



SANTA CRUZ COUNTY
Civil Grand Jury

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Santa Cruz County Local Roads

A smooth path through paradise or a hell of a road?

Summary

During our investigation the Grand Jury has found that roads in the unincorporated area of Santa Cruz County are in deplorable condition. Currently more than 63% of the local roads are in poor to failed condition. This has prompted almost daily complaints to the County Board of Supervisors and the County agencies responsible for road maintenance.

Chronic underfunding of roads and culverts has led to a deficit approaching one billion dollars. For decades, the County's strategy has been to forgo spending money on the roads that are in the worst condition and concentrate on pavement preservation on roads that are already in fair to good condition. Many unincorporated roads haven't been resurfaced for decades.

Funding of County road maintenance is a complicated subject involving local, state and federal agencies. Most of the funds are targeted and the County has little discretion on how they are spent.

One possible source of additional funding for unincorporated roads could come from Special District 9D (1-3). Overseen by the Local Agency Formation Commission (LAFCO), it contains a road assessment fee that hasn't been increased in 36 years.

Given the chronic underfunding of rural road maintenance, our local roads are becoming increasingly unsafe for daily travel and emergency access.

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Figure 1. Laurel Road Pavement Condition Index (PCI) 10 in 2019 report.^[1]

Background

Ask just about anyone living in Santa Cruz County (County) what they see as the five most significant problems facing the County and they will very likely cite poor road conditions as one of these. (See examples in Figure 1 above and Figure 2 below).

Approximately one half of the County's population live in the unincorporated areas, with much of that population living on rural and mountainous roads.^[2] Many of these roads are not a high priority in the County's view due to their limited use and have been ignored and neglected for years. This has resulted in anger and frustration on the part of the people affected. They wonder why their road has not been resurfaced for decades. The Santa Cruz County Department of Public Works (DPW) and the Santa Cruz County Board of Supervisors (BoS) receive complaints about poor road conditions on a daily basis.

As borne out by metrics, our local roads have continued to get worse over the last several decades.^[3] Poor maintenance, climate change, our geographical location, and the unique coastal mountain geology and topography have created havoc with our roads. They take a real beating.



Figure 2. Mountain Charlie Road - PCI 16/100.^[8]

To make matters worse, our County, for reasons that will be discussed, is in poor financial straits to the point where deferred maintenance of our road network is into the hundreds of millions of dollars and climbing. The County has lacked the financial resources to fix and maintain our roads using the general budget allocation.^[4] As a consequence, the County relies on additional funding from outside sources. These include funds from Special District 9D 1-3 (1983), Measure D (2016), California Senate Bill 1 (SB1) (2017) and the most recent Measure K sales tax increase (2024). All these sources of funding help, but still leaves the County with a large funding shortfall. Most of this funding is allocated through formulas and the County has little discretion with how it can be spent.

As a consequence of this financial conundrum, the DPW has found it necessary to prioritize how its insufficient funds are spent on the road network. It is apparent that the general strategy is to spend the money on roads that can benefit from less expensive pavement preservation over ones that are poor or failed. The roads currently being maintained tend to be of high-use and require less money as they are already in fair to good condition. The reasoning is that the cost of pavement preservation is a fraction of the cost for repairing or reconstructing a road in poorer shape.^[5] This is not a formal policy on the part of the County and many residents are not aware of this unstated strategy. The BoS have input within their district on what roads get worked on with Measure D funds.^[6] However, the current maintenance strategy is one of the three described in the Pavement Management Program Update (PMP). As a consequence, most rural local roads will have little to no maintenance in the current 5-year plan.^[3]

The road network is the lifeblood of our County. The 586 miles of County roads are used every day by our citizens in one way or another.^[7] Every day, people travel on our roads to get to and from work and school. The U.S. Postal Service, sanitation, PG&E and other businesses use our roads to deliver products and services to us. Emergency services such as fire, police and ambulance services use our roads to keep us safe.

Scope and Methodology

The Grand Jury sought to establish the current and projected status of the road network in the unincorporated areas of Santa Cruz County. The Grand Jury also wanted to examine the role of the DPW, within the Santa Cruz County Community Development and Infrastructure Department (CDI), the maintenance and repair of the road network and the effectiveness of the programs and procedures. In addition, the Grand Jury wanted to study the budgeting and funding mechanisms relating to the maintenance and repair of the County roadways.

Our investigation included the following:

- Investigation of the DPW's maintenance programs for County roads
- Review of the DPW's budget and funding for maintenance and whether there is a shortfall
- Determine how often roads are surveyed and how condition is tracked
- Determine whether the current maintenance program is catching up on deferred maintenance or if the DPW is falling further behind
- Determine whether emergency access is used as a criterion for road maintenance priority

The Grand Jury examined various State, Federal and County agency documents and websites, as well as several news media articles. Interviews with CDI staff, members of the BoS, and a staff member of the Santa Cruz County Regional Transportation Commission (RTC) were conducted. The Grand Jury also attended town hall meetings, toured road sites and tested the complaint system.

Investigation

Maintenance of Roads

For more than 35 years, the County has used Pavement Management Program Software (PMPS) called StreetSaver. The software program is designed to provide objective information so managers could make decisions regarding maintenance of the road system.^[9]

In addition, every 5 years or so, the County has had a consulting company perform an independent audit of the condition of the roads resulting in a Pavement Management Update. This audit report was last released in November of 2019. Among other things, this report documents the condition of the County roads. The PCI utilizes a 100 point scale. The scale is broken down into five broad categories as shown in Figure 3 below.^[10]

I	Good/Very Good		100
II/III	Fair (non-load)	Fair (load-related)	65
IV	Poor		45
V	Very Poor/Failed		25
			0
Condition Category	Pavement Condition		PCI

Figure 3: Pavement Condition Categories by PCI.^[10]

The road classification system goes from major arterials, minor arterials, major collectors, minor collectors to local roads. Funding sources can limit the type of roads where the funds are used.^[11]

New roads have an average life expectancy of about 15-20 years without maintenance.^[12] Primary wear happens with traffic as well as weather (sun and rain). Tree roots also cause road damage. Culverts are used to drain water away, which sometimes clog or fail. Cracks can develop in the road surface from these factors. Cracks allow water intrusion into the roadbed which contribute to pothole formation and road deterioration. Periodic sealing of these cracks, fixing potholes and clearing culverts keeps the road in good shape and can extend its life by a decade or more. More than 63% of the local roads are in poor to failed condition as noted in the 2019 PMP.^[13]

The PMP prepared by Nichols Civil Engineering (NCE) for the County in 2019 recommended that arterials be inspected every two years and that residential roads be inspected every four to five years.^[14] The Grand Jury has not been able to assess if these inspections have taken place.

The DPW monitors road conditions mainly through observations made by road crews when carrying out assignments as well as feedback from the public.^[15] The public can inform the County of road problems such as potholes via the “My Santa Cruz County” mobile app for phones (both Apple and Android), the “My Santa Cruz County” website <https://cconnect.santacruzcounty.us/> or by phone at (831) 454-2160.^[16]

Several members of the Grand Jury tested the mobile app with fairly good results once the app was loaded. Some struggled with initially loading the app when in rural areas as it seemed very sensitive to weak internet connections. Repairs were performed in as little as a week for the potholes reported during our testing of the system.

The long-term failure of the County to adequately maintain the local classified County roads has led to the current condition and failed roads. Large potholes with drivers swerving to miss them can cause accidents. Many of these rural County roads also do not meet more recent safety standards developed by the Central Fire District of Santa Cruz County for proper emergency services support in case of a wildfire. Roads shall be 20’ wide exclusive of shoulders and have an overhead clearance of 15’.^[17] Safety is one criteria or mandate the RTC uses in making decisions on which projects to fund.^{[18][19]}

Similar to a car, regular maintenance is critical for the long life of a road. Maintenance costs dramatically increase the longer a road is left to deteriorate. A failed road can take more than eight times the amount of money to rehabilitate compared to one receiving regular maintenance.^[5] The estimated 2019 reconstruction costs for a road was more than \$1 million a mile and that has gone up substantially in the last few years. This does not take into account the wear and tear a poorly maintained road causes to vehicles, the safety of drivers and pedestrians trying to avoid potholes and the delay in supplying timely emergency services in the time of need.^[20]

Maintenance is different from failure repairs but can be related. It is well known that the Santa Cruz County mountain geology contributes to road closures due to slides, fallen trees and water washout of roads in heavy rains. In addition to normal maintenance the County must repair failures from storms and natural disasters.^[21]

Backlog of Deferred Maintenance

Multiple disasters in recent years have caused widespread damage to Santa Cruz County roads. However, the biggest threat to our roads could be deferred maintenance (aka “unfunded backlog”). Deferred maintenance is maintenance that is needed but can’t be done because of a lack of funds. The current backlog is estimated to be around \$401 million. That figure is projected to climb to \$479 million by 2028.^{[22][23]}

Santa Cruz County's average Pavement Condition Index is less than 48 (as of 2019) which is 17 points below the statewide average. With the current funding level, it is projected to be 38 in 2024, and it is further projected to drop to 33 by 2028.^[3]

The state of the culvert system is another factor in evaluating the condition of the road network. Damaged or clogged culverts are a big reason why roads get washed out. When a road washes out, it takes the roadbed with it, costing 10 times more to fix.^[24] There are approximately 6,000 culverts countywide and many are damaged or failed.^[25]

Currently, the deferred maintenance of the culvert system is estimated to be around \$400 million.^{[26] [27]} That brings the deferred maintenance total to approximately \$801 million for the culverts and roads.

The more that is done sooner to maintain our roads, the less we will have to pay later.

Pavement Preservation

Pavement preservation was identified by the U.S. Department of Transportation as an important task for the government to facilitate in 1988.^[28] The roadways we use are important to our everyday lives. In a county like Santa Cruz, we have many different transportation systems, with roads playing an important role in society, allowing our citizens to move about with private cars, buses, bikes and even walking. All must be able to coexist for a well-functioning community.

County roads have been needed to allow movement of the population for more than 100 years and that need will continue into the foreseeable future. Paved roads have a finite life. Performing lower cost pavement preservation can more than double a road's useful life. Similar to tires or brakes on a car, roads wear and need maintenance to preserve their ability to serve the population. Without preservation, roads deteriorate to a point where they need to be replaced or rebuilt at a higher cost.^[29]

Historically, the County has used a combination of slurry seals, rubberized chip seals, and single chip seals as well as micro-surfacing for preservation treatments.^[30]

Preservation is good but it is not the whole story. Pavement preservation is no longer effective once a road has deteriorated to a PCI of less than 25. At that point the road needs to be reconstructed.^[31]

With the current practice of the County primarily performing preservation work, local roads are mostly being ignored except for an occasional pothole repair or emergency repair because of a catastrophic failure. The County fails to use a balanced approach performing road maintenance as long as the County has limited resources preventing it from doing all that is wanted or needed.

Funding of Road Maintenance

The 2019 PMP suggested that the maintenance program was being funded yearly in the amount of \$8 million dollars.^[32]

Funding comes from multiple sources, the main ones are:

- County General Fund
- Measure D
- Special District 9D (1-3)

- SB1
- Measure K

In addition, there are several other sources of funding:

- Fuel Taxes
- Road use payments from companies with County contracts, like Greenwaste
- Vehicle registration fees
- New construction project assessments

The funding balance changes annually, with the 9D funding being the only reliable source. Major projects can also be funded through grants and programs from the State and Federal governments.

If approved, declared disaster emergency repairs may be reimbursed from the following sources: Federal Emergency Management Agency (FEMA) funds 75% and State funds 12.5%, with the County paying the remaining 12.5% for road repair.^[33] However, there is a catch. Even if the County follows the requirements of FEMA, funds can be reduced or delayed even after repairs have been completed. It can take as much as three to five years to get reimbursed from FEMA. Normally the County will secure the funds to perform repairs quickly when possible and then have to wait for reimbursements from FEMA and the State. This sometimes means that the County needs to take out loans that have to be repaid with interest. Currently the County is waiting for reimbursements of more than \$144 million.^[34]

Some funding sources from California are distributed through the RTC.^[35] The County must apply for project funding and compete with the local cities for these limited resources. The RTC has specific criteria that must be met that may preclude the money from being used where the County needs it most, mainly on poor, very poor and failed local roads (as shown in Figure 4).

Condition Category	PCI Range	Arterials (%)	Collectors (%)	Locals (%)	Entire Network Area(%)
Good (I)/Very Good	65-100	5.6	15.5	9.9	31.0
Fair (II/III)	45-64	3.6	10.6	8.3	22.5
Poor (IV)	25-44	1.0	7.1	13.8	21.9
Very Poor/Failed (V)	<25	0.5	5.8	18.3	24.6
Total		10.7	39.0	50.3	100

Figure 4. Pavement Network Breakdown by Functional Classification.^[13]

Proposition 13

No discussion of funding would be complete without some discussion of California Proposition 13 (Prop 13) as it has had a large impact on County funding. In 1978, Prop 13 fixed the property tax rate in California at 1% of the assessed value.^[36] 13.5% of the

tax collected is sent to the County of Santa Cruz to provide mandated services to its residents.^[37] The Santa Cruz County government receives one of the smallest percentages of all the counties within the state. The funding percentage is based on the proportionment prior to the passage of the proposition. State Assembly Bill 8 set the proportionment after Prop 13 passed.^[38]

General Fund

Primary, direct funding comes from the County General Fund. The Grand Jury was unable to find enough detail in the County budget reports to break out how much specific funding was going to routine maintenance, which is separate from general road repairs and improvements. Even with all of the funding sources, County roads are being underfunded by more than 60% every year.^[3] New projects like the Rail Trail, Highway 1 expansion and the “Complete Streets” project on Soquel Avenue have diverted funds that could have been used for basic road maintenance.

Measure D

In November of 2016 Measure D, a ½ cent sales tax increase, was approved by the voters raising approximately \$17 million annually. 30% goes to Neighborhood/Local Road Projects. The expenditure plan distributes the funds to 5 categories of projects as seen in Figure 5.

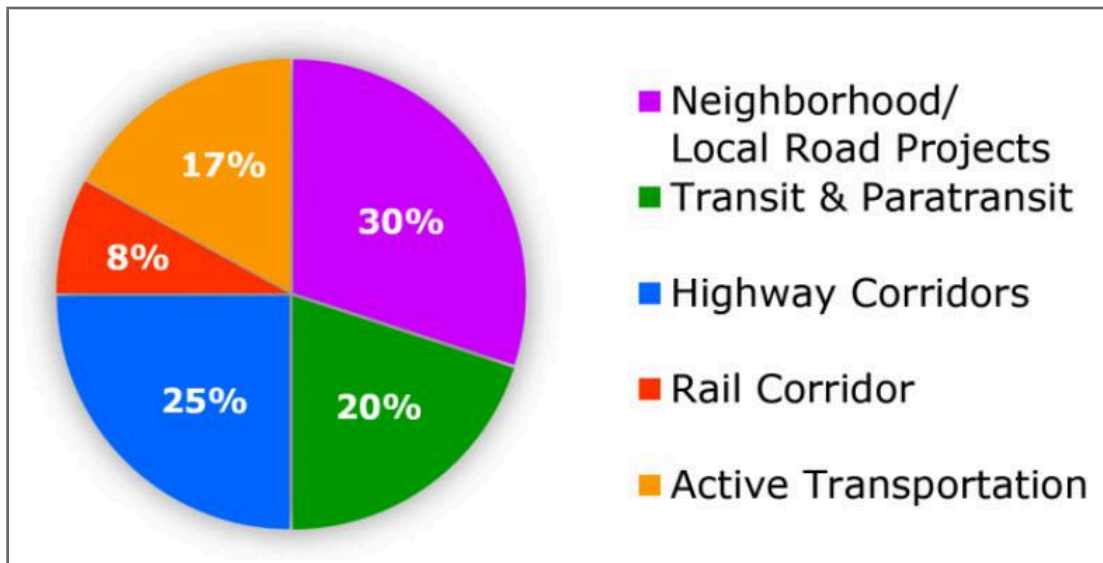


Figure 5. Allocation of Measure D Revenues.^[39]

The RTC administers the expenditure of all Measure D revenues and supplies reports on completed projects and a 5-year funding plan.^[40]

The June 2023 Measure D updated 5-year Funding Plan shows that the Santa Cruz County District 1 Supervisor has chosen not to provide Measure D funds to the District 1 road resurfacing program. The other Districts have road work listed for in the Measure D Funding Plan.^[41]

Special District 9D (1-3)

Road repairs in the unincorporated areas of the County are also partly funded by County Service Area (CSA) Special Districts 9D (Zones 1-3). (Figure 6 below) The current flat assessments are \$56.40 on improved properties and \$28.20 on unimproved properties in the unincorporated areas of the County. CSA 9D funds account for over 25% of current funding for County road maintenance.^{[42] [43]}

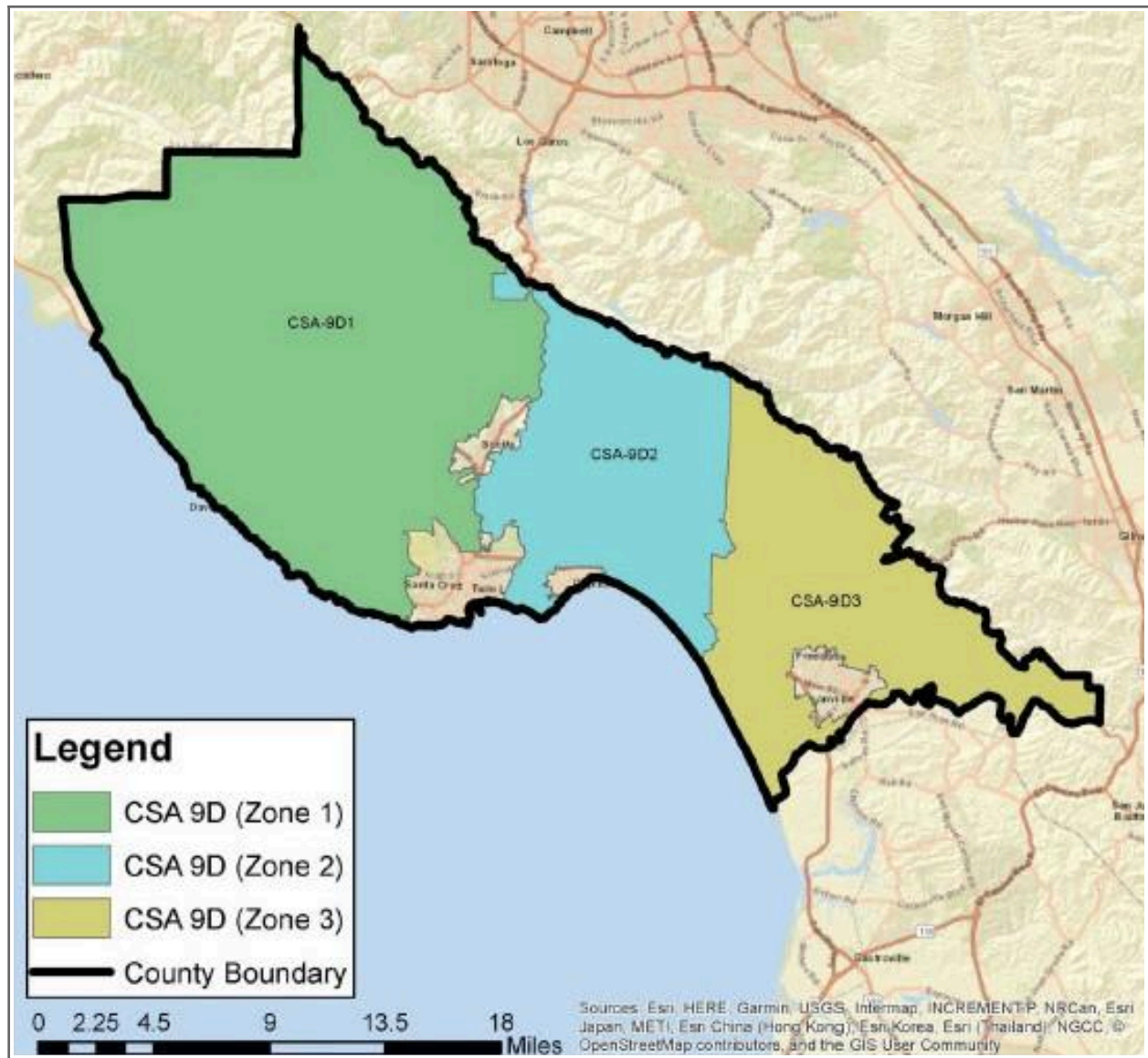


Figure 6. 9D Special Districts Zones^[42]

CSA 9D is a Special District governed by Santa Cruz County Government Code Section 25210. Most special districts are formed by local residents with approval from LAFCO. Special District 9D was created by Resolution 366-83 in June of 1983 and Resolution #42-89 by the County BoS in December of 1988.^{[44] [45] [46]}

Proposition 218, passed in November of 1996, added additional restrictions to the operations of Special Districts. All Special Districts developed prior to 1996 were grandfathered in, including 9D, and presumed to be valid. These additional restrictions limit how CSA 9D can be modified as any changes will need to adhere to the new regulations.^[47]

LAFCO is required to perform a periodic review of Service Districts. The last review of CSA 9D is dated August 5, 2020. The report states that “the Board of Supervisors determined that the sub-zones’ service charges would vary based on the extent of benefit derived from such service provided to parcels within the sub-zones.”^[48]

LAFCO found the County has not varied the amount of the service charge since inception. The three zones that comprise 9D generate approximately \$2.7 million annually.^{[48] [49]} Failure of the County to form the Special District with the inclusion of a range of assessment rates or a built-in inflationary adjustment, which was allowed at the time, has caused this important funding source to become inadequate over time. Average inflation over this time has been 3.45% a year. If the annual inflation had been part of the formula, a rate approximately 3.76 times the current amount would now be charged.^{[42] [50]}

LAFCO’s report is supposed to detail revenue and expenses for the Special District with sufficient detail for the public to understand how their taxes are being used. The Grand Jury found that there was not sufficient detail in the publicly available LAFCO or County budget reports to determine how the funding was being used. The LAFCO report showed 100% of the funding coming from the property assessment taxes and 100% of the expenditure being used for “services and repairs,” but without any detail on what those services and repairs were.^[51] The published budget from the County was also lacking this detail. Residents currently are not able to determine how their CSA 9D taxes were being used except in a general way. They could not determine what roads were repaired or resurfaced in their zone or what repairs were performed. There is no way to determine that the funds were used correctly in the zone, where the funding took place, and to confirm the funds were not commingled with general DPW funding. Commingling of funds is not allowed.

SB1

California SB1, also known as the Road Maintenance and Rehabilitation Act (SB1), was passed in 2017 in order to reward local communities for creating new revenue sources to fund their own transportation needs. Santa Cruz County qualified for SB1 matching funds by passing Measure D in 2016.^[52]

The State designated the Santa Cruz County Regional Transportation Commission to select projects that meet the requirements set forth by the California Transportation Commission (CTC). These requirements include safety (cars, pedestrians, bicyclists), maintenance of transportation assets (roads, bridges and culverts), transportation efficiency and the reduction of the carbon footprint.^{[52] [53]}

Currently, SB1 funds are being used as matching funds to State and Federal relief efforts responding to the devastating storms of 2017 and 2023. Due to the extensive

damage from these events, it is unlikely that the County will be able to use SB1 funds for resurfacing of local roads for the foreseeable future.^{[54] [55] [56]}

The Federal Infrastructure Investment and Jobs Act of 2021 and the State's Road Repair and Accountability Act of 2017 (SB1) will provide \$16 million for Santa Cruz County for some much needed improvements. None of these funds will be used to fund repair of poor or failed roads. The funding will be applied to two highway projects in the County.^[57]

Measure K Sales Tax Increase

Measure K passed in March 2024 within Santa Cruz County, increasing the sales tax rate ½ percent in the unincorporated areas. This tax is estimated to bring in \$10 million in extra revenue to the County General Fund after the first year. The tax will continue indefinitely unless changed by another measure. \$1 million or 10% of the Measure K funding is earmarked for road maintenance and County infrastructure projects for the first year, per the Measure K voting materials. These funds go into the General Fund and are not guaranteed to be used for road maintenance. Even if the full \$1 million annual funds were used for local roads, it could only pay for about one mile of paving of a very poor or failed road.^{[58] [59]}

Other Funding Sources

Another source of revenue for local streets and roads comes from the State Transportation Improvement Program (STIP). This program is primarily funded by fuel taxes collected by the State and redistributed through STIP back to local agencies. The RTC is in charge of deciding where these funds are spent in the County following guidelines set down by the California Transportation Commission.^[60]

The fuel tax revenue received from the State is based on the number of road miles and the number of registered vehicles in the County. Unfortunately, this source of funds has become unreliable. This tax has less purchasing power due to inflation, fuel efficiency, and the increased use of electric and hybrid vehicles.^[61]

An additional funding source is the Vehicle Licensing Fees (VLF) collected by the Department of Motor Vehicles (DMV): 37.5% of these fees are returned to the County to use for road maintenance.^[62]

Conclusion

Local roads in unincorporated Santa Cruz County are severely underfunded and as a result are in deplorable shape. The Grand Jury feels the best opportunity to increase substantial funding is to address the deficiency in Special District 9D. The NCE's report predicts that under the current spending level, our roads will deteriorate even further. The County cannot afford this increasing liability. Additional funding sources (e.g., Measure D and K) are helpful but wholly inadequate to address the current and projected deferred road and culvert maintenance. This leaves unincorporated County residents at a higher risk of delayed emergency response and strandings.

Findings

- F1.** Underfunding the road and culvert maintenance work on the 586 miles of County roads in unincorporated Santa Cruz County for more than four decades has created a backlog of deferred maintenance currently exceeding $\frac{3}{4}$ of a billion dollars which creates a hazard for residents.
- F2.** Due to the large shortfall in funding, Santa Cruz County Department of Public Works adheres to the accepted practice promoted by the Federal Highway Administration and RTC of prioritizing pavement preservation over pavement restoration. Much of the public lacks awareness of this practice in the absence of a formally documented policy which impacts voter choices.
- F3.** The County road maintenance strategy differs by Supervisorial District leading to inconsistent road repair expectations among districts. This lack of a coordinated strategy leaves residents frustrated and with a sense of unfair treatment.
- F4.** Storms of 2017 and 2023 caused significant road failures. Contributing factors were inadequate culvert, drainage ditch, and road surface maintenance which led to culvert failures and full road washouts leaving residents stranded or incurring significant delay.
- F5.** The County of Santa Cruz has failed to ask unincorporated County voters to increase the funding of the Special District 9D (1-3) road assessment fee since its inception in 1988, which has resulted in a drastic loss of revenue for maintaining County roads.
- F6.** The County of Santa Cruz has failed to perform resurfacing maintenance on many of the smaller unincorporated local roads, resulting in higher failure rates and at least a 10 times increased maintenance cost when and if those roads are resurfaced.
- F7.** Santa Cruz County's neglect of unincorporated local roads for many decades has led to an average Pavement Condition Index of less than 48 (as of 2019) which is 17 points below the statewide average. With the current funding level, it is projected to be 38 in 2024, and it is further projected to drop to 33 by 2028 which will leave the County in a position to experience higher catastrophic road failures.
- F8.** The County prioritizes preventive maintenance of roads in fair to good condition over road repair and reconstruction due to limited discretionary funds. As a result, many residents in local road areas will have to contend with very poor/failed roads into the foreseeable future.
- F9.** The most recent LAFCO and County reports fail to provide detailed accounting of how 9D funds are being spent. The result is that taxpayers lack the information to ensure that generated funds are being used appropriately.
- F10.** Minor progress has been made in seeking and securing additional funding sources. The additional funding is far short of what is needed to maintain and repair the road network.

F11. Measure K funds go directly into the General Fund and road maintenance funding expenditures are only recommended. This may allow the funding to go to other needs.

Recommendations

- R1.** The Grand Jury recommends that the DPW complete a public report by December 31, 2024 which shows the prioritization of culvert and drainage ditch maintenance in order to help prevent road washouts that are more costly to repair. (F1, F5)
- R2.** The Grand Jury recommends that the Board of Supervisors increase annual funding to the DPW to improve at least one local road segment with a PCI of less than 40 as listed in the Pavement Management report, in each Supervisorial district starting December 31, 2024. (F1, F2, F7, F8, F9)
- R3.** The Grand Jury recommends that the DPW supply information to LAFCO detailing expenditures in each of the three zones of CSA 9D for the years 2020-2023 by October 31, 2024. (F6, F10)
- R4.** The Grand Jury recommends that LAFCO issue a new County Service Area 9 Service and Sphere of Influence Review incorporating detailed data of expenditures for each 9D zone by March 15, 2025. (F6, F10)
- R5.** The Grand Jury recommends that the County Board of Supervisors should begin the process necessary to increase the funding in CSA 9D to an amount in line with what is needed to reduce the backlog of very poor and failed road repairs by December 31, 2024. (F6)
- R6.** The Grand Jury recommends that the County Board of Supervisors take steps necessary to add a consumer price index increase to CSA 9D, as allowed by law, by December 31, 2024. (F6)
- R7.** The Grand Jury recommends that the County Board of Supervisors continue to prioritize a minimum of 10% of Measure K funds to repair roads in the County with a PCI of 25 or less by December 31, 2024. (F10, F11)
- R8.** The Grand Jury recommends that the DPW formalize its policy of abandoning pavement restoration on very poor and failed Local roads into a publicly available document in order to inform affected property owners and prospective buyers by December 31, 2024. (F2, F3, F4, F7, F9)

Required Responses

<i>Respondent</i>	<i>Findings</i>	<i>Recommendations</i>	<i>Respond Within/ Respond By</i>
Santa Cruz County Board of Supervisors	F1–F11	R1–R3, R5–R8	90 Days September 3, 2024
LAFCO	F6, F10	R4	90 Days September 3, 2024

Invited Response

<i>Respondent</i>	<i>Findings</i>	<i>Recommendations</i>	<i>Respond Within/ Respond By</i>
Director, Community Development and Infrastructure, Public Works Dept.	F1-F6, F10	R1, R3, R8	90 Days September 3, 2024

Definitions

- **BoS:** Board of Supervisors, Santa Cruz County
- **CDI:** Santa Cruz County Community Development and infrastructure Department, includes the Department of Public Works
- **CSA:** County Service Area (Special District) formed by citizens or County to provide services paid by tax assessment on properties within the area covered
- **CTC:** California Transportation Commission
- **DPW:** Department of Public Works, County of Santa Cruz
- **FEMA:** Federal Emergency Management Agency
- **LAFCO:** Local Agency Formation Commission of Santa Cruz County
- **Measure D:** 2016 Measure to fund Transportation with ½ cent sales tax measure for 30 years
- **Measure K:** 2024 Measure to increase sales tax by ½ percent in unincorporated areas of Santa Cruz County
- **NCE:** Nichols Civil Engineering
- **PCI:** Pavement Condition Index
- **PMP:** Pavement Management Program Update (NCE Nov. 2019 Final Report)^[7]
- **PMPS:** Pavement Management Program software (also known as “Streetsaver”)
- **Prop 13:** Proposition 13- “People's Initiative to Limit Property Taxation”, 1978
- **Proposition 218:** 1996 “Right to Vote on Taxes Act”- Governing Act for Special districts
- **SB1:** California Senate Bill #1- “Road Repair and Accountability Act of 2017”

- **RTC:** Santa Cruz County Regional Transportation Commission
- **Special District:** Formed with approval by LAFCO to fund specific work
- **STIP:** State Transportation Improvement Program
- **Streetsaver:** Pavement Management Program Software used by the County

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Site Visits

Rural Santa Cruz County roads in all districts.



SANTA CRUZ
COUNTY
GRAND JURY

Grand Jury <grandjury@scgrandjury.org>

Response to 2023-2024 Grand Jury Report "Santa Cruz County Local Roads - A Smooth Path Through Paradise or a Hell of a Road"

Caitlin Smith <Caitlin.Smith@santacruzcountyca.gov>

Tue, Sep 3, 2024 at 2:23 PM

Good Afternoon,

Please see attached for the required response from the Santa Cruz County Board of Supervisors to the 2023-2024 Grand Jury Report titled "Santa Cruz County Local Roads - A Smooth Path Through Paradise or a Hell of a Road" which was approved by the Board of Supervisors on August 27, 2024.

Best,

Caitlin C. Smith

County Supervisors' Analyst

Santa Cruz County Board of Supervisors

[701 Ocean Street, Room 500](#)

[Santa Cruz, CA 95060](#)

831-454-2200 main

831-454-3516 direct

caitlin.smith@santacruzcountyca.gov

To email all five members of the Board of Supervisors at once,

please use: boardofsupervisors@santacruzcountyca.gov

2 attachments

 **Cover Letter Local Roads response.pdf**
199K

 **Santa Cruz County Local Roads GJ Report Board of Supervisors Response.pdf**
524K



County of Santa Cruz

BOARD OF SUPERVISORS

701 OCEAN STREET, SUITE 500, SANTA CRUZ, CA 95060-4069
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FIFTH DISTRICT

August 30, 2024

The Honorable Katherine Hansen
Santa Cruz Courthouse
701 Ocean Street
Santa Cruz, CA 95060

**RE: Response to the 2023-2024 Grand Jury Report “Santa Cruz County
Local Roads – A smooth path through paradise or a hell of a road?”**

Dear Judge Hansen,

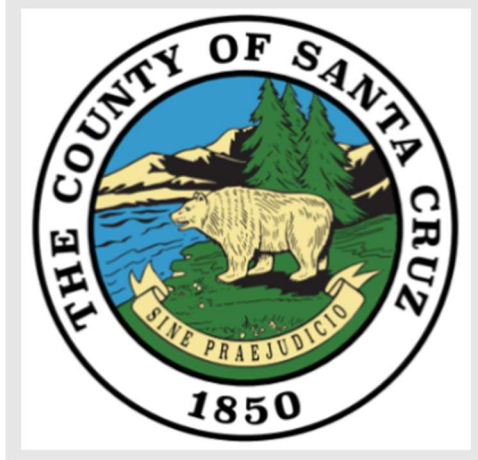
The purpose of this letter is to formally transmit the Santa Cruz County Board of Supervisors’ response to the 2023-2024 Grand Jury Report “Santa Cruz County Local Roads – A smooth path through paradise or a hell of a road?”

Sincerely,

JUSTIN CUMMINGS, Chair
Santa Cruz County Board of Supervisors

JC:cs
Attachments

CC: Clerk of the Board
Santa Cruz County Grand Jury



The 2023–2024 Santa Cruz County Civil Grand Jury
Requires the

Santa Cruz County Board of Supervisors

to Respond by September 3, 2024

to the Findings and Recommendations listed below
which were assigned to them in the report titled

Santa Cruz County Local Roads

A smooth path through paradise or a hell of a road?

Responses are **required** from elected officials, elected agency or department heads, and elected boards, councils, and committees which are investigated by the Grand Jury. The California Penal Code (PC) [§933\(c\)](#) requires you to respond as specified below and to keep your response on file.

Your response will be considered **compliant** under [PC §933.05](#) if it contains an appropriate comment on **all** findings and recommendations **which were assigned to you** in this report.

Please follow the instructions below when preparing your response.

Instructions for Respondents

Your assigned [Findings](#) and [Recommendations](#) are listed on the following pages with check boxes and an expandable space for summaries, timeframes, and explanations. Please follow these instructions, which paraphrase [PC §933.05](#):

1. **For the Findings, mark one of the following responses with an “X” and provide the required additional information:**
 - a. **AGREE with the Finding**, or
 - b. **PARTIALLY DISAGREE with the Finding** – specify the portion of the Finding that is disputed and include an explanation of the reasons why, or
 - c. **DISAGREE with the Finding** – provide an explanation of the reasons why.
2. **For the Recommendations, mark one of the following actions with an “X” and provide the required additional information:**
 - a. **HAS BEEN IMPLEMENTED** – provide a summary of the action taken, or
 - b. **HAS NOT YET BEEN IMPLEMENTED BUT WILL BE IN THE FUTURE** – provide a timeframe or expected date for completion, or
 - c. **REQUIRES FURTHER ANALYSIS** – provide an explanation, scope, and parameters of an analysis to be completed within six months, or
 - d. **WILL NOT BE IMPLEMENTED** – provide an explanation of why it is not warranted or not reasonable.
3. **Please confirm the date on which you approved the assigned responses:**

We approved these responses in a regular public meeting as shown
in our minutes dated August 27, 2024.

4. **When your responses are complete, please email your completed Response Request as a PDF file attachment to both**

The Honorable Katherine Hansen, Grand Jury Supervising Judge
Katherine.Hansen@santacruzcourt.org and

The Santa Cruz County Grand Jury grandjury@scgrandjury.org.

If you have questions about this request form, please contact the Grand Jury by calling 831-454-2099 or by sending an email to grandjury@scgrandjury.org.

Findings

F1. Underfunding the road and culvert maintenance work on the 586 miles of County roads in unincorporated Santa Cruz County for more than four decades has created a backlog of deferred maintenance currently exceeding $\frac{3}{4}$ of a billion dollars which creates a hazard for residents.

AGREE

PARTIALLY DISAGREE

DISAGREE

Response explanation (required for a response other than **Agree**):

The County has many demands on its limited resources. The County of Santa Cruz is systematically underfunded compared to county peers and statewide county averages. These funds are allocated to the County based on systems outside of the County's control, such as nearly five decades of property tax regulations and recent State decisions to send online sales tax from local purchases to where warehouses are located. These circumstances restrict the County's ability to provide services including road and culvert maintenance.

Santa Cruz County has particularly difficult geography making it challenging to maintain local roads. The County was recently named the 15th most vulnerable county in the Country to landslides by the Federal Emergency Management Agency (FEMA). The County also faces vulnerabilities due to sea-level rise, as seen in damages from recent federal disasters where high tides and storm surge caused millions of dollars of damage to county infrastructure.

Many local roads were originally not built for long-term public use, such as roads used for the logging industry. These roads, many built along waterways that make them more vulnerable, were under engineered and are susceptible to continued damage that further stresses the County's resources.

F2. Due to the large shortfall in funding, Santa Cruz County Department of Public Works adheres to the accepted practice promoted by the Federal Highway Administration and RTC of prioritizing pavement preservation over pavement restoration. Much of the public lacks awareness of this practice in the absence of a formally documented policy which impacts voter choices.

AGREE

PARTIALLY DISAGREE

DISAGREE

Response explanation (required for a response other than **Agree**):

The County Department of Public Works uses industry-wide pavement management practices that results in the most efficient use of scarce resources. Information regarding pavement work is available on the County website (see [Transportation & Roads \(santacruzcountyca.gov\)](https://www.santacruzcountyca.gov/Transportation%20&%20Roads), [Completed County Resurfacing Projects 2018-2023](#) and [Current Paving Projects](#)). The Board of Supervisors is also regularly informed of pavement practices including annual proposals on how to spend Measure D funding. The most recent Measure D Plan was approved June 25th, 2024 ([Measure D 5-Year Plan for Fiscal Year 2024-25](#)). Additional information can be found within the Community Development and Infrastructure department budget (see [Community Development and Infrastructure 2024-25 Proposed Budget](#)).

F3. The County road maintenance strategy differs by Supervisorial District leading to inconsistent road repair expectations among districts. This lack of a coordinated strategy leaves residents frustrated and with a sense of unfair treatment.

- AGREE**
- PARTIALLY DISAGREE**
- DISAGREE**

Response explanation (required for a response other than **Agree**):

General road maintenance consisting of vegetation management, surface patching, ditch cleaning and drainage maintenance is prescribed independent of political boundaries.

County-wide pavement management funding is programed based on the percentage of road miles within each district. Some districts include cities with roads that fall outside of the County's responsibility. The pavement maintenance strategy follows industry-wide best management practices consistently.

F4. Storms of 2017 and 2023 caused significant road failures. Contributing factors were inadequate culvert, drainage ditch, and road surface maintenance which led to culvert failures and full road washouts leaving residents stranded or incurring significant delay.

AGREE

PARTIALLY DISAGREE

DISAGREE

Response explanation (required for a response other than **Agree**):

While it is agreed that the condition of county transportation infrastructure was a contributing factor to the damage caused by the storms of 2017 and 2023, this report has failed to adequately attribute factors such as age and the increasing pressure of climate change-driven disasters on the County's transportation network. Since 2017, Santa Cruz County has experienced seven federally declared disasters that have caused hundreds of millions in damages to County infrastructure. This magnitude and frequency of disasters is unmatched in the County's history. The 2017 and 2023 storm seasons each produced nearly seven times as much damage (measured by both estimated costs and number of sites) of an average storm season. This scale of impact is anticipated to continue, compromising the County's ability to maintain its infrastructure.

Asserting a causal connection between the County's road maintenance program and the catastrophic failure of entire hillsides or overwhelmed culverts during unprecedented storms is baseless and wholly irresponsible. The failure of the Bates Creek culvert under Main Street in Soquel, for example, was not a maintenance issue but the result of a storm cell that stalled upriver of the culvert, sending a surge of water and debris that was without precedent through a system that was never designed for it in the first place.

F5. The County of Santa Cruz has failed to ask unincorporated County voters to increase the funding of the Special District 9D (1-3) road assessment fee since its inception in 1998, which has resulted in a drastic loss of revenue for maintaining County roads.

- AGREE**
- PARTIALLY DISAGREE**
- DISAGREE**

Response explanation (required for a response other than **Agree**):

The County has explored the possibility of asking voters for a Special District CSA 9D several times in the past and is currently making a more serious inquiry into to voters' appetite for a proposed increase.

F6. The County of Santa Cruz has failed to perform resurfacing maintenance on many of the smaller unincorporated local roads, resulting in higher failure rates and at least a 10 times increased maintenance cost when and if those roads are resurfaced.

- AGREE**
- PARTIALLY DISAGREE**
- DISAGREE**

Response explanation (required for a response other than **Agree**):

The County utilizes an industry-wide best management practice that results in the most cost-effective method of maintaining the County road network within existing resources. As illustrated in this [Completed County Resurfacing Projects report](#) on the Department of Community Development and Infrastructure website, 85.5 miles of roads, many smaller local roads, were resurfaced between 2018 and 2023.

The County resurfaced nearly one-sixth of its road network between 2018 and 2023. While there is more work to be done, the assertion that it has failed to perform this work on unincorporated local roads is entirely without merit.

F7. Santa Cruz County's neglect of unincorporated local roads for many decades has led to an average Pavement Condition Index of less than 48 (as of 2019) which is 17 points below the statewide average. With the current funding level, it is projected to be 38 in 2024, and it is further projected to drop to 33 by 2028 which will leave the County in a position to experience higher catastrophic road failures.

AGREE

PARTIALLY DISAGREE

DISAGREE

Response explanation (required for a response other than **Agree**):

The County has not neglected unincorporated local roads, as evidenced by \$350 million spent on roads in the last seven fiscal years. This figure represents \$580,000 per road mile, and is greater than the Sheriff's Office's entire operating budget for three years, would fund County Parks 20 times over, and is five times larger than the Measure S library bond.

However, Santa Cruz County has unique challenges to improving our Pavement Condition Index, including:

- Difficult geography with unstable land in the mountains and low-lying roads on the coast and south that are vulnerable to coastal flooding.
- Roads in use that were originally not built for long-term public use, such as roads originally built by the logging industry. These roads were under-engineered and are vulnerable to damage.
- Many roads were built adjacent to waterways, and are more susceptible to increased pressures from extreme weather and coastal flooding.
- Systematic underfunding due to reasons beyond the County's control including property tax and sales tax allocation regulations.
- Already scarce funding being allocated to support priority emergency repair projects, including those that restore access to residential neighborhoods or the ability of public safety personnel to respond to critical life/safety incidents.

F8. The County prioritizes preventive maintenance of roads in fair to good condition over road repair and reconstruction due to limited discretionary funds. As a result, many residents in local road areas will have to contend with very poor/failed roads into the foreseeable future.

AGREE

PARTIALLY DISAGREE

DISAGREE

Response explanation (required for a response other than **Agree**):

Santa Cruz County Community Development & Infrastructure uses a pavement management industry-wide best management practice that results in the most efficient use of scarce resources to address road treatment.

As stated above, the County made significant progress on local road maintenance including road resurfacing thanks to new sources of funding such as Measure D, and is studying whether residents would support additional road funding through CSA 9D.

F9. The most recent LAFCO and County reports fail to provide detailed accounting of how 9D funds are being spent. The result is that taxpayers lack the information to ensure that generated funds are being used appropriately.

AGREE

PARTIALLY DISAGREE

DISAGREE

Response explanation (required for a response other than **Agree**):

The accounting information regarding the use of CSA 9D funds are appropriate and in compliance with Government Accounting Standards Board (GASB). However, more programmatic information could be provided such as specific services and areas funds are being utilized for.

F10. Minor progress has been made in seeking and securing additional funding sources. The additional funding is far short of what is needed to maintain and repair the road network.

- AGREE**
- PARTIALLY DISAGREE**
- DISAGREE**

Response explanation (required for a response other than **Agree**):

Measure D (local half-cent sales tax) and Senate Bill (SB) 1 (State funding from vehicle registration fees/fuel taxes) are relatively new, having passed in 2016 and 2017, respectively. Measure K half-cent sales tax approved by voters on March 5, 2024, will provide a new source of funding for roads projects. As part of placing the measure on the ballot, the Board adopted a resolution supporting budget priorities for Measure K that includes \$1 million for road repair and critical infrastructure. Public Works staff also continuously secure substantial grant funding to dedicate to County transportation projects. Recent examples of this are \$16.5 million in state funding for the Soquel Drive Buffered Bike Lane & Congestion mitigation project and \$14.2 million for several projects from the Santa Cruz County Regional Transportation Commission in the most recent consolidated grant program. We do not consider these substantial investments to be 'minor,' although we acknowledge existing revenues are not sufficient to maintain our road network at the highest levels.

F11. Measure K funds go directly into the General Fund and road maintenance funding expenditures are only recommended. This may allow the funding to go to other needs.

- AGREE**
- PARTIALLY DISAGREE**
- DISAGREE**

Response explanation (required for a response other than **Agree**):

As part of placing the measure on the ballot, the Board adopted a resolution supporting budget priorities for Measure K that includes \$1 million for road repair and critical infrastructure. The Board could choose to revisit these priorities and adjust budget allocations depending on needs and interests.

Recommendations

R1. The Grand Jury recommends that the DPW complete a public report by December 31, 2024 which shows the prioritization of culvert and drainage ditch maintenance in order to help prevent road washouts that are more costly to repair. (F1, F5)

—

HAS BEEN IMPLEMENTED – summarize what has been done

X

HAS NOT YET BEEN IMPLEMENTED BUT WILL BE IN THE FUTURE – summarize what will be done and the timeframe

—

REQUIRES FURTHER ANALYSIS – explain the scope and timeframe (not to exceed six months)

—

WILL NOT BE IMPLEMENTED – explain why

Required response explanation, summary, and timeframe:

A detailed field study is underway of the over 6,000 culverts within the County's maintained road system that will assess and help refine the County's needs in this area. Information is being compiled for this study and it will likely be complete and presented to the Board by June 30, 2025.

R2. The Grand Jury recommends that the Board of Supervisors increase annual funding to the DPW to improve at least one local road segment with a PCI of less than 40 as listed in the Pavement Management report, in each Supervisorial district starting December 31, 2024. (F1, F2, F7, F8, F9)

- HAS BEEN IMPLEMENTED** – summarize what has been done
- HAS NOT YET BEEN IMPLEMENTED BUT WILL BE IN THE FUTURE** – summarize what will be done and the timeframe
- REQUIRES FURTHER ANALYSIS** – explain the scope and timeframe (not to exceed six months)
- WILL NOT BE IMPLEMENTED** – explain why

Required response explanation, summary, and timeframe:

This recommendation does not meet the industry-wide best management practice for pavement management.

The Board has allocated \$1 million from the recently passed Measure K to dedicate to roads. Additionally, the Department of Community Development and Infrastructure is in the initial development of proposing an increase to the county-wide special benefit assessment dedicated to roads (CSA 9D).

R3. The Grand Jury recommends that the DPW supply information to LAFCO detailing expenditures in each of the three zones of CSA 9D for the years 2020-2023 by October 31, 2024. (F6, F10)

—

HAS BEEN IMPLEMENTED – summarize what has been done

X

HAS NOT YET BEEN IMPLEMENTED BUT WILL BE IN THE FUTURE – summarize what will be done and the timeframe

—

REQUIRES FURTHER ANALYSIS – explain the scope and timeframe (not to exceed six months)

—

WILL NOT BE IMPLEMENTED – explain why

Required response explanation, summary, and timeframe:

This information resides in the Public Works cost accounting management system and will be transmitted to LAFCO per the recommendation.

R5. The Grand Jury recommends that the County Board of Supervisors should begin the process necessary to increase the funding in CSA 9D to an amount in line with what is needed to reduce the backlog of very poor and failed road repairs by December 31, 2024. (F6)

- HAS BEEN IMPLEMENTED** – summarize what has been done
- HAS NOT YET BEEN IMPLEMENTED BUT WILL BE IN THE FUTURE** – summarize what will be done and the timeframe
- REQUIRES FURTHER ANALYSIS** – explain the scope and timeframe (not to exceed six months)
- WILL NOT BE IMPLEMENTED** – explain why

Required response explanation, summary, and timeframe:

Initial steps in this process, including planning and information consultations, have already begun. However, implementation will depend on residents subject to any assessment increase.

R6. The Grand Jury recommends that the County Board of Supervisors take steps necessary to add a consumer price index increase to CSA 9D, as allowed by law, by December 31, 2024. (F6)

- HAS BEEN IMPLEMENTED** – summarize what has been done
- HAS NOT YET BEEN IMPLEMENTED BUT WILL BE IN THE FUTURE** – summarize what will be done and the timeframe
- REQUIRES FURTHER ANALYSIS** – explain the scope and timeframe (not to exceed six months)
- WILL NOT BE IMPLEMENTED** – explain why

Required response explanation, summary, and timeframe:

This will be considered in the process described in recommendation 5. This effort will begin in Fiscal Year 2024-25.

R7. The Grand Jury recommends that the County Board of Supervisors continue to prioritize a minimum of 10% of Measure K funds to repair roads in the County with a PCI of 25 or less by December 31, 2024. (F10, F11)

- HAS BEEN IMPLEMENTED** – summarize what has been done
- HAS NOT YET BEEN IMPLEMENTED BUT WILL BE IN THE FUTURE** – summarize what will be done and the timeframe
- REQUIRES FURTHER ANALYSIS** – explain the scope and timeframe (not to exceed six months)
- WILL NOT BE IMPLEMENTED** – explain why

Required response explanation, summary, and timeframe:

The Board evaluates and sets County priorities through the annual budget process. This process allocates the County's scarce resources across many competing demands such as addressing homelessness, providing affordable housing, maintaining public safety and the many mandated services the County must provide.

The Board has programmed \$1 million of Measure K in Fiscal Year 2024-25 for road repairs. Any further investment will be recommended by Public Works to follow best management practices.

R8. The Grand Jury recommends that the DPW formalize its policy of abandoning pavement restoration on very poor and failed Local roads into a publicly available document in order to inform affected property owners and prospective buyers by December 31, 2024. (F2, F3, F4, F7, F9)

- HAS BEEN IMPLEMENTED** – summarize what has been done
- HAS NOT YET BEEN IMPLEMENTED BUT WILL BE IN THE FUTURE** – summarize what will be done and the timeframe
- REQUIRES FURTHER ANALYSIS** – explain the scope and timeframe (not to exceed six months)
- WILL NOT BE IMPLEMENTED** – explain why

Required response explanation, summary, and timeframe:

Abandoning pavement restoration on very poor and failed local roads is not and never was a policy of Public Works. A better funded pavement management program could result in more frequent road treatments throughout the unincorporated County.



SANTA CRUZ
COUNTY
GRAND JURY

Grand Jury <grandjury@scgrandjury.org>

Grand Jury Road Report re LAFCO Response

Joe Serrano <Joe.Serrano@santacruzcountyca.gov>

Thu, Aug 8, 2024 at 9:30 AM

To: "Katherine.Hansen@santacruzcourt.org" <Katherine.Hansen@santacruzcourt.org>,
"grandjury@scgrandjury.org" <grandjury@scgrandjury.org>

Cc: Francisco Estrada <Francisco.Estrada@santacruzcountyca.gov>

Good Morning Honorable Katherine Hansen,

As requested, LAFCO has reviewed and provide comments to the latest Grand Jury Report titled "*Santa Cruz County Local Roads: A smooth path through paradise or a hell of a road?*" Attached you will find our response letter, which was approved by LAFCO during yesterday's Commission meeting. The following link also directs you to the August 7th staff report for your records: https://santacruzlafco.org/wp-content/uploads/2024/07/6c.0-Grand-Jury-Response-Staff-Report_Hyperlinked.pdf

Let me know if you have any additional questions.

Thank you.

-Joe

Joe A. Serrano

Executive Officer

Local Agency Formation Commission of Santa Cruz County

701 Ocean Street, Room 318-D, Santa Cruz, CA 95060

Email: joe@santacruzlafco.org

Phone: (831) 454-2055



 8-8-24 LAFCO Response Letter (Adopted Version).pdf
224K



August 8, 2024

The Honorable Judge Katherine Hansen
 Santa Cruz Courthouse
 701 Ocean Street
 Santa Cruz, CA 95060

Subject: LAFCO Response to the Grand Jury’s “Our Water Account Is Overdrawn – Beyond Conservation: Achieving Drought Resilience” Report

Dear Honorable Judge Hansen:

Thank you for this opportunity to comment on the Grand Jury’s report titled “*Santa Cruz County Local Roads: A smooth path through paradise or a hell of a road.*” This report reviewed the current road conditions in unincorporated Santa Cruz County and requested that the Local Agency Formation Commission (“LAFCO”) provide comments. LAFCO’s statutory authority is derived from the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code section 56000, et seq.).

Among LAFCO’s purposes are: Discouraging urban sprawl, preserving open space and prime agricultural lands, efficiently providing government services, and encouraging the orderly formation and development of local agencies based upon local conditions and circumstances (Government Code Section 56301). The Cortese-Knox-Hertzberg Act identifies factors that must be considered, and determinations that must be made, as part of LAFCO’s review of boundary changes and service reviews. These provisions of law are the legislative basis for LAFCO’s locally adopted Policies and Procedures Relating to Spheres of Influence and Changes of Organization. These policies establish guidelines for the Commission and staff to follow. The adopted policies are available on LAFCO’s website: <https://santacruzlafco.org/about/policies-procedures/>.

In order to fulfill the request to provide comments on the Grand Jury’s report, LAFCO’s comments will be based on the direction found in the Cortese-Knox-Hertzberg Act and the Commission’s adopted policies.

1. Finding (F6): The County of Santa Cruz has failed to perform resurfacing maintenance on many of the smaller unincorporated local roads, resulting in higher failure rates and at least a 10 times increased maintenance cost when and if those roads are resurfaced.

DISAGREE: It is LAFCO’s understanding that the County relies on Measure D funds to repair and maintain publicly accessible roads throughout Santa Cruz County. Based on LAFCO’s research, the County has completed over 200 road projects (totaling over 44 miles), which were funded or partially funded by Measure D during the last six years (2018-2023)¹. Below is a breakdown of the completed road projects found on the County’s website:

County Road Projects (2018 – 2023)

Year	Road Projects	Length (miles)
2018	28	6.56
2019	33	5.59
2020	30	6.26
2021	37	6.44
2022	36	8.31
2023	44	10.88
Total	208	44.04

¹ <https://cdi.santacruzcountyca.gov/Portals/35/CDI/PublicWorks/Transportation/Completed%20Resurfacing%20Projects%20%282018-2023%29.pdf>

- 2. Finding (F10): Minor progress has been made in seeking and securing additional funding sources. The additional funding is far short of what is needed to maintain and repair the road network.**

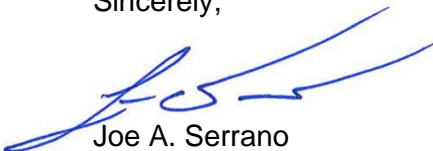
PARTIALLY AGREE: It is LAFCO's understanding that the County has been proactive in exploring funding opportunities. However, there is a lack of transparency on how these efforts are initiated, what funding sources are available, and why certain revenues are granted or denied. It would be beneficial for the County to provide this information on their website to increase public awareness.

- 3. Recommendation (R4): The Grand Jury recommends that LAFCO issue a new County Service Area 9 Service and Sphere of Influence Review incorporating detailed data of expenditures for each 9D zone by March 15, 2025. (F6, F10).**

HAS NOT YET BEEN IMPLEMENTED BUT WILL BE IN THE FUTURE: State law requires LAFCO to conduct service and sphere reviews at least every five years for each city and special district in Santa Cruz County, including CSA 9. The last statutorily required analysis of CSA 9 was completed in August 2020. While the next service and sphere review for CSA 9 is tentatively scheduled for August 2025, LAFCO will move the date to March 2025 to comply with the Grand Jury's request. LAFCO's regular meetings are typically held on the first Wednesday of each month. Therefore, LAFCO's evaluation of CSA 9 and its zones (including 9D) will be considered by the Commission on March 5, 2025. The adopted version of the report will be sent to the Grand Jury before the March 25th deadline.

I want to thank you once again for the opportunity to comment on the Grand Jury's recent road report. LAFCO also develops reports that monitors the efficient and effective delivery of municipal services by local agencies in Santa Cruz County. These reports are available on LAFCO's website: <https://santacruzlafco.org/reviews/>. I encourage the Grand Jury to review our reports and continue collaborating with LAFCO on these important issues. Feel free to contact me if you have any questions. I can be reached by email (joe@santacruzlafco.org) or by phone (831-454-2055).

Sincerely,



Joe A. Serrano
Executive Officer



SANTA CRUZ
COUNTY
GRAND JURY

Grand Jury <grandjury@scgrandjury.org>

Invited response to Grand Jury report is due on 9/3/24

Matt Machado <Matt.Machado@santacruzcountyca.gov>
To: Santa Cruz Grand Jury <grandjury@scgrandjury.org>

Wed, Aug 28, 2024 at 5:27 PM

Thank you. My comments were included in the required County response.



Matt Machado, PE, LS

Deputy County Administrative Officer

Director of Community Development
& Infrastructure

831.454.2368

[701 Ocean Street, Room 410](#)

[Santa Cruz, CA 95060](#)

