



January 29, 2014

VIA EMAIL

Richard Tanaka  
District Manager  
Cupertino Sanitary District  
20863 Stevens Creek Blvd. #100  
Cupertino, CA 95014

**Re: Implementation of the Recommendations of LAFCO's Special Districts Service Review: Phase 2 and Sphere of Influence Updates**

Dear Mr. Tanaka:

As you know, LAFCO recently adopted the Special Districts Service Review: Phase 2 Report for nine special districts in Santa Clara County, including the Cupertino Sanitary District (CSD). The Report is available on the LAFCO Website ([www.santaclara.lafco.ca.gov](http://www.santaclara.lafco.ca.gov)) under "What's New?" The Report identifies several opportunities and includes several recommendations for improving special district services in the county. Specifically, the Report provides recommendations for improving the accountability and transparency of districts through changes in their operations, management, and administration, and recommendations on potential governance structure alternatives, where applicable.

**District's Response is Requested**

In an effort to follow-up on these recommendations, LAFCO is requesting that CSD:

1. Review the chapter of the Service Review Report pertaining to the District and provide a written response to LAFCO on how the District plans to implement the recommendation(s) presented in the Report and summarized in Attachment A, along with a time-frame for that implementation, and
2. Provide an explanation if the agency does not plan to implement a recommendation.

**Response Due No Later Than March 14, 2014**

Please provide a written response to LAFCO as soon as possible and **no later than March 14, 2014**. If you have any questions or concerns or would like to meet to discuss

---

70 West Hedding Street • 11th Floor, East Wing • San Jose, CA 95110 • (408) 299-5127 • [www.santaclara.lafco.ca.gov](http://www.santaclara.lafco.ca.gov)

COMMISSIONERS: Pete Constant, Cindy Chavez, Sequoia Hall, Margaret Abe-Koga, Linda J. LeZotte, Mike Wasserman, Susan Vicklund Wilson

ALTERNATE COMMISSIONERS: Johnny Khamis, Yoriko Kishimoto, Terry Trumbull, Cat Tucker, Ken Yeager

EXECUTIVE OFFICER: Neelima Palacherla

the District's plans, I can be reached at (408) 299-5127 / [neelima.palacherla@ceo.sccgov.org](mailto:neelima.palacherla@ceo.sccgov.org) or you may contact Dunia Noel, LAFCO Assistant Executive Officer, at (408) 299-5148 / [dunia.noel@ceo.sccgov.org](mailto:dunia.noel@ceo.sccgov.org).

Lastly, I would like to thank you and the District for participating in LAFCO's Special Districts Service Review: Phase 2 and for your consideration and timely response to this request.

Sincerely,



Neelima Palacherla  
LAFCO Executive Officer

Attachment:

- A. Recommendations for Cupertino Sanitary District (CSD)

**Cc:**

Julie Chiu, Administrator / Project Manager, Mark Thomas & Company, Inc.  
Cupertino Sanitary District Board of Directors  
Kerrie Romanow, Director, Environmental Services Dept., City of San Jose  
LAFCO Members

### **CUPERTINO SANITARY DISTRICT (CSD)**

The following are recommendations that the CSD should implement in order to improve the services provided by the District and the accountability and transparency of the District:

- File a copy of District's annual budget with the County Auditor.
- Adopt a policy on expense reimbursements.
- As a best management practice, adopt policies specific to Brown Act compliance, public requests for information, and code of ethics.
- Assess the number of parcels that presently rely on private septic systems within the District's bounds and in areas that are completely surrounded by CSD's bounds, in order to better quantify potential future demand.
- Update District's master plan to reflect the current conditions of the system, if District is utilizing master plan from 1964.
- Work with the cities of San Jose and Santa Clara to update the master agreement with regard to the treatment plant in the near future to describe in detail the extent of the District's capital obligations with regard to master plan improvements at the plant.
- Expedite contract negotiations with the City of San Jose and adopt a new joint-use agreement with the City of San Jose defining how operations, maintenance and capital improvements will be funded and which agency will be considered lead in various circumstances, given that District and the City of San Jose share a portion of their sewer systems and lines that lead to the regional wastewater treatment facility.

### **Recommendation on Governance Structure Options**

Collaborate further with the West Valley Sanitation District on issues of joint-concern, such as negotiations with the Cities of San Jose and Santa Clara, as well as identify any potential for resource sharing.

### **Recommendation for Jurisdictional Boundary Change**

Apply to LAFCO to detach Area B (APNs 323-26-014, 323-26-033, 323-26-016, 323-26-034, and 323-26-077) from the CSD, as Area B is currently within the City of Sunnyvale, which provides wastewater collection services to the area and will continue to serve the area.

