



February 1, 2012

VIA EMAIL

Peter Forest
District Manager
San Martin County Water District
P.O. Box 120
San Martin, CA 95046

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

Dear Mr. Forest:

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) 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 or you may contact Dunia Noel, LAFCO Assistant Executive Officer, at (408) 299-5148 / 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,



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:

San Martin County Water District Board of Directors
Santa Clara County Environmental Health Department
California Department of Public Health
Santa Clara County Planning and Development Department
Santa Clara Valley Water District
LAFCO Members

ATTACHMENT A: RECOMMENDATIONS FOR IMPROVING ACCOUNTABILITY AND TRANSPARENCY

AGENCY	WEBSITE	FINANCIAL RECORDS	AUDITS	ELECTIONS	PLANS / PROGRAMS	OPERATIONAL PRACTICES	MANAGEMENT PRACTICES
Aldercroft Heights County Water	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
Purissima Hills Water District	N/A	N/A	N/A	N/A	Enhance water conservation program efforts to address large lots	N/A	N/A
Pacheco Pass County Water District¹	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
San Martin County Water District	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
Guadalupe-Coyote Resource Conservation District	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
Loma Prieta Resource Conservation District	N/A	N/A	N/A	N/A	More closely align long range plan with functions in principal act		N/A

¹San 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?
ALDERCROFT HEIGHTS COUNTY WATER DISTRICT	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"> • District contacts property owner to inform them of District's plans to annex parcel • District initiates annexation by resolution • District submits application to LAFCO 	Yes	District Petition of property owner or registered voter
SAN MARTIN COUNTY WATER DISTRICT	Address Illegal Water Service Connections	<ul style="list-style-type: none"> • LAFCO informs property owners and District of illegal connections and corrective measures • District initiates annexation by resolution • District submits application to LAFCO for SOI amendment & annexation, as necessary 	Yes	District Petition of property owners or registered voters within the proposed annexation area
LOMA PRIETA RESOURCE CONSERVATION DISTRICT	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"> • Contact LAFCO staff to discuss annexation boundaries • District initiates annexation by resolution • District works with County on property tax distribution • District submits application to LAFCO 	Yes	District Petition of property owners or registered voters within the proposed annexation area
MORGAN HILL	Annex the Unincorporated Island Holiday Lake Estates to the City of Morgan Hill	<ul style="list-style-type: none"> • County, SCVWD, Morgan Hill, and LAFCO resume discussions with property owners on the issues of annexation and provision of sewer service 	No	City Petition of property owners or registered voters within the proposed annexation area
GUADALUPE-COYOTE RESOURCE CONSERVATION DISTRICT	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"> • 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 • District initiates a request for a change in services and SOI amendment by resolution • District submits application to LAFCO 	Yes	District