



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

777 North First Street
Suite 410
San Jose, CA 95112

SantaClaraLAFCO.org

Commissioners

Sylvia Arenas
Jim Beall
Rosemary Kamei
Yoriko Kishimoto
Otto Lee
Terry Trumbull
Mark Turner

Alternate Commissioners

Pamela Campos
Helen Chapman
Betty Duong
Zach Hilton
Teresa O'Neill

Executive Officer
Neelima Palacherla

DATE: October 16, 2025

VIA EMAIL

TO: City and District Managers
County Executive
City Public Works/Utilities Directors
Other Affected Agencies and Departments
Interested Parties

FROM: Neelima Palacherla, Executive Officer

RE: Review of Draft Request for Proposals for LAFCO's Countywide Water and Wastewater Service Review

Draft Request for Proposals (RFP) Attached for Your Review and Comment

This letter is to request your assistance in reviewing and commenting on the attached Draft RFP (**Attachment A**) for LAFCO's upcoming Countywide Water and Wastewater Service Review. This document is being sent to each of the agencies that will be included in the service review, as well as other interested parties. This draft is only for your review and comment. Please email your comments no later than **Thursday, October 30, 2025 at 5 PM** to: laftco@ceo.sccgov.org.

Santa Clara LAFCO, at its October 1, 2025 meeting, directed staff to prioritize the completion of a Countywide Water and Wastewater Service Review and to prepare a Draft RFP for a professional services firm to conduct this review.

Taking into consideration the comments received, LAFCO staff will prepare a Final RFP for LAFCO to consider and approve at its December 3, 2025 meeting. Upon LAFCO's approval, staff will distribute the Final RFP to potential consultants.

Water and Wastewater Service Review Consultant Suggestions Appreciated

LAFCO staff is preparing a list of consultants to whom the Final RFP will be distributed. If you know of a firm that may be able to perform the services noted in the RFP, please let us know so that we can add them to the RFP distribution list. We will also post the Final RFP on the LAFCO website and the California Association of LAFCOs (CALAFCO) website.

Technical Advisory Committee (TAC) for Service Review

LAFCO will establish a TAC to assist with the selection of the consultant and provide advice as the project proceeds. In addition to LAFCO Commissioner Rosemary Kamei and Alternate Commissioner Teresa O'Neill, the TAC will be composed of local agency staff representatives from the County/Cities Managers' Association, Santa Clara County Special Districts Association, County Municipal Public Works Officials' Association, and Santa Clara County Water Retailers' Group. TAC Members will serve as a liaison between LAFCO and these various organizations during the service review process.

Questions?

Should you have any questions or need further information, please do not hesitate to contact LAFCO staff at lafco@ceo.sccgov.org.

Thank you in advance for your participation in LAFCO's Countywide Water and Wastewater Service Review process, and we look forward to working collaboratively with all the affected agencies and other stakeholders.

Attachment:

- A. Draft RFP for LAFCO's Countywide Water & Wastewater Service Review

Cc: LAFCO Members

Cities Association of Santa Clara County
Santa Clara County Special Districts Association
Santa Clara County/Cities Managers' Association
County Municipal Public Works Officials' Association
Santa Clara County Water Retailers' Group

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DRAFT REQUEST FOR PROPOSALS

COUNTYWIDE WATER AND WASTEWATER SERVICE REVIEW

I. OBJECTIVE

The Local Agency Formation Commission (LAFCO) of Santa Clara County is seeking proposals from professional service firms to prepare a Countywide Water and Wastewater Service Review. This work is to be completed in compliance with applicable California Government Code sections and Santa Clara LAFCO policies. In Santa Clara County, service reviews are intended to serve as a tool to help LAFCO, the public and other agencies better understand the public service governance and delivery and evaluate options for the provisions of efficient and effective public services, and to develop information to update the spheres of influence of special districts and cities in the county. LAFCO is not required to initiate boundary changes based on service reviews. However, LAFCO, local agencies or the public may subsequently use the service reviews together with additional research and analysis where necessary, to pursue changes in jurisdictional boundaries or spheres of influence.

II. BACKGROUND

The Cortese Knox Hertzberg Local Government Reorganization Act (CKH Act) mandates that LAFCO conduct service reviews prior to or in conjunction with sphere of influence updates and requires that LAFCO once every five years, as necessary, review and update the sphere of influence of each city and special district [Government Code § 56430]. The Service Review must include an analysis and written statement of determination regarding each of the following seven categories:

- Growth and population projections for the affected area
- The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence
- Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the sphere of influence

- Financial ability of agencies to provide services
- Status of, and opportunities for, shared facilities
- Accountability for community service needs, including governmental structure and operational efficiencies
- Any other matter related to effective or efficient service delivery, as required by commission

Additionally, as part of the sphere of influence updates LAFCO must prepare an analysis and written statement of determinations for each special district regarding certain factors. [Government Code § 56425(e)]

Santa Clara LAFCO is responsible for establishing, reviewing, and updating Spheres of Influence for 41 public agencies in Santa Clara County (15 cities and 26 special districts). LAFCO's Service Review Policies (amended August 6, 2025), provide guidance to LAFCO in preparing and conducting service reviews.

LAFCO completed and adopted its first round of service reviews and sphere of influence updates prior to January 1, 2008 and its second round of service reviews and sphere of influence updates for all cities and special districts prior to January 1, 2015.

LAFCO's most recent [Countywide Water Service Review](#) was adopted in 2011. LAFCO's [Special District Service Review: Phase 2](#) was adopted in December 2013 and includes information on special districts that provide sanitary/sewer service. LAFCO's [Cities Service Review](#) was adopted in December 2015 and includes information on wastewater service and stormwater management services provided by cities in the county.

These Reports, which are all available on the LAFCO website, have been a valuable resource for LAFCO, the public, and other local agencies seeking to gain a better understanding on how these services are provided in the county.

LAFCO, at its December 2, 2020 meeting set priorities for the completion of LAFCO's third round of service reviews and sphere of influence updates. LAFCO's service reviews work plan calls for the completion of 4 studies (i.e. countywide fire service review, countywide water and wastewater service review, special districts service review, and cities service review). It is anticipated that these studies will be conducted by professional service firms under the operational direction of the LAFCO Executive Officer. LAFCO's first priority, a countywide fire service review was completed in October 2023. **LAFCO's next priority, a countywide review of water service and wastewater service in Santa Clara County and sphere of influence updates for special districts that provide water and sewer service, is the subject of this Request for Proposal (RFP).**

III. SCOPE OF SERVICES

A draft Scope of Services is enclosed with this RFP as **Attachment 1**. A final statement of services to be provided will be negotiated with the firm selected to

conduct the service review and will be included as part of the professional services agreement.

IV. BUDGET

A final budget amount for this project will be negotiated with the firm selected for the work prior to reaching agreement. The anticipated project cost of the proposal should not exceed **\$TBD**.

V. SCHEDULE

It is anticipated that the firm will start work in late **January 2026**. The final schedule for this project will be negotiated with the firm selected for the work prior to reaching an agreement and will be based on the key steps listed in the Scope of Services.

VI. PROPOSAL REQUIREMENTS

Response to this RFP must include all of the following:

1. A statement about the firm that describes its history as well as the competencies and resumes of the principal and all professionals who will be involved in the work. This statement should describe the firm's level of expertise in the following areas:

General Expertise

- Familiarity with CKH Act, the role and functions of LAFCO, and the service review process
- Ability to analyze and present information in an organized format
- Ability to quickly interpret varied budget and planning documents
- Ability to facilitate and synthesize input from a variety of stakeholders
- Familiarity with public input processes and experience in managing the presentation and dissemination of public information for review and comment
- Experience in fostering multi-agency partnerships and cooperative problem-solving
- Ability to provide flexible and creative alternatives where necessary to resolve service and policy issues

Water Service and Wastewater Service Expertise

- Management level understanding of how water service and wastewater service are financed and delivered
- Expertise in various aspects of 1) water service provision (i.e. water supply, water quality, water delivery, recycled water, water conservation and stewardship, groundwater recharge and pumping, flood control, stormwater runoff and management, etc.); and 2) sanitary/sewer service provision (i.e. wastewater collection, treatment, and management, etc.)

- Expertise in the financial analysis of water and wastewater service delivery systems, including identifying financing constraints / opportunities and cost avoidance opportunities
 - Expertise in water service and wastewater service organization analysis, including evaluating government structure options (advantages and disadvantages of the consolidation or reorganization of service providers)
 - Experience with the operational aspects of various types of water service and wastewater service providers in California, including special districts (water districts, sanitary/sewer districts, and community services districts), city/county departments (public works, utilities, and environmental health), and others (private water companies, mutual water companies, small water systems, and onsite wastewater management systems)
 - Experience in evaluating water and wastewater service delivery systems, including performance measurements and benchmarking techniques
 - Experience in evaluating impacts of recent climate change (floods, sea level rise) and their impact on water service and wastewater service
2. Identification of the lead professional responsible for the project and identification of the professional(s) who will be performing the day-to-day work.
 3. Identification of any associate consultant firms to be involved. If associate consultant firms are proposed, describe the work they will perform and include the same information for each as required for items 1 and 2 above.
 4. A statement of related experience accomplished in the last five years and references for each such project, including the contact name, address, and telephone number.
 5. A statement regarding the anticipated approach for this project, including conducting community engagement and outreach, and explicitly discussing and identifying suggested changes to the draft Scope of Services (**Attachment 1**).
 6. Identification of any information, materials and/or work assistance required from LAFCO and / or involved water service and wastewater service providers to complete the project. The expectation is that the consultant will use all available data sources to develop/update information for agency profiles in an effort to minimize the workload for affected agencies.
 7. An overall project schedule, including the timing of each work task.
 8. Information about the availability of all professionals who will be involved in the work, including any associate consultants.
 9. The anticipated project cost, including:
 - a. A not-to-exceed total budget amount.
 - b. The cost for each major sub-task identified in the draft Scope of Services.

- c. The hourly rates for each person who will be involved in the work, including the rates of any associate consultants.
10. Comments about the draft services agreement (**Attachment 2**) specifically including the ability of the firm to meet the insurance requirements and other provisions.

VII. SUBMISSION REQUIREMENTS

Responses to RFP will be accepted by email only at lafco@ceo.sccgov.org and should be addressed to Neelima Palacherla, LAFCO Executive Officer. Proposals should be submitted in a complete, single electronic file, to the email specified in this notice.

DUE DATE AND TIME: Friday, December 19, 2025, at 5:00 PM.

Proposals received after that time and date will not be considered.

VIII. EVALUATION CRITERIA AND SELECTION PROCESS

Firms will be selected for further consideration and follow-up interviews based on the following criteria:

- Relevant work experience
- The completeness of the responses
- Overall project approaches identified
- Proposed project budget

A consultant selection committee will conduct interviews and the most qualified firm will be selected based on the above evaluation criteria and reference checks.

Interviews will be held in early January 2026. The selection committee is expected to make a decision soon after. Following the selection of the most qualified firm, a final services agreement including budget, schedule, and final Scope of Services statement will be negotiated before executing the contract.

LAFCO reserves the right to reject any or all proposals, to issue addenda to the RFP, to modify the RFP or to cancel the RFP.

IX. LAFCO CONTACT

Neelima Palacherla, Executive Officer
LAFCO of Santa Clara County
Voice: (408) 993-4713
Email: lafco@ceo.sccgov.org

X. ATTACHMENTS

1. Draft Scope of Services (**Attachment 1**)
2. Draft Professional Service Agreement and insurance obligations (**Attachment 2- included in Final RFP**)

XI. REFERENCE INFORMATION

Please refer to LAFCO's website (www.santaclaralafco.org) for general information about Santa Clara LAFCO and the following links for further information:

1. LAFCO's Service Review Policies (Amended August 6, 2025):
(<https://santaclaralafco.org/resources/policies/service-review-policies>)
2. LAFCO Service Reviews Webpage: (<https://santaclaralafco.org/cities-and-special-districts/service-reviews>)
3. Countywide Water Service Review (Adopted December 7, 2011):
(<https://santaclaralafco.org/cities-and-special-districts/service-reviews/second-round/2011-countywide-water-service-review>)
4. Special Districts Service Review: Phase 2 (Adopted December 4, 2013):
(<https://santaclaralafco.org/cities-and-special-districts/service-reviews/second-round/special-districts-service-review-phase-2>)
5. Cities Service Review (Adopted December 2, 2015):
(<https://santaclaralafco.org/cities-and-special-districts/service-reviews/second-round/cities-service-review>)

SCOPE OF SERVICES

COUNTYWIDE WATER AND WASTEWATER SERVICE REVIEW AND SPHERE OF INFLUENCE UPDATES

The Countywide Water and Wastewater Service Review Report will provide a comprehensive overview of all the agencies that provide water services (including recycled water), wastewater services, and stormwater management in the County; evaluate the provision of these services; and recommend actions to promote efficient service delivery; and review and update the spheres of influence of the 5 water districts, 5 sanitary/sewer districts, and 2 community services districts.

I. SERVICE REVIEW AND SPHERE OF INFLUENCE UPDATES REQUIREMENTS

Pursuant to California Government Code §56430, LAFCO is required to adopt a written statement of determination for each of the following considerations:

1. Growth and population projections for the affected area.
2. Location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence
3. Present and planned capacity of public facilities, adequacy of public services and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the sphere of influence
4. Financial ability of agencies to provide services.
5. Status of, and opportunities for, shared facilities.
6. Accountability for community service needs, including governmental structure and operational efficiencies.
7. Any other matter related to effective or efficient service delivery, as required by commission policy.

California Government Code §56425 requires LAFCO, when determining the sphere of influence of each local agency, to prepare and adopt a written statement of determination for each city and special district regarding the following considerations:

1. The present and planned land uses in the area, including agricultural and open-space lands.
2. The present and probable need for public facilities and services in the area.
3. The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.

4. The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency
5. For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protections that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.
6. Nature, location, and extent of any functions or classes of services provided by existing districts

II. IDENTIFICATION OF SERVICE PROVIDERS FOR STUDY

Agencies that are required to have a Spheres of Influence (SOI) [i.e. special districts and cities] will be the focus of service reviews. Other agencies will also be reviewed to the extent necessary to establish relationships, quantify services, designate or map service location/facilities and provide a complete overview of services in the area. The following agencies and organizations that provide water service (including recycled water), wastewater service, and stormwater management in Santa Clara County will be included in the service review:

Water Districts

1. Aldercroft Heights County Water District (serves a small unincorporated community near Lexington Reservoir in the Santa Cruz Mountains)
2. Pacheco Pass Water District (serves a small unincorporated area in southern Santa Clara County and also includes lands in San Benito County. San Benito LAFCO is principal LAFCO)
3. Purissima Hills County Water District (serves a portion of Los Altos Hills and adjacent unincorporated area)
4. San Martin County Water District (serves a portion of the unincorporated community of San Martin)
5. Santa Clara Valley Water District (countywide)

Special Districts that Provide Wastewater Services

1. Burbank Sanitary District (serves two non-contiguous unincorporated islands surrounded by the City of San Jose)
2. County Sanitation District 2-3 (serves two non-contiguous unincorporated areas surrounded by or adjacent to the City of San Jose)
3. Cupertino Sanitary District (serves majority of the City of Cupertino, portion of City of Saratoga, small areas of City of San Jose, Sunnyvale and Los Altos, and adjacent unincorporated areas)

4. West Bay Sanitary District (serves a small unincorporated area along the San Mateo County boundary and also includes lands in San Mateo County. San Mateo LAFCO is principal LAFCO)
5. West Valley Sanitation District (serves City of Campbell, Town of Los Gatos, City of Monte Sereno, portion of the City of Saratoga, and unincorporated areas west of these cities)
6. Lions Gate Community Services District (serves the small unincorporated community of CordeValle, located south of Morgan Hill)
7. Lake Canyon Community Services District (serves the small unincorporated community of Lake Canyon near Lexington Reservoir in the Santa Cruz Mountains)

Cities (review specific to water service, wastewater service, and stormwater management service)

1. City of Campbell
2. City of Cupertino
3. City of Gilroy
4. Town of Los Altos
5. City of Los Altos Hills
6. Town of Los Gatos
7. City of Milpitas
8. City of Monte Sereno
9. City of Morgan Hill
10. City of Mountain View
11. City of Palo Alto
12. City of San Jose
13. City of Santa Clara
14. City of Saratoga
15. City of Sunnyvale

Other Service Providers (included for comprehensiveness and/or to address a focus issue)

Private Water Companies

1. San Jose Water Company (serves Cities of Campbell, Saratoga, Los Gatos, Monte Sereno, part of Cupertino, parts of San Jose, and adjacent unincorporated areas)

2. California Water Service Company (serves parts of Cities of Cupertino and Los Altos, parts of Los Altos Hills and Mountain View, parts of Sunnyvale, and adjacent unincorporated areas)
3. Great Oaks Water Company (serves parts of San Jose, and adjacent unincorporated area south of San Jose)
4. West San Martin Water Works (purchased by California American Water, serves a portion of the unincorporated community of San Martin)

Miscellaneous

1. Stanford University (serves the University)
2. San Francisco Public Utilities Commission (wholesale agency to portions of North County)
3. Bay Area Water Supply and Conservation Agency (provides water conservation programs and conducts water supply planning activities for their members)
4. South Bay Water Recycling
5. County Department of Environmental Health
6. Palo Alto Regional Water Quality Control Plant
7. San Jose-Santa Clara Regional Wastewater Facility
8. South County Regional Wastewater Authority
9. Sunnyvale Water Pollution Control Plant
10. Mutual Water Companies, including small water systems

Please note that in addition to the above listed agencies, there may be other agencies within the county that provide water, wastewater, and/or stormwater management related services. It may be necessary to include those agencies in the service review.

III. PROJECT SCOPE OF WORK

Service Review Determinations

Based on the elements above, Consultant will draft proposed service review determinations for each agency that meet the legal requirements as identified in Government Code §56430.

Sphere of Influence Update

Analyze and propose, if deemed appropriate, sphere of influence updates for each of the special districts that provide sewer and/or water services and prepare a written statement of determination for each district as required by Government Code §56425

Focus Issues

The service review will also consider the following issue and identify potential options/opportunities for addressing this issue in Santa Clara County:

Small Water Systems in the Unincorporated Area

The State Water Resources Control Board's Department of Drinking Water (DDW) staff have identified many small water systems in south Santa Clara County that from time-to-time experience technical, managerial, and financial difficulties. In response, there have been many interagency discussions on potential options for helping these current systems, including the potential consolidation of these struggling systems with better managed or maintained systems located nearby. However, there does not appear to be any readily available solution.

Discussions concerning the feasibility and practicality of consolidation or infrastructure extension to these existing systems noted various challenges, including the long distances involved, terrain challenges, high costs, lack of funding sources, water supply availability, and overall uncertainty. Furthermore, it is important that any such solutions are consistent with LAFCO law, and LAFCO's mandate to preserve agricultural lands and open space, curb urban sprawl, and encourage efficient delivery of services; and local/affected agencies' policies.

Consultant will identify potential options/opportunities for addressing this issue in Santa Clara County and consider the fiscal, economic, political, social and policy implications of each identified option/opportunity.

Other Issues

Consultant will also consider ongoing and emerging issues, including status of water quality issues in the southern part of Santa Clara County e.g. septic system concerns, nitrates, perchlorate, etc.; implications of sea level rise on water service and wastewater service, and stormwater management; and rising demand for water for data centers.

IV. SERVICE REVIEW TASKS OVERVIEW

The Countywide Water & Wastewater Service Review will be conducted in accordance with LAFCO's Service Review Policies (adopted August 6, 2025). Preparation of the service review will include the following key steps, although other activities may be necessary:

1. Kick-Off & Stakeholder / Public / Community Engagement and Outreach

- Attend kick-off meetings with LAFCO staff and Technical Advisory Committee (TAC).
- Develop a community engagement and outreach approach for the service review, consisting of meetings, surveys, etc.
- Conduct up to three (3) public workshops on LAFCO's Countywide Water and Wastewater Service Review to engage the community and

receive input on water, wastewater, and stormwater related issues/concerns.

- Prepare summary memos of input received at each meeting and in the survey.
- Consider the findings and recommendations of prior service reviews for the affected agency or service area and consider the affected agency's implementation efforts. Prepare a memo summarizing any key takeaways and relation to current service review.

2. Development of Evaluation Criteria and Data Collection

- Develop, in coordination with LAFCO staff and the TAC, appropriate criteria to be used for service evaluation and for making service review determinations, as necessary.
- Develop and present to LAFCO staff and TAC, a questionnaire or a request for information related to the evaluation categories for service reviews.
- Collect and compile necessary data from available data resources (i.e., agency websites, and other relevant sources). Create a custom questionnaire for each agency to collect any other necessary data and distribute the questionnaire to each agency for their completion.
- Conduct interviews with affected agencies as necessary to follow up on information gaps and seek clarification on matters. LAFCO staff may attend interviews when feasible.
- Compile profiles of each of the agencies using a standard format, based on the interviews and data collected and obtain a level of consistency in the data.
- Provide each agency with their agency profile for their internal review and comment, to ensure accuracy prior to analysis.

Work Products: Consultant must deliver to LAFCO staff a complete profile for each agency and organization.

3. Data Analysis and Preliminary Findings

- Analyze data to make required determinations for each agency and to develop any recommendations, where appropriate.
- Present and discuss the required determinations and any recommendations with LAFCO staff.
- Present preliminary findings, as necessary to TAC.

Work Products: Consultant must deliver analysis and findings and recommendations to LAFCO staff.

4. Administrative Draft Service Review Report

- Prepare an Administrative Draft Report for LAFCO staff review, in accordance with the project schedule.
- LAFCO staff will review and provide comments on the Administrative Draft Report, in accordance with the schedule

Work Products: Consultant must deliver Administrative Draft Report to LAFCO staff.

5. Draft Service Review Report & Community Workshops and LAFCO Public Hearing

- Address LAFCO staff's comments and prepare a Draft Service Review Report
- LAFCO staff will distribute the Draft Report for a 21-day public review and comment period
- Conduct up to three (3) public workshops to present the Draft Report and receive input and prepare summary memos of input received at each meeting
- Provide written responses to comments received during the public review period
- Present the Draft Report at the LAFCO Public Hearing

Work Products: Consultant must deliver MS Word version and a PDF version of the Draft Report.

6. Revised Draft Report & LAFCO Public Hearing

- Revise the Draft Report to address comments and submit the Revised Draft Report to LAFCO staff
- LAFCO staff will distribute the Revised Draft Report for a 21-day public review and comment period
- Provide written responses to comments received during the public review period
- Present the Revised Draft Report at the LAFCO Public Hearing

Work Products: Consultant must deliver a MS Word version and a PDF version of the Revised Draft Report.

7. Final Service Review Report

- Following LAFCO adoption of the Service Review, prepare the Final Report.

Work Products: Consultant must deliver a MS Word version, a PDF version, and 3 hard copies of the Final Report.