



**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

Wednesday, August 7, 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: **Board of Supervisors Chambers**
(701 Ocean Street, Room 525, Santa Cruz CA 95060)

HYBRID MEETING PROCESS

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

- a) 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.

3. ADOPTION OF MINUTES

The Commission will consider approving the minutes from the June 5, 2024 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. Santa Cruz Port District Service & Sphere Review

The Commission will consider the adoption of a service and sphere of influence review for the Santa Cruz Port District.

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 the Santa Cruz Port District, 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. 2024-15) approving the 2024 Service and Sphere of Influence Review for the Santa Cruz Port District with the following conditions:

- a. Amend the District's sphere of influence to include the previously excluded portions of the City of Santa Cruz; and
- b. Direct the Executive Officer to distribute a copy of the adopted service and sphere review to the Santa Cruz Port District representatives and any other interested or affected parties, including but not limited to the County of Santa Cruz and the City of Santa Cruz.

6. OTHER BUSINESS

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

a. "Reclamation District No. 2049 Dissolution" – Protest Results

The Commission will consider certifying the results of the protest proceeding held from Monday, July 8 to Wednesday, July 31, 2024.

Recommended Action: Adopt the draft minutes from the July 31, 2024 Protest Hearing and draft resolution (No. 2024-16) certifying the protest period results.

b. AP Triton – Feasibility Study

The Commission will consider the draft feasibility study evaluating the fiscal impacts of annexations involving fire districts' sphere of influence boundaries.

Recommended Actions:

- 1) Receive and file the feasibility study; and
- 2) Direct staff to coordinate with the County of Santa Cruz and CalFire to develop a transition plan to reorganize County Service Area 48 from a dependent special district to an independent fire protection district.

c. Grand Jury Report – LAFCO Response

The Commission will consider a response to the Grand Jury's report titled "*Santa Cruz County Local Roads: A smooth path through paradise or a hell of a road.*"

Recommended Action: Approve the draft comments and direct the Executive Officer to distribute the attached comment letter to the Grand Jury before the September 3, 2024 deadline.

d. CALAFCO Annual Conference

The Commission will receive an update on this year's upcoming annual conference and the CALAFCO Board of Directors election process.

Recommended Actions:

- 1) Designate a Voting Delegate for the upcoming election;
- 2) Approve the proposed nomination for the Mike Gotch Excellence In Public Service Award; and
- 3) Consider covering traveling expenses for Moonshot Missions' representative to participate in a breakout session on behalf of Santa Cruz LAFCO at the upcoming CALAFCO Annual Conference.

e. Comprehensive Quarterly Report – Fourth Quarter (FY 2023-24)

The Commission will receive an update on active proposals, the Commission's work program and adopted budget, recent and upcoming meetings, and other staff activities.

Recommended Action: No action required; Informational item only.

7. WRITTEN CORRESPONDENCE

LAFCO staff receive written correspondence and other materials on occasion that may or may not be related to a specific agenda item. Any correspondence presented to the Commission will also be made available to the general public. Any written correspondence distributed to the Commission less than 72 hours prior to the meeting will be made available for inspection at the hearing and posted on LAFCO's website.

a. Davis Farr LLP – Communication & Engagement Letters

The Commission will review the two letters from LAFCO's new auditing firm.

Recommended Action: No action required; Informational item only.

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 June and July

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. ADJOURNMENT

LAFCO's next regular meeting is scheduled for Wednesday, September 4, 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.santacruzlafo.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, June 5, 2024
Start Time - 9:00 a.m.

1. ROLL CALL

Chair John Hunt 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. He asked the staff to conduct a roll call.

The following Commissioners were present:

- Commissioner Jim Anderson
- Commissioner Justin Cummings
- Commissioner Manu Koenig (*Vice-Chair*)
- Commissioner Rachél Lather
- Commissioner Allan Timms
- Alternate Commissioner Ed Banks
- Alternate Commissioner John Hunt (*Chair*)

Alternate Commissioner John Hunt will be a voting member on behalf of Commissioner Roger Anderson (Regular Public Member 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 shared two announcements with the Commission. First, Mr. Serrano indicated that the meeting was being conducted through a hybrid approach with Commissioners and staff attending in-person while members of the public have the option to attend virtually or in-person.

In his second announcement, Mr. Serrano noted that staff was invited to conduct two upcoming LAFCO 101 workshops, one hosted by the California Association of Resource Conservation Districts and the other for staffers from the offices of Assemblymember Gail Pellerin, Senator John Laird, and Congressman Jimmy Panetta.

3. ADOPTION OF MINUTES

Chair John Hunt requested public comments on the draft minutes. **Executive Officer Joe Serrano** noted no public comment on the item.

Chair John Hunt closed public comments and called for a motion. **Commissioner Rachél Lather** motioned for approval of the May 1st Meeting Minutes and **Commissioner Manu Koenig** seconded the motion.

Chair John Hunt called for a voice vote on the approval of the draft minutes.

MOTION: Rachél Lather
SECOND: Manu Koenig
FOR: Justin Cummings, Manu Koenig, Rachél Lather, and Allan Timms.
AGAINST: None
ABSTAIN: Jim Anderson, John Hunt

MOTION PASSES: 4-0-2

4. ORAL COMMUNICATIONS

Chair John Hunt requested public comments on any non-agenda items. **Executive Officer Joe Serrano** indicated that there were no requests to address the Commission on the item.

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

5. PUBLIC HEARINGS

Chair John Hunt indicated that there were three public hearing items for Commission consideration today.

5a. "BCFPD Station Parcel Extraterritorial Service Agreement"

Chair John Hunt requested staff to provide a presentation on the proposed Extraterritorial Service Agreement (ESA) between a single parcel and County Service Area 7 (CSA 7) for the provision of sewer services.

Executive Officer Joe Serrano informed the Commission that LAFCO received an application from the County requesting an ESA to provide sewer services to an acre parcel owned by the Boulder Creek Fire Protection District (BCFPD). Historically, the parcel received sewer services from the Big Basin Water Company (BBWC). For the past year, the court-appointed receiver for BBWC in partnership with the County, has been able to transfer sewer service responsibility for all but one parcel to CSA 7. The only parcel outside CSA 7 is owned by the BCFPD. Mr. Serrano identified CSA 7 as the most logical provider of sewer services for the parcel and explained that the proposed ESA is

a precursor to future annexation. Mr. Serrano highlighted the partnership between the BBWC court-appointed receiver, the County, and LAFCO in this effort, and stated that the proposed action is consistent with LAFCO law, the Commission's adopted policies, and recommended adopting the draft resolution approving the proposed ESA.

Chair John Hunt requested public comments on the item. **Executive Officer Joe Serrano** indicated that there were no requests to address the Commission on the item. **Chair John Hunt** closed public comments.

Chair John Hunt requested comments or clarifying questions from the Commission. **Commissioner Rachél Lather** inquired about ownership of the BBWC leach fields. **Carolyn Burke**, Assistant Director of Community Development & Infrastructure, explained that the County was working to transfer and receive the assets of BBWC to begin providing maintenance services to the leach fields. Ms. Burke added that the County was focused on getting the plant operational at the Fallen Leaf Neighborhood. Ms. Lather followed up with a clarifying question regarding two specific leach fields. Ms. Burke mentioned that the County would assume maintenance of said leach fields.

Commissioner Justin Cummings motioned for approval of staff recommendation and **Commissioner Manu Koenig** seconded the motion.

Chair John Hunt called for a voice vote on the motion based on the staff recommendation: **Adopt the draft resolution (No. 2024-12) approving the extraterritorial service agreement involving County Service Area 7.**

MOTION: Justin Cummings
SECOND: Manu Koenig
FOR: Jim Anderson, Justin Cummings, John Hunt, Manu Koenig, Rachél Lather, and Allan Timms.
AGAINST: None
ABSTAIN: None

MOTION PASSES: 6-0

5b. "Reclamation District No. 2049 Dissolution"

Chair John Hunt requested staff to provide a presentation on the proposed dissolution of the reclamation district.

Executive Officer Joe Serrano informed the Commission that Reclamation District No. 2049 has been in existence for over a century, but today, it does not have an active board, staff members, website, or office. Working with local stakeholders, LAFCO identified the Pajaro Valley Water Management Agency (PVWMA) as the logical successor agency to continue providing drainage services of College Lake for farming purposes. In March 2023, the district originally submitted an application for dissolution, but it was terminated in February of 2024 due to prolonged inactivity. At the same meeting, the Commission adopted a resolution initiating the dissolution of the reclamation district. Finally, Mr. Serrano stated that the proposed action is consistent with LAFCO law and the Commission's adopted policies and recommended adopting the draft resolution approving the dissolution of the Reclamation District No. 2049.

Chair John Hunt requested public comments on the item. **Executive Officer Joe Serrano** indicated that there were no requests to address the Commission on the item. **Chair John Hunt** closed public comments.

Chair John Hunt requested comments or clarifying questions from the Commission. **Commissioner Jim Anderson** asked about remaining funds for the district. **Executive Officer Joe Serrano** explained that approximately \$40,000 remains in the District's account and determined that all assets and liabilities will be transferred to PVWMA as the successor agency.

Commissioner Justin Cummings inquired on the draining services provided for the past few years. **Executive Officer Joe Serrano** explained that an outside company had been contracted to perform the duty. Since there was no board to adopt a budget for this year, the service was not performed. Moving forward, PVWMA will drain the lake.

Chair John Hunt called for a motion. **Commissioner Rachél Lather** motioned for approval of staff recommendation and **Commissioner Jim Anderson** seconded the motion.

Chair John Hunt called for a voice vote on the motion based on the staff recommendation: **Adopt LAFCO Resolution (No. 2024-13) approving the dissolution of the Reclamation District No. 2049.**

MOTION: Rachél Lather
SECOND: Jim Anderson
FOR: Jim Anderson, Justin Cummings, John Hunt, Manu Koenig, Rachél Lather, and Allan Timms.
AGAINST: None
ABSTAIN: None

MOTION PASSES: 6-0

5c. Service & Sphere Review for County Service Area 57

Chair John Hunt requested staff to provide a presentation on the service and sphere of influence review for County Service Area 57 (CSA 57).

Executive Officer Joe Serrano informed the Commission that CSA 57 is located in the Woods Cove area in the central part of the county, and it provides stormwater drainage services to its residents. Mr. Serrano stated that the CSA has faced fiscal challenges in the last two years and recommended the agency provide more transparency on their website. Additionally, Mr. Serrano informed the Commission that the CSA fulfilled a recommendation made from the previous service and sphere review from 5 years ago which required the development of a long-range plan. Finally, Mr. Serrano stated that the CSA is running efficiently as a public agency and the proposed action is consistent with LAFCO law, the Commission's adopted policies, and recommended adopting the draft resolution approving the service and sphere review for CSA 57.

Chair John Hunt requested public comments on the item. **Executive Officer Joe Serrano** indicated that there were no requests to address the Commission on the item. **Chair John Hunt** closed public comments.

Chair John Hunt requested comments or clarifying questions from the Commission. **Commissioner Rachél Lather** discussed the importance of raising rates accordingly to mitigate the need to pay higher rates in the future for the provision and maintenance of this important municipal service.

Chair John Hunt asked about the long-term maintenance plan submitted to LAFCO by the CSA. **Executive Officer Joe Serrano** explained that for the last service and sphere of influence review, LAFCO recommended the development of a long-term maintenance plan for the CSA, which the County has completed. The plan addressed the CSA's future needs and explained how they would be funded. **Commissioner Rachél Lather** added that there is a need for continued collaboration to pursue and complete important projects.

Rachel Fatoohi, Senior Engineer for Community Development and Infrastructure appreciated LAFCO's recommendations from the last service and sphere review which included developing a long-term maintenance plan. Ms. Fatoohi provided an update on the status of facilities and explained that the current rate structure will fund the maintenance of facilities with timely increases to prevent the need for significant or drastic increases in the future.

Commissioner Jim Anderson asked about the consumer price index (CPI) used to make determinations. Ms. Fatoohi mentioned that they use CPI data provided by Caltrans because it is the most applicable to Santa Cruz County and the most publicly available as well. **Commissioner Manu Koenig** asked about enforcement mechanisms for agencies that continue to deficit spend. Ms. Fatoohi clarified to the Commission that the deficits were a result of the development, and actions from, a master plan and the County does not anticipate future deficit spending.

Chair John Hunt called for a motion. **Commissioner Rachél Lather** motioned for approval of staff recommendation and **Commissioner Manu Koenig** seconded the motion.

Chair John Hunt called for a voice vote on the motion based on the staff recommendation: **Adopt LAFCO Resolution (No. 2024-14) approving the 2024 Service and Sphere of Influence Review for CSA 57 with the following conditions: (A) Reaffirm CSA 57's sphere of influence to coincide with its current jurisdictional boundary; and (B) Direct the Executive Officer to distribute a copy of the adopted service and sphere review to CSA 57 representatives and any other interested or affected parties, including but not limited to the County of Santa Cruz.**

MOTION: Rachél Lather

SECOND: Manu Koenig

FOR: Jim Anderson, Justin Cummings, John Hunt, Manu Koenig, Rachél Lather, and Allan Timms.

AGAINST: None

ABSTAIN: None

MOTION PASSES: 6-0

6. OTHER BUSINESS

Chair John Hunt indicated that there was one business item for Commission consideration today.

6a. Auditing Firm Contract

Chair John Hunt requested staff to provide a presentation on the proposed contractual agreement between LAFCO and an auditing firm for audit preparation services.

Executive Officer Joe Serrano explained that the Commission emphasizes the importance of transparency in all aspects of LAFCO-related business and projects. Mr. Serrano also explained the importance of holding the LAFCO office to the same standard and described how qualified firms were selected for an interview to begin providing auditing services. After conducting a thorough review and interview process in conjunction with four other LAFCOs, it was determined that the most qualified candidate to provide auditing services to Santa Cruz LAFCO was Davis Farr LLP. Staff recommended adopting the draft contractual agreement with the firm for auditing services.

Chair John Hunt requested public comments on the item. **Executive Officer Joe Serrano** indicated that there were no requests to address the Commission on the item. **Chair John Hunt** closed public comments.

Chair John Hunt opened the floor for Commission discussion. **Commissioner Jim Anderson** motioned for approval of staff recommendation and **Commissioner Justin Cummings** seconded the motion.

Chair John Hunt called for a voice vote on the motion based on the staff recommendation: **Approve the contractual agreement with Davis Farr LLP for auditing services.**

MOTION: Jim Anderson

SECOND: Justin Cummings

FOR: Jim Anderson, Justin Cummings, John Hunt, Manu Koenig, Rachél Lather, and Allan Timms.

AGAINST: None

ABSTAIN: None

MOTION PASSES: 6-0

7. WRITTEN CORRESPONDENCE

Chair John Hunt inquired whether there was any written correspondence submitted to LAFCO. **Executive Officer Joe Serrano** indicated that no written correspondence had been submitted.

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

8. PRESS ARTICLES

Chair John Hunt requested staff to provide a presentation on the press articles. **Executive Officer Joe Serrano** indicated that this item highlights LAFCO-related articles recently circulated in local newspapers.

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

9. COMMISSIONERS' BUSINESS

Chair John Hunt inquired whether any Commissioner would like to share any information. Mr. Hunt indicated that there were no requests to share any information.

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

10. ADJOURNMENT

Chair John Hunt adjourned the Regular Commission Meeting at 9:35 a.m. to the next regular LAFCO meeting scheduled for Wednesday, August 7, 2024 at 9:00 a.m.

JOHN HUNT, CHAIRPERSON

Attest:

JOE A. SERRANO, EXECUTIVE OFFICER



Santa Cruz Local Agency Formation Commission

Date: August 7, 2024
To: LAFCO Commissioners
From: Joe Serrano, Executive Officer
Subject: **Santa Cruz Port District Service and Sphere Review**

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 the Santa Cruz Port District ("District") 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 the Santa Cruz Port District, 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. 2024-15) approving the 2024 Service and Sphere of Influence Review for the Santa Cruz Port District with the following conditions:
 - a. Amend the District's sphere of influence to include the previously excluded portions of the City of Santa Cruz; and
 - b. Direct the Executive Officer to distribute a copy of this adopted service and sphere review to the Santa Cruz Port District representatives and any other interested or affected parties.

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 District (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 District's ongoing operations, current financial performance, existing governance structure, ability to provide services, and its importance within its jurisdictional area. The attached report concludes with determinations required by State law. This staff report summarizes the service and sphere review's findings, as shown in the following page.

Purpose & Key Findings

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

1. The District provides harbor services to a population beyond its borders.

The Santa Cruz Port District encompasses 27.9 square miles consisting of the vast majority of the City of Santa Cruz and surrounding unincorporated territory. However, the District also serves a larger regional area that includes the San Francisco Bay area and the San Joaquin Valley. The Santa Cruz Harbor is considered a regional resource and, per the terms of the original agreement to construct the harbor with use of state and federal funding, the District must provide equal boating opportunities to all residents of the state, not just Port District residents. As a result, there is a constant demand for small craft harbor space. Based on staff's analysis, there will be a continued need for services and facilities offered by the District.

2. The District is financially sound.

The Santa Cruz Port District's financial ability to provide services is well established. The District has successfully kept costs below its revenue stream since 2013. Audited financial statements from Fiscal Years 2013 to 2023 indicate that the increase in net position has ranged from \$170,000 to as high as \$6.6 million. As of March 31, 2023, the District is operating with a net position of approximately \$35 million and current assets (ex. cash and cash equivalents) of approximately \$16 million.

3. The District has an active joint agreement with the County and City of Santa Cruz for over 30 years.

Since 1991, the District has redirected its property taxes towards the cost of municipal services provided by the County and the City of Santa Cruz. In exchange for the property tax redistribution, the two local agencies provide police, fire, traffic control, and street maintenance services within the harbor area. While the agreement is automatically extended on an annual basis, it may be beneficial for the affected agencies to review the agreement and make any necessary updates, if warranted.

4. The District's website is a model of accountability and transparency.

Senate Bill 929 was signed into law in September 2018 and requires all independent special districts to have and maintain a website by January 1, 2020. It outlines minimum website data requirements agencies must provide including contact information, financial reports, and meeting agendas/minutes. The Santa Cruz Port District maintains a comprehensive website that exceeds the minimum requirements outlined in SB 929. LAFCO recommends that the District include a copy or link of the latest service and sphere review on their website for additional transparency.

5. The District needs a sphere update.

LAFCO originally adopted a coterminous sphere for the District in December 1988. The sphere has remained the same without activity for almost 40 years. Based on LAFCO's analysis, the sphere boundary should be amended to address existing discrepancies, including but not limited to small portions of the City of Santa Cruz being excluded in the current sphere. State law prohibits "dividing a municipal corporation" (Harbors and Navigation Code Section 6210). LAFCO recommends amending the sphere to include previously excluded portions of the City of Santa Cruz.

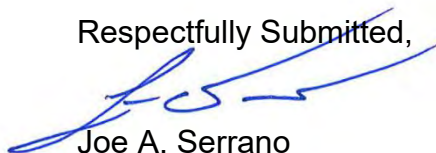
Environmental Review

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 July 16th issue of the Santa Cruz Sentinel (**Attachment 3**). The draft service and sphere review is attached to this staff report. An administrative draft of the report was shared with the District's Port Director Holland MacLaurie as an opportunity to review LAFCO staff's findings and provide corrections and/or feedback before finalizing the report. Additionally, LAFCO staff presented the draft findings to the Port District Board of Directors on July 23rd, responding to their questions and providing more insight into the service review process. The assistance from the District's board and staff, specifically Ms. MacLaurie, in completing this service review was greatly appreciated. In conclusion, staff is recommending that the Commission adopt the attached resolution (refer to **Attachment 4**) approving the service and sphere review.

Respectfully Submitted,



Joe A. Serrano
Executive Officer

Attachments:

1. Service and Sphere Review – Administrative Draft
2. Environmental Determination – Categorical Exemption
3. Public Hearing Notice
4. Draft Resolution No. 2024-15

cc: Holland MacLaurie, Santa Cruz Port District

Santa Cruz Port District

Service and Sphere of Influence Review



August 1, 2024 (Draft Version)

Local Agency Formation Commission of Santa Cruz County

701 Ocean Street, Room 318-D Santa Cruz, CA 95060

Website: www.santacruzlafco.org

Phone: (831) 454-2055



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EXECUTIVE SUMMARY

Introduction

This Service and Sphere of Influence Review provides information about the services and boundaries regarding the Santa Cruz Port District (referred to as “SCPD” and “District”). 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 conducted for SCPD was adopted on August 7, 2019.

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.

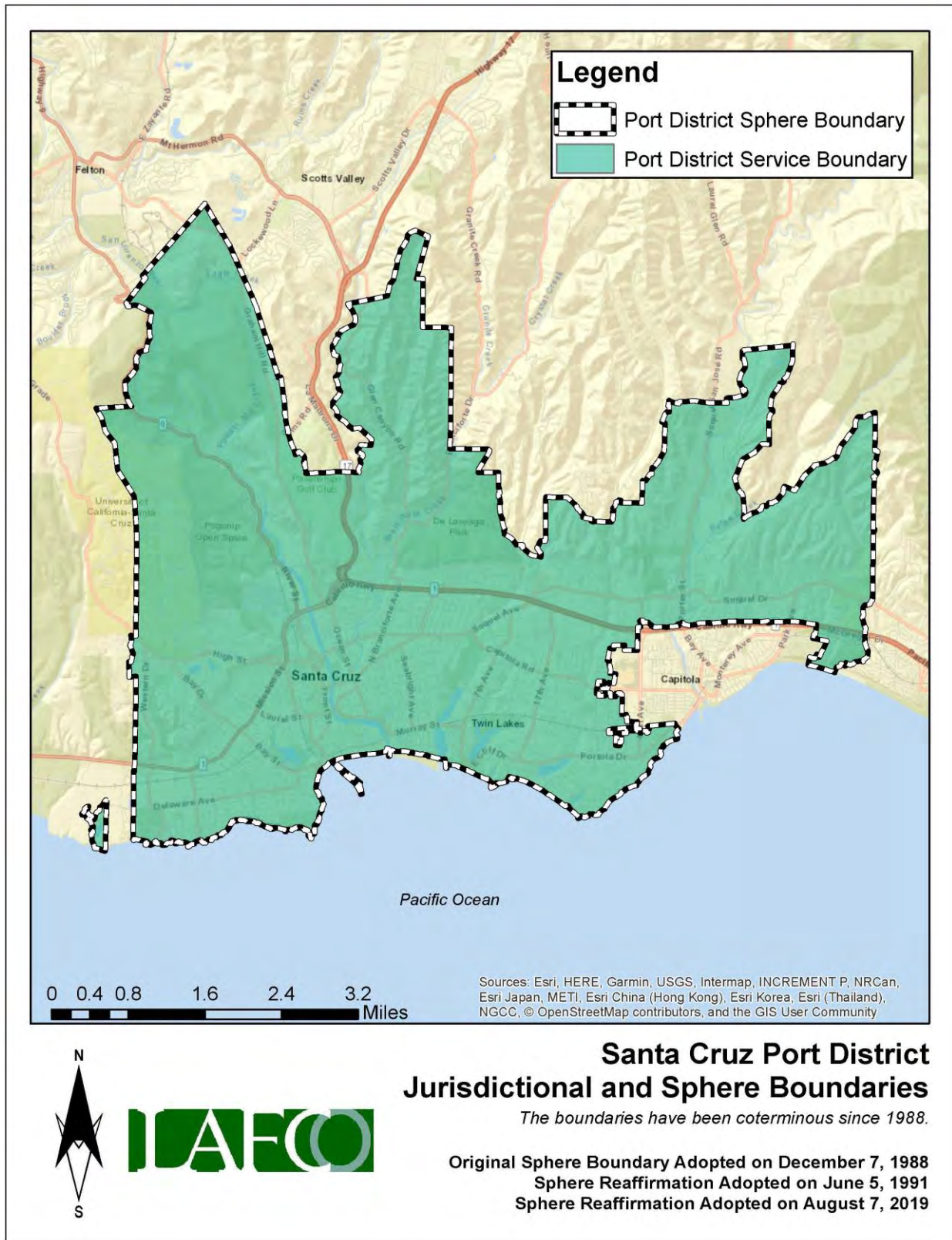
Service and sphere reviews are informational documents and are generally exempt from environmental review. LAFCO staff has conducted an environmental review of the District’s existing sphere of influence pursuant to the California Environmental Quality Act (CEQA) and determined that this report is exempt from CEQA. Such an 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]).

Service Provision

The Santa Cruz Port District was formed in 1950 by petition of the voters to provide for and manage small craft harbor facilities in Santa Cruz County. The Santa Cruz Port District offers slip renter services including wet berthing and dry storage, as well as visitor services such as visitor berthing, launching and parking. The District also leases space for restaurants, retail, office, and marine commercial businesses. The District’s facilities are in-demand with an extensive wait list for all the slips and most dry storage spaces.

The District’s jurisdictional boundary borders the Pacific Ocean and encompasses a 27.9 square mile area that includes the City of Santa Cruz. The service area for the Santa Cruz Harbor was defined by the United States Army Corps of Engineers after review of data provided by the United States Coast Guard and Collector of Customs. **Figure 1** on page 3 provides a vicinity map showing the location of the District on the central coast of Santa Cruz County.

Figure 1: Vicinity Map



Key Findings

The following are key findings of the 2024 Service and Sphere of Influence Review for the Santa Cruz Port District:

1. The District provides harbor services to a population beyond its borders.

The Santa Cruz Port District encompasses 27.9 square miles consisting of the vast majority of the City of Santa Cruz and surrounding unincorporated territory. However, the District also serves a larger regional area that includes the San Francisco Bay area and the San Joaquin Valley. The Santa Cruz Harbor is considered a regional resource and, per the terms of the original agreement to construct the harbor with use of state and federal funding, the District must provide equal boating opportunities to all residents of the state, not just Port District residents. As a result, there is a constant demand for small craft harbor space. Based on staff's analysis, there will be a continued need for services and facilities offered by the District.

2. The District is financially sound.

The Santa Cruz Port District's financial ability to provide services is well established. The District has successfully kept costs below its revenue stream since 2013. Audited financial statements from Fiscal Years 2013 to 2023 indicate that the increase in net position has ranged from \$170,000 to as high as \$6.6 million. As of March 31, 2023, the District is operating with a net position of approximately \$35 million and current assets (ex. cash and cash equivalents) of approximately \$16 million.

3. The District has an active joint agreement with the County and City of Santa Cruz for over 30 years.

Since 1991, the District has redirected its property taxes towards the cost of municipal services provided by the County and the City of Santa Cruz. In exchange for the property tax redistribution, the two local agencies provide police, fire, traffic control, and street maintenance services within the harbor area. While the agreement is automatically extended on an annual basis, it may be beneficial for the affected agencies to review the agreement and make any necessary updates, if warranted.

4. The District's website is a model of accountability and transparency.

Senate Bill 929 was signed into law in September 2018 and requires all independent special districts to have and maintain a website by January 1, 2020. It outlines minimum website data requirements agencies must provide including contact information, financial reports, and meeting agendas/minutes. The Santa Cruz Port District maintains a comprehensive website that exceeds the minimum requirements outlined in SB 929. LAFCO recommends that the District include a copy or link of the latest service and sphere review on their website for additional transparency.

5. The District needs a sphere update.

LAFCO originally adopted a coterminous sphere for the District in December 1988. The sphere has remained the same without activity for almost 40 years. Based on LAFCO's analysis, the sphere boundary should be amended to address existing discrepancies, including but not limited to small portions of the City of Santa Cruz being excluded in the current sphere. State law prohibits "dividing a municipal corporation" (Harbors and Navigation Code Section 6210). LAFCO recommends amending the sphere to include previously excluded portions of the City of Santa Cruz.

Recommended Actions

Based on the analysis and findings in the 2024 Service and Sphere of Influence Review for the Santa Cruz Port District, 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 the Santa Cruz Port District, 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. 2024-15) approving the 2024 Service and Sphere of Influence Review for the Santa Cruz Port District with the following conditions:
 - a. Amend the District's sphere of influence to include the previously excluded portions of the City of Santa Cruz; and
 - b. Direct the Executive Officer to distribute a copy of the adopted service and sphere review to the Santa Cruz Port District representatives and any other interested or affected parties, including but not limited to the County and the City of Santa Cruz.



DISTRICT OVERVIEW

History

The Santa Cruz coast area was first surveyed in the early 1900s by the United States Army Corps of Engineers for the purpose of establishing a safe harbor in this portion of the Monterey Bay. The harbor was re-surveyed in the Fall of 1949 and, after extensive field studies and numerous meetings with affected local, state, and federal agencies, it was concluded that the Santa Cruz area was an appropriate location for a harbor. The Santa Cruz Port District was then established in 1951 to provide management during the construction phase of the Santa Cruz Harbor. The south (lower) harbor was completed in 1964 and has 390 designated docking areas for vessels known as “slips.” The north (upper) harbor was completed in 1973 and has 586 slips. The Port District continued to operate after construction was complete. Today, the District provides year-round services and operations, specifically through seven programs: (1) Harbor Patrol, (2) Marina Management, (3) Rescue Services, (4) Parking Services, and (5) Events, (6) Fuel Services, and (7) Boatyard. The District also publishes a free newsletter to inform the public about its ongoing operations, upcoming events, and status reports on a periodic basis. **Appendix A** provides a copy of the latest newsletter (Spring 2024).

Service Area

The District boundaries encompass a 27.9 square mile area that includes the majority of the City of Santa Cruz and unincorporated area to the north and east of the city. The service area for the Santa Cruz Harbor was defined by the United States Army Corps of Engineers after review of data provided by the United States Coast Guard and Collector of Customs. The boundaries of the Port District encompass almost one-sixth the total area of Santa Cruz County. The lower harbor, south of the Murray Street and Southern Pacific Railroad bridges, was completed in 1964. The upper harbor, north of the bridges, was completed in 1973. **Figure 1** shows the District’s jurisdictional and sphere of influence boundaries.

Services and Operations

The Santa Cruz Harbor is a commercial fishing and full-service small craft harbor. It is bordered by Seabright Beach, Harbor Beach and Twin Lakes State Beach southwest and southeast of the jetties, residential development on the east and west, and the Arana Gulch greenbelt, owned by the City of Santa Cruz on the north. Permanent jetties placed along the east and west sides of the Harbor’s entrance channel provide year-round access to the Monterey Bay and Pacific Ocean. At present, the Santa Cruz Port District encompasses approximately 38 acres of land and 52 acres of water area, and offers an array of services including wet berthing, dry storage, visitor berthing, launching, and over 1,000 parking spaces.

The District owns the land within its jurisdictional boundary and leases space for restaurant, retail, office, and marine commercial businesses. The Santa Cruz Port District also accommodates non-profit foundations, such as the O’Neill Sea Odyssey, Save Our Shores, and Clean Oceans International. Though the majority of boat use within the District is for recreational purposes, Santa Cruz Harbor provides berthing for a small

commercial fishing fleet, numerous commercial charter operations, the marine education foundation O'Neill Sea Odyssey, the U.S. Coast Guard, the California Air National Guard, and a commercial vessel towing service. As a result, the District's facilities are in high demand and require maintaining a wait list for all of the slips and most dry storage spaces. **Tables A and B** show the approximate wait time for each harbor slip. Slips can range from 20 to 60-feet long.

Table A – Approximate Wait Time for Harbor Slips

South Harbor	
24-Foot Slip	5 Years
30-Foot Slip	22 Years
40-Foot Slip	23 Years
50-Foot Slip	23 Years
60-Foot Slip	16 Years

Table B – Approximate Wait Time for Harbor Slips

North Harbor	
20-Foot Slip	2 Years
25-Foot Slip	3 Years
30-Foot Slip	3 Years
35-Foot Slip	5 Years
40-Foot Slip	5 Years
45-Foot Slip	5 Years

As of June 1, 2024, the District has over 1,000 names on the wait list. The approximate wait time for a slip to become available varies but on average it takes around 20 years for south harbor locations and around six years for slips in the north harbor area. In addition to harbor slips, there are also approximately 275 dry-stored vessels spaces available and over 200 storage spaces for kayaks and dory-type vessels with minimal wait time. **Table C** on page 8 provides a listing of the District's current fees and rate for all services.

Dredging Services

The Port District's dredging operation occurs between November and April of each year. This has occurred each year since the harbor was first constructed in 1964. Sand, which moves downcoast through the process of littoral drift, becomes trapped in the harbor entrance channel. The dredging operation picks up the sand deposited in the entrance and places it downcoast, bypassing the east jetty, so it can continue to provide replenishment and protection downcoast of the harbor. *Why is this important?* The District supports a wide array of commercial and recreational activities that have a significant impact on our local economy. Without the ability to perform annual maintenance dredging, shoaling occurs and closes the facility. In other words, dredging is what makes the Port District a harbor. The Port District is the only small craft harbor that has agreed to assume responsibility for and share in the cost of dredging a federal navigation channel. The Port District maintains a cooperative agreement with the US Army Corps of Engineers, which sets the Corps' reimbursement rate at 35% of actual average annual expenses based on actual expenditures for the previous 5-year period. Accordingly, the annual federal reimbursement was set at \$525,000 for the period 2020-2024. The Port District's current annual dredging expenses equate to approximately \$1,700,000.

Table C – District Rates and Fees

Rates & Fees	Description
South Harbor	
Single Side	\$15.00/foot
Double Side	\$16.51/foot
AA Dock	\$25.50/foot
ABC Dock	\$30.00/foot
North Harbor	
20' (Including Inside-Ties)	\$13.47/foot
25'/30'	\$14.19/foot
35'/40'	\$14.58/foot
Wide 45'	\$16.74/foot
Dory-Tie	\$72.64/month
Dry Storage	
7th & Brommer Gravel Lot	\$138.36/month
North Harbor Paved Lot	\$148.04; \$178.49; \$193.70/month
Catamaran Storage	\$69.16/month
Kayak Rack Storage	\$65.03/month
Additional Fees	
Gate, Restroom, Shower Key	\$20 (non-refundable for first 3)/\$80 (non-refundable for 4+)
Unattended Electrical Use	\$38 for 30 AMP/\$54 for 50 AMP
Annual Waiting List	\$125/year
Annual Slip Leave Option	\$300/year
Other Fees	
Liveaboard Fees	<p>\$250 application fee; Monthly Per Person Cost (age 16 and older): \$135; Monthly Variable Utilities Fee: 30% of Slip Rent</p> <p>Liveaboard privileges are subject to Harbormaster approval and will not be granted to individuals possessing a temporary one-year slip license agreement. A \$250 application fee is required for all liveaboard applications. Pets are not permitted to liveaboard.</p>
Partnership Fee	<p>Monthly Partnership Fee:</p> <p>1 Partner 5% of Slip Rent 2 Partners 10% of Slip Rent 3 Partners 15% of Slip Rent</p> <p>Vessels held in partnerships or limited liability companies are acceptable as long as the original slip licensee remains financially involved, and personally active in the vessel. Harbormaster approval is required before transferring a vessel into a partnership or limited liability company.</p>
Sublease Fee	<p>Monthly Sublease Fee: South Harbor: 30% of Slip Rent; North Harbor: 15% of Slip Rent</p> <p>Slip licensees are permitted to enter into a sublease agreement for their slip for a maximum period of up to six months. If a sublease agreement is made, both parties must register with the harbor office. The regular slip licensee will be billed monthly as usual and will remain responsible for all bad debts.</p>
Late Fees & Interest Charges	<p>A late fee of \$25 is assessed on balances due after the 20th of each month.</p> <p>Interest in the amount of .833% is assessed to all outstanding balances on the last day of each month. The late fee and interest amounts charged are established and may be changed from time to time by the Port District and as published on the Port District's fee schedule.</p>

Santa Cruz Harbor Patrol

The Harbor Patrol, with the assistance of contract operators, currently provides security and enforcement of Port District ordinances, California Harbors and Navigation Codes, and Penal and Vehicle Codes. Deputy Harbormasters provide site security and traffic control, make arrests, prepare incident reports and provide mutual aid response to other law enforcement agencies if requested. In addition to law enforcement duties, Deputy Harbormasters perform vessel search and rescue services, and a wide range of program management and customer services. In FY 2022-23, 8 full-time employees were assigned to Harbor Patrol with a budget of approximately \$807,000. Staffing levels have remained static under the current fiscal year (FY 2024-25). The District has 8 full-time employees assigned in this program with a current budget of approximately \$884,000.

The County of Santa Cruz does not maintain its own marine search and rescue unit, and instead relies on the Santa Cruz Harbor Patrol vessel and crew to provide first responder marine search and rescue services within the County's jurisdiction. Rescues performed are conducted under the Coastal Incident Response Plan in coordination with City, County and State resources. The County of Santa Cruz provides financial support for the Rescue Services and Harbor Patrol programs which was increased in the County's 2019-20 budget from approximately \$24,000 per year to \$50,000 per year. The United States Coast Guard staffs its Santa Cruz station in the harbor on various weekends between Memorial Day and Labor Day. The Harbor Patrol and Coast Guard coordinate joint efforts on those days.

Marina Management

Deputy Harbormaster and Operations staff manage and assigns berths and dry storage space, monitors docks and dry storage areas for safety, staff the front counter 362 days per year, administer invoicing and payment processes, monitor vessel use and confirm current registration, perform vessel serviceability checks and electrolysis checks on an as needed basis, manage the wait list, develop delinquency reports, conduct lien sales, and provide customer service. In FY 2022-23, 1.5 full-time employees were assigned to Marina Management with a budget of approximately \$543,000. Staffing has remained static under the current fiscal year (FY 2024-25). The District has 1.5 full-time employees assigned in this program with a current budget of approximately \$633,000.

Rescue Services

Rescue services are provided by the Harbor Patrol aboard two patrol vessels. Vessel maintenance and harbor patrol staffing for the marine search and rescue program are funded out of two budget programs: Harbor Patrol and Rescue Services. As noted above, the County of Santa Cruz provides annual financial support for this program. The Port District had previously contracted with the City of Santa Cruz to provide staffing and oversight of the Harbor Beach lifeguard program. The Port District presently contracts with State Parks to provide lifeguard service. In FY 2022-23, full-time harbor patrol staff provided oversight and administration of the Rescue Services program with a budget of approximately \$108,000. Staffing has remained static under the current fiscal year (FY 2024-25), with harbor patrol staff providing oversight of this program with a budget of approximately \$154,000.

Parking Services

Parking services encompass year-round staffing of the concession parking lot serving 2222 East Cliff Drive, the Crow's Nest and its Beach Market (Café el Palomar), the SUP Shack and Harbor Beach; beach parking permit sales; slip licensee and employee parking permits; launch ramp parking and permits; water taxi and shuttle van services, and parking ordinance enforcement. Revenues from parking meters, pay stations, permit sales and concession lot receipts are used to fund parking services. In FY 2022-23, the equivalent of 1.5 full-time employees were assigned to Parking Services with a budget of approximately \$389,000, and up to 20 part-time, seasonal personnel as well. Under the current fiscal year (FY 2024-25), the District has the equivalent 1.5 full-time employees assigned in this program and up to 20 part-time, seasonal personnel with a budget of approximately \$409,000.

Fuel Services

The Port District took over operation and maintenance of the harbor's only fuel dock in July 2010. The program is managed by the Deputy Harbormaster staff. Recurring program costs include full and part-time staff, fuel purchases, taxes, storage tank fees, maintenance and insurance, inspections, training, regulatory compliance and spill prevention equipment and supplies. In FY 2022-23, full and part-time employees were assigned to Fuel Services with a budget of approximately \$806,000. Under the current fiscal year (FY 2024-25), the District has the equivalent of 5 full-time employees assigned in this program with a budget of approximately \$523,000.

Events

This program is jointly managed by the District's Operations and Administrative Department, and comprises permitting, transportation and security for special events such as the Crow's Nest Thursday night beach barbecues, beach volleyball tournaments, regattas, and other community events. In FY 2022-23, the equivalent of .4 full-time employees were assigned to Events with a budget of approximately \$23,000. Under the current fiscal year (FY 2024-25), the District has the equivalent of .4 full-time employees assigned in this program with a budget of approximately \$34,000.

Santa Cruz Harbor Boatyard

The Port District took over operation and maintenance of the boatyard on February 1, 2014 and opened on April 7, 2014 as a *Do-It-Yourself* (DIY) facility. Boaters may perform their own work or hire contractors from a list of registered contractors authorized to work in the yard. Recurring program costs include staff, fuel purchases, taxes, storage tank fees, inspections, permitting and environmental compliance, spill prevent equipment, supplies, stormwater filtration costs, and equipment maintenance. In FY 2022-23, 2 full-time and 1 part-time employees were assigned to the Harbor Boatyard with a budget of approximately \$365,000. Staffing has remained static under the current fiscal year (FY 2024-25). The District has 2 full-time and 1 part-time employees assigned in this program with a budget of approximately \$431,000.

Population and Growth

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. In general, the Coastal Region is anticipated to have a slow growth over the next twenty years. Based on this slow growth trend, the population for unincorporated lands is expected to increase by 0.86% and 5.18% for the City of Santa Cruz. While official growth projections are not available for special districts, the population for the City of Santa Cruz, which is located within SCPD, was estimated to be around 64,000 in 2020. Based on staff's analysis, the population of SCPD in 2020 was approximately 99,000. **Table D** shows the anticipated population within SCPD.

Population Projection

Based on the projections for Santa Cruz County, LAFCO was able to develop a population forecast for the Santa Cruz Port District. LAFCO staff increased the District's 2020 population amount by 3.34% each year: the average between the growth rate for the County (0.86%) and the City (5.18%). Under this assumption, our projections indicate that the entire population of SCPD will be approximately 113,000 by 2040.

Table D: Projected Population

	2020	2025	2030	2035	2040	Average Rate of Change
Santa Cruz County (unincorporated area)	136,891	137,896	139,105	140,356	141,645	0.86%
City of Santa Cruz	64,424	68,845	72,218	75,257	78,828	5.18%
Santa Cruz Port District	98,945	101,964	106,072	109,193	112,853	3.34%

Disadvantaged Unincorporated Communities

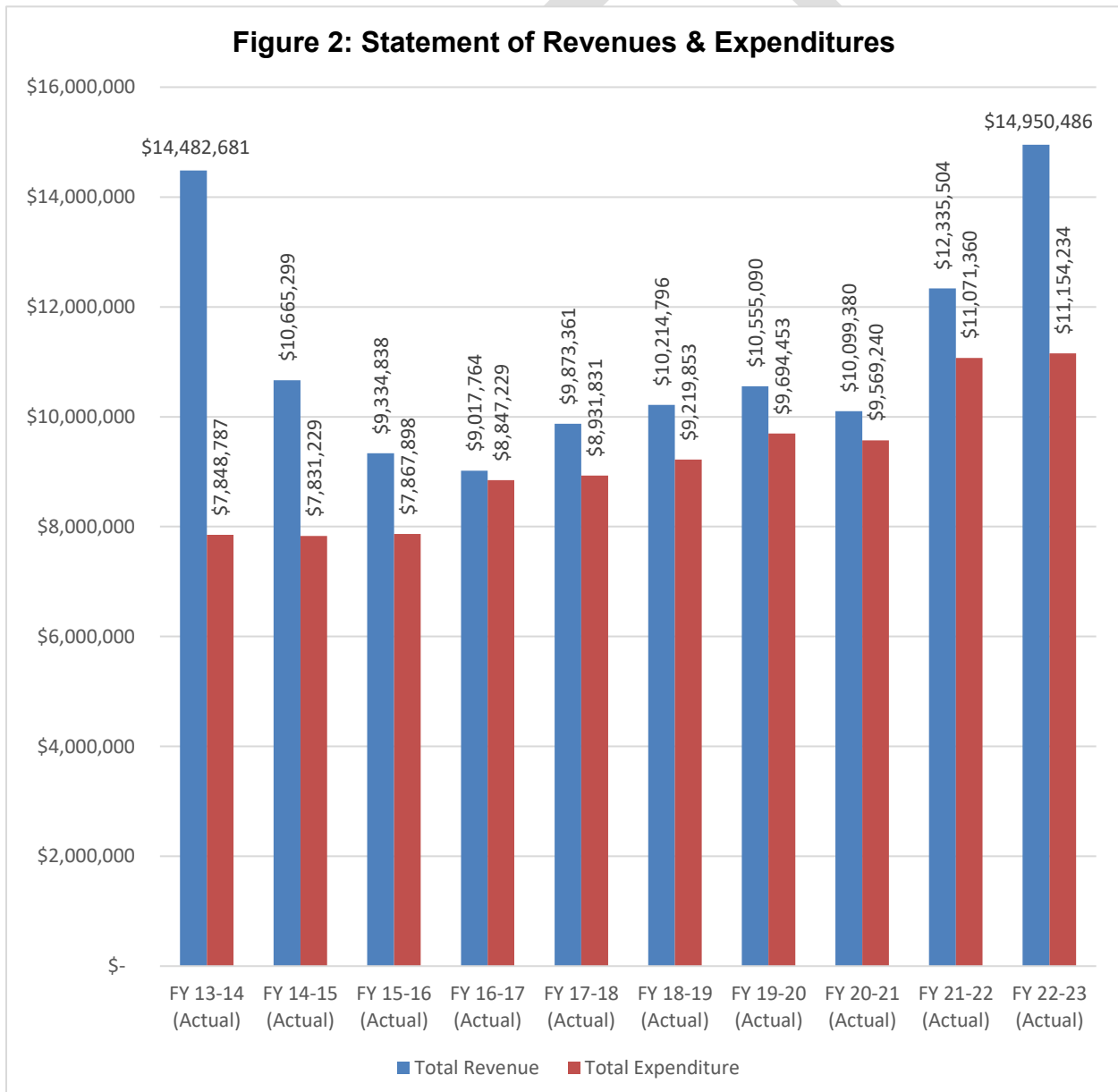
State law requires LAFCO to identify and describe all “disadvantaged unincorporated communities” (DUCs) located within or contiguous to the existing spheres of influence of cities and special districts that provide fire protection, sewer, and/or water services. DUCs are defined as inhabited unincorporated areas with an annual median household income that is 80% or less than the statewide annual median household income.

In 2020, the California statewide annual median household income was \$78,672, and 80% of that was \$62,938. LAFCO staff utilized the ArcGIS mapping program to locate potential DUCs in Santa Cruz County. It is important to note that the Santa Cruz Port District is not subject to SB 244 because it does not provide water, sewer, or fire service, and therefore, no further analysis is required.

FINANCES

This section will highlight the District's financial performance during the most recent fiscal years. Fiscal Year 2022-23 is the latest audited financial statement available. LAFCO evaluated the District's financial health from 2013 to 2022. A comprehensive analysis of SCPD's financial performance during the past 10 years is shown in **Tables G and H** on pages 17-18.

At the end of Fiscal Year 2022-23, total revenue collected was approximately \$15 million, representing a 21% increase from the previous year (\$12 million in FY 21-22). Total expenses for FY 2022-23 were approximately \$11.2 million, which increased from the previous year by 1% (\$11 million in FY 20-21). SCPD has ended with a surplus each year for the past decade, as shown in **Figure 2**. LAFCO staff believes this positive trend may continue as the District mostly relies on charges for services rather than property taxes or other stagnant revenue streams.



Operating and Non-Operating Revenue

Operating Revenue

The Santa Cruz Port District's primary source of revenue is from Charges for Berthing & Services. The rates for berthing and other harbor-related services are reviewed annually, and any proposed increases are approved through a public process. In FY 2022-23, Charges for Berthing and Services totaled \$9 million, representing approximately 61% of the total revenue stream for that fiscal year. Earnings in Rent and Concessions were estimated at \$2 million, representing 14% of total revenue in FY 2022-23. Overall, operating revenue represents 75% of the District's entire revenue stream. **Table E** highlights the operating revenue funds for FY 2022-23.

Non-Operating Revenue

In FY 2022-23, the District collected approximately \$3.8 million in non-operating revenue. Non-cash pension income (\$1 million), grants related to the 2022 tsunami damage (\$887,000), and dredging reimbursement (\$525,000) are the largest contributors to the non-operating revenue stream. Federal and state grants for the construction, acquisition, improvement of capital assets, or assistance for dredging costs are recorded as capital contributions. Revenues for reimbursement grants are recorded when allowable expenditures are made. Since 1986, the District has taken over responsibility for maintenance dredging of the federal entrance channel from the United States Army Corps of Engineers (Corps) under a Cooperative Agreement. In November 2015, the District entered into an agreement with the Corps to reimburse the District for a portion of the actual dredging costs, only if federal funds are specifically appropriated for that purpose. The agreement terminates on April 1, 2025. Due to the uncertainty of the availability of federal funding, reimbursement funds are recorded when received. **Table E** highlights the non-operating revenue funds for FY 2022-23.

Table E: Fiscal Year 2022-23 Revenue Breakdown (audited data)

Operating Revenues:	(\$)	(%)
Charges for Berthing & Services	\$9,060,943	60.61%
Rent & Concessions	\$2,111,024	14.12%
Non-Operating Revenues:		
County Revenues for Public Services	\$50,000	0.33%
Grants	\$32,393	0.22%
Grants (Tsunami Damage)	\$887,363	5.94%
Dredging Reimbursement	\$525,000	3.51%
Interest Income	\$668,274	4.47%
Non-Cash Pension Income	\$1,010,262	6.76%
Other Income	<u>\$605,227</u>	<u>4.05%</u>
Total Revenue	\$14,950,486	100.00%

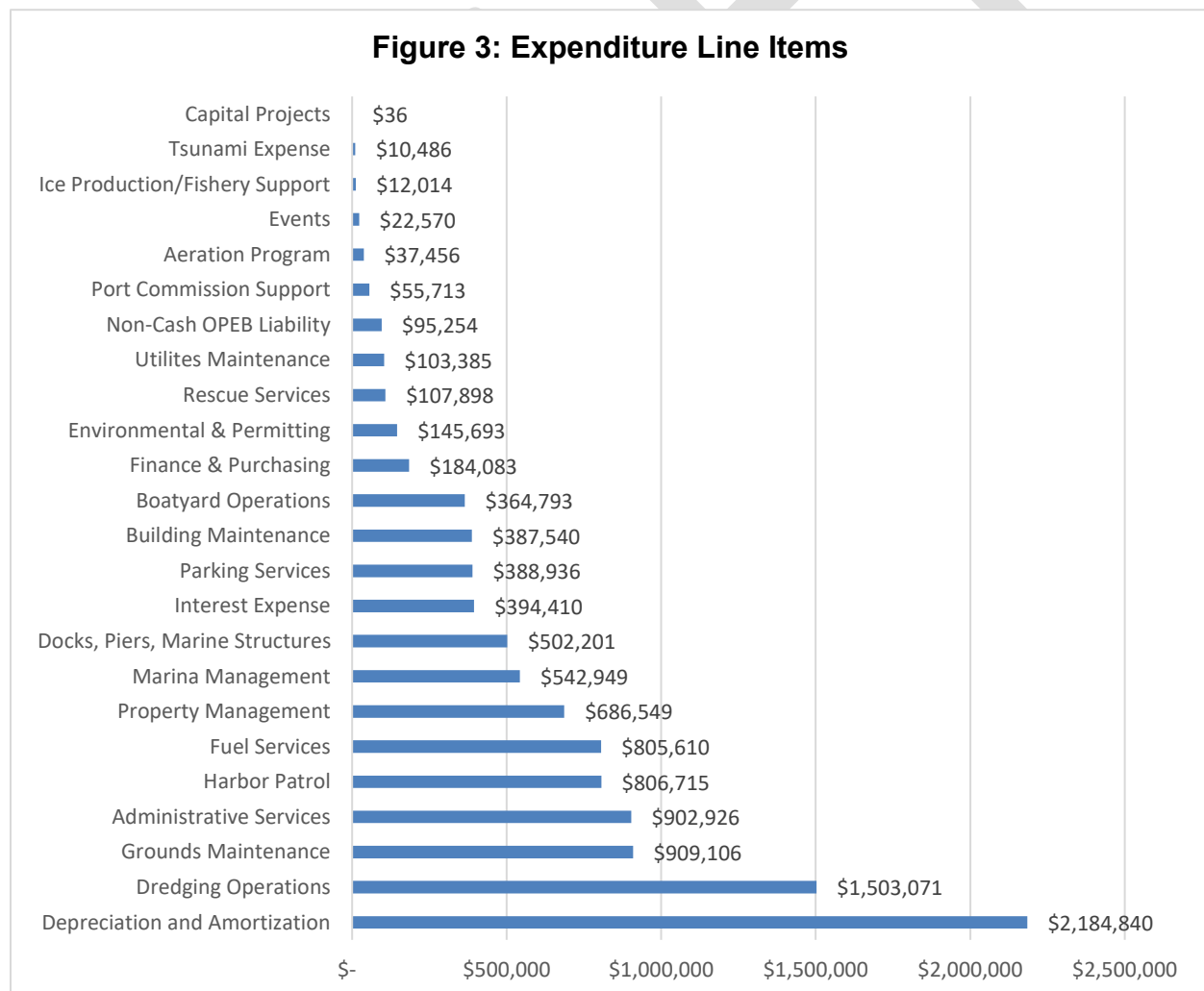
Operating and Non-Operating Expenditure

Operating Expenditure

Total expenditure for FY 2022-23 was approximately \$11 million. Operating expenditures represent 96% of the District's total expenditure with Depreciation & Amortization (\$2.2 million), and Dredging Operations (\$1.5 million) being the top two expenses. The remaining operating expenditures include but are not limited to grounds maintenance, administrative services, harbor patrol, boatyard operations, rescue services, and capital projects. **Figure 3** outlines all operating expenditures for FY 2022-23.

Non-Operating Expenditure

In FY 2022-23, the District's non-operating expenditure only included two expense categories: Tsunami Expense (\$10,500) and Interest Expense (\$394,000). It is important to note that the District previously experienced tsunami expenses totaling \$28,000 and \$17,000 in FY 2015-16 and FY 2016-17 respectively to address the aftermath of the 2011 tsunami. In 2022, tsunami damages and expenses again affected the District's operation, services, and infrastructure. An analysis of the tsunami and other natural disasters will be discussed later in the report.

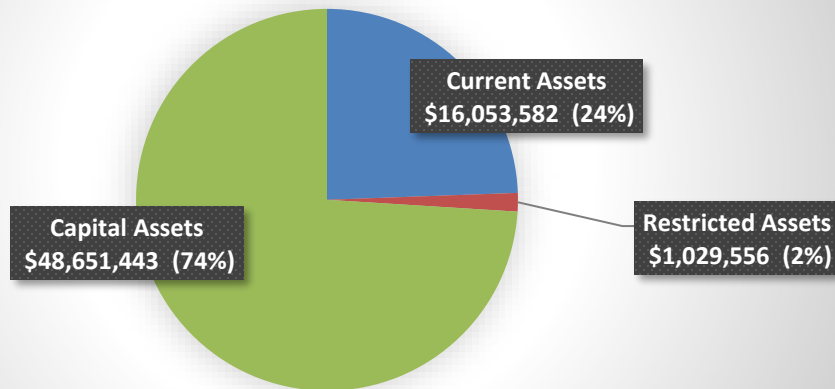


Assets & Liabilities

District Assets

As of March 31, 2023, the District has approximately \$66 million in total assets. This represents an increase of approximately \$16 million or 31% from FY 2021-22's total assets of \$52 million. Total assets can be categorized into three types: Current Assets, Restricted Assets, and Capital Assets. In FY 2022-23, current assets were approximately \$16 million, restricted assets were approximately \$1 million, and capital assets were approximately \$49 million (less accumulated depreciation). As shown in **Figure 4**, capital assets represent 74% of total assets.

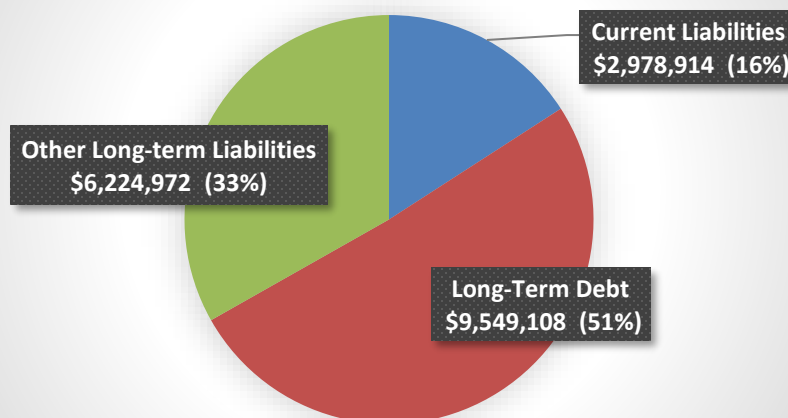
Figure 4: Total Assets (FY 2022-23)



District Liabilities

As of March 31, 2023, the District had approximately \$19 million in total liabilities. This represents an increase of \$1.1 million or 6% from FY 2021-22's total liabilities of \$18 million. Total liabilities can be categorized into three types: Current Liabilities, Long-term Debt, and Other Long-term Liabilities. In FY 2022-23, current liabilities were approximately \$3 million, long-term debts were approximately \$9.6 million, and other long-term liabilities were approximately \$6 million. As shown in **Figure 5**, long-term debt represents 51% of total liabilities.

Figure 5: Total Liabilities (FY 2022-23)



Fund Balance / Net Position

As of March 31, 2023, the total fund balance projection was approximately \$35 million. The following table highlights the Fund Balance from 2015 to 2020. As **Table F** shows below, the District has experienced an increase in total reserves each year. On average, total reserves has increased by approximately \$1.6 million or 5% since FY 2018-19.

Table F: Fund Balance / Net Position

	FY 18-19 (Audited)	FY 19-20 (Audited)	FY 20-21 (Audited)	FY 21-22 (Audited)	FY 22-23 (Audited)
Net Position	\$28,714,311	\$29,574,948	\$30,105,088	\$31,369,232	\$35,165,484
Change (\$)		\$860,637	\$530,140	\$1,264,144	\$3,796,252
Change (%)		3%	2%	4%	12%

Reserve funds are not available for use to offset any expenditures that exceed total appropriations. Reserve funds may only be used as approved by the Port Commission. Intended uses and timeframes for reserve funds are summarized as follows:

- Dredge Fund: Funding for dredge equipment and maintenance needs is authorized by the Port Commission as part of the annual budget. Annual spending may fully extinguish the fund balance, or result in a carryover, reducing funding requirements the following year.
- Reserve Fund: Intended to strengthen the financial stability of the District against economic uncertainty, unexpected situations such as natural or man-made disasters, unanticipated drop in revenues, and other unforeseen emergencies or extraordinary circumstances. There is no specified timeframe for expenditure of reserve funds. The Port District strives to hold in reserve an amount equal to 25% of the District's annual operating expenses in the current fiscal year's adopted general budget, though the reserve fund balance may fluctuate.
- Capital Improvement Fund: Funding for capital improvement projects identified in the 5-Year Capital Improvement Plan (CIP), which is reviewed and adopted each year by the Port Commission as part of the annual budget. The timeframe for project-related expenditures is prioritized by the Port Commission as part of the CIP review and adoption.
- Election Fund: Funding is set aside as part of the annual budget adoption to pay the estimated biennial costs billed by the County for Port Commission election costs.
- PNC Reserve Restricted Fund: Restricted reserve fund to satisfy debt covenant requirements of its long-term debt financing with PNC Bank (previously BBVA).

Table G – Total Revenues & Expenditures

Santa Cruz Port District - Financial Review (Fiscal Years 2013-14 to 2022-23)										
	FY 13-14 (Actual)	FY 14-15 (Actual)	FY 15-16 (Actual)	FY 16-17 (Actual)	FY 17-18 (Actual)	FY 18-19 (Actual)	FY 19-20 (Actual)	FY 20-21 (Actual)	FY 21-22 (Actual)	FY 22-23 (Actual)
REVENUE										
Operating Revenues:										
Charges for Berthing and Services	\$ 6,323,993	\$ 6,767,201	\$ 6,898,905	\$ 6,799,847	\$ 7,181,501	\$ 7,372,983	\$ 7,920,084	\$ 7,886,323	\$ 8,864,120	\$ 9,060,943
Rent and Concessions	\$ 1,642,193	\$ 1,644,354	\$ 1,732,017	\$ 1,694,869	\$ 1,889,238	\$ 1,838,345	\$ 1,893,576	\$ 1,635,555	\$ 2,023,819	\$ 2,111,024
Sub-total	\$ 7,966,186	\$ 8,411,555	\$ 8,630,922	\$ 8,494,716	\$ 9,070,739	\$ 9,211,328	\$ 9,813,660	\$ 9,521,878	\$ 10,887,939	\$ 11,171,967
Non-Operating Revenues:										
County Revenues for Public Services	\$ 12,493	\$ 37,478	\$ 24,985	\$ 11,243	\$ 36,228	\$ 12,493	\$ 49,985	\$ 50,000	\$ 50,000	\$ 50,000
Grants	\$ 364,066	\$ 10,702	\$ 11,164	\$ 65,560	\$ 140,189	\$ 111,403	\$ 37,826	\$ 23,801	\$ 619,189	\$ 32,393
Grants recognized (related to tsunami damage)	\$ 6,055,067	\$ 2,086,757	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 887,363
OE3 Pension Liability Settlement Adjustment	\$ -	\$ 100,447	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Dredging Reimbursement	\$ -	\$ -	\$ 591,000	\$ 400,000	\$ 485,000	\$ 449,000	\$ 385,000	\$ 385,000	\$ 665,000	\$ 525,000
Interest Income	\$ 31,681	\$ 18,360	\$ 30,007	\$ 46,245	\$ 96,293	\$ 242,056	\$ 265,810	\$ 80,131	\$ 30,375	\$ 228,918
Interest Income on Leases	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 439,356
Non-cash Pension Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,010,262
Other Income	\$ 53,188	\$ -	\$ 46,760	\$ -	\$ 44,912	\$ 188,516	\$ 2,809	\$ 38,570	\$ 83,001	\$ 605,227
Sub-total	\$ 6,516,495	\$ 2,253,744	\$ 703,916	\$ 523,048	\$ 802,622	\$ 1,003,468	\$ 741,430	\$ 577,502	\$ 1,447,565	\$ 3,778,519
Total Revenue	\$14,482,681	\$10,665,299	\$ 9,334,838	\$ 9,017,764	\$ 9,873,361	\$10,214,796	\$10,555,090	\$10,099,380	\$12,335,504	\$14,950,486
EXPENDITURE										
Operating Expenses:										
Depreciation and Amortization	\$ 1,430,269	\$ 1,722,204	\$ 1,647,651	\$ 1,781,839	\$ 1,824,754	\$ 1,830,080	\$ 1,954,934	\$ 2,159,280	\$ 2,187,657	\$ 2,184,840
Dredging Operations	\$ 819,751	\$ 852,520	\$ 1,029,556	\$ 1,259,287	\$ 1,234,002	\$ 1,232,182	\$ 1,369,670	\$ 1,357,222	\$ 1,324,630	\$ 1,503,071
Grounds Maintenance	\$ 578,337	\$ 584,124	\$ 590,664	\$ 656,439	\$ 633,063	\$ 750,251	\$ 727,772	\$ 733,457	\$ 790,109	\$ 909,106
Administrative Services	\$ 607,274	\$ 623,503	\$ 784,443	\$ 1,016,517	\$ 632,156	\$ 653,783	\$ 759,880	\$ 753,848	\$ 663,892	\$ 902,926
Harbor Patrol	\$ 498,556	\$ 573,539	\$ 581,583	\$ 621,569	\$ 627,790	\$ 641,569	\$ 683,549	\$ 669,826	\$ 712,258	\$ 806,715
Marina Management	\$ 385,748	\$ 341,554	\$ 366,449	\$ 461,217	\$ 492,804	\$ 544,303	\$ 434,290	\$ 483,428	\$ 495,234	\$ 542,949
Non-Cash Pension Liability	\$ -	\$ -	\$ -	\$ -	\$ 489,486	\$ 313,404	\$ 338,085	\$ 190,116	\$ 805,728	\$ -
Property Management	\$ 412,992	\$ 401,920	\$ 430,550	\$ 429,040	\$ 403,528	\$ 474,209	\$ 480,408	\$ 515,497	\$ 669,573	\$ 686,549
Parking Services	\$ 303,391	\$ 281,834	\$ 294,859	\$ 345,904	\$ 360,565	\$ 357,156	\$ 341,396	\$ 248,637	\$ 352,771	\$ 388,936
Fuel Services	\$ 554,830	\$ 472,246	\$ 342,096	\$ 331,742	\$ 350,664	\$ 413,682	\$ 536,061	\$ 427,765	\$ 740,950	\$ 805,610
Docks, Piers, Marine Structures	\$ 219,302	\$ 208,181	\$ 206,915	\$ 263,642	\$ 317,187	\$ 270,617	\$ 237,013	\$ 269,258	\$ 320,346	\$ 502,201
Building Maintenance	\$ 311,959	\$ 237,033	\$ 223,292	\$ 238,023	\$ 259,087	\$ 322,642	\$ 323,550	\$ 323,175	\$ 321,331	\$ 387,540
Boatyard Operations	\$ 64,561	\$ 280,911	\$ 216,665	\$ 239,953	\$ 221,938	\$ 254,419	\$ 274,979	\$ 303,551	\$ 326,087	\$ 364,793
Finance & Purchasing	\$ 180,263	\$ 178,125	\$ 170,536	\$ 170,809	\$ 165,863	\$ 170,690	\$ 181,208	\$ 194,674	\$ 183,581	\$ 184,083
Environmental & Permitting	\$ 116,999	\$ 147,984	\$ 162,413	\$ 156,750	\$ 131,817	\$ 143,423	\$ 174,318	\$ 139,893	\$ 95,646	\$ 145,693
Utilities Maintenance	\$ 102,937	\$ 98,475	\$ 104,864	\$ 84,314	\$ 107,964	\$ 87,508	\$ 85,665	\$ 86,067	\$ 97,358	\$ 103,385
Rescue Services	\$ 91,876	\$ 66,713	\$ 67,005	\$ 90,519	\$ 97,308	\$ 95,508	\$ 99,549	\$ 84,414	\$ 104,968	\$ 107,898
Port Commission Support	\$ 36,029	\$ 39,303	\$ 39,306	\$ 50,183	\$ 48,164	\$ 45,923	\$ 52,156	\$ 56,586	\$ 107,746	\$ 55,713
Aeration Program	\$ 99,678	\$ 80,991	\$ 39,944	\$ 42,498	\$ 44,900	\$ 36,840	\$ 38,467	\$ 40,795	\$ 49,913	\$ 37,456
Events	\$ 26,392	\$ 64,171	\$ 26,359	\$ 32,531	\$ 32,313	\$ 30,682	\$ 30,440	\$ -	\$ 13,111	\$ 22,570
Capital Projects	\$ 32,600	\$ 8,581	\$ 2,453	\$ 1,024	\$ 9,716	\$ 1,022	\$ 6,812	\$ 1,630	\$ 54	\$ 36
Debt Issuance Costs	\$ 193,568	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Non-Cash OPEB Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 70,313	\$ 67,186	\$ 81,221	\$ 101,318	\$ 95,254
Ice Production/Fishery Support	\$ 17,418	\$ 6,783	\$ 3,495	\$ 5,042	\$ 2,452	\$ 2,762	\$ 5,680	\$ 5,064	\$ 8,588	\$ 12,014
Sub-total	\$ 7,084,730	\$ 7,270,695	\$ 7,331,098	\$ 8,278,842	\$ 8,487,521	\$ 8,742,968	\$ 9,203,068	\$ 9,125,404	\$ 10,472,849	\$ 10,749,338
Non-Operating Expenses:										
Tsunami Expense	\$ -	\$ -	\$ 27,864	\$ 17,088	\$ -	\$ -	\$ -	\$ -	\$ 187,859	\$ 10,486
Interest Expense	\$ 764,057	\$ 558,591	\$ 508,936	\$ 476,817	\$ 444,310	\$ 476,885	\$ 491,385	\$ 443,836	\$ 410,652	\$ 394,410
Other Expense	\$ -	\$ 1,943	\$ -	\$ 74,482	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sub-total	\$ 764,057	\$ 560,534	\$ 536,800	\$ 568,387	\$ 444,310	\$ 476,885	\$ 491,385	\$ 443,836	\$ 598,511	\$ 404,896
Total Expenditure	\$ 7,848,787	\$ 7,831,229	\$ 7,867,898	\$ 8,847,229	\$ 8,931,831	\$ 9,219,853	\$ 9,694,453	\$ 9,569,240	\$ 11,071,360	\$ 11,154,234
Surplus/(Deficit)	\$ 6,633,894	\$ 2,834,070	\$ 1,466,940	\$ 170,535	\$ 941,530	\$ 994,943	\$ 860,637	\$ 530,140	\$ 1,264,144	\$ 3,796,252
Net Position - Beginning Balance	\$18,136,699	\$24,770,593	\$25,416,357	\$26,883,297	\$27,053,832	\$27,719,368	\$28,714,311	\$29,574,948	\$30,105,088	\$31,369,232
Net Position - Ending Balance	\$24,770,593	\$27,604,663	\$26,883,297	\$27,053,832	\$27,995,362	\$28,714,311	\$29,574,948	\$30,105,088	\$31,369,232	\$35,165,484

Table H – Total Assets & Liabilities

Santa Cruz Port District - Assets & Liabilities (Fiscal Years 2013-14 to 2022-23)										
	FY 13-14 (Actual)	FY 14-15 (Actual)	FY 15-16 (Actual)	FY 16-17 (Actual)	FY 17-18 (Actual)	FY 18-19 (Actual)	FY 19-20 (Actual)	FY 20-21 (Actual)	FY 21-22 (Actual)	FY 22-23 (Actual)
CURRENT ASSETS										
Cash and Cash Equivalents	\$ 8,330,788	\$ 8,712,223	\$ 7,969,968	\$ 7,952,713	\$ 9,737,760	\$ 13,095,489	\$ 10,070,823	\$ 10,991,416	\$ 12,526,327	\$14,712,539
Trade Receivables	\$ 132,762	\$ 176,018	\$ 177,408	\$ 148,668	\$ 138,015	\$ 110,480	\$ 245,550	\$ 180,128	\$ 193,065	\$ 370,963
Grants Receivables	\$ 108,188	\$ 9,356	\$ 9,356	\$ 39,776	\$ 129,666	\$ 48,639	\$ -	\$ -	\$ -	\$ -
Interest Receivable	\$ 4,668	\$ -	\$ -	\$ -	\$ 32,411	\$ 75,887	\$ 48,223	\$ 10,841	\$ 8,896	\$ 90,362
Interest Receivable, Leases	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 36,735
Inventory	\$ -	\$ -	\$ -	\$ 4,597	\$ 7,256	\$ 6,944	\$ 10,263	\$ 8,781	\$ 16,324	\$ 15,832
Lease Receivable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 704,378
CalEMA Receivable	\$ 3,331,369	\$ 2,392,054	\$ 1,328,812	\$ -	\$ 51,916	\$ -	\$ -	\$ -	\$ -	\$ -
Prepaid Expenses	\$ 23,522	\$ 28,476	\$ 33,469	\$ -	\$ -	\$ 27,784	\$ 34,577	\$ 45,562	\$ 91,525	\$ 122,773
Total Current Assets	\$11,931,297	\$11,318,127	\$ 9,519,013	\$ 8,145,754	\$ 10,097,024	\$ 13,365,223	\$ 10,409,436	\$ 11,236,728	\$ 12,836,137	\$16,053,582
RESTRICTED ASSETS										
Cash and Cash Equivalents	\$ 3,350,140	\$ 706,444	\$ 725,384	\$ 725,685	\$ 726,601	\$ 1,015,386	\$ 1,016,571	\$ 1,017,050	\$ 1,017,008	\$ 1,029,556
Total Restricted Assets	\$ 3,350,140	\$ 706,444	\$ 725,384	\$ 725,685	\$ 726,601	\$ 1,015,386	\$ 1,016,571	\$ 1,017,050	\$ 1,017,008	\$ 1,029,556
CAPITAL ASSETS										
Lease Receivable, Net of Current	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$13,210,399
Nondepreciable Assets:										
Land	\$ 1,349,360	\$ 1,349,360	\$ 1,349,360	\$ 1,349,360	\$ 1,349,360	\$ 1,349,360	\$ 1,349,360	\$ 1,349,360	\$ 2,201,360	\$ 2,201,360
Construction in Progress	\$ 2,775,421	\$ 3,152,161	\$ 3,581,567	\$ 484,401	\$ 605,977	\$ 874,128	\$ 3,197,517	\$ 570,268	\$ 574,372	\$ 998,052
Depreciable Assets:										
Structures and Improvements	\$26,401,652	\$26,546,747	\$ 29,244,137	\$ 29,336,818	\$ 29,405,675	\$ 29,477,120	\$ 29,668,008	\$ 30,057,168	\$ 30,705,762	\$30,720,555
Docks	\$19,502,369	\$21,562,506	\$ 21,562,506	\$ 21,562,506	\$ 21,562,506	\$ 22,600,115	\$ 24,113,526	\$ 27,023,464	\$ 27,122,552	\$27,161,298
Equipment	\$ 6,362,594	\$ 6,518,939	\$ 6,999,115	\$ 10,977,716	\$ 10,873,439	\$ 11,335,516	\$ 11,864,219	\$ 10,884,518	\$ 11,510,070	\$11,361,555
Office Equipment	\$ 110,452	\$ 138,565	\$ 134,833	\$ 140,960	\$ 140,960	\$ 153,680	\$ 153,680	\$ 73,114	\$ 63,621	\$ 54,374
Sub-total	\$56,501,848	\$59,268,278	\$ 62,871,518	\$ 63,851,761	\$ 63,937,917	\$ 65,789,919	\$ 70,346,310	\$ 69,957,892	\$ 72,177,737	\$85,707,593
Less Accumulated Depreciation	\$23,723,951	\$25,329,848	\$ 26,945,428	\$ 27,203,247	\$ 28,746,000	\$ 30,532,350	\$ 32,425,173	\$ 33,304,731	\$ 35,269,591	\$37,056,150
Total Capital Assets	\$32,777,897	\$33,938,430	\$ 35,926,090	\$ 36,648,514	\$ 35,191,917	\$ 35,257,569	\$ 37,921,137	\$ 36,653,161	\$ 36,908,146	\$48,651,443
TOTAL ASSETS	\$48,059,334	\$45,963,001	\$ 46,170,487	\$ 45,519,953	\$ 46,015,542	\$ 49,638,178	\$ 49,347,144	\$ 48,906,939	\$ 50,761,291	\$65,734,581
Deferred Outflows of Resources										
Deferred Amount from Pension Plans	\$ 56,292	\$ -	\$ 656,139	\$ 1,129,715	\$ 1,242,383	\$ 948,686	\$ 927,507	\$ 897,876	\$ 829,012	\$ 2,146,081
Deferred Amount from OPEB Plans	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,883	\$ 10,797	\$ 174,391	\$ 207,298	\$ 191,486
Total Deferred Outflows of Resources	\$ 56,292	\$ -	\$ 656,139	\$ 1,129,715	\$ 1,242,383	\$ 952,569	\$ 938,304	\$ 1,072,267	\$ 1,036,310	\$ 2,337,567
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	\$48,115,626	\$45,963,001	\$ 46,826,626	\$ 46,649,668	\$ 47,257,925	\$ 50,590,747	\$ 50,285,448	\$ 49,979,206	\$ 51,797,601	\$68,072,148
CURRENT LIABILITIES										
Accounts Payable and Accrued Expenses	\$ 656,922	\$ 296,249	\$ 247,820	\$ 186,999	\$ 286,052	\$ 395,293	\$ 169,131	\$ 213,884	\$ 300,949	\$ 316,941
Accrued Interest	\$ 198,370	\$ 113,906	\$ 106,610	\$ 99,012	\$ 91,117	\$ 101,615	\$ 92,380	\$ 82,466	\$ 72,508	\$ 62,257
Payroll Liabilities	\$ 174,606	\$ 188,124	\$ 259,146	\$ 310,493	\$ 315,187	\$ 219,891	\$ 210,982	\$ 229,613	\$ 239,105	\$ 284,338
Line of Credit	\$ 511,629	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Current Portion of Long-term Debt	\$ 3,452,851	\$ 949,245	\$ 982,015	\$ 1,015,120	\$ 1,048,837	\$ 1,254,451	\$ 1,299,163	\$ 1,274,163	\$ 1,329,940	\$ 1,366,974
Current Portion of Unearned Revenue	\$ 66,544	\$ 66,544	\$ 66,544	\$ 66,544	\$ 66,544	\$ 66,544	\$ 66,544	\$ 66,544	\$ 66,544	\$ 278,546
Tsunami CalEMA Advance Liability	\$ 422,550	\$ 422,550	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Prepaid Slip Rents	\$ 137,377	\$ 159,474	\$ 167,629	\$ 154,165	\$ 181,220	\$ 189,780	\$ 191,985	\$ 258,639	\$ 251,346	\$ 246,859
Deposits	\$ 354,392	\$ 401,429	\$ 388,002	\$ 414,913	\$ 437,363	\$ 431,179	\$ 438,411	\$ 445,946	\$ 455,603	\$ 422,999
Total Current Liabilities	\$ 5,975,241	\$ 2,597,521	\$ 2,217,766	\$ 2,247,246	\$ 2,426,320	\$ 2,658,753	\$ 2,468,596	\$ 2,571,255	\$ 2,715,995	\$ 2,978,914
LONG-TERM DEBT										
Long-term Debt, less current portion	\$16,478,578	\$14,963,538	\$ 13,981,522	\$ 12,965,317	\$ 11,917,360	\$ 13,858,644	\$ 12,563,188	\$ 11,292,731	\$ 10,912,376	\$ 9,549,108
Total Long-Term Debt	\$16,478,578	\$14,963,538	\$ 13,981,522	\$ 12,965,317	\$ 11,917,360	\$ 13,858,644	\$ 12,563,188	\$ 11,292,731	\$ 10,912,376	\$ 9,549,108
OTHER LONG-TERM LIABILITIES										
Unearned Revenue, less current portion	\$ 848,436	\$ 781,892	\$ 715,348	\$ 648,804	\$ 582,260	\$ 515,718	\$ 449,174	\$ 382,630	\$ 316,086	\$ -
Net OPEB Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 484,557	\$ 483,228	\$ 728,518	\$ 776,506	\$ 807,791
Net Pension Liability	\$ -	\$ -	\$ 2,745,051	\$ 3,509,957	\$ 4,052,992	\$ 3,990,879	\$ 4,338,392	\$ 4,674,819	\$ 2,908,996	\$ 5,417,181
Total Other Long-term Liabilities	\$ 848,436	\$ 781,892	\$ 3,460,399	\$ 4,158,761	\$ 4,635,252	\$ 4,991,154	\$ 5,270,794	\$ 5,785,967	\$ 4,001,588	\$ 6,224,972
TOTAL LIABILITIES	\$23,302,255	\$18,342,951	\$ 19,659,687	\$ 19,371,324	\$ 18,978,932	\$ 21,508,551	\$ 20,302,578	\$ 19,649,953	\$ 17,629,959	\$18,752,994
DEFERRED INFLOW OF RESOURCES										
Tsunami CalEMA deferred admin allowance	\$ 42,778	\$ 15,387	\$ 10,419	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred Amounts from OPEB	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,434	\$ 73,078	\$ 65,263	\$ 136,821	\$ 165,758
Deferred Amounts from Leases / Rent	\$ -	\$ -	\$ 56,250	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$13,527,701
Deferred Amounts from Pension Plans	\$ -	\$ -	\$ 216,973	\$ 224,512	\$ 283,631	\$ 365,451	\$ 334,844	\$ 158,902	\$ 2,661,589	\$ 460,211
Total Deferred Inflows of Resources	\$ 42,778	\$ 15,387	\$ 283,642	\$ 224,512	\$ 283,631	\$ 367,885	\$ 407,922	\$ 224,165	\$ 2,798,410	\$14,153,670
NET POSITION										
Net Investment in Capital Assets	\$11,931,488	\$17,177,211	\$ 20,180,661	\$ 21,952,729	\$ 21,576,916	\$ 19,562,212	\$ 23,543,068	\$ 23,637,093	\$ 24,283,200	\$24,246,416
Restricted for Debt Service	\$ 3,350,140	\$ 706,444	\$ 725,384	\$ 725,685	\$ 726,601	\$ 1,015,386	\$ 1,016,571	\$ 1,017,050	\$ 1,017,008	\$ 1,029,556
Unrestricted	\$ 9,488,965	\$ 9,721,008	\$ 5,977,252	\$ 4,375,418	\$ 5,691,845	\$ 8,136,713	\$ 5,015,309	\$ 5,450,945	\$ 6,069,024	\$ 9,889,512
Total Net Position	\$24,770,593	\$27,604,663	\$ 26,883,297	\$ 27,053,832	\$ 27,995,362	\$ 28,714,311	\$ 29,574,948	\$ 30,105,088	\$ 31,369,232	\$35,165,484
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	\$48,115,626	\$45,963,001	\$ 46,826,626	\$ 46,649,668	\$ 47,257,925	\$ 50,590,747	\$ 50,285,448	\$ 49,979,206	\$ 51,797,601	\$68,072,148

GOVERNANCE

Legal Authority

The Santa Cruz Port District is governed by the California Harbors and Navigation Code. Code Section 6290-6311 outlines the District's powers, which include but are not limited to, the ability to acquire, purchase, takeover, construct, maintain, operate, develop, and regulate wharves, docks, warehouses, grain elevators, bunkering facilities, belt railroads, floating plants, lighterage, lands, towage facilities, and any and all other facilities, aids, or public personnel, incident to, or necessary for, the operation and development of ports, waterways, and the district.

In 1987, following the enactment of Senate Bill 947, the California Harbors and Navigation Code also added specific language for the Santa Cruz Port District:

"The Legislature finds and declares that this section is necessary to meet a serious danger to the public safety within the Santa Cruz Port District caused by surfriding activities within the harbor entrance area (HNC 6302.5[a]). No person shall swim or surfride, or use any watercraft or device to surfride, on ocean waters within a harbor entrance area, as prescribed by the Santa Cruz Port District by ordinance (HNC 6302.5[b]). For the purposes of this section, "surfride" includes traveling to or from a surfriding staging area and activities in the staging area which are preparatory or preliminary to, or connected with, riding the surf (HNC 6302.5[c]). Every person who violates this section is guilty of a misdemeanor, and shall be punished by a fine not to exceed five hundred dollars (HNC 6302.5[d])."

Local Accountability & Structure

The first port commissioners were elected in 1950. The five present commissioners are shown below. The chairmanship rotates annually. The commissioners do not receive financial compensation for their services. The District has transitioned from at-large to division-based elections, effective with the November 2024 election.

Table I – Current Commissioners

Commissioner	Term of Office	Years of Service:
Reed Geisreiter	2022-2026	14 years (since 2009)
Darren Gertler	2020-2024	8 years (since 2016)
Toby Goddard	2022-2026	18 years (since 2006)
Stephen Reed	2020-2024	12 years (since 2012)
Dennis Smith	2020-2024	16 years (since 2008)

The District is maintained under the direction of Holland MacLaurie, Port Director. The district office is staffed seven days a week, 24 hours per day. Current employees are staffed throughout three primary departments: (1) Administration, (2) Operations, and (3) Facilities Maintenance & Engineering. Regular meetings of the commission are scheduled for 5:30 p.m. on the fourth Tuesday of each month.

Management Efficiencies

As part of this service and sphere review, LAFCO staff analyzed the internal operations of the Santa Cruz Port District. The following is a summary of several key management efficiencies currently in place.

Transition to District-Based Elections

The Santa Cruz Port District has transitioned from at-large to district-based elections for its commissioners commencing with the General Election in November 2024. After a robust and deliberate public process, SCPD selected a final map indicating where the District's boundary will be split into five geographic divisions (districts) for future elections.

Appendix B illustrates the adopted division map. Voters within the identified divisions will vote only for candidates residing within the same division. Voters will not be able to vote for candidates outside of their own division. This transition was a result of multiple public hearings, outreach efforts, and extensive evaluation. More information about the entire transition process is available online: <https://www.santacruzharbor.org/transition-to-district-based-elections>

Capital Improvement Plan

In February 2024, the District adopted its latest 5-Year Capital Improvement Plan (CIP). **Appendix C** provides a copy of the latest CIP Plan. The previous plan was adopted in 2019. The CIP is updated as part of each budget adoption cycle. Funding for the projects is derived primarily from the operating budget. CIP projects are budgeted and reported within the Capital Improvement Fund. The vast majority of expenses within the Capital Improvement Fund are capitalized upon project completion and include force account labor where applicable.

The latest CIP lists projects for the current fiscal year (FY 2024-25) and provides capital needs forecasts extending out through 2028. The plan identifies over 30 different projects, which are assigned under one of six categories: (1) Docks, Piers & Marine Structures, (2) Buildings, (3) Landslide Infrastructure, (4) Utility Systems, (5) Planning Projects & Studies, and (6) Other/Miscellaneous. **Table J** showcases the anticipated costs for the capital improvement projects by category.

Table J: Five-Year Capital Improvement Plan (Proposed Cost Breakdown)

	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
Docks, Piers & Structures	\$500,000	\$155,000	\$250,000	\$585,000	\$150,000	\$1,640,000
Buildings	\$80,000	\$365,000	\$150,000	\$165,000	\$125,000	\$885,000
Landside Infrastructure	\$125,000	\$85,000	\$100,000	\$130,000	\$80,000	\$520,000
Utility Systems	\$280,000	\$185,000	\$220,000	\$120,000	\$90,000	\$895,000
Planning Projects/Studies	\$95,000	\$85,000	\$110,000	\$5,000	\$5,000	\$300,000
Misc. Projects	\$340,000	\$212,000	\$200,000	\$12,000	-	\$764,000
Total Cost	\$1,420,000	\$1,087,000	\$1,030,000	\$1,017,000	\$450,000	\$5,009,004

Website Requirements

Senate Bill 929 was signed into law in September 2018 and requires all independent special districts to have and maintain a website by January 1, 2020. SB 929 identifies several components that must be found within an agency's website. Additionally, the Special District Leadership Foundation (SDLF), an independent, non-profit organization formed to promote good governance and best practices among California's special

districts, has also outlined recommended website elements as part of its District Transparency Certificate of Excellence. This program was created as an effort to promote transparency in the operations and governance of special districts to the public. LAFCO conducted a thorough review of the District's website based on SB 929's criteria and the recommendations set by the SDLF. **Table K** summarizes staff's findings on whether their website is meeting the statutory requirements. At present, SCPD meets all benchmarks. Overall, the District has a transparent website filled with useful information and resources that are easily accessible, which is why it has maintained its Certificate of Excellence from the Special District Leadership Foundation since 2016.

Table K: Website Transparency

Website Components	Status (Yes = ✓)
Required Items (SB 929 Criteria and SDLF Benchmarks)	
1. Names and Contact Information of Board Members*	✓
2. Board Member Term Limits	✓
3. Names of Key Staff, including General Manager	✓
4. Contact Information for Staff	✓
5. Election/Appointment Procedure & Deadlines	✓
6. Board Meeting Schedule*	✓
7. Mission Statement	✓
8. Description of District's Services/Functions and Service Area	✓
9. Authorizing Statute/Enabling Act	✓
10. Adopted District Budgets*	✓
11. Financial Audits*	✓
12. Archive of Board Meeting Agendas & Minutes*	✓
13. Link to State Controller's Webpages for District's reported Board Member and Staff Compensation	✓
14. Link to State Controller's Webpages for District's reported Financial Transaction Report	✓
15. Reimbursement & Compensation Policy / Annual Policies	✓
16. Home Page Link to Agendas/Board Packets	✓
17. SB 272 - Compliance-Enterprise Catalogs	✓
18. Machine Readable/Searchable Agendas	✓
19. Recipients of Grant Funding or Assistance	✓
20. Link or Copies of LAFCO's Service & Sphere Reviews	✓
Total Score (out of a possible 20)	20 (100%)

Marine Rescue Service Program

The County of Santa Cruz has provided annual monetary support to the Santa Cruz Harbor's marine rescue service since the early-1990's. In 1991, the Port District, the County and City of Santa Cruz entered into a Joint Administrative Agreement which resulted in 45% of the Port District's property tax funding being distributed to the County, while the remaining 55% went to the City of Santa Cruz. In exchange for the property tax redistribution, the two local agencies agreed to provide police, fire, traffic control, and street maintenance services within the harbor area. This agreement is automatically extended on an annual basis. While the annual funding contribution remained at \$24,000 for many years, the County, in recognition of both its responsibility to provide services and the public benefits that derive from the Port District's existing marine rescue service program, increased its annual contribution to \$50,000 in 2019. The annual contribution has not been adjusted since that time.

The Santa Cruz Harbor Patrol vessel and crew support other maritime emergency agencies and are an integral part of the County of Santa Cruz' Coastal Incident Response Plan. Agencies supported by the Port District's marine rescue service include the U.S. Coast Guard, the County of Santa Cruz Sheriff's Department and other local law enforcement agencies, Santa Cruz County Office of Emergency Services, City of Santa Cruz Lifeguard Service / Marine Rescue Unit, State Parks lifeguards and rangers, Capitola City lifeguards, Santa Cruz County Fire marine rescue swimmers, Central Fire District (formally Aptos-La Selva Fire District) marine rescue swimmers, and others.

As noted in the County's Coastal Incident Response Plan, "The Santa Cruz Harbor Patrol has no jurisdictional responsibility in Santa Cruz County other than the Small Craft Harbor itself. The Harbor Patrol receives funding from Santa Cruz County to perform search and rescue missions within the three nautical mile line, which extends in Santa Cruz County to three nautical miles offshore including the Monterey Bay. If needed, the Harbor Patrol may extend beyond that boundary." Despite having no jurisdictional responsibility, the Santa Cruz Harbor Patrol performed 33 marine search and rescue missions from 2020 to 2023 and saved 219 lives.

If the County Sheriff Department or another local agency had to provide this marine rescue program, it would need to bear the full cost and responsibility for acquiring a patrol vessel and year-round crew available 24/7, ongoing crew training, acquiring and maintaining lifesaving equipment, vessel and equipment maintenance and replacement, fuel, berthing costs, dispatch, insurance, liability, and program administration.

LAFCO Staff Recommendation: *LAFCO encourages the District to coordinate with the County to determine if the annual reimbursement amount of \$50,000 is aligned with the marine rescue services being provided.*

Challenges and Opportunities

The Santa Cruz Port District is significantly affected by changes in State laws and regulations that can arise from time to time and add complexities and/or costs. For example, changes in California's Clean Water Act's list of impaired water bodies, maintained by the State Water Resources Control Board, may result in the development of Total Maximum Daily Load (TMDL) requirements. TMDL's are intended to improve and restore impaired water bodies. Regulations related to fishing and other ocean resources can also affect commercial and recreational fishing, with potential impacts to District activities. Sea level rise, predicted as a result of climate change, may also force the District to make expensive adaptations in the near future. In 2015, the California Legislature passed AB 691 requiring trustees of granted public lands to assess the impacts of sea level rise on these lands and to provide this assessment to the State Lands Commission by July 1, 2019.

Another challenge that the District has faced and may experience again is the aftermath of natural disasters. On March 11, 2011, a tsunami that originated in Japan destroyed the District's "U" dock and severely damaged docks throughout the harbor. The destruction brought on by the tsunami resulted in a Major Disaster Declaration by then President Obama. The estimated repair cost for all tsunami-related damages to the District was approximately \$19.7 million. State and federal government grant funding covered approximately 94% of the total tsunami-related costs. The final recovery project related to the tsunami disaster, replacing the south harbor electrical service at an approximate cost of \$2.6 million, was completed in April 2015. Unfortunately, another tsunami hit the Santa Cruz Port District in 2022. The Tonga Hunga-Tonga Ha'apai volcano erupted on January 14, 2022, and generated tsunami waves that impacted the west coast of the United States on the morning of January 15, 2022¹. At that time, the District estimated that \$6.5 million would be needed to fix the damaged infrastructure.

During these types of occurrences, the District should continue to consider partnering with neighboring agencies and businesses to address unpredictable yet inevitable natural disasters. Historically, the District has collaborated with agencies and organizations within the Harbor to repair seawalls and other infrastructure. In 2015, the District partnered with Aldo's Harbor Restaurant to address needed repairs to a failing seawall. This collaboration allowed the restaurant to continue operating in temporary quarters on the harbor's west side while a long-term plan was developed to replace the seawall.



¹ USGC Website: <https://www.usgs.gov/data/observations-tsunami-and-runup-heights-santa-cruz-harbor-and-surrounding-beaches-2022-hunga>

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 to the 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 of influence.

Current & Proposed Sphere Boundary

LAFCO originally adopted a coterminous sphere for the District in 1988, as shown in **Figure 6** on page 25. Prior to the sphere reaffirmation in the early-1990s, an agreement among the County, City of Santa Cruz, and the District resulted in all three parties supporting a coterminous sphere boundary with the notion that the District would eventually become a full enterprise district by foregoing property tax revenue. Today, the District relies on enterprise (business-related) revenue sources to fund operations and has fulfilled its commitment to the 1991 agreement. For the past 36 years, the sphere boundary has remained unchanged.

Based on LAFCO's analysis, the sphere should be amended to address existing discrepancies, specifically small portions of the City of Santa Cruz being excluded from the current sphere. State law prohibits "dividing a municipal corporation" (Harbors and Navigation Code Section 6210). The proposed amendment would result in added clarity and consistency among the existing jurisdictional boundaries. Therefore, staff is recommending that the sphere be amended to include the previously excluded portions of the City of Santa Cruz, as shown in **Figure 7** on page 26. Such inclusion does not automatically trigger annexation. Further analysis would be required if annexation is considered and initiated by the affected parties.

Figure 6: Current Sphere Map

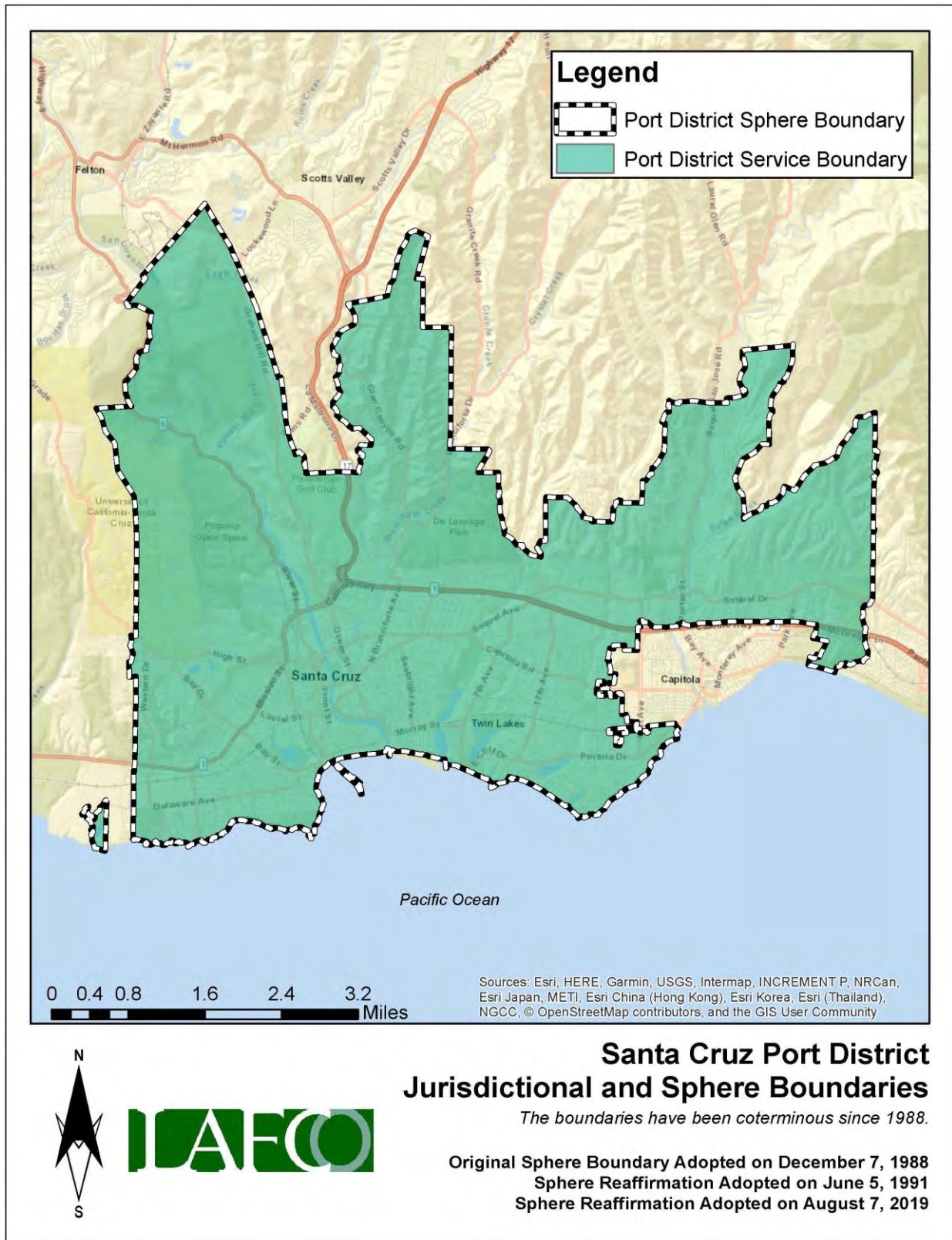
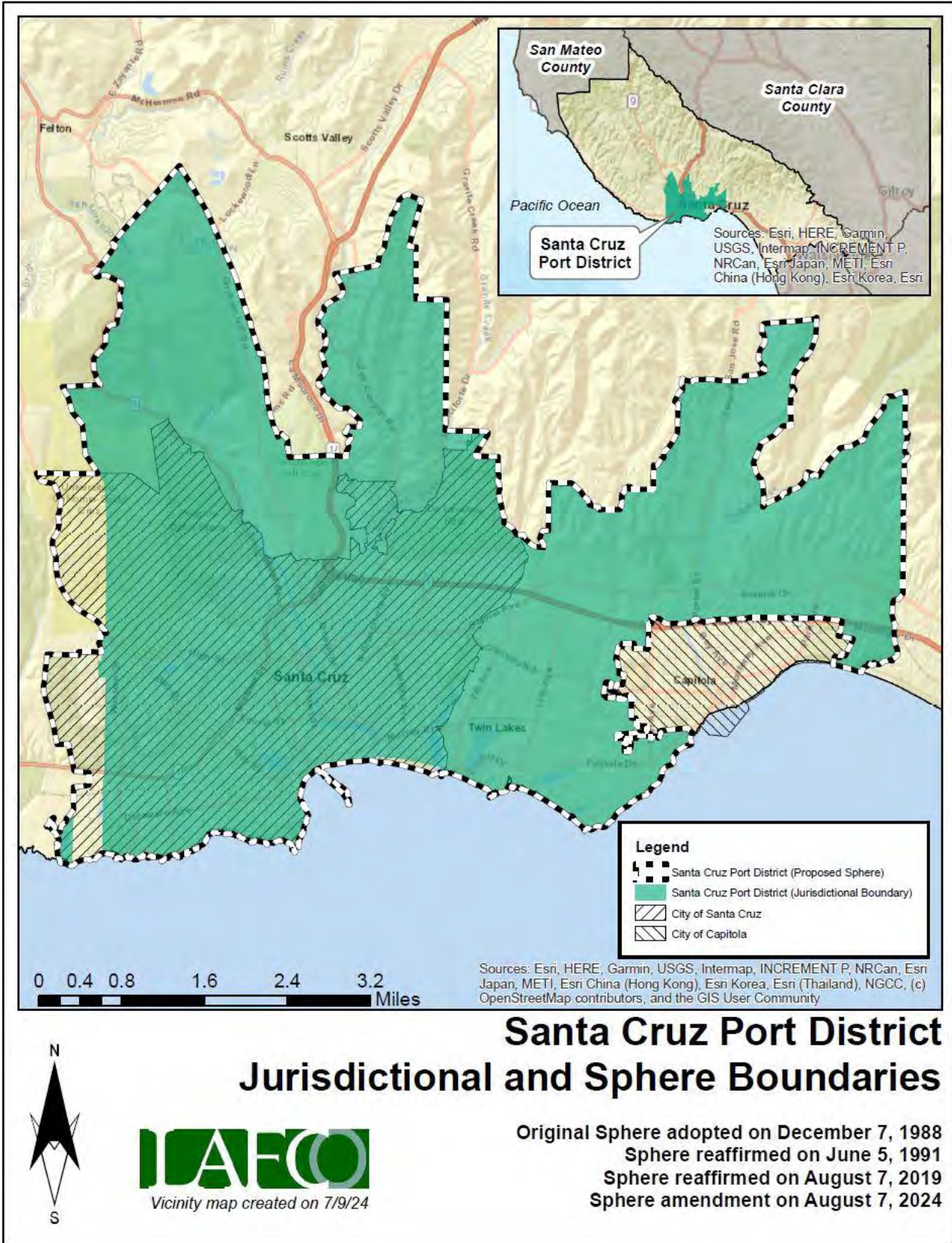


Figure 7: Proposed Sphere Map



DISTRICT SUMMARY

Santa Cruz Port District	
Formation	California Harbors and Navigation Code, section 6000 et seq.
Board of Directors	Five members, elected at-large to four-year terms <i>(Transition to division-based election starting in November 2024)</i>
Port Director	Holland MacLaurie
Employees	29 Full-Time Employees
Facilities	Appx. 1,200 wet berths; 275 dry-stored vessels; visitor berthing; and launching
District Area	27.9 square miles
Sphere of Influence	<u>Current Sphere:</u> Coterminous with Service Area <u>Proposed Sphere:</u> Larger than Service Area
FY 2022-23 Audit	Total Revenue = \$14,950,486 Total Expenditure = \$11,154,234 Projected Net Position (Beginning Balance) = \$35,165,484
Contact Information	Mailing Address: 135 5 th Avenue, Santa Cruz CA 95062 Phone Number: (831) 475-6161 Email Address: scpd@santacruzharbor.org Website: www.santacruzharbor.org
Public Meetings	Meetings are typically held on the fourth Tuesday of each month at 5:30 p.m.
Mission Statement	The primary mission of the Santa Cruz Port Commission is to ensure that Santa Cruz Harbor is a viable operational and financial entity, providing a full array of boating and marine related opportunities for the public.

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.

The District encompasses unincorporated county territory as well as the vast majority of the City of Santa Cruz. It is estimated that approximately 99,000 residents currently live within the District's jurisdiction. Based on LAFCO's projections, the District's population may reach 113,000 by the year 2040.

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

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the District's sphere boundary.

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

The District does not provide water, sewer, or fire protection within its service area.

4. Financial ability of agencies to provide services.

The District operates with revenues covering expenditures on an annual basis. As of March 31, 2023, the District is operating with a net position of approximately \$35 million and total assets of approximately \$66 million. The District is funded primarily through service charges. The District does not receive any tax revenue.

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

The District provides emergency ocean rescue and law enforcement services when requested to assist the US Coast Guard, local marine rescue agencies, and law enforcement agencies within the County. The District is part of a Joint Powers Authority with the California Maritime Infrastructure Authority and has MOUs with the US Army Corps of Engineers for dredging and the City and County for tax reallocation.

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

The Santa Cruz Port District is governed by a five-member board. The District has transitioned from at-large to division-based elections, effective with the November 2024 election.

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 and sphere 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.

State law limits the square miles of the Santa Cruz Port District such that it does not include the entire County and there can only be one municipal corporation in the District (Harbors and Navigation Code Section 6210). The District's boundary contains the vast majority of the City of Santa Cruz and an area of unincorporated land. This area includes a wide range of land uses, including but not limited to, agriculture, community commercial, parks and open space, and residential.

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

The District experiences an ongoing need for harbor services, which is demonstrated by the current wait list for harbor slips. The longest approximate wait time ranges from 1 year for a 20-foot slip up to 23 years for a 40-foot slip. All slip assignments are based on chronological precedence of requests. Only one size slip may be requested. The District provides a monthly waiting list report which can be accessed on their website.

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

The District has consistently demonstrated a capacity to provide harbor services to the large population it serves. A strong local demand for harbor services is effectively constrained by the spatial limitations of the harbor's physical site.

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

There are no District-relevant social or economic communities of interest in the area served. Staff's analysis does highlight that District's recent transition from at-large to division-based elections. This transition will provide more equal representation within the District's jurisdictional boundary and on its governing board.

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 Santa Cruz Port District does not provide services related to sewers, municipal and industrial water, or structural fire protection. Therefore, this determination is not applicable.

APPENDICES

Appendix A: “Harbor News” Newsletter (Spring 2024)

Appendix B: Division-Based Election Map (November 2024)

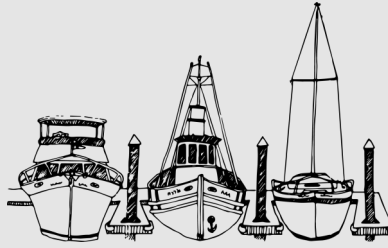
Appendix C: Capital Improvement Plan (2024 to 2028)



APPENDIX A:

“Harbor News” Newsletter (Spring 2024)

SANTA CRUZ PORT DISTRICT
135 5th Avenue
Santa Cruz, CA 95062
831.475.6161
scpd@santacruzharbor.org
www.santacruzharbor.org



PORT COMMISSIONERS
Toby Goddard
Dennis Smith
Reed Geisreiter
Stephen Reed
Darren Gertler

HARBOR NEWS

SANTA CRUZ SMALL CRAFT HARBOR

SPRING 2024

Celebrating 60 years of the Santa Cruz Harbor

Since its dedication on April 18, 1964, the Santa Cruz Harbor has been a cornerstone of the Santa Cruz community, offering a wide range of commercial and recreational marine-related activities for residents and visitors alike. Guided by the mission of the Santa Cruz Port Commission, the harbor has remained a vibrant and financially sustainable entity, providing a wide array of boating and marine related opportunities for the public.

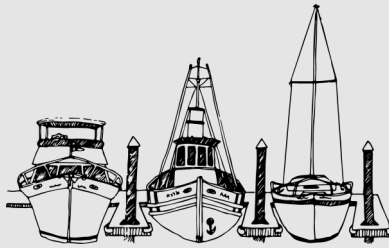
As we celebrate this milestone, we invite you to browse the Port District's [archive](#) and celebrate the collective efforts that have shaped the Santa Cruz Harbor into the valuable marine asset it is today. Here's to 60 years!

"...And thus it goes. Our harbor is a living thing as vital as the air we breathe and as eternal as the tides and winds which are a part of us."

~ ED LARSON

Aviator, Artist, Author, and Beloved Friend of the Harbor





2023 FISHERIES DISASTER DECLARATION

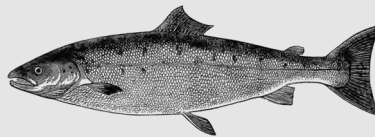
On February 1, 2024, the Secretary of Commerce announced the allocation of \$20.6 million for the fishery resource disaster that occurred in the 2023 Sacramento River Fall Chinook fishery. The State of California and the Pacific Fisheries Management Council will have until June 1, 2024, to submit a spend plan to National Oceanic and Atmospheric Administration (NOAA Fisheries) before funds are released to those affected by the 2023 salmon fishery closure.

USACE LTC SHEBESTA SITE VISIT

On Wednesday, March 27, 2024, LTC Timothy Shebesta of the U.S. Army Corps of Engineers (USACE) toured the harbor and reviewed the District's dredge operation. Chair Reed, Commissioner Goddard, and staff led an informative visit, which highlighted the successful partnership that exists between the Port District and the Corps.

2024 SALMON SEASON UPDATE

On April 11, 2024, the Pacific Fisheries Management Council made the determination to close recreational and commercial ocean salmon fishing statewide in 2024. The action to close salmon fishing for a second straight year comes after the continuation of low stock abundance forecasts.



MILE BUOY SAVED FROM REMOVAL!

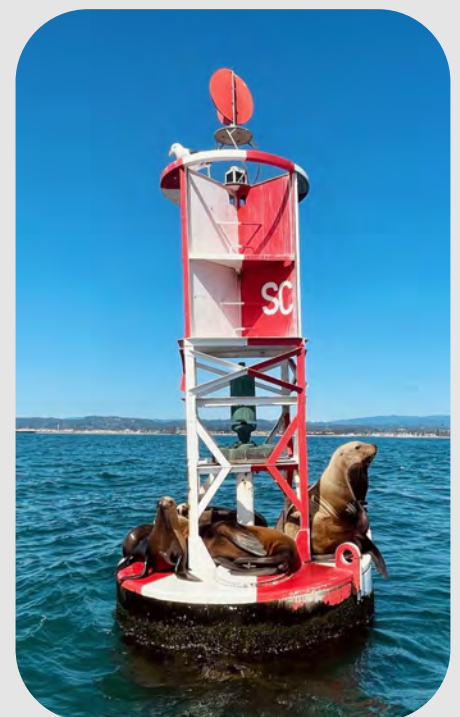
On Friday, March 29, 2024, the Coast Guard announced that the Santa Cruz Lighted Whistle Buoy, commonly known as Mile Buoy, will not be removed. The announcement came after overwhelming public support in favor of the buoy remaining in our local waters. The Coast Guard has indicated that every ten years, Aids to Navigation are evaluated for their utility, so it's another proposal for removal will occur in the future.

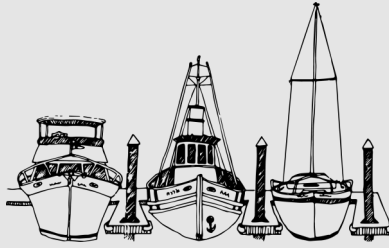
CONGRESSMAN PANETTA SITE VISIT

Congressman Panetta was onsite on February 23, 2024, to meet with staff and tour the harbor.

Congressman Panetta is familiar with the Port District's dredging operation and has been instrumental in coordinating congressional support for the District's annual dredge reimbursement from the U.S. Army Corps of Engineers.

The Port District is extremely appreciative of the ongoing support received from local and state legislators.





UPCOMING MEETINGS

Regular monthly Commission meetings are held on the fourth Tuesday of each month at 5:30 PM. Items for the agenda must be submitted to the Port District by the Tuesday prior to the meeting date of each month.

Please join us in person or virtually! For more information visit our [website](#).

SPECIAL CLOSED MEETING:

April 23, 2024, 4:30 PM

REGULAR PUBLIC MEETING:

April 23, 2024, 5:30 PM

REGULAR PUBLIC MEETING:

May 28, 2024, 5:30 PM

SANTA CRUZ COUNTY CLEANUP DAY

O'Neill Sea Odyssey will be hosting a Community Cleanup on May 11, 2024.

MEET: 616 Atlantic Avenue (near the entrance to the West Jetty Walkway)

TIME: 9:00 AM – 11:00 AM

[Click here](#) for more information on how to participate in an upcoming cleanup event.

NATIONAL SAFE BOATING WEEK - MAY 18-24, 2024

Join the Port District in promoting safe boating during National Safe Boating Week at the Santa Cruz Harbor launch ramp.

Stay tuned for more information!

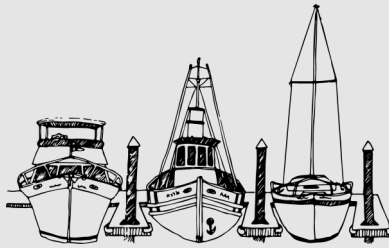
CONCESSION PARKING LOT TEMPORARILY CLOSED

Please be advised that the concession parking lot will be closed from Monday, April 22 to Friday, April 26, 2024.

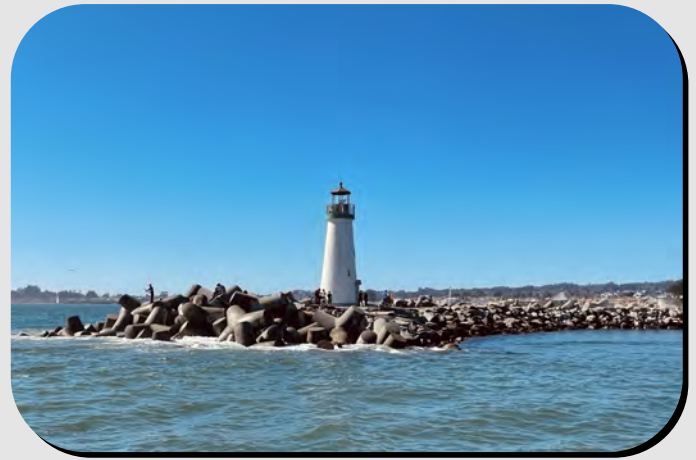
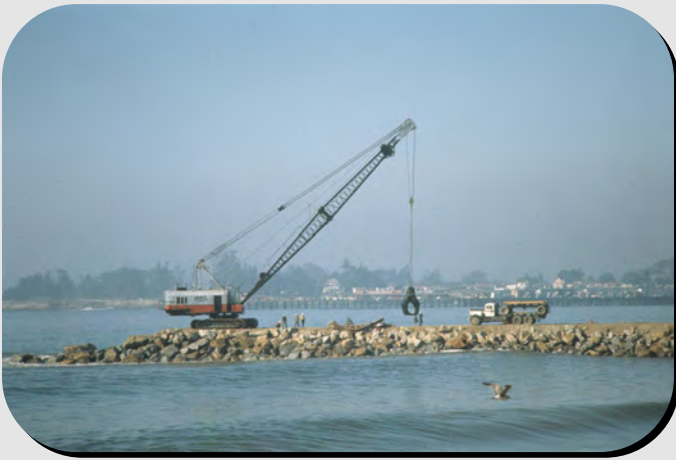
The Port District recently awarded a contract to Granite Construction to facilitate much needed paving work in the concession parking lot. The concession parking lot and all access points will be closed for the duration of the project.

Free parking will be available for patrons in the launch ramp parking lot (adjacent to the concession parking lot). [Click here](#) for more information.

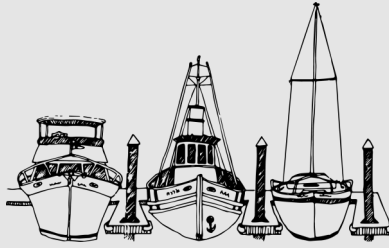




Then and Now



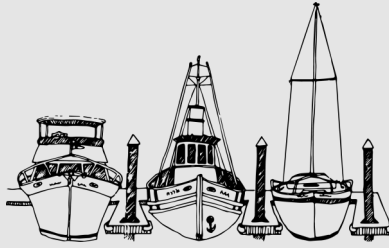
Historical Photograph Credit to Les Long.



Then and Now



Historical Photograph Credit to Les Long.



ANCHORS AWEIGH!

KEVIN MELROSE

After 8 years with the Port District, Kevin Melrose, the District's Boatyard Supervisor set sail into retirement on March 31, 2024.

We extend our sincere appreciation for his contributions and wish him well in his endeavors.

Join us in congratulating Kevin on his well-deserved retirement!

BOATYARD SUPERVISOR

NICK HENNING

The Port District is pleased to announce that Nick Henning has been promoted to the position of Boatyard Supervisor.

Nick has worked at the boatyard since 2021, and has extensive experience hauling vessels and participating in the oversight of the day-to-day operations of the yard.

We look forward to having Nick in this supervisory position, so please join us in congratulating him on his recent promotion!

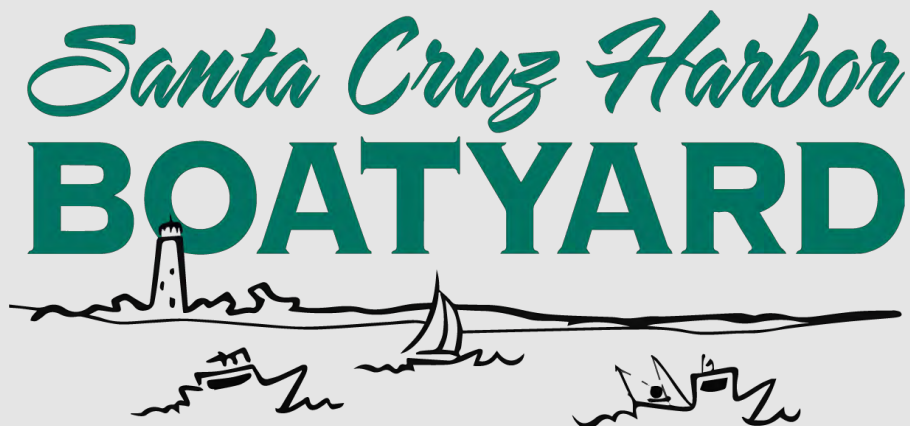
BOATYARD CREW

PETER REPLOGLE

The Port District would like to welcome Peter Replogle to the operations team as the new full-time Boatyard Crew member.

Peter has worked in the boating industry since 2015, and is a graduate of The Northwest School of Wooden Boat Building in Port Townsend, Washington. He also served eight years in the Army as an electronics technician.

Please join us in welcoming Peter to the team!



*The Santa Cruz Harbor Boatyard is gearing up for the busy season.
Be sure to schedule your haulout soon!*

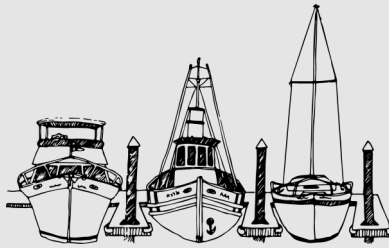
Call Today! (831) 475-3002

MARINE FLARE DISPOSAL SURVEY

*Calling All Seafarers &
Coastal Guardians!*

Are you a boater, sailor, or ocean enthusiast in Santa Cruz County?
Your input about Marine Flare use, and disposal is needed!

[TAKE THE SURVEY NOW!](#)



SELF-GUIDED TOUR STATIONS

Throughout the Santa Cruz Harbor there are interpretive panels which detail many facets of the harbor's eco-systems, economics, and history. These panels were created by Ed Larson decades ago and offer a colorful and informative way to learn about the environment and the role Santa Cruz Harbor plays in our community. Most panels are located at the water's edge and are easy to find by the bright yellow and blue metal signs with rounded tops which denote their location.



2023-24 DREDGE OPERATIONS

The 2023-24 dredge season has proven to be challenging. The crew has been working hard to combat rough weather, a large influx of sand, and several unanticipated equipment failures that have resulted in extended work stoppages.

The dredge crew has been working hard to address the entrance channel shoaling and has made significant progress deepening the center channel.

An extension to the dredge season through May 24, 2024, has been requested. Final approval from all regulatory agencies is pending.

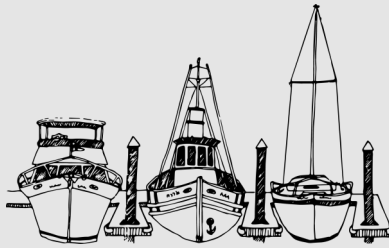


Cheers to 25 years!

Arturo Acevedo (left) and Jorge Lopez (right), recently celebrated their 25th anniversary of working for the Port District's Maintenance Department. Both starting in 1998, each have provided a tireless commitment to the Port District's grounds and infrastructures.

Thank you!





WATER TAXI OPERATION

The free inner-harbor water taxi is scheduled to begin operation over Memorial Day Weekend! Beginning Saturday, May 25, 2024, the water taxi will be operating on weekends and holidays from 11:00 AM to 6:00 PM. In addition to weekend service, the water taxi will operate on Thursday evenings during the Crow's Nest beach barbecues from 5:00 PM to 9:00 PM.

Passengers may be picked up and dropped off at the following locations:

- X1 Gate (northeast harbor)
- AA Dock (southwest harbor)
- Launch Ramp (southeast harbor)



TAKE A **FUN** RIDE ON THE **FREE** INNER HARBOR WATER TAXI

MEMORIAL DAY TO LABOR DAY

RULES FOR BOARDING

- Please wait at gate.
- Attendant will escort you aboard.
- Children under 13 will be given and must wear a life jacket.
- Maximum capacity: 20 persons.
- Please remain seated during trip.

www.santacruzharbor.org



Water Taxi Boarding May to September

Water Taxi Flag Stop

SCAN ME

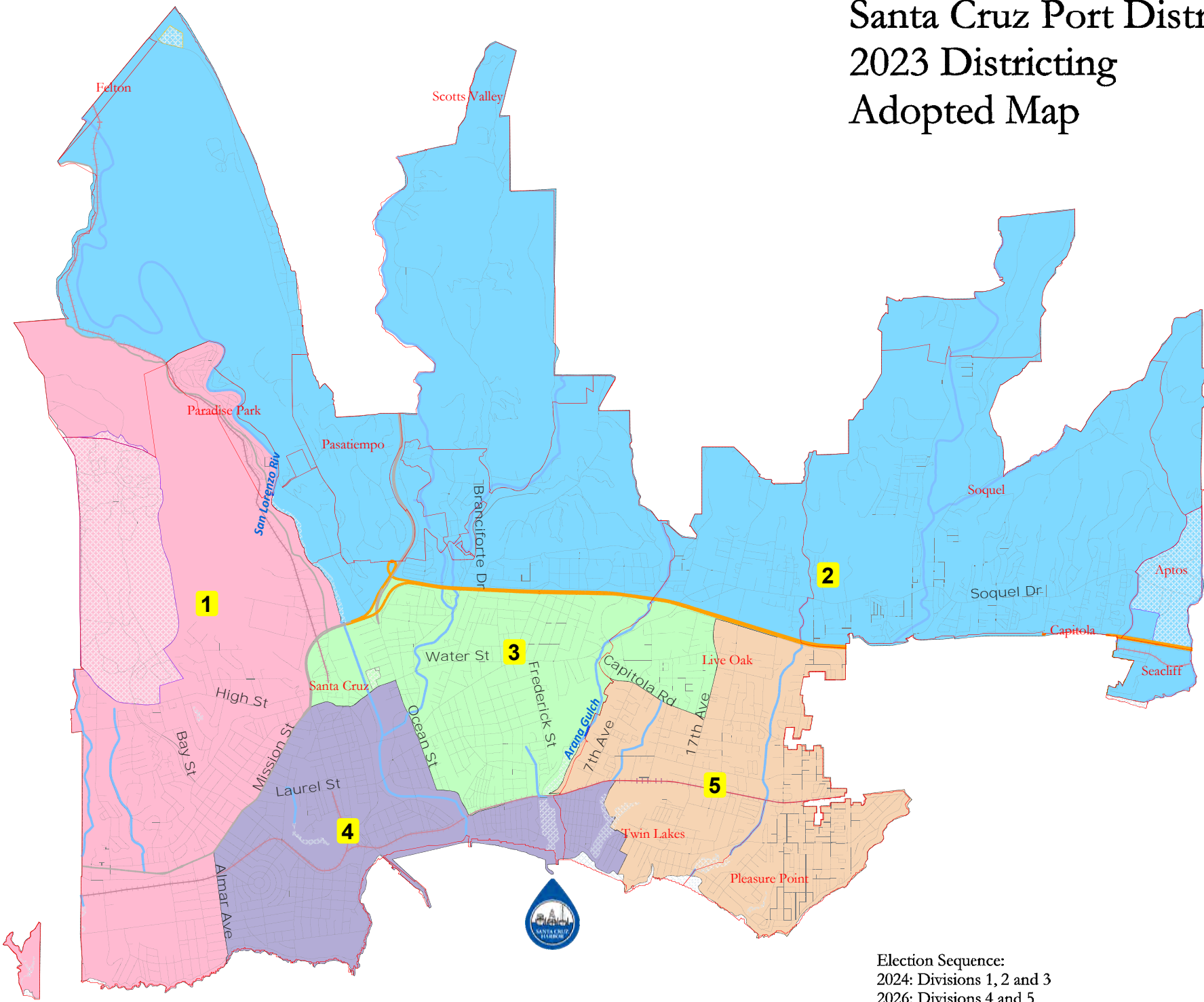
- X-1 Gate
- Launch Ramp
- AA Dock

SATURDAY & SUNDAY: 11 AM – 6 PM (during summer weekends)
THURSDAY: 5 PM to 9 PM (during Crow's Nest Beach BBQs)

APPENDIX B:

Division-Based Election Map (November 2024)

Santa Cruz Port District 2023 Districting Adopted Map



Map layers

- Adopted
- Landmark Area
- Landmark Point
- Water Area
- Railroad
- River
- Streets

Page 37 of 550

Election Sequence:
2024: Divisions 1, 2 and 3
2026: Divisions 4 and 5

APPENDIX C:

Capital Improvement Plan (2024 to 2028)



SANTA CRUZ PORT DISTRICT

**FIVE-YEAR
CAPITAL IMPROVEMENT PLAN**

FISCAL YEAR 2024 - FISCAL YEAR 2028

CAPITAL IMPROVEMENT PROGRAM

The Capital Improvement Program and fund balance propose \$500,000 in new funding for capital improvement projects in FY24, and assignment of \$920,000 in existing Unallocated CIP Funds¹⁸ in support of identified projects.

The proposed 5-Year Capital Improvement Program follows.

¹⁸ The Port District received approximately \$922,761 in net insurance proceeds for damages related to the January 15, 2022, tsunami. This funding was received and recognized in FY23 and allocated to the CIP Reserve Fund (Unallocated CIP), pending Commission review and allocation as part of the FY24 budget process. Receipt of this one-time funding is intended to cover costs for tsunami-damaged items, including but not limited to dredge equipment repair and replacement, north harbor transformer repair, pile repair and replacement, etc. This funding may be utilized for any purpose designated by the Commission.

INTRODUCTION

This 5-year Capital Improvement Plan (CIP) presents the Santa Cruz Port District's plan for development, maintenance, improvement, and acquisition of infrastructure assets to benefit Santa Cruz Harbor's users, businesses, and visitors. It is intended to serve as a guidance document for planning, scheduling, and implementing capital improvements and planning projects over the next 5 years.

The 5-year CIP serves as a tool for prioritizing and selecting future projects, and provides an overview of works in progress. The CIP highlights the District's investments in infrastructure development and maintenance (i.e., capital improvements) and other significant capital expenditures. Studies of less than \$5,000, and capital expenditures for equipment, vehicles and vessels are typically not included in the CIP, though there are exceptions (e.g., previous water taxi and patrol vessel procurements).

CAPITAL IMPROVEMENT PLAN DEVELOPMENT

Annual updating of the 5-year CIP is an integral part of the budget process. The CIP is presented with the budget to provide time for review by the public and the Port Commission prior to consideration and incorporation into the final budget.

Prior to FY13, many capital improvements were budgeted and completed within line items in the operating budget, such as Pavement Repairs (F006), Building Restoration (F011), Restroom Building Rehabilitation (F012) and Dock Upgrades(F008). Those items are now presented as separate projects within the 5-year CIP with recommended funding amounts for ongoing rehabilitation and repair.

Each year, the Commission will adopt an updated 5-year CIP that will include prioritized short and long-term projects. The prioritized list will be used by staff in the development of the annual operating budget. The 5-year CIP will be published in advance of and discussed during a public meeting prior to adoption of the annual budget.

FUNDING THE CAPITAL IMPROVEMENT PLAN

Each year, funding is allocated to various large and small projects within the CIP. Non-specific CIP funding is contained in the Unallocated CIP Funds (F099), which is also referred to as the CIP Reserve Fund.

In FY16, the Port Commission adopted a Reserve Policy, which established funding goals for reserves and for the 5-year CIP. The Commission initially elected to contribute \$500,000 to the CIP fund each year, whenever practicable. The CIP fund would be allowed to grow over time so that large-scale projects could be planned and accomplished without impacting either the Reserve Fund or operations. In February 2020, the Commission increased the CIP funding goal to \$750,000 annually, whenever practicable.

While the annual funding goal remains at \$750,000, several FY24 budget impacts, including increased personnel services costs and increased insurance premiums (premiums are anticipated to rise 114% or \$602,934 over the FY23 budget), pose a significant challenge to reaching the \$750,000 funding level.

As a result, a \$500,000 contribution is proposed in conjunction with utilizing \$920,000 of Unallocated CIP Funds¹⁹ to establish funding in the amount of \$1,420,000 for identified project needs.

PROJECT DEVELOPMENT AND SELECTION PROCESS

The projects proposed in the FY24 CIP were derived from a variety of sources, including recommendations from Port District staff, Commission and public input, and projects identified in the Port District Priorities for 2023.

Although not typically included as capital improvements, planning studies may be included in the CIP as part of the planning effort. Studies of less than \$5,000 or capital expenditures for vehicles, equipment and vessels are typically funded in the operating budget.

Twelve (12) previously identified projects are proposed for funding in FY24. This total includes two (2) projects that were added mid-fiscal year (North Harbor Transformer Project and 2222 East Cliff Deck Replacement). Four (4) projects are proposed for closeout (i.e., removal from the list), and there is one (1) new project proposed for funding in FY24. A CIP Summary sheet outlining projects and funding levels is included as Appendix A. Not including the CIP Reserve Fund, the Fund Balance projection as of April 1, 2023, has 28 identified projects with some level of available funding.

PROPOSED PROJECTS

Several of the proposed projects in this CIP address ongoing infrastructure or facility maintenance needs and are typically programmed on an annual basis. Examples include Pavement Repairs (F006), Building Restoration (F011), and Restroom Building Rehabilitation (F012).

The following attachments provide additional detail regarding future funding needs and project descriptions:

- Appendix B: Capital Improvement Plan Detail – 5-year funding projections
- Appendix C: Capital Improvement Plan Detail – Project Descriptions (funded and unfunded)

ENVIRONMENTAL REVIEW

The development of this 5-year plan is not a project, as defined in the California Environmental Quality Act (CEQA), and an environmental review is not required for its adoption. Individual projects listed herein may be subject to CEQA and environmental reviews will be conducted during project implementation.

¹⁹ The Port District received approximately \$922,761 in net insurance proceeds for damages related to the January 15, 2022, tsunami. This funding was received and recognized in FY23 and allocated to the CIP Reserve Fund (Unallocated CIP), pending Commission review and allocation as part of the FY24 budget process. Receipt of this one-time funding is intended to cover costs for tsunami-damaged items, including but not limited to dredge equipment repair and replacement, north harbor transformer repair, pile repair and replacement, etc. This funding may be utilized for any purpose designated by the Commission.

CAPITAL IMPROVEMENT PLAN DETAIL

APPENDIX A – CIP SUMMARY

The table below summarize FY23 CIP funding contributions, including mid-year transfers to individual funds.

CIP FUNDING SUMMARY	
Beginning Balance as of April 1, 2022	\$1,894,053
Transfer In – Westside Seawall Design (PC Approval 6/7/22)	\$4,292
Transfer In – North Harbor Transformers (PC Approval 9/27/22)	\$207,000
Transfer In – 2222 East Cliff Deck (PC Approval 12/13/22)	\$825,000
Transfer In – Murray Street Bridge (Escrow Funding rec'd XXXXXX)	\$400,000
Transfer In – Insurance Proceeds (January 15, 2022, Tsunami)	\$922,761
Total:	\$4,253,060
Anticipated FY23 Expenditures through March 31, 2023	(\$345,427)
	\$3,907,633

CAPITAL IMPROVEMENT PLAN DETAIL

APPENDIX A – CIP SUMMARY (CONT.)

The table below summarizes the FY24 CIP funding contributions (and reallocations) and details projected balances for individual funds as of April 1, 2023.

Project Name	Number	Beginning Balance April 1, 2022	FY23 Projected Expenditures	FY23 Contribution/ Reallocation	FY24 Proposed Reallocation	FY24 Funding Contribution	Projected Balance April 1, 2023
CF Marine Services Center	F003	10,000				0	\$10,000
Harbor Security Upgrades	HO01	12,404	(12,182)			12,000	\$12,222
Sanitary Sewer Lift Stations	F004	364,986	(22,545)				\$342,441
Piling Replacement	F005	30,000			85,000	500,000	\$615,000
Pavement Repairs	F006	52,716	(44,200)			100,000	\$108,516
Dock Upgrades	F008	82,097	0				\$82,097
Pier Rehabilitation	F009	129,322	(20,842)		(85,000)		\$23,480
Building Restoration	F011	205,630	(18,118)			20,000	\$207,512
Restroom Building Rehabilitation	F012	275,000	(24,396)			50,000	\$300,604
Sidewalk & Plaza Restoration	F013	33,000					\$33,000
Storm Drain System	F014	30,000				0	\$30,000
Water & Sewer System	F015	44,139				0	\$44,139
Parking Pay Station	F018	15,000	(14,981)			0	\$19
Aeration System Upgrades	F019	31,304				0	\$31,304
Ice Machine	F020	19,222				0	\$19,222
West Jetty Walkway	J001	799				0	\$799
7th and Brommer Recon	F021	134,467	(42,258)			25,000	\$117,209
SH Revetment & Seawall	F022	98,499	(63,760)	21,500			\$56,239
Murray Street Bridge	F024	(42,960)	(22,961)	400,000			\$334,079
Unallocated CIP Funds	F099	17,209		909,982	(920,000)	150,000	\$157,191
Aldo's Seawall Replacement	F027	188,441					\$188,441
Parking Upgrades	F028	46,321	(627)			25,000	\$70,694
Patrol Vessel Replacement	F033	2,182	0	(2,182)			Close Out
Boatyard Marine Ways Insp.	F035	8,000	(5,753)	(2,247)		0	Close Out
Harborwide Refuse Study	F039	10,000	(8,000)			3,000	\$5,000
Water Taxi	F040	0	0		0	0	Close Out
Maint Work Boat Replacement	F041	0	0		0	0	Close Out
Embankment Assessment	F042	6,274				70,000	\$76,274
Fuel System Upgrades	F043	40,000	(6,461)			55,000	\$88,539
January 22 Tsunami Fund	F044	50,000	(14,527)		(35,473)		Close Out
NH Transformer	F045		(20,328)	207,000		225,000	\$411,672
2222 East Cliff Deck Replacement	F046		(3,488)	825,000		10,000	\$831,512
Twin Lakes Haul (New in FY24)	F047				35,473	175,000	\$210,473
TOTAL:		\$1,894,053	\$ (345,427)	\$2,359,053	\$920,000	\$1,420,000	\$4,407,679

CAPITAL IMPROVEMENT PLAN DETAIL

APPENDIX B – 5-YEAR FUNDING PROJECTIONS

Projects within the Capital Improvement Program are categorized into one of the six following categories:

- Docks, Piers & Marine Structures
- Buildings
- Landside Infrastructure
- Utility Systems
- Planning Projects & Studies
- Miscellaneous Projects

The tables below summarize anticipated funding needs for each identified project / project category for the period FY24 to FY28. The proposed FY24 CIP contribution totals \$1,270,000 (comprised of \$920,000 in insurance proceeds and \$350,000 from the operating budget).

DOCKS, PIERS & MARINE STRUCTURES

	FY24	FY25	FY26	FY27	FY28	Total
Piling Replacement	500,000	75,000	125,000	250,000	50,000	\$1,000,000
Dock Upgrades	-	20,000	125,000	250,000	50,000	\$445,000
Pier Rehabilitation	-	20,000	-	-	50,000	\$90,000
BY Marine Ways Upgrades	-	40,000	-	85,000	-	\$125,000
	\$500,000	\$155,000	\$250,000	\$585,000	\$150,000	\$1,640,000
NOTABLE FY24 DOCKS, PIERS & MARINE STRUCTURE PROJECTS						
<ul style="list-style-type: none"> • Replacement of approximately 35-40 critical piles throughout the north and south harbor during the June 15 to Nov 30, 2023, • Sleeve 2 previously identified piles at the boatyard marine ways. 						

BUILDINGS

	FY24	FY25	FY26	FY27	FY28	Total
Building Restoration	20,000	75,000	25,000	50,000	50,000	\$220,000
Restroom Rehabilitation	50,000	150,000	100,000	100,000	75,000	\$475,000
2222 East Cliff Deck	10,000	-	-	5,000	-	\$15,000
2222 East Cliff Repaint ²⁰	-	50,000	-	-	-	\$50,000
2218 East Cliff Roof ²¹	-	75,000	-	-	-	\$75,000
Lighthouse Repaint	-	15,000	15,000	-	-	\$30,000
Harbor Office Updates	-	-	10,000	10,000	-	\$20,000
	\$80,000	\$365,000	\$150,000	\$165,000	\$125,000	\$885,000
NOTABLE FY24 BUILDING PROJECTS						
<ul style="list-style-type: none"> Replacement of second story deck at 2222 East Cliff Drive. Renovation of I-Dock restroom and shower facility. 						

LANDSIDE INFRASTRUCTURE

	FY24	FY25	FY26	FY27	FY28	Total
Pavement Repairs	100,000	75,000	75,000	75,000	75,000	\$400,000
Parking Pay Stations	-	5,000	5,000	25,000	-	\$35,000
Parking Upgrades	25,000	5,000	5,000	5,000	5,000	\$45,000
Sidewalk and Plaza Restoration	-	-	15,000	25,000	-	\$40,000
	\$125,000	\$85,000	\$100,000	\$130,000	\$80,000	\$520,000
NOTABLE FY24 LANDSIDE INFRASTRUCTURE PROJECTS						
<ul style="list-style-type: none"> Anticipated paving repairs include storm-damaged concrete walkway near 493 Lake Avenue, fishery pier, and concession lot exit lanes. Travel path upgrades in concession lot (paid for from Parking Upgrades). 						

²⁰ Previous funding for this project in the amount of \$10,000 is allocated in the Building Restoration fund balance.

²¹ Previous funding for this project in the amount of \$50,00 is allocated in the Building Restoration fund balance.

UTILITY SYSTEMS

	FY24	FY25	FY26	FY27	FY28	Total
Sanitary Sewer Upgrades	-	75,000	200,000	75,000	75,000	\$425,000
Fuel System Upgrades	55,000	-	-	10,000	10,000	\$75,000
Aeration Syst. Upgrades	-	10,000	-	10,000	-	\$20,000
Storm Drain Maintenance	-	-	5,000	-	5,000	\$10,000
Water & Sewer Maint.	TBD	TBD	TBD	TBD	TBD	TBD
NH Transformers	225,000	100,000	TBD	TBD	TBD	\$325,000
	-	-	15,000	25,000	-	\$40,000
	\$280,000	\$185,000	\$220,000	\$120,000	\$90,000	\$895,000
NOTABLE FY24 LANDSIDE INFRASTRUCTURE PROJECTS						
<ul style="list-style-type: none"> Replacement of G-Dock sanitary sewer lift station. Fuel System upgrades (new dispensers and hoses) Replacement of 6 tsunami-damaged transformers in the north harbor. 						

PLANNING PROJECTS & STUDIES

	FY24	FY25	FY26	FY27	FY28	Total
Comm. Fishery Upgrades	TBD	TBD	TBD	TBD	TBD	TBD
West Side Master Plan	-	-	85,000	-	-	\$85,000
7 th & Brommer Site	25,000	TBD	TBD	TBD	TBD	\$25,000
SH Revetment. & Seawall	TBD	TBD	TBD	TBD	TBD	TBD
Harbor Wi-Fi	-	-	25,000	5,000	5,000	\$35,000
East Side Embankment	\$70,000	TBD	TBD	TBD	TBD	\$70,000
Arana Gulch Grade Control Feasibility Study	-	85,000	-	-	-	\$85,000
	\$95,000	\$85,000	\$110,000	\$5,000	\$5,000	\$300,000
NOTABLE FY24 PLANNING PROJECTS AND STUDIES						
<ul style="list-style-type: none"> Continued planning for the repair and replacement of the west side seawall (SH Revetment & Seawall) Contract for engineering services to determine repair/replacement options for the storm-damaged east side embankment. 						

MISCELLANEOUS PROJECTS

	FY24	FY25	FY26	FY27	FY28	Total
CIP Reserve Fund	TBD	TBD	TBD	TBD	TBD	TBD
Refuse / Recycling Study	3,000	-	-	-	-	\$3,000
Harbor Security Upgrades	12,000	12,000	-	12,000	-	\$36,000
West Jetty Walkway	TBD	TBD	TBD	TBD	TBD	TBD
<i>Twin Lakes</i> Haul	175,000	200,000	200,000	-	-	\$575,000
Unallocated CIP	150,000					
	\$340,000	\$212,000	\$200,000	\$12,000	-	\$764,000
NOTABLE FY24 PLANNING PROJECTS AND STUDIES						
<ul style="list-style-type: none"> • Refuse receptable upgrades at beach plaza. • Installation of additional security cameras. • Set-aside funding for <i>Twin Lakes</i> haulout. 						

TOTAL 5-YEAR CIP FUNDING NEEDS

	FY24	FY25	FY26	FY27	FY28	Total
Docks, Piers & Structures	\$500,000	\$155,000	\$250,000	\$585,000	\$150,000	\$1,640,000
Buildings	\$80,000	\$365,000	\$150,000	\$165,000	\$125,000	\$885,000
Landside Infrastructure	\$125,000	\$85,000	\$100,000	\$130,000	\$80,000	\$520,000
Utility Systems	\$280,000	\$185,000	\$220,000	\$120,000	\$90,000	\$895,000
Planning Project/Studies	\$95,000	\$85,000	\$110,000	\$5,000	\$5,000	\$300,000
Miscellaneous Projects	\$340,000	\$212,000	\$200,000	\$12,000	-	\$764,000
	\$1,420,000	\$1,087,000	\$1,030,000	\$1,017,000	\$450,000	\$5,009,004

CAPITAL IMPROVEMENT PLAN DETAIL

APPENDIX C – PROJECT DESCRIPTIONS

FUNDED PROJECTS

F003	CF HARBOR SECURITY MARINE SERVICES CENTER
<i>Status:</i>	<i>Project on Hold</i>
<p>This project would involve improvements to the facilities located at 493 and 495 Lake Avenue, buildings that currently house H&H Fresh Fish, Johnny's Harborside Restaurant, and the Santa Cruz Harbor Boatyard. The first phase of the project will involve outreach and preliminary planning for ice production and storage, evaluation of the expansion potential for the restaurant facility, and potential upgrades to serve the commercial fishery. Additional work will involve identification of funding sources/partners, and use of the boatyard during the City of Santa Cruz's upcoming Murray Street Bridge Rehabilitation project.</p>	
HO01	HARBOR SECURITY UPGRADES
<i>Status:</i>	<i>Ongoing – funding recommended in FY24 for acquisition of additional security cameras</i>
<p>This project was approved to provide for increased security systems throughout the harbor to reduce unauthorized uses, and to improve monitoring and law enforcement capabilities. Cameras and recording devices with remote monitoring capabilities have been installed at key locations and expansion of the camera system is recommended. Fencing and lighting upgrades were previously completed in the north harbor dry storage and dredge yard.</p> <p>Previously completed projects include restroom door and gate rekeying in FY16, FY17 and FY19, and acquisition of electronic system components in FY19. Fabrication of dock gates to support the new electronic key system were funded as separate project (Dock Upgrades F008). Security cameras were installed in FY20, FY21, FY22, and FY23 (. Additional funding planned in FY24 is for additional cameras.</p>	
F004	SANITARY SEWER LIFT STATIONS
<i>Status:</i>	<i>Ongoing – adequate funding available for first phase of replacement (G-Dock lift station)</i>
<p>This project will continue to involve development of construction documents for upgrades or replacements as required, and coordination with the City of Santa Cruz and the County of Santa Cruz for future maintenance. Priority tasks previously identified include replacing the lift station control panels and performing ultrasound inspections of existing steel tubing, replacing, or relining existing tanks and upgrading access to pumps for maintenance.</p> <p>A comprehensive assessment of the nine existing sanitary sewer lift stations was performed in FY22. As a result of that assessment, construction documents for upgrades or replacements as required were drafted in FY23. Replacement of the G-Dock lift station will be placed out to bid in late FY23 or early FY24.</p>	
F005	PILING REPLACEMENT
<i>Status:</i>	<i>Ongoing - funding needed for critical piling replacements in FY24.</i>
<p>The Port District maintains approximately 700 piles to support its docks and piers. Over the last 5 years, approximately 225 piles have been repaired and/or replaced. Funding is requested in FY24 to address pile replacement needs in the north and south harbor (some damage attributed to tsunami and storm events).</p>	
F006	PAVEMENT REPAIRS
<i>Status:</i>	<i>Ongoing – funding recommended in FY24.</i>
<p>Ongoing project to maintain, resurface and restripe harbor parking lots and roads. Funding in FY24 is requested to repave storm-damaged concrete walkway near 493 Lake Avenue, fishery pier, and concession lot exit lanes.</p>	

F008	DOCK UPGRADES
<i>Status:</i>	<i>Ongoing – no funding recommended in FY24.</i>
<p>The 30 distinct docks that make up the Santa Cruz Harbor provide berthing for over 800 vessels, fulfilling the mission of being a federal and state harbor of refuge. This funding provides for small projects involving repairs or upgrades to the existing docks and appurtenant structures such as gates, brow piers, ramps, etc.</p> <p>Fabrication of new aluminum dock gates supporting conversion to electronic key system for dock gates and restrooms was completed in FY19. Southeast harbor brow pier repairs completed in FY19; installation of new aluminum gangways acquired in FY21 for southeast harbor brow piers was completed in FY22.</p>	
F009	PIER REHABILITATION
<i>Status:</i>	<i>Ongoing – adequate funding available for proposed FY24 work.</i>
<p>The harbor's three piers require periodic inspection and maintenance to ensure they remain safe for public access and serviceable for their various uses. This ongoing project provides periodic funding for inspections, repairs, and upkeep.</p> <p>In 2020, 10 piles supporting the east public pier were deemed to be in critical condition and in need of repair. In FY21, a repair project was completed in which 3 of the 10 piles were jacketed and filled with cementitious grout. Of the remaining piles, 4 were programmed for repair in FY22, and 3 were scheduled for repair in FY23. The planned project in FY22 was delayed, and as a result, 7 east public pier piles were jacketed in FY23 by in-house crews, which resulted in considerable cost savings.</p> <p>Two piles supporting the boatyard marine ways will be jacketed by in-house crews in FY24. As a result of in-house crews performing this work, \$85,000 is proposed to be transferred from Pier Rehabilitation to Piling Replacement.</p>	
F011	BUILDING RESTORATION
<i>Status:</i>	<i>Ongoing – funding recommended in FY24.</i>
<p>Projects to be programmed on an annual basis include minor improvements that extend the useful life of systems and equipment in District-owned buildings that are rented out to various tenants.</p> <p>Future projects (FY24 and beyond) include 333 Lake Avenue rewiring and submetering, roofing and stairway replacement; re-roofing the concession lot restroom structure; roofing repairs at 2218 East Cliff Drive; exterior painting of 2222 East Cliff Drive; and other necessary maintenance and repair projects.</p>	
F012	RESTROOM BUILDING REHABILITATION
<i>Status:</i>	<i>Ongoing – funding recommended in FY24.</i>
<p>FY24 funding and ongoing funding recommended to facilitate phased rehabilitation of restroom facilities.</p> <p>Projects are planned on an annual basis to extend the useful life of the District's 11 restroom buildings. After 4 of the 11 restroom buildings sustained flood damage as a result of the January 2022 tsunami, expediting repair work in FY23 was initiated. In FY24, demolition and replacement of the I-Dock restroom and shower facility is planned.</p>	
F013	SIDEWALK AND PLAZA RESTORATION
<i>Status:</i>	<i>Ongoing - no projects planned in FY24</i>
<p>No major restoration of sidewalks or plazas was completed in FY23. No additional funding recommended in FY24.</p>	

F014	STORM DRAIN SYSTEM
<i>Status:</i>	<i>Ongoing – no funding recommended in FY24.</i>
This ongoing project involves maintenance, repairs and cleaning of the harbor's storm drainpipes, inlets and catch basins, and upgrades needed to comply with the State of California Industrial Stormwater Permit.	
F015	WATER & SEWER SYSTEMS
<i>Status:</i>	<i>Ongoing – no funding recommended in FY24.</i>
This ongoing project funds upgrades, improvements and major replacement / repair to the harbor's water and sewer services.	
F018	PARKING PAY STATION UPGRADES
<i>Status:</i>	<i>Ongoing – no funding recommended in FY24.</i>
This ongoing project funds replacement of the aging parking meters with pay stations throughout the harbor, beginning on the west side. Future projects anticipate pay station replacement and rehabilitation.	
F019	AERATION SYSTEM UPGRADES
<i>Status:</i>	<i>Ongoing – no funding recommended in FY24.</i>
Annual maintenance of the aerator motors and floats is performed as part of the Aeration program. This project differs from the annual program as it provides for replacement of aerators worked beyond their rated capacity.	
F020	ICE MACHINE
<i>Status:</i>	<i>Ongoing – no funding recommended in FY24.</i>
This project was initially funded to add cold storage and/or an ice delivery system to serve the commercial fishing fleet following replacement of the former Sunwell ice system. The resident buyer has a concept for improving ice production and delivery which may be an appropriate use of this funding subject to Port Commission review and approval.	
J001	WEST JETTY WALKWAY
<i>Status:</i>	<i>Project on Hold</i>
A Phase 1 project to complete resurfacing of the west jetty walkway was completed in 2012, utilizing grant funding provided by the Coastal Conservancy.	
Phase 2, which will complete an accessible walkway between AA-dock and Walton Lighthouse featuring donor-funded amenities including benches, plazas, a gateway and overlooks, is on hold pending completion of the Aldo's restaurant building replacement, and subsequent West Side Master Plan.	
F021	7th & BROMMER RECON
<i>Status:</i>	<i>Ongoing – funding recommended in FY24</i>
Site assessment and engineering work for future development of the Port District's property in the area of 7 th and Brommer, and coordination and interface with other opportunities in the area to ensure Port District and community interests are served.	
Site assessment of the Port District-owned parcel on northwest parcel was initiated in FY21 and continues. A marketing and feasibility study to consider opportunities that may be available to the Port District on County-owned property located on the southwest corner of 7 th and Brommer is ongoing.	

F022	SOUTH HARBOR REVETMENT & SEAWALL
<i>Status:</i>	<i>Ongoing – no funding recommended in FY24.</i>
Originally funded in FY15, this project was for engineering assessment and recommendations involving the seawall along the harbor's west side. The seawall at 616 Atlantic Avenue was replaced in FY20 and is similar vintage to the west side seawall. FY23 funding initiated a comprehensive engineering assessment of the seawall including a dive inspection. The final assessment report is pending. Additional funding in future years will be needed to undertake replacement of the seawall.	
F024	MURRAY STREET BRIDGE
<i>Status:</i>	<i>Ongoing – no funding recommended in FY24.</i>
Funding for this project will be made available by the City of Santa Cruz upon completion of necessary right-of-way certifications. In FY23, the Port District received a draw of escrow funding in the amount of \$400,000 to cover project related costs for the preliminary design and replacement of FF, Rowing, and Boatyard Docks.	
Port District coordination with the City of Santa Cruz on the Murray Street bridge reconstruction project. Contract services for engineering oversight and legal counsel will be needed.	
F027	ALDO'S SEAWALL REPLACEMENT PROJECT
<i>Status:</i>	<i>Ongoing – no funding recommended in FY24.</i>
Construction of a new seawall was completed by Granite Construction in FY20. The project was partially funded by financing obtained in FY19. All loan funding has been expended. Approximately \$188,441 remains in the CIP following project close-out, to provide funding for any future District costs associated with accessway improvements and Tenant reconstruction of the restaurant structure.	
F028	PARKING UPGRADES
<i>Status:</i>	<i>Ongoing – funding recommended in FY24.</i>
The Santa Cruz Harbor Parking Management Plan completed during FY16 included several recommendations for upgrading ADA parking facilities throughout the harbor. This project involves assessing current inventory and adding new accessible spaces in key locations.	
In FY21 one additional ADA space was added in the concession parking lot and existing spaces were relocated and reconfigured to bring them to current ADA standards. In FY22, funding to assess necessary upgrades to bring the path of travel between the concession lot public restroom and the beach plaza / concession area to current standards was completed. Work to complete the necessary path of travel upgrades is planned in FY24. Recently acquired bids for the improvement work indicate additional funding is necessary in FY24.	
F039	HARBORWIDE REFUSE / RECYCLING STUDY
<i>Status:</i>	<i>Ongoing – funding recommended in FY24.</i>
A harborwide refuse and recycling study was completed in FY23. While the final report pends Commission review, additional funding is being allocated in FY24 to address recommended improvements, like new/improved receptacles along the beach plaza.	

F042	EMBANKMENT ASSESSMENT
<i>Status:</i>	<i>Ongoing – funding recommended in FY24.</i>
<p>The embankment area at the site of the crane pad on the east access road adjacent to <i>Twin Lakes</i>’ off-season mooring has visible erosion, which was accelerated further by the January 2022 tsunami and again by the January 2023 winter storms. Funding was designated in FY22 to inspect the area, assess the significance of the erosion, and develop a repair plan suitable to support the crane and associated activities. A comprehensive assessment was completed in FY22, and an additional review of the area was performed by engineers after the tsunami event.</p> <p>Since considerable erosion occurred during the January 2023 storm events, funding in FY24 will be required to determine adequate repair / replacement options. The crane pad is currently compromised and cannot be used at full capacity. Costs associated with this project may be reimbursable by FEMA / CalOES.</p>	
F043	FUEL SYSTEM UPGRADES
<i>Status:</i>	<i>Ongoing – funding recommended in FY24.</i>
<p>The Santa Cruz Port District operates a full-service fuel dock 7 days a week. Ensuring that adequate funding is available for future equipment repair is critical to ensuring a serviceable operation.</p> <p>In FY24, the Port District will facilitate replacement of all four fuel dispensers and hose reels.</p>	
F045	NORTH HARBOR TRANSFORMER
<i>Status:</i>	<i>Ongoing – funding recommended in FY24.</i>
<p>As a result of the January 15, 2022, tsunami, 6 electrical transformers in the north harbor were submerged and damaged. Replacement is required. In FY23, the Commission allocated \$207,000 to facilitate the design and replacement of the transformers. Design work is currently underway, and additional FY24 funding is required to procure new transformers and complete installation. Additional funding may be needed in future fiscal years if a phased installation plan is developed.</p>	
F046	2222 EAST CLIFF DECK REPLACEMENT
<i>Status:</i>	<i>Ongoing – funding recommended in FY24.</i>
<p>In October 2022, the Commission allocated \$825,000 from the reserve fund to facilitate the repair and replacement of the second story deck at 2222 East Cliff Drive. Additional funding is recommended in FY24 to cover any construction administration or oversight for this project.</p>	
F046	TWIN LAKES HAUL
<i>Status:</i>	<i>Ongoing – funding recommended in FY24.</i>
<p>The District’s dredge, <i>Twin Lakes</i>, has been in service for approximately 7 years. Bi-annual inspections are routinely performed by a contracted third party knowledgeable in dredge operations and equipment. A recommendation has been made to haul the dredge (for comprehensive inspection and maintenance) within the next 1-3 years. FY24 funding is recommended as a partial set-aside.</p>	

UNFUNDED PROJECTS

WIFI SYSTEM

This project involves design and installation of a Wi-Fi system available to harbor customers and tenants. Installation costs are presumed to be borne by a Wi-Fi vendor to be selected through a public bidding process, though there are numerous other options researched by Port District staff which may impact the type of service provided, installation costs, ongoing monthly costs, vendor-provided support, maintenance and customer service, fee-based upgrade options, etc.

A feasibility study by an outside consultant is recommended to identify and assess available options. Any Wi-Fi system should include comprehensive vendor-provided support as a top priority. Should the Commission direct staff to pursue the project following completion of a feasibility study, subsequent development of an RFP for installation of a Wi-Fi system by a qualified consultant is recommended.

ARANA GULCH GRADE CONTROL STRUCTURE FEASIBILITY STUDY (FEMA HAZARD MITIGATION GRANT APPLICATION)

This project would involve developing a grant proposal to fund engineering design and construction of several sediment-reduction measures in Arana Gulch, upstream of the north harbor. Work on this project commenced in FY 11 with a preliminary application submitted on the Port District's behalf. The application process was suspended because the Port District is not eligible to serve as lead agency for the grant and cooperative agreements had not been executed with the City of Santa Cruz and the County of Santa Cruz for extraterritorial work sponsored by the Port District.

WEST SIDE MASTER PLAN

Master Plan study to follow reconstruction of a new restaurant at 616 Atlantic Avenue for the purposes of completing accessible public improvements along the walkway and jetty area between AA Dock and Walton Lighthouse, as envisioned in the 2008 West Jetty Walkway project. The West Side Master Plan needs to seamlessly tie in access to any future replacement of the SH Revetment and Seawall (F022).

ELEVATOR REPLACEMENT FUND

Fund for future replacement of Port District elevator(s).

ELECTRIC VEHICLE CHARGING STATION

Identification of location(s) for placement of electric vehicle charging station(s) throughout the harbor, including assessment of power requirements and ongoing utility costs and maintenance.

ATTACHMENT A – DEBT SERVICE DETAIL & COVERAGE RATIOS

Santa Cruz Port District
Historical Revenues and Expenses
Debt Service Coverage Projection

	2021 <i>Audited</i>	2022 <i>Audited</i>	2023 <i>Budgeted</i>	2023 <i>Projected</i>	2024 <i>Budgeted</i>
Operating Revenues					
Charges for berthing and services	\$ 7,886,323	\$ 8,864,120	\$ 8,141,535	\$ 9,058,058	\$ 8,786,475
Rent and concessions	\$ 1,635,555	\$ 2,023,819	\$ 2,020,000	\$ 2,149,892	\$ 2,054,400
Total Operating Revenues	\$ 9,521,878	\$ 10,887,939	\$ 10,161,535	\$ 11,207,950	\$ 10,840,875
Operating Expenses					
Depreciation and Amortization	\$ 2,159,280	\$ 2,187,657	\$ -	\$ -	\$ -
CalPERS Net Pension Liability (Non-cash)	\$ 190,116	\$ 805,728	\$ -	\$ -	\$ -
OPEB Liability (Non-cash)	\$ 81,221	\$ 101,318	\$ -	\$ -	\$ -
Dredging Operations	\$ 1,357,222	\$ 1,324,630	\$ 1,569,037	\$ 1,462,202	\$ 1,653,480
Administrative Services	\$ 753,848	\$ 663,892	\$ 826,625	\$ 754,329	\$ 889,563
Grounds	\$ 733,457	\$ 790,109	\$ 838,072	\$ 905,822	\$ 865,519
Fuel Services	\$ 427,765	\$ 740,950	\$ 493,291	\$ 872,878	\$ 516,338
Harbor Patrol	\$ 669,826	\$ 712,258	\$ 807,951	\$ 791,242	\$ 863,451
Property Management	\$ 515,497	\$ 669,573	\$ 555,579	\$ 700,053	\$ 842,315
Marina Management	\$ 483,428	\$ 495,234	\$ 563,149	\$ 548,964	\$ 611,835
Buildings	\$ 323,175	\$ 321,331	\$ 410,949	\$ 395,717	\$ 465,185
Parking Services	\$ 248,637	\$ 352,771	\$ 373,217	\$ 405,159	\$ 384,271
Docks, Piers, Marine Structures	\$ 269,258	\$ 320,346	\$ 340,916	\$ 510,122	\$ 679,068
Debt issuance costs	\$ -	\$ -	\$ -	\$ -	\$ -
Finance & Purchasing	\$ 194,674	\$ 183,581	\$ 227,216	\$ 193,473	\$ 239,618
Environmental & Permitting	\$ 139,893	\$ 95,646	\$ 192,405	\$ 169,068	\$ 189,158
Utilities	\$ 86,067	\$ 97,358	\$ 104,396	\$ 103,090	\$ 109,072
Aeration	\$ 40,795	\$ 49,913	\$ 57,385	\$ 40,513	\$ 59,229
Rescue Services	\$ 84,414	\$ 104,968	\$ 125,105	\$ 113,541	\$ 144,756
Boatyard Operations	\$ 303,551	\$ 326,087	\$ 361,913	\$ 358,203	\$ 408,535
Port Commission Support	\$ 56,586	\$ 107,746	\$ 78,145	\$ 65,990	\$ 78,653
Capital Projects	\$ 1,630	\$ 54	\$ 9,819	\$ 262	\$ 8,186
Events	\$ -	\$ 13,111	\$ 34,399	\$ 25,670	\$ 33,179
Fishery Support	\$ 5,064	\$ 8,588	\$ 16,027	\$ 14,004	\$ 17,024
Tsunami Expense	\$ -	\$ 187,859	\$ -	\$ 188	\$ -
Total Expenses	\$ 9,125,404	\$ 10,660,708	\$ 7,985,596	\$ 8,430,491	\$ 9,058,436
Non-Operating Revenue (Expenses)					
County revenues for public services	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
Grants and Other Income	\$ 23,801	\$ 619,189	\$ 42,000	\$ 33,472	\$ 24,000
Dredging Reimbursement USACE	\$ 385,000	\$ 665,000	\$ -	\$ 525,000	\$ 525,000
Interest Income	\$ 80,131	\$ 30,375	\$ 50,000	\$ 132,714	\$ 125,000
Interest Expense	\$ (443,836)	\$ (410,652)	\$ (456,980)	\$ (397,629)	\$ (355,317)
Other Income (Expenses)	\$ 38,570	\$ 83,001	\$ 60,000	\$ 124,573	\$ 95,000
Total Non-Operating Income (Expenses)	\$ 133,666	\$ 1,036,913	\$ (254,980)	\$ 468,131	\$ 463,683
Debt Service Coverage Calculation					
(+) Gross Revenues	\$ 9,521,878	\$ 10,887,939	\$ 10,161,535	\$ 11,207,950	\$ 10,840,875
(-) Maintenance and operating expenses	\$ (9,125,404)	\$ (10,660,708)	\$ (7,985,596)	\$ (8,430,491)	\$ (9,058,436)
(+) Depreciation and Amortization	\$ 2,159,280	\$ 2,187,657	\$ -	\$ -	\$ -
(+) CalPERS Unfunded Liability (Non-cash)	\$ 190,116	\$ 805,728	\$ -	\$ -	\$ -
(+) OPEB Liability (Non-cash)	\$ 81,221	\$ 101,318	\$ -	\$ -	\$ -
(=) Net Operating Income	\$ 2,827,091	\$ 3,321,934	\$ 2,175,939	\$ 2,777,460	\$ 1,782,439
(+) Interest Income	\$ 80,131	\$ 30,375	\$ 50,000	\$ 132,714	\$ 125,000
(+) Non-operating Income	\$ 38,570	\$ 83,001	\$ 60,000	\$ 124,573	\$ 95,000
(+) Grants	\$ 73,801	\$ 669,189	\$ 92,000	\$ 83,472	\$ 74,000
(+) Dredging Reimbursement USACE	\$ 385,000	\$ 665,000	\$ -	\$ 525,000	\$ 525,000
(=) Net Revenues Available for Debt Service	\$ 3,404,593	\$ 4,769,499	\$ 2,377,939	\$ 3,643,219	\$ 2,601,439
(+) Current Portion Long Term Debt	\$ 1,274,163	\$ 1,329,940	\$ 1,329,940	\$ 1,319,377	\$ 1,329,940
(+) Interest Expense	\$ 443,836	\$ 410,652	\$ 456,980	\$ 397,629	\$ 355,317
(=) Total Debt Service	\$ 1,717,999	\$ 1,740,592	\$ 1,786,920	\$ 1,717,006	\$ 1,685,257
Debt Service Coverage Ratio (DSCR)	1.98x	2.74x	1.33x	2.12x	1.54x
Required DSCR	1.25x	1.25x	1.25x	1.25x	1.25x

ATTACHMENT B – REVENUE, EXPENSE, & NON-OP SUMMARY SHEET

Santa Cruz Port District
FY24 BUDGET
February 23, 2023

Category	Account	Description	FY23 BUDGET	FY23 PRJXN	FY24 BUDGET
OPERATING INCOME					
User	000-000-000-0000-4000	Slip Rent Permanent	\$4,804,000	\$4,796,098	\$5,030,700
User	000-000-000-0000-4002	Slip Rent Visitors	\$160,000	\$296,139	\$210,000
User	000-000-000-0000-4003	Annual Slip Rent Discount	(\$1,225)	(\$984)	(\$1,225)
Conc Rent	000-000-000-0000-4006	Tenant Concession Rent	\$1,885,000	\$2,149,892	\$2,054,400
Conc Rent	000-000-000-0000-4008	Misc. Tenant Rent (Sewer)	\$135,000	\$126,697	\$135,000
User	000-000-000-0000-4010	Launch Fees	\$150,000	\$174,790	\$155,000
User	000-000-000-0000-4012	Liveaboard	\$70,000	\$88,000	\$75,000
User	000-000-000-0000-4014	Catamaran Storage	\$26,000	\$27,749	\$26,000
User	000-000-000-0000-4016	North Harbor Dry Storage	\$185,000	\$192,470	\$195,000
User	000-000-000-0000-4018	7th Ave Dry Storage	\$116,000	\$121,662	\$122,000
User	000-000-000-0000-4020	Waiting List	\$120,000	\$139,800	\$120,000
User	000-000-000-0000-4024	Slip Leave Option	\$3,000	\$3,500	\$3,000
User	000-000-000-0000-4026	Partnership Fees	\$27,500	\$31,273	\$30,000
User	000-000-000-0000-4028	Sublease Fees	\$28,500	\$44,259	\$35,000
User	000-000-000-0000-4030	Variable/Utility Fees	\$197,500	\$210,090	\$207,250
User	000-000-000-0000-4032	Late Fees	\$50,000	\$53,428	\$50,000
Fines	000-000-000-0000-4036	Citations	\$93,000	\$120,171	\$98,000
Other / Misc	000-000-000-0000-4040	Credit Card Convenience Charges	\$22,000	\$27,243	\$22,000
User (Pkg)	000-000-000-0000-4100	Parking - Concession Lot	\$855,000	\$899,636	\$880,000
User (Pkg)	000-000-000-0000-4102	Parking - Launch Area			
User (Pkg)	000-000-000-0000-4104	Parking - Southwest			
User (Pkg)	000-000-000-0000-4106	Parking - North			
User (Pkg)	000-000-000-0000-4108	Parking - Southeast			
User (Pkg)	000-000-000-0000-4118	Meter Permits			
User (Pkg)	000-000-000-0000-4120	Slip Renter Parking Permits	\$25,000	\$31,159	\$26,000
User	000-000-000-0000-4122	RV Parking	\$185,000	\$204,631	\$195,000
Fuel	000-000-000-0000-4200	Fuel Sales Gasoline	\$285,000	\$438,707	\$345,000
Fuel	000-000-000-0000-4202	Fuel Sales Diesel	\$405,000	\$581,885	\$465,000
Other / Misc	000-000-000-0000-4204	Fuel Service Call Back Charges	\$10	\$10	
User	000-000-000-0000-4210	Wash Rack	\$6,250	\$10,362	\$6,500
BY	000-000-000-0000-4220	Boatyard Retail	\$11,500	\$22,497	\$16,500
BY	000-000-000-0000-4225	Boatyard Labor	\$1,000	\$500	\$750
BY	000-000-000-0000-4230	Boatyard Rental	\$2,500	\$4,795	\$3,000
BY	000-000-000-0000-4235	Boatyard Misc.	\$30,000	\$41,310	\$32,000
BY	000-000-000-0000-4240	Lay Days/Storage	\$122,000	\$189,392	\$140,000
BY	000-000-000-0000-4245	Vessel Haulout	\$130,000	\$139,926	\$132,000
BY	000-000-000-0000-4250	Vessel Berthing	\$32,000	\$40,865	\$32,000
	000-000-000-0000-4299	Unallocated Revenue			
OPERATING INCOME			\$10,161,535	\$11,207,950	\$10,840,875

Santa Cruz Port District
FY24 BUDGET
February 23, 2023

Category	Account	Description	FY23 BUDGET	FY23 PRJXN	FY24 BUDGET
EXPENSE SUMMARY BY PROGRAM					
		Administrative Services (110)	\$826,625	\$754,329	\$889,563
		Finance & Purchasing (120)	\$227,216	\$193,473	\$239,618
		Property Management (130)	\$555,579	\$700,053	\$842,315
		Environmental & Permitting (140)	\$192,405	\$169,068	\$189,158
		Port Commission Support (190)	\$78,145	\$65,990	\$78,653
		Harbor Patrol (210)	\$807,951	\$791,242	\$863,451
		Marina Management (220)	\$563,149	\$548,964	\$611,835
		Rescue Services (230)	\$125,105	\$113,541	\$144,756
		Parking Services (240)	\$373,217	\$405,159	\$384,271
		Events (250)	\$34,399	\$25,670	\$33,179
		Fuel Services (280)	\$493,291	\$872,878	\$516,338
		Docks, Piers, Marine Structures (310)	\$340,916	\$510,122	\$679,068
		Utilities (320)	\$104,396	\$103,090	\$109,072
		Buildings (330)	\$410,949	\$395,717	\$465,185
		Grounds (340)	\$838,072	\$905,822	\$865,519
		Aeration (350)	\$57,385	\$40,513	\$59,229
		Fishery Support (360)	\$16,027	\$14,004	\$17,024
		Capital Projects (390)	\$466,799	\$397,891	\$363,503
		Dredging Operations (400)	\$1,569,037	\$1,462,202	\$1,653,480
		Boatyard Operations (500)	\$361,913	\$358,203	\$408,535
		OPERATING EXPENSES	\$8,442,576	\$8,827,931	\$9,413,753
		OPERATING PROFIT	\$1,718,959	\$2,380,019	\$1,427,122
NON OPERATING INCOME/(EXPENSE)					
Other / Misc	000-000-000-0000-4300	Harbor Services Charge	\$10,000	\$1,000	\$10,000
Other / Misc	000-000-000-0000-4308	Interest Income	\$50,000	\$132,714	\$125,000
Other / Misc	000-000-000-0000-4310	Other Income	\$50,000	\$119,989	\$85,000
Intergov	000-000-000-0000-4375	USACE Reimbursement		\$525,000	\$525,000
Grants	000-000-000-0000-4400	Grants - State		\$11,472	
Grants	000-000-000-0000-4405	Grants - DBAW	\$30,000	\$10,000	\$12,000
Intergov	000-000-000-0000-4406	County Rescue Contribution	\$50,000	\$50,000	\$50,000
Grants	000-000-000-0000-4408	Waste Oil Grant	\$12,000	\$12,000	\$12,000
Other / Misc	000-000-000-0000-4500	Gain/(Loss) on Asset Disposal		\$3,940	
	000-000-000-0000-4600	Cash Over/Under		(\$356)	
		Election Expense			
		Principal Debt Payments	(\$1,329,940)	(\$1,319,377)	(\$1,365,818)
		Capital Improvement Program	(\$382,000)	(\$2,741,053)	(\$500,000)
		Capitalized Expenses & DIF	(\$195,151)	(\$230,119)	(\$212,500)
		Depreciation		(\$1,680,020)	
		NET INCOME/(LOSS)	\$13,868	(\$2,724,790)	\$167,804
INCOME PROJECTION NET OF DEPRECIATION / CAP EXP					
		Capital Improvement Program		\$2,790,292	
		Capitalized Expenses / Dredge Intermediate		\$230,119	
		Depreciation		\$1,680,020	
		PROJECTED NET INCOME FY23		\$1,975,641	
		FY24 Projected Reserve Fund Contributi			(\$310,651)
		FY24 Projected Election Fund Contributi			(\$50,000)

Santa Cruz Port District
FY24 BUDGET
February 23, 2023

Category	Account	Description	FY23 BUDGET	FY23 PRJXN	FY24 BUDGET
		ADMINISTRATIVE SERVICES (110)			
	100-100-110-0000-5000	Salaries - Regular	\$289,179	\$252,736	\$314,128
	100-100-110-0000-5005	Salaries - Overtime	\$500	\$250	\$500
	100-100-110-0000-5010	Wages - Part Time/Temporary	\$1,000	\$500	\$5,000
	100-100-110-0000-5020	Salaries - Vacation Pay	\$5,000	\$8,672	\$6,000
	100-100-110-0000-5025	Salaries - Holiday Pay		\$1,199	
	100-100-110-0000-5055	Unemployment Insurance (SUI)	\$1,800	\$2,106	\$2,266
	100-100-110-0000-5060	FICA Medicare/Social Security	\$19,905	\$18,504	\$20,217
	100-100-110-0000-5075	Auto Allowance	\$2,400	\$2,400	\$2,400
	100-100-110-0000-5105	Workers' Compensation	\$8,850	\$6,315	\$10,443
	100-100-110-0000-5110	CalPERS Employer Share	\$31,433	\$28,058	\$35,590
	100-100-110-0000-5112	CalPERS Unfunded Liability	\$53,992	\$54,444	\$53,992
	100-100-110-0000-5115	Health Insurance	\$48,548	\$46,554	\$50,850
	100-100-110-0000-5120	Dental Insurance	\$3,351	\$3,134	\$3,351
	100-100-110-0000-5125	Long Term Disability/Life/AD&D	\$867	\$1,415	\$956
	100-100-110-0000-5200	Printing & Newsletter	\$14,000	\$13,431	\$14,000
	100-100-110-0000-5202	Legal Notices	\$1,000	\$500	\$1,000
	100-100-110-0000-5204	Advertising	\$3,000	\$5,000	\$3,000
	100-100-110-0000-5206	Postage	\$10,000	\$9,720	\$10,500
	100-100-110-0000-5208	Promotional Expense	\$11,000	\$2,426	\$11,000
	100-100-110-0000-5214	Office Supplies	\$14,000	\$15,750	\$14,300
	100-100-110-0000-5217	Supplies	\$1,000	\$750	\$1,000
	100-100-110-0000-5240	Miscellaneous Employee Training	\$2,000	\$1,000	\$2,000
	100-100-110-0000-5242	Pre-Employment Physicals	\$1,000	\$500	\$1,000
	100-100-110-0000-5256	Equipment Rental	\$1,000	\$500	\$500
	100-100-110-0000-5262	Insurance Premiums	\$27,500	\$37,695	\$56,571
	100-100-110-0000-5264	Insurance Claims	\$5,000	\$1,500	\$5,000
	100-100-110-0000-5266	Memberships, Dues, Subscriptions	\$14,000	\$13,500	\$14,000
	100-100-110-0000-5268	Meetings & Training	\$5,000	\$5,985	\$5,000
	100-100-110-0000-5270	Books	\$300		
	100-100-110-0000-5282	Bank Service Charges	\$16,000	\$14,000	\$15,000
	100-100-110-0000-5284	Credit Card Fees	\$40,000	\$40,072	\$41,000
	100-100-110-0000-5288	Employee Recognition	\$3,000	\$3,658	\$3,000
	100-100-110-0000-5290	Miscellaneous Expenses	\$1,000	\$500	\$1,000
	100-100-110-0000-5298	Interest Expense	\$2,000		
	100-100-110-0000-5310	Telephone & Alarms	\$26,000	\$16,806	\$22,000
	100-100-110-0000-5415	Miscellaneous Professional Services	\$12,000	\$9,600	\$12,000
	100-100-110-0000-5416	Legal Consultation	\$40,000	\$34,000	\$35,000
	100-100-110-0000-5420	Technical Services	\$21,000	\$18,500	\$21,000
	100-100-110-0000-5425	Contract Services	\$12,000	\$19,200	\$16,000
	100-100-110-0000-5450	Other Services	\$10,000	\$9,624	\$12,000
	100-100-110-0000-5465	Software License & Application	\$31,000	\$22,873	\$31,000
	100-100-110-0000-5470	LAFCO Assessment	\$14,000	\$11,359	\$14,000
	100-100-110-0000-5500	Mileage Reimbursement	\$1,000	\$500	\$1,000
	100-100-110-0000-5510	Meetings & Seminars	\$3,000	\$1,500	\$3,000
	100-100-110-0000-5694	Office Equipment R&M	\$10,000	\$5,000	\$10,000
	100-100-110-0000-5698	Equipment/Equipment R&M	\$8,000	\$12,000	\$8,000
	100-100-110-CO19-5000	COVID-19 Labor		\$405	
	100-100-110-TSUN-5000	2022 Tsunami Labor		\$188	
	100-100-110-TSUN-6300	2022 Tsunami Expenses			
		TOTAL ADMINISTRATIVE SERVICES	\$826,625	\$754,329	\$889,563

Santa Cruz Port District
FY24 BUDGET
February 23, 2023

Category	Account	Description	FY23 BUDGET	FY23 PRJXN	FY24 BUDGET
FINANCE & PURCHASING (120)					
	100-100-120-0000-5000	Salaries - Regular	\$113,606	\$91,042	\$123,407
	100-100-120-0000-5005	Salaries - Overtime	\$500		\$500
	100-100-120-0000-5010	Wages - Part Time/Temporary	\$1,000		\$1,000
	100-100-120-0000-5055	Unemployment Insurance (SUI)	\$957	\$431	\$957
	100-100-120-0000-5060	FICA Medicare/Social Security	\$8,678	\$5,489	\$8,810
	100-100-120-0000-5105	Workers' Compensation	\$3,740	\$2,669	\$4,413
	100-100-120-0000-5110	CalPERS Employer Share	\$8,177	\$7,299	\$9,259
	100-100-120-0000-5112	CalPERS Unfunded Liability	\$14,046	\$14,164	\$14,046
	100-100-120-0000-5115	Health Insurance	\$20,329	\$18,325	\$21,006
	100-100-120-0000-5120	Dental Insurance	\$1,416	\$1,324	\$1,416
	100-100-120-0000-5125	Long Term Disability/Life/AD&D	\$367	\$368	\$404
	100-100-120-0000-5214	Office Supplies	\$750	\$350	\$750
	100-100-120-0000-5266	Memberships, Dues, Subscriptions	\$500	\$500	\$500
	100-100-120-0000-5268	Meetings & Training	\$2,000	\$2,000	\$2,000
	100-100-120-0000-5272	Software	\$500	\$500	\$500
	100-100-120-0000-5290	Miscellaneous Expenses	\$1,000	\$1,000	\$1,000
	100-100-120-0000-5420	Technical Services	\$2,000	\$2,000	\$2,000
	100-100-120-0000-5460	Accounting & Auditing	\$46,000	\$44,862	\$46,000
	100-100-120-0000-5465	Software License & Application	\$500	\$500	\$500
	100-100-120-0000-5500	Mileage Reimbursement	\$150	\$150	\$150
	100-100-120-0000-5698	Equipment/Equipment R&M	\$1,000	\$500	\$1,000
		TOTAL FINANCE & PURCHASING	\$227,216	\$193,473	\$239,618
PROPERTY MANAGEMENT (130)					
	100-100-130-0000-5000	Salaries - Regular	\$18,443	\$6,509	\$20,034
	100-100-130-0000-5055	Unemployment Insurance (SUI)	\$100	\$25	\$100
	100-100-130-0000-5060	FICA Medicare/Social Security	\$1,811	\$500	\$1,825
	100-100-130-0000-5105	Workers' Compensation	\$390	\$278	\$460
	100-100-130-0000-5110	CalPERS Employer Share	\$2,411	\$2,152	\$2,729
	100-100-130-0000-5112	CalPERS Unfunded Liability	\$4,141	\$4,175	\$4,141
	100-100-130-0000-5115	Health Insurance	\$2,047	\$1,967	\$2,117
	100-100-130-0000-5120	Dental Insurance	\$148	\$138	\$148
	100-100-130-0000-5125	Long Term Disability/Life/AD&D	\$38	\$109	\$42
	100-100-130-0000-5204	Advertising	\$1,500	\$1,000	\$1,500
	100-100-130-0000-5262	Insurance Premiums	\$128,800	\$281,897	\$412,969
	100-100-130-0000-5268	Meetings & Training	\$750	\$500	\$750
	100-100-130-0000-5290	Miscellaneous Expenses	\$3,000	\$1,500	\$2,000
	100-100-130-0000-5300	Gas & Electricity	\$83,500	\$90,696	\$85,000
	100-100-130-0000-5305	Water, Sewer & Garbage	\$180,000	\$181,174	\$182,000
	100-100-130-0000-5310	Telephone & Alarms	\$7,500	\$3,679	\$5,500
	100-100-130-0000-5315	Sanitary Dist Charges	\$115,000	\$93,703	\$110,000
	100-100-130-0000-5416	Legal Consultation	\$6,000	\$30,052	\$11,000
		TOTAL PROPERTY MANAGEMENT	\$555,579	\$700,053	\$842,315

Santa Cruz Port District
FY24 BUDGET
February 23, 2023

Category	Account	Description	FY23 BUDGET	FY23 PRJXN	FY24 BUDGET
ENVIRONMENTAL & PERMITTING (140)					
	100-100-140-0000-5000	Salaries - Regular	\$14,016	\$5,685	\$12,554
	100-100-140-0000-5005	Salaries - Overtime	\$3,000	\$3,000	\$3,000
	100-100-140-0000-5010	Wages - Part Time/Temporary	\$42,000	\$32,668	\$40,000
	100-100-140-0000-5055	Unemployment Insurance (SUI)	\$1,000	\$508	\$294
	100-100-140-0000-5060	FICA Medicare/Social Security	\$3,392	\$2,591	\$3,432
	100-100-140-0000-5105	Workers' Compensation	\$1,150	\$821	\$1,357
	100-100-140-0000-5110	CalPERS Employer Share	\$3,427	\$3,059	\$3,880
	100-100-140-0000-5112	CalPERS Unfunded Liability	\$5,886	\$5,936	\$5,886
	100-100-140-0000-5115	Health Insurance	\$6,036	\$5,666	\$6,244
	100-100-140-0000-5120	Dental Insurance	\$435	\$407	\$435
	100-100-140-0000-5125	Long Term Disability/Life/AD&D	\$113	\$154	\$124
	100-100-140-0000-5217	Supplies	\$1,000	\$500	\$1,000
	100-100-140-0000-5235	Vehicle & Equipment Fuel	\$500	\$500	\$500
	100-100-140-0000-5268	Meetings & Training	\$500	\$250	\$500
	100-100-140-0000-5276	Permit Fees	\$8,000	\$8,583	\$8,000
	100-100-140-0000-5292	Uniform Cleaning/Laundry	\$250	\$290	\$250
	100-100-140-0000-5420	Technical Services	\$90,000	\$90,000	\$90,000
	100-100-140-0000-5500	Mileage Reimbursement	\$500	\$250	\$500
	100-100-140-0000-5625	Signage	\$200	\$200	\$200
	100-100-140-0000-5665	Vehicle Maintenance	\$2,000	\$1,500	\$2,000
	100-100-140-0000-5696	Permits & Inspections	\$2,500	\$1,000	\$2,500
	100-100-140-0000-5698	Equipment/Equipment R&M	\$6,500	\$5,500	\$6,500
		TOTAL ENVIRONMENTAL & PERMITTING	\$192,405	\$169,068	\$189,158
PORT COMMISSION SUPPORT (190)					
	100-100-190-0000-5000	Salaries - Regular	\$39,098	\$34,698	\$45,142
	100-100-190-0000-5005	Salaries - Overtime	\$500		
	100-100-190-0000-5010	Wages - Part Time/Temporary	\$1,000		
	100-100-190-0000-5055	Unemployment Insurance (SUI)	\$302	\$75	\$302
	100-100-190-0000-5060	FICA Medicare/Social Security	\$2,454	\$2,283	\$2,496
	100-100-190-0000-5105	Workers' Compensation	\$1,180	\$842	\$1,392
	100-100-190-0000-5110	CalPERS Employer Share	\$3,663	\$3,270	\$4,148
	100-100-190-0000-5112	CalPERS Unfunded Liability	\$6,292	\$6,345	\$6,292
	100-100-190-0000-5115	Health Insurance	\$6,193	\$5,994	\$6,407
	100-100-190-0000-5120	Dental Insurance	\$447	\$418	\$447
	100-100-190-0000-5125	Long Term Disability/Life/AD&D	\$116	\$165	\$127
	100-100-190-0000-5214	Office Supplies	\$200	\$200	\$200
	100-100-190-0000-5217	Supplies	\$100	\$100	\$100
	100-100-190-0000-5268	Meetings & Training	\$6,000	\$6,000	\$6,000
	100-100-190-0000-5270	Books	\$100	\$100	\$100
	100-100-190-0000-5294	Commission Expenses	\$500	\$500	\$500
	100-100-190-CVRA-6300	CVRA Expenses	\$10,000	\$5,000	\$5,000
		TOTAL PORT COMMISSION SUPPORT	\$78,145	\$65,990	\$78,653

Santa Cruz Port District
FY24 BUDGET
February 23, 2023

Category	Account	Description	FY23 BUDGET	FY23 PRJXN	FY24 BUDGET
		HARBOR PATROL (210)			
	100-200-210-0000-5000	Salaries - Regular	\$367,622	\$383,128	\$399,337
	100-200-210-0000-5005	Salaries - Overtime	\$10,000	\$12,183	\$10,000
	100-200-210-0000-5010	Wages - Part Time/Temporary	\$2,500		\$500
	100-200-210-0000-5015	Salaries - Comp. Time		\$3,075	
	100-200-210-0000-5020	Salaries - Vacation Pay	\$4,000	\$2,025	\$4,000
	100-200-210-0000-5025	Salaries - Holiday Pay	\$5,000	\$4,039	\$5,000
	100-200-210-0000-5040	Salaries - Call Back	\$1,500	\$2,000	\$1,500
	100-200-210-0000-5045	Salaries - Call Ready	\$4,000	\$5,933	\$5,000
	100-200-210-0000-5050	Salaries - Night Differential	\$5,000	\$1,583	\$4,000
	100-200-210-0000-5055	Unemployment Insurance (SUI)	\$3,840	\$2,787	\$3,840
	100-200-210-0000-5060	FICA Medicare/Social Security	\$34,067	\$32,850	\$34,596
	100-200-210-0000-5100	Uniform Allowance	\$6,500	\$6,500	\$6,500
	100-200-210-0000-5105	Workers' Compensation	\$15,000	\$10,704	\$17,700
	100-200-210-0000-5110	CalPERS Employer Share	\$44,621	\$39,302	\$50,521
	100-200-210-0000-5112	CalPERS Unfunded Liability	\$76,645	\$76,263	\$76,645
	100-200-210-0000-5115	Health Insurance	\$84,325	\$68,377	\$87,040
	100-200-210-0000-5120	Dental Insurance	\$5,680	\$5,312	\$5,680
	100-200-210-0000-5125	Long Term Disability/Life/AD&D	\$1,470	\$2,009	\$1,620
	100-200-210-0000-5217	Supplies	\$2,500	\$2,000	\$2,500
	100-200-210-0000-5218	Tools	\$1,000	\$500	\$1,000
	100-200-210-0000-5220	Harbor Patrol Supplies	\$3,000	\$2,000	\$3,000
	100-200-210-0000-5224	Almar Maintenance	\$2,500	\$1,913	\$2,500
	100-200-210-0000-5235	Vehicle & Equipment Fuel	\$8,000	\$7,400	\$8,000
	100-200-210-0000-5236	Harbor Patrol Training	\$12,000	\$8,500	\$12,000
	100-200-210-0000-5238	Harbor Patrol Misc. Expense	\$6,500	\$5,600	\$6,500
	100-200-210-0000-5244	Background Investigations	\$3,000	\$1,550	\$3,000
	100-200-210-0000-5262	Insurance Premiums	\$4,681	\$11,278	\$16,971
	100-200-210-0000-5278	Booking Fees	\$2,000	\$3,500	\$2,000
	100-200-210-0000-5415	Miscellaneous Professional Services	\$3,500	\$3,300	\$2,500
	100-200-210-0000-5450	Other Services	\$78,000	\$81,180	\$82,000
	100-200-210-0000-5500	Mileage Reimbursement	\$1,500	\$150	\$1,000
	100-200-210-0000-5510	Meetings & Seminars	\$2,000		\$1,000
	100-200-210-0000-5665	Vehicle Maintenance	\$4,000	\$4,000	\$4,000
	100-200-210-0000-5692	Communications Maintenance	\$2,000	\$300	\$2,000
	100-200-210-0000-6100	Capital Outlay			\$24,500
		TOTAL HARBOR PATROL	\$807,951	\$791,242	\$863,451

Santa Cruz Port District
FY24 BUDGET
February 23, 2023

Category	Account	Description	FY23 BUDGET	FY23 PRJXN	FY24 BUDGET
MARINA MANAGEMENT (220)					
	100-200-220-0000-5000	Salaries - Regular	\$309,343	\$272,494	\$336,031
	100-200-220-0000-5005	Salaries - Overtime	\$500	\$750	\$500
	100-200-220-0000-5010	Wages - Part Time/Temporary	\$24,000	\$15,465	\$23,500
	100-200-220-0000-5020	Salaries - Vacation Pay		\$7,765	
	100-200-220-0000-5025	Salaries - Holiday Pay	\$2,500	\$3,460	\$2,500
	100-200-220-0000-5055	Unemployment Insurance (SUI)	\$2,117	\$1,475	\$2,117
	100-200-220-0000-5060	FICA Medicare/Social Security	\$18,920	\$22,035	\$19,212
	100-200-220-0000-5105	Workers' Compensation	\$8,270	\$5,901	\$9,759
	100-200-220-0000-5110	CalPERS Employer Share	\$42,234	\$40,199	\$47,819
	100-200-220-0000-5112	CalPERS Unfunded Liability	\$72,545	\$73,152	\$72,545
	100-200-220-0000-5115	Health Insurance	\$43,404	\$41,425	\$44,901
	100-200-220-0000-5120	Dental Insurance	\$3,131	\$2,929	\$3,131
	100-200-220-0000-5125	Long Term Disability/Life/AD&D	\$810	\$1,902	\$893
	100-200-220-0000-5217	Supplies	\$5,000	\$5,500	\$5,000
	100-200-220-0000-5222	Scout Maintenance	\$2,500	\$2,510	\$2,500
	100-200-220-0000-5224	P/B Kinnamon Maintenance	\$5,000	\$6,418	\$5,000
	100-200-220-0000-5262	Insurance Premiums	\$8,775	\$13,435	\$22,628
	100-200-220-0000-5279	Bad Debt Expense	\$10,000	\$5,000	\$10,000
	100-200-220-0000-5280	Lien Sale Expenses	\$2,500	\$27,000	\$2,500
	100-200-220-0000-5465	Software License & Application	\$1,000		\$1,000
	100-200-220-0000-5500	Mileage Reimbursement	\$600	\$150	\$300
		TOTAL MARINA MANAGEMENT	\$563,149	\$548,964	\$611,835
RESCUE SERVICES (230)					
	100-200-230-0000-5000	Salaries - Regular	\$28,770	\$21,312	\$31,252
	100-200-230-0000-5005	Salaries - Overtime	\$1,000	\$1,361	\$1,000
	100-200-230-0000-5010	Wages - Part Time/Temporary	\$1,000		\$500
	100-200-230-0000-5040	Salaries - Call Back	\$3,000	\$2,097	\$2,500
	100-200-230-0000-5045	Salaries - Call Ready	\$16,000	\$15,751	\$16,000
	100-200-230-0000-5055	Unemployment Insurance (SUI)	\$440	\$370	\$440
	100-200-230-0000-5060	FICA Medicare/Social Security	\$4,327	\$2,601	\$4,388
	100-200-230-0000-5105	Workers' Compensation	\$1,720	\$1,227	\$2,030
	100-200-230-0000-5110	CalPERS Employer Share	\$2,576	\$2,449	\$2,917
	100-200-230-0000-5112	CalPERS Unfunded Liability	\$4,425	\$4,462	\$4,425
	100-200-230-0000-5115	Health Insurance	\$9,027	\$7,744	\$9,339
	100-200-230-0000-5120	Dental Insurance	\$651	\$609	\$651
	100-200-230-0000-5125	Long Term Disability/Life/AD&D	\$169	\$116	\$186
	100-200-230-0000-5212	Safety Supplies	\$2,000	\$2,000	\$2,000
	100-200-230-0000-5217	Supplies	\$500	\$200	\$500
	100-200-230-0000-5222	Scout Maintenance	\$2,500	\$2,500	\$2,500
	100-200-230-0000-5224	P/B Kinnamon Maintenance	\$4,500	\$3,500	\$4,500
	100-200-230-0000-5226	Boat Fuel - Patrol Boats	\$7,000	\$10,300	\$8,000
	100-200-230-0000-5236	Harbor Patrol Training	\$6,000		\$6,000
	100-200-230-0000-5238	Harbor Patrol Miscellaneous Expense	\$1,000	\$750	\$1,000
	100-200-230-0000-5262	Insurance Premiums	\$6,500	\$16,191	\$22,628
	100-200-230-0000-5425	Contract Services	\$22,000	\$18,000	\$22,000
		TOTAL RESCUE SERVICES	\$125,105	\$113,541	\$144,756

Santa Cruz Port District
FY24 BUDGET
February 23, 2023

Category	Account	Description	FY23 BUDGET	FY23 PRJXN	FY24 BUDGET
		PARKING SERVICES (240)			
	100-200-240-0000-5000	Salaries - Regular	\$79,426	\$68,332	\$86,278
	100-200-240-0000-5005	Salaries - Overtime	\$500	\$4,283	\$500
	100-200-240-0000-5010	Wages - Part Time/Temporary	\$90,000	\$91,069	\$90,000
	100-200-240-0000-5025	Salaries - Holiday Pay		\$133	
	100-200-240-0000-5030	Salaries - Sick Pay	\$1,000	\$750	\$1,000
	100-200-240-0000-5040	Salaries - Call Back		\$88	
	100-200-240-0000-5055	Unemployment Insurance (SUI)	\$3,500	\$2,576	\$445
	100-200-240-0000-5060	FICA Medicare/Social Security	\$11,323	\$11,868	\$11,384
	100-200-240-0000-5105	Workers' Compensation	\$1,740	\$1,242	\$2,053
	100-200-240-0000-5110	CalPERS Employer Share	\$5,129	\$9,325	\$5,807
	100-200-240-0000-5112	CalPERS Unfunded Liability	\$8,809	\$18,094	\$8,809
	100-200-240-0000-5115	Health Insurance	\$9,132	\$8,295	\$10,147
	100-200-240-0000-5120	Dental Insurance	\$523	\$616	\$659
	100-200-240-0000-5125	Long Term Disability/Life/AD&D	\$135	\$231	\$188
	100-200-240-0000-5212	Safety Supplies	\$500	\$490	\$500
	100-200-240-0000-5217	Supplies	\$10,000	\$12,031	\$10,000
	100-200-240-0000-5218	Tools	\$100		\$100
	100-200-240-0000-5231	Boat Fuel - Free Ride	\$600	\$600	\$600
	100-200-240-0000-5235	Vehicle & Equipment Fuel	\$2,500	\$4,000	\$3,000
	100-200-240-0000-5240	Miscellaneous Employee Training	\$1,000		\$500
	100-200-240-0000-5254	Rent & Leases	\$8,000	\$9,600	\$8,000
	100-200-240-0000-5284	Credit Card Fees	\$50,000	\$60,220	\$50,000
	100-200-240-0000-5292	Uniform Cleaning/Laundry	\$1,000	\$624	\$1,000
	100-200-240-0000-5425	Contract Services	\$42,000	\$43,200	\$44,000
	100-200-240-0000-5450	Other Services	\$32,000	\$46,360	\$32,000
	100-200-240-0000-5465	Software License & Application	\$500		\$500
	100-200-240-0000-5500	Mileage Reimbursement		\$468	
	100-200-240-0000-5610	Water Taxi Maintenance	\$3,000	\$2,750	\$5,000
	100-200-240-0000-5625	Signage	\$1,000	\$1,213	\$1,000
	100-200-240-0000-5635	Parking Meters R&M	\$1,800	\$1,500	\$1,800
	100-200-240-0000-5665	Vehicle Maintenance	\$3,000	\$1,200	\$3,000
	100-200-240-0000-5698	Equipment/Equipment R&M	\$5,000	\$4,000	\$6,000
		TOTAL PARKING SERVICES	\$373,217	\$405,159	\$384,271
		EVENTS (250)			
	100-200-250-0000-5000	Salaries - Regular	\$9,344	\$8,137	\$10,150
	100-200-250-0000-5005	Salaries - Overtime	\$1,000	\$266	\$500
	100-200-250-0000-5010	Wages - Part Time/Temporary	\$3,000		\$500
	100-200-250-0000-5055	Unemployment Insurance (SUI)	\$100		\$353
	100-200-250-0000-5060	FICA Medicare/Social Security	\$899	\$598	\$948
	100-200-250-0000-5105	Workers' Compensation	\$1,380	\$985	\$1,628
	100-200-250-0000-5110	CalPERS Employer Share	\$1,205	\$1,076	\$1,365
	100-200-250-0000-5112	CalPERS Unfunded Liability	\$2,070	\$2,088	\$2,070
	100-200-250-0000-5115	Health Insurance	\$7,243	\$6,680	\$7,493
	100-200-250-0000-5120	Dental Insurance	\$523	\$489	\$523
	100-200-250-0000-5125	Long Term Disability/Life/AD&D	\$135	\$54	\$149
	100-200-250-0000-5217	Supplies	\$3,500	\$3,119	\$3,500
	100-200-250-0000-5256	Equipment Rental	\$1,000	\$655	\$1,000
	100-200-250-0000-5290	Misc. Expenses	\$2,500	\$1,524	\$2,500
	100-200-250-0000-5625	Signage	\$500		\$500
		TOTAL EVENTS	\$34,399	\$25,670	\$33,179

Santa Cruz Port District
FY24 BUDGET
February 23, 2023

Category	Account	Description	FY23 BUDGET	FY23 PRJXN	FY24 BUDGET
		FUEL SERVICES (280)			
	100-200-280-0000-5000	Salaries - Regular	\$9,344	\$5,297	\$10,150
	100-200-280-0000-5010	Wages - Part Time/Temporary	\$22,000	\$21,364	\$22,000
	100-200-280-0000-5030	Salaries - Sick Pay	\$300		\$300
	100-200-280-0000-5055	Unemployment Insurance (SUI)	\$310	\$103	\$310
	100-200-280-0000-5060	FICA Medicare/Social Security	\$2,516	\$1,730	\$2,559
	100-200-280-0000-5105	Workers' Compensation	\$1,210	\$863	\$1,428
	100-200-280-0000-5110	CalPERS Employer Share	\$1,134	\$1,263	\$1,284
	100-200-280-0000-5112	CalPERS Unfunded Liability	\$1,949	\$1,965	\$1,949
	100-200-280-0000-5115	Health Insurance	\$6,351	\$5,855	\$6,570
	100-200-280-0000-5120	Dental Insurance	\$458	\$429	\$458
	100-200-280-0000-5125	Long Term Disability/Life/AD&D	\$119	\$51	\$131
	100-200-280-0000-5217	Supplies	\$1,000	\$1,000	\$1,000
	100-200-280-0000-5218	Tools	\$100	\$100	\$100
	100-200-280-0000-5245	Fuel Dock Gasoline	\$195,000	\$340,000	\$205,000
	100-200-280-0000-5246	Fuel Dock Diesel	\$225,000	\$460,000	\$235,000
	100-200-280-0000-5250	Fuel Dock Equipment & Supplies	\$1,000	\$250	\$1,000
	100-200-280-0000-5252	Underground Storage Tank Maintenance	\$7,000	\$9,200	\$8,500
	100-200-280-0000-5262	Insurance Premiums	\$4,000	\$1,980	\$4,000
	100-200-280-0000-5276	Permit Fees	\$4,000	\$3,978	\$4,100
	100-200-280-0000-5284	Credit Card Fees	\$8,000	\$11,500	\$8,000
	100-200-280-0000-5607	Fueling Equipment R&M	\$2,500	\$5,950	\$2,500
		TOTAL FUEL SERVICES	\$493,291	\$872,878	\$516,338

Santa Cruz Port District
FY24 BUDGET
February 23, 2023

Category	Account	Description	FY23 BUDGET	FY23 PRJXN	FY24 BUDGET
DOCKS, PIERS, MARINE STRUCTURES (310)					
	100-300-310-0000-5000	Salaries - Regular	\$90,246	\$105,608	\$109,517
	100-300-310-0000-5005	Salaries - Overtime	\$1,000		\$750
	100-300-310-0000-5010	Wages - Part Time/Temporary	\$2,000		\$1,000
	100-300-310-0000-5055	Unemployment Insurance (SUI)	\$658	\$645	\$658
	100-300-310-0000-5060	FICA Medicare/Social Security	\$8,201	\$7,976	\$8,291
	100-300-310-0000-5105	Workers' Compensation	\$2,570	\$1,834	\$3,033
	100-300-310-0000-5110	CalPERS Employer Share	\$9,099	\$6,012	\$10,302
	100-300-310-0000-5112	CalPERS Unfunded Liability	\$15,629	\$11,667	\$15,629
	100-300-310-0000-5115	Health Insurance	\$14,188	\$11,218	\$14,653
	100-300-310-0000-5120	Dental Insurance	\$973	\$910	\$973
	100-300-310-0000-5125	Long Term Disability/Life/AD&D	\$252	\$410	\$278
	100-300-310-0000-5212	Safety Supplies	\$1,000	\$1,000	\$1,000
	100-300-310-0000-5214	Office Supplies	\$250	\$100	\$250
	100-300-310-0000-5217	Supplies	\$1,000	\$750	\$1,000
	100-300-310-0000-5218	Tools	\$2,500	\$2,500	\$2,500
	100-300-310-0000-5230	Boat Fuel - Odd Job Big Red	\$500	\$150	\$500
	100-300-310-0000-5235	Vehicle & Equipment Fuel	\$2,500	\$2,290	\$2,500
	100-300-310-0000-5240	Miscellaneous Employee Training	\$5,000	\$1,200	\$4,000
	100-300-310-0000-5256	Equipment Rental	\$2,000	\$500	\$2,000
	100-300-310-0000-5262	Insurance Premiums	\$145,000	\$330,310	\$463,883
	100-300-310-0000-5268	Meetings & Training	\$1,000		\$1,000
	100-300-310-0000-5290	Miscellaneous Expenses	\$750	\$250	\$750
	100-300-310-0000-5292	Uniform Cleaning/Laundry	\$600	\$325	\$600
	100-300-310-0000-5430	Engineering Services	\$3,000	\$2,483	\$3,000
	100-300-310-0000-5500	Mileage Reimbursement	\$500	\$100	\$500
	100-300-310-0000-5605	Piers & Marine Structures R&M	\$15,000	\$13,736	\$15,000
	100-300-310-0000-5615	Maintenance Work Boat R&M	\$1,000	\$750	\$1,000
	100-300-310-0000-5620	Paint & Supplies	\$3,000	\$500	\$2,500
	100-300-310-0000-5625	Signage	\$1,000	\$1,200	\$1,500
	100-300-310-0000-5665	Vehicle Maintenance	\$3,000	\$750	\$3,000
	100-300-310-0000-5698	Equipment/Equipment R&M	\$5,000	\$3,750	\$5,000
	100-300-310-0000-5725	Welding Supplies	\$2,500	\$1,200	\$2,500
TOTAL DOCKS, PIERS, MARINE STRUC			\$340,916	\$510,122	\$679,068
UTILITIES (320)					
	100-300-320-0000-5000	Salaries - Regular	\$31,229	\$42,613	\$33,924
	100-300-320-0000-5005	Salaries - Overtime	\$750		\$750
	100-300-320-0000-5010	Wages - Part Time/Temporary	\$1,000		\$1,000
	100-300-320-0000-5055	Unemployment Insurance (SUI)	\$750	\$174	\$758
	100-300-320-0000-5060	FICA Medicare/Social Security	\$2,146	\$3,264	\$2,250
	100-300-320-0000-5105	Workers' Compensation	\$2,960	\$2,112	\$3,493
	100-300-320-0000-5110	CalPERS Employer Share	\$5,838	\$5,211	\$6,610
	100-300-320-0000-5112	CalPERS Unfunded Liability	\$10,027	\$10,111	\$10,027
	100-300-320-0000-5115	Health Insurance	\$15,535	\$14,535	\$16,071
	100-300-320-0000-5120	Dental Insurance	\$1,121	\$1,048	\$1,121
	100-300-320-0000-5125	Long Term Disability/Life/AD&D	\$290	\$263	\$320
	100-300-320-0000-5212	Safety Supplies	\$3,000	\$750	\$3,000
	100-300-320-0000-5217	Supplies	\$1,000	\$500	\$1,000
	100-300-320-0000-5240	Miscellaneous Employee Training	\$3,000		\$3,000
	100-300-320-0000-5290	Miscellaneous Expenses	\$250	\$50	\$250
	100-300-320-0000-5650	Storm Drain Maintenance	\$5,500	\$8,200	\$5,500
	100-300-320-0000-5665	Vehicle Maintenance	\$3,000	\$750	\$3,000
	100-300-320-0000-5670	Utility Maintenance	\$12,000	\$9,682	\$12,000
	100-300-320-0000-5698	Equipment/Equipment R&M	\$5,000	\$3,826	\$5,000
TOTAL UTILITIES			\$104,396	\$103,090	\$109,072

Santa Cruz Port District
FY24 BUDGET
February 23, 2023

Category	Account	Description	FY23 BUDGET	FY23 PRJXN	FY24 BUDGET
		BUILDINGS (330)			
	100-300-330-0000-5000	Salaries - Regular	\$72,787	\$71,169	\$79,066
	100-300-330-0000-5005	Salaries - Overtime	\$1,000	\$349	\$1,000
	100-300-330-0000-5010	Wages - Part Time/Temporary	\$5,000		\$6,000
	100-300-330-0000-5015	Salaries - Comp. Time	\$1,000		\$1,000
	100-300-330-0000-5020	Salaries - Vacation Pay	\$1,000		\$1,000
	100-300-330-0000-5025	Salaries - Holiday Pay		\$107	
	100-300-330-0000-5040	Salaries - Call Back	\$500	\$1,306	\$500
	100-300-330-0000-5045	Salaries - Call Ready	\$5,000	\$3,639	\$5,000
	100-300-330-0000-5055	Unemployment Insurance (SUI)	\$750	\$495	\$758
	100-300-330-0000-5060	FICA Medicare/Social Security	\$6,156	\$6,032	\$6,260
	100-300-330-0000-5105	Workers' Compensation	\$2,960	\$2,112	\$3,493
	100-300-330-0000-5110	CalPERS Employer Share	\$7,516	\$4,599	\$8,509
	100-300-330-0000-5112	CalPERS Unfunded Liability	\$12,909	\$8,924	\$12,909
	100-300-330-0000-5115	Health Insurance	\$19,735	\$16,758	\$19,571
	100-300-330-0000-5120	Dental Insurance	\$1,121	\$1,048	\$1,121
	100-300-330-0000-5125	Long Term Disability/Life/AD&D	\$290	\$338	\$320
	100-300-330-0000-5212	Safety Supplies	\$2,000	\$1,800	\$2,000
	100-300-330-0000-5216	Janitorial Supplies	\$30,000	\$40,213	\$32,000
	100-300-330-0000-5217	Supplies	\$4,000	\$2,250	\$4,000
	100-300-330-0000-5218	Tools	\$2,500	\$1,641	\$2,500
	100-300-330-0000-5235	Vehicle & Equipment Fuel	\$3,000	\$3,192	\$3,000
	100-300-330-0000-5240	Miscellaneous Employee Training	\$2,500	\$500	\$2,500
	100-300-330-0000-5256	Equipment Rental	\$500		\$500
	100-300-330-0000-5262	Insurance Premiums	\$23,775	\$43,252	\$62,228
	100-300-330-0000-5266	Memberships, Dues, Subscriptions	\$250		\$250
	100-300-330-0000-5268	Meetings & Training	\$1,000	\$250	\$1,000
	100-300-330-0000-5290	Miscellaneous Expenses	\$1,000	\$750	\$1,000
	100-300-330-0000-5292	Uniform Cleaning/Laundry	\$3,200	\$1,918	\$3,200
	100-300-330-0000-5305	Water, Sewer & Garbage	\$62,000	\$63,181	\$64,000
	100-300-330-0000-5308	Hazmat Disposal	\$3,500	\$1,000	\$1,500
	100-300-330-0000-5412	Custodial Contract	\$65,000	\$66,702	\$72,000
	100-300-330-0000-5430	Engineering Services	\$5,000	\$1,575	\$3,000
	100-300-330-0000-5450	Other Services	\$1,500	\$1,000	\$1,500
	100-300-330-0000-5500	Mileage Reimbursement		\$204	
	100-300-330-0000-5600	Building Repairs & Maintenance	\$38,000	\$34,053	\$38,000
	100-300-330-0000-5620	Paint & Supplies	\$5,000	\$1,250	\$5,000
	100-300-330-0000-5625	Signage	\$1,000	\$200	\$1,000
	100-300-330-0000-5645	Street Maintenance	\$4,000	\$500	\$4,000
	100-300-330-0000-5660	Street Light Maintenance	\$2,500	\$1,500	\$2,500
	100-300-330-0000-5665	Vehicle Maintenance	\$3,500	\$3,273	\$3,500
	100-300-330-0000-5698	Equipment/Equipment R&M	\$7,000	\$7,436	\$7,000
	100-300-330-0000-5725	Welding Supplies	\$1,500	\$1,200	\$1,500
	100-300-330-0000-6100	Capital Outlay			\$45,000
		TOTAL BUILDINGS	\$410,949	\$395,717	\$465,185

Santa Cruz Port District
FY24 BUDGET
February 23, 2023

Category	Account	Description	FY23 BUDGET	FY23 PRJXN	FY24 BUDGET
		GROUNDS (340)			
	100-300-340-0000-5000	Salaries - Regular	\$219,590	\$251,376	\$238,534
	100-300-340-0000-5005	Salaries - Overtime	\$4,500	\$5,000	\$4,500
	100-300-340-0000-5010	Wages - Part Time/Temporary	\$15,000	\$16,343	\$15,000
	100-300-340-0000-5015	Salaries - Comp. Time	\$450		\$450
	100-300-340-0000-5020	Salaries - Vacation Pay	\$1,500	\$4,206	\$1,500
	100-300-340-0000-5025	Salaries - Holiday Pay		\$2,456	
	100-300-340-0000-5030	Salaries - Sick Pay	\$250		
	100-300-340-0000-5040	Salaries - Call Back	\$2,500	\$7,013	\$2,500
	100-300-340-0000-5045	Salaries - Call Ready	\$7,500	\$11,489	\$8,000
	100-300-340-0000-5055	Unemployment Insurance (SUI)	\$3,251	\$1,928	\$3,251
	100-300-340-0000-5060	FICA Medicare/Social Security	\$17,312	\$23,093	\$17,760
	100-300-340-0000-5105	Workers' Compensation	\$12,700	\$9,062	\$14,986
	100-300-340-0000-5110	CalPERS Employer Share	\$19,616	\$17,510	\$22,210
	100-300-340-0000-5112	CalPERS Unfunded Liability	\$33,695	\$33,977	\$33,695
	100-300-340-0000-5115	Health Insurance	\$66,654	\$60,825	\$68,953
	100-300-340-0000-5120	Dental Insurance	\$4,809	\$4,498	\$4,809
	100-300-340-0000-5125	Long Term Disability/Life/AD&D	\$1,245	\$883	\$1,372
	100-300-340-0000-5210	Hazmat Supplies	\$7,500	\$5,200	\$7,500
	100-300-340-0000-5212	Safety Supplies	\$3,000	\$2,875	\$3,000
	100-300-340-0000-5217	Supplies	\$4,000	\$3,971	\$4,000
	100-300-340-0000-5218	Tools	\$2,500	\$3,000	\$3,000
	100-300-340-0000-5235	Vehicle & Equipment Fuel	\$5,000	\$10,034	\$6,000
	100-300-340-0000-5240	Miscellaneous Employee Training	\$2,500	\$2,991	\$2,500
	100-300-340-0000-5256	Equipment Rental	\$3,000	\$2,800	\$3,000
	100-300-340-0000-5266	Memberships, Dues, Subscriptions	\$500		\$500
	100-300-340-0000-5276	Permit Fees	\$2,500	\$750	\$1,500
	100-300-340-0000-5292	Uniform Cleaning/Laundry	\$4,000	\$2,525	\$3,500
	100-300-340-0000-5300	Gas & Electricity	\$215,000	\$248,774	\$220,000
	100-300-340-0000-5305	Water, Sewer & Garbage	\$95,000	\$105,308	\$97,000
	100-300-340-0000-5308	Hazmat Disposal	\$10,000	\$13,291	\$10,000
	100-300-340-0000-5405	Landscaping	\$10,000	\$5,389	\$8,000
	100-300-340-0000-5425	Contract Services	\$5,000	\$675	\$2,500
	100-300-340-0000-5500	Mileage Reimbursement	\$500	\$89	\$500
	100-300-340-0000-5620	Paint & Supplies	\$5,000	\$3,500	\$5,000
	100-300-340-0000-5625	Signage	\$4,000	\$4,850	\$4,000
	100-300-340-0000-5630	Parking Lot R&M	\$10,000	\$6,467	\$10,000
	100-300-340-0000-5645	Street Maintenance	\$2,500	\$2,257	\$2,500
	100-300-340-0000-5665	Vehicle Maintenance	\$5,000	\$2,500	\$5,000
	100-300-340-0000-5672	Other Repairs & Maintenance	\$3,500	\$5,300	\$3,500
	100-300-340-0000-5696	Permits & Inspections	\$2,500	\$250	\$1,000
	100-300-340-0000-5698	Equipment/Equipment R&M	\$10,000	\$11,496	\$10,000
	100-300-340-0000-5800	Fish Removal Expenses	\$2,500		\$2,000
	100-300-340-0000-5805	Waste Oil Disposal/Recycle	\$12,500	\$11,871	\$12,500
		TOTAL GROUNDS	\$838,072	\$905,822	\$865,519

Santa Cruz Port District
FY24 BUDGET
February 23, 2023

Category	Account	Description	FY23 BUDGET	FY23 PRJXN	FY24 BUDGET
AERATION (350)					
	100-300-350-0000-5000	Salaries - Regular	\$12,295	\$3,083	\$13,356
	100-300-350-0000-5055	Unemployment Insurance (SUI)	\$75		\$195
	100-300-350-0000-5060	FICA Medicare/Social Security	\$1,581	\$238	\$1,607
	100-300-350-0000-5105	Workers' Compensation	\$760	\$542	\$897
	100-300-350-0000-5110	CalPERS Employer Share	\$2,694	\$2,405	\$3,051
	100-300-350-0000-5112	CalPERS Unfunded Liability	\$4,628	\$4,667	\$4,628
	100-300-350-0000-5115	Health Insurance	\$3,989	\$3,751	\$4,126
	100-300-350-0000-5120	Dental Insurance	\$288	\$269	\$288
	100-300-350-0000-5125	Long Term Disability/Life/AD&D	\$75	\$121	\$82
	100-300-350-0000-5217	Supplies	\$1,000	\$150	\$1,000
	100-300-350-0000-5300	Gas & Electricity	\$20,000	\$22,786	\$20,000
	100-300-350-0000-5698	Equipment/Equip. R&M	\$10,000	\$2,500	\$10,000
		TOTAL AERATION	\$57,385	\$40,513	\$59,229
FISHERY SUPPORT (360)					
	100-300-360-0000-5000	Salaries - Regular	\$9,344	\$10,210	\$10,150
	100-300-360-0000-5055	Unemployment Insurance (SUI)		\$68	\$38
	100-300-360-0000-5060	FICA Medicare/Social Security	\$312	\$744	\$317
	100-300-360-0000-5105	Workers' Compensation	\$150	\$107	\$177
	100-300-360-0000-5110	CalPERS Employer Share	\$685	\$612	\$776
	100-300-360-0000-5112	CalPERS Unfunded Liability	\$1,177	\$1,187	\$1,177
	100-300-360-0000-5115	Health Insurance	\$787	\$743	\$814
	100-300-360-0000-5120	Dental Insurance	\$57	\$53	\$57
	100-300-360-0000-5125	Long Term Disability/Life/AD&D	\$15	\$31	\$16
	100-300-360-0000-5675	Ice Equipment R&M	\$3,500	\$250	\$3,500
		TOTAL FISHERY SUPPORT	\$16,027	\$14,004	\$17,024
CAPITAL PROJECTS (390)					
	100-300-390-0000-5000	Salaries - Regular	\$4,426	\$250	\$4,808
	100-300-390-0000-5055	Unemployment Insurance (SUI)	\$15		
	100-300-390-0000-5060	FICA Medicare/Social Security	\$178	\$12	\$178
	100-300-390-0000-5276	Permit Fees	\$2,500		\$1,500
	100-300-390-0000-5290	Miscellaneous Expenses	\$500		\$500
	100-300-390-0000-5298	Interest Expense	\$456,980	\$397,629	\$355,317
	100-300-390-0000-5416	Legal Consultation	\$2,000		\$1,000
	100-300-390-0000-5500	Mileage Reimbursement	\$200		\$200
	100-300-390-0000-6200	Principal Debt Payments	\$1,329,940	\$1,319,377	\$1,365,818
		TOTAL CAPITAL PROJECTS	\$466,799	\$397,891	\$363,503

Santa Cruz Port District
FY24 BUDGET
February 23, 2023

Category	Account	Description	FY23 BUDGET	FY23 PRJXN	FY24 BUDGET
		DREDGING OPERATIONS (400)			
	100-300-400-0000-5000	Salaries - Regular	\$591,638	\$541,326	\$631,193
	100-300-400-0000-5005	Salaries - Overtime	\$25,000	\$39,767	\$25,000
	100-300-400-0000-5010	Wages - Part Time/Temporary	\$20,000	\$42,609	\$20,000
	100-300-400-0000-5015	Salaries - Comp. Time	\$1,500	\$1,500	\$1,500
	100-300-400-0000-5020	Salaries - Vacation Pay	\$2,000	\$4,936	\$2,000
	100-300-400-0000-5025	Salaries - Holiday Pay	\$1,500	\$1,124	\$1,500
	100-300-400-0000-5030	Salaries - Sick Pay		\$2,177	
	100-300-400-0000-5055	Unemployment Insurance (SUI)	\$6,193	\$3,489	\$6,193
	100-300-400-0000-5060	FICA Medicare/Social Security	\$50,307	\$47,628	\$51,160
	100-300-400-0000-5105	Workers' Compensation	\$24,190	\$17,261	\$28,544
	100-300-400-0000-5110	CalPERS Employer Share	\$36,325	\$32,425	\$41,129
	100-300-400-0000-5112	CalPERS Unfunded Liability	\$62,396	\$62,918	\$62,396
	100-300-400-0000-5115	Health Insurance	\$131,858	\$120,906	\$136,236
	100-300-400-0000-5120	Dental Insurance	\$9,159	\$8,567	\$9,159
	100-300-400-0000-5125	Long Term Disability/Life/AD&D	\$2,371	\$1,636	\$2,613
	100-300-400-0000-5210	Hazmat Supplies	\$3,000	\$1,750	\$3,000
	100-300-400-0000-5212	Safety Supplies	\$6,500	\$9,758	\$6,500
	100-300-400-0000-5217	Supplies	\$8,000	\$6,307	\$8,000
	100-300-400-0000-5218	Tools	\$10,000	\$14,958	\$10,000
	100-300-400-0000-5232	Boat Fuel - Dredge Skiff	\$1,000	\$250	\$1,000
	100-300-400-0000-5233	Boat Fuel - Twin Lakes	\$105,000	\$106,300	\$105,000
	100-300-400-0000-5234	Boat Fuel - Dauntless	\$10,000	\$4,800	\$10,000
	100-300-400-0000-5235	Vehicle & Equipment Fuel	\$11,000	\$15,868	\$12,000
	100-300-400-0000-5240	Miscellaneous Employee Training	\$10,000	\$500	\$10,000
	100-300-400-0000-5256	Equipment Rental	\$32,000	\$5,500	\$32,000
	100-300-400-0000-5262	Insurance Premiums	\$14,000	\$27,154	\$45,257
	100-300-400-0000-5266	Memberships, Dues, Subscriptions	\$500	\$975	\$500
	100-300-400-0000-5268	Meetings & Training	\$2,000	\$1,000	\$2,000
	100-300-400-0000-5270	Books	\$100		\$100
	100-300-400-0000-5276	Permit Fees	\$10,000	\$8,200	\$10,000
	100-300-400-0000-5290	Miscellaneous Expenses	\$5,000	\$4,660	\$5,000
	100-300-400-0000-5292	Uniform Cleaning/Laundry	\$6,500	\$6,867	\$6,500
	100-300-400-0000-5308	Hazmat Disposal	\$5,000	\$4,631	\$5,000
	100-300-400-0000-5418	Freight	\$2,500	\$2,200	\$2,500
	100-300-400-0000-5440	Environmental Services	\$10,000		\$5,000
	100-300-400-0000-5445	Dredge Consulting	\$15,000		\$15,000
	100-300-400-0000-5450	Other Services	\$5,000	\$2,500	\$5,000
	100-300-400-0000-5500	Mileage Reimbursement	\$1,000		\$1,000
	100-300-400-0000-5620	Paint & Supplies	\$5,000	\$6,300	\$6,000
	100-300-400-0000-5665	Vehicle Maintenance	\$5,000	\$3,908	\$5,000
	100-300-400-0000-5672	Other Repairs & Maintenance	\$2,000	\$6,696	\$3,000
	100-300-400-0000-5685	Safety Equipment R&M	\$1,500	\$1,500	\$1,500
	100-300-400-0000-5698	Equipment/Equipment R&M	\$45,000	\$36,000	\$45,000
	100-300-400-0000-5700	Maint/Lube Inner Harbor Dredge	\$20,000	\$21,806	\$20,000
	100-300-400-0000-5705	Maint/Lube Dredge Twin Lakes	\$120,000	\$123,754	\$120,000
	100-300-400-0000-5707	Maint/Lube - Ancilliary Equipment	\$65,000	\$41,000	\$65,000
	100-300-400-0000-5710	Maint/Lube Dredge Workboat Dauntless	\$30,000	\$28,688	\$30,000
	100-300-400-0000-5715	Dredge Paint/Coatings	\$18,000	\$21,000	\$19,000
	100-300-400-0000-5720	Booster Pump R&M	\$10,000	\$7,500	\$10,000
	100-300-400-0000-5725	Welding Supplies	\$10,000	\$11,602	\$10,000
	100-300-400-0000-6105	Capitalized Equip Xfer to 1100	\$191,151	\$226,269	\$143,000
		TOTAL DREDGING OPERATIONS	\$1,569,037	\$1,462,202	\$1,653,480

Santa Cruz Port District
FY24 BUDGET
February 23, 2023

Category	Account	Description	FY23 BUDGET	FY23 PRJXN	FY24 BUDGET
		BOATYARD OPERATIONS (500)			
	100-500-500-0000-5000	Salaries - Regular	\$149,262	\$128,452	\$162,139
	100-500-500-0000-5005	Salaries - Overtime	\$1,000	\$750	\$1,000
	100-500-500-0000-5010	Wages - Part Time/Temp.	\$15,500	\$6,367	\$20,000
	100-500-500-0000-5015	Salaries - Comp. Time	\$300	\$319	\$300
	100-500-500-0000-5025	Salaries - Holiday Pay		\$102	
	100-500-500-0000-5040	Call Back	\$500	\$97	\$500
	100-500-500-0000-5055	Unemployment Insurance (SUI)	\$2,324	\$1,877	\$2,324
	100-500-500-0000-5060	FICA Medicare/Social Security	\$13,483	\$10,148	\$13,804
	100-500-500-0000-5105	Workers' Compensation	\$9,080	\$6,479	\$10,714
	100-500-500-0000-5110	CalPERS Employer Share	\$8,555	\$7,637	\$9,687
	100-500-500-0000-5112	CalPERS Unfunded Liability	\$14,696	\$14,819	\$14,696
	100-500-500-0000-5115	Health Insurance	\$49,055	\$43,908	\$50,699
	100-500-500-0000-5120	Dental Insurance	\$3,438	\$3,215	\$3,438
	100-500-500-0000-5125	Long Term Disability/Life/AD&D	\$745	\$385	\$981
	100-500-500-0000-5204	Advertising	\$525	\$719	\$525
	100-500-500-0000-5210	Hazmat Supplies	\$500		\$500
	100-500-500-0000-5212	Safety Supplies	\$500	\$300	\$500
	100-500-500-0000-5217	Supplies	\$2,500	\$2,000	\$2,500
	100-500-500-0000-5218	Tools	\$1,000	\$1,300	\$1,000
	100-500-500-0000-5235	Fuel - Travelift	\$1,500	\$3,500	\$2,000
	100-500-500-0000-5240	Miscellaneous Employee Training	\$1,200	\$1,250	\$1,200
	100-500-500-0000-5256	Equipment Rental	\$1,000		\$1,000
	100-500-500-0000-5262	Insurance Premiums	\$7,450	\$16,191	\$22,628
	100-500-500-0000-5276	Permit Fees	\$2,500	\$935	\$2,000
	100-500-500-0000-5284	Credit Card Fees	\$6,000	\$7,876	\$7,000
	100-500-500-0000-5290	Misc. Expenses	\$1,500	\$1,500	\$1,500
	100-500-500-0000-5292	Uniforms	\$600	\$1,484	\$1,200
	100-500-500-0000-5300	Gas & Electricity	\$17,000	\$15,755	\$17,000
	100-500-500-0000-5305	Water, Sewer, Garbage	\$13,000	\$11,500	\$13,000
	100-500-500-0000-5308	Hazmat Disposal	\$5,500	\$10,000	\$5,500
	100-500-500-0000-5310	Telephone & Alarms	\$2,000	\$795	\$1,500
	100-500-500-0000-5425	Contract Services	\$500	\$992	\$500
	100-500-500-0000-5430	Engineering Services	\$500		\$500
	100-500-500-0000-5450	Other Services	\$3,500	\$3,500	\$3,500
	100-500-500-0000-5465	Software License & Application	\$500		\$500
	100-500-500-0000-5500	Mileage Reimbursement	\$200	\$100	\$200
	100-500-500-0000-5625	Signage	\$250	\$200	\$250
	100-500-500-0000-5694	Office Equipment	\$250	\$250	\$250
	100-500-500-0000-5698	Equipment R&M	\$7,500	\$28,000	\$10,000
	100-500-500-0000-7000	Filtration System R&M	\$2,500	\$2,500	\$3,000
	100-500-500-0000-7005	Filtration System Supplies	\$4,000	\$9,000	\$9,000
	100-500-500-0000-7020	Cost of Goods Sold	\$10,000	\$14,000	\$10,000
	100-500-500-0000-6100	Capital Outlay	\$4,000	\$3,850	
		TOTAL BOATYARD OPERATIONS	\$361,913	\$358,203	\$408,535

ATTACHMENT C – FINANCIAL POLICIES

Reserve Policy

Investment Policy

Unfunded Accrued Liability Policy (including CalPERS' Employer Contribution Rates)

Santa Cruz Port District
General Fund Reserve Policy
Adopted November 24, 2015

Reserve Policy Objectives

To strengthen the financial stability of the District against economic uncertainty, unexpected situations such as natural or man-made disasters, unanticipated drop in revenues, and other unforeseen emergencies or extraordinary circumstances that the Port District may face that are infrequent in occurrence.

Target Amount Held in Reserve

The Port District will strive to hold in reserve an amount equal to 25 percent of the District's annual operating expenses in the current fiscal year's adopted general fund budget. The District recognizes that reserve fund amount may fluctuate and may need to be rebuilt over time as needed.

Funding Sources

The reserve fund will generally come from one-time revenue and from excess revenues over expenditures. Examples of one-time revenue include infrequent sales of Port District assets, infrequent revenues from development and grants, or other sources that are typically non-recurring in nature.

Conditions on Use of Reserves

The use of reserves shall generally be limited to unanticipated, non-recurring needs. Reserve fund balances shall not be used for normal or recurring annual operating expenditures.

The Port Director shall make recommendations to the Port Commission for use of reserves. Appropriations from this reserve fund shall require a resolution approved by the Port Commission.

Requests for use of reserves shall occur only after exhausting the current year's budgetary flexibility. The Port Director shall, within six months of its use, present to the Port Commission a plan and timeline for replenishing the reserve fund. .

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: Santa Cruz Port District Service and Sphere of Influence Review

Project Location: The Santa Cruz Port District was formed in 1950 by petition of the voters to provide for and manage small craft harbor facilities in Santa Cruz County. **The District's jurisdictional boundary** borders the Pacific Ocean and encompasses a 27.9 square mile area that includes the City of Santa Cruz. A vicinity map depicting the **District's** service and sphere boundaries is attached (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 District. The purpose of the report is to ensure the effectiveness and efficiency in the delivery of public services by the District, 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 August 7, 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: August 8, 2024

☒ Signed by Lead Agency



NOTICE OF PUBLIC HEARING LOCAL AGENCY FORMATION COMMISSION

NOTICE IS HEREBY GIVEN that at 9:00 a.m., Wednesday, August 7, 2024, the Local Agency Formation Commission of Santa Cruz County (LAFCO) will hold a public hearing on the following:

- **Santa Cruz Port District Service and Sphere of Influence Review:** Consideration of a service and sphere review for the Santa Cruz Port District. The District encompass a 27.9 square mile area with an estimated population of 99,000 that includes the majority of the City of Santa Cruz and unincorporated area to the north and east of the city.

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: July 16, 2024

LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY
RESOLUTION NO. 2024-15

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

RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION
APPROVING THE 2024 SERVICE AND SPHERE OF INFLUENCE REVIEW
FOR THE SANTA CRUZ PORT DISTRICT

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 2024 Service and Sphere of Influence Review for the Santa Cruz Port District ("District").
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 August 7, 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 the District 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 the Santa Cruz Port District.
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 amends the Sphere of Influence Map for the District to be larger than the existing service area, as shown in Exhibit C.

PASSED AND ADOPTED by the Local Agency Formation Commission of Santa Cruz County this 7th day of August 2024.

AYES:

NOES:

ABSTAIN:

JOHN HUNT, CHAIRPERSON

Attest:

Joe A. Serrano
Executive Officer

Approved as to form:

Joshua Nelson
LAFCO Counsel

EXHIBIT A
SANTA CRUZ PORT DISTRICT
2024 SERVICE REVIEW DETERMINATIONS

1. Growth and population projections for the affected area.

The District encompasses unincorporated county territory as well as the vast majority of the City of Santa Cruz. It is estimated that approximately 99,000 residents currently live within the District's jurisdiction. Based on LAFCO's projections, the District's population may reach 113,000 by the year 2040.

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

In 2020, the California statewide median household income was \$78,672, and 80% of that was \$62,938. Based on LAFCO's analysis, there are no disadvantaged unincorporated communities within or contiguous to the District's sphere boundary.

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

The District does not provide water, sewer, or fire protection within its service area.

4. Financial ability of agencies to provide services.

The District operates with revenues covering expenditures on an annual basis. As of March 31, 2023, the District is operating with a net position of approximately \$35 million and total assets of approximately \$66 million. The District is funded primarily through service charges. The District does not receive any tax revenue.

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

The District provides emergency ocean rescue and law enforcement services when requested to assist the United States Coast Guard, local marine rescue agencies, and law enforcement agencies within Santa Cruz County. The District is part of a Joint Powers Authority with the California Maritime Infrastructure Authority and has MOUs with the United States Army Corps of Engineers for dredging and the City and County for tax reallocation.

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

The Santa Cruz Port District is governed by a five-member board. The District is scheduled to transition from at-large to division-based elections in November 2024.

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 and sphere review.

EXHIBIT B
SANTA CRUZ PORT DISTRICT
2024 SPHERE OF INFLUENCE DETERMINATIONS

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

State law limits the square miles of the Santa Cruz Port District such that it does not include the entire County and there can be at least one municipal corporation in the District (Harbors and Navigation Code Section 6210). The District's boundary contains the vast majority of the City of Santa Cruz and an area of unincorporated land. This area includes a wide range of land uses, including but not limited to, agriculture, community commercial, parks and open space, and residential.

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

The District experiences an ongoing need for harbor services, which is demonstrated by the current wait list for harbor slips. The longest approximate wait time ranges from 1 year for a 20-foot slip up to 22 years for a 40-foot slip. All slip assignments are based on chronological precedence of requests. Only one size slip may be requested. The District provides a monthly waiting list report which can be accessed on their website.

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

The District has consistently demonstrated a capacity to provide harbor services to the large population it serves. A strong local demand for harbor services is effectively constrained by the spatial limitations of the harbor's physical site.

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

There are no District-relevant social or economic communities of interest in the area served. Staff's analysis does highlight that District's upcoming transition from at-large to division-based elections. This transition will provide more equal representation within the District's jurisdictional boundary and on its governing board.

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.

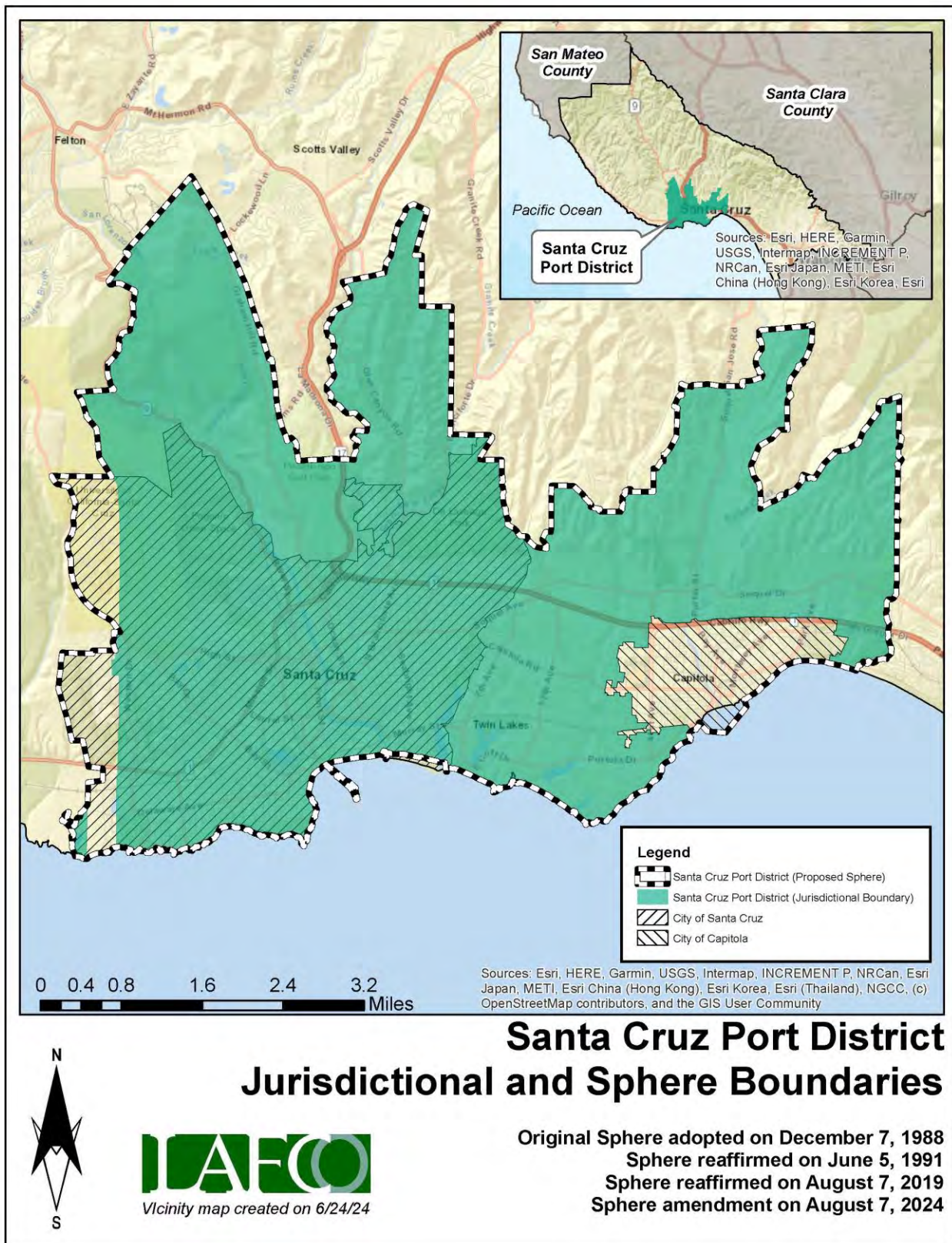
The Santa Cruz Port District does not provide services related to sewers, municipal and industrial water, or structural fire protection. Therefore, this determination is not applicable.

EXHIBIT C

SANTA CRUZ PORT DISTRICT

SPHERE OF INFLUENCE MAP

LAFCO expands the Sphere of Influence for the Santa Cruz Port District.





Santa Cruz Local Agency Formation Commission

Date: August 7, 2024
To: LAFCO Commissioners
From: Joe Serrano, Executive Officer
Subject: **"Reclamation District No. 2049 Dissolution" - Protest Results**

SUMMARY OF RECOMMENDATION

The Commission approved the dissolution of the Reclamation District No. 2049 on June 5, 2024. Upon approval, state law requires the commencement of two post-action proceedings: Request for Reconsideration Period and the Protest Period. The request for reconsideration period ended on July 5, 2024, without any submittals. A protest hearing was held on July 31, 2024, which officially ended the protest period, and zero petitions of opposition were gathered. Today, the Commission will ratify the protest results.

It is recommended that the Commission adopt the protest hearing minutes and draft resolution (No. 2023-16) approving the protest results for the multi-parcel annexation.

EXECUTIVE OFFICER'S REPORT

Pursuant to Government Code Section 57000, when the Commission adopts a resolution making determinations regarding a change of organization, affected residents within the proposal area have an opportunity to voice their opposition during a protest period. The protest proceeding occurred from July 8 to July 31.

A protest hearing was held on July 31, 2024 at 9:00 a.m. to receive any final petitions. **Attachment 1** provides a copy of the draft action minutes taken during the protest hearing. LAFCO received zero petitions during the 24-day protest period. The attached resolution certifies the results of this proceeding (refer to **Attachment 2**).

Based on the protest period results, the dissolution will be recorded once LAFCO staff determines that all terms and conditions outlined in the June 5, 2024 LAFCO Resolution (No. 2024-13) are fulfilled.

Respectfully Submitted,

A blue ink signature of Joe A. Serrano is written over the "Respectfully Submitted," line. The signature is stylized and cursive.

Joe A. Serrano
Executive Officer

Attachments:

1. Draft Action Minutes (Protest Hearing)
2. Draft Resolution No. 2024-16



LOCAL AGENCY FORMATION COMMISSION
OF SANTA CRUZ COUNTY

ADOPTED ACTION MINUTES
PROTEST HEARING FOR THE PROPOSED
"RECLAMATION DISTRICT NO. 2049 DISSOLUTION"
(LAFCO PROJECT NO. DDI 24-02)

Date: Wednesday, July 31, 2024
Time: 9:00 a.m.

Location: Virtual Setting (Zoom Webinar)
Teleconference: 669-900-6833

The July 31, 2024 Protest Hearing is called to order by declaration of Joe Serrano, LAFCO Executive Officer.

CALL THE MEETING TO ORDER

Joe Serrano welcomed and thanked everyone for attending the protest hearing. The hearing is being conducted by LAFCO staff in accordance with the Commission's Protest Hearing Policy.

PUBLIC COMMENT

Joe Serrano opened the floor for public comments. There were no requests to address LAFCO on this agenda item.

SUMMARIZATION OF LAFCO RESOLUTION NO. 2024-13

Joe Serrano reviewed the terms and conditions outlined in the resolution approving the annexation. This resolution was adopted by the Commission on June 5, 2024 and the proposed dissolution will be recorded once all the terms and conditions are fulfilled.

Mr. Serrano opened the floor for public comments. He indicated that no requests were made to speak on this agenda item.

ORAL OR WRITTEN PROTESTS, OBJECTIONS, OR EVIDENCE

Joe Serrano indicated that one of the conditions in the adopted resolution was to conduct a protest proceeding which would allow affected registered voters and landowners to voice their opposition to the annexation. If LAFCO receives less than 25% in opposition during the proceeding, then the approval of the dissolution moves forward. If LAFCO receives between 25% to 50% in opposition, then the dissolution requires a special election. If LAFCO receives more than 50% in opposition, then the dissolution is terminated. Protest petition thresholds are based on the number of registered voters and the total assessed land value within the annexation area.

Mr. Serrano opened the floor for any oral or written protests. He indicated that no opposition was raised.

DETERMINATION OF THE VALUE OF WRITTEN PROTESTS

Joe Serrano informed the attendees that zero petitions were submitted. Based on this outcome, the dissolution will move forward.

Mr. Serrano opened the floor for public comments. He indicated that no requests were made to speak on this agenda item.

ADJOURNMENT

Joe Serrano indicated that the Commission will consider certifying the protest results by adopting a resolution during the next LAFCO Meeting. The next LAFCO meeting is scheduled for 9:00 a.m. on Wednesday, August 7, 2024.

JOHN HUNT, CHAIRPERSON

Attest:

Joe A. Serrano, Executive Officer

LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY
RESOLUTION NO. 2024-16

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

RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION,
ACTING AS THE CONDUCTING AUTHORITY, MAKING DETERMINATIONS
ON THE VALUE OF WRITTEN PROTEST FOR THE TERRITORY DESIGNATED AS
THE "RECLAMATION DISTRICT NO. 2049 DISSOLUTION"
(LAFCO PROJECT NO. DDI 24-02)

WHEREAS, on June 5, 2024, the Local Agency Formation Commission of Santa Cruz County ("LAFCO" or "Commission") held a public hearing to consider a proposal initiated by LAFCO on February 7, 2024 to dissolve a reclamation district in accordance with the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Section 56000 et seq.); and

WHEREAS, after conducting a public hearing and considering all evidence, both written and oral, LAFCO adopted Resolution No. 2024-04, approving the dissolution; and

WHEREAS, a 30-day request for reconsideration period was held during June 6 to July 5, 2024, in accordance with Government Code Section 56895. LAFCO did not receive any requests to reconsider the Commission's approval during this period; and

WHEREAS, on July 1, 2024, LAFCO provided notice of the protest proceeding in accordance with Government Code Section 57025 and held during July 8 to July 31, 2024; and

WHEREAS, on July 31, 2024, LAFCO acting as the conducting authority, held a protest hearing to receive and consider any written protests filed.

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

Section 1. Valid written protests to the dissolution in accordance with Government Code Section 57075(a)(2)(A) and (B) were not filed. Therefore, an election is not required.

Section 2. A majority written protest to the annexation in accordance with Government Code Section 57078 was not filed. In total, LAFCO received zero petitions from registered voter or landowners during the protest period.

Section 3. The dissolution, covering approximately 500 acres, is approved.

Section 4. The boundaries of the annexation are shown on Exhibits A and B.

Section 5. This action is taken pursuant to division 3, title 5 (commencing with Government Code Section 56000), known as the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

Section 6. The terms and conditions of the dissolution are set forth in LAFCO Resolution 2024-04, and incorporated by reference.

Section 7. The reasons for the dissolution are those set forth in the analysis included in LAFCO's staff report which was presented during the June 5, 2024 Commission Meeting, hereby incorporated by reference.

PASSED AND ADOPTED by the Local Agency Formation Commission of Santa Cruz County this 7th day of August 2024.

AYES:

NOES:

ABSTAIN:

JOHN HUNT, CHAIRPERSON

Attest:

Approved as to form:

Joe A. Serrano
Executive Officer

Joshua Nelson
LAFCO Counsel

EXHIBIT A: VICINITY MAP (PROPOSAL AREA)

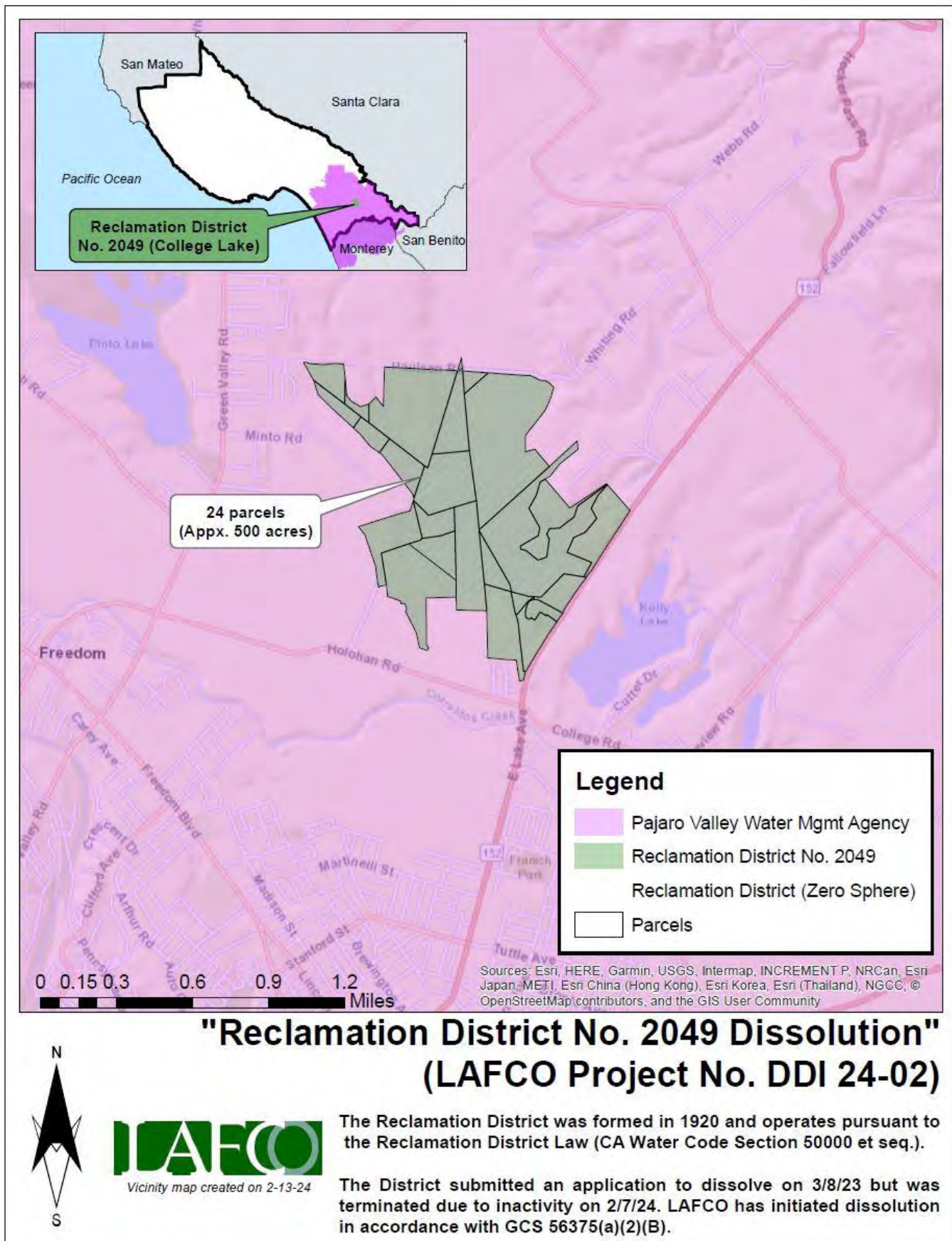
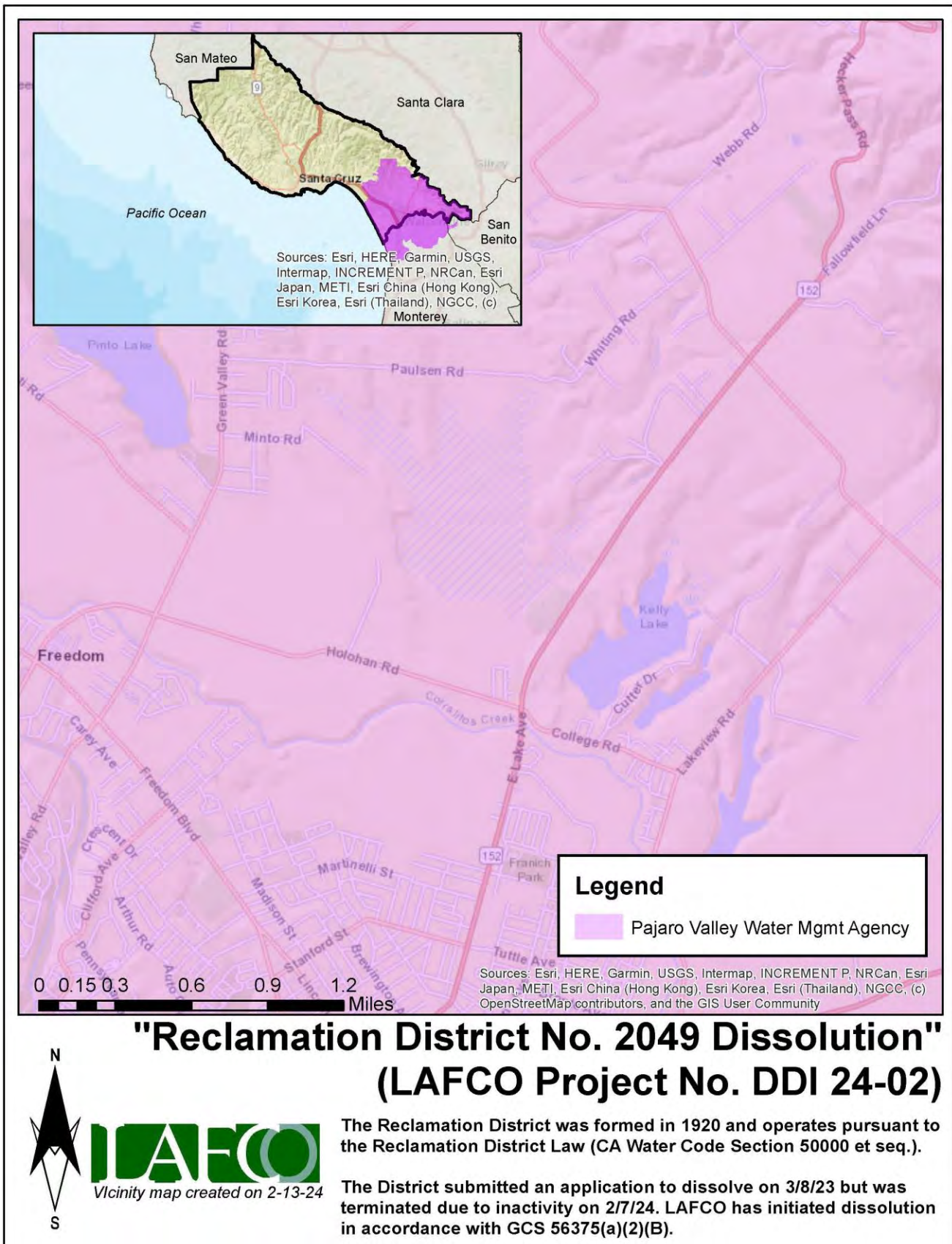


EXHIBIT B: VICINITY MAP (POST-DISSOLUTION)





Santa Cruz Local Agency Formation Commission

Date: August 7, 2024
To: LAFCO Commissioners
From: Joe Serrano, Executive Officer
Subject: **AP Triton – Feasibility Study**

SUMMARY OF RECOMMENDATION

The Cortese-Knox-Hertzberg Act delegates LAFCOs with regulatory and planning duty authority to coordinate the logical formation and development of local governmental agencies through various actions, including but not limited to, processing boundary changes and developing service and sphere reviews. In some cases, LAFCO staff requires additional assistance from outside consultants for specific projects or special studies. This report will summarize the feasibility study developed by AP Triton and the possible next steps to ensure the efficient and effective delivery of fire protection and emergency medical services in Santa Cruz County.

It is recommended that the Commission take the following actions:

1. Receive and file the feasibility study; and
 2. Direct staff to coordinate with the County of Santa Cruz and CalFire to develop a transition plan to reorganize County Service Area 48 from a dependent special district to an independent fire protection district.
-

EXECUTIVE OFFICER'S REPORT

In October 2021, as part of the Countywide Fire Protection Service & Sphere Review, the Commission conducted a thorough evaluation of the 13 fire agencies' history, level of service, and their sphere boundaries. Based on LAFCO's analysis, and after the report was published, several fire agencies expressed interest in exploring the possible annexation of territory within their sphere boundaries. However, the number one question that all affected agencies have when considering annexation is: *"What is the financial impact?"* Historically, the fiscal data was not available to make that determination, which prevented the concept of annexation to move forward. This led LAFCO to hire an outside consultant (AP Triton) in August 2022 to assess the potential fiscal impact of such actions by developing a more technical analysis that would provide the affected agencies with the necessary facts to make a sound determination.

This feasibility study examined how future annexations within existing sphere boundaries directly affect the annexing agencies and the County as the oversight agency to County Service Area ("CSA 48"). For any annexation to occur, those subject areas would need to be concurrently detached from CSA 48, which currently serves all unincorporated areas not within a fire district. Such a change in organization would impact CSA 48's existing

operations and finances. Therefore, this subsequent fire study benefits the entire County because it answers two fundamental questions:

- 1) Is it feasible for an agency to take over fire responsibility in areas within its sphere boundary through annexation?
- 2) How does the proposed reorganizations impact the current and future operations of CSA 48?

Attachment 1 provides a copy of the feasibility study which answers these two questions and provides an in-depth analysis of the existing sphere boundaries, potential impacts to the County, and additional information about the current fire protection delivery model in Santa Cruz County. Based on LAFCO's review of the study, it is staff's determination that the fiscal and service impact to the fire districts would be minimal if annexation were to be considered. The same cannot be said in the case of CSA 48.

CSA 48 Existing Structure

AP Triton identified over 40 key findings under four different categories: (1) Key Concepts, (2) Sphere of Influence Annexation Findings, (3) Application Findings, and (4) Agency General Findings. However, many of the findings focused on the significant issues involving CSA 48's governance and operations. Below are direct excerpts from the study:

- *"A dependent special district's [county service areas] requirements, responsibilities, and governance appear poorly understood."*
- *"The dependent special districts [CSAs 4 and 48] are governed by the Santa Cruz County Board of Supervisors and serve primarily as a funding mechanism for fire protection. There is no inherent authority within these districts, and the expected level of service was only found in the CAL FIRE contract."*
- *"The Santa Cruz County Fire Department (SCCFD) is not technically a department within the county."*
- *"CAL FIRE is charged under a single contract to provide fire protection services to CSA 4 and CSA 48."*
- *"CAL FIRE provides oversight and management to the volunteer and career companies in CSA 4 and CSA 48 under the umbrella of SCCFD."*
- *"County budget documents do not separate the two CSA 48 special assessments."*
- *"CSA 4 and CSA 48 are treated differently in the budget document, which may cause some confusion about the roles of the CSAs."*

These findings are consistent to the areas of improvement identified in the County's recent Fire Master Plan for County Service Area 48, which will be presented to the County Board of Supervisors in August 2024 (tentatively scheduled for the 8/27 BOS meeting).

In addition to the findings listed above, AP Triton reached the following conclusion:

*Based on an evaluation of the financial information submitted by the county and the affected agencies and service call load, **the detachment of these areas from the CSA 4 and CSA 48 service areas would have an overall detrimental impact on the county's ability to provide fire protection.** While the movement of funds to most special districts is a positive for these agencies, it does not appear to have an excessively positive impact. In addition, the incident volume for most agencies would not increase significantly, and the SCCFD call load would not diminish perceptively.*

CSA 48 Potential Structure

It is apparent that the current model under CSA 48, which merely acts as a funding mechanism, is not sustainable in the long run. That is why LAFCO has been in coordination with the County to determine how the two agencies can work together and develop an effective long-term solution. Based on the results from this fire study, coupled with the conclusions in the County Master Plan, key staff members from the County and LAFCO agreed that it may be beneficial to explore the concept of reorganizing CSA 48 as an independent fire district. Under this new governance model, the CSA 48 residents would have increased representation and participation since the district will require an independent board of directors, a separate budgetary structure, and direct coordination with CalFIRE as their service provider.

In order to properly consider this change of organization, LAFCO and the County must develop a transition plan that clearly outlines how the new fire district would operate. LAFCO staff is ready to spearhead this effort after receiving support from this Commission and the County Board of Supervisors. It is LAFCO staff's understanding that the Board of Supervisors will receive a similar recommendation from their staff at an upcoming board meeting in mid-August. If jointly supported, LAFCO staff will provide periodic updates to the Commission.

Other Outside Factors To Consider

In addition to the conclusions made in the fire study and master plan, reorganizing CSA 48 as an independent fire district would establish a new public entity capable of assuming fire service responsibilities from any struggling district. For example, the Pajaro Valley Fire Protection District (PVFPD) recently adopted a budget that reduced its level of service due to insufficient funding. Furthermore, PVFPD is on a path that will lead to insolvency in less than 18 months from now. The PVFPD Board of Directors considered various governance options and determined that dissolution and concurrent annexation into CSA 48 may be their best/only solution. Based on the issues currently facing CSA 48, it is unknown if the County would be willing and capable of assuming fire protection services for a large area in south county. Additionally, some San Lorenzo Valley fire districts are facing financial difficulties, including but not limited to the Felton Fire Protection District (FFPD). The FFPD Board and CalFire are currently negotiating terms that will allow CalFIRE to assume all administrative and operational duties. Having a new independent fire district established may offer any struggling fire district an additional and alternate solution to consider now or in the future.

CSA 4 (Pajaro Dunes) Comments

For additional transparency and coordination, LAFCO staff shared an advanced copy of the study to the fire agencies analyzed in the report including but not limited to CSA 4 representatives. The representatives provided LAFCO with the following three comments:

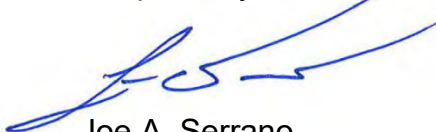
- The report does not reflect the Pajaro Dunes residents' opposition towards any reorganization with Pajaro Valley Fire Protection District;
- The report does not indicate that Pajaro Dunes residents recently approved a new (higher) benefit assessment to fund the operations under CSA 4; and
- The report is not clear whether current or future CSA 4 assessment funds will remain within the Pajaro Dunes community if a reorganization would occur.

While the study focused on CSA 48 and the hypothetical annexations involving existing sphere boundaries, the fire study also included a section analyzing an actual application submitted by PVFPD in March 2022. Their application expressed interest to annex areas within their entire sphere, including CSA 4 (Pajaro Dunes). However, the report concluded that PVFPD may not be equipped to successfully assume more responsibility through annexation at this time. The PVFPD Board of Directors recently reached that same conclusion and officially withdrew their annexation application in May 2024.

CONCLUSION

The fire study developed by AP Triton has finally provided fiscal data that was previously unavailable to move forward with some determinations. The fire agencies and the County now have a better understanding of the fiscal and operational impacts if annexation were to occur within their respective spheres. More importantly, this study highlighted the need to explore governance options for CSA 48. Fire protection and emergency medical services is a vital component in Santa Cruz County. CSA 48 and some of the independent fire districts are struggling financially, operationally, and/or with governance. It is essential that we continue to consider methods to improve how these services are delivered to the public. Staff members from the County and LAFCO have agreed to collaborate to determine if reorganizing CSA 48 as an independent fire district would improve the delivery of services, increase representation and accountability, and more importantly, benefit the residents. That is why staff is recommending that the Commission direct staff to work with the County to develop a transition plan.

Respectfully Submitted,



Joe A. Serrano
Executive Officer

Attachment: AP Triton Fire Study

cc: Fire Agencies in Santa Cruz County



July 2024

FIRE SERVICES Special Study



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Acknowledgments

AP Triton wishes to thank the leadership of the Local Agency Formation Commission of Santa Cruz County and the local Fire Chiefs for their cooperation in developing this study.

LAFCO Santa Cruz

Joe A. Serrano
(Executive Officer)

Francisco Estrada
(LAFCO Analyst)

Voting and Alternate Members of the LAFCO Santa Cruz Commission

County of Santa Cruz

Michael Beaton
(Director – General Services)

Participating Fire Agencies

Santa Cruz County Fire Department
(Nate Armstrong – Fire Chief)

Ben Lomond Fire Protection District
(Stacie Brownlee – Fire Chief)

Felton Fire Protection District
(Robert Grey – Fire Chief)

Boulder Creek Fire Protection District
(Mark Bingham – Fire Chief)

Pajaro Valley Fire Protection District
(Sean Murray – Fire Chief)

Central Fire District of Santa Cruz County
(Jason Nee – Fire Chief)

Zayante Fire Protection District
(Jeff Maxwell – Fire Chief)

Other Participants

Pajaro Dunes Association
(Charlie Eadie – Special Consultant)

CAL FIRE
Felton Emergency Command Center

Santa Cruz Regional 9-1-1
(NetCom)

Acronyms

ALS – Advanced Life Support

BCFPD – Boulder Creek Fire Protection District

BEN – Ben Lomond Fire Protection District

BLS – Basic Life Support

BRN – Branciforte Fire Protection District

CAD – Computer Aided Dispatch

CAL FIRE – California Department of Forestry and Fire Protection

CFD – Central Fire District of Santa Cruz County

CSA – County Service Area

CWPP – Community Wildfire Protection Plan

EMS – Emergency Medical Response

FEL – Felton Fire Protection District

GF – General Fund

GIS – Geographic Information Systems

LAFCO – Local Agency Formation Commission

LRA – Local Responsibility Area

NetCom – Santa Cruz Regional 9-1-1

NFIRS – National Fire Incident Reporting System

NFPA – National Fire Protection Association

PAJ – Pajaro Valley Fire Protection District

PSAP – Public Safety Answering Point

SCCFCA – Santa Cruz County Fire Chiefs Association

SCCFD – Santa Cruz County Fire Department

SCO – Scotts Valley Fire Protection District

SOI – Sphere of Influence

SRA – State Responsibility Area

UAL – Unfunded Actuarial Liability

UHU – Unit Hour Utilization

WUI – Wildland Urban Interface

ZAY – Zayante Fire Protection District

Section I: OVERVIEW & FINDINGS

Study Purpose

AP Triton, LLC (Triton) was retained by the Santa Cruz County LAFCO ("LAFCO") to prepare a focused study on the impacts of the potential detachments of territory from County Service Areas 4 and 48 and the concurrent annexation of the detached territory to the neighboring independent fire protection districts (7 in total). This study evaluated the impacts of the potential reorganizations, including an analysis of the fiscal effects.

A secondary purpose of this study was to evaluate the Plan for Service application submitted by the Pajaro Valley Fire Protection District. The initial goal was to understand the validity of the application. However, after the application was removed from consideration by the Pajaro Valley Fire Protection District, the evaluation shifted to determining if this application was appropriate and if it could be used as a template for future requests to change service boundaries.

Triton's study intends to inform LAFCO's decision-making process on whether to initiate future reorganizations involving the affected fire agencies. Triton performed this study consistent with the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code §56000 et seq.) and LAFCO of Santa Cruz County policies and procedures.

Structure of Study

This study focuses on the fire property tax and assessments to standardize the financial revenue stream. The other revenue sources for County Service Area (CSA) 4 and CSA 48 are not considered as they are volatile and account for less than 7% of average revenue. All parcel data in the analysis, including assessments and property tax, is conducted using county-provided documentation.

During the final phases of this study, it was represented that CSA 4 residents were not interested in being incorporated into any other agency. However, to fully understand the implications and impact of reassignment, the financial implications of removing CSA 4 from the county fire protection funding must be evaluated.

This study is divided into six sections.

- Section I describes the study's purpose and lists its findings.
- Section II describes the Sphere of Influence (SOI) information and begins with an overview of the SOI inclusions.

- Section III summarizes the county-provided fire service, including a more detailed funding review and the effects of removing the spheres influencing **the county's** ability to continue providing service.
- Section IV evaluates the submitted application for the assumption of lands. This is a special study of an application within the PAJ sphere of influence (SOI) that was submitted before the start of this study. While this application is no longer active and has been removed for consideration by the Pajaro Valley Fire Protection District, it is still included here. The review was undertaken to determine its application and acceptability as a template for additional assumption of lands by other independent districts.
- Section V provides a summary overview of agencies that opted in at the beginning of the study.
- Section VI is the appendices. It includes a list of figures, a record of the onsite interviews, the SWOT analysis performed for each participating agency, a copy of the District Plan for Service, and a detailed review of each agency that opted into the study.

Findings

Key Concepts

- A dependent special district's requirements, responsibilities, and governance appear poorly understood.
- The dependent special districts are governed by the Santa Cruz County Board of Supervisors and serve primarily as a funding mechanism for fire protection. There is no inherent authority within these districts, and the expected level of service was only found in the CAL FIRE contract.
- Gathering limited information from many of the fire districts was challenging. This may indicate a limited administrative work capacity.
- The Santa Cruz County Fire Department (SCCFD) is not technically a department within the county.
- CAL FIRE is charged under a single contract to provide fire protection services to CSA 4 and CSA 48.
- CAL FIRE provides oversight and management to the volunteer and career companies in CSA 4 and CSA 48 under the umbrella of SCCFD.
- The CAL FIRE association with SCCFD and PAJ allows these agencies to access a deep well of support services and programs. These services are not typically identified in scheduled contracts and are delivered as part of the CAL FIRE business model. However, partnering agencies should be aware that these services could become part of the negotiated cost of scheduled contracts as fiscal pressures place demands on CAL FIRE.
- The county has 4 types of fire protection agencies: special fire protection districts, municipalities, fire-protection dependent districts, and state responsibility areas.
- There are 12 fire protection areas and 11 fire agencies. By contract with CAL FIRE, the two CSAs are SCCFD's responsibility.

Sphere of Influence Annexation Findings

Service Implications

- All agencies' SOI consists of 5,030 parcels. 3,133 parcels are in the Pajaro Valley Fire Protection District (PAJ) SOI, and the remaining parcels are split between the other fire protection districts.
- The expected increase in incident workload for districts other than PAJ is minimal.

- The total average annual workload across all districts is estimated to be 407 annual incidents, with a yearly increase to those receiving districts of 225 incidents. This includes incidents the districts historically did not already respond to.
- The PAJ SOI inclusion workload is expected to increase by an average of 720 incidents annually from the CSA 48 properties. However, the total number of increased incidents for a combined PAJ, Corralitos, and CSA 48 organization is not likely to change between the merged agencies.
- The population within the county is projected to experience low or no growth.
- Incident volume will increase throughout all systems over the next 10 years.

Financial Implications

- Four separate fire protection-specific assessments are designed to fund fire protection in the county service areas. These are the county fire property tax assessment, the fire flow unit special assessment for CSA 4, the fire flow unit special assessment for CSA 48, and the single-family residential assessment for CSA 48.
- County budget documents do not separate the two CSA 48 special assessments.
- Fire protection budgets are found in CSA 48, County Fire (Fund 26-105), and CSA 4.
- CSA 4 and CSA 48 are treated differently in the budget document, which may cause some confusion about the roles of the CSAs.
- FY 23/24 fire-specific revenue for CSA 4 and CSA 48 amounts to \$7,037,828.
- The total FY 23/24 expenses for CSA 4 and CSA 48 amounts to \$15,202,764.
- 72% of fire services expense is accounted for in the Services and Supplies expense type.
- 55.3% of CSA 48 and CSA 4 fire-related assessments are within a SOI.
- 100% of the CSA 4 dependent special district is within a SOI
- The total funds shifted due to the SOI are the County Fire Property Tax of \$2,082,356, Fire Flow Unit Assessments of \$1,178,482, and CSA 48 Single Family Assessment (CSA 48 2020), \$635,062, for a total firefighting fund shift of \$3,895,900.
- Neither CSA 48, as found in the County Fire Protection Fund (26-105), nor CSA 4 (Pajaro Dunes) is self-sufficiently funded. The adopted budget net cost for FY 22/23 was \$3,377,856, and the budgeted cost for FY 23/24 is \$7,722,035, which will apply against the reserves in those funds.
- Based on assessments and taxes, the financial impact to the County Fire Fund (26-105) is \$651,707 for those areas absorbed by all fire protection districts except PAJ.

- PAJ SOI absorption for fire-based assessments and taxes would be \$3,263,193, \$1,806,757 from the CSA 48 area, and \$1,456,436 from CSA 4.
- As reviewed in the submitted proposal, the total expense offset from the PAJ SOI inclusion is estimated to be \$4,934,237 in FY 23/24. This leaves FY 23/24 expenses of \$10,268,528 to be absorbed by the County Fire Fund (26-105) on fire assessments and tax revenue of \$3,793,635. The total net cost for this shift is approximately \$6.4 million.

Application Findings

- The application meets most of the statutory requirements.
- The application for the proposed annexation of the SOI by PAJ does not adequately identify funding, structure, or goals. These should be clarified in the application.
- Revenue sources should be listed separately to clarify expectations and as a talking point with the Santa Cruz County LAFCO and the Board of Governors.
- Expenses should be listed separately to ensure accountability and as a talking point with the Santa Cruz County LAFCO and the Board of Governors.
- The application's structure will need to be revised to be used as a template for future reorganizations.
- Because the application was pulled, the application review section is intended solely to illustrate the review process for an application. The efficacy of the actual proposal is not considered germane to the outcome of this study.

Agency General Findings

- No agencies in the study provided evidence of a current community risk assessment or standard of cover.
- Emergency response services for all agencies are similar, based on whether the system is primarily volunteer or career fire service employee-driven.
- CFD responds to more incidents annually than all other agencies in the study combined.
- Each fire protection district in the San Lorenzo Valley stated they provide fire prevention and public education services. However, with limited staff availability, the efficacy of these programs may be questionable and could not be ascertained.
- The SOI boundaries should be re-evaluated, utilizing parcel location and closest station availability.

- The total 24-hour staffing facilities capability of all agencies in the study is 80 personnel. The daily minimum 24-hour staffing is 25.
- The most significant incident density throughout the study area closely follows the populated areas of the county. The highest call density is within the CFD boundaries.
- There are 25 fire stations in the study ranked as fair or fair/poor. The average age of the stations is 51 years old. This may indicate the need for capital investments in the facilities.
- Two dispatch centers, CAL FIRE's ECC and NetCom, operate on different radio systems.

Conclusions

This study was conducted to determine the impacts of the potential detachments of territory from County Service Areas 4 and 48 and the concurrent annexation of the detached territory to the neighboring independent fire protection districts (7 in total).

Based on an evaluation of the financial information submitted by the county and the affected agencies and service call load, the detachment of these areas from the CSA 4 and CSA 48 service areas would have an overall detrimental impact on the county's ability to provide fire protection. While the movement of funds to most special districts is a positive for these agencies, it does not appear to have an excessively positive impact. In addition, the incident volume for most agencies would not increase significantly, and the SCCFD call load would not diminish perceptively.

The application submitted by the Pajaro Valley Fire Protection District is a good starting point for developing a template for other agencies that may wish to submit similar applications. However, an improved document structure and increased financial details will help determine the overall effect of such an application.

Section II: KEY CONCEPTS & SOI SUMMARY

Introduction

Triton was engaged in this project in August 2022. Triton contacted the agencies affected by this study and described the project and its aims. Triton requested data from each of the participating agencies. Some agencies were unable to provide the requested computer-aided dispatch (CAD) and National Fire Incident Reporting System (NFIRS) data. Alternate means of gathering this information required negotiation with the Santa Cruz Regional 9-1-1 (NetCom) communications center and the Office of the State Fire Marshal. Obtaining NetCom data required the intervention of additional persons retained by LAFCO.

During the data-gathering phase, the Santa Cruz County Fire Department contracted with Triton to perform a Fire Service Master Plan. This plan would provide a much more in-depth study of the county fire department, the current service provider, and the SOI being studied. It was determined that completing the Master Plan project would significantly enhance the overall value of the LAFCO study.

Participating agencies were able to provide most of the administrative information by November 2022. However, CAL FIRE, the Office of the **State Fire Marshal's Office**, and NetCom did not provide incident data until February 2023. By then, the SCCFD Master Plan was being conducted, and the LAFCO project was slowed until the **plan's details** could be fully explored. The SCCFD Master Plan project entered a technical review in August 2023, allowing this study to be complete.

The study contains a detailed assessment of 7 of the 13 agencies responsible for fire protection within the county. The Cities of Santa Cruz and Watsonville are covered by incorporated city fire departments and were omitted. Likewise, the state responsibility areas under the responsibility of CAL FIRE, the Scotts Valley Fire Protection District, the Branciforte Fire Protection District, and the Aromas Fire Protection District were also excluded. The study did not incorporate CAL FIRE's **state**-mandated mission for the state response area. The study omitted the Aromas Fire Protection District because it is primarily in Monterey County. Scotts Valley opted out because they were in the process of annexing Branciforte.

Key Concepts

During the research for this study, it became clear that the county-provided fire service is poorly understood. This is primarily due to the service's complex nature, funding mechanisms, governance, and organizational structure. The following subsection of this study will provide an overview of some key concepts that will drive any discussion of the SOI or reorganizations.

Special Districts—Dependent versus Independent Districts

A special district is separated from any city, county, or other government body, created to provide governmental or crucial services to a community regardless of local governance boundaries. California has two types of special districts: independent and dependent. An independent district receives its authority directly from the community through a governing body, usually a district board. These districts are directly accountable to the community they serve. A dependent district is closely tied to another governmental body and is typically subject to that other body's interests, influence, and authority.¹

Two special fire protection district types exist within Santa Cruz County. The fire protection districts are independent districts operating under the governance of a district board. County Service Areas (CSA) 4 and 48 are dependent districts that operate as a funding mechanism for the county to offset some expenses of providing fire protection in the CSAs. These CSA-dependent districts are governed directly by the Santa Cruz County Board of Supervisors. While the funds generated under these CSAs are required to be utilized for fire protection, there is no performance expectation or definition of service afforded within the CSAs; only fire protection is provided. The Board of Supervisors defines and adopts all the details of that service.

Funding

Revenue streams for the multiple fire agencies come from several sources. However, the primary funding sources and the focus of this study come from special assessments and property tax. Incorporated cities within the county can also assess sales tax to generate revenue for fire services, but this is outside the study's scope.

¹ www.csga.net/special-districts/learn-about.

Special Assessments

One form of funding persistent in this study is the funding sources utilized by the dependent districts, CSA 4 (created in 1966) and CSA 48 (created in 1985). Residents authorized a fire protection levy assessment for their respective CSAs. Both special assessments are based on fire flow units per year. These rates change annually based on the consumer price index or by resolution of the residents within the CSA. The 2022/2023 tax year lists this assessment as \$488.49 for each fire flow unit in CSA4 and \$86.49 per fire flow unit in CSA48. A fire flow unit is calculated for each property parcel. It is determined by the use, size, construction, and type of structure.

Residents within CSA 48 approved an additional assessment in 2020 for their service area. The additional assessment is based on the residential status and property size. This assessment was listed as \$156.08 per single-family unit in the 2022/2023 tax document.² The following figure shows the two dependent districts and their special assessment history.

Figure 1: Depended Special District Specific Assessment History

Special District	FY 19/20 (actual)	FY 20/21 (actual)	FY 21/22 (actual)	FY 22/23 (actual)	FY 23/24 (budget)
Santa Cruz CSA 4					
Assessment for Fire Protection	508,056	524,824	534,212	551,310	574,698
Santa Cruz CSA 48					
Assessment for Fire Protection (less CSA 48 Auditing Fees)	1,231,153	2,746,251 ⁺	2,669,902	2,649,654	2,813,746
Total CSA Special Assessments	1,739,209	3,271,074	3,204,114	3,200,964	3,388,444

⁺ The adopted 2020 single-family residential additional assessment for CSA 48 will start showing in FY 20/21.

A final potential special assessment comes from a statewide half-percent sales tax called Proposition 172 (Prop 172), the Local Public Safety Protection and Improvement Act of 1993. While a small portion of these funds are provided by the county for fire protection, they are distributed to the Santa Cruz County Fire Chiefs Association to distribute at their discretion. This distribution has averaged \$97,693 over the last 5 budget years. Section III provides a more thorough explanation of Prop 172 and its potential funding effects.

² The County of Santa Cruz Adopted Budget for Fiscal Year 2022–23.

Property Tax

The County of Santa Cruz levies a one-percent property tax on all net taxable property values within the county. The net taxable value is the county **assessor's** real property valuation with improvements, less the allowable discounts. The 1% property tax funds multiple county services through specific levies or as a portion of the general fund.

A portion of this property tax is used to fund independent special districts, which include the county fire protection districts. While not a straightforward application of percentages, the concept is that each Fire Protection District's **community requests a portion of the** property tax to fund fire protection. The county collects the property tax and allocates the funds based on special services within a taxation area. The fire protection assessments range from 0.08% to 3.95% of the 1% property tax. Additionally, the county apportions approximately 0.5% of the 1% property tax for County Fire in CSA 4 and CSA 48 areas.

The county fire property tax is assessed per property parcel, and the amount is not levied separately by CSAs. However, the county tracks property taxes collected in the budget by the fire protection fund and CSA 4. The following figure shows the total property tax assessment in the county budgets; it includes current and prior years and secured and unsecured tax funds.

Figure 2: County Fire Property Tax Revenue History

County Fire Property Tax	FY 19/20 (actual)	FY 20/21 (actual)	FY 21/22 (actual)	FY 22/23 (actual)	FY 23/24 (budget)
Santa Cruz CSA 4					
Property Tax	764,988	781,728	827,622	907,052	862,738
County Fire as Tracked in Fund 26-105					
Property Tax (other than CSA 4 areas not covered by fire protection)	2,474,742	2,587,064	2,646,903	2,820,072	2,786,646
Total CSA Property Tax	3,239,730	3,368,792	3,474,525	3,727,124	3,649,384

Previous Period Funds

The County of Santa Cruz carries previously unused revenue funds to maintain funding for fire services. The funds collected for fire protection in either County Fire Fund 26-105 or CSA #4 carry forward. In cases where revenues exceed expenses, the fund balance increases and decreases when expenditures exceed revenues. Historically, the county has maintained a positive balance in both funds to cover periodic overages.

The funds are captured as of June 30 in the first budget year. For example, the funds available for the 2017/2018 fiscal year are listed as June 30, 2017. The County Fire Fund has grown steadily, while CSA #4 funds have remained steady at nearly \$1 million. During the 2022/2023 fiscal year, however, expenditures exceeded revenues for both budgets. CSA #48 available funds have remained at or below \$10,000, and the fund balance remains steady at approximately \$13,000 from June 30, 2019. Evaluating the potential fund balances is complex primarily due to the fluctuations in billing by CAL FIRE. Estimating the funds available for the 2024/2025 fiscal year requires reviewing the recommended and adopted budget figures. The following figure shows fund balances from the 2019/2020 fiscal year to the 2023/2024 budget.

Figure 3: Fund Balances (FY 20/21–FY 23/24)

Expenditures	FY 20/21 (actual)	FY 21/22 (actual)	FY 22/23 (actual)	FY 23/24 (actual)	2024 Ending (recommended)	2024 Ending (adopted)
County Fire, Fund (26-105)						
June 30 th Balance	6,176,772	8,931,701	10,029,661	9,305,835	7,501,473	2,2738,171
Obligated Funds	3,071,544	5,460,353	3,747,687	5,904,746		
Total Available	3,105,228	3,471,348	6,281,974	3,401,089		
CSA 4 Fund 22250						
June 30 th Balance	944,034	1,174,435	1,403,399	1,153,471	540,645	(112,771)
Obligated Funds	820,874	(400,748)	367,559	112,771		
Total Available	123,160	1,575,183	1,035,840	1,040,700		
CSA 48, Fund 22110						
June 30 th Balance	13,023	13,023	13,024	12,524		
Obligated Funds	4,661	13,023	13,023	13,023		
Total Available	8,362	-	1	(499)		
Total Avail., All Funds	3,236,750	5,046,531	7,317,815	4,441,290	8,042,118	2,625,400

The estimates for the ending balances on June 30th, 2024, have two calculatable options based on the current budget. One balance assesses existing balances against the Net Cost for the 2023/2024 Recommended Budget, and the other assesses the 2023/2024 Adopted Budget. Historically, the Recommended Budget appears more accurate than the Adopted Budget. Therefore, a 2024 funds balance for CSA #4 would be closer to \$500k and Fund 25-106 more nearly \$7.5 million. Therefore, the total funds available for both is likely closer to \$8 million. All funds for CSA #48 have been obligated, leaving little discretionary available. These funds are not included in the total available funds.

Santa Cruz County Fire Department

The Santa Cruz County Fire Department (SCCFD) is not technically a department of the county. It is not listed in the Santa Cruz County Department's directory.³ The organization was established in 1948 when the county contracted with the California Department of Forestry and Fire Protection (CAL FIRE) for fire protection. SCCFD incorporates local volunteer fire and CAL FIRE companies. The contracted services fall under one or two types: an Amador agreement and a Schedule-A agreement.

An Amador agreement is one in which the contracting communities pay for full-time coverage by funding the fire company outside of the wildfire season. This is an actual cost agreement and can vary by season.

A Schedule-A agreement is where the community funds the fire company throughout the year and absorbs all direct costs. These fire companies are managed by the CAL FIRE San Mateo-Santa Cruz (CRZ) Unit Chief with support for CAL FIRE administrative and dispatch services.⁴ While not all county fire protection costs are directly associated with the CAL FIRE contract, they are consistently the most significant single line-item cost.

The county tracks the expenses for fire protection in two separate areas. The general budget's Fire Protection Fund (26-105) tracks revenue and expenses other than CSA 4. However, note that the two areas are treated the same operationally. In addition, the county signs one cooperative agreement with CAL FIRE for all areas of fire protection within the county. The following two figures summarize the fire protection budget expenditures for Fund 26-105 and CSA 4.⁵

³ www.santacruzcountyca.gov/Departments.aspx.

⁴ dpwtest.co.santa-cruz.ca.us/About/CountyFireHistory.aspx.

⁵ www.santacruzcountyca.gov/Government/BudgetandFinancialReports.aspx.

Figure 4: Santa Cruz Fire Protection (Fund 26-105 & CSA 4)

Expenditures	FY 19/20 (actual)	FY 20/21 (actual)	FY 21/22 (actual)	FY 22/23 (actual)	FY 23/24 (adopted budget)
Emergency Services/Fire Protection, Fund 26-105					
Services and Supplies ¹	3,038,824	3,136,077	2,596,509	5,996,101	8,484,311
Other Expenses	451,677	676,362	2,161,801	1,193,775	4,107,646
Total Fund 26-105	3,490,501	3,812,439	4,758,310	7,189,876	12,591,957
CSA 4 Expenditures					
Services and Supplies ¹	1,382,906	1,193,051	1,146,328	1,033,794	2,437,632
Other Expenses	39,751	6,447	16,349	689,612	173,175
Total CSA 4	1,422,657	1,199,498	1,162,677	1,723,406	2,610,807

¹ The CAL FIRE Contract is accounted for in this account and is most, not all, of the expense in this account.

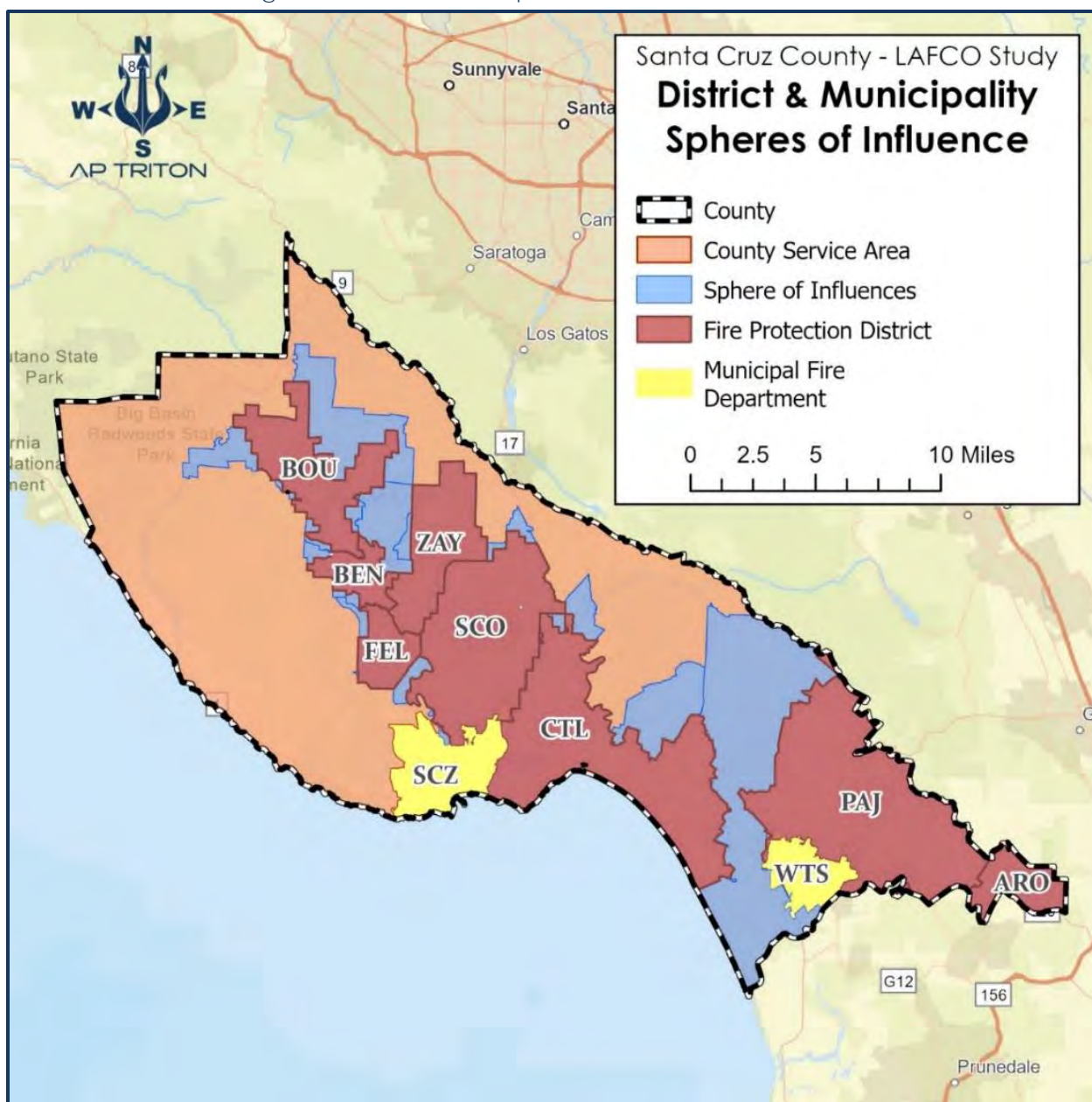
Separating the funds creates an illusion that there are two separate agencies. However, the two dependent CSA special districts are used to fund one agency. CAL FIRE is contractually responsible for providing fire protection for both CSAs.

Sphere of Influence

The primary goal of this study was to understand the effect of other agencies absorbing SCCFD land into their SOI. The SOI is the planning boundary outside a jurisdiction's legal boundary that may designate the agency's probable future service area and boundary.⁶ The following figure depicts the SOI lands and the other service providers discussed in this study.

⁶ calafco.org/About_LAFCOs.

Figure 5: Fire Service Sphere of Influence Overview



The county provided the summary financial data evaluated for this study and covers the 2022/2023 assessment data. Property taxes were gathered using tax rate area (TRA) information. Special assessment valuation for CSA 48 was collected using the parcel number information from the assessor's office. Triton also evaluated each parcel based on its geography to validate the information provided. Parcel detail information is found in each jurisdictional profile in Section VI, Appendix F.

There were some difficulties in obtaining exact figures. One of these difficulties arises when the SOI bisects a property. Depending on the data set used, between 5 and 30 properties were divided by an SOI border. Triton calculated 30, while the county identified 5. These split property discrepancies should be resolved if there are any jurisdictional boundary changes.

Triton used the county-provided assessment information for these calculations. However, the budgets are derived from received monies, not assessed value. Therefore, due to delinquent taxes, the numbers presented here will likely be slightly higher than the budgeted numbers. A more in-depth evaluation will be necessary if agencies intend to move forward with SOI absorption. However, Triton did not feel these differences were significant enough to change the outlook of the study. In addition, while specific parcels were evaluated for CSA 48, the study assumes that any changes to CSA 4 would include the entire CSA because it resides wholly in the Pajaro Valley SOI. Therefore, CSA 4 totals were used rather than specific property valuations. For the 2023/2024 proposed budget, CSA 4 revenue for current property taxes was \$862,738, and the fire assessment was \$574,698. The following figure shows the potential total number of parcels, special assessment dollars, additional assessments, and overall property tax revenue for all properties within another agency's SOI. A breakdown of the totals is found in Section II.

Figure 6: CSA 4 and CSA 48 Potential Tax Shift for All SOIs

Dependent Special District	Parcels	County Fire Property Tax	CSA Fire Assessment	CSA 48 2020 Assessment	Total*
CSA 4 (All)	625	\$862,738	\$574,698	N/A	\$1,437,436
CSA 48	4,405	\$1,219,618	\$603,784	\$635,062	\$2,458,464
TOTAL SOI	5,030	\$2,082,356	\$1,178,482	\$635,062	\$3,895,900

Overall, Triton estimates that revenue shifts of CSAs 4 and 8 assessments and county fire property tax is \$3,895,900. As defined above, these same revenue sources account for \$7,037,828 in the FY 23/24 budget. This shift represents a 55.3% revenue shift of these sources if the SOI areas are absorbed by each respective agency. A complete review of the SOI shifts is in Section III.

Population and Incident Growth

Estimating population growth is essential for two reasons: finances and the implied correlation between emergency incident demand and population.

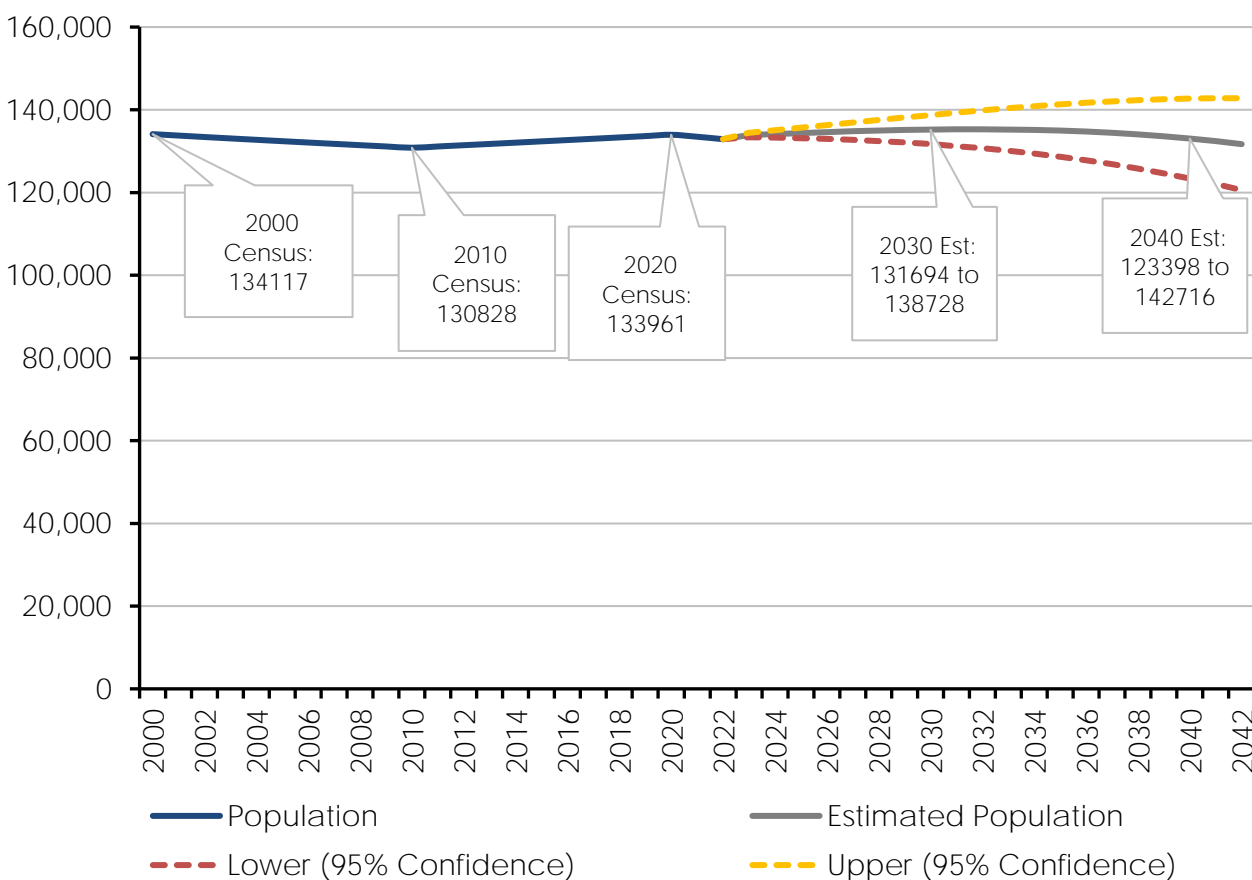
Financially, development typically improves properties to create an improved property tax base. In addition, an increase in population can improve sales tax revenue.

Another factor in understanding population growth is the implied correlation between emergency incident demand and population. Although this correlation is not quantifiably understood, it is commonly recognized that there is a greater demand for emergency services as the population increases. While population size is a good indicator of service need, the level of demand also depends on other factors such as population density, age, and other socio-economic factors.

Each agency included in this study is reviewed in Section VI Appendix F. Still, the growth for the study area is generally similar throughout. Population growth and levels for the entire county are not expected to grow dramatically.

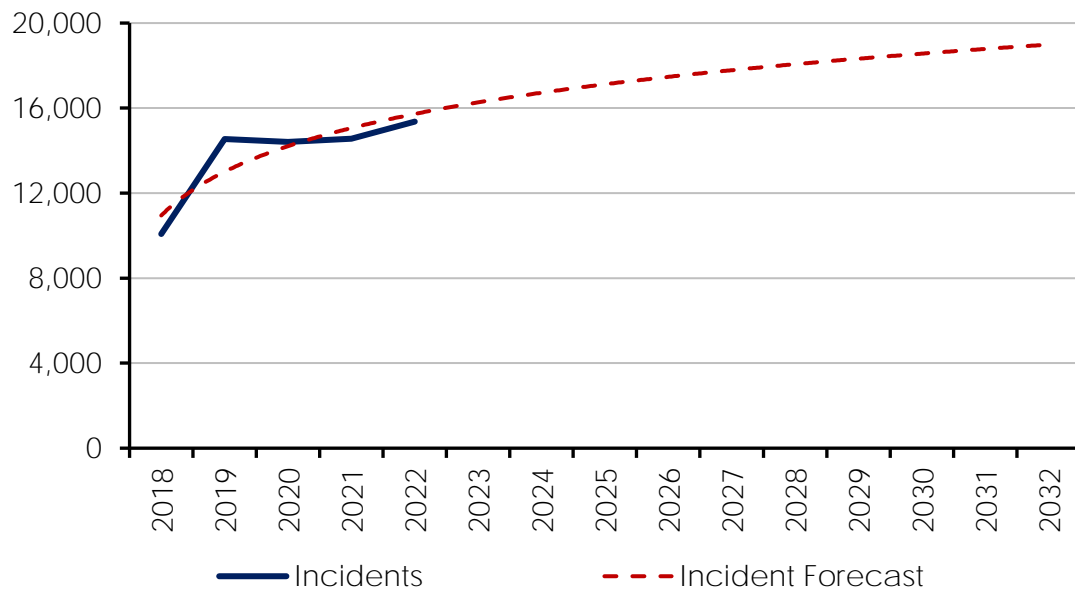
Two techniques were used to estimate population growth in the study area. The first relies on the Association of Monterey Bay Area Governments, 2022 Regional Growth Forecast, which calls for low or very moderate growth for the region. The second method evaluated the preceding 20 years of population growth, creating a statistical model that returned the best fit and then projecting that model out 20 years. For the study area, the best-fit model was a two-factor polynomial regression analysis, which produced an R^2 value of 0.7738. This means the model fits the historical data moderately well. An absolute perfect model fit returns an R^2 value of 1. Using the regression as a forecast with a 95% confidence band shows a range in population projections of +/- 9,700 people. The polynomial model indicates a slight decrease from 133,961 in 2020 to a 2040 county-wide population of 133,057. The forecast ranged between 123,398 and 142,716 by 2040, with a 95% confidence level. The following figure shows the 20-year actual and 20-year population forecast with confidence levels.

Figure 7: Population Estimates (2000–2042)



Predicting incident growth for each agency was more challenging. An appropriate predictive model could not be attempted with limited information in a 5-year sample of incidents. Most of the agencies had a minimal data set to evaluate. In addition, the service disruption in the middle of the data set, namely the COVID-19 pandemic, made modeling difficult. However, the overall incident growth for the next 10 years can be estimated for the entire system. A linear regression analysis model utilizing a logarithmic approach indicates the incident growth should be moderate. The model returned an R^2 value of 0.7995, a statistically acceptable fit for the data. The following is the actual and estimated incident growth model for 2018–2032 for all agencies within the study.

Figure 8: Incident Volume Estimation (2018–2032)



Section III: SANTA CRUZ COUNTY FIRE PROTECTION, FINANCE, & SOIs

Fire Service in Santa Cruz County

Understanding the types of fire protection services provided is essential to realize the effects of potentially shifting the fire protection SOI on land areas within Santa Cruz. This is not a detailed description of the different agencies but an overview of the services and the SOI shift. For detailed information about the agencies that opted in for this study, please see Section VI, Appendix F.

Fire Protection Service Providers

There are four types of fire protection organizations within the county:

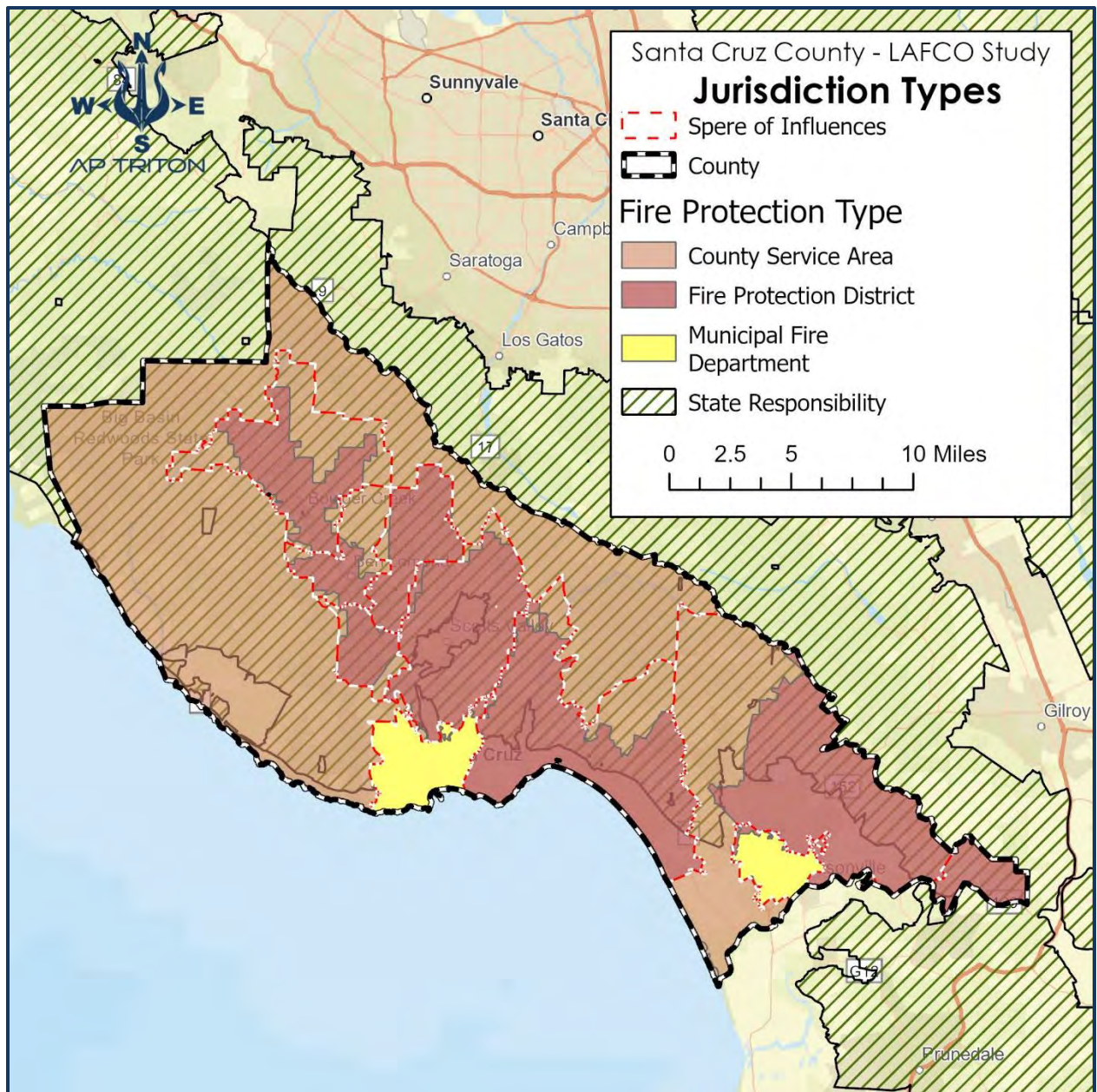
- Municipal fire departments work as a department within the city.
- Fire protection districts are independent special districts that work through an elected board of directors.
- The county also provides fire protection through a contract with CAL FIRE using county funds and funds from two dependent special districts, County Service Areas (CSA) 4 and 48.
- The final type of service is the areas that are part of the state responsibility areas (SRA). Since CAL FIRE is responsible for the SRA, the Santa Cruz County Fire Department (SCCFD) CAL FIRE units do double duty within all county areas.

Having CAL FIRE responsible for the SRA has advantages and disadvantages. The state is responsible for all vegetation in non-municipal areas. Special districts and county fire departments are also responsible for all structures. This is not an issue for coordination with the agencies that contract and use CAL FIRE for both. However, when a special district is responsible for the structures and the state (CAL FIRE) is accountable for any vegetation, the division of responsibilities can create questions for incidents that include both fuel sources. **This issue doesn't usually arise during the initial attack. However,** questions about jurisdiction, finances, and responsibilities may emerge as the incident expands, lasts longer, or ends.

All areas within the county are within a local fire jurisdiction and do not need to rely solely on a state response. A more thorough examination of each agency in this study is found in Section VI, Appendix F.

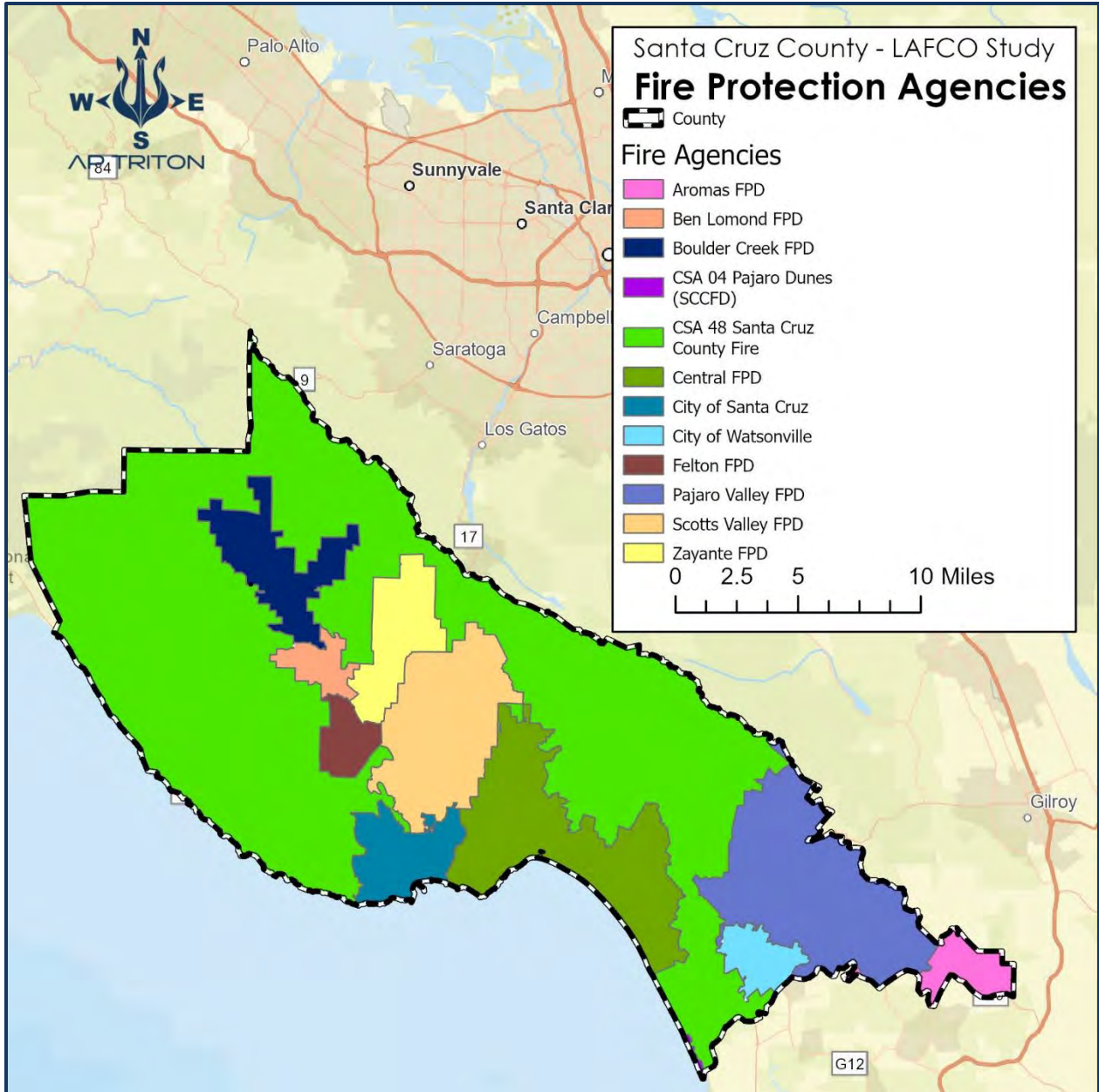
The following figure is a map of the types of fire protection areas within the county.

Figure 9: Fire Protection Organizations



There are 12 specific fire areas and 11 fire agencies. CSA 4 and CSA 48 are the county's responsibility; they rely on the SCCFD agency for coverage. The remaining coverage is by either a fire protection district or municipality. The following figure shows the fire protection agencies within Santa Cruz County.

Figure 10: Santa Cruz County Fire Service Areas



Santa Cruz County Fire Department, CSA 4 and CSA 48

As previously noted, the Santa Cruz County Fire Department (SCCFD) is not an official county organization. This agency is the caretaker for fire protection in county areas outside the city or special fire protection district coverage. The organization's management is contracted to CAL FIRE, whose fire chief is accountable to the Santa Cruz County Board of Supervisors through the Administrative Offices. The deputy fire chief of operations reports to the Director of General Services for Santa Cruz County.⁷

The SCCFD operates eleven fire stations: 7 are owned by the county or CSAs, and 4 are owned by the state.

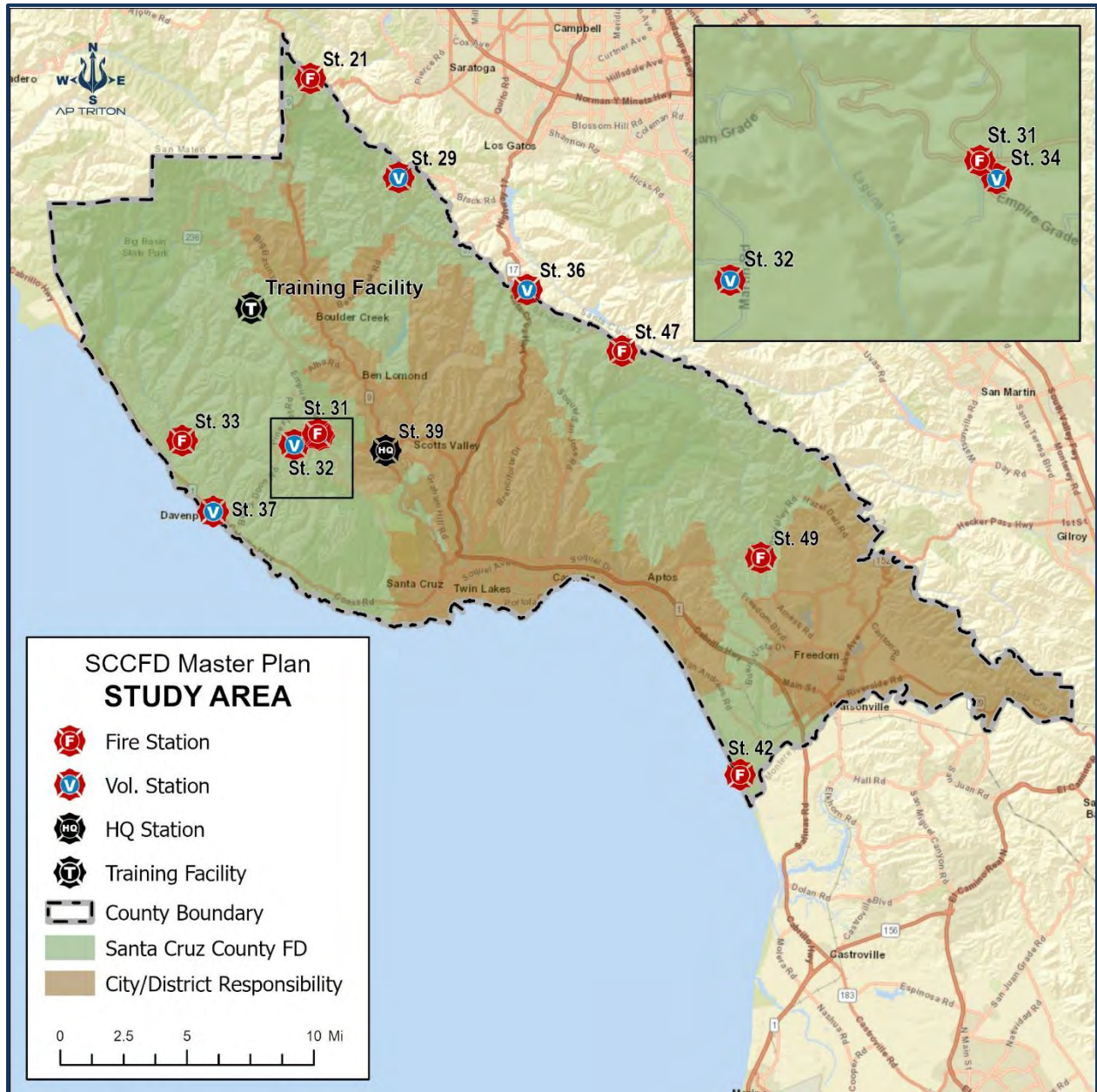
There are 6 volunteer fire companies; 5 by contract with CAL FIRE through an Amador agreement and 1 as a full-time career fire company. For a complete description of the SCCFD, see Section VI, Appendix F.

This study focused on SCCFD and the fire protection services provided by the county. The SOIs that may be absorbed by other agencies will reduce the area covered by SCCFD. The critical question is whether this reduction in area and funding offsets the need for county services. Only Station 49 (Corralitos) and Station 42 (Pajaro Dunes) lie within a SOI. This will be an important factor when evaluating the financial impact of the SOI absorption potential, especially within the PAJ SOI. The following figure maps SCCFD fire station locations and overall coverage area.⁸

⁷ countyfire.santacruzcountyca.gov/About/CountyFireHistory.aspx.

⁸ Santa Cruz County Fire Department, Long-Range Master Plan, November 2023.

Figure 11: County Fire Service Map



Financial Analysis

Understanding the financial impact of SCCFD is a driving factor in this study. A more detailed financial analysis is presented in Section VI, but the salient points are presented here. This will form the background for the detailed SOI study in the following subsection. This will also be used as the background for the application evaluation in the next section.

As stated in the previous section, the SCCFD operating areas receive funds from four sources specifically earmarked for fire protection in the county:

- CSA 4 and CSA 48 each have individual assessments for fire protection based on fire flow unit calculations. In fiscal year 2022/2023 (FY 22/23), the cost per fire flow unit was \$488.49 in CSA 4 and \$86.49 in CSA 48. This increased to \$504.12 and \$91.33 in fiscal year 2023/2024 (FY 23/24).
- CSA 48 has an additional assessment based on single-family properties of \$156.08 in FY 22/23, which increased to \$162.33 in FY 23/24.⁹
- The county assesses a 1% property tax on the net taxable value of properties.
- For those properties not protected under a fire protection district or municipal fire department, a portion of that property tax is allocated to "County Fire." The budget documents reviewed stated the percentage of this property tax earmarked for County Fire was 0.5%. However, the detailed parcel review for each tax reporting area in the affected SOI area lists the allocation at 0.6125%.

In addition, the county fire services also receive some funds from inspection charges, permitting processes, cost recovery from incidents, and other sources. These different sources have averaged 10% of total revenue for the previous five years, approximately \$750,000.

⁹ www2.santacruzcountyca.gov/AuditorBudget/2023-2024/2023-2024_Adopted_Budget.pdf.

Expenses for county fire protection are grouped into four major categories. A fifth category, contingencies, is budgeted for every year but has no actual expense associated with any closed year. The primary categories are Salaries and Employee Benefits, accounting for an average of 2% of the budget expenses; Services and Supplies, for an average of 79%; Other Expenses, for an average of 4%; and fixed assets, for an average of 15%. The sub-category in Services and Supplies of Professional Services, which appears to contain the payment to CAL FIRE for its services, is the most substantial single account and makes up approximately 58% of the total budget.

These revenues and expenditures are in the county budget under three categories. CSA 4 and CSA 48 budget details are found in the "Special District Budget Detail/Public Protection" section of the budget. As identified, CSA 4 (Fund 22-250) shows as a complete budget, while CSA 48 (Fund 22-110) only appears as a pass-through of the other accounting fund assessment. The remaining fire protection budget is in the general budget under the Public Protection function and Fire Protection activity, Fund 26-105. However, any SOI revenue changes will affect each of these funds. The following two figures show summarized budgets for the special districts, CSA 4 and CSA 48, and the Fire Protection budget, Fund 26-105.

The county covers any overages in expenses from reserves found with Fund 26-105 and CSA #4. Firefighting-specific funds were adequate to cover firefighting expenses in FY 19/20 through 21/22. However, in FY 22/23 and FY 23/24, these funds were insufficient. These shortages are assessed against the reserves, totaled \$3.38 million in FY 22/23, and are budgeted to \$7.72 million in FY 23/24.

Figure 12: Revenue & Expense by Dependent Special District (FY 19/20–FY 23/24)

Fund/Type	FY 19/20 (actual)	FY 20/21 (actual)	FY 21/22 (actual)	FY 22/23 (actual)	FY 23/24 (budget)
Santa Cruz CSA 4					
REVENUE					
Property Taxes & Fines	765,191	781,963	827,730	907,270	862,738
Use of Property (Interest)	26,071	8,141	6,296	10,000	10,000
Intergovernmental	4,180	5,728	23,406	(4,786)	9,000
Other Charges & Transfers In	—	109,244	—	—	—
Assessment for Fire Protection	449,891	488,988	508,056	524,823	534,212
Total Revenue	1,303,498	1,429,899	1,391,644	1,463,794	1,456,436
EXPENDITURES					
Salaries and Benefits	27,150	—	—	—	—
Professional Services ¹	1,223,325	1,095,464	1,015,301	983,395	2,284,335
Other Services & Supplies	159,581	97,587	131,027	50,399	153,297
Other Charges	4,104	6,447	11,506	9,577	11,503
Fixed Assets	8,497	—	4,843	680,035	61,672
Contingencies ²	—	—	—	—	100,000
Total Expenditures	1,422,657	1,199,498	1,162,677	1,723,406	2,610,807
Net CSA 4 (Deficit)	(119,159)	230,401	228,967	(259,612)	(1,154,371)
Santa Cruz CSA 48					
REVENUE					
Assessment for Fire Protection & CSA 48 2020	1,228,726	2,745,022	2,668,297	2,640,121	2,840,855
Use of Property (Interest)	2,927	1,729	2,106	9,533	2,300
Total Revenue	1,231,653	2,746,751	2,670,403	2,649,654	2,843,155
EXPENDITURES					
Accounting & Auditing	500	500	500	500	29,409
Transfer to Fund 26-105	1,231,153	2,746,251	2,669,902	2,649,654	2,813,746
Total Expenditures	1,231,653	2,746,751	2,670,402	2,650,154	2,843,155
Net CSA 48	—	—	—	—	—

¹ Location of payment to CAL FIRE for contract coverage.

² The contingency category is a budget-only category. No actual expenditures were recorded.

Figure 13: County Fire Protection Combined Revenue & Expense (FY 19/20–FY 23/24)

Fund/Type	FY 19/20 (actual)	FY 20/21 (actual)	FY 21/22 (actual)	FY 22/23 (actual)	FY 23/24 (budget)T
County Fire Protection (Fund 26-105)					
REVENUE					
Property Taxes & Fines	2,475,390	2,587,819	2,647,258	2,820,769	2,786,646
Use of Property (Interest)	129,551	48,811	42,323	77,670	80,300
Intergovernmental	107,085	156,628	102,938	127,530	128,601
Other Charges & Transfers In	241,494	1,027,859	393,846	691,058	215,000
Assessment from CSA 48	1,231,153	2,746,251	2,669,902	2,649,654	2,813,746
Total Revenue	4,184,673	6,567,368	5,856,267	6,366,681	6,024,293
EXPENDITURES					
Salaries and Benefits	99,889	137,551	99,252	150,052	164,536
Professional Services ¹	2,210,227	2,270,710	1,372,215	5,065,903	6,743,100
Other Services & Supplies	828,597	865,367	1,224,294	930,198	1,741,211
Other Charges	229,087	174,457	397,693	268,701	289,715
Fixed Assets	122,701	364,354	1,664,856	775,022	3,453,395
Contingencies ²	—	—	—	—	200,000
Total Expenditures	3,490,501	3,812,439	4,758,310	7,189,876	12,591,957
Net Fund 26-105 (Deficit)	694,172	2,754,929	1,097,957	(723,826)	(6,567,664)
Combined CSA 4, 48, and County Fire Protection (Fund 26-105)					
REVENUE					
Property Tax	3,239,730	3,368,792	3,474,525	3,727,124	3,649,384
Fire Service Assessments	1,736,782	3,269,845	3,202,509	3,191,431	3,415,553
Other Revenue Sources	1,743,609	4,057,921	3,241,282	3,670,627	3,258,947
Total Revenue	6,720,121	10,744,018	9,918,316	10,589,182	10,324,784
EXPENDITURES					
Professional Services ¹	3,433,552	3,366,174	2,387,516	6,049,298	6,331,884
All Other Expenses	2,711,239	4,392,514	6,203,873	5,514,138	11,714,035
Total Expenditures	6,144,791	7,758,688	8,591,389	11,563,436	18,045,919
Net Fire Protection in Santa Cruz County (Deficit)	575,330	2,985,330	1,326,927	(974,254)	(7,721,135)

¹ Location of payment to CAL FIRE for contract coverage.

² The contingency category is a budget-only category. No actual expenditures were recorded.

Proposition 172

This study does not recommend how the county collects or distributes funds to county fire protection agencies. However, the study will focus on funding challenges and questions related to service delivery. A vital aspect of this discussion includes the distribution of funds under Proposition 172.

In 1992, Governor Wilson and the California Legislature directed counties to shift local property tax revenues from local governments to the school system, creating Educational Revenue Augmentation Funds (ERAFs). To compensate for the loss of income for public safety, the governor introduced Proposition 172 (Prop 172), the Local Public Safety Protection and Improvement Act of 1993. This act established a ½ cent sales tax intended to mitigate the effects of ERAF. Proposition 172 funds were then distributed to cities, counties, and special districts.¹⁰

In 2004, the Office of the Attorney General for the State of California issued Opinion No. 03-804, stating that “an independent fire protection district is eligible to receive Proposition 172 monies under the Local Public Safety Protection and Improvement Act of 1993.”¹¹ This presents a potential opportunity to shift funding if fire protection districts assume control over specific SOIs.

The County of Santa Cruz releases a small portion of the Proposition 172 funds to area fire protection districts through the Santa Cruz County Fire Chiefs Association (SCCFCA). The funds are accounted for in Fund 26-105 and, on average, approximately \$97,000 over five years. They are allocated by the SCCFCA for county projects. Under the current fire protection organization, the SCCFD may indirectly benefit from Proposition 172 if granted access to general funds to cover cost overages. Most county Proposition 172 funds are allocated to judicial, probation, police, and detention functions. The following figure shows Prop 172 receipts and fire distribution over the last five years.

Figure 14: Proposition 172 Funds History

Prop 172	FY 19/20 (actual)	FY 20/21 (actual)	FY 21/22 (actual)	FY 22/23 (actual)	FY 23/24 (budget)
Received from the state	17,868,974	20,699,019	22,975,336	24,208,212	21,747,383
Distributed to SCCFCA	92,788	97,255	89,421	104,501	104,501

¹⁰ www.californiacityfinance.com/Prop172facts.pdf.

¹¹ oag.ca.gov/system/files/opinions/pdfs/03-804.pdf.

Spheres of Influence

This study explores the potential outcomes if the agencies annexed the published SOI. Section II provides a summary of the SOI tax and assessment revenue shift. A more detailed discussion of the impact of reassigning jurisdictional revenue and responsibilities is warranted.

This study reviews three scenarios. The first scenario groups agencies that would not absorb enough land to warrant any change in service by SCCFD, including those fire protection districts in the San Lorenzo Valley, Scotts Valley, and Central Fire Protection Districts. The second scenario examines the shift in funds and service level requirements if Pajaro Valley Fire Protection District were to annex its SOI. The final scenario combines the previous scenarios to demonstrate the potential impact if all agencies annex their SOI.

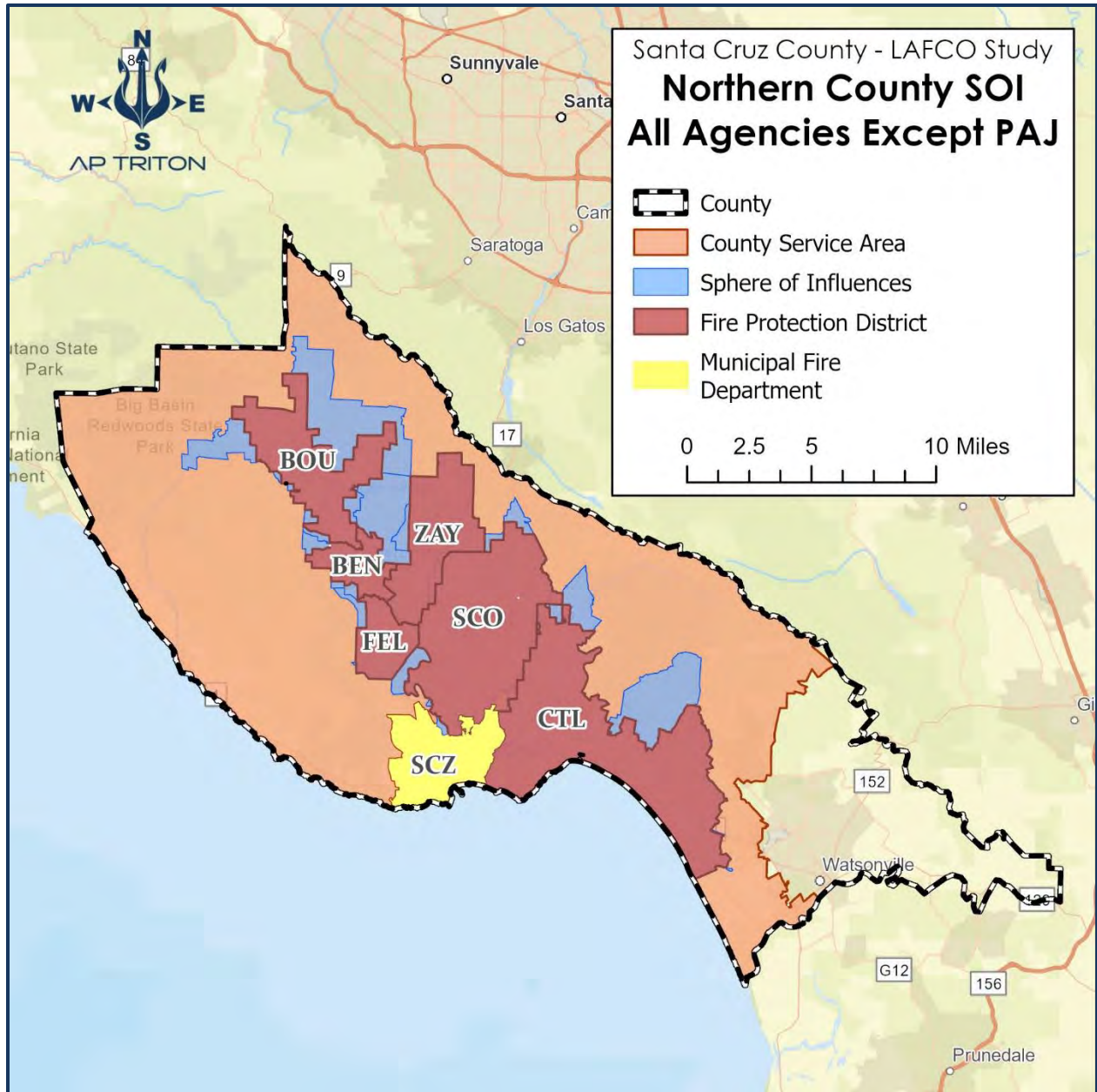
The study also examined the appropriateness of the SOI lines. The criteria used by LAFCO to determine SOI lines were not identified. However, it became apparent that the lines would not effectively determine the reclassification of service jurisdiction. Several properties were split between one or more SOIs, leading to potential confusion in tax collection. The SOI boundaries should be redrawn and normalized to ensure effective and fair taxation and assessments.

Fire Protection District Absorption

The first consideration is to evaluate the financial impact if the fire protection districts, except Pajaro Valley, absorb their SOIs. This is a stand-alone evaluation because the absorption of these agencies by their respective agencies would have minimal operational impact on either the receiving agency or the county fire protection services.

This evaluation examines the SOI absorption by the San Lorenzo Valley Fire Protection Districts of Ben Lomond, Boulder Creek, Felton, and Zayante. It also includes the Scotts Valley and Central Santa Cruz Fire Protection Districts. These agencies would take on land within the middle section of the current service area, which does not appear to alter the deployment needs of the current system. Additionally, no current county service fire station resides within these SOIs. The following chart shows the fire protection districts and the SOIs included in this evaluation.

Figure 15: Sphere of Influence Overview



These areas are carved out of the CSA 48 service area. This has a negative financial impact on CSA 48 but does not necessarily reduce the need for response or change deployment. Only those funds directly tied to fire protection are evaluated for this study. Between five and thirty properties are bisected by the SOI lines, which will be included in a separate row. The following figure shows the Fiscal Year 2023/2024 (FY 23/24) financial impact on county fire protection funding sources.

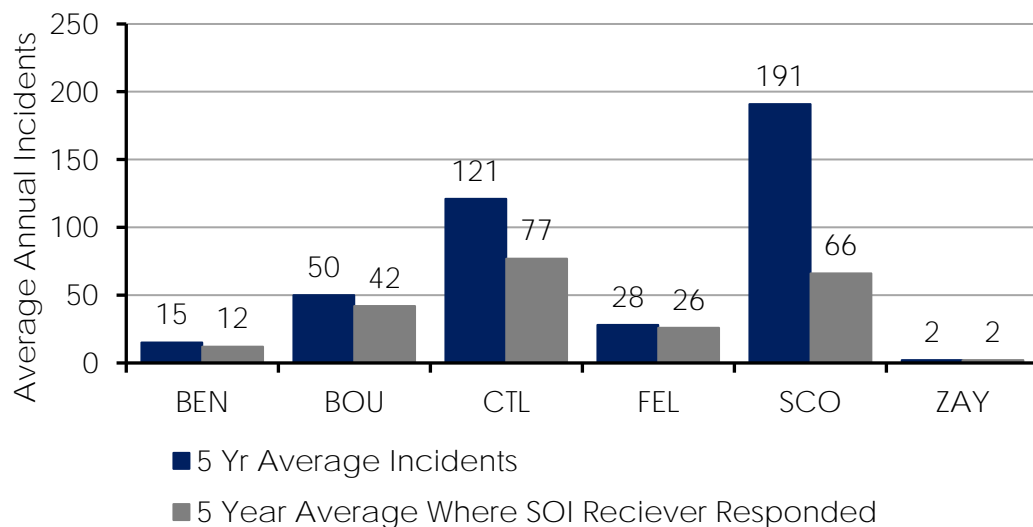
Figure 16: SOI Financial Impact for San Lorenzo Valley, SCO, and CTL (FY 23/24)

Agency	Parcels	Property Tax Allocation	Fire Flow Assessment	CSA 48 2020 Assessment	Total Fire Funds
BEN SOI	492	910	16,439	10,723	28,072
BOU SOI	486	48,293	46,670	35,634	130,597
CTL SOI	676	180,794	90,873	92,752	364,419
FEL SOI	13	665	731	452	1,848
SCO SOI	220	46,653	35,984	2,1243	103,880
ZAY SOI	5	2,561	639	848	4,048
Shared (BEN/BOU & BEN/ZAY)	5	16,972	731	1,140	18,843
Total	1,897	296,848	192,067	162,792	651,707

The county will face a total fire-specific assessment reduction of \$651,707. This reduction is unlikely to improve the financial position of any receiving agencies or the service delivery to residents.

The incident workload in these SOIs was judged on two criteria. The first criterion was the total number of responses to which the receiving SOI agency had already responded. Because most of the service within the county is aid delivered across all jurisdictions, it was noted that most of the responses in this area were already part of the receiving SOI responses. The following chart shows the annual responses to the SOI and the number of responses the receiving agency responded to.

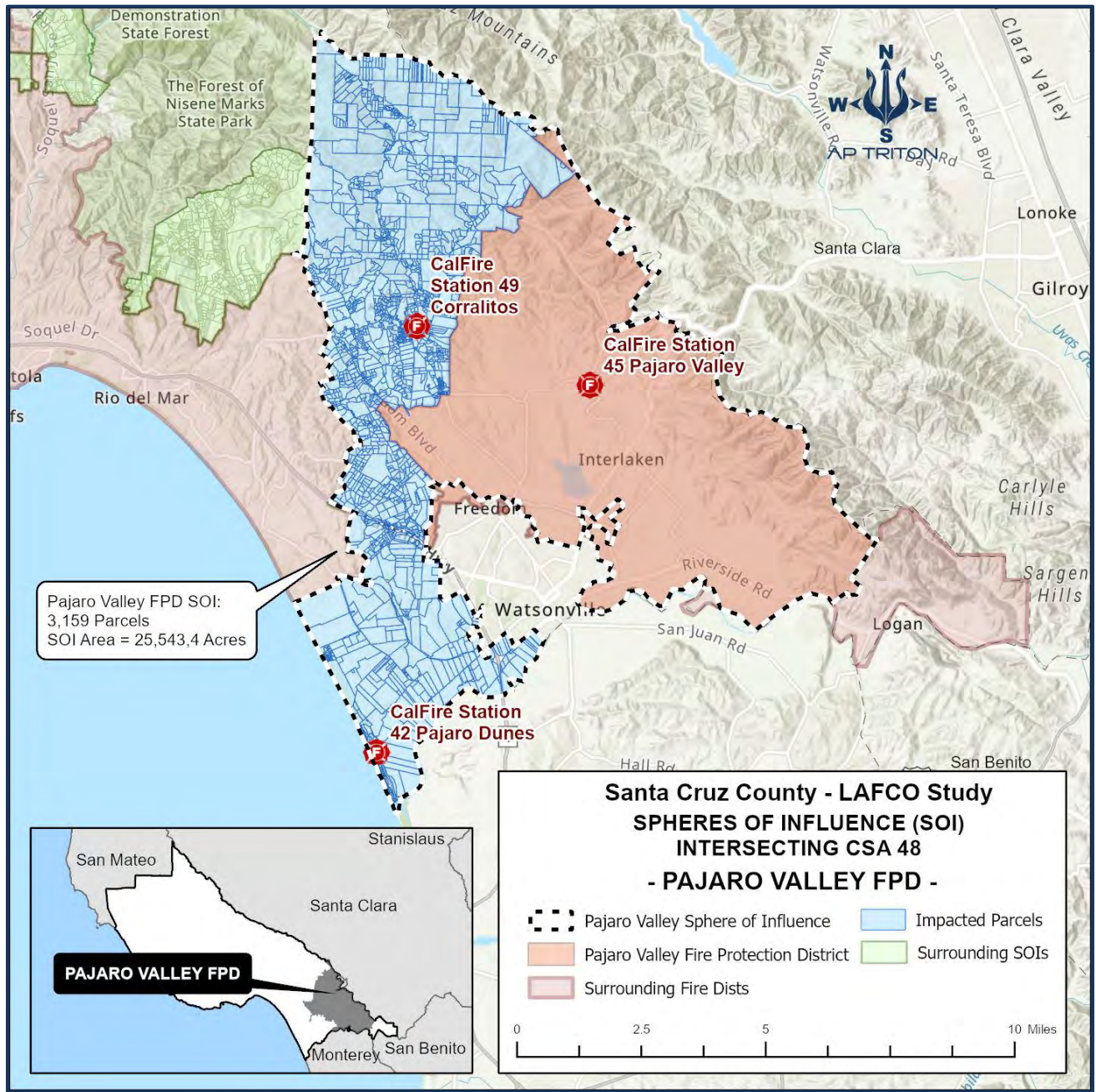
Figure 17: Average Emergency Incidents Within the SOI (2018–2022)



Pajaro Valley Inclusion

The second analysis focuses on the Pajaro Valley Fire Protection District's absorption. Unlike the previous group of districts, this inclusion would significantly impact current CSA 48 and CSA 4 operations. The service submission plan proposes to transfer fixed assets and fire apparatus. The following figure shows the location of the SOI, including the two stations at Corralitos (Station 49) and Pajaro Dunes (Station 42).

Figure 18: Pajaro Valley SOI



The overview of the number of parcels and assessments shows that this is the single largest SOI area in the study. While the other SOIs only affect County Fire and CSA 48, this SOI transfer will affect all fire-related financial reporting agencies, including County Fire, CSA 4, and CSA 48. The following figure shows the FY 23/24 financial impact on these fire protection funding sources.

Figure 19: SOI Financial Impact for PAJ (FY 23/24)

Funding Budget	Parcels	Property Tax Allocation	Fire Flow Assessment	CSA 48 2020 Assessment	Total Fire Funds
Fund 26-105 & CSA 48	2,508	922,970	411,717	472,270	1,806,757
CSA 4	625	862,738	574,698	N/A	1,437,436
Total	3,133	1,785,508	986,418	472,270	3,244,193

Unlike the rest of the SOI impact, this study requires additional attention. The other SOIs in this study would not necessarily alter the deployment requirement or service level of the SCCFD. However, this SOI would include a station, apparatus, and staff service shift.

The reduced service locations should be offset by a similar reduction in SCCFD workload. The primary concern for this SOI inclusion is reducing SCCFD revenue and offsetting expenses based on the change in career service and station costs. The key question is whether the decrease in revenue is offset by the reduced expenses of Pajaro Dunes and Corralitos stations.

Based on the SOI properties, a determination must be made on how much revenue will shift. While other revenue sources are available, this study focuses on the county-assessed fire protection property tax, the CSA Fire Service Assessment, and the CSA 48 2020 assessment. The following figure shows the adjusted fire-specific revenue streams for the Pajaro Valley SOI using the FY 23/24 numbers.

Figure 20: PAJ SOI Revenue Shift (FY 23/24)

Fire Specific Revenue	FY 23/24 (Budget)	SOI Adjustment	Remaining Funds
CSA 48			
Taxes	2,786,646	922,770	1,863,876
Assessments	2,813,746	883,987	1,929,759
CSA 48 TOTAL	5,600,392	1,806,757	3,793,635
CSA 4			
Taxes	862,738	862,738	—
Assessments	574,698	574,698	—
Other	19,000	19,000	—
CSA 4 TOTAL	1,456,436	1,456,436	—
Total Fire-Specific Revenue	7,056,828	3,263,193	3,793,635

The second step is to evaluate the change in expenses based on cost normalization. Triton did not obtain enough data to conduct a thorough cost analysis specifically for Corralitos. However, the Pajaro Dunes costs are fully captured in the CSA 4 budgets. Estimating general costs for the Corralitos station, the reduction of staffing costs is accomplished as a percentage of total costs.

Amador staffing costs and the CAL FIRE contract reduction are calculated at one-fifth of the Professional Services cost relative to the current Amador-funded units. The remaining costs for County Fire (CSA 48) will be one-sixth based on the Corralitos station moving to the absorbing agency relative to the number of county-owned stations. This generalized cost estimation is used only to approximate the potential cost shift as a planning tool. The following figure shows the expense shift allocation based on the above calculations.

Figure 21: PAJ SOI Expense Shift (FY 23/24)

Expenses	FY 23/24 (Budget)	SOI Adjustment	Remaining Funds
CSA 48			
Other Expenses (SOI = 1/6th Total)	5,848,857	974,810	4,874,048
Professional Services (SOI = 1/5th Total)	6,743,100	1,348,620	5,394,480
CSA 48 Total	12,591,957	2,323,430	10,268,528
CSA 4			
All	2,610,807	2,610,807	-
CSA 4 TOTAL	2,610,807	2,610,807	-
Total Fire Specific Expenses	15,202,764	4,934,237	10,268,528

The preceding total figures will be helpful in planning, but the key question remains whether the expenses will offset the loss in area revenue if the SOI is absorbed. Ideally, a percentage shift in revenue should be offset by a corresponding percentage shift in expenses. In this case, the revenue shift would leave 54% of the FY 23/24 budget for CSA 48, while 68% of the expenses would remain. This indicates an uneven shift. The following figure shows the net cost and total offset as an expense percentage.

Figure 22: PAJ SOI Shift Comparison (FY 23/24)

Comparison	FY 23/24 (Budget)	SOI Adjustment	Remaining Funds
Net Cost to the County	8,145,936	N/A	6,474,893
Revenue as a Percent of FY 23/24	100%	46%	54%
Expense as a Percent of FY 23/24	100%	32%	68%
Net Cost as a Percent of FY 23/24	100%	N/A	79%

Combined Effect of SOI Absorption

After evaluating both the fire protection districts that would not likely change the response or staffing requirements of county-provided fire services and the absorption of the Pajaro Valley SOI, it is apparent the SOI adjustment does not provide any financial benefit. If all agencies absorbed their SOIs, only one Amador and one Schedule-A company would likely be removed. Additionally, only two fire stations and their associated costs would be transferred. Meanwhile, the remaining area would require the same deployment to maintain current service levels. The following figure combines the financial impact of all agencies absorbing their stated SOIs.

Figure 23: SOI Summary Chart FY 23/24

Service Area SOI	Parcels**	County Fire Tax Assessment*	Fire Flow Assessment	CSA 48 2020 Assessment	Total Fire Funds
BEN SOI	492	910	16,439	10,723	28,072
BOU SOI	486	48,293	46,670	35,634	130,597
CTL SOI	676	180,794	90,873	92,752	364,419
FEL SOI	13	665	731	452	1,848
SCO SOI	220	46,653	35,984	2,1243	103,880
ZAY SOI	5	2,561	639	848	4,048
Shared (BEN/BOU & BEN/ZAY)	5	16,972	731	1,140	18,843
PAJ SOI (CSA 48)	2,508	922,970	411,717	472,270	1,806,957
PAJ SOI (CSA 4)	625	862,738	574,698	N/A	1,437,436
TOTAL SOI	5,030	\$2,082,556	\$1,178,482	\$635,062	\$3,896,100
CSA 48 SOI	4,405	1,219,618	603,784	635,062	2,458,464
CSA 4 SOI	625	862,738	574,698	N/A	1,437,436
TOTAL 4 & 48 SOI	5,030	\$2,082,556	\$1,178,482	\$635,062	\$3,896,100

** Only Full Parcels are Counted

* Property Tax Estimated from 2023-2024 Tax Assessment Does Not Include Uncollected Amounts

This fire fund shift represents 55% of the total like funds (assessments and taxes) for county fire services. Most of this would go to the PAJ SOI inclusion, which would only absorb 32% of the expenses.

Section IV: APPLICATION REVIEW

Pajaro Valley Fire Protection District Proposal Evaluation

On March 22, 2022, Santa Cruz LAFCO received an application from Pajaro Valley Fire Protection District (PAJ) to annex the territory within County Service Area (CSA) 4 Pajaro Dunes, dissolve CSA 4, annex the Corralitos community within CSA 48, and detach the territory from CSA 48. The application was later removed for consideration by the agency.

A review of this application is provided here to illustrate to potential applicant agencies the steps the Santa Cruz LAFCO may take to determine the appropriateness of an application. This review aims to evaluate the application based on statutory requirements, Santa Cruz LAFCO policies, and the impacts the reorganization would have on other agencies and operational structures. In addition, the application is being evaluated as a potential template for future SOI inclusion applications.

Proposal Composition

PAJ initiated the application to LAFCO by Resolution 2022-02 on January 20, 2022. PAJ proposed to annex all territory within CSA 4, resulting in the dissolution of the CSA, and annex the Corralitos community within CSA 48, coinciding with the detachment of the territory from the CSA. The reorganization would have resulted in annexing all territories within PAJ's existing SOI. Thus, the proposal does not require any changes to PAJ's SOI. A copy and formatted version is included in the appendix for reference.

As a required component of the application, PAJ submitted a Plan for Services. The proposal covers all content required by Government Code Section 56653 and Santa Cruz LAFCO policies as part of a Plan for Services, including the following:

1. A description of the level and range of services to be provided to the affected territory.
2. An indication of when the services can feasibly be extended to the affected territory.
3. Identification of any improvement or upgrading of structures, roads, water or sewer facilities, other infrastructure, or other conditions the agency would impose upon the affected territory.
4. The estimated cost of extending the service, and a description of how services or required improvements will be financed. Additionally, details of the sufficiency of revenues for anticipated service extensions and operation as required.

5. An indication of whether the annexing territory is, or will be, proposed for inclusion within an existing or proposed improvement zone/district, redevelopment area, assessment district, or community facilities district.

Proposal Summary

A general observation regarding this document as a template is the misuse of headings and sections. For example, the index lists "PROPOSAL," "INTRODUCTION," and "EXHIBITS" as primary headings. However, the main points of the documents are found under the main heading of "INTRODUCTION." Additionally, within the document's body, "SERVICES" appears at the same level as "INTRODUCTION" but does not appear in the index and is placed between subsections 1.2 and 1.3. A more specific and structured approach should be adopted to use the document as a template. This will ensure ease of use and content delivery. The following is an application overview with observations to determine its adequacy.

Affected Territory

The affected territory consists of 84 square miles (PAJ 44.3 sq. miles, CSA 4 0.5 sq. miles, and CSA 48 39.2 sq. miles) of unincorporated territory in the southern portion of Santa Cruz County. There are an estimated 20,450 residents in the proposed structure. PAJ has an estimated population of 18,000, CSA 4 has an estimated population of 250, and the portion of CSA 48 proposed for annexation has approximately 2,200 residents. These estimates were retrieved from the application.

PAJ serves three communities in both urban and rural areas. The District has a large area in the state responsibility area (SRA) categorized as a wildland/urban interface (WUI). The District has two major highways and several lakes. The District also serves the Santa Cruz County Fairgrounds, which draws over 300,000 visitors annually.

CSA 4 Pajaro Dunes is a coastal community surrounded by agriculture. The area includes light industrial businesses, several multi-residential structures, and single-family dwellings, all accessed by boardwalk walkways. This infrastructure poses a unique fire risk.

The Corralitos community in CSA 48 consists primarily of single-family dwellings and several small businesses. The area is mostly SRA, with areas categorized as WUI.

Some agricultural lands within PAJ and the subject area in CSA 48 meet the definition of prime agricultural lands (Government Code Section 56064). Several of these properties have active Williamson Act contracts and meet the definition of prime agricultural lands.

While protected lands exist within the proposed district's boundaries, the reorganization does not anticipate an impact to protected lands, as services are already provided throughout the proposed boundaries through the two CSAs. There would be no change in areas that are receiving services.

Governance Structure

Following the reorganization, PAJ would continue to be represented by a five-member board. However, the District would transition from a Board elected at large to elections by district to ensure representation from all areas. CSA 4 would be dissolved, and the territory removed from CSA 48. As these CSAs are dependent districts of the County, the Board of Supervisors would cease making decisions regarding fire and emergency services on behalf of the residents. Instead, residents of the annexed territory in both CSA 4 and the removed portions of CSA 48 would be served by the PAJ Board of Directors. This change would provide a more local level of governance for the communities.

Adequacy

All current revenue sources are anticipated to be transferred to the reorganized District. However, it is unclear if the application was based on the specific fire protection assessments or the assumption that all additional Santa Cruz County fire-related fund balances were a part of this assumed transfer of funds. The applicant asserts the cost of delivering services to the communities will not increase, as the reorganization is intended to create more effective use of local tax dollars. The application indicates a higher level of service while reducing duplication of costs; however, two additional management and support positions (a Division Chief and a Staff Services Analyst) would need to be provisioned to manage a more complex organizational structure. The exact change in staffing and any resulting change in associated costs is unclear, and should be clarified in the Service Plan. The reorganized district anticipates making use of paid-call firefighters for increased operational staffing.

Financial

In addition to property taxes, the FY 23/24 adopted fee schedule includes a CSA 4 benefit assessment of \$504.12 per fire flow unit and a CSA 48 \$91.33 assessment per fire flow unit. A fire flow unit is defined based on the occupancy type, use, and density of living spaces. These funds account for approximately \$986,415 in the proposed annexation area. The Fire Protection and Emergency Response Services Assessment in CSA 48 is \$162.33 per ESFE unit. This assessment accounts for an additional \$472,270 for a total fire flow and ESFE transfer of \$1,558,685. The following figure shows a breakdown of the FY 23/24 assessments for the proposed PAJ annexation.

Figure 24: PAJ Revenue Summary Shift (FY 23/24)

Service Area SOI	Parcels**	Property Tax Allocation*	Fire Flow Assessment	CSA 48 2020 Assessment	Total Fire Funds
PAJ SOI (CSA 48)	2,508	922,970	411,717	472,270	1,806,757
PAJ SOI (CSA 4)	625	862,738	574,698	N/A	1,437,436
TOTAL SOI	3,133	\$1,785,708	\$986,415	\$635,062	\$3,244,193

** Only Full Parcels are Counted

* Property Tax Estimated from 2023-2024 Tax Assessment Does Not Include Uncollected Amounts

Triton estimates the proportional share of the general fire reserve funds with this transfer would be approximately \$1.67 million in FY 23/24 above the identified fire-specific funds. The application states, "it is anticipated that all fees, assessments, special taxes, or other charges that were approved by the voters or imposed conditions of prior annexations to either district will remain in effect post-reorganization." However, there are limited circumstances under which voter-approved assessments or taxes may remain in effect after a reorganization of this type. The Board of Supervisors must pass a resolution identifying the continuance of the benefit assessment and the transfer to the successor agency, PAJ. LAFCO can condition reorganization on transferring the benefit assessment or special tax to the annexing agency.

To track the revenue sources within each area and ensure funds are used for the area from which they were collected, Zones of Benefit would be established by the reorganized district. LAFCO does not have jurisdiction over the establishment of Zones within a district.

Suppose the District prefers to request a normalized property tax levy instead of the currently available fire funds. In that case, Triton estimates this would only add \$1,908,513 in special district funding based on the property valuation in the affected area. This calculation is based on the current property tax levy of 3.7% for the Pajaro Valley Fire Protection District, with a 1% net tax of \$5,157,210.

All financial assets would be transferred to PAJ, including cash balances and reserves currently possessed by PAJ, CSA 4, and CSA 48 (serving the area to be annexed). Additionally, PAJ would assume all remaining debt service associated with equipment purchased by PAJ, CSA 4, and CSA 48 (serving the area to be annexed).

PAJ had planned to use reserve funds to replace apparatus, capital equipment, and building improvements. These reserve funds are funded by an annual transfer from the district's reserve funds based on a 10-year replacement schedule for capital items. These schedules identify a committed minimum transfer each fiscal year to meet projected expenditures.

While PAJ experienced a revenue deficit in FYs 20 and 21, the funds were primarily used to pay down unfunded accrued liability. Projections show PAJ's expenses will exceed revenues over the next five fiscal years. In contrast, recent increases in CSA 48's benefit assessment assure sustainable financing through FY 28. Although CSA 4 funding has covered expenses between FY 18 and FY 22 (except for FYs 20 and 22 due to planned capital expenditures), projections show a growing spending deficit yearly for the next five years through FY 28. This indicates inadequate current and future funding of fire services in the area.

This deficiency would need to be addressed to ensure sustainable financing of the future reorganized district. Fiscal projections through FY 28 show that revenue growth will be outpaced by inflation of expenses, resulting in a deficit funded by reserves for FYs 26–28. The newly reorganized district would have to address this growing annual shortfall through enhanced revenues or reduced costs.

Overall, Triton estimates that CSAs 4 and 48 fire-specific revenue shifts to PAJ would total \$3.2 million in FY 23/24. This would represent approximately 43% of the funds currently available for the County to apply to fire protection. At the same time, only 32% of the current county's expenses will be reduced by this shift. This would affect the ability of the county to continue to provide services at the current level.

One aspect of the financial analysis completed in the application was a lack of detail. Because the funding sources are varied in the County of Santa Cruz and include special assessments at different levels, property tax, and other forms of revenue, it was necessary to identify each revenue and expense stream. It would have likely sped up the application process if these separate sources were clearly identified in the application. This would have helped formalize financing assumptions and assisted the county in validating the requested funds.

Impact on Service Structure

All three districts are considered all-hazard fire districts, which provide structural and wildland fire suppression, BLS, fire prevention, fire marshal services, extrication, and technical rescue services, to name a few.

PAJ has a cooperative agreement with CAL FIRE to provide fire protection services. It operates one fire station serving approximately 44 square miles and receives an average of 1,200 calls for service annually.

CSA 4 is currently served by SCCFD, which also has a cooperative agreement with CAL FIRE for year-round protection services, known as a Schedule A contract. CSA 4 encompasses half a square mile, but its response area is reported to extend into portions of CSA 48 in the south coastal area of the county. Services are provided by a single fire station that responds to an average of 200 calls annually.

Similarly, the CSA 48 area is a part of SCCFD and is served by CAL FIRE through a cooperative agreement. Staffing is supplemented by community volunteer firefighters. The station serving CSA 48 is a CAL FIRE station that responds to approximately 800 calls annually. During fire season, the station is served by two State-funded engines. During the off-season, it is served by one County-funded engine under the Amador plan.

Staffing

Through cooperative agreements with CAL FIRE, PAJ, and CSAs 4 and 48 share multiple staffing positions, including a Chief, a Division Chief, two Operational Battalion Chiefs, a Battalion Chief Fire Prevention, Battalion Chief Safety, Fire Marshal, Deputy Fire Marshal, two Human Resources staff, and a Field Logistics Officer. PAJ shares costs for the Fire Marshal position with CSA 48 and the Battalion Chief with CSA 4. The personnel are distributed between the three districts' suppression personnel, fire prevention, management team, and administrative staff. All agency personnel are CAL FIRE employees under the cooperative agreement, so no personnel transfer would be necessary under the proposed reorganization. The reorganized district anticipates making use of paid-call firefighters for increased operational staffing.

Agency questionnaires indicated concerns that annexation of territory within CSA 48 might result in a loss of volunteer responders for the County or, conversely, that the Pajaro Valley communities might lose access to the County Fire Volunteer companies, potentially reducing the level of service available. However, the only county volunteer company in the proposal area is Corralitos, and the District plans to keep that company intact. There are no other volunteer companies within the vicinity of the proposal area.

Fixed Assets and Assignments

Upon annexation of the two territories, the annexed areas would be served by PAJ. PAJ and its own stations would continue to use the two stations currently serving the CSAs. Each station would be overseen by a Fire Captain/Company Officer with a three-person crew assigned 24/7, although exact staffing may fluctuate. The areas of the reorganized District **closer to other agencies' stations** would continue to be served by automatic and mutual aid agreements. CAL FIRE would continue to provide district personnel training. Fleet maintenance and annual services would continue to be provided by the Central Fire Protection District by contract. Human Resources would continue to be provided by CAL FIRE as part of the cooperative agreement, and treasury services would be provided by the County of Santa Cruz.

All fixed assets in the form of vehicles and equipment currently owned by PAJ, CSA 4, and CSA 48 (serving the area to be annexed) would be transferred to PAJ but remain as currently assigned. The proposal states that the CSA 4 station would continue to be owned by the CSA; however, it is unclear how this will occur if CSA 4 were dissolved. It is more likely that the CSA 4 station would have become PAJ's property, a point that should be clarified by the proponents. The station serving CSA 48 (Corralitos) is State-owned, and PAJ planned to enter an agreement to house apparatus and personnel at the facility to serve the area.

Service Enhancements

The PAJ application identifies the following as purposes and benefits of the reorganization:

- Provides opportunities to improve fire service efficiencies and service,
- Offers service structure to move towards meeting long-term goals to provide ALS service in South County,
- Increases staffing to the Pajaro Dunes community to reduce fire risk and improve Insurance Service Organization (ISO) ratings and
- Enables 24/7 engine coverage for the Corralitos community.

Under the terms of the application, PAJ planned to upgrade its emergency medical response from BLS to ALS services throughout its existing boundaries and the territory proposed for annexation. The provision of ALS by the District would have streamlined access to more immediate advanced medical services, thus improving patient outcomes. PAJ would become part of Santa Cruz County's Emergency Medical Services Integration Authority (EMSIA), a joint powers agreement between the ALS fire agencies in Santa Cruz County. PAJ anticipated that existing mutual aid and automatic aid agreements with neighboring agencies would have been updated after the reorganization.

Impact on Service Levels

The proponents anticipate a higher level of fire protection services would have resulted from the proposed reorganization due to:

- Local control of revenues, using revenue generated in the project area to provide service in the project area,
- A reorganized management and organization structure that will free up personnel to provide enhanced services, including ALS, fire prevention, wildfire preparedness, and emergency response,
- Enhanced efficiencies will reduce duplicative costs, resulting in increased fund balances, enabling the replacement of equipment, and adding resources to enhance service levels.

Findings from the study assessments indicate that while service may be increased in the PAJ service area by adding a full-time paid engine at Corralitos and ALS service, the impact on the rest of CSA 48 would likely be negative. Based on the detailed evaluation in Section III of this study, the reduction in revenue is not offset by a similar decrease in expenses.

Service Demand

It is assumed that service demand trends would remain unchanged with this reorganization.

Response Times

Adding a career-staffed engine at the Corralitas station may improve response times to the surrounding coverage areas and likely the surrounding mutual/automatic aid areas. It should be noted that the coastal area is served by CFD, specifically the La Selva Beach station, through an auto-aid agreement.

LAFCO Considerations

A reorganization plan must include a plan for providing services within the affected territory. This includes the following, and any additional information required by the commission or the executive officer. The proposal should provide all required information to the degree necessary to appropriately evaluate the application.

Figure 25: Government Code §56653

Government Code §56653	
Required Content	Analysis
(1) An enumeration and description of the services currently provided or to be extended to the affected territory.	The Plan for Services clearly outlines the fire and emergency medical services currently provided within each of the three districts. It describes the services that PAJ will take on due to the reorganization of the CSAs, as well as the augmentation of services provided, including the initiation of ALS services and the staffing of an engine 24/7 for the Corralitos community.
(2) The level and range of those services.	The level and range of services to be provided were described to an extent in the Plan for Services concerning the reorganization and any resulting changes in services and service levels.
(3) An indication of when those services can feasibly be extended to the affected territory if new services are proposed.	The proposal estimates that 6 months after the effective date of the application, it will be able to operate and provide services as the reorganized district. The length of the process will greatly depend on the timing of the necessary renegotiation of contracts with CAL FIRE. The timing of initiating ALS services is unclear.
(4) An indication of any improvement or upgrading of structures, roads, sewer or water facilities, or other conditions the local agency would impose or require within the affected territory if the change of organization or reorganization is completed.	No facility improvements or upgrades are proposed as part of the reorganization.
(5) Information concerning how those services will be financed.	The Plan sufficiently outlines the anticipated financing sources and expenses and includes a 5-year fiscal projection through FY 28. However, there appears to be insufficient funding to cover projected expenses after FY 26.

Factors to be considered in the review of a proposal shall include, but not be limited to, all of the following:

Figure 26: Government Code §56668

Government Code §56668	
Factor	Analysis
(a) Population and population density; land area and land use; assessed valuation; topography, natural boundaries, and drainage basins; proximity to other populated areas; and the likelihood of significant growth in the area, and in adjacent incorporated and unincorporated areas, during the next 10 years.	The Plan includes a description of the population of the subject areas, general land uses, and other significant features. The Plan does not address the likelihood of significant growth in the area. Based on the projections of the Association of Monterey Bay Area Governments for the County, however, growth is anticipated to be low or very moderate over the next 20 years.
(b)(1) The need for organized community services; the present cost and adequacy of governmental services and controls in the area; probable future needs for those services and controls; and probable effect of the proposed incorporation, formation, annexation, or exclusion and of alternative courses of action on the cost and adequacy of services and controls in the area and adjacent areas.	The subject area is composed primarily of SRA with wildfire risk in areas categorized as WUI. Additionally, residents of the area require structural fire protection and emergency medical services. Visitors compound the need for these services when traveling to the County for vacation or special events. The proposal aims to consolidate these services under a single provider to enhance efficiency. Under the terms of the proposed reorganization, PAJ will be the successor agency, and the transfer of assets, property, and revenues from the two CSAs will occur as outlined in the Plan for Services.

Government Code §56668	
Factor	Analysis
(c) The effect of the proposed action and of alternative actions, on adjacent areas, on mutual social and economic interests, and on the local governmental structure of the county.	The proposed reorganization is anticipated to benefit neighboring agencies and their constituents through organized and streamlined services offered by mutual and automatic aid. The contract provider of services, CAL FIRE, will remain unchanged, although the contract will need to be renegotiated. SCCFD will experience the greatest negative impact with a loss of approximately \$3.2 million. This represents approximately 43% of similar funds currently available for SCCFD. This reduction would likely be detrimental to SCCFD's continued operations elsewhere in the County due to declining economies of scale and diminishing efficiencies.
(d) The conformity of both the proposal and its anticipated effects with both the adopted commission policies on providing planned, orderly, efficient patterns of urban development, and the policies and priorities in Section 56377.	An analysis of the project's consistency with adopted LAFCO policies will be addressed in a subsequent section of this study.
(e) The effect of the proposal on maintaining the physical and economic integrity of agricultural lands, as defined by Section 56016.	The proposed reorganization does not include expanding the current service areas. The existing levels of development in the area are not expected to be affected by this proposal. Consequently it is unlikely that current agricultural uses within the area will be affected.
(f) The definiteness and certainty of the boundaries of the territory, the nonconformance of proposed boundaries with lines of assessment or ownership, the creation of islands or corridors of unincorporated territory, and other similar matters affecting the proposed boundaries.	The boundaries of the subject territory include the entire territory within. The proposed district's boundaries are clearly defined in the map included in the application.
(g) A regional transportation plan adopted pursuant to Section 65080.	The Association of Monterey Bay Area Governments compiled the 2050 Metropolitan Transportation Plan. The proposed reorganization does not suggest any changes that conflict with the transportation plan.

Government Code §56668	
Factor	Analysis
(h) The proposal's consistency with city or county general and specific plans.	The proposal does not request changes to land use in the subject area, and the current land use does not conflict with the General Plan of Santa Cruz County.
(i) The sphere of influence of any local agency that may be applicable to the proposal being reviewed.	The application is consistent with the SOIs of PAJ, CSA 4, and CSA 48, all of which were affirmed/updated on October 13, 2021. The application proposes annexing all territory within PAJ's SOI that extends outside its current boundaries, including the entirety of CSA 4 and the southern portion of CSA 48. CSA 4 has a Zero SOI, indicating that LAFCO anticipates it will be dissolved . CSA 48's SOI excludes the territory proposed for annexation, indicating it is anticipated to be detached.
(j) The comments of any affected local agency or other public agency.	Comments have not yet been solicited from affected districts and the public.
(k) The ability of the newly formed or receiving entity to provide the services that are the subject of the application to the area, including the sufficiency of revenues for those services following the proposed boundary change.	PAJ currently provides similar services and service structure within its boundaries, demonstrating the ability of the District to provide services to the territory proposed for annexation. Multi-year revenue and expenditure projections demonstrate sufficient revenues to provide the proposed services for the first three years of operation. However, fiscal projections show that revenue growth will be outpaced by inflation of expenses, resulting in a deficit funded by reserves for FYs 26-28. To ensure viability, the newly reorganized district would have to address the growing annual shortfall through enhanced revenues or reduced costs.
(l) Timely availability of water supplies adequate for projected needs as specified in Section 65352.5.	Not applicable.

Government Code §56668	
Factor	Analysis
(m) The extent to which the proposal will affect a city or cities and the county in achieving their respective fair shares of the regional housing needs as determined by the appropriate council of governments consistent with Article 10.6 (commencing with Section 65580) of Chapter 3 of Division 1 of Title 7.	Not applicable.
(n) Any information or comments from the landowner or landowners, voters, or residents of the affected territory.	Unknown.
(o) Any information relating to existing land use designations.	The area proposed for annexation within CSA 4 Pajaro Dunes is a coastal community surrounded by agriculture. The area includes light industrial businesses, several multi-residential structures, and single-family dwellings. The Corralitos community in CSA 48 consists primarily of single-family dwellings and several small businesses.
(p) The extent to which the proposal will promote environmental justice. As used in this subdivision, "environmental justice" means the fair treatment and meaningful involvement of people of all races, cultures, incomes, and national origins, with respect to the location of public facilities and the provision of public services, to ensure a healthy environment for all people such that the effects of pollution are not disproportionately borne by any particular populations or communities.	Because no change in the present use of the property will result from the reorganization, this proposal will neither promote nor detract from environmental justice.
(q) Information contained in a local hazard mitigation plan, information contained in a safety element of a general plan, and any maps that identify land as a very high fire hazard zone pursuant to Section 51178 or maps that identify land determined to be in a state responsibility area pursuant to Section 4102 of the Public Resources Code, if it is determined that such information is relevant to the area that is the subject of the proposal.	The subject areas are a mixture of LRA and SRA. The area within CSA 48 is predominantly SRA categorized as moderate, high, and very high fire hazard severity zones in the WUI, which indicates a high demand/need for fire protection services.

Figure 27: Government Code §56668.3

Government Code §56668.3	
Factor	Analysis
(a)(1) In 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.	<p>The proposal is intended to be in the interest of both landowners and residents that will benefit the constituents through:</p> <ul style="list-style-type: none"> • Local control of revenues, • A reorganized management and organization structure will free up personnel to provide enhanced services, including ALS, fire prevention, wildfire preparedness, and emergency response, • Enhanced efficiencies will reduce duplicative costs, resulting in increased fund balances and enabling the replacement of equipment and the addition of resources to enhance service levels.
(5) Any other matters which the commission deems material.	Refer to Santa Cruz LAFCO Adopted Proposal Evaluation Policies below.

Figure 28: Government Code §56668.5

Government Code §56668.5	
Factor	Analysis
The commission may, but is not required to, consider the regional growth goals and policies established by a collaboration of elected officials only, formally representing their local jurisdictions in an official capacity on a regional or subregional basis. This section does not grant any new powers or authority to the commission or any other body to establish regional growth goals and policies independent of the powers granted by other laws.	The proposal does not affect regional growth, so does not conflict with regional growth goals and policies.

Figure 29: Santa Cruz LAFCO Adopted Proposal Evaluation Policies

Santa Cruz LAFCO Adopted Proposal Evaluation Policies	
Factor	Analysis
2. All changes of organization shall be consistent with adopted spheres of influence of affected agencies.	The proposal is consistent with the adopted SOIs of PAJ, CSA 4, and CSA 48.
3. Any proposal involving annexations, incorporations, and formations shall not be approved unless it demonstrates a need for the additional services to be provided to the area; while all proposals involving detachments, disincorporations, and dissolutions shall not be approved unless the proponent demonstrates that the subject services are not needed or can be provided as well by another agency or private organization.	The subject areas already receive fire and emergency medical services, indicating a continued need for those proposed services by PAJ. A primary purpose of the reorganization is to enhance efficiencies to benefit the public through improved service levels. Although the need is already met by SCCFD in the CSAs, the areas will still benefit from these enhancements, particularly through increased operational staffing and the provision of ALS.
3.2 Existing Land Use Designations For proposals concerning the extension of other services by annexation, incorporation, or district formation, need shall be established by the applicable general plan land use designations and the service levels specified for the subject area in the applicable general plan.	The area proposed for annexation within CSA 4 Pajaro Dunes is a coastal community surrounded by agriculture. The area is composed of light industrial businesses, several multi-residential structures, and single-family dwellings. The Corralitos community in CSA 48 consists primarily of single-family dwellings and several small businesses. The proposal does not request changes to land use in the subject area, and the current land use does not conflict with the General Plan of Santa Cruz County.
3.4 Population Analysis In reviewing proposals, LAFCO shall consider: (1) the "population" in the proposal area to be the population recorded in the last biennial or special census unless the proponent or affected agency can present updated or more detailed information which LAFCO determines to be more accurate, (2) the "population density" to be the population divided by the acreage, and (3) the "per capita assessed valuation" to be the full cash value of all the property in a proposal area (as set by the last secured property tax roll) divided by the population.	Based on GIS analysis, this review identifies an estimated population from which population density can be determined. The assessed value of the project territory was not provided as part of the application.

Santa Cruz LAFCO Adopted Proposal Evaluation Policies	
Factor	Analysis
3.7 Provision of Services In order for LAFCO to approve a change of organization, the proponent shall demonstrate that the subject services can be provided in a timely manner and at a reasonable cost.	The proposal estimates that 6 months after the effective date of the application, the reorganized district will be able to operate and provide services. The length of the process will likely greatly depend on the timing of the necessary renegotiation and cost of contracts with CAL FIRE. Timing of initiating ALS services is unclear. Based on available financial information for the last five fiscal years and the project application, it appears that the public service costs of the proposal are likely to be less than or substantially similar to the costs of alternative means of providing the service.
4. Proposals, where feasible, should minimize the number of local agencies and promote the use of multi-purpose agencies.	The proposal would eliminate CSA 4 and regionalize services in the area under a single provider, minimizing the number of local agencies.
4.1 Ranking Different Boundary Changes New or consolidated service shall be provided by one of the following agencies in the descending order of preference: a) Annexation to an existing city; b) Annexation to an existing district of which the Board of Supervisors is the governing body; c) Annexation to an existing multi-purpose district; d) Annexation to another existing district; e) Formation of a new county service area; f) Incorporation of a new city; g) Formation of a new multi-purpose district; or h) Formation of a new single-purpose district.	The proposal consists of annexation to another existing district, and none of the other preferred reorganization structures are feasible in this case.
4.2 Consolidation Proposals The Commission will promote and approve district consolidations where feasible.	While not a consolidation for processing purposes, the proposal's outcome is ultimately a consolidation, resulting in the elimination of a district and greater efficiencies.
4.3 Logical Boundaries LAFCO shall promote more logical agency boundaries.	The proposed boundaries of PAJ would create a logical service area without irregular boundaries that would hinder ease and timing of access to calls for service.

Santa Cruz LAFCO Adopted Proposal Evaluation Policies	
Factor	Analysis
4.4 Political Boundaries To the greatest possible extent, boundaries shall follow existing political boundaries, natural features (such as ridges and watercourses), and constructed features (such as railroad tracks).	The proposed boundaries are based on PAJ's adopted SOI which was determined by LAFCO. The applicant does not determine those boundaries.
4.5 Roads and Streets (Right-of-Way) Boundary lines shall be located so that entire rights-of-way are placed within the same jurisdiction as the properties fronting on the road.	The application meets this policy.
4.6 Community Boundaries Boundaries should avoid dividing an existing identifiable community, commercial district, or other area having social or economic homogeneity. Where such divisions are proposed, the proponents shall justify exceptions to this standard.	The proposed boundaries are based on PAJ's adopted SOI, which was determined by LAFCO. The applicant does not determine those boundaries.
4.7 Parcel Boundaries The creation of boundaries that divide assessment parcels shall be avoided whenever possible. If the proposed boundary divides assessment parcels, the proponents must justify to the Commission the necessity for such division. If the Commission approves the proposal, the Commission may condition the approval upon obtaining a boundary adjustment or lot split from a city or county.	The proposed boundaries are based on PAJ's adopted SOI, which was determined by LAFCO. The applicant does not determine those boundaries.
4.8 Prevention of "Islands" Boundaries should not be drawn so as to create an island or strip either within the proposed territory or immediately adjacent to it. Where such an island or strip is proposed, the proponent must justify reasons for nonconformance with this standard.	An island is not formed by this proposal.
4.9 Prevention of Irregular Boundaries Where feasible, city and related district boundary changes should occur concurrently to avoid an irregular pattern of boundaries.	The application proposes concurrent boundary changes for CSAs 4 and 48, simultaneous with the annexations of those territories.

Santa Cruz LAFCO Adopted Proposal Evaluation Policies	
Factor	Analysis
<p>4.10 Social & Economic Interests</p> <p>The Commission shall consider the effects of a proposed action on adjacent areas, mutual social and economic interests, and on local governmental structure.</p>	<p>The proposed reorganization is anticipated to benefit neighboring agencies and their constituents through more organized and streamlined services offered by mutual and automatic aid. The contracted provider of services, CAL FIRE, will remain unchanged, although the contract will need to be renegotiated. SCCFD will experience the greatest negative impact, losing approximately \$3.2 million. This represents approximately 43% of funds available for its operations. While there would be corresponding reduction in expenditures for currently provided services, this could negatively impact SCCFD's continued operations elsewhere in the County due to declining economies of scale and reduced efficiencies.</p>
<p>4.11 Metes & Bounds</p> <p>A map of any proposed boundary change shall show the present and proposed boundaries of all affected agencies in the vicinity of the proposal site. The Commission shall assure that any approved boundary changes are definite and certain. The Commission may approve a proposal conditioned on the proponent preparing a new boundary map and description.</p>	<p>The boundaries of the subject territory include the entire territory within. The proposed district's boundaries are clearly defined in the map included in the application.</p>
<p>4.13 Financially Desirable Areas</p> <p>The sole inclusion of financially desirable areas in a jurisdiction shall be avoided. The Commission shall amend or reject any proposal that, in its estimation, appears to select principally revenue-producing properties for inclusion in a jurisdiction.</p>	<p>The proposal is to annex the entirety of the area within PAJ's SOI, ensuring that there is no selection of any areas based on finances.</p>
<p>5. Agricultural Lands</p> <p>Urban growth shall be guided away from prime agricultural lands, unless such action would not promote planned, orderly, efficient development of an area.</p>	<p>The proposed reorganization does not include expansion of the current service areas. The current levels of development in the area are not expected to be directly affected by this proposal. It is unlikely that current agricultural uses within the area will be affected.</p>

Santa Cruz LAFCO Adopted Proposal Evaluation Policies	
Factor	Analysis
<p>5.1 Smart Growth</p> <p>A change of organization is considered to promote the planned, orderly, and efficient development of an area when: a) It is consistent with the spheres of influence boundaries and policies adopted by LAFCO for the affected agencies; and b) It conforms to all other policies and standards contained herein.</p>	<p>The proposal is consistent with the SOI boundaries and policies adopted by LAFCO for the affected agencies. This analysis demonstrates that the proposal generally conforms to all other Santa Cruz LAFCO policies and standards.</p>

Application and Model Evaluation Findings

This evaluation finds that the proposal generally meets the intent of State legal requirements and Santa Cruz LAFCO policies. Certain information was deficient in the application and should be added or expanded upon, including the following:

- Likelihood of significant growth in the area.
- Population density.
- Assessed the value of the project territory
- Enhanced clarity and detail on the staffing/service structure and differences from existing staffing levels.
- Detailed sources of revenue.

Overall, the model appears favorable, promoting efficient services, a key aim of LAFCOs. The proposal enhances public access and accountability for community service needs and financial resources through a local governance structure and Zones of Benefit ensuring transparency in funding and spending in geographical areas.

However, concern remains regarding the impacts of the annexations and the resulting loss of revenues for SCCFD. Options for the future of SCCFD and CSA 48 should be considered and addressed quickly to prevent a prolonged decline in viability as areas are detached. The loss of revenue to the County (SCCFD) will be partially offset by a significant reduction in costs related to services provided by CAL FIRE as the area of responsibility will transfer to other agencies.

Additionally, the projected deficit three years after the reorganization is a primary concern and must be addressed before recommending the reorganization. The District should conduct further financial modeling to ensure long-term funding, either by identifying either additional revenues or cost reductions.

Finally, it is unclear whether the CAL FIRE contracts can be easily negotiated with beneficial terms. There is also a lack of clarity regarding the impacts of the CAL FIRE contracts for services with PAJ and SCCFPD and the extent of those impacts.

Section V: PARTICIPATING AGENCY OVERVIEW

Overview County Fire Service Providers

The original agencies included in the study were the Santa Cruz County Fire Department (SCCFD), Central Fire Protection District of Santa Cruz (CFD), Scotts Valley Fire Protection District (SCO), Branciforte Fire Protection District (BRN), Boulder Creek Fire Protection District (BCFPD), Ben Lomond Fire Protection District (BEN), Pajaro Valley Fire Protection District (PAJ), and Zayante Fire Protection District (ZAY). After the initial video meeting on August 16, 2022, SCO and BRN opted out of the project as SCO was in the process of absorbing BRN. The acronyms used for the agencies were adopted as the agency identified its preferred designator, or as the state designator if the agency did not state a preference.

Level of Service

Each agency provides a similar mission and is accountable for all fire and rescue responses within its specific area of responsibility. While not responsible for vegetation fires, they will respond if notified. For ease of identification of the service, agencies are grouped according to the four distinct service types. The following figure shows an overview of the primary services provided, as identified by each agency.

Figure 30: Agency Emergency Services Offered

Service	San Lorenzo Valley				CAL FIRE		CFD
	BEN	BCFPD	FEL	ZAY	PAJ	SCCFD	
Fire Suppression	Yes	Yes	Yes	Yes	Yes	Yes	Yes
EMS First Response	BLS	BLS	BLS	BLS	BLS	BLS	ALS
Ambulance Transport	No	Yes	No	Yes	No	No	Yes
Specialized/Technical Rescue	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Hazmat Response	No	No	No	No	Yes	Yes	Yes
Fire Inspection/Code Enforcement	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Plan Review	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Public Education/Prevention	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Fire and Arson Investigation	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Each agency responds to fire, medical, and technical rescue. Only ZAY, BCFPD, and CFD provide medical transportation, and only PAJ, SCCFD, and CFD provide hazardous materials response. Note that typical medical transport is delivered by a private third-party provider contract. The three agencies that provide licensed transport vehicles use these in the event of a mutual aid request or disaster.¹² In addition, all agencies reported that they perform some level of fire safety/code enforcement, plan reviews, public education, and investigations.

¹² www.santacruzhealth.org/HSAHome/HSADivisions/PublicHealth/EmergencyMedicalServices.aspx.

Figure 31: Service Assets

Service	San Lorenzo Valley				CAL FIRE		CFD
	BEN	BCFPD	FEL	ZAY	PAJ	SCCFD	
Stations	1	2	1	3	1	11 ⁴	7
24-Hour Staffing Capacity	2	12	2	4	3	28	29
Engines	5	4	4	4	2	16	11
Trucks	0	0	0	0	0	0	1
Rescue or Ambulance	1	1	0	2	0	5	1
Water Tender	0	1	1	1	1	5	2
Other Vehicles	4	5	4	4	3	8	16
Daily Minimum Staffing	Vol ¹	Vol ¹	Vol ¹	(3) Vol ²	3 ⁵	(2) Vol ³	22

¹ Volunteer agency with a paid chief.

² Volunteer agency with 3 person paid crew, M–F 8:00 a.m. to 5:00 p.m.

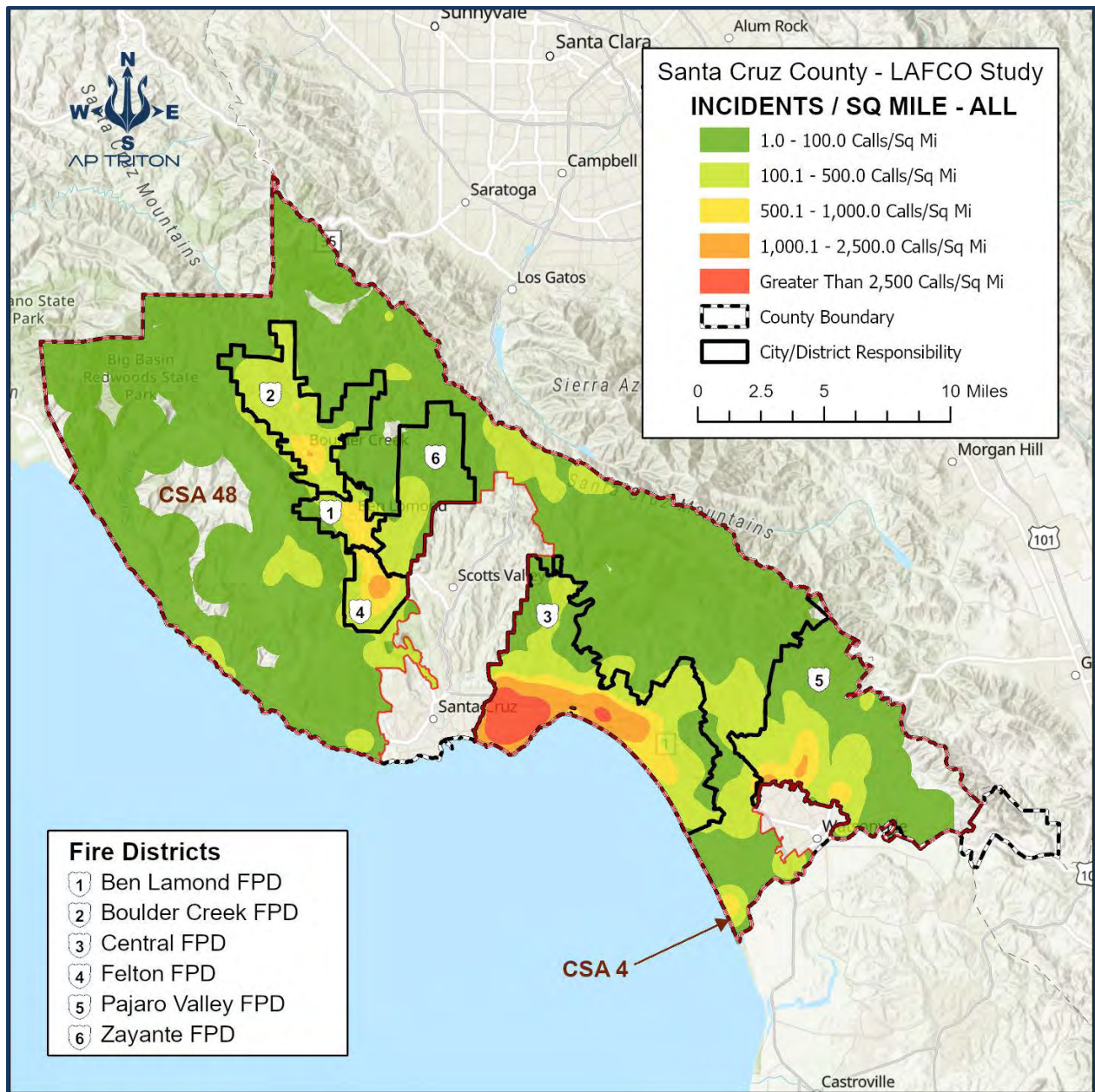
³ Volunteer agencies with support from CAL FIRE, including Amador-funded apparatus.

⁴ 7 locations owned locally; 4 locations owned by the state.

⁵ One Battalion Chief is also part of the staffing; the position is like a Fire Chief.

Incidents occur throughout the study area, with the greatest concentration in populated areas. CFD has the largest staff on duty, the highest number of staffed apparatuses, and the greatest incident density. While incident hotspots exist throughout the service area, significant incident clustering is prevalent in the San Lorenzo Valley agencies and the Pajaro Valley FPD service area. The following figure illustrates the incident density across the study area.

Figure 32: Study Area Incident Density



SWOT Analysis

Triton conducted a Strengths, Weaknesses, Opportunities, and Threats (SWOT) analysis of the Santa Cruz County fire departments. Six fire protection districts and departments within Santa Cruz County responded to our request: Ben Lomond Fire, Pajaro Valley Fire Protection District, Santa Cruz County Fire Department, Central Fire of Santa Cruz County, Zayante Fire Protection District, and Boulder Creek Fire Protection District. The analysis sought to evaluate the internal and external factors affecting each agency and to identify county-wide trends. By pinpointing these elements, the analysis provides a roadmap for strategic decision-making, uncovers opportunities for collaboration, and highlight areas requiring immediate attention to ensure the long-term success and sustainability of these vital public safety organizations. For the full SWOT analysis results and county-wide trends, please see Appendix C.

Fire Service Providers

Among the seven participating fire response agencies included in this analysis, four distinct service delivery types exist:

- The fire districts in the San Lorenzo Valley area: Ben Lomond (BEN), Boulder Creek (BCFPD), Felton (FEL), and Zayante (ZAY) fire protection districts. Each are very similar in structure and response capabilities.
- The Central Fire Protection District (CFD). CFD primarily protects an urban population and employs a locally sourced career staffing model.
- Pajaro Valley is also a career model; however, it is staffed and supported through contracts with CAL FIRE.
- The Santa Cruz County Fire Department (SCCFD) employs a combination of CAL FIRE contracts for support, Amador coverage, and volunteer responders. For this study, both county service areas, CSA 4 and 48, fall under the SCCFD area of responsibility due to the structure of the CAL FIRE contracts, leadership, and support.

Although each agency was analyzed individually in Section II, they were appraised using common criteria, allowing similarities to be highlighted and providing a basis for comparison. While there are differences in agency operations, moral, training, and supervision techniques, these factors could not be easily identified or quantified, and were omitted. However, any discussions of consolidations, reorganizations, or annexations should include topics.

Fire Agency Governance

Each fire protection district within this study falls under the purview of the Fire Protection District Law of 1987. This law outlines the processes, responsibilities, authorities, and requirements of forming and running a fire district.

The SCCFD will essentially be treated as a district for boundary and financial negotiations, although it is not established under the 1987 law. Instead, it is a general-fund-supported county department. Its additional funding sources, County Service Area 4 and County Service Area 48, were created under County Service Area Law (Government Code Section 25210 et seq.) and are governed by the County Board of Supervisors.

CFD, BEN, BCFPD, FEL, ZAY, and PAJ operate as a special district governed by a five-person board of directors. The boards of directors are primarily responsible for overseeing the management and funding of their respective agencies. SCCFD operates as a county service within the County of Santa Cruz, accountable to the Santa Cruz County Board of Supervisors through the County's Department of General Services.

The following figure identifies the efforts to meet state laws to ensure transparency and accountability as identified by each participating agency.

Figure 33: Agency Transparency and Accountability Methods

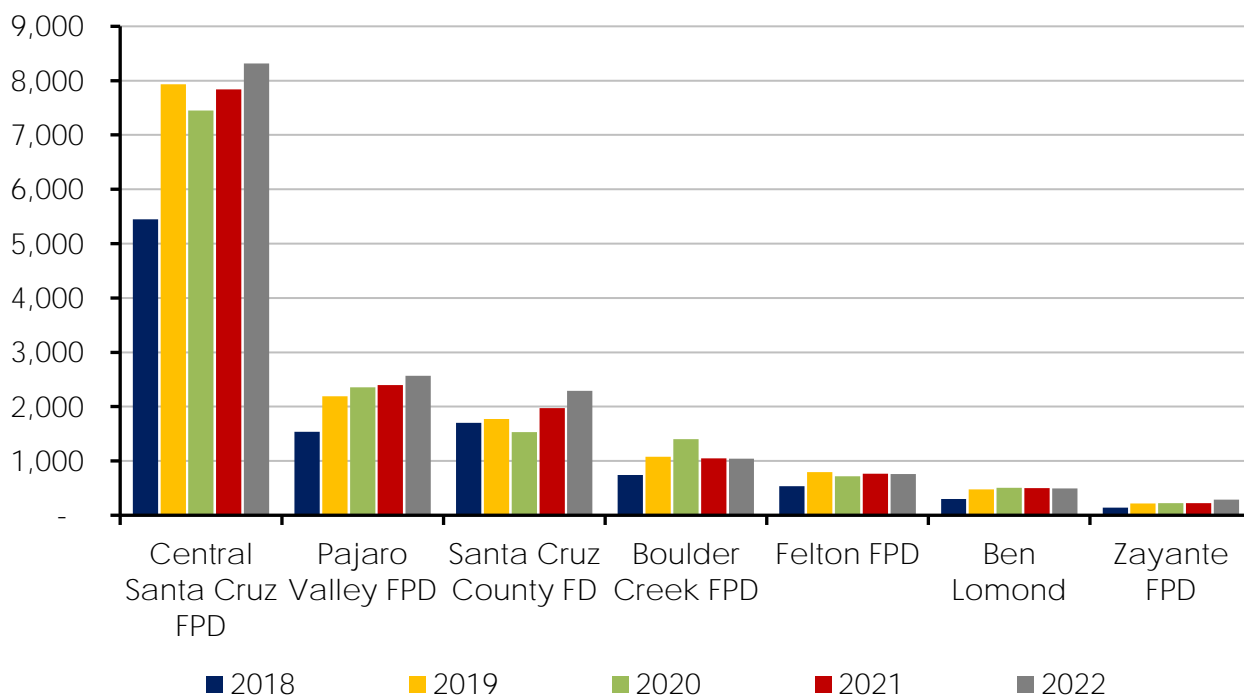
Method	San Lorenzo Valley				CAL FIRE		CFD
	BEN	BCFPD	FEL	ZAY	PAJ	SCCFD	
Agency website ¹³	Yes	Yes	Yes	Yes	Yes	Yes	Yes
The adopted budget is available on the website	Yes	No	Yes	Yes	Yes	Yes	Yes
Notice of public meetings provided	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Agendas posted on the website ¹⁴	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Public meetings are live-streamed	No	No	No	No	Yes	Yes	No
Minutes and/or recordings of public meetings are available on the website	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Master Plan (fire service specific) available on the website	No	No	No	No	No	Yes	Yes
Strategic Plan (fire service specific) available on the website	No	No	No	No	Yes	Yes	Yes
Community Risk Assessment and Standards of Cover documents are available on the website	No	No	No	No	No	Yes	No
SOC performance reports are available on the website	No	No	No	No	Yes	No	Yes
Efforts to engage and educate the public on the services to the community	Yes	Yes	No	No	Yes	Yes	Yes
Staff and governing board member ethics training and economic interest reporting completed	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Compliance with financial document compilation, adoption, and reporting requirements	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Adherence to open-meeting requirements	Yes	Yes	Yes	Yes	Yes	Yes	Yes

¹³ As of January 1, 2020, independent special districts are required to maintain websites according to Government Code Sections 6270.6 and 53087.8 to provide the public easily accessible and accurate information.

¹⁴ Government Code §54954.2.

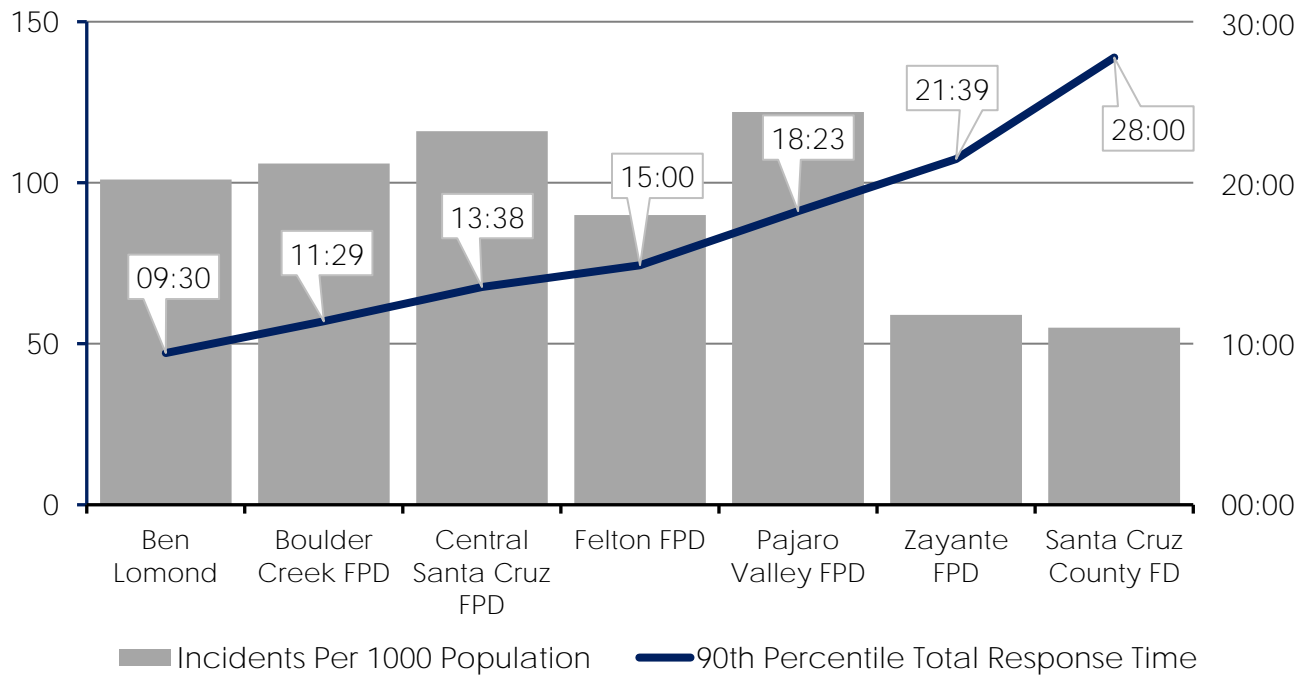
Workloads are not evenly distributed across agencies. CFD accounts for over 53% of the overall number of responses. The following figure illustrates the total annual responses for each agency.

Figure 34: Total Annual Responses Within Each Jurisdiction



The study area's midpoint 90th percentile Total Response Time is approximately 16 minutes, 48 seconds. Total Response Time is measured when the incident starts at the first dispatch center to when the first unit arrives. However, the midpoint does not account for the total number of responses. The actual midpoint for all arrivals is likely lower, as CFD accounts for a high percentage of responses, and is over 3 minutes faster than the 90th percentile midpoint. Additionally, this study does not differentiate between emergent and non-emergent incidents. Therefore, all emergent and non-emergent incidents were evaluated. The following figure illustrates the incidents per 1,000 population protected with the 90th percentile time as a reference.

Figure 35: 90th Percentile First Due Performance and Incidents Per 1,000 Population



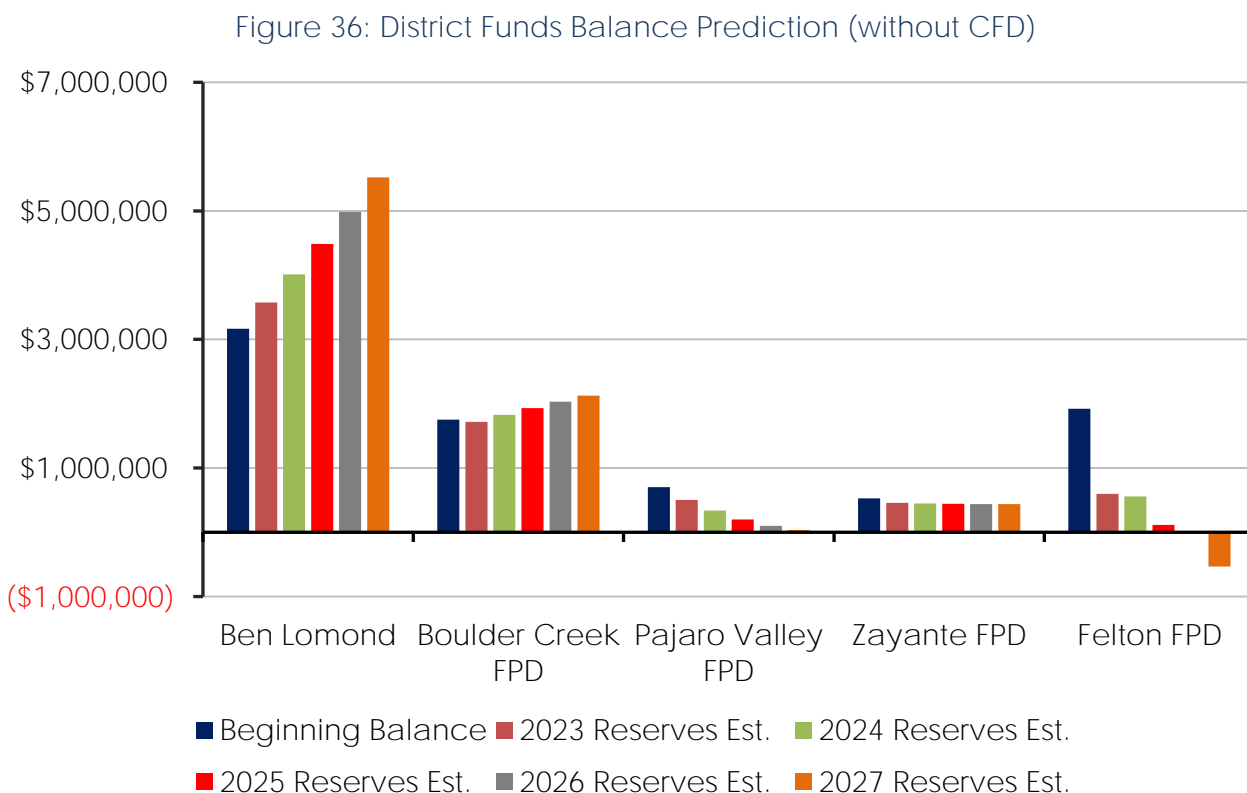
The preceding figure highlights the sensitivity of response data to travel distance, as in SCCFD's case, and limited response data in ZAY's case. It does show, however, the significant differences between service demand and response performance of each agency.

Financial Health

A complete financial analysis of each agency is found in Section VI. This overview is presented as a comparative evaluation and background to the SOI question posed in this study.

Reserve Funds Balances

The financial health of each agency varies significantly, as does the revenue collection between the fire districts and SCCFD. CFD is well-funded with several different fund balances to help offset expected capital expenditures. Additionally, CFD holds a healthy general reserve, but the fund would be depleted within 8 months if no revenues were forthcoming. SCCFD works under the county, a much larger funding agency with access to additional funds that are not necessarily earmarked for the service but are available nonetheless. The remaining districts have a wide range of reserve fund balances. The following figure illustrates each district's estimated reserve fund balance forecast based on the provided information and the estimated revenue/expenses predicted.

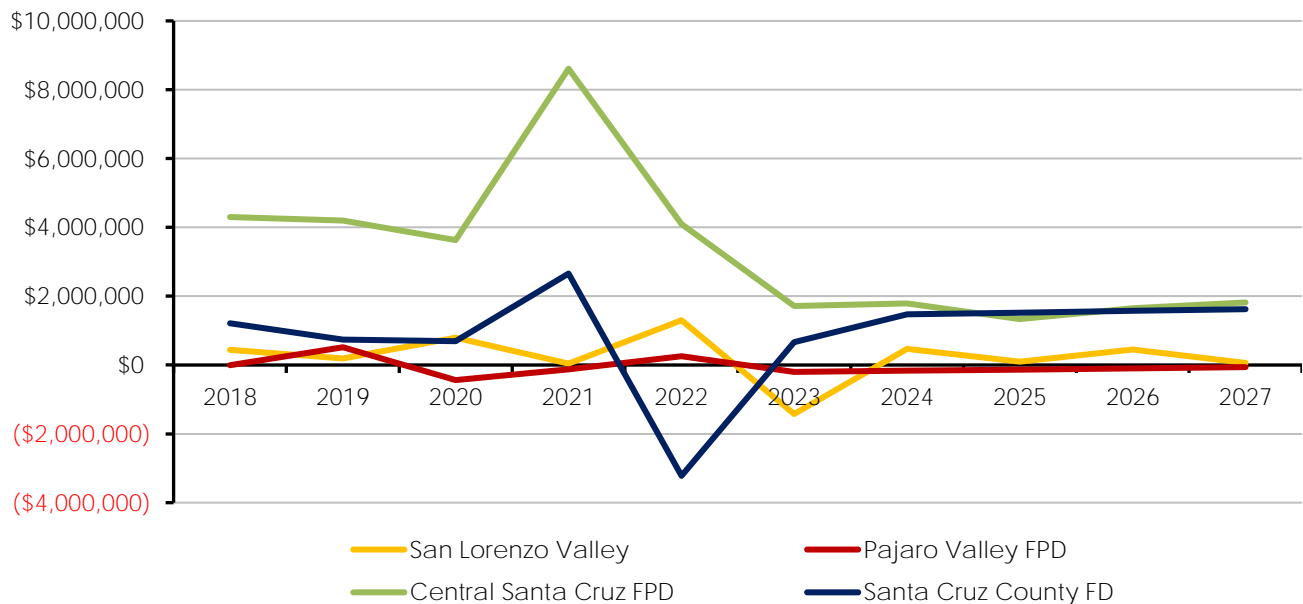


As the previous figure indicates, PAJ and FEL are poorly funded, with reserve funds projected to be depleted by 2026 or 2027. BEN and BCFPD have a strong financial foundation, with reserves increasing annually. ZAY remains a consistent reserve of about \$500,000, but the fund loses value when inflation is considered.

Revenue versus Expenses

Evaluating the revenue and expense streams out to 2027 reveals a similar picture. The agencies in the San Lorenzo Valley do not show significant growth in their reserve fund balances. PAJ expenses slightly exceed its revenue, requiring it to rely on reserve funds starting in 2023. Because of the nature of the income and payments in the CAL FIRE contract, understanding the agency's financial health in isolation is challenging. CFD remains steady, with the ability to increase reserves or fund capital expenses at a respectable rate. The following figure illustrates the agency's revenue/expense differences annually, forecasted to 2027. The San Lorenzo Valley fire districts are grouped together for ease of analysis.

Figure 37: Grouped Agency Revenue vs Expense (2018–2027)



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Appendix B: Stakeholder Feedback

Introduction to the Stakeholder Interviews

On November 7th, 8th, 9th, and 16th, 2022, AP Triton associates interviewed various internal and external stakeholders as part of the Santa Cruz County LAFCO Project. Approximately 18 stakeholders were interviewed during the four days of sessions. These interviews were designed to better understand issues, concerns, and options regarding the emergency service delivery system, opportunities for shared services, and expectations from community members.

It is important to note that the information solicited and provided during this process was in the form of "people inputs." Stakeholders individually responded to each question, some of which were perceptions reported by stakeholders. All information was accepted at face value without an in-depth investigation of its origination or reliability. The project team reviewed the answers to ensure consistency and frequency of comments to identify specific patterns and/or trends. Multiple sources confirmed the observations and the information provided was significant enough to be included in this report. Based on the information reviewed, the team identified a series of observations and recommendations and felt they were significant enough to be included in this report.

Stakeholders were identified and grouped based on their relationship with the participating agencies. Then, individual interviews were conducted based on one of three groups. Elected officials, county management, and department heads were one group. Another group consisted of fire chiefs from the potentially affected fire agencies. The final group comprised businesses, community, and volunteer leaders and members.

Elected Officials, County Management & Department Heads

Please describe your expectations of the fire agency.

- Reliable equipment, good stations, and 3-person staffing.
- Fiscally responsible and conservative, with effective management of fire services contracts.

Are your expectations being met?

- In general, yes.
- The equipment funding and plan are in good shape, but the employee costs exceed the taxes.
- There are staffing and volunteer coordination issues with the various agencies.

Does the current system provide an acceptable level of service?

- It is acceptable in most areas.
- Some enhancements need to be made to service delivery, and paramedic responses would be beneficial.

What are the advantages of the current fire service delivery system?

- Good equipment, top-notch personnel, sound mutual, and auto-aid systems are in place.
- Santa Cruz County gets a good financial deal with CAL FIRE, which can bring an extensive response capability in the event of significant incidents.

What are the disadvantages of the current fire service delivery system?

- Because of CAL FIRE's responsibilities during fire season, the area response suffers, and the local governments have very little control.
- Due to the disparity of service provision between the cities, fire protection districts, and county, the system does not support the closest unit dispatch approach, and apparatus move-ups are very far.

What opportunities do you believe exist that would enhance service to the region?

- Improved governance, local representation, and fire district elections.
- A fire district annexation in the south county areas would keep the funds in the south, allow for a more cohesive response approach, and potentially enable paramedic staffing.

Fire Chiefs from Potentially Affected Agencies

Please describe your expectations of CAL FIRE/County Fire as a regional partner.

- There should be a well-defined difference between the two agencies with an apparent chain of command.
- CAL FIRE has state response area (SRA) responsibilities for most rural regions. The expectation is they fight wilderness fires and assist with structural responses as a mutual aid partner.
- If necessary, CAL FIRE should bring its entire asset pool to an incident, and specialized resources such as fleet services and arson investigation are helpful.
- They both can bring additional resources to a response.
- The community wildfire protection plan (CWPP) is created by CAL FIRE which benefits all of the area communities.

Are your expectations being met?

- They usually meet expectations well; participating in training and responses are very important and helpful.
- Since all agencies are not on the same communication system, there tend to be communication delays, especially from the emergency communications center.
- There can be a great deal of misunderstanding over whose jurisdiction a specific incident falls into, creating confusion and delayed responses.

Does the region's current system provide an acceptable level of service?

- The system does provide an acceptable level of service, but reliance on volunteer firefighters is less stable, creating a resiliency issue; fewer people volunteer, and the time commitment is burdensome.
- The rural areas do not enjoy a paramedic first response, and the ambulances can be delayed.
- It could provide satisfactory service if some volunteer agencies combined to find economies of scale.
- The current communications system is outdated, and dispatch processes are problematic, causing service delays.

What are the advantages of the current fire service delivery system?

- It is relatively inexpensive and gets the job done.
- The area access to response assets is robust, with response border drops and strong relationships.
- The expertise and large organization that CAL FIRE brings are invaluable.

What are the disadvantages of the current fire service delivery system?

- The multitude of volunteer companies and lack of participation sometimes create an inconsistent response and level of service.
- The duplication of effort in the multiple fire districts undermines the ability of agencies to benefit from economies of scale or exploit volume discounts during capital purchases.
- The two dispatch centers and radio frequencies are problematic.
- Funding is limited across all agencies.

- Being so heavily reliant on CAL FIRE's additional resources creates a service gap during an active fire season.

What opportunities do you believe exist that would enhance service to the region?

- Overwhelmingly the sentiment from interviewees was that service would be enhanced through cooperative efforts, consolidation, and annexation.
- Combined services include capital purchasing, prevention, community risk reduction, and response.
- Increased local funding or access to county funds that were earmarked for public safety.

Does the existing fire service system provide the community with an acceptable level of protection?

- The primary response from interviewees was that the protection was sufficient, with significant room for improvement.

Is there any advantage in changing the service area boundaries of the Districts and CSAs for Santa Cruz County fire agencies?

- Annexing the SOI areas is a positive step. It may lead to more consolidations and a reduction in fire districts.
- It does depend on which side of the financial situation the agency finds itself on; it is positive if it gains land and money and negative if it does not.
- Advantages would include power over decisions within the local jurisdiction, agencies dispatched to their own response areas, the closest unit would be sent, and fewer jurisdictions for water purveyors to work with.

If you were to annex your sphere of influence, what additional resources such as administration, volunteers, paid staff, facilities, and apparatus would need to be considered?

- The primary concern noted was that the addition of response areas without sufficient tax revenue to support them, as the areas are undeveloped.
- Some agencies with large SOIs to annex will need additional stations or staffing, including responders and defensible space inspectors.
- Some agencies will not need additional resources as the areas are small and can be covered with current staff and equipment levels.

Is there any disadvantages to changing the service areas of Santa Cruz County fire agencies?

- Predominantly, the feeling was there would be no disadvantage to changing the service areas.
- County Service Area (CSA) 48 and County Fire will potentially lose volunteer responders to other agencies if annexation occurs.
- The Pajaro Valley communities might lose access to the County Fire Volunteer companies, potentially reducing the level of service available.
- There will be a financial impact on CSA 48 and all impacted agencies, and it is unlikely that taxpayers would cover any additional burden.
- The public perception issue of losing control of their local organization and the different district boards' unwillingness to compromise will be difficult to overcome.

Businesses, Community Groups, Community Members, and Volunteers

Can you please describe your expectations of the Santa Cruz County fire agencies?

- The primary expectation is for timely and effective responses with the appropriate amount and types of equipment.
- Community involvement and collaboration with items such as mitigation, prevention, funding, and events.
- Appropriately trained and staffed responders and paramedic firefighters should be the norm.
- A trusting partnership with transparency, measurable results, and factual information shared at all levels.

Which of these expectations is not being met to your satisfaction?

- There is little cooperation between the agencies, the Firewise councils, and other community projects.
- No paramedic staffing.
- After the CZU Lightning Complex fire CAL FIRE, and by extension SCCFD, has lost community and volunteer agency trust; there is a perception of lack of transparency.
- Governance issues are of concern, including how the county supports communities, how the CSAs are funded and directed, and the effectiveness of the Fire Department Advisory Council (FDAC).

What do the Santa Cruz County fire agencies do particularly well?

- The agencies have great people and, for the most part, serve their community well during an emergency.
- The training program is effective and cooperative and available throughout the county.
- The various agencies work well with other response partners, such as the sheriff's department and security.

Are there services that you think the Santa Cruz County fire agencies should be providing that they are not providing now?

- Active fuel management might provide an avenue for improved public relations as long as the public knows who is doing the work; signs, for example.

Are there services the Santa Cruz County fire agencies provide that you think should be discontinued or done differently?

- There are too many apparatuses responding to any given situation.
- The size and availability of the response force are insufficient.

When you dial 9-1-1 to report an emergency, how long should it take for help to arrive?

- The most prevalent answer was 5 minutes.
- The remaining answers indicated that under 10 minutes was acceptable.

Does that expectation change depending on where in the community you are located?

- All those interviewed in this section understood that response times in hard-to-reach areas or during peak incident times may be extended.

Appendix C: SWOT Analysis

AP Triton is pleased to present this comprehensive SWOT analysis, developed in close partnership with fire protection agencies across Santa Cruz County. It is crucial to emphasize that the following Strengths, Weaknesses, Opportunities, and Threats have been self-assessed by each participating agency. Our role at AP Triton has been to compile these individual results and analyze the common and diverging themes that have emerged. Additionally, we have examined the future landscape by identifying emerging trends informed by these self-assessments. This analysis aims to provide actionable insights and strategic recommendations that empower agencies to continually improve and adapt to the ever-changing public safety environment.

Figure 38: Ben Lomond Fire SWOT

Positives		Challenges	
Strengths		Weaknesses	
Internal	<ul style="list-style-type: none"> • Community Service: The agency excels in providing excellent service to the community. • Response Time: The agency has excellent response time during emergencies, ensuring fast and effective help. • Budget Management: The agency has a good grasp on managing its budget, likely making efficient use of available funds. • Certified Trainers: The training programs are led by state-certified trainers, ensuring quality and compliance. 	<ul style="list-style-type: none"> • Limited Funds: Funding constraints can impact the agency's ability to expand and improve services. • Personnel Shortages: The agency faces issues with having adequate personnel for its operations. • Real Estate Constraints: Affordability and availability of real estate for personnel are challenges. • Training Availability: Those who have difficulty attending regularly scheduled training sessions need more flexible options. 	
	<ul style="list-style-type: none"> • Traffic Management: Addressing local traffic issues can improve response times and overall service. • Personnel Recruitment: There are opportunities to recruit more personnel, improving manpower and capabilities. • Grant Opportunities: Exploring more grant options can provide additional funding streams. • Partnerships: The agency already benefits from existing partnerships and could potentially benefit from more. 	<ul style="list-style-type: none"> • Infrastructure: Vulnerabilities in radio and 911 infrastructure could severely affect operations. • Volunteer Shortages: Lack of volunteer firefighters due to training mandates and cost of living can weaken the service. • Facility Limitations: The agency is at risk of outgrowing its current station, which would require significant investment to resolve. • State Mandates: Regulatory requirements, especially on volunteer departments, could place additional burdens on the agency. 	
Opportunities		Threats	
External			

Figure 39: Pajaro Valley Fire Protection District SWOT

Positives		Challenges	
Strengths		Weaknesses	
Internal	<ul style="list-style-type: none"> • Dedicated Personnel: A motivated and committed staff is vital for effective emergency response and service delivery. • Fiscally Responsible: Financial stability and responsible budget management can contribute to long-term effectiveness. • Modern Facilities and Equipment: Keeping up-to-date with modern facilities and mobile equipment ensures optimal performance and public safety. • Effective Training Programs: Emphasizing multiagency cooperation and state-sponsored regional training ensures a high level of preparedness. 	<ul style="list-style-type: none"> • Identity: The lack of awareness about the District can limit community engagement and support. • Community Support & Outreach: Limited community involvement can affect the agency's ability to effectively serve the public. • Operating Cost & Revenue: High operating costs and stagnant revenue streams could jeopardize the District's financial stability. • Specialized Training: There is a need for more comprehensive water rescue training programs, especially in a district prone to flooding. 	
	<ul style="list-style-type: none"> • Revenue Measures: A ballot measure could provide additional funding to address financial constraints. • Grants: Actively seeking grants can supplement the agency's revenue stream. • District Growth: As the district grows, so do opportunities for increased resources and capabilities. • Partnerships: Cooperation with organizations like CAL FIRE and Watsonville Fire Department could lead to better response times and services. • Emerging Technologies: Further adoption of technologies like Tablet Command and possibly drones could significantly improve emergency response and planning. efficiency and community engagement. 	<ul style="list-style-type: none"> • Financial Instability: The need for increased contract costs and potential staffing level decreases are significant financial threats. • Regulatory Changes: CAL FIRE's move towards a 56-hour work week will necessitate adjustments in salary and benefits. • Property Tax Revenue: Annexation of growing areas by the City of Watsonville could result in lost revenue for the district. 	
Opportunities		Threats	
External			

Figure 40: Santa Cruz County Fire Department SWOT

Positives		Challenges	
Strengths		Weaknesses	
Internal	<ul style="list-style-type: none"> • Depth of Resources: The department has resources available through its contract with CAL FIRE, ensuring a well-equipped and prepared team. • Availability of Automatic Aid: Contractual arrangements with CAL FIRE also allow for the availability of automatic aid resources, enhancing the department's response capabilities. • Beneficial Contracting: Collaborative contracting with other agencies for multiple services, including response, automotive maintenance, and fire marshal services, brings in extra expertise and cost-efficiency. • Comprehensive Training: The department's training program is not only comprehensive but also cost-effective due to cooperation with other resources. 	<ul style="list-style-type: none"> • Limited Volunteer Response: There are times when volunteer response is limited, which can impact service quality. • Limited Revenue: Financial constraints could hinder operational efficiency and growth. • Reliance on CAL FIRE: While beneficial, dependency on free CAL FIRE resources could pose a risk if those resources were to become unavailable or reduced. • In-house Instructor Pool: There is a need for a deeper pool of in-house instructors to diversify and strengthen the training program. 	
	Opportunities	Threats	
External	<ul style="list-style-type: none"> • Full-Time Staffing: Exploring options for full-time staffing through CAL FIRE could improve operational effectiveness. • Paid Call Firefighters: Having paid call firefighters work daytime shifts for immediate response could enhance service quality. • Partnerships: The department already has beneficial partnerships but sees room for more, which can bring additional expertise and resources. • Emerging Technologies: The department is working on new software for NFIRS and volunteer activity tracking, indicating a willingness to adapt and modernize. Watsonville Fire Department could lead to better response times and services. • Emerging Technologies: Further adoption of technologies like Tablet Command and possibly drones could significantly improve emergency response and planning, efficiency and community engagement. 	<ul style="list-style-type: none"> • Financial Instability: The need for increased contract costs and potential staffing level decreases are significant financial threats. • Regulatory Changes: CAL FIRE's move towards a 56-hour work week will necessitate adjustments in salary and benefits. • Property Tax Revenue: Annexation of growing areas by the City of Watsonville could result in lost revenue for the district. 	

Figure 41: Central Fire of Santa Cruz County SWOT

Positives		Challenges	
Strengths		Weaknesses	
Internal	<ul style="list-style-type: none"> • Organizational Adaptability: The agency has effectively adapted to changes, especially after the consolidation in 2021. • Strong Training Division: A supportive and engaging training division that fosters the deployment of ideas. • Strategic Planning: Comprehensive Master and Strategic plans have been developed to facilitate financial planning for facilities, apparatus, and equipment needs over the next 30 years. • Effective Training Programs: Emphasis on Command and Control, career development, and specialized academies ensures a well-prepared force. 	<ul style="list-style-type: none"> • Financial Planning: Despite having a strategic plan, there is a stated lack of financial planning for the long term. • Real Estate Planning: Similar to financial planning, there is a lack of long-term planning for real estate. • Staff Participation: A reluctance among staff to participate in management promotional opportunities and development. • Outdated Equipment and Facilities: Existing schedules for replacing apparatus and equipment are becoming obsolete due to rising costs. 	
Opportunities		Threats	
External	<ul style="list-style-type: none"> • Regional Collaboration: There's potential for a more integrated regional professional fire service organization involving multiple cities. • Public Ambulance Service: Exploring public agency-based ambulance transportation as an additional service. • Financial Innovations: Implementation of fire service impact fees and response fee studies for revenue generation. • Partnerships: Central Fire is open to partnerships and already has some in place, offering potential for future collaborations to enhance service delivery. 	<ul style="list-style-type: none"> • Rising Costs: Increasing land and construction costs pose significant challenges for long-term planning. • Regulatory Changes: The electric vehicle mandate for 2030 could be financially burdensome. • Revenue Imbalance: Revenue increases are not keeping up with the escalating costs, requiring a re-imagining of service delivery and resource allocation. • External Economic Factors: The general economic environment, especially related to construction and land costs, could affect performance. 	

Figure 42: Zayante Fire Protection District SWOT

Positives		Challenges	
Strengths		Weaknesses	
Internal	<ul style="list-style-type: none">• Motivated Personnel: A dedicated and motivated staff is one of the agency's most significant assets.• Community Connection: A strong relationship with the community, highlighting trust and support.• Experiential Diversity: The agency has a diverse team in terms of skills, age, and gender, enriching its capabilities.• Effective Training: Building block approach, subject matter experts, and peer-to-peer support enrich training effectiveness.	<ul style="list-style-type: none">• Funding Basis: The agency is hindered by a state base tax rate, limiting its financial capabilities.• Past Recruitment Practices: These have focused less on local residents, which poses challenges for response strategies.• Leadership Transition: The district has had three different leaders in as many years, affecting stability.• Equipment Costs: While not lacking, the agency faces challenges in updating equipment due to soaring costs and supply chain issues.	
Opportunities		Threats	
External	<ul style="list-style-type: none">• Additional Funding: A clear need and opportunity to explore new avenues for funding to maximize existing strategies and personnel.• Emerging Technologies: Looking into LaRo and MURS radio strategies and emergency notification systems as a way to improve community engagement and safety.• Training Enhancement: There's room to refine the training schedule, either by adding hours or changing the day format.	<ul style="list-style-type: none">• LAFCO: (Local Agency Formation Commissions) may impose regulations or changes that the agency deems as challenges.• Workers Compensation: The methodology of calculating rates could pose a financial threat.• Inflation: Rising costs, combined with Prop 13 limited funding, could further strain the agency's financial health.• Inter-agency Relations: Current tensions with neighboring agencies and trust issues could hamper any future partnerships or collaborative efforts.	

Figure 43: Boulder Creek Fire Protection District SWOT

Positives		Challenges	
Strengths		Weaknesses	
Internal	<ul style="list-style-type: none"> Experienced Personnel: The certifications and experience of the agency's personnel stand out as a significant asset. Excellent Fleet: The agency boasts a fleet that is in excellent condition, contributing to its operational effectiveness. Community Connection: A high level of dedication and a strong connection to the community are also cited as strengths. Inclusive Training: The training program involves all ranks in its development and teaching, making it effective and inclusive. 	<ul style="list-style-type: none"> Rising Call Volume: The increase in 911 calls is outpacing the time that the paid per-call employees have available. Succession Planning: Planning for the future is challenging due to most staff working for paid agencies elsewhere. EMS Training: There is a desire for a more comprehensive EMS training program with state-of-the-art training aids. 	
	<ul style="list-style-type: none"> Different Response Model: Exploring new models for response, including a combination department, seasonal staff, and additional admin personnel, could improve timely responses. Partnerships: Shared services could reduce redundancy and offer advantages in purchasing power for equipment. Emerging Technologies: Adoption of drone technology could enhance both response times and safety measures. 	<ul style="list-style-type: none"> Increasing Call Volume: Continued rise in the number of emergency calls poses a logistical and operational challenge. Recruitment Challenges: Lessening interest in the time commitment required to maintain the current model is a threat to staffing levels. Internal Succession Planning: Ensuring a smooth transition for future leaders is a looming issue, especially given the external commitments of current staff. 	
Opportunities		Threats	
External			

SWOT Summary & Analysis

Common Strengths:

- **Community Engagement:** Most departments have a strong relationship with their communities, reflected in excellent or dedicated service, and community trust.
- **Financial Responsibility:** Budget management and fiscal responsibility are generally noted as strengths.
- **Training:** Several agencies mention effective training programs, some with state-certified or specialized trainers.

Common Weaknesses:

- **Financial Constraints:** Most agencies highlight limitations due to funding, whether for expansion, equipment, or training.
- **Staffing:** Shortages or inadequacies in personnel and volunteers are frequently cited.
- **Training Limitations:** A need for more flexible, diverse, or specialized training programs is mentioned.

Common Opportunities:

- **Partnerships:** Nearly all agencies see room for partnerships, whether with CAL FIRE, local agencies, or through regional collaboration.
- **Grants and Funding:** Additional streams of revenue through grants or ballot measures are suggested.
- **Technological Advances:** Emerging tech like drones, Tablet Command, and specialized radio systems are considered avenues for improvement.

Common Threats:

- **Financial Instability:** Rising costs and stagnating revenues pose threats to nearly all agencies.
- **Regulatory Changes:** State mandates or changes in work hours are frequently cited as external pressures.
- **Infrastructure and Equipment:** Several agencies note that outdated or vulnerable infrastructure could impact operations.

Trends:

- Financial Limitations: A recurring theme across all departments is the need for better financial planning and additional revenue streams.
- Human Resources: Staffing constraints, either due to budget or volunteer shortages, are a shared concern, pointing to a systemic issue that may require a coordinated, county-wide solution.
- Adaptability and Innovation: All agencies seem open to new technologies and partnerships, indicating a collective willingness to adapt and innovate.
- Regulatory and Policy Concerns: There's a trend of external regulatory changes imposing challenges, signaling a need for more proactive advocacy or adaptation strategies.
- Community Engagement and Service: Strong community ties appear as a common strength, but also highlight an area for continued effort, especially in agencies where community engagement is noted as a weakness.
- Training Gaps: While training programs are generally strong, gaps are identified in specialized areas like water rescue or EMS training, suggesting a need for cross-agency learning and resource sharing.

Appendix D: Copy of Pajaro Valley FPD Application

The following pages are a reproduction of the proposed fire service area reorganization. This application was withdrawn, but is used to assist Santa Cruz County LAFCO and applicant agencies determine if the application was appropriate and may be used as a template for future reorganization requests.

The application was copied verbatim, but the format was changed to fit this document. In addition, signatures, names, dates, and the district board resolution were removed to ensure this document is not confused with an official request.

**COPY OF SUBMITTED
DISTRICT PLAN FOR SERVICE**

Prepared for
LAFCO of SANTA CRUZ COUNTY
Proposed Fire Reorganization
Pajaro Valley Fire Protection District
CSA 4 Pajaro Dunes Community
CSA 48 Corralitos Community
(LAFCO Project No._____)

A proposed fire reorganization involving Pajaro Valley Fire Protection District, CSA 4 Pajaro Dunes, and CSA 48 Corralitos has been initiated by Pajaro Valley FPD.

Following the conclusion of the LAFCO process, the fire reorganization will be known as

“Pajaro Valley Fire Protection District.”



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- Exhibit A – Proposed Sphere of Influence for Fire Reorganization
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PROPOSAL

The Pajaro Valley Fire Protection District (FPD) is petitioning the Local Agency Formation Commission (LAFCO) to annex its entire sphere of influence to include the communities of Pajaro Dunes (CSA 4) and the community of Corralitos (CSA 48). The consolidation of Pajaro

Valley FPD with CSA 4 and reorganization of CSA 48 will become part of the reorganized Pajaro Valley FPD. This reorganized independent fire district will provide service to the entire unincorporated area of South Santa Cruz County. Approval of the consolidation and reorganization is anticipated to create a more effective utilization of local tax dollars; and provide local governance and control. This proposal was initiated by resolution from the Pajaro Valley FPD Board of Directors.

The affected territory of the proposed consolidation and reorganization includes CSA 4 Pajaro Dunes and a portion of CSA 48 within the sphere of influence of Pajaro Valley FPD. No additional territory is proposed for annexation, and no change is anticipated in the Sphere of Influence as currently adopted by LAFCO. The consolidation will improve the current emergency response system and provide a higher level of service. The reorganized District will continue to receive automatic and mutual aid responses from CAL FIRE, Watsonville City FD, Aromas Tri-County FPD, Central FPD, South Santa Clara FPD and North Monterey County FPD. Ambulance services will not change; currently provided by American Medical Response.

INTRODUCTION

Government Code Section 56653 requires that a Plan for Service in narrative form must be submitted with the application for a reorganization, annexation, or detachment. This plan must respond to each of the following questions and be signed and certified by an official of the annexing agency or agencies.

1. A description of the level and range of service to be provided to the affected territory.
2. An indication of when the service can be feasibly extended to the affected territory.
3. An identification of any improvement or upgrading of structures, roads, water or sewer facilities, other infrastructure, or other conditions the affected agency would impose upon the affected territory.

4. The estimated cost of extending the service and description of how service or required improvements will be financed. A discussion of sufficiency of revenues for anticipated service extensions and operations as required.
5. An indication of whether the annexing territory is, or will be, proposed for inclusion within an existing or proposed improvement zone/district, redevelopment area, assessment district or community facilities district.

1. Description of Services

1.1 General Background Information

Pajaro Valley Fire Protection District

In 1996, Pajaro Valley Fire Protection District was created after the consolidation of Freedom Fire Protection District and Salsipuedes Fire Protection District.

The Pajaro Valley Fire Protection District serves a rural community of approximately 18,000 people. The District covers approximately 52 square miles, a large part of which is an unincorporated area surrounding the City of Watsonville. The District encompasses both State Responsibility Area (SRA) and Local Responsibility Area (LRA) lands, and has the duty to respond to all fires, medical emergencies, vehicle accidents, and hazardous materials incidents. Pajaro Valley FPD has a cooperative agreement with CAL FIRE to provide fire protection services. On an average, the District runs 1200 calls per year.

Pajaro Valley Fire Protection District has one fire station housing two type 1 engines, one type 1 water tender, one fire prevention vehicle, one utility vehicle, and one command vehicle.

County Service Area 4 Pajaro Dunes

County Service Area (CSA) 4 was initially formed in 1966 to establish a tax base to fund sewer and water service to the Pajaro Dunes Development. The Santa Cruz County Board of Supervisors and LAFCO added fire protection to the functions of CSA 4 in 1970 when fire protection services were required as a condition of development to expand Pajaro Dunes. CSA 4 is part of the Santa Cruz County Fire Department. Santa Cruz County has a cooperative agreement with CAL FIRE to provide fire protection services.

The District encompasses less than half of a square mile of territory. However, the response area also extends into portions of County Service Area 48 in the south coastal area of Santa Cruz County. The District has the duty to respond to all fires, medical emergencies, vehicle accidents, and hazardous materials incidents. On an average, the District runs 200 calls per year and has a population of approximately 250 people. CSA 4 has one fire station housing two type 1 engines and one utility support vehicle.

County Service Area 48 Corralitos

County Service Area (CSA) 48 was formed in 1985 and operates as part of the Santa Cruz County Fire Department. Santa Cruz County has a cooperative agreement "Amador Plan" with CAL FIRE to provide fire protection services. The Amador Plan, allows local government to contract with CAL FIRE to provide year-round fire protection services, provided by CAL FIRE stations which would normally be closed during the "non-fire" season.

The Corralitos portion of CSA 48 encompasses approximately 9 square miles and has a population of 2,200 people. The station has responsibility for both LRA and SRA lands.

The station is staffed with two State funded type III fire engines during declared "peak fire-season" and is staffed with one County funded type 1 engine during "Amador." Corralitos station has the duty to respond to all fires, medical emergencies, vehicle accidents, and hazardous materials incidents. Corralitos staffing is supplemented by Santa Cruz County volunteer firefighters. The station houses one type 1 engine, one type 2 engine, one type 1 water tender, and a type 3 rescue. The facility is owned by the State of California which houses two State owned type III fire engines. On average the station runs 800 calls per year.

Shared Services

Through the cooperative agreements with CAL FIRE, the Pajaro Valley FPD, CSA 4, and CSA 48 have multiple shared positions. Shared services include one Fire Chief, one Division Chief, two Operational Battalion Chiefs, one Battalion Chief Fire Prevention, one Battalion Chief Safety, one Fire Marshal, one Deputy Fire Marshal, two Staff Services Analysts (Human Resources) and one Field Logistics Officer.

The personnel are distributed between the three districts' suppression personnel, fire prevention, management team, and administrative staff.

SERVICES

The Pajaro Valley FPD, CSA 4, and CSA 48 are all-hazard fire districts. Some of the services provided to the community are fire suppression in structure and wildland fires, basic Advanced EMT Life Support, Fire Prevention services, defensible space inspections, business inspections, and wildland fuels reduction programs. Extrication and technical rescue services are also provided.



Workforce

1.2 *Management & Governance*

The current management structure for the District is a Fire Chief and an at large elected governing board. Pajaro Valley FPD has a publicly elected Board of Directors consisting of five members, who are elected to four-year staggered terms.

(NAMES AND TERMS REMOVED FROM THIS COPY)

Board Member	Current Term

CSA 4 and CSA 48's current management structure is a Fire Chief and an elected governing board. The Service Areas are governed by the publicly elected Santa Cruz County Board of Supervisors consisting of five members, who are elected to four-year staggered terms.

(NAMES AND TERMS REMOVED FROM THIS COPY)

Supervisor	Current Term

Based on the results of the November 2022 election cycle, changes to the above structures may be made. Board members' terms will also update, thus ensuring a staggered rotation of Board members. To avoid conflict with the California Voting Rights Act, the consolidated District will transition to a system of elections by district when feasible after the reorganization is finalized.

The Fire Chief will answer to the five -member Board of Directors who are elected to four-year-staggered terms and represent more than 20,000 residents living within the reorganized Fire District. The reorganized District will operate under the authority of California Health and Safety Code Section 13800 (Fire Protection District Law of 1987) and be governed by the policies as approved and set forth by the Board of Directors.

The reorganized Fire District Management Team will consist of a Fire Chief, one Division Chief, one Battalion Chief, Fire Marshal, and Staff Services Analyst. For a complete Organization Chart for the combined District, see Exhibit E.

1.3 Operations

The fire reorganization will allow the Pajaro Valley Fire Protection District to provide opportunities to improve fire service efficiencies and service, strive towards meeting long term goals to provide Advanced Life Support service in South Santa Cruz County, increased staffing to the Pajaro Dunes community, and provide 24/7 engine coverage to the Corralitos community.

Operations will be streamlined with improved management oversight through the Operations Division Chief. Each shift will be overseen by a Battalion Chief. Each of the District's three stations will be overseen by a Fire Captain/Company Officer with a 3-person crew assigned 24/7. The more remote areas of the district will continue to be served by automatic and mutual aid agreements.

1.4 *Training and Safety*

The Training Bureau is an important part of every fire service organization. Through the CAL FIRE cooperative agreement, all District personnel attend an all-risk fire academy. One Battalion Chief, two Fire Captains and an Administration Assistant are provided through the cooperative agreement. The Training Battalion Chief also works with other Santa Cruz County Training Officers and their respective fire agencies to help provide a cohesive cooperative training plan. The Training Bureau at the Unit level also provides ongoing training to comply with National Fire Protection Association (NFPA) standards. The cooperative agreement also provides a Safety Battalion Chief that ensures the District is meeting all requirements from Occupational Safety and Health Administration (OSHA), International Organization of Standardization (ISO), American National Standards Institute (ANSI), and California Code of Regulations (CCR).

As an Advanced Life Support (ALS) provider, the district's ALS program will have day to day oversight by company officers trained at the paramedic level and have overall program support and training as part of Santa Cruz County's Emergency Medical Services Integration Authority (EMSIA), a joint powers agreement between the ALS fire agencies in Santa Cruz County.

1.5 *Support Services*

All Districts that would be part of this consolidation currently contract with Central Fire Protection District for fleet maintenance and annual services. This contract ensures the operational readiness of the Districts' fire apparatus and support vehicles. The District is also supported by two Field Logistic Officers as part of the cooperative agreement.

1.6 *Human Resources*

Human Resources are managed by CAL FIRE as part of the cooperative agreement. All aspects of human resource related needs are maintained by a Staff Services Analyst at the Unit's headquarters with oversight by a CAL FIRE Division Chief Administration Officer.

1.7 Financial Services

The County of Santa Cruz shall serve as the treasury for the District. The Fire Chief, coordinating with the Division Chief and Staff Services Analyst, will be responsible to the reorganized District's Board of Directors for preparing and managing the budget. Investment and pooled cash shall be held with the treasury. The Board of Directors will contract annually with an auditing firm to comply with GASB regulations and required oversight of taxpayer funds.

1.8 Fire Prevention

The reorganized District will employ 1 Fire Captain/Fire Marshal who is responsible for handling construction plan reviews, life safety and business inspections, and updating the fire code. Through the cooperative agreement the District is provided 1 Battalion Chief/Fire Prevention who oversees fire, arson, and defensible space inspections.

Reorganized District personnel will continue to attend all community outreach events as well as conduct defensible space inspections and life safety business inspections.

1.9 Transfer of Assets

The Pajaro valley FPD has filed an application with the Local Agency Formation Commission (LAFCO) to reorganize the fire districts for the purpose of facilitating the efficient delivery of fire protection. The District is asking the Board of Supervisors to pass a resolution authorizing a 100% tax transfer and any fire department service delivery fees or assessments to the successor entity. This would be consistent with the County's long-standing guidelines for property tax exchanges and negotiations.

All assets currently held by Pajaro Valley FPD, CSA 4 Pajaro Dunes, and CSA 48 Corralitos shall be transferred to the reorganized Pajaro Valley FPD. This includes cash balances and reserve accounts. The District shall assume all remaining debt service associated with equipment purchased by either Pajaro Valley FPD, CSA 4, and the portion of CSA 48 annexed to the reorganized district. The County of Santa Cruz shall transfer all existing and future property tax revenue designated for fire protection services within the affected territory to the Pajaro Valley FPD.

The reorganized District will utilize various reserve funds for the replacement of apparatus, capital equipment, and building improvements. These reserve funds are funded by an annual transfer from the General Fund based on a 10-year replacement schedule for capital items. These schedules will identify a committed minimum transfer each fiscal year to meet projected expenditures.

A reorganization of these Districts will provide a higher level of service reducing duplication of costs. However, additional management and support positions will need to be in place to manage a more complex organization structure.

1.10 Transfer of Fixed Assets

All fixed assets including, but not limited to, mobile fire equipment and specialized emergency equipment, will remain as currently assigned and be transferred as the real and personal property of the Pajaro Valley FPD. The Pajaro Dunes fire station and facilities will remain under ownership of CSA 4. The Corralitos CSA 48 fire station is a State-owned facility, and an agreement will be entered to house apparatus and personnel. Further information can be found in Exhibit C (list of current Apparatus & Vehicles).

1.11 Transfer of Personnel

All personnel are CAL FIRE employees under the cooperative agreement. No transfer of personnel will be needed.

2. Service Units and Capacity

The application to be considered by LAFCO is the fire reorganization involving Pajaro Valley FPD, CSA 4 Pajaro Dunes, and CSA 48 Corralitos. This reorganization will provide Paramedic staffed fire engines to provide Advanced Life Support Services to the unincorporated areas of South Santa Cruz County. Additional fire engine staffing will be brought to the community of Pajaro Dunes reducing fire risk and improving Insurance Services Organization (ISO) ratings. The Corralitos community will be provided with a dedicated 24/7 staffed type 1 fire engine.

2.1 Geographical Risk Areas

The proposed reorganized Pajaro Valley FPD is made up of several geographical areas, all with their own unique risks:

The current Pajaro Valley FPD serves three communities, consisting of both urban and rural areas. The District has a large portion of State Responsibility Area posing high fire risk to the Wildland Urban Interface. The District has two major highways that run through it (Highway 152 and Highway 129). There are several lakes in the District: College, Kelly, Drew, Pinto, and Tynan.

Additionally, the Santa Cruz County Fairgrounds is in the District. Annually over 300,000 visitors attend events at the Santa Cruz County Fairgrounds. The Fairgrounds hosts over twenty-six events annually of 1,000 people or more. The Santa Cruz County Fair itself is the single largest event held in Santa Cruz County with approximately 80,000 people in attendance annually.

CSA 4 Pajaro Dunes is a coastal community surrounded by agriculture. Pajaro Dunes has several three-story multi-residential structures and single-family dwellings that are accessed by boardwalk walkways only, posing a unique fire risk. CSA 4 Pajaro Dunes also has some light industrial business.

CSA 48 Corralitos, serves an area of mostly single-family dwellings and several small businesses. CSA 48 Corralitos is mostly in the State Responsibility Area with risk for Wildland Urban Interface fires that extends all the way to Highway 1.

2.2 Deployment

All three communities will have a type 1 engine staffed with three personnel providing Advanced Life Support Services 24/7. Calls for service will come to the District by way of Felton Emergency Communications Center. Units are dispatched in accordance with the response matrix setup within the District's response areas. Existing mutual aid and auto aid agreements with neighboring Districts and Departments will be updated upon successful reorganization of the District.

2.3 Expectations

Expectations are that a higher level of fire protection and service will be provided with the reorganization. Local governance and local control of revenue will be established. Enhancing the management and administration structure will free up line personnel to provide a higher level of service. These enhanced services include, Advanced Life Support, fire prevention, wildfire preparedness, and emergency response. As expected, efficiencies begin to reduce duplicative costs, the fund balance will increase, replacement equipment can be purchased, and additional resources may be added to enhance existing service levels.

2.4 Staffing

The cooperative agreement with CAL FIRE will ensure that the District is staffed appropriately with management, support, and front-line personnel to respond and mitigate emergencies in a safe and efficient manner.

Attached as Exhibit E is the proposed staffing model for the district. The newly reorganized district will also utilize paid-call firefighters for increased staffing.

2.5 Timing for Extending Services

There will be no interruption to the current service levels to the affected territories. The fire reorganization can begin on January 1st, 2023. Advanced Life Support Services would begin at the soonest practical time after the reorganization is finalized. The County Assessor's office shall provide the transfer of reserves and balance of the FY 21/22 property tax revenue.

3. Proposed Service Infrastructure and Improvements

This proposal will provide the communities of South Santa Cruz County with enhanced fire protection, Advanced Life Support services, and a dedicated type 1 fire engine to the Corralitos community. There are currently no other proposed infrastructure improvements.

4. Time Frames, Financing and Conditions of Service

The cost of delivering services to the communities will not increase because of the reorganization. All current revenue sources including property tax and special assessments will be transferred to the reorganized District. There will be no increase in taxes and no increase to special assessments. In accordance with Proposition 218, taxes and/or other assessments cannot be added or increased without a vote of the people.

Existing tax revenue, current reserves, and grant funding opportunities will fund improvement and primary equipment upgrades. Additional fiscal projections are included in Exhibit D.

5. Inclusion of Existing Tax Revenue & Special Assessment Fees

Existing property tax revenue that the Pajaro Valley FPD, CSA 4 Pajaro Dunes, and CSA 48 Corralitos currently collect will be the primary source of revenue for the reorganized District.

Service Zones will be established to account for revenue within each zone. Citizen Advisory board or commission can be established if desired, for oversight of zone revenues.

It is anticipated that all fees, assessments, special taxes, or other charges that were approved by the voters or imposed conditions of prior annexations to either district will remain in effect post-reorganization.

Approval Signatures:

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Exhibit A – Proposed Sphere of Influence for Fire Reorganization

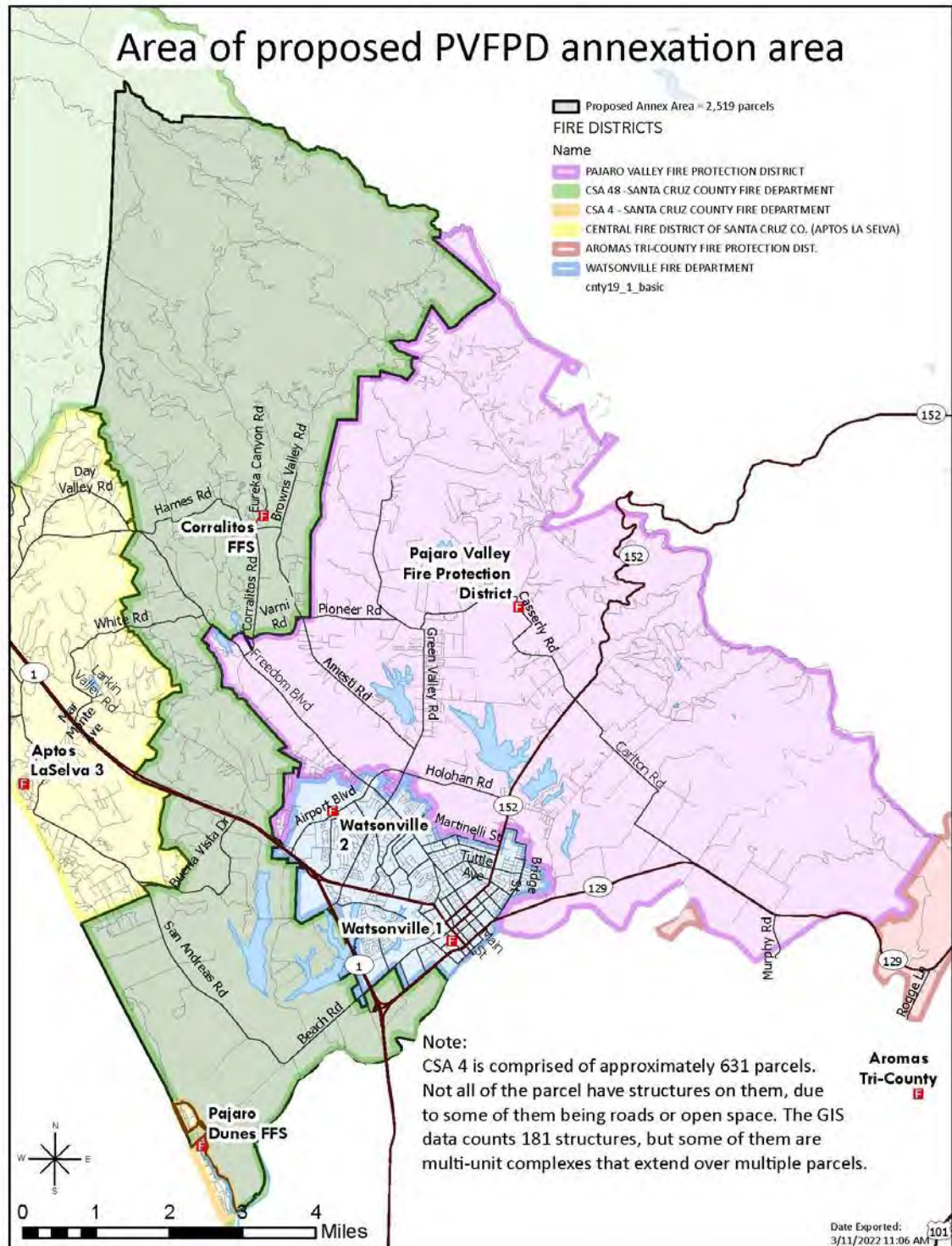


Exhibit B – Pajaro Valley FPD Board of Directors Resolution 2022-02

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Exhibit C – Apparatus and Equipment

Pajaro Valley	Category	Year
E-4511	Type-1 Engine	2010
E-4510	Type-1 Engine	2001
WT-4551	Type-1 Water Tender	2020
B-1716	P/U Command Vehicle	2014
P-4591	P/U Prevention Vehicle	2015
U-4591	P/U Utility Vehicle	2008

Corralitos	Category	Year
E-4111	Type-1 Engine	2001
E-4121	Type-2 Engine	1998
WT-4152	Type-1 Water Tender	2020
R-4161	P/U Rescue	1991

Pajaro Dunes	Category	Year
E-4211	Type-1 Engine	2010
E-4210	Type-1 Engine	1996
U-4291	P/U Utility Vehicle	2001

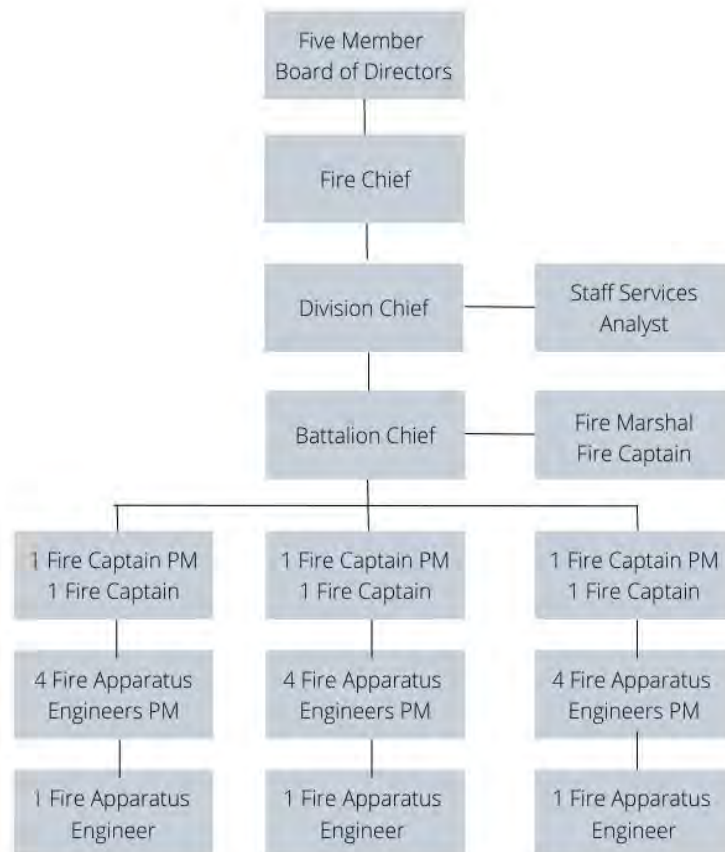
Exhibit D – Financial Projections

(Table Reproduced to Compensate for Formatting Errors)

2023-2028 Revenue and Expenditure Forecast

	Projection 2023	Projection 2024	Projection 2025	Projection 2026	Projection 2027	Projection 2028
<u>REVENUE</u>						
Property Tax	\$6,200,000	\$6,448,000	\$6,705,920	\$6,974,156	\$7,253,122	\$7,543,246
Percentage Change		+4%	+4%	+4%	+4%	+4%
Licensing & Permits	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000
TOTAL REVENUE	\$6,235,000	\$6,483,000	\$6,740,920	\$7,009,156	\$7,288,122	\$7,578,246
<u>EXPENDITURES</u>						
Salary & Benefits	\$5,400,000	\$5,670,000	\$5,954,000	\$6,252,000	\$6,565,000	\$6,893,000
Services & Supplies	\$700,000	\$735,000	\$772,000	\$812,000	\$853,000	\$896,000
(+5% per year)						
TOTAL EXPENSES	\$6,100,000	\$6,405,000	\$6,726,000	\$7,064,000	\$7,418,000	\$7,789,000
<u>FUND BALANCE</u>						
Total Revenue	\$6,235,000	\$6,483,000	\$6,740,920	\$7,009,156	\$7,288,122	\$7,578,246
Total Expense	\$6,100,000	\$6,405,000	\$6,726,000	\$7,064,000	\$7,418,000	\$7,789,000
Excess / (Deficit)	\$135,000	\$78,000	\$14,920	(\$54,844)	(\$129,878)	(\$210,754)
Historic Avg Saved	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000
CHANGE IN FUND BAL	\$635,000	\$578,000	\$514,920	\$445,156	\$370,122	\$289,246

Exhibit E – Proposed Organization Chart



Appendix F: Individual Opt-In Study Fire Agency Details

Santa Cruz County Fire Department Profile

Agency Overview

The Santa Cruz County Fire Department (SCCFD) is a service funded from revenues generated from within CSAs 4 and 48 and an annually allocated share of the county general fund. The County contracts with CAL FIRE to provide services and management to these areas.

CSA 4 is primarily covered by a dedicated fire engine staffed with CAL FIRE employees.

CSA 48 coverage is provided by the county volunteer firefighters, some Amador-funded CAL FIRE equipment, and contracted coverage to a limited portion of the service area. The county contracts with the Central Santa Cruz Fire Protection District (CFD) and the City of Santa Cruz Fire Department (SCFD) to provide first-response services in select areas. Additional services, such as fire prevention, supervision, and management, are provided by county-funded CAL FIRE employees.

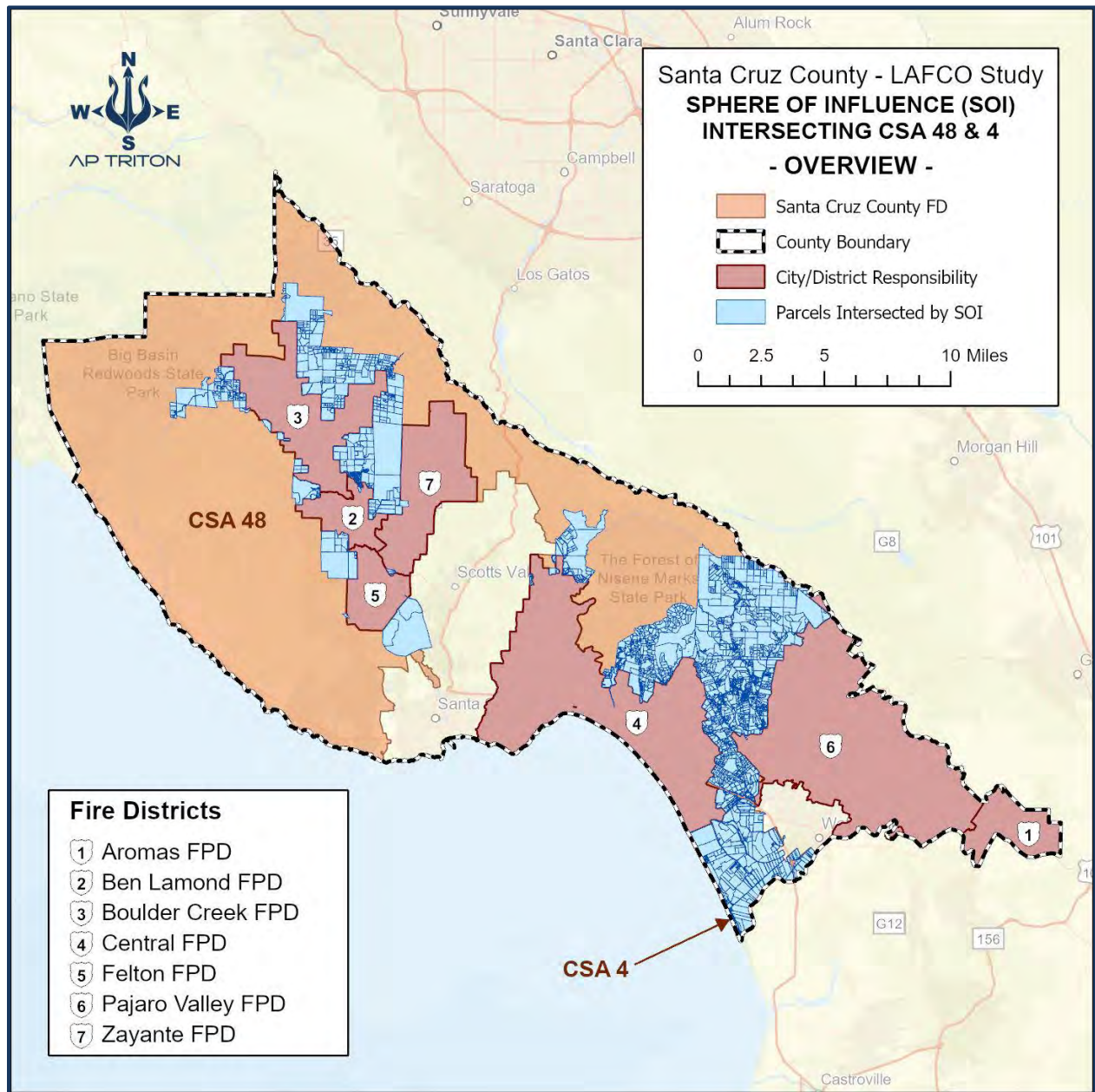
Amador staffing refers to CAL FIRE personnel provided under the Cooperative Fire Programs Agreement with Santa Cruz County for continuous staffing of five (5) CAL FIRE stations/apparatus 24/7 during non-peak fire season. When CAL FIRE determines it prudent to reduce staffing levels due to the reduced threat of wildfire, these CAL FIRE stations, and apparatus, are staffed to augment local agency staffing and serve as part of the Santa Cruz County Fire Department.

Boundaries

The SCCFD service area covers much of the unincorporated portion of the County not included within organized fire protection districts. The Cities of Watsonville and Santa Cruz provide their own fire protection. In addition, the 8 other fire protection districts provide protection in various other locations. The northern service area is bisected along the San Lorenzo Valley by Boulder Creek, Ben Lomond, Felton, and Scotts Valley/Branciforte. In addition, the southern central portion of the County along the coast is served by Central Fire Protection Districts, and the southeastern portion is covered by Pajaro Valley and Aromas Fire Protection Districts. CSA 4 is a small portion of the county service area along the coast in the southern part of the County.

Because fire protection districts intersect with the county service area, much of the county service areas are included in other Fire Protection District's spheres of influence (SOI). Regardless of the relationship to the SOI, SCCFD retains the responsibility of providing Response coverage and other fire service-related services in the county service areas. The following figure shows the county service area and those areas included in other jurisdictions' SOI.

Figure 44: Santa Cruz County Fire Department Service Area



Type & Extent of Services

Services Provided

SCCFD provides a wide range of services for its community. These services are provided through a contract with CAL FIRE and include fire suppression, basic life support, emergency medical care, and other emergency services. The contract is renewable and may be modified to include an increase in costs or modification in services provided. The following figure represents each of the services and the level performed as indicated by the agency.

Figure 45: Overview of Services Provided by SCCFD

Service	Y/N	Level
Fire Suppression	Yes	Structural, wildland (with CAL FIRE)
EMS First Response	Yes	BLS
Ambulance Transport	No	
Specialized/Technical Rescue	Yes	High angle rescue
Hazmat Response	Yes	Awareness level response
Fire Inspection/Code Enforcement	Yes	
Plan Review	Yes	Contracted to a vendor
Public Education/Prevention	Yes	Fire Wise
Fire and Arson Investigation	Yes	

Service Area

The Santa Cruz County Fire Department is an all-hazards public safety organization providing traditional fire protection, medical first response (MFR) at the Basic Life Support (BLS) level, technical rescue services, and hazardous materials response. In 2018, the Santa Cruz County Fire Department was assigned a Public Protection Classification (PPC®) grade of Class 4 by the Insurance Services Office (ISO).

In addition, SCCFD conducts fire inspections, plan reviews, fire-cause and arson investigations, and public education and prevention programs.

Collaboration

- SCCFD participants in the countywide mutual aid agreement.
- SCCFD responds for specialized high-angle rescue if requested.
- The cost of the Fire Marshal is shared 50% with Pajaro Valley FPD.
- 10% of one Battalion Chief for CSA 4 is shared with Pajaro Valley FPD.
- Several facilities are shared between SCCFD and CAL FIRE for state and local missions.

Joint Powers Agreements (JPAs)

- None Identified

Contracts to provide services to other agencies

- None Identified

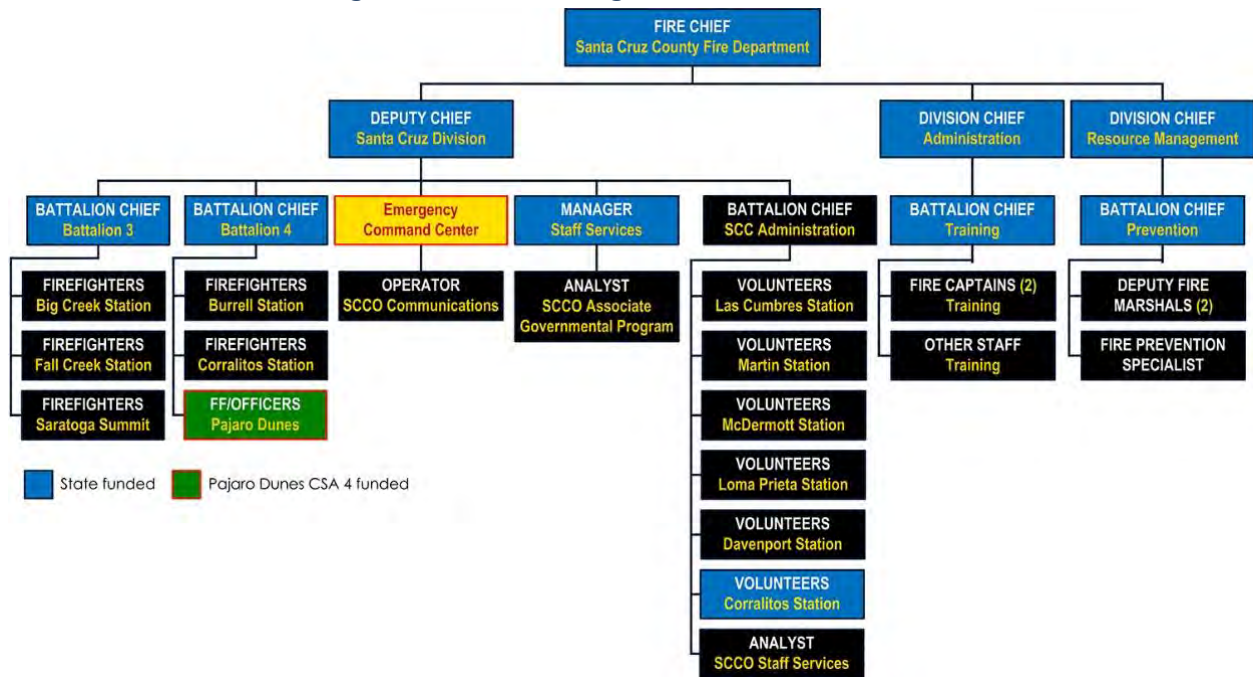
Contracts for service from other agencies

- SCCFD contracts for emergency response services for the area known as Aptos Hills with Central Santa Cruz Fire Protection District.
- SCCFD contracts for emergency response services for the area going toward the Lorenzo Valley with the City of Santa Cruz Fire Department.
- SCCFD utilizes Amador agreements with CAL FIRE to provide protection services during certain months outside California's wildfire season.
- SCCFD contracts with CAL FIRE for battalion supervision, the fire chief, prevention services, and training.
- CAL FIRE provides equipment and full-time staff for the Pajaro Dunes area, also known as CSA 4. This equipment is also available to respond to other regions within CSA 48.

Governance, Administration, & Accountability

SCCFD functions under the direction of the Santa Cruz County Fire Chief, who also serves as the CAL FIRE San Mateo-Santa Cruz Unit Chief. In addition, this position serves as the Fire Chief for the Pajaro Valley Fire Protection District. For SCCFD, the Chief is accountable to the Santa Cruz County Board of Supervisors through the County's Department of General Services. As shown, some positions are state-funded, while others are funded by Santa Cruz County. Nearly all SCCFD's command staff and upper management are state-funded.

Figure 46: SCCFD Organization Chart (2023)



The following figure identifies the efforts to meet state laws to ensure transparency and accountability.

Figure 47: Santa Cruz County Transparency and Accountability

Transparency and Accountability	Available
Agency website ¹⁵	Yes
The adopted budget is available on the website	Yes
Notice of public meetings provided	Yes
Agendas posted on the website ¹⁶	Yes
Public meetings are live-streamed	Yes
Minutes and/or recordings of public meetings are available on the website	Yes
Master Plan (fire service specific) available on the website	Yes
Strategic Plan (fire service specific) available on the website	Yes
Community Risk Assessment and Standards of Cover documents are available on the website	Yes
SOC performance reports are available on the website	No
Efforts to engage and educate the public on the services to the community	Yes
Staff and governing board member ethics training and economic interest reporting completed	Yes
Compliance with financial document compilation, adoption, and reporting requirements	Yes
Adherence to open-meeting requirements	Yes

¹⁵ As of January 1, 2020, independent special districts are required to maintain websites according to Government Code Sections 6270.6 and 53087.8 to provide the public easily accessible and accurate information about the district. Government Code Section 53087.8 lists what must be included on the website.

¹⁶ Government Code §54954.2.

Growth & Population Projections

The county fire service areas, CSA 48 and CSA 4 are not considered census-designated place (CDP) and does not study separately from the County. However, tools and methods exist to capture and aggregate the specific census blocks into a geographical area. Therefore, the district boundaries will be used for the remainder of this section.

Current Population

The current population within SCCFD legal boundaries is 22,450, with an area of 264 square miles. There is a total of 10,143 housing units listed in the area.¹⁷ The number of residents and housing units meet the urban area classification threshold set by the U.S. Census Bureau.¹⁸ However, the vicinity is more extensive than most CDPs, and it is unlikely the U. S. Census would classify the service areas as urban.

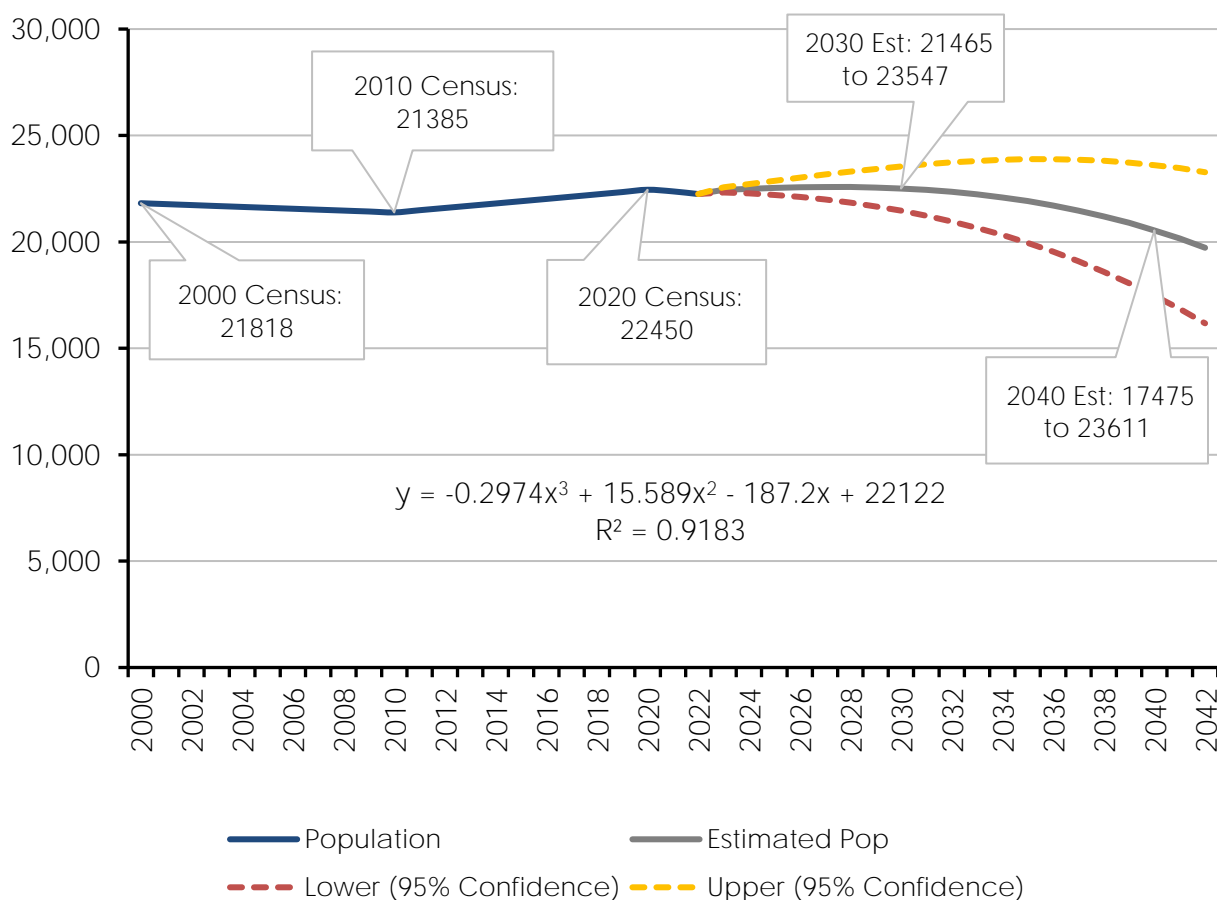
Projected Growth & Development

Estimating population growth is challenging due to many factors, such as new developments or local economies. For SCCFD, two techniques were utilized. The first was to rely on the Association of Monterey Bay Area Governments, 2022 Regional Growth Forecast, which calls for low or very moderate growth for the region. The second method evaluated the preceding 20 years of population growth, creating a statistical model that returned the best fit and then projecting that model out 20 years. For the SCCFD area, the best-fit model was a three-factor polynomial regression analysis, which produced an R^2 value of 0.9183. This means the model fits the historical data very well. An absolute perfect model fit returns an R^2 value of 1. Using the regression as a forecast shows a wide range in population projections of +/- 3,000 people. The area's estimates range from 22,450 in 2020 to 17,475 and 23,611 by 2040, with a 95% confidence level. The direct model shows only a slight decrease to 20,5434 in 2040. The following figure shows the 20-year actual and 20-year population forecast with confidence levels.

¹⁷ ESRI Community Analyst, Source U. S. Census Bureau, 2020 Redistricting Data (P.L. 94-171).

¹⁸ <https://www.census.gov/programs-surveys/geography/guidance/geo-areas/urban-rural.html>.

Figure 48: County Service Area 48 & 4 Historical Population and Forecast



Financial Overview

The County includes the revenue and costs related to the operation of its fire protection system in a group of funds labeled Other County Funds, which are included in the Total County-Wide Budget. County fire protection services include the area designated as CSA 48 and a separate service area CSA 4, Pajaro Dunes. Both areas are serviced by the Santa Cruz County Fire Department through a contract with CAL FIRE. Each area receives independent funding and under State law, each must maintain a different budget, and funds from one CSA budget may not be used to provide services within the others' boundaries.¹⁹

¹⁹ Santa Cruz County Fire Protection Services Proposed Budget, FY 2021–2022.

General Overview

SCCFD operates under the guidance and direction of the Santa Cruz County Board of Supervisors. It provides fire protection for the unincorporated areas of the County that are not included in an autonomous fire district. The County Service Area (CSA 4) Pajaro Dunes community is included as a separate component of the system. Another service area, CSA 48, was established to supplement financing of the costs of fire protection in the unincorporated areas of the County, which are not within the boundaries of autonomous fire districts. CSA 48 transfers its revenues to the County Fire Department annually.

In January 2020, CSA 48 obtained voter approval for an additional assessment to increase staffing in its boundaries from two persons to three persons per engine. The Santa Cruz County Fire Department provides services to its communities through a contract with CAL FIRE. The County prepares an annual operating budget based on a July through June fiscal year. It includes the budgeted amounts CAL FIRE has projected for its operations.

Consolidated Service Area Historical Financials

While the two service areas cannot be combined for accounting purposes, reviewing the entire county-funded fire service expense is helpful. This is typically presented as the fire protection services budget during the budget season and is reported under the summary Unit 34. This consolidation is the total fire services cost for the County. Surplus funds are returned to the County, whereas the deficits must be made up from other county funds.

The following figure combines the historical revenues and expenditures of the two budget areas, CSA 48 (referred to typically as County Fire) and CSA 4 (Pajaro Dunes). However, it should be reiterated that revenues from special assessments within CSA 4 and CSA 48 may only be spent on providing services within those respective areas. The following figure shows the consolidated historical budget data.

Figure 49: Consolidated SCCFD Agencies Revenues & Expenditures

Revenue/Expenses	FY 17/18 (Actual)	FY 18/19 (Actual)	FY 19/20 (Actual)	FY 20/21 (Actual)	FY 21/22 (Estimates)
Recurring Revenue	6,116,896	6,401,236	6,487,674	10,439,592	9,512,596
Other Revenues	42,854	67,095	51,049	118,983	38,177
Total Revenues:	6,159,750	6,468,331	6,538,723	10,558,575	9,550,773
Salaries & Benefits	150,251	148,687	127,018	235,138	98,386
CAL FIRE Contract	3,845,198	4,186,448	4,664,705	6,112,425	6,480,359
Services & Supplies	790,795	931,556	1,036,459	952,408	2,545,525
County Overhead	5,675	3,294	4,104	6,447	11,506
Total Recurring	4,791,919	5,269,985	5,832,286	7,306,418	9,135,776
Capital & Other	70,685	412,835	131,198	364,354	4,494,849
Total Non-Recurring	70,685	412,835	131,198	364,354	4,494,849
Total Expenditures:	4,862,604	5,682,820	5,963,484	7,670,772	13,630,625
Total Surplus (Deficit):	1,297,146	785,511	575,239	2,887,803	(4,079,852)

Consolidated Service Areas Financial Projection

These general revenue and expense sections are also found in the individual service areas. The following figure shows the consolidated revenues and expenses through fiscal year 2027/2028.

Figure 50: Consolidated SCCFD Projected Revenue & Expenditures

Description	FY 22/23 Budget ²⁰	FY 23/24	FY 24/25	FY 25/26	FY 26/27	FY 27/28
Revenue	9,893,676	10,348,521	10,700,089	11,069,274	11,451,993	11,848,763
Expenditures	9,521,354	9,160,191	9,467,402	9,785,796	10,115,795	10,457,841
Net Surplus (Deficit)	372,322	1,188,330	1,232,687	1,283,478	1,336,198	1,390,922

²⁰ FY 2023 Requested Budget.

Santa Cruz County Service Area 48—SCCFD

A significant amount of information was provided by County staff. It was reviewed to develop a financial trend analysis for the preceding five-year period, from fiscal year 2018 through the fiscal year 2022.²¹ Revenues from property taxes are included in the SCCFD revenues however, revenues from the two Special Assessments are accounted for separately as these funds must be spent on providing services only within the boundaries of CSA 48.

The Fire Protection Fund (FPF) is the bookkeeping vehicle the County of Santa Cruz utilizes to capture and account for the service fees collected for CSA 48. A historical review of the information developed from the FPF for County Fund 304400 revenues revealed recurring revenues increased from \$1,151,000 in FY 2018 to an estimated \$2,652,000 in FY 2022, a 130% overall increase or an annualized increase of approximately 32.6%. The significant increase occurred in FY 2021 with the passage of a CSA 48 2020 ballot measure that more than doubled the revenue stream annually. The special assessment funds are tracked here but appear as revenue for CSA 48, account 34100.

As the Santa Cruz County Fire Department provides services through a contract with CAL FIRE, cost recovery opportunities may be limited. The Department has no direct cost for which to seek cost recovery. The Fire Protection Fund expends funds for accounting and audit services and the service contract with CAL FIRE.

The most significant annual expenditure of County Service Area 48 (CSA 48) is the transfer of funds to the County for its service agreement with CAL FIRE. This expenditure typically requires almost 100% of the yearly recurring expenses. Due to the source of its funding streams, the COVID-19 pandemic had no significant negative impact on FY 2020 and FY 2021 revenues.

The following figure shows the receipts from the Special Assessment and the Fire Protection and Emergency Response Services Assessment against properties in CSA 48 and the related transfers of those funds to the County to be utilized to make payments on the CAL FIRE service contract.

²¹ Historical Financial Information provided by Santa Cruz County staff.

Figure 51: Santa Cruz CSA 48—SCC Fund 22-110 Revenues & Expenses (FY 2018–FY 2022)

Revenue/Expenses	FY 17/18 (Actual)	FY 18/19 (Actual)	FY 19/20 (Actual)	FY 20/21 (Actual)	FY 21/22 (Estimates)
Assessments	1,145,309	1,183,267	1,228,726	2,745,022	2,668,297
Other Revenues	5,448	4,288	2,927	1,729	2,106
Total Revenues:	1,150,757	1,187,555	1,231,653	2,746,751	2,670,403
Transfer to SCC for CAL FIRE Contract	1,150,256	1,195,678	1,231,153	2,746,251	2,669,902
Accounting & Auditing Fees	500	713	500	500	500
Total Expenditures:	1,150,756	1,196,391	1,231,653	2,746,751	2,670,402
Total Surplus (Deficit):	1	8,836	—	—	1

Financial Projections

The FY 2023 budget forecasts a total revenue growth rate of 2.95% from FY 2022. The revenue from the Special Assessment and the Fire Protection and Emergency Response Services Assessments are forecast to increase by 4.5% between the FY 2022 and FY 2023 budget year and this growth pattern is forecast to continue through FY 2028. Property tax revenue is included in the County's budget and not separately shown in the CSA 48 financial information.

As previously discussed, the service agreement between the County and CAL FIRE is the largest single item in the budget, consuming approximately 91% of the recurring expenditures in FY 2023. The CAL FIRE service contract is expected to increase by about 3% annually, using FY 2023 as the base year. The County anticipates savings, based on historical information, of approximately \$1,300,000 between the budgeted amount and the actual billings to be received from CAL FIRE.

It is anticipated the County will allocate Data Processing Service amounts to CSA 48, reducing available funds to be transferred to the County for the CAL FIRE service contract.

The following projections were developed from the historical trends identified in the financial analysis.

Figure 52: Santa Cruz CSA 48—SCC Fund 22-110 Projections

Description	FY 22/23 Budget ²²	FY 23/24	FY 24/25	FY 25/26	FY 26/27	FY 27/28
Revenue						
Special Assessment	1,330,271	1,390,133	1,452,689	1,518,060	1,586,372	1,657,759
Fire Protection and Emergency Response Services Assessment	1,462,276	1,526,429	1,595,118	1,666,899	1,741,909	1,820,295
Allowance		(3,202)	(3,391)	(3,589)	(3,795)	(4,011)
Total Revenue	2,792,547	2,913,360	3,044,416	3,181,370	3,324,486	3,474,043
Expenditures	2,792,547	2,913,360	3,044,416	3,181,370	3,324,486	3,474,043
Net Surplus (Deficit):	—	—	—	—	—	—

Capital Planning

Santa Cruz County has developed a Fire Department Capital Outlay Plan that only includes fleet vehicles. Still, no funding source for the purchases was identified in the materials provided.²³ CSA 48 does own several fire stations.

Santa Cruz County CSA-4—Pajaro Dunes

Financial Overview

Santa Cruz County provides fire protection for the Pajaro Dunes community under a contract with CAL FIRE. The County assesses and collects various property taxes, including a Fire Protection Tax, within the boundaries of County Service Area 4. The County accounts for the revenues and expenditures separately within its accounting system using the fund accounting concept of reporting. The County prepares an annual operating budget based on a July through June fiscal year. Services to the community are provided through a contract with the State of California (CAL FIRE).

The CAL FIRE Agreement requires the County to provide for the costs to maintain equipment and property that it owns but is utilized by CAL FIRE to perform its contractual obligations to the County.

²² FY 2023 Requested Budget.

²³ Draft SCCO Mobile Equipment Replacement Schedule.

Fire Protection Fund Recurring Revenues & Expenses

A significant amount of information was provided by County staff. It was reviewed to develop a financial trend analysis for the preceding five-year period, from fiscal year 2018 through fiscal year 2022.²⁴ This review of the historical information of Fire Protection Fund (FPF) for County Fund 304300 revenues revealed recurring revenues increased from \$1,192,000 in FY 2018 to a budgeted \$1,349,000 in FY 2022, a 13.1% overall increase, or an annualized increase of approximately 6.6%.

Property tax revenues are the most significant source of Fire Protection Fund Revenues, followed by a special assessment Fire Protection Tax, which is not restricted to specific uses. These two sources account for almost 98% of Fire Protection Fund Revenues from the Service District. Other sources of revenue include charges for services, interest, and other sources.

The Fire Protection Fund expends funds for extra help salaries and benefits, the service contract with CAL FIRE, services and supplies, allocation of county overhead, capital expenditures, and contingencies. In FY 2022, a new Type I engine was acquired. Per CAL FIRE, Type 1 apparatus has an expected useful life of 15 years.

The most significant annual expenditure of County Service Area 4 (CSA 4) is for its service agreement with CAL FIRE. This payment typically requires approximately 90% of the recurring yearly expenditures.

Due to the source of its funding streams, the COVID-19 pandemic had no significant negative impact on FY 2020 and FY 2021 revenues. The following figure represents the historical revenues and expenditures of the Department.

²⁴ Historical Financial Information provided by Santa Cruz County staff.

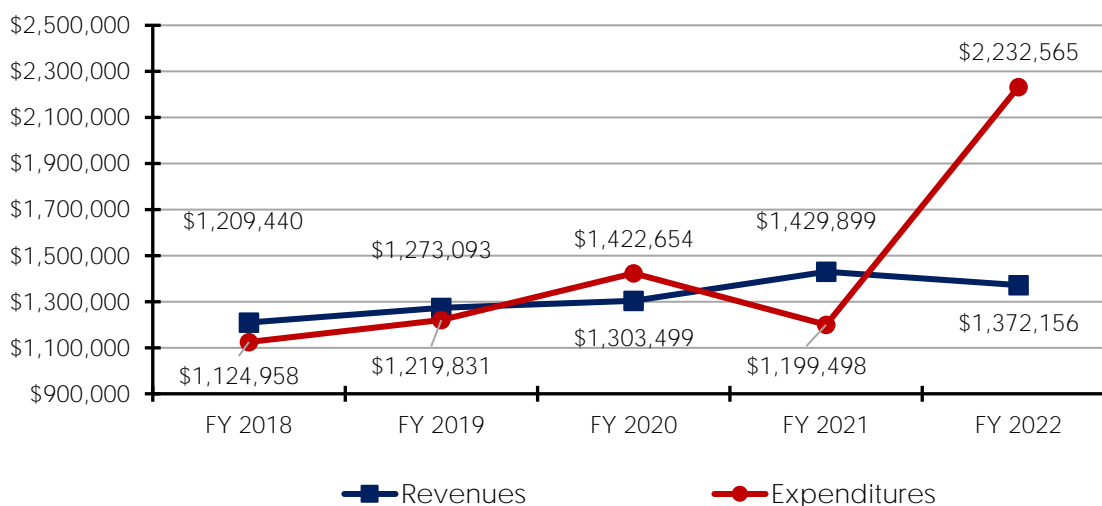
Figure 53: Santa Cruz CSA 4—Pajaro Dunes Summarize Revenues & Expenses*

Revenue/Expenses	FY 17/18 (Actual)	FY 18/19 (Actual)	FY 19/20 (Actual)	FY 20/21 (Actual)	FY 21/22 (Estimates)
Property taxes	718,552	750,341	769,372	786,033	803,325
Special Assessment	449,891	488,988	508,056	524,823	545,334
Charges for services	23,930	5,745	—	47,460	—
Recurring Revenue	1,192,373	1,245,074	1,277,428	1,358,316	1,348,659
Other revenues	17,067	28,019	26,071	71,583	23,497
Total Revenues:	1,209,440	1,273,093	1,303,499	1,429,899	1,372,156
Salaries and benefits	70,917	49,571	27,150	—	—
CAL FIRE contract	960,323	1,090,681	1,223,325	1,095,464	1,379,000
Services & supplies	72,069	76,285	159,579	97,587	163,265
Allocated county overhead	5,675	3,294	4,104	6,447	11,506
Total Recurring:	1,108,984	1,219,831	1,414,158	1,199,498	1,553,771
Capital & other	15,974	—	8,497	—	678,794
Total expenditures	1,124,958	1,219,831	1,422,655	1,199,498	2,232,565
Total Surplus (Deficit)	84,482	53,262	(119,154)	230,401	(860,409)
Beginning Reserves	925,446	1,009,928	1,063,190	944,036	1,174,437
Ending Reserves:	1,009,928	1,063,190	944,036	1,174,437	314,028

* Information provided by staff

The following figure displays this data and indicates CSA 4's historical revenues and expenditures.

Figure 54: Santa Cruz CSA 4—Pajaro Dunes Revenues & Expenses



Financial Projections

Property tax revenue growth has averaged approximately 3.3% between FY 2018 and FY 2022. The FY 2023 budget forecasts a growth rate of 3.1% from FY 2022, but to remain conservative and consistent with the more recent trend, recurring revenues are forecast to grow at 3% annually, using FY 2023 as the base period. Fire Protection Tax collections have shown an annual growth rate of 4.7% during the historical analysis study period. They are forecast to continue to grow at 4.2% annually. Other revenues are forecast to remain consistent.

As previously discussed, the service agreement between CSA 4 and CAL FIRE is the largest single item in the budget, consuming approximately 90% of the budgeted expenditures annually. CAL FIRE projects operating costs for each budget cycle but invoices only for those amounts expended in each category, typically less than the projected amounts. The County's staff have projected the cost savings of labor based on historical experience. The costs of this service increase and decrease depending on significant incidents in the Department and growth in wages and benefits. This study will forecast growth in this category at 3% annually, again using the FY 2023 budgeted amounts as a base year. Other services and supplies are also forecast at 3% annually. Non-recurring expenditures are forecast at \$50,000 annually for capital outlay and \$100,000 for contingencies.

The following projections were developed from the historical trends identified in the financial analysis. As indicated, the financial projections forecast a significant deficit between revenues and expenditures.

Figure 55: Santa Cruz CSA 4—Pajaro Dunes Summarized Projections

Description	FY 22/23 Budget ²⁵	FY 23/24	FY 24/25	FY 25/26	FY 26/27	FY 27/28
Revenue	1,411,610	1,460,191	1,505,794	1,557,773	1,611,617	1,667,393
Expenditures	1,701,983	1,748,542	1,796,499	1,845,894	1,896,771	1,949,174
Net Surplus (Deficit):	(290,373)	(288,352)	(290,705)	(288,120)	(285,154)	(281,780)

Capital Planning

An overall Capital Improvements/Replacement Plan was not observed in the documentation provided by the County. Still, an apparatus list supplied by the County indicated that many assets appear to be approaching their expected useful life.

Demand for Services

SCCFD is primarily a mix of suburban and rural systems that provide aid services to other communities when requested. Data was provided by the CAL FIRE ECC and the State Fire Marshal's Office, providing NFIRS data from January 1, 2018, through December 31, 2022. In addition, any response to a wildland-type fire in the State Response Area was removed from the analysis. CAL FIRE units were considered aid units when not under Amador funding, on a state mission, or part of the Schedule A contract in CSA 4. The following figure is the overview of the response statistics for SCCFD.

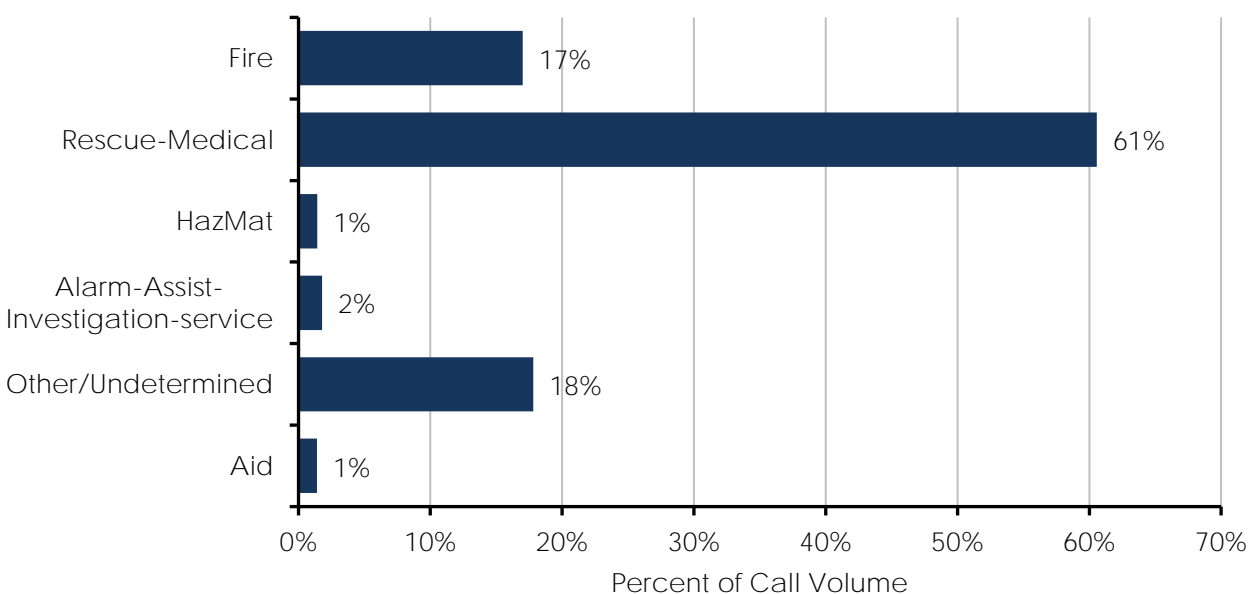
Figure 56: SCCFD Response Overview

Agency	Santa Cruz County Fire Department
Avg. Annual Incident Vol.	1,232
Incidents per 1,000 Population	55
90th Percentile Total Time	28:00

Each incident was grouped into the main categories based on the dispatch type. The incident types were related to the major categories in the National Fire Incident Reporting system. The following figure is the percentage of incidents within those categories for the entire data set, 2018–2022.

²⁵ FY 2023 Requested Budget.

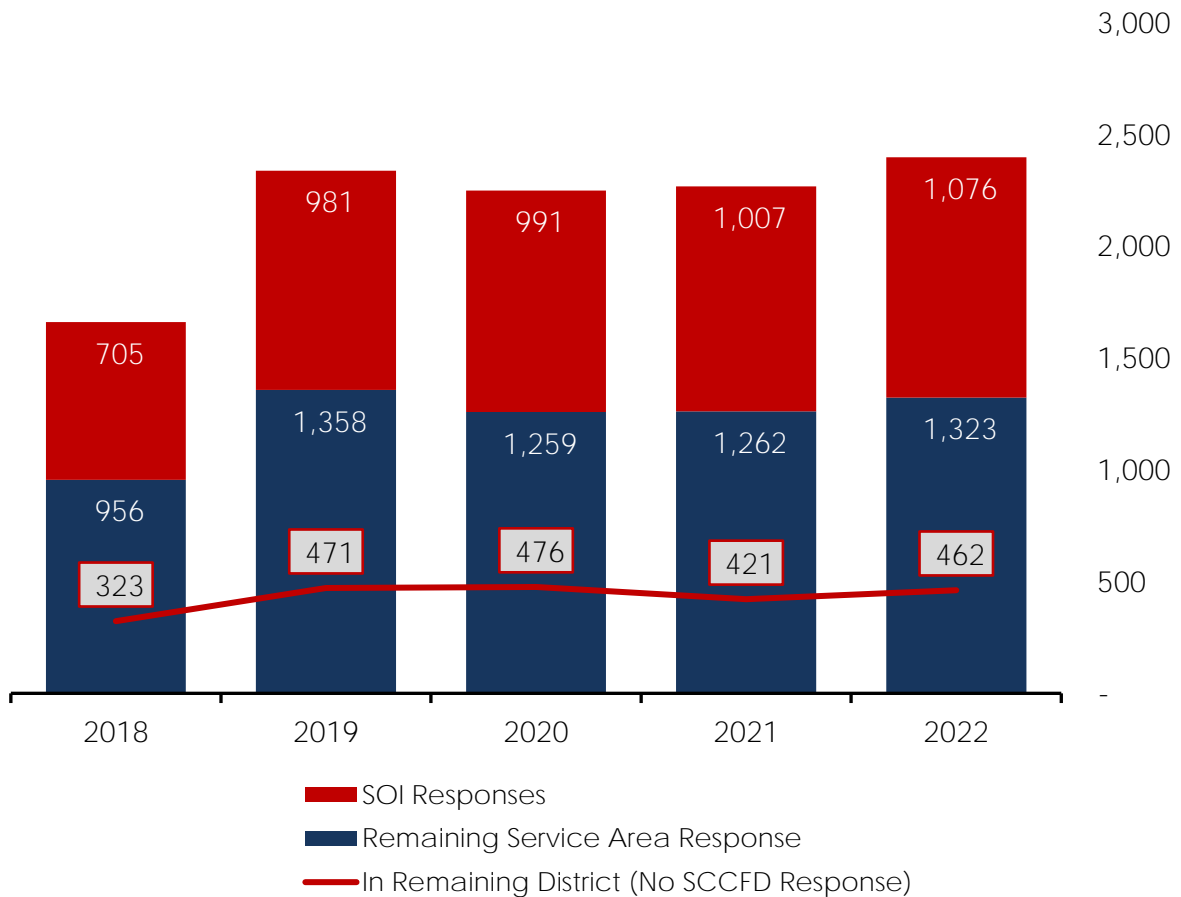
Figure 57: SCCFD Total Incident Responses by Type as a Percentage



Typically, an analysis of incidents by year can yield a trend or indicate what call volume might look like in the next few years. Unfortunately, due to the COVID-19 pandemic and subsequent social and economic constraints, this is difficult with this data set. As a result, a trend was not easily spotted or extrapolated. It appears that SCCFD response numbers dropped in 2020 and have started to rebound but have not returned to the pre-pandemic rates.

The sphere of influence evaluation for SCCFD differs from the other agencies. The other agencies would look to increase their responses by the number of incidents within their SOI. However, SCCFD would potentially lose the number of responses within the associated SOIs, roughly half of the responses annually. Another noticeable difference for SCCFD is the number of times an agency unit was not captured in the CAD data. This could be due to the SOI effect, the relationship between CAL FIRE and SCCFD, or a lack of volunteer firefighter participation. Further study would be required to understand the dynamics behind this number. The following figure shows the annual incident volume by year with the responses into the sphere of influence and district-covered incidents.

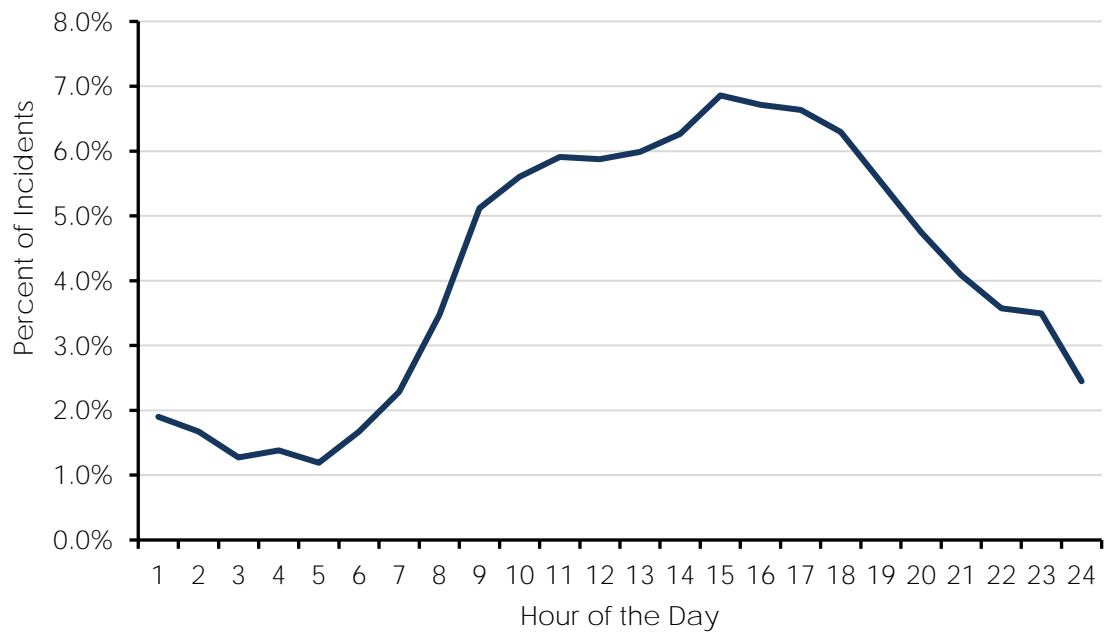
Figure 58: SCCFD Annual Incident Volume by Year



A temporal study indicated defined seasonality in the response data. The winter months, except December, indicated fewer than expected responses, while the summer months through October and December show increased incident responses. The variation was plus and minus 2%.

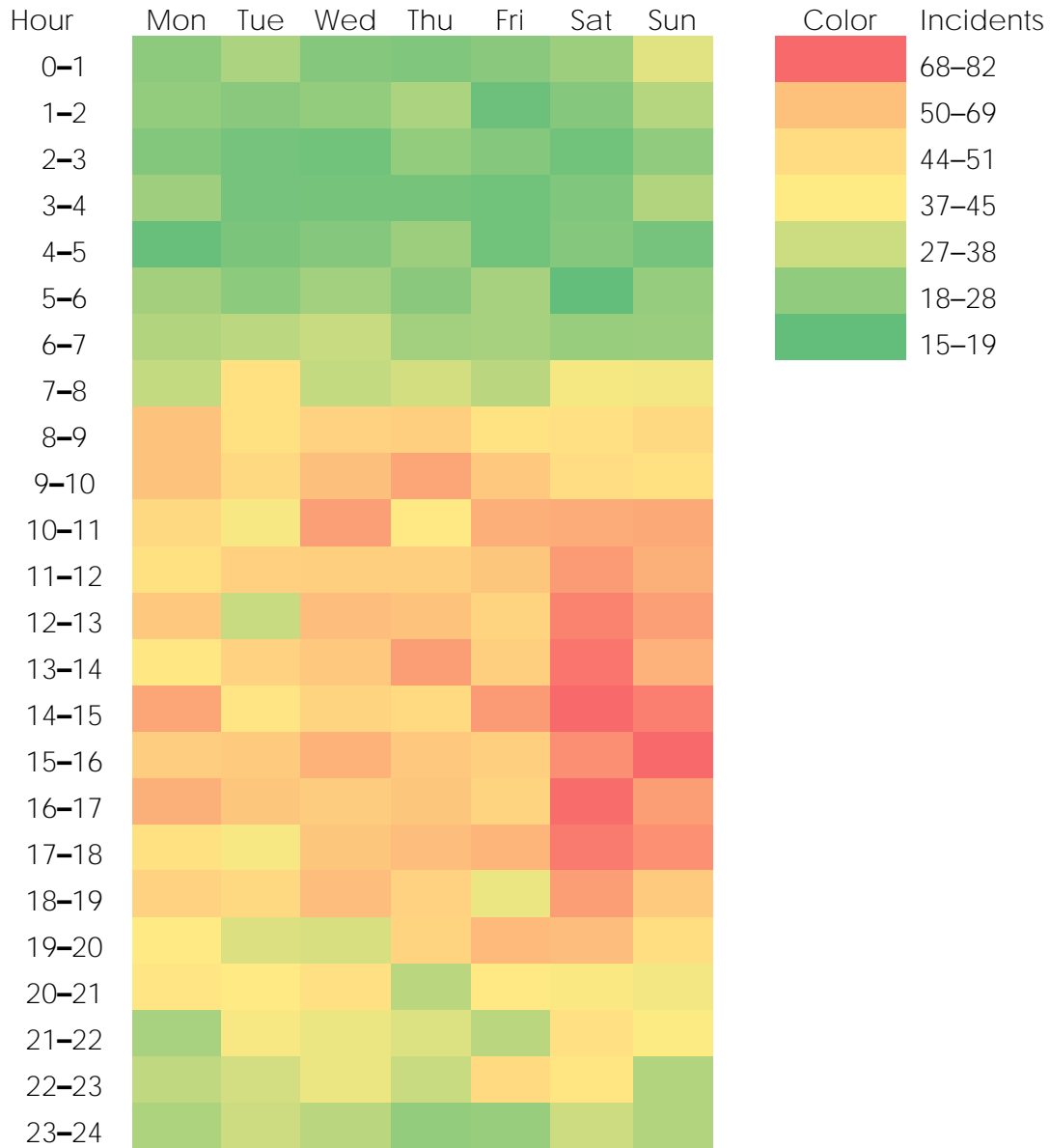
A study of demand by hour shows that SCCFD, like many fire agencies, sees a significant variation by the hour. In fact, about 75% of all incidents happen between 8:00 a.m. and 8:00 p.m. The following figure shows the general difference of the complete incident data set by hour.

Figure 59: SCCFD Incident Percentage by Hour



The average daily swing is typical and likely due to the number of awake and active people. However, the day-to-day variation in this information does play a part. The following figure is the incident heat map by the hour and day of the week.

Figure 60: SCCFD Incident Heat Map by Hour and Weekday



As indicated in the previous figure, the daytime hour incidents tend to be evenly distributed during the weekdays and more pronounced on the weekends. Saturday and Sunday are the heaviest days, while the remaining days are relatively consistent. There also seems to be a slight shift in incident density on Friday and Saturday nights, indicating a more active weekend scene.

The final volume analysis looked at the unit usage for all apparatus within the system. This analysis considered three dimensions. The first is the unit hour utilization (UHU). This number represents the time a unit was committed to an incident as a percentage of the total time they were on duty. The next is the average time a unit was committed to an incident. And finally, the average number of incidents a unit was deployed daily.

Only those units clearly identified by the agency or units with large volumes of responses within the data sets were evaluated. The units are grouped roughly into the stations. The following figure shows the general statistics for each frontline unit within the SCCFD system.

Figure 61: Santa Cruz County Fire Department Unit Usage (2021–2022)

Unit	Unit Hour Utilization (UHU)	Avg. Time per Incident	Avg. Incidents Per Day
E2911	0.3%	50 Minutes	0.1
E2936	0.5%	52 Minutes	0.1
W2951	0.3%	148 Minutes	0.0
E4121	0.3%	46 Minutes	0.1
E3211	0.3%	63 Minutes	0.1
R3261	0.4%	56 Minutes	0.1
W3251	0.3%	100 Minutes	0.0
E3611	0.6%	48 Minutes	0.2
R3661	0.2%	53 Minutes	0.1
W3651	0.3%	76 Minutes	0.1
E3721	0.1%	59 Minutes	0.0
R3761	0.1%	61 Minutes	0.0
W3951	0.0%	61 Minutes	0.0
E4111	1.3%	42 Minutes	0.5
R4161	0.2%	49 Minutes	0.0
W4151	0.1%	59 Minutes	0.0
R3761	0.1%	61 Minutes	0.0

In addition to the units that are directly under the control of SCCFD, some of the CAL FIRE units are partially funded by the county fire department. These units operate under an Amador agreement and are committed to the County during the Amador periods. Periods outside of that, they will respond if available. Under these Amador agreements the county funds a portion of the off fire season CAL FIRE personnel and CAL FIRE agrees to keep these apparatus fully staffed year-round. The agreement obligates CAL FIRE to maintain equipment at specific stations during the off season and to respond to all SCCFD incidents as needed. However, it is essential to differentiate between the funded and mutual aid responses when evaluating the system. The following figure shows the different CAL FIRE units within the County participating in the Amador funding, their UHU, average, and whether they were State or Amador funded.

Figure 62: SCCFD Amador Funded Unit Usage (2021–2022)

Unit	Unit Hour Utilization (UHU)	Avg. Time per Incident	Avg. Incidents Per Day
E1762			
Amador Funding	1.4%	109 Minutes	0.2
State Funding	5.6%	60 Minutes	0.1
E1766			
Amador Funding	1.2%	14 Minutes	1.2
State Funding	14.6%	99 Minutes	0.2
E1767			
Amador Funding	0.8%	65 Minutes	0.2
State Funding	15.5%	75 Minutes	0.3
E1769			
Amador Funding	0.4%	60 Minutes	0.1
State Funding	5.4%	71 Minutes	0.1
E1774			
Amador Funding	0.5%	45 Minutes	0.2
State Funding	13.3%	42 Minutes	0.5
E1776			
Amador Funding	1.6%	68 Minutes	0.3
State Funding	14.2%	54 Minutes	0.4

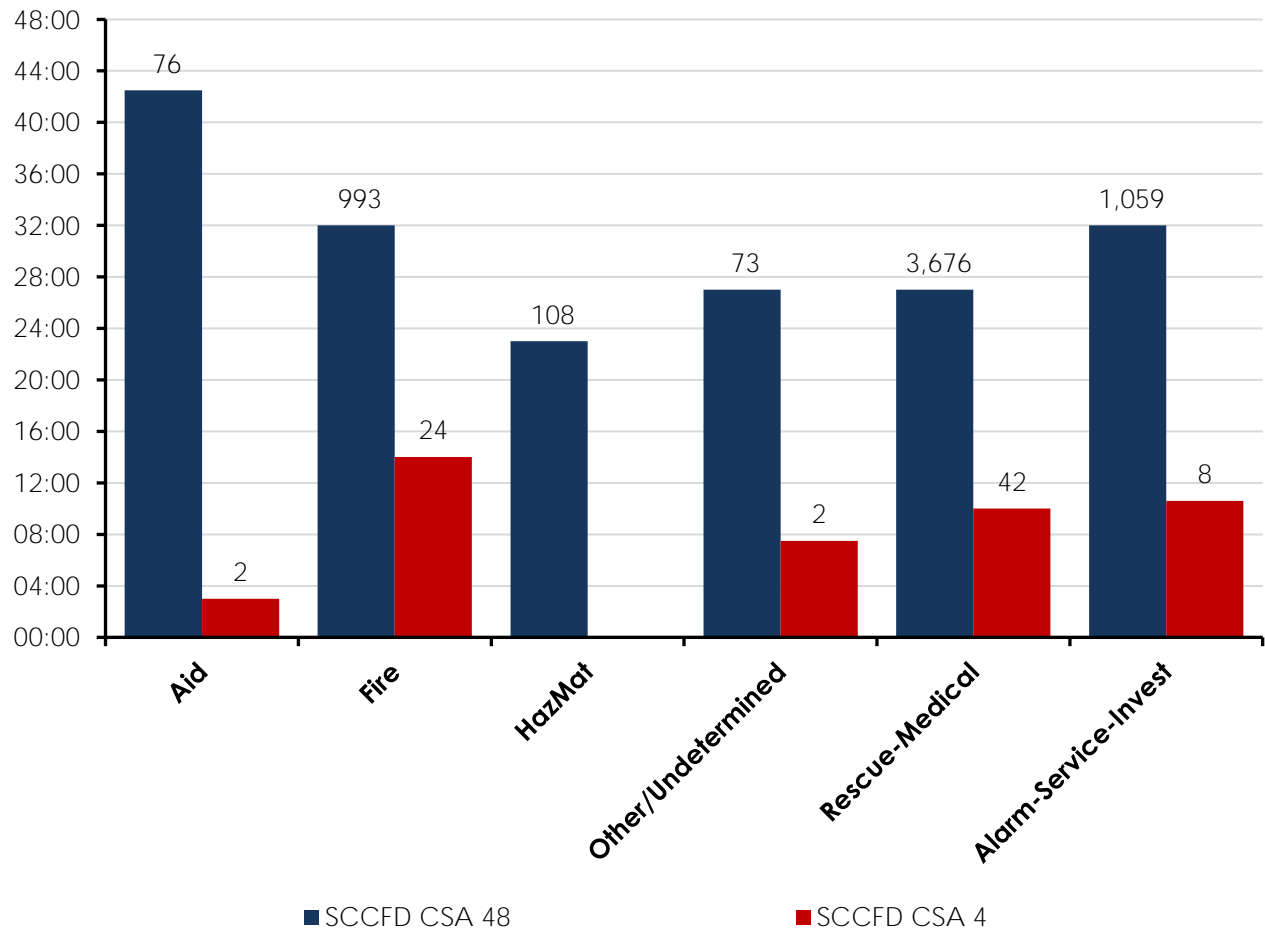
Service Delivery & Performance

The performance of the SCCFD response was also evaluated. The data did not differentiate between emergency responses and non-emergency responses. In addition, there was no evaluation of the arriving unit's type or agency. Therefore, all responses are evaluated. The 90th percentile is typically used in the fire service and is considered the standard for measuring incident response performance. Due to the nature of this report, SCCFD's performance in those areas identified as another agency's sphere of influence was also evaluated. Agency performance goals or standards are not taken into consideration for this report.

Three unique time segments are included when evaluating an agency's response performance. The first is the time it takes for the Dispatcher to answer the 911 call and notify the agency (call processing); the second is the time it takes for the agency to receive the call and go en route to the call (turnout time); and third is the time it takes for the unit to drive to the incident (travel time). All three segments combined make up the total response time. For this evaluation, the unit type was not discriminated against, and the first arriving unit was used to determine the total response time.

Each call type may contain variables. For example, questioning the caller for appropriate information may take more or less time. In addition, it may take longer for crews to respond depending on the personal protective equipment to be worn, which varies with the type of incident. The following figure shows the total response time performance for each of the major incident types for all incidents within the data set. The following figure shows the first due, 90th percentile total response time for two county service areas within the county fire department response area.

Figure 63: SCCFD Incidents 90th Percentile Total Response Times, Jan 2018–Dec 2022



Staffing

As mentioned, SCCFD is a combination fire department, deploying its personnel and apparatus from 10 fire stations distributed throughout a 247-square-mile service area. Of the 10 fire stations, four are County or locally-owned with the remaining six owned by the State of California. The following figure lists the various fire stations in Santa Cruz County, who owns them, and their staffing.

Figure 64: SCCFD Fire Stations & Staffing

Fire Station	Staffing (Daily/Total Volunteers)
County/Locally Owned	
Station 29 (Las Cumbres)	Volunteer (\cong 11)
Station 31 (Fall Creek)	Career/Amador (3)
Station 32 (Martin)	Volunteer (\cong 16)
Station 34 (McDermott)	
Station 36 (Loma Prieta)	Volunteer (\cong 16)
Station 37 (Davenport)	Volunteer (\cong 9)
Station 42 (Pajaro Dunes)	Career (2)
State-Owned (CAL FIRE)	
Station 21 (Saratoga Summit)	Career/Amador (3)
Station 33 (Big Creek)	Career/Amador (3)
Station 47 (Burrell)	Career/Amador (3)
Station 49 (Corralitos)	Volunteer (\cong 18) Career/Amador (3)

Career stations with "Amador" staffing typically maintain minimum staffing during the winter months, with additional career personnel during the busier summer months.

Facilities & Apparatus

Santa Cruz County Fire Department Facilities

Santa Cruz County Fire Department utilizes county-owned (Volunteer) and state-owned (CAL FIRE) stations to house fire apparatus and support emergency response personnel. The fire stations were evaluated using the National Fire Protection Association's Standard 1500: Fire Department Occupational Safety, Health, and Wellness Program as a guide. A walkthrough inspection of each facility was completed during site visits in December 2022.

Overall, the County's fire stations are older and do not meet the requirements of today's modern fire service. As the firefighting environment has changed, the technology, equipment, and safety systems have also changed to meet new demands. Older buildings do not typically have the space or engineered systems to meet that new environment in which fire personnel and equipment operate.

The following figure summarizes some of the primary features of the various County and state-owned fire stations located throughout the SCCFD service area.

Figure 65: SCCFD Station 21 (Saratoga Summit)


Address/Physical Location:		12900 Skyline Blvd, Los Gatos, CA 95030					
	General Description: This facility is one of the oldest CALFIRE stations in Santa Cruz County. It consists of several independent and adjacent structures. The living quarters appear well-maintained and conform to CAL FIRE operations and the housing of male and female firefighters.						
Structure							
Date of Original Construction		1930s					
General Condition		Fair					
Seismic Protection		Yes					
Auxiliary Power		Generator					
ADA Compliant		Apparatus Bay-Yes; Barracks/Day Room-No					
Number of Apparatus Bays		Drive-Throughs	0	Back-Ins	3	Total Bays:	3
Total Square Footage		5,500					
Facilities Available							
Sleeping Quarters		Bedrooms	3	Beds	3	Dorm Beds	11
Maximum Staffing Capability		14	(Total number of staff that can be housed)				
Bathroom/Shower Facilities		Yes					
Gender Segregation (Y/N)		Bathrooms	Y	Showers	Y	Bedrooms	Y
Exercise/Workout Facilities		Yes					
Kitchen Facilities		Yes					
Individual Lockers Assigned		Yes					
Training/Meeting Rooms		No					
Washer/Dryer/Extractor		Yes					
Safety & Security							
Station Sprinklered		No					
Smoke Detection		Yes					
Decon & Biological Disposal		No					
Security System		No					
Apparatus Exhaust System		Yes					

Figure 66: SCCFD Station 29 (Las Cumbres)

Address/Physical Location:		18269 Las Cumbres Rd., Los Gatos, CA 95003											
	General Description: This fire station is over 35 years old and has two back-in apparatus bays and a small meeting and office space. An additional back-in garage building is located to the rear. It has a space to adequately house two utility vehicles.												
Structure													
Date of Original Construction		1986											
Seismic Protection		Yes											
Auxiliary Power		Generator											
General Condition		Fair											
Number of Apparatus Bays		Drive-through Bays		0		Back-in Bays		4					
ADA Compliant		No											
Total Square Footage		2,200											
Facilities Available													
Sleeping Quarters		0		Bedrooms		0		Beds		0		Dorm Beds	
Maximum Staffing Capability		All Volunteer											
Exercise/Workout Facilities		No											
Kitchen Facilities		No											
Individual Lockers Assigned		Yes											
Bathroom/Shower Facilities		Bathroom, no shower											
Training/Meeting Rooms		Yes											
Washer/Dryer/Extractor		No											
Safety & Security													
Station Sprinklered		No											
Smoke Detection		No											
Decon & Biological Disposal		No											
Security System		No											
Apparatus Exhaust System		Yes											

Figure 67: SCCFD Station 31 (Fall Creek)


Address/Physical Location:		7272 Empire Grade Rd, Santa Cruz, CA 95060								
		<p>General Description:</p> <p>This is a CAL FIRE wildland fire station with a single back-in apparatus bay. The firefighter living quarters and office space are in a separate adjacent one-story wood frame structure. The buildings appear well maintained and upgraded to accommodate all genders living and working on-site.</p>								
Structure										
Date of Original Construction		1990s								
General Condition		Fair								
Seismic Protection		Yes								
Auxiliary Power		Generator								
ADA Compliant		No								
Number of Apparatus Bays		Drive-Throughs		0	Back-Ins		1	Total Bays:	1	
Total Square Footage		1,900								
Facilities Available										
Sleeping Quarters		Bedrooms		3	Beds		6	Dorm Beds		0
Maximum Staffing Capability		6	(Total number of staff that can be housed)							
Bathroom/Shower Facilities		Yes								
Gender Segregation (Y/N)		Bathrooms		3	Showers		3	Bedrooms		3
Exercise/Workout Facilities		Yes								
Kitchen Facilities		Yes								
Individual Lockers Assigned		Yes								
Training/Meeting Rooms		No								
Washer/Dryer/Extractor		Yes								
Safety & Security										
Station Sprinklered		No								
Smoke Detection		Yes								
Decon & Biological Disposal		Extractor for decon; no disposal								
Security System		No								
Apparatus Exhaust System		No								

Figure 68: SCCFD Station 32 (Martin)


Address/Physical Location:		975 Martin Rd, Santa Cruz, CA 95060					
		General Description: This fire station is a 52-year-old wood-frame single-story facility. It has been adequately maintained and appears to provide appropriate facilities for the volunteer firefighters and equipment assigned to it.					
Structure							
Date of Original Construction		1972					
Seismic Protection		Yes					
Auxiliary Power		Generator					
General Condition		Fair					
Number of Apparatus Bays		Drive-through Bays		1	Back-in Bays		3
ADA Compliant		Yes					
Total Square Footage		2,800					
Facilities Available							
Sleeping Quarters		1	Bedrooms	1	Beds	0	Dorm Beds
Maximum Staffing Capability		All Volunteer					
Exercise/Workout Facilities		No					
Kitchen Facilities		Yes					
Individual Lockers Assigned		No					
Bathroom/Shower Facilities		Yes					
Training/Meeting Rooms		Yes					
Washer/Dryer/Extractor		Washer and dryer. No Extractor					
Safety & Security							
Station Sprinklered		No					
Smoke Detection		Yes					
Decon & Biological Disposal		No					
Security System		Camera in the apparatus bay					
Apparatus Exhaust System		Yes					

Figure 69: SCCFD Station 33 (Big Creek)


Address/Physical Location:		240 Swanton Rd, Davenport, CA 95017								
	General Description: This facility is a CAL FIRE wildland fire station. It is an attached one-story wood-frame building with living quarters and a two-bay, back-in apparatus storage structure.									
Structure										
Date of Original Construction		1977								
General Condition		Fair								
Seismic Protection		Yes								
Auxiliary Power		Generator								
ADA Compliant		Yes								
Number of Apparatus Bays		Drive-Throughs		0	Back-Ins		2	Total Bays:	2	
Total Square Footage		2,785 square feet								
Facilities Available										
Sleeping Quarters		Bedrooms		1	Beds		8	Dorm Beds		8
Maximum Staffing Capability		8		(Total number of staff that can be housed)						
Bathroom/Shower Facilities		Yes								
Gender Segregation (Y/N)		Bathrooms		2	Showers		8	Bedrooms		1
Exercise/Workout Facilities		Yes								
Kitchen Facilities		Yes								
Individual Lockers Assigned		Yes								
Training/Meeting Rooms		In kitchen area								
Washer/Dryer/Extractor		Washer/dryer; no extractor								
Safety & Security										
Station Sprinklered		No								
Smoke Detection		Yes								
Decon & Biological Disposal		No								
Security System		No								
Apparatus Exhaust System		Yes								

Figure 70: SCCFD Station 34 (McDermott)


Address/Physical Location:	7276 Empire Grade Rd, Santa Cruz, CA 95060					
	General Description: Station 34 is a 19-year-old two-story metal frame, fire sprinkler-protected structure. The ground floor is occupied by volunteer quarters (kitchen, day room, and office spaces) and two back-in apparatus bays. The second floor is primarily used for equipment storage.					
Structure						
Date of Original Construction	2004					
Seismic Protection	Yes					
Auxiliary Power	Generator					
General Condition	Good					
Number of Apparatus Bays	Drive-through Bays	0	Back-in Bays		3	
ADA Compliant	Yes					
Total Square Footage	3,300					
Facilities Available						
Sleeping Quarters	0	Bedrooms	0	Beds	0	Dorm Beds
Maximum Staffing Capability	All Volunteer					
Exercise/Workout Facilities	Yes					
Kitchen Facilities	Yes					
Individual Lockers Assigned	No					
Bathroom/Shower Facilities	Yes					
Training/Meeting Rooms	Yes					
Washer/Dryer/Extractor	Washer and dryer; no extractor					
Safety & Security						
Station Sprinklered	Yes					
Smoke Detection	No					
Decon & Biological Disposal	No					
Security System	Camera in the apparatus bay					
Apparatus Exhaust System	Yes					

Figure 71: SCCFD Station 36 (Loma Prieta)


Address/Physical Location:		17445 Old Summit Road, Los Gatos, CA 95033											
		<p>General Description:</p> <p>Station 36 is a 24-year-old one-story, metal-framed, fire sprinkler-protected structure. It has three back-in apparatus bays.</p>											
Structure													
Date of Original Construction		1999											
Seismic Protection		Yes											
Auxiliary Power		Generator											
General Condition		Good											
Number of Apparatus Bays		Drive-through Bays		0		Back-in Bays		2					
ADA Compliant		Yes											
Total Square Footage		2,500											
Facilities Available													
Sleeping Quarters		0		Bedrooms		0		Beds		0		Dorm Beds	
Maximum Staffing Capability		All Volunteer											
Exercise/Workout Facilities		No											
Kitchen Facilities		Yes											
Individual Lockers Assigned		No											
Bathroom/Shower Facilities		Yes											
Training/Meeting Rooms		Yes											
Washer/Dryer/Extractor		No											
Safety & Security													
Station Sprinklered		Yes											
Smoke Detection		No											
Decon & Biological Disposal		No											
Security System		Cameras											
Apparatus Exhaust System		Yes											

Figure 72: SCCFD Station 37 (Davenport)


Address/Physical Location:		76 Marine View Ave, Davenport, CA 95017					
		<p>General Description:</p> <p>Station 37 is more than 40 years old. It has three drive-through apparatus bays, an equipment storage loft, and a small meeting room and office for the volunteer firefighters assigned to this fire station.</p>					
Structure							
Date of Original Construction		1980s					
Seismic Protection		Yes					
Auxiliary Power		Generator					
General Condition		Fair					
Number of Apparatus Bays		Drive-through Bays		3	Back-in Bays		0
ADA Compliant		Yes					
Total Square Footage		3,150					
Facilities Available							
Sleeping Quarters		0	Bedrooms	0	Beds	2	Dorm Beds
Maximum Staffing Capability		All Volunteer					
Exercise/Workout Facilities		No					
Kitchen Facilities		Yes					
Individual Lockers Assigned		Yes					
Bathroom/Shower Facilities		Yes/Yes					
Training/Meeting Rooms		Yes/Yes					
Washer/Dryer/Extractor		Washer and dryer; no extractor					
Safety & Security							
Station Sprinklered		Yes					
Smoke Detection		Yes					
Decon & Biological Disposal		No					
Security System		No					
Apparatus Exhaust System		Yes					

Figure 73: SCCFD Station 42 (Pajaro Dunes)


Address/Physical Location:	50 Rio Boca Rd, Watsonville, CA 95076					
	General Description: Station 42 is a two-story wood frame, fire sprinkler-protected facility with a small office/public area and a kitchen/day room. The second floor is accessible by an interior staircase and exterior stairs leading down to the rear of the building's exterior. The sleeping area is located on this floor.					
Structure						
Date of Original Construction						
General Condition	Good					
Seismic Protection						
Auxiliary Power						
ADA Compliant	No					
Number of Apparatus Bays	Drive-Throughs	2	Back-Ins	0	Total Bays:	2
Total Square Footage						
Facilities Available						
Sleeping Quarters	Bedrooms		Beds		Dorm Beds	
Maximum Staffing Capability	3	(Total number of staff that can be housed)				
Bathroom/Shower Facilities						
Gender Segregation (Y/N)	Bathrooms	Y	Showers		Bedrooms	Y
Exercise/Workout Facilities						
Kitchen Facilities						
Individual Lockers Assigned						
Training/Meeting Rooms						
Washer/Dryer/Extractor						
Safety & Security						
Station Sprinklered						
Smoke Detection						
Decon & Biological Disposal						
Security System						
Apparatus Exhaust System						

Figure 74: SCCFD Station 47 (Burrell)



Address/Physical Location:		2050 Highland Way, Los Gatos, CA 95030				
	General Description: This is a CALFIRE wildland fire station. It comprises several independent and adjacent structures, including a dormitory/sleeping facility, kitchen, day room, and a remote two-bay back-in apparatus garage.					
Structure						
Date of Original Construction	1948					
General Condition	Fair					
Seismic Protection	Yes					
Auxiliary Power	Generator					
ADA Compliant	Yes					
Number of Apparatus Bays	Drive-Throughs	2	Back-Ins	1	Total Bays:	3
Total Square Footage	4,530					
Facilities Available						
Sleeping Quarters	Bedrooms	4	Beds	6	Dorm Beds	0
Maximum Staffing Capability	6	(Total number of staff that can be housed)				
Bathroom/Shower Facilities	Yes					
Gender Segregation (Y/N)	Bathrooms	Y	Showers	Y	Bedrooms	Y
Exercise/Workout Facilities	Yes					
Kitchen Facilities	Yes					
Individual Lockers Assigned	Yes					
Training/Meeting Rooms	No					
Washer/Dryer/Extractor	Yes					
Safety & Security						
Station Sprinklered	No					
Smoke Detection	Yes					
Decon & Biological Disposal	Yes					
Security System	No					
Apparatus Exhaust System	Yes					

Figure 75: SCCFD Station 49 (Corralitos)

Address/Physical Location:		120 Eureka Canyon Rd, Watsonville, CA 95076					
	General Description: This fire station is a 50-year-old one-story wood-framed facility. It includes five drive-through apparatus bays and firefighter living quarters adequate to accommodate at least two fire companies. Facilities are sufficient to support volunteer firefighters assigned to it. This facility is shared by both the Corralitos Station 41 volunteers and the Station 49 personnel.						
	Structure						
Date of Original Construction		1970					
Seismic Protection		Yes					
Auxiliary Power		Generator					
General Condition		Fair					
Number of Apparatus Bays		Drive-through Bays		5	Back-in Bays		1
ADA Compliant		Yes					
Total Square Footage		6,000					
Facilities Available							
Sleeping Quarters		7	Bedrooms	13	Beds	0	Dorm Beds
Maximum Staffing Capability		13					
Exercise/Workout Facilities		Yes					
Kitchen Facilities		Yes					
Individual Lockers Assigned		Yes					
Bathroom/Shower Facilities		Yes					
Training/Meeting Rooms		No					
Washer/Dryer/Extractor		Yes					
Safety & Security							
Station Sprinklered		No					
Smoke Detection		Yes					
Decon & Biological Disposal		Yes					
Security System		No					
Apparatus Exhaust System		Yes					

Fire Station Discussion

As shown in the preceding figure, fire stations owned by the State of California have a combined average age of 45 years as of 2023, while those owned by Santa Cruz County. The following figure summarizes the station's condition, age, and ownership.

Figure 76: Summary of the Fire Stations in the SCCFD Service Area (2023)

Station	Apparatus Bays	Minimum Staffing	General Condition	Station Age	County or State ^A
Station 21	6	6	Fair	88 years ^B	S
Station 29	4	Volunteers	Fair	37 years	C
Station 31	2	3	Fair	28 years	S
Station 32	4	Volunteers	Fair	51 years	C
Station 33	4	3	Fair	46 years	S
Station 34	3	Volunteers	Good	19 years	C
Station 36	2	Volunteers	Good	24 years	C
Station 37	3	Volunteers	Fair	38 years ^B	C
Station 42	2	3			
Station 47	5	3	Fair	75 years	S
Station 49	5	13 ^C	Fair	53 years	S
Totals:	38	28+	Average:	46 years	

Station 21—Saratoga Summit Station 21 is a CAL FIRE facility built in 1930 and modeled on a design utilized by the State to house personnel and fire apparatus remotely throughout the rural areas of California. Separate and remote buildings were built to house personnel (dormitory/living quarters/kitchen/dining) and fire apparatus. The facilities have been remodeled in the last decade to accommodate male/female firefighters and increased crew sizes. The station appeared clean, well-maintained, and adequate to support the currently assigned personnel.

Station 29—Las Cumbres Station 29 is staffed by Volunteer firefighting personnel serving the Las Cumbres Community. The station was built in 1986 and consists of two buildings. Both budlings appear well-maintained and adequate to serve this station's volunteer firefighters and equipment.

Station 31—Fall Creek is a CAL FIRE station co-located with Bonny Doon Volunteer Station 34 (McDermott). Station 31 is one of the five Amador-funded stations in the CAL FIRE cooperative agreement during the non-peak fire season.

The station's layout is consistent with other CAL FIRE wildland fire station facilities. The buildings appear well-maintained and upgraded to accommodate male and female firefighters living and working on-site.

Station 32—Martin, built in 1972, is a one-story 2,800 sq. ft. wood frame structure with four apparatus bays. It is one of two fire stations used by Bonny Doon Volunteers. Several apparatus are housed here to cover the western portions of the Bonny Doon community. The overall condition of the station was fair and generally well-maintained.

Station 33—Big Creek This State-owned wildland fire station supports the countywide response of the Santa Cruz County Fire Department. Station 33 is one of the five Amador-funded stations in the CAL FIRE cooperative agreement during the non-peak fire season. The station is a one-story wood-frame building built in 1977. It is a residential structure attached to a sizeable two-bay garage designed to house two fire apparatus.

Station 34—McDermott is co-located with Station 31 on a parcel at the intersection of Empire Grade, Ice Cream Grade, and Felton-Empire Road. The two-story metal structure station was built in 1984 and comprises three sizeable back-in apparatus bays, an attached office area, a commercial-style kitchen, a general-purpose training/meeting room, restrooms, and shower facilities on the ground floor.

Station 36—Loma Prieta is a single-story building constructed in 1999. The station is a single-story metal building that serves as a storage building for fire apparatus and a meeting location for volunteers.

Station 37—Davenport is a one-story wood frame structure. The building is fire sprinkler-protected and supported by a propane generator. The station is on a parcel providing quick access to Highway 1. The facility has three drive-through apparatus bays, a small meeting/office space, and limited fire equipment and supplies storage.

Station 42—Pajaro Dunes is located at the entrance to the Pajaro Dunes beachside residential community. This two-story wood-frame fire station is approximately 40 years old. The building appears to be well maintained and adequate to meet the needs of the two-person engine company assigned to protect the Pajaro Dunes community.

Station 47—Burrell is a CAL FIRE wildland fire station located on Highland Way in Los Gatos, CA. The station is one of the five Amador stations that serve Santa Cruz County FD as part of the CAL FIRE cooperative agreement during the non-peak fire season. The facility is typical of the State's older wildland fire station design style.

Station 49—Corralitos This fire station, built in 1970, is a large one-story wood-frame building shared by CAL FIRE and the Corralitos Volunteer Fire Company (Station 41). The facility has five drive-through apparatus bays. The station is ample in size and has a capacity for up to 13 personnel and volunteers assigned to the station.

Apparatus

SCCFD operates a wide range of vehicles and apparatus. The following figures show the type and conditions of SCCFD's fleet. Apparatus and vehicles starting with the number 17 are owned by CAL FIRE but used on SCCFD's behalf as stipulated in the contractual arrangement.

Figure 77: SCCFD Apparatus (2022)

CAD Radio Name	Apparatus Type	Condition
E2911	Type 1	Good
E2936	Type 3	Good
E3211	Type 1	Good
E3222	Type 2	Poor
E3311	Type 1	Poor
E3611	Type 1	Good
E3638	Type 3	Good
E3641	Type 2	Fair
E3661	Type 2	Fair
E3711	Type 1	Excellent
E3721	Type 1	Poor
E3931	Type 3	Excellent
E3937	Type 3	Excellent
E4111	Type 1	Fair
E4111	Type 1	Excellent
E4121	Type 2	Fair
WT2951	Tender	Good
WT3251	Tender	Good
WT3651	Tender	Fair
WT3951	Tender	Poor
WT4151	Tender	Excellent
R3261	Rescue	Fair
R3761	Rescue	Fair
R3961	Rescue	Excellent
R3967	Rescue	Excellent
R4161	Rescue	Poor

Figure 78: SCCFD Command & Staff Vehicles (2022)

CAD Radio Name	Use	Condition
C1700	Command	Excellent
B3905	Command	Excellent
P1726	Prevention	Poor
P3981	Prevention	Excellent
P3982	Prevention	Excellent
T1752	Training	Good
T1753	Training	Poor
T3907	Training	Excellent

Facility Replacement & Infrastructure Needs

Overall, the County's fire stations are older and do not meet the requirements of today's modern fire service. As the firefighting environment has changed, the technology, equipment, and safety systems have also changed to meet new demands. Older buildings do not typically have the space or engineered systems to meet that new environment. Modern living also requires much more access to electrical outlets and technology than was designed in facilities constructed decades ago.

Older buildings typically do not meet the requirements due to the need to decontaminate personnel and equipment after many responses in the current firefighting context. Every crew member should have access to facilities to decontaminate immediately after a fire or hazardous event, and showers should allow for gender separation. In addition, there needs to be enough partitioned space to allow for gear and equipment to be thoroughly washed and decontaminated without causing exposure to the fire station's living and working spaces. Many of the facilities currently utilized by SCCFD do not meet this need.

While all structures require routine maintenance, staffed fire stations require even more maintenance due to their continuous occupancy by a minimum of three or more firefighters. Volunteer stations, although not occupied on a 24-hour basis, still require the same high degree of ongoing maintenance because they are essential public safety facilities. It appears the fire stations are being adequately maintained despite their age and frequency of use. County-owned volunteer facilities were often cluttered and disorganized, which could be attributed to a lack of available storage space or dedicated locations for equipment maintenance. Most stations were supplied with an apparatus exhaust removal system. During the inspection, it was noted that only a few apparatus in stations were attached and utilizing the exhaust removal equipment.

The following figure summarizes some of the primary features of the various County and state-owned fire stations located throughout the SCCFD service area.

Status of and Opportunities for Shared Facilities

There is a wide range of potential shared facilities within these facilities. Due to the complex relationship between SCCFD and CAL FIRE, several facilities are already combined, as listed in the fire station discussion section.

Dispatch & Communications

Dispatch services for the Santa Cruz County Fire Department are provided by CAL FIRE under the terms of the Cooperative Fire Protection Agreement. In addition to the Santa Cruz County Fire Department, the CAL FIRE Felton Emergency Command Center provides CAL FIRE San Mateo-Santa Cruz Administrative Unit (CZU) and the Pajaro Valley Fire Protection District dispatch services.

When a 911 call is placed in Santa Cruz County, the call is immediately routed to the County's primary public safety answering point (PSAP) or the California Highway Patrol in Vallejo. Each center is staffed 24 hours per day, 365 days a year.

Central Fire Protection of Santa Cruz Profile

Agency Overview

Technically, the Central Fire District (CFD) is a new organization. However, the name was initially used in 1987 with the consolidation of the Capitola, Soquel, and Live Oak Fire Districts. In February 2021, the Aptos/La Selva Fire Protection District and the Central Fire Protection District consolidated to become the Central Fire District of Santa Cruz County.

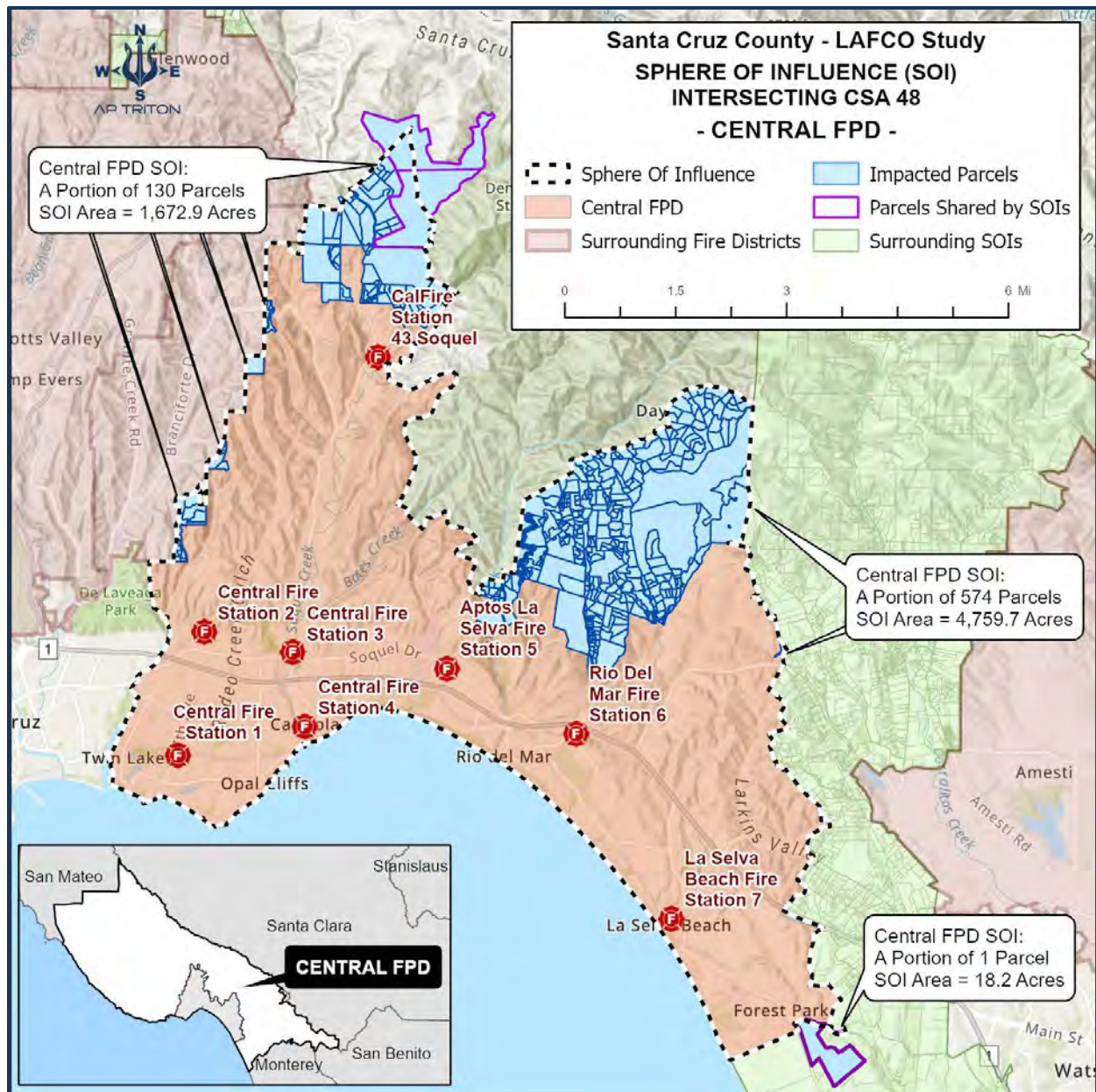
Boundary and Sphere of Influence

CFD is located along the coast and is surrounded on the north and east by CSA 48. The western border is shared with the City of Santa Cruz and Branciforte/Scotts Valley Fire Protection District.

Several areas are included in the SOI. Most of the sites are currently a part of CSA 48. However, along the western edge, there are some areas within the Branciforte/Scotts Valley Fire Protection District. The largest is north of the District. Within the SOI, there are 6,458.8 acres on 705 parcels. One, on the southeastern edge, is shared with neighboring jurisdictional SOIs.

The following figure shows the location and the SOI as currently reported.

Figure 79: Central Fire Protection of Santa Cruz Service Area with SOI



Type & Extent of Services

Services Provided

CFD provides a wide range of services for its community. These include fire suppression, basic life support, emergency medical care, and other emergency services. The following figure represents each of the services and the level performed as indicated by the agency.

Figure 80: Overview of Services Provided

Service	Y/N	Level
Fire Suppression	Yes	Structural, wildland (with CAL FIRE)
EMS First Response	Yes	ALS
Ambulance Transport	Yes	ALS
Specialized/Technical Rescue	Yes	Marine rescue, low and high-angle rescue, trench rescue, confined space rescue, vehicle extrication
Hazmat Response	Yes	Participates in the Santa Cruz Hazardous Materials Interagency Team (SCHMIT)
Fire Inspection/Code Enforcement	Yes	
Plan Review	Yes	By contract
Public Education/Prevention	Yes	Fuels mitigation program, school education (junior fire marshal program)
Fire and Arson Investigation	Yes	Cause and origin only

Service Area

CFD is a multi-disciplined fire protection district. The District is statutorily responsible for fire protection of improved structures and other emergency services within the city limits. It also maintains contractual response obligations with the Santa Cruz County Fire Department. Vegetation fires are part of the state responsibility area and are statutorily the responsibility of CAL FIRE. However, CFD provides support and assistance when requested and will begin incident mitigation if notified directly.

Collaboration

- CFD participant in the countywide mutual aid agreement.
- CFD responds for specialized technical rescue and HazMat assistance if requested.

Joint Powers Agreements (JPAs)

- Mobile cascade air system.
- Fire prevention trailer prop.
- Live fire training prop.

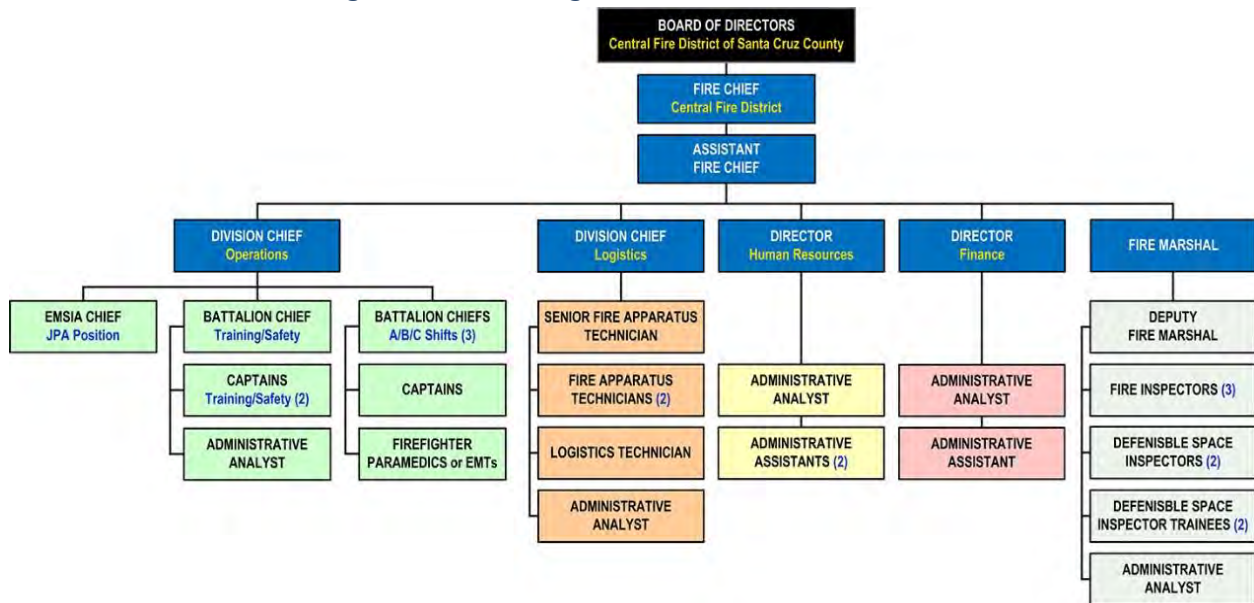
Contracts to provide services to other agencies

- Vehicle maintenance to several surrounding agencies.
- Response to the Aptos Hills area.

Governance, Administration, & Accountability

The Central Fire District of Santa Cruz County is governed by a five-member elected Board of Directors (BOD). However, the District underwent a California Voting Rights Act (CVRA) conversion process on the November 2022 general election ballot. The following figure shows the organizational structure in 2022.

Figure 81: CFD Organization Structure (2022)



The following figure identifies the efforts to meet state laws to ensure transparency and accountability.

Figure 82: Central Fire District Transparency and Accountability

Transparency and Accountability	Available
Agency website ²⁶	Yes
The adopted budget is available on the website	Yes
Notice of public meetings provided	Yes
Agendas posted on the website ²⁷	Yes
Public meetings are live-streamed.	No
Minutes and/or recordings of public meetings are available on the website	Yes
Master Plan (fire service specific) available on the website	Yes
Strategic Plan (fire service specific) available on the website	Yes
Community Risk Assessment and Standards of Cover documents are available on the website	No
SOC performance reports are available on the website	Yes
Efforts to engage and educate the public on the services to the community	Yes
Staff and governing board member ethics training and economic interest reporting completed	Yes
Compliance with financial document compilation, adoption, and reporting requirements	Yes
Adherence to open-meeting requirements	Yes

Growth & Population Projections

The legal boundaries of CFD do not have a corresponding U.S. Census area to evaluate. Instead, CFD comprises at least 6 census-designated places and cities. It would be inconsistent to report these different census places in this report. Therefore, the district boundaries will be used for the remainder of this section.

²⁶ As of January 1, 2020, independent special districts are required to maintain websites according to Government Code Sections 6270.6 and 53087.8 to provide the public easily accessible and accurate information about the district. Government Code Section 53087.8 lists what must be included on the website.

²⁷ Government Code §54954.2.

Current Population

The current population within CFD legal boundaries is 73,170, with an area of 39.69 square miles. There is a total of 34,737 housing units listed in the area.²⁸ The number of residents and housing units meet the urban area classification threshold set by the U.S. Census Bureau.²⁹

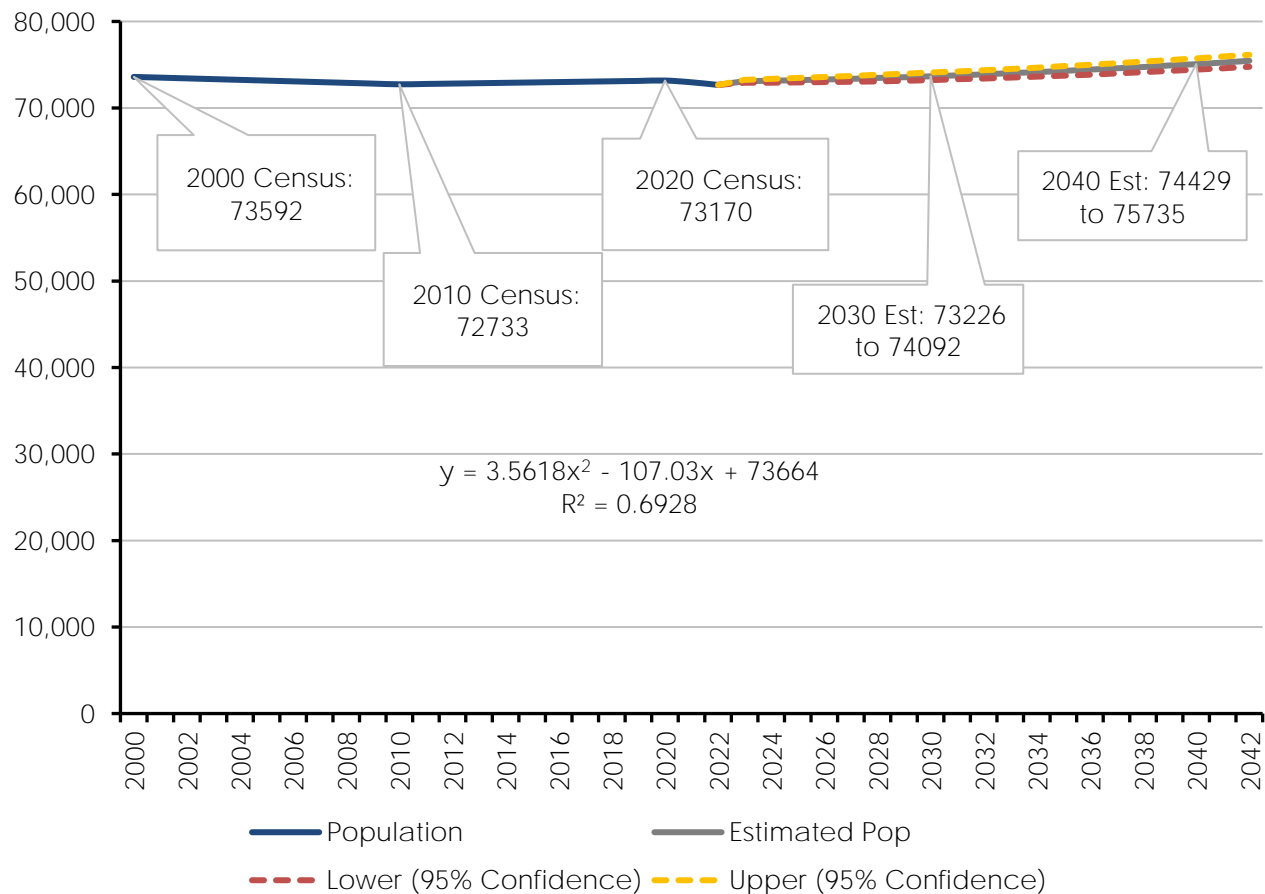
Projected Growth & Development

Estimating population growth is challenging due to many factors, such as new developments or local economies. For CFD, two techniques were utilized. The first was to rely on the Association of Monterey Bay Area Governments, 2022 Regional Growth Forecast, which calls for low or moderate growth for the region. The second method evaluated the preceding 20 years of population growth, creating a statistical model that returned the best fit and then projecting that model out 20 years. For the CFD area, the best-fit model was a two-factor binomial regression analysis, which produced an R^2 value of 0.6928. This means the model fits the historical data with average reliability. An absolute perfect model fit returns an R^2 value of 1. Using the regression as a forecast shows a slight increase in population for the area from 73,170 in 2020 to between 73,226 and 74,092 in 2040 with a 95% confidence level. This agrees generally with the Association of Monterey Bay Area Governments forecast. The following figure shows the 20-year actual and 20-year population forecast with confidence levels.

²⁸ ESRI Community Analyst, Source U. S. Census Bureau, 2020 Redistricting Data (P.I. 94-171).

²⁹ <https://www.census.gov/programs-surveys/geography/guidance/geo-areas/urban-rural.html>.

Figure 83: Central Santa Cruz FPD Historical Population and Forecast



Financial Overview

The consolidation of the Aptos/La Selva Fire Protection District and the Central Fire Protection District required Triton to combine the financial operations of these two independent districts before the merger. This analysis will offer an excellent historical perspective on the revenue trends of the District. However, it is important to note that the potential cost reduction resulting from this consolidation may not necessarily apply to the projected costs of operating the combined District.

For purposes of analysis and presentation of the finances of CFD, AP Triton classifies revenues and expenses as either recurring or non-recurring, with those identified as recurring being items that are expected on an annual basis and can be quantifiable. Conversely, non-recurring items are not expected annually or are not easily quantifiable. This allows the agency to identify those costs necessary to provide services versus those costs that may be, under the circumstances, deferred to future years.

Historical General Fund Revenues and Expenses

Property tax revenues provide the most significant portion of the District's recurring Operations Fund (General Fund) revenue stream. Growth in the Current Secured assessment has averaged approximately 4.5% annually since FY 2017. It is about 87.5% of the \$36,700,000 in FY 2022 property tax revenues. Other recurring revenues include interest on invested cash, intergovernmental revenues, and service charges. The following figure presents the combined general fund revenues from FY 2017 through the adopted FY 2022 budget.

Salaries and benefits have historically been almost 87% of CFD recurring expenses and approximately 80% of total general fund expenditures. Salaries have grown from \$12,719,000 in FY 2017 to \$17,904,000 in the adopted FY 2022 budget. A portion of these costs has been attributable to normal increases in wage rates and a 15% increase to cover the costs of new employees in FY 2021.

Pension costs have risen from 31% of salaries in FY 2017 to approximately 37% in the adopted FY 2022 budget. The most significant component of this increase in pension cost is the payment of the unfunded actuarial liability created by the financial issues experienced by CalPERS. Pension cost has increased from \$3,993,000 in FY 2017 to a budgeted \$6,634,000 in FY 2022, with approximately 50% of the costs attributable to the amortization of the unfunded liability. The amortization of the unfunded pension liability is anticipated to continue to escalate until 2031, when it peaks and begins to subside.

Services and supplies have increased from \$2,850,000 in FY 2017 to \$4,829,000 in the adopted budget for FY 2022. Service Center charges and Training costs have seen the most significant dollar growth. Dispatch service costs increased by over 100% between FY 2017 and FY 2022.

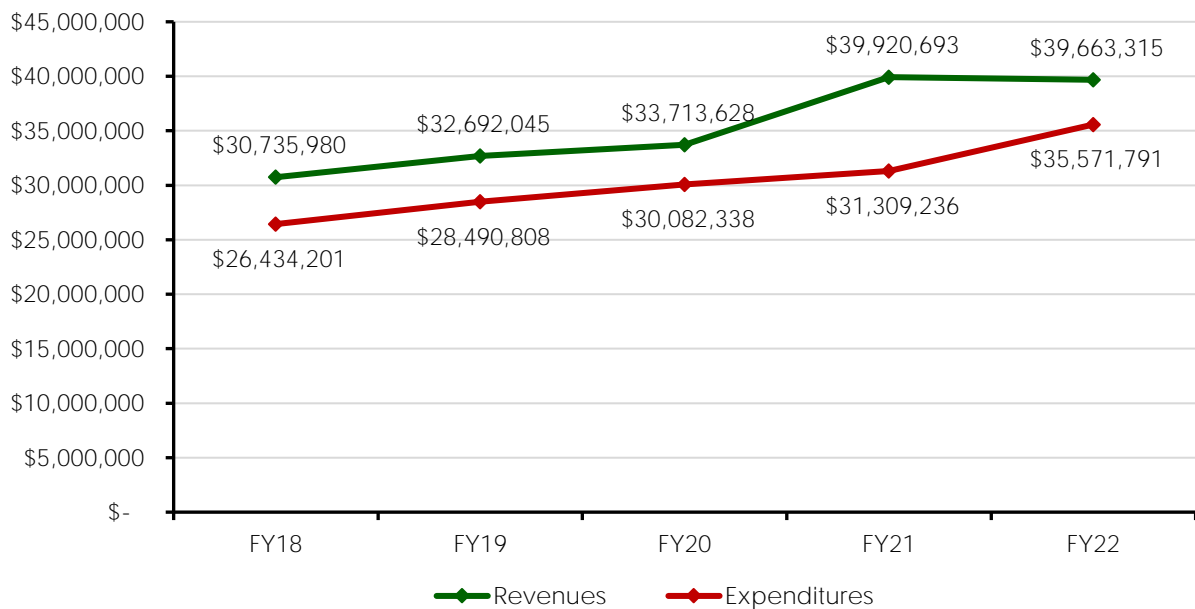
During the first two years of the financial review, it was noted that debt service payments and capital expenditures were included in the General Fund expenditures. Beginning in FY 2020, funds were transferred from the General Fund to the Capital Fund to provide capital improvements, equipment replacement, and remaining debt service payments.

Figure 84: Central Santa Cruz Fire Protection District Summarized General Fund Revenues and Expenses, FY 2018–FY 2022³⁰

Revenue/Expenses	Actual FY 2018	Actual FY 2019	Actual FY 2020	Actual FY 2021	Budget FY 2022
Revenue	30,735,980	32,692,045	33,713,628	39,920,693	39,663,315
Expenditures	26,434,201	28,490,808	30,082,338	31,309,236	35,571,791
Surplus (Deficit)	4,301,779	4,201,237	3,631,290	8,611,457	4,091,524

The above information shows the revenues versus expenses have remained consistent throughout the study period. This can also be viewed graphically, as shown in the figure below.

Figure 85: Graphical Presentation of Summarized General Fund Revenues and Expenses, FY 2018–FY 2022



The following figure details the operating revenues, operating expenses, and capital expenditures of the District from FY 2018 through FY 2022.

³⁰ Information provided by CFD Staff.

Figure 86: CFD Revenues and Expenses, FY 2018–2022

Revenue/Expenses	FY 2018 (Actual)	FY 2019 (Actual)	FY 2022 (Actual)	FY 2021 (Actual)	FY 2022 (Budget)
Revenue					
Current Property Taxes	28,361,759	29,923,341	31,014,293	35,514,292	38,899,614
Penalties	—	4,427	8,074	9,412	7,000
Intergov. Revenues	1,377,131	1,597,802	858,310	3,153,323	656,701
Charges for Services	701,735	730,593	1,412,361	1,031,120	—
Interest	132,330	256,727	284,873	107,867	100,000
Miscellaneous Revenues	161,024	179,156	135,718	104,679	—
Sales of Assets	2,000	—	—	—	—
Total revenues	28,433,131	30,735,980	32,692,045	33,713,628	39,920,693
Expenses by Category					
Salaries & Benefits	22,347,684	24,202,045	25,173,295	29,159,419	31,346,705
Services & Supplies	3,488,313	3,622,301	4,310,934	4,566,208	4,829,470
Debt Service	1,131,055	53,990	—	—	—
Payments to Agencies	68,846	112,410	40,201	37,670	38,692
Capital Expenditures	669,910	1,096,593	39,807	83,494	279,605
Transfers to Other Funds	785,000	995,000	1,745,000	1,725,000	2,100,000
Contingencies	—	—	—	—	100,000
Total Expenditures	26,434,201	28,490,808	30,082,338	31,309,236	35,571,791
Surplus (Deficit)	4,301,779	4,201,237	3,631,290	8,611,457	4,091,524

Projected General Fund Revenues and Expenses

The FY 2023 General Fund budget contains significant increases in property tax revenues. This is based on the historical trend line and conversations with the District's Finance Director. Property taxes comprise approximately 97% of the District's revenue stream. They are projected to grow by about 4% between FY 2023 and FY 2025, reducing to annual growth of 3% in the remaining two years of the projections. Non-recurring revenues are projected to increase by approximately 1% annually.

The FY 2022 budget forms the basis for projecting future operating costs of the General Fund. General Fund expenditures are projected to increase by approximately 4% between FY 2023 and FY 2024, about 5.3% between FY 2024 and FY 2025, and 2% and 3% in the following two years. Salaries and benefits are projected to remain approximately 85% of the total operating expenses of the District during the five-year projection period. Salaries are expected to escalate by 4.28%, 4.69%, 0.75%, and 0.75% from FY 2024 through FY 2027, respectively.

Workers' compensation insurance is projected to increase by 33% between FY 2023 and FY 2024, and 15% annually after that. Pension costs are expected to increase significantly as the amortization of the unfunded actuarial liability continues to grow throughout the projection period. Service and supply costs are projected to increase marginally during the next five years. The following figure provides the projected General Fund revenue and expenses through FY 2027.

Figure 87: Central Fire Protection District Forecast
Revenues, Expenses, and Account Balances

Revenue/Expenses	FY 2023 (Budget)	FY 2024	FY 2025	FY 2026	FY 2027
General Fund					
Revenues	40,278,186	41,889,314	43,564,886	44,871,833	46,217,988
Expenses	-38,562,036	-40,096,593	-42,230,635	-43,224,299	-44,399,070
Surplus (Deficit)	1,716,150	1,792,721	1,334,251	1,647,534	1,818,918
Transfers Out–Capital	-2,100,000	-2,100,000	-2,100,000	-2,100,000	-2,100,000
General Fund Bal.	27,864,250	27,556,971	26,791,222	26,338,756	26,057,674
Capital Fund					
Revenues	58,500	50,000	2,600,000	50,000	50,000
Transfers In/(Out)	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000
Expenses/Purchases	-1,619,419	-2,293,360	-5,211,070	-1,935,022	-885,791
Capital Fund Bal.	7,146,187	7,002,827	6,491,757	6,706,735	7,970,944
Fleet Fund					
Revenues	670,530	704,056	915,273	961,037	1,009,089
Transfers In/(Out)	814,049	799,743	652,058	641,385	633,174
Expenses/Purchases	-1,484,579	-1,503,799	-1,567,331	-1,602,422	-1,642,263
Fleet Fund Bal.	328,093	328,093	328,093	328,092	328,092
Fund Balances	35,338,530	34,887,891	33,611,072	33,373,583	34,356,710

Capital Planning

As a result of the consolidation of the two agencies, an expanded Capital Fund was created into which an annual contribution is transferred from the General Fund. The proceeds and accrued earnings are used to construct/renovate District structures and acquire District apparatus and equipment. The Fund balance has been adjusted to match the results of the June 30, 2021, audit report and the projected June 30, 2022, balance.

The Capital Fund is projected to continue to be funded from the General Fund at \$2,100,000 annually. The projections contain a projected receipt of approximately \$2,600,000 in FY 2025, representing loan proceeds for acquiring replacement apparatus. The same year is expenditures above \$5,000,000, representing the purchase of fire trucks in a capital replacement project.

Demand for Services

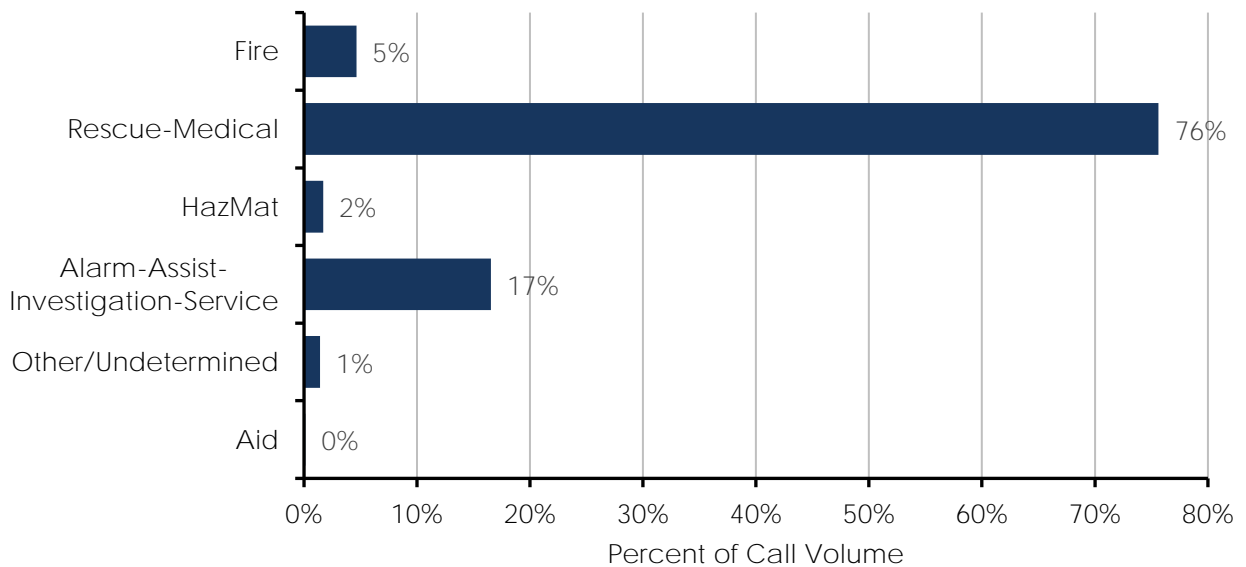
CFD is primarily an urban system that provides aid services to other communities when requested. Data was provided by the regional dispatch center and included incident information from January 1, 2018, through December 31, 2022. In addition, any response to a wildland-type fire in the State Response Area was removed from the analysis. The following figure is the overview of the response statistics for CFD.

Figure 88: CFD Response Overview

Agency	Central Santa Cruz FPD
Avg. Annual Incident Vol.	7,397
Incidents per 1,000 Population	101
90th Percentile Total Time	9:30

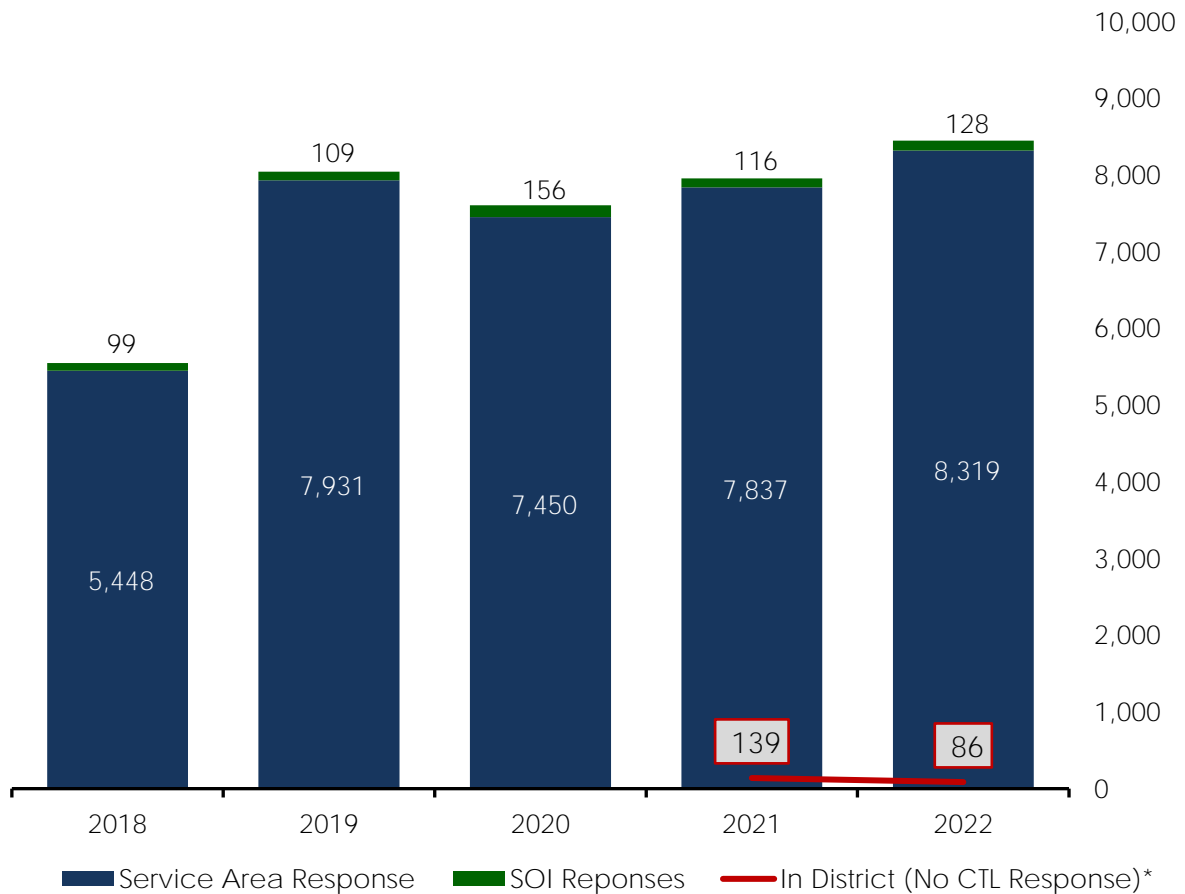
Each incident was grouped into the main categories based on the dispatch type. The incident types were related to the major categories in the National Fire Incident Reporting system. The following figure is the percentage of incidents within those categories for the entire data set, 2018–2022.

Figure 89: Total Incident Responses by Type as a Percentage



Typically, an analysis of incidents by year can yield a trend or indicate what call volume might look like in the next few years. Unfortunately, due to the COVID-19 pandemic and subsequent social and economic constraints, this is difficult with this data set. As a result, a trend was not easily spotted or extrapolated. It appears that CFD response numbers dropped in 2020 and have started to rebound at a rate like 2019. In addition, responses into the sphere of influence are not a significant percentage of the incidents, and the consolidation of the two districts into the Central Fire Protection District created data issues throughout the dispatch data. CFD units respond to most incidents within their jurisdiction, although the pre-2021 data indicated several errors due to the unit numbering. The following figure shows the annual incident volume by year with the responses into the sphere of influence and district-covered incidents.

Figure 90: Annual Incident Volume by Year

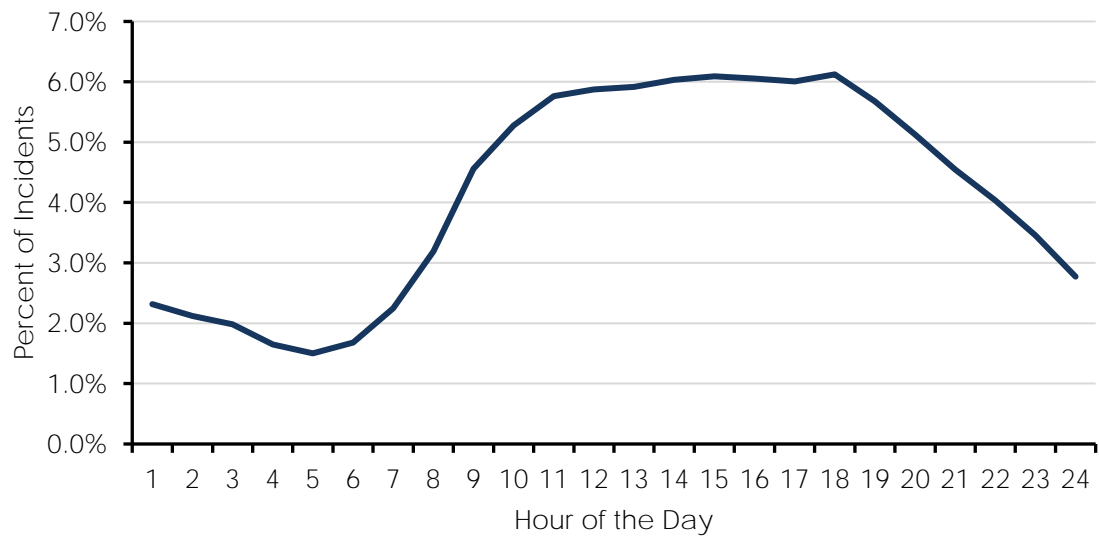


* No data before 2021 was included due to the consolidation.

A temporal study indicated some limited seasonality in the response data. Incident volume variation by month showed an incident volume decrease during the winter and early spring, with an increase in the warmer months. However, the seasonality was poorly defined, and the variation was plus and minus 1%.

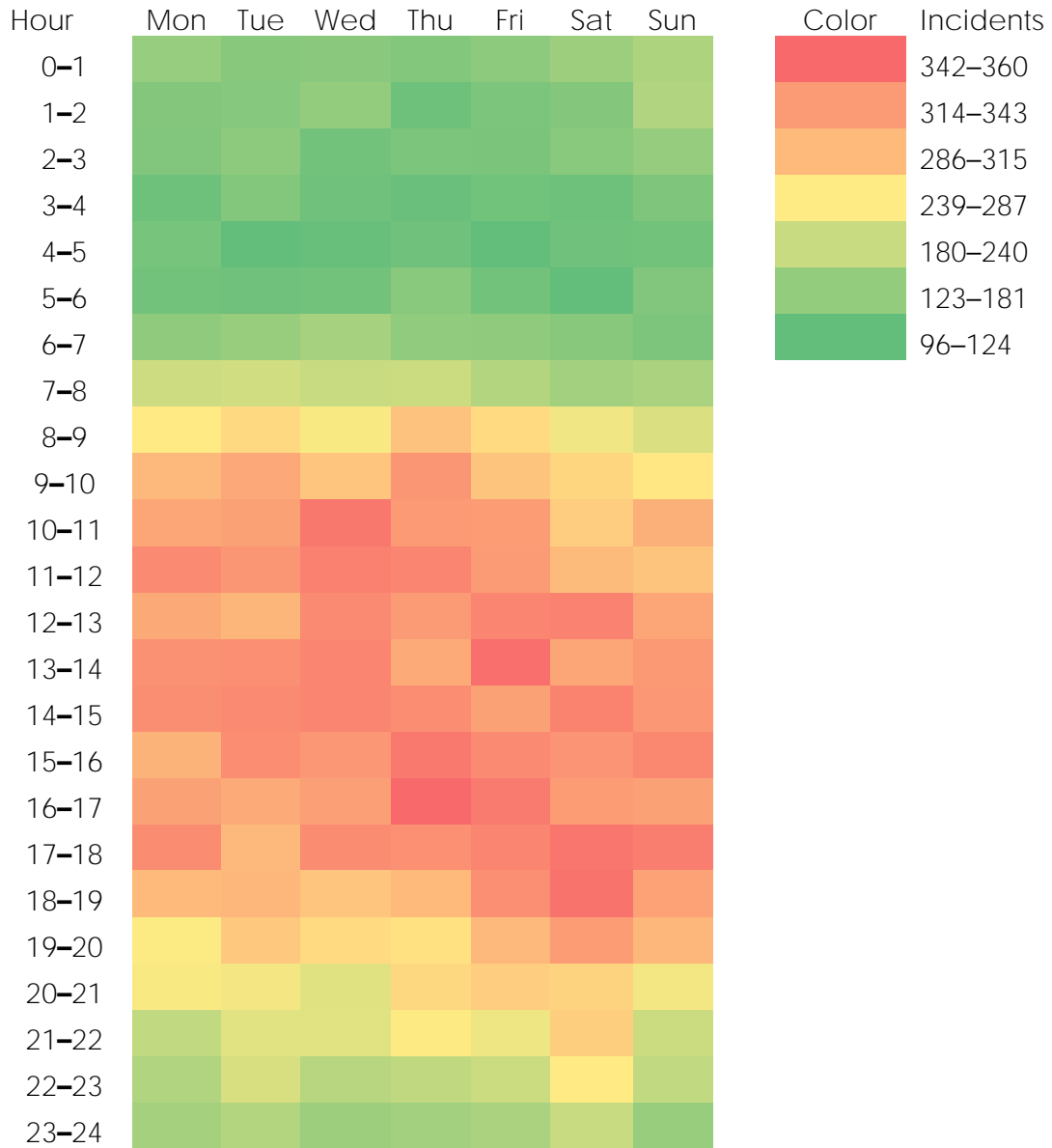
A study of demand by hour shows that CFD, like many fire agencies, sees a significant variation by the hour. In fact, about 73% of all incidents happen between 8:00 a.m. and 8:00 p.m. The following figure shows the general difference of the complete incident data set by hour.

Figure 91: Incident Percentage by Hour



The average daily swing is typical and likely due to the number of awake and active people. However, the day-to-day variation in this information does play a part. The following figure is the incident heat map by the hour and day of the week.

Figure 92: Incident Heat Map by Hour and Weekday



As indicated in the previous figure, the daytime hour incidents tend to be evenly distributed daily.

The final volume analysis looked at the unit usage for all apparatus within the system. This analysis considered three dimensions. The first is the unit hour utilization (UHU). This number represents the time a unit was committed to an incident as a percentage of the total time they were on duty. The next is the average time a unit was committed to an incident. And finally, the average number of incidents a unit was deployed daily.

Only those units clearly identified by the agency or units with large volumes of responses within the data sets were evaluated. The following figure shows the general statistics for each front-line unit within the CFD system.

Figure 93: Central Unit Usage (2021–2022)

Unit	Unit Hour Utilization (UHU)	Avg. Time per Incident	Avg. Incidents Per Day
E3511	6.3%	21 Minutes	4.2
S3561	0.0%	71 Minutes	0.0
E3523	1.9%	23 Minutes	1.1
T3572	4.0%	17 Minutes	3.3
E3512	0.7%	16 Minutes	0.6
W3552	0.2%	48 Minutes	0.1
E3513	5.8%	23 Minutes	3.6
E3537	0.3%	79 Minutes	0.1
E3543	0.1%	29 Minutes	0.0
E3524	1.7%	23 Minutes	1.1
E3514	6.3%	23 Minutes	4.0
E3536	0.2%	123 Minutes	0.0
E3515	5.3%	27 Minutes	2.8
B3505	2.8%	22 Minutes	1.8
E3538	0.4%	124 Minutes	0.0
E3516	5.0%	25 Minutes	2.9
W3556	0.2%	58 Minutes	0.0
E3517	3.1%	26 Minutes	1.7
E3522	1.1%	25 Minutes	0.6
C3500	0.1%	61 Minutes	0.0
C3501	0.1%	23 Minutes	0.0
C3502	0.1%	31 Minutes	0.1
B3504	0.2%	61 Minutes	0.0

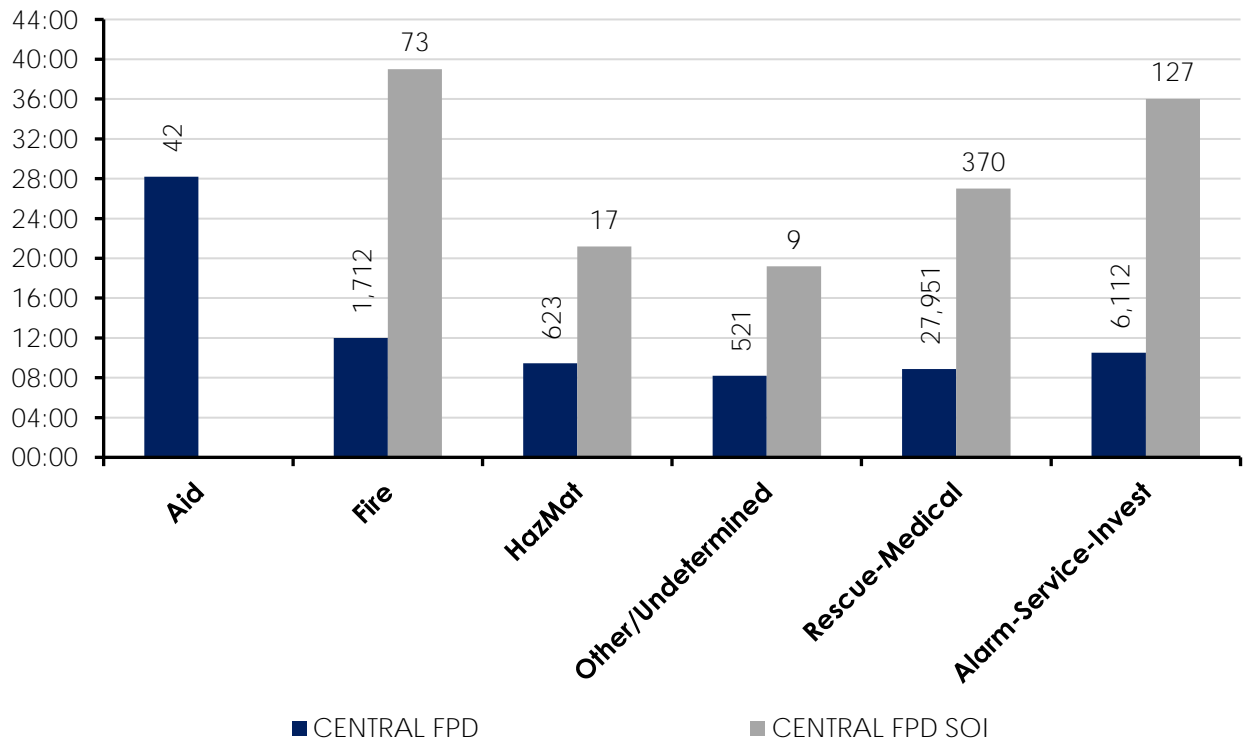
Service Delivery & Performance

The performance of the CFD response was also evaluated. The data did not differentiate between emergency responses and non-emergency responses. In addition, there was no evaluation of the arriving unit's type or agency. Therefore, all responses are evaluated. The 90th percentile is typically used in the fire service and is considered the standard for measuring incident response performance. Due to the nature of this report, CFD's performance in its identified sphere of influence was also evaluated. Agency performance goals or standards are not taken into consideration for this report.

Three unique time segments are included when evaluating an agency's response performance. The first is the time it takes for the Dispatcher to answer the 911 call and notify the agency (call processing); the second is the time it takes for the agency to receive the call and go en route to the call (turnout time); and third is the time it takes for the unit to drive to the incident (travel time). All three segments combined make up the total response time. For this evaluation, the unit type was not discriminated against, and the first arriving unit was used to determine the total response time.

Each call type may contain variables. For example, questioning the caller for appropriate information may take more or less time. In addition, it may take longer for crews to respond depending on the personal protective equipment to be worn, which varies with the type of incident. The following figure shows the total response time performance for each of the major incident types for all incidents within the data set. The following figure shows the first due, 90th percentile total response time for the District and the sphere of influence.

Figure 94: Incidents 90th Percentile Total Response Times, Jan 2018–Dec 2022



Staffing

CFD operates primarily with paid career staff with some reserve/volunteer staff to augment operations personnel. Emergency response consists of fire apparatus staffed daily at a minimum staffing level. Engines and trucks are minimally staffed with three personnel, including a captain and firefighters. In the case of the truck company, one of the firefighters is a qualified truck operator. The following figure shows the total number of personnel assigned to the CFD as of the 2022 Master Plan study.

Figure 95: CFD Staffing

Assignment	Staffing
Uniformed Administration	3
Non-Uniformed Administration	14
Fire Prevention	9
Operations Staff (Career-Paid)	80
Operations Staff (Volunteers, Reserve, and on-call) ³¹	≈4
Emergency Communications	0
Total Personnel/Volunteer	106 / ≈4

The following figure shows the daily operational staffing at each station and on each unit. All apparatus is staffed by career staff.

Figure 96: Daily Operational Staffing

Station	Daily Staffing	Unit Staffing
1	3	1 Engine. Cross-staffed Breathing Support Unit.
2	4	1 Truck. Cross-staffed Engine & Tender.
3	3	1 Engine. Cross-staffed Type 3 & 1 Type 6 Engines.
4	3	1 Engine.
5	4	1 Engine, 1 Battalion Chief. Cross-staffed type 3 and ambulance.
6	3	1 Engine. Cross-staffed USAR Rescue and Water Tender.
7	3	1 Engine.

³¹ As of 2022.

Facilities & Apparatus

Central Fire Protection District Facilities

The following pages describe the details and features of CFD's fire stations and other facilities. The condition of the fire station is rated based on the criteria identified in the introduction to this section of the report.

Figure 97: CFD Live Oak Station (1)

Address/Physical Location:		930 17th Avenue, Santa Cruz, CA 95062					
		<p>General Description:</p> <p>The Live Oak fire station is on the same lot as the administration building and shares the same address. Rebuilt after significant earthquake damage to the old station. The two-story station is sufficient for modern firefighting operations. However, the parking area has no exterior security, and building security is easily defeated. This facility has a diesel fuel tank for the apparatus.</p>					
Structure							
Date of Original Construction		1997 (major remodel – ¼ of the original remains)					
Seismic Protection		Yes					
Auxiliary Power		Yes					
General Condition		Fair to Good					
Number of Apparatus Bays		Drive-through Bays		0	Back-in Bays		4
ADA Compliant		No					
Total Square Footage		11,182					
Facilities Available							
Sleeping Quarters		7	Bedrooms	15	Beds	0	Dorm Beds
Maximum Staffing Capability		7					
Exercise/Workout Facilities		Yes					
Kitchen Facilities		Yes					
Individual Lockers Assigned		Yes					
Bathroom/Shower Facilities		Yes					
Training/Meeting Rooms		No					
Washer/Dryer/Extractor		Yes					
Safety & Security							
Station Sprinklered		Yes					
Smoke Detection		Yes					
Decon & Biological Disposal		Yes					
Security System		No					
Apparatus Exhaust System		Yes					

Figure 98: CFD Thurber Station (2)


Address/Physical Location:		3445 Thurber Lane, Santa Cruz, CA 95065					
		<p>General Description:</p> <p>The Thurber station is the newest purpose-built fire station in the District. The two-story station has adequate space, and its design is sufficient for modern firefighting operations. There is no exterior security for the building or parking area. This facility has a diesel fuel tank for the apparatus.</p>					
Structure							
Date of Original Construction		2000					
Seismic Protection		Yes					
Auxiliary Power		Yes					
General Condition		Good					
Number of Apparatus Bays		Drive-through Bays		3	Back-in Bays		0
ADA Compliant		No					
Total Square Footage		7,516					
Facilities Available							
Sleeping Quarters		5	Bedrooms	10	Beds	0	Dorm Beds
Maximum Staffing Capability		5					
Exercise/Workout Facilities		Yes					
Kitchen Facilities		Yes					
Individual Lockers Assigned		Yes					
Bathroom/Shower Facilities		Yes					
Training/Meeting Rooms		No					
Washer/Dryer/Extractor		Yes					
Safety & Security							
Station Sprinklered		Yes					
Smoke Detection		Yes					
Decon & Biological Disposal		Yes					
Security System		No					
Apparatus Exhaust System		Yes					

Figure 99: CFD Soquel Station (3)

Address/Physical Location:		4747 Soquel Drive, Soquel, CA 95073					
		<p>General Description:</p> <p>The single-story Soquel station sits on a flood plain with an older design and a remodeled volunteer fire station. The location has complicated access to a busy street with no traffic control. There is no parking security, and the entrance security is easily defeated.</p>					
Structure							
Date of Original Construction		1956					
Seismic Protection		Partial					
Auxiliary Power		Yes					
General Condition		Poor					
Number of Apparatus Bays		Drive-through Bays		0	Back-in Bays		5
ADA Compliant		No					
Total Square Footage		4,534					
Facilities Available							
Sleeping Quarters		3	Bedrooms	6	Beds	0	Dorm Beds
Maximum Staffing Capability		3					
Exercise/Workout Facilities		Yes					
Kitchen Facilities		Yes					
Individual Lockers Assigned		Yes					
Bathroom/Shower Facilities		Yes					
Training/Meeting Rooms		No					
Washer/Dryer/Extractor		No					
Safety & Security							
Station Sprinklered		No					
Smoke Detection		Yes					
Decon & Biological Disposal		Yes					
Security System		No					
Apparatus Exhaust System		Yes					

Figure 100: CFD Capitola Station (4)


Address/Physical Location:		405 Capitola Avenue, Capitola, CA 95010					
		<p>General Description:</p> <p>The Capitola station sits near the Capitola village area. It is the only location with easy access to the site during heavy traffic. The building is small and does not have sufficient space or facilities for modern firefighting operations. The building was recently refurbished after it flooded during heavy rains.</p>					
Structure							
Date of Original Construction		1967 (2012 interior remodel after the flood)					
Seismic Protection		Yes					
Auxiliary Power		No					
General Condition		Fair to Good					
Number of Apparatus Bays		Drive-through Bays		0	Back-in Bays		2
ADA Compliant		No					
Total Square Footage		3,488					
Facilities Available							
Sleeping Quarters		3	Bedrooms	6	Beds	0	Dorm Beds
Maximum Staffing Capability		3					
Exercise/Workout Facilities		Yes					
Kitchen Facilities		Yes					
Individual Lockers Assigned		Yes					
Bathroom/Shower Facilities		Yes					
Training/Meeting Rooms		No					
Washer/Dryer/Extractor		No					
Safety & Security							
Station Sprinklered		Yes					
Smoke Detection		Yes					
Decon & Biological Disposal		Yes					
Security System		No					
Apparatus Exhaust System		Yes					

Figure 101: CFD Aptos Station (5)


Address/Physical Location:		6934 Soquel Drive, Aptos, CA 95003					
		General Description: Before the merger, the Aptos station was the headquarters station for the Aptos fire district. It now houses a fire station, the community risk reduction division, and training. The fire station is adequate for modern fire operations. However, the CRR and training areas are insufficient in size and design for their functions. In addition, this facility has a gas and diesel fuel tank for apparatus and car fueling.					
Structure							
Date of Original Construction		1967					
Seismic Protection		Yes					
Auxiliary Power		Yes					
General Condition		Good					
Number of Apparatus Bays		Drive-through Bays		2	Back-in Bays		1
ADA Compliant		No					
Total Square Footage		7,748					
Facilities Available							
Sleeping Quarters		4	Bedrooms	6	Beds	0	Dorm Beds
Maximum Staffing Capability		3					
Exercise/Workout Facilities		Yes					
Kitchen Facilities		Yes					
Individual Lockers Assigned		Yes					
Bathroom/Shower Facilities		Yes					
Training/Meeting Rooms		Yes					
Washer/Dryer/Extractor		Yes					
Safety & Security							
Station Sprinklered		Yes					
Smoke Detection		Yes					
Decon & Biological Disposal		Yes					
Security System		No					
Apparatus Exhaust System		Yes					

Figure 102: CFD Rio Del Mar Station (6)

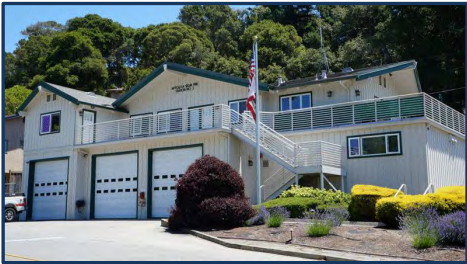
Address/Physical Location:		300 Bonita Drive, Aptos, CA 95003					
		<p>General Description:</p> <p>The Rio Del Mar station was built as a residential structure with an oversized garage until a newer station could be constructed. However, it is a more modern two-story fire station with adequate design and space for a single fire company. Access to the bay from the living area is not efficient. It is currently undergoing light remodeling to move the workout area from the bay area. There is no parking security, and internal security is easily defeated.</p>					
Structure							
Date of Original Construction		1973					
Seismic Protection		Yes					
Auxiliary Power		Yes					
General Condition		Fair					
Number of Apparatus Bays		Drive-through Bays		0	Back-in Bays		3
ADA Compliant		No					
Total Square Footage		5,390					
Facilities Available							
Sleeping Quarters		4	Bedrooms	6	Beds	0	Dorm Beds
Maximum Staffing Capability		4					
Exercise/Workout Facilities		Yes					
Kitchen Facilities		Yes					
Individual Lockers Assigned		Yes					
Bathroom/Shower Facilities		Yes					
Training/Meeting Rooms		No					
Washer/Dryer/Extractor		Yes					
Safety & Security							
Station Sprinklered		Yes					
Smoke Detection		Yes					
Decon & Biological Disposal		Yes					
Security System		No					
Apparatus Exhaust System		Yes					

Figure 103: CFD La Salva Beach Station (7)


Address/Physical Location:		312 Estrella Ave., La Selva, CA 95076					
		<p>General Description:</p> <p>The La Selva Beach Station is a remodeled volunteer fire station sitting very close to the beach in the La Selva community. The station is older, with limited facilities, and does not meet the needs of modern fire operations. Firefighter parking is on the street, and internal security is easily defeated. The station has excellent beach access but is not situated for effective response.</p>					
Structure							
Date of Original Construction		1969					
Seismic Protection		Yes (Retrofit in 1985)					
Auxiliary Power		Yes					
General Condition		Fair					
Number of Apparatus Bays		Drive-through Bays		0	Back-in Bays		2
ADA Compliant		No					
Total Square Footage		2,910					
Facilities Available							
Sleeping Quarters		3	Bedrooms	3	Beds	0	Dorm Beds
Maximum Staffing Capability		3					
Exercise/Workout Facilities		Yes					
Kitchen Facilities		Yes					
Individual Lockers Assigned		Yes					
Bathroom/Shower Facilities		Yes					
Training/Meeting Rooms		No					
Washer/Dryer/Extractor		Yes					
Safety & Security							
Station Sprinklered		Yes					
Smoke Detection		Yes					
Decon & Biological Disposal		Yes					
Security System		No					
Apparatus Exhaust System		Yes					

Figure 104: CFD Administration Facility



Address/Physical Location:		930 17th Avenue, Santa Cruz, CA 95062								
		<p>General Description:</p> <p>The administration building is purpose-built and sits on the same lot with the same address as the Live Oak station. The office space is currently occupied with little room for growth by remodeling a large storage area. The station has external camera security and good overall security.</p>								
Structure										
Date of Original Construction		2001								
Seismic Protection		Yes								
Auxiliary Power		Yes								
General Condition		Good								
Number of Apparatus Bays		Drive-through Bays		N	Back-in Bays		N			
ADA Compliant		No								
Total Square Footage		7,676								
Facilities Available										
Sleeping Quarters		0	Bedrooms		0	Beds		0	Dorm Beds	
Maximum Staffing Capability		16 administrative staff only								
Exercise/Workout Facilities		No								
Kitchen Facilities		Yes								
Individual Lockers Assigned		No								
Bathroom/Shower Facilities		Yes								
Training/Meeting Rooms		Two (small upstairs and large downstairs)								
Washer/Dryer/Extractor		No								
Safety & Security										
Station Sprinklered		Yes								
Smoke Detection		Yes								
Decon & Biological Disposal		No								
Security System		No								
Apparatus Exhaust System		No								

Figure 105: CFD Fleet Services Facility

Address/Physical Location:		410 Kennedy Drive, Capitola, CA 95010					
	General Description: The fleet services facility is a commercial structure with three large bay areas and room for lifting fire engines and working on vehicles. In addition, the facility has two designated maintenance bays and one bay for long-term storage.						
Structure							
Date of Original Construction		1974					
Seismic Protection		No					
Auxiliary Power		No					
General Condition		Fair					
Number of Apparatus Bays		Drive-through Bays		0	Back-in Bays		0
ADA Compliant		No					
Total Square Footage		15,972					
Facilities Available							
Sleeping Quarters		0	Bedrooms	0	Beds	0	Dorm Beds
Maximum Staffing Capability		5 staff in offices					
Exercise/Workout Facilities		No					
Kitchen Facilities		Yes (breakroom)					
Individual Lockers Assigned		Yes					
Bathroom/Shower Facilities		Yes					
Training/Meeting Rooms		No					
Washer/Dryer/Extractor		No					
Safety & Security							
Station Sprinklered		Partial (shop floor)					
Smoke Detection		Yes					
Decon & Biological Disposal		No					
Security System		Yes					
Apparatus Exhaust System		Yes					

Fire Station Discussion

CFD's fire stations were rated from fair to good. The average age of the stations was 46 years, the newest built 22 years ago. The firefighting environment has significantly changed over the past several decades. Technology, equipment, and safety systems have changed to meet new firefighting and emergency response demands. Older fire station buildings do not typically have the space or engineering systems to meet that new environment. Modern work and living spaces also require considerably more access to electrical outlets and built-in technology than is provided or expected in older buildings' design.

Figure 106: Station Configuration and Condition

Station	Apparatus Bays	Staffing Capacity	General Condition	Station Age
Station 1	4	7	Fair-Good	25 years
Station 2	3	5	Good	22 years
Station 3	5	6	Poor	66 years
Station 4	2	6	Fair-Good	55 years
Station 5	3	4	Good	55 years
Station 6	3	4	Fair	49 years
Station 7	2	3	Fair	53 years
Totals/Average:	22	35	Average:	46 years

Live Oak Station (Station 1)

The Live Oak station underwent a substantial remodel after the original station was damaged in an earthquake. Only one-quarter of the building is original. This station meets most modern firefighter needs. The station has space for turnout gear, three individual showers in the living area and one on the bay floor, seven sleeping quarters, office space, mechanical workspace, a decontamination area, a kitchen, and a day room that doubles as the training space. The four bays are large and adequately spaced for modern fire apparatus.

Thurber Station (Station 2)

The Thurber Station was purpose-built as a fire station in 2000. The two-story station is large with three drive-through bays and meets most modern firefighting requirements. The station has five bedrooms but only three showers, sufficient for the ordinary four staff members. However, the lack of a fourth shower is inadequate for personal decontamination if needed. In addition, the crew members will need to enter living spaces to shower, potentially spreading undesirable chemicals in these areas. Separate spaces exist for offices, kitchens, dayrooms, and workout facilities. The space for the workout area appears insufficient, and some exercise equipment was placed in the hallways for use.

The station living area is sinking, creating cracks in walls and floors. In addition, the bathroom drainage is insufficiently graded, and there are reports of frequent plumbing problems. During the site visit, it was noted that a wireless network extender was mounted on the ceiling upstairs with an extension cord permanently affixed to the wall as a power source. Building security is maintained with mechanical locks that can be easily defeated and left unlocked.

Soquel Station (Station 3)

The Soquel Station was initially built as a volunteer fire station in 1956. The five-bay station sits in a flood zone and does not meet modern firefighting requirements. It has no decontamination area or separate turnout gear storage. The three bedrooms and two bathrooms do not allow for staff size growth.

The height of the bay doors creates a very tight clearance for modern apparatus. The bays are emptied directly into a busy street with no traffic control devices. Crew lockers are in a room that is only accessible from the bay. The workout area is in the bay, although there is a plan and funding to partition the workout area and create a separate turnout gear room.

Capitola Station (Station 4)

The Capitola Station is a small 1967 building that underwent a light interior remodel after being flooded in 2012. The single bathroom lacks privacy and is not sufficient for mixed-gender crews. There is no decontamination area provided, and laundry facilities are insufficient. Turnout gear is stored separately from the bay, but the door has no closer and was open during the site visit. Building parking is inadequate, and vehicles must be shuffled during shift changes. Building security is with manual locks that are easily defeated and can be left unlocked.

The two bays are emptied onto a busy street with no traffic control, requiring a specialized backing policy. Even with this policy, there is abundant evidence of backing damage on the building due to the very tight turns necessary to enter. The bays are too small for modern apparatus with limited upper clearance, and side-to-side distance prohibits multiple apparatus doors from opening simultaneously. The gas generator in the bay was inoperative. The generator inspection documentation ended in November when it went out of service. The United States Geological Service has a seismometer in the building. However, the air compressor gives the seismometer false readings when it runs due to its proximity. In addition, a county repeater in the facility is not on emergency backup power. An emergency phone was still outside the building. Still, it was inoperative and should be removed to limit citizen confusion during an emergency.

While the building is inadequate, the location is critical for providing services to the Capitola Village area. Due to heavy traffic, the crew from this station can respond to the village, while other apparatus find it challenging to gain access.

Aptos Station (Station 5, CRR, & Training Facility)

The Aptos Station was built in 1967, with an addition in 1992 and earthquake mitigation in the late '90s. This station used to serve as the Aptos Fire District's offices and currently houses a response crew, the Community Risk Reduction (CRR) Division, and training. The station is partially adequate for the response crew's modern firefighting needs. It has sufficient bay space for engines, lower clearance trucks, and enough rooms to house the assigned staff. However, there is little room for staffing growth. The truck company in service will not fit in the bays due to height limits. The workout area is in the bay. Laundry facilities are available for both uniforms, and extractors are available for turnout gear. There is a county-approved wash rack in the rear. This station has diesel and gasoline fuel tanks for district apparatus and vehicles.

For its age, the building is in good condition. However, some concrete in the rear and on the apron needs repair. One significant concern is the size of the sewer main. When the addition was added in 1992, the decision was made to drain the entire building into the existing 2.5-inch sewer main. Because of the small pipe size, the number of facilities that can be used simultaneously is limited. In addition, only one extractor can be used at a time. The emergency generator appeared in good condition, but weekly inspection checks could not be located.

The CRR area is the lower floor of the administrative side. However, the size is insufficient for the current staff of 11 employees and allows for only 10 desks. Parking is also inadequate for the crews, CRR, and training. The building is secure, but there is no parking security.

The training area is likewise limited in space. The drill area is small. Because the facility is shared, it is strained if there is training during regular CRR operational hours.

Rio Del Mar Station (Station 6)

The Rio Del Mar station was built in 1973 with no significant improvements and evidence of needed maintenance. The two-story, three-bay station was constructed as a temporary single-family residence with an oversized garage. The facility has four bedrooms and three bathrooms with showers, which is adequate for the assigned three crew staff. However, the building does not meet modern firefighting standards. For example, there is no decontamination area, and the workout facility is in the bay. There was evidence during the visit of the intent to move the workout facility into the living space and out of the bay, but the work was not complete.

The bay was large enough for engines but not deep enough for a truck company. Access to the bays is problematic and not conducive to the rapid response from the living area. Building security is accomplished with mechanical locks that are easily defeated and can be left unlocked. There was an emergency phone on the exterior of the building, which was inoperative and should be removed to reduce citizen confusion in the event of an emergency. The emergency generator appeared in good working order, but weekly inspection checks could not be located.

La Salva Beach Station (Station 7)

The La Salva Beach Station was built in 1969 as a volunteer fire station. It is located near the ocean and does not provide centralized coverage for its response capabilities. The last improvements to the building were accomplished in 1985, and the building needs updating and repair. The building does not meet modern firefighting needs. It does not meet the requirements for a mixed-gender crew. In addition, it has no area for decontamination, and the bays are small, crowding modern firefighting apparatus. There is no staff parking. Instead, they are required to park on the street.

The generator requires occasional fueling, and because the surrounding public buildings were updated, refueling is challenging and requires special equipment. The workout area is in the bay, and it was questionable if the exhaust removal system was operational. Some emergency lighting was inoperative. There was an emergency phone on the exterior of the building, which was inoperative and should be removed to reduce citizen confusion in the event of an emergency.

Fleet Services

The fleet services facility is based on a 1974 warehouse structure. There are three overhead doors allowing access to a large maintenance floor. Currently, there are three bay stations, one for long-term apparatus storage based on need. An additional area is utilized by logistics to store and maintain district equipment and supplies. The facility has an external shed and a steel storage box for extra supplies and the historic fire engine. The size of the bays is adequate to operate apparatus lifts for ease of access, avoiding maintenance pits. There are plans to update the interior for improved office, storage, break space, and logistics areas. There are cracks on the exterior of the building from earlier earthquake activity. However, these are monitored to ensure they do not affect structural strength. Concrete failure is evident in the apparatus maintenance area, identified by staff, and plans are in place to repair it when funding becomes available. Building security is good with cameras, adequate locking mechanisms, and alarms. Other occupants of an adjacent building share access. This is of concern but is being managed by maintaining a good working relationship with the occupants of the other warehouse building on site.

Administration

The administration building is a 2001 purpose-built two-story office building on the same lot as the Live Oak Station. The building is modern, appropriately designed, in good repair, and has adequate space for current staffing levels. Security is good with security cameras and good locks. Most offices are assigned and used, leaving little room for additional staffing if needed. A large storage area on the second floor can be remodeled for extra workspace, requiring the records storage to move.

Apparatus

CFD operates daily with seven Type 1 engines and one truck. The District also cross-staffs three Type 3 and one Type 6 engine, one ambulance, and two water tenders. It also operates ten response command/training and six fire prevention vehicles.

Figure 107: CFD Frontline Apparatus Inventory (2022)

CAD Radio Name	Apparatus Type	Condition
Engine 3511	Type 1 Engine	Excellent
Engine 3512	Type 1 Engine	Poor
Engine 3513	Type 1 Engine	Fair
Engine 3514	Type 1 Engine	Excellent
Engine 3515	Type 1 Engine	Fair
Engine 3516	Type 1 Engine	Excellent
Engine 3517	Type 1 Engine	Poor
Engine 3536	Type 3 Engine	Poor
Engine 3537	Type 3 Engine	Poor
Engine 3538	Type 3 Engine	Poor
Engine 3543	Type 3 Engine	Excellent
Truck 3572	Areal Truck	Excellent
Medic 3566	Ambulance	Good
W3552	Water Tender	Poor
W3556	Water Tender	Excellent

In addition to the staffed front-line apparatus, CFD maintains a cache of reserve vehicles to work as reserves when maintenance or operational issues take the front-line equipment out of action.

Figure 108: CFD Staff and Command Vehicle Inventory (2022)

CAD Radio Name	Apparatus Type	Condition
C3500	Command/SUV	Good
C3501	Command/SUV	Good
C3502	Command/4x4 PU	Excellent
C3503	Command/4x4 PU	Excellent
B3504	Command/4x4 PU	Excellent
B3505	Command/4x4 PU	Fair
B3506	Command/4x4 PU	Excellent
B3507	Command/4x4 PU	Fair
B3508	Command/4x4 PU	Fair
B3509	Command/4x4 PU	Good
3580	Small SUV	Excellent
3581	Small SUV	Excellent
3582	Small SUV	Excellent
3583	Small SUV	Excellent
3584	Small SUV	Excellent
3596	Small SUV	Excellent

Facility Replacement & Infrastructure Needs

The Capitola and Soquel stations are in flood plains and experienced flooding during the 2023 rains. In addition, as discussed, several stations require some modernization or replacement. CFD is in the process of evaluating station locations and updating station deployment. Still, the stations under consideration will not affect this study.

Status of and Opportunities for Shared Facilities

CFD currently has no shared response facilities with any other jurisdictions. While some of their stations have additional room for staff, these would not be positioned in a place that would improve service for the surrounding agencies. The La Salva station is located in an area that may provide additional benefits to the southeast portion of the District. However, the current station is too small for additional staff, apparatus, or services.

CFD does provide maintenance services from their Fleet Services to several surrounding jurisdictions, including the Santa Cruz County Fire Department. These services are provided under contract and are expected to continue.

Dispatch & Communications

Emergency communications and dispatch services are provided to CFD by Santa Cruz Regional 9-1-1 (NetCom), which has operated for 25 years as of 2021. NetCom is a regional center operating as Santa Cruz and San Benito Counties' Primary Public Safety Answering Point (PSAP). It encompasses more than 330,000 residents and visitors. The center serves multiple fire, law enforcement, and EMS agencies.

NetCom processes nearly 600,000 calls annually.³² Although the center follows national standards for call answering, it focuses on achieving the State of California's standard (which is higher than national standards) of 95% of incoming 911 calls being answered within 15 seconds—equivalent to three rings at NetCom.³³

³² Santa Cruz Regional 9-1-1 website.

³³ Ibid.

Ben Lomond Fire Protection District Profile

Agency Overview

The Ben Lomond Fire Protection District (BEN) provides fire protection and emergency medical services to the 5.17-square-mile area in and around the community known as Ben Lomond.³⁴

Boundary and Sphere of Influence

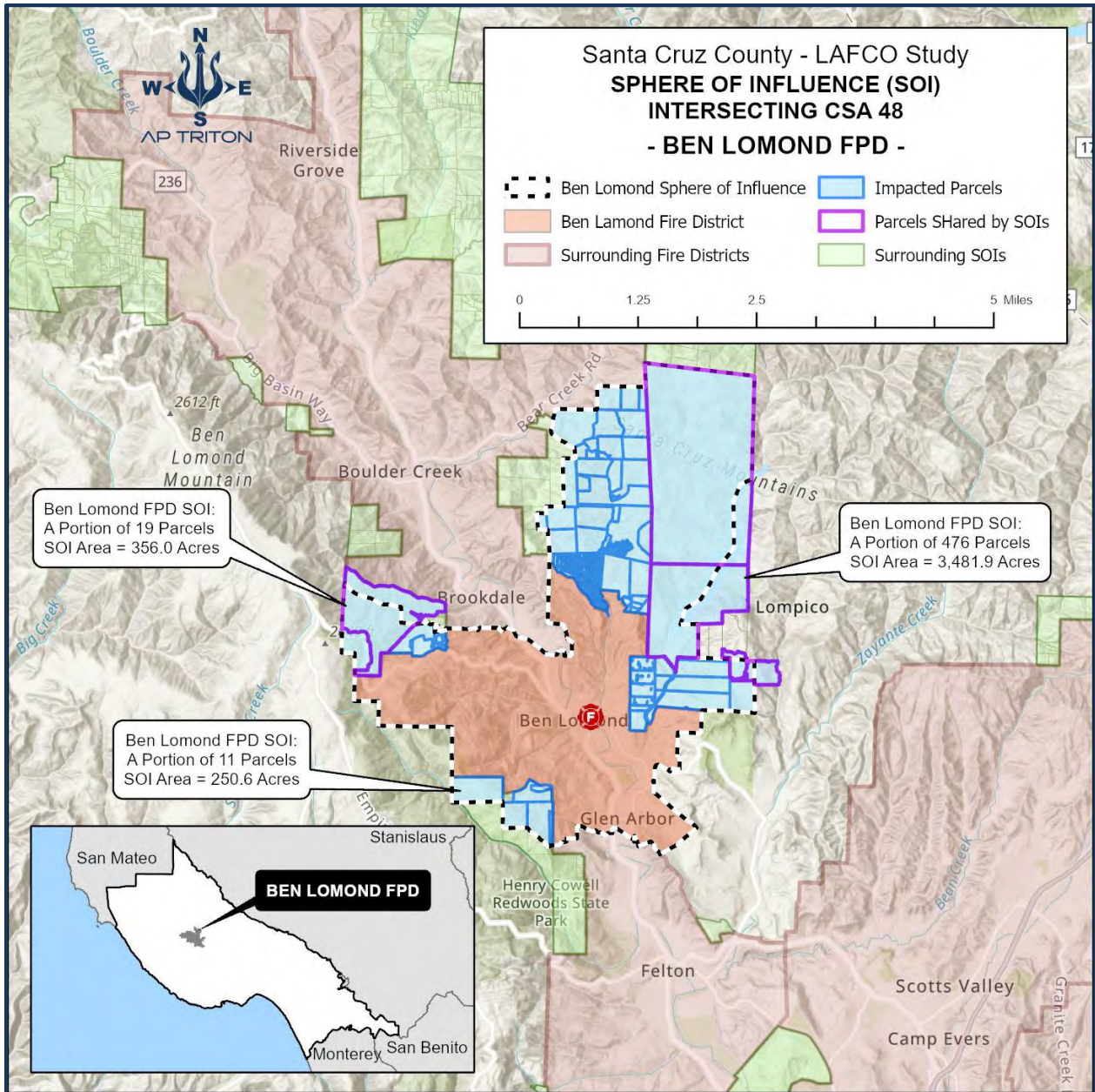
BEN is located in the San Lorenzo Valley. It is surrounded by the jurisdictions of Felton Fire Protection District, Boulder Creek Fire Protection District, and the Santa Cruz County Fire Department.

Three areas are included in the SOI, most of which are currently included in county service area (CSA) 48. Some of the parcels are shared with neighboring SOIs. The west central area has 19 properties and 356 acres, the southwest region has 11 lots and 250.6 acres, and the north and west area has 476 tracts and 3,481.9 acres for a total of 506 parcels and 4,088.5 acres in the SOI.

The following figure shows the District's location and the SOI as currently reported.

³⁴ ArcGIS Community Analyst.

Figure 109: BEN with Sphere of Influence



Type & Extent of Services

Services Provided

BEN provides a wide range of services for its community. These include fire suppression, basic life support, emergency medical care, and other emergency services. The following figure represents information provided by the agency related to each of the services and the level performed as indicated by the agency.

Figure 110: Overview of Services Provided by BEN

Service	Y/N	Level
Fire Suppression	Yes	Structural, wildland (with CAL FIRE)
EMS First Response	Yes	BLS
Ambulance Transport	No	
Specialized/Technical Rescue	Yes	Swift water rescue
Hazmat Response	No	First response only
Fire Inspection/Code Enforcement	Yes	
Plan Review	Yes	Contracted to a vendor
Public Education/Prevention	Yes	Fire Wise
Fire and Arson Investigation	Yes	

Service Area

BEN is a multi-discipline fire protection district. The District is statutorily responsible for fire protection of improved structures and other emergency services within the District boundaries. Vegetation fires are part of the state responsibility area and are statutorily the responsibility of CAL FIRE. However, when requested, BEN provides support and assistance and will begin incident mitigation if notified directly.

Collaboration

- BEN participant in the countywide mutual aid agreement.
- BEN responds for specialized swift water assistance if requested.
- Shares a part-time administrative staff with Felton Fire Protection District.

Joint Powers Agreements (JPAs)

- None Identified

Contracts to provide services to other agencies

- None Identified

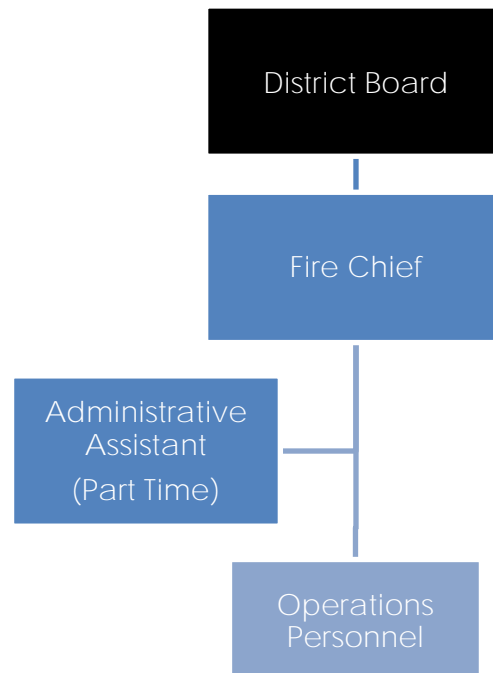
Contracts for service to other agencies

- None Identified

Governance, Administration, & Accountability

BEN is governed by a five-member board of directors whose head is the Board Chair. The Board hires a Fire Chief with a one-person administrative staff shared by Felton Fire Protection District. The following figure represents the BEN lines of authority.

Figure 111: BEN Lines of Authority



The following figure identifies the efforts to meet state laws to ensure transparency and accountability.

Figure 112: BEN Transparency and Accountability

Transparency and Accountability	Available
Agency website ³⁵	Yes
The adopted budget is available on the website	Yes
Notice of public meetings provided	Yes
Agendas posted on the website ³⁶	Yes
Public meetings are live-streamed	No
Minutes and/or recordings of public meetings are available on the website	Yes
Master Plan (fire service specific) available on the website	No
Strategic Plan (fire service specific) available on the website	No
Community Risk Assessment and Standards of Cover documents are available on the website	No
SOC performance reports are available on the website	No
Efforts to engage and educate the public on the services to the community	Yes
Staff and governing board member ethics training and economic interest reporting completed	Yes
Compliance with financial document compilation, adoption, and reporting requirements	Yes
Adherence to open-meeting requirements	Yes

Growth & Population Projections

Ben Lomond is a census-designated place (CDP) with census projections and population. The current population in the 8.37 square mile CDP area is 6,337.³⁷ However, this census geographic area differs from the legal boundaries of BEN, with the census zone encompassing a larger size than the legal boundaries of the District. The District boundaries will be used for the remainder of this section.

³⁵ As of January 1, 2020, independent special districts are required to maintain websites according to Government Code Sections 6270.6 and 53087.8 to provide the public easily accessible and accurate information about the district. Government Code Section 53087.8 lists what must be included on the website.

³⁶ Government Code §54954.2.

³⁷ www.census.gov/quickfacts/fact/table/benlomondcdpcalifornia,US/PST045222.

Current Population

The population within BEN's legal boundaries is 4,152, with an area of 5.17 square miles. There is a total of 1,749 housing units listed in the area.³⁸ Neither the number of residents nor the housing units meet the urban area classification threshold set by the U.S. Census Bureau.³⁹

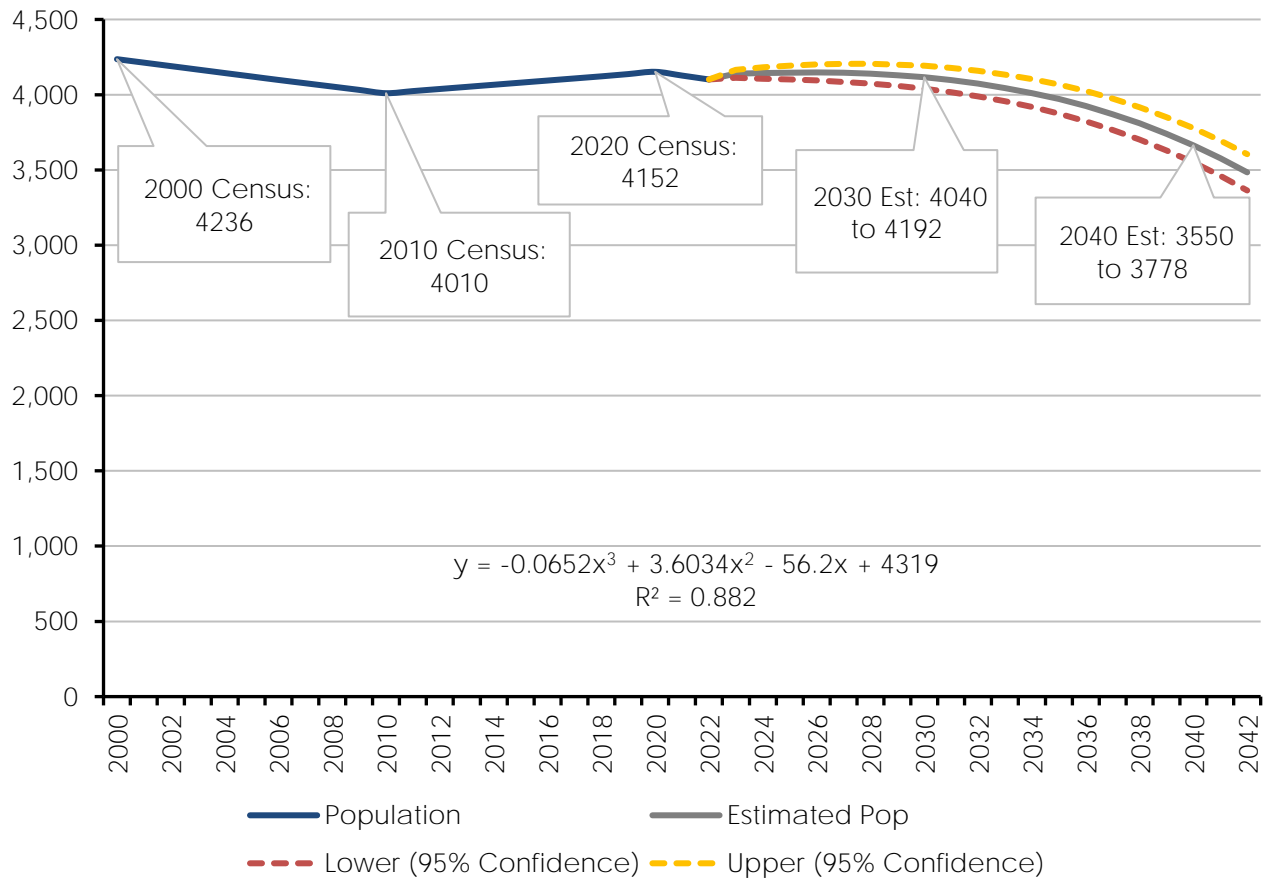
Projected Growth & Development

Estimating population growth is challenging due to many factors, such as new developments or local economies. For BEN, two techniques were utilized. The first was to rely on the Association of Monterey Bay Area Governments, 2022 Regional Growth Forecast, which calls for low or moderate growth for the region. The second method evaluated the preceding 20 years of population growth, creating a statistical model that returned the best fit and then projecting that model out 20 years. For the BEN area, the best-fit model was a three-factor polynomial regression analysis, which produced an R^2 value of 0.882. This means the model fits the historical data very well. An absolute perfect model fit returns an R^2 value of 1. Using the regression as a forecast shows a slight reduction in population for the area from 4,152 in 2020 to between 3,550 and 3,778 by 2040 with a 95% confidence level. The following figure shows the 20-year actual and 20-year population forecast with confidence levels.

³⁸ ESRI Community Analyst, Source U. S. Census Bureau, 2020 Redistricting Data (P.L. 94-171).

³⁹ <https://www.census.gov/programs-surveys/geography/guidance/geo-areas/urban-rural.html>.

Figure 113: BEN Historical Population and Forecast



Financial Overview

This study will focus on the receipts and disbursements within the General Fund of the Ben Lomond Fire Protection District.

Historical General Fund Revenues and Expenses

Much information regarding the General Fund was reviewed to develop a financial trend analysis for the five years. This review of the historical data in General Fund (GF) revenues revealed total revenues increased from \$906,876 in FY 2018 to \$1,114,731 in FY 2022, an approximate 22.9% increase.

Property tax revenues are the most significant source of General Fund Revenues, providing approximately 93% of the total revenues annually. Historically, the District does not budget for revenues from delinquent tax collections and related penalties and interest or supplemental property tax revenues, contributing an average of \$18,000 annually to funding revenues. The increases and decreases observed in the historical analysis can be attributed to these sources of revenue. Other significant sources of revenue include Rents and Concessions, Interest, and other sources.

As previously indicated, the District's General Fund expends funds for the operation of the fire department, administrative costs, debt service, and capital expenditures.

Operating expenses of the District include salaries and benefits. These expenditures account for between 32% and 47% of overall annual expenses. Regular pay appears to be the only category within the salaries and benefits section of the financial reports that is consistent and able to identify a trend. The Districts' PERS contribution in FY 2018 was \$152,000. However, this expense dropped to an average of \$25,000 over the next four years. Extra Help expense is in response to the requirement to deploy resources for large-scale incidents, again, with no ability to reasonably anticipate the actual use annually.

Significant components of Services and Supplies include Clothing and Personal Supplies, Maintenance of equipment, grounds and apparatus, Professional and Special Services, and Special District Expenses. Personal Protective Equipment (PPE) purchases are cyclical due to the expected life cycle, resulting in a reduction in annual procurements of \$106,000 in FY 2019 to \$25,000 in FY 2022. Maintenance costs may be planned, but unexpected things occur, and savings should be set aside for these eventualities.

The District extinguished a debt obligation in FY 2019, saving approximately \$70,000 annually. In addition, a long-term lease obligation ended in FY 2022. The District expends funds annually for capital improvements and replacements.

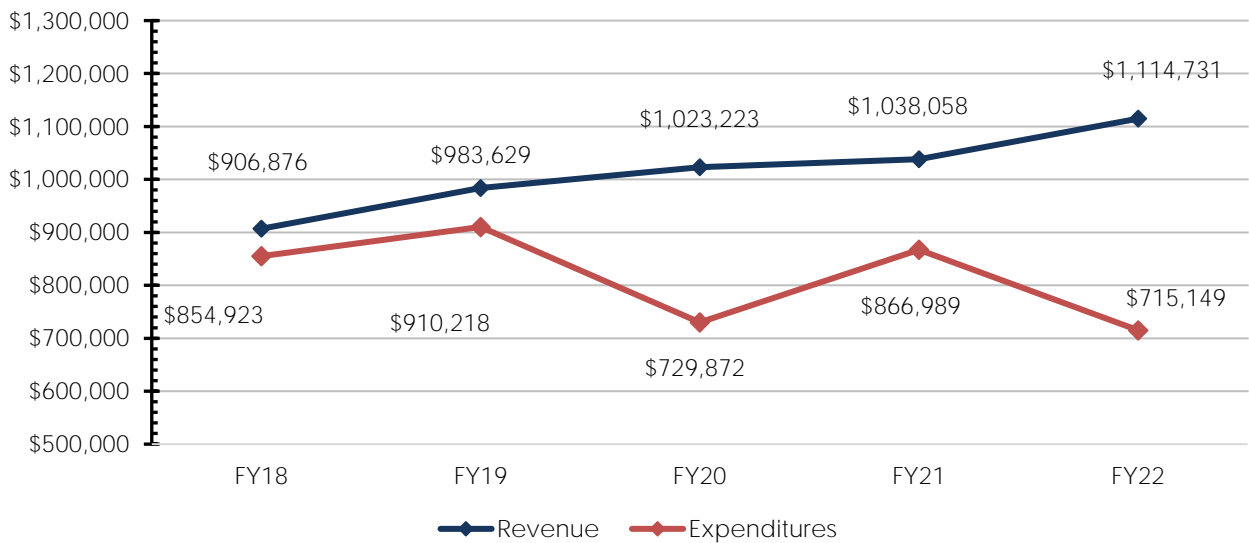
The District's fund balances continue to increase annually, providing a reserve against unforeseen significant issues. They can also provide capital for future acquisitions or replacements of long-lived assets.

Figure 114: BEN Summarized General Fund Revenues and Expenses, FY 2018–FY 2022⁴⁰

Revenue/Expenses	Actual FY 2018	Actual FY 2019	Actual FY 2020	Actual FY 2021	Actual FY 2022
Revenue	906,876	983,629	1,023,223	1,038,058	1,114,731
Expenditures	854,923	910,218	729,872	866,989	715,149
Surplus (Deficit)	51,953	73,411	293,351	171,069	399,582

The above information indicates the impact on the City's sales tax revenues of the pandemic and can be easier to see graphically.

Figure 115: BEN Summarized General Fund Revenues and Expenses, FY 2018–FY 2022



⁴⁰ Information provided by Ben Lemond Fire District Staff.

The following figure details the operating revenues, operating expenses, and capital expenditures of the District from FY 2018 through FY 2022.

Figure 116: BEN Revenues and Expenses, FY 2018–FY 2022

Revenue/Expenses	FY 2018 (Actual)	FY 2019 (Actual)	FY 2022 (Actual)	FY 2021 (Actual)	FY 2022 (Actual)
Revenue					
Current Property Taxes	828,048	880,472	923,811	961,041	990,878
Delinquent Property Taxes	1,163	1,624	2,022	3,546	2,205
Supplemental Property Taxes	15,398	21,403	14,460	7,532	25,555
Interest	22,555	38,183	39,427	15,292	12,292
Rents & Concessions	34,634	36,864	38,405	45,612	50,376
Other	5,079	5,084	5,097	5,035	33,425
Total Revenues	906,876	983,629	1,023,223	1,038,058	1,114,731
Expenses by Category					
Salaries & Benefits	397,533	287,805	330,982	403,528	256,789
Services & Supplies	233,764	341,114	253,084	298,567	300,990
Debt Service	155,223	153,280	81,773	81,773	79,499
Capital Outlay	68,403	128,021	64,033	83,122	77,871
Total Expenditures	854,923	910,218	729,872	866,989	715,149
Surplus (Deficit)	51,953	73,411	293,351	171,069	399,582

Projected General Fund Revenues and Expenses

Property tax revenues have averaged an annual increase of approximately 5% between FY 2018 and FY 2022. Actual revenues have historically exceeded the budgeted amounts. Other incomes for rents and concessions have averaged double-digit growth between FY 2018 and FY 2022. The significant increase in total revenues in FY 2022 resulted from a considerable rise in Supplemental Property Tax receipts and an insurance recovery. Property tax revenues are projected to increase at 4% annually using the FY 2023 budget as the base year. As previously discussed, the District does not budget for specific property tax amounts received annually. These amounts are forecast to be \$15,000 annually. Interest income is a factor of available balances and interest rates. For a conservative forecast, interest income will be calculated using a 3% interest rate applied to the forecasted ending cash balances. Rents and Concession income has grown at an average annual rate of approximately 10%. AP Triton's forecast for this category is a 5% annual growth using the FY 2023 budgeted amount as the base year.

Salaries and benefits costs depend on circumstances that cannot be accurately forecasted. Extra help costs are forecast to remain at the FY 2023 budget amount. Services and supplies are forecast to increase at 5% annually based not on the FY 2023 budgeted amounts but on the FY 2022 actual amounts. Long-term debt appears to have been extinguished with the FY 2023 payment, but this could not be confirmed by the financial information provided. Capital outlay is forecast to be at an annual amount of \$100,000.

Figure 117: BEN Forecast Revenues and Expenditures

Revenue/Expenses	FY 2023 (Budget)	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Revenue						
Current Property Taxes	1,004,478	1,044,657	1,086,443	1,129,901	1,175,097	1,222,101
Delinquent Property Taxes	—	1,000	1,000	1,000	1,000	1,000
Supp. Property Taxes	—	14,000	14,000	14,000	14,000	14,000
Interest	—	94,948	107,242	120,414	134,506	149,556
Rents & Concessions	50,639	53,171	55,829	58,621	61,552	64,630
Other	5,097	5,000	5,000	5,000	5,000	5,000
Total Revenues	1,060,214	1,212,776	1,269,514	1,328,936	1,391,155	1,456,287
Expenses by Category						
Salaries & Benefits	374,100	386,965	398,586	410,789	423,602	437,055
Services & Supplies	473,442	316,040	331,842	348,434	365,856	384,149
Debt Service	83,600	—	—	—	—	—
Capital Outlay	129,072	100,000	100,000	100,000	100,000	100,000
Total Expenditures	1,060,214	803,005	830,428	859,223	889,458	921,204
Surplus (Deficit)	—	409,772	439,086	469,713	501,697	535,083
Beginning Reserves	3,164,946	3,164,946	3,574,718	4,013,804	4,483,517	4,985,214
Ending Reserves	3,574,718	4,013,804	4,483,517	4,985,214	5,520,297	3,574,718

Capital Planning

The District's Board and Staff have a Capital Improvement and Replacement Program to identify equipment, apparatus, and facilities projects. This plan identifies a committed reserve balance to provide the funding source for each. Increases to reserve funds are made each year as surplus funds permit.

Demand for Services

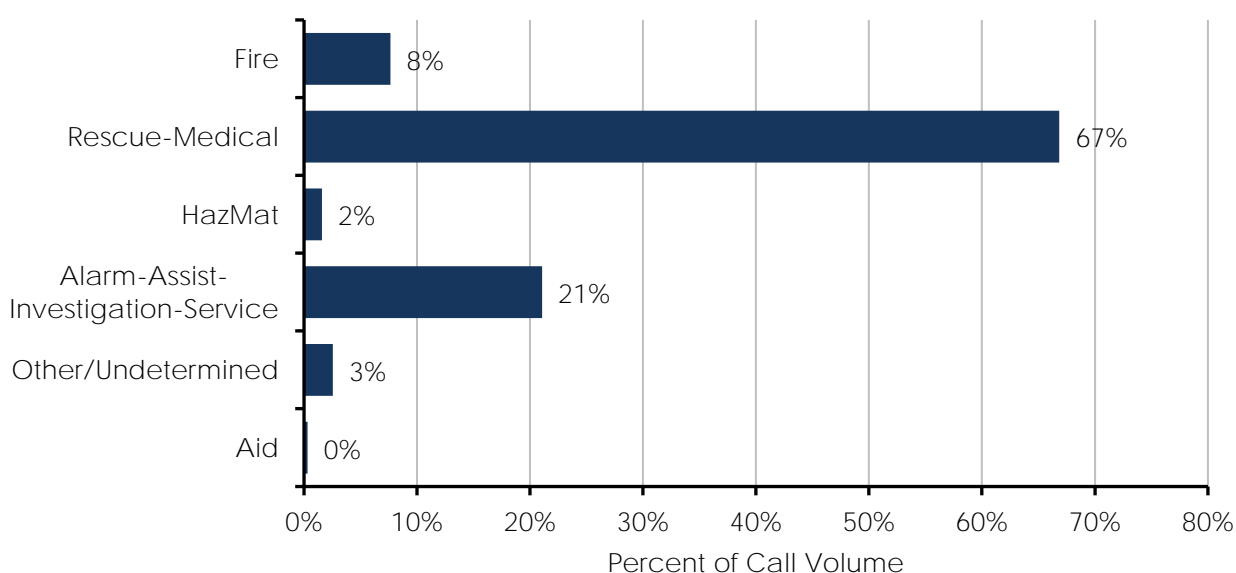
BEN is a rural system that provides aid services to other communities when requested. Data was provided by the regional dispatch center and included incident information from January 1, 2018, through December 31, 2022. In addition, any response to a wildland-type fire in the State Response Area was removed from the analysis. The following figure is the overview of the response statistics for BEN.

Figure 118: BEN Response Overview

Agency	Ben Lomond FPD
Avg. Annual Incident Vol.	440
Incidents per 1,000 Population	106
90th Percentile Total Time	11:29

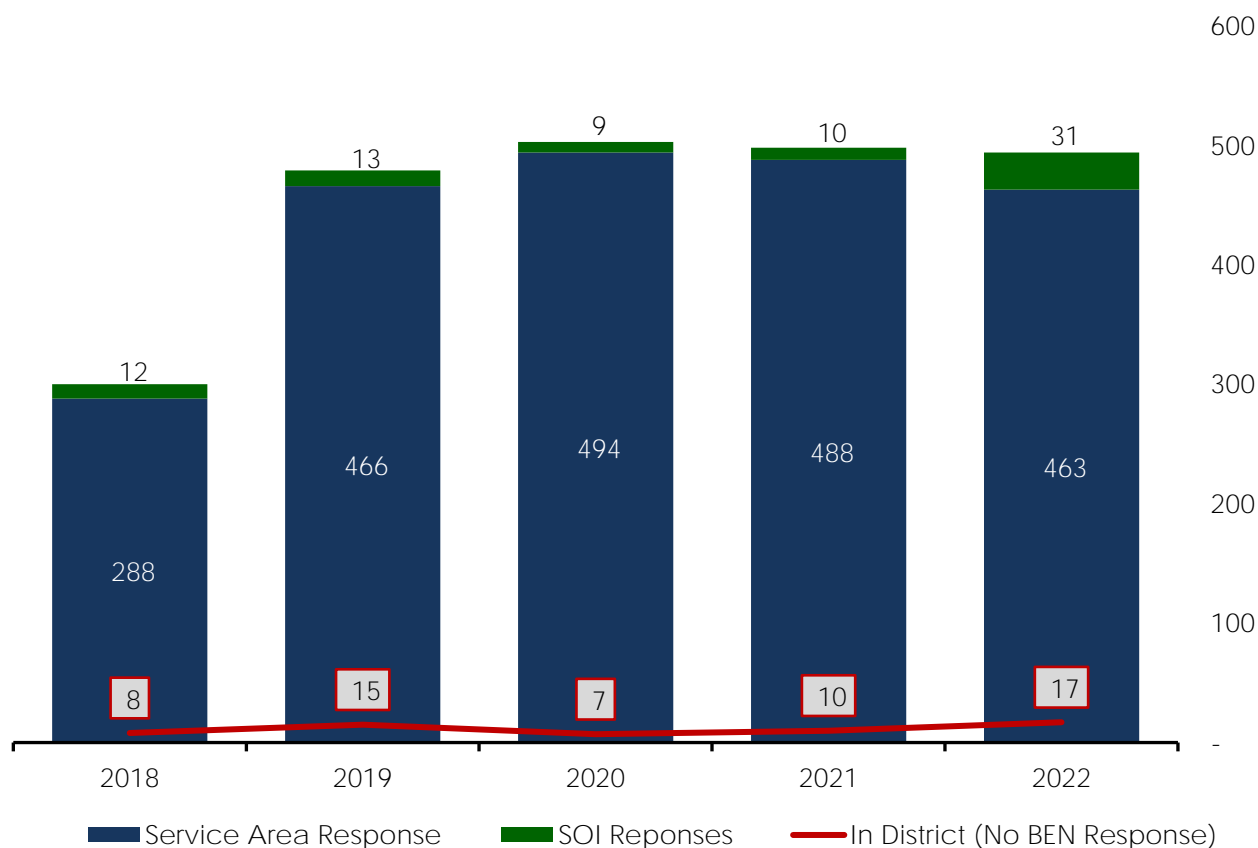
Each incident was grouped into the main categories based on the dispatch type. The incident types were related to the major categories in the National Fire Incident Reporting system.

Figure 119: BEN Total Incident Responses by Type as a Percentage



Typically, an analysis of incidents by year can yield a trend or indicate what call volume might look like in the next few years. Unfortunately, due to the COVID-19 pandemic and subsequent social and economic constraints, this is difficult with this data set. As a result, a trend was not easily spotted or extrapolated. It appears that BEN response numbers are remaining steady after 2019. In addition, responses into the sphere of influence are not significant. One aspect of the service within the County of Santa Cruz is the prolific use of mutual aid. Occasionally, a unit from the primary jurisdiction is not identified in the CAD data, although non-radioed persons may have responded. BEN units respond to most of the incidents within their jurisdiction. The following figure shows the annual incident volume by year with the responses into the sphere of influence and district-covered incidents.

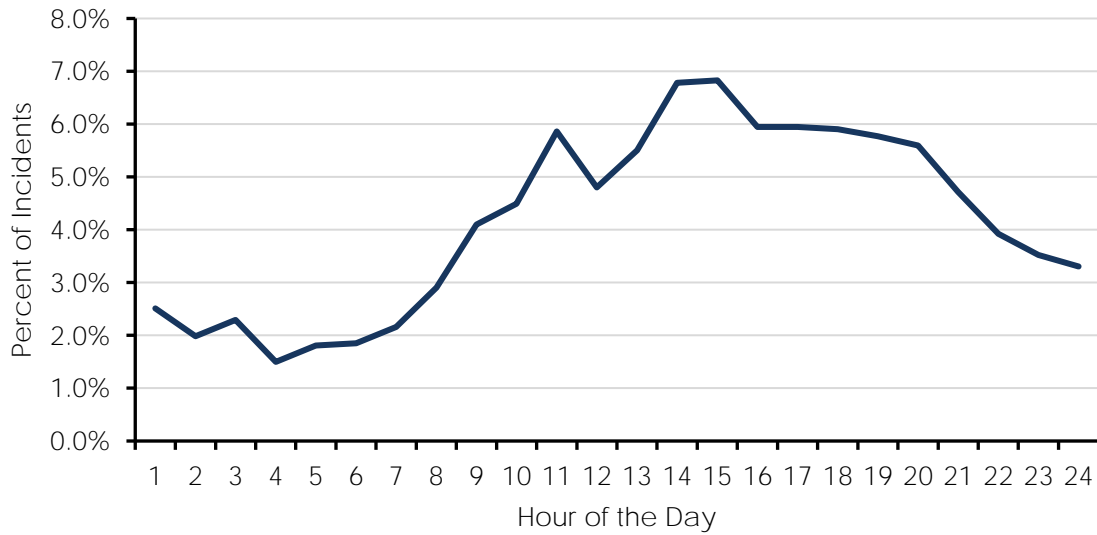
Figure 120: BEN Annual Incident Volume by Year



A temporal study indicated some seasonality in the response data. Incident volume variation by month showed a lower incident load from January through March, with peak incident volume in September, October, and December. The deviation was plus and minus 2%.

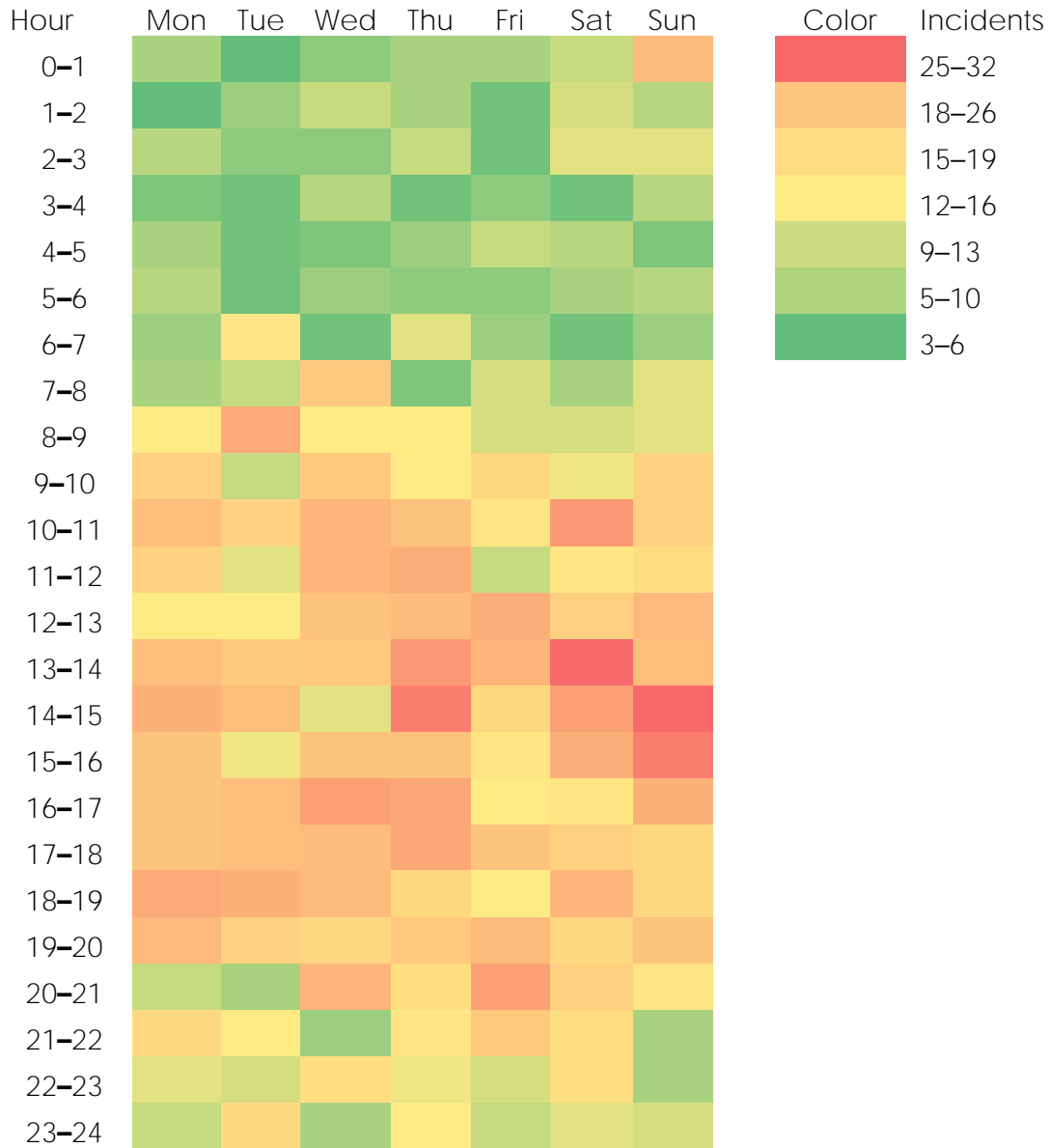
A study of demand by hour shows that BEN, like many fire agencies, sees a significant variation by the hour. In fact, over 72% of all incidents happen between 8:00 a.m. and 8:00 p.m. The following figure shows the general difference of the complete incident data set by hour.

Figure 121: BEN Incident Percentage by Hour



The average daily swing is typical and likely due to the number of awake and active people. However, the day-to-day variation in this information does play a part. The following figure is the incident heat map by the hour and day of the week.

Figure 122: BEN Incident Heat Map by Hour and Weekday



As indicated in the previous figure, the daytime hour incidents tend to be evenly distributed each day, with a slightly higher incident volume on the weekends.

The final volume analysis looked at the unit usage for all apparatus within the system. This analysis considered three dimensions. The first is the unit hour utilization (UHU). This number represents the time a unit was committed to an incident as a percentage of the total time they were on duty. The next is the average time a unit was committed to an incident. And finally, the average number of incidents a unit was deployed daily.

Only those units clearly identified by the agency or units with large volumes of responses within the data sets were evaluated. The following figure shows the general statistics for each frontline unit within the BEN system.

Figure 123: BEN Unit Usage (2021–2022)

Unit	Unit Hour Utilization (UHU)	Avg. Time per Incident	Avg. Incidents Per Day
B2203	4.2%	28 Minutes	2.2
R2266	4.2%	27 Minutes	2.2
C2200	2.3%	23 Minutes	1.4
E2213	2.6%	27 Minutes	1.4
E2212	2.0%	39 Minutes	0.7
E2211	1.0%	31 Minutes	0.5
Utilities	0.4%	32 Minutes	0.2
E2231	0.6%	50 Minutes	0.2

Two additional apparatus, B2201, and E2249, did not have enough responses in the data set to be reported in the above analysis.

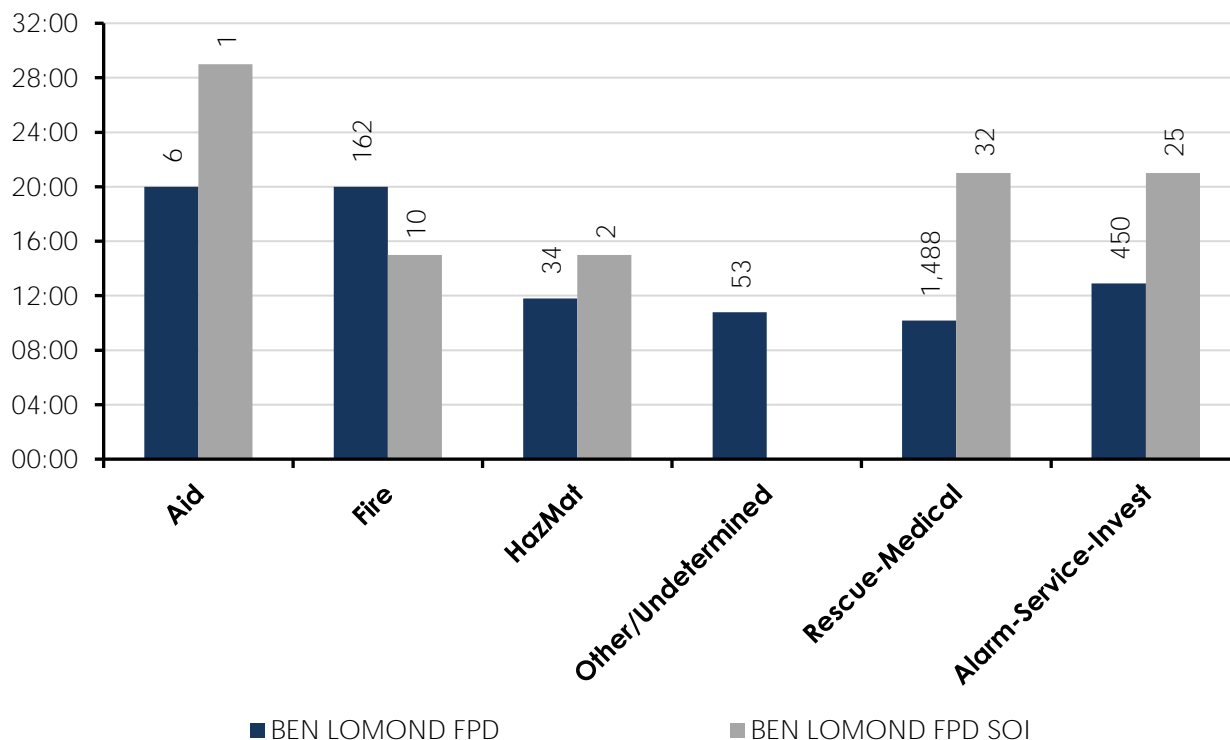
Service Delivery & Performance

The performance of the BEN response was also evaluated. The data did not differentiate between emergency responses and non-emergency responses. In addition, there was no evaluation of the arriving unit's type or agency. Therefore, all responses are evaluated. The 90th percentile is typically used in the fire service and is considered the standard for measuring incident response performance. Due to the nature of this report, BEN's performance in its identified sphere of influence was also evaluated. Agency performance goals or standards are not taken into consideration for this report.

Three unique time segments are included when evaluating an agency's response performance. The first is the time it takes for the Dispatcher to answer the 911 call and notify the agency (call processing); the second is the time it takes for the agency to receive the call and go en route to the call (turnout time); and third is the time it takes for the unit to drive to the incident (travel time). All three segments combined make up the total response time. For this evaluation, the unit type was not discriminated against, and the first arriving unit was used to determine the total response time.

Each call type may contain variables. For example, questioning the caller for appropriate information may take more or less time. In addition, it may take longer for crews to respond depending on the personal protective equipment to be worn, which varies with the type of incident. The following figure shows each incident type's total response time performance within the data set, grouped by the major NFIRS categories. The following figure shows the first due, 90th percentile total response time for the District and the sphere of influence.

Figure 124: BEN Incidents 90th Percentile Total Response Times, Jan 2018–Dec 2022



Staffing

BEN operates a volunteer response service with one paid Fire Chief and one part-time administrative assistant. Emergency response consists of fire apparatus staffed as needed by volunteer personnel. The following figure shows the total number of personnel assigned to the BEN.

Figure 125: BEN Staffing

Assignment	Staffing
Uniformed Administration	1
Non-Uniformed Administration	0.5
Fire Prevention	0
Operations Staff (Volunteers, Reserve, and on-call) ⁴¹	≈29
Emergency Communications	0
Total Personnel	1.5 / ≈29

The following figure shows the daily operational staffing at each station and on each unit. All apparatus is staffed by paid-on-call volunteers.

Figure 126: BEN Daily Operational Staffing

Station	Daily Staffing	Unit Staffing
1	Volunteer	4 Engines and 1 Rescue


⁴¹ benlomondfd.com/2018/12/meet-your-firefighters/.

Facilities & Apparatus

Ben Lomond Fire Station

The following figure outlines the basic features of the BEN fire station facilities. The condition of the fire station is rated based on the criteria identified in the introduction to this section of the report.

Figure 127: Ben Lomond Fire Station

Station Name/Number:	Ben Lomond Station 1				
Address/Physical Location:	9430 Hwy 9, Ben Lomond, CA 95005				
	General Description:				
	Centrally located in downtown Ben Lomond, the fire station consists of a one-story wood-framed building composed of 3 back-in apparatus bays, a classroom, a large kitchen, restrooms, and administrative offices.				
Structure					
Date of Original Construction	1948				
Seismic Protection	Front apparatus doors				
Condition (from rating sheet)	Fair				
Number of Apparatus Bays	Drive-through Bays		Back-in Bays	3	
Length of each Apparatus Bay					
Facilities Available					
Sleeping Quarters	2	Bedrooms		Beds	Dorm Beds
Current daily staffing	0				
Maximum staffing capability	0				
Kitchen Facilities	1				
Bathroom/Shower Facilities	Yes (Bathroom) No (Shower Facilities)				
Training/Meeting Rooms	1				
Safety & Security					
Station Sprinklered	No				
Smoke Detection	Yes				
Decon & Biological Disposal	No				
Security System	No				
Apparatus Exhaust System	Yes				
Washer/Dryer/Extractor	Yes				

Fire Station Discussion

BEN's fire station was considered in fair condition. The fire station appears to be well-maintained. However, because of its age, it does not meet modern firefighting requirements. The firefighting environment has significantly changed over the past several decades. Technology, equipment, and safety systems have changed to meet new firefighting and emergency response demands. Older fire station buildings do not typically have the space or engineering systems to meet that new environment. Modern work and living spaces also require considerably more access to electrical outlets and built-in technology than is provided or expected in older buildings' design. This station, although remodeled over the years to accommodate a growing department and community, still lacks adequate parking for responding volunteer firefighters, sufficient living space for the potential of future full-time staffing, and limited equipment storage space and facilities.

Although not currently designed or configured to accommodate the housing of full-time staff, the fire station has adequate space to allow for adding at least one 3-person engine company if existing facilities were to be re-configured and/or remodeled.*

Figure 128: BEN Station Configuration and Condition

Station	Apparatus Bays	Staffing Capacity	General Condition	Station Age
Station 1	3	3*	Fair	75
Totals/Average:	3	3*	Fair	75

Volunteer firefighters, as all working fire personnel, need to safely decontaminate personnel and equipment after many of the responses they face in the current firefighting context. Every crew member should have access to facilities to decontaminate immediately after a fire event, and showers should allow for gender separation. In addition, there needs to be enough partitioned space to allow for gear and equipment to be thoroughly washed and to control contamination in the living and working space of the station. The BEN fire station currently lacks adequate space and facilities to accommodate safe and effective decontamination of its personnel.

Apparatus

BEN operates with three Type 1, a Type 3, and a Type 6 engine. In addition, it has a rescue unit, three command vehicles, and one utility truck. The following figure shows the type and condition of BEN's fleet.

Figure 129: BEN Vehicles & Apparatus

CAD Radio Name	Apparatus Type	Condition
B2203	Command/SUV	Excellent
R2266	Rescue	Excellent
C2200	Command/Jeep	Excellent
E2213	Type 1 Engine	Excellent
E2212	Type 1 Engine	Good
E2210	Type 1 Engine	Good
E2231	Type 3	Fair
B2201	Command/Truck	Excellent
E2249	Type 6	Excellent
U2290	Utility/Truck	Good

Facility Replacement & Infrastructure Needs

The BEN has occupied the current fire station location for over 75 years. Its central location in downtown Ben Lomond provides excellent access to the community's main commercial area for emergencies and responding volunteer firefighters. As mentioned, the fire station has been upgraded and appears to be adequately maintained. Its current location does have significant parking challenges for responding volunteers and minimal space for expansion. The Community and the Fire District should consider developing a plan to address the fire department's future space and facilities needs and the potential shift towards 24-hour on-duty paid or volunteer staffing as call volumes increase and the community's requirements grow.

Status of and Opportunities for Shared Facilities

BEN has no shared facilities with neighboring San Lorenzo Valley fire agencies. The Department currently works closely with other area fire departments, providing mutual aid during routine calls for service and the significant emergencies that impact the area frequently. Continued enhanced collaboration and pooling of resources (facilities/staffing) between the San Lorenzo Valley volunteer agencies may be an effective short- to medium-term method to address community growth, service demand increases, and staffing challenges they may face in the future,

Dispatch & Communications

Emergency communications and dispatch services are provided to BEN by Santa Cruz Regional 9-1-1 (NetCom), which has operated for 25 years as of 2021. NetCom is a regional center operating as Santa Cruz and San Benito Counties' Primary Public Safety Answering Point (PSAP). It encompasses more than 330,000 residents and visitors. The center serves multiple fire, law enforcement, and EMS agencies.

NetCom processes nearly 600,000 calls annually.⁴² Although the center follows national standards for call answering, it focuses on achieving the State of California's standard (which is higher than national standards) of 95% of incoming 911 calls being answered within 15 seconds—equivalent to three rings at NetCom.⁴³

⁴² Santa Cruz Regional 9-1-1 website.

⁴³ Ibid.

Boulder Creek Fire Protection District Profile

Agency Overview

The Boulder Creek Fire Protection District (BCFPD) provides fire protection and emergency medical services to the 16.83 square mile area for the unincorporated communities of Boulder Creek, Mildwood, Redwood Grove, San Lorenzo Park, and Brookdale.⁴⁴

Boundaries

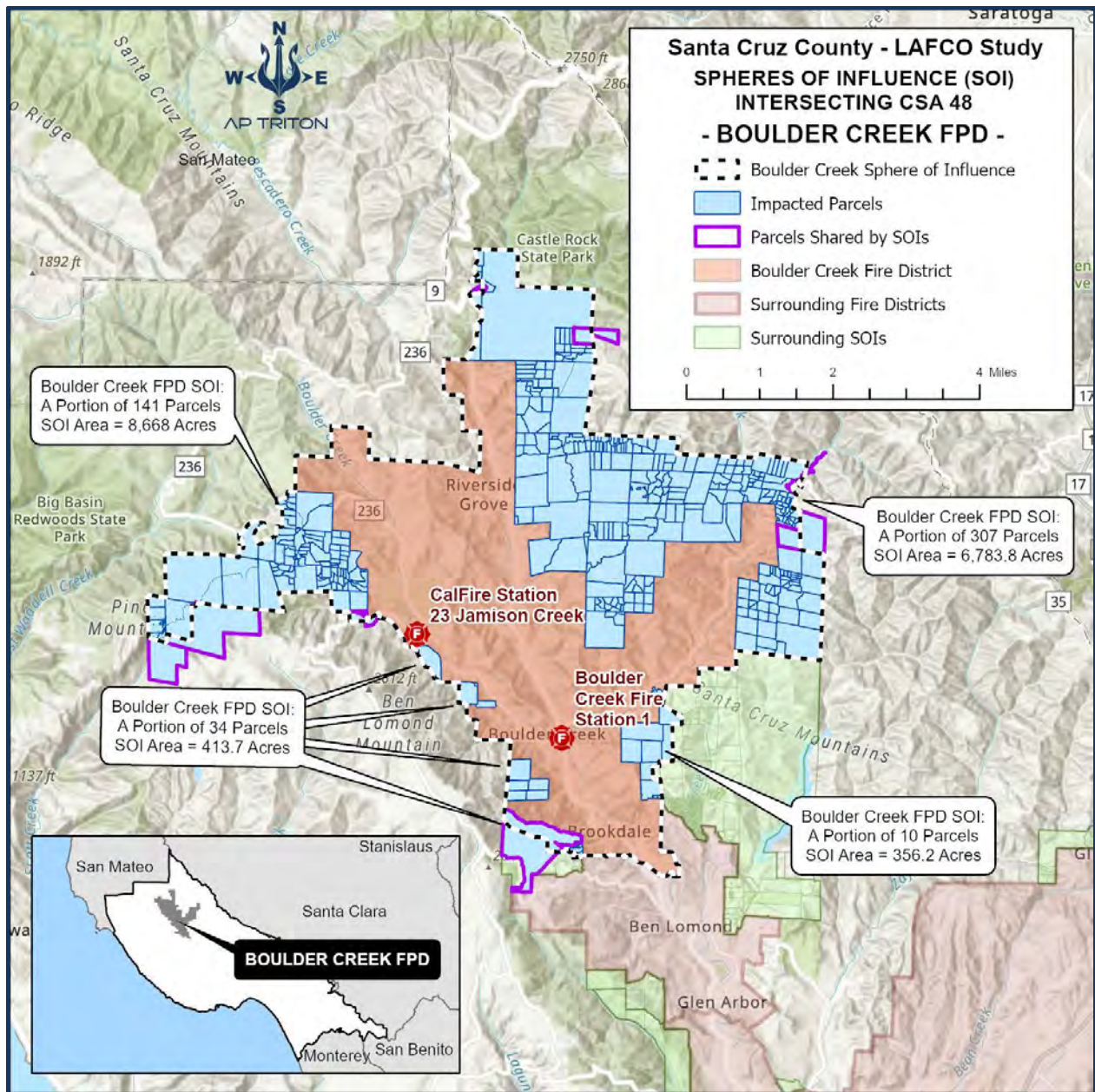
BCFPD is located in the San Lorenzo Valley and is almost entirely surrounded by the jurisdiction of the Santa Cruz County Fire Department. The southern border is shared with the Ben Lomond Fire Protection District.

Several areas are included in the SOI. The spheres are currently a part of CSA 48. The three most prominent are to the north and northwest and to the east of the District. Within the SOI are 16,221.7 acres on 492 parcels, some shared with neighboring jurisdiction SOIs.

The following figure shows the location and the SOI as currently reported.

⁴⁴ ArcGIS Community Analyst.

Figure 130: Boulder Creek Fire Protection District with Sphere of Influence



Type & Extent of Services

Services Provided

BCFPD provides a wide range of services for its community. These include fire suppression, basic life support, emergency medical care, and other emergency services. The following figure represents each of the services and the level performed as indicated by the agency.

Figure 131: Overview of Services Provided by BCFPD

Service	Y/N	Level
Fire Suppression	Yes	Structural, wildland (with CAL FIRE)
EMS First Response	Yes	BLS
Ambulance Transport	Yes	BLS when requested
Specialized/Technical Rescue	Yes	Technical rescue (high angle, confined space, trench, structure collapse, debris flow). UAV program (in development).
Hazmat Response	No	First response only
Fire Inspection/Code Enforcement	Yes	
Plan Review	Yes	In-house and vendor contracts when needed
Public Education/Prevention	Yes	Cal Reality HIZ assessments, home hardening inspections, defensible space inspections, camp inspections, childcare facility safety inspections, fire extinguisher training, summer children's fire safety program, and high school ROP Fire tech/safety training. HOA road fire access/ordinance walkthrough.
Fire and Arson Investigation	Yes	

Service Area

BCFPD is a multi-disciplined fire protection district. The District is statutorily responsible for fire protection of improved structures and other emergency services within District Boundaries. Vegetation fires are part of the state responsibility area and are statutorily the responsibility of CAL FIRE. However, BCFPD provides support and assistance when requested and will begin incident mitigation if notified directly.

Collaboration

- BCFD participant in the countywide mutual aid agreement.
- BCFD responds for specialized technical rescue assistance if requested.
- Real estate is available for collaborative development.

Joint Powers Agreements (JPAs)

- Mobile cascade air system.
- Fire prevention trailer prop.
- Live fire training prop.

Contracts to provide services to other agencies

- None Identified

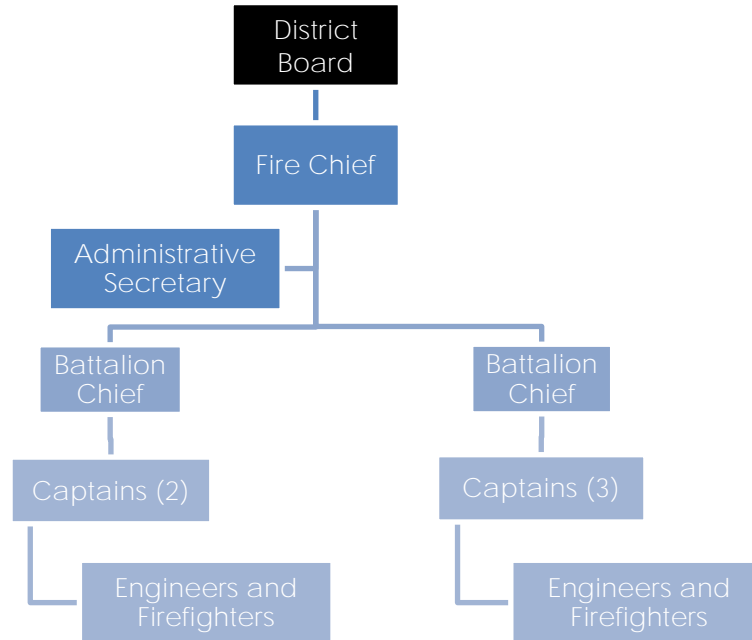
Contracts for service to other agencies

- None Identified

Governance, Administration, & Accountability

BCFPD is governed by a five-member Board of Directors whose head is the Board Chair. The Board hires a Fire Chief. The following figure represents the BCFPD lines of authority.

Figure 132: Boulder Creek Lines of Authority⁴⁵



The following figure identifies the efforts to meet state laws to ensure transparency and accountability.

⁴⁵ www.bcfpd.com/organizational-structure.

Figure 133: Boulder Creek Transparency and Accountability

Transparency and Accountability	Available
Agency website ⁴⁶	Yes
The adopted budget is available on the website	No
Notice of public meetings provided	Yes
Agendas posted on the website ⁴⁷	Yes
Public meetings are live-streamed.	No
Minutes and/or recordings of public meetings are available on the website	Yes
Master Plan (fire service specific) available on the website	No
Strategic Plan (fire service specific) available on the website	No
Community Risk Assessment and Standards of Cover documents are available on the website	No
SOC performance reports are available on the website	No
Efforts to engage and educate the public on the services to the community	Yes
Staff and governing board member ethics training and economic interest reporting completed	Yes
Compliance with financial document compilation, adoption, and reporting requirements	Yes
Adherence to open-meeting requirements	Yes

⁴⁶ As of January 1, 2020, independent special districts are required to maintain websites according to Government Code Sections 6270.6 and 53087.8 to provide the public easily accessible and accurate information about the district. Government Code Section 53087.8 lists what must be included on the website.

⁴⁷ Government Code §54954.2.

Growth & Population Projections

Boulder Creek is a census-designated place (CDP) with census projections and population. The current population in the 7.51-square-mile CDP area is 5,429.⁴⁸ However, this census geographic area differs from the legal boundaries of BCFPD, with the census area encompassing a smaller size than the legal boundaries of the District. The District boundaries will be used for the remainder of this section.

Current Population

The current population within BCFPD's legal boundaries is 8,274, with an area of 16.83 square miles. There is a total of 3,806 housing units listed in the area.⁴⁹ Neither the number of residents nor the housing units meet the urban area classification threshold set by the U.S. Census Bureau.⁵⁰

Projected Growth & Development

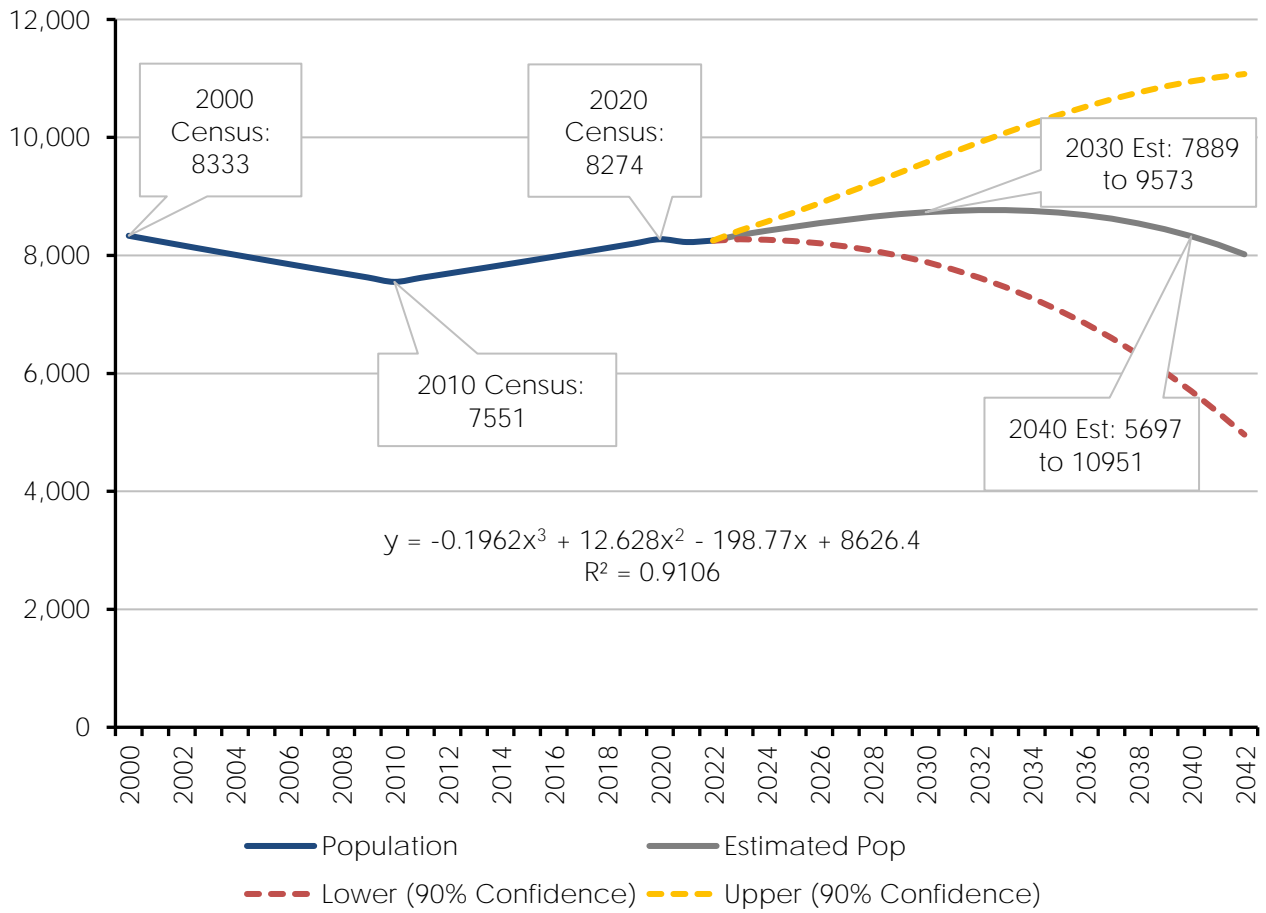
Estimating population growth is challenging due to many factors, such as new developments or local economies. For BCFPD, two techniques were utilized. The first was to rely on the Association of Monterey Bay Area Governments, 2022 Regional Growth Forecast, which calls for low or very moderate growth for the region. The second method evaluated the preceding 20 years of population growth, creating a statistical model that returned the best fit and then projecting that model out 20 years. For the BCFPD area, the best-fit model was a three-factor polynomial regression analysis, which produced an R^2 value of 0.9106. This means the model fits the historical model very well. An absolute perfect model fit returns an R^2 value of 1. Using the regression as a forecast shows a wide range in population projections of +/- 2,600 people. The area estimates range from 8,274 in 2020 to 5,697 and 10,951 by 2040, with a 90% confidence level. The direct model shows only a slight increase to 8,324 in 2040. The following figure shows the 20-year actual and 20-year population forecast with confidence levels.

⁴⁸ www.census.gov/quickfacts/fact/table/benlomondcdpcalifornia,US/PST045222.

⁴⁹ ESRI Community Analyst, Source U. S. Census Bureau, 2020 Redistricting Data (P.L. 94-171).

⁵⁰ <https://www.census.gov/programs-surveys/geography/guidance/geo-areas/urban-rural.html>.

Figure 134: Boulder Creek FPD Historical Population and Forecast



Financial Overview

The Boulder Creek Fire Protection District operates only through the General Fund. The District prepares an annual operating budget based on a July through June fiscal year.

General Fund Recurring Revenues and Expenses

A significant amount of information was provided by the District staff. It was reviewed to develop a financial trend analysis for the five years, from fiscal year 2018 through fiscal year 2023. This review of the historical information of General Fund (GF) revenues revealed recurring revenues increased from \$1,156,000 in FY 2018 to a budgeted \$1,302,000 in FY 2023, a 12.5% overall increase or an annualized increase of approximately 2.5%.

Property tax revenues are the most significant source of General Fund Revenues, followed by Measure N Assessments restricted to specific uses. These two sources account for almost 94% of General Fund Revenues. Other sources of revenue include charges for services, grants, interest, training funds, and other sources.

The General Fund expends funds for salaries and benefits, services and supplies, capital expenditures, and debt service. The District has accumulated an Unfunded Actuarial Liability (UAL) in its CalPERS pension obligation. Of the approximately \$643,000 in salaries and benefits, over \$40,000, or 6%, is payment on the UAL.

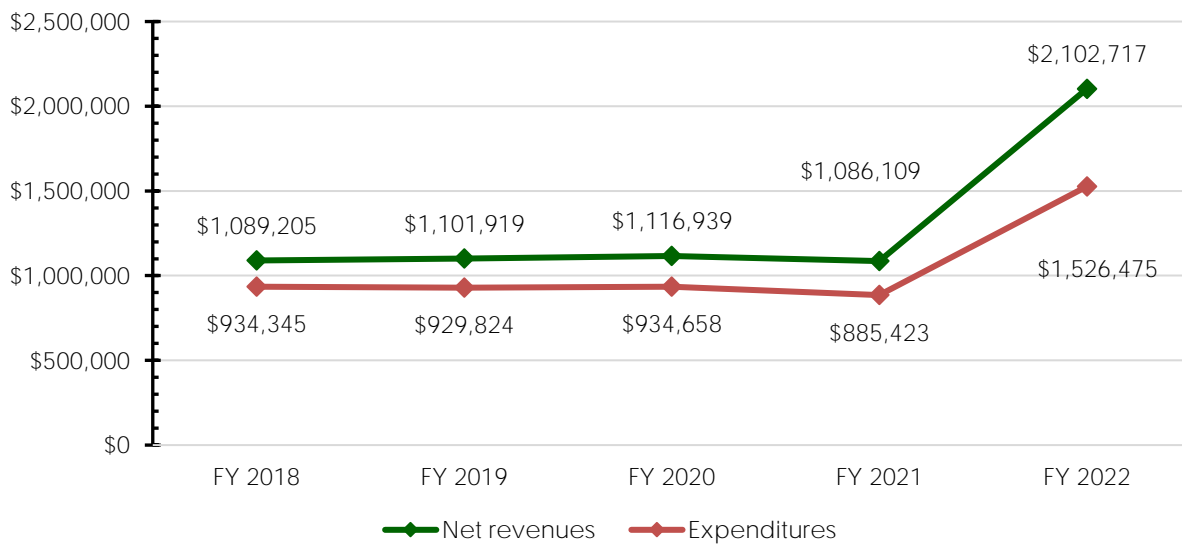
Due to the source of its funding streams, the COVID-19 pandemic had no significant negative impact on FY 2020 and FY 2021 revenues. The following figure is the historical revenues and expenditures of the District.

Figure 135: Boulder Creek Fire Protection District, Summarized General Fund Revenues and Expenses, FY 2018–FY 2022⁵¹

Revenue/Expenses	FY 2018 (Actual)	FY 2019 (Actual)	FY 2020 (Actual)	FY 2021 (Actual)	FY 2022 (Projected)
Recurring Revenue	1,156,287	1,057,809	1,077,617	1,112,297	1,276,526
Other Revenues	109,510	44,110	39,286	162,982	1,019,960
Total Revenues	1,265,797	1,101,919	1,116,903	1,275,279	2,296,486
Salaries & Benefits	464,261	416,409	514,338	517,862	895,606
Services & Supplies	350,837	367,542	318,369	367,561	580,869
Total Recurring Expenses	815,098	783,951	832,707	885,423	1,476,475
Capital Expenditures	119,247	145,872	101,952	—	50,000
Total Expenditures	934,345	929,823	934,659	885,423	1,526,475
Total Surplus (Deficit)	331,452	172,095	182,245	389,856	770,011
Restricted Measure N Rev.	176,592	—	(36)	189,170	193,769
Net Surplus (Deficit)	154,860	172,095	182,281	200,686	576,242

The following figure displays this data and indicates the District's historical revenues and expenditures.

Figure 136: Summarized General Fund Revenues and Expenses



⁵¹ Information Provided by Boulder Fire Protection Staff.

Financial Projections

The FY 2023 budget presentation spreadsheet does not calculate correctly, appearing to not include \$200,000 of capital expenditures. The FY 2023 budget will form the base year from which the forecasts will be developed.

Property tax revenue growth has slowed from approximately 5% in earlier years of the study to 2.25% in the FY 2023 budget. Remaining conservative and consistent with the more recent trend, recurring revenues are forecast to grow at 2.25% annually. Rent and other revenues are forecast to remain constant at \$80,000 annually.

Salaries and benefits have been distorted by overtime costs related to deployments to disaster-level incidents. Salaries & benefits are forecast to increase by 3% annually from the FY 2023 budgeted amounts. Services and supplies typically increase and decrease based on the organization's current needs, making a trend forecast difficult. This study will forecast growth in this category at 3% annually, again using the FY 2023 budgeted amounts as a base year. Capital expenditures are forecast at \$100,000 annually.

The following projections were developed from the historical trends identified in the financial analysis. Certain expenditures appear on an "as-needed" basis and are difficult to identify as a trend.

Figure 137: Boulder Creek General Fund Summarized Projected General Fund Revenues and Expenditures

Revenue/Expenses	FY 2023 ⁵² Budget	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Revenue	1,383,175	1,406,219	1,431,418	1,457,184	1,483,530	1,510,468
Less Measure N	(193,769)	(193,769)	(193,769)	(193,769)	(193,769)	(193,769)
Net revenues	1,189,406	1,212,450	1,237,649	1,263,415	1,289,761	1,316,699
Expenditures	1,223,430	1,102,633	1,132,712	1,163,693	1,195,604	1,228,472
Net Surplus (Deficit)	(34,024)	109,817	104,937	99,722	94,157	88,227

⁵² Boulder Creek Fire Protection District FY 2023 Budget.

Capital Planning

A Capital Improvements/Replacement Plan was not observed in the documentation provided by the District. However, several reserve accounts were identified with funds being restricted in the Fund Balance Section of the balance sheet to provide for future expenditures for District apparatus, SCBA and PPE purchases (Measure N funds), mobile equipment reserves, Workers' Compensation reserves, buildings and improvements reserves, equipment reserve and clothing and personal reserve. These reserve and restricted amounts total over \$1,750,000.

Demand for Services

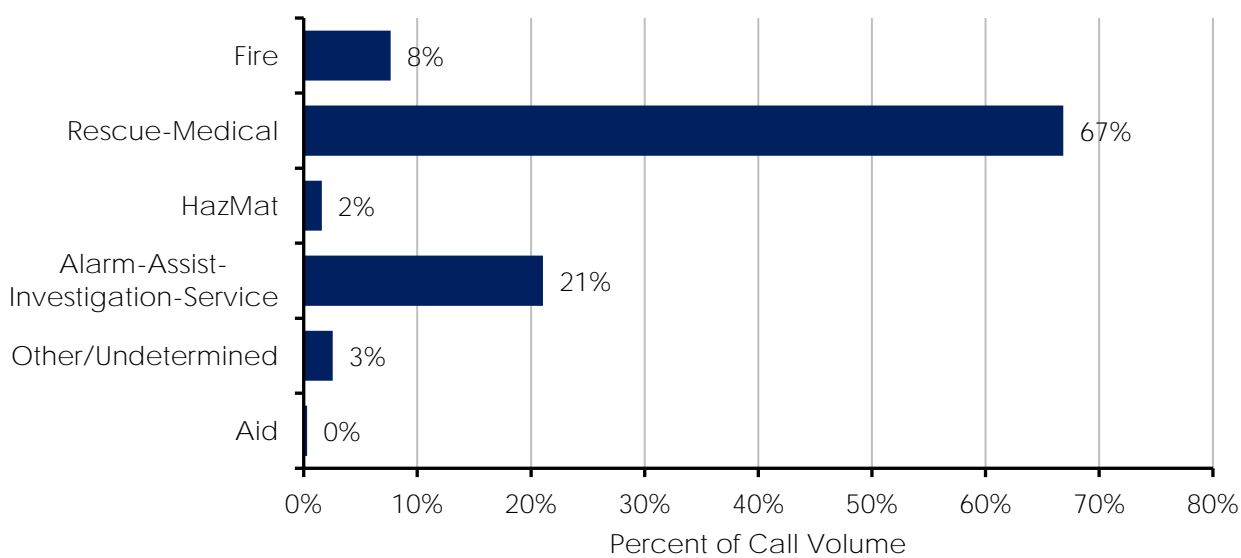
BCFPD is primarily a rural system that provides aid services to other communities when requested. Data was provided by the regional dispatch center and included incident information from January 1, 2018, through December 31, 2022. In addition, any response to a wildland-type fire in the State Response Area was removed from the analysis. The following figure is the overview of the response statistics for BCFPD.

Figure 138: BCFPD Response Overview

Agency	Boulder Creek FPD
Avg. Annual Incident Vol.	1,013
Incidents per 1,000 Population	122
90th Percentile Total Time	18:23

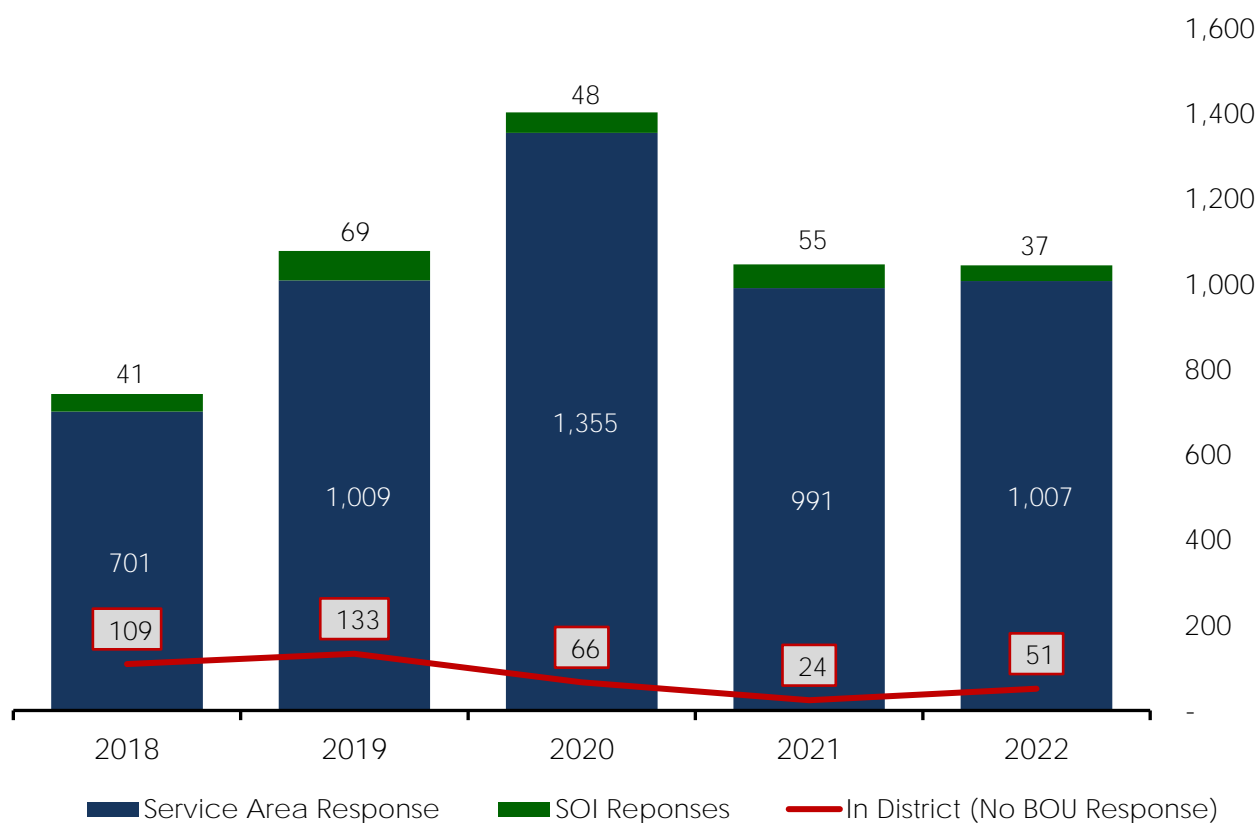
Each incident was grouped into the main categories based on the dispatch type. The incident types were related to the major categories in the National Fire Incident Reporting system. The following figure is the percentage of incidents within those categories for the entire data set, 2018–2022.

Figure 139: BCFPD Total Incident Responses by Type as a Percentage



Typically, an analysis of incidents by year can yield a trend or indicate what call volume might look like in the next few years. Unfortunately, due to the COVID-19 pandemic and subsequent social and economic constraints, this is difficult with this data set. As a result, a trend was not easily spotted or extrapolated. BCFPD response numbers increased in 2020 and then dropped to pre-pandemic levels. The response volume has not returned to the 2020 volume but remains steady and similar to pre-pandemic levels. In addition, responses into the sphere of influence are not significant. One aspect of the service within the County of Santa Cruz is the prolific use of mutual aid. Occasionally, a unit from the primary jurisdiction is not identified in the CAD data, although non-radioed persons may have responded. BCFPD units respond to most incidents within their jurisdiction and have improved since 2019. The following figure shows the annual incident volume by year with the responses into the sphere of influence and district-covered incidents.

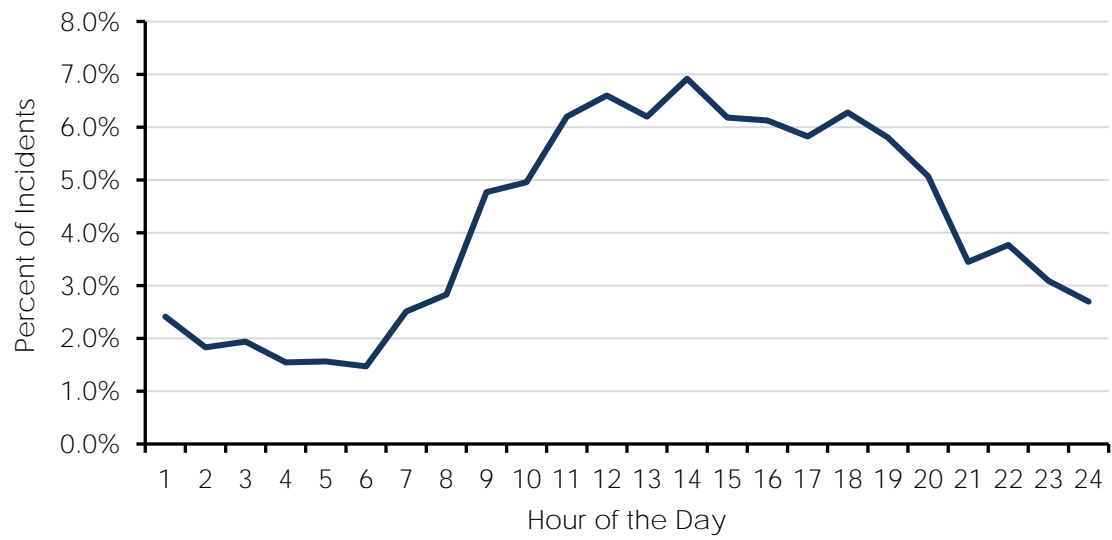
Figure 140: BCFPD Annual Incident Volume by Year



A temporal study indicated some evident seasonality in the response data. Incident volume variation by month showed an incident volume decrease through the winter and early spring, with an increase in the warmer months. The highest volume increase was in September. The variation was plus 4% and minus 3%.

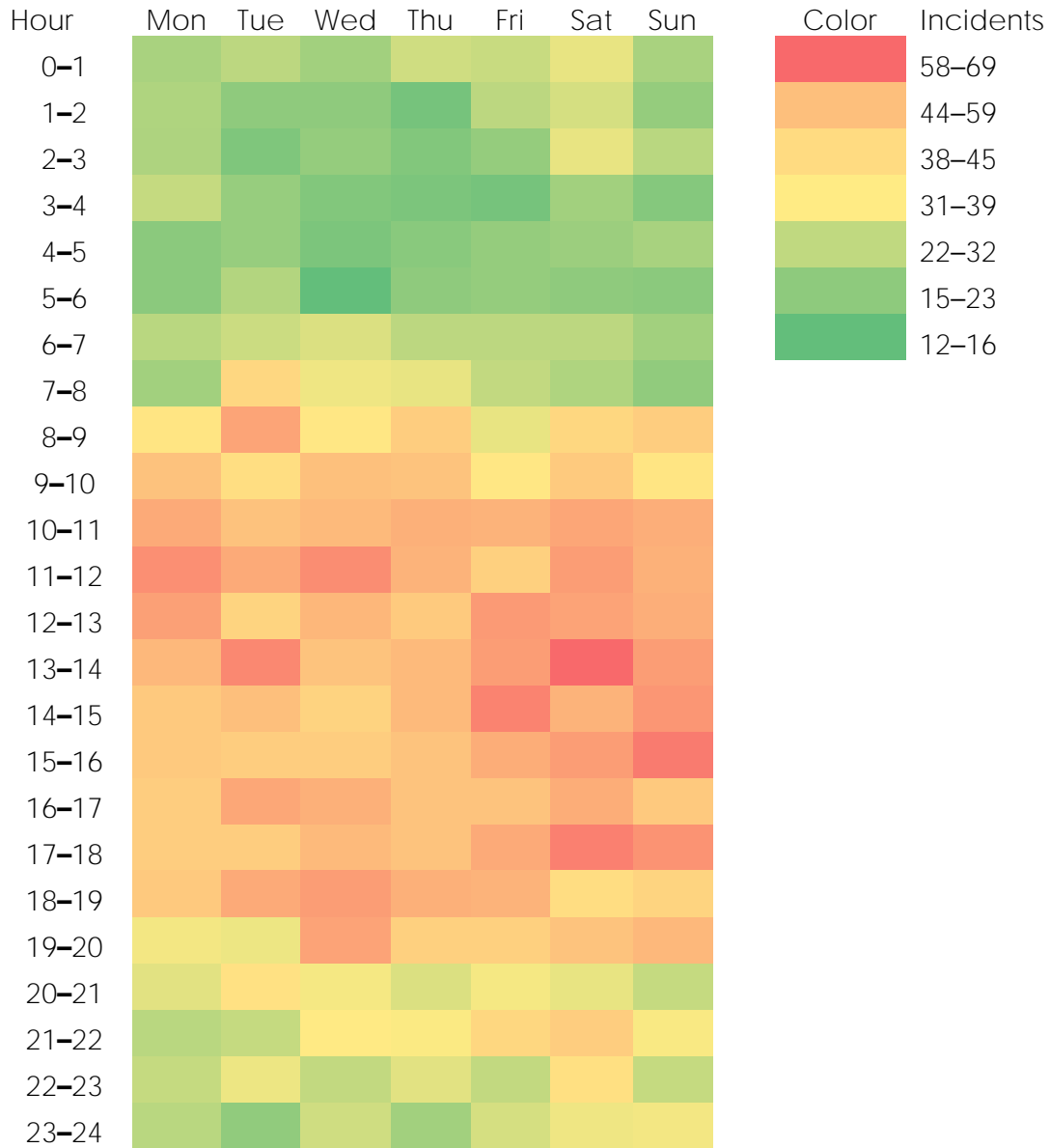
A study of demand by hour shows that BCFPD, like many fire agencies, sees a significant variation by the hour. In fact, over 74% of all incidents happen between 8:00 a.m. and 8:00 p.m. The following figure shows the general difference of the complete incident data set by hour.

Figure 141: BCFPD Incident Percentage by Hour



The average daily swing is typical and likely due to the number of awake and active people. However, the day-to-day variation in this information does play a part. The following figure is the incident heat map by the hour and day of the week.

Figure 142: BCFPD Incident Heat Map by Hour and Weekday



As indicated in the previous figure, the daytime hour incidents tend to be evenly distributed each day, with a slightly higher incident volume on the weekends.

The final volume analysis looked at the unit usage for all apparatus within the system. This analysis considered three dimensions. The first is the unit hour utilization (UHU). This number represents the time a unit was committed to an incident as a percentage of the total time they were on duty. The next is the average time a unit was committed to an incident. And finally, the average number of incidents a unit was deployed daily.

Only those units clearly identified by the agency or units with large volumes of responses within the data sets were evaluated. The following figure shows the general statistics for each frontline unit within the BCFPD system.

Figure 143: Boulder Creek Unit Usage (2021–2022)

Unit	Unit Hour Utilization (UHU)	Avg. Time per Incident	Avg. Incidents Per Day
C2100	1.4%	39 Minutes	0.5
B2101	1.4%	26 Minutes	0.8
B2102	1.2%	24 Minutes	0.7
B2103	1.4%	22 Minutes	0.9
E2111	1.3%	26 Minutes	0.7
E2112	2.8%	26 Minutes	1.5
E2137	1.8%	40 Minutes	0.6
E2146	0.5%	34 Minutes	0.2
R2166	4.3%	26 Minutes	2.4
W2152	0.9%	65 Minutes	0.2
E2110	0.2%	19 Minutes	0.2

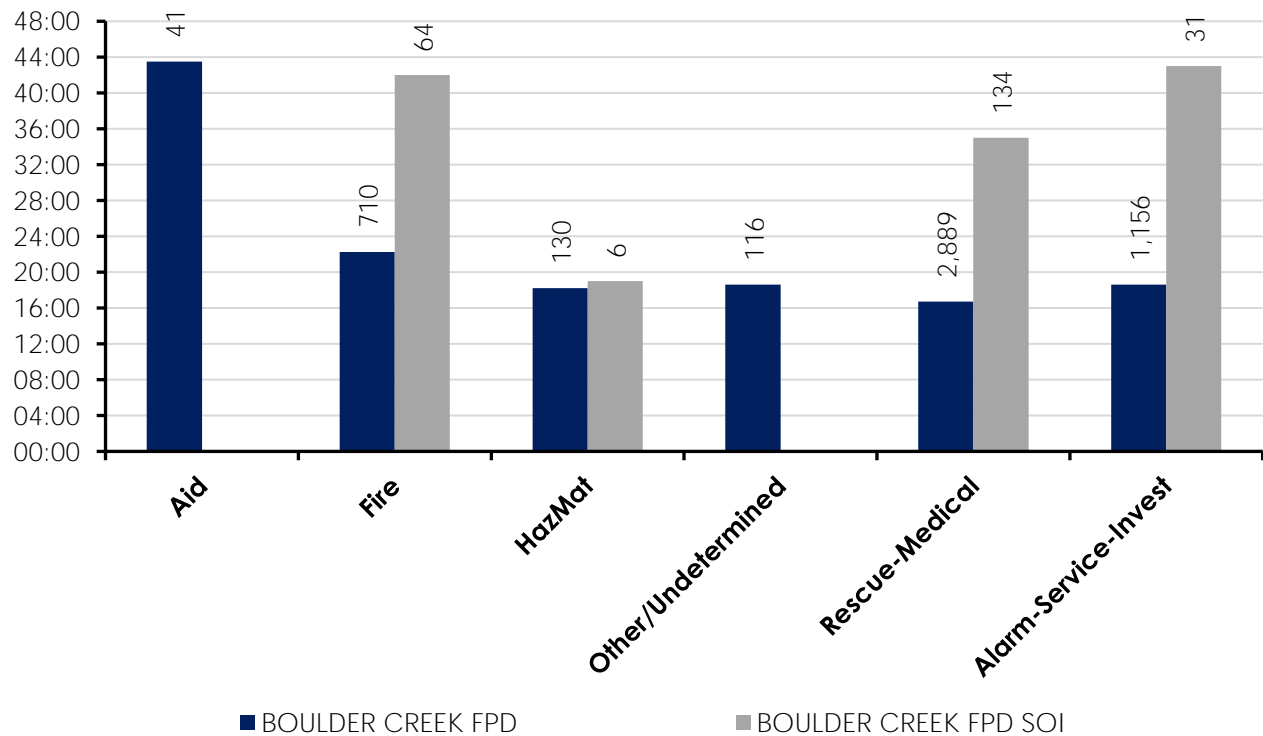
Service Delivery & Performance

The performance of the BCFPD response was also evaluated. The data did not differentiate between emergency responses and non-emergency responses. In addition, there was no evaluation of the arriving unit's type or agency. Therefore, all responses are evaluated. The 90th percentile is typically used in the fire service and is considered the standard for measuring incident response performance. Due to the nature of this report, BCFPD's performance in its identified sphere of influence was also evaluated. Agency performance goals or standards are not taken into consideration for this report.

Three unique time segments are included when evaluating an agency's response performance. The first is the time it takes for the Dispatcher to answer the 911 call and notify the agency (call processing); the second is the time it takes for the agency to receive the call and go en route to the call (turnout time); and third is the time it takes for the unit to drive to the incident (travel time). All three segments combined make up the total response time. For this evaluation, the unit type was not discriminated against, and the first arriving unit was used to determine the total response time.

Each call type may contain variables. For example, questioning the caller for appropriate information may take more or less time. In addition, it may take longer for crews to respond depending on the personal protective equipment to be worn, which varies with the type of incident. The following figure shows the total response time performance for each of the major incident types for all incidents within the data set. The following figure shows the first due, 90th percentile total response time for the District and the sphere of influence.

Figure 144: BCFPD Incidents 90th Percentile Total Response Times, Jan 2018–Dec 2022



Staffing

BCFPD operates a volunteer response service with one paid Fire Chief and one part-time administrative assistant. Emergency response consists of fire apparatus staffed as needed by volunteer personnel.

The following figure shows the total number of personnel assigned to the BCFPD.

Figure 145: Staffing

Assignment	Staffing
Uniformed Administration	1
Non-Uniformed Administration	0
Fire Prevention	0
Operations Staff	0
Emergency Communications	0
Volunteers, Reserve, On Call	≈35 ⁵³
Total Personnel	1.5 / ≈35

The following figure shows the daily operational staffing at each station and on each unit. All apparatus is staffed by paid-on-call volunteers.

Figure 146: Daily Operational Staffing

Station	Daily Staffing	Unit Staffing
1	Volunteer	4 Engines, 1 Tender, and 1 Ambulance
2	Volunteer	1 Engine

⁵³ wbcpsc.com/wp-content/uploads/2019/05/Brochure-Boulder-Creek-Fire-District-FINAL-II.pdf.

Facilities & Apparatus


Boulder Creek Fire Stations

The following figures outline the basic features of each BCFPD fire station. The condition of each station is rated based on the criteria identified in the introduction to this section of the report.

Figure 147: Boulder Creek FPD Fire Station #1

Station Name/Number:		Station 1				
Address/Physical Location:		13230 Hwy 9, Boulder Creek, CA				
		<p>General Description:</p> <p>This fire station was built over 80 years ago in 1940. Over the years, the original facilities were remodeled and added to accommodate the needs of the fire department and the community. The current fire station and ancillary support facilities are dated, undersized, and do not meet the needs of modern fire stations.</p>				
Structure						
Date of Original Construction		1940				
Seismic Protection		Yes				
Auxiliary Power		Yes				
General Condition		Fair				
Number of Apparatus Bays		Drive-through Bays			Back-in Bays	
ADA Compliant		Yes				
Total Square Footage		8,810				
Facilities Available						
Sleeping Quarters		1	Bedrooms	-	Beds	6 Dorm Beds
Maximum Staffing Capability		6				
Exercise/Workout Facilities		Yes				
Kitchen Facilities		Yes				
Individual Lockers Assigned		Yes				
Bathroom/Shower Facilities		Yes				
Training/Meeting Rooms		Yes				
Washer/Dryer/Extractor		Yes				
Safety & Security						
Station Sprinklered		Yes				
Smoke Detection		Yes				
Decon & Biological Disposal		Yes				
Security System		Yes				
Apparatus Exhaust System		Yes				

Figure 148: Boulder Creek FPD Fire Station #2

Station Name/Number:	Station 2					
Address/Physical Location:	16115 Jamison Creek Rd., Boulder Creek, CA					
	General Description:					
	Station #2 was built in 1989 and is a two-story wood frame fire-sprinkler-protected structure. It has 3 fire apparatus bays (2 drive-thru and one back-in) on the first floor. Living quarters designed to accommodate a 3-person engine company are on the second floor. A Type 1 engine is stored here and staffed by volunteer firefighters when needed. Additionally, this station is seasonally staffed by a CZU CalFire Type 3 engine crew through a lease agreement between the State of California and the Fire District.					
Structure						
Date of Original Construction	1989					
Seismic Protection	Yes					
Auxiliary Power	Yes					
General Condition	Good					
Number of Apparatus Bays	Drive-through Bays	2	Back-in Bays		1	
ADA Compliant	No					
Total Square Footage	6,000					
Facilities Available						
Sleeping Quarters	2	Bedrooms	3	Beds	6	Dorm Beds
Maximum Staffing Capability	12					
Exercise/Workout Facilities	Yes					
Kitchen Facilities	Yes					
Individual Lockers Assigned	Yes					
Bathroom/Shower Facilities	Yes					
Training/Meeting Rooms	Yes					
Washer/Dryer/Extractor	Yes					
Safety & Security						
Station Sprinklered	Yes					
Smoke Detection	Yes					
Decon & Biological Disposal	Yes					
Security System	No					
Apparatus Exhaust System	Yes					

Fire Stations Discussion

The District deemed the Boulder Creek fire stations in good and fair condition. The main fire station in downtown Boulder Creek on Highway 9. The station appears to be well maintained but, because of its age, struggles to meet the requirements of modern firefighting. The firefighting environment has significantly evolved over the past several decades. Technology, equipment, and safety systems have changed to meet new firefighting and emergency response demands. Older fire station buildings do not typically have the physical space or engineering systems to meet that new environment. Modern work and living spaces also require considerably more access to electrical outlets and built-in technology than is provided or expected in older buildings' design.

Although remodeled in the past to accommodate a growing department and community, this station still has significant ADA non-compliance concerns and operational space issues. Boulder Creek Station 2 is located and provides coverage to the Jamison Creek area and houses a CalFire wildland fire engine company during fire season. This facility, built in 1989 and designed to accommodate full-time firefighter staffing, appears to be adequately meeting the needs of the CalFire and Boulder Creek personnel utilizing it. It is over 30 years old and is two stories. It does not sufficiently meet current ADA requirements for a public safety facility.

Figure 149: Station Configuration and Condition

Station	Apparatus Bays	Staffing Capacity	General Condition	Station Age
Station 1	1	5	Fair	83 years
Station 2	3	8	Fair	34 years
Totals/Average:	4	13	Average	59 years

The firefighters utilizing both fire stations have the need to safely decontaminate themselves and their equipment after many of the types of responses they face in the current firefighting context. Every crew member should have access to facilities to decontaminate immediately after a fire event, and showers should allow for gender separation. In addition, there needs to be enough partitioned space within the fire stations to allow for gear and equipment to be thoroughly decontaminated. Both Boulder Creek fire stations lack adequate partitioned space and facilities to adequately accommodate safe and effective decontamination of their personnel and equipment.

Apparatus

BCFPD operates three Type 1, one Type 6, and one Type 3 engine. In addition, it has a BLS Ambulance, a water tender, a utility truck, and four command vehicles. The following figure shows the type and condition of BCFPD's fleet.

Figure 150: BCFPD Vehicles & Apparatus

CAD Radio Name	Apparatus Type	Condition
C2100	Command/4x4 PU	Excellent
B2101	Command/4x4 PU	Good
B2102	Command/4x4 PU	Excellent
B2103	Command/4x4 PU	Excellent
E2111	Type 1 Engine	Excellent
E2112	Type 1 Engine	Excellent
E2110	Type 1 Engine	Good
E2146	Type 6 Engine	Excellent
R2166	BLS Ambulance	Good (2023 Replace)
W2152	Water Tender	Good (2025 Replace)
E2137	Type 3 Engine	Excellent
U2192	Utility	Excellent

Facility Replacement & Infrastructure Needs

The District's headquarters station has occupied the current location in downtown Boulder Creek since 1939. Its central location provides excellent access to the community's main commercial area for emergencies and responding to volunteer firefighters. However, the heavy traffic that shares the main street through town can and often impacts it. The fire station has been upgraded and appears to be adequately maintained. Like neighboring Felton and Ben Lomond fire departments, its downtown location has created significant parking challenges for responding volunteers during emergencies and limited space for future expansion. The Community and the Fire District should consider developing a plan to address the fire department's future space and facilities needs, in addition to considering the impacts of the continued dependency and use of volunteer staffing as call volumes increase and the community's needs evolve.

Status of and Opportunities for Shared Facilities

Boulder Creek Fire Department currently does not share facilities with the other neighboring San Lorenzo Valley fire agencies. It does have a seasonal relationship with CALFIRE, as the State staffs a Schedule-B Wildland engine company at Station 2. CAL FIRE designates the station as number 23 during fire season. The Department works closely with other area fire departments, providing mutual aid during routine calls for service and the significant emergencies that impact the area frequently. Continued and enhanced operational collaboration, in addition to sharing in the use of resources (equipment/facilities/staffing) between the San Lorenzo Valley volunteer agencies, may be an effective short to medium-term method to address community growth, service demand increases, the increasing cost of equipment purchases and replacement, and staffing challenges they may face in the future.

Dispatch & Communications

Emergency communications and dispatch services are provided to BCFPD by Santa Cruz Regional 9-1-1 (NetCom), which has operated for 25 years as of 2021. NetCom is a regional center operating as Santa Cruz and San Benito Counties' Primary Public Safety Answering Point (PSAP). It encompasses more than 330,000 residents and visitors. The center serves multiple fire, law enforcement, and EMS agencies.

NetCom processes nearly 600,000 calls annually.⁵⁴ Although the center follows national standards for call answering, it focuses on achieving the State of California's standard (which is higher than national standards) of 95% of incoming 911 calls being answered within 15 seconds—equivalent to three rings at NetCom.⁵⁵

⁵⁴ Santa Cruz Regional 9-1-1 website.

⁵⁵ Ibid.

Felton Fire Protection District Profile

Agency Overview

The Felton Fire Protection District (FEL) provides fire protection and emergency medical services to the 5.78 square mile area in and around the community known as Felton, with services provided to the Brackney and Mt. Hermon communities.⁵⁶

Boundaries

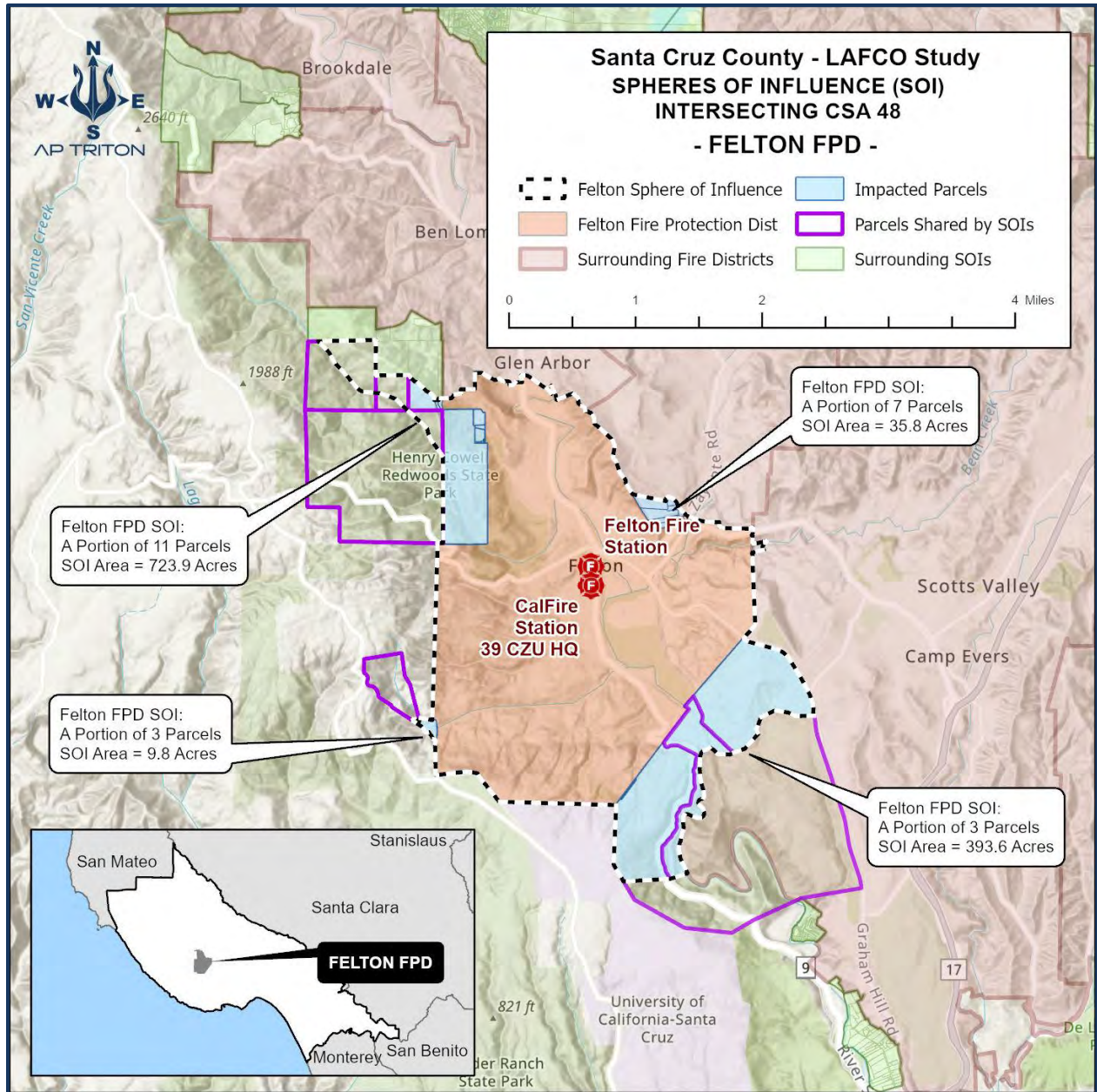
FEL is located in the San Lorenzo Valley and is surrounded by the jurisdictions of Ben Lomond Fire Protection District, Scotts Valley Fire Protection District, Zayante Fire Protection District, and the Santa Cruz County Fire Department.

Four areas are included in the SOI. None of the parcels within the SOI are complete, and the remaining part of those parcels are shared with other jurisdictions. Only the portion of the 14 lots to the west of the District are within CSA 48. The remaining are within Zayante or Scotts Valley Fire Protection Districts. A total of 24 parcels are affected by the SOI boundary and include 1,163.1 acres.

The following figure shows the District's location and the SOI as currently reported.

⁵⁶ ArcGIS Community Analyst.

Figure 151: Felton Fire Protection District with Sphere of Influence



Type & Extent of Services

Services Provided

FEL provides a wide range of services for its community. These include fire suppression, basic life support, emergency medical care, and other emergency services. The following figure represents each of the services and the level performed as indicated by the agency.

Figure 152: Overview of Services Provided by FEL

Service	Y/N	Level
Fire Suppression	Yes	Structural, wildland (with CAL FIRE)
EMS First Response	Yes	BLS
Ambulance Transport	No	
Specialized/Technical Rescue	Yes	Large animal rescue
Hazmat Response	No	First response only
Fire Inspection/Code Enforcement	Yes	
Plan Review	Yes	
Public Education/Prevention	Yes	Firewise, fuels reduction program, CERT team, residential risk review program, elementary schools' education program, and others on request
Fire and Arson Investigation	Yes	Origin and cause only

Service Area

FEL is a multi-disciplined fire protection district. The District is statutorily responsible for fire protection of improved structures and other emergency services within the district.

Vegetation fires are part of the state responsibility area and are statutorily the responsibility of CAL FIRE. However, FEL provides support and assistance when requested and will begin incident mitigation if notified directly.

Collaboration

- FEL participant in the countywide mutual aid agreement.
- FEL responds for specialized large animal rescue assistance if requested.
- Participates in a cooperative purchasing grant pooling program with other valley fire districts.
- FEL shares a part-time administrative assistant with Ben Lomond Fire Protection District.

Joint Powers Agreements (JPAs)

- None identified.

Contracts to provide services to other agencies

- None Identified

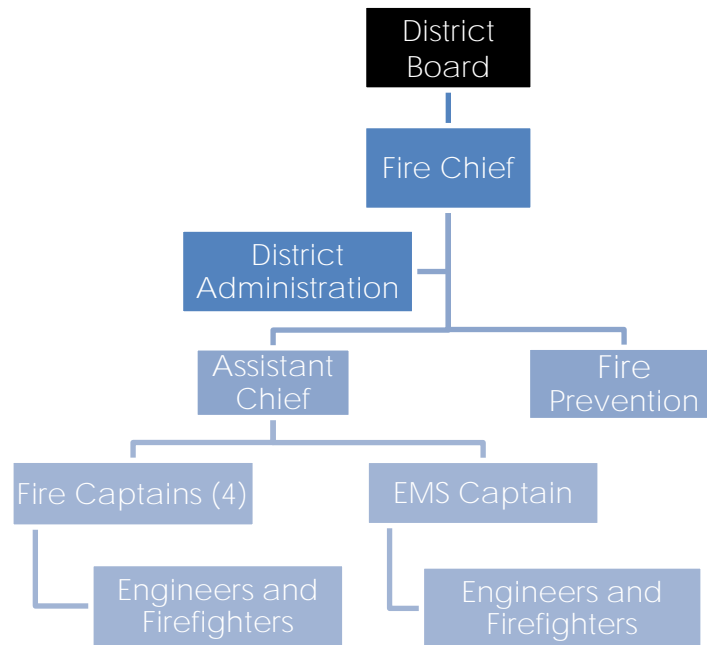
Contracts for service to other agencies

- None Identified

Governance, Administration, & Accountability

FEL is governed by a five-member Board of Directors whose head is the chairman. The Board hires a Fire Chief with a one-person administrative staff shared by Ben Lomond Fire Protection District. The following figure represents the BEN lines of authority.

Figure 153: Felton Lines of Authority



The following figure identifies the efforts to meet state laws to ensure transparency and accountability.

Figure 154: Felton Transparency and Accountability

Transparency and Accountability	Available
Agency website ⁵⁷	Yes
The adopted budget is available on the website	Yes
Notice of public meetings provided	Yes
Agendas posted on the website ⁵⁸	Yes
Public meetings are live-streamed	No
Minutes and/or recordings of public meetings are available on the website	Yes
Master Plan (fire service specific) available on the website	No
Strategic Plan (fire service specific) available on the website	No
Community Risk Assessment and Standards of Cover documents are available on the website	No
SOC performance reports are available on the website	No
Efforts to engage and educate the public on the services to the community	No
Staff and governing board member ethics training and economic interest reporting completed	Yes
Compliance with financial document compilation, adoption, and reporting requirements	Yes
Adherence to open-meeting requirements	Yes

⁵⁷ As of January 1, 2020, independent special districts are required to maintain websites according to Government Code Sections 6270.6 and 53087.8 to provide the public easily accessible and accurate information about the district. Government Code Section 53087.8 lists what must be included on the website.

⁵⁸ Government Code §54954.2.

Growth & Population Projections

Felton is not considered a census-designated place (CDP) and does not report separately from the county. However, tools and methods exist to capture and aggregate the specific census blocks into a geographical area. Therefore, the district boundaries will be used for the remainder of this section.

Current Population

The current population within FEL legal boundaries is 5,947, with an area of 5.78 square miles. There is a total of 2,574 housing units listed in the area.⁵⁹ The number of residents and housing units meet the urban area classification threshold set by the U.S. Census Bureau.⁶⁰

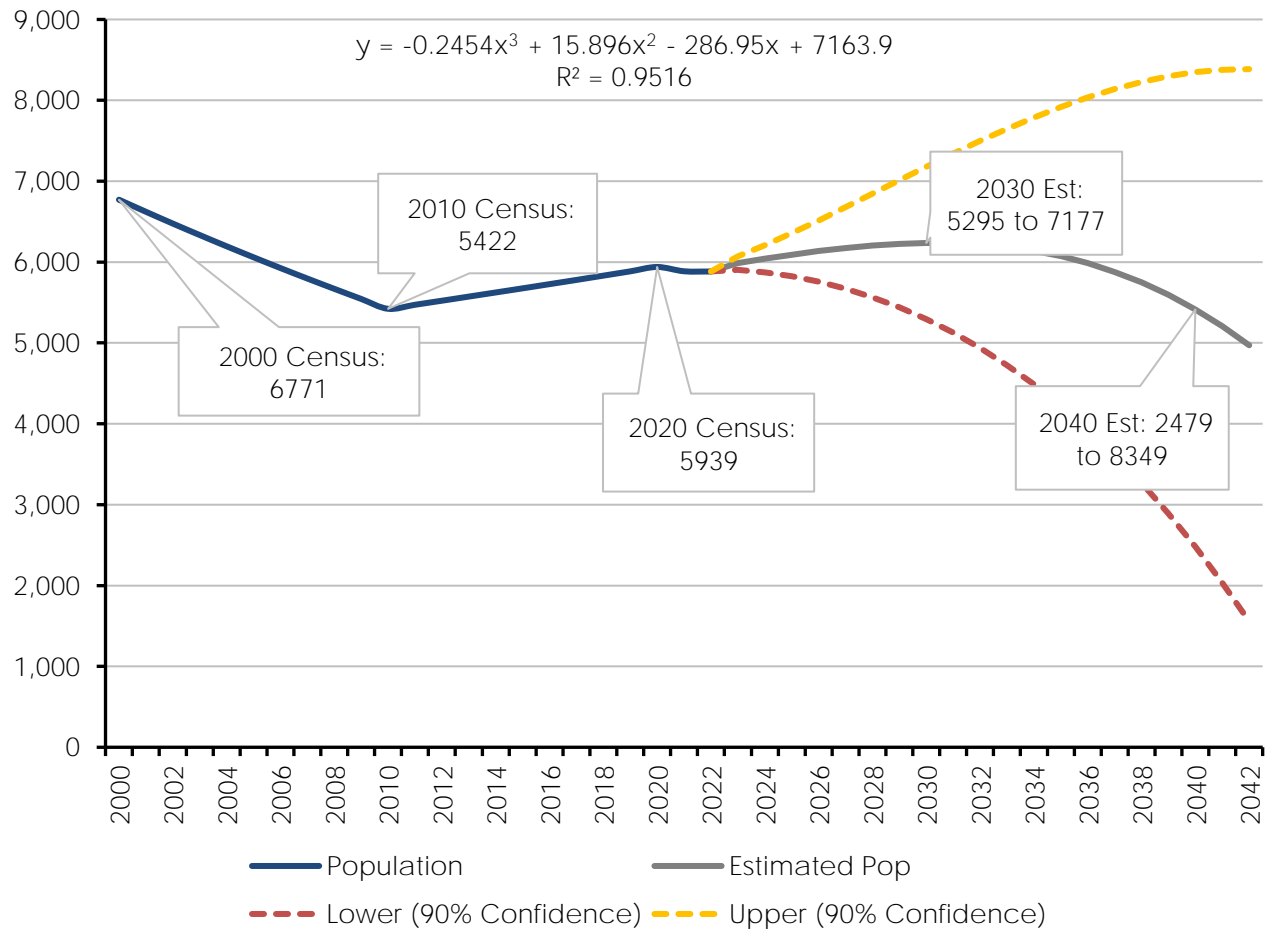
Projected Growth & Development

Estimating population growth is challenging due to many factors, such as new developments or local economies. For FEL, two techniques were utilized. The first was to rely on the Association of Monterey Bay Area Governments, 2022 Regional Growth Forecast, which calls for low or very moderate growth for the region. The second method evaluated the preceding 20 years of population growth, creating a statistical model that returned the best fit and then projecting that model out 20 years. For the FEL area, the best-fit model was a three-factor polynomial regression analysis, which produced an R^2 value of 0.9516. This means the model fits the historical data very well. An absolute perfect model fit returns an R^2 value of 1. Using the regression as a forecast shows a wide range in population projections of +/- 3,000 people. The area estimates range from 8,274 in 2020 to 2,479 and 8,349 by 2040, with a 90% confidence level. The direct model returns a slight decrease to 5,207 in 2040. The following figure shows the 20-year actual and 20-year population forecast with confidence levels.

⁵⁹ ESRI Community Analyst, Source U. S. Census Bureau, 2020 Redistricting Data (P.L. 94-171).

⁶⁰ <https://www.census.gov/programs-surveys/geography/guidance/geo-areas/urban-rural.html>.

Figure 155: FEL Historical Population and Forecast



Financial Overview

The Felton Fire Protection District operates through only the General Fund. The District prepares an annual operating budget based on a July through June fiscal year.

General Fund Recurring Revenues and Expenses

A significant amount of information was provided by the District staff. It was reviewed to develop a financial trend analysis for the five years, from fiscal year 2018 through fiscal year 2023. This review of the historical information of General Fund (GF) revenues revealed recurring revenues increased from \$757,000 in FY 2018 to a budgeted \$896,000 in FY 2023, an 18.4% overall increase or an annualized increase of approximately 3.6%.

Property tax revenues are the most significant source of General Fund Revenues, followed by Rents and Concessions Revenues. These two sources account for almost 96% of General Fund Revenues. Other sources of revenue include charges for services, grants, interest, training funds, and other sources.

The General Fund expends funds for salaries and benefits, services and supplies, capital expenditures, and debt service. The District has accumulated an Unfunded Actuarial Liability (UAL) in its CalPERS pension obligation. Of the approximately \$643,000 in salaries and benefits, over \$40,000, or 6%, is payment on the UAL.

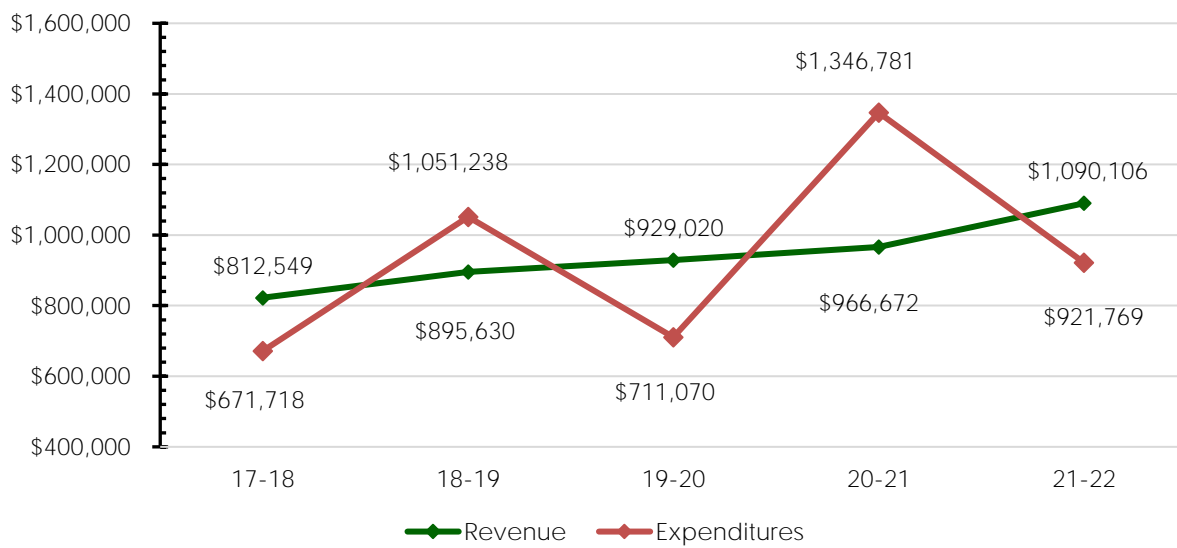
Due to the source of its funding streams, the COVID-19 pandemic had no significant negative impact on FY 2020 and FY 2021 revenues.

Figure 156: Felton Fire Protection District Summarized General Fund Revenues and Expenses,
FY 2018–FY 2022

Revenue/Expenses	FY 2018 (Actual)	FY 2019 (Actual)	FY 2020 (Actual)	FY 2021 (Actual)	FY 2022 Actual
Revenue	822,549	895,630	929,020	966,672	1,090,106
Expenditures	671,718	1,051,238	711,070	1,346,781	921,769
Surplus (Deficit)	150,831	(155,608)	217,950	(380,109)	168,337

The following figure displays this data and indicates the District's historical revenues and expenditures.

Figure 157: Summarized General Fund Revenues and Expenses

Figure 158: FEL Detailed Revenue and Expenses, FY 2018–FY 2022⁶¹

Revenue/Expenses	FY 2018 (Actual)	FY 2019 (Actual)	FY 2020 (Actual)	FY 2021 (Actual)	FY 2022 Actual
Revenue					
Property Tax Revenue	757,167	809,596	844,456	875,410	920,204
Rents & Concessions	36,391	37,019	38,055	39,567	40,122
Interest	20,908	32,589	33,941	9,720	5,930
Grants	—	5,081	4,125	—	107,351
Training Funds	386	2,463	1,398	35,058	9,103
Other	7,697	8,882	7,046	6,917	7,396
Total Revenue	822,549	895,630	929,020	966,672	1,090,106
Expenses by Category					
Wages & Benefits	406,972	438,350	404,413	491,604	642,840
Services & Supplies	245,468	211,188	276,466	217,001	248,055
Capital	19,278	401,700	30,191	638,176	30,874
Total Operating Expenses	671,718	1,051,238	711,070	1,346,781	921,769
Surplus (Deficit)	150,831	(155,608)	217,950	(380,109)	168,337

⁶¹ From Documentation Provided by the District.

Projected General Fund Revenues and Expenses

The FY 2023 budget appears to utilize approximately \$1,321,000 of reserve funds to balance the budget. Included in this budget are capital expenditures of roughly \$409,000. Salaries and benefits increased by about 9%, not including a one-time UAL payment of approximately \$100,000 to CalPERS. Services and supplies increased by \$134,000, with additional expenditures for clothing, radio charges, software upgrades, education and training, fuel, and special district expenses.

The following projections were developed from the historical trends identified in the financial analysis. Certain expenditures appear on an "as-needed" basis and are difficult to identify as a trend.

Figure 159: FEL Summarized Projected General Fund Revenues and Expenditures

Revenue/Expenses	FY 2023 ⁶² Budget	FY 2024	FY 2025	FY 2026	FY 2027
Use of Reserve Funds	1,321,036	—	—	—	—
Revenue	970,256	1,006,611	1,044,347	1,083,578	1,124,365
Available funding	2,291,292	1,006,611	1,044,347	1,083,578	1,124,365
Expenditures	2,291,292	1,049,105	1,488,821	1,196,766	1,656,340
Net Surplus (Deficit)	—	(42,494)	(444,474)	(113,188)	(531,975)

Capital Planning

A Capital Improvements/Replacement Plan was not observed in the documentation provided by the District.

⁶² Felton Fire Protection District FY 2023 Budget.

Demand for Services

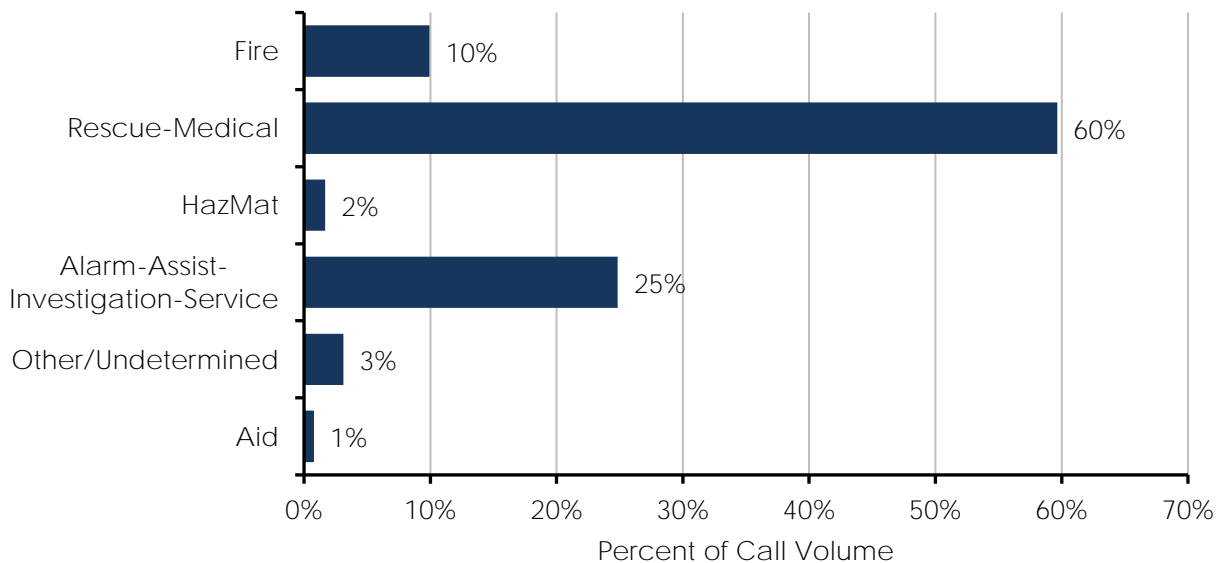
FEL is primarily a rural system that provides aid services to other communities when requested. Data was provided by the regional dispatch center and included incident information from January 1, 2018, through December 31, 2022. In addition, any response to a wildland-type fire in the State Response Area was removed from the analysis. The following figure is the overview of the response statistics for FEL.

Figure 160: FEL Response Overview

Agency	Felton FPD
Avg. Annual Incident Vol.	686
Incidents per 1,000 Population	116
90th Percentile Total Time	13:38

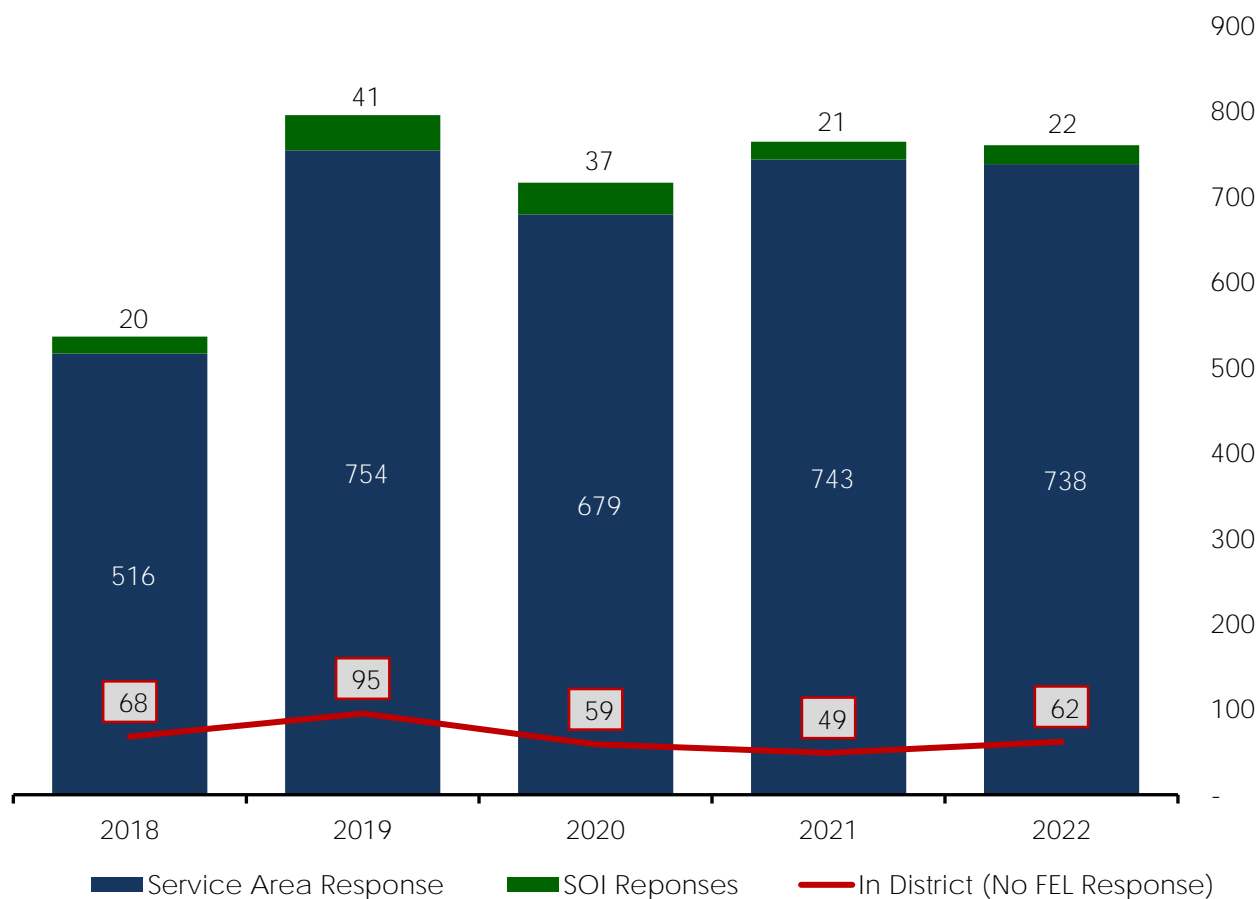
Each incident was grouped into the main categories based on the dispatch type. The incident types were related to the major categories in the National Fire Incident Reporting system. The following figure is the percentage of incidents within those categories for the entire data set, 2018–2022.

Figure 161: FEL Total Incident Responses by Type as a Percentage



Typically, an analysis of incidents by year can yield a trend or indicate what call volume might look like in the next few years. Unfortunately, due to the COVID-19 pandemic and subsequent social and economic constraints, this is difficult with this data set. As a result, a trend was not easily spotted or extrapolated. It appears that FEL response numbers decreased in 2020 and then rose. However, they have not returned to pre-pandemic levels. In addition, responses into the sphere of influence are not significant. One aspect of the service within the County of Santa Cruz is the prolific use of mutual aid. Occasionally, a unit from the primary jurisdiction is not identified in the CAD data, although non-radioed persons may have responded. FEL units respond to most incidents within their jurisdiction and have remained steady throughout the study period. The following figure shows the annual incident volume by year with the responses into the sphere of influence and district-covered incidents.

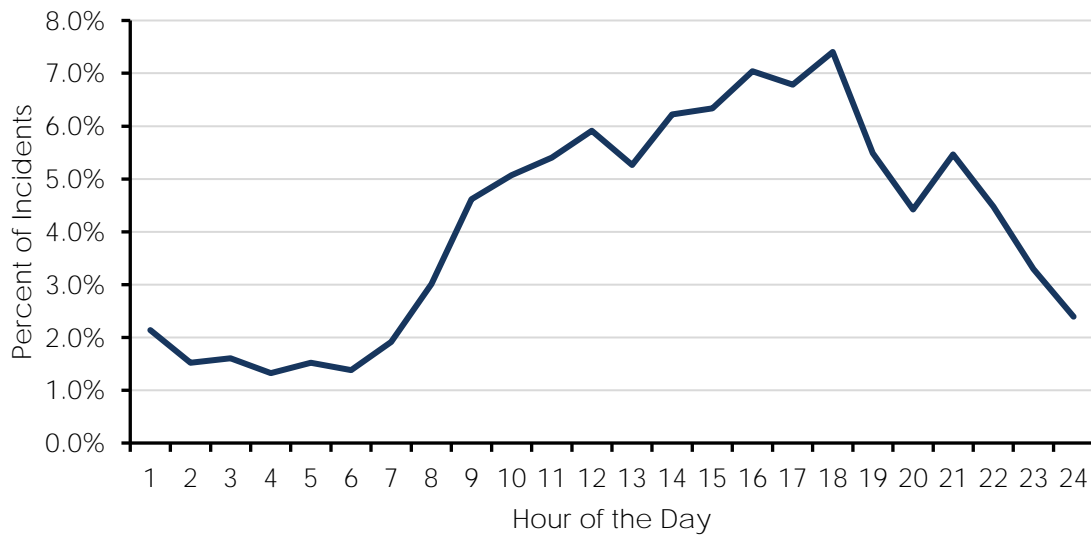
Figure 162: FEL Annual Incident Volume by Year



A temporal study indicated some evident seasonality in the response data. Incident volume variation by month showed an incident volume decrease through the winter and early spring, with an increase in the warmer months. The highest volume decrease was in March. The variation was plus 1% and minus 3%.

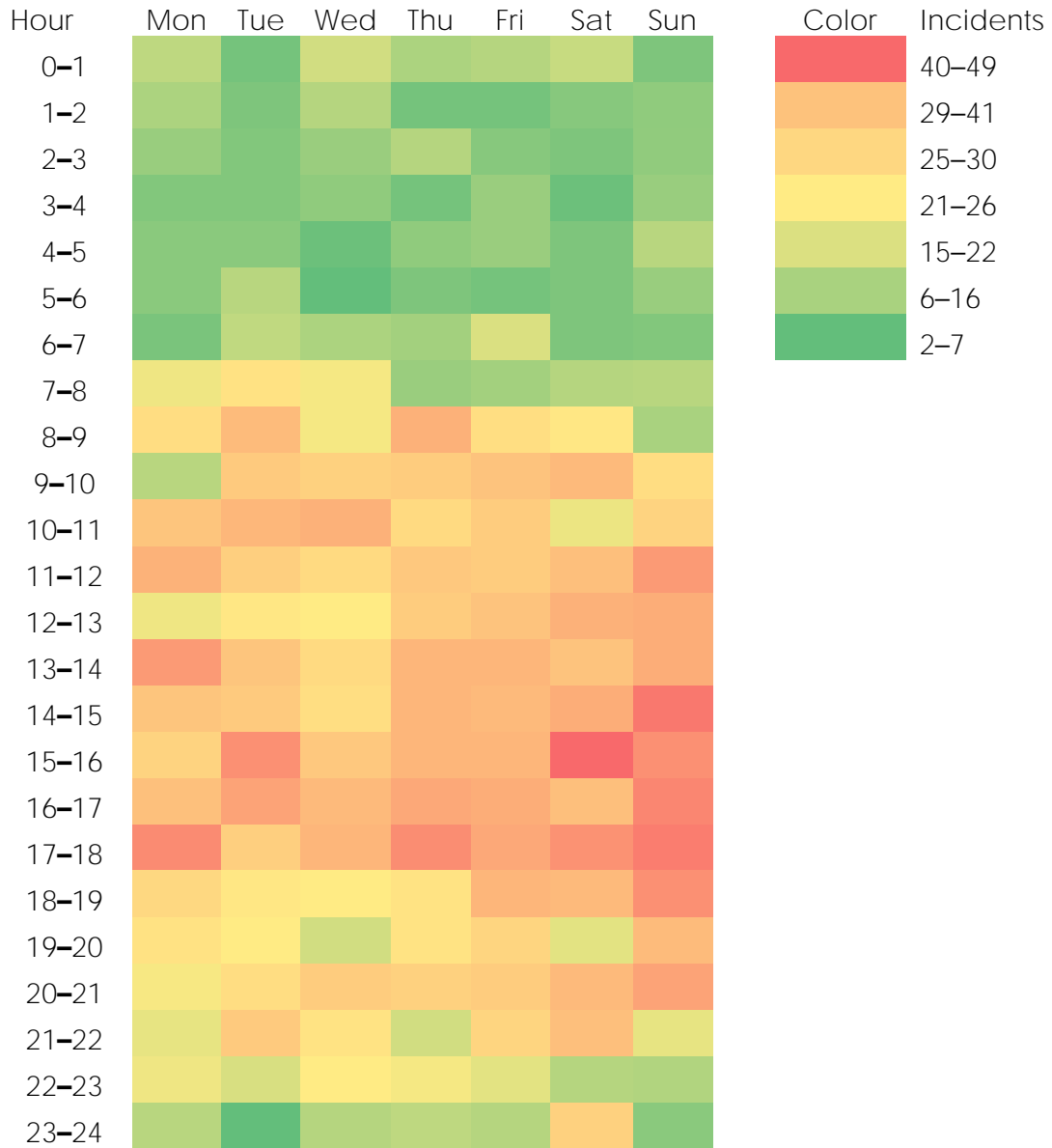
A study of demand by hour shows that FEL, like many fire agencies, sees a significant variation by the hour. In fact, over 75% of all incidents happen between 8:00 a.m. and 8:00 p.m. The following figure shows the general difference of the complete incident data set by hour.

Figure 163: FEL Incident Percentage by Hour



The average daily swing is typical and likely due to the number of awake and active people. However, the day-to-day variation in this information does play a part. The following figure is the incident heat map by the hour and day of the week.

Figure 164: FEL Incident Heat Map by Hour and Weekday



As indicated in the previous figure, the daytime hour incidents tend to be evenly distributed each day, with a slightly higher incident volume on the weekends.

The final volume analysis looked at the unit usage for all apparatus within the system. This analysis considered three dimensions. The first is the unit hour utilization (UHU). This number represents the time a unit was committed to an incident as a percentage of the total time they were on duty. The next is the average time a unit was committed to an incident. And finally, the average number of incidents a unit was deployed daily.

Only those units clearly identified by the agency or units with large volumes of responses within the data sets were evaluated. The following figure shows the general statistics for each frontline unit within the FEL system.

Figure 165: FEL Unit Usage (2021–2022)

Unit	Unit Hour Utilization (UHU)	Avg. Time per Incident	Avg. Incidents Per Day
C2300	0.4%	28 Minutes	0.2
C2301	0.3%	30 Minutes	0.2
E2336	2.9%	28 Minutes	1.5
E2310	0.6%	20 Minutes	0.4
E2311	0.6%	19 Minutes	0.5
S2365	0.5%	49 Minutes	0.1
W2350	0.4%	59 Minutes	0.1
Utilities	0.7%	44 Minutes	0.2

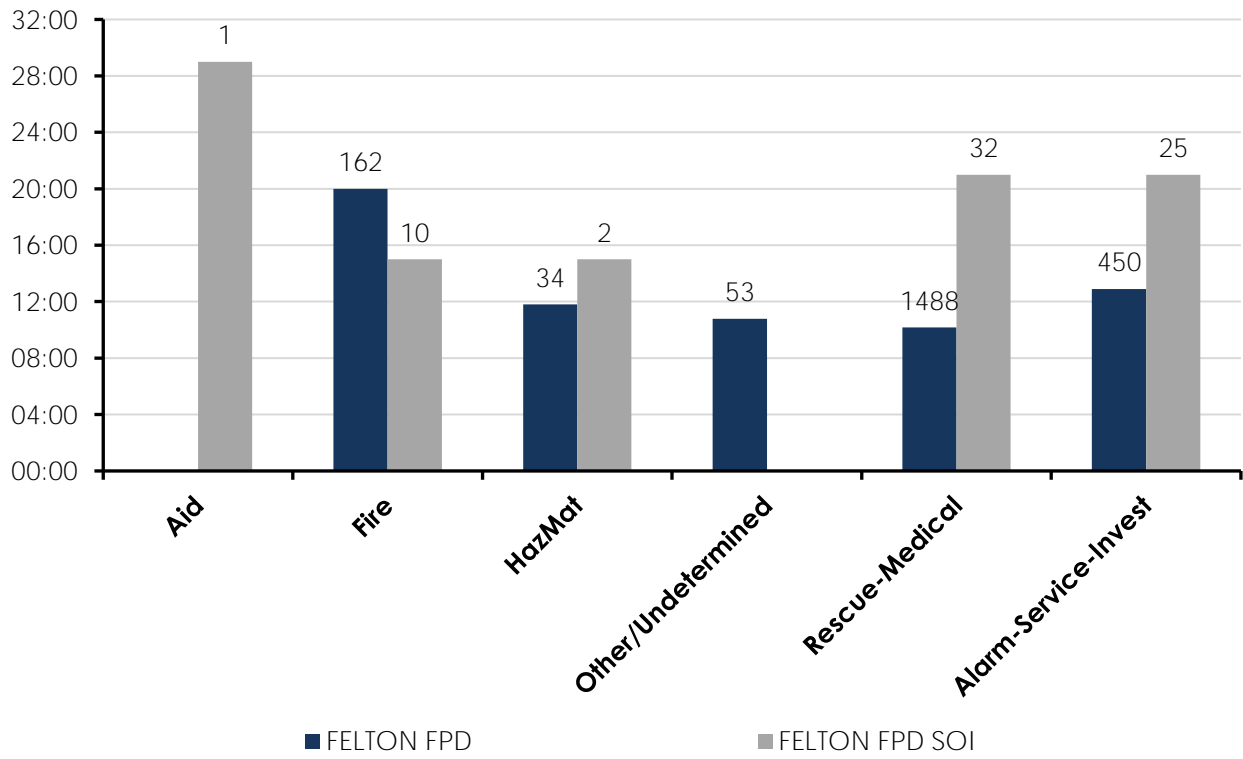
Service Delivery & Performance

The performance of the FEL response was also evaluated. The data did not differentiate between emergency responses and non-emergency responses. In addition, there was no evaluation of the arriving unit's type or agency. Therefore, all responses are evaluated. The 90th percentile is typically used in the fire service and is considered the standard for measuring incident response performance. Due to the nature of this report, FEL's performance in its identified sphere of influence was also evaluated. Agency performance goals or standards are not taken into consideration for this report.

Three unique time segments are included when evaluating an agency's response performance. The first is the time it takes for the Dispatcher to answer the 911 call and notify the agency (call processing); the second is the time it takes for the agency to receive the call and go en route to the call (turnout time); and third is the time it takes for the unit to drive to the incident (travel time). All three segments combined make up the total response time. For this evaluation, the unit type was not discriminated against, and the first arriving unit was used to determine the total response time.

Each call type may contain variables. For example, questioning the caller for appropriate information may take more or less time. In addition, it may take longer for crews to respond depending on the personal protective equipment to be worn, which varies with the type of incident. The following figure shows the total response time performance for each of the major incident types for all incidents within the data set. The following figure shows the first due, 90th percentile total response time for the District and the sphere of influence.

Figure 166: FEL Incidents 90th Percentile Total Response Times, Jan 2018–Dec 2022



Staffing

FEL operates a volunteer response service with one paid Fire Chief and one part-time administrative assistant. Emergency response consists of fire apparatus staffed as needed by volunteer personnel.

The following figure shows the total number of personnel assigned to the FEL.

Figure 167: FEL Staffing

Assignment	Staffing
Uniformed Administration	1
Non-Uniformed Administration	0.5
Fire Prevention	0
Operations Staff	0
Emergency Communications	0
Volunteers, Reserve, On Call	≈35 ⁶³
Total Personnel	1.5 / ≈35

The following figure shows the daily operational staffing at each station and on each unit. All apparatus is staffed by paid-on-call volunteers.

Figure 168: FEL Daily Operational Staffing

Station	Daily Staffing	Unit Staffing
1	Volunteer	4 Engines, 1 Tender, and 1 Breathing Support


⁶³ wbcpcinc.com/wp-content/uploads/2019/05/Brochure-Boulder-Creek-Fire-District-FINAL-II.pdf.

Facilities & Apparatus

Felton Fire Station

The following figure outlines the basic features of the FEL fire station facilities. The condition of the fire station is rated based on the criteria identified in the introduction to this section of the report.

Figure 169: Felton Fire Station

Station Name/Number:	Felton Fire Station 1				
Address/Physical Location:	131 Kirby St Felton CA 95018				
	<p>General Description:</p> <p>A large 9,500 sq. ft two-story fire sprinkler-protected facility located in downtown Felton. The original fire station was built in 1954. Both this building and the newer attached annex do not meet the requirements or standards prescribed for a modern fire department facility.</p>				
Structure					
Date of Original Construction	1954				
Seismic Protection	Minimal following the 1989 earthquake				
Auxiliary Power	Yes, a 60KW generator was installed in 1993				
General Condition	Fair				
Number of Apparatus Bays	Drive-through Bays	0	Back-in Bays	8	
ADA Compliant	Mostly, but not all				
Total Square Footage	9,500				
Facilities Available					
Sleeping Quarters	2	Bedrooms	2	Beds	0 Dorm Beds
Maximum Staffing Capability	22 (Volunteer)				
Exercise/Workout Facilities	Yes, Full Gym				
Kitchen Facilities	Yes, original to the building				
Individual Lockers Assigned	Yes				
Bathroom/Shower Facilities	Yes, 2 restrooms/showers & one public-use bathroom				
Training/Meeting Rooms	Yes, One training room				
Washer/Dryer/Extractor	Commercial extractor & residential washer and dryer				
Safety & Security					
Station Sprinklered	yes				
Smoke Detection	Yes, in offices, the day room, and sleeping areas				
Decon & Biological Disposal	no				
Security System	Video Cameras with recording and remote access				
Apparatus Exhaust System	Yes, Plymovent				

Fire Station Discussion

FEL's fire station was considered to be in fair condition. The facilities comprise two large two-story structures on a corner commercial property in downtown Felton. The station facilities appear to be reasonably well maintained for their age. The station seems to have been constructed over the years, focusing on equipment and apparatus storage. The current administrative offices and publicly accessible spaces are cramped and limited.

Like most 69-year-old fire stations, this facility does not meet the requirements of modern firefighting. The firefighting environment has changed over the last six decades. The technology, equipment, and safety systems have also changed to meet new demands. However, older buildings do not typically have the space or engineering systems to meet that new environment.

Figure 170: FEL Station Configuration and Condition

Station	Apparatus Bays	Staffing Capacity	General Condition	Station Age
Station 1	8	2	Fair	69 years
Totals/Average:	8	2	Fair	69 years

Modern fire service working and living conditions also require much more access to electrical outlets than was expected in older buildings. Although remodeled over the years to accommodate a growing community and fire department, this station is still dated and challenged by its lack of parking, modern administrative office space, adequate living spaces for full-time staffing, and limited equipment storage facilities.

The Fire District has provided an adjoining small portable sleeping unit placed in a rear alley area directly behind the apparatus bays to accommodate volunteer firefighters staffing the station on a 24-hour basis. This type of sleeping arraignment will not adequately accommodate permanent on-duty staffing when and if the Fire District decides to move towards that type of staffing. The existing fire station facility has adequate space. It could accommodate the construction of living quarters to house firefighters and/or emergency medical response personnel.

Apparatus

FEL operates with two Type 1, a Type 3, and a Type 6 engine. In addition, it has a breathing support unit, two command vehicles, a water tender, and one utility truck. The following figure shows the type and condition of FEL's fleet.

Figure 171: FEL Vehicles & Apparatus

CAD Radio Name	Apparatus Type	Condition
C2300	Fire Chief command pick up	Good
C2301	Asst fire chief command pickup	Fair
E2336	Type 3 Pumper 500 Gal	Excellent
E2310	Type 1 Pumper 500 Gal	Good
E2311	Reserve Type 1 Pumper 500 gal	Fair
S2365	Breathing Support (5,500 PSI)	Excellent
W2350	Water Tender 2500 Gal	Excellent
E2346	Type 6 pumper/rescue 300 Gal	Excellent
U2397	Utility/EMS response vehicle	Good

Facility Replacement & Infrastructure Needs

FEL has occupied the current fire station location for over 69 years. Its central location in downtown Felton provides excellent access to the town's main commercial and residential areas. This is essential for emergency responses and volunteer firefighters responding to the station to staff fire apparatus. As with other San Lorenzo Valley volunteer fire stations, the current Felton location does have significant parking challenges for responding volunteers and little space for expansion. The Community and the Fire District should consider developing a plan to address the fire department's future space and facilities needs. These must be addressed as call volumes increase and the community's needs change.

Status of and Opportunities for Shared Facilities

FEL has no shared facilities with neighboring San Lorenzo Valley fire agencies. The District currently works closely with other Zayante and neighboring fire departments, providing mutual aid during routine calls for service and the significant emergencies that impact the area frequently. Continued enhanced collaboration and pooling of resources (facilities/staffing) between the San Lorenzo Valley volunteer agencies may be an effective short to medium-term method to address community growth, service demand increases, and staffing challenges they may face in the future.

Dispatch & Communications

Emergency communications and dispatch services are provided to FEL by Santa Cruz Regional 9-1-1 (NetCom), which has operated for 25 years as of 2021. NetCom is a regional center operating as Santa Cruz and San Benito Counties' Primary Public Safety Answering Point (PSAP). It encompasses more than 330,000 residents and visitors. The center serves multiple fire, law enforcement, and EMS agencies.

NetCom processes nearly 600,000 calls annually.⁶⁴ Although the center follows national standards for call answering, it focuses on achieving the State of California's standard (which is higher than national standards) of 95% of incoming 911 calls being answered within 15 seconds—equivalent to three rings at NetCom.⁶⁵

⁶⁴ Santa Cruz Regional 9-1-1 website.

⁶⁵ Ibid.

Zayante Fire Protection District Profile

Agency Overview

The Zayante Fire Protection District (ZAY) provides fire protection and emergency medical services to the 14.19 square mile area for areas around and the communities known as Zayante, Lompico, and Olympia.⁶⁶

Boundaries

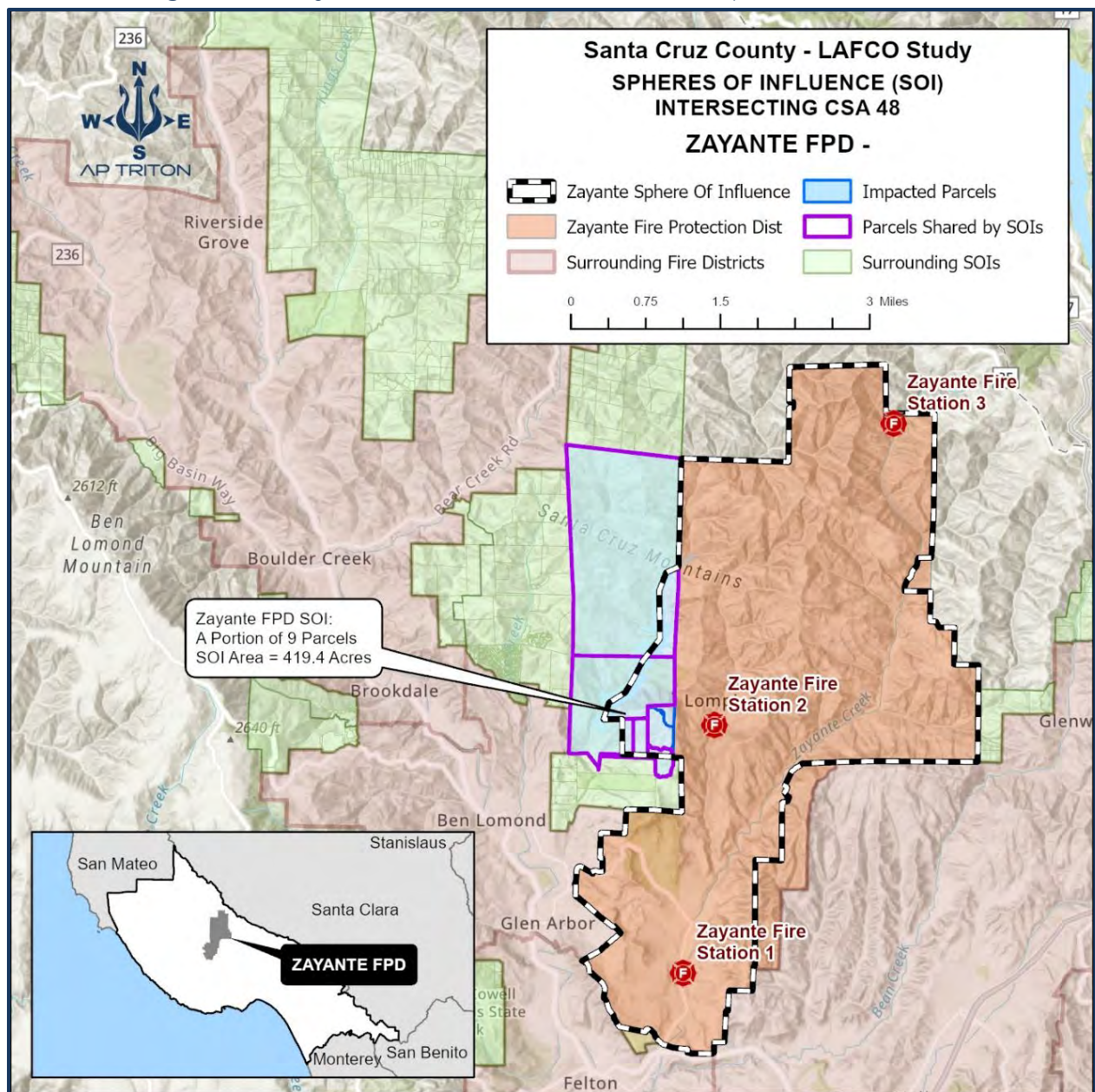
ZAY is located in the San Lorenzo Valley and is surrounded by the jurisdictions of Felton Fire Protection District, Ben Lomond Fire Protection District, Scotts Valley Fire Protection District, and the Santa Cruz County Fire Department.

ZAY's SOI is the smallest of the San Lorenzo Valley fire departments, and most of the nine parcels are shared by other agencies. However, the nine parcels do include 419.4 acres within the SOI.

The following figure shows the location of the District and the SOI as currently reported.

⁶⁶ ArcGIS Community Analyst.

Figure 172: Zayante Fire Protection District with Sphere of Influence



Type & Extent of Services

Services Provided

ZAY provides a wide range of services for its community. These include fire suppression, basic life support, emergency medical care, and other emergency services. The following figure represents each of the services and the level performed as indicated by the agency.

Figure 173: Overview of Services Provided by ZAY

Service	Y/N	Level
Fire Suppression	Yes	Structural, wildland (with CAL FIRE)
EMS First Response	Yes	BLS
Ambulance Transport	Yes	BLS when requested
Specialized/Technical Rescue	Yes	Low angle and vehicle rescue/extrication
Hazmat Response	No	First response only
Fire Inspection/Code Enforcement	Yes	
Plan Review	Yes	In-house and vendor contracts when needed
Public Education/Prevention	Yes	Firewise community development, fuel reduction, school education, fire extinguisher, and CPR courses
Fire and Arson Investigation	Yes	Origin and cause only.

Service Area

ZAY is a multi-disciplined fire protection district. The District is statutorily responsible for fire protection of improved structures and other emergency services within the district.

Vegetation fires are part of the state responsibility area and are statutorily the responsibility of CAL FIRE. However, ZAY provides support and assistance when requested and will begin incident mitigation if notified directly.

Collaboration

- ZAY participant in the countywide mutual aid agreement.
- ZAY responds for specialized technical rescue assistance if requested.

Joint Powers Agreements (JPAs)

- None identified.

Contracts to provide services to other agencies

- None Identified

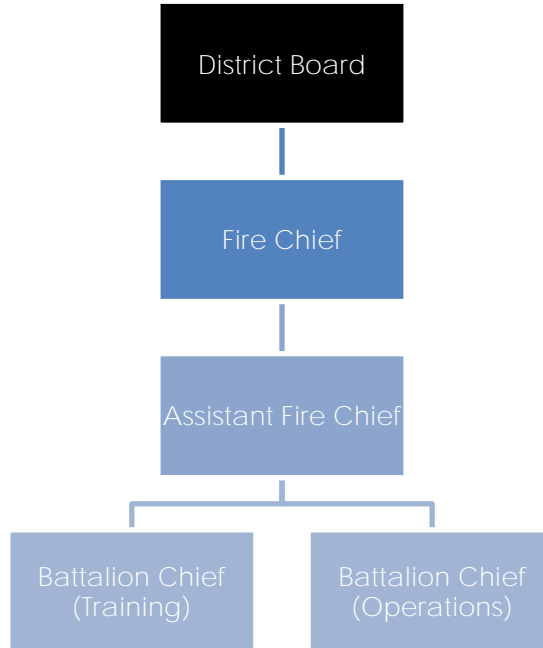
Contracts for service to other agencies

- None Identified

Governance, Administration, & Accountability

ZAY is governed by a five-member Board of Directors whose head is the chairman. The Board hires a Fire Chief, but no other administrative positions exist. The following figure represents the ZAY lines of authority.

Figure 174: ZAY Lines of Authority



The following figure identifies the efforts to meet state laws to ensure transparency and accountability.

Figure 175: ZAY Transparency and Accountability

Transparency and Accountability	Available
Agency website ⁶⁷	Yes
The adopted budget is available on the website	Yes
Notice of public meetings provided	Yes
Agendas posted on the website ⁶⁸	Yes
Public meetings are live-streamed	No
Minutes and/or recordings of public meetings are available on the website	Yes
Master Plan (fire service specific) available on the website	No
Strategic Plan (fire service specific) available on the website	No
Community Risk Assessment and Standards of Cover documents are available on the website	No
SOC performance reports are available on the website	No
Efforts to engage and educate the public on the services to the community	No
Staff and governing board member ethics training and economic interest reporting completed	Yes
Compliance with financial document compilation, adoption, and reporting requirements	Yes
Adherence to open-meeting requirements	Yes

⁶⁷ As of January 1, 2020, independent special districts are required to maintain websites according to Government Code Sections 6270.6 and 53087.8 to provide the public easily accessible and accurate information about the district. Government Code Section 53087.8 lists what must be included on the website.

⁶⁸ Government Code §54954.2.

Growth & Population Projections

Zayante is not considered a census-designated place (CDP) and does not report separately from the county. However, tools and methods exist to capture and aggregate the specific census blocks into a geographical area. Therefore, the district boundaries will be used for the remainder of this section.

Current Population

The current population within ZAY legal boundaries is 3,662, with an area of 14.19 square miles. There is a total of 1,570 housing units listed in the area.⁶⁹ Neither the number of residents nor the housing units meet the urban area classification threshold set by the U.S. Census Bureau.⁷⁰

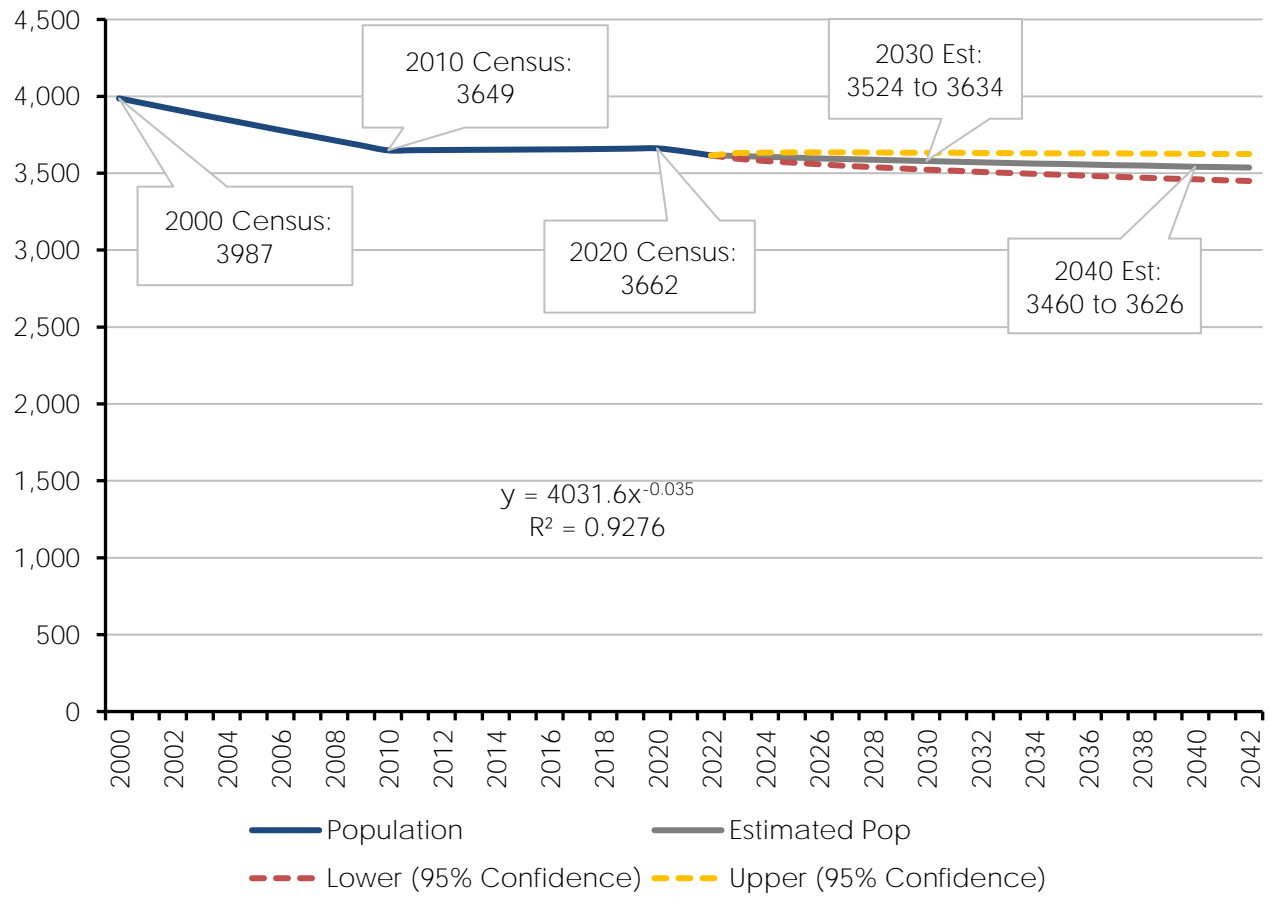
Projected Growth & Development

Estimating population growth is challenging due to many factors such as new developments or local economies. For ZAY, two techniques were utilized. The first was to rely on the Association of Monterey Bay Area Governments, 2022 Regional Growth Forecast, which calls for low or moderate growth for the region. The second method evaluated the preceding 20 years of population growth, creating a statistical model that returned the best fit and then projecting that model out 20 years. For the PAJ area, the best-fit model was a logarithmic regression analysis, which produced an R^2 value of 0.9276. This means the model fits the historical data very well. An absolute perfect model fit returns an R^2 value of 1. Using the regression as a forecast shows a slight population decrease for the area from 3,662 in 2020 to between 3,460 and 3,626 in 2040 with a 95% confidence level. This agrees generally with the Association of Monterey Bay Area Governments forecast. The following figure shows the 20-year actual and 20-year population forecast with confidence levels.

⁶⁹ ESRI Community Analyst, Source U. S. Census Bureau, 2020 Redistricting Data (P.L. 94-171).

⁷⁰ <https://www.census.gov/programs-surveys/geography/guidance/geo-areas/urban-rural.html>.

Figure 176: ZAY Historical Population and Forecast



Financial Overview

ZAY operates through multiple funds, including the General Fund (GF) and the Capital Project Fund (CPF). The District transferred funds from its Debt Service Fund to the Capital Projects Fund in FY 2020, which reduced the Debt Service Fund balance by \$0. The study will focus on the activities of the GF. The District prepares an annual operating budget based on a July through June fiscal year.

General Fund Recurring Revenues and Expenses

A significant amount of information was provided by the District staff. It was reviewed to develop a financial trend analysis for the five years, from fiscal year 2018 through fiscal year 2022.⁷¹ This review of the historical information of General Fund (GF) revenues revealed recurring revenues increased from \$497,000 in FY 2018 to a budgeted \$534,000 in FY 2022, a 7.5% overall increase or an annualized increase of approximately 1.9%.

Property tax revenues are the most significant source of General Fund Revenues, followed by a special assessment Fire Protection Tax (Measure O) not restricted to specific uses. Both property tax and Measure O revenues are allowed to increase by California's annual consumer price index but with a 2% yearly cap on growth. These two sources account for almost 75% of General Fund Revenues. Other sources of revenue include State and Federal Reimbursement for response to natural disasters (22%), charges for services, interest, and other sources.

The General Fund expends funds for employees' salaries and benefits, services and supplies, capital expenditures, and debt service. District employee benefits are limited in scope, with the most expensive workers' compensation insurance. Compensation amounts vary with the demand for natural disaster deployments. Benefit expenditures have been reduced to negligible amounts in considering the overall budget.

Due to the source of its funding streams, the COVID-19 pandemic had no significant negative impact on FY 2020 and FY 2021 revenues. The following figure is the historical revenues and expenditures of the District.

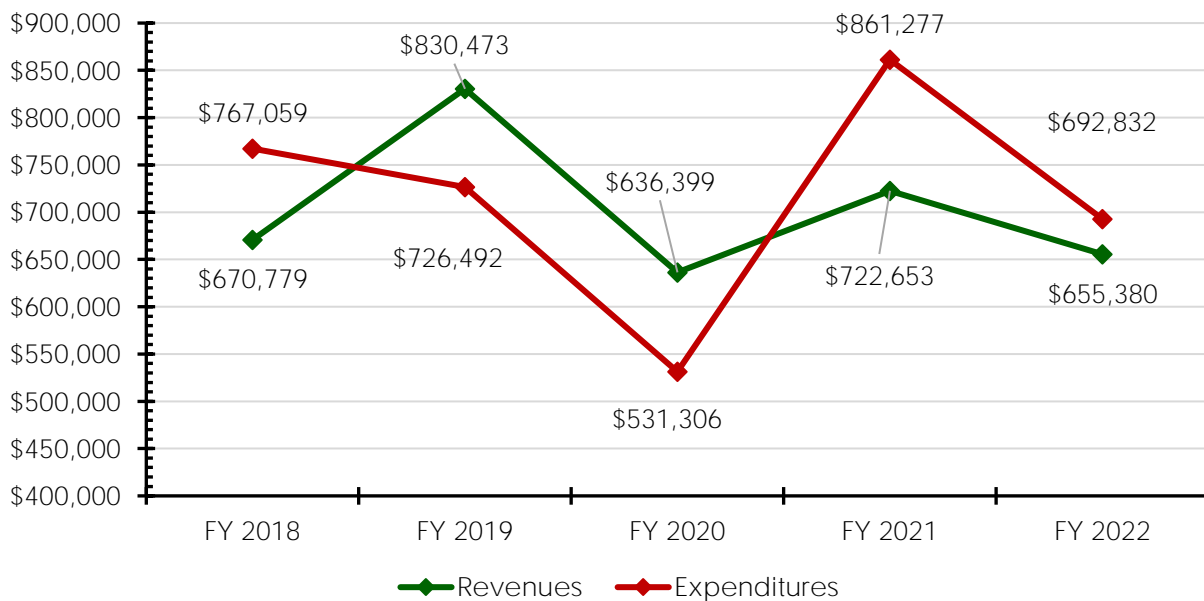
⁷¹ Historical Financial Information provided by ZAY staff.

Figure 177: ZAY Summarized General Fund Revenues and Expenses, FY 2018–FY 2022

Revenue/Expenses	FY 2018 (Actual)	FY 2019 (Actual)	FY 2020 (Actual)	FY 2021 (Actual)	FY 2022 (Actual)
Recurring Revenue	497,298	527,447	547,069	550,326	534,698
Other Revenues	173,481	303,026	89,329	172,327	120,682
Total Revenues	670,779	830,473	636,398	722,653	655,380
Salaries & Benefits	477,257	480,531	381,087	537,255	431,353
Services & Supplies	217,776	195,557	149,243	223,404	259,402
Total Recurring Expenses	695,033	676,088	530,330	760,659	690,755
Capital Expenditures	72,026	50,403	976	11,061	2,077
Transfers to Capital Fund	—	—	—	89,556	—
Total Expenditures	767,059	726,491	531,306	861,276	692,832
Total Surplus (Deficit)	(96,280)	103,980	105,093	(138,624)	(37,452)
Beginning Reserves	588,977	492,697	596,677	701,770	563,146
Calculated Ending Reserves	492,697	596,677	701,770	563,146	525,694

The following figure displays this data and indicates the District's historical revenues and expenditures.

Figure 178: Summarized General Fund Revenues and Expenses



Projected General Fund Revenues and Expenses

Property tax revenue growth has averaged approximately 7.5% between FY 2018 and FY 2022. The FY 2023 budget forecasts a growth rate of 16.1% from FY 2022, but to remain conservative and consistent with the more recent trend, recurring revenues are forecast to grow at 2.0% annually using FY 2023 as the base period. Fire Protection Tax collections have shown minimal change during the historic analysis study period. They are forecast to grow at 2% annually. Other revenues are forecast to remain consistent. State disaster reimbursements are indicated at \$0 as most funds received are passed through for employee compensation.

Salary and benefit costs are forecast to increase at an annual 1% rate. Other services and supplies are forecast at 2% annually. Expenditures for clothing and personal supplies budgeted at \$25,000 in FY 2023 are reduced in the forecast to \$5,000 in FY 2024 as these resources typically have a 10-year life cycle. Similarly, the building maintenance budgeted at \$25,000 in FY 2023 is reduced to \$10,000 in FY 2024. Non-recurring expenditures are forecast at \$6,500 annually, as major capital expenditures are made from the Capital Projects Fund.

The following projections were developed from the historical trends identified in the financial analysis. Certain expenditures appear on an “as-needed” basis and are difficult to identify as a trend. The various “as-needed” payments distort the projections, and using the FY 2023 budget as a base period without additional information makes them unreliable.

Figure 179: ZAY General Fund Summarized Projected General Fund Revenues and Expenditures

Revenue/Expenses	FY 2023 Budget ⁷²	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Revenue	609,405	621,345	633,524	645,947	658,618	671,543
Expenditures	677,675	631,140	640,038	649,079	658,264	667,596
Net Surplus (Deficit)	(68,270)	(9,794)	(6,514)	(3,132)	355	3,947

⁷² FY 2023 Adopted Budget.

Capital Planning

A Staff Report – Apparatus Plan, dated 2022, was observed in the documentation provided by the District.⁷³ The plan identifies apparatus needs and suggests solutions. ZAY maintains a Capital Projects Fund separate from the General Fund. This restricted amount totals approximately \$180,000 mentioned in the Staff Report, but AP Triton did not independently verify that amount.

Demand for Services

ZAY is primarily a rural system that provides aid services to other communities when requested. Data was provided by the regional dispatch center and included incident information from January 1, 2018, through December 31, 2022. In addition, any response to a wildland-type fire in the State Response Area was removed from the analysis. The following figure is the overview of the response statistics for ZAY.

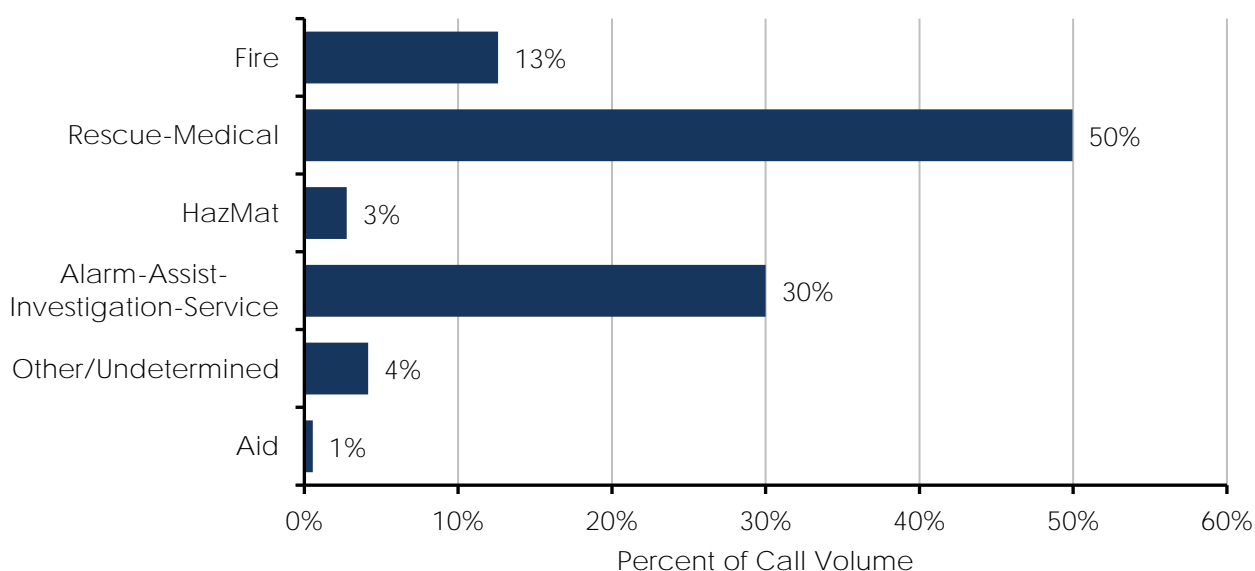
Figure 180: ZAY Response Overview

Agency	Zayante FPD
Avg. Annual Incident Vol.	216
Incidents per 1,000 Population	59
90th Percentile Total Time	21:39

Each incident was grouped into the main categories based on the dispatch type. The incident types were related to the major categories in the National Fire Incident Reporting system. The following figure is the percentage of incidents within those categories for the entire data set, 2018–2022.

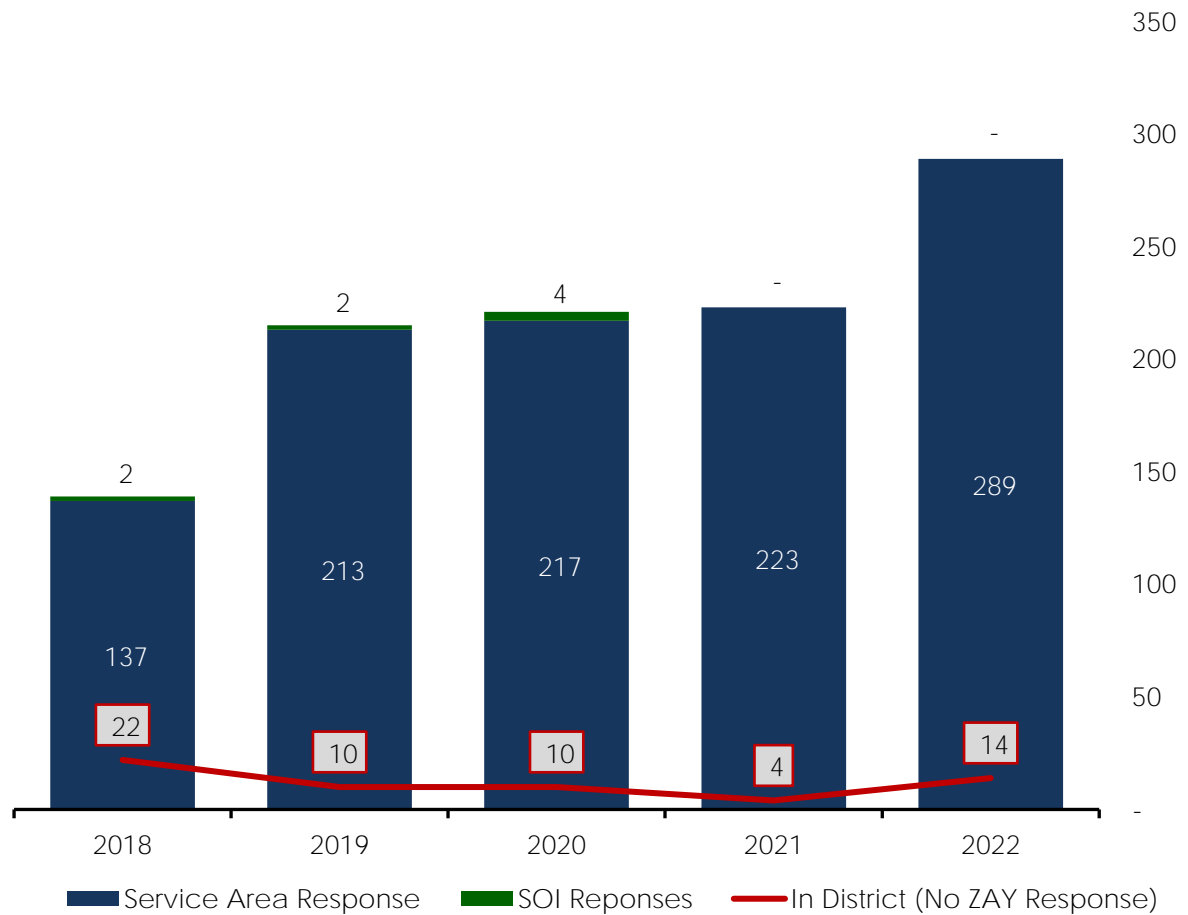
⁷³ ZAY Staff Report – Apparatus Plan.

Figure 181: ZAY Total Incident Responses by Type as a Percentage



Typically, an analysis of incidents by year can yield a trend or indicate what call volume might look like in the next few years. Unfortunately, due to the COVID-19 pandemic and subsequent social and economic constraints, this is difficult with this data set. This data set is further complicated due to the limited number of responses recorded. As a result, a trend was not easily spotted or extrapolated. It appears that FEL response numbers stabilized in 2020 and 2021 but increased again in 2022. In addition, responses into the sphere of influence are insignificant, and there were no recorded responses in 2021 and 2022. One aspect of the service within the County of Santa Cruz is the prolific use of mutual aid. Occasionally, a unit from the primary jurisdiction is not identified in the CAD data, although non-radioed persons may have responded. ZAY units respond to most incidents within their jurisdiction and have remained steady throughout the study period. The following figure shows the annual incident volume by year with the responses into the sphere of influence and district-covered incidents.

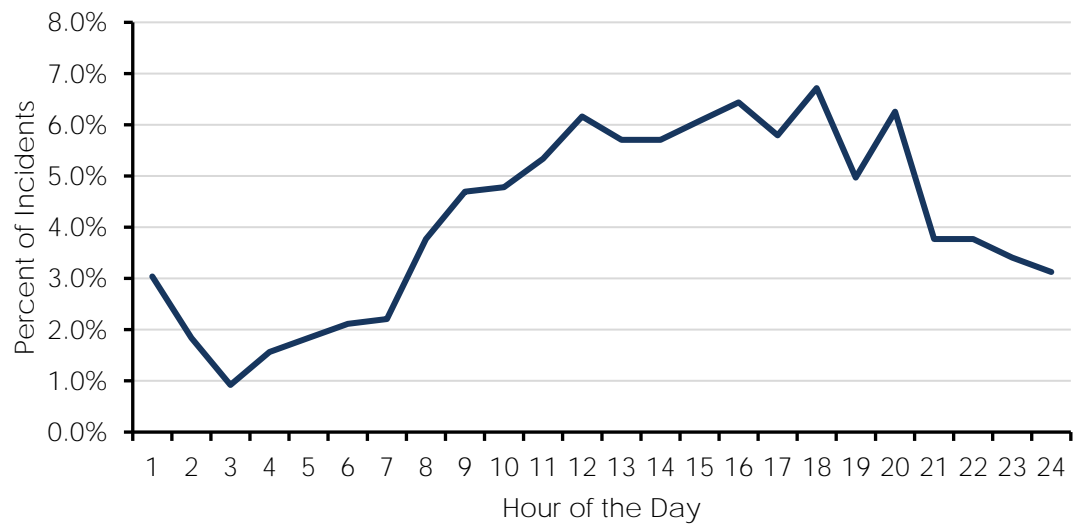
Figure 182: ZAY Annual Incident Volume by Year



A temporal study indicated some monthly variations from an even distribution, but no seasonality could be identified. February through June were lower than expected, but so were September and November. June and July were higher than expected, but so were December and January. Incident volume variation by month indicated a lower incident volume through the winter and early spring, with an increase in the warmer months. The highest volume decrease was in April. The variation was plus 1% and minus 2%.

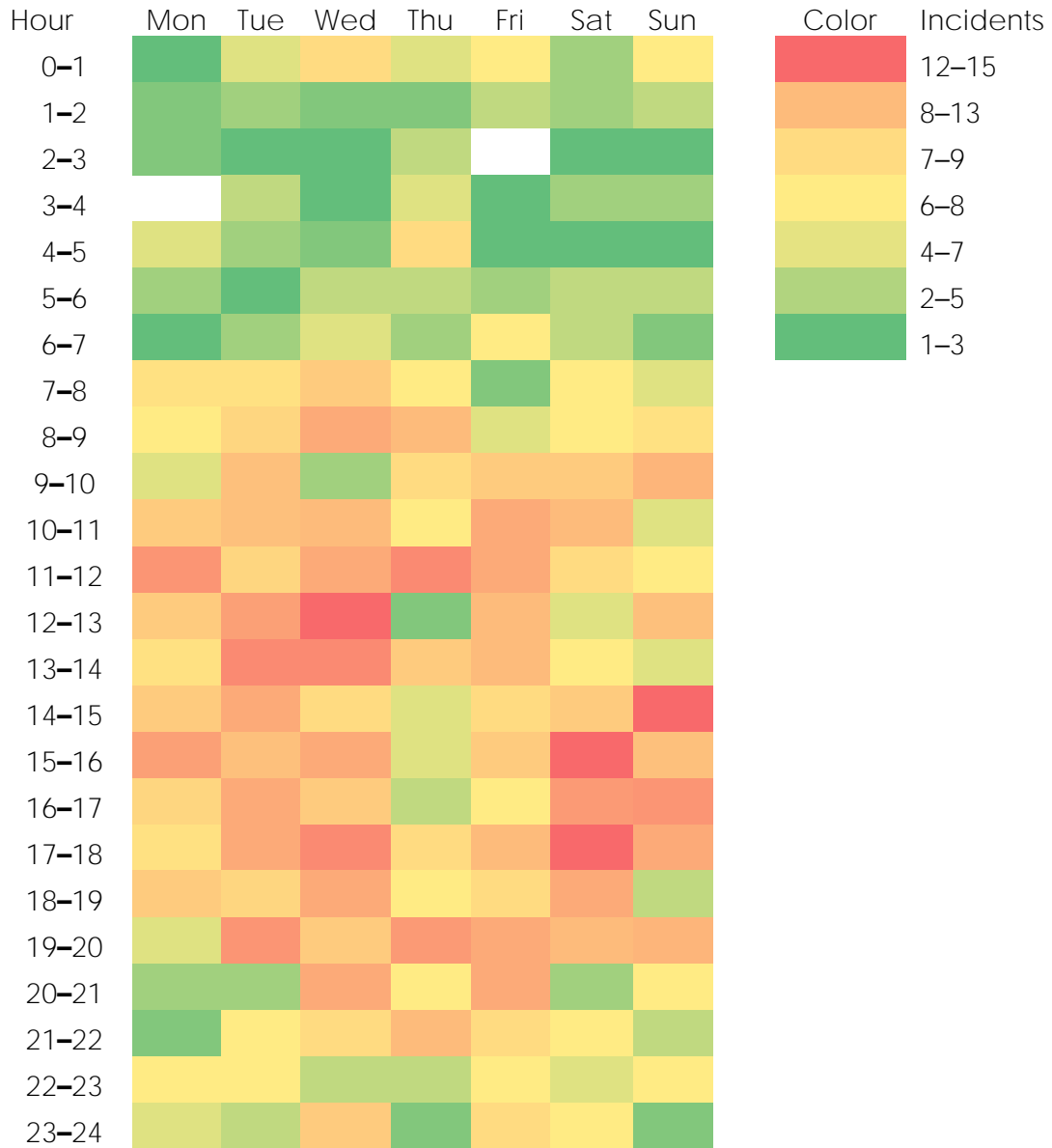
A study of demand by hour shows that ZAY, like many fire agencies, sees a significant variation by the hour. In fact, over 72% of all incidents happen between 8:00 a.m. and 8:00 p.m. The following figure shows the general difference of the complete incident data set by hour.

Figure 183: ZAY Incident Percentage by Hour



The average daily swing is typical and likely due to the number of awake and active people. However, the day-to-day variation in this information does play a part. The following figure is the incident heat map by the hour and day of the week.

Figure 184: ZAY Incident Heat Map by Hour and Weekday



The above evaluation does not prove definitively that the daytime hours are evenly distributed. Note the small spread of incidents within the color chart. However, it does follow that the daytime hours are busier, especially on the weekends.

The final volume analysis looked at the unit usage for all apparatus within the system. This analysis considered three dimensions. The first is the unit hour utilization (UHU). This number represents the time a unit was committed to an incident as a percentage of the total time they were on duty. The next is the average time a unit was committed to an incident. And finally, the average number of incidents a unit was deployed daily.

Only those units clearly identified by the agency or units with large volumes of responses within the data sets were evaluated. The following figure shows the general statistics for each frontline unit within the ZAY system.

Figure 185: ZAY Unit Usage (2021–2022)

Unit	Unit Hour Utilization (UHU)	Avg. Time per Incident	Avg. Incidents Per Day
C2400	0.5%	45 Minutes	0.2
B2403	0.9%	38 Minutes	0.3
E2410	0.7%	32 Minutes	0.3
B2404	0.2%	43 Minutes	0.1
E2411	0.1%	56 Minutes	0.0
E2414	0.2%	38 Minutes	0.1
E2436	0.2%	63 Minutes	0.0
R2465	0.3%	36 Minutes	0.1
R2466	1.2%	35 Minutes	0.5
W2450	0.2%	73 Minutes	0.0
Utilities	0.1%	43 Minutes	0.0

Per staff direction, incidents included under the unit identified as C2401 were combined into the R2465 data. In addition, it should be noted that E2414 was removed from service in 2022. It is reported here as there was associated historical data, but it will not show in the apparatus table.

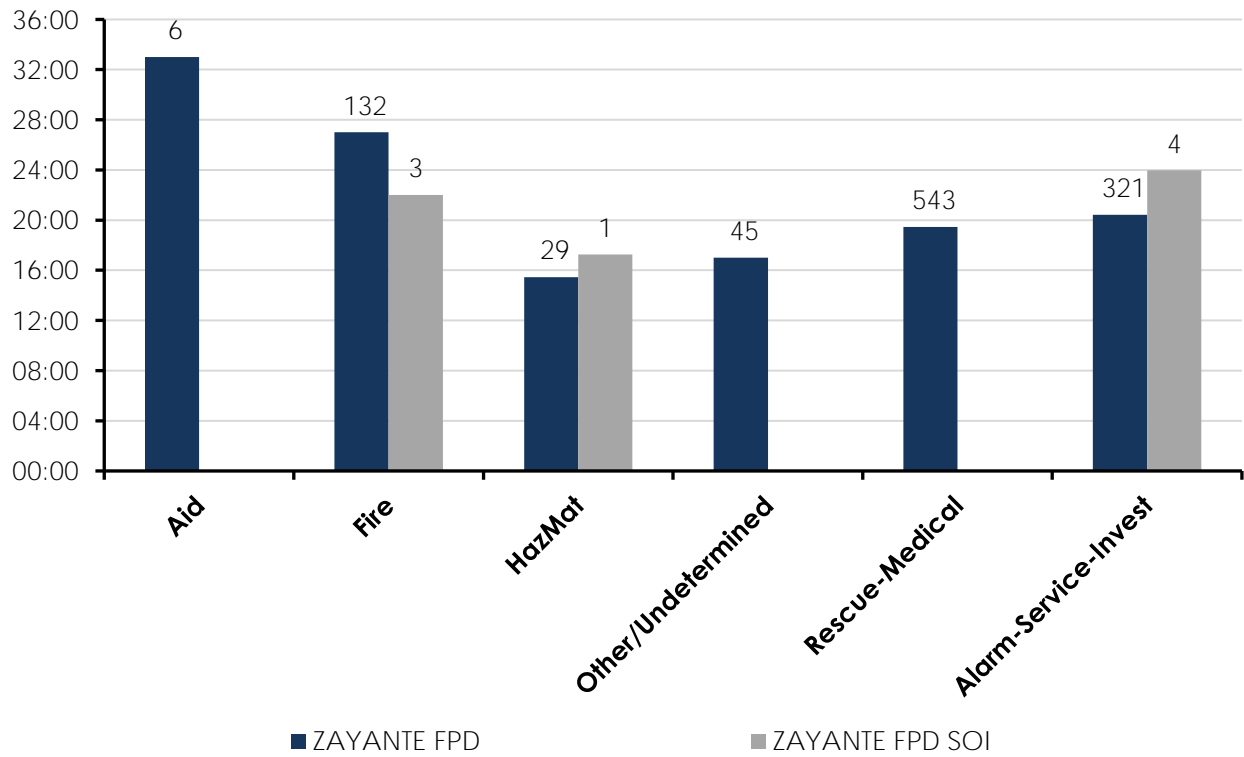
Service Delivery & Performance

The performance of the ZAY response was also evaluated. The data did not differentiate between emergency responses and non-emergency responses. In addition, there was no evaluation of the arriving unit's type or agency. Therefore, all responses are evaluated. The 90th percentile is typically used in the fire service and is considered the standard for measuring incident response performance. Due to the nature of this report, ZAY's operation in its identified sphere of influence was also evaluated. Agency performance goals or standards are not taken into consideration for this report.

Three unique time segments are included when evaluating an agency's response performance. The first is the time it takes for the Dispatcher to answer the 911 call and notify the agency (call processing); the second is the time it takes for the agency to receive the call and go en route to the call (turnout time). Third is the time it takes for the unit to drive to the incident (travel time). All three segments combined make up the total response time. For this evaluation, the unit type was not discriminated against, and the first arriving unit was used to determine the total response time.

Each call type may contain variables. For example, questioning the caller for appropriate information may take more or less time. In addition, it may take longer for crews to respond depending on the personal protective equipment to be worn, which varies with the type of incident. The following figure shows the total response time performance for each of the significant incident types for all incidents within the data set. The following figure shows the first due, 90th percentile total response time for the District and the sphere of influence.

Figure 186: ZAY Incidents 90th Percentile Total Response Times, Jan 2018–Dec 2022



Staffing

ZAY operates a volunteer response service with one paid Fire Chief. Emergency response consists of fire apparatus staffed as needed by volunteer personnel. The following figure shows the total number of personnel assigned to the ZAY.

Figure 187: ZAY Staffing⁷⁴

Assignment	Staffing
Uniformed Administration	1
Non-Uniformed Administration	0
Fire Prevention	0
Operations Staff (Paid-Career)	3
Operations Staff (Volunteers, Reserve, and on-call)	≈23
Emergency Communications	0
Total Personnel	4 / ≈23

The following figure shows the daily operational staffing at each station and on each unit. Station 1 is staffed with a full-time crew Monday through Friday, 8:00 a.m. to 5:00 p.m., the remaining apparatus and times are staffed by paid-on-call volunteers.

Figure 188: ZAY Daily Operational Staffing

Station	Daily Staffing	Unit Staffing
1	3 (daytime M-F) Volunteer	2 Engines, 1 Rescue, and 1 Water Tender
2	Volunteer	1 Engine and 1 Rescue
3	Volunteer	1 Engine

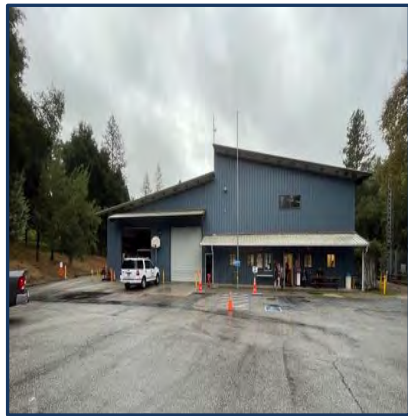
⁷⁴ zayantefire.com/overview/.

Facilities & Apparatus

Zayante Fire Stations

The following figures outline the basic features of each of ZAY's **three** fire stations. The condition of each station is rated based on the criteria identified in the introduction to this section of the report.

Figure 189: ZAY Fire Stations

Station Name/Number:	Zayante Station 1					
Address/Physical Location:	7700 East Zayante Road, Felton, CA					
	General Description:					
	25-year-old two-story large metal frame building. The first floor accommodates the Fire District Admin. Offices, community meeting room, kitchen, M/F restrooms, and apparatus storage area capable of housing 6 fire apparatus. The large upstairs area includes a training classroom, workout area, sleeper dorm rooms, M/F restroom facilities, and a significant storage area (community disaster equipment/supplies).					
Structure						
Date of Original Construction	1998					
Seismic Protection	No					
Condition (from rating sheet)	Fair					
Number of Apparatus Bays	Drive-through Bays	2	Back-in Bays			
Length of Each Apparatus Bay						
Facilities Available						
Sleeping Quarters	4	Bedrooms	4	Beds	0	Dorm Beds
Current Daily Staffing	3 (Monday–Friday / 8 a.m.–5 p.m.)					
Maximum Staffing Capability	4					
Kitchen Facilities	1					
Bathroom/Shower Facilities	Yes					


Station Name/Number:	Zayante Station 2
Address/Physical Location:	10580 Lompico Road, Felton, CA



General Description:

Small masonry constructed garage structure housing one volunteer-staffed fire engine. No restroom(s) and minimal storage currently exist. Although currently in use, this facility does not meet current NFPA 1500 recommended standards. It is located on a rural road blind curve, in addition to its lack of adequate parking for responding volunteers. If abandoned, the adjoining Water District property could help mitigate the need for additional parking.

Structure						
Date of Original Construction	N/A					
Seismic Protection	No					
Condition (from rating sheet)	Fair					
Number of Apparatus Bays	Drive-through Bays		Back-in Bays	1		
Length of Each Apparatus Bay	N/A					
Facilities Available						
Sleeping Quarters	0	Bedrooms	0	Beds	0	Dorm Beds
Current Daily Staffing	Volunteer					
Maximum Staffing Capability	0					
Kitchen Facilities	No					
Bathroom/Shower Facilities	No					

Station Name/Number:	Zayante Station 3					
Address/Physical Location:	15585 East Zayante Road, Felton, CA					
	<p>General Description:</p> <p>One-story wood frame garage structure. Single Engine remotely located fire station staffed by neighborhood volunteers. Approximately 800–900 sq. feet of useable garage/storage space. The station currently does not have auxiliary power, restrooms, office space, or a meeting room. Water at the site is limited to a residential well and a moderately sized storage tank to the rear of the fire station.</p>					
Structure						
Date of Original Construction	N/A					
Seismic Protection	No					
Condition (from rating sheet)	Fair					
Number of Apparatus Bays	Drive-through Bays		Back-in Bays		2	
Length of Each Apparatus Bay	49 feet					
Facilities Available						
Sleeping Quarters	0	Bedrooms	0	Beds	0	Dorm Beds
Current Daily Staffing	Volunteer					
Maximum Staffing Capability	0					
Kitchen Facilities	0					
Bathroom/Shower Facilities	0					

Fire Stations Discussion

The District considered the three Zayante fire stations in “Fair” condition. Only Station 1 (Headquarters) functions as a staffed fire station and only during weekday business hours (Monday–Friday 0800–1700 hrs.). Fire Stations 2 and 3 are remote satellite stations operating essentially as garages for fire apparatus staffed by volunteers who live nearby. Station 1 is approaching 25 years old, with Stations 2 and 3 ages not identified or provided by the District staff. The following figure summarizes ZAY’s fire stations and their features.

Figure 190: ZAY Station Configuration and Condition

Station	Apparatus Bays	Staffing Capacity	General Condition	Station Age
Station 1	2	4	Fair	25 years
Station 2	1	0	Fair/Poor	Unknown
Station 3	1	0	Fair	Unknown
Totals:	4	4	Average:	Unknown

Fire Station #1

This 25-year-old facility serves as the Fire District's headquarters fire station. It is a two-story metal framed structure protected by an automatic fire sprinkler system. The station's ground floor houses a two-bay apparatus/equipment storage area capable of accommodating multiple fire apparatus and related equipment. Administrative offices, a community meeting room, a commercially equipped kitchen, and gender-separated public restrooms are located adjacent to this area. A centrally located staircase leads to an upstairs training classroom, several equipment storage rooms, a designated "sleeper bedroom," additional restrooms, and a day room/workout area for volunteers. A secondary remotely located staircase leads from the N/W corner of the classroom area downstairs into the apparatus bay where the fire apparatus is located. The fire station site is surrounded by a large, paved parking area at the front and a similar-sized, unpaved gravel parking/storage area to the rear. This station is the only Zayante fire station capable of housing full-time, 24-hour on-duty firefighters. This station could be remodeled if the District transitioned to a fully staffed deployment model. The current building has the space and infrastructure to support the construction and addition of these facilities. The size of the station could be capable of housing at least two 3-person companies and a Battalion Chief if needed.

Fire Station #2

A remote, unstaffed single-bay building housing one fire engine and equipment supporting the volunteer firefighters living in the immediate area. The building is a one-story wood-framed structure of unknown age and size. It is on a blind curve with inadequate site distances for safe entry/exit. It has little to no parking for responding volunteer firefighters to safely park their vehicles before responding on the fire apparatus housed at the station. The station relies on propane for heat, and water is supplied by an adjacent community water system pump station. The facility did not appear to have restrooms, emergency standby power, or a static water storage supply tank. This station has neither the space nor infrastructure to accommodate on-duty full-time staffing by fire or emergency medical personnel.

Fire Station #3

This remote station is located at 15585 Upper Zayante Rd. in the Los Gatos Fire District area. The building is a one-story, two-bay wood-framed structure protected by an automatic fire sprinkler system. The sprinkler system is supported by a large water storage tank designed to supply the fire sprinkler system and an adjacent standpipe for filling fire apparatus water tanks. There is limited parking for responding volunteer firefighters located across a narrow rural driveway abutting the front ramp of the fire station.

Apparatus

ZAY operates with two Type 1, a Type 2, and a Type 3 engine. In addition, it has a rescue ambulance, a quick response rescue, two command vehicles, one water tender, and one utility truck. The following figure shows the type and condition of ZAY's fleet.

Figure 191: ZAY Vehicles & Apparatus

CAD Radio Name	Apparatus Type	Condition
C2400	Command/SUV	Excellent
B2403	Command/SUV	Fair
E2410	Type 1 Engine	Excellent
B2404	Command/SUV	Good
E2411	Type 1 Engine	Good
E2436	Type 3 Engine	Good
R2465	Rescue QRV	Excellent
R2466	Rescue Ambulance	Excellent
W2450	Water Tender	Good
U2499	Utility	Fair
E2412	Type 2 Engine	Fair

Facility Replacement & Infrastructure Needs

District fire station size, location, and design are typically driven by community needs and property availability. Volunteer-staffed fire department facility needs differ significantly from those utilizing on-duty, in-station fire personnel. Zayante's main station, located on East Zanyante Rd., was designed and built 25 years ago to potentially accommodate firefighters living in the station. Future full-time staffing of this station because of its current location and size may be possible. Based on District needs, accommodating this type of change would likely require considerable upgrading of the interior spaces of the building. Neither Station 2 nor Station 3 have the physical size or infrastructure to accommodate staffed on-duty personnel.

Status of and Opportunities for Shared Facilities

ZAY currently has no shared facilities with other fire agencies. The District works closely with the Felton FPD and routinely shares mutual aid resources to enhance emergency coverage in both fire district jurisdictions. Continued enhanced collaboration and pooling of resources (facilities/staffing) between these two volunteer agencies may be an effective short to medium-term method to address community growth or service demand increases they may face in the future,

Dispatch & Communications

Emergency communications and dispatch services are provided to ZAY by Santa Cruz Regional 9-1-1 (NetCom), which has operated for 25 years as of 2021. NetCom is a regional center operating as Santa Cruz and San Benito Counties' Primary Public Safety Answering Point (PSAP). It encompasses more than 330,000 residents and visitors. The center serves multiple fire, law enforcement, and EMS agencies.

NetCom processes nearly 600,000 calls annually.⁷⁵ Although the center follows national standards for call answering, it focuses on achieving the **State of California's standard** (which is higher than national standards) of 95% of incoming 911 calls being answered within 15 seconds—equivalent to three rings at NetCom.⁷⁶

⁷⁵ Santa Cruz Regional 9-1-1 website.

⁷⁶ Ibid.

Pajaro Valley Fire Protection District Profile

Agency Overview

The Pajaro Fire Protection District (PAJ) provides fire protection and emergency medical services to the 44.26 square mile area in the south-central portion of the county.⁷⁷ It serves the unincorporated communities of Amesti and Interlaken.

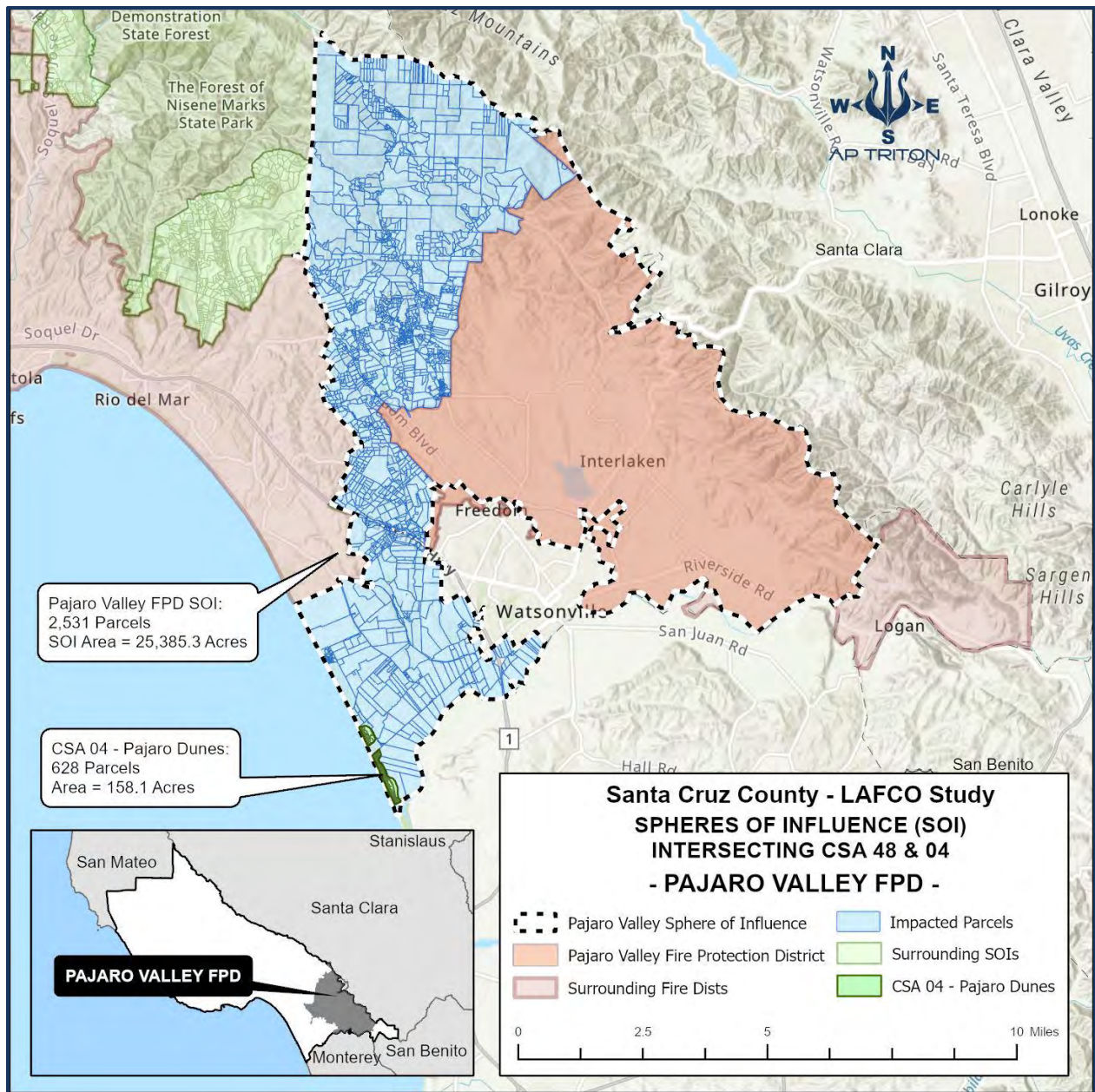
Boundaries

PAJ is located in the south-central area of the County of Santa Cruz. It shares a border to the west with CSA 48. The southern boundary is shared with the City of Watsonville, and the southeast is shared with the Aromas Fire Protection District.

The SOI area encompasses CSA 48 and CSA 4 service areas. The 3,159 parcels in the SOI account for 25,543.4 acres and only one property is shared. The following figure shows the location and the SOI as currently reported.

⁷⁷ ArcGIS Community Analyst.

Figure 192: Pajaro Valley Fire Protection District with Sphere of Influence



Type & Extent of Services

Services Provided

PAJ provides a wide range of services for its community. These include fire suppression, basic life support, emergency medical care, and other emergency services. The following figure represents each of the services and the level performed as indicated by the agency.

Figure 193: Overview of Services Provided by PAJ

Service	Y/N	Level
Fire Suppression	Yes	Structural
EMS First Response	Yes	BLS
Ambulance Transport	No	
Specialized/Technical Rescue	Yes	Low-angle rescue & auto extrication
Hazmat Response	Yes	First Responder-Operations Level
Fire Inspection/Code Enforcement	Yes	Defensible space & business inspection
Plan Review	Yes	
Public Education/Prevention	Yes	Includes fire extinguisher training
Fire and Arson Investigation	Yes	
Other	Yes	Chipping Program

Service Area

PAJ is a multi-discipline fire protection district that contracts for service with CAL FIRE. The District is statutorily responsible for fire protection of improved structures and other emergency services within the city limits. Vegetation fires are part of the state responsibility area and are statutorily the responsibility of CAL FIRE. However, PAJ provides support and assistance when requested and will begin incident mitigation if notified directly.

Collaboration

- PAJ participant in the countywide mutual aid agreement.
- PAJ shares the cost of the Fire Marshal, 50%, with county service area 48.
- PAJ shares the cost of the Battalion Chief with CSA 4. PAJ pays 90% of the pay and CSA 4 10%.

Joint Powers Agreements (JPAs)

- None Identified

Contracts to provide services to other agencies

- None Identified

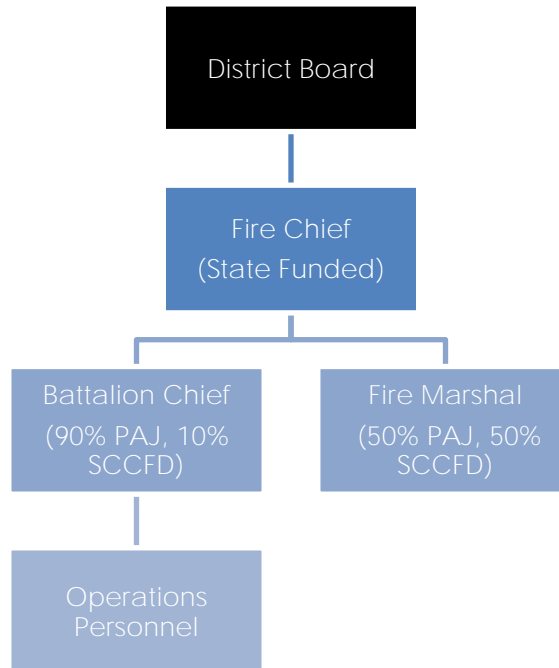
Contracts for service to other agencies

- None were identified, just the cost-sharing approach with CSA 4 and CSA 48.

Governance, Administration, & Accountability

PAJ is governed by a five-member Board of Directors whose head is the Board Chair. The fire chief is contracted with CAL FIRE, who serves as the CAL FIRE San Mateo-Santa Cruz Unit Chief and the Santa Cruz County Fire Department Chief. The Chief is accountable to the district board. As shown, some positions are state-funded, while others are funded by PAJ. Nearly all PAJ's command staff and upper management are state-funded.

Figure 194: Pajaro Valley Lines of Authority



The following figure identifies the efforts to meet state laws to ensure transparency and accountability.

Figure 195: Pajaro Valley Transparency and Accountability

Transparency and Accountability	Available
Agency website ⁷⁸	Yes
The adopted budget is available on the website	Yes
Notice of public meetings provided	Yes
Agendas posted on the website ⁷⁹	Yes
Public meetings are live-streamed	Yes
Minutes and/or recordings of public meetings are available on the website	Yes
Master Plan (fire service specific) available on the website	No
Strategic Plan (fire service specific) available on the website	Yes
Community Risk Assessment and Standards of Cover documents are available on the website	No
SOC performance reports are available on the website	Yes
Efforts to engage and educate the public on the services to the community	Yes
Staff and governing board member ethics training and economic interest reporting completed	Yes
Compliance with financial document compilation, adoption, and reporting requirements	Yes
Adherence to open-meeting requirements	Yes

⁷⁸ As of January 1, 2020, independent special districts are required to maintain websites according to Government Code Sections 6270.6 and 53087.8 to provide the public easily accessible and accurate information about the district. Government Code Section 53087.8 lists what must be included on the website.

⁷⁹ Government Code §54954.2.

Growth & Population Projections

The legal boundaries of PAJ do not have a corresponding U. S. Census area to evaluate. Instead, PAJ comprises at least two census-designated places but only one that reports data. It would be inconsistent to document these different census places in this report. Therefore, the district boundaries will be used for the remainder of this section.

Current Population

The current population within PAJ's legal boundaries is 16,336, with an area of 44.26 square miles. There is a total of 4,545 housing units listed in the area.⁸⁰ The number of residents and housing units meet the urban area classification threshold set by the U.S. Census Bureau.⁸¹

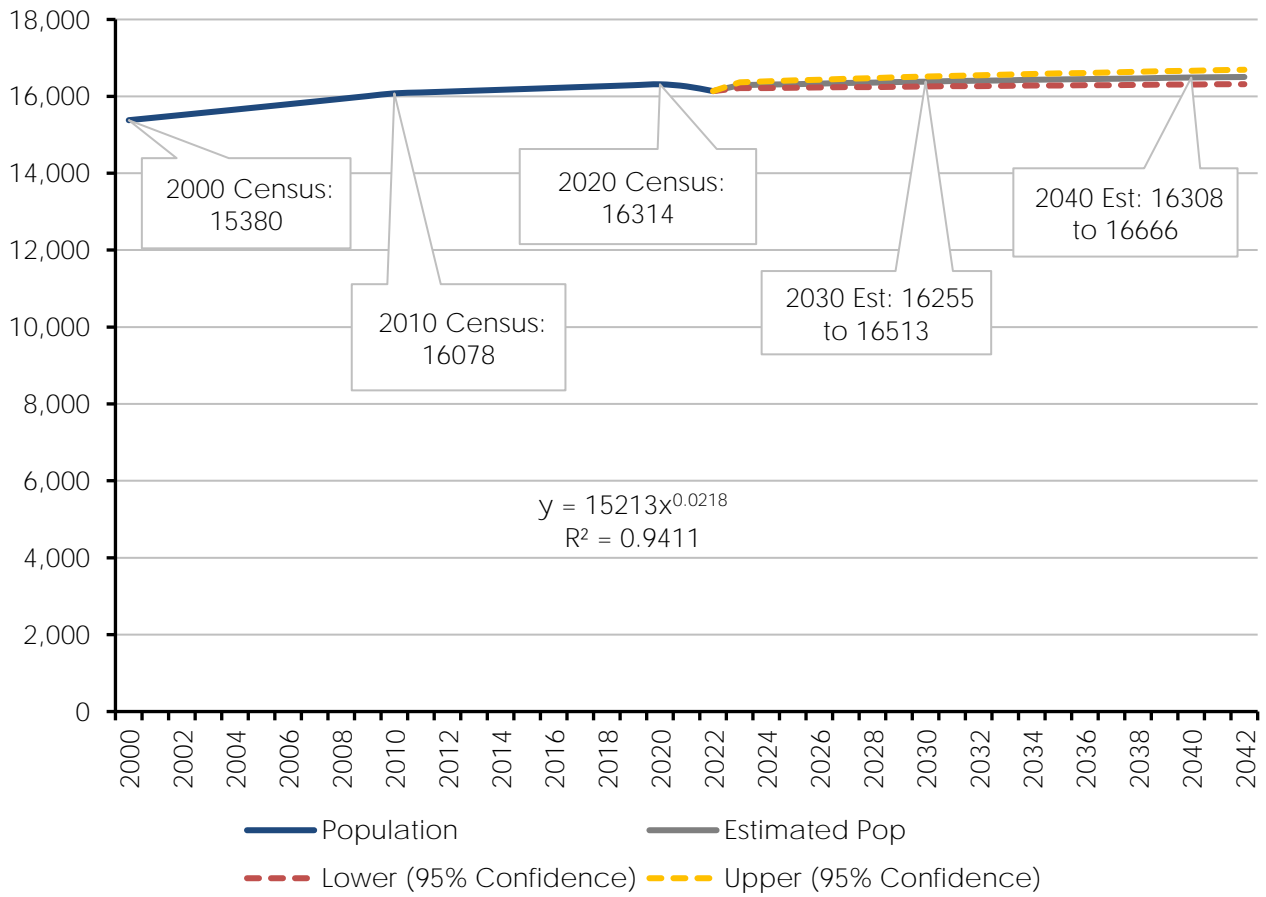
Projected Growth & Development

Estimating population growth is challenging due to many factors such as new developments or local economies. For PAJ, two techniques were utilized. The first was to rely on the Association of Monterey Bay Area Governments, 2022 Regional Growth Forecast, which calls for low or very moderate growth for the region. The second method evaluated the preceding 20 years of population growth, creating a statistical model that returned the best fit and then projecting that model out 20 years. For the PAJ area, the best-fit model was a logarithmic regression analysis, which produced an R^2 value of 0.9411. This means the model fits the historical data very well. An absolute perfect model fit returns an R^2 value of 1. Using the regression as a forecast shows no significant population change for the area from 16,336 in 2020 to 16,308 to 16,666 in 2040 with a 95% confidence level. This agrees generally with the Association of Monterey Bay Area Governments forecast. The following figure shows the 20-year actual and 20-year population forecast with confidence levels.

⁸⁰ ESRI Community Analyst, Source U. S. Census Bureau, 2020 Redistricting Data (P.L. 94-171).

⁸¹ <https://www.census.gov/programs-surveys/geography/guidance/geo-areas/urban-rural.html>.

Figure 196: PAJ Historical Population and Forecast



Financial Overview

PAJ operates through two funds: the General Fund (GF) and the Capital Projects Fund (CPF). The District transfers funds from the GF to the CPF to provide the money necessary for capital purchases. The study will focus on the activities of the GF. The District prepares an annual operating budget based on a July through June fiscal year. PAJ provides services to the community through a contract with the State of California (CAL FIRE).

The CAL FIRE Agreement requires the District to provide for the costs to maintain equipment and property that it owns, but that is utilized by CAL FIRE to perform its contractual obligations to the District. The District must also maintain a general liability insurance policy with limits of \$1,000,000.⁸²

General Fund Recurring Revenues and Expenses

A significant amount of information was provided by the District staff. It was reviewed to develop a financial trend analysis for the five years, from fiscal year 2018 through fiscal year 2022.⁸³ This review of the historical information of General Fund (GF) revenues revealed recurring revenues increased from \$1,879,000 in FY 2018 to a budgeted \$2,376,000 in FY 2022, a 26.5% overall increase or an annualized increase of approximately 6.6%.

Property tax revenues are the most significant source of General Fund Revenues, followed by a special assessment Fire Protection Tax, which is not restricted to specific uses. These two sources account for almost 94% of General Fund Revenues. Other sources of revenue include charges for services, interest, and other sources.

The General Fund expends funds for prior employees' benefits, including CalPERS Unfunded Actuarial Liability, services, contractual obligation with CAL FIRE, supplies, capital expenditures, and debt service. The District has accumulated an Unfunded Actuarial Liability (UAL) in its CalPERS pension obligation; however, a significant portion of the UAL was paid in FY 2021, leaving a minimal amount due in future years. Benefit expenditures have been reduced to negligible amounts in considering the overall budget.

The most significant annual expenditure of PAJ is for its service agreement with CAL FIRE. This expenditure typically requires approximately 90% of the yearly recurring expenses of PAJ.

⁸² Pajaro Valley Fire Protection District Basic Financial Statements, June 30, 2020 and 2019.

⁸³ Historic Financial Information provided by PAJ staff.

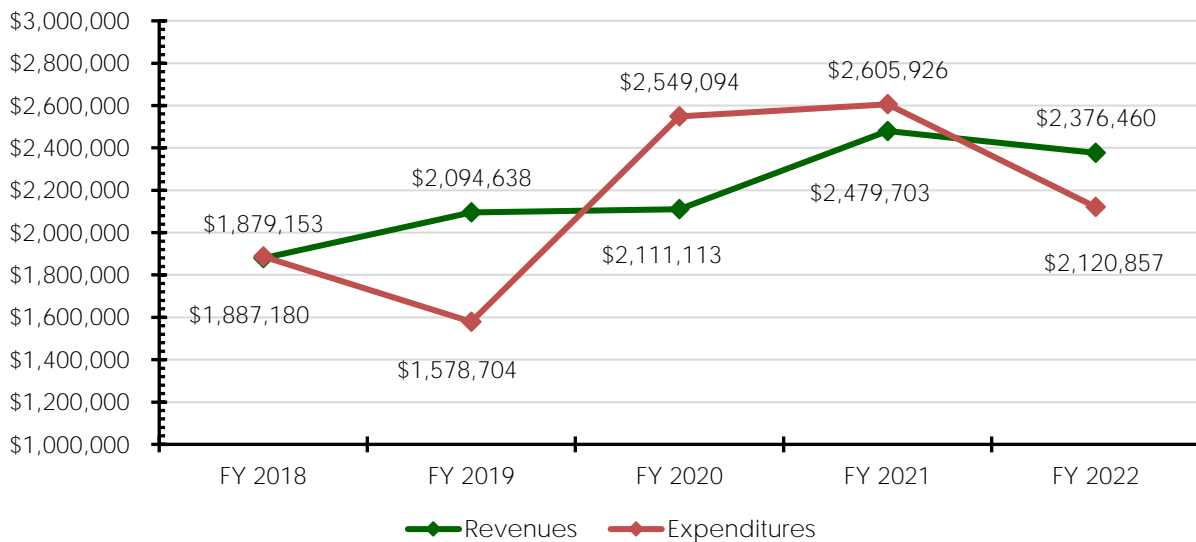
Due to the source of its funding streams, the COVID-19 pandemic had no significant negative impact on FY 2020 and FY 2021 revenues. The following figure is the historical revenues and expenditures of the District.

Figure 197: PAJ Summarized General Fund Revenues and Expenses, FY 2018–FY 2022

Revenue/Expenses	FY 2018 (Actual)	FY 2019 (Actual)	FY 2020 (Actual)	FY 2021 (Actual)	FY 2022 (Actual)
Recurring Revenue	1,826,000	1,949,318	2,010,494	2,085,607	2,200,113
Other Revenues	53,153	145,320	100,619	394,096	176,346
Total Revenues	1,879,153	2,094,638	2,111,113	2,479,703	2,376,460
Salaries & Benefits	1,073	26,328	57,916	695,050	79,705
Services & Supplies	1,863,631	1,405,215	2,428,021	1,907,541	1,926,882
Total Recurring Expenses	1,864,704	1,431,543	2,485,937	2,602,591	2,006,587
Capital Expenditures	22,476	147,161	63,156	3,334	114,270
Total Expenditures	1,887,180	1,578,704	2,549,093	2,605,925	2,120,857
Total Surplus (Deficit)	(8,027)	515,933	(437,981)	(126,222)	255,602
Beginning Reserves	503,766	495,739	1,011,672	573,691	447,469
Ending Reserves	495,739	1,011,672	573,691	447,469	703,072

The following figure displays this data and indicates the District's historical revenues and expenditures.

Figure 198: Summarized General Fund Revenues and Expenses



Financial Projections

Property tax revenue growth has averaged approximately 5% between FY 2018 and FY 2022. The FY 2023 budget forecasts a growth rate of 6.2% from FY 2022, but to remain conservative and consistent with the more recent trend, recurring revenues are forecast to grow at 5.0% annually using FY 2023 as the base period. Fire Protection Tax collections have shown minimal change during the historic analysis study period. They are forecast to remain consistent at \$141,400 annually. Other revenues are forecast to remain constant.

Benefits for former employees have stabilized with the prepayment of the UAL costs to CalPERS. As previously discussed, the service agreement between the District and CAL FIRE is the most significant single item in the budget, consuming approximately 90% of the budgeted expenditures annually. The costs of this Service increase and decrease depending on significant incidents in the District and growth in wages and benefits. This study will forecast growth in this category at 3% annually, again using the FY 2023 budgeted amounts as a base year. Other services and supplies are also predicted at 3% annually. Non-recurring expenditures are forecast at \$25,000 annually as significant capital expenditures are made from the Capital Projects Fund.

The following projections were developed from the historical trends identified in the financial analysis. Certain expenditures appear on an "as-needed" basis and are difficult to identify as a trend. The various "as-needed" expenditures distort the projections and, using the FY 2023 budget as a base period, in the absence of additional information, makes them unreliable.

Figure 199: PAJ General Fund Summarized Projected General Fund Revenues & Expenditures

Revenue/Expenses	FY 2023 Budget ⁸⁴	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Revenue	2,405,340	2,509,837	2,619,559	2,734,767	2,855,735	2,982,752
Expenditures	2,604,090	2,676,760	2,755,750	2,837,110	2,920,911	3,007,226
Net Surplus (Deficit)	(198,750)	(166,923)	(136,191)	(102,343)	(65,176)	(24,474)

⁸⁴ FY 2023 Adopted Budget.

Capital Planning

An overall Capital Improvements/Replacement Plan was not observed in the documentation provided by the District. An asset list provided by the District indicated that many assets appear to be beyond their expected useful life. A Facility Replacement Plan, dated in 2022, was provided. PAJ maintains a Capital Projects Fund separate from the General Fund. This restricted amount totals over \$900,000 on June 30, 2021.⁸⁵

Demand for Services

PAJ is primarily a rural system that provides aid services to other communities when requested. Data was provided by the CAL FIRE ECC and the State Fire Marshal's Office, providing NFIRS data from January 1, 2018, through December 31, 2022. In addition, any response to a wildland-type fire in the State Response Area was removed from the analysis. CAL FIRE units not part of PAJ are considered aid units for this evaluation. The following figure is the overview of the response statistics for PAJ.

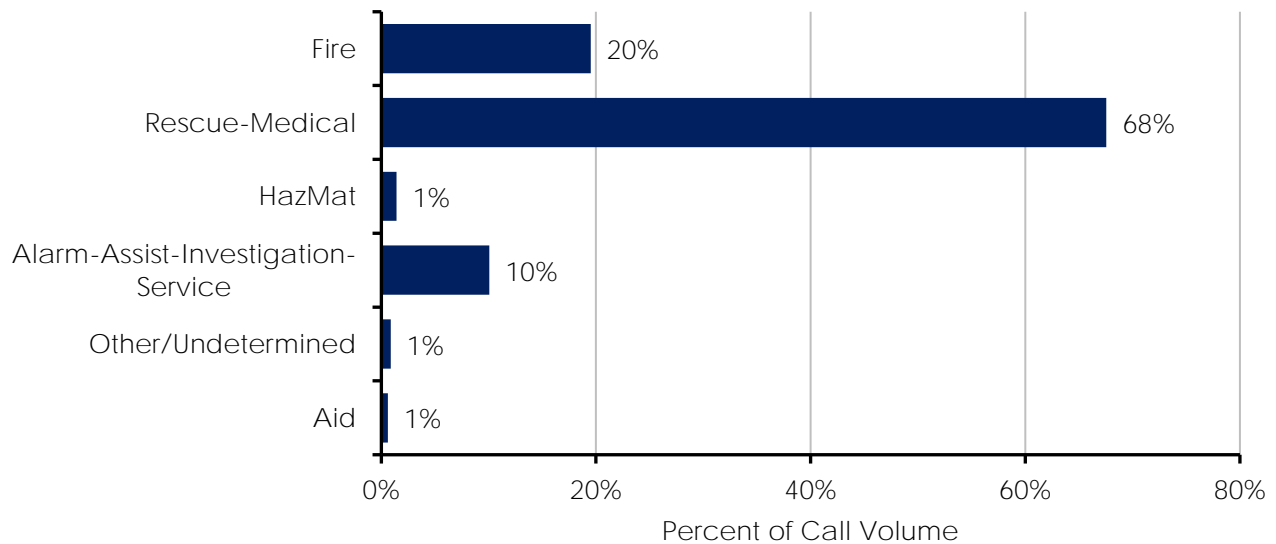
Figure 200: PAJ Response Overview

Agency	Pajaro Valley FPD
Avg. Annual Incident Vol.	1,472
Incidents per 1,000 Population	90
90th Percentile Total Time	15:00

Each incident was grouped into the main categories based on the dispatch type. The incident types were related to the major categories in the National Fire Incident Reporting system. The following figure is the percentage of incidents within those categories for the entire data set, 2018–2022.

⁸⁵ Pajaro Valley Fire Protection District Basic Financial Statements, June 30, 2021 and 2020.

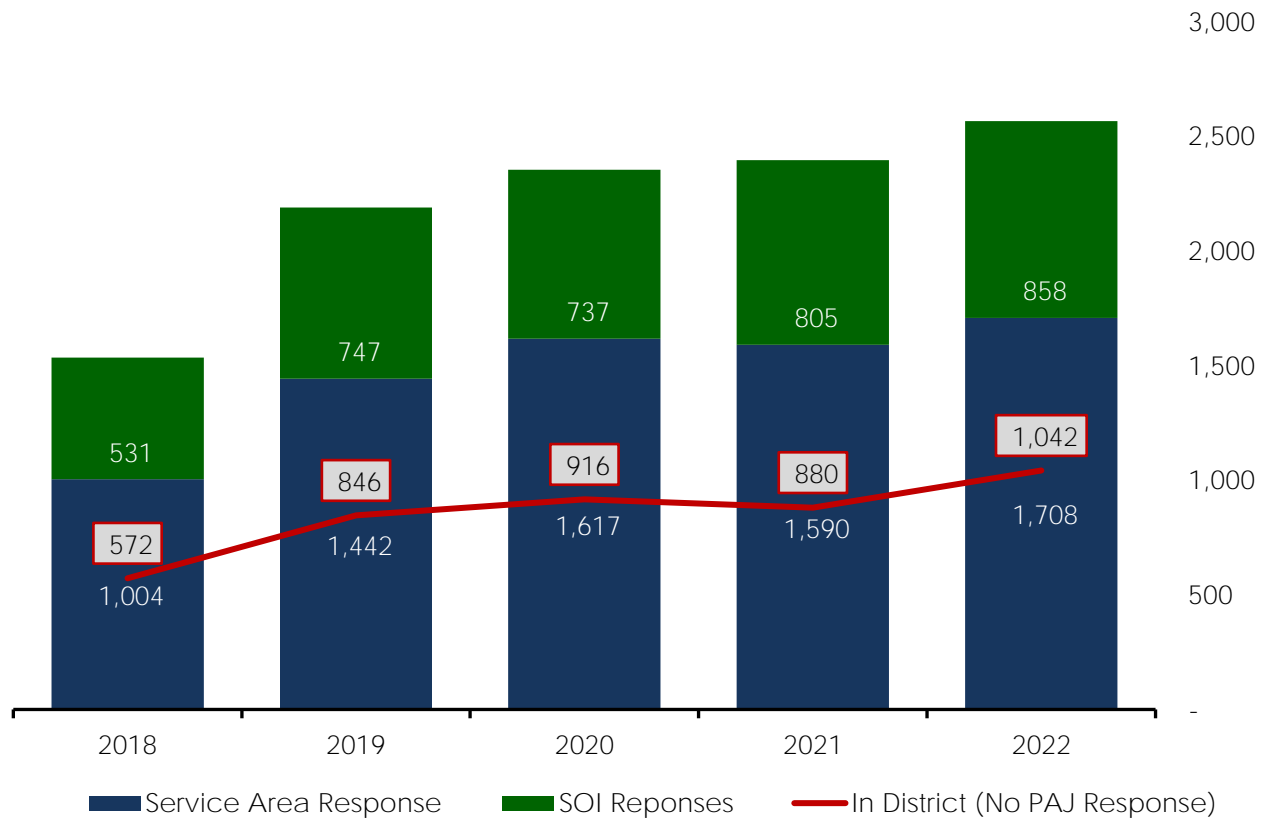
Figure 201: PAJ Total Incident Responses by Type as a Percentage



Typically, an analysis of incidents by year can yield a trend or indicate what call volume might look like in the next few years. Unfortunately, due to the COVID-19 pandemic and subsequent social and economic constraints, this is difficult with this data set. As a result, a trend was not easily spotted or extrapolated. It appears that PAJ response numbers remained steady in 2020 and 2021 and have started to rebound but have not returned to the pre-pandemic levels.

Responses to the sphere of influence are significant, encompassing a large area. One aspect of the service within the cooperative agreement agencies with CAL FIRE is the sharing of state assets on a routine basis. PAJ units did not respond to most of the incidents within their jurisdiction. This is likely due to the CAL FIRE relationship between station 49 and the Pajaro Dunes station. The following figure shows the annual incident volume by year with the responses into the sphere of influence and district-covered incidents.

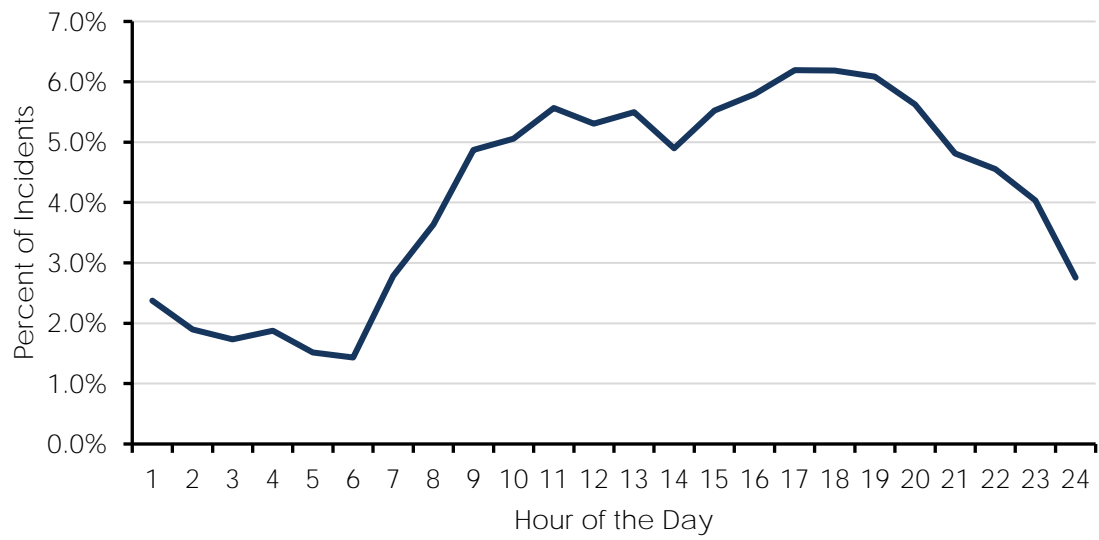
Figure 202: PAJ Annual Incident Volume by Year



A temporal study indicated defined seasonality in the response data. The winter months, except December, indicated fewer than expected responses, while the summer months through October and December show increased incident responses. The variation was plus and minus 2%.

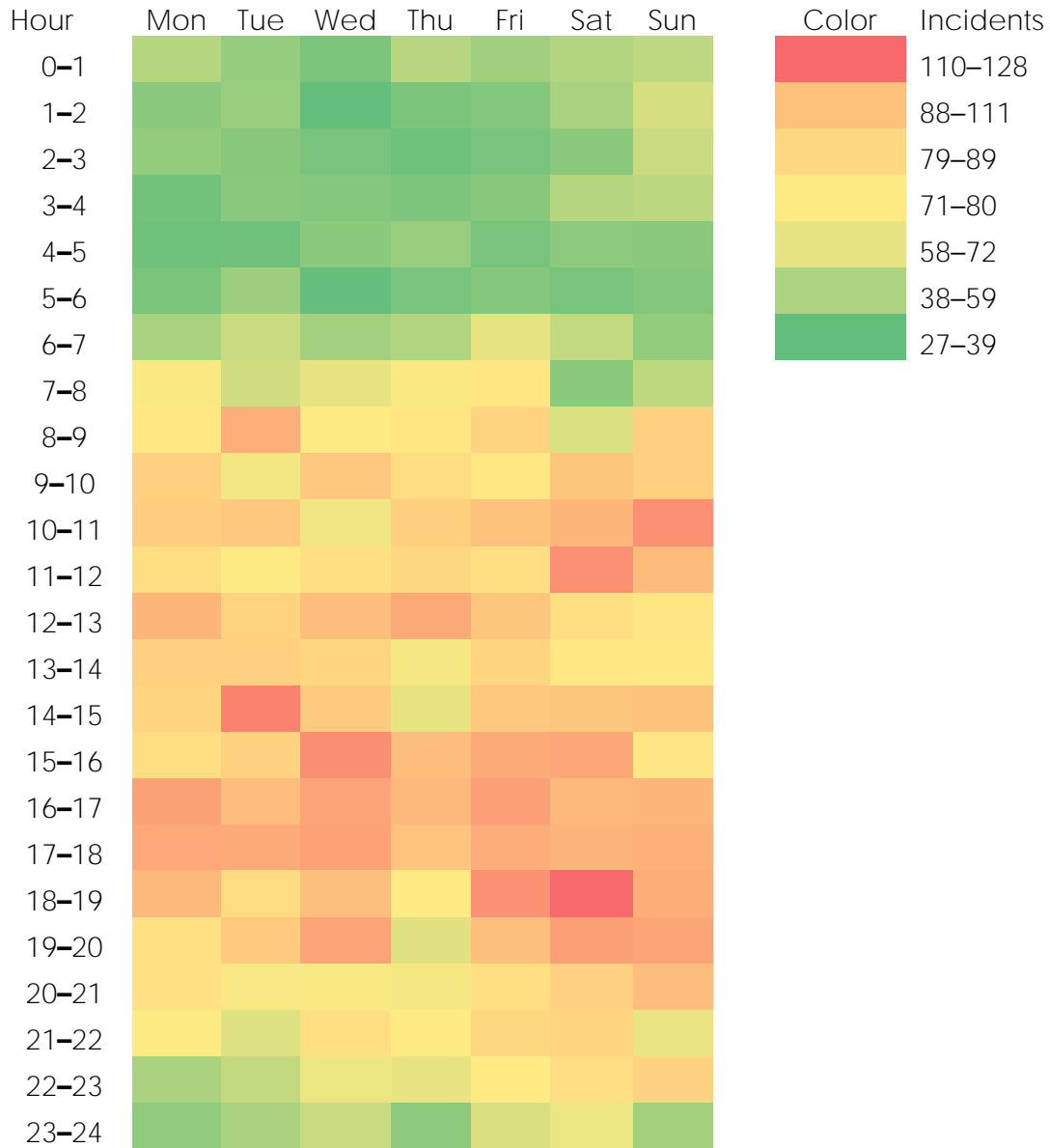
A study of demand by hour shows that PAJ, like many fire agencies, sees a significant variation by the hour. In fact, over 71% of all incidents happen between 8:00 a.m. and 8:00 p.m. The following figure shows the general difference of the complete incident data set by hour.

Figure 203: PAJ Incident Percentage by Hour



The average daily swing is typical and likely due to the number of awake and active people. However, the day-to-day variation in this information does play a part. The following figure is the incident heat map by the hour and day of the week.

Figure 204: PAJ Incident Heat Map by Hour and Weekday



As indicated in the previous figure, the daytime hour incidents tend to be evenly distributed during every day of the week.

The final volume analysis looked at the unit usage for all apparatus within the system. This analysis considered three dimensions. The first is the unit hour utilization (UHU). This number represents the time a unit was committed to an incident as a percentage of the total time they were on duty. The next is the average time a unit was committed to an incident. And finally, the average number of incidents a unit was deployed daily.

Only those units clearly identified by the agency or units with large volumes of responses within the data sets were evaluated. The units are grouped roughly into the stations. The following figure shows the general statistics for each frontline unit within the PAJ system.

Figure 205: PAJ Unit Usage (2021–2022)

Unit	Unit Hour Utilization (UHU)	Avg. Time per Incident	Avg. Incidents Per Day
E4511	3.9%	36 Minutes	1.5
E4510	0.8%	38 Minutes	0.3
U4591	0.0%	58 Minutes	0.0
W4551	0.5%	82 Minutes	0.1
B1716	1.0%	208 Minutes	0.1

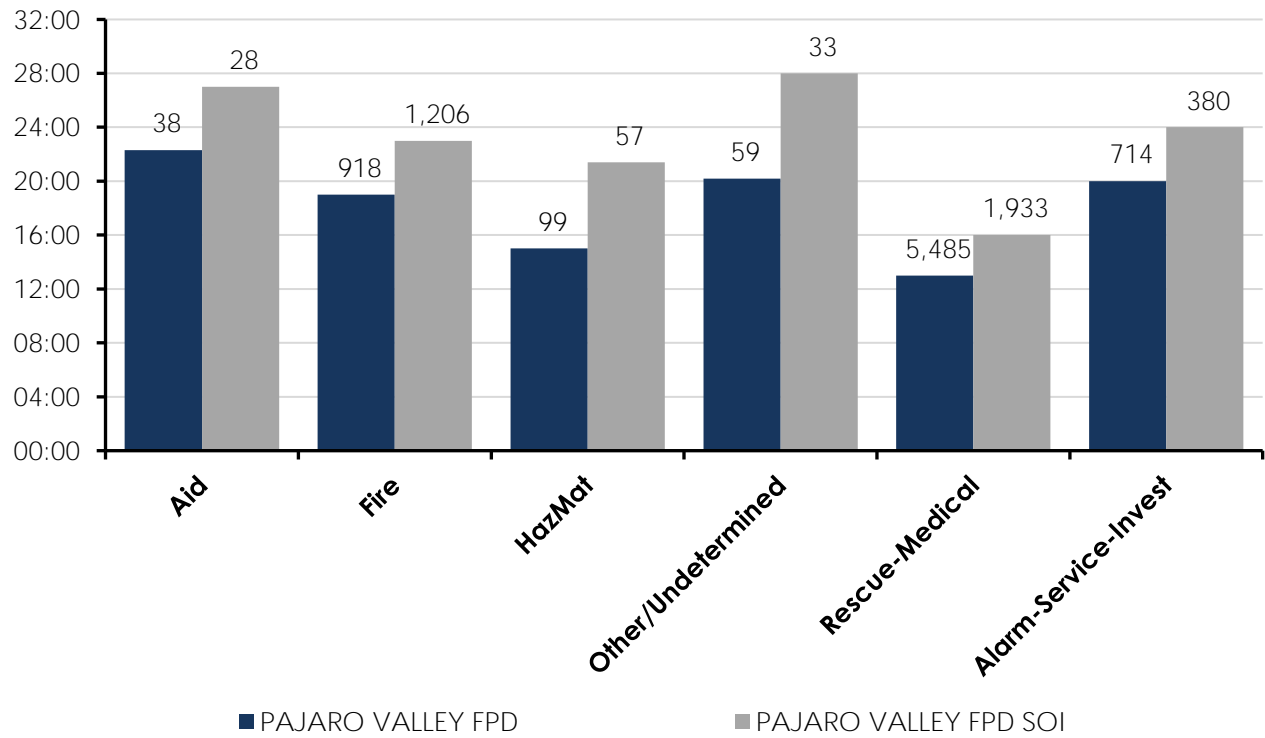
Service Delivery & Performance

The performance of the PAJ response was also evaluated. The data did not differentiate between emergency responses and non-emergency responses. In addition, there was no evaluation of the arriving unit's type or agency. Therefore, all responses are evaluated. The 90th percentile is typically used in the fire service and is considered the standard for measuring incident response performance. Due to the nature of this report, PAJ's performance in those areas identified as another agency's sphere of influence was also evaluated. Agency performance goals or standards are not taken into consideration for this report.

Three unique time segments are included when evaluating an agency's response performance. The first is the time it takes for the Dispatcher to answer the 911 call and notify the agency (call processing); the second is the time it takes for the agency to receive the call and go en route to the call (turnout time); and third is the time it takes for the unit to drive to the incident (travel time). All three segments combined make up the total response time. For this evaluation, the unit type was not discriminated against, and the first arriving unit was used to determine the total response time.

Each call type may contain variables. For example, questioning the caller for appropriate information may take more or less time. In addition, it may take longer for crews to respond depending on the personal protective equipment to be worn, which varies with the type of incident. The following figure shows the total response time performance for each of the major incident types for all incidents within the data set. The following figure shows the first due, 90th percentile total response time for two county service areas within the county fire department response area.

Figure 206: PAJ Incidents 90th Percentile Total Response Times, Jan 2018–Dec 2022



Staffing

PAJ operates a fully paid staff supplied by CAL FIRE. The team consists of a Battalion Chief serving as the PAJ lead manager, a Fire Marshal, and a daily minimum operations staff of 3. The Fire Chief on record is also the CAL FIRE CZU unit chief. Emergency response consists of one frontline apparatus and one cross-staffed unit. The following figure shows the total number of personnel assigned to the PAJ.

Figure 207: PAJ Staffing

Assignment	Staffing
Uniformed Administration*	1
Non-Uniformed Administration	0
Fire Prevention*	1
Operations Staff (Career-Paid)	7
Operations Staff (Volunteers, Reserve, and on-call)	0
Emergency Communications	0
Total Personnel	9

* Cost Shared Positions

The following figure shows the daily operational staffing at each station and on each unit. All apparatus is staffed by CAL FIRE personnel under a Schedule A contract.

Figure 208: PAJ Daily Operational Staffing


Station	Daily Staffing	Unit Staffing
1	4	1 Command Vehicle, an Engine, and a cross-staffed Water Tender. Also housed at the station is the Fire Marshal.

Facilities & Apparatus

Pajaro Valley Fire Station

The following figure outlines the basic features of the Pajaro Valley Fire Protection District fire station. The condition of the fire station is rated based on the criteria identified in the introduction to this section of the report.

Figure 209: Pajaro Valley Fire Stations

Station Name/Number:	Pajaro Valley FPD Station 1					
Address/Physical Location:	562 Casserly Road, Watsonville, CA 95076					
	General Description:					
	A 6,000 sq. ft. facility built in 2005, featuring 4 apparatus bays, a Board/ Training room, 3 bedrooms, a kitchen, and an office for the Battalion Chief and Fire Marshal.					
Structure						
Date of Original Construction	2005					
Seismic Protection	No					
Condition (from rating sheet)	Fair					
Number of Apparatus Bays	Drive-through Bays	3	Back-in Bays			
Length of each Apparatus Bay						
Facilities Available						
Sleeping Quarters	3	Bedrooms		Beds		Dorm Beds
Current daily staffing	3					
Maximum staffing capability	3					
Kitchen Facilities	1					
Bathroom/Shower Facilities	Yes					
Training/Meeting Rooms	Yes					
Washer/Dryer/Extractor	Yes					
Safety & Security						
Station Sprinklered	Yes					
Smoke Detection	Yes					
Decon & Biological Disposal	No					
Security System	No					
Apparatus Exhaust System	Yes					

Fire Stations Discussion

Built in 2005, the station appears to adequately meet most of the current requirements of modern firefighting. Contemporary firefighting methods, equipment, and professional standards are constantly changing, and fire station facilities, once constructed, can quickly become dated. Public Safety facilities are typically designed and built to have at least a 50-year useful life expectancy. The Pajaro Valley fire station is near the mid-point of its expected life. Evolving fire apparatus styles and sizes, adjusting personnel staffing configurations and deployments in addition to workforce and community expectations will always create challenges for aging fire station facilities.

Figure 210: PAJ Station Configuration and Condition

Station	Apparatus Bays	Staffing Capacity	General Condition	Station Age
Station 1	3	3	Fair	18 years
Totals/Average:			Average:	18 years

Current fire service standards recognize the need to safely decontaminate personnel and equipment after many of the responses experienced in the current firefighting context. Every crew member should have access to facilities to decontaminate immediately after a fire event, and showers should allow for gender separation. In addition, there needs to be enough partitioned space to allow for gear and equipment to be thoroughly washed and to control contamination in the living and working space of the station.

The Pajaro Valley fire station and its fire personnel especially need this type of decontamination, as they are surrounded by a significant number of agricultural facilities that use and store large amounts of hazardous materials required for commercial agriculture production operations in the community.

Apparatus

PAJ operates with one Type 1 and one command vehicles. In addition, it has a cross-staffed water tender, a utility vehicle, and a reserve engine. The following figure shows the type and condition of PAJ's fleet.

Figure 211: PAJ Vehicles & Apparatus

CAD Radio Name	Apparatus Type	Condition
B1716	Command/SUV	Excellent
E4511	Type 1 Engine	Excellent
E4510	Type 1 Engine (reserve)	Good
U4591	Utility	Good
W4551	Water Tender	Excellent

Facility Replacement & Infrastructure Needs

While all structures require routine maintenance, fire stations require even more due to the continuous occupancy by on-duty firefighting personnel. Additionally, multiple departures and returns of large and heavy fire apparatus also affect these structures. The Pajaro Valley Fire Station faces many of these same maintenance challenges currently. It will in the future as the station ages.

Status of and Opportunities for Shared Facilities

The Pajaro Valley FPD currently contracts with CAL FIRE to provide fighting personnel and administrative resources to support the District's services to the surrounding community. There appears to be an active and supportive relationship between the Fire District and the other Santa Cruz County Fire Department components operated by CAL FIRE in the County. The neighboring Corralitos and Pajaro Dunes fire stations are staffed and managed by CAL FIRE CZU personnel and administrative resources.

Dispatch & Communications

Dispatch services for PAJ are provided by CAL FIRE under the terms of the Cooperative Fire Protection Agreement. In addition to the Santa Cruz County Fire Department, the CAL FIRE Felton Emergency Command Center provides dispatch services for the CAL FIRE San Mateo-Santa Cruz Administrative Unit (CZU) and the Pajaro Valley Fire Protection District.

When a 911 call is placed in Santa Cruz County, the call is immediately routed to the county's primary public safety answering point (PSAP) or the California Highway Patrol in Vallejo. Each center is staffed 24 hours per day, 365 days a year.



Santa Cruz Local Agency Formation Commission

Date: August 7, 2024
To: LAFCO Commissioners
From: Joe Serrano, Executive Officer
Subject: **Grand Jury Report – LAFCO Response**

SUMMARY OF RECOMMENDATION

The Santa Cruz County Civil Grand Jury was established to help hold local governments accountable. This goal is accomplished by developing several reports on an annual basis. The latest report titled *“Santa Cruz County Local Roads: A smooth path through paradise or a hell of a road”* focuses on the current road conditions in unincorporated Santa Cruz County. The Grand Jury has asked LAFCO to provide comments on this report.

It is recommended that the Commission approve the draft comments and direct the Executive Officer to distribute the attached comment letter to the Grand Jury before the September 3, 2024 deadline.

EXECUTIVE OFFICER’S REPORT:

The Civil Grand Jury is part of the judicial branch of local government. Consisting of Santa Cruz County citizens, it is both an arm of the court and an entirely independent body. The primary function of the Civil Grand Jury is to examine all aspects of local governments (ex. the County, cities, special districts and joint power authorities) to see that the public monies are being handled judiciously and that all accounts are properly audited. In general, the Civil Grand Jury seeks to advocate for honest, efficient government in the best interest of the people.

The Santa Cruz County Civil Grand Jury issues several reports each year. In FY 2023-24, nine reports were produced. One of them, titled *“Santa Cruz County Local Roads: A smooth path through paradise or a hell of a road”*, includes a request for comments from LAFCO, as shown in **Attachment 1**. Identified agencies are required to respond to the reports within 90 days, according to the California Penal Code. The deadline for LAFCO to submit comments is September 3, 2024. **Attachment 2** includes a draft comment letter for Commission consideration. This letter addresses two findings and one recommendation identified by the Grand Jury. Staff is recommending that the Commission approve the draft comments and direct the Executive Officer to submit the attached letter before September 3rd.

Respectfully Submitted,

Joe A. Serrano
Executive Officer

Attachments:

1. Grand Jury Letter (Request for Comments)
2. LAFCO Response Letter (Draft Version)



**The 2023–2024 Santa Cruz County Civil Grand Jury
Requires the
Santa Cruz County Local Agency Formation
Commission**

**to Respond by September 3, 2024
to the Findings and Recommendations listed below
which were assigned to them in the report titled**

Santa Cruz County Local Roads

A smooth path through paradise or a hell of a road?

Responses are **required** from elected officials, elected agency or department heads, and elected boards, councils, and committees which are investigated by the Grand Jury. The California Penal Code (PC) [§933\(c\)](#) requires you to respond as specified below and to keep your response on file.

Your response will be considered **compliant** under [PC §933.05](#) if it contains an appropriate comment on **all** findings and recommendations **which were assigned to you** in this report.

Please follow the instructions below when preparing your response.

Instructions for Respondents

Your assigned [Findings](#) and [Recommendations](#) are listed on the following pages with check boxes and an expandable space for summaries, timeframes, and explanations. Please follow these instructions, which paraphrase [PC §933.05](#):

1. ***For the Findings, mark one of the following responses with an “X” and provide the required additional information:***
 - a. **AGREE** with the Finding, or
 - b. **PARTIALLY DISAGREE with the Finding** – specify the portion of the Finding that is disputed and include an explanation of the reasons why, or
 - c. **DISAGREE with the Finding** – provide an explanation of the reasons why.
2. ***For the Recommendations, mark one of the following actions with an “X” and provide the required additional information:***
 - a. **HAS BEEN IMPLEMENTED** – provide a summary of the action taken, or
 - b. **HAS NOT YET BEEN IMPLEMENTED BUT WILL BE IN THE FUTURE** – provide a timeframe or expected date for completion, or
 - c. **REQUIRES FURTHER ANALYSIS** – provide an explanation, scope, and parameters of an analysis to be completed within six months, or
 - d. **WILL NOT BE IMPLEMENTED** – provide an explanation of why it is not warranted or not reasonable.
3. ***Please confirm the date on which you approved the assigned responses:***

We approved these responses in a regular public meeting as shown
in our minutes dated _____.

4. ***When your responses are complete, please email your completed Response Request as a PDF file attachment to both***

The Honorable Katherine Hansen, Grand Jury Supervising Judge
Katherine.Hansen@santacruzcourt.org and

The Santa Cruz County Grand Jury grandjury@scgrandjury.org.

If you have questions about this request form, please contact the Grand Jury by calling 831-454-2099 or by sending an email to grandjury@scgrandjury.org.

Findings

- F6.** The County of Santa Cruz has failed to perform resurfacing maintenance on many of the smaller unincorporated local roads, resulting in higher failure rates and at least a 10 times increased maintenance cost when and if those roads are resurfaced.

- ☐ **AGREE**
- ☐ **PARTIALLY DISAGREE**
- ☐ **DISAGREE**

Response explanation (required for a response other than **Agree**):

F10. Minor progress has been made in seeking and securing additional funding sources. The additional funding is far short of what is needed to maintain and repair the road network.

- ☐ **AGREE**
- ☐ **PARTIALLY DISAGREE**
- ☐ **DISAGREE**

Response explanation (required for a response other than **Agree**):

Recommendations

- R4.** The Grand Jury recommends that LAFCO issue a new County Service Area 9 Service and Sphere of Influence Review incorporating detailed data of expenditures for each 9D zone by March 15, 2025. (F6, F10)

- **HAS BEEN IMPLEMENTED** – summarize what has been done
- **HAS NOT YET BEEN IMPLEMENTED BUT WILL BE IN THE FUTURE** – summarize what will be done and the timeframe
- **REQUIRES FURTHER ANALYSIS** – explain the scope and timeframe (not to exceed six months)
- **WILL NOT BE IMPLEMENTED** – explain why

Required response explanation, summary, and timeframe:



August 8, 2024

The Honorable Judge Katherine Hansen
 Santa Cruz Courthouse
 701 Ocean Street
 Santa Cruz, CA 95060

**Subject: LAFCO Response to the Grand Jury's "Our Water Account Is Overdrawn
 – Beyond Conservation: Achieving Drought Resilience" Report**

Dear Honorable Judge Hansen:

Thank you for this opportunity to comment on the Grand Jury's report titled "*Santa Cruz County Local Roads: A smooth path through paradise or a hell of a road.*" This report reviewed the current road conditions in unincorporated Santa Cruz County and requested that the Local Agency Formation Commission ("LAFCO") provide comments. LAFCO's statutory authority is derived from the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code section 56000, et seq.).

Among LAFCO's purposes are: Discouraging urban sprawl, preserving open space and prime agricultural lands, efficiently providing government services, and encouraging the orderly formation and development of local agencies based upon local conditions and circumstances (Government Code Section 56301). The Cortese-Knox-Hertzberg Act identifies factors that must be considered, and determinations that must be made, as part of LAFCO's review of boundary changes and service reviews. These provisions of law are the legislative basis for LAFCO's locally adopted Policies and Procedures Relating to Spheres of Influence and Changes of Organization. These policies establish guidelines for the Commission and staff to follow. The adopted policies are available on LAFCO's website: <https://santacruzlafo.org/about/policies-procedures/>.

In order to fulfill the request to provide comments on the Grand Jury's report, LAFCO's comments will be based on the direction found in the Cortese-Knox-Hertzberg Act and the Commission's adopted policies.

1. Finding (F6): The County of Santa Cruz has failed to perform resurfacing maintenance on many of the smaller unincorporated local roads, resulting in higher failure rates and at least a 10 times increased maintenance cost when and if those roads are resurfaced.

DISAGREE: It is LAFCO's understanding that the County relies on Measure D funds to repair and maintain publicly accessible roads throughout Santa Cruz County. Based on LAFCO's research, the County has completed over 200 road projects (totaling over 44 miles), which were funded or partially funded by Measure D during the last six years (2018-2023)¹. Below is a breakdown of the completed road projects found on the County's website:

County Road Projects (2018 – 2023)

Year	Road Projects	Length (miles)
2018	28	6.56
2019	33	5.59
2020	30	6.26
2021	37	6.44
2022	36	8.31
2023	44	10.88
Total	208	44.04

¹ <https://cdi.santacruzcountyca.gov/Portals/35/CDI/PublicWorks/Transportation/Completed%20Resurfacing%20Projects%20%282018-2023%29.pdf>

- 2. Finding (F10): Minor progress has been made in seeking and securing additional funding sources. The additional funding is far short of what is needed to maintain and repair the road network.**

PARTIALLY AGREE: It is LAFCO's understanding that the County has been proactive in exploring funding opportunities. However, there is a lack of transparency on how these efforts are initiated, what funding sources are available, and why certain revenues are granted or denied. It would be beneficial for the County to provide this information on their website to increase public awareness.

- 3. Recommendation (R4): The Grand Jury recommends that LAFCO issue a new County Service Area 9 Service and Sphere of Influence Review incorporating detailed data of expenditures for each 9D zone by March 15, 2025. (F6, F10).**

HAS NOT YET BEEN IMPLEMENTED BUT WILL BE IN THE FUTURE: State law requires LAFCO to conduct service and sphere reviews at least every five years for each city and special district in Santa Cruz County, including CSA 9. The last statutorily required analysis of CSA 9 was completed in August 2020. While the next service and sphere review for CSA 9 is tentatively scheduled for August 2025, LAFCO will move the date to March 2025 to comply with the Grand Jury's request. LAFCO's regular meetings are typically held on the first Wednesday of each month. Therefore, LAFCO's evaluation of CSA 9 and its zones (including 9D) will be considered by the Commission on March 5, 2025. The adopted version of the report will be sent to the Grand Jury before the March 25th deadline.

I want to thank you once again for the opportunity to comment on the Grand Jury's recent road report. LAFCO also develops reports that monitors the efficient and effective delivery of municipal services by local agencies in Santa Cruz County. These reports are available on LAFCO's website: <https://santacruzlafco.org/reviews/>. I encourage the Grand Jury to review our reports and continue collaborating with LAFCO on these important issues. Feel free to contact me if you have any questions. I can be reached by email (joe@santacruzlafco.org) or by phone (831-454-2055).

Sincerely,

Joe A. Serrano
Executive Officer



Santa Cruz Local Agency Formation Commission

Date: August 7, 2024
To: LAFCO Commissioners
From: Joe Serrano, Executive Officer
Subject: **CALAFCO Annual Conference**

SUMMARY OF RECOMMENDATION

Santa Cruz LAFCO is a member of the California Association of LAFCOs (CALAFCO). The annual conference hosted by CALAFCO will be held in Yosemite from Wednesday, October 16 to Friday, October 18, 2024. The Commission may take action on various items in advance of the CALAFCO Annual Business Meeting and Conference.

It is recommended that the Commission take the following actions:

1. Designate a Voting Delegate for the upcoming election;
 2. Approve the proposed nomination for the Mike Gotch Excellence In Public Service Award; and
 3. Consider covering traveling expenses for Moonshot Missions' representative to participate in a breakout session on behalf of Santa Cruz LAFCO at the upcoming CALAFCO Annual Conference.
-

EXECUTIVE OFFICER'S REPORT:

CALAFCO has announced the dates for the 2024 CALAFCO Annual Conference (**Attachment 1**). The annual business meeting and conference will be held on October 16th to October 18th at the famous Tenaya Lodge in Yosemite (Central Region). The CALAFCO conferences offer significant educational value for both new and seasoned Commissioners and staff. The Commission has budgeted a fixed amount that permits two Commissioners and two staff members to attend the annual conference. Commissioners who expressed interest in attending the 2024 conference were Jim Anderson (special district representative) and Roger Anderson (public member representative).

Regional Caucus and Business Meeting

CALAFCO board members have been elected by region since 2010. This year, there are two seats open from the Coastal Region: one *County* Member and one *District* Member. Any Commissioner interested in running for either seat should notify staff to complete the nomination form and submit it before the September 16, 2024 deadline. **Attachment 2** provides the nomination form, a regional map of CALAFCO, and additional information regarding the election process. In advance of the election process at the annual conference, each LAFCO designates a single representative to cast its votes, as shown in **Attachment 3**. Santa Cruz LAFCO's designee traditionally consults with the other Commissioners attending the event in an attempt to establish a consensus position before casting any vote. The designee may also represent Santa Cruz LAFCO during the annual Business Meeting held at the conference. Staff is recommending that the Commission designate Jim Anderson and Roger Anderson as the Voting Member and Alternate Voting Member.

CALAFCO Award Nominations

Each year, CALAFCO presents awards to recognize outstanding achievements by dedicated and committed individuals and/or organizations from throughout the State. **Attachment 4** provides background information on the various award categories. LAFCO staff is recommending one nomination for the Mike Gotch Excellence In Public Service Award. This award acknowledges an individual, group or agency for actions that rise above expected or common functions or actions that are LAFCO-related and reduce or eliminate common institutional roadblocks, which results in a truly extraordinary public service outcome. Individuals, a LAFCO, or collaborative efforts among multiple LAFCOs or a LAFCO with other entities are eligible.

This award has two distinct categories, each focusing on a specific area: (a) Protection of agricultural and open space lands and prevention of sprawl; or (b) Innovation, collaboration, outreach and effective support of the evolution and viability of local agencies, promotion of efficient and effective delivery of municipal services. Staff is recommending that the Commission nominate the Big Basin Water Company Governance Options Analysis Report for this award.

Big Basin Water Company Governance Options Analysis Report

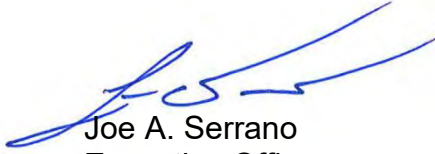
The Commission adopted the “Big Basin Water Company Governance Options Analysis” in March 2024 to serve as a resource for the residents, even though private water systems do not fall under LAFCO’s purview. As a result, this report completed the following actions: (1) identified possible solutions regardless if it involved LAFCO action, (2) provided an additional tool to the affected residents and agencies to move forward, (3) connected the court receiver to a non-profit (Moonshot Missions) that provides forensic analysis of private water company at no-cost, and (4) allowed LAFCO to be part of the stakeholder effort. That is why it should be considered for this year’s Mike Gotch Excellence In Public Service Award. Therefore, staff is recommending that the Commission approve the draft nomination form, as shown in **Attachment 5**.

Moonshot Missions Conference Attendance

As previously mentioned, Moonshot Missions is a non-profit organization which sends expert utility advisors out into the field to assess conditions and identify, select, and develop technically and financially sound projects that transform utilities and the communities they serve. In March, the Commission directed staff to work with Moonshot Missions and the court-appointed receiver to explore all possible governance options for the Big Basin Water Company. This strategic partnership played a role in recent milestones and upcoming actions, including but not limited to the transfer of sewer service to CSA 7 and the scheduled forensic assessment of BBWC’s existing infrastructure.

As a result, CALAFCO has requested that this partnership share their experience at the upcoming annual conference. While the receiver and LAFCO have allocated funds for traveling and conferences in their respective budgets, Moonshot Missions does not possess that same fiscal structure. Staff is recommending that the Commission approve the coverage of traveling and lodging expenses for one representative of Moonshot Missions (Lydia Rossiter) in exchange for their time and participation as a guest speaker at the conference. Total expenses is estimated to be \$440 (\$206 for roundtrip mileage reimbursement and \$233 for one night stay at Tenaya Lodge).

Respectfully Submitted,



Joe A. Serrano
Executive Officer

Attachments:

1. Annual Conference Announcement
2. Board of Directors Nomination Form
3. Voting Delegate Form
4. CALAFCO Achievement Award Nomination Letter
5. Achievement Award Nomination (BBWC Governance Options Report)



Annual Conference Registration Form

Yosemite, California | October 16-18, 2024

For registration by check. To pay by credit card, visit calafco.org
Registration deadline is September 30, 2024



LAFCO Received Check #

Please submit one form for each person registering

First Name	Last Name	Name (on name tag)
LAFCO/Organization	Title	
Guest Name (for guest/spouse registration)		
Mailing Address	City	Zip
Phone	Attendee's Email	
Emergency Contact Name	Phone	I would like vegetarian meal/s: <input type="checkbox"/> Guest/Spouse: <input type="checkbox"/>

Conference Registration Rates

	Early Bird Fee Received by July 31	Standard Fee Received Aug. 1-31	Late Fee Received Sept. 1-29
Member – Full Conference	\$700	\$800	\$830
Non-member – Full Conference	\$975	\$1075	\$1105
Spouse/Guest^ – All Meals	\$550	\$600	\$630
Spouse/Guest^ – Wed Reception/Thur Banquet Only	\$325	\$350	\$380
Member – One Day – Wed <input type="checkbox"/> Thur <input type="checkbox"/> Fri <input type="checkbox"/>	\$455	\$555	\$585
Non-member – One Day – Wed <input type="checkbox"/> Thur <input type="checkbox"/> Fri <input type="checkbox"/>	\$750	\$850	\$880
Mobile Workshop - Wednesday	\$ 95	\$105	\$115
LAFCO 101 (No charge for those with full conference registration. \$75 for all others.)	\$ 75	\$ 75	\$ 75
*OPTIONAL Wednesday Night Dinner	\$ 97	\$ 97	\$ 97
Attorney MCLE Credit (LAFCO Counsel Only)	\$ 50	\$ 55	\$ 60
TOTAL REGISTRATION RATE DUE			\$

Payment must accompany registration and must be **RECEIVED** by the applicable deadlines to qualify for discounts. **NO EXCEPTIONS.**

Mail completed forms and check made payable to "CALAFCO" to:

CALAFCO
1451 River Park Drive, Suite 185
Sacramento, CA 95815

Hotel rooms start at \$205 per night if booked before September 16, 2024.

To reserve a room at the Tenaya Lodge visit:
<https://bit.ly/2024CALAFCOConference>
or call directly at **866-771-9629** and reference CALAFCO.

^Guests at meals must purchase their meal. Conference registration meals are not transferrable to guests.

CANCELLATION AND REFUND POLICY

1. Registrations are considered complete upon receipt of fees.
2. Cancellation requests made in writing and received by October 1, 2024, are fully refunded, less transaction and handling fees.*
3. Credits are not issued for any cancellations.
4. Registration fees are transferable to another person not already registered provided the request is received in writing.* Deadline to transfer registrations is October 11, 2024.
5. Registration fees for guests and special events are not transferable but are fully refundable, less transaction and handling fees*, if written requests are received by October 1, 2024.
6. Cancellation requests must be submitted by email to info@calafco.org.
7. Cancellation requests made after October 1, 2024 are not eligible for a refund.

*\$30 handling fee applies.

Date: May 21, 2024

To: Local Agency Formation Commission Members and
Alternate Members

From: Kenneth Leary, Committee Chair
CALAFCO Board Election Committee
CALAFCO Board of Directors

RE: Nomination Period Now Open for 2024/2025 CALAFCO Board of Directors



The Nomination Period is now open for the fall elections of the CALAFCO Board of Directors for the following seats:

CENTRAL REGION	COASTAL REGION	NORTHERN REGION	SOUTHERN REGION
County Member	County Member	City Member	City Member
District Member	District Member	Public Member	Public Member

Please inform your Commission that the CALAFCO Election Committee will be accepting nominations for the above-cited seats until:

MONDAY, SEPTEMBER 16, 2024

Serving on the CALAFCO Board is a unique opportunity to work with other commissioners throughout the state on legislative, fiscal, and operational issues that affect us all. The Board meets four to five times each year, generally virtually. However, strategic plan retreats and other meetings may be scheduled in-person and will alternate around the state. A job description is attached that more fully discusses director responsibilities and time commitment.

Board terms span a two-year period, with no term limits, and any LAFCO commissioner or alternate commissioner is eligible to run for a Board seat.

Elections will be conducted during Regional Caucuses at the CALAFCO Annual Conference prior to the Annual Membership Meeting on Thursday, October 17, 2024 at the Tenaya Lodge in Fish Camp, California.

Should your Commission nominate a candidate, please return the completed Nomination Form and Candidate's Résumé Form by the deadline. Completed nomination forms and all materials must be RECEIVED by CALAFCO by the deadline.

Electronic filing of nomination forms is **highly encouraged** to facilitate the recruitment process. Please email to info@calafco.org. However, hard copy forms and materials may also be mailed to:

Election Committee c/o Executive Director
California Association of Local Agency Formation Commissions
1451 River Park Drive, Suite 185
Sacramento, CA 95815

Complete nominations received by the September 16th deadline will be included in the Election Committee's Report that will be distributed to LAFCO members. Candidate names will be listed in the report, and on the ballot, in the order nominations are received. The Election Committee Report will be distributed no later than October 3, 2024, with ballots made available to Voting Delegates at the Annual Conference.

Nominations received after the deadline will be returned; however, nominations may be made from the floor during the Regional Caucuses or during at-large elections, if required, at the Annual Membership Meeting.

For those member LAFCOs who cannot send a representative to the Annual Meeting, an electronic ballot will be made available if requested in advance. Ballot requests must also be received no later than Monday, September 16, 2024, with completed absentee ballots due by no later than Thursday, October 10, 2024.

NOMINATION/ELECTION PROCESS DEADLINES AND TIMELINES

- **May 21** – Nomination Announcement and packet sent to LAFCO membership and posted on the CALAFCO website.
- **September 16** – Completed Nomination packet due
- **September 16** – Request for an absentee/electronic ballot due
- **September 16** – Voting delegate name due to CALAFCO
- **October 3** – Distribution of the Election Committee Report (includes all completed/submitted nomination papers)
- **October 3** – Distribution of requested absentee/electronic ballots.
- **October 10** – Absentee ballots due to CALAFCO
- **October 17** - Elections

If you have any questions about the election process, please contact CALAFCO Executive Director René LaRoche at rlaroche@calafco.org or by calling 916-442-6536.

Members of the 2024/2025 CALAFCO Election Committee are:

Kenneth Leary, Committee Chair	Napa LAFCO (Coastal Region)
Bill Connelly	Butte LAFCO (Northern Region)
Kimberly Cox	San Bernardino LAFCO (Southern Region)
Anita Paque	Calaveras LAFCO (Central Region)

To assist you in this consideration, you will find attached for your reference a copy of the CALAFCO Board Member Job Description, the CALAFCO Board of Directors Nomination and Election Procedures and Forms, and the current listing of Board Members and corresponding terms of office.

I sincerely hope that you will consider joining us!

Attachments.



Board Member Job Description

California Association of Local Agency Formation Commissions (CALAFCO) Member of the Board of Directors

Mission

As a 501(c)(3) nonprofit organization, CALAFCO supports LAFCOs by *promoting efficient and sustainable government services based on local community values through legislative advocacy and education.*

For more information, please see CALAFCO's website at www.calafco.org.

Values

The underlying values that define our organization are: *dependability, efficiency, honesty, and transparency.*

Duties

Board members have the following legal duties:

1. **Duty of Care:** *Ensuring prudent use of all assets including financial, facility, people, and good will.*
2. **Duty of Loyalty:** *Ensuring that the association's activities and transactions are, first and foremost, advancing its mission; Recognizing and disclosing conflicts of interest; Making decisions that are in the best interest of the association and not in the best interest of an individual board member, or any other individual or entity.*
3. **Duty of Obedience:** *Ensuring that the association obeys applicable laws and regulations; follows its own bylaws and policies; and that it adheres to its stated corporate purposes/mission.*

Position

The Board is a governing body and is expected to support the work of CALAFCO by providing mission-based leadership and strategic governance. While day-to-day operations are led by CALAFCO's Executive Director (ED), the Board-ED relationship is a partnership and the appropriate involvement of the Board is both critical and expected. Board Members are tasked with the Leadership, Governance, and Oversight of the association. Responsibilities include, but are not limited to:

- Representing CALAFCO to stakeholders; acting as an ambassador for the organization to regional members and California legislators.

- Approving policies that provide the appropriate authority and guidance for/to the ED in the administration of the organization.
- Serving as a trusted advisor to the ED.
- Participating in strategic planning retreats.
- Reviewing agenda and supporting materials, and communicating question to the Executive Director, prior to board and committee meetings.
- Weighing the organization's outcomes against strategic plan initiatives.
- Approving CALAFCO's annual budget, financial reports, and business decisions; being informed of, and meeting all, legal and fiduciary responsibilities.
- Assisting the ED and board chair in identifying and recruiting other Board Members to ensure CALAFCO's commitment to a diverse board and staff that recognizes the differing perspectives among LAFCOs.
- Partnering with the ED and other board members to ensure that board resolutions are carried out.
- Serving on committees or task forces and taking on special assignments, as needed.

Board Terms/Expected Participation

CALAFCO's Board Members are elected during regional caucuses held at the association's annual meeting, and serve two-year terms.

Regular board meetings are held quarterly, special meetings are called as needed, strategic planning retreats are held every two years, committee meetings are called at different times during the year, and legislative canvassing in Sacramento may be needed. Two absences, within a calendar year, from any regularly scheduled board meetings constitutes a resignation of the Board member.

Qualifications

Board Members must be seated LAFCO Commissioners at their local level.

This is an extraordinary opportunity for an individual who is passionate about the importance of the role that LAFCOs play in the sustainable growth of a region, and who has a track record of leadership. His/her accomplishments will allow him/her to interface effectively with the state legislature, as well as attract other well-qualified, high-performing Board Members.

Remuneration

Service on CALAFCO's Board of Directors is without remuneration. Administrative support, travel, and accommodation costs are typically provided by a director's home LAFCO.



Board of Directors Nomination and Election Procedures and Forms

The procedures for nominations and election of the CALAFCO Board of Directors [Board] are designed to assure full, fair and open consideration of all candidates, provide confidential balloting for contested positions and avoid excessive demands on the time of those participating in the CALAFCO Annual Conference.

The Board nomination and election procedures shall be:

1. APPOINTMENT OF AN ELECTION COMMITTEE:

- a. Following the Annual Membership Meeting the Board shall appoint an Election Committee of four members of the Board. The Election Committee shall consist of one member from each region whose term is not ending.
- b. The Board Chair shall appoint one of the members of the Election Committee to serve as Committee Chair. The CALAFCO Executive Director shall either serve as staff to the Election Committee or appoint a CALAFCO regional officer to serve as staff in cooperation with the Executive Director.
- c. Each regional officer shall serve as staff liaison to the Election Committee specifically to assist in conducting the election as directed by the Executive Director and Committee.
- d. Goals of the Committee are to encourage and solicit candidates by region who represent member LAFCOs across the spectrum of geography, size, and urban-suburban-rural population, and to provide oversight of the elections process.

2. ANNOUNCEMENT TO ALL MEMBER LAFCOs:

- a. No later than four months prior to the Annual Membership Meeting, the Election Committee Chair shall send an announcement to each LAFCO for distribution to each commissioner and alternate. The announcement shall include the following:
 - i. A statement clearly indicating which offices are subject to the election.
 - ii. A regional map including LAFCOs listed by region.
 - iii. The specific date by which all nominations must be received by the Election Committee. The deadline shall be no later than 30 days prior to the opening of the Annual Conference. Nominations received after the closing date shall be returned to the proposing LAFCO marked "Received too late for Election Committee action."
 - iv. The names of the Election Committee members and the name of their LAFCO, regional representation, email address and phone number. The name, email address and phone number of the Executive Director shall also be included.
 - v. The email address and physical address to send the nominations forms.
 - vi. A form for a Commission to use to nominate a candidate and a candidate resume form of no more than one page each to be completed for each nominee.
 - vii. The specific date by which all voting delegate names are due.
 - viii. The specific date by which absentee ballots must be requested, the date CALAFCO will

Key Timeframes for Nominations Process

Days*	
120	Nomination announcement
30	Nomination deadline
14	Committee report released

*Days prior to annual membership meeting

distribute the absentee ballots, and the date by which they must be received by the Executive Director.

- b. A copy of these procedures shall be posted on the web site.

3. THE ELECTION COMMITTEE:

- a. The Election Committee and the Executive Director have the responsibility to monitor nominations and help assure that there are adequate nominations from each region for each seat up for election. No later than two weeks prior to the Annual Conference, the Election Committee Chair shall distribute to the members the Committee Report organized by regions, including copies of all nominations and resumes, which are received prior to the end of the nomination period.
- b. At the close of the nomination period, the Election Committee shall prepare regional ballots. Each region will receive a ballot specific to that region. Each region shall conduct a caucus at the Annual Conference for the purpose of electing their designated representatives. Caucus elections must be held prior to the annual membership meeting at the Conference. The assigned regional officers along with a member of the Election Committee shall tally ballots at each caucus and provide the Election Committee the names of the elected Board members and any open seats. In the event of a tie, the regional officer and Election Committee member shall immediately conduct a run-off ballot of the tied candidates.
- c. Make available sufficient copies of the Committee Report for each Voting Delegate by the beginning of the Annual Conference. Only the designated Voting Delegate, or the designated Alternate Voting Delegate shall be allowed to pick up the ballot packet at the Annual Conference.
- d. Make available blank copies of the nomination forms and resume forms to accommodate nominations from the floor at either the caucuses or the annual meeting (if an at-large election is required).
- e. Advise the Executive Director to provide "CANDIDATE" ribbons to all candidates attending the Annual Conference.
- f. Advise the Executive Director to provide "VOTING DELEGATE" ribbons to all voting delegates attending the Annual Conference.
- g. Post the candidate statements/resumes organized by region on a bulletin board or other easily accessible location near the registration desk.
- h. Regional elections shall be conducted as described in Section 4 below. The representative from the Election Committee shall serve as the Presiding Officer for the purpose of the caucus election and shall be assisted by a regional officer from a region other than their own, as assigned by the Executive Director
- i. Following the regional elections, in the event that there are open seats for any offices subject to the election, the Election Committee Chair shall notify the Chair of the Board of Directors that an at-large election will be required at the annual membership meeting and to provide a list of the number and category of seats requiring an at-large election.

4. ELECTRONIC BALLOT FOR LAFCO IN GOOD STANDING NOT ATTENDING ANNUAL MEETING

Limited to the elections of the Board of Directors

- a. Any LAFCO in good standing shall have the option to request an electronic ballot if there will be no representative attending the annual meeting.
- b. LAFCOs requesting an electronic ballot shall do so in writing to the Executive Director no later than 30 days prior to the annual meeting.
- c. The Executive Director shall distribute the electronic ballot no later than two weeks prior to the

annual meeting.

- d. LAFCO must return the ballot electronically to the Executive Director no later than three working days prior to the annual meeting.
- e. LAFCOs voting by electronic ballot may discard their electronic ballot if a representative is able to attend the annual meeting.
- f. LAFCOs voting under this provision may only vote for the candidates nominated by the Election Committee as noted on the ballot and may not vote in any run-off elections.

5. AT THE TIME FOR ELECTIONS DURING THE REGIONAL CAUCUSES OR ANNUAL MEMBERSHIP MEETING:

- a. The Presiding Officer shall:
 - i. Review the election procedure with the membership of their region.
 - ii. Present the Election Committee Report (previously distributed).
 - iii. Call for nominations from the floor by category for those seats subject to this election:
 - 1. For city member.
 - 2. For county member.
 - 3. For public member.
 - 4. For special district member.
- b. To make a nomination from the floor, a LAFCO, which is in good standing, shall identify itself and then name the category of vacancy and individual being nominated. The nominator may make a presentation not to exceed two minutes in support of the nomination.
- c. When there are no further nominations for a category, the Presiding Officer shall close the nominations for that category.
- d. The Presiding Officer shall conduct a "Candidates Forum". Each candidate shall be given time to make a brief statement for their candidacy. If a candidate is absent from the regional caucus, they may ask someone in their region to make a brief statement on their behalf.
- e. The Presiding Officer shall then conduct the election:
 - i. For categories where there are the same number of candidates as vacancies, the Presiding Officer shall:
 - 1. Name the nominees and offices for which they are nominated.
 - 2. Call for a voice vote on all nominees and thereafter declare those unopposed candidates duly elected.
 - ii. For categories where there are more candidates than vacancies, the Presiding Officer shall:
 - 1. Poll the LAFCOs in good standing by written ballot.
 - 2. Each LAFCO in good standing may cast its vote for as many nominees as there are vacancies to be filled. The vote shall be recorded on a tally sheet.

3. Any ballots submitted electronically for candidates included in the Election Committee Report shall be added to the tally.
 4. With assistance from the regional officer, tally the votes cast and announce the results.
- iii. Election to the Board shall occur as follows:
1. A majority of the total number of LAFCOs in a given region are required for a quorum. Returned absentee ballots shall count towards the total required for a quorum.
 2. The nominee receiving the majority of votes cast is elected.
 3. In the case of no majority, the two nominees receiving the two highest number of votes cast shall face each other in a run-off election. Electronic ballots are not included in the tally for any run-off election(s).
 4. In case of tie votes:
 - a. A second run-off election shall be held with the same two nominees.
 - b. If there remains a tie after the second run-off, the winner shall be determined by a draw of lots.

6. ADDITIONAL PROCEDURES

- a. For categories where there are more candidates than vacancies, names shall be listed on the ballot in the order the nomination was received and deemed complete.
- b. The Election Committee Chair shall announce and introduce all Board Members elected during the Regional Caucuses at the annual business meeting.
- c. In the event that Board seats remain unfilled after a Regional Caucus, an election will be held immediately at the annual business meeting to fill the position at-large. Nominations will be taken from the floor and the election process will follow the procedures described in Section 4 above. Any commissioner or alternate from a member LAFCO may be nominated for at-large seats.
- d. Seats elected at-large become subject to regional election at the expiration of the term. Only representatives from the region may be nominated for the seat.
- e. As required by the Bylaws, the members of the Board shall meet as soon as possible after election of new Board members for the purpose of electing officers, determining meeting places and times for the coming year, and conducting any other necessary business.

7. LOSS OF ELECTION IN HOME LAFCO

Board Members and candidates who lose elections in their home office shall notify the Executive Director within 15 days of the certification of the election.

8. FILLING BOARD VACANCIES

Vacancies on the Board of Directors may be filled by appointment by the Board for the balance of the unexpired term. Appointees must be from the same category as the vacancy, and should be from the same region.

CALAFCO's Four Regions



The counties in each of the four regions consist of the following:

Northern Region

Butte
Colusa
Del Norte
Glenn
Humboldt
Lake
Lassen
Mendocino
Modoc
Nevada
Plumas
Shasta
Sierra
Siskiyou
Sutter
Tehama
Trinity
Yuba

CONTACT: Steve Lucas
Butte LAFCO
slucas@buttecounty.net

Southern Region

Orange
Los Angeles
Imperial
Riverside
San Bernardino
San Diego

CONTACT: Gary Thompson
Riverside LAFCO
gthompson@LAFCO.org

Coastal Region

Alameda
Contra Costa
Marin
Monterey
Napa
San Benito
San Francisco
San Luis Obispo
San Mateo
Santa Barbara
Santa Clara
Santa Cruz
Solano
Sonoma
Ventura

CONTACT: Dawn Longoria
Napa LAFCO
dawn.longoria@napa.lafco.ca.gov

Central Region

Alpine
Amador
Calaveras
El Dorado
Fresno
Inyo
Kings
Madera
Mariposa
Merced
Mono
Placer
Sacramento
San Joaquin
Stanislaus
Tulare
Tuolumne
Yolo

CONTACT: José Henriquez
Sacramento LAFCO
henriquezj@sacounty.net

CURRENT BOARD MEMBERS AND TERMS

NAME	REGION	TYPE & TERM
Bill Connelly	Butte <i>Northern</i>	County (2025)
Kimberly Cox	San Bernardino Southern	District (2025)
Rodrigo Espinosa	Merced <i>Central</i>	County (2024)
Yxstian Gutierrez	Riverside Southern	County (2025)
Blake Inscore, Secretary	Del Norte <i>North</i>	City (2024)
Gay Jones, Treasurer	Sacramento <i>Central</i>	District (2024)
Kenneth Leary	Napa Coastal	Public (2025)
Gordon Mangel	Nevada <i>Northern</i>	District (2025)
Michael McGill	Contra Costa <i>Coastal</i>	District (2024)
Derek McGregor	Orange <i>Southern</i>	Public (2024)
Margie Mohler, Chair	Napa <i>Coastal</i>	City (2025)
Anita Paque	Calaveras <i>Central</i>	Public (2025)
Wendy Root Askew	Monterey <i>Coastal</i>	County (2024)
Josh Susman	Nevada <i>Northern</i>	Public (2024)
Tamara Wallace	El Dorado Central	City (2025)
Acquanetta Warren, Vice-Chair	San Bernardino <i>Southern</i>	City (2024)



(Must accompany the Candidate Résumé Form)

In accordance with the Nominations and Election Procedures of CALAFCO,

_____ LAFCO of the _____ Region

Nominates _____

for the (check one) ☐ City ☐ County ☐ Special District ☐ Public

Position on the CALAFCO Board of Directors to be filled by election at the next Annual Membership Meeting of the Association.

LAFCO Chair

Date _____

Nomination Packets must be received by **September 16, 2024** to be considered by the Election Committee.

Or, mail to:

CALAFCO Election Committee
CALAFCO
1451 River Park Drive, Ste. 185
Sacramento, CA 95815



Board of Directors
2024/2025 Candidate Résumé Form
(Complete both pages)

Nominated By: _____ LAFCO Date: _____

Region (please check one): ☐ Northern ☐ Coastal ☐ Central ☐ Southern

Category (please check one): ☐ City ☐ County ☐ Special District ☐ Public

Candidate Name _____

Address _____

Phone Office _____ Mobile _____

e-mail _____

Personal and Professional Background:

LAFCO Experience:

CALAFCO or State-level Experience:

Availability:

Other Related Activities and Comments:

NOTICE OF DEADLINE

Complete Nomination Packets must be received by **September 16, 2024** to be considered by the Election Committee.

Send completed nominations to
info@calafco.org

Or, mail to:

CALAFCO Election Committee
CALAFCO
1451 River Park Drive, Ste. 185
Sacramento, CA 95815



1451 River Park Drive, Ste 185
 Sacramento, CA 95815
 (916) 442-6536

NOMINATION OF 2024 CALAFCO VOTING DELEGATE

The Local Agency Formation Commission of the below named county, hereby nominates and names the following Commissioners as its duly authorized voting delegate and alternate for purposes of the 2024 CALAFCO Board of Directors election to be held on Thursday, October 17, 2024, during the CALAFCO Regional Caucus and Annual Meeting in Fish Camp, California.

County Name:

Delegate:

Alternate:

Appointment Authorized by:

Name of individual completing form on behalf of the LAFCo:

Will your delegate or alternate be attending the CALAFCO Annual Conference?

Yes:

No:

PLEASE RETURN COMPLETED FORM BY **SEPTEMBER 16, 2024 TO:**

René LaRoche via email to: rlaroch@calafco.org

Late submissions will NOT be accepted.

Date: May 13, 2024

To: CALAFCO Members
LAFCO Commissioners and Staff
Other Interested Organizations

From: Blake Inscore, Committee Chair
CALAFCO Achievement Awards Committee
CALAFCO Board of Directors

Subject: 2024 CALAFCO Achievement Award Nominations
Period Open



Deadline: Saturday, August 31, 2024

On behalf of the Association, I am pleased to announce that the nomination period for the 2024 CALAFCO Achievement Awards is now open!

Each year, CALAFCO is honored to recognize outstanding achievements by dedicated and committed individuals and/or organizations from throughout the state at its Annual Conference Achievement Awards Ceremony. This year's ceremony will be held at the gorgeous Tenaya Lodge just outside Yosemite National Park on October 17th, during the awards banquet.

Recognizing individual and organizational achievements is an important responsibility. It provides visible recognition and support to those who have gone **above and beyond** over the last year to advance the principles and goals of the Cortese-Knox-Hertzberg Act. We invite you to use this opportunity to nominate the individuals and organizations you feel deserve this important recognition based on the criteria outlined.

Before submitting a nomination, ***please carefully review the nomination instructions and the criteria for each award as incomplete nominations, and nominations that do not adhere to the submission guidelines, will not be considered by the Committee.***

ACHIEVEMENT AWARDS NOMINATION PROCEDURE:

1. Most nominations may be made by an individual, a LAFCO, a CALAFCO Associate Member, or any other organization.
2. Each nomination must meet the specific award category criteria for consideration.
3. With the exception of the Lifetime Achievement Award, all nominated projects or acts of service must have occurred or been completed between August 18, 2023, and August 15, 2024.
4. Nominations **must be submitted with a completed nomination form**. Please use a separate form for each

nomination. The form is your opportunity to highlight the most important points of your nomination.

5. Nomination *Executive Summaries* must be **limited to no more than 250 words in length**. Nomination *Summaries* must be **limited to no more than 1,000 words or 2 pages in length maximum**. You are encouraged to write them in a clear, concise and understandable manner. If the Awards Committee members require additional information, you will be contacted with that request. Any nomination received that exceeds this amount **will not be considered by the Committee**.
6. All supporting information (e.g. reports, news articles, etc.) must be submitted with the nomination. **Limit supporting documentation to no more than 3 pages**. If the Awards Committee members require additional information, you will be contacted with that request. Any nomination received that exceeds this amount **will not be considered by the Committee**.
7. All nomination materials must be submitted at one time and must be received by the deadline. No late nominations will be accepted – no exceptions. Electronic submittals are required and must be submitted as pdf document, using the fillable pdf document provided.
8. **Nominations and all supporting materials must be received no later than Saturday, August 31, 2024.**
Send nominations via e-mail to:

Stephen Lucas, CALAFCO Executive Officer
slucas@buttecounty.net

You may contact Steve Lucas, CALAFCO Executive Officer, at slucas@buttecounty.net or (530) 538-7784 with any questions.

Members of the 2024 CALAFCO Board of Directors Awards Committee

Board Members:

Blake Inscore, Committee Chair (Del Norte LAFCO, Northern Region)
Rodrigo Espinosa (Merced LAFCO, Central Region)
Kenneth Leary (Napa LAFCO, Coastal Region)
Anita Paque (Calaveras LAFCO, Central Region)

Regional Officer Members:

Steve Lucas, CALAFCO Executive Officer (Northern Region)
José Henriquez, CALAFCO Deputy Executive Officer (Central Region)
Dawn Longoria, CALAFCO Deputy Executive Officer (Coastal Region)
Gary Thompson, CALAFCO Deputy Executive Officer (Southern Region)

slucas@buttecounty.net
henriquezj@saccounty.net
dlongoria@napa.lafco.ca.gov
gthompson@lafco.org

Attachments:

- Achievement Award categories, nomination and selection criteria
- Listing of prior Achievement Award recipients
- 2024 Achievement Award nomination form (separate file)



CALAFCO ACHIEVEMENT AWARD CATEGORIES, NOMINATION & SELECTION CRITERIA

Every year, CALAFCO recognizes excellence within the LAFCO community, and among the full membership, by presenting *Achievement Awards* at the CALAFCO Annual Conference. Nominations are now open and being accepted until **Saturday, August 31, 2024** in the following categories:

OUTSTANDING CALAFCO VOLUNTEER

Award Summary:

Recognizes a CALAFCO volunteer who has provided exemplary service **during the year past**. Exemplary service is service which clearly goes above and beyond that which is asked or expected in the charge of their responsibilities. This category may include a CALAFCO Board member, regional officer, program volunteer, or any other requested volunteer.

Nomination criteria:

1. Nominee must have volunteered for the Association during the year in which the nomination is being made.
2. Nominee does not have to be a CALAFCO member.
3. Volunteer efforts must have demonstrated the individual going above and beyond what was asked/expected with positive and effective results.
4. Nominee can be a CALAFCO Board member, regional officer, program volunteer or any other volunteer.

Selection criteria:

1. Must meet all nomination criteria requirements for consideration.
2. Equal consideration shall be given to each nominee, regardless of their position or role as a volunteer. Only the contributions and outcomes shall be considered, not the individual's position.
3. The extent of the volunteerism and the overall impact to the statewide Association and membership based on that volunteerism shall be considered.
4. Preference may be given to individuals who have not previously received this award and meet all the required criteria.

OUTSTANDING CALAFCO ASSOCIATE MEMBER

Award Summary:

Presented to an active CALAFCO Associate Member (person or agency) that has advanced or promoted the cause of LAFCOs by consistently producing distinguished work that upholds the mission and goals of LAFCOs and has helped elevate the role and mission of LAFCOs through its work. Recipient consistently demonstrates a collaborative approach to LAFCO stakeholder engagement.

Further, the individual or firm has a proven commitment to the Association membership through volunteering time and resources to further the cause of LAFCO and CALAFCO.

Nomination criteria:

1. Nominee must be a CALAFCO Associate Member in good standing with the Association.
2. Nominee shall be an Associate Member for the full year in which the nomination is being made.
3. The Associate Member nominated shall have been an Associate Member in good standing with the Association for at least one year prior to the year for which the nomination is being made.
4. As an Associate Member, the nominee may be an individual, firm or agency.
5. The nominee may be an individual within an Associate Member firm or agency.
6. Nominee shall demonstrate that through their work as an Associate Member, the role and mission of LAFCO has been upheld and furthered.
7. Nominee must have proven cooperative and collaborative approaches to situations and solutions that affect LAFCOs statewide as an Associate Member.
8. Proven commitment to the Association's membership as an Associate Member by volunteering resources to the Association during the year in which the nomination is made.

Selection criteria:

1. Must meet all nomination criteria requirements for consideration.
2. Equal consideration shall be given to all nominees that meet the nominating criteria.
3. The level of volunteering time and resources to the Association shall be a consideration with all other nomination criteria.

OUTSTANDING COMMISSIONER

Award Summary:

Presented to an individual Commissioner for extraordinary service to his or her Commission. Extraordinary service is considered actions above and beyond those required in the course of fulfilling their statutory responsibilities as a Commissioner. It requires consistently demonstrating independent judgment on behalf of the interest of the entire county, developing innovative and collaborative solutions to local issues, and leading the commission and community by example.

Nomination criteria:

1. Nominee must be a Commissioner of a LAFCO in good standing with the Association.
2. Nominee shall be a Commissioner for the full year in which the nomination is being made.
3. Proven demonstration of consistently exercising independent judgment for the greater good of the County is required.
4. Proven leadership of the commission and the community through collaborative, innovative and creative solutions to local issues is required.
5. Proven effective results and outcomes shall be demonstrated in the nomination.

Selection criteria:

1. Must meet all nomination criteria requirements for consideration.
2. Equal consideration shall be given to all nominees that meet the nominating criteria.
3. Representation type (city-county-district-public) shall not be a consideration nor shall be the size or geographic area of the LAFCO on which the Commissioner serves.

4. The overall impact of the leadership of the Commissioner shall be considered.
5. Preference may be given to individuals who have not previously received this award and meet all the required criteria.

OUTSTANDING LAFCO PROFESSIONAL

Award Summary:

Recognizes an Executive Officer, Staff Analyst, Clerk, Legal Counsel or any other LAFCO staff person for exemplary service during the past year. Exemplary service is considered actions which clearly go above and beyond that which is asked, expected, or required in the charge of their LAFCO responsibilities.

Nomination criteria:

1. Nominee must be a staff person of a LAFCO in good standing with the Association.
2. Nominee shall be a staff person for the full year in which the nomination is being made.
3. As a staff person, the nominee can be either an employee of the LAFCO or a contractor providing employee-type services to the LAFCO.
4. Efforts must be demonstrated that the individual has consistently gone above and beyond or outside the scope of their role or job responsibilities, with proven results that otherwise would not have occurred.

Selection criteria:

1. Must meet all nomination criteria requirements for consideration.
2. Equal consideration shall be given to all nominees that meet the nominating criteria.
3. Position within a LAFCO shall not be a consideration, nor shall be the size or geographic area of the LAFCO.
4. The overall impact of the LAFCO professional to their LAFCO and the greater community shall be considered.
5. Preference may be given to individuals who have not previously received this award and meet all the required criteria.

LIFETIME ACHIEVEMENT AWARD

Award Summary:

Recognizes any individual who has made extraordinary contributions to the statewide LAFCO community in terms of longevity of service, exemplary advocacy of LAFCO-related legislation, proven leadership in approaching a particular issue or issues, and demonstrated support in developing and implementing innovative and creative ways to support the goals of LAFCOs throughout California. At a minimum, the individual should be involved in the LAFCO community for at least twenty (20) years.

Nomination criteria:

1. Nomination must be received from a member LAFCO or Associate Member in good standing with the Association.
2. A minimum of 20 years direct involvement with the LAFCO community is required for

consideration.

3. During that time, nominee shall have a proven positive impact and effect on the support and evolution of LAFCOs statewide.
4. This includes advocacy of LAFCOs statewide through legislation, developing creative and innovative solutions to LAFCO issues that serve beyond their LAFCO to the greater good, and collaborative stakeholder approaches to issues and opportunities to further the cause and mission of LAFCO.

Selection criteria:

1. Must meet all nomination criteria requirements for consideration.
2. Preference may be given to nominees who also have proven experience volunteering for CALAFCO through a regional officer role, serving on committees, serving on the CALAFCO Board, or any other method of volunteering for the Association that serves to promote and support the mission and work of LAFCOs throughout the state.

LEGISLATOR OF THE YEAR

Award Summary:

Presented to a member of the California State Senate or Assembly in recognition of leadership and valued contributions in support of LAFCO goals that have a statewide effect. The recipient shall have demonstrated clear support and effort to further the cause and ability of LAFCOs to fulfill their statutory mission. Selected by CALAFCO Board by super majority.

Nomination criteria:

1. Nominee shall be a California State legislator during the full year in which the nomination was made.
2. Nominee must have demonstrated extraordinary leadership in the Legislature on behalf of LAFCOs statewide, with efforts resulting in a positive impact for all LAFCOs.

Selection criteria:

1. Must meet all nomination criteria requirements for consideration.
2. All Legislator of the Year nominations shall be forwarded by the Achievement Awards Committee to the Board for consideration.
3. Selection of the recipient of this award shall be done with a super majority approval of the Board (present at the time of the vote).

MIKE GOTCH EXCELLENCE IN PUBLIC SERVICE AWARD

Award Summary:

Awarded to an individual, group or agency for actions that rise above expected or common functions or actions that are LAFCO-related; *and* reduce or eliminate common institutional roadblocks; *and* result in a truly extraordinary public service outcome. Individuals, a LAFCO, or collaborative effort among multiple LAFCOs or a LAFCO with other entities are eligible. Other entities shall be decision-making bodies at the local, regional or state level. This award has two distinct categories, each focusing on a specific area:

1. *Protection of agricultural and open space lands and prevention of sprawl*

2. *Innovation, collaboration, outreach and effective support of the evolution and viability of local agencies, promotion of efficient and effective delivery of municipal services*

Award categories:

- **Protection of agricultural and open space lands and prevention of sprawl**

Includes the development and implementation of programs or other actions associated with agriculture, water, flood control, parks and recreation, habitat conservation plans and public lands. Demonstrates the recipient has identified, encouraged and ensured the preservation of agricultural and open space lands. Proven actions that encourage cities, counties and special districts to direct development away from all types of agricultural lands, including prime agricultural lands and open space lands. Includes demonstrated consideration given in decisions to Regional Transportation Plans, including sustainable communities strategies and other growth plans to ensure reliable services, orderly growth, and sustainable communities.

- **Innovation, collaboration, outreach and effective support of the evolution and viability of local agencies, promotion of efficient and effective delivery of municipal services**

Includes the development and implementation of innovative support and systems within internal LAFCO operations in the support of local agencies. Actions produce systemic and sustainable improvements and innovation of local government. Proven facilitation of constructive discussions with local and regional agencies and proactive outreach to local and regional agencies as well as local stakeholders and communities to identify issues and solutions and demonstrated action as a coordinating agency in offering and supporting unique local solutions to meet local challenges. Successful demonstration of development of capacities and abilities of local agencies. Provide tools and resources to local agencies to address aging infrastructure, fiscal challenges and the maintenance of existing services. Demonstrated action to streamline the provision of local services with proven results that services are consistent or have been improved as a result, with little to no increased cost to the consumer. Focused efforts and proven results to ensure delivery of services to all communities, especially disadvantaged communities.

Nomination criteria:

1. Clear demonstration that the actions rise above expected or common functions or actions.
2. The actions reduced or eliminated common institutional roadblocks.
3. The actions clearly proven a truly extraordinary public service outcome that is systemic and sustainable.
4. Identified unique circumstances and factors leading to the solution/project.
5. The innovative steps taken by the LAFCO or entity/entities/individual to solve the problem, overcome the situation, or to take action.
6. Clear description of the results/outcomes of the work and the short- and long-term effects.
7. How this work can be promoted as a LAFCO best practice.
8. Clear demonstration how this nomination meets all criteria.

Selection Criteria:

1. Must meet all nomination criteria requirements for consideration.
2. Equal consideration shall be given to each nominee within each category. The size or geographic area of the LAFCO within a given category shall not be a consideration.
3. The overall impact of the actions and outcomes to the greater community being served shall be considered.
4. The level of impact based on the required nomination criteria shall be considered.

QUALIFYING PERIOD: *With the exception of the Lifetime Achievement Award, all nominated projects or acts of service must have occurred or been completed between August 18, 2023, and August 15, 2024.*



PREVIOUS CALAFCO ACHIEVEMENT AWARD RECIPIENTS

2023

Lifetime Achievement Award:	Dawn Mittleman Longoria , Napa LAFCO
Outstanding Commissioner	Richard Bettencourt , San Benito LAFCO
Outstanding LAFCO Professional	Two-Way Tie: José C. Henriquez , Sacramento LAFCO Andrea Ozdy , Ventura LAFCO
Outstanding Associate Member	Colantuono, Highsmith & Whatley
Outstanding Volunteer	Anita Paque , Calaveras LAFCO
Mike Gotch Award - Agriculture Innovation	Napa LAFCO Tom Cooley , Plumas LAFCO

2022

Outstanding Commissioner	Don Saylor , Yolo LAFCO
Outstanding LAFCO Professional	Carolyn Emery , Orange LAFCO
Mike Gotch Award - Innovation, Collaboration, And Outreach	Two-Way Tie: Cristine Crawford , Yolo LAFCO, and Erica Sanchez , El Dorado LAFCO & Amanda Ross , South Fork Consulting, LLC

2020 – 2021 (2 year period due to the pandemic)

Outstanding Associate Member	Planwest Partners
Outstanding Commissioner	Olin Woods , Yolo LAFCO
Outstanding LAFCO Professional	Crystal Craig , Riverside LAFCO
Mike Gotch Protection of Ag and Open Space Lands & Prevention of Urban Sprawl	Napa LAFCO
Mike Gotch Courage & Innovation in Local Government Leadership Award	Yolo LAFCO
Lifetime Achievement Award	Jerry Glabach , Los Angeles LAFCO

2019

Distinguished Service Award	Charley Wilson , Orange LAFCO
Most Effective Commission	Contra Costa LAFCO
Outstanding Commissioner	Jim DeMartini , Stanislaus LAFCO
Outstanding LAFCO Professional	David Church , San Luis Obispo LAFCO
Project of the Year	Orange LAFCO , for <i>San Juan Capistrano Utilities MSR</i>
Government Leadership Award	CA State Water Resources Control Board , Los Angeles County and Los Angeles LAFCO , for <i>Sativa Water District</i>
Mike Gotch Courage & Innovation in Local Government Leadership Award	Butte LAFCO
Legislator of the Year	Assembly Member Mike Gipson
Lifetime Achievement Award	John Benoit , various LAFCOs, Jurg Heuberger , Imperial LAFCO

2018

Distinguished Service Award	John Withers, Orange LAFCO
Most Effective Commission	Santa Clara LAFCO
Outstanding Commissioner	Margie Mohler, Napa LAFCO
Outstanding LAFCO Professional	George Williamson, Del Norte LAFCO
Outstanding LAFCO Clerk	Elizabeth Valdez, Riverside LAFCO
Outstanding CALAFCO Associate Member	Best Best & Krieger
Project of the Year	Lake LAFCO, water services consolidation
Government Leadership Award	City of Porterville, County of Tulare, Dept. of Water Resources, State Water Resources Control Board, Governor's Office of Emergency Services, Self Help Enterprises, Community Water Center for East Porterville water supply project
Mike Gotch Courage & Innovation in Local Government Leadership Award	Mike Ott, San Diego LAFCO
Legislator of the Year	Assembly Member Anna Caballero
Lifetime Achievement Award	Pat McCormick, Santa Cruz LAFCO, George Spiliotis, Riverside LAFCO

2017

Most Effective Commission	Los Angeles LAFCO
Outstanding CALAFCO Member	Sblend Sblendorio, Alameda LAFCO
Outstanding Commissioner	John Marchand, Alameda LAFCO
Outstanding LAFCO Professional	Paul Novak, Los Angeles LAFCO
Outstanding LAFCO Clerk	Richelle Beltran, Ventura LAFCO
Outstanding CALAFCO Associate Member	Policy Consulting Associates
Project of the Year	County Services MSR, Butte LAFCO, and Santa Rosa Annexation, Sonoma LAFCO
Government Leadership Award	San Luis Obispo County Public Works Dept.
Lifetime Achievement Award	Kathy Rollings McDonald (San Bernardino)

2016

Distinguished Service Award	Peter Brundage, Sacramento LAFCO
Most Effective Commission	San Luis Obispo LAFCO
Outstanding CALAFCO Member	John Leopold, Santa Cruz LAFCO
Outstanding Commissioner	Don Tatzin, Contra Costa LAFCO
Outstanding LAFCO Professional	Steve Lucas, Butte LAFCO
Outstanding LAFCO Clerk	Cheryl Carter-Benjamin, Orange LAFCO
Project of the Year	Countywide Water Study, (Marin LAFCO)
Government Leadership Award	Southern Region of CALAFCO
Lifetime Achievement Award	Bob Braitman (retired Executive Officer)

2015

Mike Gotch Courage & Innovation in
Local Government Leadership Award

Distinguished Service Award

Most Effective Commission

Outstanding CALAFCO Member

Outstanding Commissioner

Outstanding LAFCO Professional

Outstanding LAFCO Clerk

Project of the Year

Government Leadership Award

CALAFCO Associate Member of the Year

Legislators of the Year Award

Lifetime Achievement Award

Yuba County Water Agency

Mary Jane Griego, Yuba LAFCO

Butte LAFCO

Marjorie Blom, formerly of Stanislaus LAFCO

Matthew Beekman, formerly of Stanislaus LAFCO

Sam Martinez, San Bernardino LAFCO

Terri Tuck, Yolo LAFCO

Formation of the Ventura County Waterworks District No. 38 (Ventura LAFCO) and **2015 San Diego County Health Care Services five-year sphere of influence and service review report** (San Diego LAFCO)

The Cities of Dublin, Pleasanton, Livermore and San Ramon, the Dublin San Ramon Services District and the Zone 7 Water Agency

Michael Colantuono of Colantuono, Highsmith & Whatley

Assembly member Chad Mayes

Jim Chapman (Lassen LAFCO) and **Chris Tooker** (formerly of Sacramento LAFCO)

2014

Mike Gotch Courage & Innovation in
Local Government Leadership Award

Distinguished Service Award

Most Effective Commission

Outstanding CALAFCO Member

Outstanding Commissioner

Outstanding LAFCO Professional

Outstanding LAFCO Clerk

Project of the Year

Government Leadership Award

Legislators of the Year Award

Lifetime Achievement Award

David Church, San Luis Obispo LAFCO

Kate McKenna, Monterey LAFCO

Santa Clara LAFCO

Stephen Lucas, Butte LAFCO

Paul Norsell, Nevada LAFCO

Kate McKenna, Monterey LAFCO

Paige Hensley, Yuba LAFCO

LAFCO Procedures Guide: 50th Year Special Edition, San Diego LAFCO

Orange County Water District, City of Anaheim, Irvine Ranch Water District, and Yorba Linda Water District

Assembly member Katcho Achadjian

Susan Wilson, Orange LAFCO

2013

Mike Gotch Courage & Innovation in
Local Government Leadership Award

Distinguished Service Award

Most Effective Commission

Outstanding CALAFCO Member

Outstanding Commissioner

Outstanding LAFCO Professional

LAFCO Outstanding LAFCO Clerk

Project of the Year

Government Leadership Award

Simón Salinas, Commissioner, Monterey LAFCO

Roseanne Chamberlain, Amador LAFCO

Stanislaus LAFCO

Harry Ehrlich, San Diego LAFCO

Jerry Gladbach, Los Angeles LAFCO

Lou Ann Texeira, Contra Costa

Kate Sibley, Contra Costa LAFCO

Plan for Agricultural Preservation, Stanislaus LAFCO

Orange County LAFCO Community Islands Taskforce, Orange LAFCO

Legislators of the Year Award
Lifetime Achievement Award

Senators Bill Emmerson and Richard Roth

H. Peter Faye, Yolo LAFCO; **Henry Pellissier**, Los Angeles LAFCO; **Carl Leverenz**, Butte LAFCO; **Susan Vicklund-Wilson**, Santa Clara LAFCO.

2012

Mike Gotch Courage & Innovation in
Local Government Leadership Award

Bill Chiat, CALAFCO Executive Director

Distinguished Service Award

Marty McClelland, Commissioner, Humboldt LAFCO

Most Effective Commission

Sonoma LAFCO

Outstanding CALAFCO Member

Stephen A. Souza, Commissioner, Yolo LAFCO and
CALAFCO Board of Directors

Outstanding Commissioner

Sherwood Darington, Monterey

LAFCO Outstanding LAFCO Professional

Carole Cooper, Sonoma LAFCO

Outstanding LAFCO Clerk

Gwenna MacDonald, Lassen LAFCO

Project of the Year

Countywide Service Review & SOI Update, Santa Clara
LAFCO

Government Leadership Award

North Orange County Coalition of Cities, Orange LAFCO

Lifetime Achievement Award

P. Scott Browne, Legal Counsel LAFCOs

2011

Mike Gotch Courage & Innovation in
Local Government Leadership Award

Martin Tuttle, Deputy Director for Planning, Caltrans

Mike McKeever, Executive Director, SACOG

Distinguished Service Award

Carl Leverenz, Commissioner and Chair, Butte

LAFCO Most Effective Commission

San Bernardino LAFCO

Outstanding CALAFCO Member

Keene Simonds, Executive Officer, Napa LAFCO

Outstanding Commissioner

Louis R. Calcagno, Monterey LAFCO

Outstanding LAFCO Professional

June Savala, Deputy Executive Officer, Los Angeles LAFCO

Outstanding LAFCO Clerk

Debbie Shubert, Ventura LAFCO

Project of the Year

Cortese-Knox-Hertzberg Definitions Revision
Bob Braitman, Scott Browne, Clark Alsop, Carole Cooper,
and George Spiliotis

Government Leadership Award

Contra Costa Sanitary District

**Elsinore Water District and Elsinore Valley Municipal Water
District**

2010

Mike Gotch Courage & Innovation in
Local Government Leadership Award

Helen Thompson, Commissioner, Yolo LAFCO

Distinguished Service Award

Kathleen Rollings-McDonald, Executive Officer, San
Bernardino LAFCO

Bob Braitman, Executive Officer, Santa Barbara LAFCO

Most Effective Commission

Tulare LAFCO

Outstanding CALAFCO Member

Roger Anderson, Ph.D., CALAFCO Chair, Santa Cruz LAFCO

Outstanding Commissioner

George Lange, Ventura LAFCO

Outstanding LAFCO Professional

Harry Ehrlich, Government Consultant, San Diego LAFCO

Outstanding LAFCO Clerk

Candie Fleming, Fresno LAFCO

Project of the Year

Butte LAFCO

Sewer Commission - Oroville Region Municipal Service
Review

Government Leadership Award

Nipomo Community Services District and the County of San Luis Obispo

Special Achievement

Chris Tooker, Sacramento LAFCO and CALAFCO Board of Directors

2009

Mike Gotch Courage & Innovation in Local Government Leadership Award

Paul Hood, Executive Officer, San Luis Obispo LAFCO

Distinguished Service Award

William Zumwalt, Executive Officer, Kings LAFCO

Most Effective Commission

Napa LAFCO

Outstanding CALAFCO Member

Susan Vicklund Wilson, CALAFCO Vice Chair

Jerry Gladbach, CALAFCO Treasurer

Outstanding Commissioner

Larry M. Fortune, Fresno LAFCO

Outstanding LAFCO Professional

Pat McCormick, Santa Cruz LAFCO Executive Officer

Outstanding LAFCO Clerk

Emmanuel Abello, Santa Clara LAFCO

Project of the Year

Orange LAFCO Boundary Report

Government Leadership Award

Cities of Amador City, Jackson, Lone, Plymouth & Sutter Creek; Amador County; Amador Water Agency; Pine Grove CSD – Countywide MSR Project

Legislator of the Year Award

Assembly Member Jim Silva

2008

Distinguished Service Award

Peter M. Detwiler, Senate Local Government Committee Chief Consultant

Most Effective Commission

Yuba LAFCO

Outstanding Commissioner

Dennis Hansberger, San Bernardino LAFCO

Outstanding LAFCO Professional

Michael Ott, San Diego LAFCO Executive Officer

Martha Poyatos, San Mateo Executive Officer

Outstanding LAFCO Clerk

Wilda Turner, Los Angeles LAFCO

Project of the Year

Kings LAFCO

City and Community District MSR and SOI Update

Government Leadership Award

San Bernardino Board of Supervisors

Legislator of the Year Award

Assembly Member Anna M. Caballero

2007

Outstanding CALAFCO Member

Kathy Long, Board Chair, Ventura LAFCO

Distinguished Service Award

William D. Smith, San Diego Legal

Counsel Most Effective Commission

Santa Clara LAFCO

Outstanding Commissioner

Gayle Uilkema, Contra Costa LAFCO

Outstanding LAFCO Professional

Joyce Crosthwaite, Orange LAFCO Executive Officer

Outstanding LAFCO Clerk

Debby Chamberlin, San Bernardino LAFCO

Project of the Year

San Bernardino LAFCO and City of Fontana

Islands Annexation Program

Government Leadership Award

City of Fontana - Islands Annexation Program

Lifetime Achievement

John T. "Jack" Knox

2006

Outstanding CALAFCO Member

Everett Millais, CALAFCO Executive Officer and Executive Officer of Ventura LAFCO

Distinguished Service Award	Clark Alsop , CALAFCO Legal Counsel
Most Effective Commission Award	Alameda LAFCO
Outstanding Commissioner Award	Ted Grandsen , Ventura LAFCO Chris Tooker , Sacramento LAFCO
Outstanding LAFCO Professional Award	Larry Calemine , Los Angeles LAFCO Executive Officer
Outstanding LAFCO Clerk Award	Janice Bryson , San Diego LAFCO Marilyn Flemmer , Sacramento LAFCO
Project of the Year Award	Sacramento Municipal Utility District Sphere of Influence Amendment and Annexation; Sacramento LAFCO
Outstanding Government Leadership Award	Cities of Porterville, Tulare, and Visalia and Tulare LAFCO Island Annexation Program
Legislator of the Year Award	Senator Christine Kehoe

2005

Outstanding CALAFCO Member	Peter Herzog , CALAFCO Board, Orange LAFCO
Distinguished Service Award	Elizabeth Castro Kemper , Yolo LAFCO
Most Effective Commission Award	Ventura LAFCO
Outstanding Commissioner Award	Art Aseltine , Yuba LAFCO Henri Pellissier , Los Angeles LAFCO
Outstanding LAFCO Professional Award	Bruce Baracco , San Joaquin LAFCO
Outstanding LAFCO Clerk Award	Danielle Ball , Orange LAFCO
Project of the Year Award	San Diego LAFCO MSR of Fire Protection and Emergency Medical Services
Outstanding Government Leadership Award	Sacramento Area Council of Governments (SACOG)

2004

Outstanding CALAFCO Member	Scott Harvey , CALAFCO Executive Director
Distinguished Service Award	Julie Howard , Shasta LAFCO
Most Effective Commission Award	San Diego LAFCO
Outstanding Commissioner Award	Edith Johnsen , Monterey LAFCO
Outstanding LAFCO Professional Award	David Kindig , Santa Cruz LAFCO
Project of the Year Award	San Luis Obispo LAFCO Nipomo CSD SOI Update, MSR, and EIR

2003

Outstanding CALAFCO Member	Michael P. Ryan , CALAFCO Board Member
Distinguished Service Award	Henri F. Pellissier , Los Angeles LAFCO
Most Effective Commission Award	San Luis Obispo LAFCO
Outstanding Commissioner Award	Bob Salazar , El Dorado LAFCO
Outstanding LAFCO Professional Award	Shirley Anderson , San Diego LAFCO
Outstanding LAFCO Clerk Award	Lori Fleck , Siskiyou LAFCO
Project of the Year Award	Napa LAFCO Comprehensive Water Service Study
Special Achievement Award	James M. Roddy

2002

Outstanding CALAFCO Member	Ken Lee , CALAFCO Legislative Committee Chair
Most Effective Commission Award	San Diego LAFCO Outstanding
Commissioner Award	Ed Snively , Imperial LAFCO
Outstanding LAFCO Professional Award	Paul Hood , San Luis Obispo LAFCO
Outstanding LAFCO Clerk Award	Danielle Ball , Orange LAFCO

Project of the Year Award
Outstanding Government Leadership Award

San Luis Obispo LAFCO
Napa LAFCo, Napa County Farm Bureau, Napa Valley Vintners Association, Napa Valley Housing Authority, Napa County Agricultural Commissioner's Office, Napa County Counsel Office, and Assembly Member Patricia Wiggins

2001

Outstanding CALAFCO Member	SR Jones, CALAFCO Executive Officer
Distinguished Service Award	David Martin, Tax Area Services Section, State Board of Equalization
Outstanding Commissioner Award	H. Peter Faye, Yolo LAFCO
Outstanding LAFCO Professional Award	Ingrid Hansen, San Diego LAFCO
Project of the Year Award	Santa Barbara LAFCO
Outstanding Government Leadership Award	Alameda County Board of Supervisors, Livermore City Council, Pleasanton City Council
Legislator of the Year Award	Senator Jack O'Connell

2000

Outstanding CALAFCO Member	Ron Wootton, CALAFCO Board Chair
Distinguished Service Award	Ben Williams, Commission on Local Governance for the 21st Century
Most Effective Commission Award	Yolo LAFCO
Outstanding Commissioner	Rich Gordon, San Mateo LAFCO
Outstanding LAFCO Professional Award	Annamaria Perrella, Contra Costa LAFCO
Outstanding LAFCO Clerk Award	Susan Stahmann, El Dorado LAFCO
Project of the Year Award	San Diego LAFCO
Legislator of the Year Award	Robert Hertzberg, Assembly Member

1999

Distinguished Service Award	Marilyn Ann Flemmer-Rodgers, Sacramento LAFCO
Most Effective Commission Award	Orange LAFCO
Outstanding Executive Officer Award	Don Graff, Alameda LAFCO
Outstanding LAFCO Clerk Award	Dory Adams, Marin LAFCO
Most Creative Solution to a Multi-Jurisdictional Problem	San Diego LAFCO
Outstanding Government Leadership Award	Assembly Member John Longville
Legislator of the Year Award	Assembly Member Robert Hertzberg

1998

Outstanding CALAFCO Member	Dana Smith, Orange LAFCO
Distinguished Service Award	Marvin Panter, Fresno LAFCO
Most Effective Commission Award	San Diego LAFCO
Outstanding Executive Officer Award	George Spiliotis, Riverside LAFCO
Outstanding Staff Analysis	Joe Convery, San Diego LAFCO Joyce Crosthwaite, Orange LAFCO
Outstanding Government Leadership Award	Santa Clara County Planning Department

1997

Most Effective Commission Award	Orange LAFCO
Outstanding Executive Officer Award	George Finney, Tulare LAFCO

Outstanding Staff Analysis

Outstanding Government Leadership Award

Most Creative Solution to a Multi-Jurisdictional Problem

Legislator of the Year Award

Annamaria Perrella, Contra Costa LAFCO

South County Issues Discussion Group

Alameda LAFCO and Contra Costa LAFCO

Assembly Member Tom Torlakson





2024 ACHIEVEMENT AWARD NOMINATION

Due Date: Saturday, August 31, 2024

Achievement Award Nomination Form

NOMINEE - Person or Agency Being Nominated

Name: _____

Organization: _____

Address: _____

Phone: _____

E-mail: _____

NOMINATION CATEGORY (check one – see category criteria on attached sheet)

- ☐ Outstanding CALAFCO Volunteer
☐ Outstanding CALAFCO Associate Member
☐ Outstanding Commissioner
☐ Outstanding LAFCo Professional

Mike Gotch Excellence in Public Service (choose one category below)

- ☐ *Protection of agricultural and open space lands and prevention of sprawl*
☐ *Innovation, collaboration, outreach and effective support of the evolution and viability of local agencies, promotion of efficient and effective delivery of municipal services*
☐ Legislator of the Year (must be approved by the full CALAFCO Board)
☐ Lifetime Achievement Award

NOMINATION SUBMITTED BY:

Name: _____

Organization: _____

Address: _____

Phone: _____

E-mail: _____

EXECUTIVE SUMMARY

In no more than 250 words, summarize why this recipient is the most deserving of this award.

NOMINATION SUMMARY

Please indicate the reasons why this person or agency deserves to be recognized (this section must be no more than 1,000 words or 2 pages maximum. Attach 2nd page, if needed.)

Introduction

LAFCOs have statutory purview over cities and special districts. This legal oversight does not apply to privately-owned water systems. However, recent governance and operational issues facing a private water system known as Big Basin Water Company has tasked local agencies, including LAFCO, to explore possible solutions to ensure that the Big Basin community receives adequate water services now and in perpetuity. This led to LAFCO developing the "Big Basin Water Company Governance Options Analysis" which was not required by law, but the Commission determined that it was a form of good government.

Not Big Enough to Fail

The Big Basin Water Company ("BBWC") was formed in the 1930s. At present, BBWC provides water and sewer services to approximately 1,680 constituents. While the privately-owned company has been in existence for almost a century, several significant failures and violations made by BBWC have been discovered in the past two decades. This led to an unprecedented action by the courts to establish a receivership in order to provide better oversight to the company. The receivership was awarded to Serviam by Wright LLP and was meant to be a temporary solution to the long-standing issue of proper governance and reliable water supply and sewer service. That is why LAFCO has identified eight potential governance options that the affected agencies, court-appointed receiver, and the Big Basin residents should consider. The report outlining the various options was created by staff with direct assistance from LAFCO's water consultant. The following link provides a copy of the governance options report: <https://santacruzlafco.org/wp-content/uploads/2024/03/BBWC-Governance-Report-3-6-24-Final-Version.pdf>

Background & Recent News

LAFCO conducted a countywide water service and sphere review in 2022 which analyzed the 13 public water agencies in Santa Cruz County, including the San Lorenzo Valley Water District ("SLVWD"). One of LAFCO's recommendations in the report was for SLVWD to coordinate with LAFCO to analyze possible annexations and/or sphere amendments to include any mutual water companies or other nearby private water systems (ex. Big Basin Water Company) that were affected by the recent wildfires or can no longer provide adequate levels of service. Since the 2022 water report, there have been significant developments involving BBWC, including the establishment of a court receivership to manage the company's water and wastewater operations. A stakeholder group of local leaders have been meeting to determine possible solutions. LAFCO staff believed that the Commission would be a significant resource. This led to several key actions: (1) adoption of the governance report, (2) connection with a non-profit organization that conducts forensic analyses of failing private water systems, and (3) the transfer of sewer service from BBWC to County Service Area No. 7.

Strategic Partnership

LAFCO invited the receiver to provide a special presentation during LAFCO's February 7, 2024 Meeting and explain the status of BBWC and how LAFCO may provide assistance. Based on the discussion, the receiver and LAFCO staff agreed that the Commission's efforts to explore possible solutions may be beneficial to the community. During the meeting, LAFCO staff indicated that in addition to a governance options report, partnering with the receiver and Moonshot Missions could add further value to LAFCO's efforts. Moonshot Missions is a non-profit organization that sends expert utility advisors out into the field to assess conditions and identify, select, and develop technically and financially sound projects that transform utilities and the communities they serve. Their forensic analysis has been instrumental in determining how to improve the existing infrastructure and identify feasible solutions. The receiver had no idea of their existence and LAFCO takes pride in being able to connect these two organizations for the benefit of the Big Basin community. The best part is that Moonshot Missions' evaluation and participation is at no-cost to the receiver, the Big Basin residents, or LAFCO.

Conclusion

This has been an unprecedented situation in Santa Cruz County and many people at the local, regional, and state level were scrambling to find out how to deal with this mess. LAFCO felt that it needed to be part of the solution, and one way was to develop a resource that made it easy for everyone to see all possible options in one report. That is why we are nominating the "Big Basin Water Company Governance Options Analysis" for the Mike Gotch Excellence in Public Service Award.



Santa Cruz Local Agency Formation Commission

Date: August 7, 2024
To: LAFCO Commissioners
From: Francisco Estrada, LAFCO Analyst
Subject: **Comprehensive Quarterly Report – Fourth Quarter (FY 2023-24)**

SUMMARY OF RECOMMENDATION

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

EXECUTIVE OFFICER'S REPORT

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

Respectfully Submitted,

A handwritten signature in blue ink, appearing to read 'Francisco Estrada', is written over a horizontal line.

Francisco Estrada
LAFCO Analyst

Attachment:

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

Comprehensive Quarterly Report

FISCAL YEAR 2023-24
FOURTH QUARTER
(APRIL TO JUNE)



LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY

ACTIVE PROPOSALS

As of June 30, 2024, Santa Cruz LAFCO has one active application. Additionally, one application was recently terminated per the request of the applicant:

1. **“Lockewood Lane/Graham Hill Road Parcel Annexation” to the San Lorenzo Valley Water District (Project No. DA 24-12):** This application was initiated by landowner petition on July 3, 2024, and proposes to annex a single parcel (APN: 061-441-01) into the San Lorenzo Valley Water District. The purpose of the annexation is for the provision of water services from a nearby public agency. The subject parcel is currently located outside the District’s sphere boundary.

Latest Status: Pending. The application is currently in the preliminary stages of the annexation process. The item may be considered by the Commission in late-2024 or early-2025.

2. **Pajaro Valley Fire Protection District Reorganization” (Project No. RO 22-06):** This application was initiated by board resolution on March 2, 2022, and proposed the annexation of approximately 72 square miles into the fire district, concurrent dissolution of CSA 4, and the concurrent detachment of the annexed area from CSA 48. The purpose of the reorganization was to provide a better level of fire protection services to approximately 20,000 residents through an independent fire district rather than two separate county service areas.

Latest Status: Terminated. LAFCO received a letter from the PVFPD Board of Directors requesting official termination of their application on May 28, 2024.

MULTI-YEAR WORK PROGRAM (SERVICE REVIEWS)

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

1. **County Service Area 38 (Sheriff’s Patrol)** – The CSA was formed in 1983 and provides extended police protection, under the County Sheriff’s Department, to areas outside city limits. The CSA serves the entire county excluding the four cities.

Latest Status: Completed. The Commission adopted the service and sphere review on January 10, 2024.

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

Latest Status: Completed. The Commission adopted the service and sphere review on February 7, 2024.

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

Latest Status: Completed. The Commission adopted the service and sphere review on April 3, 2024.

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

Latest Status: Completed. The Commission adopted the service and sphere review on June 5, 2024.

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

Latest Status: Pending Approval. A service and sphere review is scheduled to be presented to the Commission on August 7, 2024.

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

Latest Status: Pending. A service and sphere review is scheduled to be presented to the Commission in October 2024.

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

Latest Status: Pending. A service and sphere review is scheduled to be presented to the Commission in November 2024.

OTHER PROJECTS

Santa Cruz LAFCO currently has three other LAFCO-related projects:

1. **Feasibility Study:** The Commission hired AP Triton in August 2022 to produce a feasibility study evaluating the sphere boundaries of each fire agency in Santa Cruz County. The purpose of the study is to determine if it is feasible for an agency to take over service responsibility in areas within its sphere boundary through annexation and how the proposed annexations may impact the current and future operations of County Service Area 48. The County also hired AP Triton to produce a countywide Fire Master Plan.

Latest Status: Pending Approval. The feasibility study is scheduled to be presented to the Commission for consideration on August 7, 2024.

2. **GIS 101 Training:** Santa Cruz LAFCO partnered with the County to conduct an online educational workshop on how utilize ArcGIS to produce maps. Over 20 LAFCO employees from 17 different LAFCOs attended the free mapping course.

3. **CALAFCO Annual Conference:** The California Association of LAFCOs will be hosting their annual conference in Yosemite, CA (October 16-18). LAFCO's Executive Officer is part of the planning committee and will be a panelist on three separate sessions (two general sessions and one breakout session). LAFCO registered two Commissioners and two staff members to attend this year's conference.

BUDGET REPORT

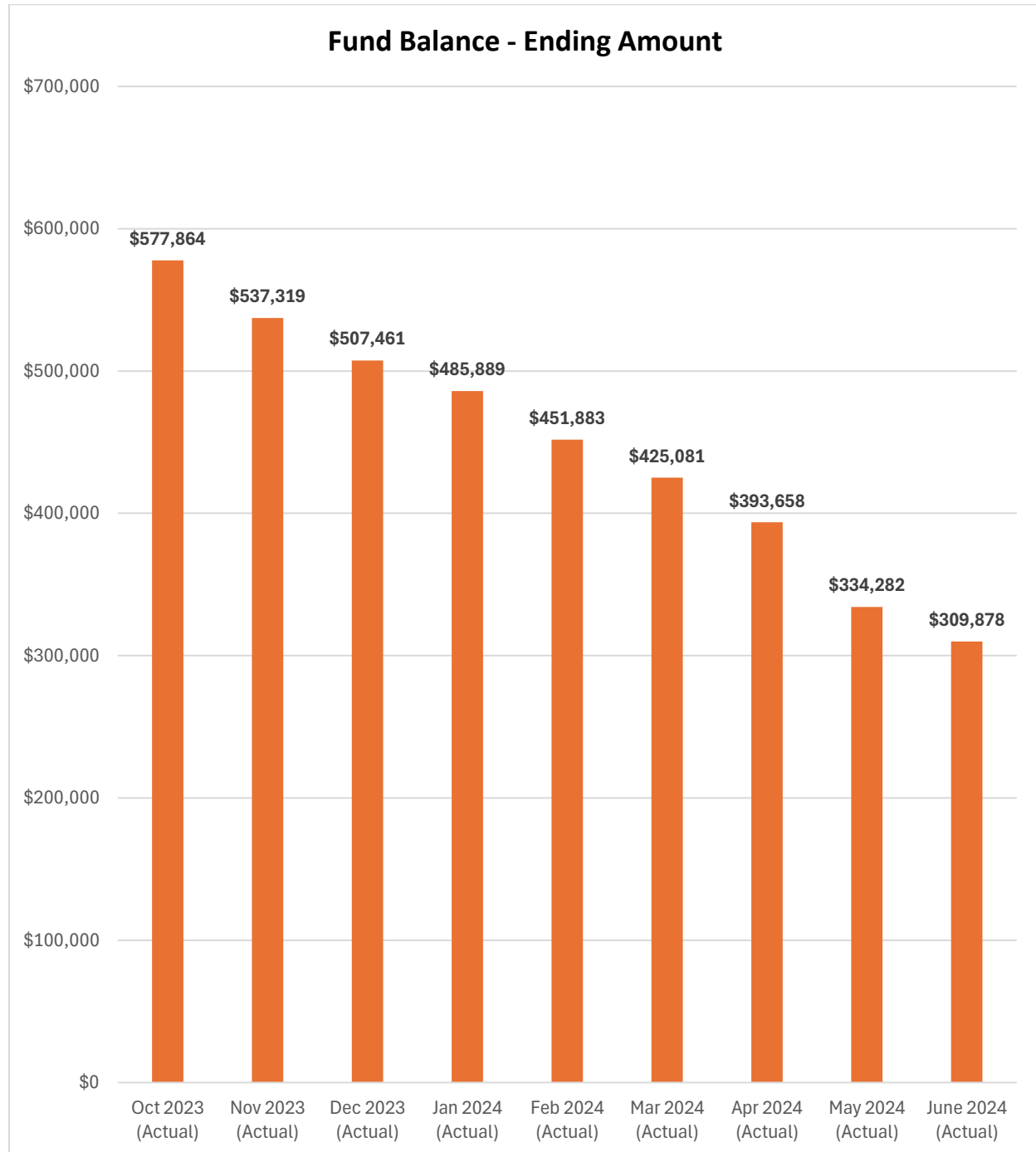
The fourth quarter of Fiscal Year 2023-24 ended on June 30, 2024. During this three-month period, the Commission received around \$4,000 in revenue. During the same period, the Commission incurred approximately \$120,000 in total expenses. In total, LAFCO collected more (105%) than the anticipated revenue and used less (73%) of estimated costs for the entire fiscal year, as shown in the table below.

	FY 23-24 (1st Qtr.)	FY 23-24 (2nd Qtr.)	FY 23-24 (3rd Qtr.)	FY 23-24 (4th Qtr.)	Available Funds	FY 23-24 Total Amt	FY 22-23 Budget	Percent (%)
Total Revenue	\$431,538	\$5,225	\$10,608	\$3,997	\$254,685	\$706,052	\$675,450	105%
Total Expense	\$176,158	\$103,316	\$92,988	\$119,200	-	\$491,662	\$675,450	73%
Difference	\$255,380	-\$98,091	-\$82,380	-\$115,203	\$254,685	\$214,390	-	-

\$309,878 was the ending balance of the Commission's reserves: \$254,685 was earmarked to balance the budget and the remaining \$55,193 was designated as unrestricted revenue. A detailed review of LAFCO's financial performance during the first quarter (July to September), second quarter (October to December), third quarter (January to March), and fourth quarter (April to June) is shown on page 5.

Fund Balance / Reserves

As of June 30, 2024, the total fund balance ended with approximately \$310,000. The following table highlights the fund balance during the entire fiscal year. LAFCO's fund balance reached its peak in the first quarter after receiving all the scheduled apportionments from the funding agencies. The ending balance of FY 23-24 will be used to balance the new budget for FY 24-25, if needed.



FY 2023-24 Budget (Financial Performance by Quarter)

FISCAL YEAR 2023-24	FY 23-24 First Qtr. (Jul - Sep)	FY 23-24 Second Qtr (Oct - Dec)	FY 23-24 Third Qtr (Jan - Mar)	FY 23-24 Fourth Qtr (Apr - Jun)	FY 23-24 Adopted Budget	FY 23-24 Actual	Difference (\$)	Budget Line Item Notes
REVENUES DESCRIPTION								
Interest	\$ 4,042	\$ 4,810	\$ 4,652	\$ 2,666	\$ 1,500	\$ 16,170	\$ 14,670	Surplus Funds
Contributions from Other Govt Agencies	\$ 419,265	\$ -	\$ 2,090	\$ -	\$ 419,265	\$ 421,355	\$ 2,090	Marin LAFCO Workshop
LAFCO Processing Fees	\$ 7,850	\$ -	\$ 3,450	\$ 950	\$ -	\$ 12,250	\$ 12,250	Application Deposits
Medical Charges-Employee	\$ 381	\$ 415	\$ 415	\$ 381	\$ -	\$ 1,592	\$ 1,592	Surplus Funds
Re-budget from Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ 254,685	\$ 254,685	\$ 247,985	Net Position Funds (if needed)
TOTAL REVENUES	\$431,538	\$ 5,225	\$ 10,608	\$ 3,997	\$675,450	\$706,052	\$ 278,587	Additional Funds in Total Revenue
EXPENDITURES DESCRIPTION								
Regular Pay	\$ 49,999	\$ 62,808	\$ 53,713	\$ 66,084	\$ 245,000	\$ 232,605	\$ 12,395	Remaining Funds
Holiday Pay	\$ 1,560	\$ 2,812	\$ 3,750	\$ 1,492	\$ 10,000	\$ 9,615	\$ 385	Remaining Funds
Social Security	\$ 4,021	\$ 4,862	\$ 4,396	\$ 5,170	\$ 18,000	\$ 18,448	\$ (448)	Overbudgeted Amount
PERS	\$ 90,728	\$ 7,151	\$ 6,275	\$ 7,423	\$ 103,000	\$ 111,578	\$ (8,578)	Overbudgeted Amount
Insurances	\$ 9,270	\$ 9,360	\$ 10,184	\$ 10,098	\$ 45,000	\$ 38,912	\$ 6,088	Remaining Funds
Unemployment	\$ -	\$ -	\$ 868	\$ -	\$ 250	\$ 868	\$ (618)	Overbudgeted Amount
Workers Comp	\$ (3)	\$ -	\$ -	\$ -	\$ 500	\$ (3)	\$ 503	Remaining Funds
Salaries Sub-total	\$155,575	\$ 86,994	\$ 79,186	\$ 90,268	\$ 421,750	\$ 412,023	\$ 9,727	Remaining Funds in Salaries & Benefits
Telecom	\$ 157	\$ 584	\$ 586	\$ 390	\$ 1,200	\$ 1,717	\$ (517)	Overbudgeted Amount
Office Equipment	\$ 77	\$ -	\$ -	\$ 160	\$ 200	\$ 236	\$ (36)	Overbudgeted Amount
Memberships	\$ 5,413	\$ 1,715	\$ 34	\$ -	\$ 7,500	\$ 7,162	\$ 338	Remaining Funds
Hardware	\$ -	\$ -	\$ -	\$ -	\$ 150	\$ -	\$ 150	Remaining Funds
Duplicating	\$ -	\$ -	\$ -	\$ 72	\$ 500	\$ 72	\$ 428	Remaining Funds
PC Software	\$ 237	\$ -	\$ -	\$ -	\$ 600	\$ 237	\$ 363	Remaining Funds
Postage	\$ 12	\$ 13	\$ 23	\$ 77	\$ 1,000	\$ 125	\$ 875	Remaining Funds
Subscriptions	\$ 1,719	\$ -	\$ 56	\$ -	\$ 1,800	\$ 1,776	\$ 24	Remaining Funds
Supplies	\$ -	\$ -	\$ 60	\$ -	\$ 800	\$ 60	\$ 740	Remaining Funds
Accounting	\$ -	\$ -	\$ -	\$ 1,112	\$ 1,500	\$ 1,112	\$ 388	Remaining Funds
Attorney	\$ 1,183	\$ 1,403	\$ 3,375	\$ 1,999	\$ 150,000	\$ 7,959	\$ 142,041	Remaining Funds
Data Process GIS	\$ 1,305	\$ 5,380	\$ 910	\$ 4,673	\$ 12,000	\$ 12,268	\$ (268)	Overbudgeted Amount
Director Fees	\$ 1,000	\$ 800	\$ -	\$ -	\$ 5,000	\$ 1,800	\$ 3,200	Remaining Funds
Prof. Services	\$ 1,991	\$ 5,594	\$ 6,487	\$ 19,183	\$ 45,000	\$ 33,254	\$ 11,746	Remaining Funds
Legal Notices	\$ 3,160	\$ 446	\$ 701	\$ 515	\$ 3,500	\$ 4,822	\$ (1,322)	Overbudgeted Amount
Rents	\$ -	\$ -	\$ 328	\$ -	\$ 9,400	\$ 328	\$ 9,072	Remaining Funds
Misc. Expenses	\$ 1,255	\$ 800	\$ 550	\$ 750	\$ 5,000	\$ 3,355	\$ 1,645	Remaining Funds
Air Fare	\$ -	\$ -	\$ -	\$ -	\$ 1,500	\$ -	\$ 1,500	Remaining Funds
Training	\$ -	\$ -	\$ -	\$ -	\$ 1,000	\$ -	\$ 1,000	Remaining Funds
Lodging	\$ -	\$ 238	\$ 167	\$ -	\$ 2,000	\$ 405	\$ 1,595	Remaining Funds
Mileage	\$ -	\$ -	\$ -	\$ -	\$ 800	\$ -	\$ 800	Remaining Funds
Travel-Other	\$ -	\$ -	\$ -	\$ -	\$ 250	\$ -	\$ 250	Remaining Funds
Registrations	\$ 3,075	\$ (650)	\$ 525	\$ -	\$ 3,000	\$ 2,950	\$ 50	Remaining Funds
Supplies Sub-total	\$ 20,583	\$ 16,322	\$ 13,802	\$ 28,932	\$253,700	\$ 79,639	\$ 174,061	Remaining Funds in Services & Supplies
TOTAL EXPENDITURES	\$176,158	\$103,316	\$ 92,988	\$119,200	\$675,450	\$491,662	\$ 183,788	Remaining Funds in Total Expenditures

RECENT & UPCOMING MEETINGS

LAFCO staff values collaboration with local agencies, the public, and other LAFCOs to explore and initiate methods to improve efficiency in the delivery of municipal services. During the fourth quarter (April – June) of 2024, staff held 40 meetings. For transparency purposes, a summary of those meetings is shown in the following table.

April Meetings			
Topic	Date	Subject Agency(ies)	Purpose
Public Member	4/2	Santa Cruz LAFCO	Staff recorded Roger Anderson's interview for the public member seat opening.
Fire Board Meeting	4/2	Pajaro Valley Fire Protection District	Staff attended PVFPD's board meeting which discussed their governance options.
Countywide Water Update	4/3	Santa Cruz Water Advisory Commission	Staff participated in the County's regular water commission meeting.
Big Basin Water Company	4/4	Local and State Leaders	Staff attended this ongoing stakeholder meeting to discuss BBWC-related issues.
Fire Update	4/4	Scotts Valley Fire Protection District	Staff met with Chief Mark Correia to discuss SVFPD-related news and updates.
Auditor Interviews	4/15	El Dorado, Fresno, Marin, Santa Barbara & Santa Cruz LAFCOs	Staff participated in the interview process to identify and select an auditor.
Big Basin Water Company	4/18	Local and State Leaders	Staff attended this ongoing stakeholder meeting to discuss BBWC-related issues.

May Meetings			
Topic	Date	Subject Agency(ies)	Purpose
LAFCO 101	5/1	CAO Office	Staff provided the CAO's office staff with an introductory presentation on LAFCO.
CSA 7 (Boulder Creek)	5/1	County	Staff met with county representatives to discuss a proposed parcel annexation.
Backfile Digitization	5/2	MBS Business Systems	Staff met with MBS representatives to discuss the digitization of LAFCO records.
Big Basin Water Company	5/2	Local and State Leaders	Staff attended this ongoing stakeholder meeting to discuss BBWC-related issues.

CALAFCO Conference	5/8	CALAFCO Planning Committee	Staff participated in the program development for the upcoming conference.
LAFCO Update	5/8	Fourth Supervisorial District	Staff met with Supervisor Hernandez to discuss LAFCO-related issues.
Countywide Water Update	5/9	Santa Cruz Regional Water Management Group	Staff attended this stakeholder meeting to discuss water-related news.
Legislative Committee	5/10	CALAFCO	Staff provided a status update regarding this year's omnibus bill.
Fire Reorganization	5/14	San Bernardino LAFCO	Staff met with SB LAFCO's Executive Officer to discuss how the County reorganized its fire agencies.
Upcoming Service Review	5/14	CSA 57 (Graham Hill)	Staff met with county representatives to discuss the upcoming service and sphere review.
Fire Board Meeting	5/14	Pajaro Valley Fire Protection District	Staff attended PVFPD's board meeting which discussed their governance options.
CAO Office Update	5/15	County	Staff met with the County's CAO to provide an update on LAFCO-related projects affecting the County.
Big Basin Water Company	5/15	Big Basin Area Residents	Staff attended a community meeting with local leaders and residents to provide on update on the BBWC.
Big Basin Water Company	5/16	Local and State Leaders	Staff attended this ongoing stakeholder meeting to discuss BBWC-related issues.
Fire Update	5/21	CalFire	Staff met with CalFire representatives to discuss ongoing fire issues in the county.
Annexation Inquiry	5/21	San Lorenzo Valley Water District	Staff met with District staff to discuss a potential parcel annexation.

June Meetings			
Topic	Date	Subject Agency(ies)	Purpose
Fire Study	6/3	AP Triton	Staff met with the consultant to receive an update on the fire study.
LAFCO 101	6/3	California Association of Regional Conservation Districts	Staff met with CARCD representatives to discuss the upcoming virtual workshop.
LAFCO Update	6/5	Third Supervisorial District	Staff met with Supervisor Cummings to discuss LAFCO-related issues.
Water Update	6/5	Soquel Creek Water District	Staff met with outgoing General Manager Ron Duncan to discuss current and future water opportunities/challenges.
Upcoming Service Review	6/5	Santa Cruz Port District	Staff met with representatives of the Port District to discuss the upcoming service and sphere review.
Fire Update	6/6	Central Fire District	Staff met with Chief Jason Nee to discuss current and future fire opportunities /challenges.
Annexation Inquiry	6/6	Landowner (Potential Applicant)	Staff met with a parcel owner to discuss the annexation process.
Website Update	6/10	CALAFCO	Staff met with CALAFCO's Executive Director to discuss updating their website.
CALAFCO Conference	6/10	CALAFCO Planning Committee	Staff participated in the program development for the upcoming conference.
LAFCO 101	6/11	California Association of Regional Conservation Districts	Staff provided CARCD representatives with an introductory presentation on LAFCO.
Legislative Committee	6/14	CALAFCO	Staff provided a status update regarding this year's omnibus bill.
Fire Update	6/14	Watsonville Fire Department	Staff met with Chief Rudy Lopez to discuss current and future fire opportunities / challenges.
Government Accounting Update	6/18	Davis Farr Certified Public Accountants	Staff attended an accounting update presentation with LAFCO's new auditor.
CALAFCO Conference	6/25	CALAFCO Planning Committee	Staff participated in the program development for the upcoming conference.
LAFCO 101	6/26	Legislative Offices	Staff provided an introductory presentation on LAFCO to staff members from the various legislative offices.
Retiring Commissioner	6/27	Yolo LAFCO	Staff attended the Yolo LAFCO Meeting to express gratitude to retiring Commissioner Olin Woods.
CSDA Webinar	6/28	California Special Districts Association	Staff met with CSDA reps to discuss an upcoming virtual workshop.



Date: August 7, 2024
To: LAFCO Commissioners
From: Joe Serrano, Executive Officer
Subject: **Davis Farr LLP – Communication & Engagement Letters**

SUMMARY OF RECOMMENDATION

In July, the Commission received written correspondence from LAFCO's new auditor (Davis Farr LLP). This agenda item is for informational purposes only and does not require any action. Therefore, it is recommended that the Commission receive and file the Executive Officer's report.

EXECUTIVE OFFICER'S REPORT:

LAFCO received two letters from Davis Farr LLP outlining the entire auditing process. Both letters are shown under **Attachment 1**. Based on these letters, the auditor has indicated it will begin the fiscal examination in September and is scheduled to finalize the financial statements for FY 2023-24 in October. The first ever audit will then be presented to the Commission in late-2024 (November) or early-2025 (January).

Respectfully Submitted,

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

Joe A. Serrano
Executive Officer

Attachments:

1. Communication & Engagement Letters



Davis Farr LLP
18201 Von Karman Avenue | Suite 1100 | Irvine, CA 92612
Main: 949.474.2020 | Fax: 949.263.5520

July 24, 2024

Commission of the
Local Agency Formation Commission
Of Santa Cruz County
Santa Cruz, California

This letter is provided in connection with our engagement to audit the financial statements of the Local Agency Formation Commission of Santa Cruz County (the "LAFCO") as of and for the year ending June 30, 2024. Professional standards require that we communicate with you certain items including our responsibilities with regard to the financial statement audit and the planned scope and timing of our audit, including significant risks we have identified.

Our Responsibilities

As stated in our engagement letter dated July 24, 2024, we are responsible for conducting our audit in accordance with auditing standards generally accepted in the United States of America and in accordance with Government Auditing Standards for the purpose of forming and expressing an opinion about whether the financial statements that have been prepared by management, with your oversight, are prepared, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit does not relieve you or management of your respective responsibilities.

Our responsibility relating to other information, whether financial or nonfinancial information (other than financial statements and the auditor's report thereon), included in LAFCO's Annual Report includes only the information identified in our report. We require that we receive the final version of the Annual Report in a timely manner prior to the date of the auditor's report, or if that is not possible, as soon as practicable and, in any case, prior to LAFCO's issuance of such information.

Planned Scope of the Audit

Our audit will include examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. Our audit is designed to provide reasonable, but not absolute, assurance about whether the financial statements as a whole are free of material misstatement, whether due to error, fraudulent financial reporting, misappropriation of assets, or violations of laws or governmental regulations. Because of this concept of reasonable assurance and because we will not examine all transactions, there is a risk that material misstatements may exist and not be detected by us.

Our audit will include obtaining an understanding of the LAFCO and its environment, including its internal control, sufficient to assess the risks of material misstatement of the financial statements and as a basis for designing the nature, timing, and extent of further audit procedures, but not for the purpose of expressing an opinion on the effectiveness of the LAFCO's internal control over financial reporting.

However, we will communicate to you at the conclusion of our audit any material weaknesses or significant deficiencies identified. We will also communicate to you:

- Any violation of laws or regulations that come to our attention;
- Our views relating to qualitative aspects of the LAFCO's significant accounting practices, including accounting policies, accounting estimates, and financial statement disclosures;
- Significant difficulties, if any, encountered during the audit;
- Disagreements with management, if any, encountered during the audit;
- Significant unusual transactions, if any;
- The potential effects of uncorrected misstatements on future-period financial statements; and
- Other significant matters that are relevant to your responsibilities in overseeing the financial reporting process.

Timing of Audit

We plan to begin the audit examination of the LAFCO in September 2024. We plan to have the audit complete and finalize the financial statements in October 2024 and at the completion of the audit present results.

Audit Risk Areas

In addition to our standard audit approach, we have identified significant audit risk areas for the LAFCO and plan to modify our audit approach as follows:

- Initial audit – the LAFCO has not previously been audited and as such, we will perform testing over opening balances.
- Implementation of new accounting standards – there are new accounting standards related to leases and information technology agreements. We will evaluate the applicability to LAFCO and ensure the financial statements and disclosures accurately reflect the accounting, if applicable.

Fraud Inquiries

Additionally, as a part of our audit, we inquire with those whose duties include oversight of the financial reporting process (review and acceptance of audit reports, etc.) to ascertain whether or not anyone on the Finance/Administrative Commission (the "Commission") has knowledge of matters that might have a bearing on the auditor's risk assessment for the LAFCO's annual audit.

Example of these matters are:

- Known or suspected instances of employee fraud
- Areas in which the internal controls of the LAFCO are thought by the Commission to be weak
- Known or suspected misstatements in the accounting records of the LAFCO
- Known or suspected use of improper accounting practices by the LAFCO

- Any awareness of pressure upon the LAFCO or LAFCO management with respect to achieving certain financial results
- Matters that warrant particular attention during the audit
- Information about unusual transactions or other matters relevant to the audit

Generally, the scope of the audit is limited to matters involving amounts that would be significant to the financial statements of the LAFCO taken as a whole. If additional time is required to respond to the concerns of the Commission, we will estimate for the LAFCO the costs involved.

If any member of the Commission has information relevant to our audit (matters involving amounts that would be significant to the financial statements of the LAFCO taken as a whole), please contact the undersigned at 760.298.5872 or sayala@davisfarr.com.

This information is intended solely for the information and use of management of the LAFCO and the Commission and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,



Shannon Ayala, CPA
Partner

July 24, 2024

**Local Agency Formation Commission of
Santa Cruz County
701 Ocean Street, Room 318-D
Santa Cruz, CA 95060**

We are pleased to confirm the arrangements of our engagement and the nature of the services we will provide **Local Agency Formation Commission of Santa Cruz County** (the "LAFCO").

You have requested that we audit the financial statements of the LAFCO, as of June 30, 2024, and for the year then ended and the related notes, which collectively comprise the LAFCO's basic financial statements as listed in the table of contents.

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America (GAAS) and, if applicable, in accordance with Government Auditing Standards, and/or any state or regulatory audit requirements will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Accounting principles generally accepted in the United States of America, (U.S. GAAP,) as promulgated by the Governmental Accounting Standards Board (GASB) require that certain required supplementary information ("RSI") such as management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the required supplementary information (RSI) in accordance with auditing standards generally accepted in the United States of America, (U.S. GAAS). These limited procedures will consist primarily of inquiries of management regarding their methods of measurement and presentation and comparing the information for consistency with management's responses to our inquiries. We will not express an opinion or provide any form of assurance on the RSI. The following RSI is required by U.S. GAAP. This RSI will be subjected to certain limited procedures but will not be audited:

1. Management's Discussion and Analysis
2. Schedule of Changes in the Net OPEB liability and Related Ratios
3. Schedule of Contributions – OPEB
4. Schedule of Changes in the Proportionate Share of the Net Pension Liability and Related Ratios
5. Schedule of Plan Contributions - Pension

Auditor Responsibilities

We will conduct our audit in accordance with GAAS and in accordance with Government Auditing Standards. As part of an audit in accordance with GAAS and in accordance with Government Auditing Standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the LAFCO's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude, based on the audit evidence obtained, whether there are conditions or events considered in the aggregate, that raise substantial doubt about the LAFCO's ability to continue as a going concern for a reasonable period of time.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements may not be detected exists, even though the audit is properly planned and performed in accordance with GAAS and in accordance with Government Auditing Standards.

Our responsibility as auditors is limited to the period covered by our audit and does not extend to any other periods.

Compliance with Laws and Regulations

As previously discussed, as part of obtaining reasonable assurance about whether the basic financial statements are free of material misstatement, we will perform tests of the LAFCO's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance, and we will not express such an opinion.

Management Responsibilities

Our audit will be conducted on the basis that management acknowledge and understand that they have responsibility:

- a. For the preparation and fair presentation of the basic financial statements in accordance with accounting principles generally accepted in the United States of America;

- b. For the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of basic financial statements that are free from material misstatement, whether due to error, fraudulent financial reporting, misappropriation of assets, or violations of laws, governmental regulations, grant agreements, or contractual agreements; and
- c. To provide us with:
 - i. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the basic financial statements such as records, documentation, and other matters;
 - ii. Additional information that we may request from management for the purpose of the audit;
 - iii. Unrestricted access to persons within the LAFCO from whom we determine it necessary to obtain audit evidence.
 - iv. A written acknowledgement of all the documents that management expects to issue that will be included in the annual report and the planned timing and method of issuance of that annual report; and
 - v. A final version of the annual report (including all the documents that, together, comprise the annual report) in a timely manner prior to the date of the auditor's report.
- d. For including the auditor's report in any document containing basic financial statements that indicates that such basic financial statements have been audited by us;
- e. For identifying and ensuring that the LAFCO complies with the laws and regulations applicable to its activities;
- f. For adjusting the basic financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the current year period(s) under audit are immaterial, both individually and in the aggregate, to the basic financial statements as a whole; and
- g. For acceptance of nonattest services, including identifying the proper party to oversee nonattest work;
- h. For maintaining adequate records, selecting and applying accounting principles, and safeguarding assets;
- i. For informing us of any known or suspected fraud affecting the LAFCO involving management, employees with significant role in internal control and others where fraud could have a material effect on the financials; and
- j. For the accuracy and completeness of all information provided.

As part of our audit process, we will request from management, written confirmation concerning representations made to us in connection with the audit.

Nonattest Services

With respect to any nonattest services, we perform as follows:

At the end of the year, we agree to perform the following:

- Propose adjusting or correcting journal entries (if applicable) to be reviewed and approved by the LAFCO's management.
- Prepare the financial statements in accordance with applicable standards.

We will not assume management responsibilities on behalf of the LAFCO. However, we will provide advice and recommendations to assist management of the LAFCO in performing its responsibilities.

The LAFCO's management is responsible for (a) making all management decisions and performing all management functions; (b) assigning a competent individual to oversee the services; (c) evaluating the adequacy of the services performed; (d) evaluating and accepting responsibility for the results of the services performed; and (e) establishing and maintaining internal controls, including monitoring ongoing activities.

Our responsibilities and limitations of the nonattest services are as follows:

- We will perform the services in accordance with applicable professional standards
- The nonattest services are limited to the services previously outlined. Our firm, in its sole professional judgment, reserves the right to refuse to do any procedure or take any action that could be construed as making management decisions or assuming management responsibilities, including determining account coding and approving journal entries.

Reporting

We will issue a written report upon completion of our audit of the LAFCO's basic financial statements. Our report will be addressed to the Board of Directors of the LAFCO. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph(s) to our auditor's report, or if necessary, withdraw from the engagement. If our opinions on the basic financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

In accordance with the requirements of Government Auditing Standards, we will also issue a written report describing the scope of our testing over internal control over financial reporting and over compliance with laws, regulations, and provisions of grants and contracts, including the results of that testing. However, providing an opinion on internal control and compliance will not be an objective of the audit and, therefore, no such opinion will be expressed.

Engagement Fees

We estimate that our fixed fees for the services previously outlined will be \$13,750.

Additionally, our fees are dependent on the availability, quality, and completeness of the LAFCO's records and, where applicable, upon the LAFCO's personnel providing the level of assistance identified in the "prepared by client" request list distributed at the end of our planning work (e.g., LAFCO employees preparing confirmations and schedules we request, locating documents selected by us for testing, etc.).

Should our assumptions with respect to these matters be incorrect, or should the condition of the records, degree of cooperation, or other matters beyond our reasonable control require additional commitments by us beyond those upon which our estimated fees are based, we may adjust our fees and planned completion dates.

If significant additional time is necessary, we will discuss it with management and arrive at a new fee estimate as soon as reasonably practicable.

Other Engagement Matters

During the course of the engagement, we may communicate with you or your personnel via fax or e-mail, and you should be aware that communication in those mediums contains a risk of misdirected or intercepted communications.

Enclosed, as required by *Government Auditing Standards*, is a copy of the report on the most recent peer review of our firm.

Government Auditing Standards require that we document an assessment of the skills, knowledge, and experience of management, should we participate in any form of preparation of the basic financial statements and related schedules or disclosures as these actions are deemed a non-audit service.

Shannon Ayala is the engagement partner responsible for supervising the engagement and signing the report.

During the course of the audit, we may observe opportunities for economy in, or improved controls over, your operations. We will bring such matters to the attention of the appropriate level of management, either orally or in writing.

You agree to inform us of facts that may affect the basic financial statements of which you may become aware during the period from the date of the auditor's report to the date the financial statements are issued.

We agree to retain our audit documentation or work papers for a period of at least seven years from the date of our report.

At the conclusion of our audit engagement, we will communicate to the Board of Directors the following significant findings from the audit:

- Our view about the qualitative aspects of the LAFCO's significant accounting practices;
- Significant difficulties, if any, encountered during the audit;
- Uncorrected misstatements, other than those we believe are trivial, if any;
- Disagreements with management, if any;
- Other findings or issues, if any, arising from the audit that are, in our professional judgment, significant and relevant to those charged with governance regarding their oversight of the financial reporting process;
- Material, corrected misstatements that were brought to the attention of management as a result of our audit procedures;
- Representations we requested from management;
- Management's consultations with other accountants, if any; and
- Significant issues, if any, arising from the audit that were discussed, or the subject of correspondence, with management.

The audit documentation for this engagement is the property of Davis Farr LLP and constitutes confidential information. However, we may be requested to make certain audit documentation available to regulatory agencies pursuant to authority given to it by law or regulation, or to peer reviewers. If requested, access to such audit documentation will be provided under the supervision of Davis Farr LLP's personnel. Furthermore, upon request, we may provide copies of selected audit documentation to regulatory agencies.

The regulatory agencies may intend, or decide, to distribute copies of information contained therein to others, including other governmental agencies.

Please sign and return the attached copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our audit of the basic financial statements including our respective responsibilities.

We appreciate the opportunity to provide these services and believe this letter accurately summarizes the significant terms of our engagement.

Very truly yours,



Shannon Ayala, CPA
Partner
Davis Farr LLP

The services and arrangements described in this letter are in accordance with our understanding and are acceptable to us.

Santa Cruz LAFCO



By _____
Joe Serrano, Executive Director

Date 7-25-24

Date contract was approved by the Board: June 5, 2024



Date: August 7, 2024
To: LAFCO Commissioners
From: Francisco Estrada, LAFCO Analyst
Subject: **Press Articles during the Months of June and July**

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: "The Once-Quiet Agency is Less Quietly Building An Empire in San Diego": The article, dated June 17, describes efforts by LAFCO Executive Officer Keene Simonds to hold public agencies, like the Port of San Diego, accountable for ineffective governance in San Diego County. The Port has stated it rejects the assertion that it is subject to LAFCO's oversight, but the Commission has stated it aims to form a mutual understanding on how different public agencies can work together better. Mr. Simonds also emphasized the role of LAFCOs as "...a place where any member of the public could come and seek a change."

Article #2: "Nerd is the word: Nerdville Comic Con Returns to Watsonville": The article, dated June 17, discusses efforts by a local nonprofit to host a pop culture convention, the Fourth Annual Nerdville Comic Con. The community event is meant to bring the comic con experience to the City of Watsonville and celebrate the uniqueness of the Pajaro Valley. LAFCO Analyst, Francisco Estrada, is the lead organizer along with a volunteer group of diverse community leaders.

Article #3: "Watsonville Community Hospital governing board to vote on issuing \$60 million in bonds": The article, dated June 19, informs the public that the governing board of the Watsonville Community Hospital will determine use of initial bond funds at their next regular meeting. The funding was secured after passage of Measure N in March 2024. The board has indicated that it will prioritize the purchase of the hospital building and land, as well as making funding available for capital improvement projects.

Article #4: "SLO County enters contract to take control of Oceano fire services": The article, dated June 20, details the San Luis Obispo (SLO) Board of Supervisors decision to enter into a contract with the Five Cities Fire Authority to assume control of fire protection services from the Oceano Community Services District. Although SLO LAFCO must still approve the process, the purpose of the contract is to ensure residents living in unincorporated areas continue to receive the same level of fire protection services from a nearby public agency.

Article #5: “The College Lake Water Supply Project is essential for the water security of all who call the Pajaro Valley home”: The article, dated June 20, provides an update on the construction of the College Lake Water Supply Pipeline and explains the benefits it will bring to the Pajaro Valley. The purpose of the six-mile water pipeline is to service over 6,000 acres of farmland most affected by seawater intrusion. The project will improve water quality in the valley by supplying 700 million gallons of fresh water annually to growers along the coast.

Article #6: “Like many small tax districts, Felton Fire faces its future – and could have to outsource to CalFire”: The article, dated June 21, informs the public that the board of the Felton Fire Protection District (FFPD) is considering establishing a shared-services agreement with CalFire. The proposed action is the result of continued budget constraints and staffing shortages that have made daily operations difficult for the district. A local ballot measure, with the goal of maintaining a paid staff while reducing their reliance on contracts with outside agencies, will also be considered by the board.

Article #7: “Supreme Court Removes Taxpayer Protection Act from the November Ballot”: The article, dated June 26, explains the recent decision from the California Supreme Court to remove the Taxpayer Protection and Government Accountability Act from the upcoming statewide ballot. The governor and state legislature had petitioned the court to withhold the measure from the ballot arguing that the measure would revise the state constitution, which an initiative cannot do, and impair the legislature’s ability to exercise an essential governmental power.

Article #8: “Should East LA be its own city?”: The article, dated June 28, describes efforts by residents and representatives of East LA to support Assembly Bill 2986 (AB 2986), which would direct LA LAFCO to create a task force to explore changes in governance or even potential incorporation. East LA is one of the most populated single unincorporated areas with 119,000 residents. The LA County Board of Supervisors, LA LAFCO, and labor unions are in opposition to AB 2986 since they conclude that East LA does not generate enough revenue to provide residents with essential services.

Article #9: “Santa Cruz County Grand Jury Raises Red Flag on Road Conditions”: The article, dated July 3, discusses a report published by the Civil Grand Jury detailing the state of road conditions in the unincorporated areas of Santa Cruz County. Specifically, the report focuses on the effectiveness of the Public Works Department within organizations that overlook county road care and highlighted that deferred maintenance costs on roads and culvert systems have now reached \$800 million. The report suggests the Board of Supervisors invest additional funding in Public Works to mitigate additional and climbing future costs.

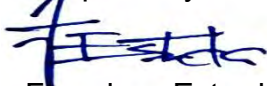
Article #10: “Felton Fire Protection District Reaches Agreement With Zayante Fire, As Negotiations With CalFire Continue”: The article, dated July 3, describes the decision by the board of the Felton Fire Protection District’s (FFPD) to establish a “reciprocal service agreement” with neighboring Zayante Fire Protection District (ZFPD). The agreement will allow the districts to compensate each other for when one is required to respond to the other’s calls. The purpose of the agreement is to provide additional coverage to the residents of FFPD as it moves toward a shared services agreement with CalFire.

Article #11: “Future of Rodeo-Hercules Fire District’s independence remains unclear”: The article, dated July 8, explores the potential annexation of the Rodeo-Hercules Fire District (RHFD) by the Contra Costa County Fire Protection District due to the uncertain long-term financial health of the district. The article describes the process to determine the future of the RHFD and explains why some residents are against the proposed action. The purpose of the annexation would be to ensure residents continue to receive adequate fire protection services from a nearby public entity.

Article #12: “UC Merced to be annexed into city limits. What that means for students, residents”: The article, dated July 19, explains Merced County LAFCO’s decision to annex UC Merced, a two-mile strip of roadways, and 90,000 residents into the city limits. The decision is a reflection of the dedication from LAFCO and the City of Merced to promote efficient urban planning and delivering top-notch services to all residents. The decision means that students will now be allowed to vote in municipal elections if they list the campus as their residence. This action may also help the courts in their efforts to clarify LAFCO’s role in determining water service provisions between the City of Santa Cruz and UCSC regarding their legal dispute involving the University’s long range planning efforts.

Article #13: “Santa Cruz County has fared well so far this fire season, but officials aren’t letting their guard down”: The article, dated July 22, informs that public that although fire season has started fairly quietly compared to other areas in the state, personnel and fire departments in Santa Cruz County are taking proactive steps to mitigate fire hazards. In the article, fire officials caution the public that it is a matter of time before drying grass and vegetation become fire hazards, but also stress that preparation and developing a plan to respond to an emergency can help prevent the loss of property and life.

Respectfully Submitted,



Francisco Estrada
LAFCO Analyst

Attachments:

1. “The Once-Quiet Agency is Less Quietly Building An Empire in San Diego.”
2. “Nerd is the word: Nerdville Comic Con Returns to Watsonville.”
3. “Watsonville Community Hospital governing board to vote on issuing \$60 million...”
4. “SLO County enters contract to take control of Oceano fire services.”
5. “The College Lake Water Supply Project is essential for the water security...”
6. “Like many small tax districts, Felton Fire faces its future - and could have to ...”
7. “Supreme Court Removes Taxpayer Protection Act from the November Ballot.”
8. “Should East LA be its own city?”
9. “Santa Cruz County Grand Jury Raises Red Flag on Road Conditions.”
10. “Felton Fire Protection District Reaches Agreement With Zayante Fire...”
11. “Future of Rodeo-Hercules Fire District’s independence remains unclear.”
12. “UC Merced to be annexed into city limits. What that means for students, residents.”
13. “Santa Cruz County has fared well so far this fire season, but officials...”

voiceofsandiego.org

This Once-Quiet Agency is Less Quietly Building An Empire in San Diego

MacKenzie Elmer

7–9 minutes

A once low-profile political organization the California legislature set up to rein in sprawling suburbs and settle border disputes is picking new fights in San Diego.

Its critics accuse the Local Agency Formation Commission, or LAFCO, of empire building. Its champions say LAFCO is a welcome new referee in long-standing conflicts with unbudging bullies.

Typically, LAFCOs settle disputes that are brought to them. For instance, water districts that want to leave San Diego boundaries for cheaper water elsewhere go to LAFCO to do so. Or, if the neighborhood of La Jolla wanted to cede from San Diego (they do) and become its own city, La Jolla needs LAFCO's blessing.

LAFCOs operate as agents of the California Legislature. They can do what the legislature itself can do: bring new cities and special districts into (or out of) existence, and control how, when and where public services go. They periodically assess how cities and special districts operate and recommend how to make them more efficient. That's typically led to small changes for years. Rarely, though, did San Diego's LAFCO seek to wage their own war. That's changed.

Now San Diego's LAFCO is beginning to assert dominance over local political powerhouses it's never challenged before, like the San Diego Association of Governments. And now, the Port of San Diego which manages, as the port describes it, a \$9.2 billion maritime industry.

The ambitious vision for the agency nobody ever heard of appears to be coming from one man: Keene Simonds, San Diego LAFCO's leader and executive officer. And Simonds wants to clean up houses that aren't in order.

“LAFCO has a tremendous amount of power,” Simonds said. “If LAFCO concluded an agency was no longer operating appropriately, orderly or accountable, we could initiate our own proposal to dissolve or break up that agency.”

The Port of San Diego’s had a lot of negative press lately.

In June, a grand jury determined that the port [rules San Diego’s bayfront relatively unchecked](#). By July, the port had [placed its CEO on administrative](#) leave for unknown reasons, as Axios reported, swiftly [followed by the censuring and ultimate removal](#) of its appointed leader representing National City, Sandy Naranjo in October.

National City Councilman Marcus Bush, a Naranjo supporter, started calling for LAFCO to investigate the port. That city, one of the five that has a bayfront in the port’s jurisdiction, has for years been sparring with the port. Bush is frustrated with what he characterized as the port’s dependence on National City police and fire to respond to the shipyards operating on port-leased land.

National City should be fairly compensated for this, Bush says.



Marcus Bush

“It’s all about National City getting its fair share,” Bush said, whose resume includes work on a LAFCO in Imperial County before his time in National City.

By that time, the eye of LAFCO had already fixed itself on the port. And in March, LAFCO’s governing commission voted unanimously to declare the port subject to LAFCO’s oversight, which means it would be subject to internal investigations, and perhaps structural

changes, from LAFCO.

Thanks, but no thanks, the port said.

Randa Coniglio, the port's acting CEO, showed up at that meeting's public comment asking, why now? The port already answers to the State Lands Commission, which disputed LAFCO's authority in a series of letters. (That's another government agency that manages 4 million acres of state tide and submerged lands, what the port then manages locally for the San Diego region.)

"(This) will put the port in the precarious position of having to serve two masters," Coniglio said.

The LAFCO commission was unconvinced.

Stephen Whitburn, LAFCO's chair and a San Diego City Council member, responded saying the city of San Diego must answer to all kinds of regulators – both local and state. So why can't the port have more than one master? He called LAFCO's action a "valuable and supportive role" to the duties of the port.

Republican Jim Desmond, the former LAFCO chair and a San Diego County supervisor, was a bit more blunt.

"This is not a witch hunt. We're not after you to throw you behind bars," Desmond said. "This is a mutual understanding on how we can work together better."

Regardless, it's clear the port is taking this seriously.

Each side has hired outside lawyers. Board members are no longer speaking publicly on the matter, except to distance the port from the issue.

"This is not between LAFCO and the port of San Diego. This is between LAFCO and the State Lands Commission," said Frank Urtasun, the port board's chair representing the city of Coronado.

The port is also staring down opposition in the state Legislature. San Diego Assemblymember David Alvarez, a Democrat, [proposed a bill called the Port of San Diego Reform and Accountability Act](#) to establish an ethics board and change how the port spends its budget. Recently, LAFCO and the port have agreed not to sue each other until September, a quickly withering olive branch for two sides that seem hellbent on standing their ground.

Earlier this month I sat down with Simonds at San Diego LAFCO's headquarters in Fifth Avenue's Manchester Financial building.

Simonds answered the door in horn-rimmed glasses and a lavender sweater. The San Franciscan's quips are tinged with '90s alt-rock and film references whose self-described kindred spirit is Liam Gallagher, the lead singer of Oasis.

I asked him why San Diego LAFCO seemed to be sticking its fingers in a lot more pies of late.

"This idea that there's some kind of hostile takeover is completely misplaced," Simonds said. "LAFCO is a place where any member of the public could come and seek a change."

The port, for example, was on Simonds radar since he joined San Diego LAFCO in 2017. But it wasn't until the grand jury report, a LAFCO commissioner inquiring whether it fell under their purview, and a National City Councilman requesting their help that he directed his staff to look into it.

Simonds said his beef isn't with the port. It's with the State Lands Commission who "broke the bro code" by sending a letter telling LAFCO to stand down without much prior communication.

"The State Lands Commission staff doesn't seem to understand their own statutes let alone LAFCO," Simonds said.

Looking at the State Lands Commission letter from March 1, it appears the feeling is mutual.

"San Diego LAFCO has never before, in nearly 60 years since LAFCOs were empowered to oversee special districts, exercised jurisdiction over the port," [wrote its executive officer Jennifer Lucchesi](#).

In other words, the state said, stand down, San Diego LAFCO.

It's clear, at this point, that LAFCO will not.

Simonds also revealed his staff will be looking into the San Diego Association of Governments, which among many roles, builds highways and decides how to expand public transportation. They've hired Bill Fulton, a preeminent urban planner in San Diego.

"LAFCO is the granddaddy of growth management for the state of California," Simonds said.

Correction: The original version of this story misspelled Simond's surname.

LATEST HEADLINES

SUBSCRIBER ONLY

Nerd is the word: Nerdville Comic Con returns to Watsonville



(Left to right) Former Watsonville Mayor Francisco “Paco” Estrada, Paulina Medrano and Andrea Estrada dress as anime characters strike a pose in the Watsonville City Council Chambers to promote Nerdville at a 2023 council meeting. This year’s Nerdville is Sunday and promises a variety of vendors, special guests and the return of the cosplay contest. (File photo — Allison Garcia)



WATSONVILLE — Even in the internet era where people can chat with likeminded fans from throughout the world on everything from movie casting updates to the latest episode of their favorite shows, pop culture conventions remain as popular as ever.

Fans of anime, video games, science fiction franchises, comic books and all things pop culture continue to have in-person places to mingle with other fans, dress up, buy items for collections and maybe hear from the creators of their favorite works. This goes just as much for big conventions as Comic-Con in San Diego as it does for the many smaller cons that bring that same experience to communities all over. For the fourth year in a row, Nerdville will be doing just that at Watsonville High School Sunday.

Once again, the event will be presented by Friends of Watsonville Parks and Community Services in conjunction with Pajaro Valley Unified School District. Ana Hurtado, Friends of Watsonville Parks board vice president, said the idea was first recommended by board member Paco Estrada as a fundraiser for the nonprofit and community at large.

"We're constantly coming up with ideas to fundraise but also fund different programs that we can support the city with," she said. "A lot of us had never been to a comic con before, some of us had only heard of them and never attended one, and others had been super into the comic con scene, attending various conventions, not just the local ones but traveling and even selling as vendors."

Hurtado said it would be beneficial to bring this to Watsonville, which had previously never hosted a pop culture convention.

"We definitely thought it was something that we could get on board that would be multigenerational that would attract youth but also adults and folks of various backgrounds who just have a common interest, whether it be arts, a fandom, collectibles," she said.





Thus, the first Nerdville was held at the Gene Hoularis and Waldo Rodriguez Youth Center, which drew a crowd of more than 1,000 fans. For the second year, it ended up moving to the cafeteria at Watsonville High School and then to the gym at the same campus for the third year where it will be returning this year as well.

This year will feature collectible and food vendors, workshops on drawing and collecting, a card tournament hosted by Game Vault, a 360 photo booth by Central Cal Photo Booth, exclusive Nerdville gear sold by Monterey Bay Murals and a panel of six voice actors.

Hurtado said Friends of Watsonville Parks puts out a community survey every year asking what people would like to see more of at Nerdville, and results from the first few years suggested a greater emphasis on anime. This resulted in Japanese animation being the primary theme of last year's event.

"After last year, we thought 'OK, maybe folks will want something different, but our survey came back pretty similar," she said. "The people want more anime, so we brought a lot more anime voice actors."



This year's guests include Greg Chun, who has provided voice work for "Jojo's Bizarre Adventure," "Demon Slayer," "Neon Genesis Evangelion" and Seong Gi-hun in the English dub of "Squid Game;" Elizabeth Maxwell, who has had voice roles in anime such as "Attack on Titan" and "Dragon Ball Super" as well as video game franchises such as "The Legend of Zelda" and "Street Fighter;" Jason Liebrecht, whose credits include "Dragon Ball Z," "My Hero Academia" and "One Piece;" Erik Kimerer, whose credits include "Toradora," "Demon Slayer" and "Mobile Suit Gundam: Iron-Blooded Orphans;" Courtney Lin, who voiced Squid Ink Cookie in the game "Cookie Run: Kingdom" and Draculaura in the Nickelodeon series "Monster High;" and Antonio Viña who played Kassa in the "Star Wars" series "Andor." All six will be hosting a meet and greet with opportunities for autographs and photos.

Also returning this year is the cosplay contest after a one-year hiatus.

"I think a lot of people are excited about it," said Hurtado.

People can participate in the cosplay contest by applying online and dressing in their most creative costumes. Entries will be judged by a panel of community members and awards will be given for the best adult cosplay, best group cosplay and best kid cosplay. Winners will be announced closer to the event. Participants may apply at [Nerdville831.org/cosplay-contest](https://nerdville831.org/cosplay-contest).

Hurtado said the goal is to bring the convention experience to Watsonville and make it affordable for everyone. It is free for Pajaro Valley Unified students and \$5 for students who attend schools outside of Pajaro Valley Unified.

"We're in a migrant farmworker community," she said. "A lot of times, parents can't take their kids or the youth out to bigger cities to attend an event like this, and maybe they can't afford it. For that reason, we've made this event free for Pajaro Valley Unified School District students as long as they present an ID."

Hurtado also hopes parents can join their kids and that Nerdville will continue to inspire creativity in its attendees.

"Anybody can be a nerd," she said. "It's not just whatever image you have in your mind. It can be very fun to express your fandom or your artistic inclinations and lean into it. I really hope that everybody can just have a great time and be very proud that we have something like this in our city."



Nerdville is 10 a.m. to 5 p.m. Sunday in the Watsonville High gym, 250 E. Beach St. Tickets are \$20 for general admission, \$5 for non-Pajaro Valley Unified students and free for Pajaro Valley Unified students and kids under 5. For more information, go to Nerdville831.org/.

Around the Web

REVCONTENT

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America Morning Supply

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Beverly Hills MD



Watsonville Community Hospital governing board to vote on issuing \$60 million in bonds



Watsonville Community Hospital on Feb. 21, 2024. Credit: Kevin Painchaud / Lookout Santa Cruz

Quick Take

Watsonville Community Hospital's governing board will vote next week on whether to authorize issuing up to \$60 million in bonds. After the March passage of the \$116 million Measure N, first priority could be purchasing the hospital building and the land it sits on.



UPDATE

What you need to know now

Following the successful passing of Watsonville Community Hospital's \$116 million bond measure in the [March election](#), hospital leaders have been moving forward with complicated, behind-the-scenes work.

Tony Nuñez, chair of the Pajaro Valley Health Care District's [governing board](#), said the next step in that process is a public hearing and the board's vote June 26 on a resolution authorizing the board to issue up to \$60 million in bonds – the first batch of the total it plans to use.

“It’s another step in a never-ending hurdle race,” said Nuñez. “You want to slow down a little bit, but you realize you’re still running the race. You need to be running at 100% in order to keep going and clear the other hurdle.”

Nuñez said he thinks the first use of funds should go toward the purchase of the hospital building and the land it sits on, which would cost about \$40 million.

The health care district holds the first right of refusal to buy the hospital building and land from its current owner, Alabama-based investment firm Medical Properties Trust. The deadline for that option ends Dec. 31, 2025, so the district needs to have its [financing](#) completed for purchase before then.

Nuñez said the board decided on the \$60 million amount for this first batch with the idea of the purchase of the building and land in mind.

“[The \$60 million amount] was to complete the purchase of the hospital property, but then also to have some initial capital for us to do some of the [renovation] projects,” he said.

Nuñez said it’s too soon and there are too many factors to know when the money will be available to the hospital if the resolution is passed next Wednesday, so it wants to move expeditiously. In addition to the property purchase, the district aims to get started on funding its list of infrastructure improvements.

Hospital leaders plan to use the rest of bond funding for a variety of projects including purchasing a new CT scanner, doubling the size of its emergency department, renovating heating, ventilating and air conditioning systems and the roof, as outlined to voters in [March](#).

The bond measure’s approval comes as the hospital has taken significant steps toward recovery after its previous owners declared bankruptcy in December 2021. Following a community-led campaign and support from legislators like state Sen. John Laird, the Pajaro Valley Health Care District was created and it [purchased the hospital out of bankruptcy](#) in August 2022.

In December, hospital [CEO Stephen Gray told Lookout](#) the hospital had managed to reduce losses in 2023 by about 70 to 80% from 2022’s estimated \$30 million in losses. Despite the significant reduction, the hospital is still pushing to generate enough revenue to cover its high costs due to low reimbursement rates from government insurers and low revenue from privately insured patients.

Hospital leaders say with the bond funding, they can continue to get the hospital out of financial trouble. By purchasing the building and land the hospital sits on, the hospital would no longer spend \$3 million annually in lease payments, and could reinvest that money into the hospital’s operations and staff. By making the infrastructure improvements, like purchasing a new CT scanner and doubling the emergency-department size, the hospital could provide a higher quality of care to patients and bring in more revenue.

The June 26 public hearing starts at 5:15 p.m. in the Kathleen King Community Room, located at 85 Nielson St. in Watsonville. District officials say community members are welcome at the meeting to discuss their views about the issuance of the bonds and how the funds should be used, or they can submit written comments before the meeting. Written comments can be mailed to: Clerk of the Board, Pajaro Valley Health Care District, 75 Nielson St., Watsonville 95076.

Have something to say? Lookout welcomes letters to the editor, within our policies, from readers. Guidelines [here](#).

newtimesslo.com

SLO County enters contract to take control of Oceano fire services

Samantha Herrera

~4 minutes

After years of uncertainty surrounding the future of fire services in Oceano, the SLO County Board of Supervisors voted to enter a contract with the Five Cities Fire Authority to assume control of fire protection services for the unincorporated area.



File Photo By Jayson Mellom

POSITIVE OUTCOME There's widespread community support for the county to assume control of Oceano fire services, according to Oceano Community Services District President Charles Varni.

Starting on Jan. 1, 2025—if the county's Local Agency Formation Commission (LAFCO) approves it—the county and the Five Cities Fire Authority will provide Oceano fire protection and emergency services through Grover Beach and Arroyo Grande fire stations.

A minimum of two personnel per engine and response times of seven to 11 minutes will come from the Arroyo Grande Fire Station and seven to nine minutes from Grover Beach to ensure that Oceano residents receive the same level of service they currently receive, according to a staff report for the June 18 county Board of Supervisors meeting.

Funding the contract will cost the Oceano Community Services District, as it will have to transfer property tax revenue, impact fees, rent revenue, and additional general fund revenue to the county beginning Jan. 1, 2025.

"OCSD property tax revenue will be approximately \$1.3 million," [the staff report states](#). "Additionally, the Public Facility Fire Fees that are collected by the OCSD will be transferred to the county."

This all comes from LAFCO's plan for service, which also includes a one-time transfer of \$2.5 million in assets and liabilities from OCSD to the county and two lease space agreements between the parties.

OCSD board President Charles Varni told *New Times* that this will be a positive outcome for Oceano and it will receive the same level of service.

"The process still needs to be approved by LAFCO, and that process takes time and it has certain milestones and sharing intervals, so we're still not completely finished with the process, but at this point we're all in agreement," he said. "I believe there's widespread community support for this in Oceano, so I don't anticipate any major issues or problems coming up."

Moving fire service to the county comes after Oceano's voters shot down the idea of paying a flat parcel tax in 2020 and again in 2022, which would have cost \$180 per parcel owner annually to help maintain rapid response times from the Five Cities Fire Authority, according to previous [New Times reporting](#). Because of that, the OCSD opted to pull out of the joint powers agreement it had with Arroyo Grande and Grover Beach for fire services.

During the June 18 Board of Supervisors meeting, new OCSD General Manager Peter Brown told the supervisors he's looking forward to working with the county to keep providing fire services.

"There's been a lot of conversations and a lot of effort to work together and collaborate," 3rd District Supervisor Dawn Ortiz-Legg said in response to Brown. "This is not exactly what we would hope, but we're glad that we've come to an agreement to make sure that protection happens for the rest of the county, so thank you."

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8A: ATTACHMENT 5



OPINION FROM COMMUNITY VOICES

The College Lake Water Supply Project is essential for the water security of all who call the Pajaro Valley home

BY AMY NEWELL

June 20, 2024



Amy Newell at the opening of the College Lake Project last spring. Credit: Pajaro Valley Water

Quick Take

A \$68 million Pajaro Valley Water project will help protect our groundwater supply from the threat of seawater intrusion, preserve bird habitat and protect the endangered South-Central California Coast steelhead. It's been causing some neighborhood disruption, writes PV Water board chair Amy Newell, but she insists it will be worth it.

Have something to say? Lookout welcomes letters to the editor, within our policies, from readers.

Guidelines [here](#).

On an overcast day last spring, I stood with my fellow Pajaro Valley Water Management Agency (PV Water) board members, staff, elected leaders and state water officials to mark the groundbreaking of the College Lake Water Supply Project in a muddy field north of Watsonville. Today I can report that we are almost done constructing the 6-mile water pipeline, the most disruptive aspect of this once-in-a-generation water supply project.

I wanted to pause and thank all of you for your patience and explain its significance.

The College Lake Water Supply Project will significantly increase our ability to combat seawater intrusion while also supporting the Pajaro Valley's job-creating agricultural sector, helping it to remain strong to help feed the people of this region and beyond.

How will all this happen?

Following winter rains, PV Water will store water in College Lake while ensuring that ample in-stream flows continue beyond the new facilities to preserve bird habitat and protect endangered steelhead. PV water operators will disinfect diverted water at a water treatment plant along Holohan Road and then pump it to PV Water's existing coastal distribution system, which serves over 6,000 acres of farmland most affected or most threatened by seawater intrusion. The area is primarily from Moss Landing north to La Selva Beach and east to Highway 1. Using this coastal distribution system, PV Water sells water to farmers to use for irrigation of crops, allowing them to reduce pumping from the critically overdrafted aquifer of the Pajaro Valley.

The project will improve water quality in the valley by supplying approximately 700 million gallons of fresh water annually (2,200 acre-feet) to growers along the coast, to supplement our already existing recycled water and recovered water from Harkins Slough.

PV Water's partners at research institutions like the [United States Geological Survey](#) and [Stanford University](#) have demonstrated that our existing water supply facilities have slowed seawater's migration in

the areas where we have been delivering water the longest. This research has validated the hard work of PV Water. By prioritizing raising groundwater levels along the coast, we aim to stop both further migration of seawater intrusion and stop groundwater overdraft to protect all who use water in our lovely valley.



almost done constructing the 6-mile water pipeline, The College Lake Project is a once-in-a-generation water supply project. It's causing neighborhood delays, but is worth it, says Amy Newell. Credit: Pajaro Valley Water

We [know our approach to halting further seawater intrusion works](#) based on the analysis of our hydrologic modeling work in our 2022 [groundwater sustainability update](#). We also know that PV Water supplemental water supplies approximately 50% of the irrigation demand in our coastal distribution system. Farmers have requested more and this is needed to offset additional groundwater pumping. New water supplies, like the water that will be produced by the College Lake project, are essential to avoid pumping salty groundwater for irrigation and threatening the viability of our coastal farmland.

The College Lake Water Supply Project will help us prepare for a water future that could be challenging due to climate change. PV Water is working to overcome the hurdles ahead to make the Pajaro Valley a sustainable place to live, work and grow the crops we depend upon.

The College Lake project has caused short-term inconveniences. Who hasn't been stuck in the queue on Riverside Drive this spring? I know I have.

But we are so close to being done with the traffic-snarling roadwork and, long term, there will be long-lasting environmental, social and economic benefits to our community as a result of the College Lake project.

I support this [project](#) as a positive step toward creating a healthier, more sustainable future for our community and our planet.

Amy Newell is chair of the board of directors of PV Water. A 1965 graduate of Watsonville High School, she earned a bachelor's degree from Stanford University and a master's degree from the London School of Economics. Amy served for many years as a labor union organizer and negotiator, including six years as director of the Monterey Bay Central Labor Council. She got to know PV Water by serving for 18 months on the Committee to Update the Basin Management Plan in 2011-12. In 2013 she became a director representing Division C (downtown Watsonville) and was first elected chair in December 2018.

Like many small tax districts, Felton Fire faces its future — and could have to outsource to Cal Fire



The Felton Fire Protection District firehouse. Credit: Kevin Painchaud / Lookout Santa Cruz

Quick Take

Budget constraints and staffing shortages have made daily operations difficult for the Felton Fire Protection District. With just two full-time captains and two full-time firefighters, the district is mulling a shared-services agreement with state agency Cal Fire as it also considers a ballot measure to raise money that would allow the district to function as its own entity once more.

The Felton Fire Protection District faces a shortage of those able to answer its calls.

“We’re dealing with a real shortage of responders right now, and we are actually missing calls,” Captain Ian Jones told the district’s board Wednesday evening.

“There is so much anxiety about leaving shifts uncovered, and the day crews are having a hard time leaving when nobody is here to cover the night shift,” added EMS Captain Samantha Moeller.

Given financial hardships and staffing shortages, the Felton district’s board is facing a difficult decision on how to stay afloat. Its current plan calls for a shared-service agreement — a contract that consolidates or combines services between jurisdictions — with Cal Fire while it works to draft a money-raising local ballot measure. That measure — which [the district’s board of directors](#) chair, Jim Anderson, said is likely a year out — would probably be a local bond measure or parcel tax. The long-term intention: to support the Felton Fire Protection District’s own paid staffing, without further outside assistance.

While this issue affects only the residents of the Felton area, the pressure on smaller taxing districts of several kinds is increasing, due to tightening budgets.

“Consolidation” is a word rearing its head across the county.

Last July, residents throughout the 9-square-mile fire protection district around Branciforte Drive and Granite Creek Road [voted overwhelmingly against a levy](#) that would have raised an additional \$1 million per year to double the staff at the Branciforte Fire Protection District and keep its only station open. The district then combined with the [Scotts Valley Fire District](#) last August.

School districts have faced tight budgets, too. Specifically, [Live Oak School District’s budget crisis](#) has raised the question of whether some of the local school districts should be merged in order to save money — an idea with both [supporters and detractors](#).

The Felton Fire District now supports just two full-time fire captains, Jones and Audrey Dawson, and two full-time firefighters, all of whom are paid hourly and work 10-hour day shifts. An agreement with Cal Fire could see the state agency take in those four workers, but if not, Anderson told Lookout they could “potentially” be let go.

“They could still be volunteers and paid per call, but they would go to that [salary] from hourly pay,” he said.

Felton Fire Protection District is historically a volunteer district, meaning it is largely staffed by trained volunteers, who work with the professional staff. Volunteers are paid per call, and would typically pick up the overnight shifts, but given the slim pickings, finding nighttime coverage is challenging and not always guaranteed.



Cal Fire’s regional headquarters just up the road from the Felton Fire Protection District firehouse. Credit: Kevin Painchaud / Lookout Santa Cruz

When coverage is inadequate, the district mostly relies on mutual aid requests to other nearby fire districts. That means other mountain departments, like the Zayante Fire Protection District, will respond to calls that Felton cannot reach itself.

At [this week’s board meeting](#), Jones shared concerns about moving forward with a Cal Fire agreement, saying that shifting to Cal Fire’s dispatch could further alienate the small district from the area.

“I think it’s worth spending the extra money to stay in the system, with the rest of the county, than further put up a wall,” he said, suggesting that the board consider additional pay for the paid staff to cover some of the empty shifts, because the district will still be severely short-staffed between now and the time it reaches an agreement with Cal Fire. Moeller added that the small number of paid fire staff who usually work during the day have more availability now, allowing them to cover the overnight shift if needed.

Anderson noted at Wednesday’s meeting that the district would need to make sure the current paid workers could legally take on the extra hours. He told Lookout on Thursday that the district cannot add more paid staff with its current budget.

Other members of the board think tough times call for tough decisions.

“We could dissolve the district, which the board doesn’t want to do,” said board member Norm Crandell. “[Cal Fire] is the only one left that we can go with to keep the station running so that we can get funding and move forward. We don’t have much choice.”

And Anderson said that the team had been pushing for shared services for some time now. The district had hoped to reach an agreement with the Ben Lomond Fire Protection District, but that fell through.

“We wanted to explore all of our options to make the best decision,” he said.

Wednesday night’s Felton Fire Protection District special meeting saw its board of directors grapple with multiple thorny issues affecting the fire district including staffing, financial woes and a potential violation of the Brown Act, California’s open-meetings law.

Anderson said some members of the public sent a “cure and correct” letter challenging the board’s appointment of two interim board members. He said the district is working with its legal counsel to figure out how to proceed with refilling the vacant seats on the board. Anderson said, although there is no hard deadline for permanently filling those seats, “the sooner, the better.”

The Felton Fire District board of directors’ next meeting is scheduled for July 1 at 6 p.m., when the board could come to a decision regarding a potential shared-services agreement.

Have something to say? Lookout welcomes letters to the editor, within our policies, from readers. Guidelines [here](#).

COLANTUONO
HIGHSMITH
WHATLEY, PC

June 26, 2024

BULLETIN

Update on Public Law

Supreme Court Removes Taxpayer Protection Act from the November Ballot

By Michael G. Colantuono, Esq

On June 20, the California Supreme Court took the rare step of removing a measure from the statewide ballot. The California Business Roundtable's "Taxpayer Protection and Government Accountability Act" — the "TPA," but named the "Taxpayer Deception Act" by its detractors in local government and elsewhere — would have imposed many new restrictions on State revenues and essentially all local revenues from taxes to library fines to water rates. It would have required two-thirds-voter approval for all special taxes, whether proposed by local legislators or initiative petition, reversing six recent court decisions allowing such taxes by majority vote.

The California Business Roundtable removed essentially the same measure from the 2018 ballot in exchange for a multi-year ban on local soda taxes and may have intended to trade this measure for a ban on vehicle-miles-travelled taxes — taxes on peripheral real estate development to fund transportation infrastructure briefly considered by the San Diego Association of Governments. Rather than bargain, the Legislature sued.

The Legislature, Governor Newsom, and former Senate President Pro Tem John Burton petitioned the California Supreme Court for a writ of mandate ordering Secretary of State Shirley Weber to withhold the measure from the ballot. Such petitions are very rarely granted, as it is the role of the California Supreme Court to decide important legal issues on appeal and not as the first

court to hear them. However, the petitioners, with support from several local government associations as amici curiae ("friends of the court"), persuaded the Court to issue an order to show cause. The order invited briefing in December and January and the Court heard argument on May 8th. As expected, the Court acted by the Secretary of State's June 27th deadline to certify measures for the November ballot.

Legislature v. Weber raised two issues. First, petitioners argued the measure would revise the state Constitution — which an initiative cannot do — rather than amend it. Second, they argued the measure would impair essential governmental powers — to impose taxes, delegate fee-making procedures to the Executive branch, and for that branch to fully administer the finances of government programs.

Justice Goodwin Liu's decision for a unanimous Supreme Court ordered Secretary of State Weber not to place the initiative on the Fall ballot because it is an improper revision. A revision can only be proposed by the Legislature or a constitutional convention. The Court concluded the initiative is a revision because it makes fundamental changes to the distribution of authority under our Constitution:

- It would strip the Legislature of the power to tax, requiring voter approval of any tax increase, even if affecting only one taxpayer;

- It would strip the Legislature of the power to delegate fiscal functions to the Executive Branch, requiring every minor fee increase (like that to replace a driver's license) to come to the floor of the Legislature;
- It would strip local governments of the power to delegate fiscal functions to agency staff and greatly expand voter approval authority over local revenues.

The Court did not conclude that any one of these changes would be a revision beyond the reach of the initiative power, only that the combination certainly is.

The case is significant not only because it removes a very problematic proposal from the Fall ballot but also because it represents a very rare action by the California Supreme Court to review an initiative proposal before the election. It is also only the fourth decision to invalidate an initiative constitutional amendment as a revision and the first since a 1999 decision striking a proposal to delegate to the courts the task of redistricting the Legislature.

This is a huge win for the State's leaders, for local government, and for all who value government services. The Court cited the local government amicus brief we filed for the League of California Cities, the California State Association of Counties, the California Special Districts Association, and other local government associations, referencing its arguments repeatedly. The Court quoted our brief:

Local government amici curiae argue that the TPA thus "revises the structure of local government, fundamentally changing the responsibilities of local legislators and administrators, and stripping charter counties of their power to establish administrative structures and charter cities of their 'plenary authority' (Cal. Const., art. XI, § 5) to determine the roles and responsibilities of their officials." Further, they argue

that the TPA's restrictions on the ability of state and local governments to raise revenue without voter approval or to enact fees not subject to referendum "transform[s] the constitutional relationship of state and local governments, making the latter dependent on the State for fiscal survival but stripping the State of the ability to provide necessary funding."

In three other places it cites our brief to note the range of impacts the initiative would have had on local governments.

Now the fight turns to two other constitutional amendments the Legislature placed on the Fall ballot. ACA 13 (Ward, D-San Diego) would require any initiative constitutional amendment that imposes a super-majority voting requirement to be approved by that same super-majority. Although the TPA will no longer be part of this debate, the broader question of allowing a simple majority to impose super-majority approval requirements remains.

ACA 1 (Aguilar-Curry, D-Woodland) would allow voters to approve local government bonds for housing and infrastructure (broadly defined) with 55 percent approval, rather the two-thirds that has been required since 1978's Proposition 13. This is modeled on a 2000 measure which lowered the voting threshold for school bonds. As we go to press, ACA 10 and AB 2813 are pending the Senate Local Government Committee to make adjustments to that measure to win the neutrality of the California Realtors Association.

The business interests which spent millions qualifying the TPA for the ballot have stated they will campaign against these measures.

Policy debates about how to fund government services continue, of course. But June 20, 2024 was a good day for local government and its advocates.

Colantuono, Highsmith & Whatley is a law firm with five offices around California that represents public agencies throughout the state. Its municipal law practice includes public revenues, land use, housing, CEQA, LAFCO matters, public safety liability defense, and associated appeals and trial court litigation. We are committed to providing advice that is helpful, understandable, and fairly priced.

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Should East LA be its own city?

Ashley Orona

11–14 minutes

East Los Angeles, the site of major civil rights movements like the Chicano Moratorium and the 1968 walkouts, is central to Mexican-American culture in Los Angeles County.

But to many people's surprise, East LA is not part of the City of Los Angeles despite its proximity to other notable LA City neighborhoods with large Latino populations, like Boyle Heights and Lincoln Heights.

East LA is an [unincorporated community](#) in LA County, governed by the [Los Angeles County Board of Supervisors](#). East LA residents receive [municipal services](#) like garbage collection, police, and public works directly from LA County Departments.

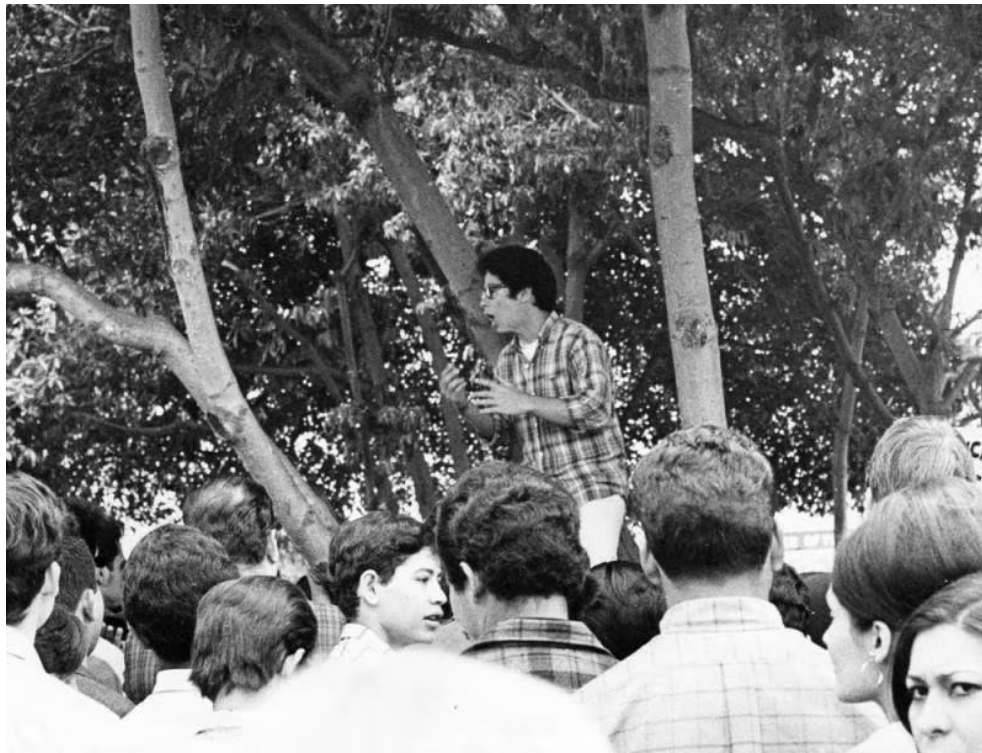
That could change one day. In April, State Assemblywoman Wendy Carrillo sponsored [AB 2986](#), which if it passes, will look into the feasibility of East LA becoming its own city or a "[special district](#)." Advocates of the bill are currently waiting to see if State Senator María Elena Durazo, chair of the [local government committee](#), chooses to schedule a hearing for the bill, with a deadline on July 3.

"If this bill actually propelled the [county] supervisor to do the very study that the community has been asking her for the past five years, that's a good thing," said Carrillo.

The result might one day lead to there being an 89th incorporated municipality in Los Angeles County: East Los Angeles.

What's the history of East LA?





John Ortiz, Mexican-American student leader at James A. Garfield High School, addressing assembled students during a walkout.

Photo dated: March 7, 1968. (Image via [LAPL photo archive](#))

In a span of a week in March 1968, over 15,000 students walked out of seven different high schools protesting concerns over curriculum, bilingual education, and the lack of hiring Mexican-American administrators. During this time, teachers prohibited students from speaking Spanish in class, Latino students experienced a 60% high school dropout rate and were discouraged from attending college. The [Walkouts](#) signaled a fight for civil rights and access to education for Latino youth across Los Angeles. The event is still considered one of the largest student protests in United States history, [according to the US Library of Congress](#).

A couple years later in August, 29, 1970, more than 20,000 people marched through East LA for the newly established coalition: the National Chicano Moratorium Against the Vietnam War, aka the [Chicano Moratorium](#). Demonstrators protested the disproportionate number of Mexican-American troops drafted and killed during the Vietnam War. Although the demonstration was initially peaceful, the protests erupted in violence when the Los Angeles County Sheriff's Department (LASD) arrived, injuring many.



A burning Sheriff's car during the August, 1970 Chicano Moratorium. (Image via [LAPL photo archive](#))

Three people died, including Rubén Salazar, who had recently become the news director of Spanish language television station KMEX after working for years as a journalist for the [Los Angeles Times](#). Salazar died after he was shot in the head with a tear gas canister by an LASD deputy.

Though East LA has a deep connection to these civil rights movements, and is one of the most populated single unincorporated [areas with 119,000 residents](#), residents have no direct local government. They depend on navigating a [byzantine county government to self-advocate for laws and services](#).

Challenges of living in unincorporated LA County

The [LA County Board of Supervisors](#) is not only the governing body in LA County, but each supervisor serves as a de facto mayor for all of the unincorporated areas in their district. Each district is unusually large with about two million residents. They include dozens of incorporated cities, distinctive neighborhoods in the City of LA, and unincorporated areas. The scale of the districts make it a challenge for unincorporated residents, like those in East LA, to reach their county elected officials to voice their concerns.

“A lot of my neighbors don’t even know that they live in an unincorporated community,” said Genesis Coronado, East LA resident for over 20 years. “So how do they know where to go for services? How do they know who to call and reach out to for services?”

Coronado worked as a poll worker in past elections. While doing this work, she noticed some of her neighbors, who also live in unincorporated East LA, went to the polls and tried to vote for mayor of Los Angeles thinking they lived in the City of LA.

It’s challenging to know where jurisdictional lines are drawn. There are not always clear physical boundaries or signage indicating where unincorporated areas begin and end, some communities can be as big as a few blocks and others, like East LA, are larger than other cities in Los Angeles County. This gets more confusing when residents’ [US Postal Service mailing addresses](#) reflect the city adjacent to them, rather than their own unincorporated community name.

“There isn’t a lot of education [from the county],” said Coronado.

Coronado and other community leaders have taken it into their own hands to inform residents about what it means to live in unincorporated LA County. The group, also known as Voice of East LA, has led workshops discussing the need for more transparency regarding their tax revenue and their dissatisfaction with the Board of Supervisors making “unilateral” decisions without much input from the community.

“We don’t have a local voice,” said Eddie Torres, interim executive director for the East LA Chamber of Commerce and resident for 66 years.

Torres told LA Public Press that for the past three years he has consistently tried to schedule a meeting with Supervisor Hilda Solis, who represents the [First Supervisorial District](#), which includes East LA. He said that the times he came close to speaking to Solis, her staff either canceled, rescheduled, or forgot about the meeting.

Proponents of AB 2986 say that the bill will give them transparency

over how much revenue is generated in East LA, and how the Board of Supervisors prioritizes spending in the same area on services and programs in East LA. As of now, the county does not report the revenues from each unincorporated area, according to an official from the LA County Chief Executive Office. The county only tracks the cost of programming and services for the more than 100 unincorporated communities collectively.

Is incorporation the way?

If enacted, AB 2986 would direct the [Local Agency Formation Commission](#) (LAFCO) of LA County, a public agency that dictates local government boundaries, to create the East LA task force. The 11-member task force would meet quarterly and discuss the potential impacts of incorporating or becoming a [special district](#), which is a limited local government that provides focused public services. They would look at whether East LA makes enough revenue to cover the costs, how the change could affect community identity, and ultimately submit a report with recommendations to the state legislature.

The bill states that East LA “lacks the municipal governance structure.” Becoming a city or special district will allow East LA residents to have a more local elected governing body, and be better able to “address local needs, improve public services, and enhance community development and engagement.”

Even without this bill, there is a process already in place for areas to incorporate. If unincorporated residents are interested in cityhood, they can circulate a petition in their community. If 25% of the registered voters in the area sign on, they can formally apply to LAFCO for consideration. LAFCO then prepares a comprehensive fiscal analysis to determine if becoming a city is economically viable. If found viable, LAFCO recommends cityhood and an election is conducted within the boundaries of the proposed city.

However, this bill skips this process and makes demands from the state, which displeases both LAFCO and the Board of Supervisors.

The [LA Board of Supervisors](#), LAFCO, and several labor unions have openly opposed AB 2986. Supervisor Solis in particular has been very publicly opposed to the bill. The supervisor has an entire [page](#) on her website titled “A Bad Deal for East Los Angeles” dedicated to express her opposition that website visitors are prompted to visit from her primary website’s [homepage](#). On this page lives an active [petition](#) encouraging people to submit letters to the California legislature against AB 2986.

The county says it will cost an estimated \$5.1 million to comply with AB 2986, [according to a letter from Fesia Davenport](#), who is the LA County Chief Executive Officer, responsible for the day-to-day operations of the county. The costs include \$2 million for hiring consultants and disbursements made to relevant county departments.

Solis and Paul Novak, LAFCO executive director, said incorporation isn’t viable for East LA. Cities tend to generate revenue from property and commercial taxes but East LA is bounded by three major freeways, two big cemeteries, and single-family housing, which, they argue, doesn’t generate enough revenue to provide residents with essential services. If East LA becomes a city, Solis’s office argues residents might face steeper taxes and reduced services.

“It would be unrealistic to say that if [East LA] were to incorporate or even create a special district, that there’s going to be sufficient money to help cover these costs,” said Solis.

East LA has attempted to become its own city six times in the past 100 years, according to the [LA Times](#).

The last time locals tried to incorporate East LA was in 2012. [LAFCO conducted an economic analysis](#) but found that it would have an initial shortfall of \$19 million in general funds in its first year. The study attributes the shortfall to a change in state law that eliminated [Vehicle License Fee](#) (VLF) revenues from cities.

“We don’t think an outcome would be any different than what happened in 2012,” said Novak, LAFCO’s director.

But advocates say AB 2986 is not just about incorporation. The bill would involve a comprehensive study that includes “robust community engagement” and evaluates multiple options for what future governance in East Los Angeles could look like.

“This data is important to have to help us better advocate for ourselves,” said Coronado.

What’s next?

Since the bill was introduced, Solis has responded by sponsoring two separate motions at the county level.

The first [motion](#) directs county departments to report back in 120 days on county costs on two past incorporation studies, impacts of this bill on other county resources, and analysis on the viability of East becoming a city or special district. The motion also directs county staff to look into the possibility of forming a municipal advisory council, or a local town council, that could “represent comprehensive interests of the entire East LA community.”

In May, Solis and Supervisor Kathryn Barger ([Fifth District](#)) sponsored another [motion](#), which would provide an annual report on services and investments made in unincorporated communities with populations over 10,000.

[AB 2986 passed](#) the state assembly floor last month with 62 votes in favor, 0 against, and 18 abstaining. The bill now has to be heard in the state senate local government committee before it goes to the state senate floor for a vote. However, Durazo has yet to schedule a hearing for the bill. If a hearing is not scheduled by [July 3rd](#), the bill will die.

But even if this bill is not approved, East LA residents are hoping to push for better representation and transparency in their community.

“This is a long term organizing movement for us,” said Coronado.

goodtimes.sc

Santa Cruz County Grand Jury Raises Red Flag on Road Conditions

By Bianca Sieraski

5–6 minutes

The deteriorating state of road conditions in Santa Cruz County’s unincorporated areas is cited as being one of the “five most significant problems facing the County,” according to a Grand Jury [Road Report](#) published on June 5.

According to the report, more than 63% of local roads have been categorized as being in poor, very poor or failed condition since November 2019, when the last Pavement Management Program Update was conducted. Local resident complaints are frequently reported to road maintenance agencies along with the Santa Cruz County Department of Public Works and Santa Cruz County Board of Supervisors.

The report focuses on analyzing the effectiveness of Public Works within organizations that overlook county road care, such as the Local Agency Formation Commission (LAFCO), which conducts periodic reviews of road conditions. Throughout the investigation, aspects of the road network—such as the maintenance and repair sector, procedures and programs, and budgeting and funding mechanisms—were also analyzed for their efficacy in serving the community.

The biggest threat to the county’s roads, according to the report, is how the cost of the unfunded backlog of deferred maintenance on roads and culvert systems continues to climb, now reaching

approximately \$801 million.

Because the lack of reliable financial resources allocated by the General Fund alone does not cover the necessary costs for road and culvert maintenance, the issue of reliance on outside sourcing of funds from Special District 9D, Measure D, Measure K and the Road Maintenance and Rehabilitation Act is also detailed.

[secure document shredding](#)



ROAD WORRIERS The report suggests that the Board of Supervisors increase funding to the Department of Public Works. PHOTO: Santa Cruz County Grand Jury PHOTO: Santa Cruz County Grand Jury.

According to the report, “Additional funding sources are helpful but wholly inadequate to address the current and projected deferred road and culvert maintenance.” All of these sources, with the exception of Special District 9D, fail to be reliable because the revenue made from them is unrestricted, meaning it is not guaranteed to go anywhere specific.

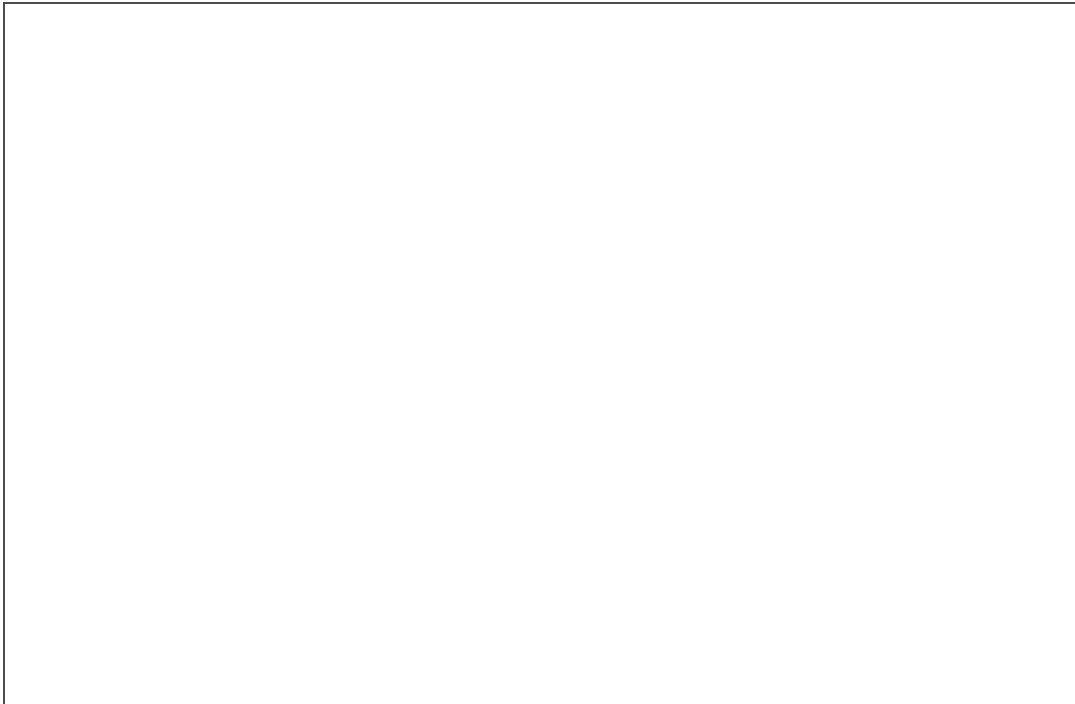
The Grand Jury concluded the report with 11 findings and eight “recommendations” with an end of the year deadline. These recommendations, carefully worded as suggestions, do not demand

anything other than a required response within 90 days.

The first recommendation was for Public Works to complete a report that shows the prioritization of culvert and drainage maintenance to prevent more costly future repairs.

Another recommendation is that Public Works supply LAFCO with detailed reports of the expenditures within Special District 9D—made up of unincorporated areas outside of Watsonville, Santa Cruz, Capitola and Scotts Valley—so the commission can issue a new review.

The Grand Jury also suggested that the Board of Supervisors increase funding to Public Works to allow the annual improvement of at least one local road segment in poor-failing condition. The report further recommended that the Board increase funding, add a consumer price index increase to Special District 9D and continue prioritizing a 10% minimum of Measure K funds to repair failing roads.



PATCHWORK A crew from Granite Construction at work in Watsonville—just the kind of repairs needed on many roads in unincorporated areas. PHOTO: Tarmo Hannula

The Grand Jury ended by recommending that Public Works “formalize its policy of abandoning pavement restoration on very poor and failed Local roads into a publicly available document in order to inform affected property owners and prospective buyers.”

The recommendation suggests that Public Works make one of two choices: formalize its practices for public view or change the way the department operates. Currently, pavement preservation is prioritized over pavement restoration, meaning streets that are at or above fair condition are maintained more frequently than failing roads are restored, because the cost to do minor repairs is significantly less than a full-on road restoration. Projects that are postponed are labeled as “deferred maintenance.”

In response to the deferred maintenance costs that have reached into the hundreds of millions, the Grand Jury wrote, “The more that is done sooner to maintain our roads, the less we will have to pay later.”

Access to the detailed report is available on the [Santa Cruz Grand Jury website](#) under “Our Reports.”

[lacaveanico.fr](https://www.lacaveanico.fr)

Felton Fire Protection District Reaches Agreement With Zayante Fire, As Negotiations With CalFire Continue

Lina Portman

3–4 minutes



Quick summary:

As the Felton Fire Protection District continues to move toward a shared services agreement with Cal Fire, it has established a more direct line of communication with the Zayante Fire Protection

District to notify them when Felton knows it can't respond to calls.

The Felton Fire Protection District continues to look for ways to stay afloat amid financial turmoil and staff shortages, and its board has set up a more direct line of communication with the Zayante Fire Protection District to request coverage if needed. At the board's meeting Monday night, it approved that arrangement with Zayante.

The Zayante station is just two miles from Felton, and the two protection districts have a "reciprocal service agreement," meaning the two districts will compensate each other when one is required to respond to the other's calls. Importantly, the district plans to set up a new direct line of communication with Zayante to alert the district when Felton knows it can't respond to calls due to staffing shortages. Board member Norm Crandell likened the agreement to a "bat phone."

Felton will also pay Zayante the same rate his volunteers receive per call, which is between \$12 and \$20 per call, depending on position and rank, and vice versa if Zayante needs Felton to cover calls.

"It just heightens their awareness, so if they need to do any pre-planning, they have time to do it," said board chairman Jim Anderson.

The purpose of the agreement is to provide additional coverage to the Felton Fire Protection District as it moves toward a shared services agreement with Cal Fire — a contract that consolidates or combines services across jurisdictions. In recent years, the Felton Fire District has struggled to carry out its day-to-day operations, largely due to difficulties finding volunteers. However, Anderson

said there has been no movement on that front — but the district is ready when the time comes.

“As soon as they are ready, we will sign their agreement,” he said.

The district, which consists solely of the town of Felton, has historically been a volunteer district. That means it is primarily staffed by trained volunteers who work alongside professional staff. It currently has only two full-time fire captains and two full-time firefighters. Volunteers are paid on demand and typically take over night shifts. However, the district has struggled to find volunteers from the small pool it has been able to choose from, putting nighttime coverage at risk.

In addition to entering into a shared services agreement, the district is currently drafting a local ballot measure to raise money, perhaps a bond measure or property tax, to support the Felton Fire Protection District’s paid staff without additional outside help. However, a ballot measure likely won’t pass for another year.

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

Future of Rodeo-Hercules Fire District's independence remains unclear

Sierra Lopez

6–8 minutes

HERCULES — Faced with an uncertain economic future, officials with the Rodeo-Hercules Fire District have begun pursuing annexation by Contra Costa County Fire Protection District. But not all residents are sold on the idea.

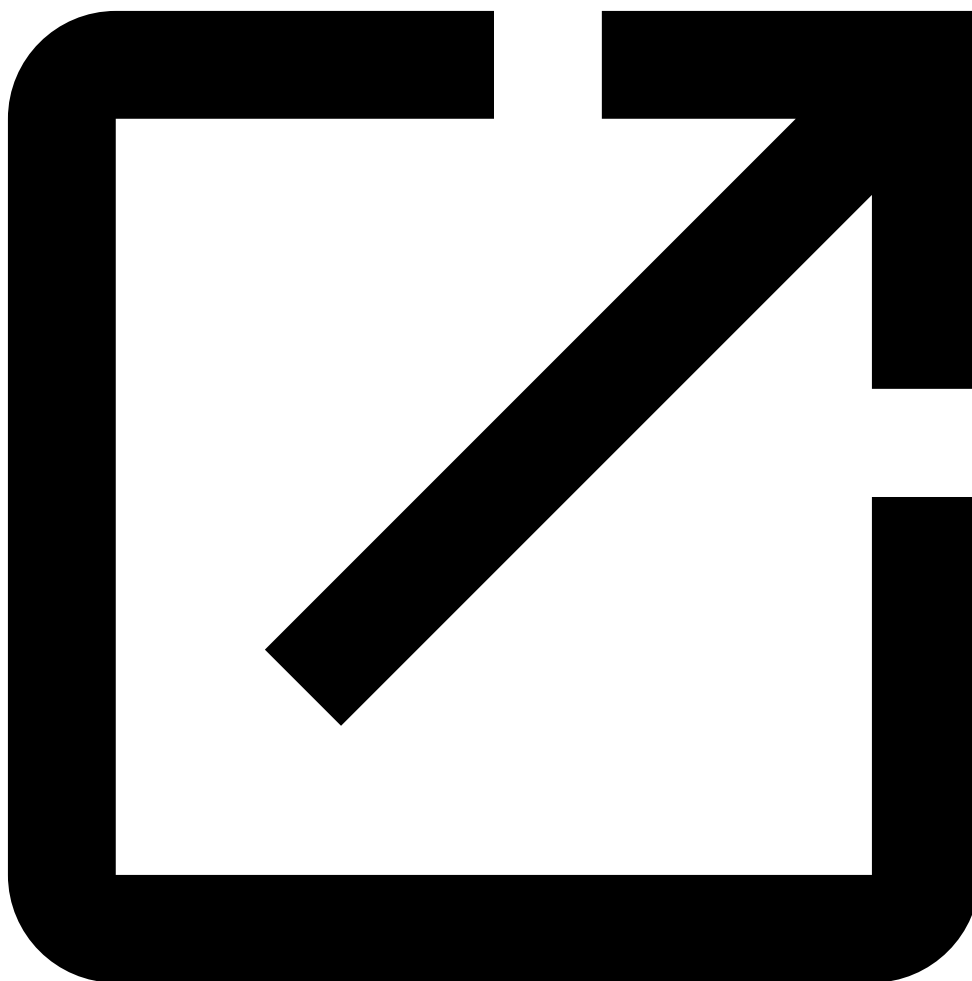
At two recent town halls focused on the issue, officials warned that the longterm financial health of the RHFD doesn't look strong: spending is projected to outpace revenue within the next decade, while the district is staring down millions in unfunded pension liability.

Four options being explored are remaining with the status quo while cutting services, securing additional funding, contracting out for services, or annexation, RHFD Fire Chief Rebecca Ramirez, ConFire Chief Lewis Broschard and Michael Despain, a former fire chief who's consulting the district on the matter, said at the June town hall meetings.

District residents were surveyed on those issues over the past few weeks and results from that survey will be reviewed by the RHFD Board of Directors during a special meeting July 10. Some participants of both town halls called the survey one-sided with leading questions meant to favor being absorbed by ConFire.

Of the four options in front of the district, Chief Ramirez said staying with the status quo would likely force the department to close a fire station, given no additional funding source was found. The further the district slips into financial trouble, she said, the less likely an outside agency would want to annex the area.

The district is expected to bring in revenue of \$10 million to \$12.3 million between 2024 and 2030, while spending \$10 million to \$13.3 million over the same timeframe, officials said. RHFD has only \$7 million in reserves and about \$12 million in unfunded pension liability.



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Even with some increases in revenue, such as a financial boost if the economy turns around or the completion of the Hercules Hub —

a project bringing 1,400 units of housing, 340,000 square feet of office space and new multimodal connections to the area — Ramirez said the money may not be enough to cover costs.

“In years to come there could be an increase in (revenue). The issue is we don’t have years to come,” Ramirez said during the first town hall held in Hercules on June 18. “My fear is even if we add an extra \$1.5 million, we wouldn’t be able to provide the service ConFire can.”

Despain said the option of contracting out for services was taken off the table after the district put out requests and received zero interest from other agencies. He noted contracting can be “dangerous” for the agency providing the services because they could be left with employees on their hands and no revenue to cover those costs once the contract ended.

That leaves one likely outcome — dissolving the Rodeo-Hercules Fire District and merging with ConFire. The agency dates back to 1937, when it was known as the Rodeo Fire District. It annexed Hercules in the late 1970s as the population in the city known for its dynamite plant began to explode. ConFire, the county’s largest fire agency, provides fire services primarily in Central and East Contra Costa but has fire stations in West County.

Ramirez said annexation could occur as soon as a year from now if decisions are made at a steady pace. During the July 10 meeting, the fire district board could ask staff to return with a proposal for annexation to be voted on soon after and Broschard would take a similar proposal to the Contra Costa County Board of Supervisors, which provides oversight of ConFire.

The Local Agency Formation Commission would then review the proposal, a process that takes between three-to four months, Ramirez said. If LAFCO signs off, a transition process would begin with input by both Ramirez and Broschard.

If annexation were to happen, Broschard assured the public that funds from Measure O, a parcel tax approved by RHFD voters in 2016 to support the district's two fire stations, would continue to be used for those stations. He said existing ConFire staff would help reduce costs and reserve funds would go toward paying down unfunded liabilities.

"It's important that you understand that you will still and always receive the most efficient, quickest, safest, first response with three firefighters from stations 75 and 76, with a paramedic on each one of those engine of trucks companies. That is our minimum at ConFire," Broschard said.

Not all were convinced. Maureen Brennan and Frank Grimsley, both members of the Measure O Oversight Committee, questioned why the issue wasn't being put to voters.

"I don't want to be annexed. I don't think it's necessary. I think our fire district has made a tremendous turnaround since 2016," Brennan said, adding that she plans to push for the issue to be put to a public vote when discussed by the board on on July 10.

Former RHFD Fire Chief Pedro Jimenez also raised questions about annexation and some speakers asked for more data before a final decision is made. Speakers during both town halls also shared concerns Rodeo and Hercules residents would be neglected under ConFire management given that oversight of the district is provided by the Contra Costa Board of Supervisors.

Others, though, seemed to be persuaded in favor of annexation. Tanya Little, a 32-year Hercules resident, said she's researched and worked on the issue since 2021 and ultimately believes annexation is best for the community.

Sarah Creeley, a teacher at Hanna Ranch Elementary School, said she was against dissolving the district until she realized the "range of experience" residents would get under a larger organization.

RHFD Capt. Jonathan Bischoff, who has 25 years with the agency, said the majority of the district's 16 crew members support annexation and the additional support it would bring.

"Whether it's Rodeo-Hercules or Contra Costa County fire protection, this is still our community that we serve. And I want you all to be aware of that because we take it seriously," Bischoff said. "We're bailing wire and duct tape, smoke and mirrors. We make it look easy but it's not. ConFire's got a big umbrella and they've got 10 more waiting when that one breaks."

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

UC Merced to be annexed into city limits. What that means for students, residents

Vanessa Saltos

3–4 minutes

The main entrance to the University of California, Merced in Merced, Calif., Tuesday, Aug. 30, 2016. (Sun-Star file photo)

The main entrance to the University of California, Merced in Merced, Calif., Tuesday, Aug. 30, 2016. (Sun-Star file photo)

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UC Merced, and a 2-mile strip of roadways that connect it to the City of Merced, are almost officially a part of the city.

On Thursday, July 18 the Local Agency Formation Commission of Merced County unanimously approved the annexation. After a 30-day administrative review process the annexation will be made official.

The current city limits are located at G Street. Annexation would include the UC Merced campus, as well as a 2-mile segment of Bellevue Road between G Street and Lake Road. Approximately 1,139 acres will be annexed into the city, which has a population of about 90,971 people.

“By bringing UC Merced within city limits, we are expanding our geographical boundaries and strengthening our community’s educational and infrastructural framework,” said Merced Mayor Matthew Serratto in a statement.

“This decision reflects our dedication to promoting efficient urban planning and delivering top-notch services to all residents.”

From the planning phases of UC Merced in 1995 annexation has been contemplated, but annexation has not been feasible due to the campus being located 2-miles from city limits.

In 2003, the city entered into an Urban Services Agreement with the UC Regents, which agreed to extend sewer and water lines to the campus.

Within this agreement, the university also signed an annexation agreement. Through this, the university agreed that when the city council deemed it was appropriate, Phase I of the campus to the city would be annexed.

Annexation was made possible in 2020 when then-Assemblymember Adam Gray passed legislation (AB 3312) making it easier.

“This strengthens our partnership with the city and will enhance opportunities for students, faculty and the entire community as we build a brighter future for Merced together,” UC Merced Chancellor Juan Sánchez Muñoz said in a statement.

As of Fall 2023 UC Merced’s enrollment numbers were 8,373 undergrad students; 54% of those students are Hispanic and 22% Asian. There are also a total of 775 graduate students with an additional 1,626 employees.

For fall 2024, UC Merced received 33,000 applications which is a 12% increase from last year.

The students will be allowed to vote in Merced municipal elections if they list the campus as their residence.

This story was originally published July 19, 2024, 5:07 PM.



The remote Last Chance community was devastated by the 2020 CZU Lightning Complex fire. Credit: Kevin Painchaud / Lookout Santa Cruz

LATEST NEWS

Santa Cruz County has fared well so far this fire season, but officials aren't letting their guard down



BY MAX CHUN
July 22, 2024

Quick Take

Fire season has been fairly quiet through the first three weeks of July in Santa Cruz County, despite blazes erupting across California. However, local fire personnel caution that the driest and hottest time of the year is still ahead of us. Departments are taking proactive steps to mitigate fire hazards and are reminding people to always be prepared.

So far, Santa Cruz County hasn't seen any major blazes this wildfire season. However, that is in stark contrast to the rest of the state. Across California, fire season has proved to be even more destructive than it usually is.

"We've been lucky locally, but throughout the state, we've actually seen a significant increase," said [Santa Cruz Fire Department Chief Rob Oatey](#).

Already this year, more than 4,000 wildfires have broken out across the state, [according to statistics from Cal Fire](#). Those fires have burned a staggering 20 times the number of acres as last year — about 242,000 acres of land burned to 21,000 at this time last year.

Far Northern California is currently getting hit the hardest, and Santa Cruz County fire agencies have sent personnel to different locations to help fight fires. Oatey said the SCFD has sent a fire captain, an engineer/driver and two firefighters to the [Shelly fire](#) burning northwest of Mount Shasta. As of Sunday evening, it had reached 15,500 acres and was only 29% contained. Cal Fire, Scotts Valley Fire Department and the Central Fire District of Santa Cruz County have also dispatched crews with the same personnel to other fires across the state.

Oatey said that since 2020's catastrophic CZU Lightning Complex fire, fire activity has been somewhat quiet around Santa Cruz County. But he added that heavy rains over the past few winters might actually be contributing to the rapid spread of fires this year. He explained that while heavy rains can improve drought conditions, they can also cause grass and vegetation to grow very quickly. During the hot, dry summer months, that can be a big problem.

FINANCIAL STRUGGLES

Felton Fire Protection District enters agreement with Zayante Fire, as Cal Fire talks continue

"We had that early heat wave in June and we're seeing it come back in the inland parts of the state now, which is causing rapid drying of those fuels," said Oatey. "So we're seeing these things not only ignite, but spread rather quickly."

So what's the local outlook for the rest of the fire season?

Even though Santa Cruz County hasn't seen any major fire events thus far, Oatey said residents and fire personnel have to treat it as a "when, not if" situation. He said he anticipates the widespread drying of grass and vegetation to happen here soon, especially as August, September and October — often the driest and hottest time of the year — approach.

"I believe we will end up having similar conditions, and then all it takes is a red flag warning with high winds and relatively low humidity, and we could see a very similar incident," he said. "We're sort of always on high alert."

INSURANCE WOES

With 15,000 Santa Cruz County homeowners being 'non-renewed' for insurance, anxieties grow as plans are hatched in Sacramento

Oatey said that, predictably, local fire departments are most concerned about the mountain regions, where the heat is usually at its most extreme and there are plenty of trees, shrubs, and dry grass fields to burn. In fact, just last Friday, a fire broke out in the Santa Cruz Mountains. Thankfully, crews from Ben Lomond Fire Protection District, Boulder Creek Fire Protection District, and Cal Fire CZU brought it under control before it even reached an acre in size.

Closer to Santa Cruz, crews are keeping a close eye on open spaces near or within the city, like Arana Gulch, Pogonip and Arroyo Seco. Oatey said SCFD is working with the city's parks and recreation department to clear excess vegetation and create space for firefighters to

“All of our fire departments have definitely been much more proactive as a whole,” he said, adding that fortunately, the community is engaged in fire safety, particularly since the CZU fire’s devastation. “That and other notable incidents have raised awareness, and people have really turned a negative into a positive.”

And what should locals keep in mind? For Oatey, it’s “prepare, prepare, prepare.”

FROM 2022

People call the fire department for everything: A Q&A with new Santa Cruz fire chief Rob Oatey

He said those living in the mountains or near open spaces should consider routinely checking out their property, clearing any dead debris and creating as much defensible space between the home and susceptible vegetation as possible. He added that one should always have a communication plan with family and know at least two ways out of their neighborhood.

Cal Fire Santa Cruz-San Mateo Unit (CZU) spokesperson Cecile Juliette, who herself is currently assisting efforts to slow the Shelly fire, added that reporting fire activity early is imperative for fast response times: “As soon as you see smoke, call 911. All wildfires start small.”

Juliette also added that mowing grass or using power tools outdoors should be kept to the early morning and the evening hours to avoid the potential for sparks to ignite a fire during the hottest time of the day.

And if the worst comes to worst, evacuate early.

“If you wait and think about it, it’s going to be a lot harder to evacuate when there are a lot of other people doing the same thing,” she said. “So, do yourself a favor and if there’s a fire nearby, have a plan in place and get out early.”

SCFD has a [preparation guide](#) on its website for people to use to prepare and act quickly if a fire breaks out.

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