



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

701 Ocean Street, #318-D
Santa Cruz, CA 95060
Phone Number: (831) 454-2055
Website: www.santacruzlafco.org
Email: info@santacruzlafco.org

REGULAR MEETING AGENDA

*******SPECIAL DATE AND LOCATION*******

Wednesday, January 10, 2024 at 9:00 a.m.
(hybrid meeting may be attended remotely or in-person)

Attend Meeting by Internet: <https://us02web.zoom.us/j/85603836977>
(Password 208678)

Attend Meeting by Conference Call: **Dial 1-669-900-6833 or 1-253-215-8782**
(Webinar ID: 856 0383 6977)

Attend Meeting In-Person: **Watsonville City Chambers**
(275 Main Street, Top Floor, Watsonville, CA 95076)

HYBRID MEETING PROCESS

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

- a) Commission Quorum: State law indicates that a quorum must consist of Commissioners in person pursuant to AB 2449.
- b) Public Comments: For those wishing to make public comments remotely, identified individuals will be given up to 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. Joint Request for Proposal – Auditing Services

The Commission will receive an update on a joint effort by several LAFCOs to hire a consultant for auditing services.

Recommended Action: No action required; Informational item only.

3. ADOPTION OF MINUTES

The Commission will consider approving the minutes from the November 1, 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. 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. “RTC Parcel Annexation”

The Commission will consider the annexation of a single parcel, totaling six acres, to the Davenport Sanitation District for water and sewer services. If approved, a Notice of Exemption will be recorded to fulfill the requirements under the California Environmental Quality Act (CEQA).

Recommended Action: Adopt the draft resolution (No. 2024-01) approving the single parcel annexation into the Davenport Sanitation District.

b. Service & Sphere Review for County Service Area 38

The Commission will consider the adoption of a service and sphere of influence review for County Service Area 38 (Sheriff's Patrol).

Recommended Actions:

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

- 2) Determine, pursuant to Government Code Section 56425, that LAFCO is required to develop and determine a sphere of influence for CSA 38, and review and update, as necessary;
- 3) Determine, pursuant to Government Code Section 56430, that LAFCO is required to conduct a service review before, or in conjunction with an action to establish or update a sphere of influence; and
- 4) Adopt LAFCO Resolution (No. 2024-02) approving the 2024 Service and Sphere of Influence Review for CSA 38 with the following conditions:
 - a. Reaffirm sphere boundary for CSA 38 with the condition that the County establishes more transparency towards CSA 38's operation, governance, and finances. This information should be made publicly available on the County Sheriff Department's website or within a standalone webpage no later than January 30, 2025;
 - b. Review the status of CSA 38 on February 5, 2025 and consider any changes to the existing sphere boundary, if warranted; and
 - c. Direct the Executive Officer to distribute a copy of the adopted service and sphere review to CSA 38 representatives and any other interested or affected parties, including but not limited to the County Public Works Department, the County Administrative Office, and the four cities (Capitola, Santa Cruz, Scotts Valley, and Watsonville).

6. OTHER BUSINESS

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

a. Appoint New Chair and Vice-Chair

The Commission will consider selecting its new Chair and Vice-Chair for LAFCO.

Recommended Action: Select Chair and Vice-Chair for the 2024 calendar year.

b. Appoint New Personnel Committee

The Commission will consider selecting members for the personnel committee.

Recommended Action: Assign at least two Commissioners to be part of LAFCO's Personnel Committee for a two-year term (ending in December 2025).

c. Upcoming LAFCO Seat Vacancies

The Commission will receive an update on the upcoming vacancies involving various seats on LAFCO.

Recommended Action: Discuss the upcoming vacancies and direct the Executive Officer to begin the selection process and advertise the upcoming public seat openings in accordance with Government Code Section 56325(d).

d. LAFCO Meeting Location - February 7, 2024 Hearing

The Commission will consider the location for the next regularly scheduled Commission meeting in February.

Recommended Action: Select Watsonville's City Council Chambers for the next LAFCO meeting on February 7, 2024 at 9:00 a.m.

7. 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.

8. 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 October, November, and December

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.

9. 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.

10. CLOSED SESSION

Pursuant to State law, a closed session may be held to appoint, employ, evaluate the performance of, discipline, or dismiss a public employee. Prior to the closed session, the public is invited to address the Commission regarding the closed session items.

a. Public Employee Performance Evaluation

Pursuant to: Government Code Section 54957

Title: Executive Officer

b. Conference with Labor Negotiators

Pursuant to: Government Code Section 54957.6

Agency designated representatives: Personnel Committee

Unrepresented Employee: Executive Officer

11. ANNOUNCEMENTS FROM CLOSED SESSION

The Chair and/or Legal Counsel will indicate whether there were any reportable actions from the Closed Session.

12. ADJOURNMENT

LAFCO's next regular meeting is scheduled for Wednesday, February 7, 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: www.fppc.ca.gov. Questions regarding FPPC material, including FPPC forms, should be directed to the FPPC's advice line at 1-866-ASK-FPPC (1-866-275-3772).

Accommodating People with Disabilities

The Local Agency Formation Commission of Santa Cruz County does not discriminate on the basis of disability, and no person shall, by reason of a disability, be denied the benefits of its services, programs or activities. The Commission meetings are held in an accessible facility. If you wish to attend this meeting and will require special assistance in order to participate, please contact the LAFCO office at 831-454-2055 at least 24 hours in advance of the meeting to make arrangements. For TDD service, the California State Relay Service 1-800-735-2929 will provide a link between the caller and the LAFCO staff.

Late Agenda Materials

Pursuant to Government Code Section 54957.5 public records that relate to open session agenda items that are distributed to a majority of the Commission less than seventy-two (72) hours prior to the meeting will be available to the public at Santa Cruz LAFCO offices at 701 Ocean Street, #318-D, Santa Cruz, CA 95060 during regular business hours. These records, when possible, will also be made available on the LAFCO website at www.santacruzlafco.org. To review written materials submitted after the agenda packet is published, contact staff at the LAFCO office or in the meeting room before or after the meeting.



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

DRAFT MINUTES

LAFCO REGULAR MEETING AGENDA

Wednesday, November 1, 2023

Start Time - 9:00 a.m.

1. ROLL CALL

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

The following Commissioners were present:

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

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

The following LAFCO staff members were present:

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

2. EXECUTIVE OFFICER'S MESSAGE

2a. Virtual Meeting Process

Executive Officer Joe Serrano has two announcements to make to the Commission. The first was that the meeting is 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. California Special Districts Association – Magazine Interview

The second announcement was to inform the Commission that the California Special Districts Association (CSDA) will be featuring an article about Santa Cruz LAFCO in their upcoming magazine. The article will serve to highlight the work of the Commission and will be published sometime in Spring 2024.

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 October 4th 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. SPECIAL PRESENTATION

Chair Yvette Brooks requested staff to provide a presentation about the recent CALAFCO annual conference.

Executive Officer Joe Serrano introduced **CALAFCO Executive Director Rene LaRoche**, who provided the Commission with a brief report on this year's conference. Ms. LaRoche noted that a record 270 attendees representing 49 LAFCOs across the state attended the multi-day event, along with representatives from outside agencies such as CSDA, the State Controller's Office, and CalFire. Ms. LaRoche expressed appreciation for Mr. Serrano's substantive contributions, as he spoke in four of the nine sessions. Ms. LaRoche also expressed her appreciation and thanks to all the volunteers, presenters,

and LAFCOs for their partnership, and concluded by noting that Mr. Serrano's presentations received the highest marks from attendees on their evaluation form.

Chair Yvette Brooks requested comments from the Commission. **Commissioner Allan Timms** shared the positive feedback he received about the excellent work of Santa Cruz LAFCO. **Commissioner Shebreh Kalantari-Johnson** also expressed appreciation for Mr. Serrano and praised the information and insights he presented at the conference.

Chair Yvette Brooks thanked Ms. LaRoche and moved on to the next item since no Commission action was required.

6. PUBLIC HEARINGS

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

6a. "Holohan Road Parcel Annexation"

Chair Yvette Brooks requested staff to provide a presentation on the proposed single parcel annexation to the Salsipuedes Sanitary District.

Executive Officer Joe Serrano informed the Commission that the proposed district annexation was initiated by landowner petition and its purpose is the provision of sewer service to an existing fruit stand. The proposal area is one parcel, totaling four acres, and the District has indicated that it is willing and capable of providing the requested services. Mr. Serrano has found the proposed annexation to be consistent with the District's current sphere boundary, and fulfills both the requirements under LAFCO law and the Commission's approved policies.

Chair Yvette Brooks requested comments from the Commission.

Commissioner Roger Anderson inquired about the number of households in the District. **Executive Officer Joe Serrano** was not aware of the total number of households within the District but indicated that the proposal area was uninhabited.

Commissioner Manu Koenig asked to clarify the role of the District and if it has existing agreements with the City of Watsonville. Mr. Serrano confirmed that the District does have agreements with its neighboring city to collect and treat its wastewater.

Chair Yvette Brooks asked about having in place an explicit policy regarding holding public hearings for applications with 100 percent landowner consent. Mr. Serrano explained that LAFCO law gives the Executive Officer discretion to expediate processes, but his practice has always been, and will continue to be, to bring these items to the Commission for consistency and to promote transparency.

Chair Yvette Brooks requested public comments on the item. **Becky Steinbruner**, a member of the public, asked why the parcel had not previously been included as part of the District, and if the parcel has been considered in the Santa Cruz County Housing Element update process as a potential "Area of Opportunity." **Commissioner Manu Koenig** explained that information regarding the Housing Element can be found in the

County's website. **Executive Officer Joe Serrano** confirmed that the parcel is currently zoned for agriculture, and land use designations are under the purview of the County Board of Supervisors.

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

Chair Yvette Brooks called for a voice vote on the motion based on the staff's recommendation: **Adopt the draft resolution (No. 2023-24) approving the single parcel annexation into the Salsipuedes Sanitary District.**

MOTION: Rachél Lather

SECOND: Manu Koenig

FOR: Jim Anderson, Roger Anderson, Yvette Brooks, Manu Koenig, Rachél Lather, and Allan Timms.

AGAINST: None

ABSTAIN: None

MOTION PASSES: 6-0

6b. "Branciforte Drive / Michael Greenspon Extraterritorial Service Agreement"

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

Executive Officer Joe Serrano informed the Commission that the proposed extraterritorial service agreement, which was initiated by landowner petition, involves a single parcel of approximately 10 acres in size. The purpose of the agreement is for the provision of water services to a future housing unit. The parcel is located outside the city limits and current sphere boundary but is within the city's water service area. The City of Santa Cruz has indicated that they are willing and capable of providing the proposed water services. The Executive Officer confirmed that the proposal fulfills both LAFCO law and the Commission's adopted policies.

Chair Yvette Brooks requested comments from the Commission.

Commissioner Roger Anderson inquired about existing wells on the parcel. **Michael Greenspon**, the applicant, and **Sarah Easley Perez**, from the City of Santa Cruz, clarified that there were no wells currently on the parcel.

Chair Yvette Brooks requested public comments on the item. **Becky Steinbruner**, a member of the public, asked why this parcel had been previously excluded for service. **Executive Officer Joe Serrano** noted that although he does not know why the parcel was not included in the water service area, the current landowners are following proper LAFCO procedures and protocols.

Commissioner Manu Koenig stated that it made sense to approve the proposed action since the parcel was surrounded on three sides by the City's water service area and the proposal supports the County's goal to add housing.

Commissioner Jim Anderson asked if the parcel will be served by a septic system or by the City. **Executive Officer Joe Serrano** mentioned that he would need to gather and confirm that information.

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

Chair Yvette Brooks called for a voice vote on the motion based on staff recommendation: **Adopt the draft resolution (No. 2023-25) approving the extraterritorial service agreement with the City of Santa Cruz.**

MOTION: Manu Koenig

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

7. OTHER BUSINESS

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

7a. “Multi-Year Work Program Update”

Chair Yvette Brooks requested staff to provide a presentation on the scheduled projects, tasks, and service reviews for the 2024 calendar year.

LAFCO Analyst Francisco Estrada informed the Commission that for 2024, the Commission is scheduled to consider a total of seven reports to evaluate 15 local agencies. Additionally, 2024 is the last year of a five-year work plan cycle originally approved by the Commission in 2019.

Chair Yvette Brooks requested comments from the Commission.

Commissioner Roger Anderson inquired about a potential application from UC Santa Cruz. **Executive Officer Joe Serrano** indicated that he was not aware of any upcoming applications from the university.

Chair Yvette Brooks requested public comments on the item. **Executive Officer Joe Serrano** noted no public comments. **Chair Yvette Brooks** closed public comments and called for a motion. **Commissioner Rachél Lather** motioned for approval of staff recommendation and **Commissioner Jim Anderson** seconded the motion.

Chair Yvette Brooks called for a voice vote on the motion based on staff recommendation: **Approve the scheduled projects and reports for the 2024 calendar year.**

MOTION: Rachél Lather

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

7b. "LAFCO Meeting Schedule (2024 Calendar Year)"

Chair Yvette Brooks requested staff to provide a presentation on the proposed LAFCO meeting schedule for the 2024 calendar year.

LAFCO Analyst Francisco Estrada informed the Commission that LAFCO will hold seven regular meetings on the first Wednesday of the month, except for July and December when the Commission will go dark, and in January and February, which will need to be hosted at another location or held on a different date due to scheduling conflicts with the Board of Supervisors' chambers. **Executive Officer Joe Serrano** presented to the Commission three meeting options to consider and advised the Commission to move forward with approval of the other proposed meeting dates for the 2024 calendar year.

Chair Yvette Brooks requested comments from the Commission.

Commissioner John Hunt commented that he supported the idea of hosting LAFCO regular meetings in south county, particularly in the City of Watsonville.

Commissioner Rachél Lather inquired if staff had already reached out to neighboring jurisdictions for support. **Executive Officer Joe Serrano** informed the Commission that this was a last-minute update, and that staff will reach out once direction was provided by the Commission.

Commissioner Allan Timms informed staff that the chambers at the City of Scotts Valley were available if needed.

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

Commissioner Rachél Lather asked when the item would return for Commission consideration. **Executive Officer Joe Serrano** indicated that meeting coordination would take place via e-mail correspondence.

Chair Yvette Brooks made a recommendation to staff to keep the January 10th meeting and find a different location to host. Additionally, details about the February 7th meeting will be discussed at the January 10th Regular Meeting.

Chair Yvette Brooks called for a motion. **Commissioner Manu Koenig** motioned to adopt the meeting schedule for the 2024 calendar year and directed staff to find an alternative location for the January and February 2024 regular meetings. **Commissioner Allan Timms** seconded the motion.

Chair Yvette Brooks called for a voice vote on the motion: **Adopt the meeting schedule for the 2024 calendar year with direction from the Commission to find an alternative meeting location for the January and February 2024 regular meetings.**

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

7c. “Comprehensive Quarterly Report – First Quarter (FY 2023-24)”

Chair Yvette Brooks requested staff to provide a presentation on the active proposals, scheduled service reviews, budgetary performance, and other LAFCO activities during the first quarter of Fiscal Year 2023-24.

LAFCO Analyst Francisco Estrada noted that this report is meant to keep the Commission informed about all LAFCO-related activities. Mr. Estrada covered various areas and indicated that the first quarter of FY 2023-24 ended with over 100% of the anticipated revenues received and only approximately 26% of anticipated expenses spent.

Chair Yvette Brooks requested public comments on the item. **Executive Officer Joe Serrano** indicated that there was one request to address the Commission.

Becky Steinbruner, a member of the public, asked why the AP Triton fire feasibility study had not been released. Ms. Steinbruner also asked why Ms. Piret Harmon was not listed as a consultant in the report. **Executive Officer Joe Serrano** indicated that AP Triton is finalizing the fire master plan with the County, and LAFCO's feasibility study cannot move forward until the County's report is completed. Additionally, Mr. Serrano informed the Commission that the services of Ms. Harmon were not listed in the report because LAFCO has yet to utilize her professional services in 2023. **Chair Yvette Brooks** closed public comments.

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

8. WRITTEN CORRESPONDENCE

Chair Yvette Brooks inquired whether there was any written correspondence submitted to LAFCO. **Executive Officer Joe Serrano** informed the Commission that Santa Cruz

County LAFCO had been given an award for its efforts to mitigate worker accidents in the workplace by the Special District Risk Management Authority (SDRMA). Mr. Serrano also informed the Commission that Reclamation District No. 2049 was not included in the State Controller's list of inactive districts. Due to the omission, staff has met with members of the State Controller's Office to discuss the matter, and will continue working with the Pajaro Valley Water Management Agency and the legal counsel for the reclamation district to identify the next steps for dissolution.

Chair Yvette Brooks requested public comments on the item. **Executive Officer Joe Serrano** indicated that there was one request to address the Commission.

Becky Steinbruner, a member of the public, inquired about the remaining fund balance for the Reclamation District No. 2049. **Executive Officer Joe Serrano** indicated that the successor agency would assume all revenues and liabilities once the dissolution occurs, including the remaining funds. Mr. Serrano will continue to work with the affected agencies on the proposed dissolution effort.

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

9. 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.

10. COMMISSIONERS' BUSINESS

Chair Yvette Brooks inquired whether any Commissioner would like to share any information. There were no comments. **Chair Yvette Brooks** moved to the next item since no Commission action was required.

11. ADJOURNMENT

Chair Yvette Brooks adjourned the Regular Commission Meeting at 9:45 a.m. to the next regular LAFCO meeting scheduled for Wednesday, January 10, 2024, at 9:00 a.m.

YVETTE BROOKS, CHAIRPERSON

Attest:

JOE A. SERRANO, EXECUTIVE OFFICER



Date: January 10, 2024
To: LAFCO Commissioners
From: Joe Serrano, Executive Officer
Subject: **“RTC Parcel Annexation” to the Davenport Sanitation District
(LAFCO Project No. DA 23-12)**

SUMMARY OF RECOMMENDATION

This application is requesting the annexation of unincorporated land into the Davenport Sanitation District (“District”). If approved, the subject area (totaling one parcel; approximately six acres) will receive water and sewer service from a public agency immediately adjacent to the parcel (APN: 058-072-03).

It is recommended that the Commission adopt the draft resolution (LAFCO No. 2024-01) approving the single parcel annexation into the Davenport Sanitation District.

EXECUTIVE OFFICER’S REPORT:

The proposed annexation was initiated by the Santa Cruz County Regional Transportation Commission (“RTC” and “Landowner”). The signed application was submitted to LAFCO on June 23, 2023. The subject area includes one parcel, totaling 5.97 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 water and sewer services to a proposed rest stop development, which will include a restroom facility. The subject area is within unincorporated county territory and is located south of Highway 1, east of Cement Plant Road, west of Old Coast Road / San Vicente Street, and north of the Pacific Ocean. The subject area is also immediately adjacent to the District’s jurisdictional boundary. However, the subject parcel is outside the District’s sphere and will require a concurrent sphere amendment if the annexation is approved. **Attachment 1** is a vicinity map of the subject area.

General Plan/Zoning Designation

The subject area is uninhabited (zero registered voters) and currently designated as PR (Parks, Recreation and Open Space) 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 fire services from County Service Area 48.

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.

Extraterritorial Service Agreement

The application submitted to LAFCO is requesting annexation of a single parcel (APN: 058-072-03). Following staff's analysis of the subject area, it was determined that another parcel could be included in the annexation (APN: 058-071-06). This parcel has been receiving services from the District since 2005 under an "extraterritorial service agreement" and the County has previously expressed interest in annexing the parcel. The additional parcel is owned by CEMEX, a multinational cement company. **Attachment 2** provides a copy of the County's letter as well as a vicinity map depicting both subject parcels. LAFCO spoke with CEMEX representatives to gauge whether they were interested in officially annexing their property as part of this proposal at no cost. However, after several discussions, the company decided to not annex the parcel at this time. If CEMEX decides to annex their property in the future, they will be subject to the standard annexation process and filing fees.

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 November 14, 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(b):

Annexations of individual small parcels of the minimum size for facilities exempted by Section 15303, New Construction or Conversion of Small Structures.

The purpose of the application is for the provision of public services to a proposed rest stop location with a restroom facility. Therefore, the proposal aligns with the categorical exemption identified above. A Notice of Exemption, as shown in **Attachment 3**, 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;
2. 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 December 12, 2023 (**Attachment 4**).

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.

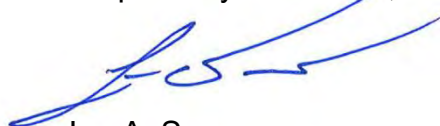
The subject area is uninhabited (zero registered voters), and the only affected landowner is the applicant of this proposal. Additionally, no subject agency submitted written opposition to the proposed waiver of the protest proceedings. Thus, LAFCO staff is recommending to waive the protest proceedings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

STAFF RECOMMENDATION

The Davenport Sanitation District owns and operates a wastewater treatment facility serving the community of Davenport, which includes a domestic wastewater collection system, influent headworks, aerated lagoon, sand filter, and a chlorine contact tank. The District provides service to approximately 108 sewer connections. The District also operates a recycled water treatment plant, with a recycled water fill station and a recycled water storage pond. At present, the District serves 108 sewer connections and 114 water connections in the Old Town, New Town, and San Vicente areas of Davenport. The District relies on surface water diverted from Mill Creek and San Vicente Creek for its supply. The District is managed by the County Department of Public Works and infrastructure needs are funded by water and sewer rates and grants.

The proposal meets the criteria outlined in LAFCO law and the Commission's Proposal Evaluation Policy. The District has also indicated that there is sufficient capacity and ability to provide water and 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 and concurrent sphere amendment (see **Attachment 5**).

Respectfully Submitted,

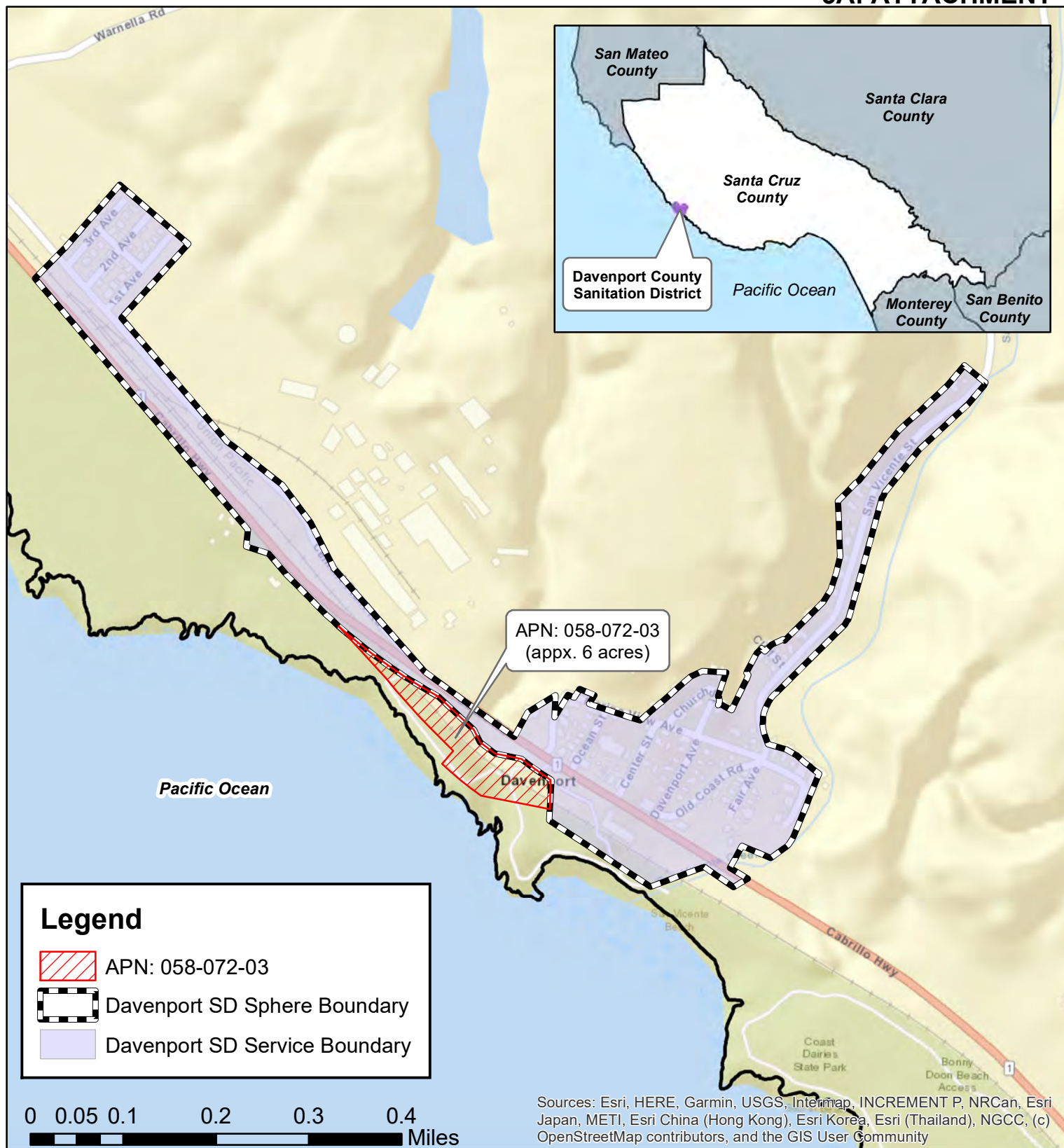



Joe A. Serrano
Executive Officer

Attachments:

1. Vicinity Map
2. County Letter (CEMEX Property)
3. Notice of Exemption
4. Notice of Public Hearing
5. Draft Resolution (LAFCO No. 2024-01)

cc: Matt Machado, Davenport Sanitation District
Grace Blakeslee, Regional Transportation Commission






N

S

"RTC Parcel Annexation" to the Davenport County Sanitation District (LAFCO Project No. DA 23-12)



The subject parcel is currently outside the District's service and sphere boundaries. Amendments to these boundaries may occur under one application.

Map created 7-17-23



County of Santa Cruz

DEPARTMENT OF PUBLIC WORKS

701 OCEAN STREET, ROOM 410, SANTA CRUZ, CA 95060-4070
(831) 454-2160 FAX (831) 454-2385 TDD (831) 454-2123

MATT MACHADO
DEPUTY CAO
DIRECTOR OF PUBLIC WORKS

March 2, 2022

JOE SERRANO
Executive Officer
Local Agency Formation Commission of Santa Cruz County
701 Ocean St, Room 318-D
Santa Cruz, CA 95060

SUBJECT: DAVENPORT COUNTY SANITATION DISTRICT (DISTRICT)
EXTRATERRITORIAL SERVICE AGREEMENT (ESA)

Dear Joe:

Please consider this letter as a response to your letter dated September 1, 2021, regarding subject matter. As described in your letter this ESA has been in place since 2005. It is clear that this area should be considered for annexation into the District to reflect the District's ongoing service delivery. The District is interested in the pursuit of annexation, yet due to lack of staffing and funding are unable to pursue this effort without significant help from LAFCO. Could you as the Executive Officer initiate this process on our behalf? We can assist as needed.

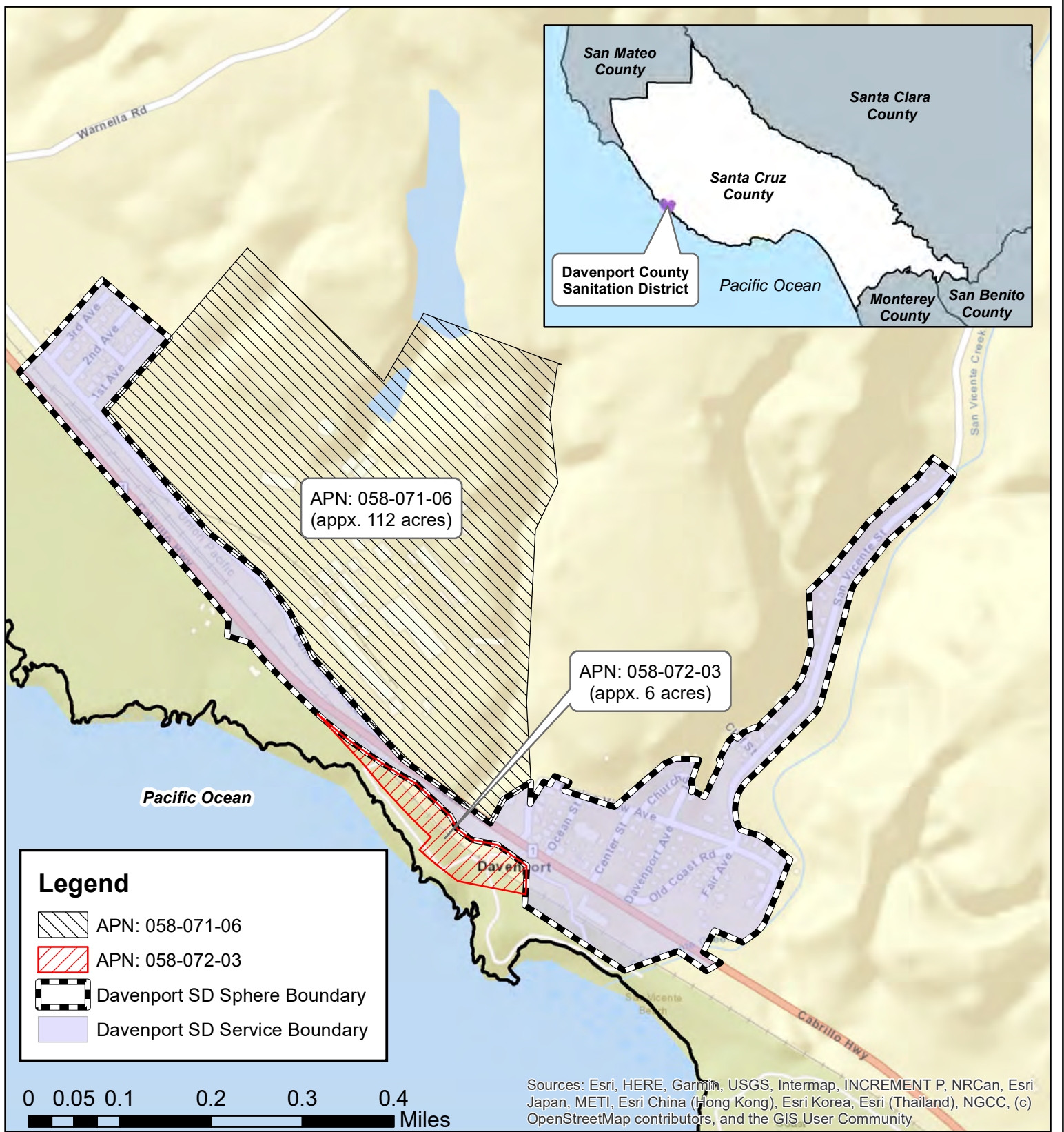
Thank you for the partnership on this effort.

Respectfully,

MATT MACHADO
Deputy CAO
Director of Community Development
and Infrastructure

Cc: Erich Friedrich
Kent Edler

LAFCO ESA March 2022.doc



"RTC Parcel Annexation" to the Davenport County Sanitation District (LAFCO Project No. DA 23-12)



APN: 058-071-06 has been receiving services from the Davenport County Sanitation District since 2005 under an extraterritorial service agreement (ESAs). In 2021, LAFCO requested that all local agencies with ESAs to consider annexation.

As a result, the County submitted a letter in March 2022 expressing interest to annex the parcel and reflect the current service delivery.

Notice of Exemption

To: ☐ Office of Planning and Research
1400 Tenth Street, Room 121
Sacramento CA 95814

From: (Public Agency)
Santa Cruz Local Agency Formation Commission
701 Ocean Street, Room 318-D
Santa Cruz CA 95060

To: ☒ Clerk of the Board
County of Santa Cruz
701 Ocean Street, Room 500
Santa Cruz CA 95060

Project Title: "RTC Parcel **Annexation**" to the Davenport Sanitation District

Project Location: The subject area is within unincorporated county territory and is located south of Highway 1, east of Cement Plant Road, west of Old Coast Road / San Vicente Street, and north of the Pacific Ocean. Attached is a vicinity map of the subject area (refer to Attachment A).

Project Location City: N/A Project Location County: Santa Cruz

Description of Nature, Purpose, and Beneficiaries of Project: The proposal was initiated by landowner petition. The subject area includes a single parcel totaling six acres. The purpose of the application is for the provision of water and sewer services to a proposed rest stop development, which will include a restroom facility. **The subject area is also immediately adjacent to the District's jurisdictional boundary. However, the subject parcel is outside the District's sphere and will require a concurrent sphere amendment if the annexation is approved.**

Name of Public Agency Approving Project: Local Agency Formation Commission of Santa Cruz County ("Santa Cruz LAFCO"). **A public hearing on this proposal is scheduled for 9:00 a.m. on January 10, 2024.** Additional information on the upcoming meeting is available on the LAFCO website (<https://www.santacruzlafco.org>).

Name of Person or Agency Carrying Out Project: Santa Cruz LAFCO

Exempt Status: (check one)

- ☐ Ministerial (Sec. 21080(b)(1); 15268);
☐ Declared Emergency (Sec. 21080(b)(3); 15269(a));
☐ Emergency Project (Sec. 21080(b)(4); 15269 (b)(c));
☒ Categorical Exemption: State type and section number
☐ Statutory Exemptions: State code number
☐ Other: The activity is not a project subject to CEQA.

Reason Why Project is Exempt: Pursuant to CEQA Guidelines Section 15319, Class 9(b): Annexations of individual small parcels of the minimum size for facilities exempted by Section 15303, New Construction or Conversion of Small Structures.

Lead Agency Contact Person: Joe A. Serrano

Area Code/Phone Extension: 831-454-2055.

Signature: _____
Joe A. Serrano, Executive Officer

Date: January 11, 2024

☒ Signed by Lead Agency



NOTICE OF PUBLIC HEARING LOCAL AGENCY FORMATION COMMISSION

NOTICE IS HEREBY GIVEN that at 9:00 a.m., Wednesday, January 10, 2024, the Local Agency Formation Commission of Santa Cruz County (LAFCO) will hold public hearings on the following items:

- **“RTC Parcel Annexation” to the Davenport Sanitation District (LAFCO Project No. DA 23-12):** Consideration of a single parcel annexation and concurrent sphere amendment involving the Davenport Sanitation District. The subject area is located south of Highway 1, east of Cement Plant Road, west of Old Coast Road / San Vicente Street, and north of the Pacific Ocean. The Santa Cruz County Regional Transportation Commission is proposing a rest stop development at the subject area with parking spaces and a restroom facility. If approved, the subject area will receive water and sewer service from the identified public agency.
- **County Service Area 38 Service and Sphere of Influence Review:** Consideration of a service and sphere review for CSA 38 (Sheriff’s Patrol). CSA 38’s service area encompasses the entire County of Santa Cruz, excluding the four cities.

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: <https://santacruzlafco.org/meetings/>. During the meeting, the Commission will consider oral or written comments from any interested person. Maps, written reports, environmental review documents and further information can be obtained by contacting LAFCO’s staff at (831) 454-2055 or from LAFCO’s website at www.santacruzlafco.org. 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: December 12, 2023

LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY
RESOLUTION NO. 2024-01

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
“RTC PARCEL ANNEXATION”
TO THE DAVENPORT SANITATION DISTRICT
(LAFCO PROJECT NO. DA 23-12)

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, Santa Cruz County Regional Transportation Commission (“RTC”) and therefore has 100% landowner consent. The subject area includes a single parcel totaling approximately six acres. The purpose of the proposal is for the provision of water and sewer services from the Davenport Sanitation District (“District”) to a proposed restroom facility; and

WHEREAS, the proposal was assigned the short-term designation of “RTC Parcel Annexation”; and

WHEREAS, the subject area is within unincorporated county territory and is located south of Highway 1, east of Cement Plant Road, west of Old Coast Road / San Vicente Street, and north of the Pacific Ocean; and

WHEREAS, the subject parcel is outside the District’s sphere of influence but immediately adjacent to the District’s service area; and

WHEREAS, the proposal consists of the following change of organization: annexation into the Davenport Sanitation District and concurrent sphere amendment; and

WHEREAS, correspondence summarizing the proposal was sent to all affected and interested agencies requesting comments on July 19, 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 January 10, 2024; and at the hearing the Commission heard and received all oral and written protests, objections, and evidence that were presented.

DA 23-12 (“RTC Parcel Annexation”)

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

Section 1. The foregoing recitals are true and correct.

Section 2. Compliance with the California Environmental Quality Act (CEQA) has been met by a categorical exemption pursuant to State CEQA Guidelines Section 15319, Class 9(b): Annexations of individual small parcels of the minimum size for facilities exempted by Section 15303, New Construction or Conversion of Small Structures. LAFCO will file a notice of exemption following Commission action.

Section 3. 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) District Annexation: Government Code Section 56668.3(a) requires the Commission to analyze several factors as part of the change of organization. These factors include:
 - a. The case of district annexation, whether the proposed annexation will be for the interest of landowners or present or future inhabitants within the district and within the territory proposed to be annexed to the district;
 - b. Any factors which may be considered by the Commission as provided in Government Code Section 56668;
 - c. Any resolution raising objections to the action that may be filed by an affected agency; and
 - d. Any other matters which the Commission deems material.

LAFCO analyzed these and other factors as part of the January 10th staff report.

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

Section 4. 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 May 25, 2023 indicating its willingness and ability to provide services to the existing facility and future development.

- b) Fee Deposit: 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) Commission Hearing: The Commission shall consider the request after it has been placed on an agenda of a Commission meeting. After deeming the proposal complete, the Executive Officer advertised the proposal in the Santa Cruz Sentinel newspaper on December 12, 2023, and scheduled the proposal for Commission consideration on January 10, 2024.

Section 5. The applicant shall agree, as a condition of the approval of the application for annexation, to be bound by the LAFCO Indemnification and Defense Form signed on June 23, 2023.

Section 6. 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 November 14, 2023.
- b) State Board of Equalization: The proponent shall provide a legal map, description, and fees to meet State Board of Equalization requirements.
- c) District Fees & Charges: 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 water and sewer service with the District.
- d) LAFCO Processing Fees: The applicant shall pay any remaining processing fees as set in this Commission's Schedule of Fees and Deposits.

Section 7. The annexation shall be effective as of the date of recordation of the Certificate of Completion.

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

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

Section 10. 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).

Section 11. The Executive Officer is hereby authorized and directed to mail certified copies of this resolution in the manner and as provided in Government Code Section 56882.

PASSED AND ADOPTED by the Local Agency Formation Commission of Santa Cruz County this 10th day of January 2024.

AYES:

NOES:

ABSTAIN:

YVETTE BROOKS, CHAIRPERSON

Attest:

Approved as to form:

Joe A. Serrano
Executive Officer

Joshua Nelson
LAFCO Counsel

Exhibit A: Map & Legal Description

EXHIBIT A

Those portions of the lands described in a Grant Deed to Ocean Shore Railway Company recorded January 29, 1906 in Volume 183 at Page 104 of Official Records and the Quitclaim Deed to Santa Cruz County Regional Transportation Commission recorded October 12, 2012 in Document No. 2012-0050154 of Official Records in the County Recorder's Office, County of Santa Cruz, State of California, **lying westerly and northwesterly** of the line described as follows:

Beginning at the northerly terminus of the course shown as N2°31'11"E 166.29' on the Record of Survey filed in Volume 123 of Maps at Page 29 in the County Recorder's Office, County of Santa Cruz, State of California; thence,

Southerly along said course and its southerly prolongation South 02°32'46" West a distance of 233.59 feet to the course shown as N58°01'20"W 210.66' on said Record of Survey; thence,

Northwesterly along said course North 59°01'16" West a distance of 32.89 feet to the course shown as N28°51'40"W 345.18' on said Record of Survey; thence,

Southwesterly along said South 28°51'44" West a distance of 97.40 feet to the southwesterly line of the land described in said Grant Deed to Ocean Shore Railway Company.

Excepting those portions **lying northeasterly** of the southwesterly line of State Highway Route 1 as shown on Caltrans Right-of-Way Map R-508.14.

The land described contains 6.32 acres more or less and graphically shown on Exhibit A-1 herein.



EXHIBIT A-1



Steven B. Webster

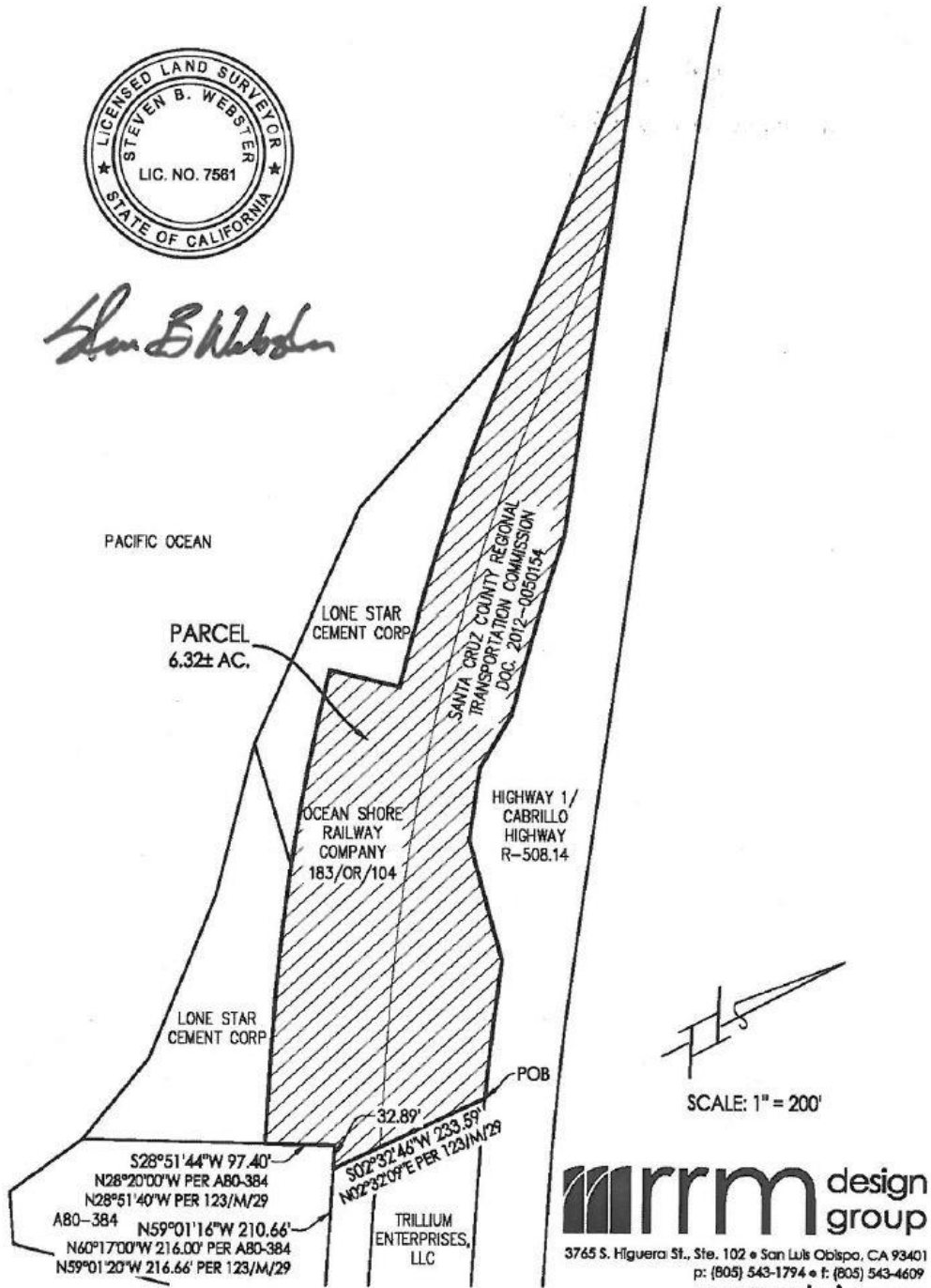
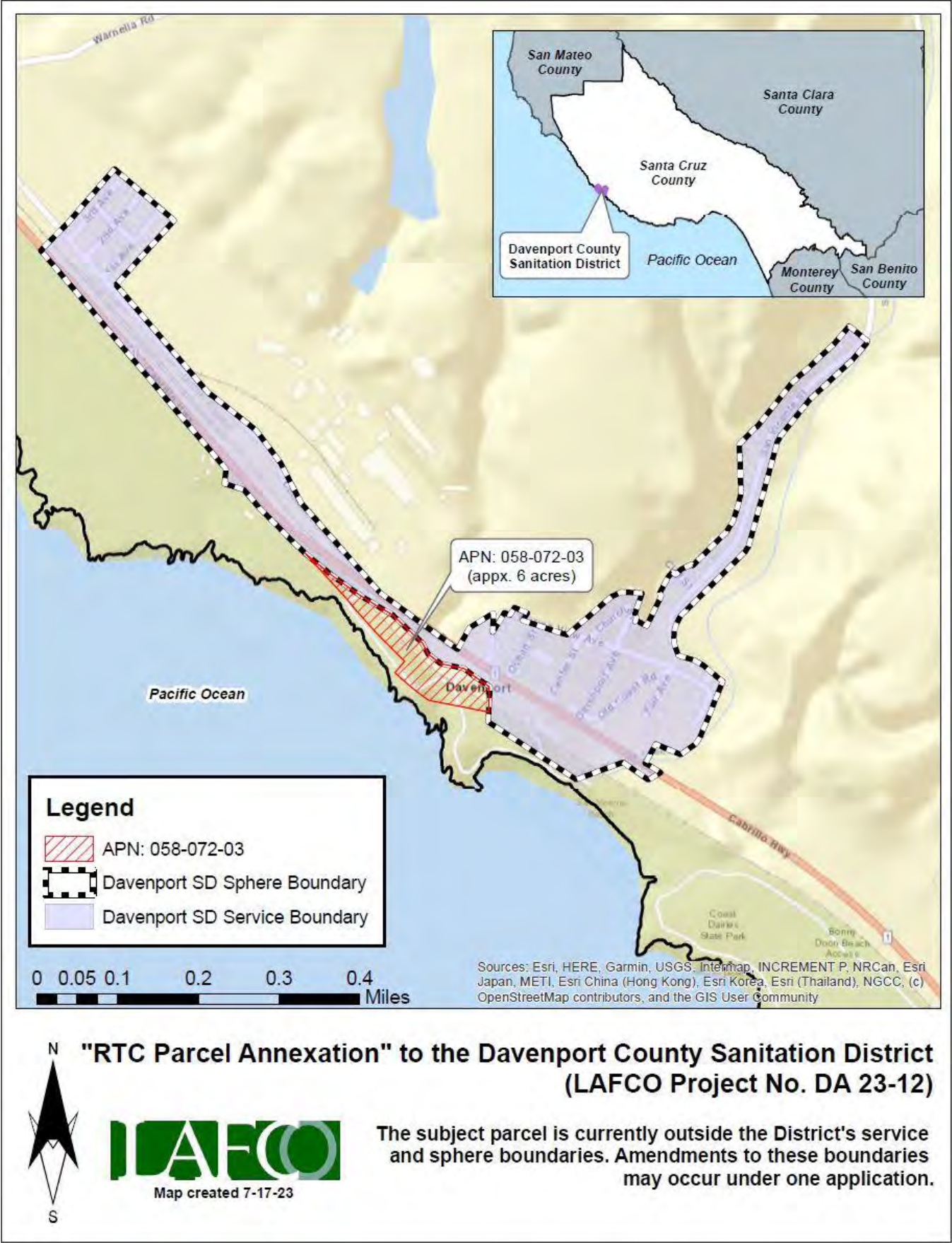


Exhibit B: Vicinity Map





Date: January 10, 2024
To: LAFCO Commissioners
From: Joe Serrano, Executive Officer
Subject: **Service and Sphere Review for County Service Area 38**

SUMMARY OF RECOMMENDATION

LAFCO periodically performs municipal service reviews and sphere of influence updates for each agency subject to LAFCO's boundary regulations. As part of the Commission's Multi-Year Work Program, LAFCO staff has drafted a service and sphere review for County Service Area 38 ("CSA 38") and scheduled a public hearing.

It is recommended that the Commission take the following actions:

1. Find, pursuant to Section 15061(b)(3) of the State CEQA Guidelines, that LAFCO determined that the service and sphere of influence review is not subject to the environmental impact evaluation process because it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment and the activity is not subject to CEQA;
2. Determine, pursuant to Government Code Section 56425, that LAFCO is required to develop and determine a sphere of influence for CSA 38, and review and update, as necessary;
3. Determine, pursuant to Government Code Section 56430, that LAFCO is required to conduct a service review before, or in conjunction with an action to establish or update a sphere of influence; and
4. Adopt LAFCO Resolution (No. 2024-02) approving the 2024 Service and Sphere of Influence Review for CSA 38 with the following conditions:
 - a. Reaffirm sphere boundary for CSA 38 with the condition that the County establish more transparency towards CSA 38's operation, governance, and finances. This information should be made publicly available on the County Sheriff Department's website or within a standalone webpage no later than January 30, 2025;
 - b. Review the status of CSA 38 on February 5, 2025 and consider any changes to the existing sphere boundary, if warranted; and
 - c. Direct the Executive Officer to distribute a copy of the adopted service and sphere review to CSA 38 representatives and any other interested or affected parties, including but not limited to the County Public Works Department, the County Administrative Office, and the four cities (Capitola, Santa Cruz, Scotts Valley, and Watsonville).

EXECUTIVE OFFICER'S REPORT:

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

Purpose & Key Findings

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

1. CSA 38 provides extended police protection countywide.

The CSA was created in 1983 as a funding mechanism to provide "extended police protection" in areas outside the four cities. However, there is no clear correlation between CSA 38 and the County Sheriff Department. LAFCO could not determine how CSA 38 provides services, how many employees operate the district, whether it has a standalone board and regular meetings, and could not locate an official webpage providing additional information, including but not limited to policies/bylaws. For these reasons, the County should clearly define CSA 38's purpose and role in the county by providing more transparency and easier access to supporting documents (ex. agendas, minutes, policies, maps, finances, etc.)

LAFCO is recommending that the County establish a webpage dedicated to CSA 38 and/or add CSA 38 related information to the County Sheriff Department's website. This task should be completed no later than January 30, 2025. If this task is not completed, the County should consider initiating dissolution by January 30, 2025 or request LAFCO to initiate the dissolution in accordance with Government Code Section 56375(a)(2)(B).

2. CSA 38 is financially stable at this time.

The CSA's primary source of revenue is from property taxes. During the last six fiscal years, the revenue and expenditures were virtually identical. CSA 38 had a zero balance in reserves until FY 2021-22, when it ended with a balance of \$9,400. The current balance represents less than half of a percent of the total budget amount. At present, financial information for the CSA is not readily available to the public. LAFCO is recommending that the County provide this information on the County Sheriff Department's website or within a standalone webpage.

3. CSA 38's sphere boundary should be reaffirmed with a condition.

LAFCO originally adopted a coterminous sphere of influence for CSA 38 in 1985. No boundary change, such as annexations or detachments, have occurred since the CSA's inception. Staff is recommending that the Commission reaffirm the existing sphere with one condition: the County establish more transparency towards CSA 38's operation, governance, administration, and finances. This information should be made available on the County Sheriff Department's website or within a standalone webpage. LAFCO is recommending that this task be completed no later than January 30, 2025.

If this task is not completed, the Commission may consider adopting a zero sphere. A “zero” sphere of influence (encompassing no territory) is adopted by LAFCO when the Commission has determined that the service functions of the affected agency are either: nonexistent, no longer needed, or should be reallocated to some other local government. In other words, a zero sphere designation is a precursor to dissolution. The Commission should receive a status update in February 2025 to determine if LAFCO’s recommendations were fulfilled and whether changes to the existing sphere boundary are warranted.

Environmental Review

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

Agency Coordination and Public Notice

A hearing notice for this draft service review was published in the December 12th issue of the Santa Cruz Sentinel (**Attachment 3**). The draft service and sphere review is attached to this staff report. As part of the thorough LAFCO process, an administrative draft of the report was also shared with representatives of CSA 38, including County Sheriff Jim Hart. This allowed the CSA an opportunity to review LAFCO staff’s findings and provide corrections and/or feedback before the report was finalized. The assistance of Sheriff Hart and other County representatives on this project was greatly appreciated. In conclusion, staff is recommending that the Commission adopt the attached resolution (refer to **Attachment 4**) approving the service and sphere review.

Respectfully Submitted,



Joe A. Serrano
Executive Officer

Attachments:

1. Service and Sphere Review – Administrative Draft
2. Environmental Determination – Categorical Exemption
3. Public Hearing Notice
4. Draft Resolution No. 2024-02

cc: Jim Hart, Santa Cruz County Sheriff Department
Matt Machado, Santa Cruz County Public Works Department
Carlos Palacio, Santa Cruz County Administrative Office

County Service Area 38 (Sheriff's Patrol)

SERVICE & SPHERE REVIEW



Local Agency Formation Commission of Santa Cruz County



Administrative Version – December 4, 2023

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EXECUTIVE SUMMARY

Introduction

This Service and Sphere of Influence Review provides information about the services and boundaries regarding County Service Area 38 (“CSA 38”). The report will be used by the Local Agency Formation Commission (LAFCO) to conduct a statutorily required review and update process. The Cortese-Knox-Hertzberg Act requires that LAFCO conduct periodic reviews and updates of Spheres of Influence for all cities and special districts in Santa Cruz County (Government Code Section 56425). It also requires LAFCO to conduct a review of municipal services before adopting sphere updates (Government Code Section 56430). The last service review for CSA 38 was adopted on August 1, 2018.

The service review process does not require LAFCO to initiate changes of organization based on service review conclusions or findings; it only requires that LAFCO make determinations regarding the delivery of public services in accordance with Government Code Section 56430. However, LAFCO, local agencies, and the public may subsequently use the determinations and related analysis to consider whether to pursue changes in service delivery, government organization, or spheres of influence.

Service and sphere reviews are informational documents and are generally exempt from environmental review. LAFCO staff has conducted an environmental review of the Districts’ existing spheres of influence pursuant to the California Environmental Quality Act (CEQA) and determined that this report is exempt from CEQA. Such exemption is due to the fact that it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment (Section 15061[b][3]).

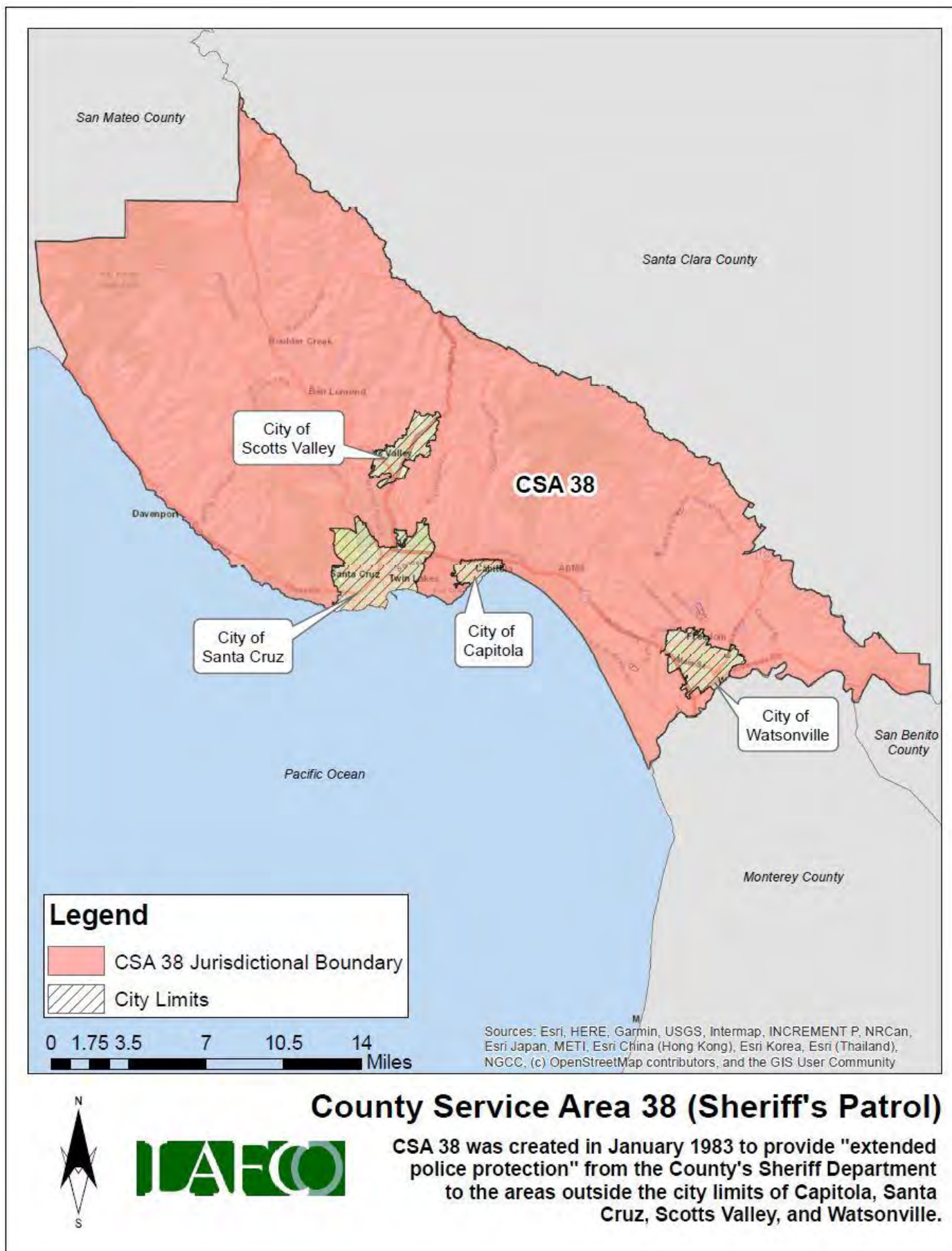
County Sheriff Department

Similar to the four cities and their respective police departments, the County of Santa Cruz operates a department dedicated to providing police protection in unincorporated county territory. The Santa Cruz County Sheriff-Coroner is an elected official and serves a 4-year term as the Chief Law Enforcement Officer in the County. Employees with the Sheriff’s Department are responsible for law enforcement services, including patrol and criminal investigations in the unincorporated areas of the County, operating the custodial facilities, providing court security for the Superior Court along with Coroner and Civil Service throughout the County. About half of the County’s estimated 288,000 residents live in the unincorporated area, which is served by the Sheriff’s Department. The Sheriff’s Department is divided into three bureaus: Administration, Corrections and Operations.

CSA 38 (Extended Police Protection)

County Service Area 38 was created on January 12, 1983 as a funding mechanism to provide “extended police protection” in areas outside the four cities. Prior to 1983, the four cities were providing police patrol outside their jurisdiction. CSA 38 was ultimately formed and now collects property taxes to fund sheriff patrol outside city limits. CSA 38 is expected to collect approximately \$2.9 million primarily in property taxes during FY 2022-23. This service review will only analyze CSA 38 and not the County Sheriff Department because these are two separate entities and LAFCO does not have purview over the County’s internal departments.

Figure 1: Countywide Vicinity Map



Key Findings

The following are key findings of the 2024 Service and Sphere of Influence Review for County Service Area 38 (Sheriff Patrol):

1. **CSA 38 provides extended police protection countywide.**

The CSA was created in 1983 as a funding mechanism to provide “extended police protection” in areas outside the four cities. However, there is no clear correlation between CSA 38 and the County Sheriff Department. LAFCO could not determine how CSA 38 provides services, how many employees operate the district, whether it has a standalone board and regular meetings, and could not locate an official webpage providing additional information, including but not limited to policies/bylaws. For these reasons, the County should clearly define CSA 38’s purpose and role in the county by providing more transparency and easier access to supporting documents (ex. agendas, minutes, policies, maps, finances, etc.)

LAFCO is recommending that the County establish a webpage dedicated to CSA 38 and/or add CSA 38 related information to the County Sheriff Department’s website. This task should be completed no later than January 30, 2025. If this task is not completed, the County should consider initiating dissolution by January 30, 2025 or request LAFCO to initiate the dissolution in accordance with Government Code Section 56375(a)(2)(B).

2. **CSA 38 is financially stable at this time.**

The CSA’s primary source of revenue is from property taxes. During the last six fiscal years, the revenue and expenditures were virtually identical. CSA 38 had a zero balance in reserves until FY 2021-22, when it ended with a balance of \$9,400. The current balance represents less than half of a percent of the total budget amount. At present, financial information for the CSA is not readily available to the public. LAFCO is recommending that the County provide this information on the County Sheriff Department’s website or within a standalone webpage.

3. **CSA 38’s sphere boundary should be reaffirmed with a condition.**

LAFCO originally adopted a coterminous sphere of influence for CSA 38 in 1985. No boundary change, such as annexations or detachments, have occurred since the CSA’s inception. Staff is recommending that the Commission reaffirm the existing sphere with one condition: the County establish more transparency towards CSA 38’s operation, governance, administration, and finances. This information should be made available on the County Sheriff Department’s website or within a standalone webpage. LAFCO is recommending that this task be completed no later than January 30, 2025. If this task is not completed, the Commission may consider adopting a zero sphere. A “zero” sphere of influence (encompassing no territory) is adopted by LAFCO when the Commission has determined that the service functions of the affected agency are either: nonexistent, no longer needed, or should be reallocated to some other local government. In other words, a zero sphere designation is a precursor to dissolution. The Commission should receive a status update in February 2025 to determine if LAFCO’s recommendations were fulfilled and whether changes to the existing sphere boundary are warranted.

Recommended Actions

Based on the analysis and findings in the 2024 Service and Sphere of Influence Review for County Service Area 38, the Executive Officer recommends that the Commission:

1. Find that pursuant to Section 15061(b)(3) of the State CEQA Guidelines, LAFCO determined that the sphere of influence review is not subject to the environmental impact evaluation process because it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment and the activity is not subject to CEQA;
2. Determine, pursuant to Government Code Section 56425, the Local Agency Formation Commission of Santa Cruz County is required to develop and determine a sphere of influence for County Service Area 38, and review and update, as necessary;
3. Determine, pursuant to Government Code Section 56430, the Local Agency Formation Commission of Santa Cruz County is required to conduct a service review before, or in conjunction with an action to establish or update a sphere of influence; and
4. Adopt a Resolution (LAFCO No. 2024-02) approving the 2024 Service and Sphere of Influence Review for County Service Area 38 with the following conditions:
 - a. Reaffirm sphere boundary for CSA 38 with the condition that the County establishes more transparency towards CSA 38's operation, governance, and finances. This information should be made publicly available on the County Sheriff Department's website or within a standalone webpage no later than January 30, 2025;
 - b. Review the status of CSA 38 on February 5, 2025 and consider any changes to the existing sphere boundary, if warranted; and
 - c. Direct the Executive Officer to distribute a copy of the adopted service and sphere review to CSA 38 representatives and any other interested or affected parties, including but not limited to the County Public Works Department, the County Administrative Office, and the four cities (Capitola, Santa Cruz, Scotts Valley, and Watsonville).

DISTRICT OVERVIEW

History

County Service Area 38 was formed on January 12, 1983 and its service area encompasses the entire county, excluding the four cities, as shown in the map on page 3. **Appendix A** provides a copy of the formation resolution. CSA 38's jurisdictional boundary has remained the same for the last 40 years without any boundary adjustments. The CSA was created to collect additional funds to provide police patrol outside the four cities. Based on LAFCO's analysis, the CSA does not have any designated staff, a standalone board, an official website, or specific bylaws or policies.

Lack of Analysis

Service reviews are meant to analyze the governance, administration, and operation of the affected agency, specifically cities and special districts. County service areas are special districts and should be governed as any other governmental entity. However, there is no clear evidence how CSA 38 provides services, nor whether it has staff to operate the special district. Based on LAFCO's analysis, the CSA is only used to collect funds. Those funds are then used by the County Sheriff's Department to provide police patrol in unincorporated areas. LAFCO cannot complete a thorough analysis until there is further transparency regarding CSA 38's operations, governance, and administration.

Population and Growth

Based on staff's analysis, the population of CSA 38 in 2020 is estimated to be 137,000. The Association of Bay Area Governments (ABAG) and the Association of Monterey Bay Area Governments (AMBAG) provide population projections for cities and counties in the Coastal Region. Based on the projections for the unincorporated county territory within CSA 38, LAFCO staff projects that the entire population of the CSA will be approximately 142,000 by 2040.

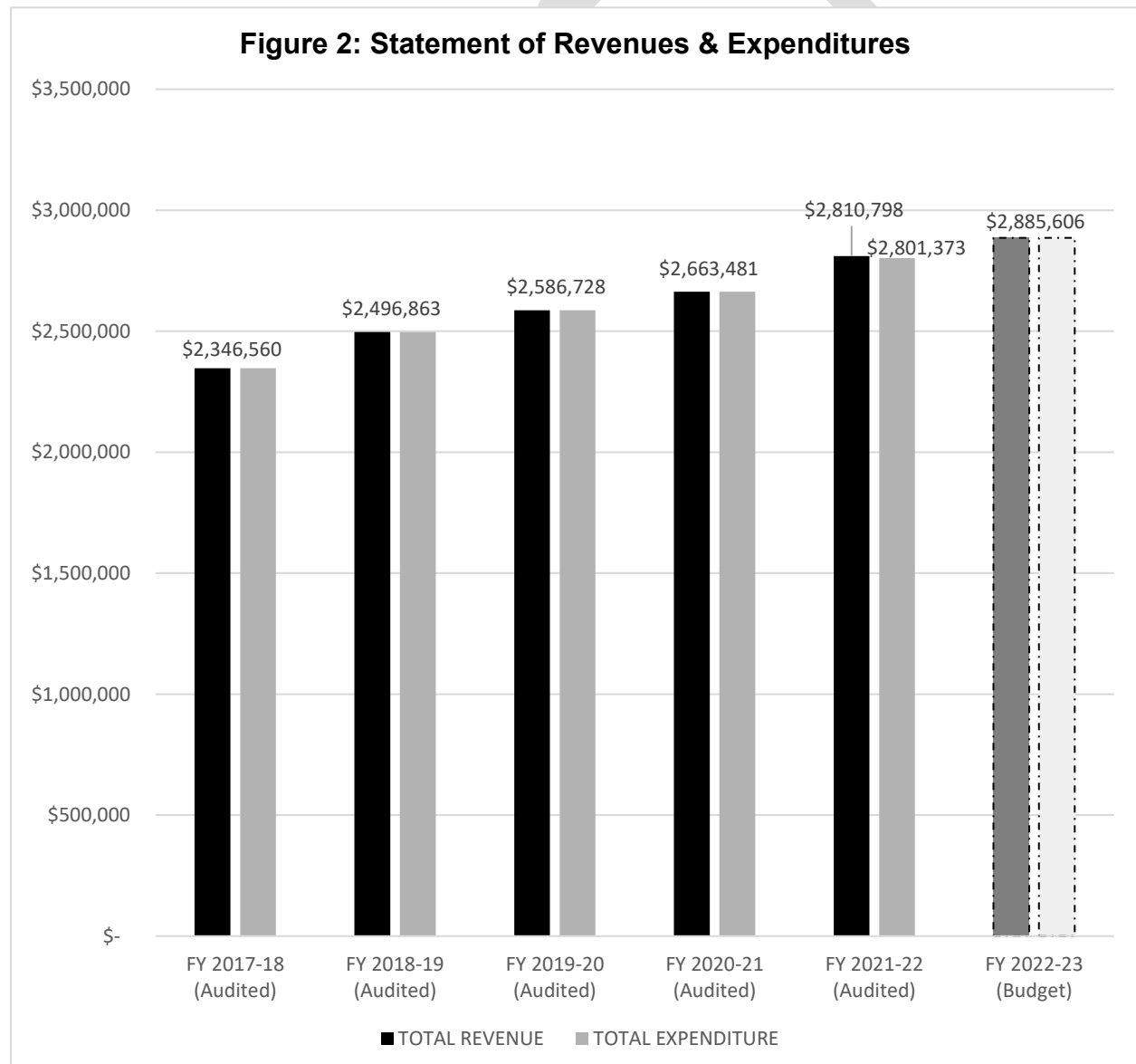
Table A: Projected Population

Area	2020	2025	2030	2035	2040	Average
County of Santa Cruz (entire county)	281,147	287,700	294,238	300,685	306,881	2.21%
City of Capitola	10,194	10,312	10,451	10,622	10,809	1.48%
City of Santa Cruz	68,381	72,091	75,571	79,027	82,266	4.73%
City of Scotts Valley	12,145	12,214	12,282	12,348	12,418	0.56%
City of Watsonville	<u>53,536</u>	<u>55,187</u>	<u>56,829</u>	<u>58,332</u>	<u>59,743</u>	<u>2.78%</u>
CSA 38 (unincorporate area)	136,891	137,896	139,105	140,356	141,645	0.86%

FINANCES

This section will highlight the CSA's financial performance during the most recent fiscal years. Fiscal Year 2021-22 is the latest audited financial statement available. LAFCO evaluated CSA 38's financial health from 2017 to 2023. A comprehensive analysis of CSA 38's financial performance during the past six years is shown in **Table D** on page 9.

At the end of Fiscal Year 2021-22, total revenue collected was approximately \$2.81 million, representing a 6% increase from the previous year (\$2.66 million in FY 20-21). Total expenses for FY 2021-22 were approximately \$2.80 million, which increased from the previous year by 5% (\$2.66 million in FY 20-21). CSA 38 has ended virtually even each fiscal year, with the exception of FY 2021-22, as shown in **Figure 2**. This is primarily due to the fact that the CSA does not provide any services, nor does it have any designated staff. The CSA's main function is to collect funds and transfer it to the County's Sheriff Department.



Revenues

The CSA's primary source of revenue is from Property Taxes. In FY 2021-22, Property Taxes totaled approximately \$2.9 million which represents 99% of the CSA's entire revenue stream. **Table B** provides a breakout of the entire revenue stream during the most recent fiscal year (FY 2021-22).

Table B: FY 2021-22 Revenue Source

Source	Amount (\$)	Percentage (%)
Property Taxes	\$2,870,678	99.48%
Intergovernmental Revenues	\$13,888	0.48%
Fines, Forfeitures & Assessments	\$540	0.02%
Interest	<u>\$500</u>	<u>0.02%</u>
Total Revenue	\$2,885,606	100.00%

Expenditures

CSA 38's total expenditures can be categorized into two budgetary groups: Accounting & Auditing Fees and Sheriff Services. **Table C** shows that in FY 2021-22, Sheriff Services represented approximately 99% of the CSA's entire expenses.

Table 4: FY 2021-22 Expenditure Summary

Source	Amount (\$)	Percentage (%)
Sheriff Services	\$2,885,106	99.98%
Accounting & Auditing Fees	<u>\$500</u>	<u>0.02%</u>
Total Expenditure	\$2,885,606	100.00%

Fund Balance / Net Position

As of June 30, 2023, the total net position balance is estimated to have ended with a balance of \$14,000. The following table highlights the net position balance from 2017 to 2023. As shown in the table below, CSA 38's fund balance began accumulating funds in 2021. The current balance represents only less than half of a percent of the total budget of the last fiscal year (FY 22-23).

Table 5: Fund Balance

	FY 17-18 (Audited)	FY 18-19 (Audited)	FY 19-20 (Audited)	FY 20-21 (Audited)	FY 21-22 (Audited)	FY 22-23 (Budget)
Ending Balance	\$0	\$0	\$0	\$0	\$9,425	\$13,919
Change from Previous Year (\$)	-	-	-	-	\$9,425	\$4,494
Change from Previous Year (%)		-	-	-	-	48%

Table D: Total Revenues & Expenditures

COUNTY SERVICE AREA 38 (SHERIFF PATROL)						
	FY 2017-18 (Audited)	FY 2018-19 (Audited)	FY 2019-20 (Audited)	FY 2020-21 (Audited)	FY 2021-22 (Audited)	FY 2022-23 (Budget)
REVENUE						
Property Taxes	\$ 2,328,763	\$ 2,468,122	\$ 2,555,067	\$ 2,643,818	\$ 2,794,434	\$ 2,870,678
Fines, Forfeitures & Assessments	\$ 3,540	\$ 370	\$ 677	\$ 788	\$ 369	\$ 540
Interest	\$ 14,257	\$ 14,236	\$ 16,914	\$ 4,988	\$ 1,989	\$ 500
Intergovernmental Revenues	\$ -	\$ 14,135	\$ 14,070	\$ 13,887	\$ 14,006	\$ 13,888
TOTAL REVENUE	\$ 2,346,560	\$ 2,496,863	\$2,586,728	\$2,663,481	\$2,810,798	\$2,885,606
EXPENDITURE						
<u>Services & Supplies</u>						
Accounting & Auditing Fees	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500
Sheriff Services	\$ 2,346,062	\$ 2,496,362	\$ 2,586,228	\$ 2,662,982	\$ 2,800,873	\$ 2,885,106
TOTAL EXPENDITURE	\$ 2,346,562	\$ 2,496,862	\$2,586,728	\$2,663,482	\$2,801,373	\$2,885,606
Surplus/(Deficit)	\$ (2)	\$ 1	\$ -	\$ (1)	\$ 9,425	\$ -
NET POSITION						
Ending Balance	\$ -	\$ -	\$ -	\$ -	\$ 9,425	\$ 13,919
Change (\$)		\$ -	\$ -	\$ -	\$ 9,425	\$ 4,494
Change (%)		#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	48%

SPHERE OF INFLUENCE

Cortese-Knox-Hertzberg Act

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

- The present and planned uses in the area, including agricultural and open-space lands;
- The present and probable need for public facilities and services in the area;
- The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide;
- The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency; and
- For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere.

Current Sphere Boundary

CSA 38's original sphere was adopted on November 20, 1985. Since then, the sphere has remained coterminous with CSA 38's jurisdictional boundary, as shown in **Figure 3** on page 11.

Proposed Zero Sphere Designation & Subsequent Dissolution

LAFCO staff is recommending that the Commission reaffirm the existing sphere with one condition: the County establish more transparency towards CSA 38's operation, governance, administration, and finances. This information should be made available on the County Sheriff Department's website or within a standalone webpage. LAFCO is recommending that this task be completed no later than January 30, 2025. If this task is not completed, the Commission should consider adopting a zero sphere. A "zero" sphere of influence (encompassing no territory) is adopted by LAFCO when the Commission has determined that the service functions of the affected agency are either: nonexistent, no longer needed, or should be reallocated to some other local government. **Figure 4**, on page 12, shows the proposed sphere map for CSA 38.

Figure 3: Current Sphere Boundary

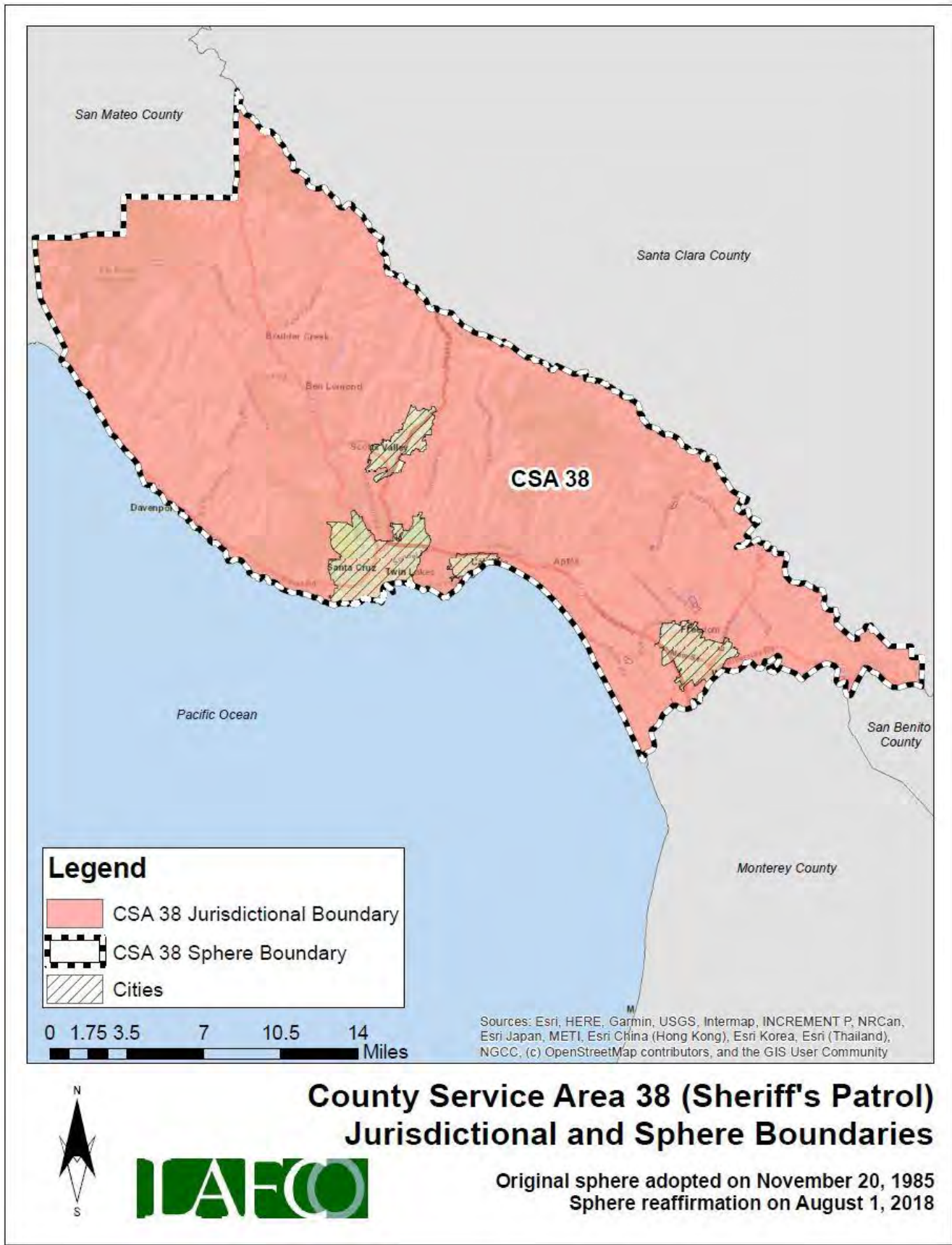


Figure 4: Proposed Sphere Boundary (Reaffirm Sphere)



DISTRICT SUMMARY

CSA 38 (Sheriff Patrol)	
Formation	California Government Code, Section 25210 et seq. (County Service Area Law)
Board of Trustees	County Board of Supervisors; five members; elected at-large to a four-year term
Contact Person	Jim Hart, County Sheriff
Employees	N/A
Facilities	N/A
District Area	Entire county, excluding the four incorporated cities
Sphere of Influence	The sphere boundary is coterminous with the CSA's jurisdictional limits and the County of Santa Cruz.
FY 2021-22 Audit	Total Revenue = \$2,810,798 Total Expenditure = \$2,801,373 Net Position (Ending Balance) = \$9,425
Contact Information	Mailing Address: 5200 Soquel Avenue Santa Cruz, CA 95062 Phone Number: 831-454-7600 Email Address: Jim.Hart@santacruzcounty.us Website: https://www.scsheriff.com/
Public Meetings	Unknown
Mission Statement	N/A

SERVICE AND SPHERE REVIEW DETERMINATIONS

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

Service Provision Determinations

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

1. Growth and population projections for the affected area.

CSA 38 encompasses the entire county, excluding the four cities. It is estimated that approximately 137,000 residents currently live within the CSA's jurisdiction. LAFCO staff projects that the CSA's population may reach 142,000 by 2040.

2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.

CSA 38 is not subject to SB 244 because it does not provide water, sewer, or fire service.

3. Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the sphere of influence.

CSA 38 is a funding mechanism for the County Sheriff's Department and does not have any present or planned capacity of direct services.

4. Financial ability of agencies to provide services.

CSA 38's primary source of revenue is from property taxes. CSA 38's fund balance ended with approximately \$9,000 in FY 2021-22. The current balance represents less than half of a percent of the total budget for the current fiscal year.

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

CSA 38 is a funding mechanism and does not have the ability to share staff or facilities.

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

LAFCO encourages the County to provide more information about CSA 38. More transparency will clearly explain CSA 38's purpose and role in the county.

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

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

Sphere of Influence Determinations

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

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

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

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

CSA 38 does not have a designated office, staff, or an official website.

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

CSA 38 is a funding mechanism for the County Sheriff's Department and does not have any present or planned capacity of direct services.

4. The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.

LAFCO encourages the County to provide more information about CSA 38. More transparency will clearly explain CSA 38's purpose and role in the county. This is important for the communities and members of the public within CSA 38's jurisdictional and sphere boundaries.

5. For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

The CSA does not provide services related to sewers, municipal and industrial water, or structural fire protection. Therefore, this determination is not applicable.

APPENDICES

Appendix A: 1983 Formation Resolution

Notice of Exemption

To: ☐ Office of Planning and Research
1400 Tenth Street, Room 121
Sacramento CA 95814

From: (Public Agency)
Santa Cruz Local Agency Formation Commission
701 Ocean Street, Room 318-D
Santa Cruz CA 95060

To: ☒ Clerk of the Board
County of Santa Cruz
701 Ocean Street, Room 500
Santa Cruz CA 95060

Project Title: Service and Sphere of Influence Review for County Service Area 38

Project Location: CSA 38 was formed in 1983 **as a funding mechanism to provide "extended police protection" in areas outside the four cities**. CSA 38's service area encompasses the entire county, excluding the four cities (Capitola, Santa Cruz, Scotts Valley, and Watsonville). A vicinity map depicting the **CSA's** jurisdictional and sphere boundaries is attached (refer to Attachment A).

Project Location City: N/A

Project Location County: Santa Cruz County

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

Name of Public Agency Approving Project: Local Agency Formation Commission of Santa Cruz County. The LAFCO public hearing on this proposal is scheduled for 9:00 a.m. on January 10, 2024.

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

Exempt Status: (check one)

- ☐ Ministerial (Sec. 21080(b)(1); 15268);
☐ Declared Emergency (Sec. 21080(b)(3); 15269(a));
☐ Emergency Project (Sec. 21080(b)(4); 15269 (b)(c));
☐ Categorical Exemption: State type and section number
☐ Statutory Exemptions: State code number
☒ Other: The activity is not a project subject to CEQA.

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

Lead Agency Contact Person: Joe A. Serrano

Area Code/Phone Extension: 831-454-2055

Signature: _____
Joe A. Serrano, Executive Officer

Date: January 11, 2024

☒ Signed by Lead Agency



NOTICE OF PUBLIC HEARING LOCAL AGENCY FORMATION COMMISSION

NOTICE IS HEREBY GIVEN that at 9:00 a.m., Wednesday, January 10, 2024, the Local Agency Formation Commission of Santa Cruz County (LAFCO) will hold public hearings on the following items:

- **“RTC Parcel Annexation” to the Davenport Sanitation District (LAFCO Project No. DA 23-12):** Consideration of a single parcel annexation and concurrent sphere amendment involving the Davenport Sanitation District. The subject area is located south of Highway 1, east of Cement Plant Road, west of Old Coast Road / San Vicente Street, and north of the Pacific Ocean. The Santa Cruz County Regional Transportation Commission is proposing a rest stop development at the subject area with parking spaces and a restroom facility. If approved, the subject area will receive water and sewer service from the identified public agency.
- **County Service Area 38 Service and Sphere of Influence Review:** Consideration of a service and sphere review for CSA 38 (Sheriff’s Patrol). CSA 38’s service area encompasses the entire County of Santa Cruz, excluding the four cities.

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: <https://santacruzlafco.org/meetings/>. During the meeting, the Commission will consider oral or written comments from any interested person. Maps, written reports, environmental review documents and further information can be obtained by contacting LAFCO’s staff at (831) 454-2055 or from LAFCO’s website at www.santacruzlafco.org. 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: December 12, 2023

LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY
RESOLUTION NO. 2024-02

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

RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION
APPROVING THE 2023 SERVICE AND SPHERE OF INFLUENCE REVIEW
FOR COUNTY SERVICE AREA 38

The Local Agency Formation Commission of Santa Cruz County (the “Commission”) does hereby resolve, determine, and order as follows:

1. In accordance with Government Code Sections 56425, 56427, and 56430, the Commission has initiated and conducted the 2023 Service and Sphere of Influence Review for County Service Area 38 (“CSA 38”).
2. The Commission’s Executive Officer has given notice of a public hearing by this Commission of the service and sphere of influence review in the form and manner prescribed by law.
3. The Commission held a public hearing on January 10, 2024, and at the hearing, the Commission heard and received all oral and written protests, objections, and evidence that were presented.
4. This approval of the 2024 Service and Sphere of Influence Review for CSA 38 is exempt under the California Environmental Quality Act (“CEQA”) pursuant to the CEQA Guidelines Section 15061(b)(3) because this Commission action does not change the services or the planned service area of the subject agency. There is no possibility that the activity may have a significant impact on the environment. This action qualifies for a Notice of Exemption under CEQA and staff is directed to file the same.
5. The Commission hereby approves the 2024 Service and Sphere of Influence Review for CSA 38.
6. The Commission hereby approves the Service Review Determinations, as shown on Exhibit A.
7. The Commission hereby approves the Sphere of Influence Determinations, as shown on Exhibit B.
8. The Commission hereby reaffirms the Sphere of Influence Map for CSA 38, as shown in Exhibit C.

PASSED AND ADOPTED by the Local Agency Formation Commission of Santa Cruz County this 10th day of January 2024.

AYES:

NOES:

ABSTAIN:

YVETTE BROOKS, CHAIRPERSON

Attest:

Joe A. Serrano
Executive Officer

Approved as to form:

Joshua Nelson
LAFCO Counsel

EXHIBIT A
COUNTY SERVICE AREA 38
2024 SERVICE REVIEW DETERMINATIONS

- 1. Growth and population projections for the affected area.**
CSA 38 encompasses the entire county, excluding the four cities. It is estimated that approximately 137,000 residents currently live within the CSA's jurisdiction. LAFCO staff projects that the CSA's population may reach 142,000 by 2040.
- 2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.**
CSA 38 is not subject to SB 244 because it does not provide water, sewer, or fire service.
- 3. Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the sphere of influence.**
CSA 38 is a funding mechanism for the County Sheriff's Department and does not have any present or planned capacity of direct services.
- 4. Financial ability of agencies to provide services.**
CSA 38's primary source of revenue is from property taxes. CSA 38's fund balance ended with approximately \$9,000 in FY 2021-22. The current balance represents less than half of a percent of the total budget for the current fiscal year.
- 5. Status of, and opportunities for, shared facilities.**
CSA 38 is a funding mechanism and does not have the ability to share staff or facilities.
- 6. Accountability for community service needs, including governmental structure and operational efficiencies.**
LAFCO encourages the County to provide more information about CSA 38. More transparency will clearly explain CSA 38's purpose and role in the county.
- 7. Any other matter related to effective or efficient service delivery, as required by commission policy.**
No additional local LAFCO policies are specifically relevant to this service review.

EXHIBIT B
COUNTY SERVICE AREA 38
2024 SPHERE OF INFLUENCE DETERMINATIONS

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

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

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

CSA 38 does not have a designated office, staff, or an official website.

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

CSA 38 is a funding mechanism for the County Sheriff's Department and does not have any present or planned capacity of direct services.

4. The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.

LAFCO encourages the County to provide more information about CSA 38. More transparency will clearly explain CSA 38's purpose and role in the county. This is important for the communities and members of the public within CSA 38's jurisdictional and sphere boundaries.

5. For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

The CSA does not provide services related to sewers, municipal and industrial water, or structural fire protection. Therefore, this determination is not applicable.

EXHIBIT C
COUNTY SERVICE AREA 38
SPHERE OF INFLUENCE MAP

LAFCO reaffirms the existing sphere for CSA 38.





Date: January 10, 2024
To: LAFCO Commissioners
From: Joe Serrano, Executive Officer
Subject: **Selection of New LAFCO Chair and Vice-Chair**

SUMMARY OF RECOMMENDATION

The Commission selects a new Chair and Vice-Chair at the first meeting of each year. It is recommended that the Commission discuss and appoint a new LAFCO Chair and Vice-Chair for the 2024 calendar year.

EXECUTIVE OFFICER'S REPORT:

In accordance with the Commission's Meeting Policy, at its first regular meeting in January of each year, the Commission shall choose two of its regular members to function as the Chair and Vice-Chair. The new officers will serve the balance of the calendar year or until the election of their successors occur in the event of a vacancy. Once selected, the new officers will begin their appointments at the February 7th LAFCO Meeting. There is currently no rule of succession or rotation. Historically, the acting Vice-Chair has been elected to be the new Chair. Past officers for the last eight years are listed below.

Table 1: Chair and Vice-Chair Appointments (2016 – 2023)

Calendar Year	Chair	Vice-Chair
2016	Roger Anderson (Public)	Tom LaHue (District)
2017	Tom LaHue (District)	John Leopold (County)
2018	John Leopold (County)	Jim Anderson (District)
2019	Jim Anderson (District)	Roger Anderson (Public)
2020	Roger Anderson (Public)	Justin Cummings (City)
2021	Justin Cummings (City)	Rachél Lather (District)
2022	Rachél Lather (District)	Yvette Brooks (City)
2023	Yvette Brooks (City)	John Hunt (Public)

The Commission's roster, with their respective term limits, is attached to this staff report. Staff recommends that the Commission discuss and select a Chair and Vice-Chair for this new calendar year.

Respectfully Submitted,

Joe A. Serrano
Executive Officer

Attachment: Current Commission Roster

LAFCO TERMS OF OFFICE

Representation (Seat)	Term Limit (Ending Date)	Commissioner (Current)
Regular Members		
1. County Seat	May 2024	Zach Friend (BOS District 2)
2. County Seat	May 2027	Justin Cummings (BOS District 3)
3. City Seat	May 2027	Yvette Brooks (Capitola)
4. City Seat	May 2027	Allan Timms (Scotts Valley)
5. District Seat	May 2025	Jim Anderson (Felton Fire)
6. District Seat	May 2027	Rachél Lather (Soquel Creek Water)
7. Public Seat	May 2024	Roger Anderson (County Resident)
Alternate Members		
8. County Seat	May 2024	Manu Koenig (BOS District 1)
9. City Seat	May 2027	Shebreh Kalantari-Johnson (Santa Cruz)
10. District Seat	May 2025	Ed Banks (Pajaro Valley Public Cemetery)
11. Public Seat	May 2024	John Hunt (County Resident)

Footnotes:

- a) City Representation** – City members are elected by the city selection committee, which is composed of the presiding mayor or designated council member from each of the four cities (Capitola, Santa Cruz, Scotts Valley, and Watsonville). The city rotation goes with the city and not with the person. In 2023, a new rotation schedule was adopted by the committee. The new schedule will begin in May 2027 or earlier as determined by the City Selection Committee.
- b) District Representation** - Special district members are elected by the special district selection committee, which is made up of one voting member from each Independent Special District Board.
- c) County Representation** – The county members are appointed each January by the Board of Supervisors and may change each year at that time.
- d) Public Representation** – The public members are appointed by the Commission when a vacancy occurs.



Santa Cruz Local Agency Formation Commission

Date: January 10, 2024
To: LAFCO Commissioners
From: Joe Serrano, Executive Officer
Subject: **Selection of Personnel Committee Members**

SUMMARY OF RECOMMENDATION

The Commission's Personnel Policy establishes a Personnel Committee to evaluate the Executive Officer's performance and other administrative or financial matters that may lead to recommendations for Commission consideration.

It is recommended that the Commission assign at least two Commissioners to be part of LAFCO's Personnel Committee for a two-year term (ending in December 2025).

EXECUTIVE OFFICER'S REPORT

The Commission utilizes a Personnel Committee to lead the review of the Executive Officer's performance, recommend any changes to staff's compensation, and provide guidance in any administrative efficiencies. Memberships are typically a two-year term. The last Personnel Committee was appointed in January 2022. The following table identifies the previous Personnel Committee members during the last five years.


Table 1: Personnel Committee Members (2019 – 2023)

Year	Commissioner #1	Commissioner #2
2019	Roger Anderson	John Leopold
2020	Roger Anderson (Chair)	John Leopold
2021	Justin Cummings (Chair)	Roger Anderson
2022	Rachél Lather (Chair)	Roger Anderson
2023	Rachél Lather	Roger Anderson

STAFF RECOMMENDATION

The policy indicates that the Personnel Committee membership should include the Chair. Staff is recommending that the Personnel Committee include three Commissioners: (1) current chair, (2) previous chair, and (3) another board member appointed by the Commission. This membership will have a two-year term ending in December 2025. The committee typically meets twice a year (July and December).

Respectfully Submitted,



Joe A. Serrano
Executive Officer



Santa Cruz Local Agency Formation Commission

Date: January 10, 2024
To: LAFCO Commissioners
From: Joe Serrano, Executive Officer
Subject: **Upcoming LAFCO Seat Vacancies**

SUMMARY OF RECOMMENDATION

Santa Cruz LAFCO has representatives from the county, cities, independent special districts, and the general public. Pursuant to Government Code Section 56334, the term of office of each member shall be four years. Three seats will become vacant during the 2024 calendar year: one county seat and two public seats. The county seats will be addressed by the County Board of Supervisors. The public seats will require action by the Commission. Additionally, the City Selection Committee may take action to implement the newly adopted rotation schedule for the city seats on LAFCO.

It is recommended that the Commission discuss the upcoming vacancies and direct the Executive Officer to begin the selection process and advertise the upcoming public seat openings in accordance with Government Code Section 56325(d).

EXECUTIVE OFFICER'S REPORT:

Staff has identified three seats on LAFCO which will be subject to vacancies in the 2024 calendar year: (1) Alternate County Member, (2) Regular Public Member, and (3) Alternate Public Member. Below is an overview in the appointment process for each seat.

Alternate County Member Seat (Manu Koenig)

The term for Commission Manu Koenig on LAFCO will end in May. The Board of Supervisors will consider addressing the upcoming vacancy in early-2024. Supervisor Koenig is eligible to be reappointed on LAFCO as an alternate or regular county member.

Regular and Alternate Public Member Seats (Roger Anderson and John Hunt)

The terms for Commissioners Roger Anderson (Regular) and John Hunt (Alternate) end this coming May. Government Code Section 56325 states that the Regular and Alternate Public Members be appointed by a majority vote of the Commission (two city members, two county members, and two district members). Potential candidates must get at least one vote from a commissioner of each of these appointing categories. State law also indicates that the public member candidates cannot be employees or officers of public agencies within the county, including cities, special districts, or Santa Cruz County (Government Code Section 56331).

Public Seat Vacancies - Appointment Process

In addition to the statutory provisions, this Commission has adopted a policy that specifies the appointment process. The following table summarizes the process. The first step is to receive Commission direction to advertise the upcoming vacancies in at least two newspapers. This notification will also be posted on the LAFCO website. LAFCO staff

intends to publish the notice on Tuesday, January 16 and set Friday, February 23 as the deadline to submit applications. **Attachment 1** provides the draft public notice.

Table A: Public Seat Appointment Process

Task	Deadline
Step 1: LAFCO Meeting (Vacancy Notification)	Wednesday, January 10
Step 2: Advertise Vacancies (Application Period Begins)	Tuesday, January 16
Step 3: Compile List of Candidates (Application Period Ends)	Friday, February 23
Step 4: LAFCO Meeting (Review List of Candidates)	Wednesday, March 6
Step 5: LAFCO Meeting (Candidate Interviews – If Needed)	Wednesday, April 3
Step 6: LAFCO Meeting (Oath of Office)	Wednesday, May 1

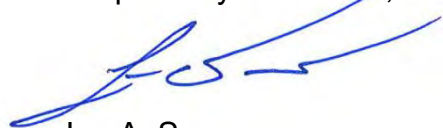
After the deadline ends, the Commission will receive an overview of each candidate at the March 6, 2024 Regular Meeting. The Commission may select the regular and alternate public members at that time or schedule an interview of each candidate during an open session at the next regularly scheduled meeting (April 3, 2024). Once selected, the two appointed members will be seated on May 1, 2024 and officially begin their four-year terms (ending May 2028).

City Selection Committee – New Rotation Schedule

In June 2023, the City Selection Committee adopted a new rotation schedule to better promote equal representation of the four cities on LAFCO. Under this new model, the Cities of Santa Cruz and Watsonville will share and rotate between one regular seat and the alternate seat every two years and the Cities of Capitola and Scotts Valley will share and rotate every two years with the other regular seat. While the new rotation was approved unanimously by the committee, there was no clear indication of a start date. It is LAFCO's understanding that the committee will take action in early-2024 to determine when the new rotation schedule will begin and determine the new representatives on the Commission. At this point, it is unclear whether the proposed action will affect the current terms of Commissioners Yvette Brooks, Shebreh Kalantari-Johnson, and Allan Timms.

In the interim, staff will provide periodic updates to the Commission throughout the appointment process.

Respectfully Submitted,



Joe A. Serrano
Executive Officer

Attachment: Public Member Seat Vacancies – Draft Public Notice



**CALL FOR APPLICATIONS
LOCAL AGENCY FORMATION COMMISSION
REGULAR AND ALTERNATE PUBLIC MEMBER SEATS**

Applications are being accepted for two upcoming vacancies with the Local Agency Formation Commission of Santa Cruz County (LAFCO). The two openings are for the Regular and Alternate Public Member seats. Each position has a four-year term beginning in May 2024.

Any person wishing to apply for either of these positions should download an application from LAFCO's website (www.santacruzlafco.org) or request a hard copy from the LAFCO Office. The deadline for submitting an application to LAFCO is **Friday, February 23 by 3:00pm**.

Who can Apply?

Any person appointed to the position must be a resident and a registered voter of Santa Cruz County. Additionally, the appointee cannot be an officer or employee of a public agency within the county, including cities, special districts, or Santa Cruz County.

What is LAFCO?

This state agency determines which local agency is the most logical provider of public services within each county in California. The Commission has regulatory power over the formation of new local agencies and the boundary changes of the existing four cities and 75 special districts in Santa Cruz County.

Questions may be directed to the Executive Officer at 831-454-2055 or via email (joe@santacruzlafco.org). Completed and signed applications can be mailed to LAFCO (701 Ocean Street, Room 318-D, Santa Cruz, CA 95060) or scanned and emailed.

A blue ink signature of Joe A. Serrano, written in a cursive style.

Joe A. Serrano
Executive Officer
Date: January 16, 2024



Santa Cruz Local Agency Formation Commission

Date: January 10, 2024
To: LAFCO Commissioners
From: Joe Serrano, Executive Officer
Subject: **Press Articles during the Months of October, November & December**

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: "Watsonville, Capitola city council meetings assailed by 'Zoom bombs'": The article, dated October 27, notes that the Cities of Capitola and Watsonville experienced significant disruptions during their city council meetings. Lewd and obscene language was used by anonymous callers who attended the public meetings remotely. It is important for local governments, including LAFCOs, to consider how to actively prevent such disruptions when conducting virtual and/or hybrid public meetings.

Article #2: "Land Trust of Santa Cruz County shares five-year strategic plan": The article, dated November 3, announces that the Land Trust has launched its 2023-2027 plan which outlines key priorities and initiatives for the next five years. The strategic plan is the result of broad community outreach and months of planning among staff and board members.

Article #3: "Big Basin Water making progress, still long road ahead": The article, dated November 5, indicates that the newly appointed court receiver has increased water flow interconnection capacity, has hosted a community meeting, and is coordinating with local leaders, including LAFCO, to identify possible long-term solutions. The County also secured over \$200,000 from the California Department of Water Resources to fund the purchase of emergency water. The receiver plans on seeking additional grants to cover at least six months of operations.

Article #4: "Water district approves contract for Brian Frus": The article, dated November 5, states that the San Lorenzo Valley Water District has hired Brian Frus to be their interim general manager under a six-month contractual agreement. During this time, the water district will continue their process to select a permanent general manager.

Article #5: “Pajaro Valley Water Management Agency launches strategic plan”: The article, dated November 20, explains how the latest strategic plan outlines the agency’s history, its mission, and scheduled goals. The plan highlights the goals and vision of the organization as it reaches its 40-year anniversary in 2024.

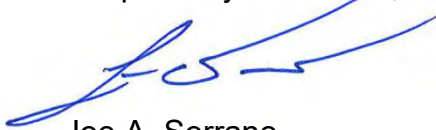
Article #6: “Levee agreement marks a watershed moment for the people of Watsonville and Pajaro”: The article, dated November 27, notes that a federal, state and local agreement signed in November officially greenlights the construction of a new Pajaro River levee, a project the community has been waiting for since the 1950s. Commissioner Zach Friend has championed this effort and officially signed the project partnership with a representative from the United States Army Corps of Engineers.

Article #7: “Scotts Valley Fire bond measure fails to pass by less than 1%”: The article, dated November 27, indicates that the proposed \$22 million bond measure did not reach the minimum vote requirement to pass. Measure W failed to gain two-thirds of voters’ support by only a few dozen ballots. The final results were 3,234 votes or 66.4% in favor, 1,635 votes or nearly 33.6% opposed. The measure needed a 66.7% approval rate to pass.

Article #8: “One of Santa Cruz County’s largest water sources is ‘critically overdrafted’; fixes are on the way”: The article, dated November 29, states that the Mid-County Groundwater Basin has been deemed “critically overdrafted” by the California Department of Water Resources. Out of 500 total basins in California, Mid-County is one of 21 the State has deemed critically overdrafted, and the state has mandated that local bodies form “groundwater sustainability agencies” to find a solution.

Article #9: “Pajaro Valley Health Care District board to vote Wednesday on placing \$105M bond measure on March ballot”: The article, dated November 29, notes that the healthcare district is considering a bond measure to help purchase the Watsonville Community Hospital buildings and their associated lands, while also helping to fund renovations and equipment upgrades. The District currently pays about \$4 million a year to lease the land from Alabama-based investment firm Medical Properties Trust.

Respectfully Submitted,



Joe A. Serrano
Executive Officer

Attachments:

1. “Watsonville, Capitola city council meetings assailed by ‘Zoom bombs’”
2. “Land Trust of Santa Cruz County shares five-year strategic plan”
3. “Big Basin Water making progress, still long road ahead”
4. “Water district approves contract for Brian Frus”
5. “Pajaro Valley Water Management Agency launches strategic plan”
6. “Levee agreement marks a watershed moment for the people of Watsonville...”
7. “Scotts Valley Fire bond measure fails to pass by less than 1%”
8. “One of Santa Cruz County’s largest water sources is ‘critically overdrafted’...”
9. “Pajaro Valley Health Care District board to vote Wednesday on place \$105M bond...”

pajaronian.com

Watsonville, Capitola city council meetings assailed by 'Zoom bombs'

By: Todd Guild

4–5 minutes

The Watsonville City Council will stop allowing virtual comments during its public meetings for the rest of the year after it received two anonymous calls filled with racist language and expletives during the Oct. 24 meeting.

Both were from anonymous callers, one insulting Jewish people and the other one falsely connecting young black men to crime.

Two days later, the Capitola City Council received a similar series of calls that continued throughout the meeting, prompting the city to end Zoom participation for the foreseeable future. The calls also forced the council to move three items from the agenda to a future meeting, said Vice Mayor Kristen Brown.



"We felt that it was not in the best interest of the community to continue hearing those kinds of statements," she said.

In all instances, the calls were disconnected by city staff.

Such incidents are increasing locally and nationwide. The Sacramento City Council in September ended its virtual public comment after similar incidents earlier this year, and the [Morgan Hill City Council](#) on Oct. 4 was assailed by anti-LGBTQ and racist comments.

But ending virtual comments has put elected and civic leaders in the position of balancing First Amendment rights with maintaining decorum and protecting the public from hateful language.

Capitola City Manager Jaime Goldstein said that there are certain bounds for communicating in a forum such as a public meeting.

"City council meetings are not necessarily a pure free speech venue," he said. "They are about city business."

Comments falling outside that, Goldstein said, do not necessarily have to be allowed.

"You could argue that (talk of) murdering certain ethnic groups is outside the subject matter of the city," he said.

Watsonville City Manager Rene Mendez said the issue will return for an in-depth discussion in January or February.

It is not clear how the protocol for virtual comments will change in Watsonville, but one possibility is moving the public comment period to the end of the meeting, when those wishing to make hateful comments are less likely to wait, Mendez said.

He added that there is no legal requirement to offer virtual public comments. When they are allowed, the city will default to the idea that people have the right to express their opinion, Mendez said.

Still, the city needs tools to protect the community from hate speech, he said.

"We are here to obviously listen and hear people, but it has to be done with decorum and it should not be offensive and it shouldn't be hate speech, none of that," he said. "I don't think there is any place for that in expressing yourself to your government, in particular when it offends and it is really hurtful to a lot of people."

After the Capitola City Council briefly recessed following the comments, Mayor Margaux Keiser said such speech will not be tolerated.

"We here in Capitola are made up of a wide array of people," she said. "All walks of life—male, female, queer, black, white, hispanic. Some of these comments that have been said here tonight are not indicative of our beliefs here in Capitola.

"I will also extend my sincere apologies for anyone that was offended this evening," Keiser said. "I know I was, and I personally won't stand for it."

Watsonville City Councilwoman Kristal Salcido said she wants to see specific language for how the council will allow virtual comments.

"...So what happened earlier can never happen again," she said. "We should not be used as a platform for hate speech. I know we all condemn it. I think we can do better and we will."

lookout.co

Land Trust of Santa Cruz County shares five-year strategic plan - Lookout Local Santa Cruz

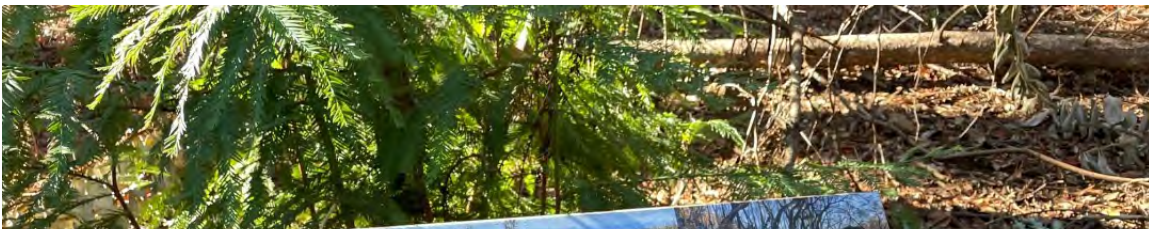
Land Trust of Santa Cruz County

6–7 minutes

Earlier this year, the Land Trust launched its 2023-2027 Conservation Roadmap, which outlines the key priorities and initiatives that will define their projects over the next five years as they approach their 50th anniversary. These priorities align with the organization's vision of a future in which the fantastic diversity of lands that define and connect people to the Santa Cruz County region—the wild and working forests, globally unique wildlife habitats, coastal landscape, and rich farming and ranching heritage—are cared for and preserved far into the future.

We weighed the opportunities before us against the costs, risks, and benefits to continue this work in the most innovative, science-based, and efficient way. Two of the most important questions we asked ourselves were, how urgent is the need for action and how severe is the no-action alternative?

— Sarah Newkirk, Executive Director at the Land Trust





The Land Trust manages public access at San Vicente Redwoods with trails for hikers, mountain bikers, and equestrians.

(Land Trust Santa Cruz County)

The strategic plan is the result of broad community outreach and months of planning among staff and board members. “We worked with a set of criteria to ensure our initiatives and projects not only align with our values but are within our capability and capacity,” said Sarah Newkirk, Executive Director at the Land Trust. “We weighed the opportunities before us against the costs, risks, and benefits to continue this work in the most innovative, science-based, and efficient way. Two of the most important questions we asked ourselves were, how urgent is the need for action and how severe is the no-action alternative?”

A Framework for the Future

The strategic plan identifies four key priorities:





The Land Trust's Watsonville Slough Farm is a place where agriculture and nature thrive side by side. Soon they will invite the community to visit the farm to learn about sustainable agriculture and wetland restoration.

(Land Trust Santa Cruz County)

1. Protect habitat for biodiversity and steward high-value, at-risk lands.

- a. Establish a landscape linkage between the core habitats of the Santa Cruz Mountains and the Gabilan Range to support wildlife movement and adaptation to climate change.
- b. Protect and restore core habitats to recover the rare and endangered species that depend on Santa Cruz County.

2. Protect and manage working lands to address climate change and promote environmental sustainability.

- a. Protect prime farmland from conversion and suburban sprawl, while increasing its sustainability through water conservation, flood management, and enhancement of biodiversity.
- b. Deliver and model climate-friendly and environmentally

sustainable working lands management on Land Trust properties, demonstrating the compatibility of profitable farming with wildlife, water quality, pollinators, and other values.

3. Create access to nature for all, especially under-resourced communities.

- a. Open Watsonville Slough Farm to the public to learn about agriculture and habitats and enjoy local produce.
- b. Leverage our expertise to mobilize partners to provide access to natural and working lands.
- c. Deliver outstanding public access at select Land Trust properties that can be replicated elsewhere in Santa Cruz County.

4. Increase regional public investment and capacity for conservation lands management in Santa Cruz County.

- a. Champion a county-wide open space funding measure.

“We are grateful to our private and public supporters and partners who play a pivotal role in achieving lasting conservation,” adds Newkirk. “We encourage everyone to view the strategic plan on our new website at landtrustsantacruz.org/resources.”



Protecting Rocks Ranch from intensified land use will help safeguard this critical landscape linkage and conserve important habitat for rare and endangered species.

(Land Trust Santa Cruz County)

A New Look to Support a New Plan

Alongside the launch of its new five-year strategic plan, the Land Trust debuted a new website, visual identity, and brand designed to showcase Santa Cruz County in all its diversity. With the site's streamlined navigation, the organization aims to attract and engage people of all ages in the Land Trust's work and vision for the future. "We want people to explore and learn more about our natural environment and the work we are doing to support it," said Newkirk. "We want our new logo—with its mountains, waterways, and agricultural lands—to be truly representative and embraced by members throughout Santa Cruz County. After all, none of our work would be possible without the generous support of our community, who are a part of everything we do."

We are grateful to our private and public supporters and partners who play a pivotal role in achieving lasting conservation.

— Sarah Newkirk, Executive Director at the Land Trust

About the Land Trust of Santa Cruz County

The mission of the Land Trust of Santa Cruz County is to protect, care for, and connect all people to the vibrant natural and working lands that are essential for our community and nature to thrive together for generations to come. To learn more about us and donate to support our work, visit <https://landtrustsantacruz.org/givetoday>.





SANTA CRUZ COUNTY

(Land Trust Santa Cruz County)

[santacruzsentinel.com](https://www.santacruzsentinel.com)

Big Basin Water making progress, still long road ahead

PK Hattis

6–8 minutes

BOULDER CREEK — The precarious state of Big Basin Water Co. is beginning to stabilize, but the private water provider still faces a long and bumpy road ahead.

That was the message delivered by Big Basin’s newly appointed receiver late Thursday night to a crowd of roughly 50 customers packed into the Boulder Creek Fire District station along with 40 more who tuned in via Zoom.

The meeting featured Nicolas Jaber, an attorney and project manager of receiverships with Silver and Wright LLP, which is the law firm tasked in early October by a Santa Cruz County Superior Court judge with managing the water system and bringing it back into compliance with regional standards.

Jaber, who promised the informational gathering would be the first of many to come, started the evening off with some positive news.

Water is flowing

According to Jaber, Big Basin recently increased the water flow interconnection capacity it has with neighboring San Lorenzo Valley Water District that supports its services. The connection previously had a capacity of about 15 gallons per minute and now allows for 62.5 gallons per minute – roughly a fourfold increase.

“What that means as of now is that water hauling is no longer

necessary,” said Jaber.

Until about a week ago, the company, long plagued by leaks and outages, had been trucking in about five to 10 loads of water every day just to keep its customers afloat despite the high cost and inefficiency of such a system. Each load contains 4,000 gallons of water, according to Jaber.

Moreover, Jaber reported that, for the first time in months, the system has water in reserve and its primary tank – known as “well No. 4” – is at 80% capacity.

The Sentinel previously reported that the water system at Big Basin and its roughly 540 customers had suffered from inconsistent service, poor communication and a flurry of enforcement actions which its owners, Jim and Shirley Moore, failed to adequately respond to for years.

The state began pursuing a receivership for the water side of the company this summer, which led to the appointment of Silver and Wright who, despite continued ownership by the Moores, assumed total possession and control of the water system.

“We wear a lot of hats, but at the end of the day, our mission is to serve the customers that are affected by the Big Basin Water Co.,” explained Jaber.

That service became a lot more complicated about two weeks into Silver and Wright’s tenure when the system’s operator and prospective owner, Central States Water Resources, abruptly terminated an operating and purchase agreement that preceded the receiver appointment.

The announcement caught the customers and virtually all private and public entities involved with the company off guard, but Santa Cruz County and Supervisor Bruce McPherson, who was present at the meeting, stepped in with \$40,000 in discretionary emergency funds just to keep the lights on.

Additionally, Jaber said the county was recently able to secure \$240,000 from the California Department of Water Resources to fund the purchase of emergency water. To make it plain, Jaber said without these funding packages, the situation would have been “pretty dire” but at the same time “we are far from being out of the woods; there’s no other way to put it.”

Silver and Wright plans to seek additional grants to cover at least six months of operations at the water company to create some breathing room and ensure local service provider Cypress Water Services, which has been operating the system for months, can continue to do so.

Jaber also said he is “very, very interested” in reopening conversations with the neighboring San Lorenzo Valley Water District and that he has already expressed that to them directly. The two entities have explored a consolidation on several occasions over the years, but talks stalled out after the district estimated it would cost about \$40 million to complete all of the required system repairs to Big Basin.

In the meantime, Jaber added he and his team are still transitioning into their new role and have been waiting on a “slough of documents,” including access to the company’s website and a comprehensive customer list. To send critical information out to customers – such as boil notices – Jaber said he has relied on the county’s new alert and warning system CruzAware instead of sending messages to what he knows to be a partial list.

But, he added, Cypress will be taking all service-related inquiries and has also made rounding out the customer list and creating a proper billing system a top priority.

Big Basin customers can reach Cypress at 831-920-6796 or bigbasin@cypresswaterservices.com.

Wastewater update

While the receivership only applies to Big Basin's water system, the company also owns a wastewater system that has serious issues of its own.

The departure of Central States was also a surprise to Jennifer Epp, a senior engineer with the Central Coast Water Board, which has been assisting in efforts to keep the system functioning after years of disrepair.

Epp said Santa Cruz County Superior Court issued an order Oct. 25 that required Central States – despite its termination announcement – to continue operating the wastewater plant through Nov. 9 in response to a complaint filed the day before by the Water Board.

Later that week, the state also reached a settlement with Central States requiring them to pay outstanding invoices to Cypress, which had also been operating the waste system, as well as provide short-term funds to operate the plant beyond Nov. 9.

"We're still going to have a lot of the same long-term perils that the drinking water system has," said Epp. "The amount of revenue coming in from rates doesn't even come close to covering basic operation. So long term that's the challenge."

Meanwhile, Epp said the system is still up and running, but workers are continuing to "put out fires" on almost a daily basis. However, when it came to whether the state planned to pursue a receivership for the wastewater side of the business, there wasn't much she could share.

"We are evaluating currently whether or not receivership is in the best interest or not for the wastewater system," said Epp. "It is still something we are considering ... but believe me we're thinking about everything and trying to figure out what's best for you all."

[santacruzsentinel.com](https://www.santacruzsentinel.com)

Name Dropping | Water district approves contract for Brian Frus

Santa Cruz Sentinel

4–6 minutes

The San Lorenzo Valley Water District on Friday announced it has approved a contract for Brian Frus to be interim general manager, succeeding General Manager Rick Rogers.

Rogers, who worked for the district for 48 years, retired this month.

Frus, a registered civil engineer who lives in Felton, has worked for the city of Salinas as the manager of the Water, Waste, & Energy division since 2017.

“The district is fortunate that a local resident with Brian’s exceptional resume stepped forward to take on this important role,” said Mark Smolley, district board president, in a prepared release.

The board of directors approved his six-month, \$93,000 contract at its meeting Thursday. Frus will start work at SLVWD on Nov. 20. Carly Blanchard, the district’s environmental programs manager, is serving as acting general manager.

The district’s board of directors continues its [process to select a permanent general manager](#). Smolley noted that Frus would be considered for the permanent position.

[santacruzsentinel.com](https://www.santacruzsentinel.com)

Pajaro Valley Water Management Agency launches strategic plan

Nick Sestanovich

4–5 minutes

WATSONVILLE — Next year will mark 40 years of the Pajaro Valley Water Management Agency. In anticipation of the agency's ruby anniversary, it has launched its Strategic Plan 2024+, which highlights the plans, goals and vision of the organization moving forward.

The [18-page document](#) outlines the history of the agency, its mission, vision and values and provides in-depth goals. The first goal is to operate and maintain a reliable water supply through facilities and infrastructure by developing and implementing a Health and Safety Plan for all of Pajaro Valley Water's projects, collaborating with partners to improve operational efficiencies, strengthening the partnership between the agency and city of Watsonville and developing and implementing a Condition Assessment, Vulnerability Assessment and Asset Management Plan.

Another goal is to promote Pajaro Valley Water through advocacy and policy by engaging local elected officials to benefit Pajaro Valley Water's priorities, working with federal and state policymakers, collaborating with other agencies to address state and federal mandates and continuing to collaborate with flood

management agencies such as the Pajaro Regional Flood Management Agency to identify multi-benefit opportunities.

Other goals include strengthening customs service through improving accessibility on its website to create more real-time customer knowledge of water usage for decision-making, developing a recruitment and retention plan to anticipate planned vacancies in the board and staffing, and developing a Communication and Engagement Plan that would identify priority documents to be translated as needed and requested, develop a multimedia strategy to reach businesses and the public and identify all events with opportunities to engage the community.

“We are excited to continue engaging PV Water’s partnerships and community so we may, together, improve our position and create opportunities for our economy, environment, and way of life for our collective future,” General Manager Brian Lockwood wrote in a statement.

The agency was formed as a result of Bulletin 118-80, which was issued by the California Department of Water Resources in 1980 after identifying the Pajaro Valley as one of 11 basins in the state with critical conditions of overdraft. After voters approved the creation of a single agency to manage the groundwater basin in the 1984 general election, the Pajaro Valley Water Management Agency was formed. Over the years, it has instated a well metering program, established a recharge facility for Harkins Slough, constructed a recycled water facility and started a recharge net metering program.

The agency’s current major project is the construction of a new pump station, water treatment plant and 6-mile pipeline at College Lake, allowing treated water to travel to more than 5,500 acres of farmland throughout the region. The project received a \$7.6 million

grant from the California Department of Water Resources last year and an \$8.9 million block grant from the California Department of Conservation. Ground was broken on the site along Holohan Road in June, and current pipeline construction is taking place along Lakeside, Judd and Riverside roads. The construction is expected to be completed by the end of 2024.

More information on the project can be found at [PVwater.org/construction](https://www.pvwater.org/construction).



Elected officials and current and former members of the Pajaro Valley Water Management Agency Board of Directors break ground on the College Lake water supply project. (Nick Sestanovich — Santa Cruz Sentinel)

lookout.co

Levee agreement marks a watershed moment for the people of Watsonville and Pajaro - Lookout Local Santa Cruz

Christopher Neely

7–9 minutes



Quick Take

A federal, state and local agreement signed last week officially greenlights the construction of a new Pajaro River levee, a project the community has been waiting for since the 1950s. Local officials say the moment has been a long time coming.


Ari Parker’s mother, who passed away earlier this year at 100 years old, often asked her daughter the same question Pajaro and Watsonville residents have asked since the 1950s: Is the levee replaced?

Parker, a Watsonville City Council member, represents the northeast corner of the city near where the Salsipuedes and Corralitos creeks split. Her mother was born and raised in Pajaro. Both mother and daughter have experienced more than a lifetime’s share of floods and levee breaches over the years — two generations whose lives have been shaped under the constant threat of preventable disaster.

“She would ask, ‘Is it fixed? Is it fixed?’ I mean, for so many years that’s what everybody who lives here has asked,” Parker told

Lookout. “The people want this done tomorrow, and I don’t blame them.”

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PROMOTED CONTENT

★ **Land Trust of Santa Cruz County shares five-year strategic plan**

Earlier this year, the Land Trust launched its 2023-2027 Conservation Roadmap, which outlines the key priorities and initiatives that will define their projects over the next five years as they approach their 50th anniversary.

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Parker made the comments as she was leaving an event at Watsonville City Hall on Tuesday that signified that the answer to her mother’s question will soon, finally, be yes.

The local flood management agency and the U.S. Army Corps of Engineers signed an agreement that officially greenlights the construction of a new Pajaro River levee, a project everyone agrees regrettably is long overdue.

The agreement marked the culmination of a nearly 70-year struggle to replace an inadequate levee system. Last week’s event, which drew two members of Congress, federal and state government officials, the speaker of the California Assembly, a state senator and city and county elected officials, moved with the kind of pomp and circumstance typical of elected and government officials.

A coordinated effort to change federal bureaucracy and obtain startup federal and state funds for a \$600 million levee replacement had evaded generations of politicians and government officials. After an hour of recounting of the bureaucratic maneuvers and political playcalling required to push the project forward, I asked a few of the more local officials, such as Parker, how they were thinking about this moment, and what the vulnerable residents along the levee should take away from the latest milestone.

Toward the back of the room of fewer than 75 people, Watsonville City Manager René Mendez quietly looked on as the high-profile elected officials and bureaucrats posed for a photo op around the agreement documents.



Back left to right: California Assembly Speaker Robert Rivas, state Sen. John Laird, U.S. Rep. Zoe Lofgren, Department of Water Resources Director Karla Nemeth and U.S. Congressman Jimmy Panetta watch as Santa Cruz County Supervisor Zach Friend and Maj. Shantel Glass of the U.S. Army Corps of Engineers sign the project partnership agreement in Watsonville.

(Kevin Painchaud / Lookout Santa Cruz)

Mendez, who has been involved in local government in Monterey and Santa Cruz counties for decades, said that when he unsuccessfully applied for the chief county executive position in Monterey County in 2004, the Pajaro River levee replacement was a main part of the interview. Officials wanted to know how Mendez would engage the community and stakeholders to help get the county closer to replacing the levee. At that point, the county had been trying and failing at the project for more than 30 years.

Looking at the crowd of electeds gathered before photographers,

Mendez said he felt as if the region had been working toward this moment for “forever.”

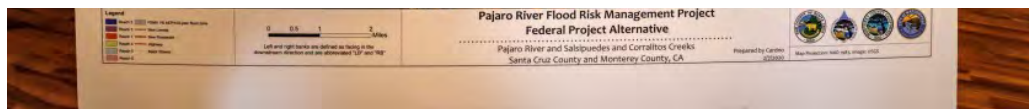
“This is a good sign that something will happen after years of false promises, and false starts,” Mendez said. “I think that’s the message here. It takes a long time and it’s a generational project, and we’re now here, impacting the future.”

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The \$600 million project had long been blocked from qualifying for necessary federal dollars because the U.S. Army Corps of Engineers relied on a funding formula that based a project’s worth chiefly on local property values. Basically, if an area was so low-income that responding to a devastating flood would cost the federal government less money than preventing a devastating flood, the project was unlikely to be considered.





(Kevin Painchaud / Lookout Santa Cruz)

County and state officials from the Central Coast had to convince the U.S. Army Corps of Engineers to change its formula, then convince the state to pitch in critical dollars as well as relax some of its environmental regulations, all of which sounds simpler than the struggle it required. The agreement signed Tuesday unlocks key federal funding that allows construction of the project to begin as early as next summer.

District 2 Santa Cruz County Supervisor Zach Friend, who, as chair of the Pajaro Regional Flood Management Agency, actually signed the agreement with Maj. Shantel Glass of the Army Corps of Engineers, said the frustration of residents along the Pajaro River is “justified.” However, he said a signed agreement meant the region was “moving toward hope.”

“Today is a transition from where we’ve been historically to what future generations are going to experience, which is a fundamentally different economic and life safety situation,” Friend told Lookout. “It is true that we have to weather multiple winters and rainy seasons before the levee is completed. But I’d much rather be in that phase where we know we’re moving toward something than the last seven decades where we haven’t even had a direction. That’s an important shift.”

Friend said the project, expected to break ground in summer 2024, will take “about five years.” That means at least as many winter and rainy seasons spent in consternation over whether the levee will hold.

Last winter’s [unrelenting barrage of atmospheric rivers](#) brought not only historic floods and another levee breach, but also a renewed [desire to hold the government accountable](#) for the infrastructure and response failures through lawsuits. Earlier this month, the Army Corps of Engineers wrapped up repairs on the three sections of

levee that suffered the breach last winter.

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An advertisement for Bay Federal Credit Union's Money Market Advantage. The background is a photograph of a smiling couple, a man with a beard and sunglasses, and a woman with glasses, embracing. The text is overlaid on the left side of the image. The title "Money Market Advantage" is in bold white text on a yellow background. Below it, "Rates as High as 3.04% APY*" is displayed in large white font. Two bullet points in green text list "Minimum opening balance just \$0.01*" and "No monthly service fee". A call to action "Open an account today!" is followed by the website "www.bayfed.com/advantage". The Bay Federal Credit Union logo is on the right, with the text "Federally Insured by NCUA | Equal Housing Lender" below it.

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The [headline heading into this winter is El Niño](#), a cyclical weather pattern over the Pacific Ocean that is as likely to bring another abnormal soaking as it is drier than normal conditions. Karla Nemeth, director of the California Department of Water Resources, said Tuesday that, so far, El Niño has brought drier conditions this year. Although the state remains vigilant in its own role, Nemeth said flood preparation was the “single most important thing” people could do to protect themselves and their families.

As the room began to disperse, Parker reemphasized the call for residents to stay cautious as the region heads into winter, and hold onto the knowledge that a levee replacement is on the way.

“Hang in there, people. We’re moving as fast as government can move, and it’s a miracle that it’s moving faster than it’s ever moved before,” Parker said. “I’m thrilled by that, but at the same time, we need caution. We need to keep preparing for the winters, understand that Mother Nature is going to do what it’s going to do, and we’re going to do our best to keep this moving forward.”

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[santacruzsentinel.com](https://www.santacruzsentinel.com)

Scotts Valley Fire bond measure fails to pass by less than 1%

Jessica A. York

2–3 minutes

SCOTTS VALLEY — Certified election results confirmed Monday that a [\\$22 million Scotts Valley Fire Protection District bond measure](#) would not be able to eke across the finish line.

Measure W, the sole item countywide on November's general election ballot, failed to gain two-thirds of voters' support by several dozen ballots, less than 1% of the vote. After the Santa Cruz County Elections Office conducted a full manual recount, the final results were 3,234 votes or 66.4% in favor, 1,635 votes or nearly 33.6% opposed. The measure needed a 66.7% approval rate to pass.

The percentage in favor and opposed [nearly mirrored the Nov. 7 election-day results](#), prior to a final count of mail-in ballots.

The measure sought community support to relocate the district's aging Erba Lane fire station to a new district-owned piece of land on La Madrona Drive, across from the Hilton Santa Cruz/Scotts Valley hotel. Property owners would have paid for the bond measure to construct a new firehouse through annual taxes estimated at \$27.50 per \$100,000 of assessed property value for

as many as 30 years. A similar ballot measure failed to pass in 2006.

According to Santa Cruz County Elections, about 34% of registered voters weighed in on this month's election.

Scotts Valley Fire Chief Mark Correira, who was hired just a month before the fire district board voted to put the bond measure on the ballot in July, acknowledged his agency's disappointment in the final results Monday, but said he was "still ecstatic that we got it that close." He said the agency's next steps will be in the hands of the district board of directors, who he expects to give at least a preliminary update at its next meeting.

"Nearly a supermajority of the community, overall, supports this measure," Correira said. "Our next steps will be to find out potentially why we didn't get over that hump and then make a decision to come up with other options or move forward with another attempt to get it across the finish line. Because obviously, staying where we're at, it's not feasible and moving to that other location makes a whole lot more sense."

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One of Santa Cruz County's largest water sources is 'critically overdrafted'; fixes are on the way

Max Chun

9–11 minutes

More than 50,000 residents of Santa Cruz County are reliant on a single water source: the dwindling Mid-County Groundwater Basin, which the state deemed “critically overdrafted” nearly a decade ago. Now local agencies are embarking on efforts to boost the ability of the basin to capture more rain during the wet months along with an ambitious plan to replenish the basin’s drinking water supply with recycled wastewater.

A number of agencies — including Soquel Creek Water District, the City of Santa Cruz Water Department, the Central Water District — and several thousand private well owners share the underground basin, a reserve made up of a group of linked aquifers, in an area that encompasses the Eastside of Santa Cruz, Live Oak, Soquel, Aptos and Capitola. That’s a lot of sources for one basin to supply.

That, coupled with California’s extended periods of drought, led the state to designate the basin as “critically overdrafted” in 2014. That means more water is being pumped out of the basin than it can

naturally replenish via rainfall. Out of 500 total basins in California, Mid-County is one of 21 the state has deemed critically overdrafted, and the state has mandated that local bodies form “groundwater sustainability agencies” to find a solution.

Shortage of available water isn't the only problem. Pumping too much groundwater from a basin can lower water levels enough to draw seawater inland, contaminating groundwater with salt. This phenomenon is called seawater intrusion, and it has been observed at several locations of the Mid-County Groundwater Basin as far back as the 1980s.




Pure Water Soquel's microfiltration feed system, which will strain out particulates before sending the water into a microfiltration system.

(Kevin Painchaud / Lookout Santa Cruz)

The local groundwater sustainability agency — made up of the three districts that share the basin along with the County of Santa

Cruz — was the first to have its basin plan approved by the state. Now, two projects are well underway: Pure Water Soquel and the City of Santa Cruz's Aquifer Storage and Recovery (ASR) project seek to address the seawater intrusion problem in the Mid-County Groundwater Basin while also maintaining a stable, reliable water supply for the county's still-growing population.

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These projects aim to provide a larger supply of water for county customers, utilize water that would otherwise typically be released into the ocean, and ensure that local water agencies will not rely as much on surface water sources, like the San Lorenzo River and Loch Lomond Reservoir, to supply residents with water. That's especially vital in an area hit hard by drought, and one dealing with [increasingly uncertain weather](#).

Melanie Schumacher, Soquel Creek Water District special projects communications manager, said that Pure Water Soquel is the result of a year-and-a-half-long [process to figure out a usable water source](#) after the Santa Cruz City Council shelved a joint desalination project between the City of Santa Cruz and Soquel Creek Water District in 2013 over fears of high costs and

environmental impacts.

Using recycled wastewater proved to be a favorable plan B after the desalination project was nixed, in part because it involves using water that would normally be discarded to act as a new source of municipal water. Now, the \$145 million project is just months away from being fully operational, with construction expected to complete by fall 2024.



Melanie Schumacher, special projects communication manager for Soquel Creek Water District.

(Kevin Painchaud / Lookout Santa Cruz)

Pure Water Soquel will take wastewater that has already had pollutants removed and which is typically dumped into the ocean, and instead pump it through 8 miles of pipeline into a new treatment facility, where it will undergo a purification process before it is added to the basin. The hope is that the extra freshwater will provide a sustainable, drought-proof supply of

water to the overdrafted basin and create a barrier against seawater intrusion by raising dwindling water levels, preventing seawater from seeping into the supply.

As much as 8 million gallons of treated wastewater is sent out to the Monterey Bay sanctuary every day, said Schumacher: “We’re trying to recapture some of that and put it to beneficial reuse. This is a source of water that isn’t dependent on rainfall.”

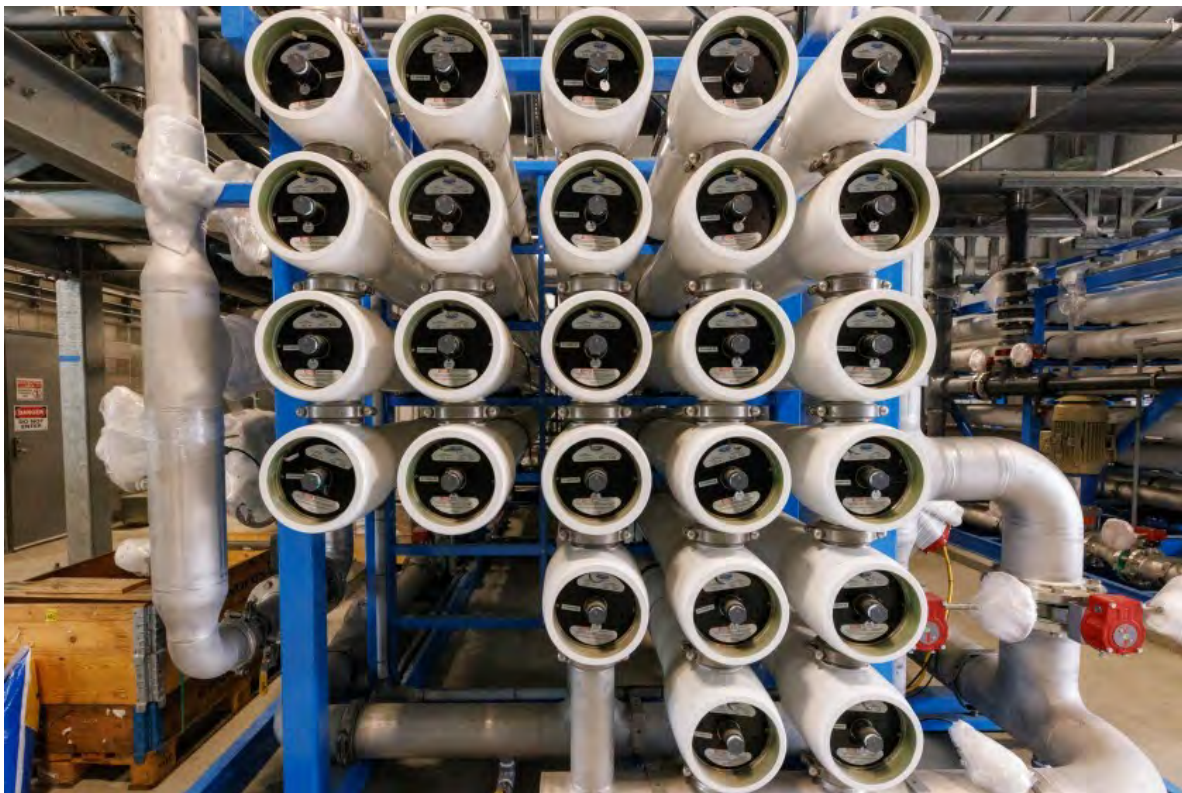
The deluge of [storms that hit the Central Coast this past winter](#) provide another reason that Pure Water Soquel can help to “climate-proof” the region’s water supply. Not only can destructive storms damage vital infrastructure used to get water to community members, they can also greatly contaminate water sources. Streams and rivers, such as the San Lorenzo River that supplies the city of Santa Cruz, saw extremely turbid, muddy waters during the storms, rendering that water too dirty to be effectively treated.

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“When that happens, even though people might think there’s all this water that we can capture and use, those extreme water-quality conditions don’t allow for that water to actually be used,”

said Schumacher. "That's always a threat."



Reverse osmosis skids, a special type of filtration and purification equipment to remove minerals and dissolved solids from water. (Kevin Painchaud / Lookout Santa Cruz)

She explained that, during last winter's storms, Soquel Creek Water District used an intertie — a connection allowing water to pass between two systems — with the city's water department and fed the city supply some of its own water. Pure Water Soquel is expected to make it easier to share water, since the water supply will be more stable.

"We're investing in these kinds of solutions that provide diversification, more reliability, and more resiliency opportunities to come together," she said. "I think that's where we need to go, especially in these extreme weather conditions that we're going to be seeing."

Meanwhile, the City of Santa Cruz is pursuing its own endeavor to

bolster the Mid-County Groundwater Basin supply — the City of Santa Cruz's Aquifer Storage and Recovery project.

The project would allow more water from strong flows during winter rains to be stored in the basin, bolstering supply and preventing seawater intrusion like Pure Water Soquel. However, rather than using recycled water, the city's ASR project would pull from existing sources like the San Lorenzo River and Loch Lomond Reservoir and inject it into the basin via freshwater wells. The goal of this project, which is still in its pre-construction phase, is to augment the basin's water supply so the extra water can be used during drought.

"The idea is that we don't utilize it every year, but only when our other supplies and flowing streams are running low," said Heidi Luckenbach, Santa Cruz Water Department deputy director and engineering manager. "Where Pure Water Soquel is just involved with putting water into the basin, we're putting it in and taking it out when we need it."

She said that the basin has four groundwater production wells, and the city is working to increase capacity for two of them so they are capable of adequately restoring the basin. That work should be completed by mid-2025, and the city is investigating the feasibility of doubling that to eight wells that could be used for water injection in the future.

Luckenbach said it's important for the city to inject as much water as possible into the basin, as both the city and the region as a whole have cut back substantially on water use. Local agencies say they can't ask their customers to cut more than they already have because conservation efforts are already maxed out.

“They’ve already cut everything, they’ve changed up their yards, they’ve improved their appliances to more water efficient versions,” said Luckenbach, who will [take over as city water director](#) in February, replacing the retiring [Rosemary Menard](#).

The project holds benefits for excessively rainy periods as well, since it means the basin will be able to capture more stormwater, which often runs off into the ocean because the ground is too saturated to hold any more.

Wild oscillation between extended periods of dry weather and exceptionally wet weather can sow significant uncertainty regarding how much water the basin can retain in a given year. However, with Pure Water Soquel and the city’s ASR project moving forward, officials say they are looking forward to a not-too-distant future when local water departments can bank on an adequate water supply as they wrestle with a changing climate.

“The water system was designed around a certain weather pattern,” said Luckenbach. “It rained from November to May and it was dry from May to October, the reservoir filled, and repeated. It’s not like that anymore.”

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Pajaro Valley Health Care District board to vote Wednesday on placing \$105M bond measure on March ballot

Hillary Ojeda

4–5 minutes



(Kevin Painchaud / Lookout Santa Cruz)

Quick Take

The Pajaro Valley Health Care District board will vote Wednesday on a resolution that will place a \$105 million bond measure on the March 5 ballot. If the measure is successful, the money will help


fund purchasing the Watsonville Community Hospital buildings and the land they sit on as well as updating hospital equipment and renovations.

The Pajaro Valley Health Care District board will vote Wednesday on whether to ask voters to support a \$105 million bond measure to help Watsonville Community Hospital buy the hospital buildings and the land they sit on and to help fund health care services.

The district currently pays about \$4 million a year to lease the land from Alabama-based investment firm Medical Properties Trust. Hospital leaders say that for the long-term sustainability of the district, the board needs to buy out its landlords, at a purchase price expected to be about \$40 million.

If a majority of the board approves the resolution to pursue the bond measure at Wednesday's meeting, the board will seek to put it on the March 5 ballot.

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"It's crucial and critical that we get this passed," said board chair John Friel. "We've been very fortunate having a lot of support from the community and we believe they'll step up and support us again — knowing that just [purchasing the hospital as we did a year or so](#)

[ago](#) was not the only step that we needed to take for long-term sustainability.”

The district needs more than two-thirds of voters to approve the measure in order for it to pass.

[In a survey](#) of 400 voters in the Pajaro Valley Health Care District, 75.5% said they would vote yes on a bond measure to support Watsonville Community Hospital and 2.5% said they were leaning in that direction. Within the health care district’s boundaries, 42,286 registered voters reside in Santa Cruz County and 4,443 registered voters reside in Monterey County, for a total of 46,729.

In addition to the \$40 million to buy the hospital’s land, Friel said the remaining \$65 million raised through a bond would go toward both the hospital’s operations and infrastructure improvements.

While Friel said all the specifics aren’t yet public, the board compiled a list of items that brought it to the \$105 million estimate. He said generally, the district would use the money to fund projects already in the works, such as a new cardiac catheterization lab, as well as new projects like doubling the size of the emergency department — which could result in 10 new beds.

The hospital also hopes to purchase a new computer system.

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“The computer system that the hospital has is pretty antiquated and needs to be brought up to date,” he said.

Friel added that if the resolution is approved at Wednesday’s meeting, a board committee will continue to clarify what the bond money will be used for so the public will be aware prior to voting in March.

The district’s board meeting will be at 5:30 p.m. Wednesday at the hospital’s Kathleen King Community Room, located at 85 Nielson St. in Watsonville. The public can also attend the meeting [here via Zoom](#) or by phone at (669) 900-9128, webinar ID 934 4306 1917.

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After three years of reporting on public safety in Iowa, Hillary joins Lookout Santa Cruz with a curious eye toward the county’s education beat. At the Iowa City Press-Citizen, she focused on how local... [More by Hillary Ojeda](#)