



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

777 North First Street
Suite 410
San Jose, CA 95112

SantaClaraLAFCO.org

Commissioners

Rich Constantine
Susan Ellenberg
Sergio Jimenez
Yoriko Kishimoto
Gary Kremen
Mike Wasserman
Susan Vicklund Wilson

Alternate Commissioners

Helen Chapman
Cindy Chavez
Matt Mahan
Russ Melton
Terry Trumbull

Executive Officer
Neelima Palacherla

**REGULAR MEETING
April 7, 2021 ▪ 1:15 PM
AGENDA**

Chairperson: Susan Ellenberg ▪ Vice-Chairperson:

***** BY VIRTUAL TELECONFERENCE ONLY *****

Pursuant to the provisions of California Governor’s Executive Order N-29-20, issued on March 17, 2020, this meeting will be held by teleconference only. No physical location will be available for this meeting. However, members of the public will be able to access and participate in the meeting.

PUBLIC ACCESS AND PUBLIC COMMENT INSTRUCTIONS

PUBLIC ACCESS

Members of the public may access and watch a livestream of the meeting on Zoom at <https://sccgov-org.zoom.us/j/95358187800>. Alternately, the public may listen in to the meeting by dialing (669) 219-2599 and entering **Meeting ID 95358187800#** when prompted.

WRITTEN PUBLIC COMMENTS may be submitted by email to LAFCO@ceo.sccgov.org. Written comments will be distributed to the Commission as quickly as possible. Please note that documents may take up to 24 hours to be posted to the agenda on the LAFCO website.

SPOKEN PUBLIC COMMENTS will be accepted through the teleconference meeting. To address the Commission, click on the link <https://sccgov-org.zoom.us/j/95358187800> to access the Zoom-based meeting.

1. You will be asked to enter an email address and name. We request that you identify yourself by name as this will be visible online and will be used to notify you that it is your turn to speak.
2. When the Chairperson calls for the item on which you wish to speak, click on “raise hand” icon. The Clerk will activate and unmute speakers in turn. Speakers will be notified shortly before they are called to speak. (Call in attendees press *9 to request to speak, and *6 to unmute when prompted.)
3. When called, please limit your remarks to the time limit allotted.

NOTICE TO THE PUBLIC

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. 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. 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.
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. WELCOME NEW COMMISSIONER

3. APPOINTMENT OF 2021 LAFCO VICE-CHAIRPERSON

Recommended Action: Appoint a commissioner to serve as Vice-Chairperson for the remainder of 2021.

4. 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.

5. APPROVE CONSENT CALENDAR

The Consent Calendar includes Agenda Items marked with an asterisk (*). The Commission may add to or remove agenda items from the Consent Calendar.

All items that remain on the Consent Calendar are voted on in one motion. If an item is approved on the Consent Calendar, the specific action recommended by staff is adopted. Members of the public who wish to address the Commission on Consent Calendar items should comment under this item.

***6. APPROVE MINUTES OF FEBRUARY 3, 2021 LAFCO MEETING**

PUBLIC HEARING

7. PROPOSED WORK PLAN AND BUDGET FOR FY 2022

Finance Committee and Staff Recommendation

1. Adopt the Proposed Work Plan for Fiscal Year 2021-2022.
2. Adopt the Proposed Budget for Fiscal Year 2021-2022.
3. Find that the Proposed Budget for Fiscal Year 2022 is expected to be adequate to allow the Commission to fulfill its statutory responsibilities.
4. Authorize staff to transmit the Proposed Budget adopted by the Commission including the estimated agency costs as well as the LAFCO public hearing notice for the adoption of the Fiscal Year 2022 Final Budget to the cities, the special districts, the County, the Cities Association of Santa Clara County and the Santa Clara County Special Districts Association.

8. DISSOLUTION OF INACTIVE SPECIAL DISTRICT - RECLAMATION DISTRICT NO. 1663

Recommended Action

CEQA Action

1. As Lead Agency under CEQA, determine that the proposed dissolution of Reclamation District No. 1663 is exempt from the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines §15061(b)(3).

Project Action

2. Adopt Resolution No. 2021-03 approving dissolution of Reclamation District No. 1663.

ITEMS FOR ACTION / INFORMATION

9. WEST VALLEY SANITATION DISTRICT 2020-01 (SUVIEW DRIVE)

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 6.56 acres of land (APNs 537-24-023 and 537-24-024) located within the Town of Los Gatos, to the West Valley Sanitation District.
3. Waive protest proceedings pursuant to Government Code §56662(a).

10. WEST VALLEY SANITATION DISTRICT 2020-02 (HIGH STREET)

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 1.154 acres of land (APN 532-23-095) located within the Town of Los Gatos, to the West Valley Sanitation District.
3. Waive protest proceedings pursuant to Government Code §56662(a).

11. UPDATE ON THE COUNTYWIDE FIRE SERVICE REVIEW

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

12. EXECUTIVE OFFICER'S REPORT

12.1 Update on Rancho Rinconada and Park Recreation District Special Study

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

- 12.2 Pre-Application Meeting with City of Gilroy on Wren Investors & Hewell USA Amendment**
Recommended Action: Accept report and provide direction, as necessary.
- 12.3 Meetings Related to Property Owner Requests for Sewer Service Outside the Town of Los Altos Hills**
Recommended Action: Accept report and provide direction, as necessary.
- *12.4 Santa Clara County Special Districts Association Meeting**
Recommended Action: Accept report and provide direction, as necessary.
- *12.5 Santa Clara County Association of Planning Officials Meeting**
Recommended Action: Accept report and provide direction, as necessary.
- *12.6 Inter-Jurisdictional GIS Working Group Meeting**
Recommended Action: Accept report and provide direction, as necessary.
- *12.7 Joint Venture Silicon Valley's 2021 State of the Valley Conference**
Recommended Action: Accept report and provide direction, as necessary.
- *12.8 2021 AEP Intermediate CEQA Workshop**
Recommended Action: Accept report and provide direction, as necessary.

***13. CALAFCO RELATED ACTIVITIES**

14. LEGISLATIVE REPORT

Recommended Action

1. Accept report and provide direction to staff, as necessary.
2. Take a support position on AB 1581 and authorize staff to send a letter of support.

15. PENDING APPLICATIONS / UPCOMING PROJECTS

- 14.1 City of Morgan Hill Application for Out-of-Agency Water Service to APN 817-07-024 (Metta Tam Tu)

16. COMMISSIONER REPORTS

***17. NEWSPAPER ARTICLES / NEWSLETTERS**

***18. WRITTEN CORRESPONDENCE**

19. ADJOURN

Adjourn to the regular LAFCO meeting on June 2, 2021 at 1:15 PM in the Board of Supervisors' Chambers, 70 West Hedding Street, San Jose.



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Susan Vicklund Wilson

ITEM # 2

Alternate Commissioners

Helen Chapman
Cindy Chavez
Matt Mahan
Russ Melton
Terry Trumbull

Executive Officer
Neelima Palacherla

LAFCO MEETING: April 7, 2021

TO: LAFCO

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

SUBJECT: WELCOME NEW COMMISSIONER

FOR INFORMATION ONLY

In late January 2021, the City of San Jose appointed Matt Mahan (Councilmember, City of San Jose) as the alternate LAFCO member. Alternate Commissioner Mahan replaces Alternate Commissioner Maya Esparza (Councilmember, City of San Jose). Alternate Commissioner Mahan's term on LAFCO expires on May 31, 2024.

LAFCO staff conducts an orientation program to educate incoming Commissioners on the history and purpose of LAFCO, its State mandate, the role of commissioners and staff; and Santa Clara LAFCO's key planning boundaries, regulatory and planning tools, application review process, service reviews program, decision making process, policies and procedures, outreach and collaboration efforts, and current/upcoming projects. Staff will conduct an orientation session for Alternate Commissioner Mahan on April 5, 2021.



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ITEM # 3

Alternate Commissioners

Helen Chapman
Cindy Chavez
Matt Mahan
Russ Melton
Terry Trumbull

Executive Officer
Neelima Palacherla

LAFCO MEETING: April 7, 2021

TO: LAFCO

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

SUBJECT: APPOINTMENT OF 2021 LAFCO VICE-CHAIRPERSON

STAFF RECOMMENDATION

Appoint a commissioner to serve as Vice-Chairperson for the remainder of 2021.

BACKGROUND

Appointment of the LAFCO Chairperson and Vice-Chairperson is typically made on a calendar year basis, usually at the December LAFCO meeting. Pursuant to LAFCO bylaws, the rotation schedule is as follows unless otherwise determined by the Commission:

- Cities member
- County member
- San Jose member
- Special Districts member
- County member
- Public member
- Special Districts member

At the December 2020 meeting, Special Districts member (Linda J. LeZotte) was appointed as LAFCO Vice-Chairperson for 2021. However, on January 30, 2021 LAFCO received notification from the Santa Clara Valley Water District that the District’s Board of Directors appointed Gary Kremen (Board Member, Santa Clara Valley Water District) to serve as the regular member on LAFCO in place of Commissioner LeZotte. Therefore, the Commission must appoint another commissioner to serve as Vice-Chairperson for 2021.

Over the last few years, LAFCO has experienced frequent changes in its membership resulting in the need for deviation from the adopted chair rotation schedule in order to allow new commissioners adequate time to gain knowledge and experience on LAFCO matters, before serving as LAFCO Chairperson.

During the 2016/2017 rotation schedule, the Commission skipped both the Cities member and San Jose member in order to allow both incoming appointees adequate time to become familiar with LAFCO.

In December 2016, LAFCO appointed the Special Districts member (Sequoia Hall) as Chair for 2017 and in February 2017, LAFCO appointed the County member (Ken Yeager) as Vice-Chair for 2017.

In December 2017, LAFCO appointed the County member (Ken Yeager) as Chair for 2018 and appointed the Public member (Susan Vicklund Wilson) as Vice-Chair for 2018.

In February 2019, LAFCO appointed the Public member (Susan Vicklund Wilson) as Chair for 2019 and appointed the San Jose member (Sergio Jimenez) as Vice-Chair for 2019. The appointment of the San Jose member as Vice-Chair was made to address the fact that the Commission's 2016/2017 rotation schedule skipped the San Jose member, with the understanding that the Cities member would serve as Vice-Chair in 2020, and to address the fact that the Commission's 2016/2017 rotation schedule had also skipped the Cities member.

In December 2019, LAFCO appointed the San Jose member (Sergio Jimenez) as Chair for 2020 and appointed the Cities member (Rob Rennie) as Vice-Chair for 2020, with the understanding that the appointments would return the chairperson rotation to its normal schedule. However, Commissioner Rennie's term on LAFCO expired May 31, 2020 and on May 14, 2020, the City Selection Committee of Santa Clara County appointed Rich Constantine (Mayor, City of Morgan Hill) as LAFCO Commissioner in place of Commissioner Rennie. In June 2020, LAFCO appointed County member (Susan Ellenberg) to fill the vacant Vice-Chair position for the remainder of 2020 per the rotation schedule.

In December 2020, LAFCO appointed County member (Susan Ellenberg) as Chair for 2021 and appointed Special Districts member (Linda J. LeZotte) as Vice-Chair for 2021.

It is recommended that the Commission consider a Special Districts member or a Cities member to fill the Vice-Chair position for the remainder of 2021.



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Commissioners
Rich Constantine
Susan Ellenberg
Sergio Jimenez
Yoriko Kishimoto
Gary Kremen
Mike Wasserman
Susan Vicklund Wilson

ITEM # 6

Alternate Commissioners
Helen Chapman
Cindy Chavez
Maya Esparza
Russ Melton
Terry Trumbull
Executive Officer
Neelima Palacherla

LAFCO MEETING MINUTES WEDNESDAY, FEBRUARY 3, 2021

CALL TO ORDER

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

Pursuant to the provisions of California Governor’s Executive Order N-29-20 issued on March 17, 2020, this meeting was held by teleconference only.

1. ROLL CALL

The following commissioners were present:

- Chairperson Susan Ellenberg
- Commissioner Rich Constantine
- Commissioner Sergio Jimenez
- Commissioner Yoriko Kishimoto
- Commissioner Gary Kremen
- Commissioner Mike Wasserman
- Commissioner Susan Vicklund Wilson
- Alternate Commissioner Helen Chapman
- Alternate Commissioner Russ Melton

The following commissioners were absent:

- Alternate Commissioner Cindy Chavez
- Alternate Commissioner Maya Esparza
- Alternate Commissioner Terry Trumbull

The following staff members were present:

- Neelima Palacherla, LAFCO Executive Officer
- Dunia Noel, LAFCO Assistant Executive Officer
- Emmanuel Abello, LAFCO Clerk
- Mala Subramanian, LAFCO Counsel

2. WELCOME NEW COMMISSIONERS

Chairperson Ellenberg welcomed the three new commissioners to LAFCO.

Commissioner Kishimoto expressed appreciation to the independent special districts for appointing her to LAFCO and she indicated that she would endeavor to work on LAFCO’s mission and goals.

Commissioner Gary Kremen expressed appreciation to staff for the thorough orientation on LAFCO and indicated it is helpful to understand LAFCO's mission and is happy to participate.

Alternate Commissioner Chapman indicated that she is a newly elected board member to the Santa Clara Valley Open Space Authority and stated that she recognizes the importance of LAFCO's work.

Brian Schmidt, Committee for Green Foothills, congratulated the new LAFCO commissioners on joining an important and least known public agency in the county and noted that LAFCO commissioner responsibilities are different from that of others as LAFCO commissioners must exercise their independent judgement and are not here to represent their appointing agencies.

3. PUBLIC COMMENTS

Ken Colson, President of the Burbank Community Association, informed that his organization has sent two letters to LAFCO expressing objection to the proposed annexation of the Burbank area by San Jose. He indicated that the letters were not recognized or added to the agenda. He requested that the two letters of opposition be reflected in the minutes. At the request of **Chairperson Ellenberg**, Ms. Palacherla noted that a letter from the Burbank Community Association was included in the previous agenda packet along with a second letter and another letter from the president of the Burbank Sanitary District is included in the current EO report.

4. APPROVE MINUTES OF DECEMBER 3, 2020 LAFCO MEETING

Ms. Palacherla proposed corrections to the draft minutes to indicate that on page one of the minutes under the Roll Call item, the minutes should reflect that Commissioner Susan Vicklund Wilson was present at the meeting, and on page two of the minutes under Item #3, the minutes should reflect that Commissioner Vicklund Wilson abstained from voting.

The Commission approved the minutes of December 3, 2020 meeting, as corrected.

Motion: Wasserman

Second: Jimenez

AYES: Constantine, Ellenberg, Jimenez, Kishimoto, Wasserman, Vicklund Wilson

NOES: None

ABSTAIN: Kremen

ABSENT: None

MOTION PASSED

Chairperson Ellenberg stated that she would like to move items that are routine informational reports or that are unlikely to generate questions onto a consent calendar in order to reserve the commission's conversation to issues of substance, controversy, or significant concern. She noted that she has discussed the addition of a consent calendar in future agendas with staff. She proposed inclusion of Agenda Items 6, 7, 8, 11.5, 11.6, 11.7, 11.8, 11.9, 14 and 15 on a consent calendar for approval in one motion without discussion if there is no objection.

Ms. Palacherla indicated that staff received a letter from the Guadalupe Coyote Resource Conservation District just before the meeting (Agenda Item #15). She stated that the letter will be distributed as supplemental information, and **Chairperson Ellenberg** determined that Item #15 can remain on consent.

Chairperson Ellenberg determined that there are no members of the public who want to speak on the item.

The Commission approved Agenda Items 6, 7, 8, 11.5, 11.6, 11.7, 11.8, 11.9, 14 and 15 on consent.

Motion: Kremen

Second: Wasserman

AYES: Constantine, Ellenberg, Jimenez, Kremen, Kishimoto, Wasserman, Vicklund
Wilson

NOES: None

ABSTAIN: None

ABSENT: None

MOTION PASSED

5. COUNTYWIDE FIRE SERVICE REVIEW REQUEST FOR PROPOSALS

Ms. Noel provided the staff report.

Commissioner Kishimoto expressed appreciation to staff for responding to all the comments and amending the RFP and noted that she agreed with the changes. She proposed that the Midpeninsula Regional Open Space District and the Santa Clara Valley Open Space Authority be added to the list of service providers and to include the Santa Clara County Community Wildfire Protection Plan as a reference. In response to **Chairperson Ellenberg**, Ms. Noel advised that the Plan can be added to the list of references; and the study could consider how the open space agencies partner with fire service providers. **Commissioner Kishimoto** indicated that like the Fire Safe Council, open space agencies have an important supporting role.

Commissioner Wasserman indicated that open space agencies do not fit into the definition of agencies that provide fire and emergency medical services and including them could set a precedent for other organizations that do not directly provide such services, and that could shift the focus and resources for the service review away from the fire agencies. **Commissioner Kishimoto** stated that wildland fire prevention, preparation and response are part of MROSD's land stewardship responsibilities since the agency manages vegetation and maintains fire roads and evacuation routes which are important to neighboring communities like Los Altos Hills. She also described how MROSD fielded its staff to prevent a fire event from spreading into a populated area. In response, **Commissioner Wasserman** stated that like the open space agencies, the County also owns many lands in the park system, and it has fire prevention responsibilities such as fuel management. He urged LAFCO to keep the service review focused on reviewing the fire agencies.

Commissioner Ellenberg expressed agreement, indicating that many agencies do fire management so the service review must focus on organizations that are formally and professionally charged with fire management.

Commissioner Constantine expressed appreciation for expanding South County's representation on the Technical Advisory Committee (TAC). Ms. Noel reported that in addition to the Morgan Hill City Manager Christina Turner, Gilroy Fire Chief Jim Wyatt and Commissioner Wilson are also on the TAC.

Alternate Commissioner Melton indicated that the scope of services refers to agencies that provide fire and emergency medical services, which are understood to be cities and fire districts that traditionally provide those types of services and indicated that the open space agencies should not be included in that category.

Commissioner Vicklund Wilson agreed and indicated that the open space agencies can participate through their comments even if they are not included among those agencies being reviewed.

In response to **Commissioner Wasserman**, it was confirmed that both Commissioners Kishimoto and Vicklund Wilson are on the TAC.

Commissioner Kishimoto agreed with Commission's consensus not to include open space agencies on the list of fire service providers to be reviewed and called attention to MROSD's Wildland Fire Resiliency Program. **Chairperson Ellenberg** agreed and stated that open space agencies will be part of the conversation and could fill even larger roles as the review identifies any gaps in services.

At the request of **Chairperson Ellenberg**, Ms. Noel summarized that the RFP could be revised to reference Santa Clara County Community Wildfire Protection Plan and not include the open space agencies in the list of fire agencies. **Commissioners Jimenez and Kishimoto** agreed.

In response to **Commissioner Constantine**, Ms. Noel indicated that there is currently no plan or process for public engagement as that would be decided in the public meetings of TAC and LAFCO will be periodically informed. Ms. Palacherla summarized the various opportunities for public input throughout the process. **Commissioner Kremen** noted the need for transparency and public outreach, and he noted that a large number of County residents may be interested in the service review and that there is a need for direct public outreach. **Chairperson Ellenberg** expressed agreement and requested the motion be amended to include direction to staff to provide information at the next meeting regarding public outreach which includes engaging with the environmental groups. **Commissioner Jimenez and Commissioner Kishimoto** agreed with the amendment to the motion.

Commissioner Constantine directed attention to the comment letter from Morgan Hill regarding the public review period and he inquired whether those requests could be made part of the motion. At the request of **Chairperson Ellenberg**, Ms. Palacherla advised that, with reference to the motion directing staff to prepare a public engagement plan, she suggested that such a plan should be added as a component of the consultant's scope of work. With regard to Morgan Hill's letter, Ms. Palacherla indicated that the staff report includes responses to the comment letter and that there will be multiple opportunities, including community workshops, and two 21-day public review and comment periods. **Chairperson Ellenberg** stated that the public outreach plan should include ways to communicate to the public about the

public hearings and community workshops and how they can participate in them or comment in advance, and that the consultant must be present to listen to the feedback and noted that the public are much more engaged in town hall meetings than they are at public hearings. **Commissioner Constantine** agreed and noted that consultation with the stakeholders, including the environmental groups, must be done before the draft report is prepared. He further indicated that Morgan Hill has proposed a 45-day review period and requested that LAFCO ensure that there is no overlap with the County's fire study.

Commissioner Wasserman stated that there is a lot of public concern and emotion about potential changes, and he expressed support for public outreach to be done before a draft report is prepared so the consultants can listen to the public's concerns because the review is being done for the people. **Chairperson Ellenberg** cautioned against saying that LAFCO is doing what the people want because the review must look at efficiency and effectiveness of the fire services and it may reveal issues that need to be addressed. **Commissioner Wasserman** agreed and indicated that town hall meetings are more effective in soliciting public opinion, and he stated that the service review cannot be completed without public input.

Commissioner Vicklund Wilson stated that she has been through all the fire service reviews since the first one and expressed support for public outreach. She also indicated that the public outreach would come at a cost and she suggested an increase in RFP amount to reflect that. In response to **Chairperson Ellenberg**, Ms. Subramanian stated that if the project amount is not increased at the meeting, the Executive Officer will not have the authority to award the project above \$125,000. She advised that LAFCO has the option to direct the revision of the scope of services and increase the project amount at this meeting so it will not be necessary to bring back the RFP.

Chairperson Ellenberg proposed to amend the motion to increase the contract amount to \$150,000, plus an additional \$10,000 in contingency, and to come back to LAFCO if that is still insufficient. **Commissioner Jimenez** agreed to the amended motion. **Commissioner Kishimoto** agreed to the amended motion but indicated that there is a confusion on the difference between the studies by LAFCO and the County. **Chairperson Ellenberg** indicated that the communications plan could address that. **Commissioner Kishimoto** suggested a clear FAQ.

In response to **Commissioner Wasserman**, Ms. Palacherla advised that there is \$100,000 for consultant costs in the current budget and since the service review will begin midway through the fiscal year, the rest of the cost will be taken from next fiscal year's budget. **Commissioner Wasserman** indicated that there is still five months remaining in the current fiscal year, and he expressed concern about encumbering expenses and relying on next year's budget. In response to his inquiry, Ms. Noel advised that the proposed contract amount is a ballpark number based on fire studies of other LAFCOs in the state, some of which were not as extensive, hence the \$10,000 in contingency was proposed. **Commissioner Wasserman** expressed support given that the amount is comparable to other LAFCOs. **Chairperson**

Ellenberg stated that there could be opportunities for collaboration and shared expenses with the County's study.

The Commission:

1. Authorized staff to issue a Request for Proposals (RFP) for a professional service firm to prepare a Countywide Fire Service Review.
2. Amended the Scope of Work to include public outreach.
3. Delegated authority to the LAFCO Executive Officer to enter into an agreement with the most qualified consultant in an amount not to exceed \$150,000, which may be amended with a contingency amount of up to \$10,000; and to execute any necessary amendments subject to LAFCO Counsel's review and approval.

Motion: Jimenez

Second: Kishimoto

AYES: Constantine, Ellenberg, Jimenez, Kishimoto, Kremen, Wasserman, Vicklund
Wilson

NOES: None

ABSTAIN: None

ABSENT: None

MOTION PASSED

***6. CONSENT ITEM: INITIATE DISSOLUTION OF INACTIVE SPECIAL DISTRICT – RECLAMATION DISTRICT NO. 16633**

The Commission:

1. Determined that the proposed dissolution of Reclamation District No. 1663 is exempt from the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15061(b)(3).
2. Adopted Resolution No. 2021-01 initiating dissolution of Reclamation District No. 1663.

***7. CONSENT ITEM: MOU BETWEEN LAFCO AND THE COUNTY OF SANTA CLARA REGARDING WEBCASTING SERVICES FOR LAFCO MEETINGS**

The Commission approved Memorandum of Understanding (MOU) between LAFCO and the County of Santa Clara regarding the County's provision of webcasting services for LAFCO meetings held in the County Board Chambers.

***8. CONSENT ITEM: ADOPTION OF AMENDED CONFLICT OF INTEREST CODE**

The Commission adopted Resolution No. 2021-02 approving LAFCO's amended Conflict of Interest Code.

9. SAN DIEGO LAFCO'S LEGISLATIVE EFFORT TO AMEND GOVERNMENT CODE §56133(e)

Ms. Palacherla presented the staff report.

that LAFCO lacks a Human Resources Committee for staff concerns. In response to **Chairperson Ellenberg**, Ms. Palacherla indicated that the workload has not decreased despite the pandemic, and that staff has received even more public inquiries, and staff have been working on various projects and more detailed information can be provided. **Chairperson Ellenberg** directed staff to provide a workplan from the last two years so there will be some basis to determine the workload status. **Commissioner Wasserman** expressed agreement.

11.2 Update on Regional Housing Needs Allocation (RHNA) for Unincorporated Santa Clara County

Ms. Palacherla provided the report. The Commission accepted the report.

11.3 Meeting with City of Morgan Hill on Urban Service Area Amendments

Ms. Palacherla provided the report. The Commission accepted the report.

11.4 San Jose Annexations and Concurrent Detachments from Burbank Sanitary District

Ms. Noel indicated that there is no additional information other than what is on the staff report.

Ken Colson, Chairman of the Burbank Community Association, stated that Burbank is an old community with its own identity and whose residents want to remain as a county pocket. He stated that San Jose annexations are chopping up the pocket and expressed concern about feasibility of services to the remaining pocket. He sought confirmation from LAFCO Counsel on whether only the property owners and not residents can oppose the annexation. He informed that residents knew of the annexation from the newspaper. He expressed concern about the lack of transparency in the process and about the cost of sewer.

In response to **Chairperson Ellenberg**, Ms. Subramanian indicated that she did not have the opportunity to review the issue but would look into it.

Chairperson Ellenberg indicated that the correspondence from Burbank Association was received in November and requested staff to provide information on the issue. Ms. Palacherla stated that Burbank is an unincorporated area within San Jose's urban service area. She explained that annexations, which are generally initiated by the property owners, are approved by the San Jose City Council after holding public hearings and not by LAFCO. She explained that after the Council adopts a resolution ordering the annexation it is sent to LAFCO. She stated that staff administratively prepares a certificate of completion and records it with the County Clerk Recorder, and reports completed city conducted annexations as part of the LAFCO annual reports. **Chairperson Ellenberg** confirmed that LAFCO has only an administrative role in this process. In response to **Commissioner Ellenberg** about how staff addressed the constituent letter, Ms. Palacherla informed that she has contacted the Burbank Sanitary District General Manager and explained the annexation process and the options discussed in the service review report. She stated that she has also contacted Mr. Colson and explained the reason for the parcel

by parcel annexations and the annexation process. She stated that she has also discussed the concerns raised with the City of San Jose staff and that they have agreed to discuss with other city departments and that staff is awaiting a response from San Jose.

In response to **Commissioner Wilson, Chairperson Ellenberg** determined that there is no need for LAFCO Counsel to look at this issue as it has now been clarified that LAFCO is not involved in this annexation process.

Alternate Commissioner Chapman indicated that she is familiar with the area and was briefed by LAFCO staff, and she indicated to Mr. Colson that staff is open to working on this to help address the issue.

***11.5 Consent Item: Presentation on LAFCO to Leadership Sunnyvale**

The Commission accepted the report.

***11.6 Consent Item: Quarterly Meeting with County Planning**

The Commission accepted the report.

***11.7 Consent Item: Santa Clara County Special Districts Association Meeting**

The Commission accepted the report.

***11.8 Consent Item: Santa Clara County Association of Planning Officials Meeting**

The Commission accepted the report.

***11.9 Consent Item: Meeting with County Office of Sustainability Regarding its Community Climate Action Plan**

The Commission accepted the report.

12. PENDING APPLICATIONS / UPCOMING PROJECTS

Ms. Palacherla reported that LAFCO has received an application for annexation to West Valley Sanitation District and that it is incomplete but will likely be ready for commission consideration at the April meeting if the map and description are provided by the filing deadline.

13. COMMISSIONER REPORTS

Commissioner Vicklund Wilson expressed gratitude to former Commissioner Linda LeZotte for her work on LAFCO and noted that the lack of her background and expertise on environmental issues will be a loss for LAFCO.

14. NEWSPAPER ARTICLES / NEWSLETTERS

There were none.

***15. CONSENT ITEM: WRITTEN CORRESPONDENCE**

The Commission noted a letter from Santa Clara Valley Water District dated January 5, 2021, regarding Guadalupe River Corridor Management Plan.

In response, the Commission received a letter from Stephanie Moreno, Guadalupe-Coyote Resource Conservation District Executive Director, which was distributed as Supplemental Information #3.

13. ADJOURN

The Commission adjourned at 2:53 p.m., to the next regular LAFCO meeting on April 7, 2021 at 1:15 p.m., by teleconference.

Approved on April 7, 2021.

Susan Ellenberg, Chairperson
Local Agency Formation Commission of Santa Clara County

By: _____
Emmanuel Abello, LAFCO Clerk



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

777 North First Street
Suite 410
San Jose, CA 95112

SantaClaraLAFCO.org

Commissioners

Rich Constantine
Susan Ellenberg
Sergio Jimenez
Yoriko Kishimoto
Gary Kremen
Mike Wasserman
Susan Vicklund Wilson

Alternate Commissioners

Helen Chapman
Cindy Chavez
Matt Mahan
Russ Melton
Terry Trumbull

Executive Officer

Neelima Palacherla

LAFCO MEETING: April 7, 2021

TO: LAFCO

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

SUBJECT: PROPOSED WORK PLAN AND BUDGET FOR FY 2022

FINANCE COMMITTEE / STAFF RECOMMENDATIONS

1. Adopt the Proposed Work Plan for Fiscal Year 2021-2022.
2. Adopt the Proposed Budget for Fiscal Year 2021-2022.
3. Find that the Proposed Budget for Fiscal Year 2022 is expected to be adequate to allow the Commission to fulfill its statutory responsibilities.
4. Authorize staff to transmit the Proposed Budget adopted by the Commission including the estimated agency costs as well as the LAFCO public hearing notice for the adoption of the Fiscal Year 2022 Final Budget to the cities, the special districts, the County, the Cities Association of Santa Clara County and the Santa Clara County Special Districts Association.

ANNUAL BUDGET PROCESS REQUIREMENTS

The Cortese Knox Hertzberg Local Government Reorganization Act of 2000 (CKH Act) which became effective on January 1, 2001, requires LAFCO, as an independent agency, to annually adopt a proposed budget by May 1 and a final budget by June 15 at noticed public hearings. Both the proposed and the final budgets are required to be transmitted to the cities, the special districts and the County. Government Code §56381(a) establishes that at a minimum, the budget must be equal to that of the previous year unless the Commission finds that reduced staffing or program costs will nevertheless allow it to fulfill its statutory responsibilities. Any unspent funds at the end of the year may be rolled over into the next fiscal year budget. After adoption of the final budget by LAFCO, the County Auditor is required to apportion the net operating expenses of the Commission to the agencies represented on LAFCO.

FISCAL YEAR 2021-2022 BUDGET DEVELOPMENT TIMELINE

Dates	Staff Tasks / LAFCO Action
March 17 - April 7	Notice of this public hearing was advertised in a local newspaper, posted on the LAFCO website and distributed to local agencies. The agenda and a link to the posted agenda packet are also distributed to local agencies, interested persons and organizations. The proposed Workplan and Budget are posted on the LAFCO website and available for public review and comment.
April 7	LAFCO public hearing on adoption of Proposed Workplan and Budget
April 8	Proposed Work Plan and Budget, preliminary apportionments and LAFCO public hearing notice for Final Budget Hearing transmitted to agencies
June 2	LAFCO public hearing and adoption of Final Budget
June 2 - July 1	Final Budget transmitted to agencies; Auditor requests payment from agencies

LAFCO FINANCE COMMITTEE

At its February 3, 2021 LAFCO meeting, the Commission appointed Commissioner Jimenez, Commissioner Kremen and Alternate Commissioner Melton to serve on the Finance Committee.

At its special meeting held on March 4, 2021, the Finance Committee discussed the progress on the current year work plan and the status of the current year budget; and recommended the proposed FY 2022 work plan and budget for consideration and adoption by the full commission.

CURRENT YEAR IN REVIEW

PROGRESS REPORT ON FY 2020-2021 WORK PLAN

LAFCO's current fiscal year workplan was adopted at a noticed public hearing held on April 8, 2020. **Attachment A** depicts the current status (through the third quarter of the year) of the 2020-2021 Work Program.

During this time, LAFCO has initiated many important new projects identified in its workplan highlighted by the Countywide Fire Service Review, the dissolution of an inactive district, and the implementation of recommendations from LAFCO's Comprehensive Organizational Assessment. These projects are currently underway.

A major focus of LAFCO's work during the past nine months has centered on providing assistance and expertise to local and regional agencies on a variety of matters in support of local or shared goals such as island annexations, Urban Service

Area amendment and out of agency contract for service applications, environmental review activities, regional plans/housing needs allocations, city general plan updates and other topics that affect local agency boundaries and services. Many of these issues need months or years of discussion and coordination and involve time intensive research, back and forth dialogue, exploration of options, multiple meetings and preparation of documentation and comment letters.

In accordance with the Commission's directive, a work plan focus area as opportunities arise and time permits has been to conduct targeted outreach to various local entities (special districts, County, cities and other community organizations/individuals) on LAFCO's role in promoting sustainable growth and good governance.

Another significant and growing area of the workplan is responding to public inquiries. The volume and complexity of such inquiries has continued to increase this past year, even under Shelter in Place restrictions. To examine this trend, LAFCO staff tracked public inquiries that the LAFCO Office received during the month of February (February 1 - 28, 2021). On top of prior scheduled meetings and administrative issues/requests, staff received and responded to a total of 43 public inquiries (an average of 2+ inquiries each day) during the month. This trend has continued. These inquiries come from various parties including property owners, developers, consultants, attorneys, or agency staff, and cover a broad range of issues/topics and could pertain to any location within Santa Clara County or neighboring counties. Depending on the type of inquiry, a response can be provided in a single email/phone call, require moderate or extensive research, require one or more meetings, or a combination of these. While this represents a considerable part of staff workload on the whole, only the more complex issues or controversial issues, or those that involve a significant amount of staff time are reported on a regular basis to the Commission in the EO Reports.

Other notable administrative activities and projects that have been completed or are underway include among others, the annual financial audit, the annual report, new commissioners onboarding, required staff training, bylaws revision, and arrangement for LAFCO meetings broadcast.

Notwithstanding the preceding progress on various work plan items, some important, high priority projects such as the comprehensive review and update of LAFCO policies and scanning of LAFCO records have fallen behind and will not be completed by the end of the fiscal year. The delays are partly due to the increased demand for LAFCO services and staff's efforts to prioritize and meet the needs of the local agencies and the public; personnel issues including a vacant analyst position since the end of January 2021; and remote work protocols due to the COVID-19 pandemic. The projects in the current workplan that will not be completed by the end of the fiscal year have been added to the proposed FY 2022 workplan.

The [LAFCO Annual Report for FY 2020](#) which summarizes the work accomplished during the previous fiscal year (July 2019 – June 2020) provides context and serves as a benchmark to evaluate the scope of staff workload for the current fiscal year.

LAFCO has not experienced a decrease in the current year workload as a result of the COVID-19 pandemic, rather the workload reflects a higher demand from local agencies for LAFCO's expertise and assistance. Staff's goal is to continue to be responsive and provide service with professional and personal integrity.

The LAFCO Annual Report for FY 2021 will be published at the end of the current fiscal year and will document all the applications reviewed and processed by LAFCO in Fiscal Year 2021; and will summarize the various accomplishments, activities/projects that LAFCO has engaged in or completed during the period.

STATUS OF FY 2020-2021 ADOPTED BUDGET

Attachment D includes the FY 2021 final budget adopted by the Commission at a noticed public hearing on June 2, 2020, the status of LAFCO's expenditures and revenues as of February 19, 2021 and expenditure and revenue projections for end of FY 2021. The adopted LAFCO budget for FY 2021 is \$983,785 and reflects a 14% reduction compared to the previous fiscal year's (FY 2020) budgeted operating expenses. It is estimated that the total year-end projected expenditures for FY 2021 would be approximately 10% lower than the adopted budget primarily due to salary savings from a vacant staff position and unspent business travel and office expense accounts due to the COVID-19 pandemic. Revenue for FY 2021 is also projected to be lower than that projected in the adopted budget. LAFCO has received the respective FY 2021 cost shares from the County, the cities and the independent special districts. The actual fund balance rolled over at the end of FY 2020 was considerably higher at \$352,123, compared to the amount estimated (\$187,927) in the FY 2021 budget. The excess fund balance and the unspent FY 2021 expenditure amounts will carry over into FY 2022 and be used to reduce net operating expenses that would in turn translate to reduced FY 2022 costs for contributing agencies.

PROPOSED WORK PLAN FOR FISCAL YEAR 2022

Attachment C includes the proposed work plan for FY 2022, as recommended by the Finance Committee, for consideration and adoption by the full commission.

The proposed workplan includes ongoing as well as new projects and outlines detailed projects/activities organized under six broad areas: (1.) LAFCO application processing; (2.) island annexations; (3.) outreach, government/community relations and customer service; (4.) service reviews, special studies and sphere of influence updates; (5.) commission support; and (6.) administrative projects. The work plan assigns priority levels (high, moderate, low); and designates whether the work is to be conducted by staff or outside consultants.

The Finance Committee directed that staff consider and discuss how the reduced staffing levels (due to a vacant position) might affect work plan priorities and the accomplishment of the work plan. Staff has reassessed the proposed priorities to better reflect actual staffing levels and has updated the workplan accordingly.

The proposed work plan includes a broad spectrum of responsibilities that LAFCO, as an independent local agency and as a regulatory body of the state, is expected to

fulfill in its role of promoting sustainable growth and good governance in Santa Clara County. It incorporates the Commission's legislative functions and mandates and also the Commission's proactive local initiatives and priorities such as its directives for ongoing public outreach and communications, comprehensive organizational assessment and its proactive service review and implementation program.

Reduced Staffing and Impact on Work Plan

As indicated previously, over the past year, LAFCO has experienced an ever increasing demand for its expertise and services but is currently functioning with reduced professional staffing (3.0 FTE) due to a vacant LAFCO Analyst position since January 2021. The current 3.0 FTEs are experienced staff members and provide superior service levels – each having served in their positions for 20 years. Due to the current vacancy, staff members have had to work overtime and particularly the LAFCO Clerk has had to perform higher functions and fill the vacancy gap in order to meet deadlines. At this time, it is unclear how quickly the vacant position could be filled as the recruitment for the position is dependent on the outcome of the classification study currently in progress. It is anticipated that actual professional staffing capabilities will be below 4.0 FTE for at least six months, and possibly longer considering the onboarding and training period for the new staff person.

According to the Comprehensive Organizational Assessment report prepared by LAFCO's consultant, even the 4.0 FTE staffing level is lower than other LAFCOs with comparable operations. However, in August 2020, the Commission voted to maintain the current 4.0 FTE staffing level given uncertain economic conditions related to the COVID-19 pandemic but kept open the option to consider the potential addition of 1.0 FTE in the future.

To address this reduced staffing situation, staff must actively manage the workload in order to focus on accomplishing essential activities such as processing applications, completing projects currently underway such as the Countywide Fire Service Review, maintaining core administrative functions, recruiting and training new staff, supporting the commission and responding to local agency and public requests for assistance. Non-essential activities and other proactive initiatives will need to be deferred until staffing levels/expertise are restored. This is consistent with past practice where LAFCO's statutorily mandated activities take priority over administrative projects that are not statutorily required, and over proactive commission-initiated projects which are discretionary but support LAFCO's mission and statutory requirements.

PROPOSED BUDGET FOR FISCAL YEAR 2021

Attachment D includes the proposed Budget for FY 2021-2022 as recommended by the Finance Committee, for consideration and adoption by the full commission. The Finance Committee conducted a thorough review of the work plan and budget and recognized the public benefit of LAFCO's work and the high demand for LAFCO's services from local agencies and the public. The Committee maintained its commitment to ensure adequate resources that allow the Commission to fulfill its

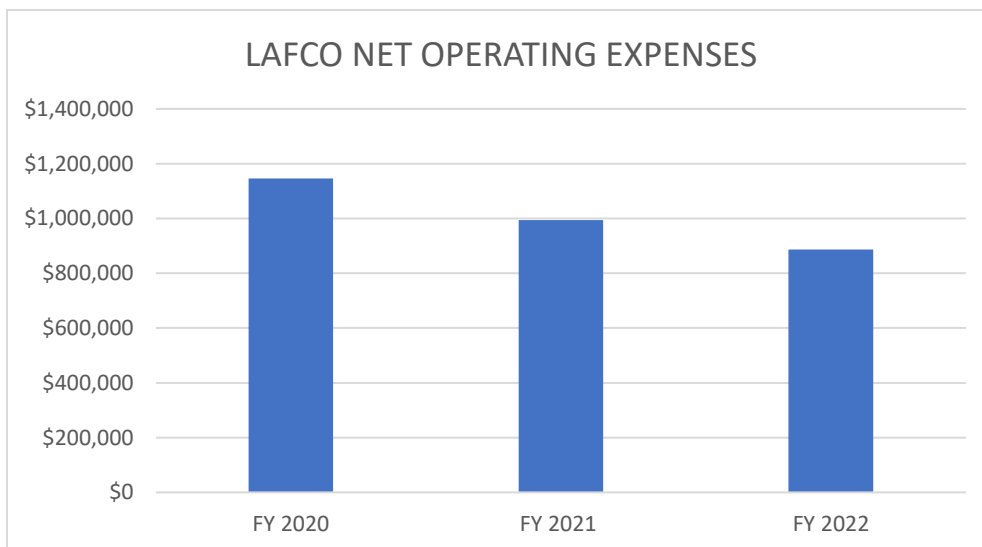
statutory responsibilities and accomplish its work plan while also limiting costs for LAFCO’s funding agencies given the financial challenges faced by local agencies due to the COVID-19 pandemic. Specifically, the Committee directed staff to:

- Review certain expenditure line items in order to reduce the amounts and make them more consistent with actual expenditure trends from previous years and/or to reflect COVID-19 related reduced operational expenses
- Reduce the current reserve amount from \$250,000 to \$200,000
- Negotiate a rent reduction given that the LAFCO office is closed and staff is working remotely due to the COVID-19 pandemic
- Confirm the costs in the County’s cost allocation plan amount to ensure that the charges are appropriate

Staff has addressed these issues within the detailed discussion of the individual budget line items and has incorporated revisions into the proposed budget accordingly. As a result of these intentional measures, the proposed budget maintains the overall expenditure for FY 2022 (\$1,210,990) at a substantially similar level to the current year budget (\$1,207,712).

In addition to cutting costs to limit net operating expenses, projected current year cost savings (from salary savings, unspent travel, and other reduced operational costs because of COVID-19 remote work) and a larger than estimated fund balance from FY 2020 are expected to result in a \$288,660 fund balance at the end of the current year – and will be used to further reduce net operating expenses in FY 2022.

As a result of these measures, LAFCO’s proposed net operating expense for FY 2022 is 10% lower than the current year budgeted amount which was 14% lower than the previous year. **This means that for a second year LAFCO has reduced local agencies’ apportionments.** However, such measures may not be available in future years and there may be a potential need to increase apportionments in order to meet state mandates and LAFCO work plan objectives.



DESCRIPTION OF FY 2021-2022 BUDGET LINE ITEMS

LAFCO and the County of Santa Clara entered into a Memorandum of Understanding (MOU) (effective since July 2001), under the terms of which, the County provides staffing, facilities, and services to LAFCO. The associated costs are reflected in the proposed LAFCO budget. LAFCO is a stand-alone, separate fund within the County's accounting and budget system and the LAFCO budget information is formatted using the County's account descriptions/codes.

The following is a detailed itemization of the proposed budget.

EXPENDITURES

Expenditures are divided into two main sections: Staff Salary and Benefits (Object 1) which comprise 70% of the total expenditures, and Services and Supplies (Object 2).

OBJECT 1. SALARIES AND BENEFITS \$844,239

This line item supports the salary and benefits for the 4.0 FTE positions including the Executive Officer position, the two Analyst positions and the Clerk position. One Analyst position is currently vacant. Recruitment for the position is on hold until the County's classification study for LAFCO staff positions is completed. LAFCO contracts with the County of Santa Clara for staffing and services and in accordance with the MOU between the County and LAFCO, all four positions are staffed through the County Executive's Office. The proposed amount is based on the best available projections from the County at this time for salary and benefits for the 4 positions. Changes to the projections for the four positions that occur within the next couple of months will be reflected in the Final LAFCO budget.

OBJECT 2. SERVICES AND SUPPLIES

5255100 Intra-County Professional \$10,000

This includes the costs for services from various County agencies such as the County Surveyor's Office, the County Assessors' Office, and the Registrar of Voters. The County Surveyor assists with map review and approval for boundary change proposals. In addition, the Surveyor's Office also assists with research to resolve boundary discrepancies. The County Assessor's Office prepares reports for LAFCO and the Registrar of Voters provides data necessary for processing LAFCO applications. This item also allows LAFCO to seek GIS mapping services including maintenance and technical assistance from the County Planning Office, as necessary. This budgeted amount has been reduced significantly from \$45,000 to be more consistent with actual expenditure trends from previous years.

5255800 Legal Counsel \$75,896

This item covers the cost for general legal services.

In February 2009, the Commission retained the firm of Best Best & Krieger for legal services on a monthly retainer. The contract was amended in 2010 to reduce the number of total hours required to 240 hours per year. The contract sets the hourly rate and allows for an annual automatic adjustment to the rates based on the Consumer Price Index (CPI). In 2017, the contract was once again amended to

increase the monthly retainer cost and limit the CEQA work within the retainer to 24 hours annually. Any additional CEQA work above 24 hours would be charged outside the retainer at the same hourly rate.

The monthly retainer for FY 2022 increases to \$6,083, based on a 1.7% increase in the Consumer Price Index for the prior calendar year (2020). This item covers the annual retainer fees and includes additional monies to cover approximately 10 hours of work outside the retainer at the current hourly rate of \$290.

5255500 Consultant Services \$150,000

This item is budgeted for hiring consultants to assist LAFCO with special projects such as for conducting service reviews and special studies, facilitating a strategic planning workshop, scanning LAFCO's hardcopy records into the existing electronic document management system, meeting broadcast services for LAFCO meetings and for conducting the annual financial audit, among others. The Commission must take action to authorize such special projects prior to expending funds. This item also includes costs associated with ongoing existing contracts such as costs for maintenance and hosting of the LAFCO website by an outside provider.

5285700 Meal Claims \$750

This item includes cost of food to support Commission events, workshops, meetings.

5220200 Insurance \$8,500

This item is for the purpose of purchasing general liability insurance and workers' compensation coverage for LAFCO. In 2010, LAFCO switched from the County's coverage to the Special District Risk Management Authority (SDRMA), for the provision of general liability insurance. Additionally, LAFCO also obtains workers' compensation coverage for its commissioners from SDRMA. Workers' compensation for LAFCO staff is currently covered by the County and is part of the payroll charge. SDRMA has recently provided estimated FY 2022 contribution amounts for use in the budgeting process: Property/ liability (\$7,300) and Workers compensation (\$1,100). SDRMA is in the process of negotiating rates on behalf of its program membership and expects to confirm rates in mid-May. The Final budget will reflect any major revisions to these estimates.

5270100 Rent & Lease \$47,784

This item includes monthly rent for the LAFCO office space during the FY 2022. The current lease term expires on March 31, 2022. As directed by the Finance Committee, staff has contacted the landlord about rent accommodation in light of the COVID-19 pandemic. The landlord suggested a "blend and extend" approach as part of renegotiating a 3-year option to extend the lease based on current market rent. It allows the landlord to lock in the tenant for the option term and the tenant gets some rent relief in lowered rent because of market instability. Staff will work with legal counsel and bring this back to the Committee and the full Commission for consideration upon receiving more information from the landlord.

5250100 Office Expenses \$5,000

This item includes funds for purchase of books, subscriptions/publications necessary to keep current on laws and trends; small equipment and supplies for office operations, including printer/photocopier lease. This amount has been reduced in half to be more consistent with actual expenditure trends from previous years and reflects potential lower operating expenses due to COVID-19 related remote work and office closure.

5255650 Data Processing Services \$22,048

This item includes estimated costs associated with County Technology Solutions & Services Department (TSS) providing IT services to the LAFCO program. According to TSS, the projected costs cover Telecom services for 5 phones- VOIP/Landline (\$2,520), Wireless Carrier Service (\$709), MS Adobe special order, Acrobat Pro and MS Visio monthly subscription (\$3,449), and other services (\$15,370) comprising Enterprise Content Management services and solutions, Kronos support, Architecture and Innovation Services, Claranet services, Data Analytics and Visualizations, digital print and sccLearn. Revised cost estimates received from the County will be reflected in the Final LAFCO budget.

5225500 Commissioner's Fees \$10,000

This item covers the \$100 per diem amount for LAFCO commissioners and alternate commissioners to attend LAFCO meetings and committee meetings.

5260100 Publications and Legal Notices \$1,000

This item is for costs associated with publication of hearing notices for LAFCO applications and other projects/ studies, as required by state law. It has been reduced from \$2,500 to be more consistent with actual expenditure trends from previous years.

5245100 Membership Dues \$12,500

This item includes CALAFCO – the California Association of LAFCOs membership dues. As approved at the CALAFCO Annual Membership Business meeting on October 31, 2019, the FY 2022 membership dues for Santa Clara LAFCO is \$10,760.

Additionally, this item includes estimated membership dues for CSDA – the California Special Districts Association. In June 2018, CSDA informed staff that Santa Clara LAFCO as a customer of SDRMA, must be a member of CSDA pursuant to SDRMA bylaws.

5250750 Printing and Reproduction \$1,500

This covers printing expenses for reports such as service reviews or other studies and documents.

5285800 Business Travel \$10,000

This item includes funding for staff and commissioners to attend conferences and workshops. It would cover costs of air travel, accommodation, conference registration and other expenses at the conferences. CALAFCO annually holds a Staff Workshop (March 2022) and an Annual Conference (October 2021) that is attended

by commissioners as well as staff. The CALAFCO Legislative Committee meetings are currently being held by teleconference and will not require travel. The reduced amount reflects this and is more consistent with actual expenditure trends from previous years.

5285300 Private Automobile Mileage \$1,000

This item provides for mileage reimbursement when staff travels by private car to conduct site visits and attend meetings / training sessions. This amount has been reduced in half to be more consistent with actual expenditure trends from previous years.

5285200 Transportation and Travel (for use of County car) \$600

This item would cover costs associated with the use of a County vehicle for travel to conferences, workshops, site visits and meetings.

5281600 Overhead (\$49,173)

This overhead charge is established by the County Controller's Office, for service rendered by various County departments that do not directly bill LAFCO. The overhead includes LAFCO's share of the County's FY 2022 Cost Allocation Plan which is based on actual overhead costs from FY 2020 – the most recent year for which actual costs are available.

The overhead amount includes the following charges from:

County Executive's Office:	\$12,569
Controller-Treasurer:	\$11,000
Employee Services Agency:	\$6,976
OBA:	\$426
BHS-MH - Employee:	\$281
TSS Intragovernmental Service:	\$672
Technology Services & Solutions:	\$3,212
Procurement:	\$62
Facilities and Fleet:	\$121

Further, a "roll forward" is applied which is calculated by comparing FY 2020 Cost Plan estimates with FY 2020 actuals. The FY 2020 cost estimates were lower than the actuals by \$13,854; this amount is added to the FY 2022 Cost Plan. This is a state requirement.

5275200 Computer Hardware \$3,000

This item is designated for any required hardware upgrades / purchases.

5250800 Computer Software \$5,000

This amount is designated for computer software purchases, and annual licenses for GIS software and records management (LaserFische) hardware/software annual maintenance agreement.

5250250 Postage \$1,000

This amount covers postage costs for mailing notices, agendas, agenda packets and general correspondence. This amount has been reduced by half to be more consistent with actual expenditure trends from previous years.

5252100 Training Programs \$2,000

This item covers the costs associated with attendance at staff development courses and seminars. CALAFCO conducts University Courses throughout the year on topics of relevance to LAFCO.

REVENUES

4103400 Application Fees \$30,000

It is anticipated that LAFCO will receive approximately \$30,000 in fees from processing applications. The actual amount earned from fees depends entirely on the level of application activity.

4301100 Interest \$6,000

It is estimated that LAFCO will receive an amount of approximately \$6,000 from interest earned on LAFCO funds.

3400150 Fund Balance from Previous Fiscal Year (FY 2021) \$288,660

It is projected that there will be a savings or fund balance of approximately \$288,660 at the end of the current year, which will be carried over to reduce the proposed Fiscal Year 2022 costs for LAFCO's funding agencies (cities, independent special districts and the County).

Projected Year-End [FY 2021] Fund Balance = (Projected Year-End [FY 21] Revenue + Actual Fund Balance from Previous Fiscal Year [FY 20] + Funds Received from Local Agencies in FY 21) - (Projected Year-End [FY 21] Expenses)

$$= (\$20,000 + \$352,123 + \$983,784) - \$1,077,248$$

$$= \$288,660$$

The fund balance excludes the reserves.

RESERVES

3400800 Reserves Available \$200,000

This item includes reserves for two purposes: litigation reserve – for use if LAFCO is involved with any litigation; and contingency reserve – to be used for unexpected expenses. If used during the year, this account will be replenished in the following year. Since 2012, the reserves have been retained in a separate Reserves account, thus eliminating the need for LAFCO to budget each year for this purpose.

The Reserves amount has been held at \$250,000 since FY 2020 to timely implement potential recommendations from the Comprehensive Organizational Assessment, and as a tentative measure in recognition that LAFCO operates in an increasingly complex and controversial environment. The implementation of the Comprehensive Organizational Assessment Study is currently on hold pending the completion of the Classification Study by the County, which is expected soon.

The Finance Committee has recommended that the Reserves be reduced by \$50,000 to \$200,000, and that amount be used to further reduce costs to local agencies given the COVID -19 related economic hardships. This places the proposed Reserve amount at approximately 17% of the total FY 2022 expenditures. LAFCO has not adopted a Reserves policy, however as an independent agency, LAFCO should maintain sufficient reserves for flexibility and stability in the event of unanticipated needs.

5701000 Reserves (\$50,000)

The Finance Committee has recommended that the Reserves be reduced by \$50,000 to \$200,000, which is approximately 17% of the total FY 2022 expenditures.

FY 2022 NET OPERATING EXPENSES

FY 2022 Net Operating Expenses = (Proposed FY 2022 Expenditures) - (Proposed FY 2022 Fee & Interest Revenues + Projected Fund Balance from FY 2021)

= (\$1,210,990) - (\$36,000 + \$288,660)

= \$886,330

The projected operating expense for FY 2022 is based on projected expenditures and revenues as well as on estimated fund balance for the current year. Further revisions may be needed as we get a better indication of current year expenses/revenues towards the end of this fiscal year. Additionally, a more accurate projection of costs/revenues for the upcoming fiscal year could become available, particularly for employee salary and benefits. This could result in changes to the proposed net operating expenses for FY 2022 which could in turn impact the costs for each of LAFCO's funding agencies.

COST APPORTIONMENT TO CITIES, INDEPENDENT SPECIAL DISTRICTS AND COUNTY

In January 2013, independent special districts were seated on LAFCO. Government Code §56381(b)(1)(A) provides that when independent special districts are represented on LAFCO, the county, cities and independent special districts must each provide a one-third share of LAFCO's operational budget.

The City of San Jose has permanent membership on LAFCO pursuant to Government Code Section 56327. As required by Government Code §56381.6(b), the City of San Jose's share of LAFCO costs must be in the same proportion as its member bears to the total membership on the commission, excluding the public member. The remaining cities' share must be apportioned in proportion to each city's total

revenues, as reported in the most recent edition of the Cities Annual Report published by the Controller, as a percentage of the combined city revenues within a county.

Government Code Section 56381 provides that the independent special districts' share shall be apportioned in proportion to each district's total revenues as a percentage of the combined total district revenues within a county. The Santa Clara County Special Districts Association (SDA), at its August 13, 2012 meeting, adopted an alternative formula for distributing the independent special districts' share to individual districts. The SDA's agreement requires each district's cost to be based on a fixed percentage of the total independent special districts' share.

Therefore, in Santa Clara County, the County pays a third of LAFCO's operational costs, the independent special districts pay a third, the City of San Jose pays one sixth and the remaining cities pay one sixth. Government Code §56381(c) requires the County Auditor to request payment from the cities, independent special districts and the County no later than July 1 of each year for the amount each agency owes based on the net operating expenses of the Commission and the actual administrative costs incurred by the Auditor in apportioning costs and requesting payment.

The following is a draft apportionment to the agencies based on the proposed net operating expenses for FY 2022.



Apportionment of the costs among the 14 cities and among the 17 independent special districts will be calculated by the County Controller's Office after LAFCO adopts the final budget in June. In order to provide each of the cities and districts

with a general indication of their costs in advance, **Attachment E** includes draft estimated apportionments prepared by the County Controller's Office, based on the proposed FY 2022 net operating expenses and 2018/2019 Cities annual Report.

ATTACHMENTS

Attachment A:	Status of FY 2021 Work Plan
Attachment B:	LAFCO Financials 2008-2020
Attachment C:	Proposed Work Plan for Fiscal Year 2022
Attachment D:	Proposed LAFCO Budget for Fiscal Year 2022
Attachment E:	Estimated FY 2022 Costs to Agencies Based on the Proposed Budget

FY 2021 WORK PLAN STATUS REPORT (July 1, 2020 – February 28, 2021)

	PROJECTS	STATUS
LAFCO APPLICATIONS	Process applicant-initiated LAFCO proposals	Ongoing, as needed (2 special district annexation proposals in process + one pending OASC application) Inactive District dissolution: Reclamation District 1663 – initiated by LAFCO-February 2021
	Comment on potential LAFCO applications, relevant plans, projects & development proposals, city General Plan updates and/ or related environmental documents	Completed and submitted comment letters on unincorporated RHNA allocations, Plan Bay Area 2050, Gilroy General Plan, San Jose General Plan: Coyote Valley, County Farmland Mapping designations. Ongoing, as needed
	Comprehensive review and update of LAFCO policies and procedures for context, clarity and consistency with State law	In progress, working with consultant
ISLAND ANNEXATIONS	Conduct outreach to cities with islands, follow up on responses including review/research of city limits/ USA boundaries, provide assistance with potential annexations and potential USA amendments	Ongoing, as needed Meetings on island annexations, San Jose, LAH, LG
	Review and finalize city-conducted island annexations	Processed applications received. Ongoing, as needed
PUBLIC OUTREACH & COMMUNICATION	Conduct outreach to increase awareness of LAFCO’s role	Completed LAFCO presentations to SDA, County Planning Commission, GCRCD, Leadership Sunnyvale, staff of 2 special districts CA APA Award of Excellence for Communications Initiative
	Engage and establish relationships with local (cities, districts, county), regional (ABAG/MTC), state (SGC, OPR, DoC, SWRCB) agencies, organizations such as SDA, SCCAPO, CALAFCO, other stakeholder groups	Ongoing. Attend regular, scheduled meetings of SCCAPO, SDA, County Planning Dept.; unincorporated RHNA collaboration, GIS Working Group, Sustainability County Working Group
	Respond to public enquiries re. LAFCO policies, procedures and application filing requirements	Ongoing, higher volume than usual, complex enquiries reported in EO reports to the Commission

	PROJECTS	STATUS
SERVICE REVIEWS & SPHERE OF INFLUENCE UPDATES	Conduct third round of service reviews and special studies	Adopted third round service review work plan. Countywide Fire Service Review in progress
	Continue to monitor implementation of recommendations from previous service reviews, as necessary	Completed RRRPD Special Study draft. Cupertino is considering the study. Ongoing follow up with District/City
	Map Mutual Water companies	Ongoing, as new information becomes available
	Engage in SALC grant partnership opportunities	On hold until opportunities present
	Compile and post JPA filings on the LAFCO website	Ongoing as JPAs provide agreements, website posting upon completion of relevant service reviews
ADMINISTRATIVE PROJECTS	Prepare annual work plan and budget	In progress
	Prepare Annual Report	Completed August 2020
	Prepare Annual Financial Audit	Completed December 2020
	Review and update administrative policies and procedures	Completed COI Code and Bylaws amendment in October 2020. Ongoing, as needed.
	Conduct a Strategic Planning Workshop	On hold, previous workshop in 2018 (Communications Plan)
	Maintain and enhance the LAFCO Website	Ongoing enhancements/trouble shoot of new website
	Maintain LAFCO database	Software upgrade and server migration in progress
	Broadcasting LAFCO meetings	Completed MOU execution, February 2021
	Maintain LAFCO's hard copy and digital records	Ongoing
	Organize scan of LAFCO records to Electronic Document Management System	On hold
	Staff and Commissioner training and development (orientation, CALAFCO events, workshops, conferences, relevant courses)	Completed onboarding / orientation of 4 commissioners. Departure of LAFCO Analyst. Position vacant since 1/29 Ongoing staff training CEQA, SHP, JVSU, other webinars
	Staff performance evaluation	Completed April -October 2020
	Comprehensive Organizational Assessment Study	Completed study - August 2020. Implementation in progress
	Track LAFCO related legislation	EO serves as voting member on CALAFCO Legislative Committee. Commission took positions on SB 414 and potential GC 56133(e) amendments
Other administrative functions mandated of a public agency	Ongoing, as required	

FY 2008 - FY 2020 LAFCO FINANCIALS

February 2021

ITEM # 7
Attachment B

ITEM NO.	TITLE	ACTUALS FY 2008	ACTUALS FY 2009	ACTUALS FY 2010	ACTUALS FY 2011	ACTUALS FY 2012	ACTUALS FY 2013	ACTUALS FY 2014	ACTUALS FY 2015	ACTUALS FY 2016	ACTUALS FY 2017	ACTUALS FY 2018	ACTUALS FY 2019	ACTUALS FY 2020
EXPENDITURES														
	Salary and Benefits	\$356,009	\$400,259	\$406,650	\$413,966	\$393,194	\$411,929	\$450,751	\$466,755	\$484,216	\$514,381	\$628,534	\$713,900	\$744,439
Object 2: Services and Supplies														
	5255100 Intra-County Professional	\$66,085	\$57,347	\$13,572	\$4,532	\$6,118	\$5,260	\$5,663	\$4,379	\$18,523	\$1,292	\$703	\$3,593	\$346
	5255800 Legal Counsel	\$0	\$9,158	\$67,074	\$52,440	\$48,741	\$56,791	\$53,550	\$52,854	\$57,498	\$71,131	\$59,400	\$72,276	\$69,975
	5255500 Consultant Services	\$19,372	\$75,000	\$76,101	\$58,060	\$102,349	\$59,563	\$35,602	\$37,250	\$39,625	\$0	\$45,000	\$52,650	\$106,709
	5285700 Meal Claims	\$0	\$368	\$277	\$288	\$379	\$91	\$228	\$209	\$367	\$50	\$901	\$257	\$166
	5220100 Insurance	\$491	\$559	\$550	\$4,582	\$4,384	\$4,378	\$4,231	\$4,338	\$4,135	\$4,679	\$4,893	\$5,296	\$5,893
	5250100 Office Expenses	\$1,056	\$354	\$716	\$639	\$1,212	\$536	\$850	\$783	\$6,266	\$48,632	\$15,412	\$4,702	\$2,544
	5270100 Rent and Lease											\$41,120	\$39,360	\$44,478
	5255650 Data Processing Services	\$8,361	\$3,692	\$3,505	\$1,633	\$3,384	\$1,663	\$3,311	\$9,024	\$1,519	\$6,869	\$877	\$11,894	\$15,500
	5225500 Commissioners' Fee	\$5,700	\$5,400	\$3,500	\$3,400	\$4,000	\$4,900	\$5,800	\$4,900	\$6,700	\$5,300	\$5,400	\$5,000	\$4,600
	5260100 Publications and Legal Notices	\$1,151	\$563	\$1,526	\$363	\$916	\$222	\$378	\$2,484	\$487	\$191	\$145	\$192	\$44
	5245100 Membership Dues	\$5,500	\$7,000	\$7,000	\$7,000	\$7,000	\$14,473	\$0	\$7,428	\$7,577	\$8,107	\$8,674	\$9,615	\$11,822
	5250750 Printing and Reproduction	\$5	\$0	\$0	\$0	\$0	\$0	\$9	\$177	\$703	\$0	\$0	\$0	\$799
	5285800 Business Travel	\$7,238	\$8,415	\$4,133	\$8,309	\$3,095	\$4,777	\$5,800	\$4,042	\$5,811	\$3,877	\$13,091	\$4,260	\$6,908
	5285300 Private Automobile Mileage	\$1,016	\$704	\$832	\$1,185	\$615	\$424	\$409	\$396	\$1,009	\$1,264	\$590	\$689	\$696
	5285200 Transportation&Travel (County Car Us	\$894	\$948	\$629	\$0	\$384	\$250	\$371	\$293	\$559	\$605	\$0	\$328	\$256
	5281600 Overhead	\$42,492	\$62,391	\$49,077	\$46,626	\$60,647	\$43,133	\$42,192	\$34,756	\$49,452	\$0	\$28,437	\$69,944	\$4,505
	5275200 Computer Hardware	\$0	\$451	\$0	\$83	\$2,934	\$1,791	\$2,492	\$0	\$106	\$0	\$0	\$773	\$0
	5250800 Computer Software	\$0	\$0	\$626	\$314	\$579	\$3,124	\$933	\$1,833	\$2,079	\$754	\$4,505	\$3,012	\$1,200
	5250250 Postage	\$1,160	\$416	\$219	\$568	\$309	\$589	\$246	\$597	\$411	\$209	\$183	\$117	\$73
	5252100 Staff Training Programs	\$0	\$665	\$491	\$250	\$300	\$0	\$0	\$1,431	\$0	\$0	\$0	\$350	\$525
	5701000 Reserves	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL EXPENDITURES		\$516,530	\$633,691	\$636,478	\$604,238	\$640,540	\$613,895	\$612,816	\$633,929	\$687,043	\$667,342	\$857,865	\$998,208	\$1,021,478
REVENUES														
	4103400 Application Fees	\$46,559	\$41,680	\$35,576	\$48,697	\$37,426	\$45,458	\$63,561	\$27,386	\$146,168	\$20,436	\$29,864	\$33,049	\$7,587
	4301100 Interest: Deposits and Investments	\$24,456	\$16,230	\$6,688	\$4,721	\$4,248	\$3,416	\$2,674	\$2,844	\$6,073	\$10,830	\$12,620	\$12,141	\$18,176
	3400150 Fund Balance from Previous FY	\$271,033	\$368,800	\$334,567	\$275,605	\$209,987	\$208,219	\$160,052	\$226,111	\$187,310	\$293,489	\$331,177	\$314,693	\$352,123
TOTAL REVENUE		\$342,048	\$426,711	\$376,831	\$329,023	\$251,661	\$257,092	\$226,287	\$256,341	\$339,551	\$324,755	\$373,661	\$359,883	\$377,886
NET LAFCO OPERATING EXPENSES		\$174,482	\$206,980	\$259,648	\$275,215	\$388,879	\$356,802	\$386,529	\$377,588	\$347,492	\$342,587	\$484,204	\$638,325	\$643,592
	3400800 RESERVES AVAILABLE				\$100,000	\$100,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$250,000
COSTS TO AGENCIES														
	5440200 County	\$271,641	\$270,896	\$267,657	\$292,601	\$298,597	\$281,780	\$156,002	\$187,521	\$220,668	\$225,778	\$266,298	\$277,942	\$381,904
	4600100 Cities (San Jose 50% +other cities 50%)	\$271,641	\$270,896	\$267,657	\$292,601	\$298,597	\$282,625	\$156,002	\$187,521	\$220,668	\$225,778	\$266,298	\$277,942	\$381,904
	4600100 Special Districts							\$296,892	\$187,521	\$220,668	\$225,778	\$266,298	\$277,942	\$381,904

PROPOSED WORK PLAN FOR FISCAL YEAR 2022

ITEM # 7
Attachment C

PRIORITY* H - High Priority (essential activities: state mandate, Commission directive, requirements)
M - Medium Priority (important, provided resources allow or time permits)
L - Low Priority (desirable provided resources allow or time permits, not urgent)

	PROJECT DESCRIPTION	ACTIVITIES / TIMELINE	RESOURCES	PRIORITY*
LAFCO APPLICATIONS	Process applicant initiated LAFCO proposals	Encourage pre-application meetings prior to application submittal Conduct pre-agenda meetings with County Depts to obtain Assessor & Surveyor reports, as needed Process applications per CKH Act requirements: issue Notice of Application, Certificate of Filing / Sufficiency, Public Hearing Notice, staff report, conduct protest proceedings, as needed	Staff	H
	Comment on potential LAFCO applications, relevant projects & development proposals, city General Plan updates and/ or related environmental documents	Ongoing, as needed	Staff	H
	Review and update LAFCO policies for context, clarity and consistency with State law	In progress	Staff / Consultant	H
	Dissolution of inactive special districts	Work with State Controller's Office to identify County Library Services Area as inactive	Staff	M
	Prepare flowcharts for LAFCO processes and update application packets for current requirements and ease of public use	Upon completion of policies update	Staff	L
ISLAND ANNEXATIONS	Conduct outreach to cities with islands, follow up on responses including review/research of city limits/ USA boundaries, provide assistance with annexations or necessary USA amendments	Prepare and distribute island maps to cities	Staff	L
	Facilitate interagency discussions to support remaining island annexations	Ongoing discussion with San Jose, Los Altos Hills	Staff	H
	Review and finalize city-conducted island annexations	Ongoing, as needed	Staff	H

PROPOSED WORK PLAN FOR FISCAL YEAR 2022

	PROJECT DESCRIPTION	ACTIVITIES / TIMELINE	RESOURCES	PRIORITY*
OUTREACH, GOVERNMENT / COMMUNITY RELATIONS & CUSTOMER SERVICE	Conduct outreach to increase awareness of LAFCO's role	Presentations to cities, other agencies on LAFCO, as relevant	Staff	L
		Distribute LAFCO communications material to elected officials and staff of cities, special districts and the County		M
		Seek exhibit opportunities at public spaces / events		L
		Maintain website as the primary information resource on LAFCO		H
		Increase social media presence (Twitter)		L
	Engage and establish relationships with local (cities, districts, county), regional (ABAG/MTC), state (SGC, OPR, DoC, SWRCB) agencies, organizations such as SDA, SCCAPO, CALAFCO, other stakeholder groups	Attend regular meetings of SDA (quarterly), SCCAPO (monthly), County Planning Dept.(quarterly)	Staff	M
		Small water systems issues / legislation		M
		Collaborate with agencies and entities with goals common to LAFCO		M
	Track LAFCO related legislation	EO is voting member of the CALAFCO Legislative Committee and attends regular meetings	Staff	M
		Commission takes positions and submit letters on proposed legislation		M
	Respond to public enquiries re. LAFCO policies, procedures and application filing requirements	Timely response to public inquiries	Staff	H
		Update the PRA form for the website		L
		Document research on complex inquiries		L
Report to Commission on complex inquiries		H		

PROPOSED WORK PLAN FOR FISCAL YEAR 2022

	PROJECT DESCRIPTION	ACTIVITIES / TIMELINE	RESOURCES	PRIORITY*
SERVICE REVIEWS, SPECIAL STUDIES & SPHERE OF INFLUENCE UPDATES	Countywide Fire Service Review	Participate in consultant selection, negotiate contract Manage consultant's work and contract Coordinate TAC meetings Prepare and distribute stakeholder/public outreach material Coordinate stakeholder / public engagement process Prepare current maps of service provider agencies Attend stakeholder interviews with consultant Work with consultant on any data collection issues Review and comment on administrative draft reports Distribute Public hearing notices and coordinate community workshops and public hearings Prepare staff reports with implementation recommendations Follow up with agencies and report back to the commission	Staff / Consultant	H
	Continue to monitor implementation of recommendations from previous service reviews and conduct special studies, as necessary	RRRPD study – city took action to delay decision on consolidation	Staff	L
	Map Mutual Water companies	Initial maps complete, further through service review	Staff	L
	Engage in or support grant / partnership opportunities on issues related to enhancing viability of agriculture, and climate smart growth	As needed, and as opportunities arise	Staff	L
	Compile and post JPA filings on the LAFCO website	Notice provided, gather JPA information through service review process	Staff	L

PROPOSED WORK PLAN FOR FISCAL YEAR 2022

	PROJECT DESCRIPTION	ACTIVITIES / TIMELINE	RESOURCES	PRIORITY*
COMMISSION SUPPORT	Provide ongoing support to the 12 commissioners for regularly-scheduled Commission meetings, special meetings and Committee meetings (Finance Committee, Ad Hoc Committee on Organizational Assessment and the Fire Service Review TAC)	Prepare and distribute public hearing notices and agenda packets, provide staff support during the meetings, record minutes, broadcast meetings Hold pre-agenda review meeting with Chair Hold pre-meeting calls with individual commissioners to address agenda item questions Process commissioner per diems for attendance at LAFCO meetings	Staff	H
	Keep the Commission informed	EO report off-agenda emails, as needed	Staff	H
	Onboarding new Commissioners	Facilitate filing / completion of Form 700, commissioner pledge, ethics training. Update LAFCO letterhead, directory, and website Set up vendor accounts, provide parking permits Conduct new Commissioner orientation Recognize outgoing commissioners for service on LAFCO	Staff	H
	Commissioners Selection Process	Inform appointing bodies of any upcoming vacancies and provide information on appointment criteria Convene ISDSC committee meeting, as necessary Coordinate public member selection process, as necessary	Staff	H
	Conduct a Strategic Planning Workshop	2018 Workshop re. LAFCO Communications and Outreach Plan	Staff / Consultant	L
	Commissioner participation in CALAFCO	Support commissioner participation in CALAFCO activities / or election to the CALAFCO Board	Staff	L

PROPOSED WORK PLAN FOR FISCAL YEAR 2022

	PROJECT DESCRIPTION	ACTIVITIES / TIMELINE	RESOURCES	PRIORITY*
ADMINISTRATIVE PROJECTS	Prepare LAFCO annual work plan	March -June	Staff	H
	Prepare LAFCO annual budget	March -June	Staff	H
	Prepare LAFCO Annual Report	August 2021	Staff	H
	Prepare LAFCO Annual Financial Audit	October 2021 (Contract with Chavan Associates ends after FY 2021 Audit)	Consultant / Staff	H
	Office / facility management	Coordinate with Building Manager on facilities issues Coordinate with County re. computers/network, phone, printers, office security, procurement , installation & maintenance Order and manage office supplies Make travel arrangements and process expense reimbursements. Process mileage reimbursements Negotiate office space lease (current lease ends May 5, 2022)	Staff	H
	Records management	Organize scan of LAFCO records to Electronic Document Management System (LaserFische) Maintain LAFCO's hard copy records Maintain and enhance the LAFCO Website Maintain LAFCO database	Staff/ Consultant	H
			Staff	H
				H
			H	
Contracts and payments & receivables	Track consultant contracts and approve invoices Approve vendor invoices / process annual payments for various services/ memberships Coordinate with County Controller's Office and track annual collection of payments from member agencies	Staff	H	

PROPOSED WORK PLAN FOR FISCAL YEAR 2022

	PROJECT DESCRIPTION	ACTIVITIES / TIMELINE	RESOURCES	PRIORITY*
ADMINISTRATIVE PROJECTS	Review and update LAFCO bylaws / administrative policies and procedures	Ongoing, as needed	Staff	H
	Staff training and development	CALAFCO workshops, conferences, relevant courses	Staff	M
	Coordinate with County on administrative issues	Attend monthly meetings with the Deputy County Executive	Staff	H
	Staff performance evaluation	April - October 2021	Staff/Commission	H
	Comprehensive Organizational Assessment Study – implementation	As needed	Staff/Commission	H
	Recruitment and training of LAFCO staff	One LAFCO Analyst position currently vacant – recruitment pending County Classification study results	Staff	H
	Other administrative functions mandated of a public agency (Form 806, maintaining liability/workers comp insurance, etc.)	Ongoing	Staff	H

**PROPOSED LAFCO BUDGET
FISCAL YEAR 2021- 2022**

**ITEM # 7
Attachment D**

ITEM # TITLE	APPROVED BUDGET FY 2021	ACTUALS Year to Date 2/19/2021	PROJECTIONS Fiscal Year End 2021	PROPOSED BUDGET FY 2022
EXPENDITURES				
Object 1: Salary and Benefits	\$806,845	\$491,543	\$747,214	\$844,239
Object 2: Services and Supplies				
5255100 Intra-County Professional	\$45,000	\$0	\$5,000	\$10,000
5255800 Legal Counsel	\$74,622	\$41,867	\$74,000	\$75,896
5255500 Consultant Services	\$110,000	\$14,654	\$110,000	\$150,000
5285700 Meal Claims	\$750	\$0	\$100	\$750
5220100 Insurance	\$10,452	\$10,452	\$10,452	\$8,500
5250100 Office Expenses	\$10,000	\$549	\$5,000	\$5,000
5270100 Rent & Lease	\$46,254	\$22,914	\$46,254	\$47,784
5255650 Data Processing Services	\$20,267	\$11,755	\$20,267	\$22,048
5225500 Commissioners' Fee	\$10,000	\$2,800	\$7,000	\$10,000
5260100 Publications and Legal Notices	\$2,500	\$0	\$200	\$1,000
5245100 Membership Dues	\$12,000	\$12,144	\$12,144	\$12,500
5250750 Printing and Reproduction	\$1,500	\$0	\$1,000	\$1,500
5285800 Business Travel	\$12,000	\$0	\$0	\$10,000
5285300 Private Automobile Mileage	\$2,000	\$7	\$100	\$1,000
5285200 Transportation&Travel (County Car Usage)	\$605	\$0	\$100	\$600
5281600 Overhead	\$30,917	\$15,459	\$30,917	\$49,173
5275200 Computer Hardware	\$3,000	\$0	\$1,000	\$3,000
5250800 Computer Software	\$5,000	\$3,508	\$5,000	\$5,000
5250250 Postage	\$2,000	\$109	\$500	\$1,000
5252100 Staff/Commissioner Training Programs	\$2,000	\$0	\$1,000	\$2,000
5701000 Reserves	\$0	\$0	\$0	-\$50,000
TOTAL EXPENDITURES	\$1,207,712	\$627,761	\$1,077,248	\$1,210,990
REVENUES				
4103400 Application Fees	\$30,000	\$1,367	\$20,000	\$30,000
4301100 Interest: Deposits and Investments	\$6,000	\$6,168	\$10,000	\$6,000
TOTAL REVENUE	\$36,000	\$7,535	\$30,000	\$36,000
3400150 FUND BALANCE FROM PREVIOUS FY	\$187,927	\$352,123	\$352,123	\$288,660
NET LAFCO OPERATING EXPENSES	\$983,785	\$268,103	\$695,125	\$886,330
3400800 RESERVES Available	\$250,000	\$250,000	\$250,000	\$200,000
COSTS TO AGENCIES				
5440200 County	\$327,928	\$327,928	\$327,928	\$295,443
4600100 Cities (San Jose 50% + Other Cities 50%)	\$327,928	\$327,928	\$327,928	\$295,443
4600100 Special Districts	\$327,928	\$327,928	\$327,928	\$295,443

ITEM # 7
Attachment E

LAFCO COST APPORTIONMENT: COUNTY, CITIES, SPECIAL DISTRICTS
Estimated Costs to Agencies Based on the Preliminary FY 2022 LAFCO Budget

Preliminary Net Operating Expenses for FY 2022				\$886,330
JURISDICTION	REVENUE PER 2018/2019 REPORT	PERCENTAGE OF TOTAL REVENUE	ALLOCATION PERCENTAGES	ALLOCATED COSTS
County	N/A	N/A	33.33333333%	\$295,443.33
Cities Total Share			33.33333333%	\$295,443.33
San Jose	N/A	N/A	50.00000000%	\$147,721.67
Other cities share			50.00000000%	\$147,721.66
Campbell	\$64,536,222	1.7980522%		\$2,656.11
Cupertino	\$108,060,680	3.0106928%		\$4,447.45
Gilroy	\$125,345,516	3.4922679%		\$5,158.84
Los Altos	\$57,463,937	1.6010103%		\$2,365.04
Los Altos Hills	\$16,800,340	0.4680765%		\$691.45
Los Gatos	\$51,214,203	1.4268856%		\$2,107.82
Milpitas	\$216,026,300	6.0187372%		\$8,890.98
Monte Sereno	\$3,758,600	0.1047188%		\$154.69
Morgan Hill	\$110,550,245	3.0800549%		\$4,549.91
Mountain View	\$407,506,157	11.3535827%		\$16,771.70
Palo Alto	\$701,560,301	19.5462638%		\$28,874.07
Santa Clara	\$1,078,173,133	30.0391235%		\$44,374.28
Saratoga	\$34,095,585	0.9499416%		\$1,403.27
Sunnyvale	\$614,138,449	17.1105921%		\$25,276.05
Total Cities (excluding San Jose)	\$3,589,229,668	100.0000000%		\$147,721.66
Total Cities (including San Jose)				\$295,443.33
Special Districts Total Share		(Fixed %)	33.33333333%	\$295,443.34
Aldercroft Heights County Water District		0.06233%		\$184.15
Burbank Sanitary District		0.15593%		\$460.68
Cupertino Sanitary District		2.64110%		\$7,802.95
El Camino Healthcare District		4.90738%		\$14,498.53
Guadalupe Coyote Resource Conservation District		0.04860%		\$143.59
Lake Canyon Community Services District		0.02206%		\$65.17
Lion's Gate Community Services District		0.22053%		\$651.54
Loma Prieta Resource Conservation District		0.02020%		\$59.68
Midpeninsula Regional Open Space District		5.76378%		\$17,028.70
Purissima Hills Water District		1.35427%		\$4,001.10
Rancho Rinconada Recreation and Park District		0.15988%		\$472.35
San Martin County Water District		0.04431%		\$130.91
Santa Clara Valley Open Space Authority		1.27051%		\$3,753.64
Santa Clara Valley Water District		81.44126%		\$240,612.80
Saratoga Cemetery District		0.32078%		\$947.72
Saratoga Fire Protection District		1.52956%		\$4,518.98
South Santa Clara Valley Memorial District		0.03752%		\$110.85
Total Special Districts		100.00000%		\$295,443.34
Total Allocated Costs				\$886,330.00



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

Commissioners
Rich Constantine
Susan Ellenberg
Sergio Jimenez
Yoriko Kishimoto
Gary Kremen
Mike Wasserman
Susan Vicklund Wilson

ITEM # 8

Alternate Commissioners
Helen Chapman
Cindy Chavez
Matt Mahan
Russ Melton
Terry Trumbull
Executive Officer
Neelima Palacherla

LAFCO MEETING: April 7, 2021

TO: LAFCO

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

**SUBJECT: DISSOLUTION OF INACTIVE SPECIAL DISTRICT –
RECLAMATION DISTRICT NO. 1663**

STAFF RECOMMENDATION

CEQA Action

1. As Lead Agency under CEQA, determine that the proposed dissolution of Reclamation District No. 1663 is exempt from the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines §15061(b)(3).

Project Action

2. Adopt Resolution No. 2021-03 approving dissolution of Reclamation District No. 1663.

LAFCO ADOPTS RESOLUTION NO. 2021-01 INITIATING DISSOLUTION OF RECLAMATION DISTRICT NO. 1663

At the February 3, 2021 meeting, LAFCO adopted Resolution No. 2021-01 initiating dissolution of Reclamation District No. 1663 and set date for approving the dissolution of the District as April 7, 2021.

On November 5, 2020 Santa Clara LAFCO received a Notice of Inactive Special District in Santa Clara County (**Attachment A**) from the California State Controller's Office (SCO) which identified the Reclamation District No. 1663 as "inactive".

Staff reached out to the Santa Clara County Controller Treasurer Department to confirm the "inactive" designation. On December 23, 2020, the County Controller Treasurer Department provided a letter (**Attachment B**) confirming Reclamation District No. 1663 met the criteria for an inactive special district as per Government Code §56042 and that they have no concerns related to the dissolution of Reclamation District No. 1663.

Staff have drafted a resolution of approving dissolution of Reclamation District No. 1663 (**Attachment C**) for the Commission's consideration and adoption.

The Reclamation District No. 1663 was formed in 1916 and has been inactive for almost 40 years. County records indicate that in 1970 LAFCO recommended that the District be dissolved. The County considered taking action to dissolve the District in 1977 but did not do so when one of the property owners, who was also the sole remaining District trustee, objected. Please refer to Item #7 in LAFCO's December 2, 2020 meeting packet for more background information.

ENVIRONMENTAL ASSESSMENT

LAFCO of Santa Clara County is the Lead Agency under the California Environmental Quality Act (CEQA) for the proposed dissolution of the inactive special district - Reclamation District No. 1663. Pursuant to State CEQA Guidelines §15061(b)(3), this action is exempt from CEQA.

§ 15061. REVIEW FOR EXEMPTION

(b) A project is exempt from CEQA if:

(3) The activity is covered by the common sense exemption that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.

NOTICED PUBLIC HEARING

Pursuant to Government Code §56879(c), the Commission's action associated with the dissolution of Reclamation District No. 1663 must occur following a public hearing. To meet the legal notice requirements, LAFCO provided notice of the public hearing by posting in the San Jose Post Record.

SB 448 REQUIRES DISSOLUTION OF INACTIVE SPECIAL DISTRICTS

SB 448 which became effective on January 1, 2018, established a streamlined process for LAFCOs to dissolve inactive districts. It included provisions in the Cortese Knox Hertzberg Local Government Reorganization Act of 2000 (CKH Act) regarding the identification and dissolution of inactive districts.

Government Code §56879 requires the State Controller's Office (SCO) to create a list of inactive districts annually, on or before November 1, and to notify applicable LAFCOs of inactive special districts in their county.

Government Code §56042 defines "inactive district," as a special district that meets the following criteria:

- a. The special district is as defined in Government Code §56036.
- b. The special district has had no financial transactions in the previous fiscal year.

- c. The special district has no assets and liabilities.
- d. The special district has no outstanding debts, judgements, litigation, contracts, liens, or claims.

Within 90 days of receiving the notice from the SCO, LAFCOs are required to initiate dissolution of inactive districts unless LAFCO determines that the district does not meet the criteria for “inactive district,” in which case LAFCO must inform the SCO. The Commission is required to hold one public hearing and dissolve the inactive district. Per Government Code Section 56879(c), the dissolution of the inactive district shall not be subject to protest proceedings.

NEXT STEPS

The effective date of the dissolution shall be the date of recordation of the Certificate of Completion.

ATTACHMENTS

- Attachment A: California State Controller’s Office Notification of Inactive Special Districts in County (November 5, 2020)
- Attachment B: Santa Clara County Controller Treasurer Department Letter Confirming Inactive Status of Reclamation District No. 1663 (December 23, 2020)
- Attachment C: Draft Resolution No. 2021-03 – Resolution approving dissolution of Reclamation District No. 1663



BETTY T. YEE
California State Controller

November 5, 2020

Neelima Palacherla
Santa Clara LAFCO
777 North First Street, Suite 410
San Jose, CA, 95112

SUBJECT: Notification of Inactive Special Districts in County

Dear Neelima Palacherla:

Chapter 334, Statutes of 2017, also known as Senate Bill (SB) 448, added various provisions to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 regarding special districts that are inactive. It requires the State Controller's Office (SCO) to create a list of inactive special districts based on information in the special district's Financial Transactions Report (FTR), to publish the list of inactive special districts on its website annually, and to notify the local agency formation commission in the county or counties in which the inactive special district is located.

Pursuant to Government Code (GC) section 56042, an "inactive special district" must:

- Meet the definition set forth in GC section 56036;
- Have no financial transactions in the previous fiscal year; and
- Have no assets, liabilities, outstanding debts, judgments, litigation, contracts, liens, or claims.

Pursuant to GC 56879, within 90 days of receiving this notice, the Commission is required to initiate dissolution of inactive special districts by resolution, unless the Commission determines that a district does not meet the criteria set forth in GC 56042. Additionally, the Commission is required to notify SCO if it determines that district does not meet the dissolution criteria in GC 56042. Once the dissolution process is complete, please inform SCO using the contact information on page 2.

The enclosure lists the special districts within your jurisdiction that are inactive, based on financial data in each special district's fiscal year 2018-19 FTR. The complete list of inactive California special districts may be found at:

https://www.sco.ca.gov/ard_local_rep_freq_requested.html.

Neelima Palacherla

November 5, 2020

Page 2

If you have any questions or need to notify us of a special district's status, please contact Derek Miller by telephone at (916) 322-5579, or by email at dmiller@sco.ca.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Phillip Pangilinan". The signature is fluid and cursive, with the first name "Phillip" and last name "Pangilinan" clearly distinguishable.

PHILLIP PANGILINAN

Manager

Local Government Reporting Section

Enclosure

State Controller's Office
2018-19 Inactive Districts for Santa Clara County

County Name	District Name	District Type	Email Address	Street Address 1	Street Address 2	P.O. Box	City	Zip
Santa Clara	Reclamation District No. 1663	Dependent		70 W. Hedding, East Wing, 2nd Floor			Santa Clara	95110

Note: Email Address belongs to the Financial Transactions Report preparer; in some cases this may be an outside consultant.

Proof of Service by Mail

I declare: I am a citizen of the United States, over the age of 18 years, and not a party to this action. My business address is State Controller's Office, 3301 C Street, Suite 740, Sacramento, California 95816.

On the date set forth below, I served the following entitled document:

Notification of Inactive Special Districts in County

by placing a true copy thereof in a sealed envelope addressed to the person(s) named below at the address(es) shown and by placing said envelope for collection and mailing, following our ordinary business practices. I am readily familiar with this business's practice for collecting and processing correspondence for mailing. On the same day that correspondence is placed for collection and mailing, it is deposited in the ordinary course of business with the United States Postal Service, in a sealed envelope with postage fully prepaid.

Name: Neelima Palacherla
Santa Clara Local Agency Formation Commission

Address: Santa Clara LAFCO
777 North First Street, Suite 410
San Jose, CA 95112

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on November 05, 2020, at Sacramento, California.

Signature: 

Printed Name: Derek Miller

ITEM # 8
Attachment B

County of Santa Clara

Finance Agency
Controller-Treasurer

County Government Center
70 West Hedding Street, East Wing 2nd floor
San Jose, California 95110-1705
(408) 299-5206 FAX 287-7629



December 23, 2020

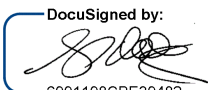
Neelima Palacherla
LAFCO Executive Officer
777 North First Street, Suite 410
San Jose, CA 95112

Dear Ms. Palacherla:

In regard to the State Controller's letter dated November 5, 2020 on Notification of Inactive Special Districts, and an email inquiry from Lakshmi Rajagopalan on December 22, 2020, I am writing to confirm to you that the County's Reclamation District No.1663 met the criteria for an inactive special district in Government Code 56042. The District had no financial transactions in the previous year, no assets and liabilities, and no outstanding debts, judgements, litigation, contracts, liens or claims.

The Controller Treasurer Department has no concerns or comments related to the dissolution of Reclamation District No.1663.

Sincerely,

DocuSigned by:

6991198CBE39482...

George P. Doorley
Controller-Treasurer, County of Santa Clara

**RESOLUTION OF THE
LOCAL AGENCY FORMATION COMMISSION OF SANTA CLARA COUNTY
APPROVING THE DISSOLUTION OF RECLAMATION DISTRICT NO. 1663**

WHEREAS, the Local Agency Formation Commission of Santa Clara County (LAFCO) hereinafter referred to as the “Commission,” is responsible for regulating boundary changes affecting cities and special districts under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000; and

WHEREAS, in accordance with Senate Bill 448, the State Controller’s Office, on November 5, 2020 notified LAFCO that Reclamation District No. 1663 is an inactive special district; and

WHEREAS, on February 3, 2021, the Commission adopted Resolution No. 2021-01 initiating dissolution of Reclamation District No.1663 pursuant to Government Code Section 56879; and

WHEREAS, the Commission considered all factors required by law under Government Code Section 56042 and 56668 its adopted local policies and procedures; and

WHEREAS, the Executive Officer’s report and recommendations on the proposal have been presented to the Commission in the manner provided by law;

NOW, THEREFORE, the Commission, does hereby resolve, determine and order as follows:

SECTION 1:

The Commission serves as the lead agency under the California Environmental Quality Act (CEQA) in considering the impacts of the proposal and that the Commission independently finds that the action is exempt from further CEQA review pursuant to State CEQA Guidelines Section 15061(b)(3) as it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment”, and directs staff to file a Notice of Exemption as the lead agency pursuant to Section 15062 of the CEQA Guidelines.

SECTION 2:

The Commission finds that Reclamation District No.1663 is an inactive district as defined in Government Code Section 56042, and hereby approves dissolution of the District pursuant to Government Code Section 56879(c).

SECTION 3:

Pursuant to Government Code Section 56879(c), the Commission held one public hearing no more than 90 days following the initiation of the dissolution and the protest proceedings are hereby waived.

SECTION 4:

The effective date of the dissolution shall be the date of filing the certificate of completion of the proposal.

RESOLUTION NO. 2021-03

PASSED AND ADOPTED by the Local Agency Formation Commission of Santa Clara County, State of California, on April 7, 2021, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Susan Ellenberg, Chairperson
LAFCO of Santa Clara County

ATTEST:

APPROVED AS TO FORM:

Emmanuel Abello, LAFCO Clerk

Malathy Subramanian, LAFCO Counsel



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

Commissioners
Rich Constantine
Susan Ellenberg
Sergio Jimenez
Yoriko Kishimoto
Gary Kremen
Mike Wasserman
Susan Vicklund Wilson

ITEM # 9

Alternate Commissioners
Helen Chapman
Cindy Chavez
Matt Mahan
Russ Melton
Terry Trumbull
Executive Officer
Neelima Palacherla

LAFCO MEETING: April 7, 2021

TO: LAFCO

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

**SUBJECT: WEST VALLEY SANITATION DISTRICT 2020-01
(Suview Drive)**

STAFF RECOMMENDATION

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 6.56 acres of land (APNs 537-24-023 and 537-24-024) 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

LAFCO of Santa Clara County received an application, by landowner petition, to annex two privately-owned parcels (APNs 537-24-023 and 537-24-024) 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 two parcels (APNs 537-24-023 and 537-24-024) of approximately 6.56 acres in area, located at 15300 Suview Drive and 15310 Suview Drive in the Town of Los Gatos. The subject property is located within the Town boundary and its Urban Service Area (USA). The subject parcels are currently developed with a single-family residence that is served by an onsite septic system. The owners of the properties would each like to abandon their onsite septic system and receive sewer service from WVSD. Furthermore, the owners of 15310 Suview Road plan to remove and replace their existing residence. Receiving sewer service

from WVSD would assist these owners' planning efforts. In order to receive sewer service from WVSD, the property must first be annexed to the District.

On March 11, 2020, WVSD adopted Resolution No. 20.03.02 indicating that the District supports the requested annexation for APNs 537-24-023 and 537-24-024 and has the ability to provide sewer service to the subject parcels which are each 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

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 two properties 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

Categorical Exemption

LAFCO of Santa Clara County is the Lead Agency under the California Environmental Quality Act (CEQA) for the proposed annexation of APNs: 537-24-023 and 537-24-024 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

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 parcels (APNs: 537-24-023 and 537-24-024) are each currently developed with a single-family residence. No further development is proposed for APN: 537-24-023. The owners of APN: 537-23-24-024 are planning to remove and replace their existing residence, subject to the review and approval of the Town of Los Gatos. The proposed annexation to WVSD to receive sewer service would not induce growth beyond what is allowed under the Town's Zoning Ordinance and General Plan.

The District's annexation policy generally restricts annexation of lands outside a city's Urban Service Area boundary consistent with 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 private sewer main located two parcels west of the proposed annexation area. This sewer main discharges into a public WVSD owned and operated sewer main located approximately 507 feet away. The owners of APNs: 537-24-023 and 537-24-024 are in the process of obtaining the required permissions/easements from adjacent property owners to connect to the upstream end of the private sewer system. The owners will each need to install a 4-inch sanitary 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 FY 2019-20 was 9.746 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

- | | |
|---------------|--|
| 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 West Valley Sanitation District No. 2020-01 (Suvieview) |

**WEST VALLEY SANITATION DISTRICT ANNEXATION
2020-01 SUIVIEW**

**ITEM # 9
Attachment A**

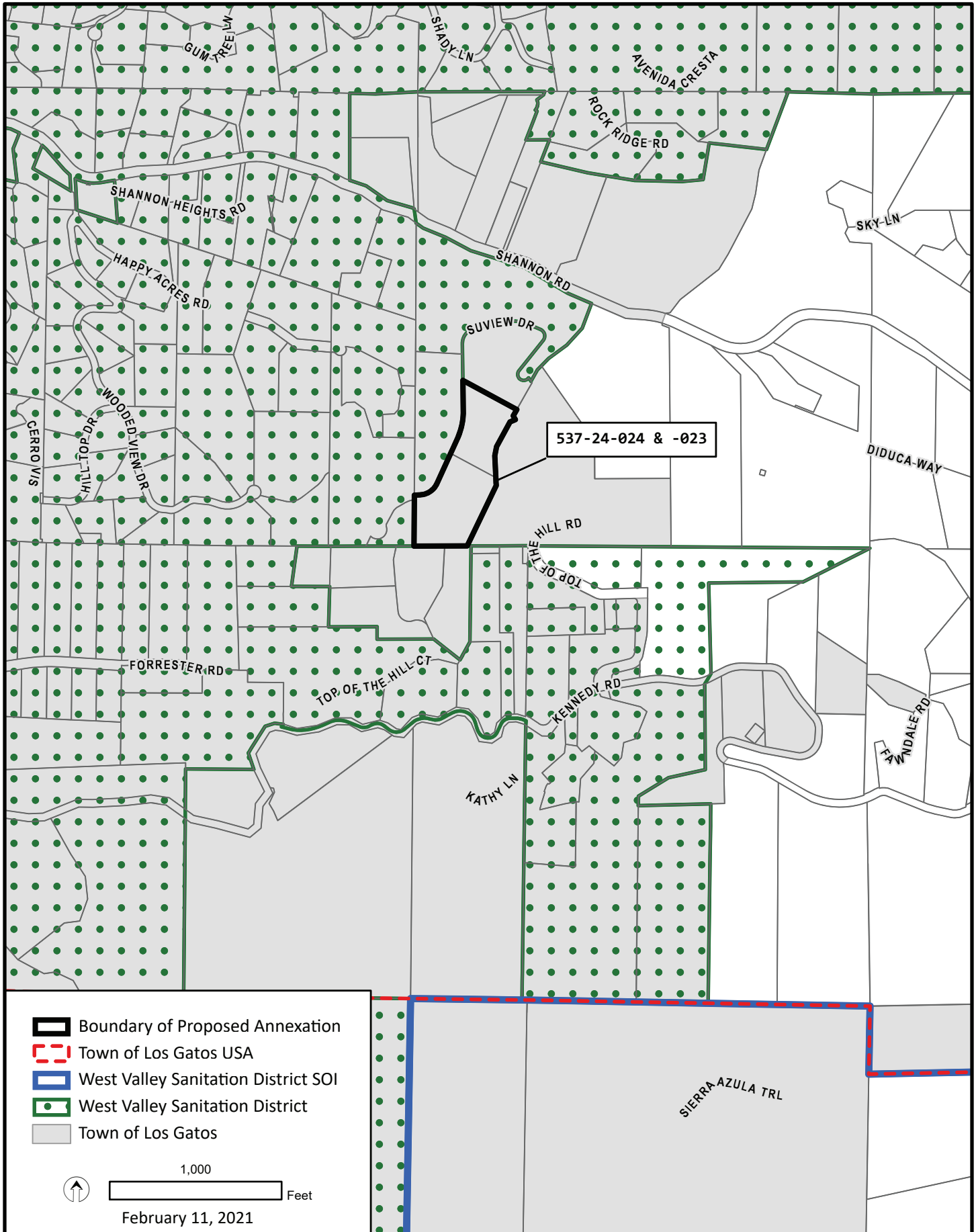


EXHIBIT A

WEST VALLEY SANITATION DISTRICT ANNEXATION
2020-01 SUVIEW

GEOGRAPHIC DESCRIPTION

Being all of Parcels 1 and 2 as shown on that certain Parcel Map filed October 15, 1975 in Book 362 of Maps, at Page 40, Records of the County of Santa Clara, State of California, lying within Township 8 South, Range 1 West, Mt. Diablo Principal Meridian and Baseline, being more particularly described as follows:

Beginning at a point on the westerly boundary line of said Parcel 2 and easterly boundary line of the West Valley Sanitation District Annexation No. 2004-01 (Suvview Drive), said point being at the southerly terminus of that course described as "North 01° 49'00" West 379.17'" in the legal description and shown on the plat attached to said Annexation; thence along said westerly and easterly boundary lines (1) North 01° 49'00" West 171.41 feet to the northwesterly corner of said Parcel 2; thence leaving said easterly boundary line and continuing along the boundary lines of said Parcels 2 and 1 the following courses:

(2) South 62° 30'00" East 356.48 feet to an angle point thereof; thence

(3) South 27° 41'28" West 42.00 feet to an angle point thereof; thence

(4) South 31° 23'54" East 24.87 feet to an angle point thereof; thence

(5) South 65° 46'46" West 34.59 feet to an angle point thereof; thence

(6) South 27° 41'28" West 163.84feetto an angle point thereof; thence

(7) South 09° 26'28" West 53.46 feet to an angle point thereof; thence

(8) South 03° 38'32" East 172.92 feet to an angle point thereof; thence

(9) South 24° 41'28" West 396.66 feet to an angle point thereof; thence

(10) South 89° 19'15" East 302.28 feet to the southwesterly corner of said Parcel 1, said corner lying on the original boundary line of the West Valley Sanitation District as established by Resolution, recorded in Book 1699, at Pages 197 through 204, in the Official Records of said County; thence

EXHIBIT A (continued)

**WEST VALLEY SANITATION DISTRICT ANNEXATION
2020-01 SUVIEW**

along said Parcel 1 and said District boundary lines (11) North $0^{\circ}53'32''$ West 295.51 feet to the northwesterly corner of said Parcel 1, said corner also being the southerly corner of said Annexation No. 2004-01; thence

leaving said original District boundary line, and continuing along said boundary lines of Parcels 1 and 2 and of said Annexation No. 2001-01, (12) North $73^{\circ}26'58''$ East 21.24 feet to a point of curvature; thence

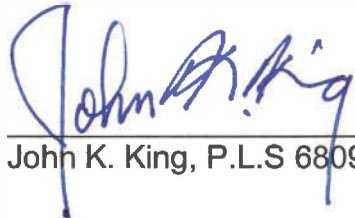
(13) along a tangent curve to the left, with a radius of 200.00 feet, through a central angle of $49^{\circ}46'58''$, an arc distance of 173.78 feet to a point of tangency; thence

(14) North $23^{\circ}40'00''$ East 233.70 feet to a point of curvature; thence

(15) along tangent curve to the left, with a radius of 400.00 feet, through a central angle of $25^{\circ}29'00''$, an arc distance of 177.91 feet to a point of tangency, said point being the **Point of Beginning**.

End of description

Area of Proposed Annexation: 6.56 acres of land, more or less.


John K. King, P.L.S 6809



i-19-Z/

Date

For annexation 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.

EXHIBIT B

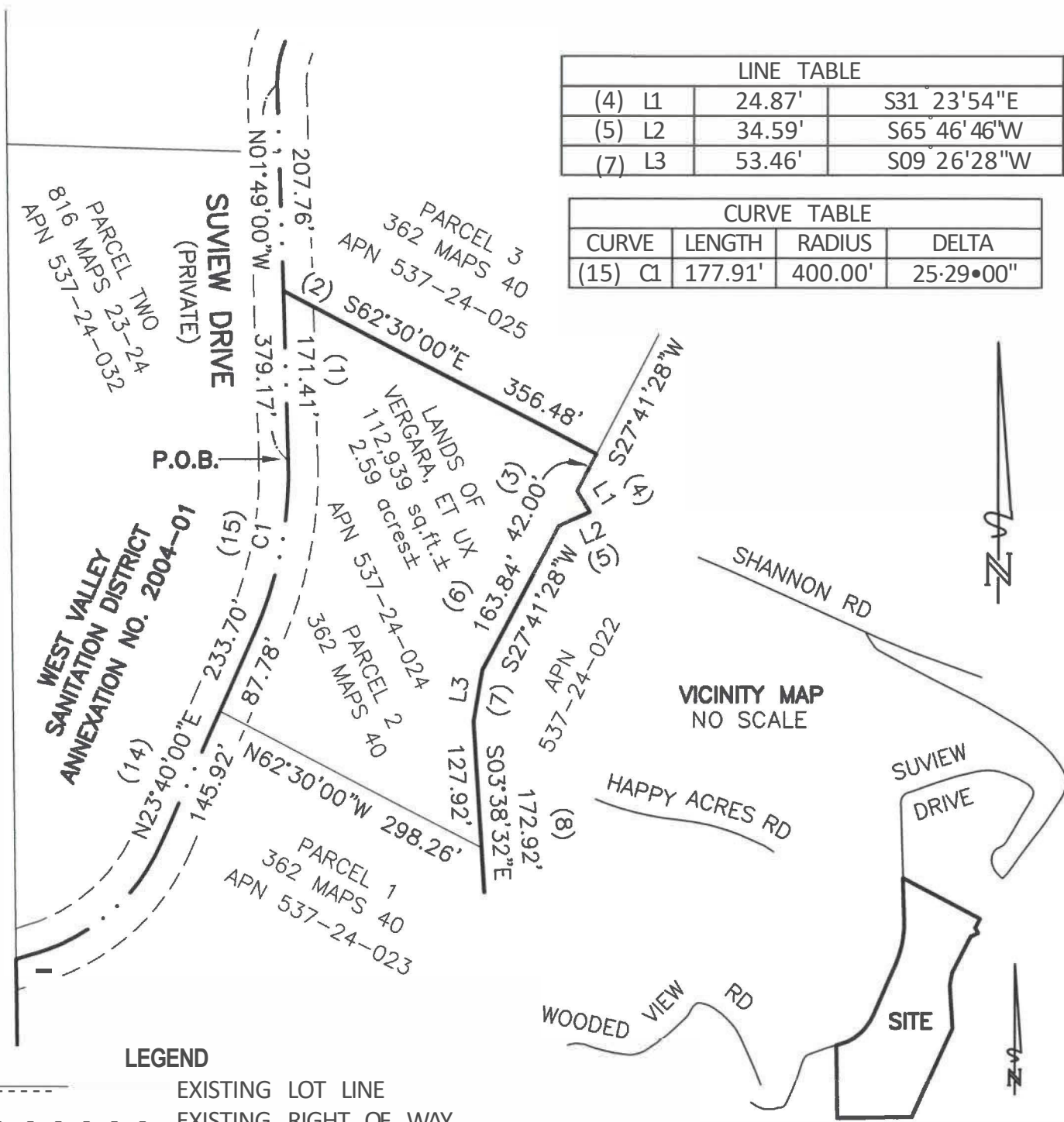
WEST VALLEY SANITATION DISTRICT ANNEXATION 2020-01 SUVIEW

FEBRUARY, 2021

SCALE: 1" = 150'

LINE TABLE			
(4)	L1	24.87'	S31°23'54"E
(5)	L2	34.59'	S65°46'46"W
(7)	L3	53.46'	S09°26'28"W

CURVE TABLE				
CURVE	LENGTH	RADIUS	DELTA	
(15)	C1	177.91'	400.00'	25-29°00"



LEGEND

- EXISTING LOT LINE
- - - EXISTING RIGHT OF WAY
- EXISTING W.V.S.D. BOUNDARY
- PROPOSED W.V.S.D. BOUNDARY
- P.O.B. POINT OF BEGINNING
- (1) COURSE NUMBER

SHEET ONE OF TWO SHEETS

JN 16075 / 20007

HANNA-BRUNE:TTI

EST. 1910

CIVIL ENGINEERS • LAND SURVEYORS
CONSTRUCTION MANAGERS

7651 EIGLEBERRY ST. | GILROY, CA 95020
408.842.2173

EXHIBIT 8

WEST VALLEY SANITATION DISTRICT ANNEXATION 2020-01 SUVIEW

FEBRUARY, 2021

SCALE: 1" = 150'



John K. King
 JOHN K. KING, P.L.S.
 i-t4-Z

DATE

LINE TABLE		
LINE	LENGTH	BEARING
(12) L4	21.24'	S73°26'58"W

CURVE TABLE			
CURVE	LENGTH	RADIUS	DELTA
(13) C2	173.78'	200.00'	49°46'58"

NOTE: SEE SHEET ONE FOR ADDITIONAL LINE AND CURVE DATA

JN 16075 / 20007

LEGEND

- EXISTING LOT LINE
 - - - - - EXISTING RIGHT OF WAY
 - • — EXISTING W.V.S.D. BOUNDARY
 - PROPOSED W.V.S.D. BOUNDARY
 - P.O.B. POINT OF BEGINNING
 - (1) COURSE NUMBER
- SHEET TWO OF TWO SHEETS

HANNA-BRUNE:TTI
 EST. 1910

CIVIL ENGINEERS • LAND SURVEYORS
 CONSTRUCTION MANAGERS

7651 EIGLEBERRY ST. | GILROY, CA 95020
 408.842.2173



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

Commissioners
Rich Constantine
Susan Ellenberg
Sergio Jimenez
Yoriko Kishimoto
Gary Kremen
Mike Wasserman
Susan Vicklund Wilson

ITEM # 10

Alternate Commissioners
Helen Chapman
Cindy Chavez
Matt Mahan
Russ Melton
Terry Trumbull
Executive Officer
Neelima Palacherla

LAFCO MEETING: April 7, 2021

TO: LAFCO

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

**SUBJECT: WEST VALLEY SANITATION DISTRICT 2020-02
(High Street)**

STAFF RECOMMENDATION

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 1.154 acres of land (APN 532-23-095) 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

LAFCO of Santa Clara County received an application, by landowner petition, to annex a privately-owned parcel (APN 532-23-095) 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 532-23-095) of approximately 1.154 acres in area, located at 17621 High Street 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 has an aging onsite septic system and would like to abandon the 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 February 10, 2021, WVSD adopted Resolution No. 21.02.03 indicating that the District supports the requested annexation for APN 532-23-095 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

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

Categorical Exemption

LAFCO of Santa Clara County is the Lead Agency under the California Environmental Quality Act (CEQA) for the proposed annexation of APN: 532-23-095 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

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: 532-23-095) 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 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 main/mainhole located one parcel north of the proposed annexation area. The owners of APN: 532-23-095 are in the process of obtaining required permissions/easements from the owner of this adjacent parcel to connect to this main/manhole. The owner of APN: 532-23-095 will then need to install a 4-inch private sewer lateral connecting to this existing sewer main/manhole. 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 FY 2019-20 was 9.746 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

- 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 West Valley Sanitation District No. 2020-02 (High Street)

**WEST VALLEY SANITATION DISTRICT ANNEXATION
2020-02 HIGH STREET**

**ITEM # 10
Attachment A**

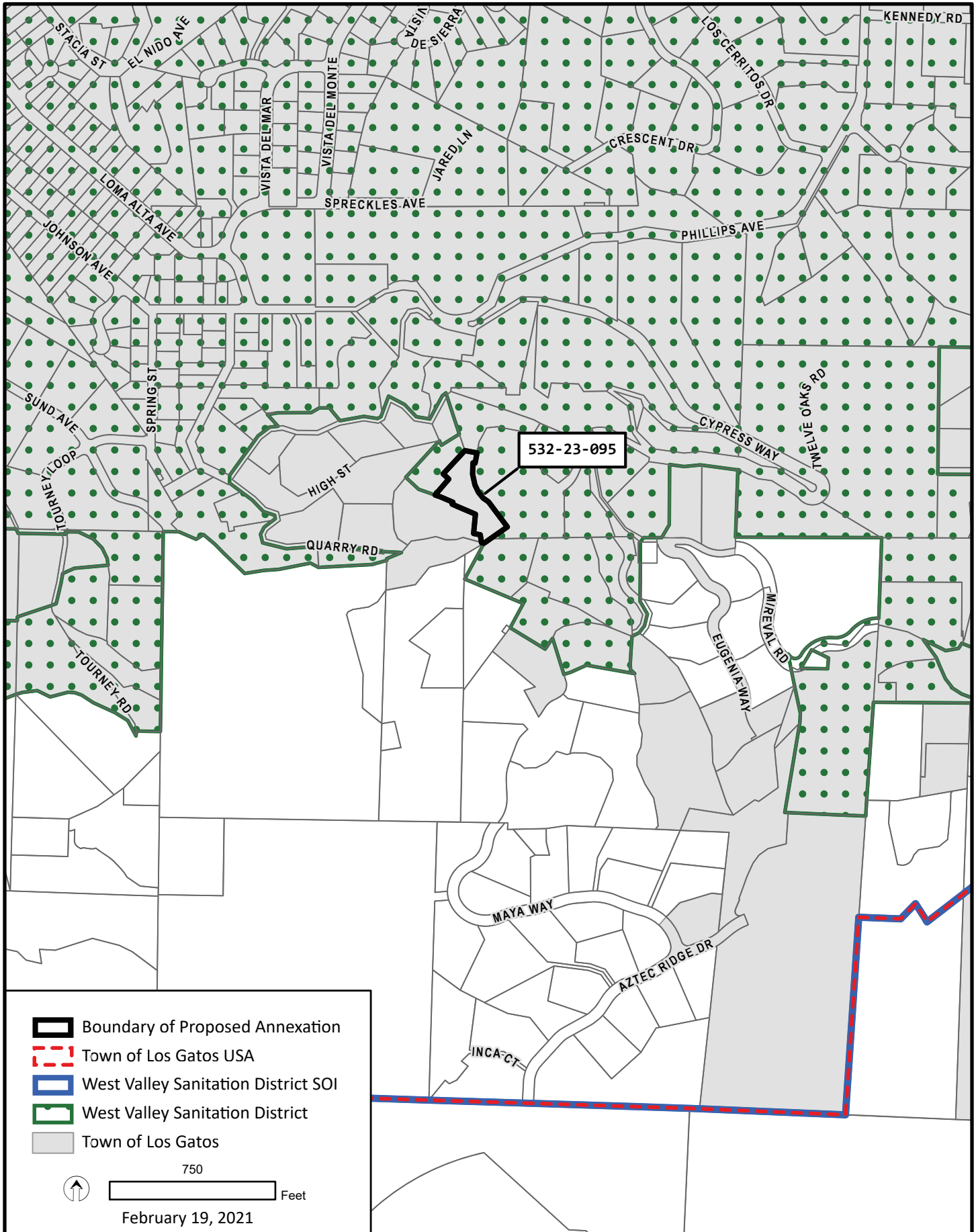


EXHIBIT A

ANNEXATION WEST VALLEY SANITATION DISTRICT NO. 2020-02

(HIGH STREET)

GEOGRAPHIC DESCRIPTION

SITUATE in the Town of Los Gatos, County of Santa Clara, State of California,

BEING a portion of Section 22, Township 8 South, Range 1 West, Mount Diablo Base & Meridian, and described as follows"

BEGINNING at the most northerly corner of that certain 1.154 acre Parcel "B", as shown on that certain Record of Survey map recorded October 20, 1969 in Book 229 of Maps, at Page 17, Santa Clara County Records, said POINT OF BEGINNING also being a point on the WVSD District Boundary (1969-3) as established by Resolution filed in Book 8582 Page 339, Santa Clara County Records on June 25, 1969;

Thence running along said WVSD District Boundary (1969-3) and the easterly and southeasterly boundary of said Parcel "B", the following courses:

- (1) South 78° 26' 15" East, 56.22 feet;
- (2) South 11° 33' 45" West, 47.24 feet;
- (3) North 82° 59' 40" West, 10.07 feet;
- (4) South 2° 38' 15" West, 49.97 feet;
- (5) South 10° 39' 30" East, 50.07 feet;
- (6) South 23° 53' 00" East, 37.51 feet;
- (7) South 38° 19' 00" East, 33.33 feet;
- (8) South 54° 07' 00" East, 29.60 feet;
- (9) South 35° 41' 15" East, 142.06 feet; and
- (10) South 56° 11' 40" West, 129.02 feet (leaving said WVSD District Boundary 1969-3 at 94.39 feet)

to the most southerly corner of said Parcel "B" as shown on said Record of Survey map; thence along the southwesterly boundary of said Parcel "B", the following courses:

- (11) North 74° 53' 20" West, 10.89 feet;
- (12) North 8° 08' 20" West, 37.03 feet;
- (13) North 79° 08' 20" West, 30.25 feet;
- (14) North 6° 32' 00" East, 87.56 feet;
- (15) North 65° 42' 30" West, 115.27 feet;
- (16) North 23° 50' 00" East, 10.03 feet;
- (17) North 65° 48' 00" West, 61.79 feet; and
- (18) North 69° 33' 00" West, 25.22 feet

to the most westerly corner of said Parcel "B" and being at an angle point in the WVSD District Boundary (2001-3) as established by LAFCO Resolution No, 01-11, dated October 10, 2001 and recorded on December 21, 2001 at Document #16024709, Official Records of Santa Clara County;

Thence continuing along said WVSD District Boundary (2001-3) and the northwesterly boundary of said Parcel "B", the following courses:

- (19) North 41° 36'05" East, 94.71 feet;
- (20) North 45° 48'40" West, 33.49 feet; and
- (21) North 43° 56'20" East, 143.48 feet

to the POINT OF BEGINNING and containing 1.154 acres of land more or less.

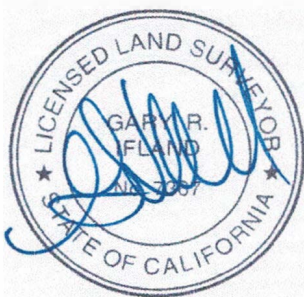
See Annexation Map Exhibit, attached hereto, and by this reference made a part hereof.

END OF DESCRIPTION

Disclaimer:

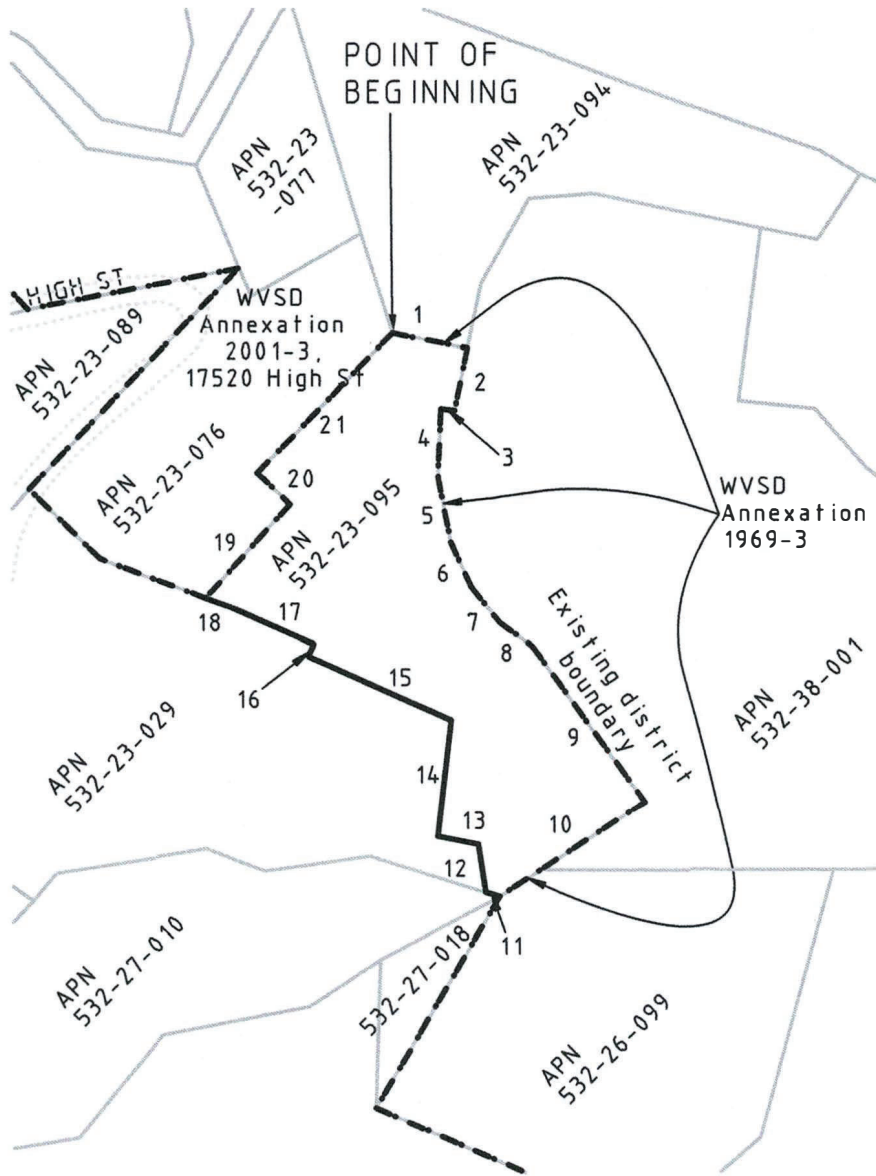
For assessment purposes only. This description of land is not a legal property description as defined in the Subdivision Map Act and may not be used as a basis for an offer for sale of the land described.

Prepared by: Gary Iland, LS 7367
February 19, 2021
Job No. G20048





North



COURSES:

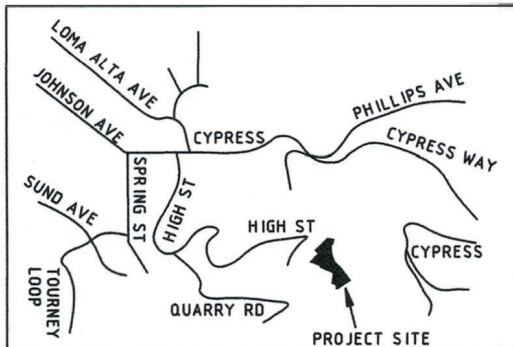
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15. N65°42'30"W 115.27'
16. N23°50'00"E 10.03'
17. N65°48'00"W 61.79'
18. N69°33'00"W 25.22'
19. N41°36'05"E 94.71'
20. N45°48'40"W 33.49'
21. N43°56'20"E 143.48'

1.154 ACRES

LEGEND:

- EXISTING WEST VALLEY SANITATION DISTRICT BOUNDARY
- PROPOSED WEST VALLEY SANITATION DISTRICT BOUNDARY

LOCATION MAP:
(NOT TO SCALE)



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."

ASSESSOR'S PARCEL NUMBER: 532-23-095	ACREAGE: 1.154	DATE: 2/19/2021	SCALE: 1:100
WEST VALLEY SANITATION DISTRICT 2020-02 (HIGH STREET) BEING A PORTION OF Lot 1 Section 22 T.8S., R.1W., Mount Diablo Principal Meridian		DAVID HUTCHISON 17621 HIGH ST. LOS GATOS, CA 95030 (213) 537-6266	



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

777 North First Street
Suite 410
San Jose, CA 95112

SantaClaraLAFCO.org

Commissioners

Rich Constantine
Susan Ellenberg
Sergio Jimenez
Yoriko Kishimoto
Gary Kremen
Mike Wasserman
Susan Vicklund Wilson

Alternate Commissioners

Helen Chapman
Cindy Chavez
Matt Mahan
Russ Melton
Terry Trumbull

Executive Officer
Neelima Palacherla

ITEM # 11

LAFCO MEETING: April 7, 2021

TO: LAFCO

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

**SUBJECT: UPDATE ON LAFCO’S COUNTYWIDE FIRE SERVICE
REVIEW**

STAFF RECOMMENDATION

Accept report and provide direction, as necessary.

COUNTYWIDE FIRE SERVICE REVIEW

Selection of Consultant & Finalization of Contract

On February 8, 2021, LAFCO released a Request for Proposals (RFP) for a professional service firm to prepare a countywide fire service review and to prepare sphere of influence updates for fire districts. LAFCO received two proposals in response to the RFP. On March 12, 2021, Executive Officer Palacherla and a Consultant Selection Committee, consisting of Commissioners Kishimoto and Vicklund Wilson, Los Altos Hills City Manager Carl Cahill, and City of Santa Clara Fire Chief Ruben Torres, jointly interviewed the two firms via video conference and provided a recommendation, pending favorable reference checks and clarification of certain matters. We thank the Consultant Selection Committee for their time and assistance. EO Palacherla is in the process of finalizing the terms of the contract with the recommended firm. LAFCO staff expects to have the consultants begin working on the project shortly after the contract is finalized.

Technical Advisory Committee for Countywide Fire Service Review

LAFCO has established a Technical Advisory Committee (TAC) for the Countywide Fire Service Review to provide technical expertise/advice throughout the service review process.

The TAC consists of the following members:

Appointed by LAFCO:

- Commissioner Yoriko Kishimoto
- Commissioner Susan Vicklund Wilson

Appointed by the Santa Clara County Fire Chief's Association:

- Chief Tony Bowden (Santa Clara County Central Fire Protection District)
- Chief Ruben Torres (City of Santa Clara Fire Department)
- Chief Jim Wyatt (City of Gilroy Fire Department)

Appointed by the Santa Clara County/Cities Managers' Association:

- James Lindsay (City Manager, City of Saratoga)
- Carl Cahill (City Manager, City of Los Altos Hills)
- Christina Turner (City Manager, City of Morgan Hill)
- Ed Shikada (City Manager, City of Palo Alto), as an alternate

NEXT STEPS

Upon finalization of the contract, LAFCO staff will meet the consultants to provide an orientation to LAFCO and Santa Clara County, and to discuss the agenda and preparations for a Project Kick-Off Meeting. It is anticipated that a Project Kick-Off Meeting will be held with the consultants, LAFCO staff, and the TAC in mid-April.

After the Kick-Off, this comprehensive study is expected to take approximately one year to complete. LAFCO staff will continue to provide the Commission with updates as the project progresses.



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Commissioners
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Susan Ellenberg
Sergio Jimenez
Yoriko Kishimoto
Gary Kremen
Mike Wasserman
Susan Vicklund Wilson

ITEM # 12

Alternate Commissioners
Helen Chapman
Cindy Chavez
Matt Mahan
Russ Melton
Terry Trumbull
Executive Officer
Neelima Palacherla

LAFCO MEETING: April 7, 2021

TO: LAFCO

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

SUBJECT: EXECUTIVE OFFICER’S REPORT

STAFF RECOMMENDATION

Accept reports and provide direction, as necessary.

12.1 UPDATE ON RANCHO RINCONADA RECREATION AND PARK DISTRICT SPECIAL STUDY

On March 2, 2021, the Cupertino City Council discussed the Rancho Rinconada Recreation and Park District (RRRPD) Special Study and voted to delay consideration of the merger of RRRPD with the City to allow for engagement in long-term planning for aquatic facilities in the City and to allow RRRPD Board to complete their strategic visioning and outreach processes and make a recommendation on the merger. Although LAFCO’s role in this study is concluded for now, LAFCO staff remain available to answer questions or to respond to any proposals from the City or District.

Please refer to the [February 5, 2020](#) and [August 5, 2020](#) LAFCO staff reports for more background on the RRRPD Special Study. The following is a summary timeline of key LAFCO, City and RRRPD activities related to or relevant to this issue.

LAFCO released the Draft RRRPD Special Study Report for public review and comment on January 30, 2020. LAFCO’s consultant presented the report to LAFCO at its February 5, 2020 meeting. It was anticipated that LAFCO would hold a public hearing on the report at its April 2020 meeting soon after which time the Cupertino City Council was tentatively scheduled to consider the Report and take action.

On February 19, 2020, the Cupertino City Council voted to consider Options 1 and 2 in the Report (Option 1 would maintain RRRPD’s current governance structure as an independent special district and Option 2 would initiate an merger of RRRPD with the City of Cupertino), directed its staff to conduct a survey of RRRPD residents on the two options, and referred the issue to the City’s Parks and Recreation

Commission (PRC) for their review and recommendation. LAFCO's consultant and staff presented the report to the City's PRC at its March 5, 2020 meeting. The City conducted a survey of RRRPD residents per City Council direction. Shortly after, work on the issue was suspended temporarily as a result of the COVID-19 Shelter in Place order which began on March 16, 2020.

At its August 5, 2020 meeting, LAFCO extended the term of its consultant contract to June 2021 and added an additional \$5,000 to the contract to allow for any additional analysis necessary for decision making purposes given the change in the financial conditions.

In September 2020, the RRRPD Board retained a consultant to complete a 6-month strategic visioning process for the District.

At its October 1, 2020 meeting, the City's PRC considered the issue and forwarded a recommendation for merger of RRRPD with the City. In late October, LAFCO staff met with the City staff to answer questions on the merger process.

In December 2020, RRRPD filled vacancies on its Board and seated 4 new Board members. On February 11, 2021, the RRRPD Board initiated an outreach action plan to help educate District residents about the potential merger with the City. The District's outreach strategy is composed of three phases beginning the first week of March. The three phases include building awareness with a neutral message, consideration and engagement, and a call to action if necessary. The RRRPD Board plans to take a formal position on the merger at an upcoming Board meeting.

12.2 PRE-APPLICATION MEETING WITH CITY OF GILROY ON WREN INVESTORS & HEWELL USA AMENDMENT

At the request of the City of Gilroy staff, EO Palacherla and Asst. EO Noel met with City staff, including the Community Development Director, on March 18, 2021 to address questions that the City had as they prepare to submit the Wren Investors & Hewell Urban Service Area (USA) amendment application to LAFCO, involving lands to the north of the city.

LAFCO staff provided an overview of the application requirements, and discussed, among other issues: the preparation of a Fiscal Impact Analysis addressing how the City will finance the required services and infrastructure; the preparation of a Plan for Services addressing how services will be provided to the anticipated development; the preparation of environmental analysis for the proposal; LAFCO's policies regarding efficient land use patterns, use of vacant land within city limits, and farmland preservation; and LAFCO's expectations for agricultural mitigation as appropriate. The group also discussed a recent inquiry that both the City and LAFCO received from a private developer about a potential USA expansion proposal located to the west of the Gilroy Sports Park.

Such pre-application meetings help inform applicants of LAFCO policies and procedures that apply to the anticipated projects and to discuss any potential

concerns. This allows the applicant to consider and address these concerns before applying to LAFCO.

12.3 MEETINGS RELATED TO PROPERTY OWNER REQUEST FOR SEWER SERVICE OUTSIDE THE TOWN OF LOS ALTOS HILLS

In late February, LAFCO staff received an inquiry from the County Planning staff requesting information on how a property owner in unincorporated Los Altos Hills (11040 Eastbrook Ave.) can connect to the Town's sewer in order to replace an existing home with a new home and outbuildings. The property owner also contacted LAFCO staff. LAFCO staff explained to County and Town staff that the Town must first annex the property to provide sewer service or seek and receive approval from LAFCO to extend sewer service outside its boundaries. LAFCO staff has directed the property owner to contact the Town because the decision to pursue either of these options lies with the Town. In such situations, LAFCO's role is to provide assistance to the Town, research options, and facilitate discussions, as necessary.

LAFCO staff also noted that there are limited exceptions to this process, such as when there is a preexisting agreement for service in place. In early March, LAFCO and Town staff met and discussed how best to assist the property owner. Town staff and LAFCO staff then researched their historical files but were unable to find any applicable service agreement. Town staff also determined that the additional documentation provided by the property owner was not a sewer service agreement.

Town staff advised the property owner that they would need to annex their property to the Town to receive sewer service. However, the property is not contiguous with the Town limits and a neighboring parcel would also need to be included in the annexation area to achieve contiguity. Subsequently, the property owner informed Town staff that their neighbor does not want to annex to the Town.

In mid-March, LAFCO staff and Town Staff met again and discussed another option - potential annexation of the entire island within which the property is located through the streamlined island annexation process. In preparation, LAFCO staff researched and mapped LAFCO's prior out of agency sewer extensions approvals and the Town's existing sewer connections in the island; and shared this map with Town staff. During that meeting, the Town raised questions about the condition of roads in the island and LAFCO staff offered to contact the County Roads Department for further information. In late-March, LAFCO staff met with County Roads staff to inform them of these recent discussions and to seek their input and assistance. County Roads staff informed LAFCO staff that they would do some research and an inspection of the conditions of the roads in the island and report back their findings. County Road staff also indicated that they support annexation of the entire island to the Town to achieve greater efficiencies in services, including road maintenance.

In late-March, LAFCO staff also received an inquiry from County Supervisor Simitian's staff informing that the property owner had contacted the Supervisor and seeking further information on this matter. LAFCO staff met with the Supervisor's

staff, updated them accordingly, and explained that an annexation to a city (including an island annexation) or an out of agency contract for service can only be initiated by the Town. LAFCO staff supports annexation of the entire island to the Town. Once the Town determines its next steps, LAFCO staff are available to assist the Town. Until then, LAFCO staffs' main role is as a facilitator.

12.4 SANTA CLARA COUNTY SPECIAL DISTRICTS ASSOCIATION MEETING

On March 1, 2021, Commissioners Kishimoto and Kremen, Alternate Commissioner Chapman, and EO Palacherla attended the quarterly meeting of the Santa Clara County Special Districts Association (SDA) which was held by video conference. Ms. Palacherla provided updates on LAFCO activities, including the initiation of the Countywide Fire Service Review and dissolution of inactive special districts.

The meeting included a presentation from guest speaker Santa Clara County Supervisor Otto Lee, District 3. Meeting attendees, including various district staff and board members, field staff for various state legislators, and a representative of the California Special Districts Association, provided reports and shared information on current projects or issues of interest. The next meeting of the SDA is scheduled for June 7, 2021.

12.5 SANTA CLARA COUNTY ASSOCIATION OF PLANNING OFFICIALS MEETING

EO Palacherla attended the February 3, 2021 virtual meeting of the Santa Clara County Association of Planning Officials (SCCAPO). The meeting included updates on: ABAG's adoption of the Regional Housing Needs Allocation distribution methodology and equity adjustment, applying for Regional Early Action Planning Grants to accelerate housing production, and priority items in Planning Collaborative Consultant scope. The meeting also included a discussion on best practices in providing planning and permitting services remotely during Shelter in Place, and anticipated changes as restrictions are lifted. Lastly, attendees provided updates on planning and development-related issues in their individual jurisdictions.

12.6 INTER-JURISDICTIONAL GIS WORKING GROUP MEETING

Asst. EO Noel attended the February 10, 2021 Inter-Jurisdictional GIS Working Group Meeting which was hosted virtually. This group includes various County departments that use and maintain GIS data, particularly LAFCO-related data. The group received a brief update on County Technology Services and Solutions (TSS) efforts to improve the parcel base map of the County and move existing data to the new GIS coordinate system. The group was informed that new census data is available for different geographic areas (i.e. tracts, block groups, and blocks) and that this data will help inform redistricting discussions in the county. Attendees also provided individual updates to the group on relevant GIS matters.

12.7 JOINT VENTURE SILICON VALLEY'S 2021 STATE OF THE VALLEY CONFERENCE

EO Palacherla and Asst. EO Noel attended Joint Venture (JV) Silicon Valley's 2021 State of the Valley Conference, held online over two consecutive half-days, February 23rd and 24th. The Conference highlighted the findings of JV's 2021 Silicon Valley Index Report and the indicators tracking key factors of the Silicon Valley ecosystem, including economic and social challenges. Russell Hancock (JV CEO) reported that "the pandemic has made the rich richer while the poor are dying." Public figures, such as Dr. Sara Cody (Santa Clara County Health Office) and other subject matter experts, then took turns tackling the region's challenges, including Covid-19 and Silicon Valley's path back to health, building a more inclusive Silicon Valley, Silicon Valley and the battle for the planet, transportation in a post-pandemic world, Silicon Valley's path to recovery: building back better, and commercial development trends and the future of the workplace. Former Secretary of Housing and Urban Development Julián Castro closed the conference by urging Silicon Valley to revolutionize technology to enable everyone to have a shot at the American dream.

12.8 2021 AEP INTERMEDIATE CEQA WORKSHOP

On February 25, 2021, Asst. EO Noel attended the Association of Environmental Professionals' 2021 Intermediate CEQA Workshop. The 4-hour webinar provided a deeper understanding of how the California Environmental Quality Act (CEQA) and the State Guidelines are practiced and featured illustrative examples and case studies. Specific topics discussed included:

- A Brief Refresher on CEQA Essentials
- Exemptions (unusual circumstances, standard of review, mitigation/avoidance)
- Initial Studies and Negative Declarations/Mitigated Negative Declarations (Fair Arguments)
- Draft EIRs (Scoping, Objectives, Baseline, Thresholds, Mitigation, Cumulative Analysis, Alternatives)
- Final EIRs (Responding to Comments, Findings, Statement of Overriding Considerations)
- Subsequent Review (Addenda, Supplemental Documents §15183)

The workshop concluded with an interactive Q&A session.



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Executive Officer

Neelima Palacherla

LAFCO MEETING: April 7, 2021
TO: LAFCO
**FROM: Neelima Palacherla, Executive Officer
Dunia Noel, Asst. Executive Officer**
SUBJECT: CALAFCO RELATED ACTIVITES

FOR INFORMATION ONLY

CALAFCO Quarterly Report February 2021 and CALAFCO 2020 Annual Report

CALAFCO issues quarterly reports throughout the year highlighting various CALAFCO activities and recognizing the contributions of LAFCOs across the state. CALAFCO also issues an annual report. The 2020 Annual Report highlights the achievements of the organization’s work in 2020 towards the goals set in its recent strategic plan.

Please see **Attachment A** for the CALAFCO Quarterly February 2021 and **Attachment B** for the CALAFCO 2020 Annual Report.

CALAFCO Staff Workshop Rescheduled to March 2022

In light of the pandemic, CALAFCO canceled the in-person 2021 Staff Workshop and rescheduled it for Wednesday, March 23rd through Friday, March 25th in 2022, with the Mobile Workshop being held on the morning of March 23rd. The location is the same, Hyatt Regency Newport Beach John Wayne Airport. In the meantime, CALAFCO is reviewing the sessions in the 2021 Workshop program to determine whether to hold some stand-alone virtual sessions over the next few months on topics identified in the 2021 Workshop program. More information is expected to follow.

CALAFCO Annual Conference Scheduled for October 2021

The CALAFCO Annual Conference is currently scheduled to be held at the Hyatt Regency Newport Beach John Wayne Airport from Wednesday, October 6th to Friday, October 8th in 2021. The hope is that by that time attendees will be able to safely meet in person. CALAFCO will be seeking volunteers soon to serve on the Conference Program Planning Committee.

The Conference provides an annual opportunity for commissioners and staff to gain additional knowledge about changes in LAFCO legislation, LAFCO policies and practices, and the latest issues facing LAFCOs, counties, cities, and special districts across the state. The Conference brings together approximately 250 LAFCO

Commissioners and staff from around the state to discuss the latest issues and share knowledge and best practices.

Further details will be made available in the summer.

ATTACHMENTS

Attachment A: CALAFCO Quarterly February 2021

Attachment B: CALAFCO 2020 Annual Report

CALIFORNIA ASSOCIATION OF LOCAL AGENCY FORMATION COMMISSIONS



CALAFCO MISSION

Provide educational, information sharing and technical support for our members by serving as a resource for, and by collaborating with, the public, the legislative and executive branches of state government and other organizations for the purpose of discouraging urban sprawl, preserving open-space and prime agricultural lands, and encouraging orderly growth and development of local agencies.

2020 ANNUAL REPORT

California Association of Local Agency Formation Commissions

Email: info@calafco.org

Website: www.calafco.org

1020 12th Street, Ste. 222

Sacramento, CA 95814

Tel: 916-442-6536





FROM THE CALAFCO EXECUTIVE DIRECTOR

For just about all of us, 2020 was quite a challenge. During the year, the California Association of Local Agency Formation Commissions (CALAFCO) dedicated itself to meet the new and evolving needs of our members. As they reinvented the way they work and deliver services, so did we.

Although we were unable to gather in person in March for our annual Staff Workshop or in October for our Annual Conference, we stayed connected with virtual meetings and virtual educational events. We learned from each other as we supported one another through a historic time. CALAFCO stood in support of our member LAFCoS by shifting the way we provide supportive services and adjusted priorities to meet their changing needs.

2020 will be remembered as the year we would all like to forget. But doing so means we also forget the many things we learned - about ourselves as strong, capable, and resilient beings, and about the power of collective support, collaborative and innovative problem solving, and about our ability to generate hope for systemic and sustainable change.

Without missing a beat, LAFCoS throughout the state continued to provide the necessary leadership in fulfilling their missions, and in supporting their respective local agencies and the communities they serve. I would like to take this opportunity to thank all of our member LAFCoS for their dedicated, focused and steadfast commitment to the work they do and the people they serve.

I also want to thank the CALAFCO regional staff for their support and contributions to the Association. A special thank you to our Associate member partners for their generous support of CALAFCO. Last but certainly not least, I want to express my gratitude to the CALAFCO Board of Directors, all of whom worked tirelessly throughout the year in support of the ideals and mission of CALAFCO and all LAFCoS. Through their leadership, vision and tenacity, the Association met the challenges of the year.

I'm proud to represent the Association and all 58 LAFCoS as well as our Associate Members, and present the 2020 Annual Report, which highlights the collective work of the past year and many of the achievements we realized. We hope you enjoy this new format of the Annual Report. I look forward to what we can accomplish together in 2021.

A handwritten signature in blue ink, which appears to read "Pamela Miller". The signature is fluid and cursive.

Pamela Miller
Executive Director
CA Association of Local Agency Formation Commissions

CALAFCO 2020 Annual Report

FROM THE 2019-2020 CALAFCO CHAIR OF THE BOARD



We are living in interesting times!

Every time I think it can't get worse; it does. At the time I wrote this article, we were plagued by record heat and fires. Often past chairs have written something like, "...it was a challenging but rewarding year". I will say it was a challenging year; I don't think I can call it rewarding, but I have been proud to see how CALAFCO rose to the challenge and pivoted to address the impacts thrown on us by this pandemic. We moved to virtual meetings, made Zoom available to our member LAFCoS, held regular meetings with our member LAFCo Executive Officers/Clerks and made a series of virtual CALAFCO U classes and on demand webinars available free to our members; we continue to focus on "value added" to our members. Much of the credit for this, and its success, is due to efforts by our Executive Director, Pamela Miller, who we were fortunate to retain, as an employee, after she announced her retirement; we are indebted to her. Of course many others pitched in to make this possible and the CALAFCO Board provided needed support.

We were forced to cancel our Annual Conference. Many LAFCoS were directly impacted as were many government agencies. Many have died, the economy was rocked and many individuals struggle to meet basic needs; essential workers continue to provide service and others are forced to work out of economic necessity-risking their, and their family, health and lives.

My father, the youngest of four, was born in 1927. As I grew up, his parents from time to time, talked about the influenza pandemic of 1918. I used to find those stories surreal; people confined to their homes, a red notice nailed to the door and many deaths. My grandparents not only endured this pandemic but, in their lifetime, faced WWI, the Great Depression and WWII. Much of this is now delegated to "just history". My grandparents came thru it and someday 2020 will also be delegated to history.

I'm proud that CALAFCO more than survived this challenge. Our dues change let us avoid a structural deficit and a loss for the year even with the cancellation of the Annual Conference. Our prudent reserves may allow us to cover unexpected costs, especially legal costs as we navigated AB 5, converting Pamela and Jeni to employees.

We continue to proudly serve our member LAFCoS and remain a viable and respected voice in Sacramento.
Thanks to all of you.

Michael R. McGill, P.E.
Chair of the Board, 2019-2020
CA Association of Local Agency Formation Commissions

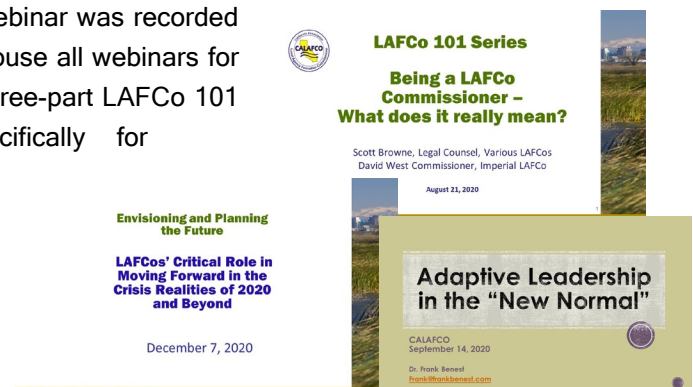
CALAFCO 2020 Annual Report

In 2019, CALAFCO began a two-year strategic plan to define the Association's priorities and guide the work. There were three main strategic areas each with actionable goals for each of the two years. This report highlights the achievements of the work in 2020 towards those goals.

1. Serve as an educational resource to member LAFCo Commissioners, LAFCo staff, Associate Members, and stakeholders.
2. Focus efforts on Association member development and communication.
3. Serve as an information resource to all Association members, work as a legislative and policy advocate for LAFCo issues and provide information to the Legislature and other stakeholders.

1. Serve as an educational resource

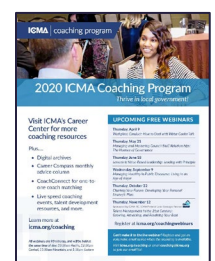
Given the COVID-19 pandemic, in-person training and educational opportunities were impossible from mid-March through the end of 2020. This meant the cancellation of our annual Staff Workshop and Annual Conference. However, in early summer, CALAFCO staff began looking at how to deliver short educational sessions virtually - something CALAFCO had never done before. From August through December, six webinars were successfully delivered at no cost to our members. Additionally, each webinar was recorded and a new section created on the CALAFCO website to house all webinars for member on-demand viewing. Webinar topics included a three-part LAFCo 101 series (including a newly designed session specifically for Clerks/Analysts and another for LAFCo Commissioners), adaptive leadership, and two sessions on LAFCos role in this "new/now normal" world of ours. In total, 274 LAFCo staff, commissioners and Associate Members attended these free educational offerings.



Early in January CALAFCO hosted a CALAFCO University session in Orange County focusing on legacy costs associated with reorganizations.

We are proud to continue to offer our members AICP credits when applicable for any educational session we host.

CALAFCO remains a coaching partner with Cal-ICMA and through this partnership all of our members receive free access to professional development webinars, one-to-one coaching and other professional development resources.



CALAFCO 2020 Annual Report

2. Focus efforts on Association member development and communication

In response to our members, CALAFCO developed a short series of News Bulletins and distributed them to the membership during the first three months of the State's shutdown. The Bulletins advised members of the latest Executive Orders and other noteworthy news items that impacted LAFCos and other local agencies.

Beginning mid-March, we hosted weekly meetings for LAFCo Executive Officers and another for LAFCo Clerks to allow for collaboration and information sharing. These meetings transitioned to virtual meetings and continue as monthly meetings into 2021, with as many as 32 Executive Officers attending the monthly meeting.

Knowing many of our members struggled to find effective ways for their Commissions to meet while maintaining transparency and public participation, CALAFCO purchased two Zoom licenses and provided the use of one of those licenses to our member LAFCos, along with our toll-free conference calling system, at no cost, as a way for our members to continue conducting business transparently.

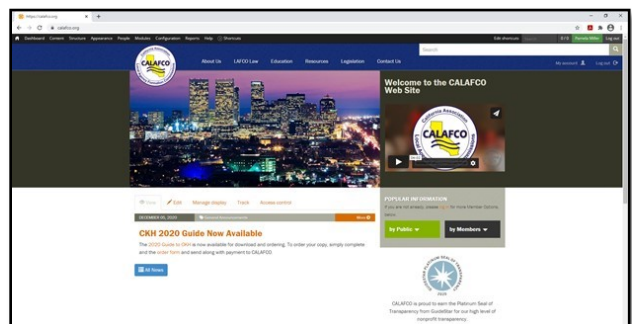


The events of 2020 were uncharted territory for many, and the fiscal aftermath will long be felt by all local agencies across the state. CALAFCO recognized this as a unique time for LAFCos to champion the support of local agencies and help rebuild communities. In partnership with several Executive officers and one of our Associate Member partners, CALAFCO created a series of messaging materials to assist our member LAFCos in their facilitation of local discussions on the

revitalization of their respective communities. These resources were introduced and distributed in December.

In addition to our normal communication tools of Quarterly Reports and list serves, we also hosted virtual regional roundtables in December for our member LAFCos (as a replacement for our in-person roundtables at the Annual Conference) as well as a LAFCo Legal Counsel roundtable in October. With so many of our members meeting virtually, our Executive Director was able to attend sixteen (16) different LAFCo meetings the second half of the year.

In response to the membership survey in 2019, CALAFCO staff spent time this year updating several of the most frequently used sections of the CALAFCO website. In addition to the creation of the new webinar archive, the CALAFCO University archives was updated, along with several sections within the LAFCo Law section. Other sections were completely reorganized and updated for easier member access to resource information and materials. CALAFCO is proud to continue earning the GuideStar Platinum Seal of Transparency for high level of nonprofit transparency.



CALAFCO 2020 Annual Report

3. Serve as an information resource and legislative and policy advocate

In addition to the work of enhancing the CALAFCO website as an informational resource, CALAFCO continued to participate in the Department of Water Resources' County Drought Advisory Group and lead the efforts of the 18-member Protest Provisions Stakeholder Working Group (Working Group).

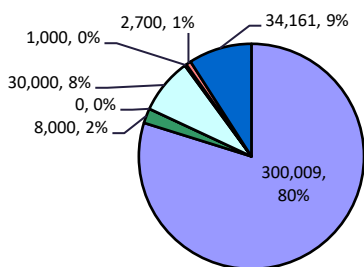
The 2020 legislative year turned out to be unlike any other and the pandemic turned legislation inside-out. The focus of the Legislature quickly turned to COVID response as well as responding to a historic year of wildfires and calls for social and racial justice and equity. At the direction of the CALAFCO Board, we ended our efforts to obtain state-level grant funding for LAFCoS through sponsored legislation and did not sponsor an Omnibus bill in 2020. Instead, the Board made the proposal to make changes to statute pertaining to extension of services the legislative priority, along with the ongoing efforts of the Working Group. After seeking feedback and consensus from Executive Officers as directed by the Board, in late January the Executive Committee approved moving forward with seeking legislation. Given the late timing, the Association was unsuccessful in securing an author. As a result, CALAFCO did not sponsor any bills in 2020. It is uncertain if any bills (other than Omnibus) would have successfully passed through the Legislature given the shift in their focus mid-year. CALAFCO continued to support our membership through legislative action where appropriate and fiercely guarded LAFCo authority when necessary, tracking 32 bills and taking positions on 7 bills.

Other 2020 highlights

There were several other highlights in 2020 that were not part of the two-year strategic plan. First, we successfully transitioned our two primary part-time contractors (Executive Director and Administrator) to part-time employees effective September 1 in compliance with AB 5. Additionally, for the first time, CALAFCO conducted a virtual election for the Board of Directors.

CALAFCO Financials 2020

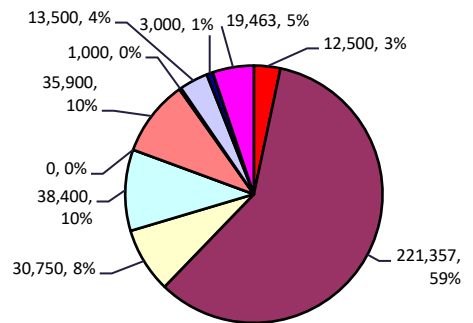
FY 2020-21 REVENUE BY CATEGORY AND % OF TOTAL BUDGET



- Member LAFCo Dues
- Assoc Member Dues
- Conference
- CALAFCO U
- Carry over
- Workshop
- Misc. Revenue

In July, the Board of Directors adopted a revised budget without any Conference revenue/expenses, with new estimated employer costs and the retention of the Executive Director. The lack of the planned 15% Conference net profit created a structural deficit that can be covered by the net balance carryover into FY 2020-21, which ended up

FY 2020-21 EXPENSES BY CATEGORY AND % OF TOTAL BUDGET



- Board
- Professional Services
- Conference
- CALAFCO U
- Personnel
- Office
- Workshop
- Legislative

larger than expected at the end of FY 2019-20 due to cost savings in other budget areas. By the end of 2020 it appeared savings into FY 2020-21 was continuing in many areas that will help the Association's financial outlook going into another uncertain fiscal year.

Looking ahead to 2021

Our LAFcos are strong and resilient and led with remarkable courage during 2020. CALAFCO remains committed to continue building a resilient and sustainable Association that supports our members in their work. To focus resources on our members' highest priorities in 2021, the CALAFCO Board of Directors' biennial strategic planning workshop in January will create the foundation for the Association's next two-year strategic plan. As we move into our 50th year, CALAFCO remains committed to:

- **Serve as an educational resource to member LAFCo Commissioners, LAFCo staff, Associate Members, and stakeholders.**
- **Focus efforts on Association member relations, development, recognition and communication.**
- **Continue development of a strong and sustainable Association.**
- **Serve as an information resource to all Association members, work as a legislative and policy advocate for LAFCo issues and provide information to the Legislature and other stakeholders.**

CALAFCO 2019-2020 BOARD OF DIRECTORS AND STAFF

OFFICERS (Oct 2019 – Oct 2020)

CHAIR - *Michael McGill*, Contra Costa LAFCo, District Member (Coastal)

VICE CHAIR - *Michael Kelley*, Imperial LAFCo, County Member (Southern)

SECRETARY - *Anita Paque*, Calaveras LAFCo, Public Member (Central)

TREASURER - *Bill Connelly*, Butte LAFCo, County Member (Northern)

IMMEDIATE PAST CHAIR - *Josh Susman*, Nevada LAFCo, Public Member (Northern)

MEMBERS (Oct 2019 – Oct 2020)

Cheryl Brothers, Orange LAFCo, City Member (Southern)

David Couch, Humboldt LAFCo, City Member (Northern)

Shiva Frentzen, El Dorado LAFCo, County Member (Central)

Blake Inscore, Del Norte LAFCo, City Member (Northern)

Gay Jones, Sacramento LAFCo, District Member (Central)

Jo MacKenzie, San Diego LAFCo, District Member (Southern)

Margie Mohler, Napa LAFCo, City Member (Coastal)

Tom Murray, San Luis Obispo LAFCo, Public Member (Coastal)

Jane Parker, Monterey LAFCo, County Member (Coastal)

Daniel Parra, Fresno LAFCo, City Member (Central)

David West, Imperial LAFCo, Public Member (Southern)

STAFF

EXECUTIVE DIRECTOR - *Pamela Miller*

ADMINISTRATOR - *Jeni Tickler*

LEGAL COUNSEL - *Clark Alsop*, Best Best & Krieger

CPA - *James Gladfelter*, Alta Mesa Group

EXECUTIVE OFFICER - *Stephen Lucas*, Butte LAFCo (Northern)

DEPUTY EXECUTIVE OFFICERS - *Christine Crawford*, Yolo LAFCo (Central); *Martha Poyatos*, San Mateo LAFCo (Coastal); and *Gary Thompson*, Riverside LAFCo (Southern)

CALAFCO 2020 Annual Report

A SNAPSHOT LOOK AT 2020 by the numbers

MEMBERSHIP

58 Member LAFCoS

26 Associate Members

4 Regions

16 Member Board of Directors

Over 750 Commissioners & Staff supported



EDUCATION

300 Total attendees

7 Events

6 Webinars

1 CALAFCO U

LEGISLATION

32 Bills monitored, tracked, engaged and positions taken



ADMINISTRATION

8 List serves with **286** subscribers

58,843 Webpage views(www.calafco.org)

Over **60** meetings hosted for Member LAFCoS

2 P/T Staff + **2** P/T Consultants + **4** Regional Staff

News from the Board of Directors

CALAFCO QUARTERLY

ITEM # 13
Attachment B
February 2021



A
message
from the
Executive
Director

Greetings from your CALAFCO Board of Directors and Executive Director. It seems that our collective hope for an uneventful start to 2021 was met with laughter and resistance from the universe. However, we remain undaunted and resolute to move forward in partnership with our members to make great things happen in 2021.

This Quarterly Report will begin by highlighting the good news in our CALAFCO family first, followed by Association updates. Happy reading!

LAFCOs in the News

Santa Clara LAFCo Receives State APA Award for Communication and Outreach Plan

After receiving the American Planning Association - California Northern Chapter's "Award of Excellence - Communication Initiative", ***Santa Clara LAFCo***'s project then received the State Chapter's 2020 Award of Excellence.

San Bernardino and San Diego LAFCos Awarded Sustainable Agricultural Lands Conservation (SALC) Grants

San Bernardino LAFCo, in partnership with the Inland Empire Resource Conservation District (IERCD), were awarded a SALC planning grant for \$220,475. The planning grant project aims to create a local tool for the preservation of agriculture lands, which does not currently exist in San Bernardino County. The goals of this project would be to encourage the long-term preservation of agricultural lands within San Bernardino County and develop local mitigation tools to provide a way for municipalities to preserve agricultural lands while continuing to address housing and growth needs.

San Diego LAFCo, in partnership with the Resource Conservation District (RCD) of Greater San Diego, the San Diego County Farm Bureau, the County of San Diego, and San Diego Association of Governments (SANDAG) were also awarded a SALC planning grant for \$250,000. The purpose for the funding is to develop a community vision and strategic plan to increase and preserve San Diego region's agricultural lands and preserve its economic viability in semi-rural and rural communities. The plan of action is to identify and monitor agricultural lands and uses to inform future preservation and enhancement opportunities.

The Strategic Growth Council (SGC) added LAFCos to the list of eligible entities to apply for SALC grants in January 2019 after many years of CALAFCO trying to get LAFCos eligible for state-level grant funding. Since then, ***San Bernardino*** and

San Diego LAFCos are the first two LAFCos to initiate a grant application.

CALAFCO congratulates ***Santa Clara, San Bernardino and San Diego LAFCos*** on their achievements!



Welcome to Our Newest Associate Member

CALAFCO welcomes our newest Silver Associate Member, ***Holly Owen***, Certified Planner. Holly's services include Municipal Service Reviews and planning and feasibility studies. To contact Holly, you can email her at holly.owen@gmail.com.

CALAFCO BOARD OF DIRECTORS

CALAFCO BOARD CHANGES

The Board recently welcomed three new Board members. In late October, two new members were elected to the Board. Representing the Coastal region county seat is ***Christopher Lopez, Monterey LAFCo*** Commissioner and County Supervisor. The central region county seat also has a new representative, ***Merced LAFCo*** Commissioner and County Supervisor ***Daron McDaniel***. In January, the Board appointed a new member to fill the unexpired term of recently re-elected Board member Cheryl Brothers (who unfortunately lost her home election). Filling that unexpired term for the southern region city seat is ***San Bernardino LAFCo*** Commissioner and City of Fontana Mayor ***Acquanetta Warren***.



The Board also gratefully acknowledges the outgoing Board members whose dedicated service to CALAFCO had a great impact: former ***Monterey LAFCo*** Commissioner ***Jane Parker*** (coastal region county rep); former ***El Dorado LAFCo*** Commissioner ***Shiva Frentzen*** (central region county rep); and former ***Orange LAFCo*** Commissioner ***Cheryl Brothers*** (southern region city rep).

News from the Board of Directors

CALAFCO QUARTERLY

February 2021
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In November, the officers of the Board for 2020-21 were seated as follows:

Chair – *Michael Kelley*, Imperial LAFCo (southern)
Vice Chair – *Anita Paque*, Calaveras LAFCo (central)
Secretary – *Bill Connelly*, Butte LAFCo (northern)
Treasurer – *Margie Mohler*, Napa LAFCo (coastal)
Immediate Past Chair – *Michael McGill*, Contra Costa LAFCo (coastal)

During their November meeting, the Board made the following Committee appointments:

Legislative Committee

Bill Connelly (North)
Gay Jones (At-Large)
Jo MacKenzie (South)
Mike McGill (Coastal)
Anita Paque (Central)
Michael Kelley (a) (South)
Chris Lopez (a) (Coastal)
Daron McDaniel (a) (Central)
Tom Murray (a) (At-Large)
Josh Susman (a) (North)

Elections Committee

Blake Inscore
Gay Jones (Chair)
Chris Lopez
David West

Awards Committee

Daron McDaniel
Jo MacKenzie
Margie Mohler
Anita Paque (Chair)
Josh Susman

2021 Annual Conference

David Couch
Tom Murray
Daniel Parra
David West (Chair)

The CALAFCO Board met virtually for their biennial strategic planning session on January 21, followed by a regular Board meeting the next day on January 22 (also virtual). The full meeting packet for both sessions is located on the CALAFCO website (and accessible to all CALAFCO members). During the strategic planning session the Board discussed several topics of critical importance to the Association, including the current dues structure and population cap used, the ongoing practice of using 15% net profit from the Annual Conference to balance the budget, and the issue of extension of services as it relates to local agencies not always seeking LAFCo authorization of exemption or approval to extend services.

After spending time connecting as a group, the strategic planning session began with a dashboard review of the Association's work in 2020. Highlights included the cancellation of both the Staff Workshop and Conference (and the fiscal impact to the Association as a result of the Conference cancellation due to the reliance of the 15% net profit to balance the budget); the creation and delivery of a series of webinars offered at no cost to CALAFCO members; a new section on the CALAFCO website that houses these

webinars for on-demand viewing; updates to the CALAFCO website; and the legislative year that wasn't. Additional work accomplished that was not part of the strategic plan for 2020 included a successful transition of the two primary contractors to employees and the retention of the Executive Director (originally set to retire in the fall of 2020). The full 2020 dashboard review can be found on the CALAFCO website.

The Board spent a great deal of time discussing the member LAFCo dues issue after receiving a full report from the dues ad hoc committee. After reviewing the various models considered by the ad hoc committee (16 in total), the Board received one additional model that had updated population figures from the Department of Finance (using the existing FY 2020-21 model as the base). Again, after much discussion, the Board gave unanimous consent to maintaining all of the existing variables in the FY 2020-21 dues model, using the required updated population estimates and not adding the CPI increase (estimated at 3%) for the FY 2021-22 dues. This decision was formally ratified with unanimous approval during the Board meeting on January 22. An announcement regarding the FY 2021-22 dues was distributed February 9, and you can find the dues on the CALAFCO website.

The Board then discussed the ongoing structural deficit and dangerous fiscal practice of using an unreliable educational event net profit to balance the budget. They gave unanimous consensus to no longer using any net profit from any education event to balance the budget. Underscored this year without a Conference, the loss of that budgeted net profit created a structural deficit. That decision was also formally ratified with unanimous approval during their Board meeting on January 22.

Later that afternoon there was a discussion about the problem of local agencies not seeking LAFCo authorization to extend services. The Board brainstormed non-legislative ideas for consideration this year as an interim solution to a legislative fix in 2022. The day ended with a brief conversation about SMGA and the relationship between LAFCo and investor-owned utilities.

The Board will consider adopting the next two-year strategic plan (for 2021-22) at their April 30 meeting.

During their January 22 meeting, in addition to ratifying the decisions noted above, the Board received the second quarter financial reports and directed the Executive Director to create a rolling two-year budget going forward (beginning with the draft FY 2021-22 budget) and adopted the 2021 legislative policies with the recommended amendment of the Legislative Committee.



News from the Board of Directors

CALAFCO QUARTERLY

February 2021
Page 3



CALAFCO EDUCATIONAL EVENTS

2021 STAFF WORKSHOP AND ANNUAL CONFERENCE

Staff Workshop

Due to the COVID-19 pandemic, CALAFCO's Staff Workshop was once again cancelled. The workshop was scheduled for March 17-19 in Newport Beach.

CALAFCO staff successfully negotiated a revision in the facility contract for 2022 at the same rates as 2021. We are still working with the mobile workshop vendors to try and roll over the deposits for that event and will keep you posted.

We wish to thank our Workshop hosts, *Imperial* and *Orange LAFCos* who have graciously agreed to host in 2022 - third time is a charm they say!

CALAFCO is currently polling LAFCo staff on their desire to have something offered for staff only in a virtual format. Watch for updates soon. *If your LAFCo staff have not provided us that feedback, please do so by the deadline of February 12.*

Mark your calendars for the Staff Workshop on March 23 - 25, 2022.

Annual Conference

The Annual Conference, hosted by CALAFCO, is currently scheduled for **October 6 - 8** at the *Hyatt Regency Newport Beach John Wayne Airport*. We are hopeful by that time we will be able to safely meet in person, and the Conference planning committee will begin their work very soon. Watch for a call for program planning volunteers.

CALAFCO UNIVERSITY

We were pleased to offer six virtual sessions in 2020 between August and December. This year, CALAFCO is planning several virtual CALAFCO U sessions for the first half of the year. Once again, these sessions will be offered to our members at no cost to you. *Watch for save-the-date announcements coming very soon.* As a teaser, we are planning for a three-part session on Fire and EMS Agency reorganizations in March and another session on Hiring Best Practices in May.



CALAFCO ADMINISTRATIVE UPDATE

CALAFCO staff are working on the annual updates of the Membership Directory. It's requested you respond to the request for updates when you receive them from us.



CALAFCO LEGISLATIVE UPDATE



The new two-year legislative session is in full swing and it is anticipated to be another interesting year. As the deadline to introduce legislation nears (Feb. 19), we are seeing a large number of bills relating to COVID-19 response, wildfire prevention, education, healthcare and bridging the equity divide.

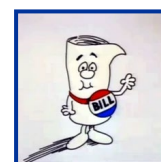
CALAFCO is sponsoring the 2021 Assembly Local Government Committee (ALGC) Omnibus bill and continues the work of the Protest Provision Rewrite Working Group as legislative priorities for 2021. The Working Group, consisting of 18 members (CALAFCO, CSDA, League, CSAC and reps from both local government committees) reconvened and has approved the submission of several obsolete special provisions relating to protests into the Omnibus bill. The group is also working on drafting language to consolidate all existing protest language into one section within CKH, and the subcommittee that is looking at the protest percentage threshold variances is reconvening.

CALAFCO has also been working closely since last fall with Senator Caballero's staff and the sponsors of SB 414 (2019-20) on a redo of that bill. Our conversations have included offering amendments to write LAFCos back into the formation process of the new water authorities. Although the new bill has not yet been introduced (as of the writing of this Report), it is expected before the 2/19 deadline.

The 2020 CKH Guide is now available to download from the CALAFCO website. We are also accepting orders for the hard copy version. Visit the CALAFCO website for details.

Full 2020 legislative reports from the ALGC and Senate Governance & Finance Committees are also available on the CALAFCO website.

All bills being tracked by CALAFCO can be found on the CALAFCO website inside the Legislation section of the site (log in with your member id first to access this section). The CALAFCO Legislative Committee meets regularly and all meeting materials are located in the Legislation section of the CALAFCO website.





CALAFCO ASSOCIATE MEMBERS' CORNER



This section is dedicated to highlighting our Associate Members. The information below is provided to CALAFCO by the Associate member upon joining the Association. All Associate member information can be found in the CALAFCO Member Directory.

City of Rancho Mirage

The **City of Rancho Mirage** has been a Silver Associate Member since July 2010. With a population of just over 18,000, the **City of Rancho Mirage** is located in the County of Riverside. The City offers an abundant amount of sunshine, great climate, and related resort-style living. For more information about the City, contact the Director of Development Services, **Jeremy Gleim**, at jeremyg@ranchomirageca.gov, or at 760-328-2266. Learn more about the City on their website at www.ranchomirageca.gov.



County Sanitation Districts of Los Angeles County

The County Sanitation Districts of Los Angeles County has been a Silver Associate Member since July 2005. They are a public agency focused on converting waste into resources like recycled water, energy and recycled materials. The agency consists of 24 independent special districts serving about 5.6 million people in Los Angeles County. The service areas cover approximately 850 square miles and encompass 78 cities and unincorporated areas in the county. For more information on the Districts, contact **Donna Curry** at dcurry@lacsdc.org, or visit their website at www.lacsdc.org.



Rancho Mission Viejo

Rancho Mission Viejo has been a Silver Associate Member since June 2005. They are responsible for the development and management of a governance structure for a 23,000-acre, 14,000 home planned community. For more information, visit them at www.ranchomissionviejo.com or contact Michael Balsamo at mbalsamo@ranchomv.com.



QK

A Silver Associate Member since September 2010, **QK** (formerly Quad Knopf) provides planning, engineering, biology, environmental and survey services to public and private clients. Their planners have previous experience working for public agencies, including serving as LAFCo Analysts and Executive Officers. They specialize in the San Joaquin and Sacramento Valley regions. For more information on **QK**, visit their website at www.qkinc.com, or contact **Jerome Keene** at jerome.keene@qkinc.com.



CALAFCO wishes to thank all of our Associate Members for your ongoing support and partnership. We look forward to continuing to highlighting you in future Quarterly Reports.

Did You Know??

CALAFCO 2020 Survey

Did you know we recently published the **2020 survey of member LAFCos relating to COVID?** The survey included questions about current and future operations, staffing models, commission meeting methods, and budget impacts.



Meeting Documents Online

Did you know that all **CALAFCO Board of Directors and Legislative Committee meeting documents are online?** Visit the Boards & Committees pages in the Members Section of the site. Board documents date back to 2008 and Legislative Committee documents back to 2007.

CALAFCO Courses Archived

Did you know that all **CALAFCO University course materials are now archived on the CALAFCO website?** Visit the CALAFCO website in the CALAFCO U Course Material Archive section.

Mark Your Calendars For These Upcoming CALAFCO Events

- ❖ CALAFCO Legislative Committee virtual meeting - 2/19
- ❖ CALAFCO Legislative Committee virtual meeting - 3/26
- ❖ CALAFCO Board of Directors virtual meeting - 4/30



The **CALAFCO 2021 Calendar of Events** can be found on the CALAFCO website.

As we continue to face both known and unknown challenges, your CALAFCO Board and Staff wish all of you to stay safe and be healthy. We thank you for your continued dedicated service to the communities you serve. Be well.



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

777 North First Street
Suite 410
San Jose, CA 95112

SantaClaraLAFCO.org

Commissioners

Rich Constantine
Susan Ellenberg
Sergio Jimenez
Yoriko Kishimoto
Gary Kremen
Mike Wasserman
Susan Vicklund Wilson

Alternate Commissioners

Helen Chapman
Cindy Chavez
Matt Mahan
Russ Melton
Terry Trumbull

Executive Officer
Neelima Palacherla

LAFCO MEETING: April 7, 2021

TO: LAFCO

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

SUBJECT: LEGISLATIVE REPORT

STAFF RECOMMENDATION

1. Accept report and provide direction to staff, as necessary.
2. Take a support position on AB 1581 and authorize staff to send a letter of support.

LEGISLATIVE REPORT

The CALAFCO Legislative Committee held meetings on February 19, 2021 and March 26, 2021 by teleconference. Executive Officer Palacherla is member of the Committee and participated in both meetings. The next meeting of the CALAFCO Legislative Committee is scheduled for May 26, 2021.

AB 1581 (Assembly Local Government Committee) CALAFCO Omnibus Bill

AB 1581 is the CALAFCO sponsored annual CKH Act Omnibus bill. The bill makes the following minor technical changes, clarifications, and corrections to the CKH Act:

- §56133(a) – Adds “of the county in which the affected territory is located,” and deletes §56133(f)
- §56325.1 – Removes independent judgement language from this section and adds independent judgement language to §56331.4
- §56427 – Replaces “...revise spheres...” with “...update spheres...”
- §56879(c)(4) – Adds language to remove the property tax transfer process (R & T Section 99 and 99.1) when dissolving inactive districts
- Removes several obsolete protest provisions in the Act

CALAFCO has requested LAFCOs to take a support position on AB 1581, as the bill is scheduled to be heard in the Assembly Local Government Committee on April 28, 2021. A copy of the bill (**Attachment A**) and a draft letter of support (**Attachment B**) are attached for your consideration.

ATTACHMENTS

Attachment A: AB 1581: Local Government Committee Omnibus Bill

Attachment B: Draft Letter in Support of AB 1581

ASSEMBLY BILL

No. 1581

Introduced by Committee on Local Government

March 9, 2021

An act to amend Sections 56133, 56427, and 56879 of, and to amend and renumber Section 56325.1 of, the Government Code, relating to local government.

LEGISLATIVE COUNSEL'S DIGEST

AB 1581, as introduced, Committee on Local Government. Local government: omnibus.

Existing law, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, provides the authority and procedure for the initiation, conduct, and completion of changes of organization, reorganization, and sphere of influence changes for cities and districts, as specified. Existing law requires a local agency formation commission to develop and determine the sphere of influence of each city and each special district within the county and enact policies designed to promote the logical and orderly development of areas within each sphere. Existing law requires the commission, in order to prepare and update spheres of influence in accordance with this requirement, to conduct a service review of the municipal services provided in the county or other appropriate area designated by the commission, as specified.

Existing law requires the commission to adopt, amend, or revise spheres of influence after a public hearing called and held for that purpose.

This bill would revise and recast that provision to provide that the commission is required to adopt, amend, or update spheres of influence after a public hearing called and held for that purpose.

Existing law authorizes a commission in the county which an extension of service is proposed to approve (1) a city or district to provide new or extended services by contract or agreement outside its jurisdictional boundary in writing, (2) a city or district to provide new or extended services outside its jurisdictional boundary but within its sphere of influence in anticipation of a later change of organization, and (3) a city or district to provide new or extended services outside its jurisdictional boundary and outside its sphere of influence to respond to an existing or impending threat to the health or safety of the public or the residents of the affected territory if specified conditions are met.

This bill would revise and recast those provisions to remove the general requirement the commission must be in the county which an extension of service is proposed and provide that a city or district may provide new or extended services by contract or agreement outside its jurisdictional boundary only if it first requests and receives written approval from the commission of the county in which the affected territory is located.

Existing law requires the commission to dissolve inactive districts and provides that dissolved districts are not subject to specified provisions.

This bill would add that dissolved districts are not subject to specified taxation provisions related to jurisdictional changes.

This bill would make other nonsubstantive changes.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 56133 of the Government Code is
- 2 amended to read:
- 3 56133. (a) A city or district may provide new or extended
- 4 services by contract or agreement outside its jurisdictional
- 5 boundary only if it first requests and receives written approval
- 6 from the ~~commission~~ *commission of the county in which the*
- 7 *affected territory is located.*
- 8 (b) The commission may authorize a city or district to provide
- 9 new or extended services outside its jurisdictional boundary but
- 10 within its sphere of influence in anticipation of a later change of
- 11 organization.

1 (c) The commission may authorize a city or district to provide
2 new or extended services outside its jurisdictional boundary and
3 outside its sphere of influence to respond to an existing or
4 impending threat to the health or safety of the public or the
5 residents of the affected territory, if both of the following
6 requirements are met:

7 (1) The entity applying for approval has provided the
8 commission with documentation of a threat to the health and safety
9 of the public or the affected residents.

10 (2) The commission has notified any alternate service provider,
11 including any water corporation as defined in Section 241 of the
12 Public Utilities Code, that has filed a map and a statement of its
13 service capabilities with the commission.

14 (d) The executive officer, within 30 days of receipt of a request
15 for approval by a city or district to extend services outside its
16 jurisdictional boundary, shall determine whether the request is
17 complete and acceptable for filing or whether the request is
18 incomplete. If a request is determined not to be complete, the
19 executive officer shall immediately transmit that determination to
20 the requester, specifying those parts of the request that are
21 incomplete and the manner in which they can be made complete.
22 When the request is deemed complete, the executive officer shall
23 place the request on the agenda of the next commission meeting
24 for which adequate notice can be given but not more than 90 days
25 from the date that the request is deemed complete, unless the
26 commission has delegated approval of requests made pursuant to
27 this section to the executive officer. The commission or executive
28 officer shall approve, disapprove, or approve with conditions the
29 extended services. If the new or extended services are disapproved
30 or approved with conditions, the applicant may request
31 reconsideration, citing the reasons for reconsideration.

32 (e) This section does not apply to any of the following:

33 (1) Two or more public agencies where the public service to be
34 provided is an alternative to, or substitute for, public services
35 already being provided by an existing public service provider and
36 where the level of service to be provided is consistent with the
37 level of service contemplated by the existing service provider.

38 (2) The transfer of nonpotable or nontreated water.

39 (3) The provision of surplus water to agricultural lands and
40 facilities, including, but not limited to, incidental residential

1 structures, for projects that serve conservation purposes or that
2 directly support agricultural industries. However, prior to extending
3 surplus water service to any project that will support or induce
4 development, the city or district shall first request and receive
5 written approval from the commission in the affected county.

6 (4) An extended service that a city or district was providing on
7 or before January 1, 2001.

8 (5) A local publicly owned electric utility, as defined by Section
9 9604 of the Public Utilities Code, providing electric services that
10 do not involve the acquisition, construction, or installation of
11 electric distribution facilities by the local publicly owned electric
12 utility, outside of the utility’s jurisdictional boundary.

13 (6) A fire protection contract, as defined in subdivision (a) of
14 Section 56134.

15 ~~(f) This section applies only to the commission of the county~~
16 ~~in which the extension of service is proposed.~~

17 SEC. 2. Section 56325.1 of the Government Code is amended
18 and renumbered to read:

19 ~~56325.1.~~

20 *56331.4* While serving on the commission, all commission
21 members shall exercise their independent judgment on behalf of
22 the interests of residents, property owners, and the public as a
23 whole in furthering the purposes of this division. Any member
24 appointed on behalf of local governments shall represent the
25 interests of the public as a whole and not solely the interests of the
26 appointing authority. This section does not require the abstention
27 of any member on any matter, nor does it create a right of action
28 in any person.

29 SEC. 3. Section 56427 of the Government Code is amended
30 to read:

31 *56427.* The commission shall adopt, amend, or ~~revise~~ *update*
32 spheres of influence after a public hearing called and held for that
33 purpose. At least 21 days prior to the date of that hearing, the
34 executive officer shall give mailed notice of the hearing to each
35 affected local agency or affected county, and to any interested
36 party who has filed a written request for notice with the executive
37 officer. In addition, at least 21 days prior to the date of that hearing,
38 the executive officer shall cause notice of the hearing to be
39 published in accordance with Section 56153 in a newspaper of
40 general circulation which is circulated within the territory affected

1 by the sphere of influence proposed to be adopted. The commission
2 may continue from time to time any hearing called pursuant to this
3 section.

4 At any hearing called and held pursuant to this section, the
5 commission shall hear and consider oral or written testimony
6 presented by any affected local agency or affected county or any
7 interested person who wishes to appear.

8 This section shall only apply to spheres of influence adopted by
9 the commission after January 1, 1975.

10 SEC. 4. Section 56879 of the Government Code is amended
11 to read:

12 56879. (a) On or before November 1, 2018, and every year
13 thereafter, the Controller shall create a list of special districts that
14 are inactive, as defined in Section 56042, based upon the financial
15 reports received by the Controller pursuant to Section 53891. The
16 Controller shall publish the list of inactive districts on the
17 Controller's ~~Internet Web site~~; *internet website*. The Controller
18 shall also notify the commission in the county or counties in which
19 the district is located if the Controller has included the district in
20 this list.

21 (b) The commission shall initiate dissolution of inactive districts
22 by resolution within 90 days of receiving notification from the
23 Controller pursuant to subdivision (a), unless the commission
24 determines that the district does not meet the criteria set forth in
25 Section 56042. The commission shall notify the Controller if the
26 commission determines that a district does not meet the criteria
27 set forth in Section 56042.

28 (c) The commission shall dissolve inactive districts. The
29 commission shall hold one public hearing on the dissolution of an
30 inactive district pursuant to this section no more than 90 days
31 following the adoption of the resolution initiating dissolution. The
32 dissolution of an inactive district shall not be subject to any of the
33 following:

34 (1) Chapter 1 (commencing with Section 57000) to Chapter 7
35 (commencing with Section 57176), inclusive, of Part 4.

36 (2) Determinations pursuant to subdivision (b) of Section 56881.

37 (3) Requirements for commission-initiated changes of
38 organization described in paragraph (3) of subdivision (a) of
39 Section 56375.

1 (4) *Sections 99 and 99.01 of the Revenue and Taxation Code.*

O



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Formation Commission
of Santa Clara County**
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Commissioners
Rich Constantine
Susan Ellenberg
Sergio Jimenez
Yoriko Kishimoto
Gary Kremen
Mike Wasserman
Susan Vicklund Wilson

ITEM # 14
Attachment B
Alternate Commissioners
Helen Chapman
Cindy Chavez
Matt Mahan
Russ Melton
Terry Trumbull
Executive Officer
Neelima Palacherla

April 7, 2021

Honorable Cecilia Aguiar-Curry, Chair
Assembly Local Government Committee
California State Assembly
State Capitol, Room 5144
Sacramento, CA 95814

Subject: AB 1581 Support Letter

Dear Chair Aguiar-Curry:

The Local Agency Formation Commission of Santa Clara County (LAFCO) is pleased to support the Assembly Local Government Committee Bill AB 1581, sponsored by the California Association of Local Agency Formation Commissions (CALAFCO), which makes technical, non-substantive changes to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (the Act).

This annual bill includes technical changes to the Act which governs the work of LAFCOs. These changes are necessary as Commissions implement the Act and small inconsistencies are found or clarifications are needed to make the law as unambiguous as possible. AB 1581 currently makes minor technical corrections to language used in the Act. Santa Clara LAFCO is grateful to your Committee, staff and CALAFCO, all of whom worked diligently on this language to ensure there are no substantive changes while creating a significant increase in the clarity of the Act for all stakeholders.

This legislation helps insure the Cortese-Knox-Hertzberg Act remains a vital and practical law that is consistently applied around the state. We appreciate your Committee's authorship and support of this bill, and your support of the mission of LAFCOs. Please feel free to contact me should you have any questions on our position.

Sincerely,

Susan Ellenberg
Chairperson

Cc: Members, Assembly Local Government Committee
Jimmy MacDonald, Consultant, Assembly Local Government Committee
William Weber, Consultant, Assembly Republican Caucus
Pamela Miller, Executive Director, CALAFCO

OPINION > LETTERS TO THE EDITOR • Letters

Letters: Theme parks | Preserve agricultural land | Minimum wage | Blaming Newsom

Mercury News Letters to the Editor for February 16, 2021

By [LETTERS TO THE EDITOR](#) |

PUBLISHED: February 16, 2021 at 5:45 a.m. | UPDATED: February 16, 2021 at 5:48 a.m.

Submit your letter to the editor via [this form](#). Read more [Letters to the Editor](#).

Theme parks not a good choice during pandemic

Re. "[Great America is first California theme park to set 2021 reopening date](#)," Jan. 31:

My first experience at Great America on a sixth-grade field trip was a disappointment. The shoving and immense body heat under the sweltering sun in the afternoon was unbearable.

Now imagine that, except with a mask on and a contagious virus looking for its next victim. Standing in a line for an hour next to the same people with sweat pouring down their noses is a surefire way for the coronavirus to spread. The moment the mask comes off for a quick whiff of fresh air, the virus is whisked around and can infect more people.

As a student, I understand the frustration from being cooped up in the same house for months, but contracting a disease to spend hours in an amusement park isn't a smart trade. Instead, consider online horror games which can provide a similar amount of adrenaline rush. After all, both can get you screaming.

Tiffany Zhang
San Jose

New LAFCO appointee must preserve greenbelt

Walter Wilson's Letter of Feb. 11 ("[LAFCO appointee must champion minority concerns](#)," Page A6) is "smoke and mirrors" in advocating for Gary Kremen's appointment to LAFCO (Local Agency Formation Commission) that has jurisdiction over the development of county agricultural lands.

Wilson's letter says that Kremen's appointment would ensure a Catholic school on county agricultural lands to narrow the Latinx education gap, a connection that escapes me. He cites former LAFCO Commissioner LeZotte's use of the word spawl as a code word for suppressing minorities. Here we go again with another conspiracy theory. There is no suppression or conspiracy.

Spawl exists and LAFCO is charged with preventing spawl and preserving our agricultural land and open space. Kudos to LeZotte for her integrity in fulfilling her duty. In light of climate change, our precious agricultural lands must be preserved.

Mark Grzan
Former city councilmember, Morgan Hill
Morgan Hill



Leave minimum wage to local governments

Should the federal minimum wage be raised to \$15 per hour? Since there is so much disparity in the cost of living throughout the country, the minimum wage should not be mandated by the federal government. The states and counties within the states should have the final say.

If the federal government does mandate a standard \$15 per hour minimum wage, then there should be a locality adjustment. Areas with a higher cost of living than the standard should receive more than the standard, and areas with a lower cost of living than the standard should receive less.

Joseph Rizzuto
Los Gatos

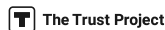
Newsom targeted for mess GOP created

So the Republicans want to recall Gov. Gavin Newsom. That's a knee-slapper. They enabled a president who repeatedly lied about the virus, denied any responsibility and passed the buck to the states, turning them into "Hunger Games" contestants to bid against each other for PPE, and later screwed up vaccine distribution, among other crimes and misdemeanors.

These brief highlights sound like a bad movie. But that's what the GOP has done to us for over four long, painful years. And now they want to punish our governor for doing his best, mired as he is with the other 49 governors in the backwash of Trump's colossal failures.

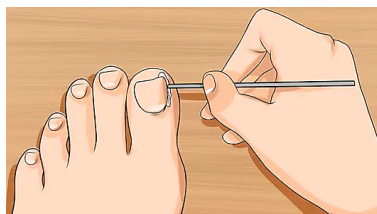
Rosie Sorenson
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Letters To The Editor



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