

A Tale of Three Consolidations—Two Completed and One Under Study

For Santa Cruz LAFCO, our consolidations and dissolutions have come from reacting to situations well known in the affected communities. Our LAFCO has never initiated a consolidation or dissolution. We have certainly entertained reorganizations, and have spent staff and consultant time in studying and facilitating the reorganizations. Here are three examples.

Capitola Fire Protection District and Central Fire Protection District

In this situation, the small City of Capitola was served by an independent fire protection district (the Capitola Fire Protection District). The City Council felt that the fire district was not providing a high enough level of service, and the City Council applied to LAFCO to take over the fire district as a subsidiary district. LAFCO hired a consultant and set up an advisory committee consisting of the city manager, the fire chiefs of the Capitola Fire Protection District and the adjacent fire district, and the LAFCO Executive Officer. The LAFCO-sponsored study concluded that the City of Capitola could be provided with a higher level of service at a high cost if the city wanted to spend more money operating the one-station Capitola Fire Protection District, or at no additional cost if the Capitola Fire Protection District were consolidated with the adjacent three-station district. The LAFCO study and advisory committee structure resulted in a common set of information that all parties were comfortable with. LAFCO denied the City's application and invited a consolidation application from the two fire protection districts. The consolidation happened, and the consolidated district has subsequently added engine-based paramedics without raising taxes.

Salsipuedes Fire Protection District and Freedom Fire Protection District

These two rural districts were located outside the City of Watsonville. Many studies had been done over the years that suggested a consolidation would be beneficial. The City of Watsonville was continuing to annex into the tax bases of each district. Upon one LAFCO Commissioner's initiative and motion, LAFCO concluded that no more studies were needed and that if the districts didn't initiate a consolidation in six months, LAFCO would initiate one and that LAFCO's proposal would make the Board of Supervisors the governing board. Each fire district board passed a resolution initiating the consolidation and resolved the staffing, board configuration, and financing issues between themselves. The consolidated district, the Pajaro Valley Fire Protection District, is doing well.

Lompico County Water District and San Lorenzo Valley Water District

The Lompico County Water District has been a fiercely independent water provider to 500 customers in the Santa Cruz mountains. It has struggled for many years with the inefficiencies of being a small agency, and has deferred maintenance of its infrastructure. It has often been the topic of the civil Grand Jury investigations, and has had two employees convicted of criminal charges. The Grand Jury has also criticized LAFCO for not identifying and trying to fix Lompico's problems. There is an adjacent larger water district (San Lorenzo Valley Water District) that is doing a good job providing service. LAFCO initially resisted taking the initiative to dissolve the district.

When the district's problems seemed severe and the board seemed open to help, LAFCO sent a letter to each of the water districts saying that the two districts were a natural consolidation, and that no other reorganization made much sense. Both district boards set up consolidation committees and are using district, county, and LAFCO staff to assist in studying how a consolidation could be done. The working model is that the Lompico County Water District would dissolve, the County would sponsor a Mello-Roos District whereby the Lompico property owners would pass an assessment that would be used by the San Lorenzo Valley Water District to bring the Lompico water infrastructure up to San Lorenzo's standards, and Lompico would annex to the San Lorenzo Valley Water District. If both districts find the working model acceptable, the reorganization will be initiated by the boards of both districts.