



February 1, 2012

VIA EMAIL

J. Edward Tewes
City Manager
City of Morgan Hill
17575 Peak Avenue
Morgan Hill, CA 95037

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

Dear Mr. Tewes:

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 (Attachment A) 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 table (see 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, 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 City 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 that reads "Neelima Palacherla".

Neelima Palacherla
LAFCO Executive Officer

Attachment:

- A. Recommendations for Changes in Jurisdictional Boundaries to Improve Services or Governance

Cc:

Morgan Hill City Council
Santa Clara County Planning and Development Department
Santa Clara County Environmental Health Department
Santa Clara Valley Water District
LAFCO Members

**ATTACHMENT A: 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 |