

July 19, 2013

VIA EMAIL

Kirsten M. Powell  
Attorney  
South Santa Clara Valley Memorial District (SSCVMD)  
16450 Los Gatos Boulevard  
Suite 110  
Los Gatos, CA 95032

**Re: Implementation of the Recommendations of LAFCO's Special Districts  
Service Review: Phase 1 and Sphere of Influence Updates**

Dear Ms. Powell:

As you know, LAFCO recently adopted the Special Districts Service Review: Phase 1 Report for six special districts in Santa Clara County, including the South Santa Clara Valley Memorial District (SSCVMD). 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 the services provided by special districts 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 SSCVMD:

1. Review the chapter of the Service Review Report pertaining to the SSCVMD and Attachment "A" and provide a written report to LAFCO by September 13, 2013 on the District's progress in implementing the recommendations identified for immediate action and provide a second report to LAFCO by May 23, 2014 on the District's progress in implementing the remaining recommendations, and
2. If applicable, provide an explanation if the District has not and/or does not plan to implement a recommendation.

**Response Due No Later Than September 13, 2013**

Please provide a written response to LAFCO as soon as possible and **no later than September 13, 2013**. If you have any questions or concerns or would like to meet to discuss 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 1 and for your consideration and timely response to this request.

Sincerely,



Neelima Palacherla  
LAFCO Executive Officer

Attachment:

- A. Table 1: Recommendations for the South Santa Clara Valley Memorial District (SSCVMD)

Cc:

South Santa Clara Valley Memorial District Board of Directors  
LAFCO Members

**TABLE 1: RECOMMENDATIONS FOR THE SOUTH SANTA CLARA VALLEY MEMORIAL DISTRICT (SSCVMD)**

	FOR IMMEDIATE ACTION (Within 1 to 3 Months)		TO BE COMPLETED WITHIN 12 MONTHS	
	Action	Status	Action	Status
<b>1. Operational Practices</b>	a. Hire legal counsel to ensure legal requirements are met regarding operations accountability and board actions	Completed 4/17/13	k. Conduct a documentable bidding process for any future capital improvements through advertisements in printed press, online proposal search engines, and on District website	
	b. Conduct required ethics training		l. Conduct rate study to ensure rates are appropriate	
	c. Conduct annual Brown Act training for Board Members	Completed 5/13/13	m. Establish similar rates for veterans and residents alike	
	d. Hire a general manager to implement improvements			
	e. Edit and adopt appropriate bylaws based on guidance from legal counsel	Completed 5/13/13		
	f. Define in bylaws how Board President and Secretary are to be selected and the term of the appointment	Completed 5/13/13		
	g. Appoint both a board president and a secretary from among the Board members	Completed 5/13/13		
	h. Eliminate conflicts of interest between Board positions and Bar Council and Bingo Committee positions			
	i. Adopt a detailed budget before start of the fiscal year			
	j. Resume receiving rent from bar to limit liabilities			

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	FOR IMMEDIATE ACTION (Within 1 to 3 Months)		TO BE COMPLETED WITHIN 12 MONTHS	
	Action	Status	Action	Status
<b>2. Website</b>	a. Establish a website and publish Board's agendas and minutes, the annual financial transaction reports, and the annual operating budget		c. Use website to conduct outreach to veterans, as well as residents of the District, regarding services and upcoming board vacancies	
	b. Include information on Board members and terms			
<b>3. Financial Records &amp; Audits</b>	a. Work with County to conduct a forensic audit of District			
	b. Switch from 5-year audits to annual audits			
	c. Ensure consistency and clarity of financial documents			
	d. File a copy of annual budget with County Auditor, as legally required			
<b>4. Elections</b>	a. Ensure Board positions are properly filled through the election process or appointment by Board of Supervisors with clearly defined term expiration dates for each Board Member		b. Make information available at other veteran service locations and related events regarding services and upcoming board vacancies	
<b>5. Plans/ Programs/ Policies</b>	a. Adopt a policy to designate the purpose of the reserve funds		d. Adopt a multi-year capital improvement program	
	b. District and County should formalize in a set of policies the procedures for announcing Board openings, interviewing candidates, and appointing new Board members		e. Develop and implement plans to enhance utilization of memorial hall by veterans organizations	
	c. Adopt a records retention policy			