



February 1, 2012

VIA EMAIL

Kim Gardner  
Business Manager  
Aldercroft Heights County Water District  
20895 Panorama Drive  
Los Gatos, CA 95033

**Re: Implementation of the Recommendations of LAFCO's 2011 Countywide Water Service Review Report**

Dear Ms. Gardner:

As you know, LAFCO recently adopted the 2011 Countywide Water Service Review Report that included sphere of influence updates for water districts and resource conservation districts in Santa Clara County. 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 water and resource conservation services in the county. Specifically, the Report provides recommendations (see Attachment A) for improving the accountability and transparency of agencies through changes in their operations, management, and administration, and recommendations (Attachment B) for changes in jurisdictional boundaries to improve the services or the governance of agencies.

**Agency's Response is Requested**

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

1. Review the chapter of the Service Review Report pertaining to the agency and provide a written response to LAFCO on how the agency plans to implement the recommendation(s) presented in the Report and summarized in the attached tables (see Attachments A & B), 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, 2012**

Please provide a written response to LAFCO as soon as possible and **no later than March 14, 2012**. If you have any questions or concerns or would like to meet to discuss

the agency'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 2011 Countywide Water Service Review and for your consideration and timely response to this request.

Sincerely,

A handwritten signature in cursive script, appearing to read "N. Palacherla".

Neelima Palacherla  
LAFCO Executive Officer

Attachments:

- A. Recommendations for Improving Accountability and Transparency
- B. Recommendations for Changes in Jurisdictional Boundaries to Improve Services or Governance

Cc:

Aldercroft Heights County Water District Board of Directors  
LAFCO Members

**ATTACHMENT A: RECOMMENDATIONS FOR IMPROVING ACCOUNTABILITY AND TRANSPARENCY**

<b>AGENCY</b>	<b>WEBSITE</b>	<b>FINANCIAL RECORDS</b>	<b>AUDITS</b>	<b>ELECTIONS</b>	<b>PLANS / PROGRAMS</b>	<b>OPERATIONAL PRACTICES</b>	<b>MANAGEMENT PRACTICES</b>
<b>Aldercroft Heights County Water</b>	Establish a website or publish a newsletter	Statements need to be more comprehensive	Submit FY09-10 audit to County & prepare future audits on time	Widely advertise board vacancies to ensure contested elections	Establish multi-year capital improvement program	N/A	N/A
<b>Purissima Hills Water District</b>	N/A	N/A	N/A	N/A	Enhance water conservation program efforts to address large lots	N/A	N/A
<b>Pacheco Pass County Water District<sup>1</sup></b>	Establish a website or publish a newsletter	Statements need to be more comprehensive and completed on an annual basis	Submit audit for last 5 years to San Benito County & establish audit schedule	Widely advertise to fill extended board vacancies & to ensure contested elections	Consider long-term future of District  Adopt a capital improvement plan & multi-year CIP for infrastructure needs	Track groundwater levels and usage, and water release through dams	Track workload and hours of District staff monthly
<b>San Martin County Water District</b>	Establish a website or publish a newsletter	N/A	Submit audit for last 5 years to the County & establish audit schedule for future audits	Widely advertise to fill extended board vacancies & to ensure contested elections	Prepare master plan & project future water demands and storage needs  Establish multi-year capital improvement program	Seek LAFCO approval before extending services outside District boundary	Track District & staff workload
<b>Guadalupe-Coyote Resource Conservation District</b>	Continue to populate website with further information and documents	N/A	N/A	N/A	Prepare a plan for services that the District intends to provide that do not overlap with SCVWD efforts or SCVWD's enabling act	Establish policies and guidelines for reviewing development projects to increase transparency & provide consistency	Track workload of staff and evaluate staff on a regular basis
<b>Loma Prieta Resource Conservation District</b>	N/A	N/A	N/A	N/A	More closely align long range plan with functions in principal act		N/A

<sup>1</sup>San Benito County LAFCO is principal LAFCO for the District. Santa Clara LAFCO will forward this information to San Benito LAFCO.

**ATTACHMENT B: RECOMMENDATIONS FOR JURISDICTIONAL BOUNDARY  
CHANGES TO IMPROVE SERVICES OR GOVERNANCE**

	RECOMMENDATIONS	KEY STEPS / ANALYSIS REQUIRED	REQUIRES LAFCO APPROVAL?	WHO MAY INITIATE A LAFCO APPLICATION?
<b>ALDERCROFT HEIGHTS COUNTY WATER DISTRICT</b>	Annex APN: 558-22-019 (parcel that the District is presently serving outside of its boundaries) to Aldercroft Heights County Water District	<ul style="list-style-type: none"> <li>• District contacts property owner to inform them of District's plans to annex parcel</li> <li>• District initiates annexation by resolution</li> <li>• District submits application to LAFCO</li> </ul>	Yes	District  Petition of property owner or registered voter
<b>SAN MARTIN COUNTY WATER DISTRICT</b>	Address Illegal Water Service Connections	<ul style="list-style-type: none"> <li>• LAFCO informs property owners and District of illegal connections and corrective measures</li> <li>• District initiates annexation by resolution</li> <li>• District submits application to LAFCO for SOI amendment &amp; annexation, as necessary</li> </ul>	Yes	District  Petition of property owners or registered voters within the proposed annexation area
<b>LOMA PRIETA RESOURCE CONSERVATION DISTRICT</b>	Annex to Loma Prieta RCD the remaining portions of the Cities of Gilroy and Morgan Hill, and the community of San Martin that are not currently within the District	<ul style="list-style-type: none"> <li>• Contact LAFCO staff to discuss annexation boundaries</li> <li>• District initiates annexation by resolution</li> <li>• District works with County on property tax distribution</li> <li>• District submits application to LAFCO</li> </ul>	Yes	District  Petition of property owners or registered voters within the proposed annexation area
<b>MORGAN HILL</b>	Annex the Unincorporated Island Holiday Lake Estates to the City of Morgan Hill	<ul style="list-style-type: none"> <li>• County, SCVWD, Morgan Hill, and LAFCO resume discussions with property owners on the issues of annexation and provision of sewer service</li> </ul>	No	City  Petition of property owners or registered voters within the proposed annexation area
<b>GUADALUPE-COYOTE RESOURCE CONSERVATION DISTRICT</b>	Reevaluation of Guadalupe-Coyote RCD and its SOI considering the District's plan and application for new or different services	<ul style="list-style-type: none"> <li>• District returns to LAFCO, by the December 2012 LAFCO meeting, with a plan for services that the District intends to provide that do not overlap with SCVWD's efforts and could not otherwise be provided by SCVWD through its enabling act</li> <li>• District initiates a request for a change in services and SOI amendment by resolution</li> <li>• District submits application to LAFCO</li> </ul>	Yes	District