



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

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**ADOPTED MINUTES**

**LAFCO REGULAR MEETING AGENDA**

**Wednesday, March 4, 2026**

**Start Time - 9:00 a.m.**

**1. ROLL CALL**

**Chair Rachél Lather** called the meeting of the Local Agency Formation Commission of Santa Cruz County (LAFCO) to order at 9:03 a.m. and welcomed everyone in attendance. She asked staff to conduct a roll call.

The following Commissioners were present:

- Commissioner Jim Anderson
- Commissioner Joe Clarke (*Vice-Chair*)
- Commissioner Fred Keeley
- Commissioner Manu Koenig
- Commissioner Rachél Lather (*Chair*)
- Alternate Commissioner Eduardo Montesino
- Alternate Commissioner Lani Faulkner
- Alternate Commissioner John Hunt

*Alternate Commissioner John Hunt will be a voting member on behalf of Commissioner Roger Anderson (Public).*

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** welcomed everyone to the Watsonville City Chambers and 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.

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

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

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

**Chair Rachél Lather** called for a motion. **Commissioner Jim Anderson** motioned for approval of the February 4th Meeting Minutes and **Commissioner Manu Koenig** seconded the motion.

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

**MOTION:** Jim Anderson

**SECOND:** Manu Koenig

**FOR:** Jim Anderson, Joe Clarke, John Hunt, Fred Keeley, Manu Koenig, and Rachél Lather.

**AGAINST:** None

**ABSTAIN:** None

**MOTION PASSES: 6-0**

### **4. ORAL COMMUNICATIONS**

**Chair Rachél Lather** requested public comments on any non-agenda items. **Executive Officer Joe Serrano** noted no requests to provide public comment.

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

### **5. SPECIAL PRESENTATIONS**

#### **5a. CALAFCO Update**

**Chair Rachél Lather** requested an update from CALAFCO Executive Director Michelle McIntyre regarding the statewide organization's recent achievements.

**Executive Officer Joe Serrano** introduced **Michelle McIntyre**, CALAFCO Executive Director. Executive Director McIntyre provided information to the Commission on her past experiences with LAFCOs and spoke on the recent developments and changes in the organization. She explained the rationale behind the amendments adopted to the bylaws regarding board eligibility, officer rotations, a Code of Conduct, and self-evaluations. Executive Officer Serrano added insights into working with Executive Director McIntyre.

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

**Commissioner John Hunt** inquired about the member LAFCO's that left CALAFCO. **Executive Officer Joe Serrano** noted that the significant strides made in the past year have already convinced some LAFCOs to return. Michelle McIntyre also explained the issues with current membership due's structure and next steps for the organization.

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

## **6. PUBLIC HEARINGS**

### **6a. “Monroe Avenue / Huntington Drive Annexation”**

**Chair Rachél Lather** requested staff to provide a presentation to consider a single parcel annexation into the Santa Cruz County Sanitation District (SCCSD) to receive sewer service.

**Executive Officer Joe Serrano** explained that LAFCO received an application from a landowner requesting a single parcel annexation into the SCCSD to receive sewer services. Executive Officer Serrano indicated that SCCSD was in support of the proposal, stated that the action is consistent with LAFCO law and the Commission’s adopted policies, made note of two adjacent parcels, and recommended approving the draft resolution with its identified conditions.

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

**Becky Steinbruner**, a member of the public, inquired about the possibility of creating an “island.” **Executive Officer Joe Serrano** provided clarification on his recommendation regarding the two adjacent parcels which should be annexed in the foreseeable future.

**Chair Rachél Lather** opened the floor to Commission comments or clarifying questions. **Commissioner Jim Anderson** inquired about the term “most logical service provider.” **Executive Officer Joe Serrano** explained that SCCSD was the only and therefore most logical provider for the municipal service requested.

**Chair Rachél Lather** requested a motion approving staff recommendation. **Commissioner Jim Anderson** made the motion and **Commissioner Manu Koenig** seconded the motion.

**Chair Rachél Lather** called for a voice vote on staff recommendation: **Adopt the draft resolution (No. 2026-02) approving the single parcel annexation into the Santa Cruz County Sanitation District.**

**MOTION: Jim Anderson**

**SECOND: Manu Koenig**

**FOR: Jim Anderson, Joe Clarke, John Hunt, Fred Keeley, Manu Koenig, and Rachél Lather.**

**AGAINST: None**

**ABSTAIN: None**

**MOTION PASSES: 6-0**

## **6b. City of Capitola Sphere Boundary Adjustment**

**Chair Rachél Lather** requested staff to provide a presentation to consider amending the sphere of influence for the City of Capitola.

**Executive Officer Joe Serrano** explained that LAFCO completed a service review in 2022 and recommended the City analyze their current sphere of influence. The sphere was first adopted in 1975 and has not changed in several decades. The City hired a consultant to consider annexation of two potential areas. The analysis demonstrated that annexation of the proposed areas would not be a financially viable long-term option for the City. Executive Officer Serrano recommended adopting the draft resolution (No. 20262-03) approving a sphere reduction to better reflect the potential future for the City of Capitola.

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

**Chloé Woodmansee**, Capitola Assistant to the City Manager, expressed support for staff recommendation and thanked LAFCO staff for their partnership.

**Chair Rachél Lather** closed public comment and opened the floor to Commission comments or clarifying questions. **Commissioner Manu Koenig** expressed the benefits of having unincorporated areas within a city sphere as a precursor to eventual annexation and transfer of public service responsibilities to a municipality. **Executive Officer Joe Serrano** explained how the County and City would need to pursue a potential property tax exchange agreement to determine revenue distribution for any future annexation. Commissioner Koenig expressed support for the recommended actions.

**Commissioner Lani Faulkner** inquired about changes made if the Commission approves the proposed sphere amendment. **Executive Officer Joe Serrano** explained that a sphere of influence is a planning tool that does not restrict entities from having discussions about potential future boundary changes.

**Commissioner Jim Anderson** asked about the provision of services. **Executive Officer Joe Serrano** explained that one area of focus for consideration was an analysis on service delivery.

**Commissioner John Hunt** requested clarification on the potential annexation areas. **Executive Officer Joe Serrano** explained that the City may explore potential annexations in the future, but such action would not involve the Pleasure Point area. **Commissioner Joe Clarke** added insights from the Capitola City Council. Executive Officer Serrano explained there are many factors to consider when exploring a potential annexation. **Chloé Woodmansee**, Capitola Assistant to the City Manager, added that certain areas in Capitola have a strong community identity and may not support annexation at this time.

**Chair Rachél Lather** requested a motion approving staff recommendation. **Commissioner Manu Koenig** made the motion and **Commissioner Jim Anderson** seconded the motion.

**Chair Rachél Lather** called for a voice vote on staff recommendation: **Adopt the draft resolution (No. 2026-04) approving the sphere amendment for the City of Capitola.**

**MOTION: Manu Koenig**

**SECOND: Jim Anderson**

**FOR: Jim Anderson, Joe Clarke, John Hunt, Fred Keeley, Manu Koenig, and Rachél Lather.**

**AGAINST: None**

**ABSTAIN: None**

**MOTION PASSES: 6-0**

### **6b. Policies & Procedures Handbook – Proposed Amendments**

**Chair Rachél Lather** requested a presentation to consider amendments to the comprehensive handbook to better reflect current LAFCO practices and guide staff in future decisions.

**Executive Officer Joe Serrano** stated that the comprehensive handbook is updated on an annual basis. This year's amendment includes three changes regarding political endorsements, updates to the salary schedules, and guidelines to waive allocation fees. Executive Officer Serrano recommended the Commission adopt the draft resolution with the identified conditions.

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

**Chair Rachél Lather** opened the floor to Commission comments or clarifying questions on the item. **Commissioner John Hunt** asked a clarifying question on the deferment request process. **Executive Officer Joe Serrano** explained that the policy provides discretion to the Commission to act on any request on a case-by-case basis.

**Chair Rachél Lather** requested a motion from the Commission. **Commissioner Joe Clarke** made the motion and **Commissioner Jim Anderson** provided a second.

**Chair Rachél Lather** called for a voice vote on the motion: **Adopt the draft resolution (No. 2026-04) approving the proposed amendments to LAFCO's Policies & Procedures Handbook.**

**MOTION: Jim Anderson**

**SECOND: Manu Koenig**

**FOR: Jim Anderson, Joe Clarke, John Hunt, Fred Keeley, Manu Koenig, and Rachél Lather.**

**AGAINST: None**

**ABSTAIN: None**

**MOTION PASSES: 6-0**

## 7. OTHER BUSINESS

### 7a. “Atkinson Lane / Brewington Avenue ESA” – Time Extension

**Chair Rachél Lather** requested staff to provide an update on the annexation requirement outlined in the 2021 extraterritorial service agreement involving the City of Watsonville.

**Executive Officer Joe Serrano** provided the Commission with a timeline of the Atkinson Lane/Brewington Avenue ESA and scheduled annexation. The landowner and the City acknowledged that more time is needed to complete the annexation process. Both parties are requesting an extension of six months to complete the annexation process. Executive Officer Serrano recommended the Commission approve the time extension request to submit an annexation application involving the subject parcel and the City.

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

**Becky Steinbruner**, a member of the public, asked about the County’s input on the process. **Executive Officer Joe Serrano** stated that once an application is submitted, LAFCO will coordinate with the affected parties, including the County.

**Chair Rachél Lather** closed public comment and opened the floor to Commission comments or clarifying questions. **Commissioner Jim Anderson inquired** about completion of the annexation process. **Executive Officer Joe Serrano** noted that LAFCO has been working closely with the applicant, MidPen Housing and they have indicated to LAFCO their intention to submit an application.

**Chair Rachél Lather** requested a motion from the Commission. **Commissioner Joe Clarke** motioned to approve staff recommendation and **Commissioner John Hunt** seconded the motion.

**Chair Rachél Lather** called for a voice vote on the motion: **Approve a six-month extension to submit an annexation application involving the subject parcel and the City of Watsonville.**

**MOTION: Joe Clarke**

**SECOND: John Hunt**

**FOR: Jim Anderson, Joe Clarke, John Hunt, Fred Keeley, Manu Koenig, and Rachél Lather.**

**AGAINST: None**

**ABSTAIN: None**

**MOTION PASSES: 6-0**

### 7b. Legislative Update

**Chair Rachél Lather** requested staff to provide a status update on the new legislative session and any LAFCO-related bills.

**Executive Officer Joe Serrano** explained to the Commission that the new legislative cycle has started, and staff provided information on a few LAFCO-related legislative bills. The Commission will be updated again in May and November 2026.

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

### **7c. Fire-Related Projects (Recurring Item)**

**Chair Rachél Lather** requested staff to provide a verbal update on the ongoing reorganization efforts involving CSA 48 and other fire agencies.

**Executive Officer Joe Serrano** provided the Commission with an update on the draft service review scheduled to be presented in June 2026, on the initial meeting for the fire-related ad hoc committee, and noted that staff is currently coordinating with Pajaro Valley Fire Protection District to develop and host a community workshop to provide information on the proposed reorganization with CSA 48 and to respond to questions or concerns from constituents.

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

**Becky Steinbruner**, a member of the public, provided comments on issues related to county assessments for parcels and requested an audit be conducted.

**Chair Rachél Lather** closed public comments and moved to the next item since no Commission action was required.

## **8. WRITTEN CORRESPONDENCE**

**Chair Rachél Lather** inquired whether there was any written correspondence submitted to LAFCO. **Executive Officer Joe Serrano** indicated that no written correspondence had been submitted.

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

## **9. PRESS ARTICLES**

**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.

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

## **10. COMMISSIONERS' BUSINESS**

**Chair Rachél Lather** inquired whether any Commissioner would like to share any information. There were no requests from the Commission.

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

## 11. CLOSED SESSION

**Chair Rachél Lather** 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 Rachél Lather** reconvened the meeting and noted that there was no reportable action.

## 13. ADJOURNMENT

**Chair Rachél Lather** adjourned the Regular Commission Meeting at 10:19 a.m. for the next regular LAFCO meeting scheduled for Wednesday, April 1, 2026 at 9:00 a.m. in the Watsonville City Chambers.



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RACHÉL LATHER, CHAIRPERSON

Attest:



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FRANCISCO ESTRADA, LAFCO ANALYST