



LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY

ADOPTED MINUTES

LAFCO REGULAR MEETING AGENDA

Wednesday, May 7, 2025

Start Time - 9:00 a.m.

1. ROLL CALL

Chair Manu Koenig called the meeting of the Local Agency Formation Commission of Santa Cruz County (LAFCO) to order at 9:01 a.m. and welcomed everyone in attendance. He asked staff to conduct the roll call.

The following Commissioners were present:

- Commissioner Jim Anderson
- Commissioner Roger Anderson
- Commissioner Joe Clarke
- Commissioner Kimberly De Serpa
- Commissioner Manu Koenig (*Chair*)
- Commissioner Eduardo Montesino (*remotely*)
- Alternate Commissioner Lani Faulkner
- Alternate Commissioner John Hunt

Alternate Commissioners Kimberly De Serpa and Lani Faulkner will be voting members in the absence of Commissioners Justin Cummings (County) and Rachél Lather (Special Districts), respectively.

The following LAFCO staff members were present:

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

Chair Manu Koenig requested staff to present Agenda Item 6a: "Special Districts LAFCO Seats (Run-Off Election Results)" after Agenda Item No. 2: "Executive Officer's Message" in order to establish a quorum and allow new commissioners to vote on agenda items.

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 noted that Commissioner Eduardo Montesino was attending the meeting remotely in accordance with AB 2449 and indicated that any commission action will require a roll call vote.

Mr. Serrano also provided an update on staff's participation at the recent 2025 annual CALAFCO Staff Workshop and invited commissioners to complete an online survey to provide feedback on CALAFCO.

Chair Manu Koenig moved on to the next agenda item.

6a. Special Districts LAFCO Seats (Run-Off Election Results)

Chair Manu Koenig requested staff to provide a presentation on the run-off election results for the special district regular and alternate member seats on LAFCO.

Executive Officer Joe Serrano informed the Commission that after completing a run-off election to determine the special district seats on LAFCO, Jim Anderson (Felton Fire Protection District) was elected to the regular member seat and Lani Faulkner (Central Fire District) was elected to the alternate member seat. Their four-year terms started on May 1, 2025. Mr. Serrano thanked **former Commissioner Ed Banks** for his dedication and service on the Commission. Mr. Serrano recommended the Commission certify the results of the 2025 special district run-off election.

Chair Manu Koenig congratulated the newly elected members to LAFCO and opened the floor to Commission comments or clarifying questions. **Commissioners Lani Faulkner** and **Jim Anderson** both expressed words of appreciation for their election.

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

Chair Manu Koenig requested a motion approving staff recommendation. **Commissioner Roger Anderson** motioned for approval of staff recommendation and **Commissioner Kimberly De Serpa** seconded the motion.

Chair Manu Koenig called for a roll call vote on the motion: **Adopt the draft resolution (No. 2025-07) ratifying the results of the run-off election process.**

MOTION: Roger Anderson
SECOND: Kimberly De Serpa
FOR: Jim Anderson, Roger Anderson, Joe Clarke, Kimberly De Serpa, Lani Faulkner, Manu Koenig, and Eduardo Montesino.
AGAINST: None
ABSTAIN: None

MOTION PASSES: 7-0

3. ADOPTION OF MINUTES

Chair Manu Koenig requested public comments on the draft minutes. **Executive Officer Joe Serrano** noted no public comment on the item. **Chair Manu Koenig** closed public comments.

Chair Manu Koenig called for a motion. **Commissioner Jim Anderson** motioned for approval of the April 2nd Meeting Minutes and **Commissioner Lani Faulkner** seconded the motion.

Chair Manu Koenig called for a roll call vote on the approval of the draft minutes.

MOTION: Jim Anderson

SECOND: Lani Faulkner

FOR: Jim Anderson, Roger Anderson, Joe Clarke, Kimberly De Serpa, Lani Faulkner, Manu Koenig, and Eduardo Montesino.

AGAINST: None

ABSTAIN: None

MOTION PASSES: 7-0

Commissioner Roger Anderson asked a clarifying question on commissioners voting on the minutes if they were not present. **Legal Counsel Josh Nelson** clarified that they are allowed to vote on the draft minutes.

4. ORAL COMMUNICATIONS

Chair Manu Koenig requested public comments on any non-agenda items. **Executive Officer Joe Serrano** indicated that there was a request to address the Commission on the item.

Becky Steinbruner, a member of the public, provided comments on the recent Pajaro Valley Fire Protection District and Soquel Creek Water District board meetings, a meeting on water consolidation with private water systems, and the Watsonville Municipal Airport.

Chair Manu Koenig closed public comments and moved on to the next agenda item.

5. PUBLIC HEARINGS

5a. "Comprehensive Sanitation Service & Sphere Review"

Chair Manu Koenig requested staff to provide a presentation on the countywide report that analyzed the 10 sanitation districts in Santa Cruz County.

Executive Officer Joe Serrano explained to the Commission that due to the ongoing and extensive analysis still being conducted by both LAFCO staff and the County, more time is needed to accurately complete the report and recommended deferring action until the next regular meeting in June.

Chair Manu Koenig opened the floor to Commission comments or clarifying questions. There were no requests from the Commission.

Chair Manu Koenig 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, appreciated efforts by staff to ensure the accuracy of the report and considers current rates for CSA 20 to be high.

Chair Manu Koenig closed public comments and requested a motion approving staff recommendation. **Commissioner Jim Anderson** motioned for approval of staff recommendation and **Commissioner Kimberly De Serpa** seconded the motion.

Chair Manu Koenig called for a roll call vote on the motion: **Postpone action on the draft sanitation service and sphere review until the following month to allow for adequate review and preparation.**

MOTION: Jim Anderson

SECOND: Kimberly De Serpa

FOR: Jim Anderson, Roger Anderson, Joe Clarke, Kimberly De Serpa, Lani Faulkner, Manu Koenig, and Eduardo Montesino.

AGAINST: None

ABSTAIN: None

MOTION PASSES: 7-0

5b. "Final Budget for Fiscal Year 2025-26"

Chair Manu Koenig requested staff to provide a presentation on adoption of a final budget for the upcoming fiscal year.

Executive Officer Joe Serrano informed the Commission that although LAFCO raised allocation amounts for the first time in three years for the upcoming fiscal year, staff did not receive any concerns or comments from the funding agencies. Mr. Serrano recommended the Commission adopt the final budget for the 2025-26 fiscal year.

Chair Manu Koenig opened the floor to Commission comments or clarifying questions. **Commissioners Jim Anderson** and **Roger Anderson** provided comments and historical context on CalPERS payments. **Executive Officer Joe Serrano** explained the ten-year pay-off schedule currently being followed by Santa Cruz LAFCO.

Commissioner Lani Faulkner asked a clarifying question on determining CalPERS obligations. **Executive Officer Joe Serrano** agreed that there are many factors to consider when calculating CalPERS obligations.

Commissioner Kimberly De Serpa asked a clarifying question on abstaining to vote on the item. **Legal Counsel Joshua Nelson** noted that being a member of CalPERS does not preclude Commissioners from voting, although it is at their discretion. **Executive Officer Joe Serrano** agreed.

Chair Manu Koenig requested public comments on the item. **Executive Officer Joe Serrano** noted no request to address the Commission on the item. Chair Koenig closed public comments.

Chair Manu Koenig requested a motion approving staff recommendation. **Commissioner Jim Anderson** motioned for approval of staff recommendation and **Commissioner Roger Anderson** seconded the motion.

Chair Manu Koenig called for a roll call vote on the motion: **1) Adopt the draft resolution (No. 2025-06) approving the final budget for Fiscal Year 2025-26; and authorize staff to request the Auditor-Controller's Office to distribute the final budget and apportionment amounts to the funding agencies by July 2025.**

MOTION: Roger Anderson

SECOND: Jim Anderson

FOR: Jim Anderson, Roger Anderson, Joe Clarke, Kimberly De Serpa, Lani Faulkner, Manu Koenig, and Eduardo Montesino.

AGAINST: None

ABSTAIN: Lani Faulkner

MOTION PASSES: 6-0-1

6. OTHER BUSINESS

6b. Fire Consolidation Feasibility Study – Memorandum of Understanding

Chair Manu Koenig requested staff to provide a presentation on consideration to partner with the City of Santa Cruz, Central Fire District, and the Scotts Valley Fire Protection District to explore the benefits and drawbacks of potential consolidation or changes of organization.

Executive Officer Joe Serrano explained to the Commission that more and more consolidations are being considered as viable options for special districts throughout the state. In Santa Cruz County, staff has been actively participating in a working group to explore options for shared services or potential changes of organization to improve the delivery of fire protection services for the constituents of each agency. Staff is recommending approval of the draft MOU to authorize the continued participation in the working group. Mr. Serrano did mention that all parties will provide some level of funding to support a proposed feasibility study.

Chair Manu Koenig opened the floor to Commission comments or clarifying questions. **Commissioner Lani Faulkner** had a clarifying question on the term "consolidation." **Executive Officer Joe Serrano** provided the state law definition and noted that the feasibility study would analyze all potential changes of organization options. Ms. Faulkner had a follow-up question on the cost for the feasibility study. Mr. Serrano expects the study to cost around \$60,000. Ms. Faulkner asked about the Standard of Care Study undertaken by the City of Santa Cruz. Mr. Serrano explained the purpose of the Standard of Care Study and explained how working with AP Triton helped propel the ongoing CSA 48 reorganization discussions. Ms. Faulkner wondered if there may be overlap between the studies. Mr. Serrano clarified that this would be a separate study with its own process to select a consultant to lead it.

Commissioner Jim Anderson explained his experience with the Aptos/La Selva and Central Fire District feasibility studies that eventually led to a consolidation in 2021.

Commissioner Roger Anderson asked about the sharing of costs, existing staff resources, and a general timeline with the possibility of regular updates to the Commission. **Executive Officer Joe Serrano** explained how the costs will be shared, mentioned that the Commission has discretion to determine how much to provide for the study, and assured the Commission that staff can meet the proposed timeline and provide ongoing status updates to the Commission.

Chair Manu Koenig asked a clarifying question regarding the financial obligations from approving the MOU. **Executive Officer Joe Serrano** clarified that approving the MOU does not commit LAFCO to the project financially. **Commissioner Jim Anderson** noted that LAFCO approved a \$15,000 request from the City of Capitola for a study to analyze its sphere of influence.

Chair Manu Koenig 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, commented on working with AP Triton, inquired about Don Jarvis' role in the study, spoke on current shared services between Central Fire District and Scotts Valley Fire Protection District, and looks forward to the upcoming fire-related reports.

Chair Manu Koenig closed public comments and requested a motion approving staff recommendation. **Commissioner Kimberly De Serpa** motioned for approval of staff recommendation and **Commissioner Joe Clarke** seconded the motion.

Chair Manu Koenig called for a voice vote on the motion: **Approve the draft memorandum of understanding.**

MOTION: Kimberly De Serpa

SECOND: Joe Clarke

FOR: Jim Anderson, Roger Anderson, Joe Clarke, Kimberly De Serpa, Lani Faulkner, Manu Koenig, and Eduardo Montesino.

AGAINST: None

ABSTAIN: None

MOTION PASSES: 7-0

6c. Legislative Update

Chair Manu Koenig requested staff to provide a status update on the current legislative session and activities involving legislation of LAFCO interest.

LAFCO Analyst Francisco Estrada stated that staff, with assistance from CALAFCO, has been monitoring and tracking state bills that are LAFCO-related. Mr. Estrada noted that the Commission will have time to consider taking a position on any tracked bill affecting Santa Cruz LAFCO.

Chair Manu Koenig opened the floor to Commission comments or clarifying questions. **Commissioner Roger Anderson** asked about the status of CALAFCO's Legislative Committee. **Executive Officer Joe Serrano** confirmed that the committee is again monitoring proposed state legislation.

Chair Manu Koenig 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, commented on SB 5 and the Williams Act and recommended a legislative newsletter to follow.

Chair Manu Koenig closed public comments and moved to the next item since no Commission action was required.

6d. Comprehensive Quarterly Report – Third Quarter (FY 2024-25)

Chair Manu Koenig requested staff to provide an update on active proposals, upcoming service reviews, latest budgetary performance, and other staff activities.

LAFCO Analyst Francisco Estrada noted that this report is meant to keep the Commission informed 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, highlighted meetings held and indicated that the Commission's budget is doing well with approximately 51% of the anticipated expenses having been spent.

Chair Manu Koenig opened the floor for Commission comments or clarifying questions. **Commissioner Lani Faulkner** noted that she also attended the California Special Districts Association meeting held in La Selva Beach.

Chair Manu Koenig moved to the next item since no Commission action was required.

7. WRITTEN CORRESPONDENCE

Chair Manu Koenig inquired whether there was any written correspondence submitted to LAFCO. **Executive Officer Joe Serrano** provided the Commission with an update on a resignation letter submitted by Don Jarvis, LAFCO's fire consultant.

Chair Manu Koenig 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, provided comments on the resignation of Don Jarvis as LAFCO's fire consultant. **Executive Officer Joe Serrano** assured the public that staff is capable of completing all current fire-related projects.

Chair Manu Koenig moved to the next item since no Commission action was required.

8. PRESS ARTICLES

Chair Manu Koenig 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 Manu Koenig moved to the next item since no Commission action was required.

9. COMMISSIONERS' BUSINESS

Chair Manu Koenig inquired whether any Commissioner would like to share any information. **Executive Officer Joe Serrano** indicated that there was a request address the Commission on this item.

Commissioner Lani Faulkner shared information on recent meetings she attended. **Executive Officer Joe Serrano** also welcomed Mayor Joe Clarke to the LAFCO Commission.

Chair Manu Koenig moved to the next item since no Commission action was required.

10. ADJOURNMENT

Chair Manu Koenig adjourned the Regular Commission Meeting at 10:00 a.m. for the next regular LAFCO meeting scheduled for Wednesday, June 4, 2025 at 9:00 a.m. in the Council Chambers of the City of Watsonville.



MANU KOENIG, CHAIRPERSON

Attest:



FRANCISCO ESTRADA, LAFCO ANALYST