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February 18, 2014

File: CSD – MOP #14-204

Ms. Neelima Palacherla
LAFCo Executive Director
70 West Hedding Street, 11th Floor
San Jose, CA 95110

Subject: District Response to Your Letter of January 29, 2014 regarding special districts

Dear Ms. Palacherla:

We are in receipt of your letter dated January 29, 2014 with your comments and your request for our responses before March 14, 2014.

Our responses to the key points raised in your letter are as follows:

- File a copy of annual budget with the County Auditor

Annual Budget (2013-14) was submitted to John Cruz, Santa Clara County Controllers' Office on July 16, 2013.

- Adopt a policy on expense reimbursements

We will adopt expense reimbursement policy prior to end of fiscal year 2014.

- Adopt policies specific to Brown Act compliance, public requests for information and code of ethics

We will adopt these policies prior to end of fiscal year 2014

- Assess number of parcels that are on septic systems in order to better quantify potential future demand

This work is part of the on-going updating of the master plan. This work will be completed prior to end of fiscal year 2016.

- Update District Master Plan from 1964

It is true that last official master plan was completed in 1964. However, District has annually been updating the infrastructure plans to show revisions from the 1964. District is undertaking updating the master plan, which first step, Inflow/ Infiltration Study, will be completed by end of fiscal year 2015.

- City of San Jose Master Agreement

District has requested on many occasions for a new master agreement. District will continue to work with City of San Jose for a new agreement.

- Expedite contract negotiation with City of San Jose for a new joint use agreement

A verbal agreement was reached back in 2013. We are awaiting for City to provide us with a new agreement.

- Governance Structure's Option

District and WVSD are both proponent of a new master agreement. District staff will meet with WVSD staff in regards to potential for resource sharing prior to end of this fiscal year.

- Jurisdictional Boundary Change

We have reviewed your recommendation for jurisdictional boundary change for Parcels 326-26-014, 323-26-016, 323-26-033, 323-26-034 and 323-26-007 (not 077) to City of Sunnyvale from CUSD. Currently, Parcel 323-26-007 is fronting Homestead Road and is connected to our main. Other Parcels, 323-26-014, 323-26-016, 323-26-033 and 323-26-034 are fully developed and are connected to City of Sunnyvale system. We will initiate a discussion with City of Sunnyvale for a jurisdictional boundary change for these four parcels only and not 323-26-007, which is currently serviced by CUSD.

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If you have any questions or comments, please do not hesitate to call me.

Yours very truly,

MARK THOMAS & COMPANY, INC.
District Manager-Engineer

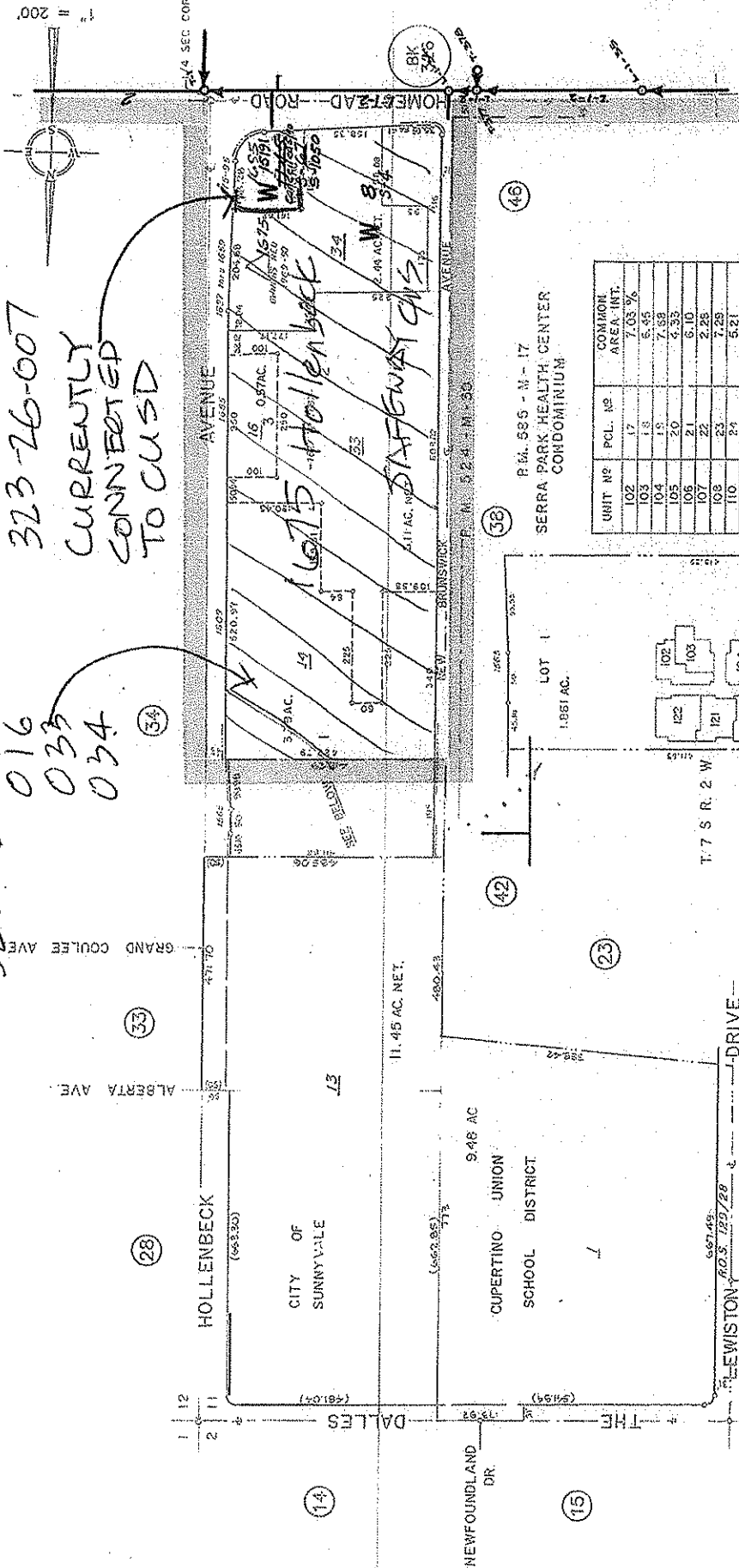
A handwritten signature in black ink, appearing to read 'R. Tanaka', written over a circular stamp or mark.

Richard K. Tanaka

ALL SERVED BY SUNNYVALE

323-26-014
016
033
034

323-26-007
CURRENTLY
CONNECTED
TO CUSD



UNIT NO	PCL. NO	COMMON AREA INT.	COMMON AREA INT. %
102	17	7.03	7.03
103	18	6.95	6.95
104	19	7.88	7.88
105	20	4.33	4.33
106	21	6.10	6.10
107	22	2.28	2.28
108	23	7.23	7.23
110	24	5.21	5.21
112	25	8.37	8.37
114	26	7.11	7.11
115	27	5.83	5.83
116	28	5.63	5.63
118	29	4.72	4.72
119	30	7.72	7.72
121	31	6.25	6.25
122	32	8.01	8.01

BY ACT. 2002 CH. 25
LAWRENCE E. STONE — ASSESSOR
Calculated map for assessment purposes only.
Computed under R. P. Code, Sec. 327.
Effective Roll Year 2011-2012.