

Resolution No. 2026-03
of the Lake Local Agency Formation Commission

Making Determinations and Approving the Dissolution of
the Scotts Valley Water Conservation District (File No. DIS-2026-01)

WHEREAS, a Resolution of Application (No. 2025-131) requesting LAFCo to initiate proceedings for dissolution of the Scotts Valley Water Conservation District (SVWCD or District) was adopted by the Lake County Board of Supervisors on November 18, 2025 pursuant to the requirements of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000; and

WHEREAS, SVWCD was formed in 1972 to conserve and enhance water resources in the Scotts Valley area, but has not provided services since its formation, has experienced difficulty maintaining a full Board of Directors, resulting in administrative inactivity, and lacks the capacity to fulfill its intended functions; and

WHEREAS, on May 22, 2026, the County Auditor-Controller provided a letter confirming that an exchange of property taxes under RTC § 99(b) is not applicable to the proposed dissolution because SVWCD does not receive property tax revenue and no adjustments to the allocation of property taxes need to be made; and

WHEREAS, a Certificate of Filing was issued on May 22, 2026 indicating receipt of a complete application pursuant to GOV § 56658; and

WHEREAS, the Executive Officer gave sufficient notice of a public hearing to be conducted by the Commission in the form and manner prescribed by law; and

WHEREAS, the proposal meets the necessary statutory criteria outlined in LAFCo law and is substantially consistent with adopted local policy; and

WHEREAS, the Executive Officer's report was posted at least five days prior to the Commission meeting and presented to the Commission in the manner provided by law; and

WHEREAS, the Commission has considered the proposed change of organization or reorganization, the report of the Executive Officer and recommendations on the proposal, spheres of influence, the factors for consideration required under GOV § 56668 in the review of a proposal, and adopted local policy; and

WHEREAS, the Commission heard and fully considered all the testimony and evidence presented at a public hearing on the proposal on June 17, 2026; and

WHEREAS, the Commission has reviewed and considered this resolution and hereby finds that it accurately sets forth the intentions of the Commission with respect to the proposal.

NOW THEREFORE, the Lake Local Agency Formation Commission does hereby determine, resolve, and order the following:

Section 1. Environmental Action

The Commission hereby finds and determines, based on the whole of the administrative record, that the dissolution proposal is exempt from the California Environmental Quality Act pursuant to Title 14 of the

California Code of Regulations § 15061(b)(3) because there is no possibility of a significant environmental impact as a result of the dissolution because Scotts Valley WCD provides no services, owns no facilities, equipment or infrastructure, and has no personnel, expenses, or liabilities; and directs the Executive Officer to file a Notice of Exemption accordingly.

Section 2. Approval, Boundary, and Name Designation

The Commission hereby approves the dissolution proposal requested by the applicant, as outlined below.

- A. The boundaries of the approved dissolution are defined by the map in Exhibit “A”, attached hereto, and as may be further refined by the State Board of Equalization upon final filing.
- B. The dissolution proposal is assigned the following distinctive short-term designation: “Scotts Valley WCD Dissolution (File No. DIS-2026-01)”.
- C. Any work commenced or costs incurred by the applicant prior to satisfying all terms and conditions of this approval, and especially within the 30-day Reconsideration Period and CEQA statute of limitations timeframe, are completed at the agency’s own risk.
- D. The Executive Officer is hereby directed to transmit a copy of this resolution pursuant to GOV § 56882.

Section 3. Terms and Conditions of Approval

The Commission hereby approves dissolution of the Scotts Valley Water Conservation District, subject to the following project-specific terms and conditions.

- A. Upon the effective date of the dissolution, the Scotts Valley Water Conservation District is extinguished and all of its corporate powers cease, except for the Successor Agency for the purpose of winding up the affairs of the District (GOV § 57450).
- B. The Commission designates the County of Lake as the Successor Agency for the purpose of winding up the affairs of the Scotts Valley Water Conservation District pursuant to GOV § 57451(b) and § 56078.5.
- C. Prior to the effective date of the dissolution, the Scotts Valley Water Conservation District is prohibited from taking any of the following actions, except for emergency situations as defined in GOV § 54956.5 and actions taken by the legislative body of the Successor Agency designated herein:
 - (i) Approving any increase in compensation or benefits for members of the governing board, its officers, or the executive officer of the agency.
 - (ii) Appropriating, encumbering, expending, or otherwise obligating, any revenue of the agency beyond that provided in the current budget at the time the commission approves the dissolution.
- D. Upon the effective date of the dissolution, the effects of dissolution as outlined in GOV § 57450 – 57463 shall control for the purpose of winding up the affairs of the dissolved district, with special emphasis given to the provision of GOV § 57463 that the funds, money, or property of the dissolved district shall be used for the benefit of the lands, inhabitants, and taxpayers within the territory of the dissolved district, so far as may be practicable.

Section 4. Conducting Authority Proceedings

- A. The affected territory is inhabited as defined in GOV § 56046.
- B. The proposal does not have 100 percent landowner consent.
- C. The Commission is designated as the Conducting Authority for further proceedings and the Executive Officer is hereby directed to initiate the protest process within 35-days (GOV § 57077.1(b)(1)).

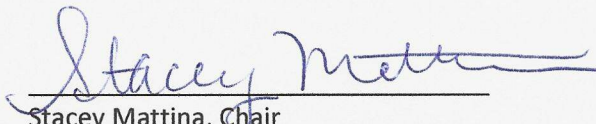
Section 5. Certificate of Completion

- A. The Certificate of Completion shall not be filed until all costs incurred and fees due to complete the process have been paid in full and all materials required for final processing of the proposal have been sufficiently prepared and submitted to the Executive Officer.
- B. The effective date of the dissolution shall be the date of recording the Certificate of Completion for the proposal with the County of Lake.
- C. If a Certificate of Completion has not been filed within one year of adoption of this resolution, Commission proceedings for this change of organization shall be deemed terminated, unless an extension of time is approved by the Commission prior to the expiration date (GOV § 57001).

PASSED and ADOPTED by the Lake Local Agency Formation Commission at a special meeting on the 17th day of June 2026 by the following roll call vote:

AYES: - Slouten, Robey, Scholz, Priebe, Mattina
NOES: -
ABSTAIN: -
ABSENT: -

Signed by me after its passage on June 17, 2026.


Stacey Mattina, Chair
Lake Local Agency Formation Commission

ATTEST:

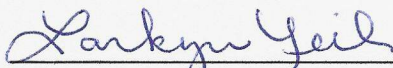

Larkyn Feiler, Executive Officer
Lake Local Agency Formation Commission

Exhibit "A"

