



**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 St, Gilroy

December 3, 2025 • 1:15 PM

AGENDA

Chairperson: Sylvia Arenas ▪ Vice-Chairperson: Rosemary Kamei

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/85383575586> or by dialing **(669) 900-6833** and entering **Meeting ID 853 8357 5586#** 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/85383575586> 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 web site of the FPPC: www.fppc.ca.gov. Questions regarding FPPC material, including FPPC forms, should be directed to the FPPC's advice line at 1-866-ASK-FPPC (1-866-275- 3772).
- 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 OCTOBER 1, 2025 LAFCO MEETING**

PUBLIC HEARING

5. COMPREHENSIVE REVIEW AND UPDATE OF LAFCO POLICIES - CHAPTER 3.9 INCORPORATION POLICIES

Recommended Action:

1. Adopt the proposed updated "Chapter 3.9 Incorporation Policies."
2. Determine that the proposed update of LAFCO policies is not subject to the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines §15060(c)(2) and §15060(c)(3).

ITEMS FOR ACTION / INFORMATION

6. COUNTYWIDE WATER AND WASTEWATER SERVICE REVIEW REQUEST FOR PROPOSALS

Recommended Action:

1. Authorize staff to issue a Request for Proposals (RFP) for a professional services firm to prepare a Countywide Water & Wastewater Service Review.
2. Delegate 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 \$160,000, 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.

7. ANNUAL FINANCIAL AUDIT REPORT – JUNE 30, 2025

Recommended Action:

1. Receive a presentation from Chavan & Associates, LLP on LAFCO's Annual Financial Audit Report for FY ending June 30, 2025.
2. Receive and file the Annual Financial Audit Report (June 30, 2025) prepared for Santa Clara LAFCO by Chavan & Associates, LLP.

***8. AMENDMENT TO SERVICES AGREEMENT BETWEEN LAFCO AND COVIVE LLC FOR WEBSITE HOSTING AND MAINTENANCE**

Recommended Action:

1. Approve an amendment to the services agreement between LAFCO and Covive LLC for website hosting and maintenance.

***9. ADOPTION OF SCHEDULE OF 2026 LAFCO MEETINGS**

Recommended Action: Adopt the schedule of LAFCO meetings and application filing deadlines for 2026.

***10. APPOINTMENT OF 2026 LAFCO CHAIRPERSON AND VICE-CHAIRPERSON**

Recommended Action: Per the rotation schedule, appoint Commissioner Rosemary Kamei to serve as Chairperson for 2026; and Commissioner Yoriko Kishimoto to serve as Vice-Chairperson for 2026.

***11. EXECUTIVE OFFICER'S REPORT**

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

11.1 CSDA Board Secretary/Clerk Conference

11.2 Pre-Application Meeting with City of Sunnyvale on Potential Changes to Cupertino Sanitary District Boundaries

11.3 Santa Clara County Association of Planning Officials' Meeting

***12. CALAFCO RELATED ACTIVITIES**

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

13. COMMISSIONER REPORTS

14. NEWSPAPER ARTICLES / NEWSLETTERS

15. WRITTEN CORRESPONDENCE

CLOSED SESSION

16. PERFORMANCE EVALUATION

Public Employee Performance Evaluation (Government Code §54957)

Title: LAFCO Executive Officer

17. REPORT OUT OF CLOSED SESSION

18. ADJOURN

Adjourn to the regular LAFCO meeting on February 4, 2026 at 1:15 PM in the Board of Supervisors' Chambers, 70 West Hedding Street, San Jose.



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Executive Officer

Neelima Palacherla

ITEM # 4

**LAFCO MEETING MINUTES
WEDNESDAY, OCTOBER 1, 2025**

CALL TO ORDER

The meeting was called to order at 1:28 p.m.

1. ROLL CALL

Commissioners

- Sylvia Arenas, Chairperson
- Rosemary Kamei, Vice Chairperson (Arrived at 1:32 p.m.)
- Jim Beall (Absent)
- Yoriko Kishimoto (Absent)
- Otto Lee (Absent)
- Terry Trumbull
- Mark Turner

Alternate Commissioners

- Pamela Campos (Absent)
- Helen Chapman (Voting for Jim Beall)
- Betty Duong (Absent)
- Zach Hilton (Attended remotely from City Administration Conference Room, Gilroy City Hall)
- Teresa O'Neill (Absent)

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

MOTION: Turner	SECOND: Trumbull	
AYES: Arenas, Chapman, Kamei, Trumbull, Turner		
NOES: None	ABSTAIN: None	ABSENT: Kishimoto, Lee

Commission Action: The Commission approved the Consent Calendar, including Items #4, #8 and #9.

4. TAKEN ON CONSENT: APPROVE MINUTES OF AUGUST 6, 2025 LAFCO MEETING

The Commission approved the minutes of the August 6, 2025 meeting.

PUBLIC HEARING

5. COMPREHENSIVE REVIEW AND UPDATE OF LAFCO POLICIES – PHASE 2

MOTION: Kamei	SECOND: Chapman	
AYES: Arenas, Chapman, Kamei, Trumbull, Turner		
NOES: None	ABSTAIN: None	ABSENT: Kishimoto, Lee

Commission Action:

1. The Commission approved the proposed structure for the Santa Clara LAFCO Policies and Procedures Manual.
2. The Commission adopted the proposed “Part 1. LAFCO Bylaws.”
3. The Commission adopted the proposed “Part 2. LAFCO Operational Policies and Procedures.”
4. The Commission adopted the proposed “Part 4. LAFCO Administrative Policies.”
5. The Commission rescinded the existing “Policies for Use of LAFCO Issued Electronic Devices” as they are no longer applicable.
6. The Commission determined that the proposed update of LAFCO policies is not subject to the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines §15060(c)(2) and §15060(c)(3).

ITEMS FOR ACTION / INFORMATION

6. COUNTYWIDE WATER AND WASTEWATER SERVICE REVIEW

MOTION: Kamei	SECOND: Turner	
AYES: Arenas, Chapman, Kamei, Trumbull, Turner		
NOES: None	ABSTAIN: None	ABSENT: Kishimoto, Lee

Commission Action:

1. The Commission directed staff to prepare a Draft Request for Proposals (RFP) for a professional services firm to conduct a Countywide Water and Wastewater Service Review, for the Commission's consideration at the December 2025 LAFCO meeting.
2. The Commission appointed Vice Chairperson Kamei and Alternate Commissioner O'Neill to serve on the Countywide Water and Wastewater Service Review Technical Advisory Committee.

7. FY 2024-2025 LAFCO ANNUAL REPORT

Commission Action: The Commission accepted the FY 2024-2025 LAFCO Annual Report.

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

Commission Action: The Commission accepted the report.

9. *TAKEN ON CONSENT: CALAFCO RELATED ACTIVITIES*

For Information only.

9.1 Proposed Amendments to CALAFCO Bylaws

10. COMMISSIONER REPORTS

Alternate Commissioner Chapman shared that the Open Space Authority signed a Memorandum of Understanding (MOU) to work with the City of Morgan Hill and West Hills Church on access to El Toro. She gave kudos to the City of Morgan Hill for working with her agency on this.

Commissioner Turner thanked Alternate Commissioner Chapman and the Open Space Authority for this major accomplishment.

Commissioner Kamei informed that she submitted her candidate nomination forms for the 2025/2026 CALAFCO Board of Directors election.

11. NEWSPAPER ARTICLES / NEWSLETTERS

There were none.

12. WRITTEN CORRESPONDENCE

- 12.1** Letter from the Special District Risk Management Authority regarding the President's Special Acknowledgement Awards (August 11, 2025)

CLOSED SESSION

13. PERFORMANCE EVALUATION

Public Employee Performance Evaluation (Government Code §54957)

Title: LAFCO Executive Officer

The Commission adjourned to Closed Session at 1:58 p.m.

14. REPORT OUT OF CLOSED SESSION

The Commission reconvened at 2:37 p.m., with no reportable action.

15. ADJOURN

The Commission adjourned at 2:37 p.m. to the next regular LAFCO meeting on December 3, 2025, at 1:15 p.m., in the Board of Supervisors' Chambers, 70 West Hedding Street, San Jose.

Approved on December 3, 2025

Sylvia Arenas, Chairperson
Local Agency Formation Commission of Santa Clara County

Prepared by: _____
Sonia Humphrey, LAFCO Clerk



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ITEM # 5

Alternate Commissioners

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

Executive Officer

Neelima Palacherla

LAFCO MEETING: December 3, 2025

TO: LAFCO

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

**SUBJECT: COMPREHENSIVE REVIEW AND UPDATE OF LAFCO
POLICIES – CHAPTER 3.9 INCORPORATION POLICIES**

STAFF RECOMMENDATIONS

1. Adopt the proposed updated “Chapter 3.9 Incorporation Policies.”
2. Determine that the proposed update of LAFCO policies is not subject to the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines §15060(c)(2) and §15060(c)(3).

PROJECT BACKGROUND

Scope and Purpose of the Comprehensive Review and Update of LAFCO’s Policies

The purpose of the comprehensive review and update of the current LAFCO policies is to:

- Better enable LAFCO to meet its legislative mandate,
- Make the policies consistent with recent changes to the CKH Act,
- Better document current/historic practices, and
- Provide better guidance to affected agencies, the public, and potential applicants; and increase clarity and transparency of LAFCO’s policies and expectations.

The project is divided into two phases (Phase 1 and Phase 2).

Phase 1 Complete

On December 4, 2024, LAFCO completed the first phase of the Comprehensive Review and Update of LAFCO Policies which focused on reviewing and updating, as necessary, the key policies that apply to processing typical LAFCO applications.

Phase 2 Nearly Complete

On April 4, 2025, LAFCO approved a workplan for the second phase of the Comprehensive Review and Update of LAFCO Policies focusing on reviewing and updating, as needed, LAFCO's remaining policies. — including the service review policies, indemnification policy, incorporation policies (used less frequently), and policies and procedures related to administrative functions.

On August 6, 2025, LAFCO approved the following proposed updated policies: Service Review Policies, Policies and Procedures for Processing Proposals Affecting More than One County, LAFCO Indemnification Policy, and Records Retention Policy and Schedule.

On October 1, 2025, LAFCO approved the proposed structure for the Santa Clara LAFCO Policies and Procedures Manual; adopted the proposed LAFCO Bylaws, LAFCO Administrative Policies, and LAFCO Operational Policies and Procedures, except for the proposed updated Incorporation Policies (Attachment A) which are the subject of this staff report. If approved, these proposed updated Incorporation Policies will be included as Chapter 3.9 of Part 3. "Policies for Evaluating Proposals" in the new LAFCO Policies and Procedures Manual.

PROPOSED REVISIONS TO LAFCO'S INCORPORATION POLICES

Background

Incorporation (i.e. the creation of a new city) is very rare type of LAFCO proposal both Statewide and in Santa Clara County. The last city to be formed in Santa Clara County was Monte Sereno, which was incorporated in 1957, some six years before the State Legislature created LAFCOs.

However, in 2007 LAFCO received an application by petition of registered voters for the incorporation of San Martin (a small unincorporated community located between Morgan Hill and Gilroy). One of the Commission's first steps in response to the application was to adopt more specific policies regarding the timing and processing of an incorporation proposal.

On May 30, 2007, LAFCO adopted its initial Incorporation Policies to establish ground rules and clarity for the incorporation process. These Incorporation Policies replaced LAFCO's much more minimal "Policies for City Incorporation and Special District Formation." LAFCO further amended the Incorporation Policies on August 1, 2007.

LAFCO's Incorporation Policies are intended to augment the Governor's Office of Planning and Research (OPR) 2003 "Guide to the LAFCO Process for Incorporations." Together, they provide a good overview of the incorporation process for potential applicants. Since 2007, LAFCO has not received any more incorporation proposals and has received only a handful of inquiries about potential incorporation efforts in Santa Clara County.

Proposed Revisions

The current “Incorporation Policies,” have been edited, reformatted, and reorganized as the proposed “Chapter 3.9: Incorporation Policies.”

Most of the proposed changes are very minor and non-substantive. The current Incorporation Policies have been restructured as an individual numbered chapter with corresponding numbered policies and subtitles, to be part of the single Policies and Procedures Manual. New references to relevant code sections of State law have been added, where appropriate. New language has been added to the current policies to better reflect current State law, and to document current and longstanding Santa Clara LAFCO practices and procedures.

Some of the proposed changes are highlighted below:

Section (3.9.1) is titled “Introduction” to be more consistent with the other recently updated LAFCO policies. This section is largely based on the introductory paragraph of the current Incorporation Policies but also includes new language on the how an “incorporation” and a “city” are each defined in State law and includes references to the relevant GC Sections (i.e. §56043 and §56023). Additionally, new language is included to provide further background information on the time, expense, and complexity of the incorporation process.

Subsection 3.9.4.1 includes new language noting that LAFCO must consider certain factors in State law when reviewing incorporation boundaries.

Subsection 3.9.4.3 includes new language referencing environmental justice pursuant to GC §56668(p).

Subsection 3.9.4.8 includes new language clarifying that the inclusion of land under a farm security zone within an incorporation proposal is discouraged.

Subsection 3.9.5.1 includes new language clarifying that incorporation applicants must demonstrate that the new city will have sufficient revenues to maintain the current service levels in the area.

Section 3.9.8 includes revised language clarifying the general CEQA process for an incorporation proposal and LAFCO’s role in that process.

Section 3.9.9 includes new introductory language clarifying that preparation of comprehensive fiscal analysis (CFA) is a requirement under State law and that revenue neutrality is also a requirement.

Subsection 3.9.9.2 includes language that consolidates and clarifies the revenue neutrality negotiation process.

Lastly, the current flow chart diagramming the CFA and revenue neutrality negotiation process has been moved to the end of the Chapter as Exhibit 3.9-A.

Please see **Attachment A** for the current Incorporation Policies with proposed revisions shown in tracked changes.

NOTICE OF PUBLIC HEARING

A Notice of Public Hearing was posted on the LAFCO website and the County's Official Bulletin Board on November 5, 2025, and published in the *San Jose Post Record* on the same day. The staff report for this agenda item will be posted on the LAFCO website by November 26, 2025, and affected agencies, interested parties, and others that have requested to receive LAFCO agendas will be noticed accordingly.

ENVIRONMENTAL ANALYSIS

The purpose of the comprehensive review and update of the current LAFCO policies is to better enable LAFCO to meet its legislative mandate, make the policies consistent with recent changes to LAFCO law, better document current/historic practices, and provide ease of use and better guidance to affected agencies, public, and potential applicants; and increase clarity and transparency of LAFCO's policies and expectations.

The proposed revisions include changes to the overall organization and structure of the current LAFCO policies; removal of incorrect and/or expired references to State law and inclusion of new references to relevant code sections of State law and adopted LAFCO resolutions; and text changes to reflect changes in State law, current LAFCO practice or background information.

The approval of the proposed revisions is not subject to the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3 Section 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) and, Section 15060(c)(3) (the activity is not a project as defined in Section 15378) because the proposed revisions to the policies reflect existing provisions of the Government Code that are already State law, existing policies of LAFCO that are already under implementation, historic or current Santa Clara LAFCO practice, or are entirely procedural (non-substantive) in nature.

NEXT STEPS

Following the Commission's adoption of the updated Incorporation Policies, staff will compile all adopted policies into a comprehensive manual, publish them on the LAFCO website, and notify local agencies and interested parties.

ATTACHMENT

Attachment A: Chapter 3.9 Incorporation Policies (tracked changes)

CHAPTER 3.9 INCORPORATION POLICIES

Adopted: 05/30/2007
Amended: 08/01/2007, _____

3.9.1 INTRODUCTION

State law (Government Code §56043) defines an “incorporation” as the creation or establishment of a city. Any area proposed for incorporation as a new city shall have at least 500 registered voters residing within the affected area at the time incorporation proceedings are initiated with Santa Clara LAFCO (GC §56043). Pursuant to GC §56023, a “city” means any incorporated chartered or general law city, including any city the name of which includes the word “town.”

The procedure for creating a new “city” in the State of California is a lengthy and very complex process requiring at least a year of formal review and significant requisite fees. The purpose of the process is to ensure that any proposed incorporation is economically feasible and in the best interests of the community. An incorporation must also be environmentally and logically sound from a public service standpoint.

These policies augment the Governor’s Office of Planning and Research (OPR) 2003 “Guide to the LAFCO Process for Incorporations”. Where these local policies differ from the OPR Guidelines, the local policies shall apply. These policies are not intended to preempt State law. Should these policies conflict with the provisions of law, the provisions of the CKH Act and related statutes shall prevail. Unless otherwise specified herein, proposals for incorporation are subject to all policies and requirements that apply to proposals and applications submitted to Santa Clara LAFCO.

3.9.2 CERTIFICATE OF FILING AND TIME LIMITATIONS

1. In order to deem the incorporation application filed, issue the Certificate of Filing and set a hearing date for the proposal, all application requirements must be completed (GC §56651). The Certificate of Filing will not be issued by the Executive Officer until all of the filing requirements have been met including the comprehensive fiscal analysis, plan for services, -and information sufficient to facilitate an environmental determination pursuant to CEQA.
2. To ensure that the petition signatures remain sufficient and that the proposal remains current, the application requirements must be completed within 24 months following the date of the Certificate of Sufficiency or the date of adoption of the resolution making the application.
3. If the application remains incomplete after 22 months, Santa Clara LAFCO staff will notify the proponents at least 60 days before the 24-month deadline. The Commission may allow an extension of the 24-month time period, on a case by case basis.
4. Santa Clara LAFCO staff will use its best efforts to ensure timely completion of each procedural requirement in the incorporation process, including, but not limited to, preparing requests for financial information as early as possible

following the close of the fiscal year; giving appropriate notice; initiating agency consultations; and convening meetings related to revenue transfers.

3.9.3 INCORPORATION PROCESSING FEES

1. The actual costs for processing the incorporation application are the proponent's responsibility. Application costs include consultant costs for preparing the comprehensive fiscal analysis and the environmental review documents, [Santa Clara](#) LAFCO staff time, legal counsel costs and other related expenses incurred by [Santa Clara](#) LAFCO in the incorporation proceedings.
2. Incorporation proposals are charged on an actual cost basis with a deposit required when the proposal is initiated. The cost of the proceedings will be much higher than the initial deposit. The deposit allows staff to open a file and initiate the determination of petition sufficiency and begin meetings with the proponents to develop a time-frame and cost estimates.
3. Consultants will be hired [by Santa Clara LAFCO](#) for the preparation of the comprehensive fiscal analysis and CEQA analysis / documents. Each consultant's total cost will be divided into costs for each sub task. Prior to commencement of each sub task, the proponents must make a deposit in the amount of the estimated cost for that task. [Santa Clara](#) LAFCO will not authorize the consultant to commence work on the task until the [requested](#) funds are received. At the end of each task a final accounting will be done. Any amounts due must be paid within 30 days.

Any refunds will be applied to the subsequent task or refunded. The actual amounts of the deposits will be determined after the consultant contracts are negotiated.

4. [Santa Clara](#) LAFCO staff will provide the proponents an initial estimate of the costs of the incorporation proceedings. The terms of payment will be stated in an agreement to be executed between [Santa Clara](#) LAFCO and the proponents.

3.9.4 INCORPORATION BOUNDARIES

1. The Commission will review proposal boundaries, as submitted by proponents. Alternatives to the proposal must also be considered by [Santa Clara](#) LAFCO. The [LAFCO](#) Executive Officer will convene a meeting to identify logical boundary alternatives for the new city at the earliest date possible. The meeting will include the proponents. [The factors contained in GC §56668, and the following factors, will be considered in reviewing proposal boundaries.](#)
2. The Commission may modify proposed boundaries and order the inclusion or deletion of territory to accomplish its goal of creating orderly boundaries.
3. A proposed incorporation must satisfy a demonstrated need for services, and promote the health, safety, and welfare of the community, [and environmental justice.](#)
4. A proposed incorporation or formation must not conflict with the normal and logical expansion of adjacent governmental agencies.

5. An area proposed for incorporation must be compact and contiguous, and possess a community identity.
6. Pursuant to GC §56744, tThe proposal boundaries and alternatives shall not create islands or areas that would be difficult to serve.
7. Areas included within the proposed incorporation boundaries should consist of existing developed areas and lands, which are planned for development.
8. Inclusion of agricultural and open space lands, and lands under a farmland security zone (GC §56749), within the boundaries of a proposed city is discouraged.
9. Incorporation boundaries should be drawn so that community based special districts are wholly included within or excluded from the incorporation area, unless the Commission determines that there is either an overriding benefit to dividing the district or that there is no negative impact from dividing the district.

3.9.5 SERVICES TO INCORPORATION AREA

1. Applicants must demonstrate to Santa Clara LAFCO that the proposed city will have the ability and sufficient revenues to provide adequate facilities and services in the incorporation area pursuant to GC §56668(k), and at no less than the level of services provided in the area prior to incorporation.
2. New cities should assume jurisdiction over as many services in the incorporation area as are feasible.

3.9.6 SPECIAL DISTRICTS AFFECTED BY INCORPORATION PROPOSAL

1. District territory included in an incorporation area should be detached from the district or the district dissolved unless Santa Clara LAFCO determines that there is an overriding reason to retain the district.
2. Detachment of territory from a region-wide special district which provides service to multiple communities outside the incorporation area is discouraged, unless the Commission determines that there is an overriding reason for the detachment.

3.9.7 TIMING AND INITIATION OF NEW CITY'S SPHERE OF INFLUENCE (SOI)

1. Pursuant to §56426.5, Tthe Commission may determine the ~~sphere of influence~~SOI for the new city at the time the incorporation is approved or no later than one year from the effective date of incorporation. The new city may initiate a ~~Sphere of Influence~~SOI application. In the absence of an application within the time frame necessary for sphere adoption, the Commission will adopt an initial ~~Sphere of Influence~~SOI boundary for the city which will be coterminous with the city's boundaries.

3.9.8 ENVIRONMENTAL REVIEW OF INCORPORATION PROPOSALS - CEQA

1. An incorporation is considered a project under the California Environmental Quality Act (CEQA). Pursuant to CEQA, Santa Clara LAFCO is the Lead Agency for an incorporation proposals it receives that is initiated by petition and LAFCO shall

~~be is~~ responsible for the environmental review process. When an incorporation proposal is not initiated by petition, Lead Agency status is determined pursuant to the State CEQA Guidelines, California Code of Regulations, Title 14, Division 6, Chapter 3, Sections 15000 et seq.

- ~~2. The Executive Officer is the Environmental Coordinator for LAFCO, and is responsible for the environmental review process.~~
- ~~3. The Environmental Coordinator will prepare the Project Description.~~
42. A CEQA pProject dDescription will be prepared thatThe Project Description will includes the proposal as submitted for the purpose of preparing an environmental document. The pProject dDescription may identify alternatives being considered for the project and a sphere of influence boundary for the proposed city.
53. When LAFCO is the Lead Agency uUnder the direction and management of the Environmental CoordinatorLAFCO Executive Officer, the-an environmental review of the proposed incorporation will be initiated as early as feasible and will be completed as cost-effectively as possible.

3.9.9 COMPREHENSIVE FISCAL ANALYSIS AND REVENUE NEUTRALITY NEGOTIATION PROCESS

Pursuant to GC §56800, the Executive Officer shall prepare, or caused to be prepared by contract, a Comprehensive Fiscal Analysis (CFA) for an incorporation proposal which shall be included in the Executive Officer Report. Pursuant to GC §56815, an incorporation should result in a similar exchange of both revenue and responsibility for service delivery among the county, the proposed city, and other subject agencies (i.e. Revenue Neutrality).

The general process and requirements for preparing the CFAcomprehensive fiscal analysis and negotiating the revenue neutrality is outlined in the flow chart presented in Exhibit 3.9-A and described below.

1. **Initiate Comprehensive Fiscal Analysis (GC §56800)**
 - a. Santa Clara LAFCO will retain a financial consultant qualified to prepare the ~~Comprehensive Fiscal Analysis (CFA)~~ and related documents necessary for the project, consistent with Santa Clara LAFCO's usual and customary contract procedures.
 - b. The fiscal analysis will evaluate the proposal as submitted as well as the identified alternatives.
 - c. A detailed timeline for the CFA process will be developed by Santa Clara LAFCO in consultation with the consultants hired to prepare the CFA.
 - d. The Draft CFA will be prepared as early as possible to support revenue neutrality discussions.
2. **~~Ad Hoc~~ Revenue Neutrality Negotiationsng Committee**
 - a. The LAFCO Executive Officer at their discretion will-may convene a series of meetings with representatives of the County and representatives of the incorporation proponents, and other affected agencies and LAFCO

~~consultants as needed, an ad hoc revenue neutrality negotiating committee~~ to develop a revenue neutrality agreement as soon as possible after the draft CFA information becomes available. ~~The LAFCO Executive Officer may request the County and the incorporation proponents to provide a list of its representatives and designate one principal representative each, and additional members may be added after negotiations commence with the agreement of both parties.~~

- ~~b. Members of the ad hoc revenue neutrality negotiating committee shall include representatives of the County and representatives of the incorporation proponents and other affected agencies, as needed.~~
- ~~c. At the commencement of the negotiations or earlier, each party will provide a list of its representatives and designate one principal representative. Additional members may be added after negotiations commence with the agreement of both parties.~~
- ~~d. LAFCO staff will attend meetings of this committee in order to facilitate discussion, provide technical assistance and ensure compliance with LAFCO policies. LAFCO staff has the discretion to request attendance by its consultants.~~

3. **Timing and Adoption of Revenue Neutrality Agreement**

- a. The Draft CFA is a prerequisite to revenue neutrality negotiations.
- b. ~~The ad hoc revenue neutrality negotiating committee~~The County and the incorporation proponents will have up to 90 days to negotiate a revenue neutrality agreement. The 90 days commences from the ~~ir~~ first meeting ~~of the ad hoc committee~~ following the release of the Draft CFA.
- c. Within the ~~90 day~~90-day period, if the parties reach agreement, they shall provide a written revenue neutrality agreement to the LAFCO Executive Officer; the agreement will be signed by proponents. County representatives ~~to the committee~~ will place the agreement on the County Board of Supervisors agenda within the ~~90 day~~90-day period.
- d. The terms of the Revenue Neutrality Agreement will be included in the budget projections and feasibility analysis in the Public Hearing Draft CFA.
- e. If agreement does not occur within the 90-day negotiating period, LAFCO staff will draft proposed terms and conditions for use in the Public Hearing Draft ~~Comprehensive Fiscal Analysis~~CFA and for recommendation to the Commission at its public hearing.
- f. The ~~revenue neutrality committee~~County and the incorporation proponents may jointly reduce the time period for reaching agreement. ~~with the consent of all parties.~~

4. **Public Hearing Draft CFA and LAFCO Public Hearing**

- a. A Notice of Availability will be prepared by Santa Clara LAFCO staff and the Public Hearing Draft CFA will be circulated and made available to the public no less than 30 days prior to LAFCO's public hearing on the incorporation

proposal. The Public Hearing Draft CFA includes terms of the revenue neutrality agreement, if agreement has been reached, or terms to be determined by Santa Clara LAFCO if agreement has not been reached.

5. **State Controller Review of Comprehensive Fiscal Analysis, if Requested (GC §56801)**

- a. Any party may request review of the Public Hearing Draft Comprehensive Fiscal Analysis within 30 days of the release of the Notice of Availability of the Public Hearing Draft CFA. The written request shall be made to the LAFCO Executive Officer and should identify the specific elements that the State Controller is being requested to review and state the reasons for review of each of the elements.
- b. The requestor is responsible for all costs related to the request, and shall sign an agreement to pay such costs.
- c. The requestor shall deposit a fee in the amount of the total estimated cost of the review at the time the request for review is filed. The deposit will include the estimated charge by the State Controller, LAFCO staff costs, and costs for any consultants required to assist the State Controller with the review. The deposit shall be supplemented by the requestor if additional funds are needed to complete the review. The difference between the actual cost and the estimate shall be refunded / charged to the party initiating the request after the review is complete.

6. **Final CFA**

- a. The Final CFA will include the terms and conditions approved by Santa Clara LAFCO and will be prepared following the Commission's determinations and approval of the incorporation.

3.9.10 FINANCIAL ASSUMPTIONS AND FISCAL ANALYSIS REQUIREMENTS

1. All assumptions and calculation methodologies used for the fiscal calculations shall be clearly identified and detailed in the CFA. (GC §56800)
2. The CFA shall calculate the proposed city base year costs consistent with the 2003 OPR Guidelines ~~(Section V. 3.)~~.
3. The base year or "prior fiscal year" shall be the basis of financial calculations and determinations, as defined in ~~Government Code~~ §56810(g) as follows: "the most recent fiscal year for which data on actual direct and indirect costs and revenues needed to perform calculations required by this section are available preceding the issuance of the certificate of filing".
4. Costs of services in the proposal area shall be based on existing levels of service provided in the proposal area by the County and other agencies during the "base year".
5. When proposed city functions and services have not previously been provided by an agency prior to incorporation (e.g. new city general administration costs that are not transferred from another agency), the cost projection basis for the

proposed city's future expenditures for those services and functions shall be based on cities with similar population and geographic size that provide similar level and range of services.

6. Revenue projections for anticipated future city revenues will be "conservative"; where the revenue projection is estimated as a range, the lowest number in the range will be used for calculating future city budgets.
7. Property tax projection calculations for projecting the future city revenues will include the rate of increase in the assessed value (not greater than 2% annually). Property tax revenue projections based on market driven property tax reassessments (e.g. increases in home re-sale values) should not be relied upon for calculating future year city budgets and determining feasibility.
8. The CFA shall include the proposed city budget, projected for a minimum of ten years in order to 1) evaluate ~~long term~~long-term feasibility, 2) consider the effects of the new city's repayment to the County for its ~~first year~~first-year services and 3) project the effects of foreseeable shifts in state subventions, etc.
9. The CFA should include an annual appropriation in the new city budget for contingencies of 10% in each budget year evaluated. The CFA should include an additional reserve of 10% in any given year in the new city's budget projection.
10. The CFA will calculate the estimated property tax transfer and the total net agencies' cost of providing service in the proposed incorporation area. The Commission makes the final determination of costs and the transfer of property taxes.
11. Financial feasibility shall be based on the ability of the new city to maintain pre-incorporation service levels.
12. The CFA will include revenue sources that are currently available to all general law cities. Projections will not be based on potential revenue sources not currently applicable in the area or new revenues which might become available through the discretionary actions of a future city council.

3.9.11 BASIS AND ASSUMPTIONS FOR REVENUE NEUTRALITY

Revenue neutrality intends that any proposal that includes an incorporation should result in a similar exchange of both revenue and responsibility for service delivery among the county, the proposed city, and other subject agencies. It is the further intent of the Legislature that an incorporation should not occur primarily for financial reasons (~~Government Code~~GC §56815). Pursuant to ~~Government Code~~GC §56815, Santa Clara LAFCO will make findings and/or impose conditions ~~or~~/ mitigations to equalize the transfers of revenue and service.

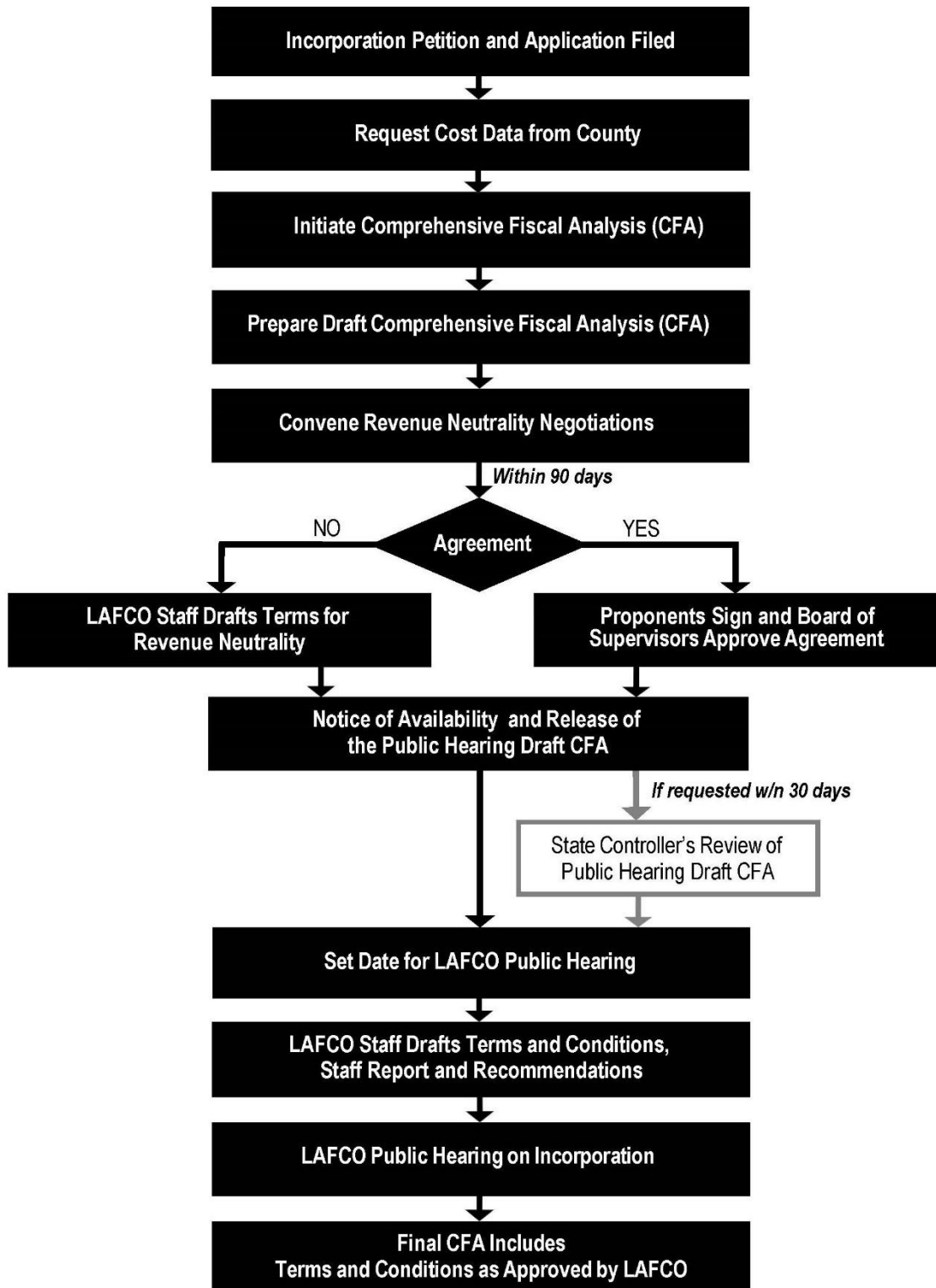
1. The revenue neutrality agreement or any proposal for LAFCO terms and conditions for revenue neutrality shall **include**:
 - a. A criteria and a process for modification by the affected agency and the city after incorporation

- b. A description of methodologies and assumptions leading up to the terms of the agreement
 - c. Identifiable and recurring revenues and expenditures only
- 2. The revenue neutrality agreement or any proposal for LAFCO terms and conditions for revenue neutrality shall **exclude**:
 - a. Anticipated or projected revenue growth or sources of revenue dependent on discretionary actions by a future city council
 - b. Services funded on a cost recovery basis (such as permits/building inspection) which are, by definition, revenue neutral
 - c. Costs of capital improvements
- 3. The following additional policies apply to the revenue neutrality agreement or any proposal for Santa Clara LAFCO terms and conditions for revenue neutrality:
 - a. Fiscal impacts to restricted and unrestricted revenues should be evaluated separately. A city may pay a portion of its annual revenue neutrality payment with restricted funds if both agencies agree, and if a legal exchange mechanism can be created to do so.
 - b. Fees charged by the county for services to other jurisdictions (such as property tax administration fees or jail booking fees) should be included as an off-setting county revenue in the calculation of fiscal effects on the county.
 - c. Countywide costs of regional services and general government, including the County Administration, Clerk of the Board, Auditor--Controller and other administrative government functions which are required to support county governance of both incorporated and unincorporated areas should not be included in defining services or revenues transferred to the new city.

3.9.12 EFFECTIVE DATE OF INCORPORATION

- 1. The effective date of incorporation should be considered in revenue neutrality negotiations. Santa Clara LAFCO will establish the effective date. The effective date should be set to allow adequate initial account balances for the new city as it assumes service responsibilities, but should not otherwise conflict with the intent of fiscal neutrality or exacerbate County revenue losses.

Exhibit 3.9-A
Comprehensive Fiscal Analysis and
Revenue Neutrality Negotiation Process





**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

ITEM # 6

Alternate Commissioners
Pamela Campos
Helen Chapman
Betty Duong
Zach Hilton
Teresa O'Neill
Executive Officer
Neelima Palacherla

LAFCO MEETING: December 3, 2025

TO: LAFCO

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

**SUBJECT: COUNTYWIDE WATER AND WASTEWATER SERVICE
REVIEW REQUEST FOR PROPOSALS**

STAFF RECOMMENDATION

1. Authorize staff to issue a Request for Proposals (RFP) for a professional services firm to prepare a Countywide Water & Wastewater Service Review.
2. Delegate 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 \$160,000, 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.

BACKGROUND

At the December 2, 2020 LAFCO meeting, the Commission revised the LAFCO Service Review work plan as follows (listed from highest priority to lowest priority):

- a. Countywide Fire Service Review
- b. Countywide Water and Wastewater Service Review
- c. Special Districts Service Review
- d. Cities Service Review

At the October 4, 2023 LAFCO meeting, the Commission adopted its Countywide Fire Service Review (Report), which included many recommendations for fire and emergency medical response service providers to consider and potentially implement. LAFCO staff then worked with affected agencies to encourage implementation of the Report's recommendations and monitored agencies' efforts.

At the August 6, 2025 LAFCO meeting, the Commission adopted the proposed updated Service Review Policies which guide the Commission's preparation of service reviews pursuant to Government Code §56430.

At the October 1, 2025 LAFCO meeting, the Commission directed staff to prepare a Draft RFP for a professional services firm to conduct a Countywide Water and Wastewater Service Review, for the Commission's consideration at the December 2025 LAFCO Meeting, and appointed Commissioner Kamei and Alternate Commissioner O'Neill to serve on the Technical Advisory Committee (TAC) for the Service Review.

COUNTYWIDE WATER AND WASTEWATER SERVICE REVIEW

Distribution of Draft Request for Proposals (RFP) for Review and Comment

On October 16, 2025, LAFCO staff distributed a Draft RFP for the preparation of a Countywide Water and Wastewater Service Review to LAFCO commissioners, the County, the 15 cities, the 26 special districts, (including the five water districts and seven districts that provide wastewater services), the four private water companies, the Santa Clara County/Cities Managers' Association, the Santa Clara County Water Retailer's Group, Santa Clara County Municipal Public Works Officials' Association, Santa Clara County Special Districts Association, and various others for their review and comment. LAFCO also requested their assistance in identifying potential qualified consultants and identifying any other issues surrounding the provision of water and wastewater services in the county.

The deadline for providing LAFCO with written comments concerning the Draft RFP was October 30, 2025. LAFCO staff received comments (**Attachment A**) from the following:

- Kent Edler, Interim District Manager and Engineer, West Valley Sanitation District
- Darius Haghighi, Program Manager, Department of Environmental Health, County of Santa Clara

LAFCO staff has revised the Draft RFP and Scope of Services to address these comments. Please see **Attachment B** for the Revised RFP and Revised Scope of Services (including tracked changes).

Consultant Selection Process and Timeline

LAFCO staff will convene a Consultant Interview Panel, consisting of a subgroup of TAC members. The Panel, along with LAFCO staff, will evaluate the proposals submitted and interview the consultant teams and provide a recommendation. If authorized by the Commission, the LAFCO Chair may enter into an agreement with the most qualified consultant.

The following is an estimated timeline for the consultant selection process:

- Issue RFP to potential consultant firms: December 4, 2025
- Proposals due to LAFCO: December 19, 2025

- Consultant interviews and selection: early/mid-January 2026
- Selected consultant firm begins Service Review: February 2026

It is expected that the service review will take about a year or so to complete. A detailed timeline/project schedule for completing the project, based on the key steps listed in the RFP and Scope of Services, will be negotiated between EO Palacherla and the selected consultant and included in the executed professional services agreement.

Proposed Budget

Staff recommends an allocation of \$160,000 for the Countywide Water and Wastewater Service Review, which may be amended with a contingency amount of up to \$10,000, with LAFCO Counsel's review and approval. The LAFCO Executive Officer will negotiate the final project cost with the selected firm.

The Countywide Water and Wastewater Service Review is anticipated to be a complex and extensive study that will cover multiple types of services (i.e. water services (including recycled water), wastewater services, and stormwater management). It will also address special focus issues (i.e. small water systems in the unincorporated area, status of water quality issues in the southern part of Santa Clara County, implications of sea level rise on water and wastewater services and rising demand for water for data centers).

The proposed budget will ensure that the selected consulting firm will have the necessary resources and time to gather the required data from multiple agencies and organizations, conduct interviews with their representatives, participate in the stakeholder/public outreach and engagement efforts, conduct the required data analysis to prepare a robust report that includes the required written service review determinations, required sphere of influences updates and supporting findings, and thoughtful recommendations.

For comparison, in 2021 LAFCO allocated \$140,000 for its Countywide Fire Service Review which had a more limited scope.

The selected consultant's work on the Countywide Water and Wastewater Service Review is anticipated to begin in February 2026 (this fiscal year) and continue well into the next fiscal year, concluding in the first quarter of 2027. Staff recommends that the Service Review be budgeted over this fiscal year and next fiscal year. The LAFCO budget for this Fiscal Year (2025-2026) includes sufficient funding to commence the Service Review and the Commission can budget for the remaining balance as part of its Fiscal 2026-2027 budget planning process.

Countywide Water and Wastewater Service Review TAC

As discussed above, LAFCO staff conducted outreach to various local professional associations to inform them of the upcoming Service Review and seek their input on the Draft RFP and participation on the Technical Advisory Committee (TAC). TAC members will serve as a liaison with their respective associations, help select a

consultant for the service review, and provide technical expertise/advice throughout the service review process. The TAC consists of the following members:

- Commissioner Rosemary Kamei and Alternate Commissioner Teresa O'Neill, appointed by LAFCO;
- Matt Morely (City Manager, City of Saratoga) and Chris Constantin (City Manager, Town of Los Gatos) appointed by the Santa Clara County/Cities Managers' Association;
- 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 Water Retailer's Group;
- Mansour Nasser (Assistant Director of Environmental Services, City of Sunnyvale) and Chris Ghione (Public Services Director, City of Morgan Hill), liaisons to the Santa Clara County Municipal Public Works Officials' Association; and
- Kent Edler (Interim District Manager and Engineer, West Valley Sanitation District), liaison to the Santa Clara County Special Districts Association.

NEXT STEPS

Upon LAFCO authorization, staff will send the Final RFP to the firms on LAFCO's consultant list and will post the RFP on the LAFCO website and the CALAFCO website for other interested firms. Responses to the RFP will be due by Friday, December 19, 2025 at 5 PM, as specified in greater detail in the RFP. The Consultant Interview Panel will review the responses, interview qualified consultants, and make a recommendation. If authorized by the Commission, the LAFCO Chair will enter into an agreement with the most qualified consultant, as determined by the Consultant Interview Panel, in an amount not to exceed \$160,000, which may be amended with a contingency amount of up to \$10,000; and execute any necessary amendments subject to LAFCO Counsel's review and approval.

ATTACHMENTS

- | | |
|---------------|---|
| Attachment A: | Comments Received on Countywide Water and Wastewater Service Review Draft RFP |
| Attachment B: | Final Countywide Water and Wastewater Service Review RFP including the Scope of Services, with tracked underlined changes |

From: [Kent Edler](#)
To: [Noel, Dunia](#)
Subject: [EXTERNAL] RE: Draft RFP and TAC for LAFCO's Countywide Water and Wastewater Service Review
Date: Monday, October 20, 2025 1:56:38 PM
Attachments: [DraftRFPScopeOfServices](#) [WVSD Comments.pdf](#)

Hi Dunia,

We have just a few comments on the Draft RFP (see page 11 of the document – highlighted in red). See attached.

Thank you for providing us the opportunity to review the document.

Thanks,

Kent

From: Noel, Dunia <Dunia.Noel@ceo.sccgov.org>
Sent: Friday, October 17, 2025 3:11 PM
Subject: Draft RFP and TAC for LAFCO's Countywide Water and Wastewater Service Review

You don't often get email from dunia.noel@ceo.sccgov.org. [Learn why this is important](#)

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Dear Affected Agencies and Interested Parties:

Santa Clara LAFCO invites your review and comments on the attached **Draft Request for Proposal & Scope of Services (RFP) for the upcoming Countywide Water and Wastewater Service Review**. Your input will help ensure the scope and approach accurately reflect local conditions and needs. Please submit any comments by **Thursday, October 30, 2025, at 5 PM** to lafco@ceo.sccgov.org.

We also welcome suggestions of qualified consulting firms for inclusion in the final RFP distribution list. If you have any questions, please feel free to reach out. Thank you for your continued collaboration and participation in this important effort.

Sincerely,

Dunia Noel

Dunia Noel

Assistant Executive Officer, Santa Clara LAFCO
777 North First Street, Suite 410, San Jose, CA 95112
(408) 993-4704 | www.SantaClaraLAFCO.org

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Kent Edler, P.E.

Interim District Manager and Engineer | **West Valley Sanitation District**

- ☐ direct: 408.385.3011 fax: 408.364.1821
- ☐ kedler@wvsdca.gov
- ☐ 100 East Sunnyoaks Avenue, Campbell, CA 95008
- ☐ www.wvsdca.gov

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From: [Haghighi, Darius](#)
To: [LAFCO](#)
Cc: [Underwood, Marilyn](#)
Subject: Draft RFP and TAC for LAFCO's Countywide Water and Wastewater Service Review
Date: Thursday, October 30, 2025 11:41:24 AM
Attachments: [DraftRFP&ScopeOfServices.pdf](#)
[Outlook-Circle_AI.png](#)
[Outlook-Timeline_.png](#)

Good morning,

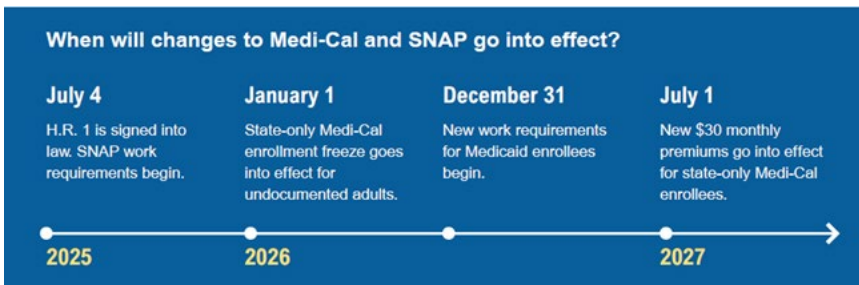
Comments from County of Santa Clara Environmental Health would be as follows:

- Regarding "Water and Wastewater Service Review Consultant Suggestions", Questa Engineering Corporation may be an appropriate candidate, having assisted with development of the County's Local Agency Management Plan (LAMP) for Onsite Wastewater Treatment Systems (OWTS) in 2013, and who are currently the lead firm representing the largest SB330 Builders Remedy development proposals.
- Recommend breaking out "Small Water Systems" which are a type of Public Water System associated with 15-200 water system connections, and adding "State Small Water Systems", which would be defined as having 5-14 water system connections serving less than 25 people per year.
- Recommend changing "Onsite Wastewater Management Systems" to "Onsite Wastewater Treatment Systems", and possibly adding community systems as well.
- Example language could be:
 - Experience with the operational aspects of various types of water service and wastewater service providers in California, including special districts (water districts, sanitary/sewer districts, and community services districts), city/county departments (public works, utilities, and environmental health), and others (private water companies, mutual water companies, small **public** water systems, **state small water systems**, **private water systems** and **community/individual onsite wastewater management treatment** systems)
- State Water Board's name should be updated: State Water Resources Control Board's ~~Department~~**Division** of Drinking Water (DDW)



Darius Haghighi, MPA, REHS
County of Santa Clara | Program Manager
Environmental Health
1555 Berger Drive, San Jose, CA
Darius.Haghighi@deh.sccgov.org
(408) 918-3468

Learn More About the Impacts of the Federal Budget Cuts at:
santaclaracounty.gov



For Onsite Wastewater Treatment Systems Manual and application,
Go to: www.ehinfo.org/wastewater

For Drinking Water and Wells Information and applications,
Go to: www.ehinfo.org/drinkingwater

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

777 North First Street
Suite 410
San Jose, CA 95112

SantaClaraLAFCO.org

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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

REVISED DRAFT REQUEST FOR PROPOSALS

COUNTYWIDE WATER AND WASTEWATER SERVICE REVIEW

I. OBJECTIVE

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

II. BACKGROUND

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

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

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

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

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

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

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

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

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

III. SCOPE OF SERVICES

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

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

IV. BUDGET

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

V. SCHEDULE

It is anticipated that the firm will start work in **February 2026** and that the service review will 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 key steps listed in the Scope of Services.

VI. PROPOSAL REQUIREMENTS

Response to this RFP must include all of the following:

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

General Expertise

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

Water Service and Wastewater Service Expertise

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

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

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

VII. SUBMISSION REQUIREMENTS

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

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

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

VIII. EVALUATION CRITERIA AND SELECTION PROCESS

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

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

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

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

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

IX. LAFCO CONTACT

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

X. ATTACHMENTS

1. Draft Scope of Services (**Attachment 1**)
2. Draft Professional Service Agreement and insurance obligations (**Attachment 2**)

XI. REFERENCE INFORMATION

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

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

REVISED DRAFT 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.

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

II. IDENTIFICATION OF SERVICE PROVIDERS FOR STUDY

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

Water Districts

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

Special Districts that Provide Wastewater Services

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

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

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

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

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

Private Water Companies

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

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

Miscellaneous

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

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

III. PROJECT SCOPE OF WORK

Service Review Determinations

Based on the elements above, Consultant will draft proposed service review determinations for 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

Focus Issues

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

Small Water Systems in the Unincorporated Area

The State Water Resources Control Board's ~~Department~~ 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.; 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 February 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.

- Conduct up to three (3) public workshops on LAFCO's Countywide Water and Wastewater Service Review to engage the community and receive input on water, wastewater, and stormwater related issues/concerns.
- Prepare summary memos of input received at each meeting and in the survey.
- Consider the findings and recommendations of prior service reviews for the affected agency or service area and consider the affected agency's implementation efforts. Prepare a memo summarizing any key takeaways and relation to current service review.

2. Development of Evaluation Criteria and Data Collection

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

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

3. Data Analysis and Preliminary Findings

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

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

4. Administrative Draft Service Review Report

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

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

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

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

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

6. Revised Draft Report & LAFCO Public Hearing

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

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

7. Final Service Review Report

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

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

DRAFT

**SERVICES AGREEMENT BETWEEN THE LOCAL AGENCY FORMATION
COMMISSION OF SANTA CLARA COUNTY AND _____ FOR
COUNTYWIDE WATER AND WASTEWATER SERVICE REVIEW AND SPHERE OF
INFLUENCE UPDATES**

This Services Agreement ("Agreement") is made effective _____ ("Effective Date"), by and between the Local Agency Formation Commission of Santa Clara County ("LAFCO") and _____ ("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 _____ meeting of LAFCO, the Commission delegated authority to the LAFCO Executive Officer to execute 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, _____, 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 _____ ("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 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 _____ as the Contractor's Project Manager for the purpose of performing the services under this Agreement.
_____ 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 _____ to serve as Project 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. 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.

9. 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.

10. Nondiscrimination.

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

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

11. Notices.

All notices required by this Agreement shall be given in writing and delivered 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:

To LAFCO:

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

12. Governing Law.

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

13. Assignment.

Contractor has been selected to perform services under this Agreement based upon the qualifications and experience of Contractor's personnel. Contractor may not assign, 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.

14. Relationships of Parties; Independent Contractor.

Contractor will perform all work and services described herein as an independent contractor and not as an officer, agent, servant or employee of LAFCO. None of the provisions of this Agreement is intended to create, nor shall be deemed or construed to create, any relationship between the parties other than that of independent parties contracting with each other for purpose of effecting the provisions of this Agreement. The

parties are not, and will not be construed to be in a relationship of joint venture, partnership or employer-employee. Neither party has the authority to make any statements, representations or commitments of any kind on behalf of the other party, or to use the name of the other party in any publications or advertisements, except with the written consent of the other party or as is explicitly provided herein. Contractor will be solely responsible for the acts and omissions of its officers, agents, employees, contractors, and subcontractors, if any. 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.

15. 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.

16. Amendments.

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

17. 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.

18. Severability.

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

19. Waiver.

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

20. Ownership of Materials and Confidentiality.

A. Documents & Data; Licensing of Intellectual Property. This Agreement creates a non-exclusive and perpetual license for LAFCO to copy, use, modify, reuse, or sublicense any and all copyrights, designs, and other intellectual property embodied in plans, specifications, studies, drawings, estimates, and other documents or works of authorship fixed in any tangible medium of expression, including but not limited to, physical drawings or data magnetically or otherwise recorded on computer diskettes, which are

prepared or caused to be prepared by Contractor under this Agreement ("Documents & Data"). Contractor shall require all sub consultants to agree in writing that LAFCO is granted a non-exclusive and perpetual license for any Documents & Data the sub consultant prepares under this Agreement. Contractor represents and warrants that Contractor has the legal right to license any and all Documents & Data. Contractor makes no such representation and warranty in regard to Documents & Data which were prepared by design professionals other than Contractor or provided to Contractor by LAFCO. LAFCO shall not be limited in any way in its use of the Documents & Data at any time, provided that any such use not within the purposes intended by this Agreement shall be at LAFCO's sole risk.

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

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

**SIGNATURE PAGE FOR SERVICES AGREEMENT BETWEEN THE LOCAL AGENCY
FORMATION COMMISSION OF SANTA CLARA COUNTY AND _____ 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

Contractor

_____, LAFCO Chair
Santa Clara LAFCO
Date: _____

Date: _____

APPROVED AS TO FORM:

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

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

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

2. Automobile Liability Insurance

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

3. Workers' Compensation and Employer's Liability Insurance

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

E. Special Provisions

The following provisions shall apply to this Agreement:

1. The foregoing requirements as to the types and limits of insurance coverage to be maintained by the Contractor and any approval of said insurance by the LAFCO Executive Officer or insurance consultant(s) are not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by the Contractor pursuant to this Agreement, including but not limited to the provisions concerning indemnification.
2. LAFCO acknowledges that some insurance requirements contained in this Agreement may be fulfilled by self-insurance on the part of the Contractor. However, this shall not in any way limit liabilities assumed by the Contractor under this Agreement. Any self-insurance shall be approved in writing by LAFCO upon satisfactory evidence of financial capacity. Contractor's obligation hereunder may be satisfied in whole or in part by adequately funded self-insurance programs or self-insurance retentions.
3. Contractor's general liability and automobile liability policies shall be 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.

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

DOCUMENT FOR THIS ITEM WILL BE PROVIDED LATER



**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

ITEM # 8

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

Executive Officer
Neelima Palacherla

LAFCO MEETING: December 3, 2025

TO: LAFCO

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

**SUBJECT: AMENDMENT TO SERVICES AGREEMENT BETWEEN
LAFCO AND COVIVE LLC FOR WEBSITE HOSTING AND
MAINTENANCE**

STAFF RECOMMENDATION

1. Approve an amendment to the services agreement between LAFCO and Covive LLC for website hosting and maintenance.

BACKGROUND

Covive LLC has successfully hosted and maintained the LAFCO website since 2020. Chad Upham, Principal at Covive LLC, redesigned and developed LAFCO's current website. Mr. Upham was part of a team of consultants that prepared LAFCO's award-winning Communications and Outreach Plan that resulted in the development of new communications and public engagement tools, including LAFCO's current website. Through this process, Mr. Upham gained a deep understanding of Santa Clara LAFCO and Santa Clara County and has consistently met LAFCO's website hosting and maintenance needs at a reasonable cost.

The original contract with Covive LLC, and subsequent extensions, were executed under LAFCO Resolution No. 2019-03, delegating authority to the LAFCO Executive Officer for execution of any small contracts not to exceed \$5,000 in certain conditions. At the expiration of the original contract in December 2023, LAFCO entered into a new services agreement with Covive LLC effective January 2024 which is structured as an ongoing contract without a termination date and without a not to exceed amount. Compensation is based on the scope of services and the rates presented in Exhibit "A" for calendar years 2024 and 2025.

Covive's website hosting and maintenance rates have remained unchanged since January 2020. However, Covive LLC is now proposing new rates for calendar years 2026, 2027, and 2028.

Proposed Amendment to the Services Agreement with Covive LLC

Staff recommends that the Commission amend the services agreement with Covive LLC for ongoing website hosting and maintenance to reflect the new rates for calendar years 2026 through 2028.

The LAFCO Budget for Fiscal Year 2025-2026 includes sufficient funding (under “Consultant Services”) for the currently anticipated services. Any significant additional expenditure would be discussed annually, as part LAFCO’s workplan and budget approval process.

ATTACHMENT

Attachment A:	Proposed Amendment to Services Agreement between Santa Clara LAFCO and Covive LLC for Website Hosting and Maintenance
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**FIRST AMENDMENT
TO THE SERVICES AGREEMENT
BETWEEN THE LOCAL AGENCY FORMATION COMMISSION OF SANTA CLARA COUNTY
AND COVIVE LLC FOR WEBSITE HOSTING AND MAINTENANCE**

This First Amendment to the Services Agreement is made and entered into as of this ____ day of ____, 2025, by and between the Local Agency Formation Commission of Santa Clara County ("LAFCO"), and Covive LLC ("Contractor" or "Consultant"). LAFCO and Contractor are sometimes individually referred to as "Party" and collectively as "Parties."

WHEREAS, LAFCO and Contractor entered into an agreement entitled "Services Agreement," dated October 4, 2023 ("Agreement") for the purposes of hosting and maintenance of LAFCO's website; and

WHEREAS, LAFCO and Contractor now desire to amend the Agreement to increase the compensation amount.

NOW, THEREFORE, for good and valuable consideration, LAFCO and Contractor agree as follows:

1. Amendment.

Exhibit A of the Services Agreement is hereby replaced with the amended Exhibit A, attached hereto and incorporated herein by reference. From and after the date of this First Amendment, all references to "Exhibit A" shall mean Exhibit A as amended by this First Amendment.

2. Continuing Effect of Agreement.

Except as amended by this First Amendment, all other provisions of the Agreement remain in full force and effect and shall govern the actions of the parties under this First Amendment. From and after the date of this First Amendment, whenever the term "Agreement" appears in the Agreement, it shall mean the Agreement as amended by this First Amendment.

3. Severability.

If any portion of this First Amendment is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

[Signatures on following page]

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

IN WITNESS WHEREOF, LAFCO and Contractor have executed this First Amendment to the Agreement as follows:

**LOCAL AGENCY FORMATION COMMISSION COVIVE LLC
OF SANTA CLARA COUNTY**

Sylvia Arenas
LAFCO Chairperson

Chad Upham
Principal

Date

Date

APPROVED AS TO FORM:

Malathy Subramanian, LAFCO Counsel

Date

Exhibit to this Agreement: Exhibit A – Scope of Services and Compensation

EXHIBIT “A”

SCOPE OF SERVICES AND COMPENSATION

Website Hosting and Maintenance

OVERVIEW

Covive is able to contract with Santa Clara LAFCO to provide ongoing website hosting and maintenance for two calendar years from January 2026 through December 2028.

Annual Website Hosting	\$600 per year*
- Hosting of Drupal 7 website on Pantheon WebOps Platform in an account prepaid yearly by Covive on behalf of Santa Clara LAFCO	

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

Fee for Three (3) Years of Prepaid Hosting (2026–2028)	\$1,800
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Website Maintenance and Support	\$200/hour
- As-needed security updates to Drupal core and supporting modules	
- Assisting LAFCO staff with formatting of new content, as needed	
- Coding of minor new features or content management system refinements	
- Not to exceed 15 hours per calendar year without written approval from LAFCO	

Estimated Total Annual Hourly Maintenance Fees	\$3,000
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Hourly work will be billed monthly.

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

Additional work outside of the scope of this maintenance contract will be based on the rate of \$200/hour through 12/31/28.

**2026 SCHEDULE OF LAFCO MEETINGS AND
APPLICATION FILING DEADLINES**

LAFCO MEETING	DEADLINE TO FILE APPLICATION
February 4, 2026	December 4, 2025
April 1, 2026	February 5, 2026
June 3, 2026	April 2, 2026
August 5, 2026	June 4, 2026
October 7, 2026	August 6, 2026
December 2, 2026	October 8, 2026

TIME OF MEETINGS**1:15 PM****LOCATION OF MEETINGS****Board of Supervisors' Chambers
70 West Hedding Street
San Jose, CA 95110****APPLICATION MAILING
ADDRESS****LAFCO Office
777 North First Street, Suite 410
San Jose, CA 95112
(408) 993-4705**



**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

ITEM # 10

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

Executive Officer
Neelima Palacherla

LAFCO MEETING: December 3, 2025

TO: LAFCO

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

**SUBJECT: APPOINTMENT OF 2026 LAFCO CHAIRPERSON AND
VICE-CHAIRPERSON**

STAFF RECOMMENDATION

Per the rotation schedule, appoint Commissioner Rosemary Kamei to serve as Chairperson for 2026; and Commissioner Yoriko Kishimoto to serve as Vice-Chairperson for 2026.

BACKGROUND

Pursuant to the LAFCO Bylaws, the rotation schedule for Chairperson and Vice Chairperson is as follows unless otherwise determined by the Commission:

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

On December 4, 2024, LAFCO appointed Sylvia Arenas (County member), as Chairperson, and Rosemary Kamei (San Jose member), as Vice-Chairperson for calendar year 2025.

In accordance with the above-mentioned rotation schedule, it is recommended that Commissioner Kamei (San Jose member) be appointed 2026 Chair and Commissioner Kishimoto (Special Districts member) be appointed 2026 Vice Chair.



**Local Agency
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SantaClaraLAFCO.org

Commissioners

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

ITEM # 11

Alternate Commissioners

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

Executive Officer

Neelima Palacherla

LAFCO MEETING: December 3, 2025

TO: LAFCO

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

SUBJECT: EXECUTIVE OFFICER'S REPORT

STAFF RECOMMENDATION

Accept report and provide direction, as necessary.

11.1 CSDA 2025 BOARD SECRETARY/CLERK CONFERENCE

Clerk Humphrey attended the 2025 Board Secretary/Clerk Conference in Santa Rosa, California (October 28 – 29), hosted by the California Special Districts Association (CSDA) which offered practical and hands-on courses, professional development sessions, and informal discussions.

Tuesday's program included an Opening Keynote address entitled "Settle Your Worth and Launch the Life of Your Dreams"; and then sessions on "Board Secretary/Clerk Foundations"; "Staying in Compliance (part one)"; and "Advanced Training in the California Public Records Act."

Wednesday's program featured sessions on "Staying in Compliance (part two)"; "Best Practices for Taking & Processing Meeting Minutes"; "Website Compliance: Everything Board Secretaries Need to Know"; and "Understanding Board Member & District Liability Issues." The Conference then adjourned with attendees receiving a graduate certificate acknowledging their conference participation and continuing education.

**11.2 PRE-APPLICATION MEETING WITH CITY OF SUNNYVALE ON
POTENTIAL CHANGES TO CUPERTINO SANITARY DISTRICT
BOUNDARIES**

On November 11, 2025, EO Palacherla and Assistant EO Noel held a pre-application meeting with Eric Evans (Senior Civil Engineer, City of Sunnyvale) to discuss the City of Sunnyvale's plans to submit an application to LAFCO requesting certain changes to the Cupertino Sanitary District's boundaries to better reflect areas adjacent to and in the vicinity of the City of Sunnyvale that do not receive sewer

service from the District, but instead receive sewer service from the City of Sunnyvale.

Prior to the meeting, LAFCO staff had many discussions with Mr. Evans over the last couple of years concerning this potential proposal and more recently reviewed the City of Sunnyvale's Resolution supporting said application to LAFCO.

At the meeting, LAFCO staff explained the relevant LAFCO policies and the applicable boundary change processes (i.e. sanitary district sphere of influence amendments and sanitary district detachments), filing requirements and deadlines, and applicable fees.

Mr. Evans reported that he would be working with Cupertino Sanitary District staff to obtain a resolution from the District's Board of Directors supporting the proposed boundary changes and then will bring forward an application to LAFCO.

11.3 SANTA CLARA COUNTY ASSOCIATION OF PLANNING OFFICIALS' MEETING

EO Palacherla and Assistant EO Noel participated in the virtual meeting of the Santa Clara County Association of Planning Officials (SCCAPO) held on November 5, 2025. This meeting included updates and announcements from MTC/ABAG representatives and Santa Clara County Planning Collaborative representatives, as well as from Jeffrey Hare (San Jose State University's Professor in the Urban and Regional Planning) highlighting recent advancements in the Department of Urban and Regional Planning, creation of new certificate programs in the Department, and opportunities for local agencies to partner with the Department on internships for urban and regional planning students. The meeting also included an insightful presentation from Morgan Hill Planning staff on the City's SB 1425 - Open Space Element and Environmental Justice Element. Attendees also shared updates on various matters and discussed potential future agenda items.



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San Jose, CA 95112

SantaClaraLAFCO.org

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

ITEM # 12	
Alternate Commissioners	
Pamela Campos	
Helen Chapman	
Betty Duong	
Zach Hilton	
Teresa O'Neill	
Executive Officer	
Neelima Palacherla	

LAFCO MEETING: December 3, 2025

TO: LAFCO

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

SUBJECT: CALAFCO RELATED ACTIVITIES

STAFF RECOMMENDATION

Accept report and provide direction, as necessary.

REPORT ON THE 2025 CALAFCO ANNUAL CONFERENCE

Chairperson Arenas, Vice Chairperson Kamei, Alternate Commissioner O'Neill, EO Palacherla, Assistant EO Noel and Analyst Abello attended this year's CALAFCO Annual Conference which was held at the Wyndham San Diego Bayside from October 22 – October 24. The annual conference provided an opportunity for LAFCOs across the state to share some of their best practices and learn new techniques and approaches from other LAFCOs.

Vice Chair Kamei Elected to CALAFCO Board of Directors

Vice Chair Kamei was elected to the CALAFCO Board of Directors seat from the Coastal Region to serve a two-year term ending in October 2027 (should there be no other changes to the CALAFCO Bylaws between now and then). The following counties form CALAFCO's Coastal Region: Alameda, Contra Costa, Marin, Monterey, San Benito, San Francisco, San Luis Obispo, San Mateo, Santa Barbara, Santa Clara, Santa Cruz, Solano, Sonoma and Ventura.

CALAFCO is the process of rebuilding itself, and as part of that effort, the CALAFCO Board of Directors will be working on organizational restructuring and reforms, improving communications, and promoting member engagement, while ensuring the delivery of important CALAFCO services like legislative advocacy and providing education opportunities to member LAFCOs.

Vice Chair Kamei and EO Palacherla attended the October 24, 2025 CALAFCO Board of Directors meeting, which was held as part of the 2025 CALAFCO Annual Conference in San Diego.

Vice Chair Kamei, as a member of CALAFCO's Board of Directors, is anticipated to attend six CALAFCO Board meetings in 2026, including a full day in-person Board Team Building and Strategic Planning Retreat on February 26, 2026, in Sacramento. The next CALAFCO Board Meeting will be held on December 5, 2025 at San Jose City Hall.

Summary of Annual Conference Program

The Annual Conference started on Wednesday morning with "So, You Think You Know LAFCO? Challenge & Expand Your Knowledge in The LAFCO Pyramid," a LAFCO 101 session styled in a gameshow format. In the afternoon, there was the Conference Opening program that was followed by Keynote Speaker, David Marquet, who shared his insights about leadership and communications based on his experience as a captain of a US nuclear submarine. It was followed by a general session entitled "How Am I Supposed to Know That??? Moving from Guessing to Knowing," conducted in the style of a fireside chat.

Thursday's program included regional caucus meetings and elections, CALAFCO Annual Business Meeting, commissioner and staff roundtable discussions organized by region, and breakout sessions including, "Reimagining Governance & Growth for California's Forgotten Communities"; "Incorporation in the New World – What Makes Them Successful?"; "Local Government Reorganizations – What Tools Are In/Out of LAFCO's Toolbox?"; and "Cleared for Takeoff: Using Technology to Bring LAFCOs Into the 21st Century."

Friday's program started with a CALAFCO Board of Directors Breakfast and Meeting, followed by two general sessions - "Where the Farmland Meets the Front Porch: How do LAFCOs Protect Ag Lands and Increase the Supply of Housing?" and "CALAFCO Legislative Update: The Good, the Bad & the Future". CALAFCO will be posting all conference presentation materials and handouts on its website at www.calafco.org.

The next CALAFCO Annual Conference is scheduled for October 21-23, 2026 at the Sheraton Grand Sacramento Hotel in Sacramento.