



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

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**ADOPTED MINUTES**

**LAFCO REGULAR MEETING AGENDA**

**Wednesday, May 6, 2026**

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

**1. ROLL CALL**

**Vice Chair Joe Clarke** 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. He asked staff to conduct a roll call.

The following Commissioners were present:

- Commissioner Jim Anderson
- Commissioner Joe Clarke (*Vice Chair*)
- Commissioner Manu Koenig
- Alternate Commissioner Lani Faulkner
- Alternate Commissioner John Hunt

*Alternate Commissioner John Hunt will be a voting member on behalf of Commissioner Roger Anderson (Public). Alternate Commissioner Lani Faulkner will be a voting member on behalf of Commissioner Rachél Lather. Vice Chair Joe Clarke will serve as Chairperson on behalf of Chair Rachél Lather.*

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 Scotts Valley 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.

Additionally, **Executive Officer Joe Serrano** provided updates on staff participation in CALAFCO workshops, the Fire Districts Association of California (FDAC) annual conference, an upcoming training on SB 827, and on the status of the Board of Supervisors chambers.

**Commissioner John Hunt** inquired about the subject of the presentation at the FDAC conference. **Executive Officer Joe Serrano** stated that it was on improving relationships between LAFCOs and fire agencies.

**Vice Chair Joe Clarke** moved on to the next agenda item.

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

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

**Vice Chair Joe Clarke** called for a motion. **Commissioner Jim Anderson** motioned for approval of the April 1st Meeting Minutes and **Commissioner Manu Koenig** seconded the motion.

**Vice Chair Joe Clarke** called for a voice vote on the approval of the draft minutes.

**MOTION: Jim Anderson**

**SECOND: Manu Koenig**

**FOR: Jim Anderson, Joe Clarke, Lani Faulkner, John Hunt, and Manu Koenig.**

**AGAINST: None**

**ABSTAIN: None**

**MOTION PASSES: 5-0**

### **4. ORAL COMMUNICATIONS**

**Vice Chair Joe Clarke** requested public comments on any non-agenda items. **Executive Officer Joe Serrano** noted a request to provide public comment.

**Becky Steinbruner**, a member of the public, provided comments on the Pajaro Valley Health Care District (PVHCD) and recommendations for the next countywide water service review.

**Vice Chair Joe Clarke** closed public comment and moved on to the next agenda item.

### **5. PUBLIC HEARINGS**

#### **5a. Draft Budget for Fiscal Year 2026-27**

**Vice Chair Joe Clarke** requested staff to provide a presentation to consider the adoption of a final budget for the upcoming year.

**Executive Officer Joe Serrano** reminded the Commission it had adopted the proposed draft budget at the April meeting. Apportionment amounts and the draft budget were

shared with the funding agencies and LAFCO did not receive comments or concerns. Executive Officer Serrano recommended the Commission adopt the draft resolution approving the final budget for the upcoming fiscal year and coordinate with the Auditor-Controller to prepare and send out letters to the funding agencies regarding apportionment amounts.

**Vice Chair Joe Clarke** 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 funding for professional services. **Executive Officer Joe Serrano** noted the two active professional service contracts for the next fiscal year are for attorney and auditing services.

**Vice Chair Joe Clarke** closed public comments and requested a motion. **Commissioner Manu Koenig** made the motion to adopt the final budget for the upcoming year, and **Commissioner Jim Anderson** seconded the motion.

**Vice Chair Joe Clarke** called for a voice vote on staff recommendation: **Adopt the draft resolution (No. 2026-07) approving the final budget for Fiscal Year 2026-27 with its identified conditions.**

**MOTION: Manu Koenig**

**SECOND: Jim Anderson**

**FOR: Jim Anderson, Joe Clarke, Lani Faulkner, John Hunt, and Manu Koenig.**

**AGAINST: None**

**ABSTAIN: None**

**MOTION PASSES: 5-0**

### **5b. City of Scotts Valley Service & Sphere Review**

**Vice Chair Joe Clarke** requested staff to provide a presentation to consider the adoption of a service and sphere of influence review for the City of Scotts Valley.

**LAFCO Analyst Francisco Estrada** explained to the Commission that despite experiencing slight deficits in three of the last five fiscal years, the City of Scotts Valley is considered to be financially healthy. Additionally, the report indicates that the City and local water providers should consider analyzing if there is a more efficient method to provide water services to the community, and the City maintains a transparent and robust website. Finally, the report includes language indicating that the City identify and consider annexing parcels with existing extraterritorial service agreements outside the city limits (but within their sphere and planning area) into the general plan to reflect existing and future service by their next service review in 2031.

**Vice Chair Joe Clarke** 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 expenses under business activities, provided language for the recommendations and commented on small water system consolidations.

**Vice Chair Joe Clarke** closed public comments and requested a motion. **Commissioner Lani Faulkner** inquired about the type of services being provided under the existing ESAs. **Executive Officer Joe Serrano** explained that all active ESAs are for the provision of wastewater services, and it may be appropriate at this time to consider exploring future annexations.

**Commissioner Jim Anderson** made note on the location of the parcels and history of the existing ESAs in the area. **Executive Officer Joe Serrano** mentioned that the Scotts Valley City Council now approves ESA requests at public hearings, and this practice has allowed the City to better manage future growth. Commissioner Anderson also emphasized that ESAs address health and safety issues.

**Commissioner Manu Koenig** made the motion to adopt staff recommendations and **Commissioner Jim Anderson** seconded the motion.

**Vice Chair Joe Clarke** called for a voice vote on staff recommendation: **Adopt the draft resolution (No. 2026-08) approving the 2026 Service and Sphere Review for the City of Scotts Valley with its identified conditions.**

**MOTION: Manu Koenig**  
**SECOND: Jim Anderson**  
**FOR: Jim Anderson, Joe Clarke, Lani Faulkner, John Hunt, and Manu Koenig.**  
**AGAINST: None**  
**ABSTAIN: None**

**MOTION PASSES: 5-0**

## **6. OTHER BUSINESS**

### **6a. Legislative Update**

**Vice Chair Joe Clarke** 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 has been tracking 12 LAFCO-related bills. Mr. Estrada noted that the Commission will have time to consider taking a position on any tracked bill affecting Santa Cruz LAFCO.

**Chair Joe Clarke** opened the floor to Commission comments or clarifying questions. **Commissioner John Hunt** asked about AB 1548 (Pellerin). **Executive Officer Joe Serrano** explained the purpose of the proposed bill and stated that Assemblymember Pellerin's office has reached out to Santa Cruz LAFCO.

**Vice Chair Joe Clarke** closed public comments and opened moved to the next item since no Commission action was required.

## **6b. Comprehensive Quarterly Report – Third Quarter (FY 2025-26)**

**Vice Chair Joe Clarke** 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 50% of the anticipated expenses having been spent.

**Vice Chair Joe Clarke** 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, provided comments on a meeting on small water system consolidations attended by Santa Cruz LAFCO and on the proposed legislation with Senator John Laird. **Executive Officer Joe Serrano** provided an update on the proposed bill on small water consolidation and clarified that the meeting attended by LAFCO staff occurred prior to the third quarter of FY 2025-26.

**Vice Chair Joe Clarke** moved to the next item since no Commission action was required.

## **6c. Fire-Related Projects (Recurring Item)**

**Vice Chair Joe Clarke** 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 following topics: the initial virtual meeting for the fire-related ad hoc committee; the draft countywide fire service review process; and, on upcoming community workshops with Pajaro Valley Fire Protection District (PVFPD) during the month of May.

**Vice Chair Joe Clarke** 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 the fire-related ad hoc committee, an upcoming town hall meeting hosted by the Felton Fire Protection District (FFPD), and on the proposed reorganization of PVFPD.

**Vice Chair Joe Clarke** moved to the next item since no Commission action was required.

## **7. WRITTEN CORRESPONDENCE**

**Vice Chair Joe Clarke** inquired whether there was any written correspondence submitted to LAFCO. **Executive Officer Joe Serrano** indicated that written correspondence had been received from Becky Steinburner, a member of the public, and from CALAFCO summarizing the recent CALAFCO Board Retreat.

**Vice Chair Joe Clarke** moved to the next item since no Commission action was required.

## 8. PRESS ARTICLES

**Vice Chair Joe Clarke** 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.

**Commissioner John Hunt** inquired about an article regarding the proposed battery storage facility near Watsonville. **Executive Officer Joe Serrano** explained the role of LAFCO in the development of that project.

**Vice Chair Joe Clarke** moved to the next item since no Commission action was required.

## 9. COMMISSIONERS' BUSINESS

**Vice Chair Joe Clarke** inquired whether any Commissioner would like to share any information. There were no requests from the Commission.

**Vice Chair Joe Clarke** moved to the next item since no Commission action was required.

## 10. ADJOURNMENT

**Vice Chair Joe Clarke** adjourned the Regular Commission Meeting at 9:47 a.m. for the next regular LAFCO meeting scheduled for Wednesday, June 3, 2026 at 9:00 a.m.



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RACHÉL LATHER, CHAIRPERSON

Attest:



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FRANCISCO ESTRADA, LAFCO ANALYST