



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

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**ADOPTED 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