



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

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SantaClaraLAFCO.org

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**COUNTYWIDE WATER AND WASTEWATER SERVICE REVIEW
TECHNICAL ADVISORY COMMITTEE MEETING #2**

SPECIAL MEETING

San Jose City Hall, 17th Floor, City Manager's Conference Room (#T-1734)
200 East Santa Clara St., San Jose

JUNE 22, 2026 ▪ 2:30 PM

Technical Advisory Committee (TAC) Members:

Rosemary Kamei, LAFCO Chairperson ▪ Teresa O'Neill, LAFCO Alternate Commissioner
Chris Constantin, Los Gatos Town Manager ▪ Matt Morley, Gilroy City Administrator
Aaron Baker, SCVWD Water Utility COO ▪ Curt Rayer, SJ Water Company V.P. Operations
Chris Ghione, Morgan Hill Public Services Director ▪ Mansour Nasser, Sunnyvale Asst. Dir. of
Environmental Services ▪ Tim Kiser, West Valley Sanitation District Manager

AGENDA

- 1. ROLL CALL**
- 2. DISCUSS SERVICE REVIEW DETERMINATIONS & EVALUATION CRITERIA**
- 3. UPDATE ON DATA COLLECTION AND PREPARATION OF SERVICE PROVIDER PROFILES**
- 4. REPORT ON COMMUNITY OUTREACH EFFORTS – MEETINGS AND SURVEY**
- 5. SET DATE & TOPICS FOR NEXT TAC MEETING**
- 6. ADJOURN**

NOTICE TO THE PUBLIC

- Pursuant to Government Code §84308, no LAFCO commissioner shall accept, solicit, or direct a contribution of more than \$500 from any party, or a party's agent; or any participant or the participant's agent if the commission knows or has reason to know that the participant has a financial interest, while a LAFCO proceeding is pending, and for 12 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 \$500 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 from the time the commissioner knows or should have known, 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 \$500 within the preceding 12 months by the party, or the party's agent, to a LAFCO commissioner. For forms, visit the LAFCO website at www.santaclaralafco.org. No party, or the party's agent and no participant, or the participant's agent, shall make a contribution of more than \$500 to any LAFCO commissioner during the proceeding and for 12 months following the date a final decision is rendered by LAFCO.
- 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 website 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).
- 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.
- 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.)
- In compliance with the Americans with Disabilities Act, those requiring accommodation for this meeting should notify the LAFCO Clerk 24 hours prior to meeting at (408) 993- 4709.



TAC Meeting 2

Countywide Water and Wastewater Services Review

June 22, 2026

Service Review Determinations & Evaluation Criteria

TAC Meeting 2 – Countywide Water and Wastewater Services Review

Government Code Section 56430



Service Review Determinations

- Growth and Population
- Disadvantaged Unincorporated Communities
- Capacity of Facilities and Adequacy of Services
- Financial Ability to Provide Services
- Opportunities for Shared Services
- Governance and Accountability



REVIEW EVALUATION CRITERIA

Criteria Used to Make Service Review Determinations

Determination	Key Evaluation Focus	Data Sources	Analysis Approach
1. Growth & Population	Growth trends in population.	Bay Area Association of Governments (ABAG)	Trend analysis
2. Disadvantaged Unincorporated Communities (DUCs)	Communities at or below current thresholds for State Median Household Income (MHI)	American Community Survey data 2019-2023	Identification of communities meeting DUC criteria
3. Capacity & Adequacy Services	System capacity, demand, and asset condition	UMWPs, SMPs, flow data, and CIP	Demand vs. capacity assessment
4. Financial Ability	Financial capacity, reserves, and capital planning	ACFRs, budgets, CIP, CalPERS reports, State Controller filings	Review revenues/ expenditures, reserve levels, CIP funding, and audit/reporting compliance
5. Shared Services Opportunities	Shared facilities and/or services	Agency data, service agreements, MSR documents, interviews	Identify current and potential shared facilities and/or, services
6. Accountability & Governance	Governance, transparency, and public accessibility	Agency websites, board agendas and meeting records, rate studies, and policies	Review public access, governance practices, rate transparency, and meeting compliance

Criteria for Determinations # 1 and #2

#1 Growth and population projections for the affected area

- The amount and percent of population growth projected by the Association of Bay Area Governments.

#2 The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence(s).

- Existence of DUCs (areas with median household income is less than 80% of the statewide annual median household income and has 12 or more residents) within and/or contiguous to the affected agency' SOI using American Community Service and US Census Bureau data.

Criteria for Determination #3 – Water

Present and planned capacity of public facilities and adequacy of public services, adequacy of public services, infrastructure 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.

- The total annual water supply under entitlement for the agency's use from various sources (with each source and authorized use identified).
- The maximum total annual water supply that can be guaranteed every year for the agency's use from various sources (this is the agency's "firm yield"). Identification of the primary causes of the differences between total water supply under entitlement and "firm yield"; and what augmentations each agency is pursuing to close that gap.

Criteria for Determination #3 Water – Cont'd

Present and planned capacity of public facilities and adequacy of public services, adequacy of public services, infrastructure 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.

- The percentage of the firm yield water supplies in use during average and peak demand periods.
- Projected firm yield estimates over the future planning horizon in 5-year increments (i.e., 2025, 2030, 2035, etc.)
- The physical operational capacities of the treatment, distribution, and storage system.
- Specific to water distribution, the need for capacity enhancement based on the percent of existing capacity in use during average and peak demand periods.

Criteria for Determination #3 Water – Cont'd

Present and planned capacity of public facilities and adequacy of public services, adequacy of public services, infrastructure 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.

- Specific to distribution and storage the need for capacity redundancy and/or safeguards against service interruptions.
- The number and type of health and monitoring violations for drinking water as identified by the State Water Resources Control Board (SWRCB) Division of Drinking Water (DDW).
- The extent of the agency's/department's (or water supplier(s)) water reserves in days of available supply should a major disruption in water delivery occur.
- An assessment of the adequacy of the agency's system, operations, and management, including any required improvements, as evaluated and recommended by the DDW during the most recent inspection.

Criteria for Determination #3 Water – Cont'd

Present and planned capacity of public facilities and adequacy of public services, adequacy of public services, infrastructure 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.

- Infrastructure needs and agency's plans to address these needs, as reported by the agency, or identified in capital improvement plans, and/or recommended by the DDW.
- The percent of the system's capacity in use during average and peak demand periods.
- Projected water demands (by use category) to 2045 as reported by the agency/department.
- Comparison of available firm yield, system capacities, and projected demands to illustrate each agency's ability to serve in 5-year increments to 2045 (i.e., 2025, 2030, 2035, etc.).

Criteria for Determination #3 – Wastewater

Present and planned capacity of public facilities and adequacy of public services, adequacy of public services, infrastructure 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.

- Annual wastewater demands between 2020 and 2025 including average daily demand, average dry-weather demands, and average wet-weather demands.
- Percent of wastewater treatment capacity in use in 2025.
- Infrastructure needs and agency's/department's plans to address these needs, as reported by the agency/department, or identified in capital improvement plans.
- The number and type of violations and/or enforcement actions for wastewater systems as identified by State Water Resources Control Board's (SWRCB) computer system "California Integrated Water Quality System" (CIWQS) public reports. This may include inspection reports provided by local oversight boards and/or Santa Clara County.

Criteria for Determination #3 – Stormwater

Present and planned capacity of public facilities and adequacy of public services, adequacy of public services, infrastructure 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.

- Identified capital improvement needs (repair, upsizing, retrofits) and backlog of deferred maintenance.
- Reported condition of stormwater infrastructure (if available) from master plans, asset inventories, or CIP narratives, and/or agency input.
- Identification of applicable NPDES Municipal Separate Storm Sewer System (MS4) permit coverage (e.g., Phase I or Phase II).
- Description of routine maintenance activities (e.g., catch basin cleaning, channel maintenance) as outlined in agency documents or websites.

Criteria for Determination # 4

Financial ability of agencies to provide services.

- The degree to which revenues can cover annual operating and capital costs, anticipated future capital costs, and maintain a healthy reserve
- The adequacy of the level of financing and any financing challenges or constraints as reported by the agency.
- Rates: The degree to which rates and fees are evaluated and the actions taken by agencies to adopt rates, consistent with Prop 218.
- Capital planning: Whether the agency/department has an up-to-date capital improvement plan with estimated timing and anticipated financing sources for each project.

Criteria for Determination # 4

Financial ability of agencies to provide services.

- The degree to which the agency/department is investing in capital as compared to depreciation of capital assets during FYs 23, 24, and 25.
- Capital reserves: The capital reserve fund balance as of June 30, 2025, and the anticipated capital funding needs based on identified infrastructure needs and estimated costs.
- Reserves: The audited unrestricted fund balance for fiscal years 2024 and 2025. Does the agency/department have a reserve policy.
- Preparation of audits and timely reporting to State Controller's Office in compliance with Government Code Sections 53891 and 26909

Criteria for Determination #5

Status of, and opportunities for shared facilities

- The extent of existing and/or opportunities for shared facilities with other agencies to enhance service delivery efficiencies and/or reduce costs, including opportunities for shared services such as personnel and equipment, as reported by the agencies.
- Whether an affected agency has ability or excess capacity to provide services to other agencies.

Criteria for Determination # 6

Accountability for community service needs, including government structure and operational efficiencies

- Agency's effort to meet state laws designed to ensure transparency and accountability consisting of:
 - Availability and ease of access of information to the public;
 - Compilation and maintenance of an agency's/department's website that meets all public documents and reporting requirements, including agendas, budgets, financials, and other agency/department pertinent information;
 - Staff and governing board member ethics training and economic interest reporting, as required;
 - Compliance with financial document compilation, adoption, and reporting requirements; and
 - Adherence to open meeting requirements.

Criteria for Determination # 6 – Cont'd: Accountability for community service needs, including government structure and operational efficiencies

- Preparing a budget before the beginning of the fiscal year to plan and budget for community service needs.
- Maintaining current financial records.
- Establishing a process to take and address complaints from the public.
- Availability of rate studies to enable the public to understand how water or sewer rates were set, as well as information on how rates are calculated on the website.
- Whether there are efforts for engagement of public in the planning for infrastructure, facilities, and financial needs of the agency's/department's, such as workshops or advisory committees.
- Regularly conducting Board meetings with public access consistent with Government Code Section 54954, and related Principal Acts.
- Potential restructuring options for the governance of the agency to further enhance transparency and/or increase service efficiencies.

Project Update: Data Collection and Preparation of Profiles

TAC Meeting 2 – Countywide Water and Wastewater Services Review

Overview: Data Collection & Profile Preparation

Agency Coordination

- Questionnaires distributed to all agencies and private/small systems
- Agency interviews underway
- Follow-up coordination ongoing as responses are received

Data Collection & Review

- Review of files and data underway
- Agency boundary and SOI mapping underway



Agency Questionnaire & Interview Update

Questionnaires:

- 16 received
- 10 no response
- Follow up with Agencies: TAC assistance needed

Interviews:

- Began early June 2026
- Anticipate completing end of July/early August 2026

Overview of Project Schedule

Now – August 2026

- Complete remaining interviews
- Continue collecting data/questionnaire responses
- Compile data/information received

August – October 2026

- Populate service review data base and evaluation matrices
- Prepare outline and coordinate with LAFCO staff
- Develop summary tables, charts, and agency profiles

Report: Community Meetings & Survey

TAC Meeting 2 – Countywide Water and Wastewater Services Review



Public Survey Results as of June 16, 2026

- Survey went live May 2026
- LAFCO staff shared survey with TAC and others to market and elicit responses
- 48 responses received to date

Community Workshop #1 – Public Input Topics



San Martin / South County Concerns

Private well counts
Water/wastewater issue reporting
California American Water service concerns
Unincorporated resident access to LAFCO



Service Review Scope

Wastewater data sources
Recycled water facilities
Groundwater recharge and supply



LAFCO Role

Relationship to County planning
Battery storage project monitoring
When LAFCO would take a position



Small System Consolidation

State policy and consolidation
Unclear SFPUC position on small water companies
CaAm's evolution

Wrap-Up

TAC Meeting 2 – Countywide Water and Wastewater Services Review



TAC Next Steps

TAC Meeting #3 – TBD

- Update on Project
- Review and Discuss Any Outstanding Issues and Initial Observations



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