



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

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**ADOPTED MINUTES**

**LAFCO REGULAR MEETING AGENDA**

**Wednesday, February 5, 2025**

**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 9:06 a.m. and welcomed everyone in attendance. He asked the staff to conduct the roll call.

The following Commissioners were present:

- Commissioner Jim Anderson
- Commissioner Roger Anderson
- Commissioner Manu Koenig (*Vice Chair*)
- Commissioner Rachél Lather
- Alternate Commissioner Kimberly De Serpa
- Alternate Commissioner John Hunt (*Chair*)
- Alternate Commissioner Fred Keeley

***Alternate Commissioners Kimberley De Serpa and Fred Keeley were voting members in the absence of Commissioners Justin Cummings and Eduardo Montesino, respectively.***

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** 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.

## **2b. Welcome Recently Appointed Commissioners**

Mr. Serrano also gave a warm welcome to the newest members of the LAFCO Commission, Capitola Mayor Joe Clarke (Regular City Member) and Santa Cruz County Supervisor Kimberley De Serpa (Alternate County Member).

**Chair John Hunt** moved on to the next agenda item.

## **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.

**Chair John Hunt** called for a motion. **Commissioner Roger Anderson** motioned for approval of the November 6th Meeting Minutes and **Commissioner Jim Anderson** seconded the motion.

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

**MOTION: Roger Anderson**

**SECOND: Jim Anderson**

**FOR: Jim Anderson, Roger Anderson, Fred Keeley, Manu Koenig, and Rachél Lather.**

**AGAINST: None**

**ABSTAIN: Kimberly De Serpa**

**MOTION PASSES: 5-0-1**

## **4. ORAL COMMUNICATIONS**

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

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

## **5. SPECIAL PRESENTATIONS**

### **5a. Scotts Valley Fire Protection District – “Life After Dissolution”**

**Chair John Hunt** requested staff to provide a post-reorganization update between the Scotts Valley Fire Protection District (SVFPD) and the Branciforte Fire Protection District (BFPD) approved by the Commission in August 2023.

**Executive Officer Joe Serrano** provided background information on the multi-year reorganization process and introduced **Mark Correira**, SVFPD Fire Chief, who explained that the purpose of his presentation was to provide the Commission with an update and share the lessons learned from the reorganization. Chief Correira provided an overview of the districts and explained that as a new fire chief in 2023, his responsibility was to implement the policies that had already been adopted by the districts and LAFCO during the reorganization process, as well as dealing with the unintended consequences that

arose from the action. Chief Correia went on to provide updates to the Commission on the transition for BFPD staff that joined SVFPD, annual incident data report, the levels of service, response times, the role of the advisory commission, the last election cycle and potential redistricting, the future of the BFPD fire station, the status of Measure T, and long-term funding options for the provision of fire protection services to the Branciforte community. Looking back, Chief Correia mentioned that the lessons learned include managing the speed of the process, better aligning auditing and budgeting processes, conducting efficient community outreach, the importance of community identify, and telling “the story” of the good work being done by all interested parties.

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

**Larry Pageler**, a member of the Branciforte Advisory Committee, reemphasized the importance of community identity, explained the decision to repeal Measure T, spoke on the benefits of having advanced life support (ALS) services, addressed concerns with response times, and the challenges of conducting community outreach.

**Executive Officer Joe Serrano** emphasized the importance and success of the reorganization process, which required collaboration and alignment with the affected agencies and the public.

**Chair John Hunt** closed public comments and opened the floor for Commission discussion. **Commissioner Jim Anderson** expressed his appreciation for the role Chief Mark Correia and Branciforte residents played in the reorganization process.

**Commissioner Manu Koenig** had a question for **Larry Pageler** regarding the response by the community following the reorganization. Mr. Pageler mentioned that his overall impression is that Branciforte residents are satisfied with the current level of service being provided by SVFPD. Mr. Koenig had a follow-up question about the fire station. Mr. Pageler explained the importance of the fire station as a safe and cultural asset for the community. **Chief Mark Correia** added that the plan is to improve the meeting space at the fire station for long term use.

**Marilyn Kuksh**, a member of the Branciforte Advisory Committee, explained the strategies employed to conduct community outreach for the reorganization process. Mr. Pageler added the importance of a donation made by a local family to support fire services in the area.

**Commissioner Manu Koenig** had questions on Measure T and Measure Q. **Chief Mark Correia** explained that although there is always a need for more funding, it made more sense to repeal the parcel tax to also support future bond initiatives, and he shared plans and concerns about applying for Measure Q wildfire resilience funding.

**Commissioner Roger Anderson** had a question about the rising cost of insurance. **Chief Mark Correia** explained the importance of the Branciforte station when it comes to responding to local and regional emergencies. Chief Correia discussed the current insurance status of the fire station and described it as a “moving target” issue. **Commissioner Jim Anderson** added that once the Branciforte residents experience the benefits of ALS services provided by SVFPD, it will grow in popularity. **Chief Mark**

**Correira** agreed and reemphasized the continuing rising cost of providing ongoing and efficient fire protection services.

**Chair John Hunt** had a question on the response times to the Branciforte area since the reorganization. **Chief Mark Correira** explained that response times continue to adhere to state standards for 80 percent of the service area, although the physical environment makes reaching some areas in Branciforte difficult at times. Prior to the reorganization, BFPD had one full-time fire fighter responding to all emergencies.

**Commissioner Kimberley De Serpa** asked a question on the status of BFPD staff that joined the SVFPD. **Chief Mark Correira** stated that BFPD staff will be provided with the same training opportunities offered to their SVFPD colleagues.

**Executive Officer Joe Serrano** thanked Chief Mark Correira for his work and the work of his fire district. **Chair John Hunt** closed the special presentation and moved on to the next special presentation item.

### **5b. Big Basin Water Company – Moonshot Missions Report**

**Chair John Hunt** requested staff to provide an update on the Big Basin Water Company and Moonshot Missions' recent analysis report of the private water provider.

**Executive Officer Joe Serrano** provided background information on the Big Basin Water Company (BBWC), a private water company that is currently overseen by court receivership, and subsequent analysis produced by the nonprofit organization Moonshot Missions. Mr. Serrano then introduced **Reshet S. Gebremariam**, Utility Technical Advisor and **Andy Koester**, Managing Director, who provided additional context information on the nonprofit agency, and explained why they came to provide a brief technical update on the private water system to the Commission. After conducting an initial thorough assessment, Moonshot Missions built on the LAFCO Governance Options Report to develop a roadmap for residents of Big Basin to move forward by identifying and prioritizing projects to upgrade the private water system. Ms. Gebremariam added that the system is in the process of completing a comprehensive pipe inventory, but the lack of maintenance programs has not allowed administrators to detect leaks, inspect valves, or establish cross-connection control. Due to its physical location, the private water system is susceptible to future fires and recommendations include developing a fire action plan. Since taking over in 2023, the Court-Receiver has made significant progress on stabilizing the system and its operations by replacing damaged infrastructure, but the report notes that staffing capacity is limited and is unable to provide for engineering support, technical or operational assistance, fiscal management, or legal counsel. Financially, Big Basin has been running deficits in 2021 and 2022, and the system has been operating on below basic cost-of-service principles, maintaining low cash reserves and has been unable to finance much needed infrastructure upgrades. In terms of governance options, annexation into the San Lorenzo Valley Water District (SLVWD) was the preferred option based on factors such as technical capacity, operations experience, customer satisfaction, access to capital funding and financing, accountability, transparency, and retail water management experience. Moonshot Missions staff also ranked alternative governance options for the water system that they hope will allow the Court-Receiver to move forward.

**Chair John Hunt** requested public comments on the item. **Executive Officer Joe Serrano** noted two requests to address the Commission on the item.

**Becky Steinbruner**, a member of the public, had a question about SLVWD's openness to annexing the BBWC, and wanted to know how many homes in the area have been rebuilt since the CZU fires. **Reshet S. Gebremariam**, Utility Technical Advisor, explained that SLVWD is willing to move forward with the project if funding is available.

**Julie Jennings**, a member of the public, asked about the results from the community survey conducted by the Court-Receiver and implications for potential funding opportunities. **Reshet S. Gebremariam**, Utility Technical Advisor, indicated that the income survey is in the final review phase, and she expects the results to be shared in a few weeks. She also mentioned that if the income survey reveals that the Big Basin community is considered to be a disadvantaged area, it will open up additional funding opportunities. The potential funding would be used for immediate system improvements and to fund the process to annex BBWC into SLVWD. **Executive Officer Joe Serrano** added that the Court-Receiver has made significant progress in developing an inventory of system users, in making important internal infrastructure improvements, and has transferred oversight of the sewer system to the County, although an ongoing provider of water services still needs to be identified, as well as developing a plan to fund these services.

**Commissioner Roger Anderson** requested a link to review the report. **Executive Officer Joe Serrano** indicated that the report is available online on the LAFCO website and he would also send the Commissioners a copy of the report and presentation.

**Commissioner Rachél Lather** had a question on water rights. **Reshet S. Gebremariam**, Utility Technical Advisor, responded that there are water rights to a few creeks and a list with more information was included in the report as a memo. Ms. Lather followed up with a question on the use of the water rights. Ms. Gebremariam explained that the water rights are quite valuable for a few reasons. Ms. Lather also asked about the possibility of adding a recommendation for BBWC to develop an asset management program. Ms. Gebremariam mentioned that because of the complete inventory list developed by the Court-Receiver along with Moonshot Mission's assessment, it was concluded that a recommendation to establish an asset management program was warranted. Ms. Lather had a question about potentially raising the rates. Ms. Gebremariam stated that one of their recommendations was to increase the rates to breakeven, but the priority is keeping the system operational long term, which will also help efforts to secure funding if they are determined to be a disadvantaged area.

**Commissioner Jim Anderson** shared that he has discussed with representatives the openness of SLVWD to take over two private water systems in the Big Basin area. **Executive Officer Joe Serrano** clarified that there are still many steps to be taken, but potential annexation of the small private water systems can serve as precursor to the annexation of BBWC.

**Commissioner Manu Koenig** asked about capital improvement investments. **Reshet Gebremariam**, Utility Technical Advisor, stated that Moonshot Missions has been working with SLVWD to assess the funding gap needed to improve the state of the system, which could be \$15-20 million or higher. Mr. Koenig asked a follow-up question

on the number of parcels in the service area. Ms. Gebremariam responded that there are around 500 parcels in the service area. Mr. Koenig asked if addressing the funding gap could be a multi-step process. **Executive Officer Joe Serrano** stated that analysis still needs to be conducted now to determine what the next step is in the reorganization process.

**Commissioner Roger Anderson** inquired if there is an inventory list of struggling private water systems in the county. **Executive Officer Joe Serrano** stated that there is an inventory list that monitors private water systems throughout the state.

**Chair John Hunt** thanked the presenters and moved on to the next agenda item.

## **6. PUBLIC HEARINGS**

**Chair John Hunt** noted that there was no public hearing item for Commission consideration today.

## **7. OTHER BUSINESS**

### **7a. Appoint New Chair and Vice Chair**

**Chair John Hunt** requested staff to provide a presentation on the process to appoint a Chair and Vice Chair for the 2025 calendar year.

**Executive Officer Joe Serrano** explained that in accordance with the Commission's Meeting Rules Policy, the Commission appoints a new Chair and Vice Chair at the first meeting of each year. Mr. Serrano noted that the new officers' terms will begin on March 5, 2025. Mr. Serrano also indicated that there is no rule of succession or rotation, however, the acting Vice Chair has historically been elected as the new Chair. Staff is recommending that the Commission discuss and appoint a new Chair and Vice Chair.

**Chair John Hunt** requested public comments on the item. **Executive Officer Joe Serrano** noted no request to address the Commission on the item. **Chair John Hunt** closed public comment and opened the floor to Commissioners.

**Commissioner Jim Anderson** made the motion to nominate **Commissioner Manu Koenig** as LAFCO Chair for the 2025 calendar year and **Commissioner Roger Anderson** seconded the motion.

**Chair John Hunt** called for a voice vote on the motion: **Appoint Commissioner Manu Koenig to serve as LAFCO Chair for the 2025 calendar year.**

**MOTION: Jim Anderson**

**SECOND: Roger Anderson**

**FOR: Jim Anderson, Roger Anderson, Kimberley De Serpa, Fred Keeley, Manu Koenig, and Rachél Lather.**

**AGAINST: None**

**ABSTAIN: None**

**MOTION PASSES: 6-0**

**Chair John Hunt** requested a nomination for Vice Chair. **Commissioner Manu Koenig** nominated **Commissioner Rachél Lather** to serve as LAFCO Vice Chair for the 2025 calendar year and **Commissioner Kimberly De Serpa** seconded the motion.

**Chair John Hunt** called for a voice vote on the motion: **Appoint Commissioner Rachél Lather to serve as LAFCO Vice Chair for the 2025 calendar year.**

**MOTION:** Manu Koenig  
**SECOND:** Kimberly De Serpa  
**FOR:** Jim Anderson, Roger Anderson, Kimberley De Serpa, Fred Keeley, Manu Koenig, and Rachél Lather.  
**AGAINST:** None  
**ABSTAIN:** None

**MOTION PASSES: 6-0**

### **7b. CSA 38 Service & Sphere Review Update**

**Chair John Hunt** requested staff to provide a presentation regarding recommended action identified in CSA 38's service and sphere review adopted in 2024.

**Executive Officer Joe Serrano** indicated that the Commission requested the County to develop a webpage dedicated to CSA 38's information regarding governance, finances, and operations. Mr. Serrano noted that a CSA 38 webpage is now available on the County's website, and therefore, no further action is required by the Commission.

**Chair John Hunt** requested public comments on the CSA 38 update. **Executive Officer Joe Serrano** indicated that there was no request to address the Commission on the item.

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

### **7c. UC Berkeley Water Report & Potential Legislative Action**

**Chair John Hunt** requested staff to provide a presentation regarding a statewide effort to empower LAFCOs to assist on water-related issues throughout California.

**Executive Officer Joe Serrano** informed the Commission that last year, UC Berkeley developed a report focusing on the LAFCO's role in county water consolidations. The report mentioned what LAFCOs have been doing, highlighted the work of Santa Cruz LAFCO, and concluded that LAFCOs need additional tools to address the statewide water issue affecting many disadvantaged communities. The report has led to an effort to develop a legislative bill to provide LAFCOs with more tools to address water-related issues, to reemphasize the role of service and sphere reviews, and reorganize private water systems to be under the purview of LAFCO.

**Chair John Hunt** requested public comments on the item. **Executive Officer Joe Serrano** noted no request to address the Commission on the item.

**Chair John Hunt** closed public comments and opened the floor for Commission discussion. **Commissioner Rachél Lather** commented on the need to support mobile home parks.

**Commissioner Manu Koenig** asked for clarification on LAFCO's role in potential oversight of mobile park homes. **Executive Officer Joe Serrano** explained the proposed bill aims to delegate oversight of mobile park homes that provide water services to LAFCOs in order to ensure that those entities are properly overseen by a local governmental body. Mr. Serrano added that he is still learning the bill's objectives but believes that LAFCO has a role to play in this area.

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

**Chair John Hunt** called for a voice vote on the motion based on the staff recommendation: **Direct staff to continue working with the stakeholder group.**

**MOTION: Manu Koenig**

**SECOND: Rachél Lather**

**FOR: Jim Anderson, Roger Anderson, Kimberley De Serpa, Fred Keeley, Manu Koenig, and Rachél Lather.**

**AGAINST: None**

**ABSTAIN: None**

**MOTION PASSES: 6-0**

#### **7d. Comprehensive Quarterly Report – Second Quarter (FY 2024-25)**

**Chair John Hunt** requested staff to provide a presentation on the quarterly report.

**LAFCO Analyst Francisco Estrada** noted that this report is meant to keep the Commission apprised about all LAFCO-related activities, including the status of active proposals, the schedule of upcoming service reviews, the current financial performance of LAFCO's adopted budget, and other projects. Mr. Estrada covered these areas and indicated that the second quarter ended with approximately 35% of the anticipated expenses spent and with approximately \$459,000 in reserves. **Executive Officer Joe Serrano** also provided an update on issues relating to CALAFCO.

**Chair John Hunt** requested public comments on the item. **Executive Officer Joe Serrano** noted no requests to address the Commission on this item.

**Chair John Hunt** closed public comments and opened the floor for Commission discussion. **Commissioner Rachél Lather** inquired about the annual conference. **Executive Officer Joe Serrano** informed the Commission that the annual conference is still scheduled to occur later this year in San Diego.

**Commissioner Roger Anderson** added that all should be done to keep the CALAFCO family from splintering and highlighted the benefits of the agency. **Executive Officer Joe Serrano** has hopes that the issues can be resolved between the member agencies.

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



## 8. 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.

## 9. 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.

## 10. COMMISSIONERS' BUSINESS

**Chair John Hunt** inquired whether any Commissioner would like to share any information. **Executive Officer Joe Serrano** indicated that there were no requests to share information. **Chair John Hunt** moved to the next item since no Commission action was required.

## 11. CLOSED SESSION

**Chair John Hunt** indicated that a closed session will be held to cover the performance evaluation of LAFCO staff. **Executive Officer Joe Serrano** noted that LAFCO's legal counsel will host the closed session in a separate meeting room and requested that the Commission reconvene to the regular LAFCO meeting once the closed session is concluded.

## 12. ANNOUNCEMENTS FROM CLOSED SESSION

**Chair John Hunt** reconvened the meeting and deferred to legal counsel for any reportable action. **Legal Counsel Joshua Nelson** noted that there was no reportable action.

## 13. ADJOURNMENT

**Chair John Hunt** adjourned the Regular Commission Meeting at 11:31 a.m. for the next regular LAFCO meeting scheduled for Wednesday, March 5, 2025 at 9:00 a.m.

  
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MANU KOENIG, CHAIRPERSON

Attest:

  
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FRANCISCO ESTRADA, LAFCO ANALYST