



R-19-07
Meeting 19-02
January 23, 2019

AGENDA ITEM 3

AGENDA ITEM

Appointment of Board of Directors Standing Committee Members and Representatives to Various Bodies, Including the Governing Board of the Midpeninsula Regional Open Space District Financing Authority, for Calendar Year 2019

BOARD PRESIDENT'S RECOMMENDATIONS *deur*

1. Approve the Board President's appointments to the Board Standing Committees and other bodies, including the Governing Board of the Midpeninsula Regional Open Space District Financing Authority, and determine the compensation status for attendance at these meetings.
2. Approve formation of an ad hoc committee to meet with a liaison committee of the Santa Cruz County Local Agency Formation Commission to discuss the upcoming service review of the District, and authorize the Board President to appoint three Directors to serve on the ad hoc committee.

SUMMARY

Every year, the newly elected Board President appoints members to each of the Board's Standing Committees, the Governing Board of the Midpeninsula Regional Open Space District (District) Financing Authority ("Authority"), and for representing the District on outside bodies, with consent of the full Board.

DISCUSSION

Standing Committees

The Board Policy on Committees (1.04) states that the Board President appoints Board members to annual Standing Committees and for representing the District on outside bodies, with the consent of the Board. According to Board Policy 1.04, appointments to the standing committees are made at the first regular meeting following the meeting at which officers of the Board are elected. The five Board Standing Committees are:

1. Action Plan and Budget Committee (ABC)
2. Legislative, Funding and Public Affairs Committee (LFPAC)
3. Planning and Natural Resources Committee (PNR)
4. Real Property Committee (RPC)
5. Board Appointee Evaluation Committee (BAE)

Following the Board Policy on Committees, Director Kishimoto (Board Treasurer) will be assigned as one of the three members of ABC. Also, the Board Appointee Evaluation Committee shall

include the Board President (Siemens) and Vice President (Holman) as two of the three members of the Committee.

The proposed committee assignments for 2019 are as follows:

Action Plan and Budget:

- Yoriko Kishimoto
- Jed Cyr
- Curt Riffle

Board Appointee Evaluation:

- Pete Siemens
- Karen Holman
- Curt Riffle

Legislative, Funding, and Public Affairs:

- Karen Holman
- Larry Hassett
- Zoe Kersteen-Tucker

Planning and Natural Resources:

- Yoriko Kishimoto
- Jed Cyr
- Karen Holman

Real Property:

- Pete Siemens
- Larry Hassett
- Zoe Kersteen-Tucker

Financing Authority

The Governing Board of the Authority consists of five members. In accordance with the Joint Powers Agreement and its bylaws, the District's Board President (Siemens) shall automatically be the Chairperson of the Authority, and the Board Treasurer (Kishimoto) shall also serve on the Authority Board. Two of the other four members are appointed by the Board President, to be selected from among the District's Board of Directors. The fifth member is the member of the Santa Clara County Board of Supervisors whose district encompasses the greatest territory of the Midpeninsula Regional Open Space District, and who is appointed to the Board of the Financing Authority by the Chairman of the Board of Supervisors. Supervisor Simitian continues to serve on the Authority Board as appointed by the Santa Clara County Board of Supervisors.

Governing Board of the Midpeninsula Regional Open Space District Financing Authority

- Pete Siemens
- Yoriko Kishimoto
- Jed Cyr
- Larry Hassett

Outside Bodies

Board members also represent the District on various external bodies. The assignments for external bodies are as follows:

- Santa Clara County Special District's Association – Pete Siemens
- San Mateo County Special District's Association – Zoe Kersteen-Tucker
- Santa Clara Valley Water District Water Commission – Yoriko Kishimoto
- Santa Clara County Local Agency Formation Commission Independent Special District Representative Alternate – Yoriko Kishimoto
- California Joint Powers Insurance Authority Delegate – Pete Siemens

Santa Cruz County Local Agency Formation Commission Ad Hoc Committee

California Government Code requires Local Area Formation Commissions to perform service (Code section 56430) and sphere (Code section 56425) reviews of the special districts in their respective counties every five years. Santa Cruz County Local Area Formation Commission (LAFCO) seeks to complete the service and sphere reviews by June 30, 2019. Their reviews are not binding -- these reviews only provide recommendations for agencies to consider. As part of this upcoming District review, LAFCO is considering the following three questions:

1. Should the two District properties in Santa Cruz County that lie outside the District's boundary and sphere be added to the Sphere of Influence?
2. Are there other properties that should be added to the District Sphere in Santa Cruz County?
3. Are there benefits to either annexing parts or all of the remainder of Santa Cruz County to the District (in lieu of forming a separate regional district) or contracting with the District for similar services?

LAFCO requested formation of a Board ad hoc committee to provide early input and guidance prior to LAFCO completing this service review. At its meeting on January 9, 2019, LAFCO appointed a liaison committee to work with the District's ad hoc committee, which includes Chair Jim Anderson and Roger Anderson. A copy of the LAFCO report regarding the upcoming service and sphere reviews is attached.

Applicable Board Policies

Board Policy 6.06 (*Meeting Compensation, Reimbursement of Authorized Necessary Expenses for Performance of Official Duties, and Adoption of Ethics Training Requirements Pursuant to Government Code Section 53232 et seq. (AB1234)*) of the Board Policy Manual states that all Standing Committees are compensable and compensability for attendance of Ad Hoc Committee meetings is determined on an as-needed basis by the Board. It is recommended that Board members be compensated for attendance at all Board Committee and Authority meetings, including Ad Hoc Committees. It is further recommended that Board member attendance at meetings where the Board member is the District's appointed representative also be compensated.

In accordance with California Public Resources Code Section 5536 and Board Policy 6.06, each District Board member may receive compensation in an amount not to exceed one hundred dollars (\$100) per day for each attendance at a Board meeting (Government Code section 5536). Accordingly, with seven Board members, the maximum the entire Board could receive at this time is \$42,000 per year. The District's current proposed budget for Board meeting compensation is \$38,000 for fiscal year 2019-20. If it is later determined that additional funds are required, a budget adjustment may be requested. At this same Board meeting, the full Board will consider increasing

the number of compensable meetings to a maximum of six per month pursuant to new law. If approved, the maximum amount the entire Board could receive would be \$50,400 per year.

FISCAL IMPACT

There will be no new or incremental fiscal impact associated with this specific action. Board compensation for committee work is included in the annual budget.

BOARD COMMITTEE REVIEW

This item was not previously reviewed by a Committee.

PUBLIC NOTICE

Public Notice was provided pursuant to the requirements of the Brown Act. No further notice is required.

CEQA COMPLIANCE

This proposed action is not a project under the California Environmental Quality Act (CEQA) and no environmental review is required.

NEXT STEPS

If approved, staff will prepare a new roster of Board Committee assignments for posting internally and on the District website.

Attachments:

1. Santa Cruz County Local Agency Formation Commission December 5, 2018 Report Re: Scope of Work: Sanitation and Miscellaneous Agencies Service and Sphere Reviews

Responsible Department Manager:
Ana Ruiz, General Manager

Prepared by:
Jennifer Woodworth, District Clerk/Assistant to the General Manager

Contact person:
Pete Siemens, Board President



Scope of Work

Sanitation and Miscellaneous Agencies Service and Sphere Reviews

Date: November 27, 2018 for December 5, 2018 Agenda

To: LAFCO Commissioners

From: Patrick M. McCormick, Executive Officer [PMMCC](#)

Subject: Scope of Work

Summary: The Commission is preparing to utilize a consultant to conduct the 12 service and sphere reviews remaining in the current round of reviews.

Recommendation: Receive agency and public comments, and authorize the scope of work.

At its last meeting, the Commission asked staff to prepare a scope of work and to identify a consultant to prepare the remaining 12 service and sphere reviews in the current round of state-mandated reviews. The staff has drafted a scope as shown below in this memo. Finalizing a scope will allow staff to proceed with consultant selection.

SCOPE OF WORK

2019 SANITATION AND MISCELLANEOUS AGENCIES SERVICE AND SPHERE REVIEWS

The Local Agency Formation Commission of Santa Cruz County (LAFCO) desires to utilize a consulting firm to complete the current round of municipal service reviews and sphere of influence reviews. Twelve agencies are the subjects of this project. Ten are sanitation agencies and two are unique special districts:

Sanitation Agencies

Davenport County Sanitation District

Freedom County Sanitation District

Salsipuedes Sanitary District

Santa Cruz County Sanitation District

CSA 2 Place de Mer

CSA 5 Sand Dollar/Canon del Sol

CSA 7 Boulder Creek

CSA 10 Rolling Woods/Graham Hill

CSA 20 Trestle Beach

San Lorenzo Valley Water District (Bear Creek Estates)

Miscellaneous Districts

Midpeninsula Regional Open Space District

Santa Cruz Port District

OVERVIEW

The reviews will be conducted in accordance with Government Code section 56430 (service reviews) and Government Code section 56425 (spheres). The consultant will prepare one or more written reports, including determinations and recommendations for potential organizational changes and spheres of influence, and present the report and recommendations at a LAFCO public hearing.

LAFCO is open to the consultants' professional judgment as to the best approach to conducting the reviews and formatting the written report.

The outgoing Executive Officer will be available to work closely with the consultants during entire length of the project. It is anticipated that the incoming Executive Officer will be on the job in early April 2019 and will then take over project supervision.

TIMING

The tentative timing for this project is for the contract to be authorized at LAFCO's January 9, 2019 meeting, and for the written report to be completed and delivered no later than June 30, 2019. The consultant may propose alternate timing if needed or helpful to produce a superior result.

DETAILS

There are 14 sanitation agencies in Santa Cruz County. The cities of Santa Cruz, Scotts Valley, and Watsonville maintain collection systems and treatment plants. The Santa Cruz Treatment Plant has contracts to treat sewage from the Santa Cruz County Sanitation District and County Service Area 10 (Rollings Woods/Graham Hill). The Watsonville Treatment Plant has contracts to treat sewage from the Freedom County Sanitation District, the Salsipuedes Sanitary District, as well as the Pajaro/Sunny Mesa Community Services District in Monterey County.

The other seven sanitation agencies have individual treatment and disposal systems:

- Davenport County Sanitation District
- CSA 2 Place de Mer
- CSA 5 Sand Dollar/Canon del Sol
- CSA 7 Boulder Creek
- CSA 10 Rolling Woods/Graham Hill
- CSA 20 Trestle Beach
- San Lorenzo Valley Water District (Bear Creek Estates).

The Santa Cruz County Department of Public Works staffs and operates the Santa Cruz County Sanitation District, the Davenport County Sanitation District, the Freedom County Sanitation District, and the five county service areas. The Davenport County Sanitation District operates

both the water and sanitary sewer system in Davenport. The City of Santa Cruz collects surface water from North Coast streams between Davenport and Santa Cruz.

The Salsipuedes Sanitary District operates their collection system. The San Lorenzo Valley Water District operates the Bear Creek Estates collection system and treatment plant.

This study will not address the three city sanitation systems, which LAFCO has addressed through separate reviews. This study will not address the water service functions of the San Lorenzo Valley District.

The organization of the sanitation agencies in Santa Cruz County has evolved in each community and has never been subject to a comprehensive regional evaluation of whether operational efficiencies can be realized by reorganizing the governance and staffing models. This project will look for such potential efficiencies.

ISSUES

- 1) SANTA CRUZ COUNTY SANITATION DISTRICT (SCCSD)
 - a. Should the SCCSD remain governed by a dependent board (two supervisors and one Capitola City Council member) and staffed by the County Public Works Department?
 - b. Should the SCCSD become the anchor of a regional sanitation agency for which some or all of the nine small agencies then dissolve and annex to the regional agency?
 - c. Are any SCCSD sphere amendments desirable?
 - d. Should the SCCSD adjust its boundaries to generally coincide with its Sphere of Influence and the County's Urban Services Line. This would involve detaching unserved rural areas, and annexing currently unserved urban areas located within the Urban Services Line.
- 2) DAVENPORT COUNTY SANITATION DISTRICT
 - a. Should the Davenport County Sanitation District remain as a dependent district of the County, or annex to the SCCSD?
 - b. Should the water function of the Davenport County Sanitation District be transferred to the City of Santa Cruz?
- 3) FREEDOM COUNTY SANITATION DISTRICT
 - a. Should the Freedom County Sanitation District remain as a dependent district of the County, or annex to the SCCSD?
 - b. Should the City of Watsonville assume operation of the FCSD collection system through contract or reorganization?

- 4) SALSIPUEDES SANITARY DISTRICT
 - a. Should the Salsipuedes Sanitary District remain as an independent district, or annex to the SCCSD?
 - b. Should the City of Watsonville assume operation of the SSD collection system through contract or reorganization?

- 5) COUNTY SERVICE AREA 10 (ROLLING WOODS/GRAHAM HILL)
 - a. Should the CSA 10 remain as a dependent district of the County, or annex to the SCCSD?
 - b. Should the City of Santa Cruz assume operation of the CSA 10 collection system through contract or reorganization?

- 6) PACKAGE TREATMENT PLANT CSAs (CSA 2, 5, 7 and 20)
 - a. Should CSA 2, 5, 7 and 20 remain as a dependent districts of the County, or annex to the SCCSD?

- 7) SAN LORENZO VALLEY WATER DISTRICT (BEAR CREEK ESTATES)
 - a. Should Bear Creek Estates remain as function of the San Lorenzo Valley Water District, or annex to the SCCSD?
 - b. Are there any other options for the Bear Creek Estates unit (private operation, become a CSA)?

- 8) MID-PENINSULA REGIONAL OPEN SPACE DISTRICT (MROSD)
 - a. The MROSD has acquired two properties in Santa Cruz County outside their boundary and sphere. Should these be added to their Sphere of Influence?
 - b. Are there other properties that should be added to the MROSD Sphere in Santa Cruz County?
 - c. There has been community interest in forming a Regional Open Space District in Santa Cruz County. Are there benefits to either annexing parts or all of the remainder of Santa Cruz County to the MROSD (in lieu of forming a regional district) or contracting with the MROSD (through the County Parks CSA).

- 9) SANTA CRUZ PORT DISTRICT
 - a. The Port District has an irregular boundary and sphere on the west side of the City of Santa Cruz. Should the status quo be maintained, or should the sphere be expanded to cover the entire city limits?

RESOURCES

Current Sphere of Influence Maps:

[Davenport County Sanitation District](#)
[Freedom County Sanitation District](#)
[Salsipuedes Sanitary District](#)
[Santa Cruz County Sanitation District](#)
[CSA 2 Place de Mer](#)
[CSA 5 Sand Dollar/Canon del Sol](#)
[CSA 7 Boulder Creek](#)
[CSA 10 Rolling Woods/Graham Hill](#)
[CSA 20 Trestle Beach](#)
[Midpeninsula Regional Open Space District](#)
[Santa Cruz Port District](#)

Prior Service and Sphere Reviews:

2005 Countywide Service Review [link](#)
2011 Santa Cruz County Sanitation District [link](#)
2011 Freedom [link](#)
2013 County Service Area 10 [link](#)
2013 Midpeninsula Regional Open Space District [link](#) (Santa Clara LAFCO)
2014 San Lorenzo Valley Water District [link](#)
2016 Salsipuedes [link](#)

Other Information:

Santa Cruz County Sanitation District Budget [link](#)
Freedom County Sanitation District Info [link](#)
Santa Cruz County Geographic Information System Open Source Data [link](#)
2018 Public Meeting Notice for Bear Creek Estates Sanitary Sewer Rate Increase [link](#)

cc: Santa Cruz County Sanitation District
Davenport County Sanitation District c/o County Public Works
Freedom County Sanitation District c/o County Public Works
Salsipuedes Sanitary District
San Lorenzo Valley Water District
City of Santa Cruz, Director of Public Works
City of Watsonville, Director of Public Works
Midpeninsula Regional Open Space District
Santa Cruz Port District



Status of Work Program Contract for Service and Sphere Reviews Appoint Ad Hoc Committee

Date: December 28, 2018 for January 9, 2019 Agenda
To: LAFCO Commissioners
From: Patrick M. McCormick, Executive Officer *PMCC*
Subject: Status of Work Program

Summary: The Commission is considering contracting with a consulting firm to complete the current round of service and sphere reviews.

Recommendation: Defer the decision on signing the contract, and appoint an ad hoc committee to perform liaison with the boards of the agencies that will be studied in the upcoming service and sphere reviews.

At its last meeting, the Commission approved a scope of work for preparing the remaining 12 service and sphere reviews in the current round of state-mandated reviews. The subject agencies are:

Sanitation Agencies

- Davenport County Sanitation District
- Freedom County Sanitation District
- Salsipuedes Sanitary District
- Santa Cruz County Sanitation District
- CSA 2 Place de Mer
- CSA 5 Sand Dollar/Canon del Sol
- CSA 7 Boulder Creek
- CSA 10 Rolling Woods/Graham Hill
- CSA 20 Trestle Beach
- San Lorenzo Valley Water District

Miscellaneous Districts

- Midpeninsula Regional Open Space Dist.
- Santa Cruz Port District

In discussing the scope with the staffs of the affected agencies, I have come to realize that it would be helpful to have an ad hoc committee of LAFCO Commissioners to be available to meet with ad hoc committees of the agencies' policy boards. I expect that the LAFCO committee would have one or two meetings. The LAFCO committee would discuss the upcoming study with the respective committees of the one or two of the agencies under study. The LAFCO committee would not have any delegated authority to take any action on behalf of LAFCO.

It is RECOMMENDED that the Commission:

- Defer the decision on signing the contract, and
- Appoint an ad hoc committee of 1-3 commissioners to perform liaison with the boards of the agencies that will be studied in the upcoming service and sphere reviews.