SANTA CLARA LAFCO

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

REGULAR MEETING

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

and

City Administration Conference Room, Gilroy City Hall, 7351 Rosanna Street, Gilroy

APRIL 1, 2026 ▪ 1:15 PM

AGENDA

Chairperson: Rosemary Kamei ▪ Vice Chairperson: Yoriko Kishimoto

PUBLIC ACCESS AND PARTICIPATION

This meeting will be held in person at the location listed above. As a courtesy, and technology permitting, members of the public may also attend by virtual teleconference. However, LAFCO cannot guarantee that the public's access to teleconferencing technology will be uninterrupted, and technical difficulties may occur from time to time. Unless required by the Brown Act, the meeting will continue despite technical difficulties for participants using the teleconferencing option. To attend the meeting by virtual teleconference, access the meeting at https://sccgov-org.zoom.us/j/88550991318 or by dialing (669) 900-6833 and entering Meeting ID 885 5099 1318# when prompted.

PUBLIC COMMENT INSTRUCTIONS

Written Public Comments may be submitted by email to LAFCO@ceo.sccgov.org. Written comments will be distributed to the Commission and posted to the agenda on the LAFCO website as quickly as possible but may take up to 24 hours.

Spoken public comments may be provided in-person at the meeting. Persons who wish to address the Commission on an item are requested to complete a Request to Speak Form and place it in the designated tray near the dais. Request to Speak Forms must be submitted prior to the start of public comment for the desired item. For items on the Consent Calendar or items added to the Consent Calendar, Request to Speak Forms must be submitted prior to the call for public comment on the Consent Calendar. Individual speakers will be called to speak in turn. Speakers are requested to limit their comments to the time limit allotted.

Spoken public comments may also be provided through the teleconference meeting. To address the Commission virtually, click on the link https://sccgov-org.zoom.us/j/88550991318 to access the meeting and follow the instructions below:

- 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 when it is your turn to speak.
- 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.

- When called to speak, please limit your remarks to the time limit allotted.

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.

1. ROLL CALL

2. PUBLIC COMMENTS

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

3. APPROVE 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.

*4. APPROVE MINUTES OF FEBRUARY 4, 2026 LAFCO MEETING

PUBLIC HEARING

5. PROPOSED WORK PLAN AND BUDGET FOR FY 2027

Recommended Action:

1. Adopt the Proposed Work Plan for Fiscal Year 2026-2027.
2. Adopt the Proposed Budget for Fiscal Year 2026-2027.
3. Find the Proposed Budget for Fiscal Year 2027 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 2027 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.

ITEMS FOR ACTION / INFORMATION

6. UPDATE ON COUNTYWIDE WATER AND WASTEWATER SERVICE REVIEW AND AUTHORIZATION AND ADOPTION OF FINDINGS TO ALLOW THE TECHNICAL ADVISORY COMMITTEE TO HOLD ITS MEETINGS VIRTUALLY UNDER GOVERNMENT CODE SECTION 54953.8.6 OF THE BROWN ACT

Recommended Action:

1. Authorize the Technical Advisory Committee for LAFCO's Countywide Water and Wastewater Service Review to hold its meetings by virtual teleconference

and make the following findings under Government Code §54953.8.6 of the Brown Act in support of this:

a. LAFCO has considered the circumstances of the Technical Advisory Committee.

b. Teleconference meetings of the Technical Advisory Committee would enhance public access to their meetings, and the public has been made aware of the type of remote participation, including audio-visual or telephonic, that will be made available at a regularly scheduled meeting and has been provided the opportunity to comment at an in-person meeting of the Commission, which is authorizing the Technical Advisory Committee to meet entirely remotely.

c. Teleconference meetings of the Technical Advisory Committee would promote the attraction, retention, and diversity of its members.

2. Accept report and provide direction, as necessary.

*7. WEBSITE UPGRADE, PDF WEB CONTENT ACCESSIBILITY COMPLIANCE, AND APPROVAL OF AGREEMENT WITH CIVICPLUS, LLC FOR ACCESSIBLE DOCUMENT SERVICE

Recommended Action:

Approve the Accessible Document Service Agreement (DocAccess accessibility solution) with CivicPlus, LLC, and authorize the Executive Officer to sign the service agreement and execute any necessary amendments subject to LAFCO Counsel's review and approval.

8. UPDATE ON LAFCO STRATEGIC PLANNING WORKSHOP AND AUTHORIZATION TO ENTER INTO AN AGREEMENT WITH MIG FOR FACILITATION SERVICES FOR THE WORKSHOP

Recommended Action:

1. Delegate authority to the LAFCO Executive Officer to enter into an agreement with Moore Iacofano Goltsman (MIG), Inc. for facilitation services for LAFCO's strategic planning workshop and in an amount not to exceed $7,500, and to execute any necessary amendments subject to LAFCO Counsel's review and approval.

2. Accept report and provide direction to staff, as necessary.

*9. CALAFCO RELATED ACTIVITIES

For information only.

*10. EXECUTIVE OFFICER'S REPORT

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

10.1 Presentation on LAFCO to Leadership Morgan Hill

10.2 LAFCO Orientation Session for County Staff

10.3 Quarterly Special Districts Association Meeting

11. COMMISSIONER REPORTS

12. NEWSPAPER ARTICLES / NEWSLETTERS

13. WRITTEN CORRESPONDENCE

14. ADJOURN

Adjourn to the regular LAFCO meeting on June 3, 2026 at 1:15 PM in the Board of Supervisors' Chambers, 70 West Hedding Street, San Jose.

ITEM # 4

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Executive Officer
Neelima Palacherla

DRAFT LAFCO MEETING MINUTES

WEDNESDAY, FEBRUARY 4, 2026

The meeting was called to order at 1:18 PM

1. ROLL CALL

Commissioners

- Rosemary Kamei, Chairperson
- Yoriko Kishimoto, Vice Chairperson
- Sylvia Arenas (Arrived at 1:22 PM)
- Jim Beall
- Otto Lee
- Terry Trumbull (Absent)
- Mark Turner (Absent)

Alternate Commissioners

- Pamela Campos (Absent)
- Helen Chapman
- Betty Duong (Absent)
- Zach Hilton (Voting for Mark Turner; attended remotely from City Administration Conference Room, Gilroy City Hall)
- Teresa O'Neill

Staff

- Neelima Palacherla, Executive Officer
- Dunia Noel, Assistant Executive Officer
- Emmanuel Abello, Analyst
- Sonia Humphrey, Clerk
- Mala Subramanian, Counsel

2. PUBLIC COMMENTS

There were none.

3. APPROVE CONSENT CALENDAR

Commission Action: The Commission added agenda item numbers 8, 13 and 14 to the consent calendar and approved the Consent Calendar, including agenda item numbers 4, 8, 9, 10.1, 10.3, 11, 13 and 14.

MOTION: Lee

SECOND: Beall

AYES: Arenas, Beall, Hilton, Kamei, Kishimoto, Lee, O'Neill

NOES: None

ABSENT: None

ABSTAIN: None

4. *TAKEN ON CONSENT*: APPROVE MINUTES OF DECEMBER 3, 2025 LAFCO MEETING

Commission Action: The Commission approved the minutes of the December 3, 2025 meeting.

ITEMS FOR ACTION / INFORMATION

5. REVISED REQUEST FOR PROPOSALS FOR COUNTYWIDE WATER AND WASTEWATER SERVICE REVIEW

Commission Action:

1. The Commission authorized staff to issue a revised Request for Proposals (RFP) for a professional services firm to prepare a Countywide Water & Wastewater Service Review.
2. The Commission delegated authority to the LAFCO Chair to enter into an agreement with the most qualified consultant, as determined by the Consultant Interview Panel, in an amount not to exceed $200,000, 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: Lee

   SECOND: Beall

   AYES: Arenas, Beall, Hilton, Kamei, Kishimoto, Lee, O'Neill

   NOES: None

   ABSENT: None

   ABSTAIN: None

6. REQUEST RECEIVED TO INITIATE A LAFCO STUDY OF THE SANTA CLARA COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT

There were three speakers:

- Menou, Senior Technician, Santa Clara County Mosquito and Vector Control District (MVCD)
- Vincent, SEIU 521 Assistant Chief Steward for MVCD
- Kathy Tran, MVCD

Commission Action: The Commission directed staff to prepare a Draft Request for Proposal and a Scope of Services for a professional firm to conduct a service review of the Santa Clara County Mosquito and Vector Control District, for the Commission's consideration and potential approval at its June 3, 2026 meeting.

MOTION: Arenas

SECOND: O'Neill

AYES: Arenas, Beall, Hilton, Kamei, Kishimoto, Lee, O'Neill

NOES: None

ABSENT: None

ABSTAIN: None

7. FINANCE COMMITTEE FOR FISCAL YEAR 2026-2027

Commission Action: The Commission established the Finance Committee composed of Alternate Commissioners Helen Chapman, Zach Hilton and Teresa O'Neill to work with staff to develop and recommend the proposed FY 2026-2027 LAFCO work plan and budget for consideration by the full Commission.

8. AUTHORIZE THE LAFCO EXECUTIVE OFFICER TO ENGAGE THE SERVICES OF COVIVE LLC FOR LAFCO WEBSITE UPGRADE AND ACCESSIBILTY IMPROVEMENTS

Commission Action: The Commission authorized the Executive Officer to engage the services of Covive LLC to upgrade the LAFCO website and improve accessibility compliance in an amount not to exceed $28,000.

9. *TAKEN ON CONSENT:* APPOINTMENT OF 2026 LAFCO CHAIRPERSON AND VICE CHAIRPERSON

For information only.

10. CALAFCO RELATED ACTIVITIES

10.1 *TAKEN ON CONSENT:* Report on the CALAFCO Regional/Board Restructure Working Group Efforts

For Information Only

10.2 Designation of Voting Delegate for CALAFCO's 2026 Special Corporate Business Meeting

Commission Action: The Commission appointed Chairperson Rosemary Kamei as the voting delegate for the 2026 CALAFCO Special Corporate Business meeting to be held on February 23, 2026, and for any future special CALAFCO business meetings in 2026.

MOTION: Beall

SECOND: Arenas

AYES: Arenas, Beall, Hilton, Kamei, Kishimoto, Lee, O'Neill

NOES: None

ABSENT: None

ABSTAIN: None

10.3 *TAKEN ON CONSENT:* 2026 CALAFCO Staff Workshop

The Commission authorized staff to attend the 2026 CALAFCO Staff Workshop and authorized travel expenses funded by the LAFCO budget.

11. *TAKEN ON CONSENT:* EXECUTIVE OFFICER'S REPORT

Commission Action: The Commission accepted the report.

12. COMMISSIONER REPORTS

There were none.

13. NEWSPAPER ARTICLES / NEWSLETTERS

There were none.

14. WRITTEN CORRESPONDENCE

There were none.

15. ADJOURN

The Commission adjourned at 2:24 PM to the next regular LAFCO meeting on April 1, 2026, at 1:15 PM, in the Board of Supervisors' Chambers, 70 West Hedding Street, San Jose.

Approved on April 1, 2026

_____

Rosemary Kamei, LAFCO Chairperson

Prepared by:

_____

Sonia Humphrey, LAFCO Clerk

ITEM # 5

SANTA CLARA LAFCO

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Executive Officer
Neelima Palacherla

LAFCO MEETING: **April 1, 2026**

TO: **LAFCO**

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

SUBJECT: **PROPOSED WORK PLAN AND BUDGET FOR FY 2027**

FINANCE COMMITTEE / STAFF RECOMMENDATIONS

1. Adopt the Proposed Work Plan for Fiscal Year 2026-2027.
2. Adopt the Proposed Budget for Fiscal Year 2026-2027.
3. Find that the Proposed Budget for Fiscal Year 2027 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 2027 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 2026-2027 WORKPLAN & BUDGET DEVELOPMENT TIMELINE

Dates	Staff Tasks / LAFCO Action
March 9 - April 1	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 1	LAFCO public hearing on adoption of Proposed Workplan and Budget
April 2	Proposed Work Plan and Budget, preliminary apportionments and LAFCO public hearing notice for Final Budget Hearing transmitted to agencies
June 3	LAFCO public hearing and adoption of Final Budget
June 3 - July 1	Final Budget transmitted to agencies; Auditor requests payment from agencies

LAFCO FINANCE COMMITTEE

At its February 4, 2026 LAFCO meeting, the Commission appointed Alternate Commissioner Chapman, Alternate Commissioner Hilton and Alternate Commissioner O'Neill to serve on the Finance Committee.

At its special meeting held on March 5, 2026, 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 2027 work plan and budget for consideration and adoption by the full commission.

CURRENT YEAR IN REVIEW

PROGRESS REPORT ON FY 2025-2026 WORK PLAN

LAFCO's current fiscal year workplan was adopted at a noticed public hearing held on June 4, 2025. **Attachment A** depicts the current status (through the third quarter of the year) of the 2025-2026 Work Program. The first part of the fiscal year was dedicated to completing Phase 2 of the comprehensive review and update of LAFCO policies including service review policies, indemnification policy, incorporation policies, LAFCO bylaws, and policies and procedures related to operational and administrative functions. These updated policies have been assembled into a Policies and Procedures Manual that is now posted on the LAFCO website.

LAFCO is beginning the Countywide water and wastewater service review – to review, evaluate and recommend improvements to water and wastewater service delivery in the county. A Technical Advisory Committee composed of representatives from affected agencies has been formed, a consultant firm has been retained through a RFP process, and a dedicated project webpage has been created in preparation for launching the study.

Concurrently, LAFCO will initiate a service review of the Santa Clara County Mosquito and Vector Control District in June 2026.

In April, staff is organizing a strategic planning workshop session for the Commission to consider the development of environmental justice policies.

LAFCO anticipates receiving a special district annexation and sphere of influence amendment application. Staff has conducted pre-application meetings and responded to numerous requests for assistance from local and regional agencies on matters such as city service extensions, city annexations and urban service area amendments, special district annexations, and builders remedy projects. Additionally, responding to public inquiries, including public records act requests, remains a significant and growing area of focus, with staff noting an increase in both volume and complexity.

In alignment with the Commission's directive, staff continues to engage in targeted outreach to local entities—including special districts, the County, cities, and community organizations—through informational presentations on LAFCO's role in promoting sustainable growth and good governance. These efforts are undertaken as opportunities arise and as time permits.

There have been no changes in Commission membership during this fiscal year. The LAFCO office is fully staffed, with 4.0 FTE positions. Additionally, the implementation of a training and professional development work plan for LAFCO staff is underway, ensuring continued growth, skill enhancement, and alignment with best practices in local government and land use planning.

Several key administrative activities and projects have been completed, including the development of a new LAFCO database to efficiently track public inquiries and manage the contacts directory; and completion of LAFCO website upgrade. The development of a new database to track application processing activity is currently underway.

Projects that will not be completed by the end of the fiscal year will be incorporated into the proposed FY 2027 work plan to ensure their continued progress and completion in alignment with LAFCO's strategic objectives.

The LAFCO Annual Report for FY 2026 will be published at the close of the fiscal year. This report will document all applications reviewed and processed during the year and will highlight LAFCO's accomplishments, activities, and key projects undertaken or completed throughout the period.

STATUS OF FY 2025-2026 ADOPTED BUDGET

Attachment D includes the FY 2026 budget adopted by the Commission at a noticed public hearing on June 4, 2025, the status of LAFCO's expenditures and revenues as of February 18, 2026, and expenditure and revenue projections for end of FY 2026. The adopted LAFCO budget/operating expenses for FY 2026 is $1,365,669. It is estimated that the total year-end projected expenditures for FY 2026 would be approximately 5% higher than the adopted budget primarily due to staff salary and benefit costs being higher than the estimates provided at the time of budget adoption. However, due to slightly higher than anticipated revenue amounts and a larger than estimated fund balance from the previous year ($176,483 vs. $63,997), LAFCO's year-end operating expense is estimated to remain approximately 5% lower than that in the adopted FY 2026 budget. LAFCO has received the respective FY 2026 funds from the County, the cities and the independent special districts based on the adopted budget. Therefore, the unspent funds will carry over into FY 2027 and will be used to reduce net operating expenses that would in turn translate to reduced FY 2027 costs for contributing agencies.

PROPOSED WORK PLAN FOR FISCAL YEAR 2027

Attachment C includes the proposed work plan for FY 2027, 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.

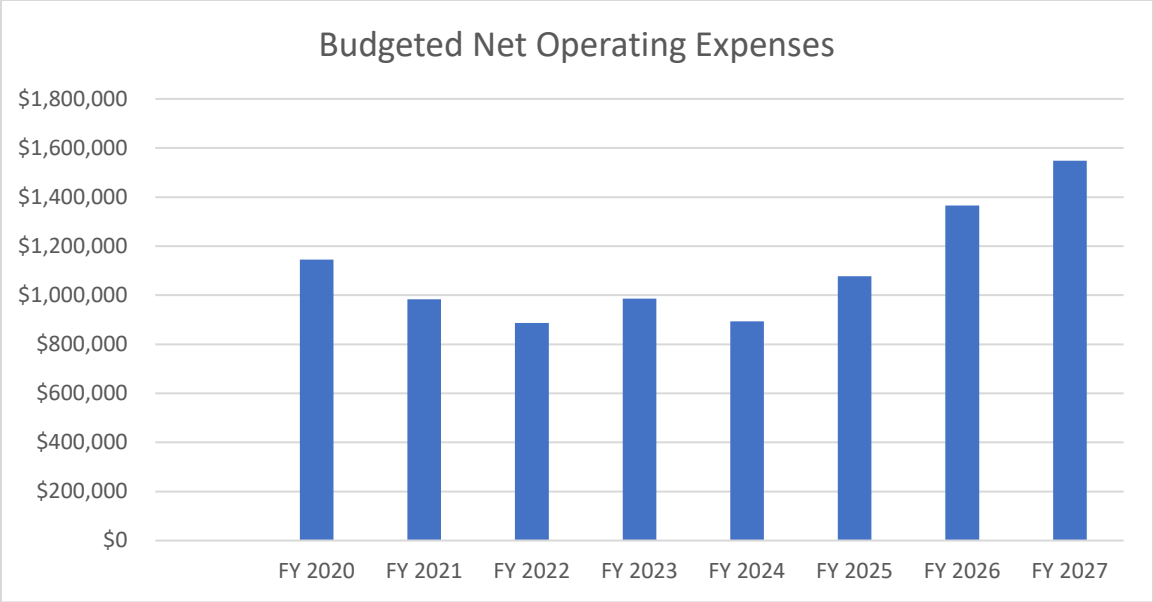
The proposed work plan includes a broad spectrum of responsibilities that LAFCO, as an independent local agency and as a regulatory body of the state, is expected to fulfill in its role of promoting sustainable growth and good governance in Santa Clara County. It incorporates the Commission's legislative functions and mandates and also the Commission's proactive local initiatives and priorities such as its directives for ongoing public outreach and education and its proactive service review and implementation program.

Staff actively manages the workload in order to focus on accomplishing essential activities such as processing applications, completing projects currently underway, maintaining core administrative functions, tracking on-going projects and studies, supporting the commission and responding to local agency and public requests for assistance and information. Consistent with past practice, 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 2027

Attachment D includes the proposed budget for FY 2026-2027 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.

The overall projected expenditure for FY 2027 ($1,640,951) in the proposed budget is 12% higher than the current year budgeted expenses ($1,464,666). This increase in expenditures is largely due to both an increase in the cost of staff salaries and benefits and a larger budgeted amount for consultant services. Correspondingly, LAFCO's proposed net operating expense for FY 2027 is approximately 13% higher than the FY 2026 budgeted net operating expense.



DESCRIPTION OF FY 2026-2027 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 Salaries and Benefits (Object 1) which comprise approximately 66% of the total expenditures; and Services and Supplies (Object 2).

OBJECT 1. SALARIES AND BENEFITS $1,088,248

This line item supports the salaries and benefits for the 4.0 FTE positions including the Executive Officer position, a Senior Analyst position, an Analyst position, and a Clerk position. All four positions are currently staffed. 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 salaries and benefits for the 4 positions. Any changes to the projections for the four positions that may occur within the next couple of months will be reflected in the Final LAFCO budget.

OBJECT 2. SERVICES AND SUPPLIES

5255100 Intra-County Professional $12,000

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 as well as 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 support and technical assistance from the County Planning Office, as necessary. This item also includes the approximate annual cost ($5,622) associated with webcasting the regular LAFCO meetings held in the County Board of Supervisors Chambers. In February 2021, LAFCO and the County entered into an MOU regarding webcasting services and associated costs for LAFCO meetings. As a result of the pandemic and virtual meetings, webcasting of LAFCO meetings did not begin until April 2023.

5255800 Legal Counsel $90,716

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 2027 increases to $7,223, based on a 2.2% increase in the Consumer Price Index for the prior calendar year (2025). This item covers the

annual retainer fees and includes additional monies to cover approximately 10 hours of work outside the retainer at the hourly rate of $404.

5255500 Consultant Services $250,000

This item is budgeted for hiring consultants to assist LAFCO with special projects such as for conducting service reviews and special studies, and scanning LAFCO's hardcopy records into the existing electronic document management system, among other projects. The Commission must take action to authorize such special projects prior to expending funds. This item also includes costs associated with ongoing consultant contracts for projects such as the countywide water and wastewater service review, the maintenance and hosting of the LAFCO website by an outside provider; the annual financial audits of LAFCO, and the development and ongoing licensing and support for the new LAFCO database. The FY 2027 budget for this item reflects an increase of $75,000 from the previous year, to accommodate two comprehensive service reviews planned for the fiscal year – the ongoing Countywide Water and Wastewater Service Review and the upcoming service review for the Santa Clara County Mosquito and Vector Control District.

5285700 Meal Claims $1,000

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

5220200 Insurance $8,000

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.

The estimates for FY 2027 were not available from SDRMA as of writing this report. The Final budget will reflect any major revisions to these estimates.

5270100 Rent & Lease $59,556

This item includes FY 2027 monthly rent for LAFCO office space located at 777 North First Street, Suite 420, San Jose. The original lease term for the office space expired on May 5, 2022. At its February 2, 2022 meeting, the Commission authorized the extension of the lease for a five-year period through April 30, 2027. Staff has contacted the building management and has obtained terms for a potential 5-year lease extension. Staff is also working with the County to explore availability of suitable space in a county-owned facility that can meet LAFCO's long-term office space needs as an independent agency.

5250100 Office Expenses $5,000

This item includes funds for purchase of books, subscriptions/publications necessary to keep current on laws and trends; and small equipment and supplies for office operations, including printer/photocopier lease.

5255650 Data Processing Services $23,948

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 ($1,980), Wireless Carrier Service ($1,045), enterprise licensing including MS Adobe special order, Acrobat Pro and MS Visio monthly subscription ($4,748), and other services ($16,175) comprising Enterprise Content Management services and solutions, Kronos support, Architecture and Innovation Services, Claranet services, Data Analytics and Visualizations, digital print and sccLearn. Any further 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. This budgeted amount has been maintained at the same level as the current year.

5245100 Membership Dues $15,300

This item includes CALAFCO – the California Association of LAFCOs membership dues. At its meeting in December 2023, the CALAFCO Board voted to approve a 3% rate adjustment to account for the CPI increase (June 2024 to June 2025), in accordance with the CALAFCO Bylaws. The FY 2026 membership dues for Santa Clara LAFCO is $13,309.

Additionally, this item includes estimated membership dues for CSDA – the California Special Districts Association. In June 2018, CSDA informed 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 $21,000

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 (Location TBD, April 2027) and an Annual Conference (Sacramento, October 2026) that is attended by commissioners as well as staff. Additionally, this item includes funding for travel costs associated with Commissioner Kamei serving on the CALAFCO Board.

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 budgeted amount has been maintained at the same level as the current year.

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 $42,139

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 2027 Cost Allocation Plan which is based on actual overhead costs from FY 2025 – the most recent year for which actual costs are available. The overhead amount includes the following charges from:

County Executive's Office:	$6,149
Controller-Treasurer:	$12,679
Employee Services Agency:	$10,771
OBA:	$426
TSS Intragovernmental Service:	$1,379
Technology Services & Solutions:	$1,372
Procurement:	$39
Equal Opp. (County Counsel):	$1,382
CoB – Harvey Rose Mgt Audit:	$18
Facilities and Fleet:	$297

Further, a "roll forward" is applied which is calculated by comparing FY 2025 Cost Plan estimates with FY 2025 actuals. The FY 2025 cost estimates were lower than the actuals by $7,572; this amount is added to the FY 2027 Cost Plan. This is a state requirement.

5275200 Computer Hardware $4,000

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

5250800 Computer Software $4,000

This amount is designated for computer software purchases, including annual licenses for GIS software (ArcGIS) and records management software (Laserfiche) with 2 hours of online/onsite support.

5250250 Postage $500

This amount covers postage costs for mailing notices, agendas, agenda packets and general correspondence.

5252100 Training Programs $2,000

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

REVENUES

4103400 Application Fees $25,000

It is anticipated that LAFCO will receive approximately $25,000 in fees from processing applications. The actual amount earned from fees corresponds to the level of application activity.

4301100 Interest $10,000

It is estimated that LAFCO will receive an amount of approximately $10,000 from interest earned on LAFCO funds.

3400150 Fund Balance from Previous Fiscal Year (i.e., FY 2026) $57,251

It is projected that there will be a savings or fund balance of approximately $57,251 at the end of the current year, which will be carried over to reduce the proposed Fiscal Year 2027 costs for LAFCO's funding agencies (cities, independent special districts and the County).

Projected Year-End [FY 2026] Fund Balance = (Projected Year-End [FY 26] Revenue + Actual Fund Balance from Previous Fiscal Year [FY 25] + Funds Received from Local Agencies in FY 26) - (Projected Year-End [FY 26] Expenses)

= ($50,000+ $176,483 + $1,365,669) - $1,534,901

= $57,251

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 was 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.

In FY 2022, LAFCO reduced the Reserves from $250,000 to $200,000, in order to further reduce costs to local agencies given the COVID -19 related economic hardships; and has maintained the reserve level at $200,000 since then. The Finance Committee recommends maintaining the current level of reserves for FY 2027. This places the proposed Reserve amount at approximately 12% of the total FY 2027

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.

FY 2027 NET OPERATING EXPENSES

FY 2027 Net Operating Expenses = (Proposed FY 2027 Expenditures) - (Proposed FY 2027 Fee & Interest Revenues + Projected Fund Balance from FY 2026)

= ($1,640,951) – ($35,000 + $57,251)

= $1,548,700

The projected operating expense for FY 2027 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 2027 which will be reflected in the Final budget and 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.

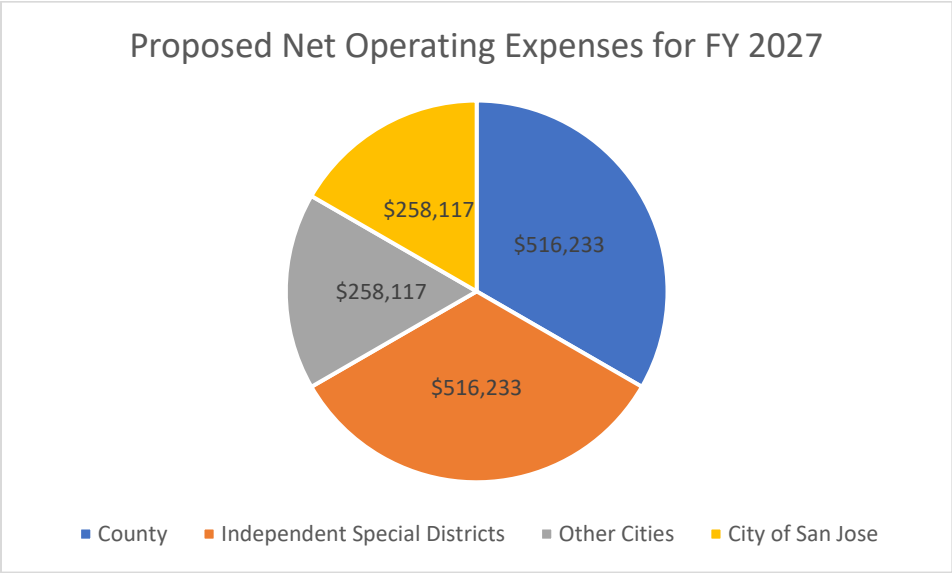
The City of San Jose has permanent membership on LAFCO pursuant to Government Code Section 56327. As required by Government Code §56381.6(b), the City of San Jose's share of LAFCO costs must be in the same proportion as its member bears to the total membership on the commission, excluding the public 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 2027.



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, based on the proposed FY 2027 net operating expenses and the FY 2023-2024 Cities Annual Report from the State Controller's Office. The final apportionments will be prepared by the County Controller's Office based on the latest available Cities Annual Report.

ATTACHMENTS

Attachment A:	Status of FY 2026 Work Plan
Attachment B:	LAFCO Financials 2008-2025
Attachment C:	Proposed Work Plan for Fiscal Year 2027
Attachment D:	Proposed LAFCO Budget for Fiscal Year 2027
Attachment E:	Estimated FY 2027 Costs to Agencies

STATUS OF CURRENT YEAR WORK PLAN (FY 2026)

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)

**** Indicates emergent work items underway by staff or authorized by the Commission that fall outside the adopted FY 2026work plan**

	PROJECT DESCRIPTION	ACTIVITIES / TIMELINE	RESOURCES	PRIORITY	STATUS
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: issue Notice of Application, Certificate of Filing / Sufficiency, Public Hearing Notice, staff report, conduct protest proceedings, as needed	Staff	H	Several pre-application meetings held (e.g., USA amendments for cities of Gilroy and Morgan Hill, annexation to fire district
	Comment on potential LAFCO applications, relevant projects & development proposals, city General Plan updates and/ or related environmental documents	Ongoing, as needed	Staff	H	Ongoing, as needed
	Comprehensive review and update of LAFCO policies for context, clarity and consistency with State law – Phase 2	Develop a Phase 2 workplan /timeline for commission consideration and begin implementation	Staff	H	Completed Phase 2 Policies revision (December 2025). **Completed preparation of the LAFCO Policies and Procedures Manual – now available on the LAFCO website (February 2026)
	Prepare flowcharts for LAFCO processes and update application packets and application	Upon completion of policies update	Staff/ Consultant	L	In progress. Review and update of application packets, including for

STATUS OF CURRENT YEAR WORK PLAN (FY 2026)

	PROJECT DESCRIPTION	ACTIVITIES / TIMELINE	RESOURCES	PRIORITY	STATUS
	fee schedules for current requirements and ease of public use				compliance with accessibility requirements
	Conduct a Strategic Planning Workshop for the Commission to consider the development of Environmental Justice Policies and other emerging policy ideas, with the goal of advancing innovative LAFCO policies through a strategic plan	Identify a facilitator for the Workshop - Early 2026	Staff/ Consultant	M	To be held in April 2026. Workshop planning in progress. Identifying facilitator and potential speaker(s)
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	As needed
	Review and finalize city-conducted island annexations	Ongoing, as needed	Staff	H	As needed
OUTREACH, GOVERNMENT / COMMUNITY RELATIONS &	Conduct outreach to increase awareness of LAFCO's role	Presentations on LAFCO to cities, other agencies or organizations, as relevant Distribute LAFCO communications material to elected officials and staff of cities, special districts and the County Seek exhibit opportunities at public spaces / events Maintain website as the primary information resource on LAFCO	Staff	L M L H	Presentations provided upon request: Leadership Sunnyvale (12/25), Leadership Morgan Hill (3/26) Ongoing Website upgrade in progress

STATUS OF CURRENT YEAR WORK PLAN (FY 2026)

	PROJECT DESCRIPTION	ACTIVITIES / TIMELINE	RESOURCES	PRIORITY	STATUS
	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) Small water systems issues / legislation Collaborate with agencies and entities with goals common to LAFCO	Staff	M M M	Ongoing Ongoing meetings
	Track LAFCO related legislation	Commission takes positions and submits letters on proposed legislation	Staff	M	Ongoing, as needed
	Respond to public inquiries re. LAFCO policies, procedures and application filing requirements	Timely response to public inquiries Update the PRA form for the website Document research on complex inquiries Report to Commission on complex inquiries	Staff	H L L H	Ongoing
SERVICE REVIEWS, SPECIAL STUDIES & SPHERE OF INFLUENCE UPDATES	Countywide Fire Service Review	Work with interested agencies on implementing recommendations requiring LAFCO action (Table B Recommendations)	Staff	H	As needed.
	Countywide Water and Wastewater Service Review	Develop water/wastewater service review workplan and identify method for consultant selection	Staff	M	TAC formed (October 2025), Consultant selected (March 2026), Project webpage created (March 2026)
	**Service Review for the Santa Clara County Mosquito and Vector Control District	Prepare scope of work and timeline and draft RFP for consultant	Staff	H	On hold until LAFCO Meeting in June 2026
	Continue to monitor implementation of recommendations from previous service	RRRPD study – city took action to delay decision on consolidation	Staff	L	Pending city action

STATUS OF CURRENT YEAR WORK PLAN (FY 2026)

	PROJECT DESCRIPTION	ACTIVITIES / TIMELINE	RESOURCES	PRIORITY	STATUS
	reviews and conduct special studies, as necessary				
	Map Mutual Water companies	Initial maps complete, further work through service review	Staff	L	As part of Countywide Water Service Review
	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	Collaboration Letter for the Bay Area Agricultural Resiliency Collaborative Planning Project SALC Grant (June 2025) Support letter for Santa Clara Valley Open Space Authority SALC Application for 412-acre Agricultural Conservation Easement (July 2025)
	Compile and post JPA filings on the LAFCO website	Notice provided, gather JPA information through service review process	Staff	L	JPA information obtained from Fire Service Review – posted on the LAFCO website

STATUS OF CURRENT YEAR WORK PLAN (FY 2026)

	PROJECT DESCRIPTION	ACTIVITIES / TIMELINE	RESOURCES	PRIORITY	STATUS
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 Policies 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	Ongoing
	Keep the Commission informed	EO report, off-agenda emails, as needed Provide ongoing educational opportunities / events including presentation from local agencies	Staff	H	Ongoing
	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 Organize Commissioner / staff luncheon	Staff	H	Ongoing - as needed Orientation for Commissioner Lee staff (February 2026)

STATUS OF CURRENT YEAR WORK PLAN (FY 2026)

	PROJECT DESCRIPTION	ACTIVITIES / TIMELINE	RESOURCES	PRIORITY	STATUS
	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	Ongoing, as needed.
	Commissioner participation in CALAFCO	Support commissioner participation in CALAFCO activities / or election to the CALAFCO Board	Staff	L	Commissioner Kamei elected to CALAFCO Board in October 2025 Commissioner Kamei appointed as alternate on the CALAFCO Legislative Committee. Chair and EO attend CALAFCO Board and Legislative Committee meetings
ADMINISTRATIVE PROJECTS	Prepare LAFCO annual work plan	March –June 2026	Staff	H	In progress
	Prepare LAFCO annual budget	March –June 2026	Staff	H	In progress
	Prepare LAFCO Annual Report	August 2025	Staff	H	Completed in October 2025
	Prepare LAFCO Annual Financial Audit	October 2025 (Contract with Chavan Associates extended for FY 2024 thru FY 2027)	Consultant / Staff	H	Completed in December 2025
	Office / facility management	Coordinate with Building Manager on facilities issues Coordinate with County re. computers/network, phone, printers,	Staff	H	Ongoing

STATUS OF CURRENT YEAR WORK PLAN (FY 2026)

	PROJECT DESCRIPTION	ACTIVITIES / TIMELINE	RESOURCES	PRIORITY	STATUS
ADMINISTRATIVE PROJECTS		office security, procurement, installation & maintenance Order and manage office supplies Make travel arrangements and process expense reimbursements. Process mileage reimbursements Office space lease extended (lease extended through April 30, 2027)			
	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 Staff	H H H H	On hold until completion of website upgrades **Website upgrade and accessibility compliance Completed (March 2026). PDF accessibility to be completed by the 4/24/26 legislative deadline Completed development of a new LAFCO database to track public inquiries, and manage contacts directory (July 2025). Development of database to track applications in progress

STATUS OF CURRENT YEAR WORK PLAN (FY 2026)

	PROJECT DESCRIPTION	ACTIVITIES / TIMELINE	RESOURCES	PRIORITY	STATUS
	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	Ongoing
	Review and update LAFCO bylaws / administrative policies and procedures	Ongoing, as needed, and also as part of Phase 2 Policies Revision	Staff	H	Completed, as part of Phase 2 policies review and update
	Staff training and development	CALAFCO workshops, conferences, relevant courses Implementation of the work plan for staff professional development Staff retreat for team bonding and staff development	Staff	H H M	Attended CALAFCO Annual Conference October 2025 CALAFCO Staff Workshop (April 2026) Ongoing training
	Coordinate with County on administrative issues	Attend monthly meetings with the Deputy County Executive	Staff	H	Ongoing
	Staff performance evaluation	May – December 2025	Staff/ Commission	H	Completed
	Other administrative functions mandated of a public agency (Form 700 annual filing & AB 1234 training compliance, Form 806, maintaining liability/workers comp insurance, etc.)	Ongoing	Staff	H	Ongoing

ITEM # 5
Attachment B

FY 2008 - FY 2025 LAFCO FINANCIALS

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	ACTUALS FY 2021	ACTUALS FY 2022	ACTUALS FY 2023	ACTUALS FY 2024	ACTUALS FY 2025
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	$730,716	$639,099	$697,700	$823,668	$921,561
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	$201	$354	$3,785	$9,107	$6,398
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	$65,791	$78,977	$78,326	$80,945	$82,500
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	$41,966	$25,389	$106,867	$55,742	$28,325
5285700	Meal Claims	$0	$368	$277	$288	$379	$91	$228	$209	$367	$50	$901	$257	$166	$0	$56	$1,473	$273	$641
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	$10,452	$8,591	$7,042	$14,982	$8,664
1151	Office Expenses	$1,056	$354	$716	$639	$1,212	$536	$850	$783	$6,266	$48,632	$15,412	$4,702	$2,544	$1,151	$1,462	$2,211	$3,878	$2,115
5270100	Rent and Lease											$41,120	$39,360	$44,478	$46,254	$47,903	$53,172	$54,766	$56,416
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	$21,223	$18,125	$27,297	$24,183	$22,585
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	$6,100	$4,200	$4,500	$6,300	$6,000
5260100	Publications and Legal Notices	$1,151	$563	$1,526	$363	$916	$222	$378	$2,484	$487	$191	$145	$192	$44	$90	$704	$470	$134	$8,359
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	$12,144	$12,316	$12,921	$13,936	$14,318
5250750	Printing and Reproduction	$5	$0	$0	$0	$0	$0	$9	$177	$703	$0	$0	$0	$799	$0	$0	$435	$202	$0
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	$0	$0	$4,933	$12,612	$11,356
5285300	Private Automobile Mileage	$1,016	$704	$832	$1,185	$615	$424	$409	$396	$1,009	$1,264	$590	$689	$696	$61	$0	$42	$542	$525
5285200	Transportation&Travel (County Car Usage	$894	$948	$629	$0	$384	$250	$371	$293	$559	$605	$0	$328	$256	$0	$0	$323	$0	$192
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	$30,917	$49,173	$30,041	$20,346	$21,187
5275200	Computer Hardware	$0	$451	$0	$83	$2,934	$1,791	$2,492	$0	$106	$0	$0	$773	$0	$0	$0	$0	$0	$0
5250800	Computer Software	$0	$0	$626	$314	$579	$3,124	$933	$1,833	$2,079	$754	$4,505	$3,012	$1,200	$4,708	$1,753	$1,843	$1,203	$2,261
5250250	Postage	$1,160	$416	$219	$568	$309	$589	$246	$597	$411	$209	$183	$117	$73	$184	$159	$42	$30	$24
5252100	Staff Training Programs	$0	$665	$491	$250	$300	$0	$0	$1,431	$0	$0	$0	$350	$525	$70	$70	$35	$0	$0
5701000	Reserves	$0	$0	$0	$0	$0	$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**	**$972,028**	**$888,331**	**$1,033,458**	**$1,122,849**	**$1,193,427**
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	$34,622	$41,847	$19,637	$27,615	$21,074
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	$10,488	$7,831	$25,401	$32,352	$33,334
TOTAL REVENUES		**$71,015**	**$57,911**	**$42,264**	**$53,418**	**$41,674**	**$48,873**	**$66,235**	**$30,230**	**$152,241**	**$31,266**	**$42,484**	**$45,190**	**$25,763**	**$45,110**	**$49,678**	**$45,038**	**$59,967**	**$54,408**
3400150	**AVAILABLE FUND BALANCE END OF YEAR**	**$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**	**$312,351**	**$410,027**	**$407,583**	**$237,891**	**$176,483**
3400800	**RESERVES AVAILABLE**				**$100,000**	**$100,000**	**$150,000**	**$150,000**	**$150,000**	**$150,000**	**$150,000**	**$150,000**	**$150,000**	**$250,000**	**$250,000**	**$200,000**	**$200,000**	**$200,000**	**$200,000**
BUDGETED 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	$327,928	$295,443	$328,658	$297,729	$455,223
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	$327,928	$295,443	$328,658	$297,729	$455,223
4600100	Independent Special Distrcits							$296,892	$187,521	$220,668	$225,778	$266,298	$277,942	$381,904	$327,928	$295,443	$328,658	$297,729	$455,223

ITEM # 5
Attachment C

PROPOSED WORK PLAN FOR FISCAL YEAR 2027

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*
APPLICATIONS REVIEW / PROCESSING AND LAFCO POLICY DEVELOPMENT	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
	Track and follow-up on LAFCO conditions of approval	Ongoing, as needed	Staff	H
	Update application packets and application fee schedules for current requirements and ease of public use	Ongoing, as needed	Staff	L
	Follow up on action items from the April 2026 Strategic Planning Workshop	Per Commission direction	Staff	M

REVISED FINAL WORK PLAN FOR FISCAL YEAR 2026 (June 4, 2025)

	PROJECT DESCRIPTION	ACTIVITIES / TIMELINE	RESOURCES	PRIORITY*
ISLAND ANNEXATIONS	Conduct outreach to cities with islands, follow up on responses including review/research of city limits/ USA boundaries, and assist with annexations or necessary USA amendments	Prepare and distribute island maps to cities	Staff	L
	Review and finalize city-conducted island annexations	Ongoing, as needed	Staff	H
OUTREACH, GOVERNMENT / COMMUNITY RELATIONS & CUSTOMER SERVICE	Conduct outreach to increase awareness of LAFCO's role	Presentations on LAFCO to cities, other agencies or organizations, as relevant Distribute LAFCO communications material to elected officials and staff of cities, special districts and the County Seek exhibit opportunities at public spaces / events Maintain website as the primary information resource on LAFCO	Staff	M M L H
	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), and County Planning Dept. (quarterly) Small water systems issues / legislation Collaborate with agencies and entities with goals common to LAFCO	Staff	M M M
	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
	Track LAFCO related legislation	Commission takes positions and submits letters on proposed legislation	Staff	M
	Respond to public inquiries re. LAFCO policies, procedures and application filing requirements	Timely response to public inquiries Document research on inquiries in the LAFCO database Report to Commission on complex inquiries	Staff	H H H

REVISED FINAL WORK PLAN FOR FISCAL YEAR 2026 (June 4, 2025)

	PROJECT DESCRIPTION	ACTIVITIES / TIMELINE	RESOURCES	PRIORITY*
SERVICE REVIEWS, SPECIAL STUDIES & SPHERE OF INFLUENCE UPDATES	Countywide Water and Wastewater Service Review	Conduct service review per approved scope and schedule, anticipated completion Spring 2027	Staff/Consultant	H
	Santa Clara County Mosquito and Vector Control District Service Review	Conduct service review per scope and schedule authorized by Commission, anticipated to begin in early Fall 2026	Staff / Consultant	H
	Countywide Fire Service Review	Work with interested agencies on implementing recommendations requiring LAFCO action (Table B Recommendations)	Staff	M
	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 water service review	Staff	H
	Compile and post JPA filings on the LAFCO website	Notice provided, gather JPA information through service review process	Staff	M

REVISED FINAL WORK PLAN FOR FISCAL YEAR 2026 (June 4, 2025)

	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, Technical Advisory Committees or Ad-Hoc Committees)	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 and prepare meeting script for Chair Process commissioner per diems for attendance at LAFCO meetings	Staff	H
	Keep the Commission informed	EO report Off-agenda emails, as needed Provide ongoing educational opportunities/events, including presentations from local agencies	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 LAFCO service Organize Commissioner / staff Luncheon	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
	Commissioner participation in CALAFCO	Support commissioner participation in CALAFCO activities / or election to and participation on the CALAFCO Board	Staff	H

REVISED FINAL WORK PLAN FOR FISCAL YEAR 2026 (June 4, 2025)

	PROJECT DESCRIPTION	ACTIVITIES / TIMELINE	RESOURCES	PRIORITY*
ADMINISTRATIVE PROJECTS	Prepare LAFCO annual work plan	March – June 2026	Staff/Finance Committee	H
	Prepare LAFCO annual budget	March – June 2026	Staff/Finance Committee	H
	Prepare LAFCO Annual Report	August 2026	Staff	H
	Prepare LAFCO Annual Financial Audit	October 2026 (Contract with Chavan Associates extended for FY 2024 thru FY 2027)	Consultant / Staff	H
	Office / facility management	Work with the County to consider potential availability of office space at a County facility, and/or negotiate extension of current office space lease 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 Office space lease through April 30, 2027	Staff	H
	Records management	Organize scan of LAFCO records to Electronic Document Management System (Laserfiche) Maintain LAFCO's hard copy records Maintain and enhance the LAFCO Website Maintain LAFCO database	Staff/ Consultant Staff	H H H H
	Contracts and payments & receivables	Track consultant contracts and approve invoices Approve vendor invoices / process annual payments for various services/ memberships	Staff	H

REVISED FINAL WORK PLAN FOR FISCAL YEAR 2026 (June 4, 2025)

	PROJECT DESCRIPTION	ACTIVITIES / TIMELINE	RESOURCES	PRIORITY*
ADMINISTRATIVE PROJECTS		Coordinate with County Controller's Office and track annual collection of payments from member agencies		
	Review and update LAFCO bylaws / administrative policies and procedures	Ongoing, as needed	Staff	H
	Staff training and development	CALAFCO workshops, conferences, relevant courses Implementation of the work plan for staff professional development Staff retreat for team bonding and staff development	Staff	H H M
	Coordinate with County on administrative issues	Attend monthly meetings with the Deputy County Executive	Staff	H
	Staff and EO performance evaluation	May – December 2026	Staff/Commission	H
	Other administrative functions mandated of a public agency (Form 806, maintaining liability/workers comp insurance, etc.)	Ongoing	Staff	H

STATUS OF CURRENT YEAR WORK PLAN (FY 2026)

	PROJECT DESCRIPTION	ACTIVITIES / TIMELINE	RESOURCES	PRIORITY	STATUS
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 Policies 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	Ongoing
	Keep the Commission informed	EO report, off-agenda emails, as needed Provide ongoing educational opportunities / events including presentation from local agencies	Staff	H	Ongoing
	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 Organize Commissioner / staff luncheon	Staff	H	Ongoing - as needed Orientation for Commissioner Lee staff (February 2026)

ITEM # 5
Attachment D

PROPOSED LAFCO BUDGET
FISCAL YEAR 2026- 2027

ITEM #	TITLE	APPROVED BUDGET FY 2026	ACTUALS Year to Date 2/18/2026	PROJECTIONS Year End FY 2026	PROPOSED BUDGET FY 2027
EXPENDITURES					
Object 1:	Salary and Benefits	$994,427	$610,372	$1,082,821	$1,088,248
Object 2:	Services and Supplies				
5255100	Intra-County Professional	$12,000	$430	$12,000	$12,000
5255800	Legal Counsel	$88,766	$41,250	$85,000	$90,716
5255500	Consultant Services	$175,000	$19,100	$175,000	$250,000
5285700	Meal Claims	$1,000	$0	$1,000	$1,000
5220100	Insurance	$8,000	$14	$14	$8,000
5250100	Office Expenses	$5,000	$1,501	$5,000	$5,000
5270100	Rent & Lease	$58,106	$38,544	$58,106	$59,000
5255650	Data Processing Services	$24,443	$16,344	$22,443	$23,948
5225500	Commissioners' Fee	$10,000	$2,300	$10,000	$10,000
5260100	Publications and Legal Notices	$1,000	$248	$1,000	$1,000
5245100	Membership Dues	$15,000	$14,793	$14,793	$15,300
5250750	Printing and Reproduction	$1,500	$0	$500	$1,500
5285800	Business Travel	$21,000	$10,509	$21,000	$21,000
5285300	Private Automobile Mileage	$1,000	$0	$1,000	$1,000
5285200	Transportation&Travel (County Car Usage)	$600	$0	$600	$600
5281600	Overhead	$37,324	$18,662	$37,324	$42,139
5275200	Computer Hardware	$4,000	$0	$2,000	$4,000
5250800	Computer Software	$4,000	$1,254	$4,000	$4,000
5250250	Postage	$500	$0	$300	$500
5252100	Staff/Commissioner Training Programs	$2,000	$0	$1,000	$2,000
5701000	Reserves	$0	$0	$0	$0
TOTAL EXPENDITURES		**$1,464,666**	**$775,321**	**$1,534,901**	**$1,640,951**
REVENUES					
4103400	Application Fees	$25,000	$21,750	$30,000	$25,000
4301100	Interest: Deposits and Investments	$10,000	$15,938	$20,000	$10,000
TOTAL REVENUE		**$35,000**	**$37,688**	**$50,000**	**$35,000**
3400150	**FUND BALANCE FROM PREVIOUS FY**	**$63,997**	**$176,483**	**$176,483**	**$57,251**
NET LAFCO OPERATING EXPENSES		**$1,365,669**	**$561,150**	**$1,308,418**	**$1,548,700**
3400800	**RESERVES Available**	**$200,000**	**$200,000**	**$200,000**	**$200,000**
COSTS TO AGENCIES					
5440200	County	$455,223	$455,223	$455,223	$516,233
4600100	Cities (San Jose 50% + Other Cities 50%)	$455,223	$455,223	$455,223	$516,233
4600100	Special Districts	$455,223	$455,223	$455,223	$516,233

ITEM # 5
Attachment E

LAFCO COST APPORTIONMENT: COUNTY, CITIES, SPECIAL DISTRICTS
Estimated Costs to Agencies Based on the Preliminary FY 2027 LAFCO Budget

		Preliminary Net Operating Expenses for FY 2027		**$1,548,700**
JURISDICTION	**REVENUE PER 2023/2024 REPORT**	**PERCENTAGE OF TOTAL REVENUE**	**ALLOCATION PERCENTAGES**	**ALLOCATED COSTS**
County	**N/A**	**N/A**	**33.3333333%**	**$516,233.33**
Cities Total Share			**33.3333333%**	**$516,233.33**
San Jose	N/A	N/A	50.0000000%	$258,116.67
Other cities share			50.0000000%	$258,116.66
Campbell	$84,117,149	1.8493084%		$4,773.37
Cupertino	$134,270,828	2.9519327%		$7,619.43
Gilroy	$143,146,467	3.1470629%		$8,123.09
Los Altos	$80,342,217	1.7663168%		$4,559.16
Los Altos Hills	$23,050,684	0.5067673%		$1,308.05
Los Gatos	$66,479,898	1.4615549%		$3,772.52
Milpitas	$234,059,048	5.1457683%		$13,282.09
Monte Sereno	$5,050,274	0.1110298%		$286.59
Morgan Hill	$141,801,766	3.1174998%		$8,046.79
Mountain View	$479,392,872	10.5394115%		$27,203.98
Palo Alto	$904,171,284	19.8781287%		$51,308.76
Santa Clara	$1,523,014,901	33.4833530%		$86,426.10
Saratoga	$43,873,226	0.9645491%		$2,489.66
Sunnyvale	$685,802,826	15.0773168%		$38,917.07
Total Cities (excluding San Jose)	**$4,548,573,440**	**100.0000000%**		**$258,116.66**
Total Cities (including San Jose)				**$516,233.33**
Special Districts Total Share		**(Fixed %)**	**33.3333333%**	**$516,233.34**
Aldercroft Heights County Water District		0.06233%		$321.77
Burbank Sanitary District		0.15593%		$804.96
Cupertino Sanitary District		2.64110%		$13,634.24
El Camino Healthcare District		4.90738%		$25,333.53
North Santa Clara Resource Conservation District		0.04860%		$250.89
Lake Canyon Community Services District		0.02206%		$113.88
Lion's Gate Community Services District		0.22053%		$1,138.45
Loma Prieta Resource Conservation District		0.02020%		$104.28
Midpeninsula Regional Open Space District		5.76378%		$29,754.55
Purissima Hills Water District		1.35427%		$6,991.19
Rancho Rinconada Recreation and Park District		0.15988%		$825.35
San Martin County Water District		0.04431%		$228.74
Santa Clara Valley Open Space Authority		1.27051%		$6,558.80
Santa Clara Valley Water District		81.44126%		$420,426.95
Saratoga Cemetery District		0.32078%		$1,655.97
Saratoga Fire Protection District		1.52956%		$7,896.10
South Santa Clara Valley Memorial District		0.03752%		$193.69
Total Special Districts		100.00000%		**$516,233.34**
Total Allocated Costs				**$1,548,700.00**

March 24, 2026

ITEM # 6

SANTA CLARA LAFCO

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

LAFCO MEETING: **APRIL 1, 2026**

TO: **LAFCO**

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

SUBJECT: **UPDATE ON COUNTYWIDE WATER AND WASTEWATER SERVICE REVIEW AND AUTHORIZATION AND ADOPTION OF FINDINGS TO ALLOW THE TECHNICAL ADIVSORY COMMITTEE TO HOLD ITS MEETINGS VIRTUALLY UNDER GOVERNMENT CODE SECTION 54953.8.6 OF THE BROWN ACT**

STAFF RECOMMENDATIONS

1. Authorize the Technical Advisory Committee for LAFCO's Countywide Water and Wastewater Service Review to hold its meetings by virtual teleconference and make the following findings under Government Code §54953.8.6 of the Brown Act in support of this:
   a. LAFCO has considered the circumstances of the Technical Advisory Committee.
   b. Teleconference meetings of the Technical Advisory Committee would enhance public access to their meetings, and the public has been made aware of the type of remote participation, including audio-visual or telephonic, that will be made available at a regularly scheduled meeting and has been provided the opportunity to comment at an in-person meeting of the Commission, which is authorizing the Technical Advisory Committee to meet entirely remotely.
   c. Teleconference meetings of the Technical Advisory Committee would promote the attraction, retention, and diversity of its members.
2. Accept report and provide direction, as necessary.

CONSULTANT SELECTION

Request for Proposals

On February 4, 2026, LAFCO released a revised Request for Proposals (RFP) for professional services firm to prepare a countywide water and wastewater service review and sphere of influence updates for special districts that provide water and/or wastewater services.

LAFCO received one proposal in response. On March 2, 2026, Executive Officer Palacherla and a Consultant Selection Committee interviewed the firm via video conference. The Selection Committee consisted of:

- LAFCO Chair Rosemary Kamei
- Alternate Commissioner Teresa O'Neill
- Gilroy City Manager Matt Morley
- Santa Clara Valley Water District Water Utilities Chief Operating Officer Aaron Baker

Following favorable reference checks and clarification of certain matters, the Committee recommended retaining the firm. LAFCO thanks the Consultant Selection Committee for their time and assistance.

Consultant Contract Finalized

On March 20, 2026, LAFCO entered into a service agreement with RSG, Inc. to conduct the Countywide Water and Wastewater Service Review **(Attachment A)**.

On March 23, LAFCO staff and RSG held a kick-off meeting to discuss key aspects of the service review process.

LAFCO staff is compiling contact information for the affected agencies and other service providers involved in the service review, identifying GIS data for analysis and mapping needs, and preparing for the first TAC meeting.

PROJECT WEBPAGE LAUNCHED

In mid-March 2026, LAFCO staff launched a project webpage to serve as the main resource for information on the Countywide Water and Wastewater Service Review and associated activities. The site includes project details, key steps and timeline, agencies and other service providers being studied, TAC information, and links to relevant prior service reviews. Visitors to the webpage can sign up for email updates and notices and contact LAFCO staff directly.

The project webpage will be updated regularly with meeting information, draft reports, and public engagement opportunities.

TECHNICAL ADVISORY COMMITTEE (TAC)

TAC Members

In October 2025, LAFCO established a Technical Advisory Committee (TAC) to serve as a liaison with their respective associations, help select a consultant for the service review, and provide technical expertise/advice throughout the water and wastewater service review process. The TAC consists of the following members:

- Appointed by LAFCO: **Chair Rosemary Kamei** and **Alternate Commissioner Teresa O'Neill**
- Appointed by the Santa Clara County/Cities Managers' Association: **Matt Morely** (City Administrator, City of Gilroy) and **Chris Constantin** (City Manager, Town of Los Gatos)
- Liaisons to the Santa Clara County Water Retailer's Group: **Aaron Baker** (Chief Operating Officer: Water Utility, Santa Clara Valley Water District) and **Curt Rayer** (Vice President of Operations, San Jose Water Company)
- Liaisons to the Santa Clara County Municipal Public Works Officials' Association: **Mansour Nasser** (Assistant Director of Environmental Services, City of Sunnyvale) and **Chris Ghione** (Public Services Director, City of Morgan Hill)
- Liaison to the Santa Clara County Special Districts Association: **Tim Kiser** (District Manager, West Valley Sanitation District)

It is expected that the TAC will meet periodically (3 to 4 meetings) throughout the service review process to provide feedback and guidance on key aspects of the service review. All TAC meetings are open to the public. The first TAC meeting is anticipated to take place in late April and will be held in-person.

Future TAC Meetings

To encourage broader public participation and access to the meetings and facilitate greater scheduling flexibility and convenience for TAC members, which will lead to the attraction, retention and diversity of the TAC members, LAFCO staff recommends that subsequent TAC meetings be held virtually via Zoom (audio-visual) as needed. The Brown Act newly allows for the use of teleconference meetings under certain circumstances for an eligible subsidiary body. The TAC qualifies as an eligible subsidiary body in that it was created by LAFCO on October 1, 2025 to serve as an advisory body on the countywide water and wastewater service review and is not authorized to take final action and its subject matter jurisdiction does not involve elections, budgets, police oversight, privacy, public library materials, taxes or related spending proposals.

Per Government Code §54953.8.6, the TAC may conduct virtual meetings if LAFCO makes certain findings by majority vote first, and every six months thereafter, and then a majority of TAC members, at an in-person meeting, vote in favor of holding

virtual meetings. If adopted, there will be one designated physical meeting location within the County where members of the TAC, who choose not to participate remotely shall be present and members of the public may physically attend, observe, hear and participate in the meeting. There shall be at least one LAFCO staff member at the physical meeting location during the meeting. The agenda shall be posted at this location.

These findings are as follows:

1. LAFCO has considered the circumstances of the eligible subsidiary body.
2. Teleconference meetings of the eligible subsidiary body would enhance public access to meetings of the eligible subsidiary body, and the public has been made aware of the type of remote participation, including audio-visual or telephonic, that will be made available at a regularly scheduled meeting and has been provided the opportunity to comment at an in-person meeting of the legislative body authorizing the subsidiary body to meet entirely remotely.
3. Teleconference meetings of the eligible subsidiary body would promote the attraction, retention, and diversity of eligible subsidiary body members.

KEY STEPS AND TIMELINE FOR SERVICE REVIEW

The following are the key steps and timeline for completing the project:

- LAFCO retains consultant: March 2026
- Project kickoff and stakeholder/public/community outreach and engagement: March – May
- Development of evaluation criteria: March – April
- Consultant collects data from service providers: April – July
- Service providers validate agency profiles compiled by consultant: June - July
- Consultant analyzes data and prepares preliminary findings: April – August
- Consultant prepares Draft Service Review Report: August – November
- LAFCO releases Draft Report for public review and comment: Mid-December
- Community workshops on Draft Report: Early January 2027
- LAFCO public hearing on Draft Report: February 3, 2027
- LAFCO releases Revised Draft Report for public review and comment: Mid-February
- LAFCO public hearing to adopt Final Report: April 7, 2027
- Publication of Adopted Final Report: Late April 2027

LAFCO staff will continue to provide the Commission with updates as the project progresses.

ATTACHMENT

Attachment A:	Executed Service Agreement Between the Local Agency Formation Commission of Santa Clara and RSG, Inc. for Countywide Water and Wastewater Service Review and Sphere of Influence Updates (signed March 20, 2026)

Docusign Envelope ID: A8B24BDA-086F-4E3C-BCFC-351935E94495

SERVICES AGREEMENT BETWEEN THE LOCAL AGENCY FORMATION COMMISSION OF SANTA CLARA COUNTY AND RSG, INC. FOR COUNTYWIDE WATER AND WASTEWATER SERVICE REVIEW AND SPHERE OF INFLUENCE UPDATES

This Services Agreement ("Agreement") is made effective March 16, 2026 ("Effective Date"), by and between the Local Agency Formation Commission of Santa Clara County ("LAFCO") and RSG, Inc. ("Contractor") to provide consulting services for the development of a countywide service review for water and wastewater services within Santa Clara County and for sphere of influence updates for the special districts providing water and/or wastewater services in Santa Clara County (where Santa Clara LAFCO is the principal LAFCO).

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

WHEREAS, LAFCO needs assistance with the preparation of a countywide service review of water and wastewater services in Santa Clara County; and

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

WHEREAS, at the February 4, 2026 meeting of LAFCO, the Commission delegated authority to the LAFCO Chair to enter an agreement with the most qualified consultant for preparation of the countywide water and wastewater service review;

THEREFORE, the parties agree as follows:

1. Nature of Services.

Contractor will provide to LAFCO the services described in Exhibit A1, Scope of Services, which is attached hereto and incorporated herein by this reference. Contractor shall perform the services in accordance with the project timeline as described in Exhibit A2, which is attached hereto and incorporated herein by this reference.

2. Term of Agreement.

This Agreement is effective from the Effective Date to, and including, December 31, 2027, unless terminated earlier in accordance with Section 4. The parties may, by mutual, written consent, extend the term of this Agreement if necessary to complete the services. Time is of the essence and Contractor shall perform its services in a prompt and timely manner within the term of this Agreement. Delays shall not entitle Contractor to any additional compensation regardless of the party responsible for the delay.

3. Compensation.

A. Contractor will be compensated for services provided under this Agreement in accordance with the rate schedule included in Exhibit A3, which is attached hereto and incorporated herein by this reference. Contractor will complete all the work and tasks described in Exhibit A1 for an amount not to exceed $199,803 ("Contract Price"). Contractor shall be paid based on the rate schedule indicated in Exhibit A3, and the percentage of sub-tasks completed monthly, but compensation and expenses shall not exceed the Contract

Docusign Envelope ID: A8B24BDA-086F-4E3C-BCFC-351935E94495

Price or the individual sub-task amount.

B. Contractor will provide LAFCO with monthly invoices specifying the percentage of completion for each sub-task based on tasks described in Exhibit A1. Contractor shall submit its final invoice to LAFCO within thirty (30) days from the last date of providing services or expiration or termination of this Agreement and failure by the Contractor to submit a timely invoice may constitute a waiver of its right to final payment.

C. Contractor shall deliver the administrative draft report, the draft report addressing staff comments for public review and comment, the revised draft report for public review and comment, and the final report adopted by LAFCO in accordance with the project timeline provided in Exhibit A2. or as otherwise determined by mutual written agreement of the parties. If the foregoing reports are not delivered according to the timeline in Exhibit A2 or as otherwise mutually agreed or if they do not comply with the requirements in the Scope of Services, it is understood, acknowledged and agreed that LAFCO will suffer damage. As fixed and liquidated damages, LAFCO shall withhold from Contractor the payment of the sum of $200 per calendar day for each and every calendar day of delay beyond the date that each report is due in accordance with the timeline in Exhibit A2, or as otherwise mutually agreed.

4. Termination.

A. Termination Without Cause. LAFCO may terminate this Agreement without cause by giving Contractor ten (10) days written notice. Contractor may terminate this Agreement without cause, if approved by the Executive Officer in consultation with LAFCO Counsel, in her or his sole and absolute discretion, by giving LAFCO ten (10) days written notice.

B. Termination for Cause. LAFCO may terminate this Agreement for cause upon ten (10) days written notice to Contractor. For purposes of this Agreement, cause includes, but is not limited to, any of the following: (1) material breach of this Agreement by Contractor, (b) violation by Contractor of any applicable laws, (c) assignment by Contractor of this Agreement without the written consent of LAFCO pursuant to Section 13, or (d) failure to provide services in a satisfactory manner. The termination notice shall specify the reason for termination and shall indicate the effective date of such termination.

C. In the event of termination with or without cause, Contractor will deliver to LAFCO copies of all Documents & Data whether complete or incomplete, and upon receipt thereof, Contractor will be compensated based on the completion of services provided prior to termination, as solely and reasonably determined by LAFCO. Contractor shall not be entitled to payment for unperformed services, and shall not be entitled to damages or compensation for termination of the Agreement.

5. Project Managers; Substitution

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

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

C. Contractor may not substitute anyone to replace Jim Simon to serve as Project

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Manager without the written permission and the sole discretion of the LAFCO Executive Officer or their authorized representative. Any such substitution shall be with a person or firm of commensurate experience and knowledge necessary for the tasks to be undertaken.

6. Conflicts of Interest.

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

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

7. Indemnification/Insurance.

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

8. Accessibility Compliance (Web/Digital Content)

Contractor shall ensure that any website, web content, mobile application content, and electronic documents, including PDF, Word, spreadsheet, and presentation files, provided to or for LAFCO under this Agreement comply with applicable ADA Title II accessibility requirements, including WCAG 2.1, Level AA as may be amended or superseded by applicable law. Contractor shall, at its sole cost, promptly remediate any non-compliant content upon notice from LAFCO. If Contractor fails to timely remediate, LAFCO may perform or obtain remediation, and Contractor shall reimburse LAFCO for LAFCO's reasonable remediation costs. Contractor shall provide reasonable documentation of accessibility compliance upon LAFCO's request.

9. Compliance with all Laws; Standard of Care.

Contractor shall, during the term of this Agreement, comply with all applicable federal, state, and local rules, regulations, and laws. Contractor's services will be performed in accordance with generally accepted professional practices and principles and in a manner consistent with the level of care and skill ordinarily exercised by members of the profession currently practicing under similar conditions.

10. Maintenance of Records.

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

11. Nondiscrimination.

Contractor will comply with all applicable federal, state, and local laws and regulations including Santa Clara County's equal opportunity requirements. Such laws include but are not limited to the following: Title VII of the Civil Rights Act of 1964 as amended; Americans with Disabilities Act of 1990; The Rehabilitation Act of 1973 (Sections

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503 and 504); California Fair Employment and Housing Act (Government Code sections 12900 et seq.); California Labor Code sections 1101 and 1102. Contractor will not discriminate against any subcontractor, employee, or applicant for employment because of age, race, color, national origin, ancestry, religion, sex/gender, sexual orientation, mental disability, physical disability, medical condition, political beliefs, organizational affiliations, or marital status in the recruitment, selection for training including apprenticeship, hiring, employment, utilization, promotion, layoff, rates of pay or other forms of compensation. Nor will Contractor discriminate in providing services under this Agreement because of age, race, color, national origin, ancestry, religion, sex/gender, sexual orientation, mental disability, physical disability, medical condition, political beliefs, organizational affiliations, or marital status.

12. Notices.

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

To Contractor: RSG, Inc.
Attn. Jim Simon, Principal
170 Eucalyptus Ave., Suite 200
Vista, CA 92084

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

13. Governing Law.

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

14. Assignment.

Contractor has been selected to perform services under this Agreement based upon the qualifications and experience of Contractor's personnel. Contractor may not assign, sublet, or transfer this Agreement or any rights or obligations hereunder without the specific written consent of LAFCO, which may be withheld for any reason. Any attempted assignment or subcontract without prior written consent will be null and void and will be cause, in LAFCO's sole and absolute discretion, for immediate termination of the Agreement. Subcontracts, if any, shall contain a provision making them subject to all provisions stipulated in this Agreement.

15. Relationships of Parties; Independent Contractor.

Contractor will perform all work and services described herein as an independent contractor and not as an officer, agent, servant or employee of LAFCO. None of the

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provisions of this Agreement is intended to create, nor shall be deemed or construed to create, any relationship between the parties other than that of independent parties contracting with each other for purpose of effecting the provisions of this Agreement. The parties are not, and will not be construed to be in a relationship of joint venture, partnership or employer-employee. Neither party has the authority to make any statements, representations or commitments of any kind on behalf of the other party, or to use the name of the other party in any publications or advertisements, except with the written consent of the other party or as is explicitly provided herein. Contractor will be solely responsible for the acts and omissions of its officers, agents, employees, contractors, and subcontractors, if any. LAFCO reserves its right to employ other consultants, in connection with this project or other projects. Nothing in this Agreement shall be construed to give any rights or benefits to anyone other than LAFCO and the Contractor.

16. Entire Agreement.

This document represents the entire Agreement between the parties with respect to the subject matter hereof and supersedes and cancels any prior or contemporaneous oral or written understanding, promises or representations with respect to those matters covered hereunder. Each party acknowledges that no representations, inducements, promises or agreements have been made by any person which are not incorporated herein, and that any other agreements shall be void. This is an integrated Agreement.

17. Amendments.

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

18. Counterparts; Authority.

This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument. The persons executing this Agreement on behalf of the parties hereto warrant that they are duly authorized to execute this Agreement on behalf of said parties and that by doing so, the parties hereto are formally bound to the provisions of this Agreement.

19. Severability.

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

20. Waiver.

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

21. Ownership of Materials and Confidentiality.

A. Documents & Data; Licensing of Intellectual Property. This Agreement creates a non-exclusive and perpetual license for LAFCO to copy, use, modify, reuse, or sublicense any and all copyrights, designs, and other intellectual property embodied in

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

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

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

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SIGNATURE PAGE FOR SERVICES AGREEMENT BETWEEN THE LOCAL AGENCY FORMATION COMMISSION OF SANTA CLARA COUNTY AND RSG, INC. FOR COUNTYWIDE WATER AND WASTEWATER SERVICE REVIEW AND SPHERE OF INFLUENCE UPDATES

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

LAFCO

DocuSigned by:
Rosemary Kamei
F33AEF9C84CC498...
Rosemary Kamei, LAFCO Chair
Santa Clara LAFCO
Date: 3/20/2026

Contractor

DocuSigned by:
Jim Simon
A808F5196B2C4D0...
Jim Simon, Principal
RSG, Inc.
Date: 3/19/2026

APPROVED AS TO FORM:

Signed by:
Malathy Subramanian
0BF2DA8CFE254DA...
Malathy Subramanian, LAFCO Counsel

Exhibits to this Agreement:
Exhibit A1 - Scope of Services
Exhibit A2 - Project Timeline
Exhibit A3 - Rate Schedule
Exhibit B - Indemnification and Insurance

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Exhibit A1
Scope of Work – Water and Wastewater MSR and SOI Update
Santa Clara LAFCO / RSG, Inc

Task 1: Project Initiation – Kickoff Meeting

Assuming an early March 2026 start, RSG will begin this project with a virtual kickoff meeting with LAFCO staff. Prior to the kickoff, RSG will review the previous municipal service reviews ("MSRs") involving the agencies. During the kickoff meeting, RSG and LAFCO staff will discuss pertinent issues and determinations in the prior MSRs and any other relevant issues LAFCO staff and/or RSG have identified.

The kickoff meeting is the opportunity to review and discuss the scope of work, define project objectives and outcomes, discuss the scope of the survey instrument, assign roles and responsibilities, define communication frequency and platform, exchange contact information for data collection (such as GIS data providers), and discuss the project schedule. If the Santa Clara County LAFCO EO has specific topics for any given agency these should be presented to the RSG team at the kickoff meeting. Additional items for discussion during the kickoff meeting include the draft introductory letter.

RSG will request GIS files from LAFCO staff or the appropriate County department and compile GIS layers into a mapping tool that will be used during the interview stage to discuss potential consolidations, SOI amendments, boundary changes, or physical and geographic constraints to future consolidations and SOI amendments. RSG understands that the MSR will not produce specific SOI changes, but they may be pursued by LAFCO once the MSR is adopted.

Task 2: Stakeholder / Public / Community Engagement and Outreach

RSG plans on conducting three virtual meetings with the pre-selected Technical Advisory Committee as well as three hybrid (RSG in person) community workshops once the MSR draft is available for public review.

<u>Community Engagement Plan</u>

For the community workshops to occur during the public review phase, RSG will prepare and seek client input on a public engagement plan that outlines our recommended approach and tactics for engaging the public, which we anticipate may entail efforts to reach different parts of the County in a thoughtful manner.

<u>Technical Assistance Committee (TAC)</u>

TAC meetings have not been scheduled, but RSG is proposing to conduct these (based on our schedule) during month 2 (April 2026), month 4 (June 2026), and month 6 (August 2026) of the work program. We propose locking in these dates early given the probable busy schedules of who we understand are members based on the information in LAFCO's December 3, 2025 staff report. We see the TAC partnering with the RSG team on the selection of key performance indicators, screen data that we have assembled into matrices, and provide input on potential LAFCO findings and recommendations.

RSG is happy to add more TAC meetings at the discretion of the client for an additional fee.

<u>Three Community Workshops – Collecting Input on Water and Wastewater Services</u>

The first round of community workshops would be designed to collect public input from throughout the County on water and wastewater services. RSG proposes to create a presentation deck to introduce the topic of these services and navigate participants through a series of prompts to provide input on their opinons of the quality, cost, and overall effectiveness of these services.

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RSG is proposing to conduct three hybrid public workshops. For budget management, RSG is proposing to conduct the workshops over a 2-day period in three locations selected in collaboration with LAFCO staff.

Task 3: Data Collection – Research, Survey Distribution, Interviews, Data Analysis, Preliminary Findings

Data Sources

The MSR will be prepared for the 27 agencies (and to the extent public information is available, on the private/small water systems), based on information they have prepared in budget, audit, plans, and other policy documents and posted on their website. To the extent feasible, the agencies will be afforded the opportunity to supplement missing information at three milestones during the project schedule: 1) as part of an initial survey prepared by RSG and distributed to all agencies, 2) during agency interviews when they may provide clarifications to data available, and finally 3) when each agency receives a copy of their draft profiles to check the accuracy of data transcribed by RSG from agency records.

While RSG will invite small/private water companies and others involved in the delivery of water and wastewater services to contribute to the MSR, RSG does not expect that they would provide a material amount of data beyond legally required disclosures.

RSG is not responsible for agencies that are not responsive to requests and opportunities for participation in the MSR process. Should agencies provide new or revised data to RSG after each of these milestones, we reserve the right to request a contract amendment to update the MSR. We have included such added in the Optional Services section of the Scope of Work.

Below, we have described the key elements of the data collection phase:

1. **Water Agencies**: from agency websites, compile urban water management plans, last 3 year of financials (ACFR) and budgets, current rate schedule, capital improvement plan, most recent infrastructure master plan, board meeting information and minutes, staffing information, asset database, and organizational chart.
2. **Wastewater Agencies**: similar information as applicable, as well as discharge monitoring reports, sewer system management plans, NPDES permit, and recycled water master plans.

RSG will also incorporate growth forecasts from Plan Bay Area 2050+ into our review. We understand that Plan Bay Area 2050+ growth forecasts largely prioritize growth based on existing zoning and urbanized areas, which should help LAFCO address the protection of sensitive agricultural areas as per CKH. To the extent workable based on available public data, RSG will allocate growth forecasts among the seven Santa Clara County superdistricts to each of the 27 agencies, **and, to the extent data is available, small/private water systems**. We have already started contact with ABAG and MTC on this dataset.

RSG will prepare agency profiles and illustrations of the water and wastewater service provider network and two separate comparative matrices. These matrices will show proximity of providers to each other and key performance indicators (financial and efficiency) to give the Commission and public insight into the strength of operations and capital planning. The matrices will make it easier for parties to see which agencies may need closer attention or future LAFCO action. If time allows, RSG can engage the TAC in the content and structure of these analyses.

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Agency Interviews

Next, RSG will develop a survey instrument which will we distribute electronically to the affected agency prior to the interview process. The survey serves as a tool to introduce the interview topics to the affected agencies as well as a guide to create meaningful discussions around shared services and consolidation, among other topics. The survey instrument would include a template of frequently asked questions to discuss with each agency, augmented by specific questions identified during the initial data collection process..

RSG plans to use a tool like Doodle polls to offer agencies a convenient way to schedule virtual interviews with the RSG team as we receive survey responses. After three attempts to schedule agency interviews through email and telephone communication, RSG would continue with preparation of the MSR; delays in scheduling interviews may compromise the schedule and result in additional charges to the client. RSG is not responsible for ensuring the participation of agencies who do not engage in the MSR process.

RSG will conduct the agency interviews virtually for approximately 60 minutes with an agenda shared approximately 3 days in advance of the interview. Two members of the RSG team, including our Project Manager will participate in the interviews, as well as our water subject matter expert to the extent feasible. RSG is not responsible for requests by the agencies to conduct extended or additional meetings with the RSG team; such costs may be subject to a contract amendment.

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Draft Agency Profiles

Upon completion of the agency interviews (which we hope to complete over the course of approximately 30 days), RSG and our subconsultant will review, interpret, and analyze relevant data sources to develop agency profile drafts. If available, compliance reports, engineering reports and financial data will be reviewed for significant findings and discussed with agency staff during the interview process.

Consistent with LAFCO practices as we understand, RSG plans to circulate to each agency a draft of their agency profile and other data compiled to confirm that we have accurately transcribed information from their records and interviews. Per LAFCO policies, agencies have 21 days from receipt to respond to the draft agency profiles. Should any agency not respond within this timeframe or provide corrected or new information that differs from information we collect from their website or in the interviews, RSG reserves the right to request a contract amendment for such adjustments.

Formulate MSR Findings and Determinations and Discuss with Client

Based on RSG's data collection and analysis, the agency interviews and response to the survey instrument, and our subconsultant's findings, RSG would compile preliminary findings. RSG will distribute preliminary findings, which generally follow the format of MSR determinations to LAFCO staff for review. RSG would look to LAFCO staff for comments and clarification on any outstanding items found in the preliminary findings. RSG plans on a virtual meeting with the client to go over the draft determinations and results of our analysis from the data and interviews.

To the extent possible within the schedule, RSG may share these draft findings, or at least the status of the findings, with the TAC if desired by LAFCO.

Task 4: Administrative Draft MSR – Draft MSR, Client Review, Revisions/Redline Response

Building on RSG's data compilation and analysis, and the anecdotal information collected during the interview stage, and (if necessary or requested) the optional site visit, RSG would develop a single (150-200 page) MSR consisting of two parts, water and wastewater, divided by agency. The MSR will include agency profiles, comparative matrices, boundary and SOI maps, and supporting analysis and illustrations, as well as an executive summary for water and (separately) wastewater services.

Specifically, based on available data collected during Task 3, the MSR will include the following information:

- Agency data summaries, including population, demographic, and land use summaries, as well as staffing and governance summaries.
- Summary and discussion of services provided, including any extraterritorial services provided. General financial information, including historical revenues and expenditures, reserve fund balances and policies, and pension and other post-employment benefit obligations.
- Discussion about the agency's existing boundary, any recent changes, locations of disadvantaged unincorporated communities and islands/pockets, if any, and potential consolidation/reformation opportunities, and sphere of influence amendments. A discussion about recent and planned major capital improvements, including relevant findings identified in any engineering reports.

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These reports will include exhibits and attachments that may include agency provided documents or information from regulatory agencies. The level of detail in the MSR will be from the "30,000 foot" perspective. If the Santa Clara LAFCO EO would like additional review of specific topics not listed above that will require additional time to be added to the budget.

The agency profiles would also include MSR determinations designed to meet the requisite legal requirements under CKH.

RSG would deliver the administrative draft MSR to the client electronically in both PDF and DOCX format shared via OneDrive to LAFCO staff for review and comment. Following LAFCO staff's review, RSG would coordinate a virtual meeting to review and discuss LAFCO staff's comments. RSG would revise the draft MSR by incorporating comments and corrections based on staff comments. The revised administrative draft MSR would then be known as the public hearing draft MSR.

RSG does is not anticipate a separate review of the administrative draft MSR by the TAC, although we do plan on providing them a summary of our findings and recommendations at the third and final meeting to the extent feasible.

Task 5: Public Hearing Draft MSR and Community Workshops

Three Community Workshops

Per LAFCO policy, a public hearing draft MSR is made available at least 21 days prior to the public hearing, during which the Commission expects to see efforts to engage the public. For this proposal, RSG is proposing to conduct three hybrid public workshops based on the RSG will distribute the public review draft MSR to the agencies for review and comment. For budget management, RSG is proposing to conduct the workshops over a 2-day period in three locations selected in collaboration with LAFCO staff. The public workshops will include a presentation by the RSG Principal, who will then facilitate discussion on the facts and recommendations contained in the draft.

Our goal is to make sure the public understands the purpose of the MSR, it's findings, and ultimately what can happen as a result of the MSR approval. We expect that some members of the public may not be familiar with the limited scope of authority LAFCO has to compel agencies to change how they function or govern,

First Commission Public Hearing

RSG would coordinate with LAFCO staff to prepare a public hearing slide deck, to be provided to LAFCO staff prior to the Commission public hearing (PPT and PDF format shared via OneDrive). RSG and LAFCO staff would also work together to coordinate speaking roles and assignments during the public hearing.

Task 6: Final Draft MSR and Commission Meeting – Revisions/Redline Response

RSG will review and compile any comments and revisions received prior to and during the public hearing, and any final comments or corrections by LAFCO staff or the Commission. The revised public hearing draft MSR would then be known as the Final Draft MSR. RSG will provide an electronic PDF copy via OneDrive of the Final Draft MSR to LAFCO staff.

RSG would attend a second public hearing for final draft MSR approval, as needed.

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Optional Tasks

Site Visit (If Necessary or Desired)

As an optional task, RSG and our subconsultant Tom Kennedy have budgeted for a potential 4-day onsite visit that may occur during the data collection phase. The site visit could be necessary if there is insufficient information shared with RSG from the agencies, or simply desired by LAFCO as part of the MSR process. The site visit would entail a complete assessment of agency facilities and operational effectiveness.

Additional TAC Meetings

RSG may conduct more than three meetings with the TAC for an additional cost. We anticipate these would be virtual.

Revisions to Draft Profiles (Due to Late/Missing Information)

If agencies provide information late or updated data from what we can assemble from their websites and public records, RSG reserves the right to request a contract amendment from LAFCO.

Revisions Due to Nonresponsive Agencies

RSG plans to make substantial efforts to invite agencies to engage in the MSR process including participation in interviews. In rare instances, we have experienced situations when agencies do not respond to multiple interview requests or provide responses to surveys, thereby delaying the project and potentially the quality of the MSR. RSG reserves the right to request a contact amendment for nonresponsive agencies.

Revisions after Completion of Draft Public Hearing MSR from Agencies

RSG will afford agencies several opportunities to provide complete and accurate data for the MSR. Most of this information should already be available to the public. If an agency requests LAFCO adjust the MSR for new or missing information they did not provide to RSG during the data collection or interview phase, we reserve the right to request a contract amendment for such unanticipated delays or revisions.

Prepare Governance or Other Recommendations (Outside the Scope of the MSR)

RSG understands that some of the agencies have limited resources and that LAFCO has had questions about their long-term viability to serve the community going back over a decade (since the last MSR) that remain unchanged. If desire, RSG can assist LAFCO outline a specific reorganization plan or options for such agencies for an additional fee.

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Exhibit A1

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 special districts that provide water and/or wastewater services in Santa Clara County (where Santa Clara LAFCO is the principal LAFCO).

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.

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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)

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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 several non-contiguous unincorporated areas)
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)

<u>Private Water Companies</u>

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)

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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 the cities and special districts that provide water and/or wastewater services (where Santa Clara LAFCO is the Principal LAFCO) 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 water and/or wastewater services (where Santa Clara LAFCO is the Principal LAFCO) and prepare a written statement of determination for each district as required by Government Code §56425

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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 Division of Drinking Water (DDW) staff have identified many small water systems in south Santa Clara County that experience technical, managerial, and financial difficulties from time to time. 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.); water availability during multi-year droughts, capacity of water systems to fight wildfires (i.e. water supply, flow rate, hydrants, 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). It is expected that the service review will begin in **March/April 2026** and be conducted over the next 12 months or so. 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 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.

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- 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.

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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.

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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.

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Exhibit A2 - Project Timeline (Page 1 of 2)
Countywide Water and Wastewater Service Review

		Project Activities & Tasks	Participants																								
1		**Project Kick-Off**		3/16	3/23	3/30	4/6	4/13	4/20	4/27	5/4	5/11	5/18	5/25	6/1	6/8	6/15	6/22	6/29	7/6	7/13	7/20	7/27	8/3	8/10	8/17	8/24	8/31
	1.1	Full execution of the agreement (Date TBD)	Staff/RSG																									
	1.2	Preliminary Scoping & Coordination Meeting	Staff/RSG																									
	1.3	Notify TAC, agencies and public announcing consultant and service review webpage	Staff																									
	1.4	Prepare Public Engagement Plan for LAFCO staff review	RSG																									
2		**Criteria Development, Data Collection and Validation and Public Engagement**		3/16	3/23	3/30	4/6	4/13	4/20	4/27	5/4	5/11	5/18	5/25	6/1	6/8	6/15	6/22	6/29	7/6	7/13	7/20	7/27	8/3	8/10	8/17	8/24	8/31
	2.1A	Identify appropriate criteria to be used to conduct the service review and review with LAFCO staff	Staff/RSG																									
	2.1B	Develop outline for report, and review with LAFCO staff	RSG																									
	2.1C	Gather data, develop data request for agencies based on criteria and service review evaluation categories and review with LAFCO staff	RSG																									
	2.3	Kick-Off meeting w/ TAC: introductions, review criteria, data request, and Public Engagement Plan (TAC Mtg #1: Date TBD)	TAC/Staff/RSG																									
	2.4	Kick-Off Meeting with agencies to discuss data request and process. Send out data requests	Staff/RSG																									
	2.5	Deadline for agencies to send data requested	RSG																									
	2.6	Interviews and follow-up with agencies to clarify data	RSG																									
	2.7	TAC Mtg. #2 Update on profiles, other issues etc. (Date TBD: as needed)	Staff/RSG																									
	2.8A	Prepare Agency Profiles and maps and provide to LAFCO staff for their review	Staff/RSG																									
	2.8B	Provide each Agency their Profile and map for final verification	RSG																									
	2.9A	Conduct public engagement activities including meetings, survey, etc., per plan	Staff/RSG																									
	2.9B	Prepare and provide summary memos of public input received	Staff/RSG																									
3		**Data Analysis**		3/16	3/23	3/30	4/6	4/13	4/20	4/27	5/4	5/11	5/18	5/25	6/1	6/8	6/15	6/22	6/29	7/6	7/13	7/20	7/27	8/3	8/10	8/17	8/24	8/31
	3.1	Analyze data and prepare preliminary findings	RSG																									
	3.2	Deliver preliminary analysis and findings to LAFCO staff	RSG																									
	3.3	Present and discuss findings with LAFCO staff	Staff/RSG																									
	3.4	Present preliminary findings to TAC (TAC Mtg. #3-Date TBD)	TAC/Staff/RSG																									

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Exhibit A2 - Project Timeline (Page 2 of 2)

Countywide Water and Wastewater Service Review

	Project Activities & Tasks	Participants	8/17	8/24	8/31	9/7	9/14	9/21	9/28	10/5	10/12	10/19	10/26	11/2	11/9	11/16	11/23	11/30	12/7	12/14	12/21	12/28	1/4	1/11	1/18	1/25	2/1	2/8	2/15	2/22	3/1	3/8	3/15	3/22	3/29	4/5	4/12
4	**Administrative Draft Service Review Report**																																				
4.1	Prepare Administrative Draft Report and submit to LAFCO staff for review	RSG																																			
4.2	LAFCO staff review and comment on the Administrative Draft Report	Staff																																			
5	**Draft Service Review Report, Community Workshops, and LAFCO Public Hearing**		8/17	8/24	8/31	9/7	9/14	9/21	9/28	10/5	10/12	10/19	10/26	11/2	11/9	11/16	11/23	11/30	12/7	12/14	12/21	12/28	1/4	1/11	1/18	1/25	2/1	2/8	2/15	2/22	3/1	3/8	3/15	3/22	3/29	4/5	4/12
5.1	Review and address LAFCO staff's comments and prepare a Draft Service Review Report	RSG																																			
5.2	Distribute Draft Service Review Report for 21-day public review and comment period	Staff																																			
5.3	Conduct public workshops to present Draft Report	Staff/RSG																																			
5.4	Prepare and provide summary memos of input received at each workshop to LAFCO staff	RSG																																			
5.5	Compile written comments and provide written responses to public review period comments, to LAFCO staff	RSG																																			
5.6	LAFCO Staff Report w/ Responses to public comments (----)	Staff																																			
5.7	LAFCO Public Hearing (February 3, 2027) to present Draft Report and accept comments	RSG																																			
5.8	TAC Mtg. #4-As Needed	TAC/Staff/RSG																																			
6	**Revised Draft Report and LAFCO Public Hearing**		8/17	8/24	8/31	9/7	9/14	9/21	9/28	10/5	10/12	10/19	10/26	11/2	11/9	11/16	11/23	11/30	12/7	12/14	12/21	12/28	1/4	1/11	1/18	1/25	2/1	2/8	2/15	2/22	3/1	3/8	3/15	3/22	3/29	4/5	4/12
6.1	Revise and submit Revised Draft Report to LAFCO staff	RSG																																			
6.2	Distribute Revised Draft Report for 21-day public review and comment period	Staff																																			
6.3	Compile written comments received and provide written responses to public review period comments to LAFCO staff	RSG																																			
6.4	LAFCO Staff Report w/ Responses to public comments	Staff																																			
6.5	Present Revised Draft Report at LAFCO Public Hearing (April 7, 2027)	RSG																																			
7	**Final Service Review Report**		8/17	8/24	8/31	9/7	9/14	9/21	9/28	10/5	10/12	10/19	10/26	11/2	11/9	11/16	11/23	11/30	12/7	12/14	12/21	12/28	1/4	1/11	1/18	1/25	2/1	2/8	2/15	2/22	3/1	3/8	3/15	3/22	3/29	4/5	4/12
7.1	Prepare Final Service Review Report	RSG																																			

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Exhibit A3
RSG Billing Rates – Water and Wastewater MSR and SOI Update
Santa Clara LAFCO / RSG, Inc

RSG would bill for these services based on the fee schedule and billing policies below.

RSG, Inc.		**Kennedy Water Consulting, LLC**	
Principal	$ 305	Principal	$275
Director	$ 295		
Senior Associate	$ 250		
Associate	$ 205		
Senior Analyst	$ 185		
Analyst	$ 170		
Research Assistant	$ 145		

RSG does not charge clients for travel or mileage (except direct costs related to field work/surveys), parking, standard telephone/fax expenses, general postage, or incidental copies. However, we do charge for messenger services and overnight shipping/express mail costs. We also charge for copies of reports, documents, notices, and support material in excess of five copies. We bill reimbursable costs at the actual expense plus a 10% surcharge.

RSG issues monthly invoices payable upon receipt, unless otherwise agreed upon in advance. Invoices identify tasks completed to date, hours expended, and the hourly rate.

Exhibit A3

Scope of Services
Water and Wastewater Municipal Services Review
Santa Clara LAFCO (December 2025)

		Task Hours & Billing Rate						Reimb.	Total Not to Exceed
		Principal 305	Associate 205	Sr. Analyst 185	Analyst 170	Res. Asst. 145	Total Hrs		
Task 1	**Project Initiation and Kickoff**	**2**	**5**	**6**	**2**	**6**	**21**	**$ 2,000**	**$ 5,955**
Task 1.1	Virtual kickoff: review agencies, past determinations, issues, & schedules	2	5	6	2	2	17	-	3,375
Task 1.2	Obtain boundary, SOI and DUCs maps from LAFCO	-	-	-	-	4	4	-	580
Task 1.3	Subconsultant: Kennedy Water Consulting LLC	-	-	-	-	-	-	2,000	2,000
Task 2	**Stakeholder / Public / Community Engagement and Outreach**	**19**	**13**	**14**	**11**	**9**	**65**	**$ -**	**$ 13,988**
Task 2.1	Prepare and seek client input on public engagement plan	2	1	2	6	-	11	-	2,205
Task 2.2	Coordinate and facilitate 3 hybrid Community Workshops (one week/2 full days)	12	-	-	5	5	21	-	5,078
Task 2.3	Coordinate and facilitate virtual Technical Advisory Committee (1)	2	4	4	-	2	11	-	2,235
Task 2.4	Coordinate and facilitate virtual Technical Advisory Committee (2)	2	4	4	-	2	11	-	2,235
Task 2.5	Coordinate and facilitate virtual Technical Advisory Committee (3)	2	4	4	-	2	11	-	2,235
Task 3	**Data Collection, Research, Survey, Interviews, Analysis and Preliminary Findings**	**16**	**84**	**77**	**123**	**105**	**405**	**$ 25,500**	**$ 97,888**
Task 3.1	Pull data/reports from agency websites, identify missing pieces	2	12	2	2	24	42	-	7,260
Task 3.2	Prepare and populate table and profile templates, identify missing data	2	8	8	-	10	28	-	5,180
Task 3.3	Prepare introductory email from LAFCO, prepare/transmit surveys, Doodle poll	-	-	3	-	10	13	-	2,005
Task 3.4	Conduct agency interviews (27 agencies)	4	41	41	54	-	140	-	26,298
Task 3.5	Outreach to other service providers (if/as needed)	4	15	10	6	-	35	-	7,165
Task 3.6	Draft profiles and matrices with available information; route to agencies	1	8	8	54	54	125	-	20,435
Task 3.7	Revise agency profiles based on feedback, draft findings and maps	2	-	4	6	6	18	-	3,240
Task 3.8	Discuss preliminary findings and determinations with client	1	-	1	1	1	4	-	805
Task 3.9	Subconsultant: Kennedy Water Consulting LLC	-	-	-	-	-	-	25,500	25,500
Task 4	**Administrative Draft MSR**	**14**	**22**	**80**	**85**	**54**	**255**	**$ 7,500**	**$ 53,360**
Task 4.1	Prepare MSR template	4	10	8	4	-	26	-	5,430
Task 4.1	Draft MSR for each agency, including water and wastewater service summary	8	10	70	81	54	223	-	39,040
Task 4.2	Transmit draft to client, conduct virtual client meeting, to collect comments	2	2	2	-	-	6	-	1,390
Task 4.3	Subconsultant: Kennedy Water Consulting LLC	-	-	-	-	-	-	7,500	7,500
Task 5	**Public Hearing Draft Service Review, Including Workshops**	**16**	**13**	**23**	**29**	**15**	**95**	**$ 3,500**	**$ 22,248**
Task 5.1	Prepare and transmit public hearing MSR after client review	-	10	20	10	10	50	-	8,900
Task 5.2	Coordinate and facilitate 3 hybrid Community Workshops (one week/2 full days)	12	-	-	5	5	21	-	5,078
Task 5.3	Prepare public hearing presentation	-	3	3	10	-	16	-	2,870
Task 5.4	Present MSR at Commission public hearing	4	-	-	4	-	8	-	1,900
Task 5.5	Subconsultant: Kennedy Water Consulting LLC	-	-	-	-	-	-	3,500	3,500
Task 6	**Final Draft MSR and Commission Meetings**	**5**	**10**	**8**	**6**	**2**	**31**	**$ -**	**$ 6,365**
Task 6.1	Make revisions to public hearing draft MSR as warranted	1	10	8	2	2	23	-	4,465
Task 6.2	Attend Commission meeting for final approval (if not adopted at hearing)	4	-	-	4	-	8	-	1,900
Task 7	**Optional Services**	**50**	**8**	**82**	**100**	**2**	**241**	**$ 21,500**	**$ 70,625**
Task 7.1	Four days on site to visit various facilities of agencies (optional)	-	-	-	32	-	32	11,500	16,940
Task 7.2	Additional TAC Meeting (if necessary)	2	-	4	-	2	7	-	1,415
Task 7.3	Additional revisions to draft profiles due to late/new information from agencies	10	-	16	16	-	42	5,000	13,730
Task 7.4	Additional work with nonresponsive agencies lacking required information	18	-	36	36	-	90	-	18,270
Task 7.5	Additional revisions to MSR due to late/new information from agencies	10	-	16	16	-	42	5,000	13,730
Task 7.6	Prepare governance/other recommendations beyond scope of MSR	10	8	10	-	-	28	-	6,540
GRAND TOTAL BUDGET		**121**	**155**	**290**	**355**	**192**	**1,113**	**$ 60,000**	**$ 270,428**
without Optional Services		***72***	***147***	***208***	***255***	***191***	***872***	***$ 38,500***	***$ 199,803***

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INSURANCE REQUIREMENTS FOR STANDARD SERVICE CONTRACTS ABOVE $100,000

Indemnity

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

Insurance

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

A. Evidence of Coverage

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

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

B. Qualifying Insurers

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

C. Notice of Cancellation

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

D. Insurance Required

1. Commercial General Liability Insurance

Coverage at least as broad as Insurance Services Office ("ISO") Form CG 00 01 covering commercial general liability on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal and advertising injury with limits no less than $2,000,000.00 per occurrence. If a

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

2. Automobile Liability Insurance

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

3. Workers' Compensation and Employer's Liability Insurance

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

E. Special Provisions

The following provisions shall apply to this Agreement:

1. The foregoing requirements as to the types and limits of insurance coverage to be maintained by the Contractor and any approval of said insurance by the LAFCO Executive Officer or insurance consultant(s) are not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by the Contractor pursuant to this Agreement, including but not limited to the provisions concerning indemnification.
2. LAFCO acknowledges that some insurance requirements contained in this Agreement may be fulfilled by self-insurance on the part of the Contractor. However, this shall not in any way limit liabilities assumed by the Contractor under this Agreement. Any self-insurance shall be approved in writing by LAFCO upon satisfactory evidence of financial capacity. Contractors obligation hereunder may be satisfied in whole or in part by adequately funded self-insurance programs or self-insurance retentions.
3. Contractor's general liability and automobile liability policies shall be endorsed to (1) be primary and shall not seek contribution from the LAFCO's coverage and (2) add LAFCO and its officers, officials, employees, and agents as additional insureds under such policies using Insurance Services Office form CG 20 10 and CG 20 37 (or equivalent) on the general liability policy.
4. Contractor hereby grants to LAFCO a waiver of any right to subrogation which any insurer of said Contractor may acquire against the LAFCO by virtue of the payment of any loss under such insurance. Contractor agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation from its insurers, but this provision applies regardless of whether or not the LAFCO has received a waiver of subrogation endorsement from the insurer. The Workers' Compensation Policy shall be endorsed with a waiver of subrogation in favor of the LAFCO for all work performed by Contractor, its employees, agents and subcontractors.
5. Should any of the work under this Agreement be sublet, the Contractor shall require each of its subcontractors of any tier to carry the aforementioned coverages, or Contractor may insure subcontractors under its own policies.

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

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

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

ITEM # 7

SANTA CLARA LAFCO

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
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Terry Trumbull
Mark Turner

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

Executive Officer
Neelima Palacherla

LAFCO MEETING: **April 1, 2026**

TO: **LAFCO**

FROM: **Neelima Palacherla, Executive Officer**
Emmanuel Abello, LAFCO Analyst

SUBJECT: **WEBSITE UPGRADE, PDF WEB CONTENT ACCESSIBILITY COMPLIANCE, AND APPROVAL OF AGREEMENT WITH CIVICPLUS, LLC FOR ACCESSIBLE DOCUMENT SERVICE**

STAFF RECOMMENDATION

Approve the Accessible Document Service Agreement (DocAccess accessibility solution) with CivicPlus, LLC, and authorize the Executive Officer to sign the service agreement and execute any necessary amendments subject to LAFCO Counsel's review and approval.

BACKGROUND

On April 24, 2024, the U.S. Department of Justice added new rules (Web Content Accessibility Guidelines (WCAG) 2.1 Level AA) to the regulations under Title II of the Americans with Disabilities Act (ADA). Effective April 24, 2026, these rules set a minimum compliance standard for the accessibility of web content and mobile applications that local governments make available to the public. Compliance with this standard will make web content more accessible to a wider range of people with disabilities, including those with blindness and low vision, deafness and hearing loss, limited movement, speech disabilities, photosensitivity, and combinations of these, and some accommodation for learning disabilities and cognitive limitations.

LAFCO WEBSITE UPGRADE AND ACCESSIBILITY COMPLIANCE

At its February 4, 2026 meeting, the commission authorized the Executive Officer to engage the services of Covive LLC to upgrade the LAFCO website's content management platform from Drupal 7 to 11, and to implement necessary improvements to ensure that the website meets WCAG 2.1, Level AA requirements.

Covive, LLC completed the website upgrade to Drupal 11, and reported on March 16, that an accessibility scan of the website using AccessibilityChecker.org yielded a score of 100%, confirming that the LAFCO website pages are complaint with WCAG 2.1 Level AA requirements.

PDF WEB CONTENT ACCESSIBILITY COMPLIANCE

As previously reported, the website accessibility work completed by Covive excludes accessibility of the PDF documents posted on the LAFCO website. The LAFCO website contains 691 PDF files with approximately 30,000 pages. The PDF documents include LAFCO meeting agenda packets, minutes, service review reports, financial audits, annual reports and various other reference materials and maps. Per LAFCO Counsel advice, some of these documents such as old agenda packets may fall within the definition of archived web content and could be exempt from the accessibility requirements. However, many of the PDF documents are important reference material for local agencies, communities, and the general public and it would be beneficial to make them accessible and compliant with the new WCAG 2.1 Level AA requirements.

LAFCO staff has attended County training on this new accessibility requirement, and has contacted other public agencies including the County, other LAFCOs and VTA, to better understand how best to meet the accessibility compliance requirements for PDF documents. Staff also contacted various vendors (for licensed software and for outsourcing remediation) to learn more about and assess if their PDF accessibility/remediation services are suited to LAFCO's needs.

Agreement with CIVICPLUS, LLC for Accessible Document Service

Based on this research, and given the volume of PDFs on the LAFCO website, limited availability of LAFCO staff resources for the time/labor intensive manual remediation, high cost of outsourced remediation services, and the fast approaching compliance deadline, staff recommends that LAFCO subscribe to DocAccess by CivicPlus, LLC – a cloud based solution that instantly transforms PDF documents into a fully WCAG 2.1 AA-compliant HTML format. Some of the unique features of the service include:

- Allows quick installation of software onto the website and is operational within 24-48 hours of installation
- Automatically creates accessible versions of the PDFs without need for manual processing or remediation, while original files remain unaltered
- All current and future documents on the website are made available in an accessible format ensuring ongoing compliance
- Allows users to search within documents and translate documents into 150+ languages
- Integrates with websites without the need for custom development or infrastructure changes

Staff has not found other comparable alternative vendors/solutions that offer all the above features and that can batch process, remediate and publish accessible versions of PDF documents at the speed and volume required without a need for manual intervention. Other solutions would require dedication of significant LAFCO staff time, and/or expensive outsourced manual remediation services.

DocAccess is a subscription service with charges based on the number of PDF pages. The rate for Santa Clara LAFCO's PDF volume is $14,000 annually or $1,200 /month. The service

agreement also offers complimentary service until the beginning of FY 2027. The LAFCO budget for FY 2027 would include sufficient funds to cover these costs.

Since DocAccess is an annual subscription service, staff will monitor changes to the PDF accessibility compliance ecosystem for future technology and competitive pricing and will recommend changes to the Commission as necessary.

See **Attachment A** for the Accessible Document Service Agreement with CivicPlus. LLC.

OTHER ACCESSIBILITY IMPLEMENTATION ACTIVITIES

Requirements for Applicable Contracts Documents

A standard contract term will be included in all applicable LAFCO service agreements requiring that all web content and digital documents provided to LAFCO under the service agreement comply with applicable ADA Title II accessibility requirements, including WCAG 2.1, Level AA.

Training for Creating Accessible Documents

The LAFCO Analyst and LAFCO Clerk, both with responsibilities for publishing and managing content on the LAFCO website, have completed County training on digital accessibility.

Going forward, LAFCO staff will undertake training on how to follow accessibility standards and incorporate accessibility practices when creating digital content in various formats including in Word, Excel, PowerPoint and PDF. Following which, staff will create templates for commonly used documents to ensure that accessibility features are built into original documents.

ATTACHMENTS

Attachment A: Accessible Document Service Agreement with CivicPlus. LLC

ITEM # 7
Attachment A

Accessible Document Service Proposal

Transform Your PDFs into Fully Accessible, Searchable, and Translatable Documents

PREPARED FOR

Neelima Palacherla

Executive Officer

Santa Clara Local Agency Formation Commission

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PREPARED BY

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Account Executive

DocAccess by CivicPlus

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Executive Summary

Santa Clara Local Agency Formation Commission faces a critical deadline for PDF accessibility compliance. After analyzing **815** links across its web properties, the DocAccess tool discovered at least **691** documents containing approximately **30,000** pages. With this agreement, DocAccess will ensure **30,000 pages on santaclaralafco.org** are served in an accessible format.

DocAccess offers an immediate, cost-effective solution at just $14,400/year — that's **93%** less than traditional remediation in the first year alone, with instant deployment and ongoing compliance.

The Accessibility Challenge

Under the Americans with Disabilities Act (ADA) and recent Department of Justice guidelines, all public-facing digital content must be accessible to people with disabilities. This includes:

- ✓ Meeting WCAG 2.1 AA standards for all PDF documents
- ✓ Providing equal access to information for all users
- ✓ Avoiding costly lawsuits and compliance penalties
- ✓ Serving your community's **15-20%** of residents with disabilities
- ✓ **According to the U.S. Census Bureau's American Community Survey (ACS), a majority of Santa Clara County residents speak a language other than English at home (well over 50%), with large Spanish, Chinese, Vietnamese, Tagalog, and other Asian language communities. Given this high linguistic diversity in the Santa Clara County/San Jose area, providing translated access to LAFCO documents would significantly improve accessibility for residents who are limited English proficient.**

The DocAccess Solution

DocAccess transforms your existing PDFs into fully accessible documents without changing your files or website structure. Our cloud-based solution provides:

Instant Accessibility

Automatic conversion to screen-reader compatible HTML with proper semantic structure and WCAG 2.1 AA compliance.

250 Language Translation

Real-time translation powered by Google Translate, prioritizing languages spoken in your service area.

AI-Powered Search & Q&A

Users can search within documents and ask questions in plain language, getting instant answers in their preferred language.

Live Visual Interpretation

24/7 access to professional interpreters via Aira for users who need additional assistance - included at no extra cost.

📱 Mobile Optimization

Responsive design ensures perfect viewing on all devices, from smartphones to desktop computers.

🎨 Smart Image Description

AI-generated comprehensive alt-text for all images, charts, maps, and diagrams following WCAG best practices.

⚖️ Standards & Laws We Help You Meet

🏛️ ADA Title II & III

Compliance with Americans with Disabilities Act requirements for public entities and places of public accommodation.

📋 Section 508

Federal accessibility standard required for all federal agencies and contractors.

🌐 WCAG 2.1 AA

International Web Content Accessibility Guidelines—the gold standard for digital accessibility.

📄 PDF/UA (ISO 14289)

We test your documents against the International standard for universally accessible PDF documents.

✅ Every Plan Includes

- ✓ **Unlimited document views** — No per-view charges, ever
- ✓ **Automatic new document processing** — New PDFs are processed as they're published
- ✓ **250 language translation** — Real-time translation powered by Google Translate

- ✓ **AI-powered Q&A** — Users can ask questions about document content in plain language
- ✓ **Live visual interpretation** — 24/7 Aira access for users who need additional assistance
- ✓ **Compliance dashboard** — Monitor your accessibility status in real-time
- ✓ **No setup fees** — Simple installation, no hidden costs

💰 Why Not Traditional Remediation?

❌ Traditional PDF Remediation

- $7-15+ per page, one-time
- 20+ minutes of staff time per page
- Requires reprocessing when documents update
- No translation or search functionality
- You own the compliance burden forever

✅ DocAccess Solution

- Predictable annual pricing
- Instant processing—no staff time required
- Automatically handles document updates
- Includes translation, search, and Q&A
- We handle compliance—you focus on your mission

Technical Excellence & Compliance

DocAccess is built on industry-leading standards and partnerships:

- ✓ Testing PDFs for WCAG 2.1 AA and PDF/UA compliance verified by VeraPDF validation
- ✓ Section 508 and ADA Title II & III compliance
- ✓ ISO 14289 (PDF/UA) standard adherence
- ✓ Tested with all major screen readers (JAWS, NVDA, VoiceOver)
- ✓ Regular audits by accessibility experts
- ✓ Continuous improvement through user and community feedback

Simple Implementation Process

1. **Quick Installation (15 minutes)**
   Add one line of code to your website - similar to Google Analytics. Works with any CMS or platform.

2. **Automatic Processing (24 hours)**
   DocAccess scans and processes all your PDFs, creating accessible versions without touching your original files.

3. **Go Live & Stay Compliant**
   Your PDFs are now served in an accessible, translatable, and mobile-friendly format. New documents are processed automatically. Full dashboard for monitoring.

Investment & Value

Recommended Plan: Page-Based

$14,400/year

For **30,000 pages on santaclaralafco.org**

What's Included:

- ✓ Unlimited document views and downloads
- ✓ Automatic processing of new documents
- ✓ All accessibility features (translation, Q&A, live assistance)
- ✓ Compliance monitoring dashboard

- ✓ Regular accuracy reviews by experts
- ✓ No setup fees or hidden costs

Frequently Asked Questions

Do I need to remediate my existing PDFs?

No. DocAccess creates WCAG 2.1 AA compliant HTML formats that are the gold standard for ADA requirements. Your original PDFs remain unchanged as an alternative format for printing.

How quickly can we be compliant?

Most organizations are fully operational within 24-48 hours of installing the DocAccess code. Complex documents may take slightly longer for our quality review process.

What about documents on external sites we link to?

DocAccess uniquely handles external PDFs you link to, ensuring your users have an accessible experience even with third-party documents.

Is this solution legally compliant?

DocAccess meets all federal ADA requirements and state-specific regulations for accessible document creation. No customer using DocAccess has paid even a dollar for any ADA lawsuit, claim, or fine related to its documents. If you encounter an issue, contact us immediately so we can assist you with our unlimited accessibility and legal support program.

Service Agreement

This Software as a Service Agreement ("Agreement") is entered into on **March 4, 2026**, between CivicPlus, LLC ("Provider") and **Santa Clara Local Agency Formation Commission** ("Customer").

Services Provided

DocAccess is a subscription-based accessibility solution that includes:

- Automated document accessibility compliance
- Real-time translation to 250 languages
- AI-powered search and Q&A functionality
- 24/7 live visual interpretation services
- Compliance monitoring and reporting

Subscription

- **Page-Based** Plan - **30,000 pages on santaclaralafco.org**

Terms

- **Fee: $14,400 per year**
- **Contract Term: Mar 4, 2026 - Mar 3, 2027 - 5% annual uplift starting Year 2**
- **Payment Schedule: Every year, beginning the contract start date**
- **Payment Terms: Net 45**
- **Renewal Procedure:** Automatic one-year renewal term, unless 60 days notice provided prior to renewal date
- **Room to Grow:** Customer page capacity increases by 10% each month (**3,000** pages) to allow Customer to publish more documents. Customer may upgrade for additional pages anytime, with prorated billing on next invoice.

Example Payment Schedule

Invoice	Dates of Service	Rate	Amount
Complimentary Service	3/4/2026 - 6/30/2026	Free	$0
First Invoice	7/1/2026 - 6/30/2027	$14,400/year	$14,400
Future Invoice	7/1/2027 - 6/30/2028	$14,400/year + 5% uplift	$15,120

The CivicPlus accounting department will gladly work with you to adjust the payment schedule to meet your needs. Amounts will not include certain state or local imposed sales taxes. Proration amounts are approximate.

This Service Agreement is governed by the terms and conditions of the Master Services Agreement and the DocAccess Terms and Conditions, both available at: https://www.civicplus.help/docs/legal-terms-and-conditions-for-services (collectively, the "Agreement"). By executing this Service Agreement, Customer acknowledges and agrees to be bound by all terms and conditions set forth in the Agreement referenced above. In the event a Master Services Agreement is already executed between the parties, the existing agreement shall take precedence over the linked Master Services Agreement.

Customer may issue purchase orders for its internal, administrative use only, and not to impose any contractual terms. Any terms contained in any such purchase orders issued by the Customer are considered null and will not alter the Binding Terms, the Agreement, or this service agreement.

CivicPlus, LLC

Name: Mac Clemmens

Title: SVP, DocAccess Co-Founder

Date: [signature_date]

Santa Clara Local Agency Formation Commission

Name: Neelima Palacherla

Title: Executive Officer

Date: [signature_date]

W-9 available at getstreamline.com/w9 | Fed Tax ID: **48-1202104**

ITEM # 8

SANTA CLARA LAFCO

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

Commissioners
Sylvia Arenas
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Executive Officer
Neelima Palacherla

LAFCO MEETING: **April 1, 2026**

TO: **LAFCO**

FROM: **Neelima Palacherla, Executive Officer**
Dunia Noel, Assistant Executive Officer

SUBJECT: **UPDATE ON LAFCO STRATEGIC PLANNING WORKSHOP AND AUTHORIZATION TO ENTER INTO AN AGREEMENT WITH MIG FOR FACILITATION SERVICES FOR THE WORKSHOP**

STAFF RECOMMENDATION

1. Delegate authority to the LAFCO Executive Officer to enter into an agreement with Moore Iacofano Goltsman (MIG), Inc. for facilitation services for LAFCO's strategic planning workshop and in an amount not to exceed $7,500, and to execute any necessary amendments subject to LAFCO Counsel's review and approval.
2. Accept report and provide direction to staff, as necessary.

PREPARATIONS FOR THE STRATEGIC PLANNING WORKSHOP

Workshop Purpose

The purpose of the strategic planning workshop is to help establish a shared understanding of environmental justice principles and a strategic framework for Santa Clara LAFCO's role in environmental justice that will allow the commission to consider developing environmental justice policies.

Workshop Details

- Date: Monday, April 20, 2026
- Time: 10:00 AM – 2:00 PM
- Location: San Jose City Hall (room details and parking information to be provided closer to date)

The workshop agenda and materials will be provided to the Commission and posted on the LAFCO website by noon on Friday, April 17, 2026.

The workshop is open to the public but designed as a working session for commissioners. The commission will not take any formal action at the workshop.

We thank Chair Kamei's office for arranging to host the workshop at San Jose City Hall.

Workshop Facilitator and Associated Costs

LAFCO staff proposes engaging Moore Iacofano Goltsman (MIG), Inc. to facilitate the workshop and ensure productive and efficient use of commissioners' time. MIG is a Berkeley-based interdisciplinary planning and design firm with expertise in community and organizational facilitation and consensus building. LAFCO staff has met multiple times with the facilitator and found them competent and capable of meeting LAFCO's needs.

The engagement with MIG would include pre-workshop preparation, facilitation for the 4-hour workshop, and a written workshop summary.

The total cost of these facilitation services would not exceed $7,500. Sufficient funding is available in LAFCO's FY 2025-2026 budget, under "Consultant Services."

LAFCO staff also contacted other facilitators, including two with CALAFCO-related experience who quoted a similar price range, but were unavailable for the scheduled date.

LAFCO LAW RELATED TO ENVIRONMENTAL JUSTICE

Required Consideration of Environmental Justice

Since 2008, State law has required LAFCOs to consider environmental justice when reviewing proposals. Government Code §56668(p) requires LAFCO to consider:

> *"The extent to which the proposal will promote environmental justice. As used in this subdivision, 'environmental justice' means the fair treatment and meaningful involvement of people of all races, cultures, incomes, and national origins, with respect to the location of public facilities and the provision of public services, to ensure a healthy environment for all people such that the effects of pollution are not disproportionately borne by any particular populations or communities."*

LAFCO law provides no further guidance and defers to each LAFCO for implementation.

Required Analysis of Disadvantaged Unincorporated Communities (DUCs)

State law requires LAFCO to identify and analyze DUCs as part of service reviews and sphere of influence updates:

Definition: Per Government Code §56033.5, a DUC is an inhabited territory constituting all or part of a community with an annual median household income less than 80% of the statewide median (e.g., $60,188 in 2021).

Service Review Requirements: Per Government Code §56430(a)(2), LAFCO must identify the location and characteristics of any DUCs. Additionally, Government Code §56430(a)(3) requires LAFCO to make written determinations on the present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any DUCs within or contiguous to the sphere of influence.

Sphere of Influence Update Requirements: Per Government Code §56425(e)(5), LAFCO must make written determinations on the present and probable need for public facilities and services (related to sewers, municipal and industrial water, or structural fire protection) for any DUCs within the existing sphere of influence.

SANTA CLARA LAFCO POLICIES RELATED TO ENVIRONMENTAL JUSTICE

LAFCO has adopted a local policy [Urban Service Area Policies 3.3.4.13] mirroring State law on environmental justice, but that policy does not provide any further guidance on the subject.

LAFCO has also adopted local policies [Urban Service Area Policies 3.3.4.15.(a) and Out-Of-Agency Service by Contract Policies 3.5.3.3.(b)(i)] that give special consideration to proposals for agricultural worker housing that meet certain conditions, recognizing that agricultural workers are an essential component of Santa Clara County's agricultural industry.

RECENT ENVIRONMENTAL JUSTICE RELATED ACTIVITIES

2024 CALAFCO Conference Session on Environmental Justice

In October 2024, Commissioner Arenas moderated a CALAFCO Conference session coordinated by Executive Officer Palacherla. The session entitled "Equity in Action: LAFCO's Role in Environmental Justice" provided an insightful overview of environmental justice issues in land use planning, environmental justice requirements for LAFCOs, and case studies illustrating relevant challenges. A video recording of this session is available on the LAFCO website.

Seeking Broader Community Participation for the Countywide Fire Service Review

To encourage broader community participation in LAFCO's Countywide Fire Service Review, LAFCO had community meeting invitations and postcards translated to Spanish, arranged for Spanish translation services at the three community meetings, and administered the community survey on fire services in Spanish.

These efforts aligned with LAFCO's public education and outreach goals.

ITEM # 9

SANTA CLARA LAFCO

Local Agency Formation Commission of Santa Clara County

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Executive Officer
Neelima Palacherla

LAFCO MEETING: **April 1, 2026**

TO: **LAFCO**

FROM: **Neelima Palacherla, Executive Officer**
Dunia Noel, Assistant Executive Officer

SUBJECT: **CALAFCO RELATED ACTIVITIES**

FOR INFORMATION ONLY

In October 2025, Chair Kamei was elected to serve on the CALAFCO Board for a term of two years. Chair Kamei also serves as an Alternate Voting Member (At-Large) on the CALAFCO Legislative Committee. In these capacities she regularly attends CALAFCO meetings. Executive Officer Palacherla also attends these meetings and provides support, as necessary.

CALAFCO Board Meetings

On February 23, 2026, Chair Kamei and EO Palacherla attended the 2026 Special Corporate Business Meeting via Zoom, where the Board approved two governance changes: allowing Executive Officers to serve as voting Board members and eliminating Board "seat type" categories. These changes will take effect with CALAFCO's 2026 election cycle.

On February 26, 2026 Chair Kamei attended the day-long CALAFCO Board of Directors Retreat & Strategic Planning Workshop in Sacramento. The agenda for the workshop included activating CALAFCO's Core Values, envisioning CALAFCO's two-year successes, turning challenges into opportunities, and prioritizing CALAFCO's success.

The following day, Chair Kamei also attended the CALAFCO Board of Directors Regular Meeting in Sacramento and EO Palacherla attended via Zoom. At the meeting, the Board approved several non-controversial items, including amendments to CALAFCO Legislative Policies and Priorities. The Board also adjusted Fiscal Year 2026-2027 Member LAFCO dues based on the CPI and per the CALAFCO bylaws. The Board also discussed the structural improvements that are underway to streamline CALAFCO's budget reporting and enhance financial clarity. The Board then received an oral report from CALAFCO's Interim Executive Director on their accomplishments and priorities, and Board members provided reports and shared announcements on issues of personal interest.

CALAFCO Legislative Committee Meetings

On February 19, 2026, Chair Kamei and EO Palacherla attended the CALAFCO Legislative Committee Meeting via Zoom, where the Committee received updates on potential

legislation and reviewed and considered amendments to CALAFCO Legislative Policies and Priorities.

On March 19, 2026, Chair Kamei and EO Palacherla attended the CALAFCO Legislative Committee Meeting via Zoom, where the Committee received a report on and discussed legislation that CALAFCO is tracking. The Committee also discussed the process and due date for submitting a legislative proposal to CALAFCO.

ITEM # 10

SANTA CLARA LAFCO

Local Agency Formation Commission of Santa Clara County
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Executive Officer
Neelima Palacherla

LAFCO MEETING: **April 1, 2026**

TO: **LAFCO**

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

SUBJECT: **EXECUTIVE OFFICER'S REPORT**

STAFF RECOMMENDATION

Accept report and provide direction, as necessary.

10.1 PRESENTATION ON LAFCO TO LEADERSHIP MORGAN HILL

At the invitation of Leadership Morgan Hill, EO Palacherla gave a presentation on Santa Clara LAFCO to Leadership Morgan Hill class members on March 2, 2026, as part of their "Regional Government Day 2026" activities. The 30-minute presentation included an overview of LAFCO and was followed by a question-and-answer session.

10.2 LAFCO ORIENTATION SESSION FOR COUNTY STAFF

On February 19, 2026, LAFCO staff conducted an orientation session for Commissioner Lee's staff members, including the new Chief of Staff. LAFCO staff conducts an orientation program to educate incoming commissioners and their staff about the history of LAFCO, its State mandate, the role of Commissioners and staff, key boundaries, its policies and the application review process, special programs, and current and upcoming projects.

10.3 QUARTERLY SPECIAL DISTRICTS ASSOCIATION MEETING

Commissioner Kishimoto, Alternate Commissioner Chapman, and EO Palacherla attended the March 2, 2026 quarterly meeting of the Santa Clara County Special Districts Association which was held by video conference.

EO Palacherla provided updates on LAFCO activities, including the Countywide Water and Wastewater Service Review and the upcoming LAFCO service review for the Santa Clara County Mosquito and Vector Control District.

Association members discussed various administrative matters. Attendees, including various district staff and board members, and a representative of the California Special Districts Association (CSDA), provided reports and shared information on current projects or issues of interest. The next meeting is scheduled for June 1, 2026.