA Formation (Lompico Area)	9/11	County	Staff met with reps from the County and Supervisor McPherson's office to discuss the potential formation of a road-CSA in the Lompico area.
Water Connection (Soquel Creek WD)	9/11	Soquel Creek Water District	Staff is part of a stakeholder group with reps from the County, SqCWD, State Water Board, and the PV Unified School District to address the water issues at the Renaissance High School.
Fire Reorganization	9/13	Branciforte & SV Fire Protection Districts	Staff met with the stakeholder group to discuss the ongoing reorganization effort.
CSA Formation (Road Service)	9/14	Lake Boulevard Road Association	Staff met with reps from the road association to discuss the steps to form a CSA for road services in the Lompico area.
Draft Service Review	9/18	CSA 38	Staff met with the County reps and the Sherrif to discuss the draft service review's findings and recommendations.
Santa Cruz Metro (Meet & Greet)	9/20	Santa Cruz Metropolitan Transit District	Staff met with Michael Tree, the chief executive officer for Santa Cruz Metro to discuss the current and future financial structure for the district.
Annual Conference	9/20	CALAFCO	Staff is a member of this year's planning committee for the upcoming annual conference in Monterey.
Protest Hearing	9/27	Branciforte FPD	Staff conducted a protest hearing for the proposed fire reorganization. Zero petitions of opposition were submitted during the entire protest proceeding.
Countywide Fire Protection	9/29	County	Staff met with County reps to discuss the County's fire master plan and LAFCO's fire-related feasibility study.





Santa Cruz Local Agency Formation Commission

Date: November 1, 2023
To: LAFCO Commissioners

From: Joe Serrano, Executive Officer Subject: October Correspondence

### SUMMARY OF RECOMMENDATION

In October, LAFCO received written correspondence from two statewide organizations: CALAFCO and SDRMA. This agenda item is for informational purposes only and does not require any action. Therefore, it is recommended that the Commission receive and file the Executive Officer's report.

\_\_\_\_\_

### **EXECUTIVE OFFICER'S REPORT:**

LAFCO received two correspondences in October, as summarized below:

- 1. SDRMA Award The Special District Risk Management Authority formally acknowledged Santa Cruz LAFCO for its dedicated efforts towards proactive loss prevention and workplace safety. As a result, the Commission has earned the President's Special Acknowledgement Award. This award recognizes members with no "paid" claims during the prior five consecutive program years in the Worker's Compensation Program.
- 2. SB 448 Inactive List The California Association of Local Agency Formation Commissions shared the State Controller's most recent list of inactive districts. Any district on that list is subject to a mandatory dissolution by LAFCO. While the list does not identify the Reclamation District No. 2049 as an inactive district, staff is currently coordinating with the State Controller's Office to update the list before its finalized. Staff anticipates receiving an official letter from the State Controller's Office before the end of the calendar year regarding the reclamation district.

Respectfully Submitted,

Joe A. Serrano Executive Officer

### Attachments:

- 1. SDRMA President's Special Acknowledgement Award (dated September 26, 2023)
- 2. CALAFCO Email regarding SB 448 Inactive List (dated October 23, 2023)





1112 I Street, Suite 300 Sacramento, California 95814-2865 T 916-231-4141 or 800-537-7790 \* F 916-231-4111

Maximizing Protection. Minimizing Risk. \* www.sdrma.org

September 26, 2023

Mr. Jim Anderson Chairperson Santa Cruz Local Agency Formation Commission 701 Ocean Street, Room 318-D Santa Cruz, California 95060-4027

Re: President's Special Acknowledgement Award - Workers' Compensation Program

Dear Mr. Anderson,

This letter and enclosed certificate are to formally acknowledge the dedicated efforts of the Santa Cruz Local Agency Formation Commission's Governing Body, management, and staff towards proactive loss prevention and workplace safety for earning the President's Special Acknowledgement Award! The Award is to recognize members with no "paid" claims during the prior five consecutive program years in the Workers' Compensation Program.

A "paid" claim for the purposes of this recognition represents the first payment on an open claim during the prior program year. Your agency's efforts have resulted in no "paid" workers' compensation claims for the prior five consecutive program years from 2018-23. This is an outstanding accomplishment that serves as an example for all SDRMA members!

In addition to this annual recognition, members with no "paid" claims during 2022-23 earned one credit incentive point (CIP) reducing their annual contribution amount, and members with no "paid" claims for the prior five consecutive program years earned three additional bonus CIPs. Also, members without claims receive a lower "experience modification factor" (EMOD), which also reduces their annual contribution amount.

On behalf of the SDRMA Board of Directors and staff, it is my privilege to congratulate your Governing Body, management, and staff for your commitment to proactive loss prevention and safety in the workplace.

Sincerely,

Special District Risk Management Authority

& Seifut Raffelson

Sandy A. Seifert-Raffelson, President

**Board of Directors** 



President's Openial

The President of the Special District Risk Management Authority

Hereby gives special recognition to

# Santa Cruz Local Agency Formation Commission

Congratulations on your excellent claims record! The President's Special Acknowledgement Award is to recognize members with no "paid" claims during the prior five consecutive program years in the Workers' Compensation Program. A "paid" claim for the purposes of this recognition represents the first payment on an open claim during that same period.

Sandy A. Seifert-Raffelson, SDRMA Board President

September 26, 2023

Date

## California State Controller's Office

List of Inactive Districts per Chapter 334, Statutes of 2017 (SB 448)

Source: Special Districts Financial Transactions Reports, Fiscal Year 2021-22

# District Name	City	County
1 Willow Springs Water District	Plymouth	Amador
2 County Service Area No. 6 (Calaveras)	San Andreas	Calaveras
3 County Service Area No. 3 (Colusa)	Colusa	Colusa
4 County Service Area No. 32 (Santa Barbara)	Santa Barbara   Santa Barbara	Santa
5 Fall River Valley Irrigation District	Redding	Shasta
6 Reclamation District No. 2043	Fairfield	Solano
7 Lake Sherwood Community Services District	Ventura	Ventura
8 County Service Area No. 56 (Yuba)	Marysville	Yuba
9 County Service Area No. 57 (Yuba)	Marysville	Yuba
10 County Service Area No. 58 (Yuba)	Marysville	Yuba
11 River Highlands Community Service District	Marysville	Yuba
12 Royal Pines County Service Area (Yuba)	Marysville	Yuba

Agenda I tem No. 9a



Santa Cruz Local Agency Formation Commission

Date: November 1, 2023
To: LAFCO Commissioners

From: Joe Serrano, Executive Officer

**Subject:** Press Articles during the Months of September and October

### SUMMARY OF RECOMMENDATION

LAFCO staff monitors local newspapers, publications, and other media outlets for any news affecting local agencies or LAFCOs around the State. Articles are presented to the Commission on a periodic basis. This agenda item is for informational purposes only and does not require any action. Therefore, it is recommended that the Commission receive and file the Executive Officer's report.

### **EXECUTIVE OFFICER'S REPORT**

The following is a summary of recent press articles. Full articles are attached.

Article #1: "No opposition filed to dissolution of Branciforte Fire District": The article, dated September 27, notes that no challenges were raised during the protest period for the Branciforte Fire Protection District reorganization with Scotts Valley Fire Protection District. The lack of opposition is a direct result of the districts' proactive effort to inform and educate the residents about the reorganization's benefits.

Article #2: "Gray hired as Watsonville Community Hospital CEO": The article, dated September 27, announces the official hiring of Stephen Gray as the new CEO of the Watsonville Community Hospital. The newly established healthcare district hired Mr. Gray after a four-month recruitment process following the resignation of the former CEO, Steven Salver in March 2023.

Article #3: "San Lorenzo Valley Water District invests \$13M in new pipelines": The article, dated September 29, indicates that the San Lorenzo Valley Water District has begun construction on more than \$13 million in crucial pipeline infrastructure and water tank replacement projects that will enhance the water system's reliability and improve support for fire protection. The scheduled work is a key component of the District's Capital Improvement Projects (CIP), funded through grants, bank loans and ratepayer fees.

Article #4: "Pure Water Soquel celebrates \$30 million in federal funding": The article, dated September 30, states that the Bureau of Reclamation awarded \$30 million to Soquel Creek Water District's Pure Water Soquel Project. This project aims to halt seawater intrusion from the Santa Cruz Mid-County Groundwater Basin, which provides fresh water to over 40,000 customers. The basin is one of 21 in the state that are subject to a mandate requiring it to be brought into sustainability by 2040.

Article #5: "Santa Cruz County struggling to keep up with road repairs after fires, flooding": The article, dated October 6, explains how recent natural disasters have damaged roads countywide. The County estimates that repairs may cost up to \$479 million by 2028. The County has 600 miles of road and about 43 miles have been resurfaced during the last five years.

Article #6: "Public Law Newsletter – Fall 2023 Edition": LAFCO receives periodic newsletters from Colantuono, Highsmith & Whatley PC, a law firm familiar with LAFCO and the Cortese-Knox-Hertzberg Act. This edition focuses on a number of interesting topics including but not limited to ballot measures promoting tiered water rates, and a recent court ruling on public record requests and personal emails/devices to conduct public business.

Article #7: "Heidi Luckenbach named new Santa Cruz water director": The article, dated October 20, announces the hiring of Heidi Luckenbach as the new Santa Cruz Water Director. Ms. Luckenbach has been with the City of Santa Cruz since 1999 and replaces the recently retired Rosemary Menard.

Article #8: "City, County clear way for development around the UC": The article, dated October 20, notes that the City of Merced plans to annex approximately 1,200 acres which includes UC Merced. The City and County recently adopted a series of agreements pertaining to the university, transportation, utility fees, public services, environmental reviews, and pre-zone designations. Once the university is annexed, privately-owned land directly adjacent to the campus will be considered for development. This includes four separate proposed projects designed to align with the "University Community Plan."

Article #9: "Big Basin Water Co. operator announces abrupt departure": The article, dated October 23, indicates that the service provider under the Big Basin Water Company will no longer be in operation effective immediately. This event adds to the growing concerns towards the private water company. LAFCO is currently working with the County to determine a possible solution involving the San Lorenzo Valley Water District.

Respectfully Submitted,

Joe A. Serrano Executive Officer

### Attachments:

- 1. "No opposition filed to dissolution of Branciforte Fire District"
- 2. "Gray hired as Watsonville Community Hospital CEO"
- 3. "San Lorenzo Valley Water District invests \$13M in new pipelines"
- 4. "Pure Water Soquel celebrates \$30 million in federal funding"
- 5. "Santa Cruz County struggling to keep up with road repairs after fires, flooding"
- 6. "Public Law Newsletter Fall 2023 Edition"
- 7. "Heidi Luckenbach named new Santa Cruz water director"
- 8. "City, County clear way for development around the UC"
- 9. "Big Basin Water Co. operator announces abrupt departure"

9A: ATTACHMENT 1

### santacruzsentinel.com

### No opposition filed to dissolution of Branciforte Fire district

Jessica A. York

~3 minutes

SANTA CRUZ — As the public protest period ended Wednesday, no challenges arose to ongoing efforts to dissolve Branciforte Fire Protection District into its Scotts Valley neighbor.

The Local Agency Formation Commission of Santa Cruz County, the state agency overseeing jurisdictional boundaries, among other duties, wrapped up its required 24-day proceedings after a brief morning hearing. Ahead of the meeting, officials mailed nearly 1,000 protest hearing notices to Branciforte landowners and registered voters in late August. The hearing puts a capstone on the coming dissolution of the Branciforte fire district and its absorption into the larger Scotts Valley Fire Protection District, though the commission will be required to formally ratify results of the protest proceeding at its regular meeting Wednesday before the formal recordation can occur.

"Based on this turnout, the reorganization will move forward,"
Local Agency Formation Commission Executive Director Joe
Serrano said of the lack of protest. "This outcome is attributed to
the extensive outreach efforts from Branciforte and Scotts Valley
Fire Protection Districts as well as the coordination between the

boards, staff and its community members over the past two years."

Branciforte Fire, founded in 1950, provides service for about 1,700 people in approximately 9 square miles of unincorporated area between Scotts Valley and Santa Cruz. The department's volunteer force dipped to about nine firefighters in 2022, down from about 41 in 2013, according to Serrano. One of its three paid fire captains also serves as the agency's part-time interim chief. In July, a resounding 87% of voting property owners opposed a proposed special tax that would have maintained daily operations at the Branciforte Fire station on Branciforte Drive, even after Scotts Valley Fire Protection District took the reins. Under terms of the merger agreement, Scotts Valley Fire is expecting to maintain the Branciforte station in good order and make use of the station as needed.

The department reorganization is not expected to financially impact affected residents, Serrano has said.

Wednesday's final hearing on the departments' reconfiguration came after the <u>commission unanimously voted to approve the consolidation</u> in August.

- <u>2023</u>
- September
- 27

**9A: ATTACHMENT 2** 

pajaronian.com

### Gray hired as Watsonville Community Hospital CEO - The Pajaronian

By: Erik Chalhoub

3-4 minutes

Stephen Gray was officially hired as CEO of Watsonville Community Hospital on Wednesday.

With a 4-1 vote, the Pajaro Valley Health Care District Board approved Gray's contract, less than a week after the <a href="hospital">hospital</a> corporation announced him as its selection. Board member Joe Gallagher dissented.

Hospital officials underwent a four-month recruitment process following the resignation of former CEO Steven Salyer in March. Of the more than 20 qualified candidates, eight were selected for a first-round interview, which netted four finalists, according to a report by board members John Friel and Marcus Pimentel, who served on the CEO selection committee.



Stephen Gray. Contributed photo

Gray is currently the chief administrative officer for Sutter Bay Medical Foundation's Santa Cruz Division.

He began there in 2012 as chief administrative officer, then served from September 2017-2019 as CEO for Sutter Eden Medical Center in Castro Valley, returning to Santa Cruz in 2019.

An 11-year resident of Capitola, he has a master's degrees in business administration and in public health.

Under the contract, Gray will be paid a base salary of \$475,000, in addition to annual incentives that amount to \$166,250 as well as a \$35,000 signing bonus.

The report noted that Natividad Hospital in Salinas and Salinas Valley Memorial Hospital offer a base salary for their CEOs of \$448,000 and \$835,000, respectively.

Gallagher said he was concerned about the contract's "inflated" salary, adding that Gray would be paid more than President Joe Biden and Gov. Gavin Newsom.

With the hospital still clawing its way out of bankruptcy, Gallagher said he would like to see the salary closer to \$375,000, a number he noted was more in line with the previous CEO's salary.

"This is certainly enough money to live comfortably, to raise children and save for retirement," he said.

Under the contract, Gray would receive a severance of 12 months of the base salary should his employment be terminated without cause. Gallagher said a severance of six months would be "more than adequate."

Board member Tony Nuñez thanked Matko Vranjes for serving as interim CEO since Salyer's resignation, as well as Friel and Pimentel for their work on the selection committee.

"I feel like we made a very good decision here tonight," he said.

"This decision is going to continue to move the hospital forward and the district forward."

The only member of the public to speak during the meeting was Fred Castillo, a retired employee of the hospital, saying he was disappointed the board chose someone from outside of the hospital and Pajaro Valley.

Gray's first day with Watsonville Community Hospital will be Nov. 1.



### Erik Chalhoub

Erik Chalhoub joined Weeklys as an editor in 2019. Prior to his current position, Chalhoub worked at The Pajaronian in Watsonville for seven years, serving as managing editor from 2014-2019.

9A: ATTACHMENT 3

### pressbanner.com

## San Lorenzo Valley Water District invests \$13M in new pipelines - Press Banner | Scotts Valley, CA

By: Staff Report

4-5 minutes

San Lorenzo Valley Water District (SLVWD) has begun construction on more than \$13 million in crucial pipeline infrastructure and water tank replacement projects that will enhance the water system's reliability and improve support for firefighting.

The projects represent a significant investment in the community's water supply infrastructure.

"We are thrilled to get to work on these vital infrastructure projects that reflect our commitment to providing high-quality water services to the San Lorenzo Valley community," said Rick Rogers, general manager of the San Lorenzo Valley Water District. "This is possibly the largest improvement project the District has ever taken on. The replacement of aged and undersized infrastructure will also greatly improve support for future firefighting efforts in the San Lorenzo Valley."

The work is a key component of the District's Capital Improvement Projects (CIP), funded through grants, bank loans and ratepayer fees. The CIP projects stretch across the SLVWD's broad service area and include:

 Blue Ridge Tank Replacement Project: This project replaces an existing undersized, leaking redwood tank in Boulder Creek that holds 40,000 gallons of water. The new steel tank will hold 120,000 gallons of water, greatly increasing the amount of water available for firefighting purposes.

- Juanita Woods Mainline Replacement Project: This project replaces aging mainlines in the Juanita Woods area. This will optimize water delivery and enhance system resilience to ensure uninterrupted service during peak demand periods.
- Lyon & Big Steel Zone Pipeline Improvement Project: This
  project improves the water distribution system in this critical region.
  The installation of advanced pipelines and monitoring systems will
  increase water flow efficiency, bolster firefighting capabilities and
  optimize water pressure to meet the growing demands of the
  community.
- Alta Via/Monan Main Replacement: This project replaces water lines in the Brookdale area that were destroyed in 2020 by the CZU Lightning Complex Fire. Fire hydrants will be replaced and 40 residential water service lines will be relocated or reconnected.
- Orman Road Mainline Replacement Project: This project
  represents a proactive approach to upgrade critical water
  infrastructure along Orman Road. By replacing outdated pipelines
  and implementing state-of-the-art technologies, the District will
  minimize water loss, decrease repair frequency and create a more
  robust water distribution network.
- Zayante Drive Mainline Replacement Project: This project is a
  key initiative to revitalize the water delivery system along Zayante
  Drive. The project will enhance water pressure and optimize water
  supply reliability. The upgraded pipeline network will contribute
  significantly to water conservation efforts and long-term
  sustainability.
- Hermosa Avenue Mainline Replacement Project: This project will modernize and replace aging pipelines along Hermosa Avenue.

This essential undertaking will improve water flow efficiency, reduce leaks and enhance the overall infrastructure's resilience to meet the community's needs now and in the future.

Two projects have recently been completed:

- Redwood Park Pipeline Replacement: This project involved the
  replacement of aging pipelines in the Redwood Park area,
  addressing issues related to water loss and system integrity. By
  upgrading these pipelines with modern materials and construction
  techniques, the District aims to enhance water delivery, reduce
  maintenance costs and minimize potential disruptions to the
  community.
- Glen Arbor Bridge Main Replacement: This was the first project completed as part of the CIP work, replacing undersized and leaking water main under Glen Arbor Road bridge in Ben Lomond. San Lorenzo Valley Water District serves more than 7,500 metered connections and supplies water to the communities of Boulder Creek, Brookdale, Ben Lomond, Zayante, Quail Hollow, Scotts Valley, Whispering Pines, Manana Woods and Felton. For details and updates, visit slvwd.com/projects.



### Staff Report

A staff member wrote, edited or posted this article, which may include information provided by one or more third parties.

santacruzsentinel.com

### Pure Water Soquel celebrates \$30 million in federal funding

PK Hattis

5-6 minutes

LIVE OAK — Bolstered by \$8.3 billion in funding over five years for water infrastructure projects stemming from the 2021 Bipartisan Infrastructure Law, federal officials have begun investing in climate resiliency projects on the local level and the Soquel Creek Water District's Pure Water Soquel Project is the latest to benefit.

The Bureau of Reclamation, the agency within the U.S. Department of the Interior that is responsible for administering grants from the bipartisan bill, has awarded \$30 million to Pure Water Soquel – the maximum grant total available for an individual project. The project aims to both halt seawater intrusion creeping into the critically overdrafted Santa Cruz Mid-County Groundwater Basin which provides fresh drinking water to the organization's 40,000 customers.

The basin is one of 21 in the state that are subject to a mandate requiring it be brought into sustainability by 2040.





Austin Cunniff (right), a project engineer with Black and Veatch, takes a tour group inside the Pure Water Soquel water purification facility. The facility is currently under construction and is estimated to be complete by fall of 2024. (PK Hattis - Santa Cruz Sentinel)

"Nothing like this gets done without partnerships," said Soquel Creek Water District General Manager Ron Duncan after a tour of the water provider's emerging water purification facility at the corner of Chanticleer and Soquel avenues on Wednesday. "It all has come together, and it has come together, and we're forever grateful for that."

The purification facility, estimated to be up and running by the fall of 2024, will take in 1.3 million of the 8 million gallons of treated wastewater produced daily by the Santa Cruz Wastewater Treatment Facility that would otherwise be fed back out into the bay. After 8 miles of travel through an underground pipeline from Santa Cruz to Live Oak and further intensive processing at the new facility, the water will be injected into three freshwater wells designed to replenish the basin and buffer against creeping seawater that could spoil the precious freshwater resource.

Roque Sanchez, senior advisor at the Bureau of Reclamation who joined more than a dozen other local, state and federal officials for the tour, told the Sentinel that the agency has been focused on supporting water reclamation projects in recent years, but funding doesn't always roll out such a quick pace.

"Now we're able to come in with the Bipartisan Infrastructure Law, find these projects that have been in process, sort of supercharge them, get out more money faster and help accelerate the really good work that is being done in local communities," said Sanchez.

Ernest Conant, California-Great Basin regional director at the Bureau, highlighted what an important resource reclaimed water can be in California. Citing a recent report from Gov. Gavin Newsom's office, Conant said about 1.5 million acre-feet of treated

water runs from wastewater facilities into the ocean every year in California; that's enough water to cover 1.5 million football fields in about a foot of water.

In an age of climate change, Conant said, the Bureau is focused on reinforcing current water infrastructure, creating additional water storage and supporting projects that use existing water wisely.

"That's where this program fits in," said Conant. "We got to do everything, not just one thing, to ensure the state has a sustainable future."

The facility has been under construction since late 2021 and is estimated to cost about \$180 million in all, according to Soquel Creek Water District Assistant General Manager Melanie Mow Schumacher. Schumacher said a \$63 million grant for the project was previously received from the state along with low-interest loans from the State Water Resources Control Board and Environmental Protection Agency that will help offset costs.

"This year has been great; we love it when it rains and hopefully it continues to do so but we really can't rest on our laurels. We don't know what next year brings," said State Water Resource Control Board member Sean Maguire. "It's projects like this that truly build resilience in our water supply and is going to set us up well for future generations to come."

Rep. Jimmy Panetta, who voted in favor of the infrastructure bill, was unable to attend the celebratory tour, but expressed satisfaction at seeing the federal dollars in action through a shared statement.

"I'm proud of our bipartisan work in Congress to invest in these types of transformative projects to deal with local water and drought challenges and work towards a more resilient and sustainable future," said Panetta.

#### cbsnews.com

## Santa Cruz County struggling to keep up with road repairs after fires, flooding

4-5 minutes

#### **Local News**



Updated on: October 6, 2023 / 9:06 AM / CBS/Bay City News Service



Costly repairs from parade of destructive storms in Santa Cruz County could take years

Costly repairs from parade of destructive storms in Santa Cruz
County could take years 02:59

SANTA CRUZ - Multiple natural disasters in recent years have caused widespread damage to Santa Cruz County roads, but the biggest threat could be deferred maintenance that is projected to escalate in coming years.

Roads damaged by storms in 2017 and 2023, and by the CZU wildfire in 2020, are being repaired and repaved throughout the county. Some of the work is being funded by Measure D, a half-cent sales tax passed by county voters in 2016.

But a backlog of work that would cost about \$267 million is expected to rise to \$479 million in 2028, according to a presentation Thursday to the Santa Cruz County Regional Transportation Commission from Steven Wiesner, Assistant Director of Santa Cruz County Public Works.

The pavement condition index, or PCI, measures roads on a scale of 0-100, with 100 being a new road and 0 representing a failed road. It does not include storm damage. The county's overall pavement score in 2018 was 48, which is considered "poor." This year's score is projected to fall to 41, and by 2028, the PCI could be 33.

Santa Cruz County Director of Public Works Matt Machado said in an email that the lower the score, the more likely a road is to fail and that it costs 10 times as much to repair a failed road than maintain one in fair condition.

He said work was deferred due to lack of funding. He said that Measure D was a good start, but more funding is needed to maintain the pavement. He also said that limited resources were stretched thin by the recent storm damage.

The cities of Scotts Valley, Santa Cruz, and Watsonville all score better than the unincorporated areas of the county, despite the fact that 68 percent of the county's roadways are in those areas, and half of the population lives in unincorporated areas.

The county has 600 miles of roads. From 2018-2023 about 43 miles have been resurfaced.

Recently completed repaving projects include 220 locations that were damaged in the 2017 storms, which is about 80 percent of the needed repairs and 217 sites that were damaged by this year's storms, which is about 40 percent of the total.

About 9 miles of Alba Road, Jamison Creek Road and Empire Grade were also repaved. That work alone cost about \$3 million. Wiesner said that emergency authorization from the state had expedited the repairs from this year's storm, but that meant the county would have to seek reimbursement after the fact.

Some of the 30 projects currently under construction include repaving on San Andreas Road, Holohan Road, Airport Boulevard and Green Valley Road, and Buena Vista Drive.

Plans are at risk for a 2-mile-long protected pedestrian path and bike path along Green Valley Road, from Airport Boulevard to Mesa Verde Drive. The work, partly funded by a \$5 million state grant, was projected to cost \$10 million, but is now expected to cost about \$12 million.

"If we're not able to find a gap in funding between now and next June, we run the risk of having to give that \$5 million back," Wiesner said.

In:

- Santa Cruz
- Santa Cruz Mountains

Thanks for reading CBS NEWS.

Create your free account or log in for more features.

Please enter email address to continue

Please enter valid email address to continue



### **Update on Public Law**

### Finance Law Develops in the Legislature

By Michael G. Colantuono

The 2023 legislative session produced major proposals for government finance. Two measures will appear on the 2024 ballot; a statute promoting tiered water rates is on the Governor's desk.

ACA 1 (Aguiar-Curry, D-Yolo) would amend Proposition 13 to allow 55 percent of voters to approve supplemental ad valorem property taxes to support debt to fund construction or replacement of public infrastructure and affordable housing. Proposition 13 caps such taxes at 1 percent of assessed value, with exceptions, requiring two-thirds voter approval of special taxes and of supplemental ad valorem taxes to fund debt to buy or improve property. In 2000, California voters lowered the threshold for school facilities bonds to 55 percent. ACA 1 defines "public infrastructure" broadly to include water, water quality, sanitary sewer, flood control, parks and open space, streets, flood control, broadband, hospitals, public safety buildings and equipment, and libraries.

ACA 13 (Ward, D-San Diego) responds to the California Business Roundtable's "Taxpayer Protection and Government Accountability Act," on the November 2024 ballot. That measure would reverse nearly every appellate win for government under Propositions 13, 62, 218, and 26 and impose myriad restrictions on State revenues and essentially all local revenues—from taxes to library fines to water rates. It requires two-thirdsvoter approval for all special taxes, whether proposed by legislators or by initiative, reversing six recent Court of Appeal decisions allowing such taxes by majority vote. ACA 13 would require any ballot measure that imposes a supermajority voting requirement to attain that same supermajority. As ACA 13 is retroactive, if a simple majority of voters approve it, the CBRT measure will require two-thirds voter approval. As that measure has drawn vigorous opposition, that may not be attainable.

Environmental interests sponsored AB 755 (Papan, D-San Mateo) to encourage tiered water rates which make water progressively more

(continued on page 3)

### CHW's Appellate **Practice**

CHW has a leading appellate practice. Michael Colantuono has argued 11 cases in the California Supreme Court in recent years and Holly Whatley has argued two more. Few firms have appeared there as often.

The firm regularly appears in all California's **District Courts of Appeal** and in the 9<sup>th</sup> Circuit.

We can handle any public law appellate topic, from appellate support to trial counsel, appellate consultation in support of lead counsel, or handling an appeal or a petition for Supreme Court review.

More information is here: https://chwlaw.us/practi ce-areas/appellaterepresentation/

### How to Pass a Public Records Act Audit

by Andrew C. Rawcliffe, Esq.

San Jose Spotlight v. City of San Jose is a recent trial court ruling and an object lesson for public agencies and their elected officials on the legal and political risks of using personal email accounts and devices to conduct public business.

This California Public Records Act (PRA) case stemmed from records requests news groups made to the City of San Jose for records potentially saved in its then-Mayor's personal email accounts. Unsatisfied with the City's response, they sued demanding the City and its then-former Mayor prove they properly searched for records.

Such suits are the PRA's equivalent of First Amendment audits testing an agency's compliance with public access rights. The focus of an audit is not any particular record, but public access to agency records. Such audits are effective because an agency has the burden to prove its search was reasonable.

San Jose Spotlight shows the difficulties an agency faces in meeting its burden when officials use private accounts for agency business. The trial court required San Jose's former Mayor to detail the terms he used when searching his accounts and the scope of his search, to list the records his search terms produced, and to provide an index or privilege log detailing the records he withheld as exempt or unrelated to public business. Because the former Mayor could not reconstruct his search two years after the fact, the court ruled the City violated the PRA and the news groups accused the former Mayor of having engaged in "stealth government."

Of course, most agencies' staff are familiar with the PRA and can document their efforts to locate responsive records. But nobody is happy with someone else searching their personal emails—likely why San Jose's former Mayor did the search himself. Generally speaking, an agency may rely on its officials to search their own accounts, but an official must first demonstrate he or she understands the difference between disclosable and exempt records under the PRA and must be prepared to document the search.

What's an agency to do? San Jose Spotlight suggests answers. The best practice is to prohibit the use of personal accounts so that staff can search official accounts for records and document they have done so diligently. If a blanket prohibition is unfeasible or records occasionally end up in personal accounts (automatic address-correction in email programs can be as harmful as helpful), agencies should direct officials to forward them to staff or another official account so they are preserved on agency servers. A third approach is to allow a third-party vendor to extract relevant data from a private account (perhaps via the cloud, which does not involve turning over one's devices) and to provide it to the account holder for review before release.

Where officials cannot prove compliance with such policies, San Jose Spotlight suggests the PRA obliges agencies that allow them to conduct their own searches to train them to do so adequately. Officials should be advised on search terms and how to document a search, too.

Although just a trial court decision, this case is a good indication of what the PRA requires. For California's public officials, bring your own device (or account) means bring your own commitment to do complete and well-documented searches when records requests are made.

For more information, please contact Andrew at ARawcliffe@chwlaw.us or 213.542.5729.

### We've Got Webinars!

CHW offers webinars on a variety of topics, including redistricting, housing statutes, new laws on accessory dwelling units (ADUs), and police records issues. A webinar allows advice and guidance and Q&A in an attorney-client-privileged setting. The fee is \$1,500 per agency.

To schedule a webinar, contact Bill Weech at BWeech@chwlaw.us or (213) 542-5700.

Page 2 Newsletter | Fall 2023

### SCOCA Adopts New, Nebulous Standard under California Voting Rights Act

By: Matthew T. Summers, Esq.

The California Supreme Court adopted a new legal standard under the California Voting Rights Act in *Pico Neighborhood Association v. City of Santa Monica* – declaring that plaintiffs must show an alternative to atlarge voting would give a protected class of voters potential to elect preferred candidates, perhaps with the support of other voters. As the new standard is not a bright-line rule, more litigation is likely. Legislative reaction may also follow, as observers were optimistic after argument that the Court would provide a bright-line rule to reduce litigation — as local government amici urged — but the Court did not.

Whether at-large voting dilutes minority votes was the key question. The unanimous Opinion adopts a new standard, but remanded for further litigation as to Santa Monica. Under the new standard, plaintiffs need not prove a protected class can form a majority or nearmajority of a district. Courts will conduct "a searching evaluation of the totality of the circumstances," comparing an at-large system and its results, history, and context with lawful alternatives, including singlemember districts, but also ranked-choice voting and others, to determine whether an alternative would allow a protected class to elect its preferred candidate.

Local governments facing CVRA challenges to at-large voting should consult counsel and demographers to assess whether districts and other lawful voting systems would result in better potential outcomes for the plaintiff class. Agencies who switched to districts under the force of a CVRA demand letter may evaluate return to at-large elections or another system. The contextsensitive review creates uncertainty and therefore invites more litigation, but offers options for agencies seeking to maintain at-large elections. If a minority group is diffuse, or relatively small, or elections turn on issues other than race, ethnicity, language or culture, districts may be no better for that group than at-large elections. Expert evidence from demographers and, perhaps, political scientists, will be needed to make such a case. In requiring "a searching evaluation of the

totality of the circumstances," this new case allows agencies to consider a variety of evidence to show that districts or another voting system would not improve outcomes for minority voting groups.

Further developments in the Legislature or the courts are likely. We'll keep you posted!

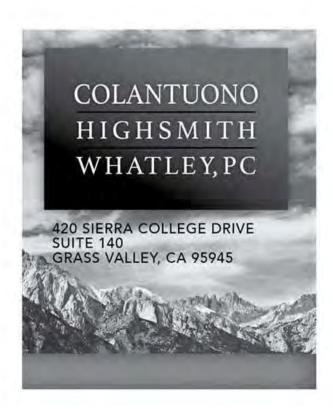
For more information, please contact Matt at MSummers@chwlaw.us or 213.542.5719.

### Finance Law (continued from page 1)

expensive as a user consumes more—i.e., higher rates on "water wasters." Such rates were common before 2015's Capistrano Taxpayers Assn., Inc. v. City of San Juan Capistrano, which raised the bar for such fees. AB 755 requires "urban water suppliers" (generally those with 3,000+ connections) to identify in any cost of service analysis after January 1, 2024 costs to serve "high water users" and the volume of water sold to them. Suppliers must make that information public with the cost of service analysis. This has two important implications. First, evidence that "high water users" (either the top 10% of users by demand or those who exceed agency-established water budgets) impose costs on the utility may make it more difficult to recover those costs from others—i.e., not to tier rates. Second, it establishes the first legal requirement for cost-ofservice analysis and to make it public. As we write this article, the bill is on the Governor's desk.

Given the wide margin of approval for AB 755 in the Legislature and the significant narrowing the bill underwent, the Governor's signature may be likely. If so, it will become law in January. Whether ACA 1 and ACA 13 become law turns on voters' decisions next year. Stay tuned!

For more information, please contact Michael at MColantuono@chwlaw.us or 530.432.7357.



PRESORTED
FIRST-CLASS MAIL
U.S. POSTAGE
PAID
LOS ANGELES, CA
PERMIT #200

Are you on our list? To subscribe to our newsletter or to update your information, complete the form below and fax it to 530/432-7356. You can also call Marta Farmer at 530/432-7357 or subscribe via our Web site at CHWLAW.US.

Name _			Title		
Affiliatio	on				
Address					
City			State	Zip Code	
Phone_			Fax		
E-mail _					
		Mail	E-Mail		

Our newsletter is available as a printed document sent by US Mail and as a PDF file sent by e-mail. Please let us know how you would like to receive your copy.

The contents of this newsletter do not constitute legal advice. You should seek the opinion of qualified counsel regarding your specific situation before acting on the information provided here.

Copyright © 2023 Colantuono, Highsmith & Whatley, PC. All rights reserved.

### santacruzsentinel.com

### Heidi Luckenbach named new Santa Cruz water director

Aric Sleeper

4-5 minutes

SANTA CRUZ — After Santa Cruz Water Director Rosemary Menard announced her retirement in August, the city began a national recruitment effort to scout for her replacement, and following a weeks-long search, found the ideal candidate in the Water Department itself — Deputy Director and Engineering Manager Heidi Luckenbach.

"Heidi's extensive experience, local knowledge and unwavering commitment make her the ideal leader to ensure a reliable and sustainable water supply, coupled with a strong emphasis on environmental stewardship and top-notch customer service," said City Manager Matt Huffaker in a statement. "We are looking forward to welcoming her into this position in 2024."

Luckenbach, a civil engineer by trade, has had a long career with the city's Water Department that began in 1999 when she was hired as an assistant engineer.

"I was definitely drawn to the complexities of water resource management," said Luckenbach. "And Santa Cruz has a really complex water system." She moved up the ranks through the years to become the deputy director and engineer manager and will officially take the reins from Menard in February.

"It has been my privilege to work very closely with Heidi Luckenbach throughout my time as Santa Cruz's Water Director," said Menard. "She is an experienced, thoughtful and effective leader and the announcement of her appointment has been very enthusiastically received by Water Department employees across the entire organization. I'm delighted that she's been selected to succeed me and look forward to working with her to make a smooth transition in the coming weeks."

In her time at the Water Department, Luckenbach developed a state of the water system assessment in 2015, which helped guide long-range financial and capital improvement planning at the Water Department and served as a project manager for the city's desalination project. She oversaw the planning and execution of numerous capital investment projects such as the Newell Creek Dam and improvements to the water treatment plant, among others. Luckenbach said that the more moving parts in a project, the better.

"Generally, I really enjoy working with projects that include a broad variety of stakeholders, complex engineering work, and layered with navigating the permits, regulators and funding agencies," said Luckenbach. "It makes it more complex, but also much more interesting."

Luckenbach has worked closely with Menard over the years and has taken note of her effort to gather feedback not only from stakeholders and officials, but also from the public, through groups like the Water Supply Advisory Committee.

"She also brings a lot of good thinking around science to the department," said Luckenbach. "Like modeling our raw water system to understand if, how and when climate change will have an impact on our resources because local rainfall is our water source and we are sensitive to the fact that little adjustments in our precipitation patterns will have a big impact."

Luckenbach, who will be the first civil engineer to take on the directorship in decades, does see challenges ahead for the department in regard to climate change and the affordability of capital projects, among others, but she is excited to see them through.

"This is a great department, a great city and the staff, across the board, is top-notch," said Luckenbach. "My favorite part of my career is working with people and making sure that they have what they need to get their job done."

- 2023
- October
- 20

### mercedcountytimes.com

# City, County clear way for development around the UC — Merced County Times

Jonathan Whitaker

7-8 minutes

Perhaps it was a foregone conclusion that Merced is going to annex UC Merced and at the same time initiate new university community developments next door to campus, but this week both the City and County governments sent clear signals that the process is going smoothly and swiftly.

It started on Monday night with Merced City Council members voting unanimously on a series of agreements pertaining to an MOA with the university, transportation, utility fees, public services, environmental reviews and pre-zoning.

The city intends to annex a total of 1,139 acres, including the university and a 2-mile section of Bellevue Road "right of way" that stretches from G Street (within the current city limits) to Lake Road.

With plans in place, the process moves to the Local Agency Formation Commission (LAFCO) stage and state reviews. If all goes well, city officials say everything could come together in late spring. The UC annexation is part of a unique, shoestring strategy created by state legislation, AB3312, and championed by former Assemblyman Adam Gray to accommodate rapid UC Merced growth. Once the UC is annexed, privately-owned land directly adjacent to the campus will be considered for development. This includes four separate proposed projects designed to align with the "University Community Plan." Other land along the Bellevue corridor is excluded by AB3312, and will have to wait for future city growth. That said, the UC annexation will prompt the widening of Bellevue from two lanes to four, officials say. It will also pave the way for the final section of Campus Parkway to be completed, fully connecting Highway 99 to the UC.

"This is the first step of realizing the 'Merced Promise' that was proposed to the regents in the mid-90s when Merced was sold as the location for the 10th UC campus," said Stephen Peck, a project manager for the Virginia Smith Trust (VST) Development Project, during Monday night's meeting.

The VST project, located directly south of the campus, is the furthest along of all the development plans contiguous with the campus, and it's expected to be annexed next.

Peck also spoke to the Merced County Board of Supervisors on Tuesday morning — that's when the county reviewed its own agreement details for the VST project and unanimously approved everything.

Peck and others described the project as more than 30 years in the making, dating back well before the decision was made to locate the university in Merced, when the VST included thousands of acres to facilitate growth in education. Today's remaining VST land — a 655-acre rectangle in the middle of the University Community Plan — is destined to become a mix of housing (3,857 residential units), a K-8 school, new parks, a fire station, and commercial space (862,000 square feet).

Recognizing the need for affordable housing in the community, the VST project has set aside 13 percent of the housing (about 500 units) as "deed restricted units" for families and individuals with low and very low income levels. That amount is well above current city requirements.

The revenue from the VST project, overseen by the Merced County Office of Education, is also for great local cause — it will support ongoing scholarships for high school students across the entire county. The trust is ever-growing and reaching more than 1,500 students aspiring to go to college. Education leaders envision the scholarship fund eventually growing up to \$125 million, with annual awards totaling \$8 million.

The paperwork approvals this week by City and County leaders were praised across the board by partners in the process, including local government department staff members, UC Merced officials, developers and stakeholders.

More than two dozen community meetings were held to discuss the VST development alone.

"We are coming into this a little late in the game," Peck told county supervisors. "The university got started about 20 years ago. The original plan was that we would build out together. So we got some catching up to do. But we look forward to your approval today, and actually starting constructing this, and catching up with the university needs, and keeping up with them as they grow."

#### County receives \$20M for flood relief in Planada

Merced County has received \$20 million in flood relief funding dedicated for the community of Planada in the most recent State Budget — money that will be used to help impacted residents recover from the severe storm events they experienced earlier this year.

An item will be placed on the Oct. 24 Board of Supervisors agenda for the Board to formally accept the funding from the California State Office of Emergency Services. This funding was secured in the most recent State Budget thanks to the legislative efforts of Senator Anna Caballero and Assemblywoman Esmeralda Soria who championed the community of Planada, along with several community-based organizations and County who were instrumental in providing support.

"On behalf of the Board of Supervisors, I would like to express my sincere appreciation for the outstanding work undertaken by both Senator Caballero and Assemblywoman Soria to secure this funding," said Scott Silveira, Chairman of the Board of Supervisors. "This will help one of our most vulnerable communities better recover from the unprecedented storms of 2023."

In anticipation of the funding, Merced County staff has already begun developing programs related to direct financial assistance, vehicle replacement, home inspections, home repairs, remediation and enhancements to infrastructure. With those efforts in progress, staff will conduct a series of community-focused workshops and plan development meetings in Planada that will occur in the evenings and weekends beginning at the end of October. These

workshops will be designed for the community to provide feedback on the plans regarding distribution of financial relief and other elements, and to offer ideas of their own. More information on these strategies will be shared in the coming weeks.

"Planada is a special community and has faced so many challenges this past year," said District 1 Supervisor Rodrigo Espinosa. "I am very proud of how this community has rallied together, and am very hopeful this funding will help those most in need."

Locally, more than \$5 million has been spent to-date on response and recovery efforts for the 2023 Flood Events and an additional \$13 million in Direct Assistance has been provided by the State to support debris removal efforts.

With weather forecasters predicting the possibility of another winter season with above average-rainfall, Merced County continues to focus on waterway maintenance and emergency preparedness. As always, the public is encouraged to sign up for Merced County emergency alerts at <a href="https://www.countyofmerced.com/alert">www.countyofmerced.com/alert</a>.

91 of 94 10/23/2023, 9:09 AM

#### santacruzsentinel.com

### Big Basin Water Co. operator announces abrupt departure

PK Hattis

5-6 minutes

BOULDER CREEK — Customers of a private water company in the San Lorenzo Valley spent the weekend in limbo after the system's service provider abruptly announced its departure.

Big Basin Water Co. customers awoke Friday morning to a "service termination" email from Central States Water Resources, which had been operating as the company's service provider since approximately early August.

"Effective immediately, CSWR-California Utility Operating Company is no longer the service provider for Big Basin," reads the email message. "This includes billing, customer service, maintenance, and all related water services and advisories."

Ann Thryft, part of an eight-person volunteer group of customers that have helped facilitate Big Basin Water communications and updates to neighbors for months, said the unexpected change has residents on edge and looking for answers.

"One of the biggest customer concerns is: who is in charge and how do we contact them?" Thryft told the Sentinel. "No. 2 is: are we going to keep getting water?"

Santa Cruz County officials told the Sentinel Monday the county was stepping in with short-term funding to ensure the system stays

up and running and shared the same in a message to Big Basin customers on Friday using its emergency communications platform, Cruz Aware.

Central States Water is a private water provider headquartered in Missouri that, according to Big Basin Water owners Jim and Shirley Moore, had entered into both a purchase and operating agreement for the business. Central States had been subcontracting a more local water company, Cypress Water Services, to manage the Big Basin system directly.

A spokesperson for the California Water Resources Control Board told the Sentinel that Big Basin currently serves an estimated 540 water connections or about 1,200 people.

JM Brown, an analyst for Supervisor Bruce McPherson whose district includes the Boulder Creek area, said McPherson's office has \$40,000 in District 5 discretionary emergency funds that will allow Cypress Water to continue the day-to-day work of keeping the system operational. He said the funds, approved in this year's budget by the county Board of Supervisors, were set aside specifically to support Big Basin Water customers in the event of an emergency.

"I'm relieved that we have a court-appointed receiver in charge now, which should assure customers that their service will be stabilized," said McPherson in a statement to the Sentinel. "The biggest, most immediate challenge is how to fund the system in the short term, considering ratepayer revenue does not fully cover the costs."

After years of spotty service, poor communication and a failure to bring the water system back into compliance with regional standards, state water authorities filed a lawsuit against Big Basin Water this summer. The filing led to the appointment of a receiver –

Silver and Wright LLP – by the court in early October, which was tasked with managing the water system and bringing it back into compliance.

Nicolas Jaber, an attorney and project manager of receiverships with Silver and Wright, confirmed that Central States Water had terminated both the operations and purchase agreement with Big Basin Water that had been agreed to prior to the law firm's appointment.

"What's most important right now is ensuring the customers don't see any disruption in their service and that's what that emergency funding is allowing us to do," said Jaber, later estimating that the \$40,000 is likely "a few weeks of funding."

He said the long-term solutions remain a question mark, but the law firm is engaged with state and county officials to try to locate a funding source that will not only cover operational costs but also the investments needed to rehabilitate the system.

The order to appoint Silver and Wright was signed by Oct. 5, but Jaber said his team still hasn't received critical information from Central States and the Moores, noting that he had just been provided only a partial customer list.

Jaber said a virtual town hall with Big Basin customers and a plan to transition customer service communications to Cypress Water were both in the works but had no details to share Monday. For now, Jaber said customers with immediate, pressing questions should direct them to Cypress Water, but declined to confirm the best email or phone number for reaching the company.

"My request to the customers would be to just bear with us for a few days here as we transition in," he said.