



LOCAL AGENCY FORMATION COMMISSION OF SANTA CRUZ COUNTY

ADOPTED MINUTES

LAFCO REGULAR MEETING AGENDA

Wednesday, June 3, 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 9:02 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 Justin Cummings
- Commissioner Fred Keeley
- Commissioner Manu Koenig
- Alternate Commissioner Lani Faulkner
- Alternate Commissioner John Hunt
- Alternate Commissioner Eduardo Montesino (*remotely*)

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 Chair 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 model 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 a summary of the SB 827 training hosted by LAFCO and the California Special Districts Association.

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. Vice Chair Clarke closed public comment.

Vice Chair Joe Clarke called for a motion. **Commissioner John Hunt** motioned for approval of the May 6th Meeting Minutes and **Commissioner Jim Anderson** seconded the motion.

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

MOTION: John Hunt

SECOND: Jim Anderson

FOR: Jim Anderson, Joe Clarke, Justin Cummings, Fred Keeley, Lani Faulkner, John Hunt, and Manu Koenig.

AGAINST: None

ABSTAIN: None

MOTION PASSES: 7-0

4. ORAL COMMUNICATIONS

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

Timothy Dalton, a member of the public, provided comments on the Felton Fire Protection District and thanked LAFCO staff for their various reports and analysis.

Becky Steinbruner, a member of the public, provided comments on the proposed battery energy storage system on Minto Road and on future water system consolidations.

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

5. SPECIAL PRESENTATION

Vice Chair Joe Clarke requested a presentation from the Pajaro Valley Health Care District (PVHCD) Chief Executive Officer Stephen Gray regarding the healthcare district's recent and ongoing efforts.

Stephan Gray, PVHCD CEO, provided the Commission with updates on his recent decision to leave his post and subsequent CEO transition, the recent \$10 million grant awarded to the hospital to address ongoing financial constraints and struggles, and explained how changes to reimbursement rates at the federal and state level will affect local residents of the healthcare district. Finally, Mr. Gray provided updates on the progress made in their strategic plan and reported that the quality of care and safety at Watsonville Community Hospital has measurably improved.

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 the quality of service at Watsonville Community Hospital, Measure N and its assessments, and on expanding the boundaries of the healthcare district.

Vice Chair Joe Clarke closed public comments and opened the floor to Commission discussion. **Commissioner Eduardo Montesino** inquired about potential partnerships for the hospital. **CEO Stephen Gray** stated that he remained optimistic that a partner can be identified to help with the day-to-day operations and made clarifications regarding the Measure N assessments.

Commissioner Lani Faulkner asked about a potential healthcare partner. **CEO Stephen Gray** explained the impact of a closure to Watsonville Community Hospital on residents and to nearby healthcare systems and how a partnership can bring more resources into the community.

John Hunt asked about modifying the boundaries for the District. **Executive Officer Joe Serrano** explained the process to modify a sphere of influence or a jurisdictional boundary.

Commissioner Justin Cummings inquired about the impact of the changes at the federal level. **CEO Stephen Gray** provided an update on the changes made to Medicare and Medi-Cal services and how it will impact residents in Santa Cruz County. Commissioner Cummings asked about the cyber-attack. CEO Gray explained what happened and how the District has responded.

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

6. PUBLIC HEARINGS

6a. “Boulder Creek Fire Protection District Station Parcel Annexation”

Vice Chair Joe Clarke requested staff to provide a presentation to consider the annexation of two parcels into County Service Area 7 for sewer service.

Executive Officer Joe Serrano explained to the Commission that as a condition to an extraterritorial service agreement approved in June 2024, the two parcels would need to be annexed into CSA 7 within four years (June 2028). The proposal is consistent with state law and the adopted policies of the Commission, and CSA 7 is willing and capable of providing the requested services. Finally, this is part of an ongoing effort to assist the residents of Big Basin.

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

Chief Mark Biggum, Boulder Creek Fire Protection District, made a note on assisting Big Basin residents and on the proposed parcels to be annexed.

Vice Chair Joe Clarke closed public comments and requested a motion. **Commissioner Jim Anderson** made the motion to approve staff recommendations, and **Commissioner Fred Keeley** seconded the motion.

Vice Chair Joe Clarke called for a voice vote on staff recommendation: **Adopt the draft resolution (No. 2026-09) approving the two-parcel annexation into County Service Area 7.**

MOTION: Jim Anderson

SECOND: Fred Keeley

FOR: Jim Anderson, Joe Clarke, Justin Cummings, Fred Keeley, Lani Faulkner, John Hunt, and Manu Koenig.

AGAINST: None

ABSTAIN: None

MOTION PASSES: 7-0

6b. “La Cuesta Road / Hyde Stephenson Extraterritorial Service Agreement”

Vice Chair Joe Clarke requested staff to provide a presentation to consider an extraterritorial service agreement request between two landowners and the City of Scotts Valley under Government Code Section 56133.

LAFCO Analyst Francisco Estrada explained to the Commission that an application was submitted by two landowners requesting sewer service from the City of Scotts Valley. The Scotts Valley City Council considered the request and approved it in March 2024 and the request is also consistent with state laws and the Commission’s adopted policies.

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

Commissioner Jim Anderson asked about use of the failing septic system. **LAFCO Analyst Francisco Estrada** indicated that the landowners have expressed interest in discontinuing their septic systems and connecting to reliable public infrastructure.

Commissioner Lani Faulkner inquired about future annexations for existing ESAs. **Executive Officer Joe Serrano** explained that there is a condition in the draft resolution encouraging future annexation and that staff was coordinating with the City.

Commissioner Justin Cummings made the motion to adopt staff recommendation and **Commissioner Lani Faulkner** seconded the motion.

Vice Chair Joe Clarke called for a voice vote on staff recommendation: **Adopt the draft resolution (No. 2026-10) approving the extraterritorial service agreement involving the City of Scotts Valley for sewer service.**

MOTION: Justin Cummings

SECOND: Lani Faulkner

FOR: Jim Anderson, Joe Clarke, Justin Cummings, Fred Keeley, Lani Faulkner, John Hunt, and Manu Koenig.

AGAINST: None

ABSTAIN: None

MOTION PASSES: 7-0

6c. "Countywide Fire Protection Service and 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 12 fire agencies in Santa Cruz County.

Executive Officer Joe Serrano explained to the Commission that the report would analyze all 12 fire protection agencies by incorporating historical analysis conducted decades ago to develop recommendations on the provision of fire protection services into the future. Executive Officer Serrano introduced the concept of the regional spheres to allow similar agencies to explore shared services opportunities or potential future governance reorganization. Additionally, staff shared copies of the draft with partner agencies countywide for feedback and provided a rationale for the related recommendations. Finally, Executive Officer Serrano recommended approving the 2026 countywide fire report by adopting the draft resolution.

Vice Chair Joe Clarke requested public comments on the item. **Executive Officer Joe Serrano** indicated that there were six requests to address the Commission.

Isa Nielson, a member of the public, provided comments on the Felton Fire Protection District and on the countywide fire report. **Executive Officer Joe Serrano** provided clarification on the boundaries for the fire district and on the individual sphere of influences for the respective fire agencies.

Don Jarvis, a member of the public, requested the Commission approve an outside consultant to explore fire service and the impacts of the proposed reorganization for the Pajaro Valley Fire Protection District (PVFPD), and to assess financial impacts.

Becky Steinbruner, a member of the public, requested clarification on the Santa Cruz County Fire Department in the report and stated that residents were not aware of the financial impact of the proposed PVFPD reorganization. Ms. Steinbruner also requested the report not be approved.

Chief Corey Schafer, Watsonville Fire Department, provided comments on the countywide fire report and expressed interest in a study analyzing fire protection services in south county.

Canda Whalley, a member of the public, provided comments on LAFCO, on the countywide fire report and on transparency for the FFPD website, and the FFPD benefit assessment.

Charlie Eadie, CSA 4 Representative, provided comments on the recommendations for CSA 4 in the report and on the benefit assessment approved by CSA 4 residents.

Vice Chair Joe Clarke closed public comments and opened the floor for Commission discussion. **Commissioner Lani Faulkner** made comments on the report and asked about “water poor areas”. **Executive Officer Joe Serrano** noted water concerns around the county. Commissioner Faulkner asked about Aromas Tri-County Fire Protection District. Executive Officer Serrano explained that Monterey County is the Principal LAFCO for the District. Commissioner Faulkner asked if LAFCO could bring greater awareness of the challenges to provide modern fire protection services. Executive Officer Serrano stated that if an analysis is warranted on CSA 48, a request would need to come from the affected agencies.

Commissioner John Hunt asked for clarification on approving the countywide fire report. **Executive Officer Joe Serrano** noted that the Commission may approve the report, and administrative changes to the report can be incorporated afterwards, but special studies would need to be requested, considered and approved by the Commission.

Commissioner Eduardo Montesino provided comments on the future of fire protection services in south county.

Commissioner Jim Anderson provided comments on the proposed financial analysis for a proposed CSA 48 reorganization and the status of volunteer fire service model in the county. **Executive Officer Joe Serrano** stated that a special study is appropriate but must be coordinated with PVFPD.

Commissioner Justin Cummings made the motion to adopt staff recommendations and to coordinate with affected agencies on potential special studies. **Commissioner Lani Faulkner** seconded the motion.

Vice Chair Joe Clarke called for a voice vote on staff recommendation: **Adopt the draft resolution (No. 2026-11) approving the 2026 Countywide Fire Protection Service and Sphere Review with its identified conditions.**

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

MOTION PASSES: 7-0

7. OTHER BUSINESS

7a. CALAFCO Update

Vice Chair Joe Clarke requested staff to provide a status update on the current upcoming activities involving the statewide organization.

Executive Officer Joe Serrano provided the Commission with an update on the Annual Staff Workshop and the shared services agreement with Placer LAFCO.

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

8. 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, regarding the county's radio systems. The other correspondence was from CALAFCO regarding ongoing statewide efforts.

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

9. 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.

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

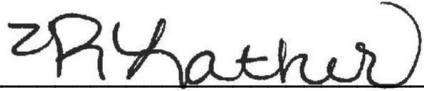
10. COMMISSIONERS' BUSINESS

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.

11. ADJOURNMENT

Vice Chair Joe Clarke adjourned the Regular Commission Meeting at 11:03 a.m. for the next regular LAFCO meeting scheduled for Wednesday, August 5, 2026 at 9:00 a.m.



RACHÉL LATHER, CHAIRPERSON

Attest:



FRANCISCO ESTRADA, LAFCO ANALYST