



## LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY

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### ADOPTED MINUTES

#### LAFCO REGULAR MEETING AGENDA

Wednesday, April 2, 2025

Start Time - 9:00 a.m.

### 1. ROLL CALL

**Vice Chair Rachél Lather** 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. She asked staff to conduct the roll call.

The following Commissioners were present:

- Commissioner Jim Anderson
- Commissioner Roger Anderson
- Commissioner Justin Cummings
- Commissioner Rachél Lather (Vice Chair)
- Commissioner Eduardo Montesino (*arrived at 9:06 p.m.*)
- Alternate Commissioner Ed Banks
- Alternate Commissioner John Hunt

*Vice Chair Rachél Lather will serve as the meeting facilitator on behalf of Chair Manu Koenig.*

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.

Mr. Serrano also highlighted the recent retirement of Carolyn Emery, Orange LAFCO Executive Officer, and provided an update on staff involvement for the upcoming CALAFCO Staff Workshop.

**Vice Chair Rachél Lather** moved on to the next agenda item.

### **3. ADOPTION OF MINUTES**

**Vice Chair Rachél Lather** opened the floor to Commissioner questions or comments. **Executive Officer Joe Serrano** noted a request to amend an error in the March 5, 2025 Meeting Minutes. **Vice Chair Rachél Lather** requested public comments.

**Vice Chair Rachél Lather** closed public comments and called for a motion. **Commissioner Jim Anderson** motioned for approval of the March 5th Meeting Minutes with the requested changes and **Commissioner Roger Anderson** seconded the motion.

**Vice Chair Rachél Lather** called for a voice vote on the approval of the draft minutes with the requested changes.

**MOTION:** Jim Anderson  
**SECOND:** Roger Anderson  
**FOR:** Jim Anderson, Roger Anderson, Justin Cummings, and Rachél Lather.  
**AGAINST:** None  
**ABSTAIN:** None

**MOTION PASSES: 4-0**

### **4. ORAL COMMUNICATIONS**

**Vice Chair Rachél Lather** 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.

**Vice Chair Rachél Lather** closed public comments and moved on to the next agenda item.

### **5. PUBLIC HEARINGS**

#### **5a. "Lockewood Lane / Graham Hill Road Parcel Annexation"**

**Vice Chair Rachél Lather** requested staff to provide a presentation on the proposed single parcel annexation and concurrent sphere amendment to the San Lorenzo Valley Water District.

**Executive Officer Joe Serrano** explained to the Commission that staff received a landowner request to annex a single acre parcel into the San Lorenzo Valley Water District (SLVWD), who has indicated it is willing and capable of providing the requested services. The purpose of the annexation is to support the construction of a single-family home. Additionally, the sphere will also be amended to be coterminous with the proposed annexation, the parcel is located within the County's Urban Service Line, and the Board

of Supervisors adopted a property tax exchange agreement. Mr. Serrano made clear that the proposed annexation request is separate and has no connection to the nearby Haven Development Project, other than having had the same owner at one point. The annexation request is consistent with the Commission's adopted policies and Mr. Serrano recommended adopting the draft resolution (No. 2025-03) approving the single parcel annexation and concurrent sphere amendment to the SLVWD.

**Vice Chair Rachél Lather** requested public comments on the item. **Executive Officer Joe Serrano** indicated that there was no request to address the Commission on the item.

**Vice Chair Rachél Lather** opened the floor to Commissioner questions or comments. **Commissioner Jim Anderson** asked for clarification on the numbers of parcels in the annexation request. **Executive Officer Joe Serrano** noted that the request was made for a single parcel. Mr. Anderson requested reformatting the map in the staff report to better assess the parcel's location.

**Commissioner Ed Banks** asked for clarification on the requested services. **Executive Officer Joe Serrano** indicated the request was for the provision of water service.

**Commissioner Roger Anderson** requested to put on the record assurances that the proposed parcel annexation was not connected to the Haven Development Project. **Executive Officer Joe Serrano** assured the Commission the request would be reflected accurately on the official record.

**Vice Chair Rachél Lather** closed public comments. **Commissioner Jim Anderson** asked for clarification on the parcels being served. **Executive Officer Joe Serrano** explained which parcels are in and out of the urban services line, as well an explanation of other challenges presented by the proposed Haven Development Project.

**Commissioner Roger Anderson** asked about a future building site. **Executive Officer Joe Serrano** explained that the developer and county are still discussing the proposed plans.

**Vice Chair Rachél Lather** requested a motion approving staff recommendation. **Commissioner Jim Anderson** motioned for approval of staff recommendation and **Commissioner Eduardo Montesino** seconded the motion.

**Vice Chair Rachél Lather** called for a voice vote on the motion: **Adopt draft resolution (No. 2025-03) approving the single parcel annexation and concurrent sphere amendment to the San Lorenzo Valley Water District.**

**MOTION: Jim Anderson**

**SECOND: Eduardo Montesino**

**FOR: Jim Anderson, Roger Anderson, Justin Cummings, Rachél Lather, and Eduardo Montesino.**

**AGAINST: None**

**ABSTAIN: None**

**MOTION PASSES: 5-0**

## **5b. Draft Budget for Fiscal Year 2025-26**

**Vice Chair Rachél Lather** requested staff to provide a presentation on the draft budget for the upcoming fiscal year.

**Executive Officer Joe Serrano** explained to the Commission that the proposed budget was 3% more than the previous budget and discussed staff efforts to maximize resources while reducing expenses, noting that allocations to funding agencies will need to see an increase for the first in three years. Mr. Serrano recommended adopting resolution (No. 2025-04) approving the draft budget with its identified conditions.

**Vice Chair Rachél Lather** requested public comments on the item. **Executive Officer Joe Serrano** noted a request to address the Commission on the item.

**Becky Steinbruner**, a member of the public, commended the staff for their work and inquired about professional services costs.

**Vice Chair Rachél Lather** closed public comments and opened the floor to Commissioner questions or comments. **Commissioner Jim Anderson** asked about CalPERS and potential future litigation costs. **Executive Officer Joe Serrano** explained how staff determines the amount paid each year to reduce the CalPERS balance, provided additional information on consulting services utilized, and stated that LAFCO does not anticipate future litigation.

**Ed Banks** inquired about the practice of using reserves to balance the budget. **Executive Officer Joe Serrano** explained past actions and how the reserve funds have been used since the implementation of the new reserve policy adopted last year.

**Commissioner Roger Anderson** requested clarifying and additional information on CalPERS. **Executive Officer Joe Serrano** spoke on the use of interest rates to support the budget and potential options moving forward. **Commissioner Jim Anderson** added information on investment accounts.

**Vice Chair Rachél Lather** requested a motion approving staff recommendation. **Commissioner Jim Anderson** motioned for approval of staff recommendation and **Commissioner Justin Cummings** seconded the motion.

**Vice Chair Rachél Lather** called for a voice vote on the motion: **Adopt the draft LAFCO Resolution (No. 2025-04) approving the draft budget for Fiscal Year 2025-26 with its identified conditions.**

**MOTION:** Jim Anderson

**SECOND:** Justin Cummings

**FOR:** Jim Anderson, Roger Anderson, Justin Cummings, Rachél Lather, and Eduardo Montesino.

**AGAINST:** None

**ABSTAIN:** None

**MOTION PASSES: 5-0**

## **6. OTHER BUSINESS**

### **6a. Special Districts Regular & Alternate Member Seats – 2025 Election Results**

**Vice Chair Rachél Lather** requested staff to provide a presentation on the election results for the special district regular and alternate member seats on LAFCO.

**Executive Officer Joe Serrano** explained that this is the first time Santa Cruz LAFCO will hold a run-off election for both the regular and alternate special district member seats due to the fact no one candidate gained a majority vote in either electoral race. Mr. Serrano explained the process for the upcoming run-off and recommended the Commission certify the electoral result.

**Vice Chair Rachél Lather** opened the floor to Commissioner questions or comments. **Commissioner Roger Anderson** asked for clarification on the candidates for the run-off race. **Executive Officer Joe Serrano** clarified that each respective race was between the top two candidates, Jim Anderson and Lani Faulker for the special districts' regular member seat, and Ed Bank and Lani Faulker for the alternate member seat.

**Commissioner John Hunt** inquired about potential electoral outcomes including a possible tie. **Executive Officer Joe Serrano** explained that staff and legal counsel have been in coordination and discussion on potential electoral scenarios.

**Vice Chair Rachél Lather** requested public comments on the item. **Executive Officer Joe Serrano** noted no request to address the Commission on the item.

**Vice Chair Rachél Lather** requested a motion approving staff recommendation. **Commissioner Eduardo Montesino** motioned for approval of staff recommendation and **Commissioner Roger Anderson** seconded the motion.

**Vice Chair Rachél Lather** called for a voice vote on the motion: **Adopt the draft resolution (No. 2025-05) ratifying the voting results and directing staff to conduct a run-off election for both seats.**

**MOTION:** Eduardo Montesino

**SECOND:** Roger Anderson

**FOR:** Jim Anderson, Roger Anderson, Justin Cummings, Rachél Lather, and Eduardo Montesino.

**AGAINST:** None

**ABSTAIN:** None

**MOTION PASSES: 5-0**

### **6b. LAFCO Meeting Conflicts**

**Vice Chair Rachél Lather** requested staff to provide a presentation on relocating two future LAFCO meetings due to a scheduled remodeling project in the County Board of Supervisors Chambers in August and September.

**Executive Officer Joe Serrano** explained to the Commission that due to a scheduling conflict related to an upcoming renovation upgrade project in the Board of Supervisors' Chambers, the LAFCO regular meetings for August and September will need to be

relocated to the City of Watsonville City Council Chambers. Mr. Serrano recommended the Commission approve the proposed recommendation.

**Vice Chair Rachél Lather** opened the floor to Commissioner questions or comments. **Commissioner Justin Cummings** recommended reaching out to the County Administrative Office to get clarification on the schedule for the proposed renovations.

**Commissioner Eduardo Montesino** welcomed the Commission to the City of Watsonville and made a motion to approve staff recommendations. **Commissioner Jim Anderson** seconded the motion. **Commissioner Roger Anderson** commented that a potential scheduling conflict may arise later in the year.

**Vice Chair Rachél Lather** requested public comments on the item. **Executive Officer Joe Serrano** indicated that there was a request to address the Commission on the item.

**Becky Steinbruner**, a member of the public, expressed support for holding LAFCO regular meetings in the City of Watsonville and potentially even in the Community Room of the County's Government Center.

**Vice Chair Rachél Lather** called for a voice vote on the motion: **Relocate LAFCO's August and September Meetings to Watsonville's City Council Chambers.**

**MOTION: Eduardo Montesino**

**SECOND: Jim Anderson**

**FOR: Jim Anderson, Roger Anderson, Justin Cummings, Rachél Lather, and Eduardo Montesino.**

**AGAINST: None**

**ABSTAIN: None**

**MOTION PASSES: 5-0**

#### **6c. CSA 48 Update**

**Vice Chair Rachél Lather** requested staff to provide a verbal update on ongoing efforts in reviewing the possible reorganization of CSA 48 into an independent fire protection district.

**Executive Officer Joe Serrano** provided the Commission with an update on the ongoing effort to explore the potential reorganization of County Service Area 48 into an independent fire protection district in collaboration with CalFIRE and County representatives. This includes analyzing the financial and governance options that will sustain and support the proposed new public agency for the long term. Additionally, Mr. Serrano provided the Commission with updates from the Pajaro Valley Fire Protection District (PVFPD) board meeting held in March. Mr. Serrano will provide the Commission with a timeline of next steps at an upcoming LAFCO meeting.

**Vice Chair Rachél Lather** requested public comments on the item. **Executive Officer Joe Serrano** noted a request to address the Commission on the item.

**Becky Steinbruner**, a member of the public, commented on her experience attending and participating in the last board meeting of the PVFPD.

**Vice Chair Rachél Lather** closed public comments and opened the floor to Commissioner questions or comments. **Executive Officer Joe Serrano** noted that the actions and efforts to reorganize by the PVFPD board have been discussed during public meetings over the past few years.

**Commissioner John Hunt** asked about the service area for the fire district. **Executive Officer Joe Serrano** provided a description of the service area. Mr. Hunt asked about CalFire. Mr. Serrano clarified that CalFIRE is the fire service provider for both PVFPD and CSA 48 under separate contracts.

**Commissioner Jim Anderson** asked about the most recent ballot measures by the district. **Executive Officer Joe Serrano** shared the lessons learned from efforts to increase the benefit assessments. Mr. Anderson asked a follow-up question on how smaller fire districts will be impacted by the proposed independent fire district. Mr. Serrano explained the benefits of having the option to annex into the proposed independent fire district for smaller fire districts that are struggling but confirmed that it would not negatively impact them.

**Commissioner Roger Anderson** inquired on past analysis conducted by AP Triton. **Executive Officer Joe Serrano** explained that the report provided important financial information including an assessment of the impact the application submitted by PVFPD to LAFCO would have on the operations of CSA 48.

**Commissioner Jim Anderson** inquired about the status of the CSA 48 budget. **Executive Officer Joe Serrano** provided information on recent efforts to increase benefit assessments by the county and use of their reserve funds. Mr. Anderson added comments on past efforts to reorganize the CSA.

**Vice Chair Rachél Lather** moved to the next item since no Commission action was required.

## **7. WRITTEN CORRESPONDENCE**

**Vice Chair Rachél Lather** inquired whether there was any written correspondence submitted to LAFCO. **Executive Officer Joe Serrano** indicated the Commission had received correspondence from CALAFCO and spoke on their efforts to address member concerns and plans to strengthen CALAFCO's future.

**Vice Chair Rachél Lather** inquired about member agency attendance at the late-March Retreat. **Executive Officer Joe Serrano** stated that the member agencies leaving will reconsider returning to CALAFCO if their concerns are addressed.

**Vice Chair Rachél Lather** moved to the next item since no Commission action was required.

## 8. PRESS ARTICLES

**Vice Chair Rachél Lather** 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.

**Vice Chair Rachél Lather** moved to the next item since no Commission action was required.

## 9. COMMISSIONERS' BUSINESS

**Vice Chair Rachél Lather** inquired whether any Commissioner would like to share any information. **Executive Officer Joe Serrano** indicated that there were two items to address. The first was Commissioner Joe Clarke's attendance and the second was sending regular calendar meeting invitations to the Commissioners. **Commissioner Justin Cummings** added that the City Selection Committee was meeting on April 16<sup>th</sup>.

**Commissioner Roger Anderson** inquired about scheduling notification for Commissioners. **Executive Officer Joe Serrano** explained efforts to reach out and coordinate with Commissioners, including Mayor Joe Clarke.

**Vice Chair Rachél Lather** moved to the next item since no Commission action was required.

## 10. ADJOURNMENT

**Vice Chair Rachél Lather** adjourned the Regular Commission Meeting at 10:05 a.m. for the next regular LAFCO meeting scheduled for Wednesday, May 7, 2025 at 9:00 a.m.

  
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MANU KOENIG, CHAIRPERSON

Attest:

  
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FRANCISCO ESTRADA, LAFCO ANALYST