

Pajaro Valley Public Cemetery District

Service and Sphere of Influence Review



Adopted Version (June 4, 2025)

Local Agency Formation Commission of Santa Cruz County

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EXECUTIVE SUMMARY

Introduction

This Service and Sphere of Influence Review provides information about the services and boundaries of the Pajaro Valley Public Cemetery District. The report will be used by the Local Agency Formation Commission to conduct 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 for 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). The District's last service review was adopted on September 2, 2020.

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]).

Multi-County Special District

Pajaro Valley Public Cemetery District (referred to as "PVPCD" or "District") was founded as an independent special district in 1955 to provide for the respectful and cost-effective interment of human remains to meet the cultural, economic, religious, and social needs within southern Santa Cruz County, including a portion of Monterey County. Pursuant to its principal act, PVPCD may be located within multiple counties as long as the lands are contiguous (Health and Safety Code Section 9000). The District's jurisdictional limits has remained the same for the past seven decades. At present, the District operates five cemeteries, all of which are located within Santa Cruz County.

The District encompasses approximately 166 square miles within two counties: Santa Cruz County (118 square miles; \$11 billion in assessed value) and Monterey County (48 square miles; \$2.0 billion in assessed value). The current population within PVPCD's entire service area is approximately 96,000. An overview map is shown as **Figure 1** on page 6.

Principal LAFCO

Since the District is in multiple counties, the principal county's LAFCO has purview over PVPCD. A "principal county" is the county that has "the greater portion of the entire assessed value, as shown on the last equalized assessment roll of the county or counties, of all taxable property within a district or districts for which a change or organization or reorganization is proposed" (Government Code Section 9002[k]). Based on this criteria, Santa Cruz LAFCO has been, and continues to be, the principal LAFCO. The principal LAFCO is statutorily responsible for PVPCD's proposed boundary changes, sphere amendments, and service reviews.

Affected LAFCO

State law does not prohibit other "affected" LAFCOs, such as Monterey LAFCO in this instance, from adopting additional or supplemental service reviews involving a multi-county special district. The last service review adopted by Monterey LAFCO involving PVPCD was in December 2015, as part of a countywide service review.

The goal of this service review is two-fold: (1) fulfill the Commission's direction to complete a service review for PVPCD under the Multi-Year Work Program, and (2) fulfill the service and sphere determinations for PVPCD under the Cortese-Knox-Hertzberg Act. For purposes of this report, and to ensure our analysis provides additional and distinctive information, this service review will primarily focus on areas involving the District and Santa Cruz County. An overview of PVPCD's entire operation and finances will also be provided in this report. Any staff recommendations identified in this review will be shared with Monterey LAFCO.

Sphere of Influence

Santa Cruz LAFCO adopted a multi-county sphere of influence for the District in October 1988. PVPCD's multi-county sphere is coterminous with its jurisdictional boundary. In September 2020, Santa Cruz LAFCO reaffirmed this sphere boundary.

Unserved Community

In 2015 and again in 2020, Santa Cruz LAFCO's service review noted that a community in northern Monterey County, known as Prunedale, is unserved by any cemetery district. Prunedale sits between Castroville Cemetery District (CCD) and PVPCD. The 2020 report included a recommendation that Santa Cruz LAFCO coordinate with Monterey LAFCO to analyze possible annexation and/or a sphere amendment to include the unserved Prunedale community within the Castroville or Pajaro Valley Public Cemetery Districts. No action resulted from those collaborative efforts.

Prunedale continues to be unserved even though two cemetery districts are immediately adjacent to the community. Based on staff analysis, there are also portions of Prunedale that are not part of any sphere boundary. Therefore, Santa Cruz LAFCO is recommending that PVPCD's sphere boundary be amended to include the Prunedale community. It is important to note that a sphere amendment does not automatically annex a territory into a district. The affected and interested agencies, specifically Castroville Cemetery District, Pajaro Valley Public Cemetery District, and both Monterey and Santa Cruz LAFCOs must support any proposed annexation if determined that it would benefit the affected residents.

Key Findings

The following are key findings of the 2025 Service and Sphere of Influence Review for the Pajaro Valley Public Cemetery District:

1. The District provides services in two counties.

PVPCD encompasses over 166 square miles in two separate counties and offers burial services through five different cemeteries. The cemeteries are all located within Santa Cruz County. It is estimated that approximately 96,000 residents currently live within PVPCD's jurisdiction, mostly in the Watsonville area.

2. Santa Cruz LAFCO is the principal LAFCO for the district.

State law allows cemetery districts to be located within multiple counties as long as the lands are contiguous. When multiple counties are involved, State law assigns authority to the principal county's LAFCO. Santa Cruz LAFCO is the principal LAFCO for PVPCD. Santa Cruz LAFCO is statutorily responsible for any changes of organization related to the District. In the event that a proposed boundary change involves Monterey County, Santa Cruz LAFCO will coordinate with Monterey LAFCO before, during, and after the process is completed.

3. The District is financially stable.

PVPCD experienced a surplus in six of the last seven fiscal years evaluated by LAFCO. This is a significant improvement from the previous service review which noted how the District experienced multiple annual deficits in the past. Financial statements from Fiscal Years 2018 to 2024 indicate that the annual surplus ranged from approximately \$103,000 to \$574,000. LAFCO staff believes that this positive trend may continue as the District's budgetary practices continue to accurately cover annual expenses.

4. The District does not have a capital improvement plan in place.

The purpose of a Capital Improvement Plan (CIP) is to identify and prioritize needs and project costs for planned improvements to the District's infrastructure. At present, the District does not have a CIP in place. The adoption of a long-term maintenance plan, such as a CIP, would help budget for future improvements and provide more transparency to its constituents.

5. The District is complying with website requirements under State law.

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. PVPCD maintains a website but does not meet the minimum requirements outlined in SB 929. LAFCO recommends that the District update their website for more transparency and awareness for its constituents by no later than December 31, 2025.

6. The District's sphere of influence is coterminous with its jurisdictional limits.

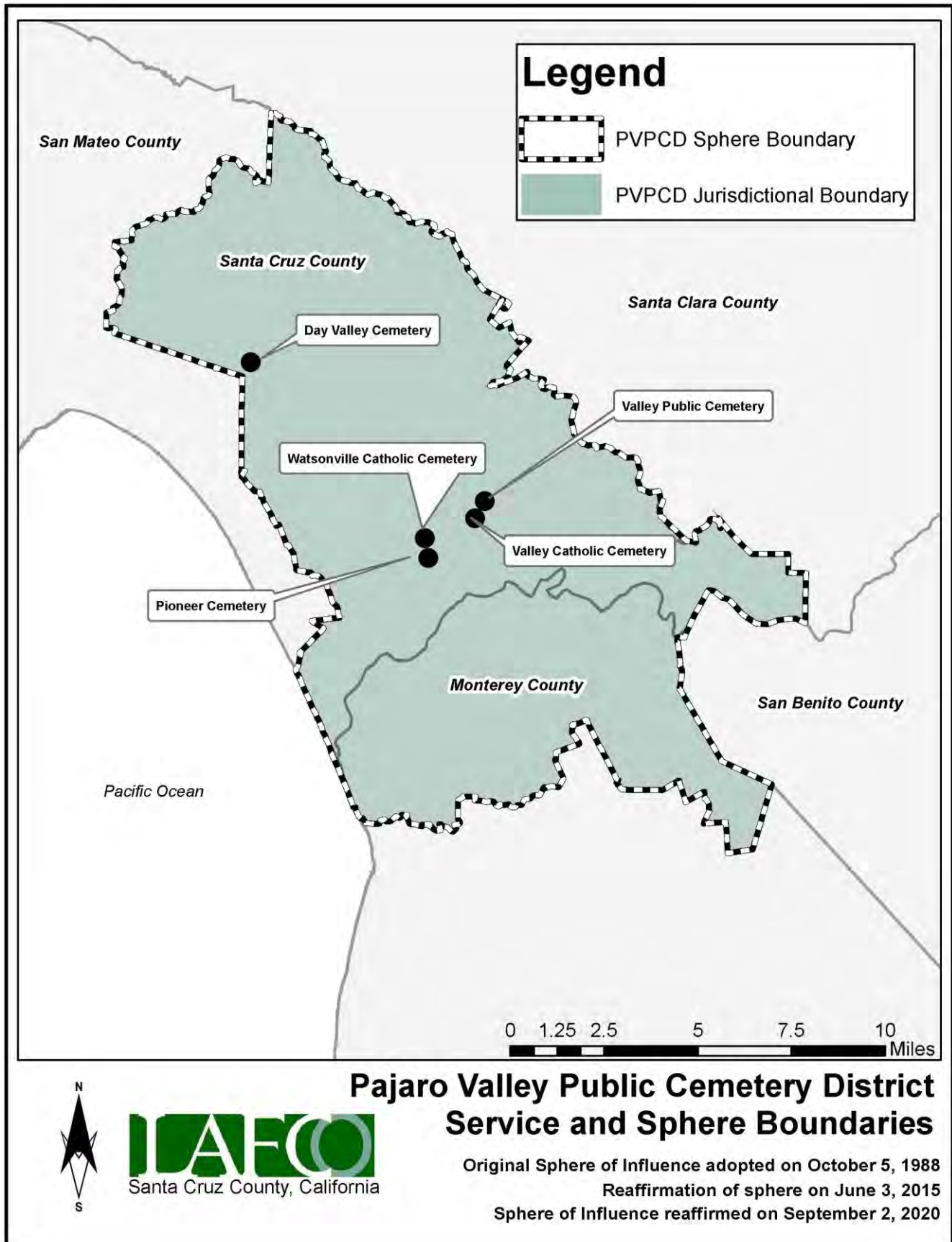
The Commission adopted a multi-county sphere of influence back in October 1988. PVPCD's multi-county sphere is coterminous with its jurisdictional boundary. It is recommended that the commission direct staff to work with Monterey LAFCO, Castroville Cemetery, and PVPCD in order to provide a collaborative recommendation on the District's sphere boundary no later than February 4, 2026.

Recommended Actions

Based on the analysis and findings in the 2025 Service and Sphere of Influence Review for the Pajaro Valley Public Cemetery 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 Pajaro Valley Public Cemetery 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 the resolution (LAFCO No. 2025-08) approving the 2025 Service and Sphere Review for the Pajaro Valley Public Cemetery District with the following conditions:
 - a. Provide a status update to the Commission on the District's website no later than February 4, 2026;
 - b. Coordinate with Monterey LAFCO to analyze the possible annexation of the unserved Prunedale community to either the Castroville or Pajaro Valley Public Cemetery Districts;
 - c. Consider a sphere designation based on the coordination with Monterey LAFCO, Castroville Cemetery District and Pajaro Valley Public Cemetery District no later than February 4, 2026; and
 - d. Direct the Executive Officer to distribute a copy of the adopted service and sphere review to the Pajaro Valley Public Cemetery District and any other interested or affected parties, including but not limited to Monterey LAFCO as the affected LAFCO.

Figure 1: Vicinity Map



DISTRICT OVERVIEW

History

The Pajaro Valley Public Cemetery District, formed in 1955, serves communities in the southern portion of Santa Cruz County, such as Aptos and the City of Watsonville. The District also serves a portion of Monterey County, including Pajaro, Las Lomas, and Aromas. PVPCD operates pursuant to the California Public Cemetery District Law (Health and Safety Code Sections 9000 – 9093). The District's service area encompasses 165.71 square miles: Santa Cruz County consists of 117.61 square miles and the remaining 48.10 square miles are located in Monterey County.

Services and Operations

The District provides burial spaces, maintenance of cemetery grounds, and opening and closing services through five different cemeteries, as shown in **Table 1**. Maps depicting the location of each cemetery are shown in **Appendix A**. These cemeteries average a total of 175 to 200 burials a year. Only one cemetery, Valley Public Cemetery, has traditional gravesites available for purchase, and the District anticipates having only approximately 10 years of capacity remaining at Valley Public. The District's ability to acquire property adjacent to existing facilities is limited, and as a result, PVPCD continues to seek additional cemetery site locations to expand its services in south Santa Cruz County and/or north Monterey County.

Table 1: Cemetery Overview

Cemetery	Size & Availability	Location
Day Valley Cemetery	0.5 acres; No availability	206 Meadow Road Aptos, CA 95003
Watsonville Catholic Cemetery	6 acres; No availability	1456 Freedom Blvd. Watsonville, CA 95076
Pioneer Cemetery	15 acres; 70 cremation lots, 110 cremation niches, and no burial lots	66 Marin Street, Watsonville, CA 95076
Valley Catholic Cemetery	5 acres; No availability	2401 East Lake Avenue Watsonville, CA 95076
Valley Public Cemetery	9 acres; 715 burial lots and 572 cremation graves	2445 East Lake Avenue Watsonville, CA 95076

*Note: FY 2024-25 Services and Costs are shown in **Appendix B**.*

Population and Growth

Based on staff's analysis, the population of PVPCD in 2025 is estimated to be 96,000. 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. Official growth projections are not available for special districts. In general, the Coastal Region is anticipated to have slow growth over the next fifteen years. **Table 2** shows the anticipated population for each local agency within PVPCD. The average rate of change within both counties is approximately 1.30%.

Population Projection

Based on the projections for the cities and counties within the District's service area, LAFCO staff was able to develop a population forecast for PVPCD. Staff increased the District's 2025 population amount by 1.30% each year. Under this assumption, LAFCO staff projects that the entire population of PVPCD will be approximately 99,000 by 2040.

Table 2: Projected Population

Area	2025	2030	2035	2040	Average
City of Watsonville	55,187	56,829	58,332	59,743	2.78%
Monterey County (Unincorporated)	105,682	106,007	106,323	106,418	0.25%
Santa Cruz County (Unincorporated)	137,896	139,105	140,356	141,645	0.86%
Pajaro Valley Public Cemetery District	95,648	96,887	98,143	99,415	1.30%

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 within an annual median household income that is 80% or less than the statewide annual median household income.

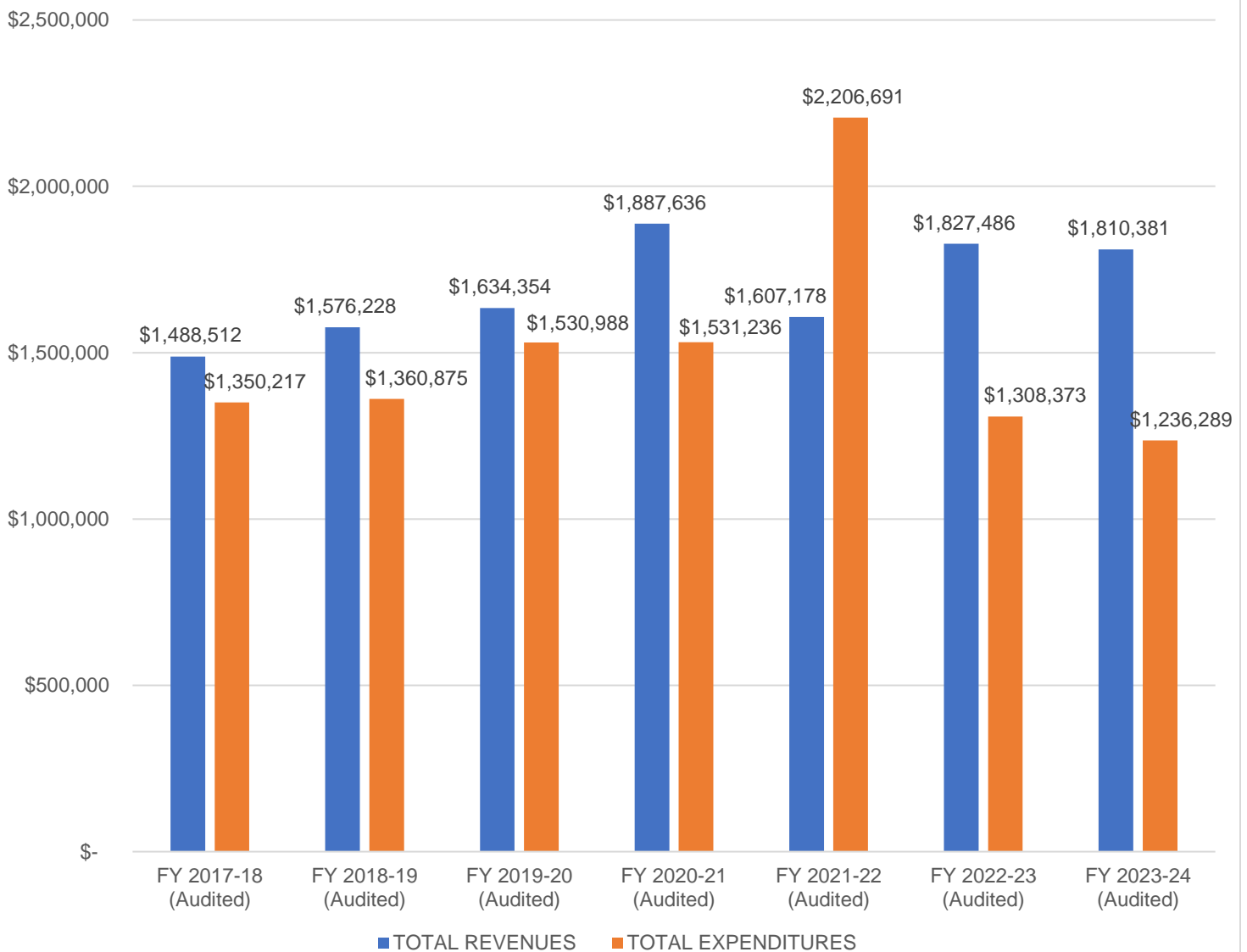
In 2025, the California statewide annual median household income was \$109,266, and 80% of that is \$87,413. LAFCO staff utilized the ArcGIS mapping program to locate potential DUCs in Santa Cruz County. It is important to note that the Pajaro Valley Public Cemetery District is not subject to SB 244 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 2023-24 is the latest audited financial statement available. LAFCO will evaluate PVPCD's financial health from 2018 to 2024. A comprehensive analysis of the District's financial performance during the past seven years is shown in **Table 4** on page 12. **Table 5** on page 13 also provides an overview of the District's assets and liabilities during the past seven fiscal years.

At the end of Fiscal Year 2023-24, total revenue collected was approximately \$1.81 million, representing a 1% decrease from the previous year (\$1.83 million in FY 22-23). Total expenses for FY 2023-24 were approximately \$1.2 million, which decreased from the previous year by 6% (\$1.3 million in FY 22-23). The District ended with an annual surplus in six of the last seven fiscal years, as shown in **Figure 2**. LAFCO staff believes that this positive trend may continue as the District's budgetary practices continue to accurately cover annual expenses.

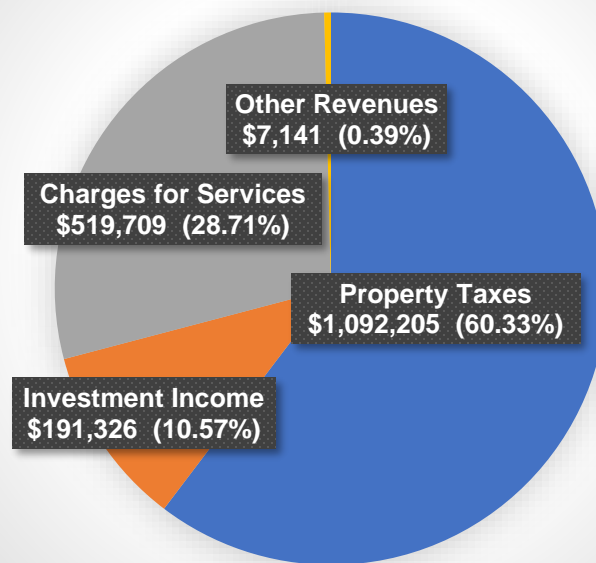
Figure 2: Statement of Revenues & Expenditures



Revenues

The District's primary source of revenue is from Property Taxes. In FY 2023-24, Property Taxes totaled approximately \$1.1 million which represents 60% of the District's entire revenue stream. Other revenue sources include Charges for Services (\$519,000 or 29%), Investment Income (\$191,000 or 10%), and Other Revenue (\$7,100 or less than 1%). **Figure 3** provides a breakdown each revenue stream.

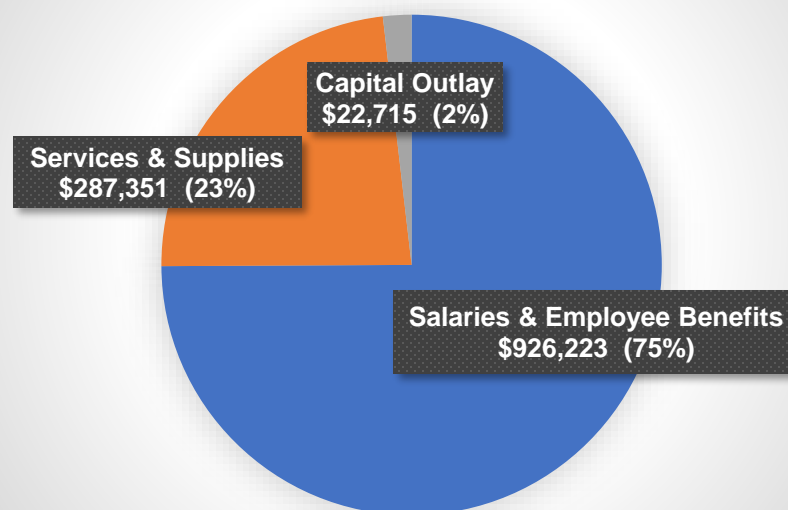
Figure 3: Total Revenue (FY 2023-24)



Expenditures

PVPCD's total expenditures can be categorized into three budgetary groups: Salaries & Benefits, Services & Supplies, and Capital Outlay. **Figure 4** shows that in FY 2023-24, Salaries & Benefits represent approximately 75% of the District's entire operational expenses. The remaining expenditures are based on the costs associated with operational tasks (Services & Supplies), and buildings and infrastructure (Capital Outlay).

Figure 4: Total Expenditure (FY 2023-24)

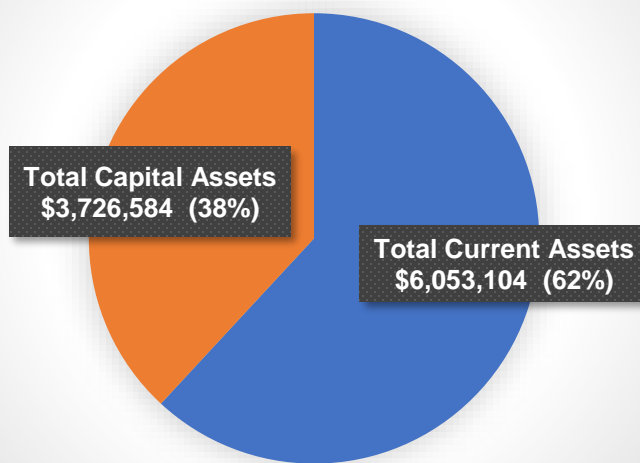


Assets & Liabilities

District Assets

As of June 30, 2024, the District had approximately \$9.8 million in total assets. This represents an increase of approximately \$459,000 or 5% from FY 2022-23's total assets of \$9.3 million. Total assets can be categorized into two types: Current Assets and Capital Assets. In FY 2023-24, current assets were approximately \$6 million, and capital assets were approximately \$3.7 million (less accumulated depreciation). As shown in **Figure 5**, capital assets represented 62% of total assets.

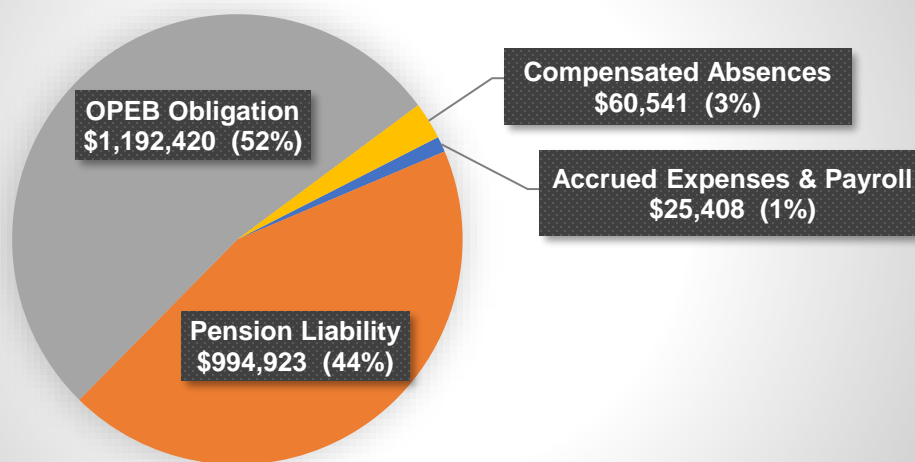
Figure 5: Total Assets (FY 2023-24)



District Liabilities

As of June 30, 2024, the District had approximately \$2.3 million in total liabilities. This represents an increase of approximately \$300,000 or 15% from FY 2022-23's total liabilities of \$1.9 million. Total liabilities can be categorized into four types: Accrued Expenses & Payroll, Pension Liability, OPEB Obligation, and Compensated Absences. As shown in **Figure 6**, OPEB Obligations represented 52% of total liabilities.

Figure 6: Total Liabilities (FY 2023-24)



Fund Balance

As of June 30, 2025, the total fund balance ended with approximately \$6 million. The following table highlights the fund balance from 2018 to 2024. As shown in the table below, the District's fund balance has increased over the years. This healthy balance of \$6 million will be critical in the event that the District encounters unintended expenses, major capital improvement projects, or emergency repairs.

Table 3: Fund Balance

	FY 2017-18 (Audited)	FY 2018-19 (Audited)	FY 2019-20 (Audited)	FY 2020-21 (Audited)	FY 2021-22 (Audited)	FY 2022-23 (Audited)	FY 2023-24 (Audited)
Ending Balance	\$2,938,395	\$3,153,748	\$3,257,114	\$5,534,004	\$4,934,491	\$5,453,604	\$6,027,696
Change from Previous Year (\$)	-	\$215,353	\$103,366	\$2,276,890	\$(599,513)	\$519,113	\$574,092

Table 4: Total Revenues & Expenditures

	FY 2017-18 (Audited)	FY 2018-19 (Audited)	FY 2019-20 (Audited)	FY 2020-21 (Audited)	FY 2021-22 (Audited)	FY 2022-23 (Audited)	FY 2023-24 (Audited)
REVENUES							
Property Taxes	\$ 807,162	\$ 886,412	\$ 909,270	\$ 937,963	\$ 981,805	\$ 1,041,593	\$ 1,092,205
Use of Money & Property / Investment Income	\$ 29,155	\$ 51,874	\$ 55,274	\$ 34,437	\$ 19,777	\$ 81,816	\$ 191,326
Aid from Other Government Agencies	\$ 5,538	\$ 4,810	\$ 5,530	\$ -	\$ -	\$ -	\$ -
Charges for Services	\$ 336,333	\$ 330,167	\$ 359,717	\$ 909,743	\$ 595,013	\$ 698,077	\$ 519,709
Other Revenues	\$ 10,324	\$ 2,965	\$ 4,563	\$ 5,493	\$ 10,583	\$ 6,000	\$ 7,141
Transfers In	\$ 300,000	\$ 300,000	\$ 300,000	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES	<u>\$ 1,488,512</u>	<u>\$ 1,576,228</u>	<u>\$ 1,634,354</u>	<u>\$ 1,887,636</u>	<u>\$ 1,607,178</u>	<u>\$ 1,827,486</u>	<u>\$ 1,810,381</u>
EXPENDITURES							
Salaries & Employee Benefits	\$ 643,500	\$ 753,441	\$ 850,826	\$ 846,946	\$ 937,694	\$ 846,147	\$ 926,223
Services & Supplies	\$ 242,547	\$ 198,053	\$ 354,711	\$ 306,666	\$ 322,847	\$ 433,229	\$ 287,351
Capital Outlay	\$ 164,170	\$ 109,381	\$ 25,451	\$ 377,624	\$ 946,150	\$ 28,997	\$ 22,715
Other Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers Out	\$ 300,000	\$ 300,000	\$ 300,000	\$ -	\$ -	\$ -	\$ -
TOTAL EXPENDITURES	<u>\$ 1,350,217</u>	<u>\$ 1,360,875</u>	<u>\$ 1,530,988</u>	<u>\$ 1,531,236</u>	<u>\$ 2,206,691</u>	<u>\$ 1,308,373</u>	<u>\$ 1,236,289</u>
Surplus/(Deficit)	\$ 138,295	\$ 215,353	\$ 103,366	\$ 356,400	\$ (599,513)	\$ 519,113	\$ 574,092
FUND BALANCE							
Beginning of Year (7/1)	\$ 2,800,100	\$ 2,938,395	\$ 3,153,748	\$ 5,177,604	\$ 5,534,004	\$ 4,934,491	\$ 5,453,604
End of Year (6/30)	\$ 2,938,395	\$ 3,153,748	\$ 3,257,114	\$ 5,534,004	\$ 4,934,491	\$ 5,453,604	\$ 6,027,696

Table 5: Total Assets & Liabilities

	FY 2017-18 (Audited)	FY 2018-19 (Audited)	FY 2019-20 (Audited)	FY 2020-21 (Audited)	FY 2021-22 (Audited)	FY 2022-23 (Audited)	FY 2023-24 (Audited)
ASSETS							
Cash:							
Cash in Bank & Investments	\$2,621,599	\$2,829,754	\$2,990,568	\$5,291,134	\$4,672,802	\$5,249,656	\$ 5,852,797
Receivables:							
Account Receivable	\$ 13,582	\$ -	\$ -	\$ 3,720	\$ 3,720	\$ 3,720	\$ 3,720
Inventory	\$ 326,636	\$ 360,422	\$ 322,526	\$ 301,153	\$ 276,464	\$ 225,360	\$ 196,587
Total Receivables	\$ 340,218	\$ 360,422	\$ 322,526	\$ 304,873	\$ 280,184	\$ 229,080	\$ 200,307
Total Current Assets	\$2,961,817	\$3,190,176	\$3,313,094	\$5,596,007	\$4,952,986	\$5,478,736	\$ 6,053,104
Capital Assets:							
Land & Construction in Progress	\$1,251,050	\$1,105,362	\$1,105,362	\$1,105,362	\$1,105,362	\$1,105,362	\$ 1,105,362
Structures & Improvements	\$2,208,460	\$2,462,131	\$2,476,415	\$3,012,338	\$4,108,672	\$4,137,669	\$ 4,160,384
Equipment	\$ 291,016	\$ 297,316	\$ 308,483	\$ 150,184	\$ -	\$ -	\$ -
Plots Held for Sale	\$ 3,945	\$ 3,945	\$ 3,945	\$ 3,945	\$ 3,945	\$ 3,945	\$ 3,945
Total Property & Equipment	\$3,754,471	\$3,868,754	\$3,894,205	\$4,271,829	\$5,217,979	\$5,246,976	\$ 5,269,691
Less: Accumulated Depreciation	\$ 892,836	\$ 964,550	\$1,040,152	\$1,134,868	\$1,265,218	\$1,404,643	\$ 1,543,107
Depreciable Capital Assets, Net	\$2,861,635	\$2,904,204	\$2,854,053	\$3,136,961	\$3,952,761	\$3,842,333	\$ 3,726,584
Total Capital Assets	\$2,861,635	\$2,904,204	\$2,854,053	\$3,136,961	\$3,952,761	\$3,842,333	\$ 3,726,584
TOTAL ASSETS	\$5,823,452	\$6,094,380	\$6,167,147	\$8,732,968	\$8,905,747	\$9,321,069	\$ 9,779,688
Deferred Outflows of Resources:							
Deferred Outflows Related to Pension	\$ 183,626	\$ 149,555	\$ 136,032	\$ 176,477	\$ 170,639	\$ 384,647	\$ 411,908
Deferred Outflows Related to OPEB	\$ 29,115	\$ 29,115	\$ 39,140	\$ 267,054	\$ 222,761	\$ 178,468	\$ 246,056
Total Deferred Outflows of Resources	\$ 212,741	\$ 178,670	\$ 175,172	\$ 443,531	\$ 393,400	\$ 563,115	\$ 657,964
TOTAL ASSETS & DEFERRED OUTFLOWS	\$6,036,193	\$6,273,050	\$6,342,319	\$9,176,499	\$9,299,147	\$9,884,184	\$10,437,652
LIABILITIES							
Accrued Expenses & Payroll	\$ 22,772	\$ 14,226	\$ 51,439	\$ 62,003	\$ 18,495	\$ 25,132	\$ 25,408
Unearned Revenue	\$ 650	\$ 22,202	\$ 4,541	\$ -	\$ -	\$ -	\$ -
Net Pension Liability	\$ 707,598	\$ 685,529	\$ 755,775	\$ 746,178	\$ 335,708	\$ 826,819	\$ 994,923
Net OPEB Obligation	\$1,023,464	\$1,023,464	\$1,119,820	\$1,352,960	\$1,035,849	\$1,063,309	\$ 1,192,420
Compensated Absences (Due Within One Year)	\$ 50,012	\$ 54,867	\$ 31,998	\$ 45,864	\$ 47,486	\$ 59,988	\$ 60,541
TOTAL LIABILITIES	\$1,804,496	\$1,800,288	\$1,963,573	\$2,207,005	\$1,437,538	\$1,975,248	\$ 2,273,292
Deferred Inflows of Resources:							
Deferred Inflows Related to Pension	\$ 23,000	\$ 28,104	\$ 27,996	\$ 5,322	\$ 293,056	\$ 11,121	\$ 37,927
Deferred Inflows Related to OPEN	\$ -	\$ -	\$ -	\$ 115,387	\$ 448,477	\$ 394,616	\$ 357,233
Total Deferred Inflows of Resources	\$ 23,000	\$ 28,104	\$ 27,996	\$ 120,709	\$ 741,533	\$ 405,737	\$ 395,160
Net Position:							
Net Investment in Capital Assets	\$2,861,635	\$2,904,204	\$2,854,053	\$3,136,961	\$3,952,761	\$3,842,333	\$ 3,726,584
Restricted for Nonexpendable	\$ -	\$ -	\$ -	\$2,181,209	\$2,277,214	\$2,389,122	\$ 2,539,676
Unrestricted Net Position	\$1,347,062	\$1,540,454	\$1,496,697	\$1,530,615	\$ 890,101	\$1,271,744	\$ 1,502,940
TOTAL NET POSITION	\$4,208,697	\$4,444,658	\$4,350,750	\$6,848,785	\$7,120,076	\$7,503,199	\$ 7,769,200
TOTAL ASSETS & DEFERRED INFLOWS	\$6,036,193	\$6,273,050	\$6,342,319	\$9,176,499	\$9,299,147	\$9,884,184	\$10,437,652

GOVERNANCE

The Pajaro Valley Public Cemetery District is governed by a five-member Board of Trustees, which is appointed by the Santa Cruz County Board of Supervisors. District boundaries straddle the Santa Cruz-Monterey County line, and its Sphere of Influence is coterminous with the current boundaries. The District maintains five cemeteries, all of which are located in Santa Cruz County.

Local Accountability & Structure

The current Board is as follows:

Table 6: Board of Trustees

Board Member	Term of Office
Violet Lucas, Chair	Appointed: January 14, 2020 Term Limit Ends: December 31, 2027
Robert Tanner, Vice-Chair	Appointed: March 26, 2019 Term Limit Ends: December 31, 2025
Nancy Bilicich	Appointed: September 28, 2021 Term Limit Ends: December 31, 2025
Ed Banks	Appointed: January 23, 2018 Term Limit Ends: December 31, 2025
Steven George	Appointed: November 22, 2016 Term Limit Ends: December 31, 2027

The Chair and Vice-Chair designations are rotated on a two-year term. Board meetings are held on the second Tuesday of the month at 2:00 pm. These Board meetings are typically held at the District's administrative office in Watsonville which are open to the public. Public hearing notices are provided through online posting.

Challenges and Opportunities

State laws increase in number and complexity each year. Compliance is a challenge for all districts, especially small agencies such as PVPCD. The District responds to legal requirements to the extent that their resources permit them to do so. Levels of compliance vary from district to district, and some implement best management practices that go above and beyond the basics. Smaller districts have particular difficulty in keeping up with current requirements for financial and audit reporting, transparency and accountability, the conduct of meetings, personnel practices, insurances, contracting provisions, and trustee and staff required trainings. Some cemetery districts also have difficulty finding residents to fill trustee positions. The following section discusses current challenges and identifies possible opportunities to ensure the delivery of services in a more efficient and effective manner.

Capital Improvement Plan

The purpose of a Capital Improvement Plan (CIP) is to identify and prioritize needs and project costs for planned improvements to the infrastructure that will serve the affected ratepayers in an efficient and cost-effective manner over the next five-plus years of growth and change. At present, the District does not have a CIP in place. The adoption of a long-term maintenance plan, such as a CIP, would help budget for future improvements and provide more transparency to its constituents.

LAFCO Staff Recommendation: *The District should consider adopting a long-term maintenance plan to ensure scheduled and unforeseen repairs, replacements, and installations are adequately funded.*

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 7** on page 16 summarizes staff's findings on whether their website meets the statutory requirements. At present, PVPCD does not meet all the benchmarks. While the District has a website in place, it must consider adding more useful information and resources that are easily accessible to the public.

Table 7: 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)	7 (35%)

LAFCO Staff Recommendation: *The District must update its website to fulfill the legal requirements under SB 929 by December 31, 2025.*

Local and Regional Collaborations

The District is an active member of both the California Association of Public Cemeteries (CAPC) and the Public Cemetery Alliance (PCA). Based on staff's analysis, more opportunities are available for sharing resources and expertise among cemetery districts. Many nearby cemetery districts already take advantage of efficiency and cost-sharing measures, including the shared use of equipment, staff and contracted services. Those districts with more resources are generous with their assistance to districts with fewer resources. PVPCD is encouraged to work with neighboring special districts, nearby cities and private cemeteries to explore new ways of reducing costs and increasing efficiencies where possible. Below are two opportunities identified by LAFCO:

- **Utilization of Nearby Board Chambers:** The District's board meetings are typically conducted at their administrative office in Watsonville. While the District does not experience large audiences during public meetings, their current meeting room is limited in size. It may be beneficial to utilize the City of Watsonville's chambers or a nearby agency's board chambers. Benefits under this potential collaboration is two-fold: (1) it establishes a more transparent board meeting procedure under the Brown Act, and (2) it helps build additional partnerships with neighboring municipalities.
- **Utilization of Santa Cruz LAFCO:** Small districts often have limited access to resources. LAFCO could be used as an additional resource to the agency. LAFCO staff is willing to provide PVPCD with a summary of State requirements and best practices for the operation of a public agency. LAFCO can also share information about professional development training and technical assistance resources available to special districts. This type of collaboration may be useful for the Board and staff members in the short and long run.

LAFCO Staff Recommendation: *The District should consider collaborating with other local agencies to maximize efficiencies, improve internal operations, and/or explore cost-saving opportunities.*



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.

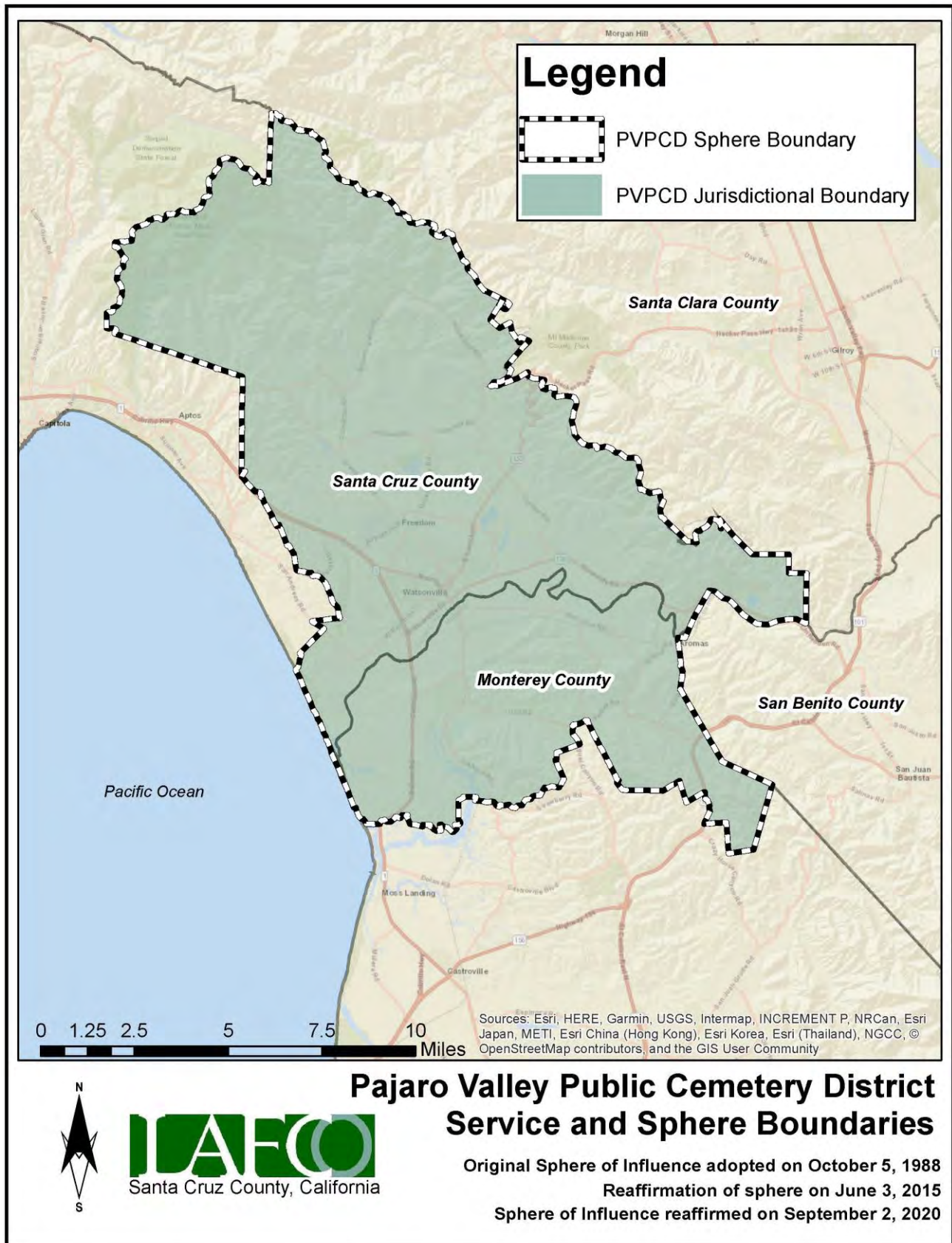
Current Sphere Boundary

Santa Cruz LAFCO adopted a multi-county sphere of influence for the District back in October 1988. PVPCD's multi-county sphere is coterminous with its jurisdictional boundary. In September 2020, Santa Cruz LAFCO reaffirmed this sphere boundary, as shown in **Figure 7** on page 19.

Unserved Community & Proposed Sphere Amendment

In 2020, Santa Cruz LAFCO's service review noted that a community in northern Monterey County, known as Prunedale, is unserved by any cemetery district. Prunedale sits between Castroville Cemetery District (CCD) and PVPCD, as shown in **Appendix C**. The report also suggested that Monterey LAFCO would explore annexation possibilities with CCD. As part of Monterey LAFCO's 2015 service review, the Castroville Cemetery District was consulted but chose not to pursue expansion due to feasibility constraints. Prunedale continues to be unserved even though two cemeteries are immediately adjacent to the community. Based on staff's analysis, there are also portions of Prunedale that are not part of any sphere boundary. Santa Cruz LAFCO is recommending that the two cemetery districts coordinate with the two LAFCOs and determine how to best serve the Prunedale community. These discussions may lead to a sphere amendment for PVPCD. An update, with possible recommendations, should be considered by the Commission no later than February 4, 2026.

Figure 7: Current Sphere Map



District Summary

Pajaro Valley Public Cemetery District	
Formation	Health & Safety Code §9000 et seq. (Public Cemetery District Law)
Board of Trustees	Governed by a five-member Board of Trustees. Board members are appointed to four-year terms by the Santa Cruz County Board of Supervisors.
Contact Person	Elizabeth Lopez, General Manager
Employees	6 full-time crew members
Facilities	The District owns and manages 5 cemeteries: (1) Day Valley Cemetery, (2) Watsonville Catholic Cemetery, (3) Pioneer Cemetery, (4) Valley Catholic Cemetery, and (5) Valley Public Cemetery.
District Area	The District's entire boundary consists of nearly 117 square miles and encompasses two counties – Monterey and Santa Cruz. The majority of the District is within Santa Cruz County.
Sphere of Influence	The sphere boundary is coterminous with the District's jurisdictional limits and includes lands from both counties.
FY 2024-25 Budget	<p>Total Revenue = \$1,407,500</p> <p>Total Expenditure = \$962,237</p> <p>Projected Net Position (Beginning Balance) = \$6,027,696</p>
Contact Information	<p>Mailing Address: 66 Marin Street Watsonville, CA 95076</p> <p>Phone Number: 831-722-0310</p> <p>Email Address: pvcemetery@cruzio.com</p> <p>Website: https://www.pvpcd.org/</p>
Public Meetings	Meetings are typically held on the second Tuesday of the month, at 2:00 pm. These Board meetings are typically held at the District's administrative office in Watsonville and are open to the public.
Mission Statement	To provide efficient, cost effective burial services for the community, and provide maintenance to the cemeteries in a respectable, clean and safe manner that honors the loved ones of family, friends and the community at large.

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.

PVPCD encompasses over 166 square miles. It is estimated that approximately 96,000 residents currently live within PVPCD's jurisdiction, mostly in the Watsonville area. LAFCO staff projects that the District's population may reach 99,000 by 2040.

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

PVPCD is not subject to SB 244 because it does not provide water, sewer, or fire service.

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.

PVPCD provides burial services through five different cemeteries. Only the Valley Public Cemetery has traditional gravesites available for purchase, and the District anticipates having approximately 10 years of capacity remaining at Valley Public. The District's ability to acquire property adjacent to existing facilities is limited, and so PVPCD is seeking an additional cemetery site within its jurisdictional limits.

4. Financial ability of agencies to provide services.

PVPCD's primary source of revenue is from property taxes. The District has experienced annual surpluses in six out of the last seven fiscal years (2018 to 2024). LAFCO staff believes that this positive trend may continue as the District's budgetary practices continue to accurately cover annual expenses.

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

The District is an active member of both the California Association of Public Cemeteries and the Public Cemetery Alliance. LAFCO encourages more collaborative efforts with neighboring cemetery districts and local agencies, such as the City of Watsonville.

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

The District currently has a website, but it does not meet the requirements under SB 929. LAFCO encourages PVPCD to continue updating the website for more transparency.

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 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.

The present and planned land uses are based on the general plans from the County and the City of Watsonville, which range from urban to rural uses. General plans anticipate growth centered on existing urban areas and the maintenance of agricultural production, rural residential uses, and environmental protection in rural areas. Land use designations within most of the five cemeteries are zoned as Public Facilities or Open Space. The area within Day Valley Cemetery is zoned as Residential-Suburban by the County.

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

The service needs in the area are the maintenance of the five cemeteries, and the expansion of cemetery facilities within 10 years.

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

The District owns and maintains five cemeteries covering a total of 36 acres. Four of the cemeteries have no spaces remaining for sale, but they do have room for interments in previously sold plots. The District has approximately 10 years' worth of space remaining at the Valley Public Cemetery. The District recognizes this infrastructure need and is looking to acquire land for a new cemetery.

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.

The District provides services to the Pajaro Valley. This is a social and economic community of interest which is relevant to the provision of public services provided by the Pajaro Valley Public Cemetery District.

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 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: Cemetery Maps (3 in total)

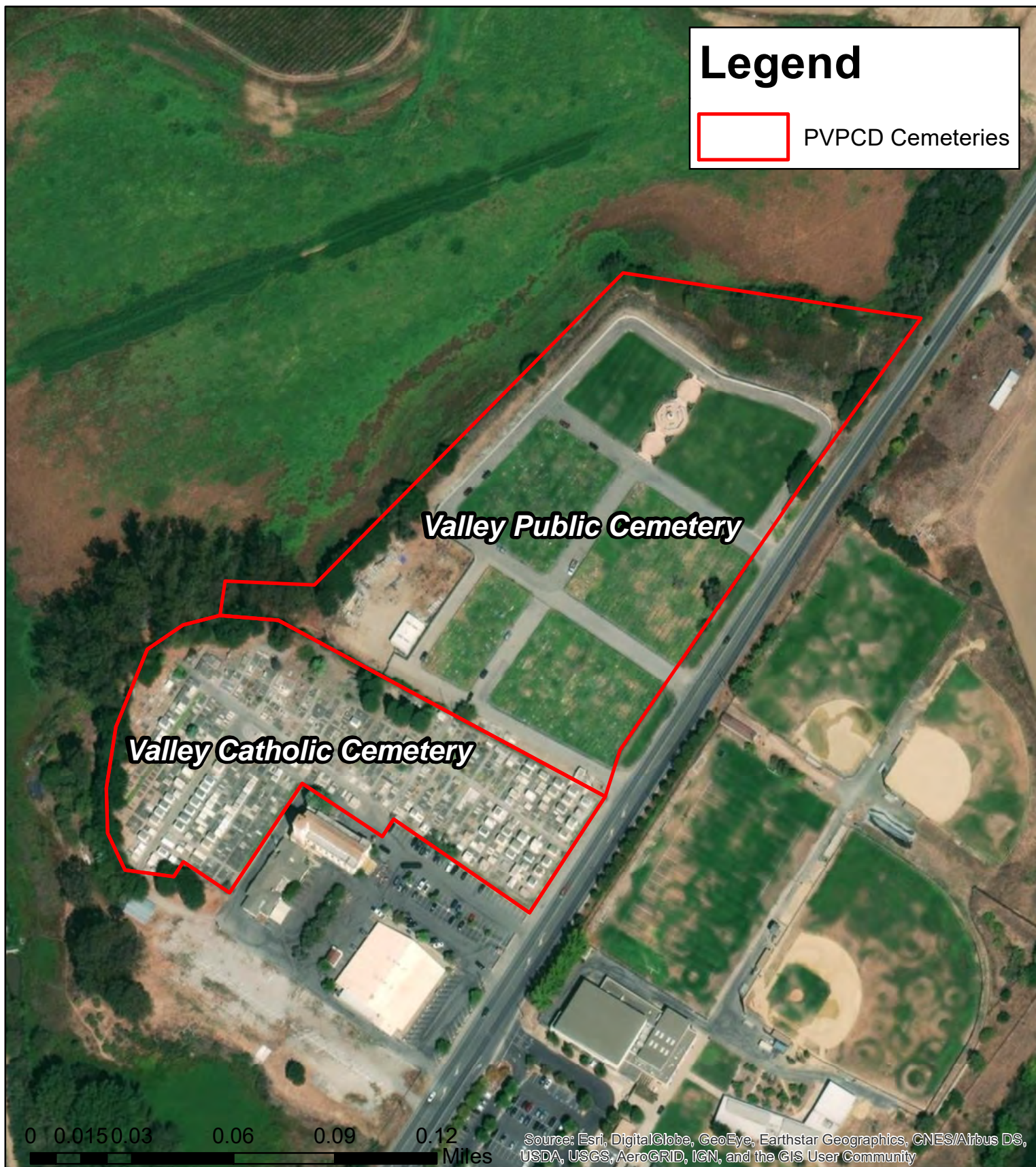
Appendix B: FY 2024-25 Services & Costs

Appendix C: Unserved Prunedale Map

APPENDIX A:

PVPCD

Cemetery Maps
(3 in total)



Pajaro Valley Public Cemetery District (District Cemeteries: 5 in total)

Map of Valley Public and Valley Catholic Cemeteries



Santa Cruz County, California

Pajaro Valley Public Cemetery District (District Cemeteries: 5 in total)

Map of Watsonville Catholic and Pioneer Cemeteries



Santa Cruz County, California

Pajaro Valley Public Cemetery District (District Cemeteries: 5 in total)

Map of Day Valley Cemetery



Freedom Boulevard

D

C

B

A

E

F

G

H

4

3

2 1/2

2

16

15

14

13

12

11

10

9

Section

10

Section

8

Section

7

Section

6

Section

5

Section

4

Section

3

Section

2

Section

1

Block

10

Section

9

Block

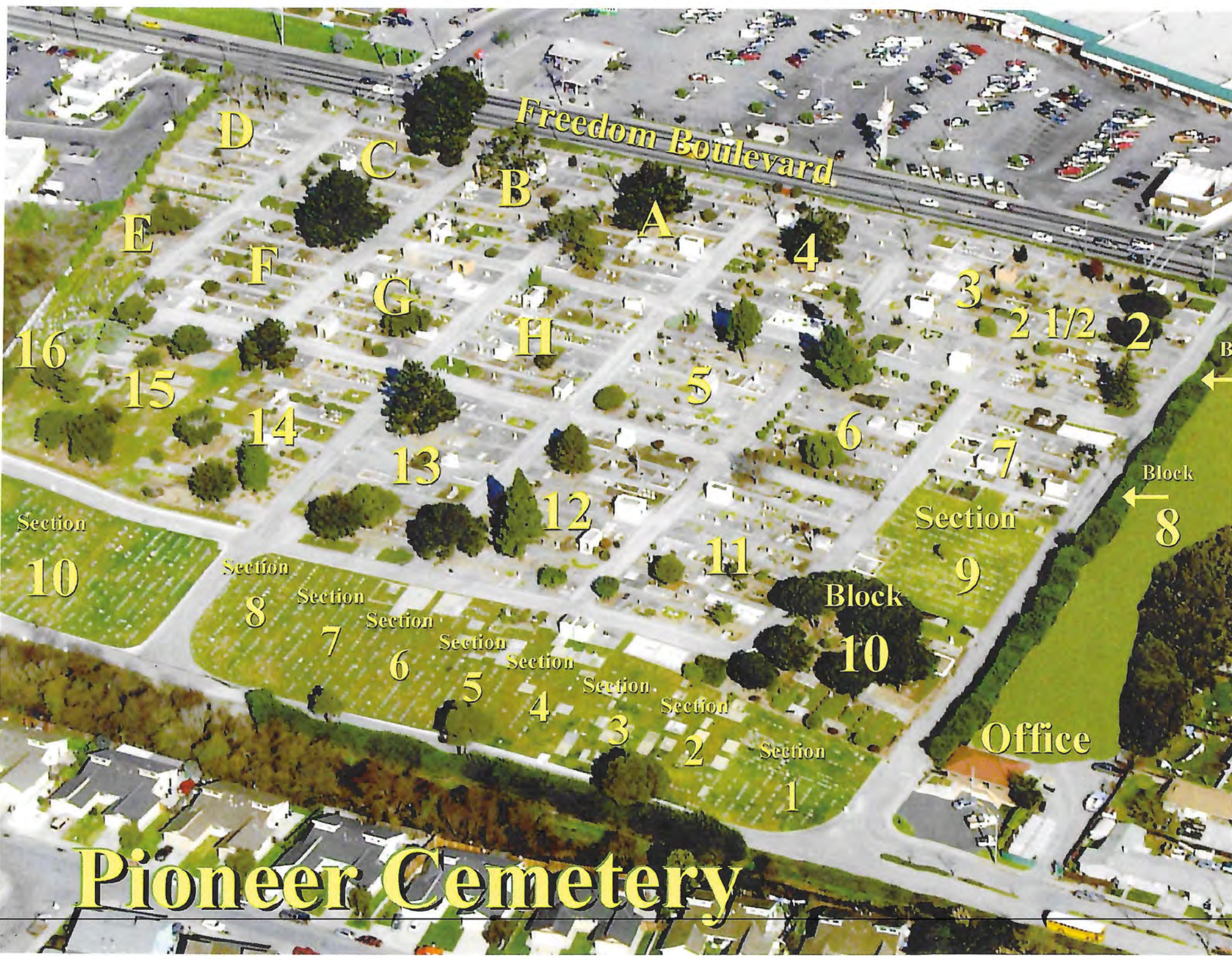
8

Block

1

Office

Pioneer Cemetery



Freedom Boulevard

D

C

B

A

E

F

G

H

16

15

14

13

12

5

6

3

2 1/2

2

Section

10

Section

8

Section

7

Section

6

Section

5

Section

4

Section

3

Section

2

Section

1

11

Block

10

Section

9

Block

8

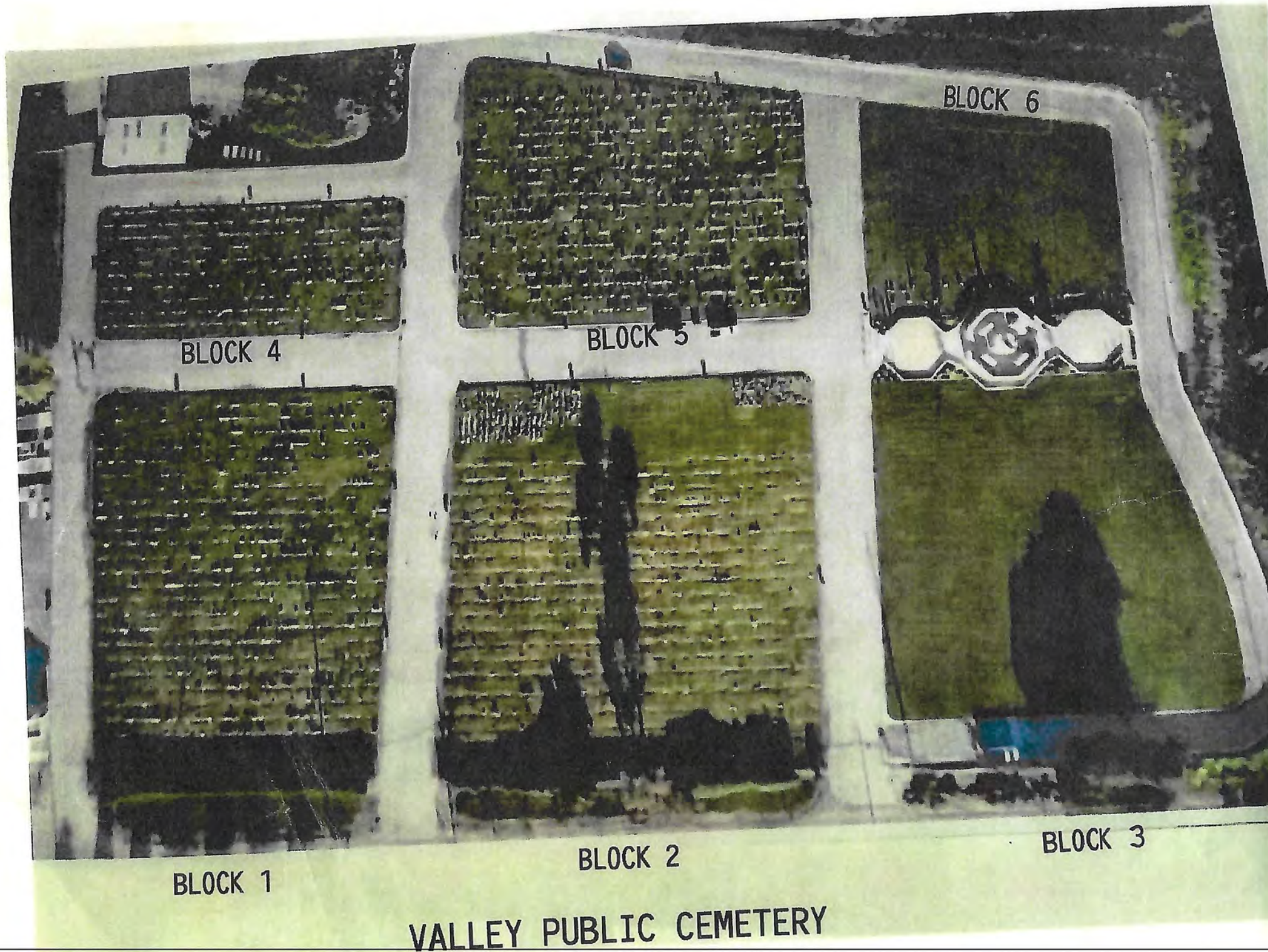
Office

Pioneer Cemetery





VALLEY CATHOLIC CEMETERY



BLOCK 1

BLOCK 2

BLOCK 3

BLOCK 4

BLOCK 5

BLOCK 6

VALLEY PUBLIC CEMETERY

APPENDIX B:

PVPCD

Services & Costs

(FY 2024-25)

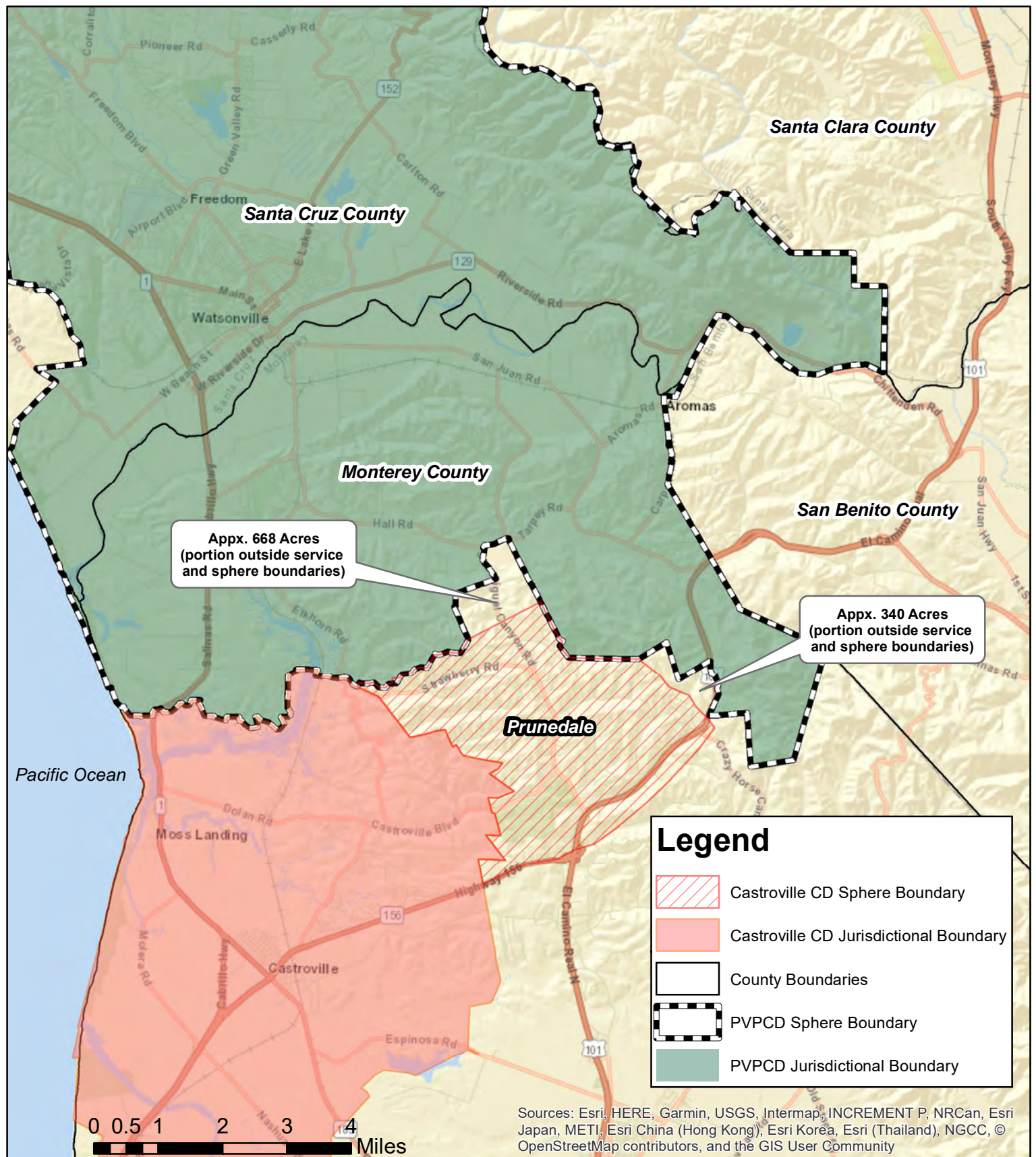
Pajaro Valley Public Cemetery District
FY 2024-25 Services & Costs

Single Depth (1 Casket / 3 Creains)		Double Depth (2 Caskets / 2 Creains)	
Service	Cost	Service	Cost
Plot	\$1,500.00	Plot	\$2,000.00
Endowment Care	\$900.00	Endowment Care	\$900.00
Opening & Closing	\$900.00	Opening & Closing	\$1,000.00
Garden Crypt	\$600.00	Garden Crypt	\$850.00
Installation	\$550.00	Installation	\$700.00
Sales Tax	<u>\$58.50</u>	Sales Tax	\$82.88
		1st Opening	-
		2nd Opening & Closing	<u>\$900.00</u>
Total Cost	\$4,508.50	Total Cost	\$6,432.88

APPENDIX C:

PVPCD

Prunedale Map



Santa Cruz County, California

Pajaro Valley Public Cemetery District Unserved Community

Prunedale is an unincorporated rural community with appx.18,000 residents. The unserved area is adjacent to two cemetery districts. Portions of Prunedale are outside both service or sphere boundaries.