



**Local Agency  
Formation Commission  
of Santa Clara County**

777 North First Street  
Suite 410  
San Jose, CA 95112  
SantaClaraLAFCO.org

**Commissioners**

Susan Ellenberg  
Sequoia Hall  
Sergio Jimenez  
Linda J. LeZotte  
Rob Rennie  
Mike Wasserman  
Susan Vicklund Wilson

**Alternate Commissioners**

Cindy Chavez  
Maya Esparza  
Yoriko Kishimoto  
Russ Melton  
Terry Trumbull  
**Executive Officer**  
Neelima Palacherla

**AGENDA**

**February 5, 2020, 1:15 PM**

Board of Supervisors' Chambers, 70 West Hedding Street, First Floor  
San Jose, CA 95110

Chairperson: Sergio Jimenez • Vice-Chairperson: Rob Rennie

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**NOTICE TO THE PUBLIC**

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1. Pursuant to Government Code §84308, no LAFCO commissioner shall accept, solicit, or direct a contribution of more than \$250 from any party, or his/her agent; or any participant or his /or her agent, while a LAFCO proceeding is pending, and for three months following the date a final decision is rendered by LAFCO. Prior to rendering a decision on a LAFCO proceeding, any LAFCO commissioner who received a contribution of more than \$250 within the preceding 12 months from a party or participant shall disclose that fact on the record of the proceeding. If a commissioner receives a contribution which would otherwise require disqualification returns the contribution within 30 days of knowing about the contribution and the proceeding, the commissioner shall be permitted to participate in the proceeding. A party to a LAFCO proceeding shall disclose on the record of the proceeding any contribution of more than \$250 within the preceding 12 months by the party, or his or her agent, to a LAFCO commissioner. For forms, visit the LAFCO website at [www.santaclaralafco.org](http://www.santaclaralafco.org). No party, or his or her agent and no participant, or his or her agent, shall make a contribution of more than \$250 to any LAFCO commissioner during the proceeding or for 3 months following the date a final decision is rendered by LAFCO.
2. Pursuant to Government Code Sections 56100.1, 56300, 56700.1, 57009 and 81000 et seq., any person or combination of persons who directly or indirectly contribute(s) a total of \$1,000 or more or expend(s) a total of \$1,000 or more in support of or in opposition to specified LAFCO proposals or proceedings, which generally include proposed reorganizations or changes of organization, may be required to comply with the disclosure requirements of the Political Reform Act (See also, Section 84250 et seq.). These requirements contain provisions for making disclosures of contributions and expenditures at specified intervals. More information on the scope of the required disclosures is available at the web site of the FPPC: [www.fppc.ca.gov](http://www.fppc.ca.gov). Questions regarding FPPC material, including FPPC forms, should be directed to the FPPC's advice line at 1-866-ASK-FPPC (1-866-275-3772).
3. Pursuant to Government Code §56300(c), LAFCO adopted lobbying disclosure requirements which require that any person or entity lobbying the Commission or Executive Officer in regard to an application before LAFCO must file a declaration prior to the hearing on the LAFCO application or at the time of the hearing if that is the initial contact. In addition to submitting a declaration, any lobbyist speaking at the LAFCO hearing must so identify themselves as lobbyists and identify on the record the name of the person or entity making payment to them. Additionally, every applicant shall file a declaration under penalty of perjury listing all lobbyists that they have hired to influence the action taken by LAFCO on their application. For forms, visit the LAFCO website at [www.santaclaralafco.org](http://www.santaclaralafco.org).
4. Any disclosable public records related to an open session item on the agenda and distributed to all or a majority of the Commissioners less than 72 hours prior to that meeting are available for public inspection at the LAFCO Office, 777 North First Street, Suite 410, San Jose, California, during normal business hours. (Government Code §54957.5.)
5. In compliance with the Americans with Disabilities Act, those requiring accommodation for this meeting should notify the LAFCO Clerk 24 hours prior to the meeting at (408) 993-4705.

**1. ROLL CALL**

**2. PUBLIC COMMENTS**

This portion of the meeting provides an opportunity for members of the public to address the Commission on matters not on the agenda, provided that the subject matter is within the jurisdiction of the Commission. No action may be taken on off-agenda items unless authorized by law. Speakers are limited to THREE minutes. All statements that require a response will be referred to staff for reply in writing.

**3. APPROVE MINUTES OF DECEMBER 4, 2019 LAFCO MEETING**

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**CONSENT CALENDAR**

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**4. WEST VALLEY SANITATION DISTRICT 2019-01 (CYPRESS WAY)**

**Recommended Action:**

CEQA Action

1. As Lead Agency under CEQA, determine that the proposal is categorically exempt from the provisions of CEQA pursuant to State CEQA Guidelines §15319 (a) & (b), and §15303(d).

Project Action

2. Approve the annexation of approximately 1.25 acres of land (APN 532-26-049) located within the Town of Los Gatos, to the West Valley Sanitation District.
3. Waive protest proceedings pursuant to Government Code §56662(a).

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**ITEMS FOR ACTION / INFORMATION**

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**5. RANCHO RINCONADA RECREATION AND PARK DISTRICT SPECIAL STUDY – PUBLIC REVIEW DRAFT REPORT**

For information only.

**6. CONSULTANT SERVICES FOR ASSISTANCE WITH COMPREHENSIVE REVIEW AND UPDATE OF LAFCO POLICIES**

**Recommended Action:**

1. Approve a services contract with George William Shoe, Jr. to provide consulting services and assistance in completing a comprehensive review and update of LAFCO's policies, in an amount not to exceed \$15,000.
2. Authorize the LAFCO Chairperson to execute the contract, and to execute any necessary amendments subject to LAFCO Counsel's review and approval.

**7. LAFCO LAUNCHES NEW WEBSITE**

**Recommended Action:**

1. Accept report and provide direction, as necessary.

2. Approve Privacy Policy and Web Content Accessibility Statement for the new LAFCO Website.

**8. WEBCASTING OF LAFCO MEETINGS**

**Recommended Action:** Direct staff to work with the Office of the Clerk of the Board of Supervisors (COB) to develop a Memorandum of Understanding (MOU) between LAFCO and the County to allow use of the County's Agenda Management System with integrated webcasting capabilities, and the webcasting equipment in the County Board Chambers, to webcast LAFCO meetings.

**9. UPDATE ON ORGANIZATIONAL ASSESSMENT STUDY**

**Recommended Action:**

Accept report and provide direction, as necessary.

**10. EXECUTIVE OFFICER'S REPORT**

**10.1 Meeting on Proposed Metta Tam Tu Buddhist Temple Development**

For information only.

**10.2 Inquiry from Los Altos Hills on Island Annexation Process**

For information only.

**10.3 Inquiry from Mountain View on Potential Provision of Recycled Water to NASA Ames Site**

For information only.

**10.4 Coordination with San Mateo LAFCO Staff on Potential West Bay Sanitary District Sphere of Influence Amendment & Annexation**

For information only.

**10.5 Coordination on Upcoming Training Session for the County Planning Office**

For information only.

**10.6 Quarterly Meeting with County Planning Staff**

For information only.

**10.7 Santa Clara County Special Districts Association Meeting**

For information only.

**10.8 County Sustainability Working Group Meeting**

For information only.

**10.9 Santa Clara County Association of Planning Officials Meeting**

For information only.

**10.10 Inter-Jurisdictional GIS Working Group Meeting**

For information only.

**11. CALAFCO RELATED ACTIVITIES**

**11.1 2020 CALAFCO Staff Workshop**

**Recommended Action:** Authorize staff to attend the 2020 CALAFCO Staff Workshop and authorize travel expenses funded by the LAFCO budget.

**11.2 Staff Presentation to Cities Association on CALAFCO's Legislative Proposal Related to Santa Clara LAFCO Public Member Appointments**

**Recommended Action:** Accept report and provide direction, as necessary.

**12. PENDING APPLICATIONS / UPCOMING PROJECTS**

**13. COMMISSIONER REPORTS**

**14. NEWSPAPER ARTICLES / NEWSLETTERS**

**15. WRITTEN CORRESPONDENCE**

**16. ADJOURN**

Adjourn to the regular LAFCO meeting on April 8, 2020 at 1:15 PM in the Board of Supervisors' Chambers, 70 West Hedding Street, San Jose.





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**Commissioners**  
Susan Ellenberg  
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**ITEM # 3**

**Alternate Commissioners**  
Cindy Chavez  
Maya Esparza  
Yoriko Kishimoto  
Russ Melton  
Terry Trumbull  
**Executive Officer**  
Neelima Palacherla

## LAFCO MEETING MINUTES WEDNESDAY, DECEMBER 4, 2019

### CALL TO ORDER

The meeting was called to order at 1:15 p.m.

### 1. ROLL CALL

**The following commissioners were present:**

- Chairperson Susan Vicklund Wilson
- Commissioner Rob Rennie
- Commissioner Mike Wasserman
- Alternate Commissioner Yoriko Kishimoto (voting in place of Commissioner Linda J. LeZotte)
- Alternate Commissioner Russ Melton

**The following commissioners were absent:**

- Vice Chairperson Sergio Jimenez
- Commissioner Susan Ellenberg
- Commissioner Sequoia Hall
- Commissioner Linda J. LeZotte
- Alternate Commissioner Cindy Chavez
- Alternate Commissioner Maya Esparza
- Alternate Commissioner Terry Trumbull

**The following staff members were present:**

- LAFCO Executive Officer Neelima Palacherla
- LAFCO Assistant Executive Officer Dunia Noel
- LAFCO Analyst Lakshmi Rajagopalan
- LAFCO Clerk Emmanuel Abello
- LAFCO Counsel Mala Subramanian

### 2. PUBLIC COMMENTS

There were none.

### 3. APPROVE MINUTES OF OCTOBER 2, 2019 LAFCO MEETING

The Commission approved the minutes of October 2, 2019 meeting.

Motion: Wasserman

Second: Kishimoto

AYES: Kishimoto, Rennie, Wasserman, Vicklund Wilson

NOES: None

ABSTAIN: None

ABSENT: Ellenberg, Hall

**MOTION PASSED**

**4. ANNUAL FINANCIAL AUDIT REPORT (JUNE 30, 2019)**

The Commission received and filed the Annual Financial Audit Report (June 30, 2019) prepared for Santa Clara LAFCO by Chavan & Associates LLP.

Motion: Wasserman

Second: Kishimoto

AYES: Kishimoto, Rennie, Wasserman, Vicklund Wilson

NOES: None

ABSTAIN: None

ABSENT: Ellenberg, Hall

**MOTION PASSED**

**5. APPOINTMENT OF 2020 LAFCO CHAIRPERSON AND VICE-CHAIRPERSON**

Ms. Noel presented the staff report.

**Commissioner Wasserman** moved for the appointment of Commissioner Jimenez as Chairperson for 2020 and Commissioner Rennie as Vice-Chairperson. He indicated that these appointments would return the chairperson rotation to its normal schedule.

Motion: Wasserman

Second: Kishimoto

AYES: Kishimoto, Rennie, Wasserman, Vicklund Wilson

NOES: None

ABSTAIN: None

ABSENT: Ellenberg, Hall

**MOTION PASSED**

**6. 2020 SCHEDULE OF LAFCO MEETINGS**

The Commission adopted the 2020 schedule of LAFCO meetings and application filing deadlines.

Motion: Wasserman

Second: Rennie

AYES: Kishimoto, Rennie, Wasserman, Vicklund Wilson

NOES: None

ABSTAIN: None

ABSENT: Ellenberg, Hall

**MOTION PASSED**

## 7. RECENT LEGISLATION RELATED TO NEW PUBLIC WATER SYSTEMS AND POTENTIAL IMPACTS ON ORDERLY GROWTH AND DEVELOPMENT

Ms. Palacherla presented the staff report. She indicated that the report does not relate to a specific proposal as there was none received to date.

In response to **Alternate Commissioner Kishimoto**, Ms. Palacherla informed that the new law would apply if an existing system failed and a new public water system must be created. In response to another inquiry, Ms. Palacherla stated that due to the new legislation the state is requiring connection to a nearby public water system rather than approval of a new well if the proposed development serves certain number of people or requires certain number of connections. Ms. Palacherla added that the County General Plan does not allow urban services in unincorporated areas and the Planning Department conducts development review of projects based on the feasibility of onsite services. She informed that there were no issues with that process until the new legislation directed connection to nearby public water systems.

Doug Muirhead, resident of Morgan Hill, inquired who will fund the cost of service extension and if the financial issues are part of the ongoing discussions.

In response, Ms. Palacherla informed that the issue is not addressed and that the State Water Resource Control Board (SWRCB) decides feasibility on a case-by-case basis since the law does not define feasible connection. She noted that there are efforts to provide State financing for service extensions in some cases but there is not much information at this time, and she indicated that local agencies are concerned about having to extend services up to three miles away.

**Commissioner Rennie** noted that the new legislation puts pressure on LAFCO to extend services into unincorporated lands leading to sprawl, contrary to LAFCO's mission. He inquired on the steps being taken and whether CALAFCO is working to amend those laws. In response, Ms. Palacherla informed that LAFCO, SWRCB and the County are discussing this issue. She noted that the agencies are exploring how the County can come up with criteria for ensuring long-term viability of a public water system. In response to his follow-up inquiry, Ms. Palacherla indicated that the agencies agree that these are unintended consequences of recent legislation and they recognize that while SWRCB's mandate is to ensure safe drinking water by preventing the creation of unsustainable small water systems, LAFCO's mandate is to prevent sprawl by discouraging service extensions outside jurisdictional boundaries.

**Commissioner Wasserman** agreed that recent legislation has unintended consequences. He indicated that property owners have the right to develop their land and that the state must provide an alternative water source if it prohibits new wells. He welcomed the interagency efforts to find a solution, noted that the recent legislation was not well-thought out, and he expressed hope that the state would amend the laws or agencies relax their regulations to allow either a well or connection to a public water system.

**Alternate Commissioner Kishimoto** observed that the situation could worsen due to climate change. She indicated that everyone wants to have water, but it is not a right, and it is not the responsibility of the state to provide free water to a property. **Commissioner Wasserman** clarified that proponents are willing to pay for water, the County has approved the well and the owner has spent substantial amount of money and has complied with all the requirements, but the state made a new law without grandfather provision.

**Chairperson Vicklund Wilson** stated that her comments on this issue are the same as at the last meeting, and she expressed the need for a legislative fix as this issue is a slippery slope and places LAFCO in a difficult situation.

The Commission accepted the report and directed staff to continue working with SWRCB and the County.

Motion: Rennie

Second: Wasserman

AYES: Kishimoto, Rennie, Wasserman, Vicklund Wilson

NOES: None

ABSTAIN: None

ABSENT: Ellenberg, Hall

**MOTION PASSED**

## **8. UPDATE ON ORGANIZATIONAL ASSESSMENT STUDY**

Ms. Noel presented the staff report.

**Commissioner Wasserman** inquired if he had previously opposed the study and it was determined that he had not.

The Commission accepted the report.

Motion: Rennie

Second: Kishimoto

AYES: Kishimoto, Rennie, Wasserman, Vicklund Wilson

NOES: None

ABSTAIN: None

ABSENT: Ellenberg, Hall

**MOTION PASSED**

## **9. EXECUTIVE OFFICER'S REPORT**

### **9.1 Update on Rancho Rinconada Recreation and Park District Special Study**

The Commission noted the report.

### **9.2 Update on Water Service Extension to Proposed Metta Tam Tu Buddhist Temple Development**

**Commissioner Wasserman** stated that Morgan Hill staff informed him that the City is working on an out-of-agency contract for services (OACS) application to LAFCO which requires 16 items. He noted that since the request is only for a pipe connection and not for a development project, it may not require all of the 16-part application and a two-month filing lead time. He also stated that placing the construction on hold

is costly and requested that the application be discussed and voted on at the April meeting. In response to his inquiry about an alternate OACS process, Ms. Palacherla informed that OACS administrative approval is available only when there is an imminent threat to public health and safety, and **Commissioner Wasserman** indicated there is no such threat but noted that the project's delay is costly. Ms. Palacherla informed that the filing schedule adopted by LAFCO is based on statutory requirements like the public hearing notice period and various processes that have to be done before staff could recommend action to LAFCO. **Commissioner Wasserman** agreed that rules must be followed but noted that connecting a pipe should not have the same requirements as a development project.

**Commissioner Rennie** expressed concern about the OACS application in this case requiring more information than is necessary. Ms. Palacherla indicated that she will work with the City on this if needed and she informed that an OACS is considered a major application that staff carefully reviews since LAFCO policy and state law generally discourages outside connections due to significant policy implications. **Commissioner Rennie** proposed the need to ensure that if this OACS connection is approved, it would not encourage urban sprawl and it will not be converted to other uses in the future. Ms. Palacherla noted that staff has not been contacted by Morgan Hill on the application and she indicated that the staff report includes a joint letter from LAFCO and the County requesting Morgan Hill to hold off with its decision until the County has analyzed its development review process since there are questions about its approval. Ms. Noel informed that LAFCO and County Planning staff will meet to determine what the next steps are.

**Commissioner Wasserman** expressed agreement for a less extensive OACS filing requirements since it is only for a pipe connection, and since the well was approved before the legislation took effect and that the proponent has spent substantial sum of money. He expressed understanding of Commissioner Rennie's concern about sprawl, but he indicated that the County cannot deny religious uses under Federal law, and that there will be a separate process if it is subdivided or converted to other uses in the future. He expressed hope that the facility would receive water connection so it could begin to operate and stated that Morgan Hill is willing to provide water service, and the applicant is willing to pay for it. He urged support as the County has approved the project and it is now only a question of where to get the water from.

**Chairperson Vicklund Wilson** indicated that the issue is more complex than it appears to be as there are questions that the County needs to answer regarding the development permit, and it is one reason why the County requested to place it on hold, but Morgan Hill went ahead anyway. She noted the need to resolve the sprawl-inducing consequences of the new legislation as she indicated that owners could request services for certain purposes, ask connection for urban services, then develop the properties for other uses once services are provided. She expressed appreciation to the County for looking at their policies and its development review process because that it is where the solution starts.



**13. COMMISSIONER REPORTS**

There was none.

**14. NEWSPAPER ARTICLES / NEWSLETTERS**

14.1 The Sphere (October 2019)

14.2 San Jose Mercury News: Historic \$93 million deal reached to preserve San Jose's Coyote Valley

**Alternate Commissioner Kishimoto** directed attention to the news article regarding Coyote Valley preservation. **Chairperson Vicklund Wilson** noted that Commissioner Jimenez had championed this project.

**15. WRITTEN CORRESPONDENCE**

There was none.

**16. CLOSED SESSION: PERFORMANCE EVALUATION**

The Commission adjourned to closed session at 1:59 p.m., and reconvened at 2:06 p.m., with no report.

**16. ADJOURN**

The Commission adjourned at 2:07 p.m., to the next regular LAFCO meeting on February 5, 2020 at 1:15 p.m., in the Board Meeting Chambers, 70 West Hedding Street, San Jose.

Approved on \_\_\_\_\_.

\_\_\_\_\_  
Susan Vicklund Wilson, Chairperson  
Local Agency Formation Commission of Santa Clara County

By: \_\_\_\_\_  
Emmanuel Abello, LAFCO Clerk







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**ITEM # 4**

**Alternate Commissioners**  
Cindy Chavez  
Maya Esparza  
Yoriko Kishimoto  
Russ Melton  
Terry Trumbull  
**Executive Officer**  
Neelima Palacherla

**LAFCO MEETING: February 5, 2020**

**TO: LAFCO**

**FROM: Neelima Palacherla, Executive Officer  
Dunia Noel, Asst. Executive Officer  
Lakshmi Rajagopalan, Analyst**

**SUBJECT: WEST VALLEY SANITATION DISTRICT 2019-01  
(Cypress Way)**

**STAFF RECOMMENDATION**

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**CEQA Action**

1. As Lead Agency under CEQA, determine that the proposal is categorically exempt from the provisions of CEQA pursuant to State CEQA Guidelines §15319 (a) & (b), and §15303(d).

**Project Action**

2. Approve the annexation of approximately 1.25 acres of land (APN 532-26-049) located within the Town of Los Gatos, to the West Valley Sanitation District.
3. Waive protest proceedings pursuant to Government Code §56662(a).

**PROJECT DESCRIPTION**

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LAFCO of Santa Clara County received an application, by landowner petition, to annex a privately-owned parcel (APN 532-26-049) into the West Valley Sanitation District (WVSD) in order to allow the District to provide sanitary sewer services. Please see **Attachment A** for an overview map depicting the current WVSD and the Town of Los Gatos boundaries in relationship to the annexation proposal.

The annexation proposal includes one parcel (APN 532-26-049) of approximately 1.25 acres in area, located at 16331 Cowell Road in the Town of Los Gatos. The subject property is located within the Town boundary and its Urban Service Area (USA). The subject parcel is currently developed with a single-family residence that is served by an onsite septic system. The property owner is experiencing issues with their onsite septic system and would like to abandon their onsite septic system and receive sewer service from WVSD. In order to receive sewer service from WVSD, the property must first be annexed to the District.

On April 10, 2019, WVSD adopted Resolution No. 19.04.03 indicating that the District supports the requested annexation for APN 532-26-049 and has the ability to provide sewer service to the subject parcel which is currently developed with a single-family residence.

**Attachment B** (Exhibits “A” and “B”) describes and depicts the boundaries of the proposed annexation.

## **WAIVER OF PROTEST PROCEEDINGS**

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The annexation territory is uninhabited, i.e., fewer than 12 registered voters reside within the territory. The annexation proposal has consent from all landowners of the property proposed for annexation. LAFCO has not received a request from the WVSD or from any other affected local agency, for notice, hearing or protest proceeding on the proposal. Therefore, pursuant to GC §56662(a), LAFCO is considering this proposal without notice or hearing and may waive protest proceedings.

## **ENVIRONMENTAL ASSESSMENT**

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### **Categorical Exemption**

LAFCO of Santa Clara County is the Lead Agency under the California Environmental Quality Act (CEQA) for the proposed annexation of APN: 532-26-049 to the West Valley Sanitation District. The proposed annexation is exempt under State CEQA Guidelines §15319(a) & (b) and §15303(d).

*§15319: Class 19 consists of only the following annexations:*

*(a) Annexation to a city or special district of areas containing existing public or private structures developed to the density allowed by the current zoning or pre-zoning of either the gaining or losing governmental agency whichever is more restrictive, provided, however, that the extension of utility services to the existing facilities would have a capacity to serve only the existing facilities.*

*(b) Annexation of individual small parcels of the minimum size for facilities exempted by §15303, New Construction or Conversion of Small Structures.*

*§15303: Class 3 consists of construction and location of limited numbers of new, small facilities or structures, installation of small new equipment and facilities in small structures from one use to another where only minor modifications are made in the exterior of the structure. The number of structures described in this section are the maximum allowable on any legal parcel. Examples of this exemption include but are not limited to:*

*(d) Water main, sewage, electrical, gas, and other utility extensions, including street improvements, of reasonable length to serve such construction.*

## **CONSISTENCY WITH LAFCO FACTORS AND POLICIES**

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### **Impacts to Agricultural Lands and Open Space**

The subject parcel is not under a Williamson Act Contract and does not contain open space or agricultural lands as defined in the Cortese Knox Hertzberg Act. Therefore, the proposed annexation will not impact agricultural or open space lands.

### **Logical & Orderly Boundaries**

The subject parcel is within the WVSD's Sphere of Influence and is contiguous to the District's boundary. The subject parcel is located in the Town of Los Gatos and within the Town's USA. Please see **Attachment A** for Overview Map.

The County Surveyor has reviewed the application and has found that the annexation boundaries are definite and certain. The Surveyor has also determined that the project conforms to LAFCO's policies regarding the annexation of roads. The proposal will not create an island, corridor, or strip. The County Assessor has reviewed the proposal and found that the proposal conforms to lines of assessment.

### **Growth Inducing Impacts**

The subject parcel (APN: 532-26-049) is currently developed with a single-family residence and no further development is proposed on the property.

The District's annexation policy generally restricts annexation of lands outside a city's Urban Service Area boundary consistent with the general plans of the municipalities being served and LAFCO's goal of promoting orderly growth and development.

Properties in the vicinity of the subject territory, which are outside WVSD's boundary, but within the District's Sphere of Influence are mostly developed and served by onsite septic systems. These properties are located either within the Town of Los Gatos and/or within the Town's Urban Service Area. Therefore, the Town and LAFCO have anticipated that the subject parcel and the surrounding parcels will eventually be provided with urban services and developed consistent with the Town's rules and regulations.

Annexation of any additional lands to the WVSD would require LAFCO's approval and LAFCO would conduct the required environmental analysis, including the consideration of the growth inducing impacts of such a proposal at that time.

### **Ability of District to Provide Services**

WVSD has indicated that it has adequate sewer capacity to provide sanitary sewer services to the single-family home located on the subject property without detracting from the existing service levels within the District.

According to WVSD staff, there is an existing 6-inch WVSD sanitary sewer directly fronting the subject property along Cowell Road. The subject property owner will install a 4-inch sanitary sewer lateral to the existing main line sewer. The existing 6-inch sewer has adequate capacity to accommodate the flow from the proposed annexation. There is adequate treatment capacity in WVSD's agreement with the

Regional Wastewater Facility (RWF) to accommodate this annexation. WVSD's treatment capacity allocation with the RWF is 11.697 million gallons per day. The actual flow to the RWF in FY2018-19 was 9.748 million gallons per day. The average flow from a single-family home is 186 gallons per day. Per WVSD staff, the proposed annexation will not trigger any sewer related public capital improvements.

## **ATTACHMENTS**

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- Attachment A: Overview Map depicting the proposed annexation in relation to the West Valley Sanitation District and the Town of Los Gatos boundaries
- Attachment B: Legal Description (Exhibit "A") and Map (Exhibit "B") of the Proposed Annexation to the West Valley Sanitation District

# West Valley Sanitation District 2019-01 (Cypress Way)

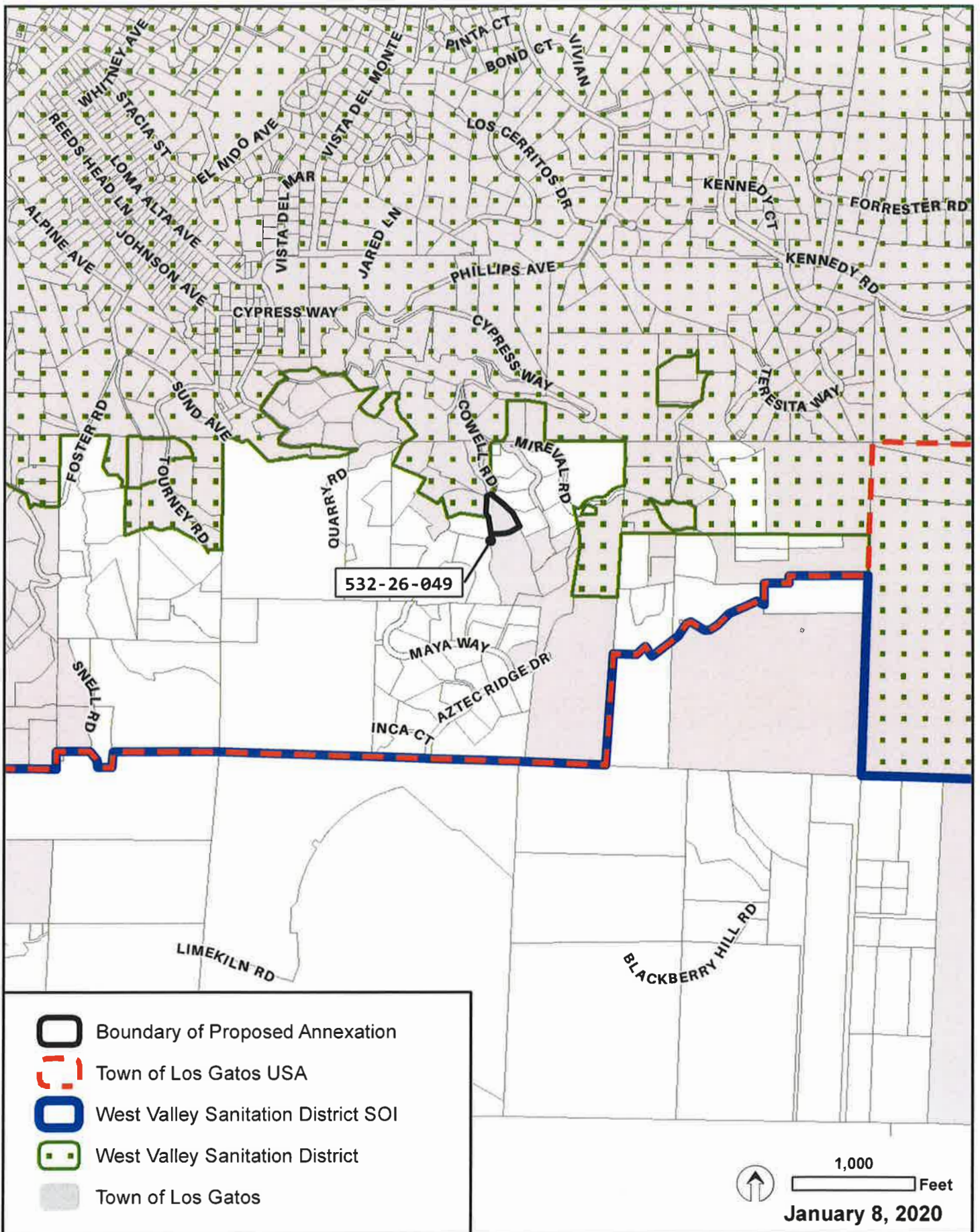






EXHIBIT 'A'

ANNEXATION "WEST VALLEY SANITATION DISTRICT 2019-01  
(CYPRESS WAY)"  
ANNEXATION TO WEST VALLEY SANITATION DISTRICT  
GEOGRAPHIC DESCRIPTION

All that certain property situate in the Town of Los Gatos, County of Santa Clara, State of California, being all of Parcel One as described in the Interspousal Transfer Deed from Joseph A. Mannina, Janet M. Mannina, Husband and Wife to Joseph A. Mannina, Janet M. Mannina, Trustees of the Mannina 1982 Living Trust Dated January 12, 1982 recorded on March 20, 2005 as Document No. 18298925 of Official Records, Santa Clara County records, being all of Parcel 1, as shown on the Parcel Map filed on December 23, 1969 in Book 262 of Maps at Page 56, said Santa Clara County records, being a part of the northwest quarter of Section 27, Township 8 South, Range 1 West, Mount Diablo Meridian, more particularly described as follows:

**BEGINNING** at an angle point in the easterly line of that certain annexation entitled "Annexation WVSD 2014-01 (CYPRESS WAY)", annexed to County Sanitation District No. 4 of Santa Clara County;

Thence along the northerly, easterly, southerly and general westerly lines of said Parcel 1 (1) North 52° 45' 00" East, 42.54 feet;

Thence (2) South 51° 50' 00" East, 67.35 feet;

Thence (3) South 51° 38' 00" East, 64.16 feet;

Thence (4) South 42° 51' 30" East, 98.62 feet;

Thence (5) South 28° 03' 30" East, 121.80 feet;

Thence (6) South 61° 56' 30" West, 90.00 feet;

Thence (7) South 73° 56' 30" West, 45.00 feet;

Thence (8) South 85° 57' 00" West, 110.00 feet;

Thence (9) North 04° 52' 00" West, 27.37 feet;

Thence (10) North 09° 46' 00" West, 114.30 feet to the southeasterly corner of said "Annexation WVSD 2014-01 (CYPRESS WAY)";

Thence along the general easterly line of said "Annexation WVSD 2014-01 (CYPRESS WAY)", (11) North 51° 56' 30" West, 25.80 feet;

Thence (12) North 02° 21' 30" West, 24.10 feet;

Thence (13) North 04° 41' 30" East, 91.80 feet;

Thence (14) North 10° 25' 00" East, 27.07 feet to the **POINT OF BEGINNING** and containing 1.252 acres of land, more or less.

END OF DESCRIPTION

For assessment purposes only. This description of land is not a legal property description as defined in the Subdivision Map Act and may not be used as the basis for an offer for sale of the land described.

Kristina D. Comerer  
Kristina D. Comerer, PLS 6766

Rev. Date: Dec. 11, 2019





**EXHIBIT B**  
 PROPOSED ANNEXATION TO  
 WEST VALLEY SANITATION DISTRICT  
 ANNEXATION "WVSD 2019-01 (CYPRESS WAY)"  
 LYING WITHIN

THE TOWN OF LOS GATOS  
 SANTA CLARA COUNTY, CALIFORNIA  
 SCALE: 1" = 100'  
 FEBRUARY 2019  
 NW 1/4 S. 27, T. 8 S., R. 1 W., MDM

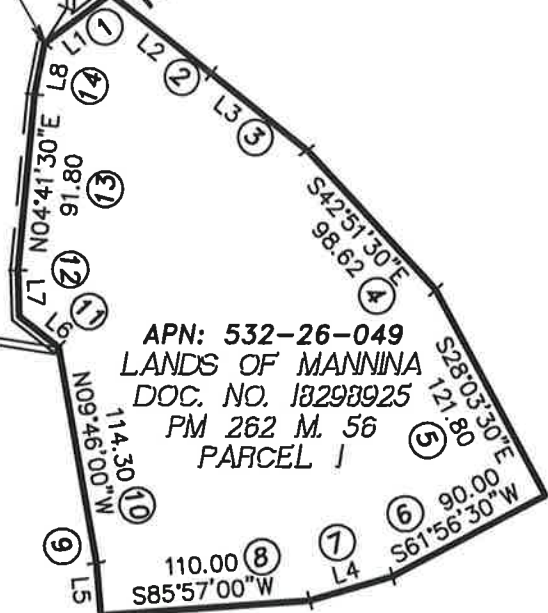
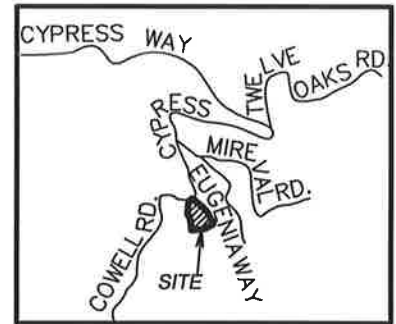
EXISTING WEST VALLEY  
 SANITATION DISTRICT BOUNDARY  
 "ANNEXATION NO. 1981-1"  
 RESOLUTION NO. 81.3.34

EXISTING WEST VALLEY  
 SANITATION DISTRICT BOUNDARY  
 "ANNEXATION NO. 2014-01"  
 CYPRESS WAY

POINT OF  
 BEGINNING

COWELL  
 ROAD

LOCATION MAP



APN: 532-26-049  
 LANDS OF MANNINA  
 DOC. NO. 13293925  
 PM 262 M. 56  
 PARCEL 1



*Kristina D. Comerer*

KRISTINA D. COMERER  
 PLS 6766

REV. DATE: Dec. 11, 2019

NO.	BEARING	DISTANCE
L1	N52°45'00"E	42.54
L2	S51°50'00"E	67.35
L3	S51°38'00"E	64.16
L4	S73°56'30"W	45.00
L5	N04°52'00"W	27.37
L6	N51°56'30"W	25.80
L7	N02°21'30"W	24.10
L8	N10°25'00"E	27.07

**DISCLAIMER:**  
 FOR ASSESSMENT PURPOSES ONLY. THIS  
 DESCRIPTION OF LAND IS NOT A LEGAL  
 PROPERTY DESCRIPTION AS DEFINED IN  
 THE SUBDIVISION MAP ACT AND MAY NOT  
 BE USED AS THE BASIS FOR AN OFFER FOR  
 SALE OF THE LAND DESCRIBED.

LEGEND

- BOUNDARY LINE OF PROPOSED ANNEXATION
- EXISTING SANITATION DISTRICT BOUNDARY

**CROSS LAND SURVEYING, INC.**  
 2210 MT. PLEASANT ROAD  
 SAN JOSE, CA 95148  
 (408) 274-7994



PROJECT NO. 19-17





Local Agency  
Formation Commission  
of Santa Clara County  
777 North First Street  
Suite 410  
San Jose, CA 95112  
SantaClaraLAFCO.org

**Commissioners**  
Susan Ellenberg  
Sequoia Hall  
Sergio Jimenez  
Linda J. LeZotte  
Rob Rennie  
Mike Wasserman  
Susan Vicklund Wilson

**ITEM # 5**

**Alternate Commissioners**  
Cindy Chavez  
Maya Esparza  
Yoriko Kishimoto  
Russ Melton  
Terry Trumbull  
**Executive Officer**  
Neelima Palacherla

**LAFCO MEETING: February 5, 2020**

**TO: LAFCO**

**FROM: Neelima Palacherla, Executive Officer  
Dunia Noel, Asst. Executive Officer**

**SUBJECT: RANCHO RINCONADA RECREATION AND PARK DISTRICT  
SPECIAL STUDY – PUBLIC REVIEW DRAFT REPORT**

**STAFF RECOMMENDATION**

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For information only.

**PURPOSE OF MEETING**

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The purpose of this agenda item is for LAFCO to receive a presentation from Berkson Associates, LAFCO’s consultant, on the Public Review Draft Report for the Rancho Rinconada Recreation and Park District Special Study and to receive any public comments on the Draft Report. No final action on the Report will be taken at this meeting. Affected agencies, interested parties, and the public may continue to provide comments on the Draft Report. All comments received by Wednesday, March 11, 2020 will be considered in the preparation of the Final Report which will be available for public review and comment in late March 2020.

**DRAFT REPORT**

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**Release of Draft Report for Public Review and Comment**

The Public Review Draft Report for the Rancho Rinconada Recreation and Park District Special Study was made available on the LAFCO website (SantaClaraLAFCO.org) on January 30, 2020, and as part of LAFCO packet for the February 5, 2020 meeting. Staff sent a Notice of Availability (**Attachment A**) to all affected agencies and other interested parties announcing the release of the Draft Report (**Attachment B**) for public review and comment.

On January 28, 2020, an administrative draft of the report was provided to the Rancho Rinconada Recreation and Park District (RRRPD) and the City of Cupertino, for their internal review and comment prior to the public release of the Draft Report. The purpose of this step was to ensure that the RRRPD staff and the City staff had an opportunity to review the report and identify any factual inaccuracies or inconsistencies prior to the release of the report for public review and comment.

RRRPD and the City provided their comments, which were considered and addressed in the Public Review Draft Report, as appropriate.

## **NEXT STEPS**

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### **City Council to Refer Draft Report to Parks and Recreation Commission for Consideration and Recommendation**

Prior to and throughout the study process, the City of Cupertino staff have been supportive of the study, stating that the study will help the City and the public better understand and evaluate the available governance options for RRRPD. The Cupertino City Council is tentatively scheduled to refer the Public Review Draft Report at its March 3, 2020 meeting to the City Parks and Recreation Commission. Berkson Associates, LAFCO's consultant, will present the Draft Report to the City Parks and Recreation Commission at its March 5, 2020 meeting. At its April 2, 2020 meeting, the City Parks and Recreation Commission will consider this matter further and make a recommendation to the City Council.

### **Release of Final Report for LAFCO Public Hearing**

Based on the comments received by March 11, 2020, LAFCO's consultant will revise the Draft Report as necessary. A Final Report with tracked changes will be available on the LAFCO website in late March, for additional public review and comment. A Notice of Availability will be sent to all affected agencies, LAFCO Commissioners, and other interested parties in order to announce the availability of the Final Report. LAFCO will hold a Public Hearing on April 8, 2020 to consider LAFCO staff recommendation and action on the Report.

### **City Council Consideration and Potential Action following LAFCO Public Hearing**

The Cupertino City Council is tentatively scheduled to consider the City Parks and Recreation Commission's recommendation on this matter at its April 21, 2020 Council meeting and take any appropriate action.

## **BACKGROUND**

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The Rancho Rinconada Recreation and Park District (RRRPD) is an independent special district governed by a five-member board. The RRRPD covers a portion of the City of Cupertino and includes two parcels that lie within the City of San Jose, which consist of the Saratoga Creek Trail and associated riparian area. The RRRPD owns and operates a recreation center in the City of Cupertino where it offers swimming pool activities, Summer Swim Camp, after-school activities, facility and barbeque rentals, a snack bar, and a location for community-related activities.

LAFCO's 2013 Service Review for the RRRPD found that the City of Cupertino and the RRRPD both provide recreation services within Cupertino and that this duplication in services creates inherent inefficiencies and fragmented service delivery, and impedes long-term planning for the delivery of recreation services for the residents of Cupertino. The Service Review also found that alternatives in

operation and governance exist for the RRRPD and the City of Cupertino for a more efficient approach to serve the Cupertino community, and recommended that these alternatives be the subject of additional study to determine the level of benefit in terms of services and anticipated costs and savings.

LAFCO has established a zero sphere of influence (SOI) for RRRPD since 1982, indicating that the RRRPD should eventually not exist as an independent special district. LAFCO reaffirmed RRRPD's zero SOI in its 2013 Service Review for the District. Following completion of this Service Review, LAFCO staff facilitated some discussions with the City of Cupertino on the future of the RRRPD. However, these discussions did not go very far at that time.

More recently, LAFCO has received complex questions and complaints from Cupertino residents and former RRRPD Board members concerning the RRRPD. At the February, April, and June 2019 LAFCO meetings, community members informed LAFCO of their concerns about RRRPD's operations and governance and requested that LAFCO address them.

In April 2019, LAFCO directed staff to prepare, for the Commission's consideration at the June 2019 LAFCO meeting, a Draft Request for Proposals (RFP) for a professional services firm to conduct said RRRPD special study.

In June 2019, LAFCO authorized staff to seek a professional service firm to conduct the RRRPD special study to identify the reorganization process and evaluate the potential fiscal impacts (costs/benefit analysis) of the following two alternative governance structure options: (1) potential merger of the RRRPD with the City of Cupertino; and (2) potential establishment of the RRRPD as a subsidiary of the City of Cupertino; as compared to the status quo. LAFCO received a single proposal, from Berkson Associates, in response to the RFP. Executive Officer Palacherla in consultation with Alternate Commissioner Kishimoto reviewed the proposal and confirmed that it met LAFCO's requirements and adequately addressed the scope of services. On July 15, 2019, EO Palacherla executed a service agreement with Berkson Associates, in an amount not to exceed \$15,000, for the preparation of the RRRPD special study.

Following an initial kick-off meeting with LAFCO staff to review background information and scope/timeline for the project, the consultant began working with staff from RRRPD and the City of Cupertino to gather and compile the requisite data and documents. The consultant met with RRRPD staff and toured the RRRPD facility. LAFCO staff assisted the consultant with obtaining information on election costs and property tax rates from the County Registrar of Voters Office and the County Controller's Office, respectively. The consultant then analyzed the data and prepared an administrative draft report with their analysis and findings for LAFCO staff's review and comment. RRRPD staff and City of Cupertino staff were also given an opportunity to internally review the administrative draft report in order to identify and correct any factual inaccuracies or inconsistencies. The consultant then prepared a Public Review Draft Report.

## **ATTACHMENTS**

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Attachment A: Notice of Availability of the “Rancho Rinconada Recreation and Park District Special Study – Public Review Draft Report”

Attachment B: Rancho Rinconada Recreation and Park District Special Study – Public Review Draft Report (January 29, 2020)



**Local Agency  
Formation Commission  
of Santa Clara County**

777 North First Street  
Suite 410  
San Jose, CA 95112  
SantaClaraLAFCO.org

**Commissioners**

Susan Ellenberg  
Sequoia Hall  
Sergio Jimenez  
Linda J. LeZotte  
Rob Rennie  
Mike Wasserman  
Susan Vicklund Wilson

**ITEM # 5  
Attachment A**

**Alternate Commissioners**

Cindy Chavez  
Maya Esparza  
Yoriko Kishimoto  
Russ Melton  
Terry Trumbull

**Executive Officer**  
Neelima Palacherla

**DATE:** January 30, 2020  
**TO:** Special District Board Members and Managers  
City Managers and County Executive  
City Council Members and County Board of Supervisors  
Interested Parties  
**FROM:** Neelima Palacherla, Executive Officer  
**SUBJECT:** **RANCHO RINCONADA RECREATION AND PARK DISTRICT  
SPECIAL STUDY– PUBLIC REVIEW DRAFT REPORT**

**Notice of Availability & LAFCO Meeting**

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The [Public Review Draft Report](#) for the Rancho Rinconada Recreation and Park District Special Study is now available for public review and comment on the LAFCO website (SantaClaraLAFCO.org) under “News and Announcements.”

LAFCO will hold a meeting in order to receive a presentation from Berkson Associates, LAFCO’s consultant, on the Draft Report for the Rancho Rinconada Recreation and Park District Special Study and to receive public comments on the Draft Report. You may continue to provide comments on the Draft Report until March 11, 2020. No final action on the Report will be taken at this meeting.

**LAFCO Meeting:** February 5, 2020  
**Time:** 1:15 P.M. or soon thereafter  
**Location:** Board of Supervisors’ Chambers  
70 W. Hedding Street, San Jose, CA 95110

You may provide written comments on the Draft Report by mail to: LAFCO of Santa Clara County, 777 North First Street, Suite 410, San Jose, CA 95112 OR you may email your comments to: [lafco@ceo.sccgov.org](mailto:lafco@ceo.sccgov.org).

Written comments received by Wednesday, March 11, 2020 will be considered in the preparation of the Final Report that will be available on the LAFCO website in late March for additional public review and comment. A Notice of Availability will be sent to all affected agencies and other interested parties in order to announce the availability of the Final Report. A LAFCO public hearing to consider staff recommendation and action on the Report is scheduled for April 8, 2020.







## PUBLIC REVIEW DRAFT REPORT

# SPECIAL STUDY: GOVERNANCE OPTIONS

## RANCHO RINCONADA

## RECREATION AND PARK DISTRICT



Prepared for LAFCO of Santa Clara County

Berkson Associates

In association with Policy Consulting Associates, LLC

January 29, 2020



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## APPENDICES

- Appendix A – Detailed Budget Estimates
- Appendix B – RRRPD Programs and Pricing
- Appendix C – RRRPD Staff Information

## 1. OVERVIEW

The Local Agency Formation Commission of Santa Clara County (LAFCO) prepared a Service Review of the Rancho Rinconada Recreation and Park District (RRRPD) in 2013 which recommended further analysis of governance changes for the District.<sup>1</sup>

RRRPD has had a zero sphere of influence since 1982 indicating that the RRRPD should eventually not exist as an independent special district. LAFCO reaffirmed the District's zero sphere of influence in its 2013 Service Review for the District.<sup>2</sup> The 2013 RRRPD Service Review found that a significant service overlap contributes to "the duplication in services delivered within the boundaries of Cupertino [which] creates inherent inefficiencies and fragmented service delivery and impedes long-term planning for the delivery of recreation services to the residents of Cupertino."<sup>3</sup>

In recent years there have been disputes and allegations of mismanagement among the Board leading to the resignation of two board members and a lack of a quorum to conduct RRRPD business. As noted in LAFCO's Request for Proposals (RFP) for this special study, LAFCO has received complex questions and complaints from residents concerning the RRRPD. At the February and April 2019 LAFCO meetings, community members informed LAFCO of their concerns about RRRPD's inefficient pool operation, lack of public outreach and public awareness of the District, and requested that LAFCO address these concerns, resulting in the current special study. Comments regarding allegations of mismanagement, and responses by the District to the complaints, were submitted at LAFCO's meeting in June, 2019.<sup>4</sup>

In 2019, following board member resignations, RRRPD was left with two filled seats; the County Board of Supervisors appointed a temporary third RRRPD board member for the purpose of adopting the FY20 budget. Currently the District has three filled seats sufficient to function with a quorum, and the two remaining vacant seats could be filled at the 2020 general election.

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<sup>1</sup> Special Districts Service Review: Phase 1, Prepared for LAFCO of Santa Clara County by PCA, LLC, Adopted June 5, 2013.

<sup>2</sup> LAFCO Staff Report, April 3, 2019, Item 7.

<sup>3</sup> *ibid*, 2013 RRRPD MSR, pg. 27.

<sup>4</sup> See correspondence received by LAFCO at its 6/5/19 meeting from Sophia Badillo and from Sandra Yeaton, and letter from Kevin Davis, RRRPD General Manager to LAFCO, June 14, 2019.

The 2013 RRRPD MSR considered several governance options which are addressed in more detail in this special study:

- **Option 1: Maintain RRRPD's Current Governance (Status Quo)** – RRRPD remains intact as an independent recreation and park district, and continues to operate and improve its programs, facilities and planning.
- **Option 2: Merger of RRRPD with the City of Cupertino** – RRRPD would be dissolved and its functions, services, assets, and liabilities transferred to the City of Cupertino. The City would integrate RRRPD programs and facilities into current City operations and recreation planning. This option assumes that RRRPD's current property tax allocation would be entirely transferred to the City, and that all RRRPD services would be maintained at current levels (or better).
- **Option 3: Reorganize RRRPD as a Subsidiary District to the City of Cupertino** – RRRPD would remain a special district, but the Cupertino City Council would function as its board. As required by law, "...The district shall continue in existence with all of the powers, rights, duties, obligations, and functions provided for by the principal act, except for any provisions relating to the selection or removal of the members of the board of directors of the district."<sup>5</sup>

All subsidiary district accounts would be held and reported separately from City funds. Legal and financial responsibility would be limited to the subsidiary district. The subsidiary district would continue to receive its current share of property tax to be used for district purposes.

This Special Study further investigates the financial feasibility and the process required to implement the governance options described above.

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<sup>5</sup> Gov. Code Sec. 57534.

## 2. RANCHO RINCONADA RECREATION & PARK DISTRICT (RRRPD)

RRRPD was formed in 1955 as an independent special district with its own elected board of trustees. A five-member Board of Directors governs the District; members are elected to four-year terms. As described in the 2013 RRRPD Service Review board members as of 2013 all ran unopposed, eliminating election costs, but also indicating a lack of resident involvement. The Service Review stated that the lack of elections and opposing candidates “reflects a lack of candidate and resident interest in the District’s activities and governance”, however, all seats were filled at that time and in prior years. In 2018 an election occurred with multiple candidates.

As noted in the Overview, in recent years there have been disputes and allegations of mismanagement<sup>6</sup> among the Board leading to the resignation of two board members and a lack of a quorum to conduct RRRPD business. Currently the District has three filled seats and functions with a quorum, and the two vacant seats could be filled at the 2020 general election.

### DISTRICT BOUNDARIES AND SERVICE AREA

As shown in **FIGURE 1**, the boundaries of the District are entirely within the City of Cupertino with the exception of two parcels owned by the County of Santa Clara; those parcels are to the east along Lawrence Expressway and include portions of the Saratoga Creek Trail and riparian area.

The City of Cupertino is negotiating with the County of Santa Clara for the acquisition of the two County-owned parcels within the District but located in the City of San Jose adjacent to the City’s boundaries; the parcels could then be detached from the City of San Jose and annexed to the City of Cupertino. If that process is completed, the District will be contained entirely within the City’s boundaries. Alternatively, the parcels may be detached from RRRPD so that all RRRPD territory is contained within the City of Cupertino.<sup>7</sup>

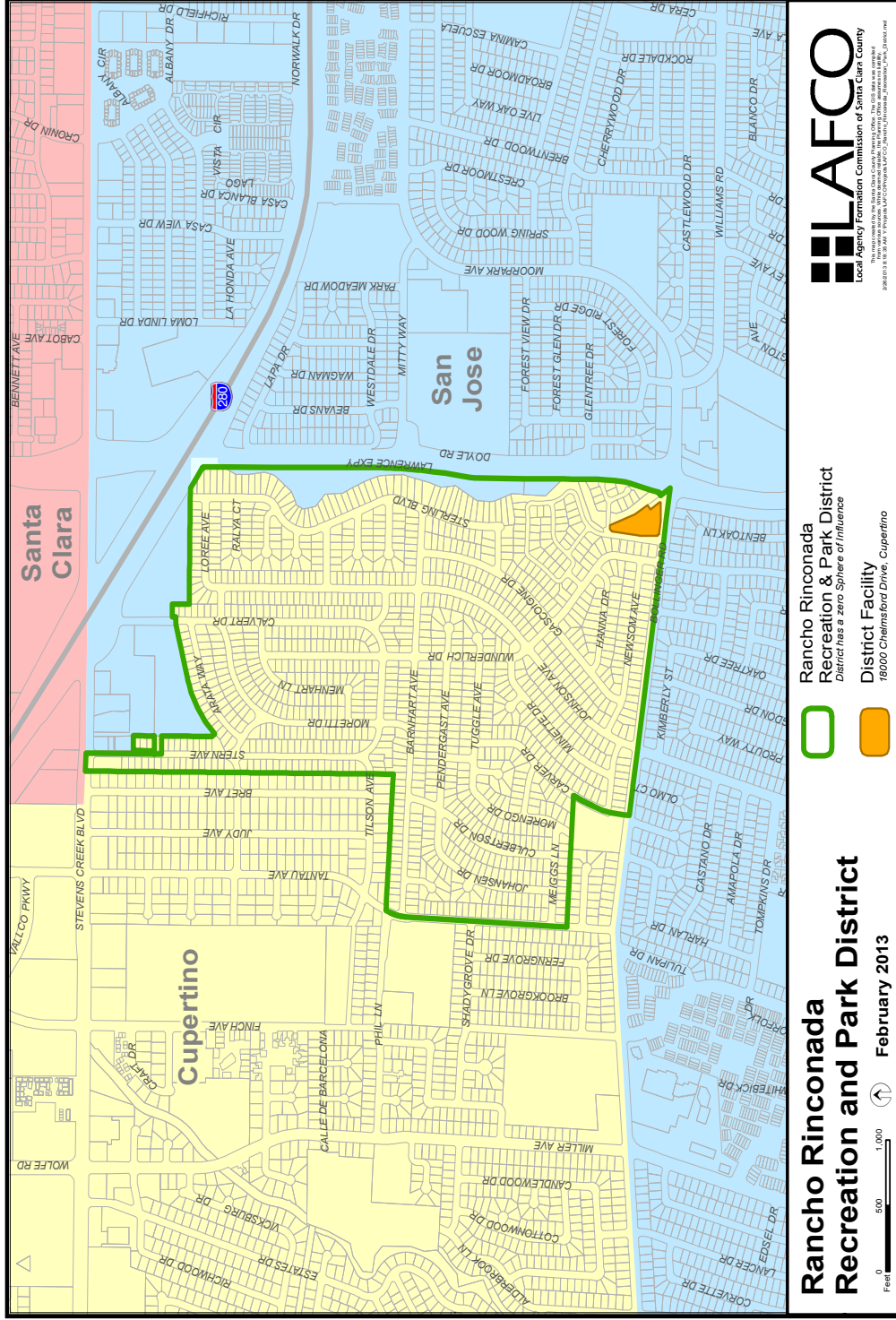
District revenue data, which charges higher non-resident rates, indicate that District residents account for about 20 percent, on average, of program participation. Resident participation reaches 50 percent for public swim family passes and 15 percent for private swim lessons.

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<sup>6</sup> See correspondence received by LAFCO at its 6/5/19 meeting from Sophia Badillo and from Sandra Yeaton, and letter from Kevin Davis, RRRPD General Manager to LAFCO, June 14, 2019.

<sup>7</sup> Boundary changes would be processed through LAFCO as part of a potential reorganization of RRRPD.

FIGURE 1 RRRPD BOUNDARIES







## ASSESSED VALUE, POPULATION AND VOTERS

**TABLE 1** describes key characteristics of the District. Reorganization of RRRPD could alter the manner of voter representation in District affairs which currently is determined by voters within the District. The current number of RRRPD registered voters represents approximately 6.8 percent of the City of Cupertino’s 30,630 total registered voters.

Depending on the manner of reorganization, and LAFCO terms and conditions, the current allocation of property tax could 1) shift to the City’s General Fund; 2) remain allocated to a newly-formed subsidiary district to the City.

TABLE 1 SUMMARY OF ASSESSED VALUE, POPULATION & VOTERS

Item	Amount
<b>Land Area (1)</b>	0.4 sq. miles
<b>Residential Parcels (2)</b>	1,266
<b>Population (3)</b>	3,983
<b>Registered RRRPD Voters (4)</b>	2,086
Total City Voters	30,630
RRRPD Voters as % of City	6.8%
<b>Assessed Value (5)</b>	\$1,200,662,755
<b>Tax Increment Factors FY19-20 (6)</b>	
Rancho Rinconada RPD	4.61%
City of Cupertino	6.17%

(1) Special Districts Service Review: Phase 1, Prepared for LAFCO of Santa Clara County by PCA, Adopted June 5, 2013.

(2) Residential parcels based on review of assessor parcel maps. The District is built out according to the 2013 MSR.

(3) *ibid*, 2013 MSR.

(4) As of 9/13/2019 in the following precincts: 3645, 3652, 3654, 3659, per Registrar of Voters.

(5) County of Santa Clara Compilation of Tax Rates & Information Fiscal Year 2019-2020.

(6) Share of annual change in 1% property tax from RRRPD TRAs, net of Educational Revenue Augmentation Fund (ERAF).

TRA 013-266; <https://payments.sccgov.org/propertytax/>



RRRPD is largely built-out and no significant population increase is likely, other than minor changes due to growth in housing unit occupancy rates and household size. The City of Cupertino's household population is estimated to increase from 64,335 in 2020 to 65,275 in 2030, an average annual compound growth rate 0.3 percent.<sup>8</sup>

## RRRPD GOALS, POLICIES AND PLANS

The District's Bylaws, last revised in 1992, govern District procedures. The Bylaws state that the purpose of the District is to

*"...provide a well-rounded, wholesome program of leisure time activities for the people residing within the boundaries of the District and others not residing within the boundaries of the District who desire to participate. This shall be accomplished by the development of supervised programs, construction and maintenance of recreation facilities and park facilities, while cooperating with other agencies in an area which provide like services or can assist in providing said services."*

RRRPD does not have a strategic plan or a facilities master plan; those documents have been a major District goal which, according to District staff, "has been delayed due to the recent governance issues."<sup>9</sup>

The District produces a budget annually; no long-term budget forecasts are included. The District's financials are audited annually.

## RRRPD PROGRAMS, STAFF AND FACILITIES

### RRRPD PROGRAMS

Following is a summary of programs provided at the RRRPD facility. Additional detail and pricing can be found in APPENDIX B.

- **Swim Lessons** - the most popular program at RRRPD is private swim instruction. There are roughly 8,450 lessons delivered annually with the majority clustered in the summer months.

---

<sup>8</sup> Projections 2040, ABAG/MTC, downloaded 1/23/2020 from <http://projections.planbayarea.org/>

<sup>9</sup> RRRPD response to 2019-07-25 Data Request.



- **Precompetitive Swim Training** – Provides endurance training and teaches advanced racing techniques and terminology.
- **Youth Swim Team** – Hour-long training provided by swim coaches for the Rancho Swim Team that participates in nationally-organized competitions including the Junior Olympics and the Western Championships.
- **Public Swim** – Second to swim lessons in popularity and open to the public.
- **BBQ Pool Party Rental** – Offered hours concurrent with public swim, the privately-gated area provides a canopy, BBQ grill, and picnic tables for parties between 15 and 40 people.
- **Swim Camp** – The swim camp started in 2018 and in its second year operated at full capacity with further expansion planned.
- **Pool and Hall Rentals** – The pool and the hall are available for private events. The hall provides approximately 100 chairs, tables, and a full kitchen.
- **Other Recreation Partners** – RRRPD charges fees to various recreation partners that provide programs available to the public, for example, scuba classes and a separate swim school. The hall is rented for yoga classes, after-school care, cultural gatherings and music events.

## RRRPD STAFF

An employment contract with the General Manager was approved by RRRPD at its board meeting in October 2018 and expires October 11, 2020. This is the District’s only employment contract.

In addition to the full-time General Manager, RRRPD employs a full-time Accounting and Records Manager and a full-time Program Manager. These positions’ benefits include a “defined contribution” retirement plan;<sup>10</sup> therefore there are no unfunded pension liabilities.

RRRPD hires part-time staff, including “graduates” of its swim programs; in 2018 there were 14,759 part-time hours worked. Additional detail about part-time staff positions and other personnel-related costs can be found in APPENDIX C.

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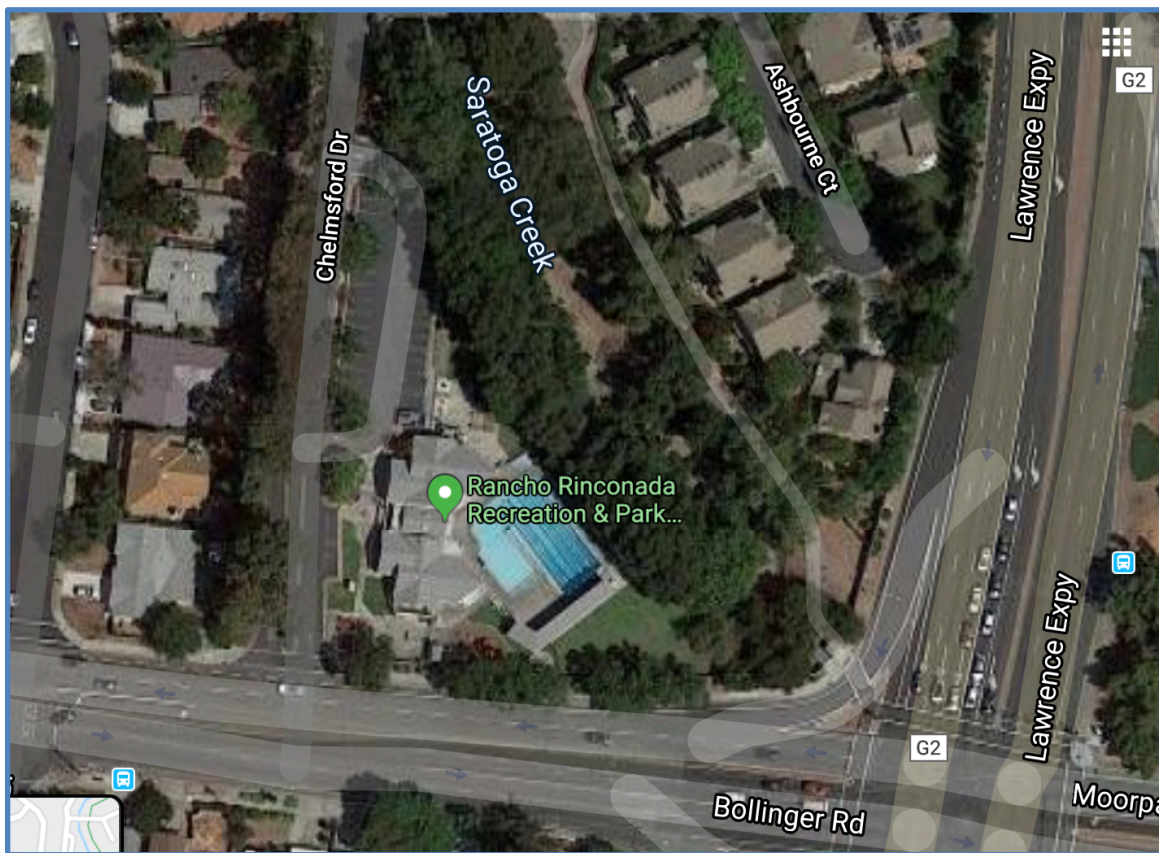
<sup>10</sup> Internal Revenue Code Sec. 457.

## RRRPD FACILITIES

The District owns the building and property located at 18000 Chelmsford Drive shown in **FIGURE 2**. The property (assessor parcel number 375-22-104) is near the corner of Bollinger and Lawrence Expressway in Cupertino as shown in **FIGURE 3**. RRRPD also identified a nearby walkway which they believe is RRRPD property, and which is highlighted on the parcel map and recently has been blocked by private fencing. However, the walkway is designated as a public right-of-way and currently believed to be owned by the City of Cupertino.<sup>11</sup>

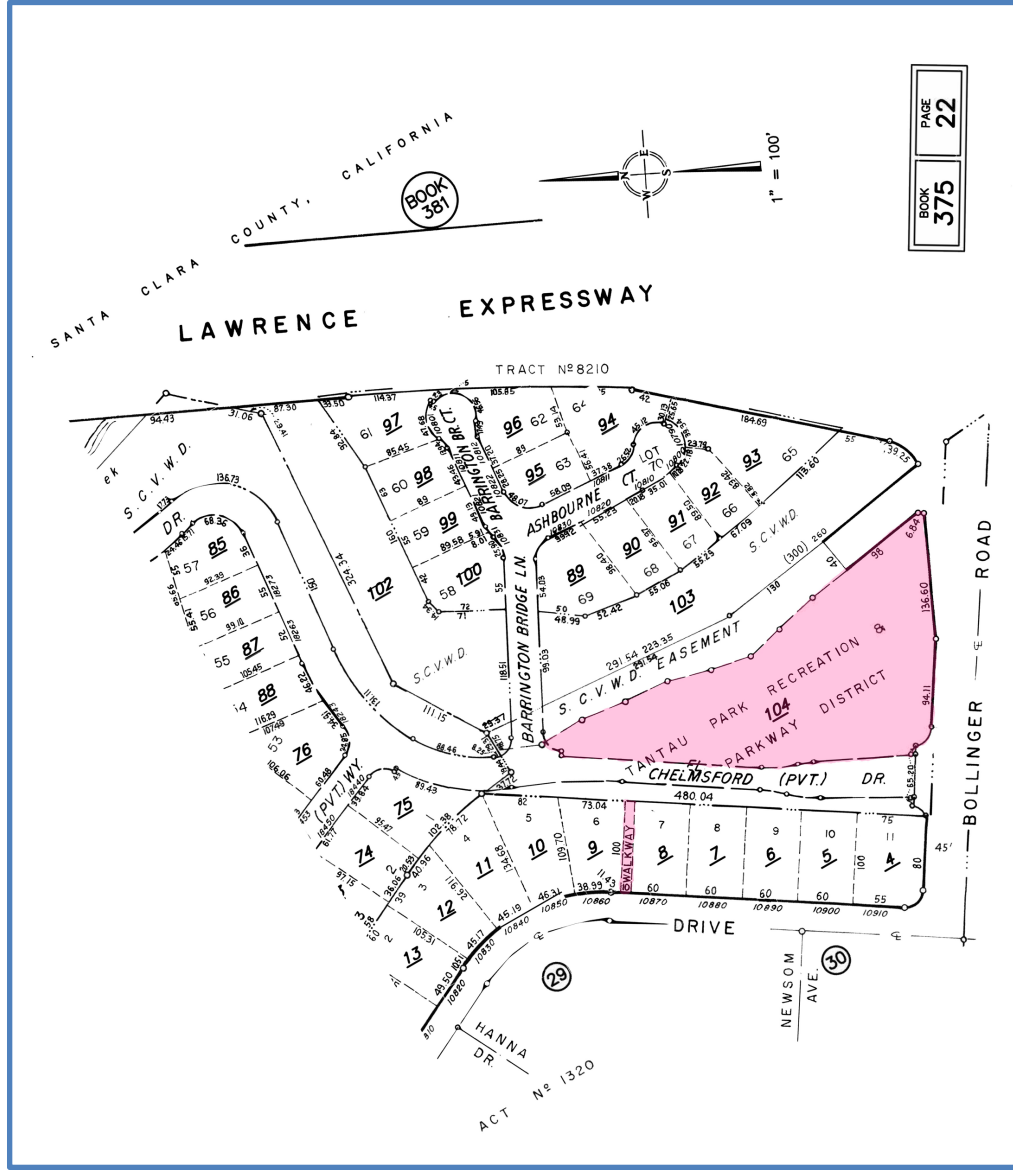
Facilities include a 25-yard pool, playground, barbecue area, and indoor hall. The barbecue and hall are available for rent for special events.

FIGURE 2 AERIAL VIEW OF RRRPD FACILITIES



<sup>11</sup> Correspondence from C.Mosley, City of Cupertino, 1/22/2020 per communication with Santa Clara County Assessor’s Office staff.

FIGURE 3 COUNTY ASSESSOR PARCEL MAP – RRRPD PROPERTY



### Facility Improvements Required

The District has identified a number of improvements required by its facilities:<sup>12</sup>

- Re-painting of the pool fence and interior of the shower room is needed in the near-term. The total cost is expected to not exceed \$10,000.
- The degrading pool deck requires re-surfacing; prior estimates ranged from \$30,000 to \$50,000 depending on materials.
- A new pump and heater will be required within the next five years at a combined cost of approximately \$15,000.
- The bathrooms are roughly 30 years old and need an overhaul in the next five years; no cost estimates are currently available.
- In addition, major upgrades are needed for ADA requirements, family/gender-neutral bathrooms, and user flow improvements; no cost estimates are currently available.

The District anticipates that detailed cost estimates would be prepared, along with a phasing and funding plan, as part of a more detailed Master Plan (and/or Strategic Plan). RRRPD designates reserves for capital improvements, and current unrestricted net position of more than \$1 million appears sufficient to fund currently identified improvements. It is unknown, lacking a plan by the District at this point whether the \$1 million will be sufficient and fully available for capital replacement over the long-term; the District sets aside funds annually toward fully funding replacement of all facilities over their lifespan -- its reserve goal is \$1.4 million.<sup>13</sup>

The City of Cupertino recently inspected the facilities and identified related and additional improvements. A rough estimate of these improvements totaled \$350,000:<sup>14</sup>

- Exterior ADA Upgrades (parking spaces and ramp landings) (\$100,000)
- Locker Room Upgrades including ADA Compliance (\$175,000)
- Kitchenette Upgrades - desired (\$40,000)
- Life Safety and Security Systems Compliance (\$35,000)

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<sup>12</sup> RRRPD response to 2019-07-25 Data Request.

<sup>13</sup> Reserve policy adopted Dec., 2016; present reserve goal of \$1.4 million per correspondence with RRRPD, 2019-08-14

<sup>14</sup> City of Cupertino response to 2019-09-06 Data Request.



More detailed cost estimates and timing of improvements would be prepared as part of a Plan for Services if the City seeks to take over RRRPD programs and facilities. It is expected that the District will face these City-identified improvements as well as those that the District has identified; the lists of improvements prepared by the City and RRRPD are overlapping and address similar needs and concerns.

Facility improvements may be needed to accommodate increased community use of the facilities (nature and extent of increased use and corresponding improvements are to be determined by the City in the case of Option 2 and Option 3). This issue would also apply to any expansion of current RRRPD activities.

## RRRPD REVENUES AND EXPENDITURES

As shown in **TABLE 2**, RRRPD's FY20 budget (as adjusted for purposes of this report) projects an ending annual net balance of about \$51,000 including depreciation. Eliminating special election costs originally included in the budget produces this annual surplus. Excluding depreciation, a non-cash accounting expense, the net annual balance is \$124,000. This balance would add to reserves for contingencies, planning and capital improvements.



TABLE 2 RRRPD REVENUES AND EXPENDITURES

Item	STATUS QUO RRRPD
<b>REVENUES</b>	
Program Revenues (1)	\$438,500
Property Tax (2)	<u>530,000</u>
<b>Total Revenues</b>	<b>\$968,500</b>
<b>EXPENDITURES</b>	
<b>Administration and Office Expenses (3)</b>	\$77,957
<b>Facilities (4)</b>	
Building/Yard, Pool, Utilities	113,000
Facility Depreciation (5)	<u>73,000</u>
<b>Subtotal, Facilities</b>	186,000
<b>Program Expenses (exc. staff) (6)</b>	26,200
<b>Personnel (7)</b>	626,982
<b>Total Expenditures</b>	<b>\$917,139</b>
<b>ANNUAL SURPLUS OR (SHORTFALL)</b>	<b>\$51,361</b>
Surplus or (shortfall) excluding depreciation	\$124,361

(1) Includes aquatics, rentals, and activities (snack bar, swim camp).

(2) Property tax is the District's share of the basic 1%.

(3) RRRPD "Administration" includes Board & office expenses, insurance and professional services.  
 Status Quo adds \$20,000 for general election costs instead of RRRPD budget for special election.  
 RRRPD legal costs reduced vs. FY20 to represent a more typical year.

(4) Facilities include building & yard, pool, and utilities.

(5) Depreciation is a non-cash accounting expense.

(6) Program expenses include advertising, program supplies, & snack bar.

(7) Personnel costs include payroll, taxes & benefits, and related expenses. 1/29/20

## REVENUES

Service charges paid by program participants funded approximately 50 percent of FY20 total expenditures. Property tax funds most of the remaining expenditures, supplemented by interest earnings and miscellaneous revenues.



Within the RRRPD area, RRRPD receives 4.61 percent of the increase in Prop. 13 property taxes, which are one percent of assessed value; the City receives 6.17 percent. City allocations outside of RRRPD vary due to differences among taxing entities throughout the City, but typically the City's share is about 6.5 percent and other taxing entities' rates are slightly higher than within RRRPD.

Currently RRRPD charges a non-resident fee for program participants from outside the District, residents account for about 50 percent (or less) of program participation, and average about 20 percent overall. Rates are further detailed in APPENDIX B and on the RRRPD website.

## EXPENDITURES

**TABLE 2** summarizes District expenditures which are further detailed in **APPENDIX A**. Revenues exceed expenditures, producing a surplus.

Depreciation is a non-cash accounting expense often not shown in a budget. Excluding depreciation from the budget shows a larger cash surplus. However, this increased surplus should be set-aside for capital replacement to effectively offset the effects of depreciating assets. The District's FY20 budget has been adjusted slightly to reflect a typical year, for example, special election costs of \$150,000 were replaced by general election costs of \$20,000.

## RRRPD ASSETS, LIABILITIES AND FINANCIAL NET POSITION

RRRPD's financial condition indicates reserves exceeding 100 percent of annual expenditures. A typical minimum standard for operating reserves is about 15-20 percent of expenditures; the balance provides reserves that can fund capital improvements.

## ASSETS

Capital assets include land, building and improvements, the pool, furniture and equipment. The historical acquisition value totals \$1.8 million, and its current depreciated value is approximately \$1 million after deducting accumulated depreciation.<sup>15</sup>

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<sup>15</sup> *ibid*, RRRPD Financial Statements FY18, Note D – Capital Assets.





## LIABILITIES

The District has no long-term debt (due beyond one year) or other long-term financial obligations. Current liabilities, due within one year, totaled \$190,000 at the end of FY18.<sup>16</sup> Approximately 75 percent of the current liabilities represent deferred revenue (generally swim lessons/camp reserved in one fiscal year but delivered in the next). These relatively high current liabilities result from a fiscal year cut-off midway into the District's peak season.

## FINANCIAL NET POSITION

RRRPD's Net Position is a key indicator of fiscal health. The District's FY18 financial statements show a net position of \$2.0 million including the net value of capital assets; approximately \$1 million of the net position is unrestricted and comprised of cash and current investments.<sup>17</sup>

The \$1 million unrestricted net position totaling more than 100 percent of annual operating expenditures, provides for operating and capital reserves. The amount exceeds currently identified capital improvement needs although it has not been entirely designated for that purpose. The unrestricted net position is less than the District's capital reserve goals of \$1.4 million needed to provide for long-term repair and replacement of all capital assets based on estimated life span.<sup>18</sup>

A financial statement is typically prepared for RRRPD in the December following the end of the reported fiscal year. As shown in **TABLE 2** above, the District projects a surplus in FY19-20, after eliminating special elections costs from the budget, and unrestricted net position of cash and investments should increase to about \$1.3 million.

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<sup>16</sup> *ibid*, RRRPD Financial Statements FY18, Statement of Net Position, pg. 9.

<sup>17</sup> RRRPD Financial Statements and Independent Auditor's Report for the Year Ended June 30, 2018, Statement of Net Position, pg. 9, Fechter & Company CPAs, Dec. 15, 2018.

<sup>18</sup> District Reserve Allocation.

### 3. GOVERNANCE OPTIONS

This report evaluates governance options for RRRPD. Each option presents a different set of legal and policy choices with implications for finances, management, governance and services.

**TABLE 3** summarizes and compares key features of governance options:

- **Option 1: Maintain RRRPD's Current Governance (Status Quo)** – RRRPD remains intact as an independent recreation and park district, and continues to operate and improve its programs, facilities and planning.
- **Option 2: Merger of RRRPD with the City of Cupertino** – RRRPD would be dissolved and its functions, services, assets, and liabilities transferred to the City of Cupertino. The City would integrate RRRPD programs and facility into current City operations and recreation planning. This option assumes that RRRPD's current property tax allocation would be entirely transferred to the City, and that all RRRPD services would be maintained by the City at current levels (or better). To meet the requirement for a merger all RRRPD territory<sup>19</sup> must be contained within the City of Cupertino. The two RRRPD parcels outside the City would need to be detached from RRRPD. Alternatively, the two parcels would need to be detached from San Jose and annexed to the City of Cupertino. **Option 3: Reorganize RRRPD as a Subsidiary District to the City of Cupertino** – RRRPD would remain a special district, but the Cupertino City Council would function as its board. All subsidiary district accounts would be held and reported separately from City funds. Legal and financial responsibility would be limited to the subsidiary district. The subsidiary district would continue to receive its current share of property tax and the tax would be restricted to subsidiary district purposes. To meet the requirement<sup>20</sup> for reorganizing as a subsidiary district, at least 70% of the RRRPD territory must be located within the City of Cupertino or 70% of the RRRPD registered voters must be within the City of Cupertino.

The LAFCO processes for Options 2 and 3 could be initiated by voter petition, RRRPD (or City) resolution, or by LAFCO. The process is described in **CHAPTER 4** and summarized on **TABLE 5**.

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<sup>19</sup> Gov. Code Sec. 57104

<sup>20</sup> Gov. Code Sec. 57105



TABLE 3 COMPARISON OF GOVERNANCE OPTIONS

Item	Governance Option		
	OPTION 1 Governance Status Quo (RRRPD)	OPTION 2 RRRPD Merger with City of Cupertino	OPTION 3 RRRPD becomes a Subsidiary District to Cupertino
<b>Reorganization</b>	No reorganization.	RRRPD is dissolved and merged with the City of Cupertino, which assumes responsibility for functions, services, assets, liabilities. RRRPD property tax is included in City General Fund.	RRRPD is reorganized as a subsidiary district of Cupertino. RRRPD property tax is allocated to the subsidiary district. All assets & liabilities remain with subsidiary district, accounted separately from City.
<b>Governance &amp; Representation</b>	No change. RRRPD remains an independent district governed by a 5-member elected/appointed Board of Directors comprised of District residents.	Cupertino City Council responsible for facilities & programs of former RRRPD, in addition to all other City recreation services. The Council is elected by all City voters.	Cupertino City Council serves as board of subsidiary district & is responsible for facilities and programs. The Council is elected by all City voters.
<b>Management &amp; Operation</b>	No change to management of programs and facilities by RRRPD staff.	City staff manage and operate former RRRPD programs & facilities at similar (or improved) levels.	Same as Option 2.
<b>Recreation Programs, Facilities and Plans</b>	No changes currently planned to programs.  District management plans to prepare a Strategic/Master Plan to guide facilities upgrades.	No changes currently planned to programs.  Facility and programs integrated into City operations, budget, Recreation Master Plan, & CIP.	No changes currently planned to programs.  Planning changes same as Option 2.
<b>Costs and Revenues</b>	District's typical budget shows a surplus of \$124,000/yr (before depreciation & election costs). Fund balances total \$1 mill.	City-run programs project a \$131,000/yr surplus from higher participation offset by staff costs. Fund balances of \$1 mill. transfer from RRRPD.	Likely to be similar to Option 2. Subsidiary district accounting, reporting, etc. may add minimal admin. costs. Fund balance remains w/subsidiary dist.
<b>Rates and Charges</b>	No changes currently planned to rate schedules.	No changes currently planned to rate schedules; uniform rate for all City residents.	Rates and charges same as Option 1 unless otherwise changed.
<b>Capital Costs</b>	District policy budgets depreciation (\$73,000/yr) and builds capital reserves for capital repair, replacement & upgrades. Capital priorities, costs & timing not determined, pending Plan.	Preliminary City budget for Rancho Rinconada includes depreciation. City has identified capital requirements and expects to budget annually towards capital needs.	Capital costs same as Option 2.

January 29, 2020

## OPTION 1: ADVANTAGES AND DISADVANTAGES OF STATUS QUO

Option 1 maintains RRRPD's current governance (Status Quo). RRRPD remains an independent recreation and park district with an elected / appointed Board of Directors, and continues to operate its programs and facility.

### Advantages

- Property taxes collected within the District continue to be spent for recreation services and facilities of the District.
- RRRPD continues to be governed by board of locally-elected and/or appointed District residents.

### Disadvantages

- The District could potentially revert to contentious and inefficient board practices.
- Potential future, ongoing election costs, and/or difficulty filling board vacancies.
- Property tax revenues levied within the District continue to be allocated to two recreation service providers within City boundaries (RRRPD and the City) and perpetuates the duplication and inefficiencies of aquatic recreation services and related administration within the Rancho Rinconada area of the City of Cupertino.

This option requires no further action by LAFCO, the City or RRRPD.

## OPTION 2: ADVANTAGES AND DISADVANTAGES OF MERGER OF RRRPD WITH THE CITY OF CUPERTINO

Option 2 involves the dissolution of RRRPD and merger with the City of Cupertino. RRRPD would be dissolved and its functions, services, assets, liabilities and property tax transferred to the City of Cupertino. This option assumes that RRRPD's current property tax allocation would be entirely transferred to the City, and that all RRRPD services would be maintained at current levels (or better) by the City. The City would integrate RRRPD programs and facilities into current City operations and recreation planning. The City does not anticipate significant

transition costs;<sup>21</sup> hiring of current RRRPD staff, which has not yet been decided by the City, could assist with a smooth transition.

Cupertino's FY19 General Fund budget allocates about \$8.6 million to Park and Recreation, or about 11 percent of the total General Fund budget; this is about \$136 per City resident, and funds a broad range of parks and recreation programs. By comparison, RRRPD provides aquatic programs and facility and the total budget for its aquatics program and facility is approximately \$243 per RRRPD resident; as part of the City, the RRRPD budget would add about \$15 per City resident, an increase of about eleven percent per City resident for parks and recreation.

The City of Cupertino's aquatics program currently operates at Black Berry Farm but is restricted to operating 100 days each year. Use of the RRRPD would allow for year-round programming. The swim lesson programs at RRRPD are very similar to the current City programs, although RRRPD focuses more on individual rather than group lessons. The City charges fees similar to RRRPD.<sup>22</sup>

Capital improvements to the facilities will be required for all options, utilizing current RRRPD reserves and future additional reserves. It is unknown whether and to what extent the City would contribute additional City funds.

Programming, staff needs, capital planning, and other issues influencing City operations of RRRPD programs and facilities would be delineated as part of a Plan for Services that would be required by LAFCO as part of a City application for RRRPD merger.

### **Advantages**

- Eliminates the duplication of aquatic recreation services and administration by two separate agencies within the Rancho Rinconada area of the City boundaries. This would dissolve one layer of government and reduce public confusion about governance responsibility for aquatic recreation services.
- No board member election costs (other than current and ongoing City council election costs) or potential difficulty filling board positions.

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<sup>21</sup> City of Cupertino response to 2019-09-06 Data Request.

<sup>22</sup> City of Cupertino response to 2019-09-06 Data Request.

- Reduces the possibility of the current District reverting to contentious and inefficient board practices.
- Programs and facilities of the former RRRPD would be publicized and available to all residents citywide at the same cost.
- The higher rates currently paid by non-residents of RRRPD would be revised and replaced by a uniform rate structure for all City residents (higher non-City resident rates may still apply).
- One entity, the City, would be responsible for planning, financing, and providing park and recreation services within the City of Cupertino.
- The City could expand its current seasonal swim program to a year-round program.
- Long-term planning for programs and facilities, including the former RRRPD facility, would be coordinated and integrated into current ongoing Citywide budget, CIP and recreation master planning.
- The management of recreation service delivery to the residents of the District would benefit from the more extensive management and supervisory structure of the City's Council, Parks and Recreation Department and other City departments (e.g., finance, public works).

#### **Disadvantages**

- Governance by the City Council would reduce representation of RRRPD voters regarding current RRRPD recreation affairs proportionate to all current City governance, facilities and services provided to RRRPD residents.
- Property tax revenue the City receives as a result of the dissolution and merger with the City would go into the City's general fund and could possibly divert current funding from programs and facilities of the former RRRPD.
- City operation currently is estimated to result in positive surpluses similar to a typical RRRPD budget, as shown in **TABLE 4**. The difference is not deemed to be significant in the context of the budget forecasts and future policy and operational decisions that will be made by the City and RRRPD.

This option could be initiated by petition, resolution by an affected agency, or resolution by LAFCO. The process is further described in **CHAPTER 4** and summarized on **TABLE 5**.



TABLE 4 RRRPD BUDGET VS. CITY OPTIONS 2 AND 3

Item	STATUS QUO RRRPD	OPTIONS 2 & 3 City
<b>REVENUES</b>		
Program Revenues (1)	\$438,500	\$460,400
Property Tax (2)	<u>530,000</u>	<u>530,000</u>
<b>Total Revenues</b>	<b>\$968,500</b>	<b>\$990,400</b>
<b>EXPENDITURES</b>		
<b>Administration and Office Expenses (3)</b>	\$77,957	\$31,957
<b>Facilities (4)</b>		
Building/Yard, Pool, Utilities	113,000	99,000
Facility Depreciation (5)	<u>73,000</u>	<u>73,000</u>
<b>Subtotal, Facilities</b>	186,000	172,000
<b>Program Expenses (exc. staff) (6)</b>	26,200	26,200
<b>Personnel (7)</b>	626,982	702,657
<b>Total Expenditures</b>	<b>\$917,139</b>	<b>\$932,814</b>
<b>ANNUAL SURPLUS OR (SHORTFALL)</b>		
Surplus or (shortfall) excluding depreciation	\$51,361	\$57,586
	\$124,361	\$130,586

- (1) Includes aquatics, rentals, and activities (snack bar, swim camp).  
 City estimates a 5% potential program revenue increase due to increased publicity Citywide.
- (2) Property tax is the District's share of the basic 1%.  
 Options 2 and 3 assume the same amount is transferred to City (or subsidiary dist.)
- (3) RRRPD "Administration" includes Board & office expenses, insurance and professional services.  
 Status Quo adds \$20,000 for general election costs instead of RRRPD budget for special election.  
 RRRPD legal costs reduced vs. FY20 to represent a more typical year.  
 City admin. costs exclude board expense, and accounting/legal (handled by existing City staff).
- (4) Facilities include building & yard, pool, and utilities.  
 RRRPD "Outside Services" assumed handled by additional City cost equal to 50% of RRRPD cost.
- (5) Depreciation is a non-cash accounting expense.
- (6) Program expenses include advertising, program supplies, & snack bar.
- (7) Personnel costs include payroll, taxes & benefits, and related expenses. 1/29/20

### OPTION 3: ADVANTAGES AND DISADVANTAGES OF A SUBSIDIARY DISTRICT

Option 3 would reorganize RRRPD as a subsidiary district to the City of Cupertino. RRRPD would become a City-dependent subsidiary district, and the City Council would serve as its board. As required by law, "...The district shall continue in existence with all of the powers, rights, duties, obligations, and functions provided for by the principal act, except for any provisions relating to the selection or removal of the members of the board of directors of the district."<sup>23</sup>

All subsidiary district accounts would be held and reported separately from City funds. Legal and financial responsibility would be limited to the subsidiary district. The subsidiary district would continue to receive its current share of property tax to be used for district purposes.

Programming, staff needs, capital planning, and other issues influencing City operations of RRRPD programs and facilities would be delineated as part of a Plan for Services that would be required by LAFCO as part of a City application for reorganization of RRRPD as a subsidiary district to the City.

#### Advantages

- RRRPD's current property tax revenue would continue to be allocated to the subsidiary district for programs and facilities of the former RRRPD, unlike the potential for a reduction or City re-allocation that could occur with Option 2. The City could contribute additional funding if desired.
- Eliminates the duplication of aquatic recreation services and administration by two separate agencies within the Rancho Rinconada area of the City boundaries. This would eliminate one elected board and reduce public confusion about governance responsibility for aquatic recreation services.
- No board member election costs (other than current and ongoing City council election costs) or potential difficulty filling board positions.
- Reduces the possibility of the current District reverting to contentious and inefficient board practices.
- Programs and facilities of the former RRRPD would be publicized and available to all residents citywide; it is assumed that the current RRRPD rate structure would continue

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<sup>23</sup> Gov. Code Sec. 57534.



to apply higher rates for non-RRRPD residents, however, the schedule could be changed by the subsidiary district.

- One entity, the City, would be responsible for planning for, financing, and providing park and recreation services within the City of Cupertino.
- The City could expand its current seasonal swim program to a year-round program.
- Long-term planning for programs and facilities, including the former RRRPD facility, would be coordinated and integrated into current ongoing Citywide budget, CIP and recreation master planning.
- The management of recreation service delivery to the residents of the District would benefit from the more extensive management and supervisory structure of the City's Council, Parks and Recreation Department and other City departments (e.g., finance, public works).

#### **Disadvantages**

- Restricting RRRPD's property tax revenue to the subsidiary district could reduce the City's flexibility in managing and funding its programs for all City residents.
- Governance by the City Council would reduce representation of RRRPD voters regarding current RRRPD recreation affairs proportionate to all current City governance, facilities and services provided to RRRPD residents.
- City operation currently is estimated to result in positive surpluses similar to a typical RRRPD budget, as shown in **TABLE 4**. The difference is not deemed to be significant in the context of the budget forecasts and future policy and operational decisions that will be made by the City and RRRPD.

This option could be initiated by petition, resolution by an affected agency, or resolution by LAFCO. The process is further described in **CHAPTER 4** and summarized on **TABLE 5**.

## 4. LAFCO PROCESS

Option 1, the Status Quo, requires no further action by LAFCO, the City or RRRPD.

The LAFCO processes for Options 2 and 3 are similar and could be initiated by voter petition, RRRPD (or City) resolution, or by LAFCO. **TABLE 5** summarizes the process for the two reorganization options. In the event of a City resolution, LAFCO will require preparation of a Plan for Services that will describe in detail the City's proposed plans, programs, capital improvements, staffing, costs and revenues for management of RRRPD programs and facilities.

### FINDINGS REQUIRED FOR LAFCO-INITIATED REORGANIZATION

Following are determinations required if LAFCO is to initiate a reorganization.<sup>24</sup>

**(1) Public service costs of the proposal are likely to be less than or substantially similar to the costs of alternative means of providing the service.**

The surplus estimated for Option 2 and Option 3 is substantially similar to the Status Quo surplus, and the difference is less than one percent of total revenues. The minimal difference is not significant due to policy and program differences and future uncertainty in the context of budget forecasts. Therefore LAFCO could meet this determination in order to initiate a reorganization.

**(2) The proposal promotes public access and accountability for community services needs and financial resources.**

RRRPD holds regular, noticed meetings and periodic open houses and provides a website with comprehensive information about the District, its financial documents, and other public information; however, RRRPD has faced criticism for a lack of public outreach and public awareness of the District, board dysfunction, and lack of a quorum during a portion of 2019. Currently the District has adequate liquidity and fund balances; however, as noted above, the District lacks a facilities master plan/strategic plan to guide future capital improvements.

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<sup>24</sup> Gov. Code Sec. 56375(a)(2)(C/D) and 56881(b)

Option 2 and Option 3 would increase public access by expanding oversight, management, publicity and program coordination Citywide; plans and programs would be integrated into Citywide planning.

A change in oversight from RRRPD to the City council would reduce current RRRPD representation from the point of view of RRRPD residents to the level of all other City services, and would increase representation of all City residents. Currently about 20 percent of RRRPD use is attributable to RRRPD residents, although this overall average varies by program and reaches 50 percent or more for certain programs.

A reorganization would reduce the possibility of future RRRPD board conflict similar to what the District experienced in recent years.

## LAFCO TERMS AND CONDITIONS

Any reorganization may be made subject to one or more terms and conditions in LAFCO's resolution of approval.<sup>25</sup> Potential terms may include one or more of the following; the terms are likely to evolve as reorganization proposals are better defined and reviewed by LAFCO.

- **Property** – This study assumes that all property owned by RRRPD would be transferred to the City in the case of an RRRPD dissolution/merger with City, or retained by the subsidiary district in Option 3. Further review is required to clarify rights and obligations of RRRPD with respect to use of private streets fronting the RRRPD facility, and an access easement for a walkway across from the RRRPD facility (access is currently blocked by a property owner).
- **Funds** – Option 2 includes the transfer of all RRRPD liabilities and assets, including fund balances and cash assets to the City following dissolution of RRRPD. The government code indicates that “...So far as may be practicable, as determined by the city council, any of these funds, money, or property shall be used for the benefit of the lands, inhabitants, and taxpayers within the territory of the merged district.”<sup>26</sup>

In the case of Option 3, all assets and liabilities would remain with the subsidiary district, pursuant to State law, which states “...The district shall continue in existence with all of the powers, rights, duties, obligations, and functions provided for by the principal act,

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<sup>25</sup> Gov. Code Sec. 56886.

<sup>26</sup> Gov. Code Sec. 57533.

except for any provisions relating to the selection or removal of the members of the board of directors of the district.”<sup>27</sup>

- **Employee benefits and rights** – A reorganization proposal will need to recognize and address any RRRPD employee contracts, civil service rights, seniority rights, retirement rights, and other employee benefits and rights; for example, accrued but unpaid vacation and holiday time would need to be paid to terminated employees. Current full-time employees benefit from a defined Sec. 457 contribution plan; employees do not belong to a defined benefit retirement system managed by CalPERS (or other entity) and therefore RRRPD has no unfunded pension liabilities.
- **Effective date** – LAFCO will need to specify an “effective date” at which time any and all changes will be effective.
- **Service continuation** – LAFCO may require, in the event of a reorganization, that the City must continue to provide programs and facilities substantially comparable to current RRRPD programs.

The City may choose to employ former RRRPD staff, which would also facilitate transition from the District to the City and continue programs without interruption.

- **RRRPD parcels outside City boundary** -- Currently two parcels that are within RRRPD are outside the City’s boundary; the City is negotiating with the County to purchase the parcels and then could detach from San Jose and annex them to the City, or the parcels must be detached from RRRPD for Option 2 since all merged RRRPD territory must be within City boundaries. Creation of a subsidiary district per Option 3 allows a portion of the subsidiary district to exist outside City boundaries.<sup>28</sup>

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<sup>27</sup> Gov. Code Sec. 57534.

<sup>28</sup> Gov. Code Sec. 57105.



TABLE 5 SUMMARY OF LAFCO PROCEEDINGS FOR REORGANIZATION PROCESS

Item	Governance Options	
	OPTION 2 RRRPD Merger with City of Cupertino	OPTION 3 RRRPD becomes a Subsidiary District to Cupertino
<b>1. Initiation of Proposal</b>	Proposal shall contain a description of changes, proposed terms and conditions, boundaries and map of affected territory, and other items (Sec. 56700).	Same as Option 2.
<b>Petition</b>	Signed by 5% of registered voters of RRRPD OR 5% of City voters outside the district (GC §56866).	Same as Option 2.
<b>Resolution by Affected Agency</b> Sec. 56654	RRRPD or the City may adopt a resolution to initiate the proposal, and provide notice to LAFCO and each interested and subject agency 21 days before adoption. Must contain a plan for services per §56653.	Same as Option 2.
<b>Resolution by LAFCO</b> Sec. 56375(a)(2) & §56881	LAFCO may initiate only if consistent with a LAFCO study / service review / sphere of influence review and LAFCO finds: 1) Costs are substantially similar or less than alternatives; 2) The change promotes public access and accountability for services and financial resources.	Same as Option 2.
<b>2. Processing of the Application (non-LAFCO initiated)</b>	Upon receipt of application, LAFCO provides mailed notice to each affected agency, and within 30 days determines if application is complete (Sec. 56658).	Within 10 days of proposal receipt, LAFCO notifies affected district. Within 35 days of receiving notice district may adopt and file with LAFCO 1) resolution consenting; OR 2) resolution of intent to file an alternative proposal (Sec. 56861).
<b>Property Tax Transfer</b>	City Council and BoS adopt resolutions of property tax transfer per Rev. & Tax Code Sec. §99(b).	N/A
<b>Certificate of Filing</b> Sec. 56658	A certificate of filing is issued when application is deemed complete, and no sooner than 20 days after mailing notice.	If district files intention to adopt an alternative proposal, LAFCO takes no action for 70 days to allow district to submit a complete alternative proposal (Sec. 56862).
<b>Hearing &amp; Notification</b> Sec. 56658 and 56660 and 56665	LAFCO sets hearing within 90 days after Certificate issued, or application accepted. Notice posted at least 21 days prior, and report distributed 5 days prior to hearing.	Same as Option 2. LAFCO analyzes and reports on original proposal and alternative at the same hearing.



TABLE 5 SUMMARY OF LAFCO PROCEEDINGS FOR REORGANIZATION PROCESS (cont'd)

Item	Governance Options	
	OPTION 2 RRRPD Merger with City of Cupertino	OPTION 3 RRRPD becomes a Subsidiary District to Cupertino
<b>Adoption of Resolution</b> Sec. 56880 et seq.	No later than 35 days after hearing, LAFCO adopts resolution to approve/disapprove, including any terms and conditions (Sec. 56886) or alternatives. Note: LAFCO may not order a merger without City consent (Sec. 57107c).	No later than 35 days after hearing, LAFCO adopts resolution denying both proposals, or approving one (Sec. 56863). Note: LAFCO may not order establishment of subsidiary district without City consent (Sec. 57107c).
<b>Protest Hearing</b> Sec. 57002	Within 35 days of resolution, LAFCO sets date and provides notice for protest hearing that must be held between 21 and 60 days after notice is given.	Upon request of district, the protest hearing shall be at least 90 days but no more than 135 days from date notice is given
<b>Protest Thresholds</b>	LAFCO approves reorganization subject to confirmation of voters in an election (§57107) if proposal was initiated by petition or resolution and (1) RRRPD has not objected to proposal by resolution and at least 25% of # of landowners within affected territory who own at least 25% of assessed value of land within the territory OR at least 25% of voters within the affected territory submit written protest or (2) RRRPD has objected to proposal by resolution and at least 25% of # of landowners within any subject agency within the affected territory who own at least 25% of the assessed value of land within the territory OR at least 25% of voters within any subject agency within the affected territory submit written protest.  If proposal was initiated by LAFCO, order a merger or establishment of subsidiary district subject to confirmation of voters in an election if written protest is submitted by at least 10% of # of landowners within the affected territory who own 10% assessed value of land within the territory OR at least 10% of the voters within the territory. Otherwise no election is required.	Same as Option 2.
<b>Election</b>	Prior to conclusion of protest hearing, a petition to request election signed by at least 10% of registered voters in RRRPD may be filed with LAFCO (§57108). LAFCO will review for sufficiency and forward to City and City must call, hold and conduct election on question of a merger or establishment of subsidiary district only within RRRPD.	Same as Option 2.
<b>Certificate of Completion</b> Sec. 57001 & 57200 et seq.	LAFCO files Certificate of Completion within one year after resolution. of approval (or within 90 days after election if required as a result of Protest Hearing).	Same as Option 2.
Note: this table summarizes key provisions to provide general overview only; the reader should consult codes for specific language and requirements which may not be detailed in this table. Code Sections refer to the Government Code unless otherwise indicated.		
		January 29, 2020

# APPENDIX A

## DETAILED BUDGET ESTIMATES

**Table A-1**  
**RRRPD Budget vs. City Option - Detail with Comments**

Item	RRRPD Estimated	City Options FY19-20	Comments
<b>REVENUES</b>			
<b><u>Aquatics</u></b>			
<b>Public Swim</b>			
Pool Passes	7,000		
Punch Passes	6,000		
Day Passes	<u>26,000</u>		
Subtotal, Public Swim Revenues	39,000		
Swim Lessons	222,000		
SwimTeam	<u>71,000</u>		
Subtotal, Other Aquatics Revenues	293,000		
<b>Subtotal, Aquatics Revenues</b>	<b>332,000</b>		
<b><u>Rentals</u></b>			
Pool Rental	27,500		
BBQ Rental	3,000		
Hall Rental	<u>33,000</u>		
<b>Subtotal, Rentals Revenues</b>	<b>63,500</b>		
<b><u>Activities</u></b>			
Snack Bar	3,000		
Swim Camp	<u>40,000</u>		
<b>Subtotal, Activities Revenues</b>	<b>43,000</b>		
<b>Subtotal, Operating Revenues</b>	<b>438,500</b>	460,400	City estimates 5% revenue increase from Citywide publicity.
<b><u>Property Taxes</u></b>			
<b>Subtotal, Property Taxes</b>	<b>530,000</b>	530,000	
<b>TOTAL REVENUES</b>	<b>968,500</b>	<b>990,400</b>	



**Table A-1**  
**RRRPD Budget vs. City Option - Detail with Comments**

Item	RRRPD Estimated	City Options FY19-20	Comments
<b>EXPENDITURES</b>			
<b><u>Administration</u></b>			
<b>Board Expense</b>			
Stipends	6,000		
Other Board Expenses	1,500		
Elections	<u>20,000</u>	<u>0</u>	RRRPD adopted budget included \$150,000 but there will be no special election; est'd
<b>Subtotal, Board Expense</b>	<b>27,500</b>	<b>0</b>	City option assumes no Board expenses (BA est.)
<b>Office Expense</b>			
Liability Insurance	15,000	15,000	City may be able to obtain lower cost by including in current policies.
Directors & Officers Insurance	inc. above	0	
Bank Service Charges	375	375	
Computer Expenses	3,500	3,500	
Dues, Fees and Subscriptions	7,000	0	City already subscribes (or not req'd).
Postage and Delivery	250	250	
Security System	132	132	
Supplies	1,000	1,000	
Telephone/Internet	<u>1,700</u>	<u>1,700</u>	
<b>Subtotal, Office Expense</b>	<b>28,957</b>	<b>21,957</b>	
<b>Professional Fees</b>			
County Administrative Fees	5,000	5,000	City will still pay County for tax collection charges (BA est.)
Audit	10,000	5,000	City will integrate accounting into existing CAFR (50% savings, BA est.)
Accounting	3,500	0	City will use existing City accounting (after setup & transition) (BA est.)
Legal Fees (BA adjusted for typical yr)	3,000	0	City will use current City attorney (City est.)
Consulting/Outside Services	<u>0</u>	<u>0</u>	
<b>Subtotal, Professional Fees</b>	<b>21,500</b>	<b>10,000</b>	
<b>Subtotal, Administration</b>	<b>77,957</b>	<b>31,957</b>	

**Table A-1**  
**RRRPD Budget vs. City Option - Detail with Comments**

<b>Item</b>	<b>RRRPD Estimated</b>	<b>City Options FY19-20</b>	<b>Comments</b>
<b>Facility</b>			Capital costs separate; City estimates \$50,000/yr.
<u>Building and Yard</u>			See "Personnel" for building and grounds maintenance staff costs.
Maintenance & Repair	2,500	2,500	
Supplies	2,500	2,500	
Outside Services	<u>28,000</u>	<u>14,000</u>	Includes parts. City staff provides portion of this item? (see "personnel-maintenance").
<b>Subtotal, Building and Yard</b>	<b>33,000</b>	<b>19,000</b>	
<u>Pool</u>			City "Pool" costs assumed comparable to RRRPD costs.
Pool Chlorine & CO2	12,000	12,000	
Pool Maintenance & Supplies	<u>15,000</u>	<u>15,000</u>	
<b>Subtotal, Pool</b>	<b>27,000</b>	<b>27,000</b>	
<u>Utilities</u>			City "Utility" costs assumed comparable to RRRPD costs.
Gas and Electric	36,500	36,500	
Water	13,500	13,500	
Garbage	<u>3,000</u>	<u>3,000</u>	
<b>Subtotal, Utilities</b>	<b>53,000</b>	<b>53,000</b>	
Depreciation			"Depreciation" is a non-cash accounting expense.
<b>Subtotal, Depreciation</b>	<b>73,000</b>	<b>73,000</b>	
<b>Subtotal, Facility</b>	<b>186,000</b>	<b>172,000</b>	
<b>Subtotal, Facility (net of depreciation)</b>	<b>113,000</b>	<b>99,000</b>	
<b>Programs</b>			
Advertising	10,000	10,000	Correspondence with City 1/9/20.
Program Supplies & Related	14,500	14,500	
Snack Bar Expenses	<u>1,700</u>	<u>1,700</u>	
<b>Subtotal, Programs</b>	<b>26,200</b>	<b>26,200</b>	Correspondence with City 1/9/20.

**Table A-1**  
**RRRPD Budget vs. City Option - Detail with Comments**

Item	RRRPD Estimated	City Options FY19-20	Comments
<b>Personnel</b>			
<u>Full-time Personnel</u>			
General Manager	104,700	172,362	City Costs include full-time General Manager (no program manager).
Accounting & Records Manager	66,200		City's costs included in payroll services below. Not a separate full time position.
Program Manager	57,800		City Costs include full-time General Manager (no program manager).
Building Maintenance		117,109	City Costs include - Full-time building maintenance position with benefits. Includes health benefits, retirement cost, FICA, and Workers Comp), assumed similar ratio for RRRPD (from RRRPD response) and City. City benefits and costs may be greater than RRRPD. City Positions costs include benefits.
Full-time, Taxes and Benefits	<u>37,800</u>	<u>0</u>	16.5%
Subtotal, Full-Time	266,500	289,471	
<u>Part-time Personnel</u>			
Maintenance			
Building Maintenance	26,000		RRRPD cost estimate assumes 1/2 time, \$25/hour; City cost included under "Full-time Personnel"
Grounds Maintenance		23,422	RRRPD Grounds Maint. cost in "Outside Services" (\$30,000); City Cost includes part-time grounds maintenance with benefits
Maintenance Staff, Taxes and Benefits	<u>5,824</u>		RRRPD estimates assumes 22.4% taxes and benefits (approximate ratio shown in response to data request). City benefits and costs may be greater than RRRPD. City positions costs include benefits.
Subtotal, Maint. (inc. taxes/benefits)	31,824	23,422	

**Table A-1**  
**RRRPD Budget vs. City Option - Detail with Comments**

<b>Item</b>	<b>RRRPD Estimated</b>	<b>City Options FY19-20</b>	<b>Comments</b>
<u>Program Staff</u>			
Program Staff Pay	257,400	340,453	RRRPD Regular pay (RRRPD response to data request); City cost Includes salary only. Benefits included below.
Program Staff, Taxes and Benefits	<u>57,658</u>	<u>20,711</u>	22.4% Includes OT, health benefits, FICA, and Workers Comp), assumed similar ratio for RRRPD and City. No retirement benefits are included in total.
Subtotal, Program Staff	315,058	361,164	
<u>Other Personnel Costs</u>			
Payroll Tax Expense			see staff categories above for est'd allocations of taxes & benefits.
Health Benefits	see above	see above	
Retirement Benefits	see above	see above	
Insurance - Worker's Comp	see above	see above	
Mileage Reimbursement	600	600	
Staff Development	5,000	5,000	
Education and Seminars	3,000	3,000	
Payroll Service	<u>5,000</u>	<u>20,000</u>	City's Accounting and Records management is part of the City's Cost Allocation Plan. This is not a separate full-time City position.
Subtotal, Other Personnel Costs	13,600	28,600	
<b>Subtotal, Personnel</b>	<b>626,982</b>	<b>702,657</b>	
<b>TOTAL EXPENDITURES (before CIP or reser</b>	<b>917,139</b>	<b>932,814</b>	
(less) Depreciation (non-cash expense)	(73,000)	(73,000)	
<b>TOTAL EXPENDITURES (net of deprecia</b>	<b>844,139</b>	<b>859,814</b>	
<b>ANNUAL SURPLUS</b>	<b>51,361</b>	<b>57,586</b>	
Annual Surplus (excluding depreciation)	124,361	130,586	

1/29/20

## APPENDIX B

### RRRPD PROGRAMS AND PRICING

## 6) Programs Description, participants, hours, etc.

### Swim Lessons

#### Program Summary

The most popular program at Rancho Rinconada is private swim lessons. The 1:1 instructor to student ratio is an effective teaching method which allows for the best progress for a wide variety of students. The downside is that private lessons are both labor and administratively intensive when compared to group lessons.

Each lesson is 25 minutes long and consists of a brief warm-up, lesson time, brief play time (where appropriate), and a check-in with parents after the lesson ends. In some cases, advanced students take back to back lessons effectively creating a 50-minute lesson. The lessons come in two-week blocks called sessions.

The number of lessons per session varies between two to eight depending on the season. During the summer, the weekday sessions have eight lessons while the weekend sessions have four lessons. The off-season lessons are more flexible with as little as two lessons per session. Typically, the off-season patrons opt for one, two, or three lessons per week (2, 4, or 6 lessons per session respectively).

There are roughly 8,450 lessons delivered annually with the majority clustered in the summer months. The typical age for students is between 3 and 13 years old, however, adults and students with special needs are not uncommon.

#### Program Details

The swim lesson program has three distinct seasons (spring, summer, and fall) and one sub-program (precomp). Spring and fall are functionally identical but with lower demand in the spring. The pricing per lesson is identical but the hours, lesson time, participant demographics, and number of lessons are different.

Season	Lesson format	Lessons per week	Total Lessons (#)	Lesson Time (minutes)	Price per lesson (\$)	Session Price (\$)
Off-season	once per week	1	2	25	30/25	60/50
Off-season	twice per week	2	4	25	30/25	120/100
Off-season	three per week	3	6	25	30/25	180/150
Summer	Weekday	4	8	25	30/25	240/200
Summer	Weekend	2	4	25	30/25	120/100
Summer	Precomp	4	8	50	30/25	240/200

\*Pricing is shown as non-resident/resident

The availability of lessons is based almost exclusively on the number of instructor with available hours. Demand is nearly limitless with the exception of early spring, late fall, and summer morning hours.

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### Rancho Rinconada Recreation and Park District

#### Off-season Swim Lessons

Spring - Mid-March through early June

Fall - Mid to late August through October

3:30 pm to 7:00 pm on weekdays

10:00 am to 12:00 pm on weekends

In the off-season, swimmers can select the day, instructor, and time of their choice. In addition, the minimum number of lessons per session is reduced to two (one lesson per week). This allows for flexibility for busy schedules. Typically, swimmers will select between one to three days per week. The minimum age is 5 years old and there is no maximum.

There are between 0 and 11 instructors available at any one time and lessons begin every half hour. A deck supervisor will generally be assigned when there are more than 5 instructors in the water. In 2018, 1174 spring lessons and 1366 fall lessons were delivered.

#### Summer hours

Early June through mid-August

9:00 am to 12:00 pm Monday through Thursday

3:00 pm to 8:00 pm Monday through Thursday

9:00 am to 12:00 pm Saturday & Sunday (most but not all weekends)

In the summer, swimmers do not directly select their instructors as it would be administratively burdensome to do so. Instead, the scheduler matches students and instructors based on their profiles and requests. The minimum age is 3 years old and there is no maximum.

There are typically between 9 to 12 instructors on weekends, 10 to 12 on weekday evenings, and roughly 4 to 9 on weekday mornings. As a result, a deck supervisor is always assigned. In 2018, there were 5918 summer lessons delivered.

#### Precompetitive Swim Training

Aligned with summer weekday sessions and created on an as-needed basis in the off-season

7 to 8 pm Monday through Thursday

Precompetitive Swim Training (precomp) bridges the gap between a 25-minute private lesson and the endurance heavy 1-hour competitive swim team practices. Precomp is 50 minutes long and uses a small group format with a ratio of between 2 and 4 students per instructor.

Roughly half the time is used for advanced racing techniques and terminology that is unnecessary for recreational swimmers (pulldowns, backstroke flip turns, finger drags, racing dives, IM order, introduction to swim sets, etc.). The other half of the time is used for endurance training that will be essential for competitive swim practice.

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Rancho Rinconada Recreation and Park District

## Youth Swim Team

### Program Summary

The Rancho Youth Swim Team provides a competitive outlet for swim lesson students looking to go to the next level. Training is 1 hour long and is run by two swim team coaches. Certain swimmers push their limits and swim for 2 hours. The participants are grouped into lanes with similar swim ability.

The minimum requirements to join the youth swim team are as follows: swim 50 yards of freestyle, backstroke, breaststroke, butterfly, a dive, a flip turn, and be under 18. Completing at least one session of precomp is recommended. Due to the high requirements, the swimmers are mostly between 8 to 14 years of age. The Swim Team serves as an important source of new qualified employees for the District.

More recently, the Rancho Swim Team has begun to move beyond the cabana club leagues to participate in the national organization USA Swimming. Within the last year, several members of the swim team have qualified for, and competed in, the Junior Olympics and the more prestigious Far Western Championships.

### Program Details

As with many of the programs at Rancho, the Swim Team is year-round. The program swells in the summer and fall before dropping to an all-time low in the spring.

#### **Pricing**

\$100 per month, \$90 for the second sibling, \$80 for the third sibling

\$75 annual registration fee

#### Off-season Hours

4 pm to 7 pm Monday through Friday

#### Summer Hours

9 am to 11 am Monday through Thursday

4 pm to 8 pm Monday through Friday



## Public Swim

### Program Summary

Public Swim is the second most popular program at Rancho Rinconada. This program is notable as most pools require a membership for entry. In Cupertino, BlackBerry Farm is the only one available and it is only open for 100 days per year.

There are at least 8,781 public swim entries annually and could be significantly higher. An exact count is made difficult by the prepaid passes and folks who swim twice per day in the summer. The public swim program is remarkably popular but is also very heavily subsidized by other programs.

### Program Details

#### Public Swim

May through mid-June, mid-August through September

Saturday & Sunday 12 to 3 pm

Mid-June through Mid-August

Weekdays 12 to 3 pm

Weekends 12 to 6 pm

Type of Entry	Non-Resident	Special
Day pass (4+ years old)	6	4
10 passes	54	36
Family pass (up to 4)	250	200
Add 1 to family pass	25	25
Group rate (10+)	4	4

The main public swim program has single lap lane open for exercise swimming, a 9.5 ft deep end for diving, and a shallow end appropriate for weak or non-swimmers. The visitor demographics is families with young children and children attending with summer camps.

The program is split between recreational swim where all swimmers are welcome and adult swim where only adults and adults with infants are allowed. The recreational swimming portion is the first 45 minutes of every hour while adult swim is the last 15 minutes of every hour.

The ratio of swimmers to lifeguards is as follows:

On-Duty Lifeguards	Total Lifeguards	Maximum Swimmers
1	2	20
2	3	50
3	4	75
4	5	100

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One lifeguard is always kept on reserve in order to treat any injuries (usually bee stings, nose bleeds, or a minor scrape), answer questions, or to assist on-duty lifeguards (typically to bring water if needed).

The main program is supplemented by two dependent programs (snack bar and BBQ rentals) and a separate sub-program (lap swim). These will be discussed in more detail in the following section.

#### BBQ pool party rental

The hours are concurrent to public swim

\$75 for 3-hour rental

\$120 for 6-hour rental

\$4 per swimmer up to 25 swimmers

The BBQ rental is a space adjacent to the pool. It has its own private gate to both the parking lot and to the pool. It is suitable for parties between 15 and 40 people. The rental is allowed to have as many as 25 swimmers. It comes with a canopy, a BBQ grill, and three picnic tables.

#### Snack Bar

Open during adult swim (excludes first and last hour)

\$1 per item

During adult swim, typically only one lifeguard is needed. This frees up the other lifeguards to operate the snack bar. The snack bar is meant to be a convenience hence all snacks are priced at \$1. The food is prepackaged which eliminates handling and preparation. This is one of the amenities that is mentioned often by patrons.

#### Adult Lap Swim

Weekdays 7:00 am to 9:00 am year-round

Type of Entry	Non-Resident	Special
Day pass (4+ years old)	6	4
10 passes	54	36
3 month pass	125	100

Lap swim is a year-round program dedicated to exercise swimming for individuals 15 and up. This program is particularly important for adults with health issues that prevent non-aquatic exercise (arthritis, back issues, etc.).

Lap swimmers tend to skew older than the public swimmers. These swimmers tend to be working professionals between the late 30s to early seventies.

## Swim Camp

### Program Summary

The swim camp is the newest program at Rancho Rinconada. The idea was first presented to the Board of Directors in late 2017 and was rolled out in 2018. As with many new programs, the camp struggled to break even in its first year. At the end of the season, the Board of Directors approved a host of recommended program improvements. The camp, now in its second year, is operating at full capacity with a wait list and has a positive net revenue. In terms of search results, the swim camp is the third most popular program at Rancho Rinconada.

The swim camp is a full day program with extended care option. Parents can register children from kindergarten through 5<sup>th</sup> grade on a weekly basis. The swim camp focuses much more on recreation, cooperation, swimming, and fun!

As the name suggests, swimming is a big part of the camp. Each week of camp includes four group swim lessons (maximum of 1:3 instructor to student ratio) and supervised recreational swim times every day. When the campers aren't swimming, there is a variety of daily activities. For example, art projects, making slime, or balloon racing. There is also a field trip to Sterling-Barnhart Park on Fridays.

### Program Details

#### **Pricing**

\$300 camp fee

\$100 deposit (refundable)

\$12 shirt fee

\$50 optional extended care

#### **Hours**

8:30 am to 4:30 pm Monday through Friday

4:30 pm to 6:00 pm extended care

## Rentals

### Pool Rental

#### Summary

The pool can be rented for private events but is not a particularly popular. The pool is too large and the cost is too high for most parties. In addition, the best pool times are already reserved for public swim or other programs. The BBQ rental seems to fit the cost, time, and party size requirements instead.

The hourly cost is divided into the rental cost and lifeguard cost. There is also a refundable \$500 security deposit.

Maximum Swimmers	Hourly Rental Fee(\$)	Lifeguard Fee (\$)	Total Hourly Cost (\$)
40	100/80	60	160/140
75	100/80	90	190/170
100	100/80	120	220/200

#### Recreation Partners

Recreation partners offer services to the community that the District does not have the ability or desire to. Currently, this is limited to two different scuba outfits and a separate swim school. In the past, several other swim teams rented the pool. The pricing is \$18 per lane and insurance is required.

#### Hall rental

The recreation hall can be rented for private events. This is a fairly popular option for residents as the recreation hall is very affordable and is close to home. It is ideal for entertaining a large gathering when the home is not quite big enough. There are roughly 100 chairs, ten 2.5 x 6 tables, ten round 4-foot tables, and a full kitchen.

The pricing is divided between peak and off-peak times. Peak hours are Friday evenings and Saturday & Sunday afternoons. Off-peak is everything else. The hall is rarely if ever rented out during weekday days. There is a refundable \$500 security deposit.

Rental Time	Rental Fee (\$/hr)
Peak	80/60
Off-Peak	60/40

#### Recreation Partners

Recreation partners offer services to the community that the District does not or cannot. This can include yoga classes, after school care, religious and/or cultural gatherings, or music events. The recreation partners pay the special fee and generally rent on a regular basis.

## APPENDIX C

### RRRPD STAFF INFORMATION

## 1) Salaried Staff (GM, PM, A&R)

1a. Written job descriptions (other than the 2019 Salary Review descriptions) if available

The Board has not approved of any job descriptions for any of the salaried employees. This issue will be addressed once a 3<sup>rd</sup> Board Member is seated.

1b. Contracts and/or other agreements

Please see the attached General Manager Employment Contract (item 1b) approved at the Regular October 2018 Board Meeting. The contract expires in 2020 and is the first and only employment contract.

1c. Current salary

See table in section 1e.

1d. Summary of benefits

50% ER contribution towards the following health benefits:

- Kaiser Silver 70 HDHP HMO 2000/20% health insurance plan (see attached 1d 1)
- Delta Dental Premiere 1500 Plan (See attached 1d 2)
- MES Vision (see attached 1d 3)

4% employer match to defined contribution 401a/457b plan

Worker's Compensation

Unemployment

120 hours PTO

1e. Tax and benefit costs per position

Position	Annual Salary	Health Cost	Retirement Cost	Tax costs (FICA)	Estimated Worker's Compensation* (3.11%)	Unemployment	Total Cost
General Manager	104,737	2,181	4,036	8,291	3,257	pay per claim	122,503
Accounting & Records Manager	66,150	533	2,646	5,021	2,057	pay per claim	76,408
Program Manager	57,750	1,670	2,310	4,049	1,796	pay per claim	67,575

## 2) Part-time/seasonal positions

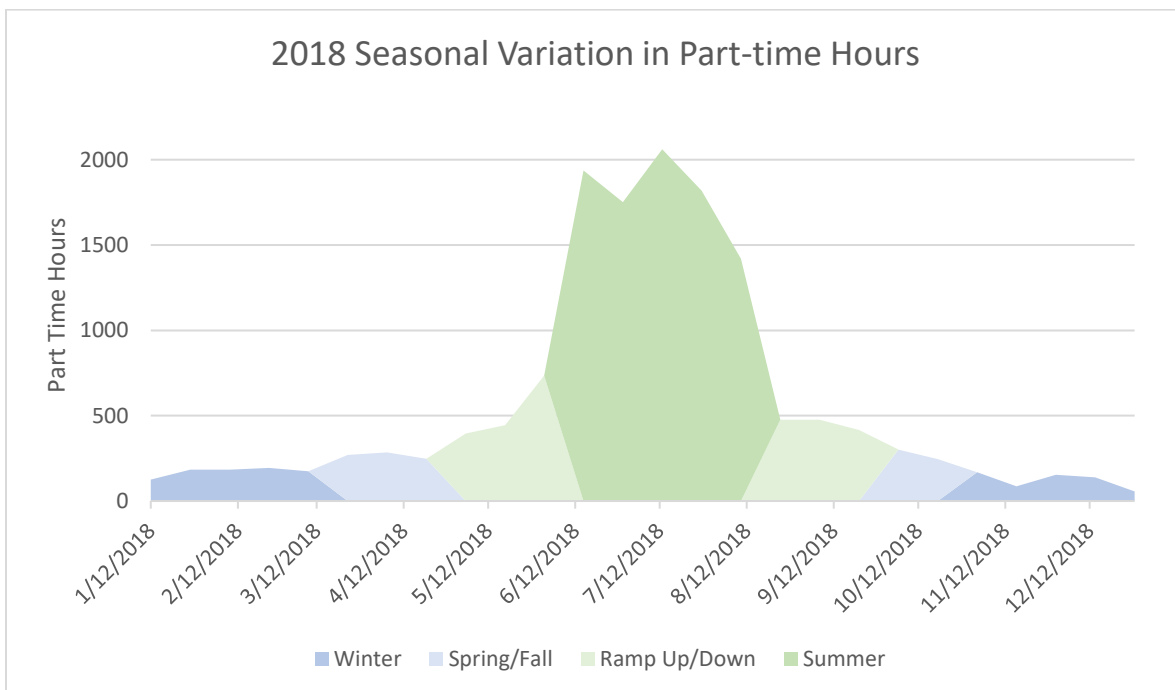
### 2a. Written job descriptions

The job descriptions exist as part of the staff policy and training manuals.

1. General Policy (item 2a 1)
2. Accounting Policies (item 2a 2)
3. Lesson Manager (item 2a 3)
4. Deck Supervisor (item 2a 4)
5. Instructor (item 2a 5)
6. Pre-comp (item 2a 6)
7. Swim Team Manager (item 2a 7)
8. Swim Team Coach (item 2a 8)
9. Lifeguard Manager (item 2a 9)
10. Senior Lifeguard (item 2a 10)
11. Lifeguard (item 2a 11)
12. Camp Manager \*New Position 2018\* (item 2a 12)
13. Camp Staff \*New Position 2018\* (item 2a 13)
14. Office Manager Draft \*New Position 2019\* (item 2a 14)
15. Events & Marketing Draft \*New Position 2018\* (item 2a 15)
16. Scheduler (item 2a 16)
17. Office staff (item 2a 17)
18. Maintenance & Janitorial – No job description or training manual

### 2b. Number of staff by position, hours/week and annual

There were 14,759 part-time hours worked in 2018. The hours are skewed heavily towards the summer months as shown in the following graph.



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There are distinct seasons which are outlined in the graph: winter, transition, ramp up/down, and summer. The type of part-time work available in each season is very different.

The table below shows the number of scheduled weekly part-time hours by position. It does not include setup and cleanup which can add between 4 to 50% to the shift length. In addition, a single staff member may be counted in multiple positions due to extensive cross-training.

Irregular or unscheduled work hours were either combined/averaged with other similar positions when possible or excluded. These types of shifts include occasional off-season swim meets, program planning, special projects (scanning, painting, shredding, etc.), rental supervision, or tabling.

Department	Position	Winter	Spring/Fall	Ramp	Summer	# of staff
Public Swim	Lifeguard Manager	20	20	3	20	2
Public Swim	Senior Guard			6	27	10
Public Swim	Lap Swim Guard			20	20	7
Public Swim	Lifeguard			18	108	35
Swim Team	Swim Team Manager	30	30	3	20	1
Swim Team	Coach			30	81	9
Lessons	Lesson Manager	8	72.5	4	21	2
Lessons	Deck Supervisor			4	38	7
Lessons	Instructor			94	346	62
Lessons	Precomp Instructor			8	8	2
Swim Camp	Camp Manager	3	4	4	50	1
Swim Camp	Camp Staff			127.5	8	
Office	Office Manager	8	12	6	6	1
Office	Events & Marketing				6	1
Office	Scheduler				20	1
Office	Office Staff				82	17
Maintenance	janitorial	10.5	10.5	10.5	10.5	1
Maintenance	Maintenance	8	8	8	8	1
<b>Totals</b>		<b>79.5</b>	<b>157</b>	<b>230.5</b>	<b>999</b>	

2c. Hourly rate by position and/or staff person

Maintenance \$25

Managers \$20

Training & Lifeguarding \$15-16

All else \$17-18

2d. Other taxes and benefits by position and/or total part-time

	Regular Pay	OT excess	Other Pay	Tax Costs FICA	Benefits Sick Pay	Estimated Worker's Compensation* (3.11%, 12.38%)	Unemployment	Total Cost
Part-time staff	257,413	3,762	11,534	20,886	167	21,217	pay per claim	314,979

\*Not including surcharges or year-end refund

**\$314,979/\$257,413=122.4%**



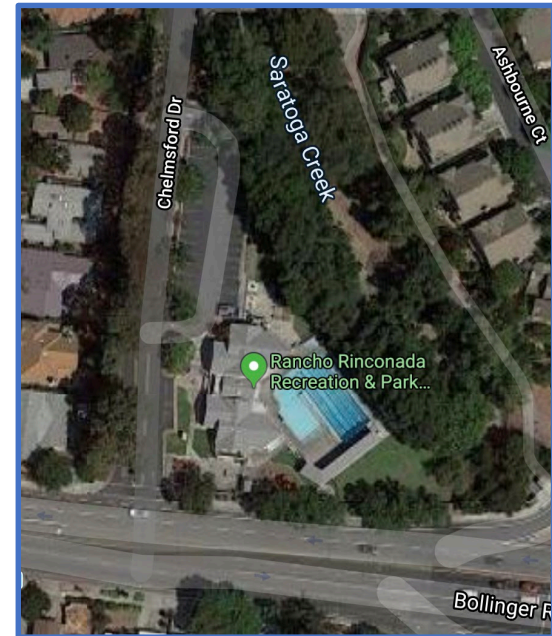
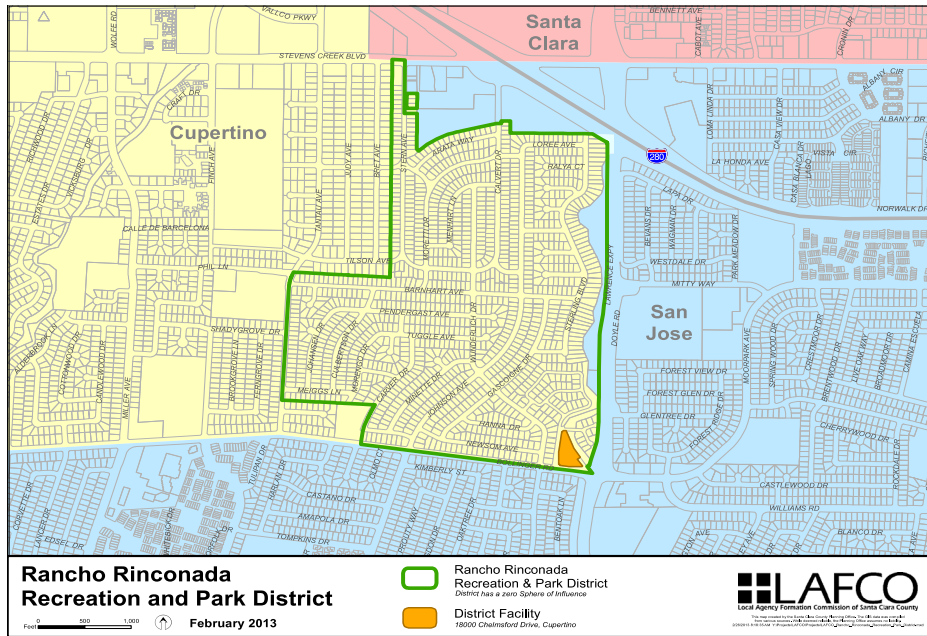


**Berkson  
Associates**

Urban Economics  
Policy Forensics & Forecasting  
Planning & Policy Analysis

**SPECIAL STUDY: GOVERNANCE OPTIONS**  
Rancho Rinconada Recreation and Park District  
Presentation to LAFCO of Santa Clara County  
Feb. 5, 2020

# RRRPD Formed in 1955



# Overview of the District

Item	Amount
<b>Land Area (1)</b>	0.4 sq. miles
<b>Residential Parcels (2)</b>	1,266
<b>Population (3)</b>	3,983
<b>Registered RRRPD Voters (4)</b>	2,086
Total City Voters	30,630
RRRPD Voters as % of City	6.8%
<b>Assessed Value (5)</b>	\$1,200,662,755
<b>Tax Increment Factors FY19-20 (6)</b>	
Rancho Rinconada RPD	4.61%
City of Cupertino	6.17%



See **Table 1** in the report.



# RRRPD Programs

- Swim lessons (8,458 lessons in 2018)
- Public swim (May-Sept., approx. 8,781 entries)
- Training and teams (year-round)
- Swim camp
- BBQ, pool and hall rentals
- Other recreation partners (e.g., scuba lessons)

*See **Appendix B** in the report.*



# RRRPD Revenues & Expenditures

- Surplus = \$51,000/year
- “Net Position” = \$2 mill.
  - \$1 million unrestricted, cash/investments
  - Capital assets \$1 million
- \$350,000 upgrades

Item	STATUS QUO RRRPD
<b>REVENUES</b>	
Program Revenues (1)	\$438,500
Property Tax (2)	<u>530,000</u>
<b>Total Revenues</b>	<b>\$968,500</b>
<b>EXPENDITURES</b>	
<b>Administration and Office Expenses (3)</b>	<b>\$77,957</b>
<b>Facilities (4)</b>	
Building/Yard, Pool, Utilities	113,000
Facility Depreciation (5)	<u>73,000</u>
<b>Subtotal, Facilities</b>	<b>186,000</b>
<b>Program Expenses (exc. staff) (6)</b>	<b>26,200</b>
<b>Personnel (7)</b>	<b>626,982</b>
<b>Total Expenditures</b>	<b>\$917,139</b>
<b>ANNUAL SURPLUS OR (SHORTFALL)</b>	<b>\$51,361</b>
Surplus or (shortfall) excluding depreciation	\$124,361

*See Table 2 in the report.*



# Governance Issues

- RRRPD has a “zero-sphere” LAFCO designation
- 2013 MSR reviewed governance options, found a significant service overlap which
  - *“...creates inherent inefficiencies and fragmented service delivery and impedes long-term planning for the delivery of recreation services to the residents of Cupertino”*
    - MSR recommended further study of options
- Allegations of mismanagement, board dysfunction and resignations, lack of a quorum in 2019
- Currently 3 board members, upcoming Fall 2020 election



# Governance Options

- **Option 1** – Maintain RRRPD’s Current Governance (Status Quo)
- **Option 2** – Dissolution/Merger of RRRPD with the City of Cupertino
- **Option 3** – Reorganize RRRPD as a Subsidiary District to Cupertino

*See **Table 3** in the report.*





# Option 1 Status Quo

## ***Advantages***

- RRRPD property taxes continue to be spent within District
- The District continues to be governed by locally-elected board

## ***Disadvantages***

- RRRPD potentially could revert to contentious/dysfunctional board
- Possible future election costs & difficulty filling vacant seats
- Property tax continues to be allocated to two duplicative aquatic recreation providers



# Option 2 Dissolution/Merger



## ***Advantages***

- Eliminates duplication of aquatic recreation services/admin
- No board member election costs
- Reduces potential for contentious/dysfunctional board
- Programs publicized and available to all City residents at same cost
- Expanded year-round City swim
- Integrated, City-wide planning, programming, budgeting
- More extensive management and supervisory structure



# Option 2 Dissolution/Merger

## ***Disadvantages***

- Representation of District residents same as Citywide representation
- Property tax to go to City General Fund
- Costs are slightly greater, but budget surplus is substantially similar to Status Quo after considering potential for slightly higher revenues

Financial comparison is ***substantially similar*** to Status Quo.



# Option 2 Dissolution/Merger

- Revenue slightly exceeds Status Quo
- Costs are higher
- Net surplus is substantially similar

Item	STATUS QUO RRRPD	OPTIONS 2 & 3 City
<b>REVENUES</b>		
Program Revenues (1)	\$438,500	\$460,400
Property Tax (2)	<u>530,000</u>	<u>530,000</u>
<b>Total Revenues</b>	<b>\$968,500</b>	<b>\$990,400</b>
<b>EXPENDITURES</b>		
Administration and Office Expenses (3)	\$77,957	\$31,957
<b>Facilities (4)</b>		
Building/Yard, Pool, Utilities	113,000	99,000
Facility Depreciation (5)	<u>73,000</u>	<u>73,000</u>
<b>Subtotal, Facilities</b>	<b>186,000</b>	<b>172,000</b>
Program Expenses (exc. staff) (6)	26,200	26,200
Personnel (7)	626,982	702,657
<b>Total Expenditures</b>	<b>\$917,139</b>	<b>\$932,814</b>
<b>ANNUAL SURPLUS OR (SHORTFALL)</b>		
Surplus or (shortfall) excluding depreciation	\$51,361	\$57,586
	\$124,361	\$130,586

*See Table 4 and Appendix A.*



# Option 3 Subsidiary District

## ***Advantages***

- RRRPD property tax would continue to be allocated to subsidiary district for use by the district
- Other advantages of Option 2

## ***Disadvantages***

- Restricting property tax to the district could reduce the City's flexibility managing other City recreation programs
- Other disadvantages of Option 2



# Reorganization Process

- Could be initiated by voter petition, RRRPD (or City) resolution, or by LAFCO
- Findings required for LAFCO initiation can be met:
  - Costs are substantially similar (net surplus is similar)
  - The proposal promotes public access and accountability

*See **Table 5** in the report.*

Questions?





Local Agency  
Formation Commission  
of Santa Clara County  
777 North First Street  
Suite 410  
San Jose, CA 95112  
SantaClaraLAFCO.org

Commissioners  
Susan Ellenberg  
Sequoia Hall  
Sergio Jimenez  
Linda J. LeZotte  
Rob Rennie  
Mike Wasserman  
Susan Vicklund Wilson

**ITEM # 6**

Alternate Commissioners  
Cindy Chavez  
Maya Esparza  
Yoriko Kishimoto  
Russ Melton  
Terry Trumbull  
**Executive Officer**  
Neelima Palacherla

**LAFCO MEETING: February 5, 2020**

**TO: LAFCO**

**FROM: Neelima Palacherla, Executive Officer  
Dunia Noel, Asst. Executive Officer**

**SUBJECT: CONSULTANT SERVICES FOR ASSISTANCE WITH  
COMPREHENSIVE REVIEW AND UPDATE OF LAFCO  
POLICIES**

**STAFF RECOMMENDATIONS**

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1. Approve a services contract with George William Shoe, Jr. to provide consulting services and assistance in completing a comprehensive review and update of LAFCO’s policies, in an amount not to exceed \$15,000.
2. Authorize the LAFCO Chairperson to execute the contract, and to execute any necessary amendments subject to LAFCO Counsel’s review and approval.

**BACKGROUND**

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**Cortese Knox Hertzberg Act & LAFCO Policies**

The Cortese Knox Hertzberg Act (CKH Act) requires that each LAFCO establish written policies and procedures and exercise its powers in a manner consistent with those policies and procedures and that encourages and provides planned, well-ordered, efficient urban development patterns with appropriate consideration of preserving open-space and agricultural lands within those patterns. Government Code §56300.

Consistent with the CKH Act, LAFCO has adopted written policies and procedures over the years as necessary. These policies are based on the CKH Act and reflect the unique circumstances and conditions in Santa Clara County. Since the early 1970s, LAFCO, the County, and the 15 cities have operated under a unique growth management framework, known as the “Countywide Urban Development Policies.” These Policies established important mutual agreements between the cities, the County, and LAFCO regarding timing and location of urban development. These long-standing policies are the foundation for LAFCO policies, existing County General Plan policies, and many cities’ policies.

These agreements vested an increased and unique responsibility in LAFCO to enforce the “Countywide Urban Development Policies” and to reconcile often-competing interests in pursuit of a more efficient, more livable, and more sustainable growth pattern.

### **Status of Comprehensive Review and Update of LAFCO Policies**

Over the years, LAFCO has reviewed, revised and developed new policies as needed to provide further clarity on the Commission’s practices and procedures. However, a comprehensive review of LAFCO’s policies has remained an outstanding work plan item over last few years due to competing workload demands.

LAFCO’s current year work plan calls for it to conduct a comprehensive review and update of its policies with the intent of strengthening them to enable LAFCO to better meet its legislative mandate and to further clarify alignment and consistency of the policies with the CKH Act, with the long-standing countywide growth management policy framework, and with regional plans and goals. To date, LAFCO staff has only been able to make an initial start on the review due to other pressing work items. These work items are anticipated to continue for some time, and several cities (i.e. Saratoga, Gilroy, and Morgan Hill) are preparing to submit major applications to LAFCO which must be prioritized by LAFCO staff for processing.

### **Consultant to Assist LAFCO Staff**

In order to resume work on the comprehensive review and update of LAFCO’s policies and to complete this effort in a timely manner, staff is recommending that LAFCO retain Bill Shoe, consultant and former Principal Planner at the County of Santa Clara, for consulting services in order to assist LAFCO staff in completing certain parts of the review and update process. Specifically, this would include helping make the existing policies and procedures clearer and more understandable to local agencies, landowners, and the general public by:

- Augmenting language providing key background information and historical context, and explaining goals/intent/purpose of policies
- Augmenting language explaining the long-standing mutual connections that exist between LAFCO policies, existing County General Plan policies, and the jointly adopted Countywide Urban Development Policies
- Augmenting language to articulate the relationship between LAFCO’s policies and relevant emerging issues, including climate change
- Improving the overall organization and structure of the policies and procedures.

Bill Shoe, currently a Planning Commissioner for Redwood City, served 28 years with the Santa Clara County Planning and Development Department, including a long tenure as Zoning Administrator and Manager of the Comprehensive Planning Section where he supervised and contributed to several important planning projects that supported the County’s General Plan Policies and the mission of Santa Clara LAFCO. These included the consideration and adoption of urban growth boundaries



in Milpitas, San Jose, and Morgan Hill, among others through interjurisdictional planning, and in some cases, agreements for the retraction of existing Urban Service Area boundaries. He also led and supported significant efforts to continue the implementation of the County island annexation program's goals and policies, including annual island mapping, communications with cities, and coordination with LAFCO.

Mr. Shoe was the primary author of much of the County's current General Plan and most of its major amendments and updates over the years since its adoption in 1994, and he has been an extraordinary resource for LAFCO and the public due to his broad experience and unparalleled knowledge of the County's General Plan Policies, Zoning Ordinance and other development rules and regulations, and their relationship to LAFCO's policies and the CKH Act.

During his tenure with the County, Mr. Shoe encouraged a "big picture" long-term planning perspective for the County of Santa Clara and interagency collaboration on issues of mutual concern. Mr. Shoe collaborated with LAFCO and various cities in order to successfully annex many unincorporated islands. He also supported the preservation of agricultural lands and open space in Santa Clara County through the completion of various special studies and ordinance revisions supporting the long-term viability of agriculture, such as the streamlining of the County's agricultural processing and winery regulations. He also served in regional planning efforts on a variety of projects, including the regional committee convened by ABAG, the Association of Bay Area Governments, which helped create the region's original Sustainable Communities Strategy and Plan Bay Area, through ABAG's Regional Housing Needs Allocation (RHNA) process that was a precursor to the next to last housing element cycle.

As discussed above, Mr. Shoe brings a combination of local knowledge, experience, and skill that makes him uniquely qualified to assist LAFCO through completion of the proposed scope of services. It is unlikely that LAFCO will find another consultant that is available and more capable of meeting the requirements of the scope of services in as timely a manner. Therefore, contracting with Mr. Shoe is the most advantageous option for LAFCO.

The LAFCO Budget for Fiscal Year 2019-2020 includes sufficient funding for the necessary consultant services, in addition to the anticipated staff involvement. Given the proposed scope, LAFCO staff recommends an allocation of \$15,000 for the consultant services, which would provide approximately 80 hours of the consultant's time over the next several months at a rate of \$175/hour.

A Draft Service Agreement (**Attachment A**) between Santa Clara LAFCO and Bill Shoe, is attached for the Commission's consideration and approval.

## **NEXT STEPS**

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Upon LAFCO's approval of the service contract (**Attachment A**) and authorization of the LAFCO Chairperson to execute the contract, staff will work with Mr. Shoe and

Chairperson Jimenez to finalize the contract, subject to LAFCO Counsel's review and approval. LAFCO staff and the consultant will then meet and resume work on the comprehensive review and update of LAFCO's policies. Staff anticipates that Mr. Shoe will complete his work by the end of June 2020 and that staff's work on the review and update will continue through summer 2020.

**ATTACHMENT**

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Attachment A: Draft Service Agreement between the Local Agency Formation Commission of Santa Clara County and Bill Shoe for Providing Consulting Services for Reviewing and Updating LAFCO Policies

**SERVICES AGREEMENT BETWEEN THE LOCAL AGENCY FORMATION  
COMMISSION OF SANTA CLARA COUNTY AND GEORGE WILLIAM SHOE, JR. FOR  
PROVIDING CONSULTING SERVICES FOR REVIEWING AND UPDATING LAFCO  
POLICIES**

This Agreement (“Agreement”) is made effective \_\_\_\_\_, by and between the Local Agency Formation Commission of Santa Clara County (“LAFCO”) and George William Shoe, Jr. (henceforth to be referred as “Bill Shoe” and/or “Contractor”) to provide consulting services for conducting a comprehensive review and update of LAFCO policies and procedures.

WHEREAS, pursuant to the Cortese-Knox-Hertzberg Act (CKH Act), Government Code section 56000 et seq., LAFCO is an independent body; and

WHEREAS, LAFCO needs assistance with the preparation of a comprehensive review and update of LAFCO policies and procedures in order to clarify, strengthen and ensure consistency with the CKH Act; and

WHEREAS, Contractor has experience and expertise necessary to provide such services; and

WHEREAS, at the \_\_\_\_\_ meeting of LAFCO, the Commission approved the agreement with the most qualified consultant and authorized the LAFCO Chairperson to execute the agreement;

THEREFORE, the parties agree as follows:

**1. Nature of Services.**

Contractor will provide the consulting services to assist with the comprehensive review and update of LAFCO policies. Specifically, under the direction of the LAFCO Executive Officer, Contractor shall prepare revisions to make the existing LAFCO policies and procedures clearer and more understandable to local agencies, applicants, and the general public by:

- Augmenting language providing key background information and historical context, and explaining goals/intent/purpose of policies
- Augmenting language explaining the long-standing mutual connections that exist between LAFCO policies, existing County General Plan policies, and the jointly adopted Countywide Urban Development Policies
- Augmenting language to articulate the relationship between LAFCO’s policies and relevant emerging issues, including climate change
- Improving the overall organization and structure of the policies and procedures.

**2. Term of Agreement.**

This Agreement is effective from the date of final execution, to and including

October 30, 2020, unless terminated earlier in accordance with Section 4.

### **3. Compensation.**

A. Contractor will be compensated for services provided under this Agreement at an hourly rate of \$175. Contractor will complete all the work and tasks described for an amount not to exceed \$15,000. The Contractor shall be paid based on the hourly rate, but compensation and expenses shall not exceed the maximum compensation stated herein.

B. Contractor will provide LAFCO with monthly task-specific invoices, which shall be accompanied by a detailed summary of activities undertaken over the course of completing the task.

### **4. Termination.**

A. Termination Without Cause. Either party may terminate this Agreement without cause by giving the other party thirty (30) days written notice.

B. Termination for Cause. LAFCO may terminate this Agreement for cause upon written notice to Contractor. For purposes of this Agreement, cause includes, but is not limited to, any of the following: (1) material breach of this Agreement by Contractor, (b) violation by Contractor of any applicable laws, (c) assignment by Contractor of this Agreement without the written consent of LAFCO pursuant to Section 13, or (d) failure to provide services in a satisfactory manner. Such notice shall specify the reason for termination and shall indicate the effective date of such termination.

C. In the event of termination, Contractor will deliver to LAFCO copies of all reports and other work performed by Contractor under this Agreement whether complete or incomplete, and upon receipt thereof, Contractor will be compensated based on the completion of services provided, as solely and reasonably determined by LAFCO.

### **5. Project Managers; Substitution**

A. Contractor designates Bill Shoe as the Contractor's Project Manager for the purpose of performing the services under this Agreement. Bill Shoe will serve as day-to-day contact for LAFCO and work directly with staff.

B. LAFCO designates the LAFCO Executive Officer as its Project Manager for the purpose of managing the services performed under this Agreement.

C. Contractor may not substitute anyone other than Bill Shoe to serve as Project Manager without the written permission of the LAFCO Executive Officer or her authorized representative. Any such substitution shall be with a person or firm of commensurate experience and knowledge necessary for the tasks to be undertaken.

### **6. Conflicts of Interest.**

In accepting this Agreement, Contractor covenants that it presently has no interest, and will not acquire any interest, direct or indirect, financial or otherwise,

which would conflict in any manner or degree with the performance of the Services.

Contractor further covenants that, in the performance of this Agreement, it will not employ any contractor or person having such an interest.

**7. Indemnification/Insurance.**

Contractor's indemnification and insurance obligations with respect to this Agreement are set forth in Exhibit B, attached hereto and incorporated herein by this reference.

**8. Compliance with all Laws.**

Contractor shall, during the term of this contract, comply with all applicable federal, state, and local rules, regulations, and laws.

**9. Maintenance of Records.**

Contractor shall maintain financial records adequate to show that LAFCO funds paid under the contract were used for purposes consistent with the terms of the contract. These records shall be maintained during the term of this contract and for a period of three (3) years from termination of this contract or until all claims, if any, have been resolved, whichever period is longer, or longer if otherwise required under other provisions of this contract.

**10. Nondiscrimination.**

Contractor will comply with all applicable Federal, State, and local laws and regulations including Santa Clara County's equal opportunity requirements. Such laws include but are not limited to the following: Title VII of the Civil Rights Act of 1964 as amended; Americans with Disabilities Act of 1990; The Rehabilitation Act of 1973 (Sections 503 and 504); California Fair Employment and Housing Act (Government Code sections 12900 et seq.); California Labor Code sections 1101 and 1102. Contractor will not discriminate against any subcontractor, employee, or applicant for employment because of age, race, color, national origin, ancestry, religion, sex/gender, sexual orientation, mental disability, physical disability, medical condition, political beliefs, organizational affiliations, or marital status in the recruitment, selection for training including apprenticeship, hiring, employment, utilization, promotion, layoff, rates of pay or other forms of compensation. Nor will Contractor discriminate in provision of services provided under this contract because of age, race, color, national origin, ancestry, religion, sex/gender, sexual orientation, mental disability, physical disability, medical condition, political beliefs, organizational affiliations, or marital status.

**11. Notices.**

All notices required by this Agreement will be deemed given when in writing and delivered personally or deposited in the United States mail, postage prepaid, return receipt requested, addressed to the other party at the address set forth below or at such other address as the party may designate in writing in accordance with

this section:

To Contractor: Bill Shoe, Principal

\_\_\_\_\_  
\_\_\_\_\_

To LAFCO: LAFCO Executive Officer  
777 North First Street, Suite 410  
San Jose, CA 95112

**12. Governing Law.**

This Agreement has been executed and delivered in, and will be construed and enforced in accordance with, the laws of the State of California. Venue shall be in Santa Clara County.

**13. Assignment.**

Contractor has been selected to perform services under this Agreement based upon the qualifications and experience of Contractor's personnel. Contractor may not assign this Agreement or the rights and obligations hereunder without the specific written consent of LAFCO. Any attempted assignment or subcontract without prior written consent will be null and void and will be cause, in LAFCO's sole and absolute discretion, for immediate termination of the Agreement.

**14. Relationships of Parties; Independent Contractor.**

Contractor will perform all work and services described herein as an independent contractor and not as an officer, agent, servant or employee of LAFCO. None of the provisions of this Agreement is intended to create, nor shall be deemed or construed to create, any relationship between the parties other than that of independent parties contracting with each other for purpose of effecting the provisions of this Agreement. The parties are not, and will not be construed to be in a relationship of joint venture, partnership or employer-employee. Neither party has the authority to make any statements, representations or commitments of any kind on behalf of the other party, or to use the name of the other party in any publications or advertisements, except with the written consent of the other party or as is explicitly provided herein. Contractor will be solely responsible for the acts and omissions of its officers, agents, employees, contractors, and subcontractors, if any.

**15. Entire Agreement.**

This document represents the entire Agreement between the parties with respect to the subject matter hereof. All prior negotiations and written and/or oral agreements between the parties with respect to the subject matter of this Agreement are merged into this Agreement.

**16. Amendments.**

This Agreement may be amended only by an instrument signed by the parties.

## **17. Counterparts.**

This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

## **18. Severability.**

If any provision of this Agreement is found by a court of competent jurisdiction to be void, invalid or unenforceable, the same will either be reformed to comply with applicable law or stricken if not so conformable, so as not to affect the validity or enforceability of this Agreement.

## **19. Waiver.**

No delay or failure to require performance of any provision of this Agreement shall constitute a waiver of that provision as to that or any other instance. Any waiver granted by a party must be in writing, and shall apply to the specific instance expressly stated.

## **20. Ownership of Materials and Confidentiality.**

A. Documents & Data; Licensing of Intellectual Property. This Agreement creates a non-exclusive and perpetual license for LAFCO to copy, use, modify, reuse, or sublicense any and all copyrights, designs, and other intellectual property embodied in plans, specifications, studies, drawings, estimates, and other documents or works of authorship fixed in any tangible medium of expression, including but not limited to, physical drawings or data magnetically or otherwise recorded on computer diskettes, which are prepared or caused to be prepared by Contractor under this Agreement ("Documents & Data"). Contractor shall require all sub consultants to agree in writing that LAFCO is granted a non-exclusive and perpetual license for any Documents & Data the sub consultant prepares under this Agreement. Contractor represents and warrants that Contractor has the legal right to license any and all Documents & Data. Contractor makes no such representation and warranty in regard to Documents & Data which were prepared by design professionals other than Contractor or provided to Contractor by LAFCO. LAFCO shall not be limited in any way in its use of the Documents & Data at any time, provided that any such use not within the purposes intended by this Agreement shall be at LAFCO's sole risk.

B. Confidentiality. All ideas, memoranda, specifications, plans, procedures, drawings, descriptions, computer program data, input record data, written information, and other Documents & Data either created by or provided to Contractor in connection with the performance of this Agreement shall be held confidential by Contractor. Such materials shall not, without the prior written consent of Contractor, be used by Contractor for any purposes other than the performance of the Agreement. Nor shall such materials be disclosed to any person or entity not connected with the performance of the Agreement. Nothing furnished to Contractor which is otherwise known to Contractor or is generally known, or has become known, to the related industry shall be deemed confidential. Contractor

shall not use LAFCO's name or insignia, photographs of the Services, or any publicity pertaining to the Services in any magazine, trade paper, newspaper, television or radio production or other similar medium without the prior written consent of LAFCO.

C. Confidential Information. LAFCO shall refrain from releasing Contractor's proprietary information ("Proprietary Information") unless LAFCO's legal counsel determines that the release of the Proprietary Information is required by the California Public Records Act or other applicable state or federal law, or order of a court of competent jurisdiction, in which case LAFCO shall notify Contractor of its intention to release Proprietary Information. Contractor shall have five (5) working days after receipt of the Release Notice to give LAFCO written notice of Contractor's objection to LAFCO's release of Proprietary Information. Contractor shall indemnify, defend and hold harmless LAFCO, and its officers, directors, employees, and agents from and against all liability, loss, cost or expense (including attorney's fees) arising out of a legal action brought to compel the release of Proprietary Information. LAFCO shall not release the Proprietary Information after receipt of the Objection Notice unless either: (1) Contractor fails to fully indemnify, defend (with LAFCO's choice of legal counsel), and hold LAFCO harmless from any legal action brought to compel such release; and/or (2) a final and non-appealable order by a court of competent jurisdiction requires that LAFCO release such information.

**IN WITNESS WHEREOF**, LAFCO and Contractor have executed this Agreement as follows:

LAFCO

Contractor

\_\_\_\_\_  
Sergio Jimenez  
LAFCO Chairperson

\_\_\_\_\_  
George William Shoe, Jr.  
Principal

Date: \_\_\_\_\_

Date: \_\_\_\_\_

APPROVED AS TO FORM:

\_\_\_\_\_  
Malathy Subramanian, LAFCO Counsel

Exhibits to this Agreement:  
Exhibit A - Indemnification and Insurance



**INSURANCE REQUIREMENTS FOR STANDARD SERVICE CONTRACTS  
BETWEEN \$10,001 AND \$50,000**

Indemnity

During the term of this contract, the Contractor shall indemnify, defend, and hold harmless the Local Agency Formation Commission of Santa Clara County (hereinafter "LAFCO"), its officers, agents and employees from any claim, liability, loss, injury or damage arising out of, or in connection with, performance of this Agreement by Contractor and/or its agents, employees or sub-contractors, excepting only loss, injury or damage caused by the sole negligence or willful misconduct of personnel employed by LAFCO. It is the intent of the parties to this Agreement to provide the broadest possible coverage for LAFCO. The Contractor shall reimburse LAFCO for all costs, attorneys' fees, expenses and liabilities incurred with respect to any litigation in which the Contractor contests its obligation to indemnify, defend and/or hold harmless the LAFCO under this Agreement and does not prevail in that contest.

Insurance

Without limiting the Contractor's indemnification of LAFCO, the Contractor shall provide and maintain at its own expense, during the term of this Agreement, or as may be further required herein, the following insurance coverages and provisions:

A. Evidence of Coverage

Prior to commencement of this Agreement, the Contractor shall provide a Certificate of Insurance certifying that coverage as required herein has been obtained. Individual endorsements executed by the insurance carrier shall accompany the certificate. In addition, a copy of the policy or policies shall be provided by the Contractor upon request.

This verification of coverage shall be sent to the LAFCO Executive Officer, unless otherwise directed. The Contractor shall not receive a Notice to Proceed with the work under the Agreement until it has obtained all insurance required and such insurance has been approved by LAFCO Executive Officer. This approval of insurance shall neither relieve nor decrease the liability of the Contractor.

B. Qualifying Insurers

All coverages, except surety, shall be issued by companies which hold a current policyholder's alphabetic and financial size category rating of not less than A- V, according to the current Best's Key Rating Guide or a company of equal financial stability that is approved by the LAFCO Executive Officer.

C. Notice of Cancellation

All coverage as required herein shall not be canceled or changed so as to no longer meet the specified insurance requirements without 30 days' prior written notice of such cancellation or change being delivered to the LAFCO Executive Officer.

D. Insurance Required

1. Commercial General Liability Insurance

Coverage at least as broad as Insurance Services Office ("ISO") Form CG 00 01 covering commercial general liability on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal and

advertising injury with limits no less than \$1,000,000.00 per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.

2. Automobile Liability Insurance

Coverage at least as broad as ISO Form Number CA 0001 covering, Code 1 (any auto), of if Contractor has no owned autos, Code 8 (hired) and 9 (non-owned), with limits no less than \$1,000,000.00 combined single limit for bodily injury and property damage.

3. Workers' Compensation and Employer's Liability Insurance

Workers' Compensation Insurance as required by the State of California, with statutory limits, and Employer's Liability Insurance with limit of no less than \$1,000,000.00 per accident for bodily injury or disease. *(Not required if Contractor provides written verification it has no employees)*

E. Special Provisions

The following provisions shall apply to this Agreement:

1. The foregoing requirements as to the types and limits of insurance coverage to be maintained by the Contractor and any approval of said insurance by the LAFCO Executive Officer or insurance consultant(s) are not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by the Contractor pursuant to this Agreement, including but not limited to the provisions concerning indemnification.
2. LAFCO acknowledges that some insurance requirements contained in this Agreement may be fulfilled by self-insurance on the part of the Contractor. However, this shall not in any way limit liabilities assumed by the Contractor under this Agreement. Any self-insurance shall be approved in writing by LAFCO upon satisfactory evidence of financial capacity. Contractor's obligation hereunder may be satisfied in whole or in part by adequately funded self-insurance programs or self-insurance retentions.
3. Contractor's general liability and automobile liability policies shall be primary and shall not seek contribution from the LAFCO's coverage and be endorsed to add the LAFCO and its officers, officials, employees, and agents as additional insureds under such policies using Insurance Services Office form CG 20 10 (or equivalent) on the general liability policy.
4. Contractor hereby grants to LAFCO a waiver of any right to subrogation which any insurer of said Contractor may acquire against the LAFCO by virtue of the payment of any loss under such insurance. Contractor agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the LAFCO has received a waiver of subrogation endorsement from the insurer. The Workers' Compensation Policy shall be endorsed with a waiver of subrogation in favor of the LAFCO for all work performed by Contractor, its employees, agents and subcontractors.
5. Should any of the work under this Agreement be sublet, the Contractor shall require each of its subcontractors of any tier to carry the aforementioned coverages, or Contractor may insure subcontractors under its own policies.

6. LAFCO reserves the right to withhold payments to the Contractor in the event of material noncompliance with the insurance requirements outlined above.

F. Fidelity Bonds (Required only if contractor will be receiving advanced funds or payments)

Before receiving compensation under this Agreement, Contractor will furnish LAFCO with evidence that all officials, employees, and agents handling or having access to funds received or disbursed under this Agreement, or authorized to sign or countersign checks, are covered by a BLANKET FIDELITY BOND in an amount of AT LEAST fifteen percent (15%) of the maximum financial obligation of the LAFCO cited herein. If such bond is canceled or reduced, Contractor will notify LAFCO immediately, and LAFCO may withhold further payment to Contractor until proper coverage has been obtained. Failure to give such notice may be cause for termination of this Agreement, at the option of LAFCO.





**Local Agency  
Formation Commission  
of Santa Clara County**  
777 North First Street  
Suite 410  
San Jose, CA 95112  
SantaClaraLAFCO.org

**Commissioners**  
Susan Ellenberg  
Sequoia Hall  
Sergio Jimenez  
Linda J. LeZotte  
Rob Rennie  
Mike Wasserman  
Susan Vicklund Wilson

**ITEM # 7**

**Alternate Commissioners**  
Cindy Chavez  
Maya Esparza  
Yoriko Kishimoto  
Russ Melton  
Terry Trumbull  
**Executive Officer**  
Neelima Palacherla

**LAFCO MEETING: February 5, 2020**

**TO: LAFCO**

**FROM: Neelima Palacherla, Executive Officer  
Dunia Noel, Asst. Executive Officer  
Lakshmi Rajagopalan, Analyst**

**SUBJECT: LAFCO LAUNCHES NEW WEBSITE**

**STAFF RECOMMENDATION**

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1. Accept report and provide direction, as necessary.
2. Approve Privacy Policy and Web Content Accessibility Statement for the new LAFCO Website.

**NEW LAFCO WEBSITE**

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LAFCO launched its new website in January 2020. The goal of the new website is to strengthen LAFCO’s engagement with its stakeholders and the public by making it easier for them to access LAFCO information and resources.

LAFCO’s revamped website (SantaClaraLAFCO.org) features a bold new look incorporating the new LAFCO brand colors, typography, and design elements, as well as new messaging developed as part of LAFCO’s Communications and Outreach Plan.

The new website’s content is aligned to LAFCO’s three key audiences – cities / special districts, applicants, and community members; and prominently features LAFCO’s most popular and most-accessed resources including Meeting and Commissioner information, and the interactive Maps portal.

Other key features of the new website include:

- Mobile friendly and fully responsive design for viewing on screens of all sizes, including mobile devices, tables, laptops, and large desktop monitors
- Accessibility features that meet federal and state standards required by law for government agency websites
- User-friendly back-end content management system that allows LAFCO staff to easily update content

- Integration of Google Analytics for page views and website traffic tracking
- Printer-friendly format that separates critical content from the site template to provide a clean print without including the menu structure and banner information
- Robust search function powered by Google Custom Search that allows users to find information easily (to be integrated in the next 30 days)

We would like to thank Chad Upham, Covive LLC, LAFCO's consultant for his vision and expertise in redesigning and developing the new LAFCO website that is not only user-friendly with intuitive content organization but also visually pleasing and highlights LAFCO's role in creating livable, sustainable communities in Santa Clara County. Mr. Upham has gone above and beyond to help LAFCO develop the necessary tools to meet its communication and outreach goals.

With the launch of this website, LAFCO implemented the last major element of its Communications Plan. LAFCO staff's efforts will now focus on making strategic presentations to affected agencies, interested parties, and the general public.

## **PRIVACY POLICY AND WEB CONTENT ACCESSIBILITY STATEMENT FOR THE NEW LAFCO WEBSITE**

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Staff has developed a Privacy Policy (**Attachment A**) and a Web Content Accessibility Statement (**Attachment B**) for the new LAFCO website, in consultation with LAFCO Legal Counsel. The Privacy policy governs the manner in which the LAFCO website collects, uses, maintains, and discloses information collected from website users. The Web Content Accessibility Statement reflects LAFCO's efforts towards improving the accessibility of the website and meeting applicable accessibility standards. Upon approval by the Commission, the Privacy Policy and the Web Content Accessibility statement will be posted on LAFCO's new website.

## **WEBSITE HOSTING AND MAINTENANCE CONTRACT**

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On behalf of LAFCO, EO Palacherla entered into a service contract with Covive LLC for website hosting and maintenance services for a two-year period, for an amount not to exceed \$5,000. Please see **Attachment C** for a copy of the executed contract.

The FY 2020 LAFCO budget contains sufficient funds in the Consultant Services (GL 5255500) line item to cover this cost.

At its April 3, 2019 meeting, the Commission adopted Resolution No. 2019-03, delegating authority to the LAFCO Executive Officer for execution of small contracts not to exceed \$5,000 with prior LAFCO Counsel review and provided sufficient funds are contained in the appropriate line item in the LAFCO budget. Upon execution of such small contracts, the Executive Officer is required to report such action to the Commission at the next LAFCO Meeting.

## **ATTACHMENTS**

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- Attachment A: Privacy Policy for LAFCO Website
- Attachment B: Web Content Accessibility Statement for LAFCO Website
- Attachment C: Executed Services Agreement between Santa Clara LAFCO and Covive LLC for Website Hosting and Maintenance





**Include the following policies in the LAFCO Website, titled “Privacy Policy”**

## **PRIVACY POLICY FOR SANTA CLARA LAFCO.ORG**

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This Privacy Policy governs the manner in which this site collects, uses, maintains, and discloses information collected from Users (each, a “User”).

### **1. Personal Identification Information**

We may collect personal identification information from Users in a variety of ways, including, but not limited to, when Users visit our site, subscribe to receive meeting agendas or announcements from LAFCO using the ‘Contact Us’ form, and in connection with other activities, services, features or resources we make available on our site. Users may be asked for, as appropriate, name, phone number, and/or email address. We will collect personal identification information from Users only if they voluntarily submit such information to us. Users may visit our site anonymously, and can always refuse to supply personal identification information, with the understanding that it may prevent them from engaging in certain site related activities.

### **2. Non-Personal Identification Information**

We may collect non-personal identification information about Users whenever they interact with our site. Non-personal identification information may include the browser name, the type of computer and technical information about Users means of connection to our site, such as the operating system and the Internet service providers utilized and other similar information.

### **3. Web Browser Cookies**

Our site may use “cookies” to enhance User experience. User’s web browser places cookies on their computer for record-keeping purposes and sometimes to track information about them. User may choose to set their web browser to refuse cookies, or to alert you when cookies are being sent. If they do so, note that some parts of the site may not function properly.

### **4. Google Analytics**

Google Analytics is a web analysis service provided by Google Inc. (“Google”) to track and report website traffic. Google utilizes the data collected to track and examine the use of this site and to prepare reports on its activities. Users choosing to opt-out from having data collected by Google Analytics can download browser extensions (also known as Add-on) provided by Google to block Google Analytics.

### **5. How We Use Collected Information**

We may collect and use Users’ personal information for the following purposes:

- a. To respond to questions or comments: Information you provide helps us respond to your inquiries.
- b. To improve our site: We may use the feedback you provide to improve this site.

- c. To send periodic emails: We may use the email address to respond to inquiries, questions, and/or other requests. If User decides to opt-in to our mailing list, they will receive emails that may include meeting agendas, LAFCO announcements, project updates, etc. To unsubscribe from the mailing list, please email [LAFCO Staff](#).

## 6. How We Protect Your Information

We adopt appropriate data collection, storage and processing practices and security measures to protect against unauthorized access, alteration, disclosure or destruction of your personal information, username, password, transaction information and data stored on our site.

## 7. Sharing Your Personal Information

We do not give, share, sell, rent, or transfer any personal information to a third party. We do not collect or use this information for any commercial marketing.

## 8. Third Party Websites

Our website has links to sites we feel might be useful to you and which may provide services. When you follow a link to another site, you are no longer on our site and are subject to the privacy policy of the new site. We do not control the content or links that appear on these sites and are not responsible for the practices employed by websites linked to or from our site. In addition, these sites, or services, including their content and links, may be constantly changing. These sites and services may have their own privacy policies and customer service policies. Browsing and interaction on any other website, including websites which have a link to our site, is subject to that website's own terms and policies.

Santa Clara LAFCO accepts no responsibility for the content or accessibility of the external websites or external documents linked to on this website.

## 9. Changes to This Privacy Policy

We have the discretion to update this Privacy Policy at any time. When we do, we will revise the updated date at the bottom of this page. We encourage Users to frequently check this page for any changes to stay informed about how we are helping to protect the personal information we collect. You acknowledge and agree that it is your responsibility to review this Privacy Policy periodically and become aware of modifications.

## 10. Your Acceptance Of These Terms

By using this site, you signify your acceptance of this policy. If you do not agree to this policy, please do not use our site. Your continued use of the site following the posting of changes to this policy will be deemed your acceptance of those changes.

## 11. Contacting Us

If you have any questions about this Privacy Policy, the practices of this site, or your dealings with this site, please contact [LAFCO Staff](#).

Last updated: 2/5/2020

**ITEM # 7**  
**Attachment B**

**Include the following statement in the LAFCO Website, titled “Accessibility”**

**WEB CONTENT ACCESSIBILITY STATEMENT FOR SANTA CLARA LAFCO.ORG**

Santa Clara LAFCO implemented this website with the intention of providing accessibility features that are consistent with state and federal law, including the Americans with Disabilities Act and WCAG 2.0, Level AA Guidelines. These features include:

- A clean and crisp design
- Consistent navigation structure
- A public portal Site Map
- Minimal use of frames and image maps
- Alt attributes of non-decorative images
- Linear, logical web page content that works well with screen readers and other assistive computer technology
- Logical tab order through links, form controls, and objects
- Font and background color contrast for visitors with low vision and users of monitors and Internet devices with black and white screens
- Navigation bars for access to the navigation mechanism
- Identifying English as the natural language of the website to improve accessibility for assistive technologies, search engines, and foreign language translation software

Website visitors are welcome to provide feedback on the accessibility and usability of the website by emailing [LAFCO Staff](#)

Last updated: 2/5/2020



**SERVICES AGREEMENT BETWEEN  
THE LOCAL AGENCY FORMATION COMMISSION  
OF SANTA CLARA COUNTY AND COVIVE LLC FOR  
WEBSITE HOSTING AND MAINTENANCE**

This Agreement ("Agreement") is made effective January 1, 2020 by and between the Local Agency Formation Commission of Santa Clara County ("LAFCO") and Covive LLC ("Contractor") to provide consulting services for website hosting and maintenance for two calendar years from January 2020 through December 2021;

WHEREAS, pursuant to the Cortese-Knox-Hertzberg Act, Government Code section 56000 et seq., LAFCO is an independent agency; and

WHEREAS, LAFCO needs assistance with the ongoing hosting and maintenance of its website; and

WHEREAS, Contractor has experience and expertise necessary to provide such services; and

WHEREAS, at the April 3, 2019 meeting of LAFCO, the Commission delegated authority to the LAFCO Executive Officer for execution of small contracts for an amount not to exceed \$5,000;

THEREFORE, the parties agree as follows:

**1. Nature of Services.**

Contractor will provide to LAFCO website hosting and maintenance services for two calendar years from January 2020 through December 2021, as described in Exhibit A, which is attached hereto and incorporated herein by this reference.

**2. Term of Agreement.**

This Agreement is effective from the date of final execution, to and including December 31, 2021, unless terminated earlier in accordance with Section 4.

**3. Compensation.**

A. Contractor will be compensated for services provided under this Agreement in accordance with the rate schedule included in Exhibit A, which is attached hereto and incorporated herein by this reference. Contractor will

complete all the work and tasks described in Exhibit A for an amount not to exceed \$5,000. The Contractor shall be paid based on the rates indicated in Exhibit A, but compensation and expenses shall not exceed the maximum compensation stated herein.

B. Contractor will provide LAFCO with task-specific invoices based on estimated costs in Contractor's proposal, which shall be accompanied by a detailed summary of activities undertaken over the course of completing the task.

#### **4. Termination.**

A. Termination Without Cause. Either party may terminate this Agreement without cause by giving the other party thirty (30) days written notice.

B. Termination for Cause. LAFCO may terminate this Agreement for cause upon written notice to Contractor. For purposes of this Agreement, cause includes, but is not limited to, any of the following: (1) material breach of this Agreement by Contractor, (b) violation by Contractor of any applicable laws, (c) assignment by Contractor of this Agreement without the written consent of LAFCO pursuant to Section 13, or (d) failure to provide services in a satisfactory manner. Such notice shall specify the reason for termination and shall indicate the effective date of such termination.

C. In the event of termination, Contractor will deliver to LAFCO copies of all reports and other work performed by Contractor under this Agreement whether complete or incomplete, and upon receipt thereof, Contractor will be compensated based on the completion of services provided, as solely and reasonably determined by LAFCO.

#### **5. Project Managers; Substitution**

A. Contractor designates Chad Upham as the Contractor's Project Manager for the purpose of performing the services under this Agreement. Chad Upham will serve as day-to-day contact for LAFCO and work directly with staff.

B. LAFCO designates the LAFCO Executive Officer as its Project Manager for the purpose of managing the services performed under this Agreement.

C. Contractor may not substitute anyone other than Chad Upham to serve as Project Manager without the written permission of the LAFCO Executive

Officer or her authorized representative. Any such substitution shall be with a person or firm of commensurate experience and knowledge necessary for the tasks to be undertaken.

**6. Conflicts of Interest.**

In accepting this Agreement, Contractor covenants that it presently has no interest, and will not acquire any interest, direct or indirect, financial, or otherwise, which would conflict in any manner or degree with the performance of the Services.

Contractor further covenants that, in the performance of this Agreement, it will not employ any contractor or person having such an interest.

**7. Indemnification/Insurance.**

Contractor's indemnification and insurance obligations with respect to this Agreement are set forth in Exhibit B, attached hereto and incorporated herein by this reference.

**8. Compliance with all Laws.**

Contractor shall, during the term of this contract, comply with all applicable federal, state, and local rules, regulations, and laws.

**9. Maintenance of Records.**

Contractor shall maintain financial records adequate to show that LAFCO funds paid under the contract were used for purposes consistent with the terms of the contract. These records shall be maintained during the term of this contract and for a period of three (3) years from termination of this contract or until all claims, if any, have been resolved, whichever period is longer, or longer if otherwise required under other provisions of this contract.

**10. Nondiscrimination.**

Contractor will comply with all applicable Federal, State, and local laws and regulations including Santa Clara County's equal opportunity requirements. Such laws include but are not limited to the following: Title VII of the Civil Rights Act of 1964 as amended; Americans with Disabilities Act of 1990; The Rehabilitation Act of 1973 (Sections 503 and 504); California Fair Employment and Housing Act (Government Code sections 12900 et seq.); California Labor Code sections 1101 and 1102. Contractor will not discriminate against any

subcontractor, employee, or applicant for employment because of age, race, color, national origin, ancestry, religion, sex/gender, sexual orientation, mental disability, physical disability, medical condition, political beliefs, organizational affiliations, or marital status in the recruitment, selection for training including apprenticeship, hiring, employment, utilization, promotion, layoff, rates of pay or other forms of compensation. Nor will Contractor discriminate in provision of services provided under this contract because of age, race, color, national origin, ancestry, religion, sex/gender, sexual orientation, mental disability, physical disability, medical condition, political beliefs, organizational affiliations, or marital status.

#### **11. Notices.**

All notices required by this Agreement will be deemed given when in writing and delivered personally or deposited in the United States mail, postage prepaid, return receipt requested, addressed to the other party at the address set forth below or at such other address as the party may designate in writing in accordance with this section:

To Contractor: Chad Upham  
100 Van Ness Avenue, Unit 2706  
San Francisco, CA 94102

To LAFCO: LAFCO Executive Officer  
777 North First Street  
Suite 410  
San Jose, CA 95112

#### **12. Governing Law.**

This Agreement has been executed and delivered in, and will be construed and enforced in accordance with, the laws of the State of California. Venue shall be in Santa Clara County.

#### **13. Assignment.**

Contractor has been selected to perform services under this Agreement based upon the qualifications and experience of Contractor's personnel. Contractor may not assign this Agreement or the rights and obligations hereunder without the specific written consent of LAFCO. Any attempted assignment or subcontract without prior written consent will be null and void and will be cause, in LAFCO's sole and absolute discretion, for immediate



termination of the Agreement.

**14. Relationships of Parties; Independent Contractor.**

Contractor will perform all work and services described herein as an independent contractor and not as an officer, agent, servant, or employee of LAFCO. None of the provisions of this Agreement is intended to create, nor shall be deemed or construed to create, any relationship between the parties other than that of independent parties contracting with each other for purpose of effecting the provisions of this Agreement. The parties are not and will not be construed to be in a relationship of joint venture, partnership, or employer-employee. Neither party has the authority to make any statements, representations or commitments of any kind on behalf of the other party, or to use the name of the other party in any publications or advertisements, except with the written consent of the other party or as is explicitly provided herein. Contractor will be solely responsible for the acts and omissions of its officers, agents, employees, contractors, and subcontractors, if any.

**15. Entire Agreement.**

This document represents the entire Agreement between the parties with respect to the subject matter hereof. All prior negotiations and written and/or oral agreements between the parties with respect to the subject matter of this Agreement are merged into this Agreement.

**16. Amendments.**

This Agreement may be amended only by an instrument signed by the parties.

**17. Counterparts.**

This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

**18. Severability.**

If any provision of this Agreement is found by a court of competent jurisdiction to be void, invalid or unenforceable, the same will either be reformed to comply with applicable law or stricken if not so conformable, so as not to affect the validity or enforceability of this Agreement.

**19. Waiver.**

No delay or failure to require performance of any provision of this Agreement shall constitute a waiver of that provision as to that or any other instance. Any waiver granted by a party must be in writing and shall apply to the specific instance expressly stated.

**20. Ownership of Materials and Confidentiality.**

A. Documents & Data; Licensing of Intellectual Property. This Agreement creates a non-exclusive and perpetual license for LAFCO to copy, use, modify, reuse, or sublicense any and all copyrights, designs, and other intellectual property embodied in plans, specifications, studies, drawings, estimates, and other documents or works of authorship fixed in any tangible medium of expression, including but not limited to, physical drawings or data magnetically or otherwise recorded on computer diskettes, which are prepared or caused to be prepared by Contractor under this Agreement ("Documents & Data"). Contractor shall require all sub consultants to agree in writing that LAFCO is granted a non-exclusive and perpetual license for any Documents & Data the sub consultant prepares under this Agreement. Contractor represents and warrants that Contractor has the legal right to license any and all Documents & Data. Contractor makes no such representation and warranty in regard to Documents & Data which were prepared by design professionals other than Contractor or provided to Contractor by LAFCO. LAFCO shall not be limited in any way in its use of the Documents & Data at any time, provided that any such use not within the purposes intended by this Agreement shall be at LAFCO's sole risk.

B. Confidentiality. All ideas, memoranda, specifications, plans, procedures, drawings, descriptions, computer program data, input record data, written information, and other Documents & Data either created by or provided to Contractor in connection with the performance of this Agreement shall be held confidential by Contractor. Such materials shall not, without the prior written consent of Contractor, be used by Contractor for any purposes other than the performance of the Agreement. Nor shall such materials be disclosed to any person or entity not connected with the performance of the Agreement. Nothing furnished to Contractor which is otherwise known to Contractor or is generally known, or has become known, to the related industry shall be deemed confidential. Contractor shall not use LAFCO's name or insignia, photographs of the Services, or any publicity pertaining to the Services in any magazine, trade

paper, newspaper, television or radio production or other similar medium without the prior written consent of LAFCO.

C. Confidential Information. LAFCO shall refrain from releasing Contractor's proprietary information ("Proprietary Information") unless LAFCO's legal counsel determines that the release of the Proprietary Information is required by the California Public Records Act or other applicable state or federal law, or order of a court of competent jurisdiction, in which case LAFCO shall notify Contractor of its intention to release Proprietary Information. Contractor shall have five (5) working days after receipt of the Release Notice to give LAFCO written notice of Contractor's objection to LAFCO's release of Proprietary Information. Contractor shall indemnify, defend, and hold harmless LAFCO, and its officers, directors, employees, and agents from and against all liability, loss, cost, or expense (including attorney's fees) arising out of a legal action brought to compel the release of Proprietary Information. LAFCO shall not release the Proprietary Information after receipt of the Objection Notice unless either: (1) Contractor fails to fully indemnify, defend (with LAFCO's choice of legal counsel), and hold LAFCO harmless from any legal action brought to compel such release; and/or (2) a final and non-appealable order by a court of competent jurisdiction requires that LAFCO release such information.

IN WITNESS WHEREOF, LAFCO and Contractor have executed this Agreement as follows:

LAFCO



Neelima Palacherla  
LAFCO Executive Officer

Date: \_\_\_\_\_

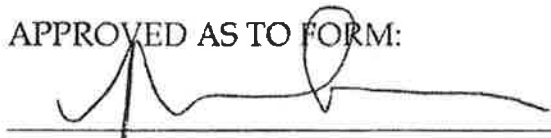
Contractor



Chad Upham  
Principal, Covive LLC

Date: 12/30/19

APPROVED AS TO FORM:



Malathy Subramanian, LAFCO Counsel

Exhibits to this Agreement: Exhibit A - Scope of Services  
Exhibit B - Indemnification and Insurance





# Website Hosting and Maintenance

Santa Clara LAFCO

Memorandum | December 17, 2019

## OVERVIEW

Covive is able to contract with Santa Clara LAFCO to provide ongoing website hosting and maintenance for two calendar years from January 2020 through December 2021.

**Annual Website Hosting** **\$500 per year\***  
 - Hosting of Drupal 7 website on Pantheon WebOps Platform in an account prepaid yearly by Covive on behalf of Santa Clara LAFCO

\* price subject to change based on Pantheon pricing at time of renewal.

**Fee for Two (2) Years of Prepaid Hosting (2020–2021)** **\$1,000**

**Website Maintenance and Support** **\$150/hour**  
 - As-needed security updates to Drupal core and supporting modules  
 - Assisting LAFCO staff with formatting of new content, as needed  
 - Coding of minor new features or content management system refinements  
 - Not to exceed 15 hours per calendar year without written approval from LAFCO

**Estimated Total Annual Hourly Maintenance Fees** **\$2,250**  
 Hourly work will be billed monthly.

*Major website updates (exceeding the 15 hours allocated for annual maintenance) will require additional fees.*

**Additional work outside of the scope of this maintenance contract will be based on the rate of \$150/hour through 12/31/21.**

SANTA CLARA LAFCO

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



**COVIVE**

COVIVE LLC

By: \_\_\_\_\_

Chad Upham, Principal

Date: 12/17/19

**Covive LLC**

100 Van Ness Avenue, Unit 2706

San Francisco, CA 94102

415-215-1269 voice

contact:

chad.upham@covive.com

**INSURANCE REQUIREMENTS FOR STANDARD SERVICE CONTRACTS  
UP TO \$10,000**

Indemnity

During the term of this contract, the Contractor shall indemnify, defend, and hold harmless the Local Agency Formation Commission of Santa Clara County (hereinafter "LAFCO"), its officers, agents and employees from any claim, liability, loss, injury or damage arising out of, or in connection with, performance of this Agreement by Contractor and/or its agents, employees or sub-contractors, excepting only loss, injury or damage caused by the sole negligence or willful misconduct of personnel employed by LAFCO. It is the intent of the parties to this Agreement to provide the broadest possible coverage for LAFCO. The Contractor shall reimburse LAFCO for all costs, attorneys' fees, expenses and liabilities incurred with respect to any litigation in which the Contractor contests its obligation to indemnify, defend and/or hold harmless the LAFCO under this Agreement and does not prevail in that contest.

Insurance

Without limiting the Contractor's indemnification of LAFCO, the Contractor shall provide and maintain at its own expense, during the term of this Agreement, or as may be further required herein, the following insurance coverages and provisions:

A. Evidence of Coverage

Prior to commencement of this Agreement, the Contractor shall provide a Certificate of Insurance certifying that coverage as required herein has been obtained. Individual endorsements executed by the insurance carrier shall accompany the certificate. In addition, a copy of the policy or policies shall be provided by the Contractor upon request.

This verification of coverage shall be sent to the LAFCO Executive Officer, unless otherwise directed. The Contractor shall not receive a Notice to Proceed with the work under the Agreement until it has obtained all insurance required and such insurance has been approved by LAFCO Executive Officer. This approval of insurance shall neither relieve nor decrease the liability of the Contractor.

B. Qualifying Insurers

All coverages, except surety, shall be issued by companies which hold a current policyholder's alphabetic and financial size category rating of not less than A-V, according to the current Best's Key Rating Guide or a company of equal financial stability that is approved by the LAFCO Executive Officer.

C. Notice of Cancellation

All coverage as required herein shall not be canceled or changed so as to no longer meet the specified insurance requirements without 30 days' prior written notice of such cancellation or change being delivered to the LAFCO Executive Officer.

D. Insurance Required

1. Commercial General Liability

Coverage at least as broad as Insurance Services Office ("ISO") Form CG 00 01 covering commercial general liability on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal and advertising injury with limits no less than \$1,000,000.00 per occurrence. If a general

aggregate limit applies, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.

2. Automobile Liability Insurance

Coverage at least as broad as ISO Form Number CA 0001 covering, Code 1 (any auto), or if Contractor has no owned autos, Code 8 (hired) and 9 (non-owned), with limits no less than \$1,000,000.00 combined single limit for bodily injury and property damage.

3. Workers' Compensation and Employer's Liability Insurance

Workers' Compensation Insurance as required by the State of California, with statutory limits, and Employer's Liability Insurance with limit of no less than \$1,000,000.00 per accident for bodily injury or disease. *(Not required if Contractor provides written verification it has no employees)*

E. Special Provisions

The following provisions shall apply to this Agreement:

1. The foregoing requirements as to the types and limits of insurance coverage to be maintained by the Contractor and any approval of said insurance by the LAFCO Executive Officer or insurance consultant(s) are not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by the Contractor pursuant to this Agreement, including but not limited to the provisions concerning indemnification.
2. LAFCO acknowledges that some insurance requirements contained in this Agreement may be fulfilled by self-insurance on the part of the Contractor. However, this shall not in any way limit liabilities assumed by the Contractor under this Agreement. Any self-insurance shall be approved in writing by LAFCO upon satisfactory evidence of financial capacity. Contractor's obligation hereunder may be satisfied in whole or in part by adequately funded self-insurance programs or self-insurance retentions.
3. Contractor's general liability and automobile liability policies shall be primary and shall not seek contribution from the LAFCO's coverage and be endorsed to add the LAFCO and its officers, officials, employees, and agents as additional insureds under such policies using Insurance Services Office form CG 20 10 (or equivalent) on the general liability policy.
4. Contractor hereby grants to LAFCO a waiver of any right to subrogation which any insurer of said Contractor may acquire against the LAFCO by virtue of the payment of any loss under such insurance. Contractor agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the LAFCO has received a waiver of subrogation endorsement from the insurer. The Workers' Compensation Policy shall be endorsed with a waiver of subrogation in favor of the LAFCO for all work performed by Contractor, its employees, agents and subcontractors.



5. Should any of the work under this Agreement be sublet, the Contractor shall require each of its subcontractors of any tier to carry the aforementioned coverages, or Contractor may insure subcontractors under its own policies.
6. LAFCO reserves the right to withhold payments to the Contractor in the event of material noncompliance with the insurance requirements outlined above.





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Formation Commission  
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**Commissioners**  
Susan Ellenberg  
Sequoia Hall  
Sergio Jimenez  
Linda J. LeZotte  
Rob Rennie  
Mike Wasserman  
Susan Vicklund Wilson

**ITEM # 8**

**Alternate Commissioners**  
Cindy Chavez  
Maya Esparza  
Yoriko Kishimoto  
Russ Melton  
Terry Trumbull  
**Executive Officer**  
Neelima Palacherla

**LAFCO MEETING: February 5, 2020**

**TO: LAFCO**

**FROM: Neelima Palacherla, Executive Officer  
Lakshmi Rajagopalan, Analyst**

**SUBJECT: WEBCASTING OF LAFCO MEETINGS**

**STAFF RECOMMENDATION**

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Direct staff to work with the Office of the Clerk of the Board of Supervisors (COB) to develop a Memorandum of Understanding (MOU) between LAFCO and the County to allow use of the County’s Agenda Management System with integrated webcasting capabilities, and the webcasting equipment in the County Board Chambers, to webcast LAFCO meetings.

**AGENDA MANAGEMENT SYSTEM AND WEBCAST OF LAFCO MEETINGS**

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LAFCO’s current year workplan includes an item to procure and implement an agenda management system with integrated webcasting capabilities and to arrange for webcasting of LAFCO meetings in order to promote transparency and public engagement, and to give County residents the ability to watch webcasts of LAFCO meetings on the internet.

Staff researched the arrangements used by other LAFCOs, and local agencies, including the Santa Clara Valley Open Space Authority, and the County to broadcast their meetings. Staff also became aware that the Santa Clara Valley Transportation Authority (VTA) Board of Directors’ meetings are held in the Board Chambers and that VTA has entered into an MOU with the County enabling VTA to webcast their meetings from County Board Chambers.

Similar to VTA, LAFCO meetings are held in the County Board Chambers with members of the Board of Supervisors serving on LAFCO. Staff contacted the Administrative Services Manager at the County’s Office of the Clerk of the Board to explore a similar arrangement for LAFCO and to understand the associated operational, technical, and cost implications. Such an arrangement is advantageous because of seamless integration with the existing County agenda management procedures, and access to ongoing support and training assistance. LAFCO will also benefit from any technological and/ or software upgrades and training implemented by the COB’s Office. Implementing an agenda management software system with

integrated webcasting capabilities streamlines LAFCO's agenda preparation and meeting process by accelerating workflows and automating preparation, electronic posting, and distribution of agenda packets.

Based on this research, staff recommends that LAFCO proceed with entering into an agreement with the County for use of its Agenda Management System with integrated webcasting capabilities and for use of the webcasting equipment in the County Board Chambers to webcast LAFCO meetings.

The County has provided some preliminary cost estimates for LAFCO's use of the County's Agenda Management System and for use of the County's webcasting capabilities. It is estimated that the annual costs for LAFCO will be approximately \$9,000 based on the premise that LAFCO will hold 6 regular meetings each year. This preliminary cost estimate includes use of the County's Agenda Management software and webcasting equipment in the County Chambers, as well as services from outside vendors providing broadcasting, close-captioning and professional support for audio-visual equipment.

The FY 2020 Budget includes sufficient funds to cover this cost.

## **NEXT STEPS**

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If directed by the Commission to proceed, staff will inform the Office of the Clerk of the Board, who will then prepare a draft MOU for review by County Counsel and LAFCO Counsel and for subsequent approval by the County Board of Supervisors and LAFCO. Once approved by the Board and the Commission, staff will work with the COB's office on a training and implementation schedule.



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**ITEM # 9**

**Alternate Commissioners**  
Cindy Chavez  
Maya Esparza  
Yoriko Kishimoto  
Russ Melton  
Terry Trumbull  
**Executive Officer**  
Neelima Palacherla

**LAFCO MEETING: February 5, 2020**

**TO: LAFCO**

**FROM: Neelima Palacherla, Executive Officer  
Dunia Noel, Asst. Executive Officer**

**SUBJECT: UPDATE ON ORGANIZATIONAL ASSESSMENT STUDY**

**STAFF RECOMMENDATION**

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Accept report and provide direction, as necessary.

**BACKGROUND**

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In October 2019, LAFCO retained Koff & Associates to conduct a Comprehensive Organizational Assessment of LAFCO. LAFCO directed that its Finance Committee composed of Commissioners Hall and LeZotte and Alternate Commissioner Melton, receive status reports and advise the consultants throughout the process, as necessary. Since kicking off the project in late October 2019, the consultants have continued their data collection and analysis. On December 12, 2019, the consultants interviewed LAFCO staff in order to clarify and augment the information that they collected from staff through the Position Assessment Questionnaires.

LAFCO’s Finance Committee held a special meeting on December 18, 2019. At the meeting, the consultants provided a status report on the project and described the results of their comparator agency analysis which evaluated several comparative indicators related to Santa Clara LAFCO demographics, financials, and scope of services in order to develop a list of potential comparator agencies for the organizational review and assessment. The consultants focused on LAFCOs in the greater Bay Area and Coastal region, as well as LAFCOs in urban areas elsewhere in the state.

Each potential comparator agency was then ranked based on their overall similarity to Santa Clara LAFCO. Based on the consultants’ initial analysis, the LAFCOs identified as most similar to Santa Clara LAFCO were as follows (in order):

1. Alameda County LAFCO
2. Orange County LAFCO
3. San Bernardino County LAFCO

4. Riverside County LAFCO
5. Sonoma County LAFCO
6. Ventura County LAFCO
7. Sacramento County LAFCO
8. San Mateo County LAFCO
9. Contra Costa County LAFCO
10. Marin County LAFCO
11. Monterey County LAFCO
12. San Luis Obispo County LAFCO
13. San Diego County LAFCO

The Finance Committee approved the methodology and the comparator agency list and at the request of the consultants, limited the list to twelve LAFCOs for further data collection and analysis, specifically including #13 rather than #12, since their overall score was tied. Please see **Attachment A** for the consultant's memo on Comparator Agency Analysis for further details. The Committee directed that staff provide this information to the full Commission at the next meeting.

The consultants are in the process of surveying these twelve LAFCOs, including interviewing each Executive Officer, and collecting data from them.

Per the project schedule, the consultants will discuss their draft findings and recommendations with the Finance Committee in February 2020 and receive feedback from the Committee. An additional meeting of the Finance Committee may be held in March 2020, if necessary. It is anticipated that at the April 2020 LAFCO meeting, the consultants will present their final findings and recommendations to the full Commission for consideration and any appropriate next steps.

## **ATTACHMENT**

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Attachment A: December 16, 2019 Memo from Koff & Associates re:  
Comparator Agency Analysis for Comprehensive  
Organizational Review and Assessment

To: Neelima Palacherla, Executive Officer  
From: Katie Kaneko, Project Director  
Subject: Comparator Agency Analysis for the Comprehensive Organizational Review and Assessment  
Date: 12/16/2019

Koff & Associates (K&A) evaluated several comparative indicators related to the Santa Clara Local Agency Formation Commission (SC LAFCO) demographics, financials, and scope of services to develop a list of potential agencies for the organizational review and assessment study. K&A focused on LAFCOs in the greater Bay Area and Coastal region, as well as LAFCOs in urban areas elsewhere in the state. The methodology and specific criteria used in the analysis follows.

1. **Organizational type and structure:** K&A generally recommends that agencies of a similar size and structure providing similar services to that of SC LAFCO be used as comparators.
2. **Staff, and operational budgets, and population:** Staff and operational budget size determine the amount of resources available for the agencies to provide services, and population size accounts for the ratio of resources to constituents served.
3. **Comparable Services** Organizations providing similar services are ideal for comparison; given the specialized nature of SC LAFCO's services, only other LAFCOs were included in this analysis. Specifically, we compared the following services and attributes:
  - Use of county staffing model
  - History of lawsuits
  - Number of commission meetings per year
  - Number of proposals received per year
  - Number of Sphere of Influence/Municipal Service Reviews conducted per year
  - Number of media mentions experienced per year
4. **Labor market:** Today's labor market reality is that many agencies are in competition for the same pool of qualified employees because large portions of the workforce don't live in the communities they serve, are accustomed to lengthy commutes, and are more likely to consider changing jobs in a larger geographic area than in the past. Therefore, the geographic labor market area where SC LAFCO may be recruiting from or losing employees to, is taken into consideration when selecting comparator organizations.

The comparator agency analysis includes specific data for each proposed agency:

1. Population Served
2. Special District Representation
3. Full-Time Equivalent (FTE)
4. Agency Financials (Expenditures)
5. Cost of Living
6. Comparable Services

Each potential comparator is ranked based on the overall similarity to SC LAFCO. The overall ranking is based on the absolute value difference between the agency on each factor and SC LAFCO regardless of whether the agency is higher or lower for that factor.

Based on this initial analysis, the top ranked LAFCOs were:

1. Alameda County LAFCO
2. Orange County LAFCO
3. San Bernardino County LAFCO
4. Riverside County LAFCO
5. Sonoma County LAFCO
6. Ventura County LAFCO
7. Sacramento County LAFCO
8. San Mateo County LAFCO
9. Contra Costa County LAFCO
10. Marin County LAFCO
11. Monterey County LAFCO
12. San Luis Obispo County LAFCO
13. San Diego County LAFCO

The recommended agencies are those LAFCOs that were identified as being the most similar to SC LAFCO based on the six factors analyzed above. The ranking for each agency is found on the “Top Ranked List of Comparators,” and those highlighted in green are the recommended twelve (12) comparator agencies for this study although a decision will need to be made between #12 and #13 since their overall score is tied and only twelve agencies will be surveyed. Each agency’s Overall Comparison Score is a sum total of the individual factor scores which can be found in the “Criteria Comparison Summary”. Lower Overall Comparison Scores indicate a greater similarity to SC LAFCO when comparing the six factors above.

The raw data used to derive these scores can be found in the “Alpha Sort-All Criteria” table, and a list of data sources is provided in the “Data Sources” table.

This analysis is intended to assist in choosing the comparator group. However, Santa Clara LAFCO should reflect on other factors that apply to their labor market that could potentially override these quantitative considerations. Other factors that are often considered are recruitment, retention, and/or alignment of operations. The goal is to choose 10 to 12 comparator agencies for this survey, generally utilizing those agencies with similar profiles with consideration of swapping in other agencies for which there is strong competitive rationale to include as part of your labor market.

Once the comparator agencies are approved, K&A can begin the data collection for the compensation study.



Proposed List of Comparators  
Total Compensation Study

Ranking	Comparator Agency	Overall Criteria Comparison Score
1	Alameda Co LAFCO	40
2	Orange Co LAFCO	40
3	San Bernardino Co LAFCO	41
4	Riverside Co LAFCO	42
5	Sonoma Co LAFCO	42
6	Ventura Co LAFCO	44
7	Sacramento Co LAFCO	51
8	San Mateo Co LAFCO	51
9	Contra Costa Co LAFCO	52
10	Marin Co LAFCO	52
11	Monterey Co LAFCO	54
12	San Luis Obispo Co LAFCO	60
13	San Diego Co LAFCO	60
14	Santa Barbara Co LAFCO	64
15	Santa Cruz Co LAFCO	67
16	Fresno Co LAFCO	77
17	Los Angeles Co LAFCO	77
18	Napa Co LAFCO	78
19	Solano Co LAFCO	83
20	San Francisco Co LAFCO	94
21	San Benito Co LAFCO	99

**Top Ranked Comparator Agencies**

**Legend: A lower Overall Comparison Score indicates that the comparator agency is more similar to Santa Clara County LAFCO .**

Column A: Ranking based upon comparison score.

Column B: Agency Name

Column C: The Overall Criteria Comparison Score is equal to the sum of ranking for each criteria.

**The Overall Comparison Score is comprised of the following criteria:**

- 1- Special District Representation
- 2- Population Comparison
- 3- Full Time Equivalent Comparison
- 4- Agency Expenditure Comparison
- 5- Cost of Living Average Comparison
- 6- Comparable Services Comparison

Proposed List of Comparators  
Total Compensation Study

Agency	Special Districts Represented	Population	FTE	Agency Expenditures	% above or below U.S Cost of Living Average Index of 100%	Comparable Services	Overall Comparison Score	Overall Rank
<b>Santa Clara Co LAFCO</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>6</b>	<b>11</b>	<b>1</b>
Alameda Co LAFCO	1	3	3	18	5	10	40	2
Contra Costa Co LAFCO	1	6	14	7	12	12	52	10
Fresno Co LAFCO	18	7	3	17	22	10	77	17
Los Angeles Co LAFCO	1	36	20	8	3	9	77	17
Marin Co LAFCO	1	19	3	15	6	8	52	10
Napa Co LAFCO	18	20	3	19	10	8	78	19
Orange Co LAFCO	1	11	3	2	11	12	40	2
Riverside Co LAFCO	1	5	3	4	18	11	42	5
Sacramento Co LAFCO	1	4	14	6	19	7	51	8
San Bernardino Co LAFCO	1	2	3	3	21	11	41	4
San Diego Co LAFCO	1	12	20	12	4	11	60	13
San Francisco Co LAFCO	18	8	20	21	16	11	94	21
San Mateo Co LAFCO	1	10	13	16	2	9	51	8
Santa Cruz Co LAFCO	1	18	14	14	7	13	67	16
Solano Co LAFCO	18	16	14	11	15	9	83	20
Sonoma Co LAFCO	1	13	1	10	9	8	42	5
Ventura Co LAFCO	1	9	3	9	13	9	44	7
Monterey Co LAFCO	1	15	3	5	20	10	54	12
Santa Barbara Co LAFCO	1	14	14	20	8	7	64	15
San Benito Co LAFCO	18	21	14	22	17	7	99	22
San Luis Obispo Co LAFCO	1	17	3	13	14	12	60	13

Proposed List of Comparators  
Total Compensation Study

Agency	County Employee Model	History of Lawsuits	# Meetings per Year <sup>1</sup>	# Proposals <sup>2</sup>	#SOI/MSR Updates <sup>3</sup>	# Media Mentions <sup>4</sup>	Comparable Services Score	Difference from Agency	Ranking
<b>Santa Clara Co LAFCO</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>6</b>	<b>0</b>	<b>1</b>
Alameda Co LAFCO	1		1	1	3	4	10	4	10
Contra Costa Co LAFCO		1	2	2	4	3	12	6	17
Fresno Co LAFCO			3	2	1	4	10	4	10
Los Angeles Co LAFCO			3	3	2	1	9	3	6
Marin Co LAFCO			1	1	3	3	8	2	3
Napa Co LAFCO	1		1	1	2	3	8	2	3
Orange Co LAFCO			3	2	4	3	12	6	17
Riverside Co LAFCO		1	2	1	3	4	11	5	13
Sacramento Co LAFCO		1	2	1	1	2	7	1	2
San Bernardino Co LAFCO		1	2	2	3	3	11	5	13
San Diego Co LAFCO		1	3	3	3	1	11	5	13
San Francisco Co LAFCO			2	2	4	3	11	5	13
San Mateo Co LAFCO	1		1	1	3	3	9	3	6
Santa Cruz Co LAFCO			3	2	4	4	13	7	19
Solano Co LAFCO			1	1	4	3	9	3	6
Sonoma Co LAFCO	1		2	1	3	1	8	2	3
Ventura Co LAFCO	1		2	1	1	4	9	3	6
Monterey Co LAFCO		1	2	1	3	3	10	4	10
Santa Barbara Co LAFCO			2	1	1	3	7	1	2
San Benito Co LAFCO	1		1	1	4	1	7	1	2
San Luis Obispo Co LAFCO		1	2	2	3	4	12	6	17

**Footnotes**

- 1- # Meetings per Year: 5-8 times (Santa Clara LAFCO) = 1, 9-11 times = 2, 12 times = 3
- 2- # Proposals: 6-15 (Santa Clara LAFCO) = 1, 16-25 = 2, 0-5 = 2, 26 or more = 3
- 3- #SOI/MSR Updates: 26 or more (Santa Clara LAFCO) = 1, 16-25 = 2, 6-15 = 3, 0-5 = 4
- 4- #Media Mentions: 10 or more (Santa Clara LAFCO) = 1, 8-10 = 2, 4-7 = 3, 0-3 = 4

Proposed List of Comparators  
Total Compensation Study

List of Data Sources	
Population/Number of Cities	State of California Demographic Research Unit <a href="http://www.dof.ca.gov/Forecasting/Demographics/Estimates/E-1/">http://www.dof.ca.gov/Forecasting/Demographics/Estimates/E-1/</a>
Independent Special Districts	Agency sites and or direct inquiry
Number of Employees	Agency sites and or direct inquiry
Agency Expenditures	Agency budget documents or direct inquiry
Cost of Living	Economic Research Institute Geographic Assessor /U.S. National Average
Comparable Services	2019 CALAFCO Biennial Survey



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**ITEM # 10**

**Alternate Commissioners**  
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Russ Melton  
Terry Trumbull  
**Executive Officer**  
Neelima Palacherla

**LAFCO MEETING: February 5, 2020**

**TO: LAFCO**

**FROM: Neelima Palacherla, Executive Officer  
Dunia Noel, Asst. Executive Officer**

**SUBJECT: EXECUTIVE OFFICER'S REPORT**

**10.1 MEETING ON PROPOSED METTA TAM TU BUDDHIST TEMPLE  
DEVELOPMENT**

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**For Information Only**

LAFCO staff anticipate receiving an application soon from the City of Morgan Hill requesting LAFCO approval to provide water service outside of the City's boundaries to serve the proposed Metta Tam Tu Buddhist Temple. In anticipation of this application, LAFCO staff attended a joint meeting of the County Planning Department and County Environmental Health Department staff on December 12, 2019 in order to learn about the two Departments' history with the proposed development, including code enforcement, application review, and permits. LAFCO staff also expected to learn the proposal's status with the County, in terms of review and permitting.

At the meeting, County staff had a discussion and decided that due to the complexity of the situation more research and internal discussions are necessary before County staff can fully inform LAFCO staff on these matters. LAFCO staff has requested that the County Planning Department provide the following information to LAFCO in anticipation of the City of Morgan Hill's application:

- Compiled record of County Planning and Development Department activities concerning the proposed development, including code enforcement, application review, and permits
- Status of the development application with the County. More specifically, whether the proposed development has a use permit or not.

LAFCO staff awaits a response from the County Planning and Development Department on these matters.

## **10.2 INQUIRY FROM LOS ALTOS HILLS ON ISLAND ANNEXATION PROCESS**

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### **For Information Only.**

In mid-December 2019, LAFCO staff received an inquiry from the Town of Los Altos Hills Planning staff on the streamlined process for cities annexing unincorporated islands. In response, LAFCO staff provided materials to Town staff on the overall process, including flow chart, mapping request form, and noticing requirements; and participated in a follow-up discussion, in which we also highlighted the important role that public education and outreach plays in a successful island annexation. Town staff will share this information with the executive team and determine appropriate next steps.

## **10.3 INQUIRY FROM MOUNTAIN VIEW ON POTENTIAL PROVISION OF RECYCLED WATER TO NASA AMES SITE**

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### **For Information Only.**

In mid-January 2020, LAFCO staff received an inquiry from City of Mountain View staff concerning the City's potential interest in providing recycled water to the NASA Ames Site, specifically to unincorporated lands that are located outside the City's Urban Service Area but inside the City's Sphere of Influence. LAFCO staff provided a brief overview of the applicable law and policies, and advised that per Government Code §56133 such service provision would require LAFCO approval.

## **10.4 COORDINATION WITH SAN MATEO LAFCO STAFF ON POTENTIAL WEST BAY SANITARY DISTRICT SPHERE OF INFLUENCE AMENDMENT & ANNEXATION**

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### **For Information Only.**

On December 18, 2019, Santa Clara LAFCO staff and Santa Mateo LAFCO staff held a conference call to discuss the County of Santa Clara's review of a proposed residential development in unincorporated Santa Clara County and the proposed amendment of West Bay Sanitary District's Sphere of Influence and the annexation of the said property to the District in order to receive sewer service. The proposal will require both LAFCOs to coordinate and act.

## **10.5 COORDINATION ON UPCOMING TRAINING SESSION FOR THE COUNTY PLANNING OFFICE**

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### **For Information Only.**

On January 13, 2020, LAFCO staff and Santa Clara County Planning Office staff met to discuss plans for LAFCO staff to conduct a training on LAFCO for County Planning Office staff. Although LAFCO and the County are separate agencies with distinct roles, there is substantial overlap between the two agencies in terms of goals and policies including the long-standing Countywide Urban Development Policies that

remain the cornerstone of LAFCO policy and County General Plan policy today. Because of this overlap and to further emphasize the inter-relationship between the two agencies, LAFCO staff and Planning staff are coordinating to provide a joint presentation that is scheduled for the morning of February 10, 2020. A follow-up meeting will be held in early February in order to finalize the agenda and materials (presentations and interactive scenarios) for the training session.

## **10.6 QUARTERLY MEETING WITH COUNTY PLANNING STAFF**

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### **For Information Only.**

Beginning in December 2018, LAFCO staff and County Planning Department staff began having quarterly meetings to discuss issues of common interest or concern. At the December 11, 2019 quarterly meeting, LAFCO staff and County staff discussed the following: 1) the City of Saratoga's proposed annexation of properties that are part of Mountain Winery; 2) upcoming LAFCO staff and County Planning Department staff joint training session; 3) the State Water Resource Control Board staff's inquiry about water service plans for the proposed Ellison Wildlife Center; and 4) the proposed development at 3343 Alpine Road and proposed West Bay Sanitary District Sphere of Influence Amendment and annexation of property.

## **10.7 SANTA CLARA COUNTY SPECIAL DISTRICTS ASSOCIATION MEETING**

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### **For Information Only.**

On December 2, 2019, EO Palacherla attended the quarterly meeting of the Santa Clara County Special Districts Association (SDA). Ms. Palacherla provided updates on various LAFCO projects, including the Rancho Rinconada Recreation and Park District Special Study. Ms. Palacherla also distributed LAFCO's new communication materials ("What is LAFCO?" Brochure and County and Cities Boundaries Map) to attendees. Ms. Palacherla agreed to do a full presentation on LAFCO at the next SDA meeting.

At the meeting, Los Altos Hills County Fire District gave a presentation on the District. Attendees, including various district staff and board members, a California Special Districts Association representative, and field staff for various state legislators provided reports and shared information on current projects or issues of interest. The next meeting of the SDA is scheduled for March 2, 2020.

## **10.8 COUNTY SUSTAINABILITY WORKING GROUP MEETING**

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### **For Information Only.**

On January 22, 2020, EO Palacherla and Analyst Rajagopalan attended the meeting of the Directors Stewardship Team/Sustainability County Working Group. Attendees received an update on the County's Sustainability Master Plan work completed to date and reviewed and provided feedback on the proposed County

sustainability goals and objectives. Lastly, attendees discussed how best to move the Sustainability Master Plan forward.

#### **10.9 SANTA CLARA COUNTY ASSOCIATION OF PLANNING OFFICIALS MEETING**

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##### **For Information Only.**

LAFCO staff attended the January 8, 2020 meeting of the Santa Clara County Association of Planning Officials (SCCAPO) which was hosted by the County Planning Office. At the meeting, County Office of Sustainability staff gave a brief presentation on “Silicon Valley 2.0 – Regional Climate Change Impact Mapping” and informed the group about sustainability planning grants, and County Public Health Department staff gave a presentation on the “Santa Clara County Health Element – Chronic Disease Strategic Plan.” The group also discussed the various 2019 Housing Bills and how local jurisdictions are implementing the various changes in the law in a timely manner, including those specific to accessory dwelling units. Lastly, attendees provided updates on and/or inquired about other pressing planning and development related issues in their individual jurisdictions.

#### **10.10 INTER-JURISDICTIONAL GIS WORKING GROUP MEETING**

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##### **For Information Only.**

Asst. EO Noel and Analyst Rajagopalan attended the December 11, 2019 Inter-Jurisdictional GIS Working Group Meeting hosted by the County Surveyor’s Office. This group includes various County departments that use and maintain GIS data, particularly LAFCO related data. The group discussed upcoming efforts to test and successfully move existing data to the new GIS coordinate system used by the County. Attendees also provided individual updates to the group on relevant GIS matters.





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**ITEM # 11**

**Alternate Commissioners**  
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Yoriko Kishimoto  
Russ Melton  
Terry Trumbull  
**Executive Officer**  
Neelima Palacherla

**LAFCO MEETING: February 5, 2020**

**TO: LAFCO**

**FROM: Neelima Palacherla, Executive Officer  
Dunia Noel, Asst. Executive Officer  
Lakshmi Rajagopalan, Analyst**

**SUBJECT: CALAFCO RELATED ACTIVITES**

**11.1 2020 CALAFCO STAFF WORKSHOP**

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**Recommendation**

Authorize staff to attend the 2020 CALAFCO Staff Workshop and authorize travel expenses funded by the LAFCO budget.

**Discussion**

The CALAFCO Annual Staff Workshop is scheduled for March 25 -27 in Newport Beach at the Hyatt Regency Newport Beach John Wayne Airport. Orange LAFCO and Imperial LAFCO are co-hosting the workshop.

Staff have been serving on the 2020 CALAFCO Staff Workshop Program Planning Team to plan the workshop program. Staff is also organizing/participating on a general session and a break-out session.

The workshop provides an opportunity for staff to gain and share knowledge about some of the best practices used by LAFCOs to address various issues facing local agencies across the state. The LAFCO Budget for Fiscal Year 2020 includes funds for staff to attend the Workshop.

**11.2 STAFF PRESENTATION TO CITIES ASSOCIATION ON CALAFCO'S LEGISLATIVE PROPOSAL RELATED TO SANTA CLARA LAFCO PUBLIC MEMBER APPOINTMENTS**

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**Recommendation**

Accept report and provide direction, as necessary.

**Discussion**

On January 9, 2020, Executive Officer Palacherla attended the Cities Association of Santa Clara County (CASCC) Board of Directors Meeting to receive their feedback on CALAFCO's legislative proposal to delete a restriction related to Santa Clara LAFCO

commissioner appointments, specifically, the criteria for LAFCO Public Member appointments as it relates to city representation on the Commission. At the time, CALAFCO was considering whether to include this legislative proposal in the 2020 Omnibus Bill and had requested that EO Palacherla get feedback from the cities about the proposed deletion to gauge the level of local support for the proposed change.

At the meeting, CASCC's Board of Directors unanimously denied support for the proposed legislative change, and instead requested that LAFCO create term limits for the LAFCO Public Member. CASCC's Board of Directors requested that EO Palacherla inform LAFCO of their position on this matter.

EO Palacherla informed the Board that LAFCO had discussed/considered the issue of term limits for LAFCO Commissioners at its April and June 2019 meetings and that in the end, LAFCO amended its Bylaws to include Policies on Selection and Appointment of the Public Member and Alternate Public Member in order to provide transparency and help promote public interest and participation in LAFCO. However, these Policies do not include term limits.

EO Palacherla is a member of CALAFCO Legislative Committee which met on January 17, 2020. At the meeting, the Committee learned that the CALAFCO Board of Directors recently set new legislative priorities for 2020, directing the Committee to suspend their work on the Omnibus Bill for now.