



**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

April 2, 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/95010537106> or by dialing **(669) 900-6833** and entering **Meeting ID 965 7919 4208#** 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/95010537106> 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 \$250 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 \$250 within the preceding 12 months from a party or participant shall disclose that fact on the record of the proceeding. If a commissioner receives a contribution which would otherwise require disqualification returns the contribution within 30 days 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 \$250 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 \$250 to any LAFCO commissioner during the proceeding or 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- 4705.

1. ROLL CALL

2. PUBLIC COMMENTS

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

3. APPROVE CONSENT CALENDAR

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

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

***4. APPROVE MINUTES OF FEBRUARY 5, 2025 LAFCO MEETING**

PUBLIC HEARINGS

5. SOUTH SANTA CLARA COUNTY FIRE PROTECTION DISTRICT DISSOLUTION AND SANTA CLARA COUNTY CENTRAL FIRE PROTECTION ANNEXATION / SPHERE OF INFLUENCE AMENDMENT

Application by the Santa Clara County Central Fire Protection District (CCFD) and the South Santa Clara County Fire Protection District (SCFD) for the dissolution of the SCFD, and annexation of its territory to CCFD. The application also includes an amendment to the Sphere of Influence (SOI) of the CCFD.

Recommended Action:

CEQA Action

1. As a Responsible Agency under the California Environmental Quality Act (CEQA), determine that the proposal is categorically exempt from the provisions of the CEQA pursuant to State CEQA Guidelines §15320, Class 20.

Project Actions

2. Approve LAFCO Resolution 2025-01 which:
 - a. approves the Santa Clara County Central Fire Protection District (CCFD) Sphere of Influence (SOI) amendment to include all lands contained in the SOI of the South Santa Clara County Fire Protection District (SCFD) and adopts SOI determinations, and
 - b. approves the dissolution of the SCFD and concurrent annexation of its territory to the CCFD, subject to the listed terms and conditions.

3. Direct the LAFCO Executive Officer to conduct protest proceedings pursuant to GC §57000.

6. PROPOSED WORK PLAN AND BUDGET FOR FY 2026

Recommended Action:

1. Adopt the Proposed Work Plan for Fiscal Year 2025-2026.
2. Adopt the Proposed Budget for Fiscal Year 2025-2026.
3. Find that the Proposed Budget for Fiscal Year 2026 is expected to be adequate to allow the Commission to fulfill its statutory responsibilities.
4. Authorize staff to transmit the Proposed Budget adopted by the Commission including the estimated agency costs as well as the LAFCO public hearing notice for the adoption of the Fiscal Year 2026 Final Budget to the cities, the special districts, the County, the Cities Association of Santa Clara County and the Santa Clara County Special Districts Association.

ITEMS FOR ACTION / INFORMATION

7. PROPOSED WORK PLAN: PHASE 2 - COMPREHENSIVE REVIEW AND UPDATE OF LAFCO POLICIES

Recommended Action: Approve the work plan for Phase 2 Comprehensive Review and Update of LAFCO Policies, and provide direction, as necessary.

***8. EXECUTIVE OFFICER'S REPORT**

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

- 8.1 **Protest Letter on Great Oaks Water Company's Advice Letter 329-W: Service Area Expansion**
- 8.2 **Presentation on LAFCO to Leadership Morgan Hill**
- 8.3 **Quarterly Special Districts Association Meeting**
- 8.4 **Quarterly Meeting with County Planning Department**
- 8.5 **Santa Clara County Association of Planning Officials' Meetings**

***9. SPECIAL DISTRICT MEMBER TERMS EXPIRATION**

For Information Only.

***10. CALAFCO UPDATE**

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

11. COMMISSIONER REPORTS

12. NEWSPAPER ARTICLES / NEWSLETTERS

13. WRITTEN CORRESPONDENCE

14. ADJOURN

Adjourn to the regular LAFCO meeting on June 4, 2025 at 1:15 PM in the Board of Supervisors' Chambers, 70 West Hedding Street, San Jose.



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ITEM # 4

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

LAFCO MEETING MINUTES WEDNESDAY, FEBRUARY 5, 2025

CALL TO ORDER

The meeting was called to order at 1:17 p.m.

1. ROLL CALL

Commissioners

- Sylvia Arenas, Chairperson
- Rosemary Kamei, Vice Chairperson
- Jim Beall
- Yoriko Kishimoto
- Otto Lee (Left at 2:03 p.m., returned at 2:24 p.m.)
- Terry Trumbull (Absent)
- Mark Turner

Alternate Commissioners

- Pamela Campos (Left at 1:27 p.m.)
- Helen Chapman
- Betty Duong (Absent)
- Zach Hilton
- Teresa O'Neill

Staff

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

2. LAFCO MEMBERSHIP CHANGES

For Information Only

3. PUBLIC COMMENTS

One public speaker: Steve Chappell

4. APPROVE CONSENT CALENDAR

MOTION: Kamei	SECOND: Kishimoto	
AYES: Arenas, Beall, Kamei, Kishimoto, Lee, O’Neill, Turner		
NOES: None	ABSTAIN: None	ABSENT: Trumbull

Commission Action: The Commission added Item #12 to the consent calendar and approved the Consent Calendar, including Items #5, #9 and #12.

5. TAKEN ON CONSENT: APPROVE MINUTES OF DECEMBER 4, 2024 LAFCO MEETING

The Commission approved the minutes of the December 4, 2024 meeting.

ITEMS FOR ACTION / INFORMATION

6. RESOLUTION OF COMMENDATION FOR FORMER COMMISSIONER RUSS MELTON

Commission Action: The Commission thanked the former Chairperson Russ Melton for his many years of service and presented him with a resolution of commendation. The Commission gathered for a commemorative group picture.

7. ANNUAL FINANCIAL AUDIT REPORT – JUNE 30, 2024

MOTION: Kamei	SECOND: Kishimoto	
AYES: Arenas, Beall, Kamei, Kishimoto, Lee, O’Neill, Turner		
NOES: None	ABSTAIN: None	ABSENT: Trumbull

Commission Action:

1. Received a presentation from Paul Pham on LAFCO’s Annual Financial Audit Report for fiscal year ending June 30, 2024.
2. Received and filed the Annual Financial Audit Report (June 30, 2024) prepared for Santa Clara LAFCO by Chavan & Associates, LLP.

8. FINANCE COMMITTEE FOR FISCAL YEAR 2025-2026

MOTION: Kamei	SECOND: Kishimoto	
AYES: Arenas, Beall, Kamei, Kishimoto, Lee, O’Neill, Turner		
NOES: None	ABSTAIN: None	ABSENT: Trumbull

Commission Action: Established the Finance Committee composed of Alternate Commissioners: Pamela Campos, Helen Chapman and Teresa O'Neill to work with staff to develop and recommend the proposed FY 2025-2026 LAFCO work plan and budget that will be considered by the full Commission.

9. TAKEN ON CONSENT: EXECUTIVE OFFICER'S REPORT

Commission Action: Accepted the report.

10. CALAFCO RELATED ACTIVITIES

10.1 TAKEN ON CONSENT: 2025 CALAFCO Staff Workshop

The Commission authorized staff to attend the 2025 CALAFCO Staff Workshop and authorized travel expenses funded by the LAFCO budget.

10.2 CALAFCO Update

The Commission accepted the oral report from the Executive Officer.

11. COMMISSIONER REPORTS

There were none.

12. NEWSPAPER ARTICLES / NEWSLETTERS

There were none.

13. WRITTEN CORRESPONDENCE

There were none.

CLOSED SESSION

14. PERFORMANCE EVALUATION

Public Employee Performance Evaluation (Government Code §54957)

Title: LAFCO Executive Officer

The Commission adjourned to Closed Session at 2:22 p.m.

15. REPORT OF CLOSED SESSION

The Commission reconvened at 2:48 p.m., with no reportable action.

15. ADJOURN

The Commission adjourned at 2:49 p.m., to the next regular LAFCO meeting on April 2, 2025, at 1:15 p.m., in the Board of Supervisors' Chambers, 70 West Hedding Street, San Jose.

Approved on April 2, 2025

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

Prepared by: _____
Sonia Humphrey, LAFCO Clerk



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LAFCO MEETING: April 2, 2025

TO: LAFCO

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

**SUBJECT: SOUTH SANTA CLARA COUNTY FIRE PROTECTION
DISTRICT DISSOLUTION AND SANTA CLARA COUNTY
CENTRAL FIRE PROTECTION DISTRICT SPHERE OF
INFLUENCE AMENDMENT / ANNEXATION**

STAFF RECOMMENDATIONS

CEQA Action

1. As a Responsible Agency under the California Environmental Quality Act (CEQA), determine that the proposal is categorically exempt from the provisions of the CEQA pursuant to State CEQA Guidelines §15320, Class 20.

Project Actions

1. Approve LAFCO Resolution 2025-01 which:
 - a. approves the Santa Clara County Central Fire Protection District (CCFD) Sphere of Influence (SOI) amendment to include all lands contained in the SOI of the South Santa Clara County Fire Protection District (SCFD) and adopts SOI determinations, and
 - b. approves the dissolution of the SCFD and concurrent annexation of its territory to the CCFD, subject to the listed terms and conditions.
2. Direct the LAFCO Executive Officer to conduct protest proceedings pursuant to GC §57000.

I. PROJECT DESCRIPTION

On February 6, 2025, LAFCO received an application from the Santa Clara County Central Fire Protection District (CCFD) and the South Santa Clara County Fire Protection District (SCFD) for a reorganization of the two districts and a Sphere of Influence (SOI) amendment for the CCFD. The proposed reorganization includes a dissolution of the SCFD, and concurrent annexation of its territory to CCFD. The proposed SOI amendment is to expand the SOI of the CCFD and include the SCFD SOI. **Attachment A** includes a map showing the jurisdictional boundaries and SOI of the CCFD and the SCFD.

As noted in the application, the purpose of the proposed reorganization is to allow resource allocation decisions to be made using a coordinated countywide strategic approach that maximizes the effectiveness of fire risk mitigation strategies, especially with the all-risk, all-hazards response model CCFD has maintained and expanded over the past two decades as part of the regional approach inherent to CCFD's operations. The proposed reorganization would also streamline operations and administrative costs, and address longstanding structural challenges associated with maintaining an adequate and appropriate level of fire protection for SCFD territories, including addressing SCFD's structural operating deficit.

Because the application was initiated by the two agencies – CCFD and SCFD – adopting substantially similar resolutions for the reorganization of the two districts into a single local agency, pursuant to Government Code (GC) §56853, LAFCO shall approve or conditionally approve the proposal. Please see **Attachment B** for CCFD's and SCFD's initiation resolutions.

II. BACKGROUND

A. Santa Clara County Central Fire Protection District (CCFD) Overview

CCFD is a dependent fire district governed by the County of Santa Clara Board of Supervisors (BOS). The BOS serves as the Board of Directors (BOD) for the district. CCFD is an all-risk, all hazards fire department that has evolved through fire district consolidations and city and fire district contracts beginning in 1947. CCFD serves various types of lands, including urban (within certain cities), suburban, rural residential, hillsides, open space, and wilderness.

CCFD's boundaries encompass 132 square miles consisting of much of the unincorporated areas in the western Santa Cruz Mountains, and the cities of Cupertino, Los Gatos, Monte Sereno, and part of Saratoga. These areas served directly by CCFD are classified as "Zone 2" by CCFD.

CCFD's boundaries also include noncontiguous pockets of unincorporated territory that are largely unincorporated islands within the urban service area of the City of San José and unincorporated territories immediately adjacent to the City of San José and the City of Milpitas. CCFD contracts with the cities of San José and Milpitas to provide fire service to these urbanized unincorporated islands that are surrounded by these cities and/or adjacent to these cities, as well as lands within the lower foothills. These areas are classified as "Zone 1" by CCFD.

Also, within CCFD's boundaries is Moffett Field, an unincorporated area bisected by the SOIs of Sunnyvale and Mountain View. It is home to NASA Ames and to several public and private research institutions. While this area is an inherent part of CCFD's jurisdiction, the area is considered a Federal Response Area and fire protection and emergency response services are provided directly by NASA Ames Fire Department. This area is classified as "Zone 3" by CCFD.

Additionally, by contract, CCFD provides service to the cities of Campbell and Los Altos; to the Los Altos Hills County Fire District and to the Saratoga Fire Protection District.

CCFD's service area population is 156,660, with an additional 101,655 population served through contracts with cities and districts.

B. South Santa Clara County Fire Protection District (SCFD) Overview

SCFD was established on June 1, 1980, when the Gilroy Rural Fire District consolidated with Morgan Hill Rural Fire District. SCFD is a dependent fire district governed by the County of Santa Clara Board of Supervisors (BOS). The BOS serves as the Board of Directors (BOD) for the district. The BOD appoints a seven-member Board of Commissioners who provide community input, oversight, and budget management, however, the budget process is overseen and adopted by the BOS. SCFD contracts with CAL FIRE for fire and first responder EMS services within SCFD's service area. The personnel providing these services are employees of CAL FIRE. SCFD has no employees.

SCFD territory contains unincorporated lands designated as Agriculture, Rural Residential, Hillsides, Ranchlands, Other Public Open lands or Existing Regional Parks in the County General Plan; and existing land uses in the territory include low density rural-residential, commercial, industrial uses; and agriculture, grazing lands, reservoirs, forests, brush lands, parks, open space, and undeveloped lands.

SCFD's boundaries consist of unincorporated areas of Santa Clara County surrounding the cities of Morgan Hill and Gilroy to the Santa Clara-Santa Cruz County line in the southwest, and the Santa Clara-San Benito County line in the south. In addition to the unincorporated area surrounding Morgan Hill and Gilroy, it includes the unincorporated rural residential community of San Martin, the CordeValle estate development, the remote area of the Santa Cruz Mountains, and a portion of the remote area of the Diablo Range. The northern part of SCFD consists of the unincorporated area known as Coyote Valley, located to the south of San Jose.

In total, SCFD's boundaries span 288 square miles and include an estimated population of 22,554. The total assessed value of lands located within SCFD is approximately \$6.4 billion, including improvements.

C. Property Tax Exchange

California Revenue and Taxation Code Section 99(b)(6) requires the adoption of a property tax exchange agreement involving the affected agencies before LAFCO can consider a jurisdictional change. Revenue and Taxation Code section 99(b)(5) requires that when jurisdictional changes will affect the service area or service responsibility of one or more special districts, the Board of Supervisors shall, on behalf of the special districts, negotiate property tax transfers associated with those changes and adopt a resolution identifying the transfers.

The Santa Clara County Board of Supervisors completed the negotiations for the proposed reorganization, and on January 28, 2025, adopted Resolution No. BOS 2025-10 requiring transfer of property tax revenues from SCFD to CCFD upon

dissolution of SCFD and annexation of its territory to CCFD. A copy of the adopted resolution is available as **Attachment C**.

III. LAFCO APPLICATION REVIEW AND PUBLIC HEARING PROCESS

A. Application Review

Upon receiving the above-mentioned application, pursuant to GC §56658 (b), LAFCO staff provided a Notice of Application on February 10, 2025, including to each affected local agency, informing them that an application had been received.

On March 6, 2025, staff issued a Certificate of Filing to the applicant deeming the application complete and setting April 2, 2025 as the date of LAFCO public hearing for the proposal.

B. Notice of Public Hearing

LAFCO staff provided a 21-day notice of the LAFCO public hearing pursuant to GC §56661. The notice was provided to all affected local agencies, among others, and posted on the LAFCO website. Pursuant to GC §56157(h), the public hearing notice was also published as a display advertisement of at least one-eighth page in local newspapers including in the Mercury News, Morgan Hill Times, and the Gilroy Dispatch on March 7, 2025; and in the San Jose Post Record on March 10, 2025.

C. LAFCO Public Hearing

On March 28, 2025, LAFCO staff released its report with analysis and recommendations on the proposal for the Commission's consideration. On April 2, 2025, the Commission will hold a public hearing and consider any written and oral public testimony on the proposal, and the staff report before taking action on the proposal.

Because the application was initiated by the two agencies – CCFD and SCFD – adopting substantially similar resolutions for the reorganization of the two districts into a single local agency, pursuant to Government Code §56853, LAFCO shall approve or conditionally approve the proposal.

D. Protest Proceedings

Pursuant to GC §57000, after commission approval of the proposal, the commission must conduct protest proceedings whereby landowners and registered voters within the subject territory (i.e., within SCFD) may file written protest to the commission's action.

Per GC §57002(a), a notice of the protest hearing must be given within 35 days of the commission adoption of the resolution approving the proposed reorganization, and the protest hearing must occur not less than 21 days or not more than 60 days after notice is given. It is anticipated that the notice of the protest hearing will be provided on May 5, 2025 and the protest hearing will be held after June 4th, in early June.

On June 13, 2001, through LAFCO Resolution No. 01-7, the Commission delegated all responsibilities for conducting a protest proceeding to the LAFCO Executive Officer. As a result, the Executive Officer will conduct the protest hearing for this proposal.

Pursuant to GC §57051, at the protest hearing, the Executive Officer shall summarize the commission’s resolution and hear any oral or written protests. Written protests may be filed with LAFCO from the date of the protest hearing notice until the conclusion of the protest hearing. The requirements for a valid written protest are specified in GC §57051.

Within 30 days following the conclusion of the protest hearing, the Executive Officer must determine the value of the written protests submitted and depending on the level of written protest received as indicated in Table 1, take one of the following actions:

- Adopt a resolution making determinations and ordering the reorganization without an election, or
- Adopt a resolution making determinations and ordering the reorganization subject to confirmation by voters, or
- Issue a certificate of termination, terminating proceedings.

Table 1: Protest Thresholds for the Proposed Reorganization *

Order Reorganization Without an Election (GC §57092)	Order Reorganization Subject to an Election (GC §57092)	Terminate Reorganization (GC §57078)
<p>Written protests signed by:</p> <ul style="list-style-type: none"> • Less than 25% of the number of landowners within the affected territory (i.e., within SCFD) who own less than 25% of the assessed value <p><u>OR</u></p> <ul style="list-style-type: none"> • Less than 25% of voters entitled to vote as a result of residing within, or owning land within, the affected territory (i.e., within SCFD) 	<p>Written protests signed by:</p> <ul style="list-style-type: none"> • At least 25%, but less than 50% of the number of landowners within the affected territory who own at least 25%, but less than 50% of the assessed value of land within the affected territory <p><u>OR</u></p> <ul style="list-style-type: none"> • At least 25%, but less than 50% of the voters entitled to vote as a result of residing within or owning land within, the affected territory 	<p>Written protests signed by:</p> <ul style="list-style-type: none"> • 50% or more of the voters residing in the SCFD territory

**The proposed reorganization includes territory that is considered inhabited. GC §56046 defines “inhabited territory” as territory within which there reside 12 or more registered voters.*

E. Certificate of Completion and Effective Date of Reorganization

Pursuant to GC §57200(a), upon ordering the reorganization, the Executive Officer must file a Certificate of Completion after completion of the time period allowed to file and act upon any requests for reconsideration and protest proceedings; and upon satisfaction of any conditions contained in the adopted resolution that are required to be completed prior to filing a certificate of completion. The date of recordation of the Certificate of Completion with the county recorder shall be the effective date of the reorganization, unless specified otherwise in the LAFCO resolution approving the proposal.

IV. STAFF ANALYSIS

In accordance with GC §56668, LAFCO must take into account many factors when considering a reorganization proposal. Certain factors may be more applicable or relevant than others, depending on the specific proposal and circumstances. The following is an analysis of those factors:

A. Consistency with Spheres of Influence

Pursuant to GC §56375.5, LAFCO cannot take actions that are inconsistent with a SOI. Accordingly, the proposal includes an amendment of the SOI of CCFD to include the territory contained currently in SCFD's SOI.

1. SCFD Current SOI Boundary

SCFD's SOI is not coterminous with the existing boundaries of the district. SCFD's SOI includes all of South County except the cities of Morgan Hill and Gilroy and the more remote areas of the Diablo Range. SCFD's SOI is located generally south of Bailey Avenue along Little Uvas Creek and extends southeast along Pacheco Highway to the county line, extends east along the Diablo Range ridge line up to the San José SOI and extends west to the Santa Clara-Santa Cruz County border. The Coyote Valley area within SCFD to the north is located outside SCFD's SOI. The District's SOI was last amended in 2014 to add 12,995 acres of unincorporated lands that are located outside the SOI of the City of San José and the Town of Los Gatos as part of a subsequent annexation of 38,648 to enable SCFD to have jurisdictional authority over these lands in order to enter into an Automatic Aid agreement with the Santa Cruz County Fire Department for providing fire protection services to the area (South Santa Clara County Fire Protection District Sphere of Influence Amendment and Annexation 2014). In 2023, LAFCO reaffirmed the existing SOI for SCFD as depicted in the Countywide Fire Service Review.

2. CCFD Current SOI Boundary

CCFD's SOI is coterminous with the existing boundaries of the district, except that it does not include the noncontiguous unincorporated islands and areas. Its SOI was last amended in 2010 to exclude lands on the southeastern edge to be consistent with the district's boundary and retracted to exclude the lands that were annexed to the City of Los Altos and concurrently detached from CCFD in 2006. In 2023, LAFCO reaffirmed the existing SOI for CCFD as depicted in the Countywide Fire Service Review.

Pursuant to Government Code §56425, staff has prepared SOI determinations in support of the proposed CCFD SOI amendment. See proposed LAFCO Resolution 2025-01 (**Attachment D**) for “Sphere of Influence Determinations.”

B. Conformance with Service Reviews

Consistent with GC §56430, LAFCO will prepare a service review prior to or in conjunction with the establishment or update of the SOI. LAFCO completed a Countywide Fire Service Review in 2023 which included a SOI review/update for both CCFD and SCFD. The proposal will not undermine adopted service review determinations or recommendations. As noted on Page 596 of LAFCO’s Countywide Fire Service Review under “SCFD Service Review Determinations,” the following determination is particularly relevant to the proposed reorganization:

Financial Ability of Agency to Provide Services

12-14: The sustainability of funding the operations of SCFD is being challenged due to increased cost of the CAL FIRE agreement. Projections show SCFD will use up all available fund balance by early FY 25; if no further revenue sources can be identified by that time, SCFD’s operations will be severely impacted and may need to be reduced or may not be able to continue. SCFD and the Santa Clara County Board of Supervisors are working to find solutions to this significant challenge.

C. Impacts to Agricultural and Open Space Lands

The proposal includes agricultural and open space lands and lands subject to a Williamson Act contract. However, the proposed reorganization would not result in the provision of growth-related services, such as sewer or water service—therefore, it will not adversely impact agricultural lands. The proposal will not result in any changes in land use jurisdiction or in the planned land use of the properties located within the subject territory. Therefore, the proposal will not adversely impact agricultural lands or open space.

D. Logical, Orderly Boundaries

The proposal will result in logical and orderly boundaries. As shown on the map (**Attachment A**), the CCFD boundaries are contiguous to the current SCFD boundaries. Upon reorganization, CCFD’s jurisdictional boundaries and SOI will reflect the dissolution of SCFD and the concurrent annexation of the dissolved territory to CCFD.

E. Ability to Provide and Fund Services: Plan for Service

Upon dissolution of SCFD and annexation of its territory to CCFD, CCFD will become the authority having jurisdiction and will provide service to the area. Currently, SCFD provides service within its territory through a contract with CAL FIRE. As required by GC §56653, CCFD provided a plan for providing service to the annexed area. Please see **Attachment E** for a copy of CCFD’s Plan for Services. Key points from the plan are summarized below.

1. Fire Stations

SCFD currently serves the subject territory using four fire stations (i.e. Masten, Treehaven, CAL FIRE Headquarters, and Pacheco). The location of these stations is shown on the map in **Attachment A**. Based on the Plan for Service, CCFD's proposed plan for the use of these stations to serve the area is summarized as follows:

- **Masten Station:** SCFD owns the Masten Station, and upon CCFD's annexation of the SCFD territory, CCFD will retain, own, and operate the existing Masten Station.
- **Treehaven Station:** SCFD currently leases the Treehaven Station from the City of Gilroy. CCFD is working with the City of Gilroy to transfer the lease to CCFD from SCFD. The City of Gilroy is supportive of the transfer and it is expected that there would be no major change in the lease amount (approximately \$24,000/year) upon the transfer.
- **CAL FIRE Headquarters:** The CAL FIRE Headquarters is owned by the state and serves as its headquarters for the CAL FIRE Santa Clara unit. It currently houses the apparatus and CAL FIRE personnel that serve SCFD, the City of Morgan Hill and the State Responsibility Area (SRA) lands. As this station will not be available for CCFD operations upon completion of the reorganization, CCFD is in the process of securing a temporary station in Morgan Hill and expects that the temporary station will be ready to be occupied by July 1, 2025. The cost of acquiring this temporary station is expected to be approximately \$41,000/year. It is expected that the temporary station would be in service for approximately 3 years, until a permanent fire station site can be located and developed.
- **Pacheco Station:** CAL FIRE owns and operates this station and staffs it approximately six to nine months of a year during the declared fire season. SCFD currently has an Amador Agreement with CAL FIRE to pay for fire protection and emergency services staffing during the non-fire season months when CAL FIRE would otherwise be down staffed or closed. Under the agreement, SCFD also pays for staffing a paramedic year-round, to meet its ALS first responder requirements under the EMS contract in Santa Clara County. The Agreement with CAL FIRE runs through June 30, 2025, with a maximum cost set at \$749,075 for Fiscal Year 2024-2025. The actual cost for Fiscal Year 2025 was \$680,000. CCFD has contacted CAL FIRE with the intent to negotiate a new Amador Agreement with CAL FIRE and maintain a similar service arrangement at the Pacheco Station.

If an agreement cannot be reached with CAL FIRE, CCFD has developed an alternative model that would place a temporary fire station along the Highway 152 corridor near Casa De Fruta. Under this model, CCFD would explore options to rent hotel rooms at Casa De Fruta for crew accommodations and a secure place to park the fire engine, or locate a

commercial or residential property to lease as a temporary station, or discuss land lease agreements with local landowners to site a modular building or mobile home. Further, CCFD indicates that in order to provide ALS service during the fire season when CAL FIRE has an engine staged at the Pacheco station, CCFD proposes to stage a 2-person Company (Captain and Firefighter/Engineer- Paramedic) at Casa de Fruita or another alternate site using an existing Type 3 or Type 6 engine. During the non-fire season, CCFD proposes to stage a 3-person Engine Company (Captain and Firefighter/Engineer- Paramedic, Firefighter) at Casa De Fruita or another alternate site. CCFD projects that the cost of this model would be approximately \$1,094,621.

2. Staffing & Apparatus

Upon completion of the reorganization, all SCFD owned apparatus will be transferred to CCFD.

SCFD does not employ its own staff. SCFD contracts with CAL FIRE and CAL FIRE employees provide the services. SCFD’s current contract with CAL FIRE calls for a total daily staffing of thirteen (13) across the four existing stations. Upon reorganization, CCFD does not anticipate any major changes in unit staffing or apparatus at each of the four fire stations. CCFD has proposed the following unit staffing and apparatus for each station in the SCFD territory:

Table 2. Proposed CCFD Staffing

Fire Station	SCFD Owned Apparatus and Proposed CCFD Unit Staffing	Proposed Total Daily Staffing
Masten	E-68 Type 1 Engine (3), Battalion Chief (1) WT-68 Water Tender (selectively staffed)	4
Treehaven	E-69 Type 1 Engine (3), E-368 Type 3 Engine (cross-staffed - to be used at Pacheco, if Amador Contract is not extended during the winter months) USAR-769 Trailer (selectively staffed)	3
Temporary (Morgan Hill)	E-67 Type 1 Engine (3) WT-67 Water Tender (selectively staffed)	3
Pacheco	CAL FIRE Amador Contract or CCFD E-368 Type 3 Engine (3)	3

According to the plan for service, CCFD proposes to relocate a 24/7 battalion chief resource from CCFD’s existing Seven Springs station to the Masten station to provide command level supervision in the South County. This would allow CCFD to better utilize the capacity of its existing resources

without impacting service levels in its existing service area and would allow CCFD to participate in a battalion chief sharing agreement on equal terms with the other fire agencies (i.e. City of Gilroy, and City of Morgan Hill (contracts with CAL FIRE)) in south county.

Additionally, CCFD expects to enter into an agreement with Morgan Hill to continue to share the costs of staffing, maintenance and repair of Engine 67 after the reorganization and appropriately apportion the costs between CCFD and Morgan Hill.

CCFD has received authorization from its Board of Directors to hire firefighters in anticipation of the reorganization. CCFD anticipates needing a total of 183 Firefighter/Engineer positions to staff the entire district following the annexation of SCFD. Additional staffing efforts are underway, with a Joint Fire Academy (JFA) beginning on March 31, 2025, enrolling 10 firefighter trainees, and another ALA starting on April 14, 2025, with 20 firefighter trainees. Graduates from these academies will begin work on August 18, 2025, and September 1, 2025, respectively, bringing the total number of on-duty Firefighter/Engineers to 181.

If CCFD assumes responsibility for providing fire service to SCFD on July 1, 2025, it expects a short-term staffing shortage of an estimated 27 suppression personnel. This includes 18 Firefighter/Engineers and nine Fire Captains—similar in scale to a full strike team deployment, which according to CCFD, is traditionally managed through overtime. Additionally, CCFD has 13 line personnel, including Firefighter/Engineers, Captains, and Battalion Chiefs, currently assigned to 40-hour office roles. CCFD will collaborate with the Local to explore staffing strategies that supplement line personnel and minimize overtime between July and September 2025.

Further, CCFD has scheduled a Firefighter/Engineer-Paramedic recruitment for June 2025 and a Firefighter/Engineer-EMT recruitment for early 2026. These efforts will fill future academies, helping to counter attrition and allow CCFD to maintain near-full to full staffing levels.

3. SCFD's Volunteer Program (Company 70)

As noted on the SCFD website, its Volunteer program (Company 70) provides training and practical experience to those interested in pursuing firefighting as a profession. CCFD reports that Volunteer Company 70 has a roster of 20 to 30 volunteer firefighters with varying certification levels. CCFD notes that both CCFD and SCFD run similar programs for volunteer firefighters. CCFD plans to work closely with Company 70 to preserve their role in the community and capitalize on the value added by their existence, while ensuring that all active members have appropriate licensing and training certifications in place before being deployed.

In addition, two volunteer fire companies [i.e. Casa Loma Volunteer Fire Association, Uvas Volunteer Fire Department] are currently operating in the

boundaries of SCFD. CCFD reports that both Casa Loma and Uvas volunteer companies will continue functioning as-is.

4. Emergency Dispatch

Under SCFD's current dispatch system, 911 calls in the SCFD service area are answered by County Communications which serves as the Public Safety Answering Point (PSAP). County Communications dispatches an ambulance (for medical emergencies) and transfers the information to the CAL FIRE dispatch center for the actual dispatch of a fire /EMS response. Upon reorganization, County Communications will continue to serve as the PSAP who answers the 911 calls and will also dispatch both fire and ambulance from the same center, eliminating the need to transfer a service call, and limiting the potential for delays. As a result of the reorganization, County Communications will serve as the sole dispatcher for fire, law enforcement, and emergency medical services in the SCFD region, ensuring a more streamlined and coordinated emergency response system.

5. Boundary Drop and Automatic Aid Emergency Response

Currently, SCFD, the City of Gilroy, and the City of Morgan Hill have a Boundary Drop and Operational Agreement to drop borders and send the closest appropriate available resource and Battalion Chief regardless of jurisdiction. CCFD intends to assume responsibility for the agreement, upon completion of the reorganization.

Additionally, as outlined in the proposed Plan for Services, SCFD has existing automatic aid emergency response agreements with various fire departments and agencies, including those in Santa Clara County, the Pajaro Valley Fire District, and the San Benito County Fire Department. CCFD intends to assume responsibility for these agreements upon completion of the reorganization.

6. Fire Prevention and Public Education

CCFD, through a contract with the Santa Clara County Planning and Development Department, currently provides Fire Marshal services including plan review, and construction inspections to all county unincorporated areas, including to those in the SCFD. CCFD would continue to provide these services upon reorganization.

Currently CAL FIRE has enforcement authority, and conducts fire investigations, and mandated/annual inspections of schools, hotels, and motels, pursuant to Health and Safety Code sections 13146.2 and 13146.3, within the SCFD territory. CCFD would assume responsibility for this function upon reorganization.

Currently, SCFD provides public education, including through its volunteer program. CCFD has a Community Education and Risk Reduction Services (CERRS) unit that provides a broad range of community outreach and education services, including school fire safety and life safety programs, adult and senior safety programs, and CPR and automated external defibrillator

training. CERRS aims to reach 20% of the population served each year with outreach and educational services. Additionally, CCFD supports a Community Emergency Response (CERT) program and conducted community meetings related to wildfire preparedness and mitigation efforts.

7. Administration, Training, and Other Support Services

According to the Plan for Services, the administrative, training, and support functions that are currently provided by CAL FIRE will be absorbed into the administrative infrastructure of CCFD upon reorganization.

F. Financial Ability and Fiscal Sustainability

The most recent fiscal review of SCFD was presented at their Board of Commissioners meeting on March 12, 2025, and it is summarized in Table 3 below.

Table 3. SCFD Revenues and Expenditures Current FY 2025 and Budgeted FY 2026

	Actuals FY 24	Projected End of FY 25	Budgeted FY 26
Total Revenues	\$7,263,857	\$7,348,050	\$7,600,871
Total Expenditures	\$6,906,118	\$8,694,501	\$11,635,436
Difference	\$357,739	\$(1,346,451)	\$(4,034,565)
Transfer-in from County	-	-	\$1,500,000
Fund Balance End of Year	\$5,484,735	\$4,138,284	\$1,603,719

Source: SCFD Proposed Fiscal Year 2026 Budget Review (March 12, 2025)

1. SCFD’s Current Structural Deficit

For FY 2025, SCFD’s projected revenues total \$7,348,050, with approximately 92% derived from property tax allocations. Other revenue sources include First Responder fees (\$227,950), investment income and other funding streams. SCFD’s current development impact mitigation fees provides a minimal stream of revenue. Projected SCFD expenditures for FY 2025 amount to \$8,694,501, with approximately 87% allocated to the CAL FIRE service agreement and the Amador Contract. Expenditures exceed revenues by \$1,346,451, and it is expected that the shortfall will be covered by drawing from the SCFD fund balance.

In FY 2026, SCFD is projected to face a larger budget shortfall, as revenues will not be sufficient to cover all expenditures. To address this gap, the County of Santa Clara is expected to contribute \$1.5 million from its General Fund.

As outlined in the table above, SCFD’s proposed budget for FY 2025-2026 includes \$7.6 million in revenues and \$11.6 million in expenditures. This expenditures estimate does not account for additional funds required for capital needs, such as the purchase of a fire engine and a water tender. Based on the proposed budget, SCFD will need to utilize approximately \$4 million from its fund balance or reserves to meet expenditure requirements for the fiscal year.

As noted in the application material, for several years, SCFD’s revenue has been inadequate to cover its operating costs and capital infrastructure needs, and this is projected to continue into the future.

2. CCFD’s Costs and Revenues for Extending Service to SCFD Area

Table 4 below provides a comparison of revenues and expenditures outlined in SCFD’s 2025-2026 budget, alongside the projected amounts for the same area upon annexation by CCFD, highlighting the projected difference in costs between the two scenarios.

Table 4. Projected Cost for CCFD to Provide Services to SCFD’s Territory

	Proposed SCFD FY 2026 Budget	Projected CCFD FY 2026 Budget to Serve SCFD Area
Revenues	\$7,600,871	\$7,600,871
Expenditures	\$11,635,436	\$16,224,000
Difference	\$(4,034,565)	\$(8,749,150)

Source: SCFD Proposed Fiscal Year 2025/2026 Budget Review (March 12, 2025); CCFD Plan for Services (February 6, 2025)

Upon reorganization, the annual property tax revenue of SCFD would be transferred to CCFD and CCFD would receive comparable amounts from the same revenue sources that SCFD currently relies on. These revenues can then be leveraged by CCFD to appropriate resources to support operations in the former SCFD territories annexed to CCFD. CCFD does not propose increasing or levying new taxes or assessments as part of this reorganization.

The proposed Plan for Service estimates that CCFD will incur ongoing annual costs of \$16.2 million for extending services into the SCFD territory. This amount covers the costs associated with continuing a similar service delivery model of staffing three Type 1 ALS engines daily, leasing the Treehaven fire station and a temporary fire station, and either maintaining the Amador Agreement with CAL FIRE or implementing an alternative model. This amount also includes all overhead expenses, such as administration and support services.

CCFD expects to cover the approximately \$8 million shortfall in operational expenditures following the annexation using its available Unassigned General Fund balance. As of June 30, 2024, CCFD’s total governmental fund balance stood at \$94.8 million, including \$41.8 million in Unassigned General Fund, \$51.5 million allocated for Major Facility and Apparatus replacement, and \$1.5 million in Assigned Fund balance. CCFD plans to monitor its fund balances and adjust expenditures as needed to maintain adequate operational reserves.

For budgetary and planning purposes, CCFD has established a target of maintaining an Unassigned General Fund balance between 10-15% of total General Fund expenditures. At the end of Fiscal Year 2023-2024, the Unassigned General Fund balance was \$41.8 million, representing 29% of total General Fund expenditures of \$145.9 million. CCFD’s financial strategy for the initial infrastructure investment

required to support SCFD allows for the use of the General Fund Unassigned Fund balance, ensuring it remains within the 10-15% target range—equivalent to \$14.6 million to \$21.9 million for FY 2023-2024.

In the mid- and long-term, CCFD plans to collaborate with the County to identify strategies for increasing revenue such as a potential emergency response fee for service.

G. Environmental Justice

The proposal will promote environmental justice, in terms beginning to address long-standing structural challenges associated with maintaining an adequate and appropriate level of fire protection for the SCFD territories, including addressing SCFD's structural fiscal deficit. It will also help to ensure the continued delivery of high-quality fire protection and emergency medical response services throughout the county which is equitable and sustainable.

H. Planned, Orderly, Efficient Patterns of Urban Development, Local & Regional Plans

The affected territory is entirely unincorporated and subject to the land use designations of the County of Santa Clara General Plan. No new development, growth, or changes to existing land use or zoning designations are associated with the reorganization. Therefore, the proposal is not expected to have any effect on the existing planned orderly efficient patterns of urban development or the Regional Transportation Plan.

I. Availability of Water Supplies

The proposed reorganization does not involve new development or growth that would require the evaluation of adequate water supplies. The proposal, accordingly, will not have an effect on the timely availability of water supplies.

J. Lands in Very High Fire Hazard Zones

The proposal includes some lands shown on maps that identify these lands as within a very high fire hazard zone pursuant to GC §51178 and/or maps that identify these lands to be in a state responsibility area pursuant to GC §4102.

K. Public Comments

As of the writing of this staff report, LAFCO has received comment letters from the following affected local agencies and other public agencies:

- Joan M Lewis, Commissioner, SCFD Board of Commissioners
- Peter Keesling, Commissioner, SCFD Board of Commissioners
- Jim Acker, Commissioner, SCFD Board of Commissioners
- Jake Hess, Unit Chief, CAL FIRE – Santa Clara Unit
- Christina Turner, City Manager, City of Morgan Hill

To date, LAFCO has also received one comment letter from a member of the public.

Please see **Attachment F** for copies of all the letters/comments received to date.

Any additional comment letters received will be provided to the Commission in a supplemental packet.

V. ENVIRONMENTAL IMPACT ANALYSIS

As part of the application materials submitted, CCFD identified itself as Lead Agency, under the California Environmental Quality Act (CEQA), and determined that the project is categorically exempt from CEQA pursuant to State CEQA Guidelines §15320, Class 20, that states:

Section 15320: Changes in the organization or reorganization of local governmental agencies where the changes do not change the geographical area in which previously existing powers are exercised. Examples include but are not limited to establishment of a subsidiary district, consolidation of two or more districts having identical powers, merger with a city or a district lying entirely within the boundaries of the city.

LAFCO is a Responsible Agency for the project, under CEQA. LAFCO staff has reviewed the application and agrees with CCFD's use of a categorical exemption (i.e. §15320 Class 20) as Lead Agency. Both CCFD and SCFD were formed under the same enabling legislation (i.e. California Health and Safety Code §13800, et seq.) which means that both districts are authorized to exercise the same powers under the law. The proposal would not change the geographical area in which previously existing powers are exercised, it would simply change the specific agency (fire district) that is exercising those same powers.

Therefore, the proposal is categorically exempt from CEQA pursuant to State CEQA Guidelines §15320, Class 20.

VI. CONCLUSION

SCFD is experiencing a structural deficit, with the County of Santa Clara anticipating that it will have to contribute at least \$1.5 million from its General Fund in the near term to help balance SCFD's budget. SCFD's structural deficit is projected to continue indefinitely. However, contributions from the County of Santa Clara are not practical or sustainable, particularly in the current financial climate. One possible way to address SCFD's structural deficit is to reduce district costs by reducing the level of fire service and emergency medical response service that SCFD provides within its territory. This option is not desirable for public health and safety reasons and raises concerns about equity.

Another option, which would not require a reduction in the level of fire service and emergency medical response service provided in SCFD's territory, is the expansion of CCFD boundaries to include this territory. This would allow CCFD to become the service provider for the area.

CCFD is a much larger, financially stable fire district, with growing reserves. Although it will cost CCFD more to provide the same level of services to the subject territory as SCFD, CCFD has the necessary financial resources (i.e. reserves) to cover

those increased costs, at least for a few years. During which time, CCFD plans to collaborate with the County to develop and implement a long-term plan to balance projected revenues and expenditures districtwide. Some other likely benefits of this option as noted in the application, include allowing for more effective coordination of available resources based on a comprehensive and coordinated strategy, streamlining and standardization of practices, training, emergency management and response within the region; leveraging economies of scale; and improving administration and oversight.

In conclusion, given the challenges that SCFD faces, the proposed reorganization is a reasonable solution to maintain fire services in the SCFD territory. Furthermore, LAFCO is limited to approving or conditionally approving the reorganization proposal pursuant to GC §56853, as it is initiated by substantially similar resolutions from CCFD and SCFD. Therefore, staff recommends approval of the proposal subject to terms and conditions as specified in LAFCO Resolution 2025-01.

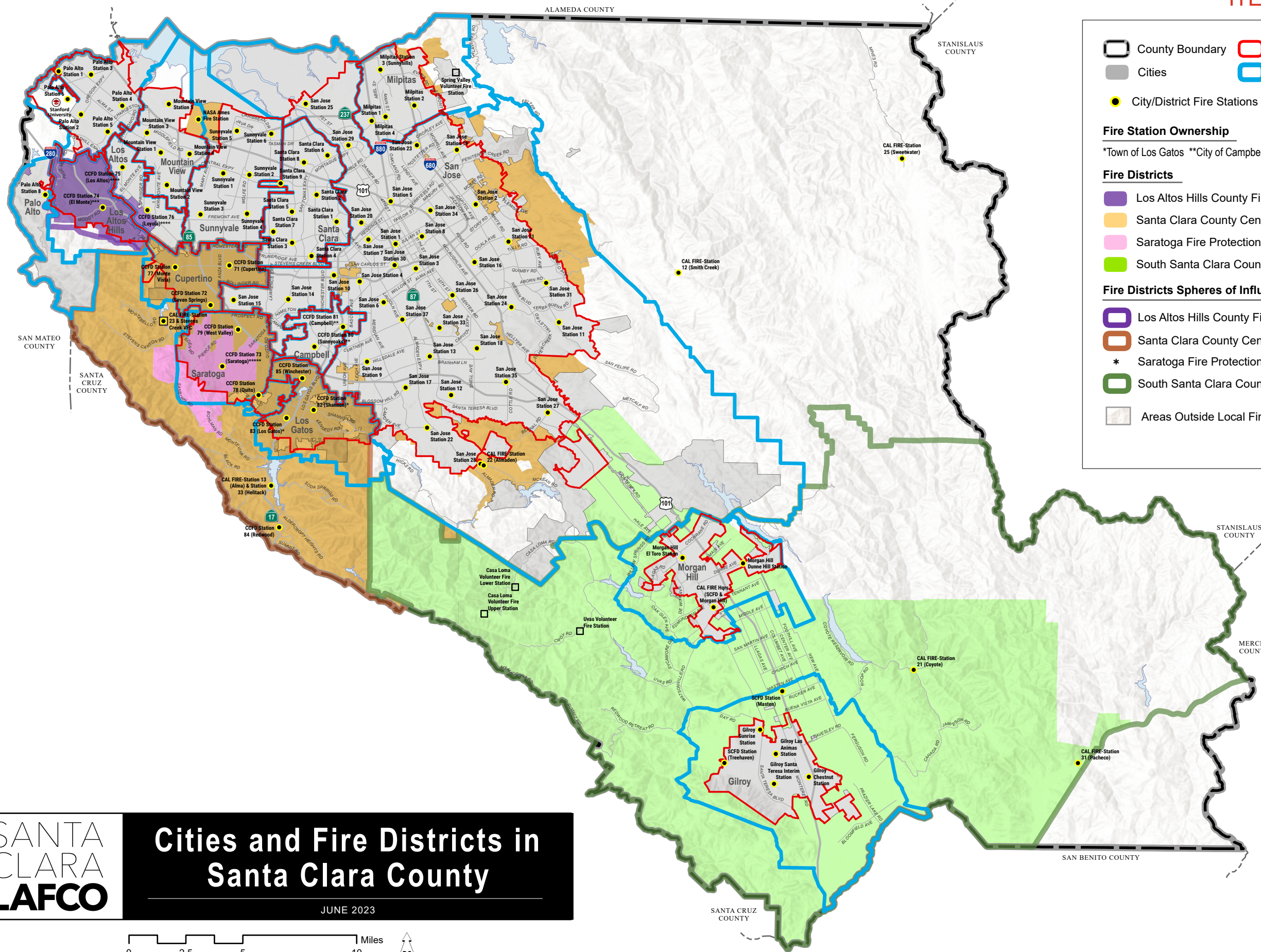
VII. NEXT STEPS

Following LAFCO's approval of the proposal, the Executive Officer will transmit a copy of LAFCO Resolution No. 2025-01 to the proponents, and affected local agencies, as required by GC §56882.

The Executive Officer will conduct protest proceedings pursuant to GC §57000 and make her determination on the outcome of the protest hearing pursuant to GC §57092 and GC §57078, as noted in the "LAFCO Application Review and Public Hearing Process: Protest Proceeding" section of this staff report.

VIII. ATTACHMENTS

- | | |
|---------------|--|
| Attachment A: | Map of CCFD and SCFD Boundaries and Fire Stations |
| Attachment B: | CCFD and SCFD Initiation Resolutions (Resolution No. CFPD 2025-01 and Resolution No. SCFD 2025-01) |
| Attachment C: | County of Santa Clara Resolution No. BOS-2025-10 |
| Attachment D: | LAFCO Resolution No. 2025-01 |
| Attachment E: | CCFD's Plan for Services |
| Attachment F: | Written Comments Received |



Legend

- County Boundary
- Cities Urban Service Areas
- Cities
- Cities Spheres of Influence
- City/District Fire Stations
- Volunteer Fire Stations

Fire Station Ownership

*Town of Los Gatos **City of Campbell ***LAHCFD ****City of Los Altos *****SFD

Fire Districts

- Los Altos Hills County Fire District (LAHFD)
- Santa Clara County Central Fire Protection District (CCFD)
- Saratoga Fire Protection District (SFD)*
- South Santa Clara County Fire Protection District (SCFD)

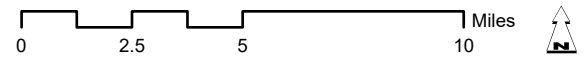
Fire Districts Spheres of Influence

- Los Altos Hills County Fire District (LAHFD)
- Santa Clara County Central Fire Protection District (CCFD)
- * Saratoga Fire Protection District (SFD) has a zero SOI
- South Santa Clara County Fire Protection District (SCFD)
- Areas Outside Local Fire Service Provider

SANTA CLARA LAFCO

Cities and Fire Districts in Santa Clara County

JUNE 2023



RESOLUTION NO. CFPD-2025-1

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE SANTA CLARA COUNTY CENTRAL FIRE PROTECTION DISTRICT
INITIATING APPLICATION BY THE SANTA CLARA COUNTY CENTRAL FIRE
PROTECTION DISTRICT FOR THE DISSOLUTION OF THE SOUTH SANTA CLARA
COUNTY FIRE DISTRICT AND ANNEXATION OF ITS TERRITORY INTO THE
SANTA CLARA COUNTY CENTRAL FIRE PROTECTION DISTRICT**

WHEREAS, the Board of Directors of Santa Clara County Central Fire Protection District (“County Fire”) desires to initiate proceedings pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (“Act”), including Government Code section 56853, concurrently with the South Santa Clara County Fire District (“South County Fire District”) for the dissolution of the South County Fire District and its territory’s annexation into County Fire;

WHEREAS, the Santa Clara County Local Agency Formation Commission (“Santa Clara LAFCO”) may adjust County Fire’s sphere of influence, as necessary, to make it consistent with the proposed reorganization;

WHEREAS, the South County Fire District and County Fire are fire protection districts and exercise identical powers as authorized by the Fire Protection District Law of 1987 (Health and Safety Code section 13800 *et seq.*), encompassing the indicated territories depicted in Exhibit A (Cities and Fire Districts in Santa Clara County);

WHEREAS, the affected territory proposed to be annexed is inhabited, and is constituted by the boundaries of the South County Fire District;

WHEREAS, in light of the likelihood that large wildfires and other all-hazards incident types in Santa Clara County will recur, it is critically important that local Santa Clara County fire agencies coordinate local resources to the extent possible to maximize the effectiveness of Santa Clara County’s local fire response in the future, especially in light of the anticipated limited responses available from outside the county during multiple large-scale fire incidents;

WHEREAS, the public benefits and reasons for the proposed dissolution of the South County Fire District and its territory’s annexation into County Fire include but are not limited to the following:

- (1) The reorganization will provide more effective countywide coordination of available resources to combat all-hazards and all-risk emergencies, including but not limited to wildfires, technical rescues, hazardous materials incidents, and emergency medical responses, and provide a comprehensive strategy and resource allocation, including risk mitigation;

- (2) Will facilitate the efficient delivery of life- and property-saving, all-risk emergency services to individuals and property owners within the affected territory by centralized allocation of available resources based upon a comprehensive and coordinated strategy;
- (3) Will continue to foster a regional fire service delivery model where fire prevention practices, training, emergency management, and operational emergency response can be streamlined and standardized within the region;
- (4) Will provide increased specialized emergency response capabilities including Hazardous Materials Emergency Response and Urban Search and Rescue;
- (5) Will provide timely, efficient, and effective emergency services dispatching and land mobile radio communications through Santa Clara County Communications' current infrastructure and dispatching capabilities;
- (6) Will eliminate duplication of management, be more cost effective, leverage economies of scale, and improve administration and oversight; and
- (7) Will improve facility and fleet maintenance and long-term capital improvement planning by providing centralized leadership and administrative support.

WHEREAS, it is desired that the proposed reorganization be subject to the following terms and conditions, among others:

- (1) The effective date of the reorganization shall be set by Santa Clara LAFCO action;
- (2) The South County Fire District will be dissolved, terminated, disincorporated, and extinguished, and all of its corporate powers shall cease;
- (3) Annexation will result in increase of County Fire's boundaries to include all territory formerly in the South County Fire District;
- (4) County Fire shall be the successor to the South County Fire District for the purpose of succeeding to all rights, duties, and obligations of the South County Fire District and exercising such other powers as stated in the Act;
- (5) All property, whether real or personal, including monies (including cash on hand and monies due) of the South County Fire District shall be transferred to County Fire;
- (6) Santa Clara LAFCO may update County Fire's sphere of influence in a manner consistent with the reorganization;
- (7) County Fire shall submit for Santa Clara LAFCO's consideration a Plan of Service based upon its adjusted boundaries; and
- (8) Such other provisions as required by applicable law or as may be agreed by County Fire and the South County Fire District.

WHEREAS, under Government Code section 56853(a), if the legislative bodies of two or more local agencies adopt substantially similar Resolutions of Application in support of the consolidation of districts or for the reorganization of all or part of the districts into a single local agency, a commission shall approve or conditionally approve the reorganization proposal;

WHEREAS, the South County Fire District and County Fire Boards of Directors have adopted substantially similar Resolutions Initiating Application in support of the proposed application, and, therefore, Santa Clara LAFCO shall approve or conditionally approve the reorganization proposal;

WHEREAS, County Fire shall submit a plan for providing services to Santa Clara LAFCO consistent with Government Code section 56653 as part of its application to Santa Clara LAFCO; and

WHEREAS, the County Executive will return to the Board of Directors with additional actions to support the consolidation of the fire districts, including the creation of a new service zone within County Fire to cover the territory of the current South County Fire District.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Santa Clara County Central Fire Protection District, State of California, that:

1. The above recitals are true and correct and incorporated herein by reference.
2. Santa Clara LAFCO is requested to initiate proceedings for the reorganization of County Fire pursuant to the Act and consistent with this Resolution (inclusive of its recitals).
3. The Board of Directors directs the County Executive or his designee to submit an application and act as chief petitioner to Santa Clara LAFCO initiating the reorganization as set forth in this Resolution of Application. The County Executive's address is:

James R. Williams
County Executive
70 West Hedding Street, East Wing, 11th Floor
San José, CA 95110

4. The Fire Chief, or designee, is hereby directed to prepare a plan for providing services within the affected territory for the County Executive to include as part of the application to Santa Clara LAFCO consistent with Government Code section 56653.
5. The County Executive, or designee, is hereby authorized and directed to prepare all necessary Santa Clara LAFCO application documents, conduct necessary investigations, and file such applications and other documents that may be

necessary during LAFCO proceedings, including responses to protests, as applicable.

PASSED AND ADOPTED by the Board of Directors of the Santa Clara County Central Fire Protection District, State of California, on JAN 14 2025, by the following vote:

AYES: **ABE-KOGA, ARENAS, DUONG, ELLENBERG, LEE**

NOES: **NONE**

ABSENT: **NONE**

ABSTAIN: **NONE**


OTTO LEE, Chairperson
Board of Directors

Signed and certified that a copy of this document has been delivered by electronic or other means to the Chairperson, Board of Directors.

ATTEST:


CURTIS BOONE
Acting Clerk of the Board of Directors

The foregoing instrument is a correct copy of the original.

Attest: Curtis Boone
Acting Clerk of the Board

APPROVED AS TO FORM AND LEGALITY:

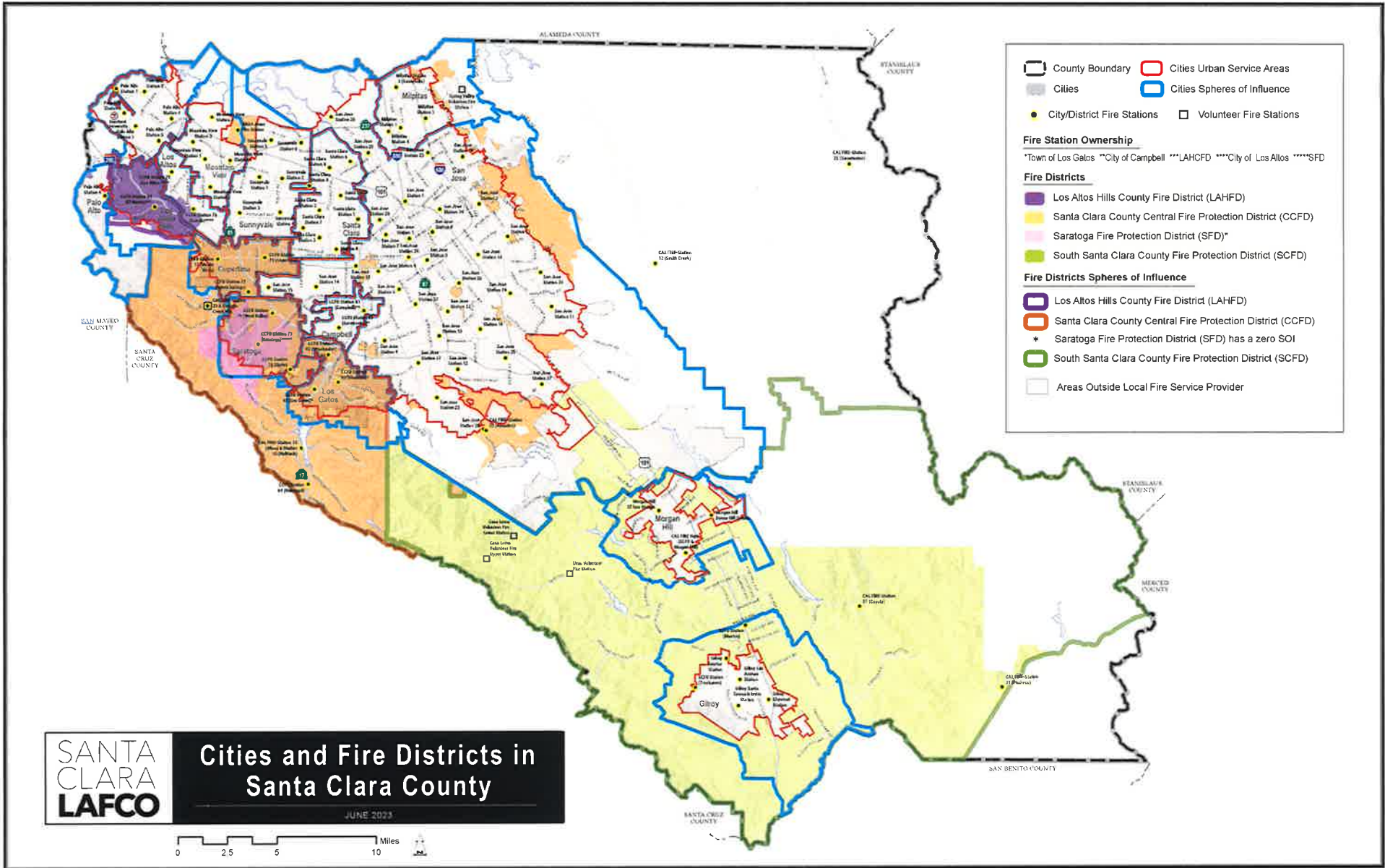

AARON FORBATH
Deputy County Counsel

By: 

Date: January 29, 2025

Exhibits to this Resolution:

- 1) Exhibit A (Cities and Fire Districts in Santa Clara County)



RESOLUTION NO. SCFD-2025-1

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE SOUTH SANTA CLARA COUNTY FIRE DISTRICT
INITIATING APPLICATION BY THE SOUTH SANTA CLARA COUNTY FIRE
DISTRICT REQUESTING THE SANTA CLARA COUNTY LOCAL AGENCY
FORMATION COMMISSION PURSUE PROCEEDINGS FOR THE DISSOLUTION OF
THE SOUTH SANTA CLARA COUNTY FIRE DISTRICT AND ANNEXATION OF ITS
TERRITORIES INTO THE SANTA CLARA COUNTY CENTRAL FIRE PROTECTION
DISTRICT, AND TAKING FURTHER ACTIONS CONSISTENT THEREWITH**

WHEREAS, in or about 1980, the Board of Directors of the South Santa Clara County Fire District (“South County Fire District”) adopted a resolution that delegated all of the Board of Directors’ powers, except with respect to (1) land use, acquisition or disposal; (2) contracts with other public agencies; and (3) employment of counsel to the South Santa Clara County Fire District Board of Commissioners (“Commission”);

WHEREAS, the Board of Directors desires to initiate proceedings pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (“Act”), including Government Code section 56853, concurrently with the Santa Clara County Central Fire Protection District (“County Fire”) for the dissolution of the South County Fire District and the annexation of its territories into County Fire;

WHEREAS, the Santa Clara County Local Agency Formation Commission (“Santa Clara LAFCO”) may adjust County Fire’s sphere of influence, as necessary, to make it consistent with the proposed reorganization;

WHEREAS, the South County Fire District and County Fire are fire protection districts and exercise identical powers as authorized by the Fire Protection District Law of 1987 (Health and Safety Code section 13800 *et seq.*), encompassing the territory depicted in Exhibit A (Cities and Fire Districts in Santa Clara County);

WHEREAS, the affected territory proposed to be annexed is inhabited, and is constituted by the boundaries of the South County Fire District;

WHEREAS, in light of the likelihood that large wildfires in Santa Clara County will recur, it is critically important that local Santa Clara County fire agencies coordinate local resources to the maximum extent possible in order to maximize the effectiveness of Santa Clara County’s local fire response in the future, especially in light of the anticipated limited responses available from outside Santa Clara County during multiple large-scale fire incidents;

WHEREAS, the South County Fire District’s revenues are approximately 85% based upon property tax revenues and increases in such revenues are limited due to Proposition 13 and such revenues are low as compared to other fire districts due to the predominance of Williamson

Act of 1965 contracted lands within the South County Fire District boundaries which limit assessed values of agricultural properties for property tax purposes;

WHEREAS, it is projected that South County Fire District revenues will not keep pace with significant ongoing and anticipated increases in its expenditures, resulting in long-term structural deficits for the South County Fire District;

WHEREAS, the public benefits and reasons for the proposed dissolution of the South County Fire District and the annexation of its territories into County Fire, include but are not limited to the following:

- (1) Will provide more effective countywide coordination of available resources to combat all-hazards and all- risk emergencies, including but not limited to wildfires, technical rescues, hazardous materials incidents, and emergency medical responses, and provide a comprehensive strategy and resource allocation, including risk mitigation;
- (2) Will facilitate the efficient delivery of life- and property-saving, all-risk emergency services to individuals and property owners within the affected territory by centralized allocation of available resources based upon a comprehensive and coordinated strategy;
- (3) Will continue to foster a regional fire service delivery model where fire prevention practices, training, emergency management, and operational emergency response can be streamlined and standardized within the region;
- (4) Will provide increased specialized emergency response capabilities including Hazardous Materials Emergency Response and Urban Search and Rescue;
- (5) Will provide timely, efficient, and effective emergency services dispatching and land mobile radio communications through Santa Clara County Communications' current infrastructure and dispatching capabilities;
- (6) Will eliminate duplication of management, be more cost effective, leverage economies of scale, and improve administration and oversight; and
- (7) Will improve facility and fleet maintenance and long-term capital improvement planning by providing centralized leadership and administrative support.

WHEREAS, it is desired that the proposed reorganization be subject to the following terms and conditions, among others:

- (1) The effective date of the reorganization shall be set by Santa Clara LAFCO action;
- (2) The South County Fire District will be dissolved, terminated, disincorporated, and extinguished, and all of its corporate powers shall cease;

- (3) Annexation will result in increase of County Fire's boundaries to include all territory formerly in the South County Fire District;
- (4) County Fire shall be the successor to the South County Fire District for the purpose of succeeding to all rights, duties, and obligations of the South County Fire District and exercising such other powers as stated in the Act;
- (5) All property, whether real or personal, including monies (including cash on hand and monies due) of the South County Fire District shall be transferred to County Fire;
- (6) Santa Clara LAFCO may update County Fire's sphere of influence in a manner consistent with the reorganization;
- (7) County Fire shall submit for LAFCO's consideration a Plan of Service based upon its adjusted boundaries; and
- (8) Such other provisions as required by applicable law or as may be agreed by County Fire and the South County Fire District.

WHEREAS, under Government Code § 56853(a), if the legislative bodies of two or more local agencies adopt substantially similar Resolutions Initiating Application in support of the consolidation of districts or for the reorganization of all or part of the districts into a single local agency, a commission shall approve or conditionally approve the reorganization proposal;

WHEREAS, the South County Fire District and County Fire Boards of Directors have adopted substantially similar Resolutions Initiating Application in support of the proposed application and, therefore, Santa Clara LAFCO shall approve or conditionally approve the reorganization proposal; and

WHEREAS, County Fire shall submit a plan for providing services to Santa Clara LAFCO consistent with Government Code section 56653 as part of its application to Santa Clara LAFCO.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the South Santa Clara County Fire District, State of California, that the delegation of authority granted by the Board of Directors to the Commission, including by resolution adopted in or about 1980, is hereby superseded to the extent inconsistent with this Resolution, and that the Commission shall additionally be dissolved effective upon the dissolution of the South Santa Clara County Fire District and annexation of its territories into the Santa Clara County Central Fire Protection District;

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BE IT FURTHER RESOLVED by the Board of Directors of the South Santa Clara County Fire District, State of California, that:

1. The above recitals are true and correct and incorporated herein by reference.
2. The proposed reorganization is not subject to CEQA, consistent with State CEQA Guidelines Section 15320(b).
3. Santa Clara LAFCO is requested to initiate proceedings for the reorganization of the South County Fire District pursuant to the Act and consistent with this Resolution (inclusive of its recitals).
4. The Board of Directors directs the County Executive or his designee to submit an application and act as chief petitioner to Santa Clara LAFCO initiating the reorganization as set forth in this Resolution of Application. The County Executive's address is:

James R. Williams
County Executive
70 West Hedding Street, East Wing, 11th Floor
San José, CA 95110

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5. The County Executive, or designee, is hereby authorized and directed to prepare all necessary Santa Clara LAFCO application documents, conduct necessary investigations, and file such applications and other documents that may be necessary during LAFCO proceedings, including responses to protests, as applicable.

PASSED AND ADOPTED by the Board of Directors of the South Santa Clara County Fire District, State of California, on JAN 14 2025 by the following vote:

AYES: ABE-KOGA, ARENAS, DUONG, ELLENBERG, LEE

NOES: NONE

ABSENT: NONE

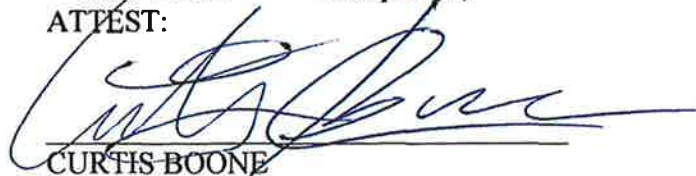
ABSTAIN: NONE



OTTO LEE, Chairperson
Board of Directors

Signed and certified that a copy of this document has been delivered by electronic or other means to the Chairperson, Board of Directors

ATTEST:



CURTIS BOONE

Acting Clerk of the Board of Directors

APPROVED AS TO FORM AND LEGALITY:



STEPHANIE M. JACKSON

Deputy County Counsel

The foregoing instrument is a correct copy of the original.

Attest: Curtis Boone

Acting Clerk of the Board

By: 

Date: 1/29/2025

Exhibits to this Resolution:

- 1) Exhibit A (Cities and Fire Districts in Santa Clara County)

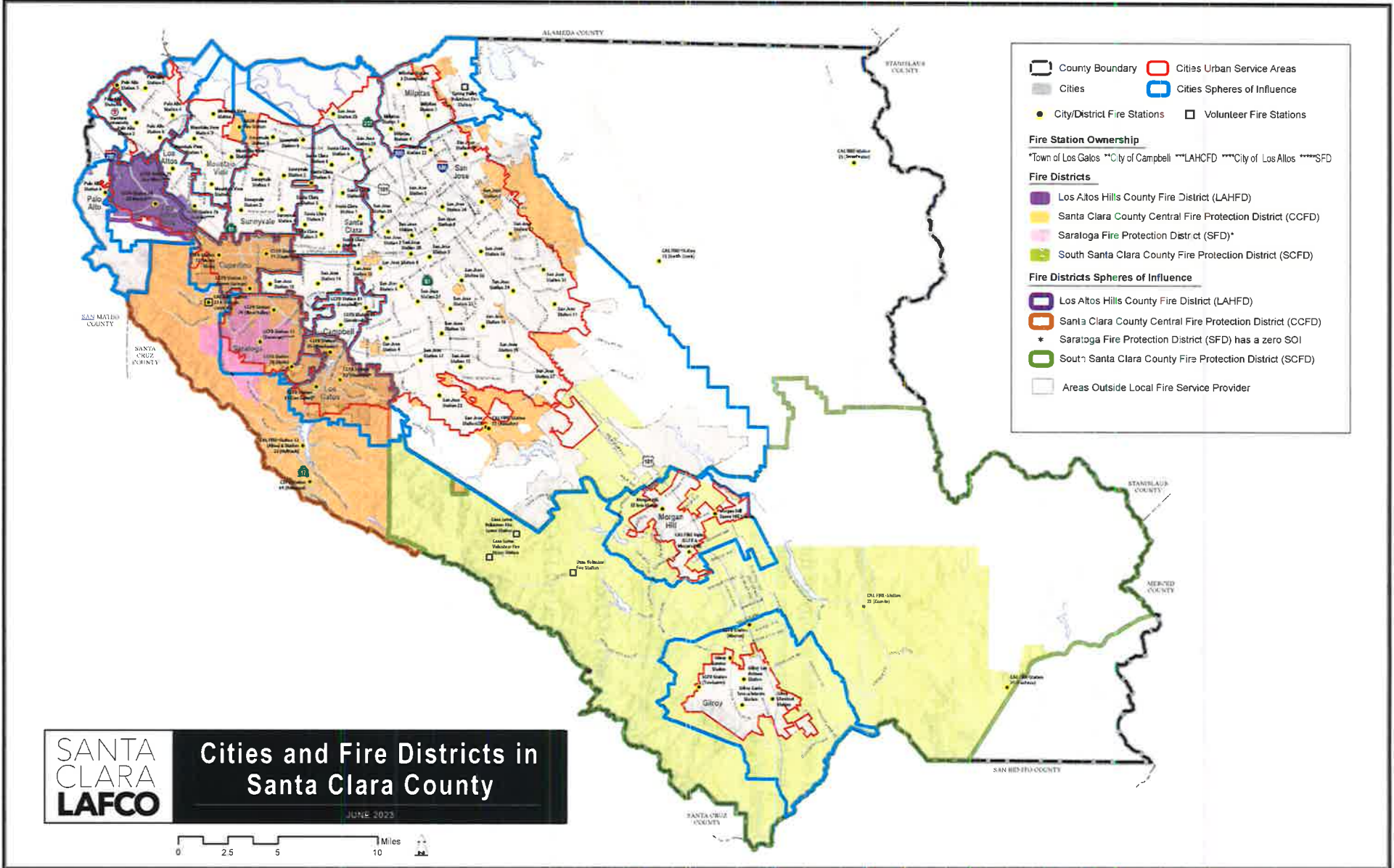


Exhibit A

RESOLUTION NO. BOS-2025-10

**RESOLUTION OF THE BOARD OF SUPERVISORS
OF THE COUNTY OF SANTA CLARA
AGREEING TO THE NEGOTIATED EXCHANGE OF PROPERTY TAX REVENUES
BETWEEN THE SOUTH SANTA CLARA COUNTY FIRE DISTRICT AND THE
SANTA CLARA COUNTY CENTRAL FIRE PROTECTION DISTRICT**

WHEREAS, on January 14, 2025, the Board of Directors of the Santa Clara County Central Fire Protection District (“County Fire”) adopted a Resolution to initiate proceedings pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (“Act”), including Government Code section 56853 for the dissolution of the South Santa Clara County Fire District (“South County Fire District”) and its territory’s annexation into County Fire (“Proposed Reorganization”);

WHEREAS, on January 14, 2025, the Board of Directors of the South County Fire District adopted a parallel Resolution to initiate proceedings for the Proposed Reorganization;

WHEREAS, the South County Fire District and County Fire are fire protection districts and exercise identical powers as authorized by the Fire Protection District Law of 1987 (Health and Safety Code section 13800 *et seq.*) in their respective territories;

WHEREAS, if approved by the Local Agency Formation Commission of Santa Clara County (LAFCO), the Proposed Reorganization would expand County Fire’s territory to include the current territory of the South County Fire District, and County Fire would become the successor to the South County Fire District and assume its assets and liabilities;

WHEREAS, the Board of Directors of County Fire designated the County Executive, or designee, to act as chief petitioner to Santa Clara LAFCO for the Proposed Reorganization and delegated authority to the County Executive, or designee, to prepare all necessary Santa Clara LAFCO application documents, conduct necessary investigations, and file such applications and other documents that may be necessary during LAFCO proceedings, including responses to protests, as applicable;

WHEREAS, under Government Code section 56853(a), if the legislative bodies of two or more local agencies adopt substantially similar Resolutions of Application in support of the reorganization of all or part of the districts into a single local agency, LAFCO shall approve or conditionally approve the reorganization proposal;

WHEREAS, the affected territory proposed to be annexed to County Fire is inhabited, and is constituted by the boundaries of the South County Fire District;

WHEREAS, Revenue and Taxation Code section 99(b)(5) requires that when jurisdictional changes will affect the service area or service responsibility of one or more special

Adopted: 01/28/2025

123078

JAN 28 2025

districts, the Board of Supervisors shall, on behalf of the special districts, negotiate property tax transfers associated with those changes and adopt a resolution identifying the transfers; and

WHEREAS, the Board of Supervisors has, on behalf of South County Fire District and County Fire, completed the negotiations required by Revenue and Taxation Code section 99(b)(5).

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of the County of Santa Clara that:

1. The above recitals are true and correct and incorporated herein by reference.
2. Contingent upon approval of the Proposed Reorganization, including the dissolution of South County Fire District and the designation by LAFCO of County Fire as its successor pursuant to Government Code section 57451(d), and upon the LAFCO executive officer's execution of a certificate of completion memorializing the Proposed Reorganization, all property taxes assessed and collected on behalf of South County Fire District, as determined by the Controller of Santa Clara County (the "Transferred Property Taxes") for the tax year 2025-2026 shall be distributed to County Fire in its capacity as successor to South County Fire District.
3. Until the start of the fiscal year following the filing with the State Board of Equalization of the jurisdictional changes resulting from the Proposed Reorganization, redistribution of property tax revenues shall be based upon the terms of the LAFCO resolution approving the Proposed Reorganization.
4. Based upon negotiations completed by the Board of Supervisors on behalf of South County Fire District and County Fire as provided in Revenue and Taxation Code section 99(b)(5), all of the Transferred Property Taxes shall be transferred to County Fire. This transfer shall be contingent upon the completion of the Proposed Reorganization, the LAFCO executive officer's execution of a certificate of completion memorializing the Proposed Reorganization, and the fulfillment of any conditions imposed by the LAFCO resolutions effecting and implementing the Proposed Reorganization.

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5. In accordance with Section 3a of Article XIII B of the California Constitution, the appropriation limit of County Fire shall, upon completion of the Proposed Reorganization, be adjusted upward by an amount mutually determined by South County Fire District and County Fire.

PASSED AND ADOPTED by the Board of Supervisors of the County of Santa Clara, State of California, on JAN 28 2025, by the following vote:

AYES: Abe-koga, Arenas, Duong, Ellenberg, Lee

NOES: NONE

ABSENT: NONE

ABSTAIN: NONE



OTTO LEE, President
Board of Supervisors

Signed and certified that a copy of this document has been delivered by electronic or other means to the President, Board of Supervisors.

ATTEST:




CURTIS BOONE
Acting Clerk of the Board of Supervisors

The foregoing instrument is a correct copy of the original.

APPROVED AS TO FORM AND LEGALITY:


ROBERT FANNION
Deputy County Counsel

Attest: Curtis Boone
Acting Clerk of the Board

By: 
Deputy Clerk

Date: 1/30/2025

RESOLUTION NO. 2025-01

RESOLUTION OF THE LOCAL AGENCY FORMATION COMMISSION OF SANTA CLARA COUNTY AMENDING THE SPHERE OF INFLUENCE (SOI) OF THE SANTA CLARA COUNTY CENTRAL FIRE PROTECTION DISTRICT (CCFD), DISSOLVING THE SOUTH SANTA CLARA COUNTY FIRE PROTECTION DISTRICT (SCFD), AND ANNEXING ITS TERRITORY TO CCFD

SOUTH SANTA CLARA COUNTY FIRE PROTECTION DISTRICT DISSOLUTION AND SANTA CLARA COUNTY CENTRAL FIRE PROTECTION DISTRICT ANNEXATION / SPHERE OF INFLUENCE AMENDMENT

RESOLVED by the Local Agency Formation Commission of Santa Clara County, State of California, that

WHEREAS, on January 14, 2025, the Board of Directors of the SCFD adopted Resolution No. SCFD 2025-01 initiating application by the SCFD requesting the Commission pursue proceedings for the dissolution of the SCFD and the annexation of its territories into the CCFD, and taking further actions consistent therewith; and

WHEREAS, on January 14, 2025, the Board of Directors of the CCFD adopted Resolution No. CFPD 2025-01 initiating application by the CCFD for the dissolution of the SCFD and annexation of its territory into the CCFD; and requesting an amendment of CCFD's Sphere of Influence (SOI); and

WHEREAS, under GC §56853(a), if the legislative bodies of two or more local agencies adopt substantially similar resolutions of application in support of the consolidation of districts or for the reorganization of all or part of the districts into a single local agency, a commission shall approve or conditionally approve the reorganization proposal;

WHEREAS, the SCFD and CCFD Boards of Directors have adopted substantially similar resolutions initiating application in support of the proposed reorganization, and, therefore Santa Clara LAFCO shall approve or conditionally approve the reorganization proposal;

WHEREAS, pursuant to GC §56653, the application includes a "Plan for Services" which provides (1) an enumeration and description of services currently provided or to be provided; (2) the level and range of those services; (3) an indication of when the services can feasibly be extended; (4) an indication of any improvements and augmented services levels; and (5) information on how the services will be financed; and

WHEREAS, California Revenue and Taxation Code Section 99(b)(5) requires that when organizational changes affect the service area or service responsibility of one or more special districts, the County Board of Supervisors shall, on behalf of the districts, negotiate any property tax transfers associated with those changes and adopt a resolution identifying the transfers. The County Board of Supervisors, on behalf of both the CCFD and the SCFD negotiated the exchange of property tax revenues, and adopted a property tax exchange agreement on January 28, 2025; and

RESOLUTION NO. 2025-01

WHEREAS, the Executive Officer on March 6, 2025, issued a Certificate of Filing deeming the application complete and setting the matter for hearing; and

WHEREAS, the subject proposal is assigned the distinctive short form designation: “South Santa Clara County Fire Protection District Dissolution and Santa Clara County Central Fire Protection District Annexation / Sphere of Influence Amendment”; and

WHEREAS, the affected territory is inhabited as defined in GC §56046.

WHEREAS, at the time and in the manner required by law, the Executive Office gave public notice of the Commission’s hearing on this proposal; and

WHEREAS, the Executive Officer has reviewed the proposal and prepared a report incorporated herein by reference, including her recommendation, the proposal and report having been presented to and considered by this Commission; and

WHEREAS, the reorganization proposal is subject to protest proceedings pursuant to GC §57000; and

WHEREAS, LAFCO, on June 13, 2001, delegated authority to the Executive Officer to conduct protest proceedings and perform any functions otherwise required of the Commission in regard to its responsibilities as a conducting authority; and

WHEREAS, a public hearing was held by the Commission on April 2, 2025; and at the hearing the Commission received and considered all oral and written comments, which were made, presented or filed; and

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

SECTION 1:

1. As a Responsible Agency under the California Environmental Quality Act (CEQA), LAFCO finds that the proposed reorganization is categorically exempt from CEQA pursuant to CEQA Guidelines §15320(b) (Class 20 – Changes of Organization of Local Agencies), which is consistent with the determination made by CCFD, as Lead Agency under CEQA and presented in Resolution No. CFPD 2025-01.

SECTION 2:

1. The Commission hereby approves the amendment of the CCFD SOI to include all lands contained in the SOI of the SCFD, as depicted in **Exhibit A**, and adopts the SOI determinations, including a statement on the nature, location and extent of any functions or classes of services provided, as presented in **Exhibit B**.

RESOLUTION NO. 2025-01

2. The Commission hereby approves the proposed reorganization consisting of the dissolution of the SCFD and the annexation of its territory to CCFD, as depicted in **Exhibit A**, and subject to terms and conditions included in Section 3 of this resolution.
3. The effective date of the SOI amendment, and reorganization consisting of the SCFD dissolution, and annexation to CCFD of SCFD territory, shall be the later of the date of recordation of the Certificate of Completion, or July 1, 2025.

SECTION 3:

1. Approval of the reorganization is subject to the following terms and conditions:
 - a. **Successor Agency.** Upon the effective date of the reorganization, the SCFD shall be dissolved, terminated, and all of its corporate powers shall cease. All rights, responsibilities, and functions of SCFD will be transferred to CCFD, as the successor agency. CCFD, as successor agency to SCFD, shall function under and carry out all authorized duties and responsibilities assigned to a fire protection district as provided in the Health and Safety Code (§13800 et seq.).
 - b. **Revenue Transfer.** Upon the effective date of the reorganization, CCFD shall levy, collect, track and administer all revenue, income, and previously authorized funds, charges, fees, assessments, and taxes currently in effect, levied, or collected by SCFD, including, but not limited to, property and other taxes.
 - c. **Transfer of Assets & Liabilities.** Upon the effective date of the reorganization, all assets and liabilities, including but not limited to debts, obligations, equipment, facilities, property, cash, fund balances or other fiscal matters of SCFD shall become the assets and liabilities of CCFD.
 - d. **Successor Agency Revenue Sources.** CCFD, as successor agency, will continue to be financed through property taxes, benefit assessments, special assessments and taxes, fees and charges, and all other revenue currently in effect and being collected by CCFD and SCFD. Until otherwise determined by the CCFD Board of Directors, pursuant to GC §56886(t), any previously authorized charge, fee, assessment, or tax within the SCFD territory shall be extended or continued by CCFD, as successor agency.
 - e. **Governance – Board of Directors**
The total composition of the CCFD Board of Directors will remain the same.

RESOLUTION NO. 2025-01

f. Use of Funds.

CCFD will ensure that all funds derived from the territory of the former SCFD are accounted for and expended for the provision of fire services within the reorganized CCFD in compliance with all applicable measures, ordinances, statutes and regulations of CCFD.

g. Plan for Services.

Upon the effective date of the reorganization, CCFD as the successor agency shall serve the dissolved SCFD service territory through implementation of the Plan for Services until and unless it is determined by the CCFD Board of Directors that fiscal or service requirements justify changes to the Plan for Services. CCFD shall provide LAFCO annually and for the next 2 years, a written update on how the Plan for Services included with the LAFCO application has been implemented.

SECTION 4:

1. The Commission hereby directs the Executive Officer to conduct protest proceedings as provided for in GC §57000 et seq.

PASSED AND ADOPTED by the Local Agency Formation Commission of Santa Clara County, State of California, on April 2, 2025, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Sylvia Arenas, Chairperson
LAFCO of Santa Clara County

ATTEST:

APPROVED AS TO FORM:

Sonia Humphrey, LAFCO Clerk

Malathy Subramanian, LAFCO Counsel

Attachments to Resolution No. 2025-01

1. Exhibit "A" Map of CCFD and SCFD Boundaries
2. Exhibit "B" CCFD SOI determinations

EXHIBIT A

Legend

- County Boundary
- Cities Urban Service Areas
- Cities
- Cities Spheres of Influence
- City/District Fire Stations
- Volunteer Fire Stations

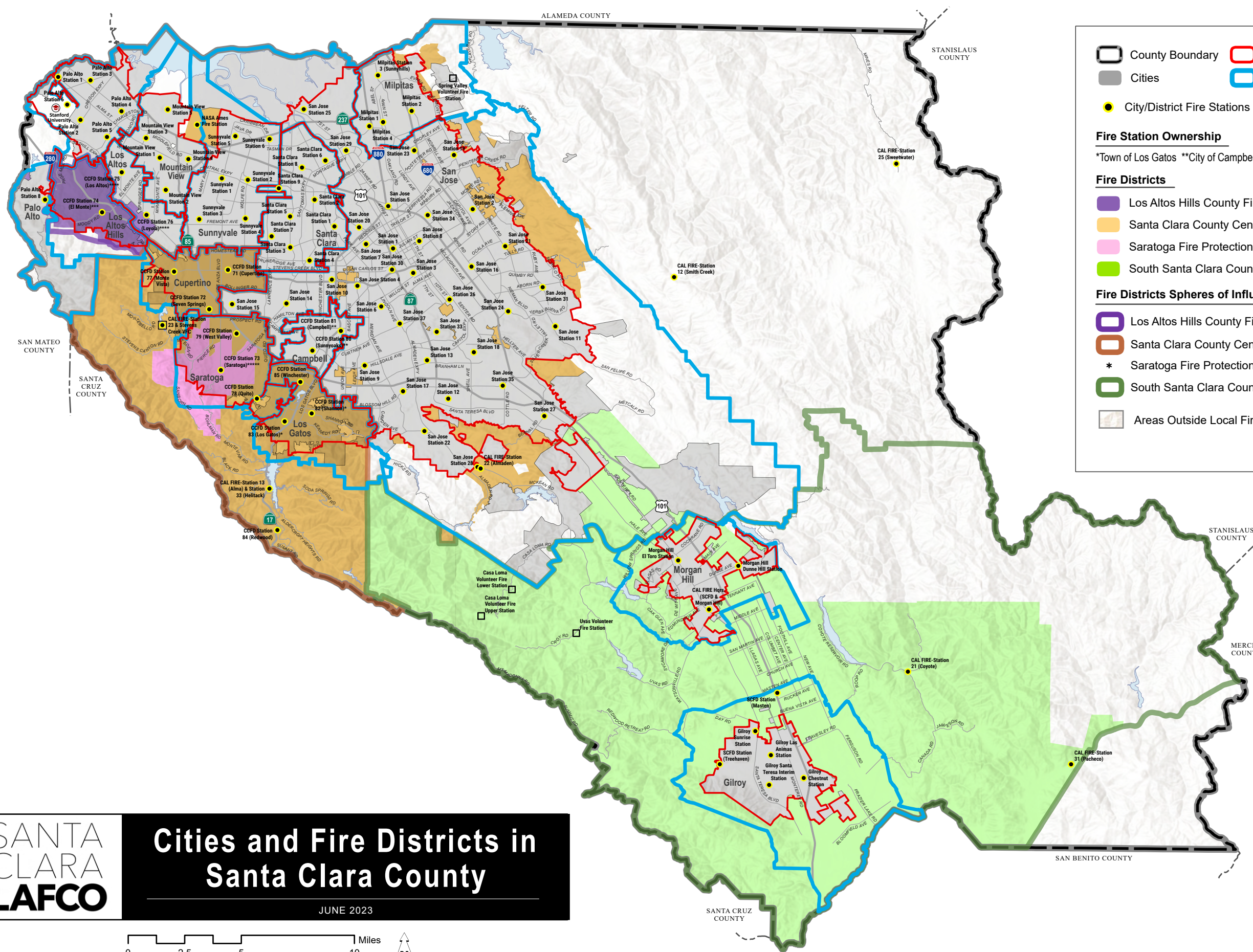
Fire Station Ownership
 *Town of Los Gatos **City of Campbell ***LAHCFD ****City of Los Altos *****SFD

Fire Districts

- Los Altos Hills County Fire District (LAHFD)
- Santa Clara County Central Fire Protection District (CCFD)
- Saratoga Fire Protection District (SFD)*
- South Santa Clara County Fire Protection District (SCFD)

Fire Districts Spheres of Influence

- Los Altos Hills County Fire District (LAHFD)
- Santa Clara County Central Fire Protection District (CCFD)
- * Saratoga Fire Protection District (SFD) has a zero SOI
- South Santa Clara County Fire Protection District (SCFD)
- Areas Outside Local Fire Service Provider



SANTA CLARA LAFCO

Cities and Fire Districts in Santa Clara County

JUNE 2023

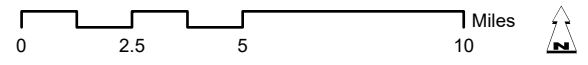


EXHIBIT B

Santa Clara County Central Fire Protection District (CCFD) Sphere of Influence Determinations

SPHERE OF INFLUENCE DETERMINATIONS

1. Present and planned land uses in the area, including agricultural and open-space lands

CCFD provides fire and EMS service to the unincorporated areas in the Santa Cruz mountains, the cities of Cupertino, Los Gatos, Monte Sereno, and a portion of Saratoga, as part of its inherent service area; and by contract to the cities of Campbell and Los Altos; and to the Los Altos Hills County Fire District and the Saratoga Fire Protection District. The expansive area encompasses a variety of land uses, but is predominantly single-family residential, with limited commercial and industrial development and some agricultural and open space lands in the hillside areas. Under the various cities' existing General Plans and the County General Plan, lands uses in CCFD are not expected to change.

Territory within SCFD's boundary and SOI are unincorporated lands designated by the County General Plan as agriculture, open space lands, rural residential, and regional parks. SCFD's boundaries also include remote areas of the Santa Cruz Mountains and the Diablo Range designated as hillside and ranchlands with resource conservation lands and a portion of the Henry Coe State Park. The boundaries also include the rural residential communities of San Martin and Corde Valle. Some limited commercial and industrial uses are located in San Martin and along Pacheco Pass Highway. The unincorporated area within SCFD's boundary and SOI is planned to remain non-urban in character and predominantly rural residential, agricultural, and open space in accordance with the County's General Plan.

The proposed expansion of CCFD's SOI to add the SCFD SOI will not facilitate new development or changes in land use and will have no impact on agricultural and open-space lands.

2. Present and probable need for public facilities and services in the area

In 2022, there were over 19,000 incidents within CCFD's bounds and its contract areas, indicating a need for the services provided, in particular for rescue and medical responses which constituted 59% of calls. Calls for service within CCFD declined in 2020 and grew through 2022. This area is projected to have a cumulative growth rate of 13% between 2020 and 2035, or 0.8% annually and 13% between 2035 to 2050, or 0.8% annually, indicating a likely analogous increase in demand for fire and emergency medical services.

In 2022, there were over 15,000 incidents within SCFD's bounds, indicating a need for the services provided, in particular for rescue and medical responses which constituted 61% of calls. Calls for service within SCFD consistently increased between 2018 and 2022. This area is projected to have a cumulative growth rate of 0.07% between 2020

and 2035, or <0.01% annually and 5% between 2035 to 2050, or 0.32% annually, indicating a likely analogous increase in demand for fire and emergency medical services.

LAFCO's Countywide Service Review, adopted in 2023, found that some growth is anticipated within CCFD's current territory and to a much lesser degree within SCFD's current territory. This very modest amount of growth will slightly increase the demand for fire and emergency medical response services in these areas.

3. Present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide

CCFD operates 15 fire stations throughout the district, with 339 safety and civilian personnel. CCFD provides an adequate level of services and has the capacity to serve existing demand within its service area, including contract agencies.

While CCFD is a large, well-funded, all risk fire district with a stable and growing revenue stream, financial limitations pose the greatest threat to SCFD's ability to provide services to existing and future growth in demand. The Service Review found that additional revenues or reduced costs are necessary to ensure sustainability of SCFD's operations.

As noted in the Plan for Services, only one (Masten) of the four existing fire stations that SCFD currently uses will be transferred to CCFD, and all apparatus owned by SCFD will be transferred to CCFD, as part of the reorganization. Therefore, CCFD will need to enter into a separate agreement with the City of Gilroy to lease an existing fire station (Treehaven,) and establish at least one temporary fire station, until a permanent fire station site can be located and developed.

4. Existence of any social or economic communities of interest in the area

The cities of Campbell, Cupertino, Los Altos, Los Gatos, Milpitas, Monte Sereno, Morgan Hill, San José, Santa Clara, Saratoga, and Los Altos Hills, as well as the surrounding incorporated communities, affect CCFD's service provision and demand for services and are considered social and economic communities of interest.

SCFD serves all of South County with the exception of the cities of Morgan Hill and Gilroy. Within the SCFD's boundaries are rural residential communities such as San Martin. However, a majority of the district consists of a patchwork of low-density rural residential development that is socially and economically independent of one another.

Upon reorganization, CCFD's social or communities of interest will include rural residential communities that were served by SCFD, such as San Martin.

5. Present and probable need for public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence

As part of LAFCO's Countywide Fire Service Review, adopted in October 2023, one disadvantaged unincorporated community (DUC) was identified within CCFD, outside of CCFD's SOI. This DUC is also located within and adjacent to the City of San José and its SOI—identified as San José #1. This DUC has an estimated population of 1,656, with a

median household income of \$54,917. Fire services are provided to the DUC by San José FD through the Zone 1 contract with CCFD. There were no DUCs identified in SCFD.

6. The nature, location, and extent of functions, and classes of services provided

CCFD provides a full range of services, including fire suppression, wildland fire suppression, statewide mobilization, EMS first response, specialized/technical rescue, HazMat response, fire inspection/code enforcement, plan reviews, public education/prevention, arson investigation, and fuels mitigation, within its service area as described above.

DISTRICT PLAN FOR SERVICES

Prepared for

LAFCO of Santa Clara County

Proposed

**Santa Clara County Central Fire Protection District and South
Santa Clara County Fire District Reorganization**

A proposed reorganization involving Santa Clara County Central Fire Protection District (CCFD) and South Santa Clara County Fire District (SCFD) has been initiated by the two affected districts as a joint application. Following the conclusion of the LAFCO process, the reorganized district will be known as the "Santa Clara County Central Fire Protection District (CCFD)."



February 6, 2025

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VI. INCLUSION OF EXISTING TAX REVENUE

VII. COMMUNITY IMPACT

VIII. CONCLUSION

Appendixes

I. INTRODUCTION

A description of the level and range of service to be provided to the affected territory.

The Santa Clara County Central Fire Protection District (CCFD) and South Santa Clara County Fire District (SCFD) petition the Local Agency Formation Commission of Santa Clara County (LAFCO) to reorganize by way of dissolution and annexation. This process involves dissolution of SCFD and annexation of that territory to CCFD, a dependent fire protection district that will provide service to the areas of Cupertino, Monte Sereno, Los Gatos, portions of Saratoga, the adjacent unincorporated areas of these West Valley cities, the unincorporated area of San Martin, and the unincorporated areas adjacent to the cities of Gilroy and Morgan Hill. By contract, CCFD also serves the Saratoga Fire District, the City of Los Altos, the Los Altos Hills County Fire District, and the City of Campbell.

The dissolution of SCFD and annexation of its territories into CCFD will allow resource allocation decisions to be made using a coordinated, strategic approach. This will maximize the effectiveness of risk mitigation strategies within the all-risk, all-hazards response model that CCFD has maintained and expanded over the past two decades as part of the regional approach inherent to department operations. The proposed reorganization will also streamline operations and administrative costs, and address long-standing structural challenges associated with maintaining an adequate and appropriate level of fire protection for the SCFD territories, including addressing SCFD's structural fiscal deficit. This proposal is also consistent with long-standing, repeated recommendations from the Management Auditor of the County of Santa Clara Board of Supervisors, LAFCO service reviews, and County Administration analyses over the past 15 years that have identified significant structural concerns with the SCFD and suggested reorganization with CCFD as a long-term strategy. This proposal was initiated by resolution from the Boards of Directors of both districts.

The reorganization is anticipated to positively affect the current emergency response system, with no impact to the mutual aid response provided by the California Department of Forestry and Fire Protection (CAL FIRE), Morgan Hill Fire, and Gilroy Fire—the agencies closest to the affected territory. Ambulance services, currently provided by Global Medical Response (also known as American Medical Response) to SCFD, will also remain unchanged.

The purpose of this Plan for Services is to outline the operational, financial, and administrative framework for the proposed dissolution of SCFD and the succession of services by CCFD. This reorganization will improve service delivery, operational efficiency, and fiscal sustainability for fire protection and emergency services in the affected region.

On January 14, 2025, CCFD and SCFD Boards of Directors adopted resolutions to initiate proceedings for the dissolution of SCFD and the annexation of its territory into CCFD. If the proposed reorganization is approved by LAFCO, CCFD will be tasked with providing all-risk, all hazards fire and emergency medical services (EMS) response services, including advanced life support (ALS), hazardous materials (HazMat), Urban Search and Rescue (USAR), Community Education and Risk Reduction Services/Fire Prevention (CERRS/FP), emergency

management, and fire dispatch services to the residents and commuter population of SCFD's former territory.

I.A. General Background Information

1. History of Santa Clara County Central Fire Protection District (CCFD)

CCFD is a dependent fire district. The County of Santa Clara County Board of Supervisors (BOS) serves as the Board of Directors (BOD) for the district. CCFD is an all-risk, all-hazards fire department that has evolved through fire district consolidations and city and fire district contracts.

In 1947, the Cottage Grove Fire District and Oakmead Farms Fire District consolidated to form CCFD. This consolidation followed the withdrawal of the California Department of Forestry and Fire Protection from the Valley floor when its contract with the County of Santa Clara was terminated in 1947. In that same year, election results authorized CCFD to provide fire suppression services to the unincorporated areas stretching from Highway 9 east across the Santa Clara Valley to Mount Hamilton and south to the Almaden area. In 1970, CCFD consolidated with the Burbank Fire District, and the Alma Fire District and Town of Los Gatos were annexed into the fire district later that year.

On December 12, 1977, CCFD adopted resolutions creating Service Zone 1 and Service Zone 2. The creation of these zones allowed CCFD to contract with the Cities of Campbell, Milpitas, San José, and Santa Clara to provide services to Zone 1, which encompassed the unincorporated portions of CCFD within or immediately adjacent to the Cities' boundaries. The development of the City of San José had essentially split CCFD geographically. Pursuant to a contract between CCFD and the City of San José, Zone 1 is primarily served by the City of San José Fire Department via a direct tax pass-through, allowing the residents in those areas to be better served based on proximity to San José fire resources. In the contractual transition of services, five fire stations and assigned personnel ultimately transferred to the City of San José. Through annexations over the years the contracts with the Cities of Campbell and Santa Clara were eliminated. Today the City of San José provides fire services for the vast majority Zone 1, with a smaller portion provided by the City of Milpitas. CCFD retained and continues to provide services in Zone 2, defined to encompass the remainder of its territory.

In 2022, CCFD adopted a resolution creating Service Zone 3 for the area surrounding Moffet Field—adjacent to Mountain View and Sunnyvale—due to the potential retrocession of the federal government from that property. Should the retrocession occur, Service Zone 3 allows CCFD to allocate the cost of providing services to the area to the property owners within Zone 3. To date no retrocession proceedings have moved forward in any meaningful way, and the Zone 3 designation remains, as the majority of the land that comprises Moffett Field is unincorporated and is part of CCFD.

Contingent on approval of the proposed reorganization by LAFCO, CCFD may create Service Zone 4 for the SCFD territories annexed into CCFD. The proposal for the creation of Zone 4

has been set for hearing and final approval by the Board of Directors in April 2025. Even if approved by the Board of Directors, the creation of Zone 4 will be contingent on LAFCO's approval of dissolution and annexation of SCFD.

In 1987, CCFD's Fire Chief was appointed to serve in the position of County Fire Marshal, and CCFD began providing fire marshal services to county facilities and unincorporated county areas, including the entire territory served by SCFD. During the 1990s, CCFD entered into contracts with the cities of Campbell, Morgan Hill, Los Altos, and the Los Altos Hills County Fire District to provide fire and EMS.

In 2008, following a three-year contract to provide administrative management, the Saratoga Fire District entered into a full-service fire, rescue, and EMS agreement with CCFD. This was followed by the annexation of 32,000 acres of underserved area along the western edge of Santa Clara County adjacent to the Cities of Saratoga, Cupertino, Monte Sereno and Los Gatos into CCFD in 2010. On January 3, 2013, the fire and emergency services agreement between the City of Morgan Hill and CCFD expired.

In 2013, the County of Santa Clara contracted with CCFD to provide executive leadership at the County Office of Emergency Services, now known as the Office of Emergency Management (OEM). Among other responsibilities, OEM is responsible for all emergency management functions in the entire territory served by SCFD. In October 2017, the county contracted with CCFD to provide administration to the Santa Clara County 9-1-1 Communications Center (County Communications) to strengthen interagency cooperation and regional service delivery, which is essential for effective dispatch service delivery. CCFD collaborates with law enforcement and emergency medical response partners throughout the county, many of which receive 9-1-1 dispatch services through County Communications. County Communications is currently responsible for dispatch services for law and EMS—but not fire—for all of the territory served by SCFD.

Approximately 60% of CCFD's service area is within a State Responsibility Areas (SRA) or a mutual threat zone (MTZ) and therefore under the dual jurisdiction of CCFD and CAL FIRE. The residential population served totals approximately 225,000, with a commuter population into and out of the area that is approximately equal, as outline in Table 1.

Additionally, CCFD has served as the Santa Clara County Operational Area Coordinator for fire and rescue services to the California Governor's Office of Emergency Services (Cal OES) for the past three decades. On January 1, 2025, CCFD became the Region II Fire and Rescue Coordinator to Cal OES. In this role, CCFD, with the support of County Communications, is responsible for the coordination and dispatch of regional mutual aid resources in Region II, serving the counties of Alameda, Contra Costa, Del Norte, Humboldt, Lake, Marin, Mendocino, Monterey, Napa, San Benito, San Francisco, San Mateo, Santa Clara, Santa Cruz, Solano, and Sonoma.

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Figure 1: Map of Santa Clara County Central Fire Protection District (CCFD)

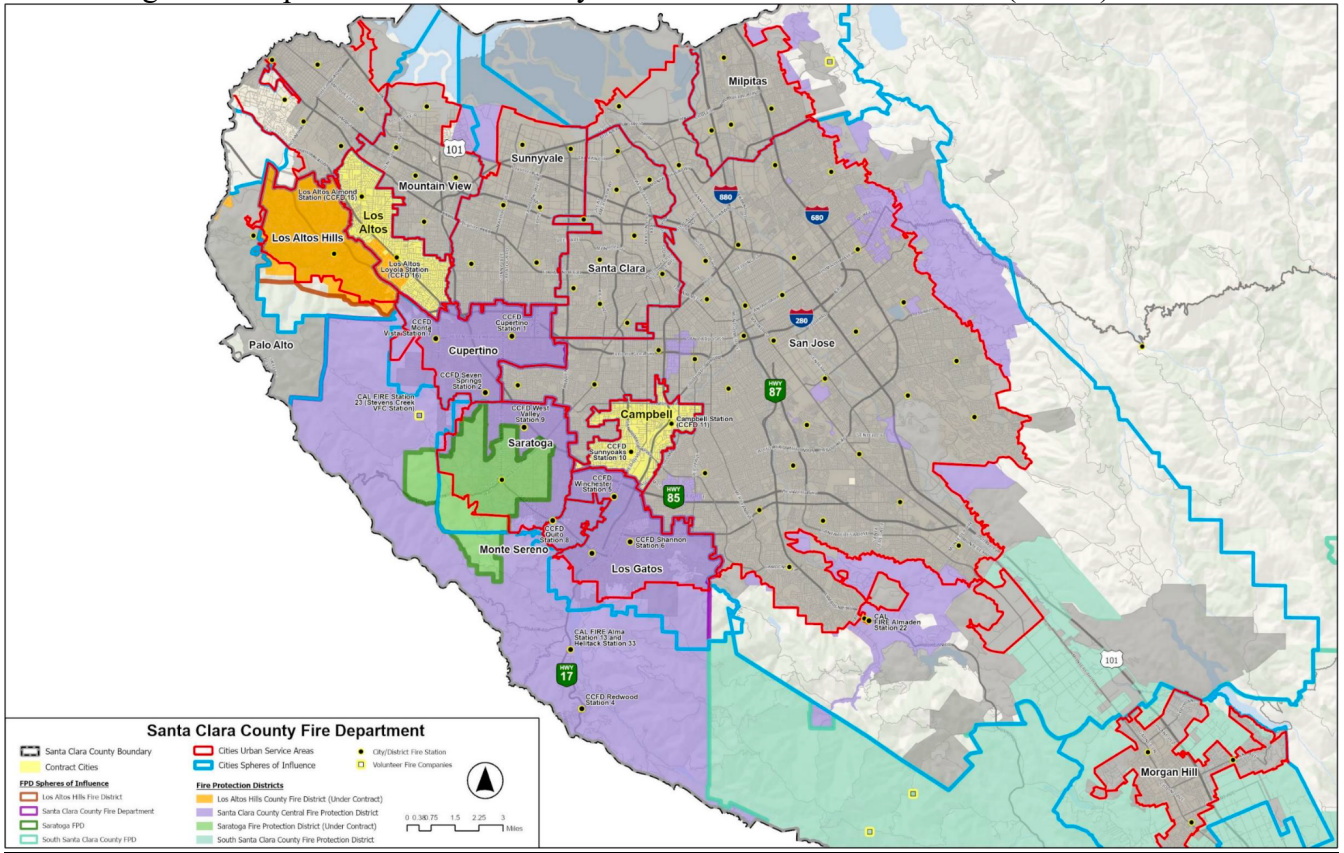


Table 1: Traffic Influx/Outflux by CCFD Area Served (2014-2018) CCFD 2020 CRA-SOC

COMMUNITY	TOTAL DAYTIME POPULATION	TOTAL POPULATION	PERCENTAGE INCREASE OR DECREASE IN DAYTIME POPULATION
Cupertino	64,341	63,132	2%
Monte Sereno	2,382	3,584	-34%
Saratoga	25,178	31,267	-19%
Los Gatos	44,741	32,139	39%
Lexington Basin and Summit Communities	2,150	3,762	-43%
Unincorporated	5,727	8,552	-33%
Campbell	52,230	43,675	20%
Los Altos	32,224	31,026	4%
Los Altos Hills	5,237	8,243	-36%
TOTAL	234,210	225,381	AVERAGE 4%

2. History of South Santa Clara County Fire Protection District (SCFD)

SCFD provides fire protection and ALS first responder service to a population of 22,554 in 288 square miles through a contract with CAL FIRE. It is estimated that 100,000 people commute through the SCFD's territory daily. CAL FIRE operates four fire stations with 30.58 full-time equivalent positions for SCFD. Two fire stations are split-funded: one with the City of Morgan Hill, and the other with CAL FIRE. The other two stations are funded by SCFD.

SCFD was established on June 1, 1980, when the Gilroy Rural Fire District consolidated with the Morgan Hill Rural Fire District. The Santa Clara County Board of Supervisors (BOS) serves as the Board of Directors (BOD) for SCFD. The BOD appoints a seven-member Board of Commissioners to act as the board's agent in managing many of the District's affairs. SCFD entered into a series of Cooperative Fire Protection Agreements with CAL FIRE for comprehensive emergency services, starting at SCFD's inception. The agreement with CAL FIRE has been renewed many times over the course of the intervening years. SCFD does not employ any of its own staff.

Boundaries and Sphere of Influence¹

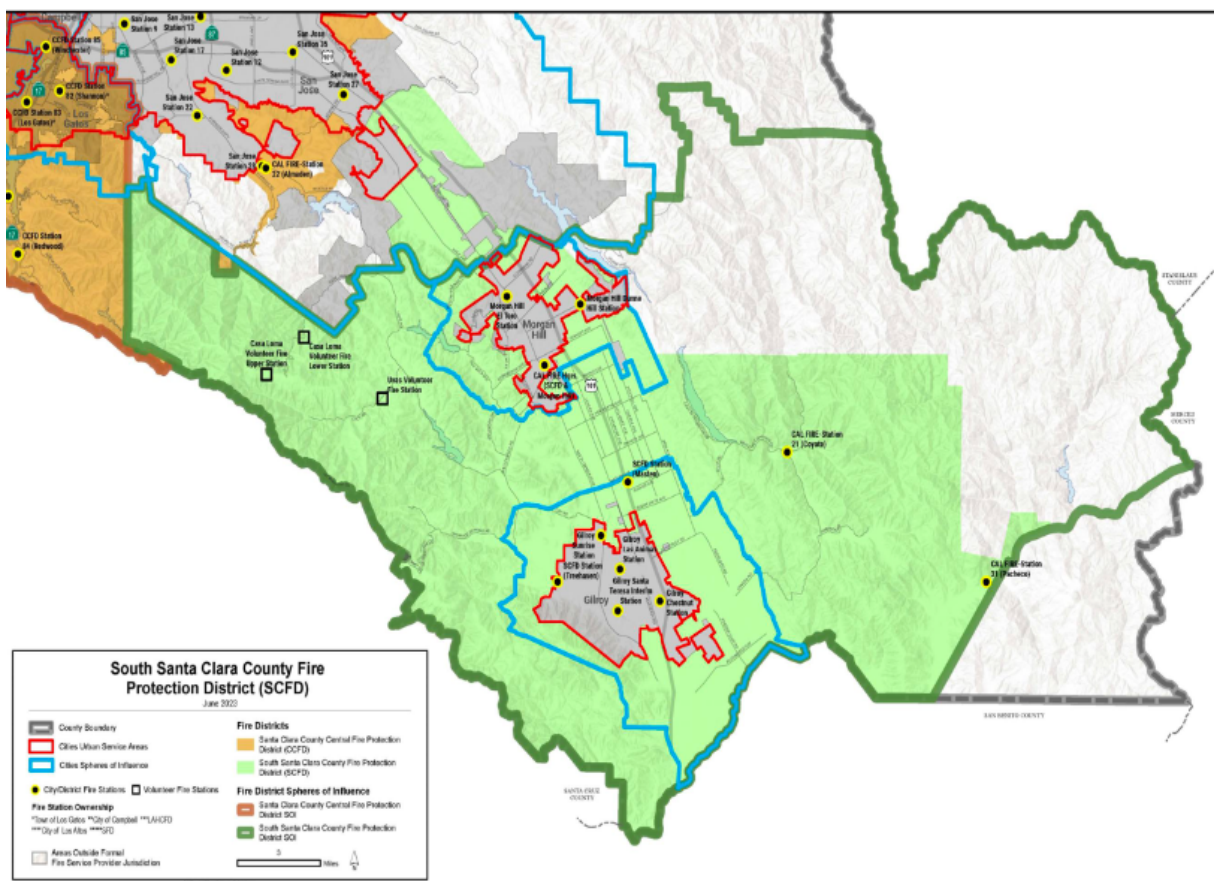
SCFD's boundaries consist of the southern unincorporated areas of Santa Clara County surrounding the cities of Morgan Hill and Gilroy to the Santa Clara–Santa Cruz County line in the southwest, and the Santa Clara-San Benito County line in the south. In addition, the southern portion of SCFD includes the unincorporated rural residential community of San Martin, the CordeValle estate development, the remote area of the Santa Cruz Mountains, and a portion of the remote area of the Diablo Range. The northern part of SCFD consists of an unincorporated area known as Coyote Valley. In total, SCFD's boundaries span 288 square miles.

SCFD's sphere of influence (SOI) is not coterminous with the existing boundaries of the district; it includes all of South County, except the cities of Morgan Hill and Gilroy and the more remote areas of the Diablo Range. SCFD's SOI is located generally south of Bailey Avenue along Little Uvas Creek and extends southeast along Pacheco Highway to the county line. It then extends east along the Diablo Range ridge line up to the San José SOI and west to the Santa Clara-Santa Cruz County border. The Coyote Valley area within SCFD to the north is located outside SCFD's SOI. The district's SOI was last amended in 2014 to add 12,995 acres of unincorporated land that are located outside the SOI of the City of San José and the Town of Los Gatos. This amendment was part of the subsequent annexation of 38,648 acres to give SCFD jurisdictional authority over these lands and enter into an automatic aid agreement with the Santa Cruz County Fire Department to provide fire protection services to the area (South Santa Clara County Fire Protection District Sphere of Influence Amendment and Annexation 2014). Figure 2 is a map of the district boundaries.

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¹ Taken from the October 2023 Santa Clara LAFCO Fire Service Review page 566.

Figure 2: Map of the South Santa Clara County Fire District (SCFD)



SCFD Financial Issues

Currently, SCFD is experiencing a significant increase in the cost of the CAL FIRE agreement for fiscal years (FYs) 2023, 2024, and 2025. The costs for both the contract and the Amador agreement are increasing for the following reasons:²

- The reduction in the hours worked by CAL FIRE firefighters from 72 to 66 hours per week
- A 7.5% pay restoration for firefighters on July 1, 2022, along with an approximately 20% increase in the cost of benefits
- Reduced costs in the Amador agreement for FY 2022 due to the calmer fire season.

SCFD experienced a reduction in the CAL FIRE agreement of 2.0% in FY 2021 and 12.9% in FY 2022. These savings came from freezing wages for state employees. Table 2 outlines the increase in CAL FIRE costs by year.

² Taken from the October 2023 Santa Clara LAFCO Fire Service Review, page 576.

Table 2: Increase in CAL FIRE Costs to SCFD from FY 2023 to FY 2027

Revenue/Expenses	FY 2023 % Increase	FY 2024 % Increase	FY 2025 % Increase	FY 2026 % Increase	FY 2027 % Increase
Contract	24.8%	33.2%	18.8%	2%	2%
Amador Agreement	376.2%	33.1%	19.6%	2%	2%

Funding within SCFD originates from the allocation of property tax revenues from Santa Clara County, along with carryover funds not spent during prior fiscal years. The district also earns first responder fees by adhering to the terms of the agreement with the Santa Clara County EMS Agency for paramedic response, investment income, and the Mitigation Impact Fee, among revenues.

Santa Clara County has forecasted SCFD’s revenue to increase 3.1% each year. The BOS authorized a \$1.5 million transfer to SCFD from the county’s Emergency Medical Services Trust Fund in FY 2024, which was rolled over into FY 2025. This amount supplemented the unsecured loan from the county to obtain sufficient funding to purchase a new fire engine, which was received in October 2020. The loan will be repaid in quarterly installments and will bear interest at the annual rate earned by the county-operated, commingled investment pool, as determined by the Director of Finance. As of June 30, 2024, the outstanding principal was \$383,530, with five years remaining on the loan term.³

SCFD faces fundamental funding challenges that threaten its sustainability, which have been exacerbated by the rising cost of the CAL FIRE cooperative agreements to provide fire and emergency services for SCFD. The projection from the October 2024 LAFCO Municipal Service Review (MSR) shows that the district will deplete its available fund balance by early FY 2025 (Table 3).

Table 3: SCFD General Fund Projected General Fund Revenues and Expenditures⁴

General Fund Revenue/Expenses	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Revenue	6,528,685	8,458,385	8,670,824	8,893,936	7,624,072
Expenditures	7,658,784	11,376,592	13,062,625	13,292,599	12,027,172
Change in Fund Balances	-1,130,099	-2,918,207	-4,391,801	-4,398,663	-4,403,100
Ending Fund Balances	3,182,244	264,037	-4,127,764	-8,526,427	-12,929,526

Source: Santa Clara LAFCO Municipal Service Review (October 2023, p. 577)

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³ SCFD’s Fiscal Year 2024 Financial Statements, page 25.

⁴ Taken from the October 2023 Santa Clara LAFCO MSR, page 577.

The most recent fiscal review of the SCFD Board of Commissioners at a special meeting held on Tuesday, January 7, 2025, showed sufficient resources to meet financial obligations for FY 2024-2025. Relying upon the county transfer of \$1.5 million, the SCFD Board of Commissioners was able to pass a balanced budget for this time period. However, this budget is insufficient to address the facility and equipment needs identified by the district, including replacement of a water tender and fire engine.

Findings from the LAFCO SCFD Service Review Determinations include:⁵

- 12-13: CAL FIRE's annual payments on its unfunded actuarial liability are projected to increase for the foreseeable future, and they will continue to represent a significant portion of SCFD's costs associated with the service contract. SCFD is experiencing a significant increase in the cost of the CAL FIRE contract and Amador agreement for FYs 2023, 2024, and 2025 as a result of increased CAL FIRE personnel costs and the reduction in weekly hours worked by CAL FIRE employees. In FYs 2026 and 2027, growth in CAL FIRE costs is anticipated to plateau at 2% annually.
- 12-14: The sustainability of funding SCFD's operations of SCFD is primarily challenged by the increased cost of the CAL FIRE agreement. Projections show SCFD will deplete its available fund balance by early FY 2025. If no additional revenue sources are identified by that time, SCFD's operations will be severely affect and might need to be reduced or discontinued. SCFD and the BOS are working to find solutions to this significant challenge.

I.B. Management and Governance

County Fire is a special district formed under and governed by the California Fire Protection District Law of 1987, also known as the Bergeson Fire District Law, California Health and Safety Code, Div.12, Part 2.7.

The Santa Clara County Board of Supervisors sits as CCFD's Board of Directors and governs CCFD. As such, CCFD is classified as a dependent district.

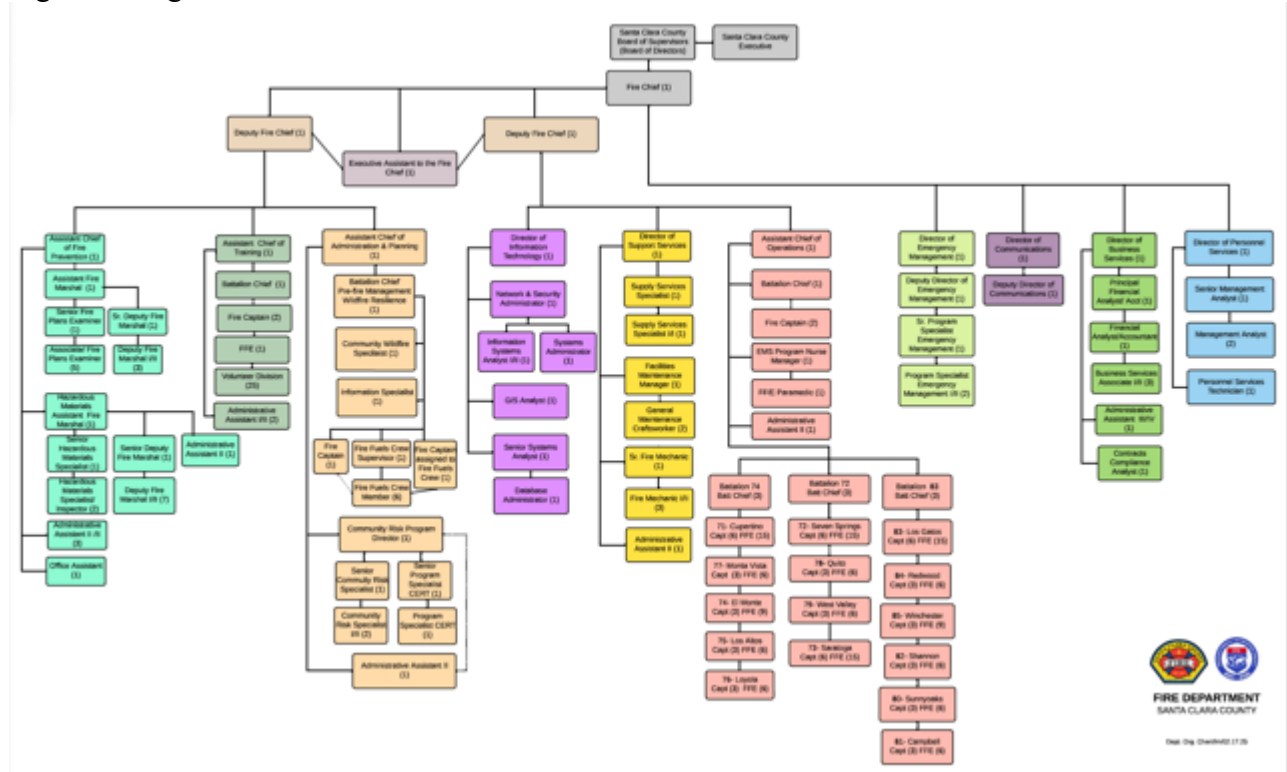
CCFD's Fire Chief is appointed and reports to the BOD or its designee. The Fire Chief is the Chief Executive Officer of CCFD and is responsible for the proper administration of all CCFD affairs. The Fire Chief is responsible for the overall direction of CCFD, including the management, planning, organizing, and overseeing of all fire suppression, prevention, investigation, EMS, and administrative support functions of CCFD to ensure the effective and efficient delivery of such services to the communities served. Pursuant to their delegation of authority from the BOD, the Fire Chief receives general supervision by the County of Santa Clara County Executive. However, the Fire Chief can appear before or correspond directly with the BOD whenever they deem it necessary. The Fire Chief consults with city and town managers within CCFD's service area to ensure local matters are addressed.

⁵ Taken from the October 2023 Santa Clara LAFCO MSR, page 596.

By contract, the SCCFD Fire Chief serves as the fire chief for the Los Altos Hills County Fire District, City of Campbell, Saratoga Fire District, and City of Los Altos.

CCFD is contracted by the county for County Fire Marshal services and to provide executive leadership at County Communications and the Santa Clara County Office of Emergency Management. Figure 3 displays the organizational chart for CCFD. (Note the proposed additional Deputy Fire Chief is conditional based on BOS approval on February 4, 2025.)

Figure 3: Organizational Chart for CCFD



SCFD has seven Commissioners who are appointed by BOS District 1.

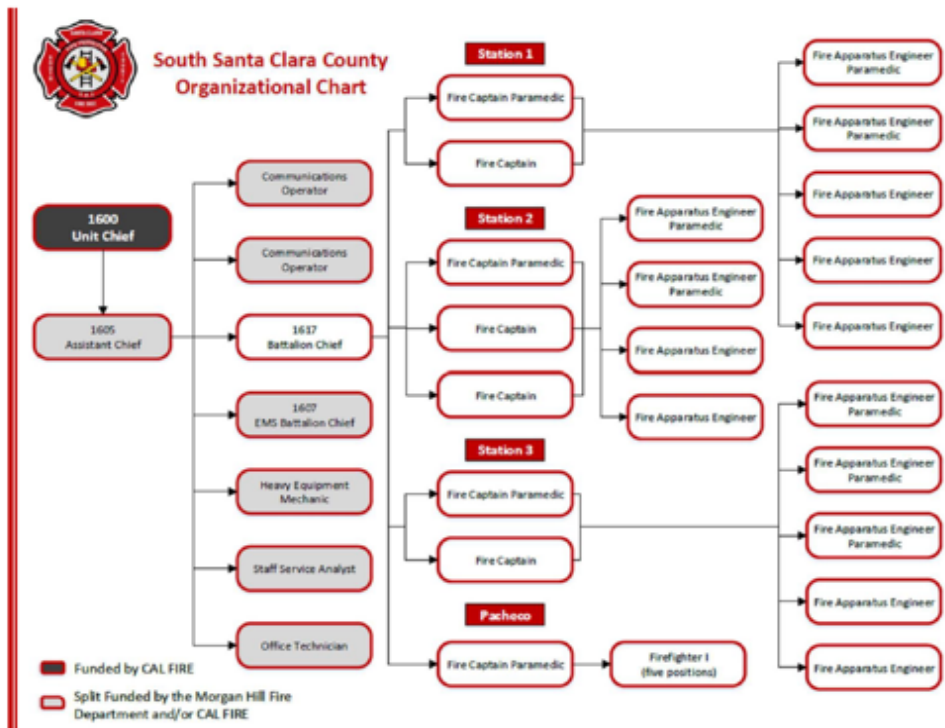
Efforts to engage and educate the public on the fire and emergency services to the community consist of participation in local events, visits to schools, a subscription newsletter, online access to fire department planning documents, and volunteer and educational programs focused on fire prevention and education.

In addition to meeting the state laws, SCFD works to ensure financial transparency through its website's search features. There, the most recent financial reports and statements can be accessed. The public can also subscribe to SCFD's online newsletter, call SCFD with non-emergency inquiries, submit questions and concerns via the website comment application, and sign up for fire prevention and education programs. SCFD's website makes available major

planning documents, financial statements, emergency program information, and historical meeting information back to 2019. The agency abides by Assembly Bill 2257 (Government Code §54954.2), which updated the Brown Act with new requirements governing the location, platform, and methods by which an agenda must be accessible to the public on the agency’s website for all meetings occurring on or after January 1, 2019.

The appointed members of SCFD Board of Commissioners and CAL FIRE as the district’s service provider develop strategic priorities and various long-range planning documents to be used in the preparation of an annual operating budget based on a July through June fiscal year. However, the BOS establishes budget policy and makes the final decisions on budget adoption for SCFD. Budget preparations for the subsequent year begin in January with reviews of recent accomplishments of the district’s objectives and a review of its service-level priorities. The process also includes community engagement and outreach, after which a draft budget is produced. The final budget workshop with the BOS takes place no later than the second week in May, with public hearings and the final budget adoption occurring in June.⁶

Figure 4: Organizational Chart contracted CAL FIRE service provider for SCFD



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⁶ Taken from October 2023 Santa Clara LAFCO Fire Service Review, page 572.

I.C. Operations

1. Existing Services

- CCFD
 - CCFD currently provides fire protection and EMS to a total population of 258,315 in 132 square miles. CCFD operates 15 fire stations with 339 safety and civilian personnel. Four of the fire stations have dual companies. Three battalion chiefs are on duty daily that cover each of the three battalions. CCFD's service area population within the district is approximately 156,660, with an additional 101,655 population served through contracts.
 - CCFD provides all-risk, all-hazard fire and EMS service within CCFD's service area, including the unincorporated areas in the Santa Cruz mountains; the cities of Cupertino, Los Gatos, Monte Sereno, and a portion of Saratoga as part of its inherent service area. CCFD also provides all-risk, all-hazard fire and EMS services by contract to the cities of Campbell and Los Altos; the Los Altos Hills County Fire Protection District (a dependent special district, including the Town of Los Altos Hills, and the Saratoga Fire Protection District.
 - CCFD has been a Commission on Fire Accreditation International (CFAI) accredited fire agency continuously since 2005, with the most recent accreditation awarded in 2021. The most current accreditation cycle was delayed due to the COVID-19 pandemic. Due to this delay, the most recent Community Risk Assessment-Standards of Coverage (CRA-SOC), published in 2020, was a five-year review from 2014-2018. It outlines CCFD's response time performance published by mean and 90th percentile by city, unit, station, and as an aggregate for CCFD. This document is available online on CCFD's website. CCFD is currently working through the reaccreditation process for the years of 2020-2024 and is expected to go before the Commission for CFAI in March of 2026.



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- SCFD The following SCFD services include regional shared services.⁷
 - SCFD provides fire protection and ALS first responder service to a population of 22,554 over 288 square miles. SCFD operates from four fire stations with 30.58 personnel. Two fire stations are split-funded: one with the City of Morgan Hill (MHFD) and the other with CAL FIRE; the other two stations are funded by SCFD. One fire engine, an ALS Type III (Pacheco), is part of an Amador agreement with CAL FIRE and is primarily funded by CAL FIRE. An Amador agreement with CAL FIRE provides the local agency with a three-person crew year-round instead of only during the fire season, if the captain position is funded solely by the local agency outside of fire season.
 - SCFD Engine 67 operates out of CAL FIRE's Morgan Hill Station and responds to calls in both SCFD's service area and MHFD's service area. SCFD and the City of Morgan Hill have a cost-sharing agreement to equally share the personnel costs and fueling, maintenance, and repair costs related to the operation of Engine 67.⁸
 - SCFD's boundaries consist of the southern unincorporated areas of Santa Clara County surrounding the cities of Morgan Hill and Gilroy to the Santa Clara–Santa Cruz County line in the southwest, and the Santa Clara-San Benito County line in the south. In addition to the unincorporated area surrounding Morgan Hill and Gilroy, the southern portion includes the unincorporated rural residential community of San Martin, the Corde Valle estate development, the remote area of the Santa Cruz Mountains, and a portion of the remote area of the Diablo Range. The northern part of SCFD consists of an unincorporated area known as Coyote Valley. In total, SCFD's boundaries span 288 square miles.
 - SCFD's sphere of influence (SOI) is not coterminous with the existing boundaries of the district. The SOI includes all South County, except the cities of Morgan Hill and Gilroy and the more remote areas of the Diablo Range. SCFD's SOI is located generally south of Bailey Avenue along Little Uvas Creek and extends southeast along Pacheco Highway to the county line. It then extends east along the Diablo Range ridge line up to the San José SOI and extends west to the Santa Clara-Santa Cruz County border. The Coyote Valley area within SCFD to the north is located outside the SCFD SOI.
 - The SCCFD's SOI was last amended in 2014 to add 12,995 acres of unincorporated lands that are located outside the SOI of the City of San José and the Town of Los Gatos. This amendment was part of the subsequent annexation of 38,648 acres to give SCFD jurisdictional authority over these lands and enter into an automatic aid agreement with the Santa Cruz County Fire Department to

⁷ Taken from the October 2023 Santa Clara LAFCO Service Review, page 565-566.

⁸ Agreement Between Morgan Hill and South Santa Clara County Fire District executed on April 4, 2021 and effective January 1, 2021.

provide fire protection services to the area. (South Santa Clara County Fire Protection District Sphere of Influence Amendment and Annexation 2014).

- SCFD’s most recent Standard of Coverage, conducted by City Gate, is accessible on its website and covers the years from 2016-2018. Recommendations from a 2019 Management Audit are also on the SCFD website.

2. Proposed Services

If the proposed reorganization is approved by LAFCO, CCFD plans to provide service to the SCFD territory in much the same way that it SCFD is currently configured, as described below. SCFD staffs three Type 1 ALS engines each day, along with a Type 3 CAL FIRE engine at Pacheco Station under the Amador Agreement. Likewise, CCFD will staff three Type 1 ALS engines and, if possible, continue providing a Type 3 CAL FIRE engine at Pacheco Station under the Amador Plan. If an agreement cannot be reached for the Pacheco Station the Pacheco Station, CCFD has developed an alternative model.

Based on preliminary assessments, all firefighting apparatus and facilities owned (or leased) and operated by SCFD are considered safe and serviceable. A full inspection by CCFD staff will confirm this prior to transition of service.

To assist with the transition and community outreach within the SCFD area ahead of an official transition date, CCFD has secured office and meeting space in San Martin at the Sig Sanchez Government Center to support transparency, communication, networking, and community outreach. CCFD will host weekly office hours and be available as needed for meetings throughout the South County.

Fire Stations, Apparatus, and Staffing

[Masten Station](#) is located near northbound Highway 101 and Masten Avenue and is owned by the SCFD. CCFD will staff the following equipment from this station year-round 24/7:

1. One battalion chief (B-68)
2. One Type 1 Engine (E-68) staffed with a fire captain, firefighter engineer paramedic, and firefighter engineer
3. Selectively staffed water tender (WT-68)
4. Selectively staffed utility task vehicle (UTV) (UTV-768)

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[Treehaven Station](#) is located at the Gilroy Gardens Family Theme Park on Highway 152 in the City of Gilroy. This station is leased to SCFD. CCFD staff are confident that the station lease can be continued, subject to approval from the appropriate legislative bodies. CCFD would staff the following equipment year-round 24/7 from this station:

1. One Type 1 Engine (E-69) staffed with a fire captain, firefighter engineer paramedic, and firefighter engineer
2. Cross-staffed Type 3 Fire Engine (E-369)
3. Selectively staffed utility (U-69)

The third station currently utilized by SCFD is in the City of Morgan Hill near Monterey Road and Vineyard Drive, known as the [Morgan Hill Station](#). This property is owned by the State of California and serves as the CAL FIRE headquarters for the Santa Clara Unit. SCFD utilizes space within this facility to house the crew, an engine, and a water tender. The City of Morgan Hill shares in the cost of operating this station. This service plan assumes that the Morgan Hill Station will not be available to house CCFD after SCFD is dissolved and its contract with CAL FIRE expires or terminates.

To continue service to this area, and subject to approval by the BOD and compliance with applicable regulatory requirements, CCFD will lease a building capable of serving as a temporary fire station within a reasonable distance from the Morgan Hill Station to provide continued comparable service to SCFD residents. The proposed temporary fire station will also allow CCFD to continue to provide automatic aid in Morgan Hill and to continue to share the costs of Engine 67 with MHFD. A possible facility in south Morgan Hill has been identified and a feasibility analysis and lease negotiations are in process. A temporary fire station in Morgan Hill near Vineyard Boulevard (Vineyard Station) would be expected to be in service for approximately three years until a permanent fire station site can be developed. From the anticipated temporary and future permanent station in Morgan Hill, CCFD would staff the following equipment year-round 24/7:

1. One Type 1 Engine (E-67) staffed with a fire captain, firefighter engineer paramedic, and firefighter engineer
2. Selectively staffed water tender (WT-67)

Pacheco Pass Area

A fourth response service along Highway 152 east of Gilroy, where SCFD currently separately contracts with CAL FIRE to provide services from the state-owned [Pacheco Fire Station](#). In this remote response area, SCFD pays for services under an Amador agreement, which is a cost-effective way for local governments, including fire districts, to achieve full staffing during the traditional non-fire season months (winter) when CAL FIRE would otherwise be down-staffed or closed. This type of agreement is authorized under Public Resources Code section 4144 and is common in several counties throughout the state. The Amador Agreement with SCFD also supports staffing a paramedic year-round, enabling SCFD to meet its ALS first responder requirements under the EMS contract in Santa Clara County.

The optimal plan for fire service coverage in this area would be to collaborate with CAL FIRE to continue the Amador Agreement after the proposed reorganization. There is mutual benefit to the greater South County community and CAL FIRE to continue the agreement as currently structured through this long-standing separate contract.

Alternative Service Delivery Pacheco Pass/Casa De Fruita Area:

If the Amador agreement cannot be continued, an alternative plan is to place a temporary fire station along the Highway 152 corridor near Casa De Fruta. Subject to approval by CCFD BOD and compliance with applicable regulatory requirements, CCFD would pursue the following options:

1. Rent hotel rooms at Casa De Fruta Inn for crew accommodation and a secure place to park the fire engine.
2. Locate a commercial or residential property to lease as a temporary fire station.
3. Discuss land lease agreements with private and public local landowners, including California State Parks, to site a modular building or mobile home.

From the Pacheco Pass Area, CCFD would staff the following equipment year-round 24/7:

1. One Type 3 Engine staffed with a fire captain, firefighter engineer, and firefighter engineer paramedic. The operational period for this engine would be determined based on the availability of the CAL FIRE engine at Pacheco Station, which would be expected to handle calls in its area when staffed. For planning purposes, costs for five months of 24/7 service are projected.

Table 4 summarizes staffing for South County stations.

Table 4: CCFD Staffing for South County Stations

Station	Daily Staffing	Unit Staffing	Additional Apparatus
Masten	4	Engine (3), Battalion Chief (1)	Water Tender (select call)
Treehaven	3	Engine (3)	Type 3 Engine (cross-staffed)
Morgan Hill (temporary)	3	Engine (3)	Water Tender (select call)
Pacheco Area	3	Type 3 Engine* (3)	
Total	13	*CAL FIRE Amador or CCFD Winter Seasonal	

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Governance and Operations:

Upon successful reorganization of SCFD and CCFD, governance will be unified under the County Board of Supervisors, acting as the Board of Directors for the reorganized district. Operationally, CCFD will:

- Assume all-risk, all-hazards emergency response, emergency medical response, dispatching services, fire prevention services, community education services, and emergency management within the SCFD service area. Fire protection service levels will remain the same and be augmented with the Pre-Fire Management and Wildfire Resilience (PMWR) program under CCFD’s Administration and Planning division.
- Maintain or improve fire services in terms of response times and service levels, with Santa Clara County Communications playing a vital role by providing a new, updated computer-aided dispatch (CAD) system that went live in October of 2022, as well as automatic vehicle location (AVL) capabilities within that CAD system.
- Provide all-risk, all-hazards protection and ALS first responder fire and EMS services from the existing [Masten Fire Station](#), which is owned by the fire district, and the [Treehaven Fire Station](#), located in Gilroy, through a lease agreement. CCFD will provide all-risk, all-hazards protection and ALS first responder fire and EMS services from a temporary fire station in Morgan Hill until a permanent station location is identified on the northern end of district.
- Provide opportunities to expand community outreach, risk reduction, fuels mitigation, fire prevention, public education, and training programs to the annexed area.



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I.D. Pre-Fire Management and Wildfire Resilience

At the direction of the BOD, CCFD has developed and continues to increase the capacity and capabilities of the Pre-Fire Management and Wildfire Resilience (PMWR) program under its Administration and Planning Division. The program is led by a full time battalion chief and has one full-time fire fuels crew supervisor, one full-time captain, a second captain who is dedicated as part of the program for approximately 8 months out of the year, and eight fire fuels crew members, with a plan to expand the program to 8-12 members in 2025. This program's work includes fuels mitigation/reduction along public right-of-way areas, operational pre-positioning during high fire danger weather events, operational deployment in the response service area or as requested by agency partners, hydrant/water supply inspections, and essential training to increase the program's capacity.



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I.E. Training, Safety, and Volunteers

1. Training and Safety

The Training Division is a critical element of every fire service organization. The mission of CCFD's Training Division is to provide the highest quality training instruction, continuous education, and evaluation to our members. The goal is to prepare the district to serve its community in the most efficient and effective means possible and to ensure fire personnel safety. CCFD is one of only two Accredited Local Academy (ALA) in the County, with San José being the other. This ALA designation allows the organization to train its recruits based on the needs of the organization, which allows for agility and flexibility for the organization as it evolves.

Figure 5 shows the locations of accredited fire training academies in the San Francisco Bay Area.

Figure 5: Locations Accredited Local Academies referenced from State Fire Training/Office of the State Fire Marshal Website



The Training Division is responsible for developing and providing comprehensive fire suppression and EMS instruction to all members of CCFD, including ongoing training of all in-service companies and volunteer firefighters. The Training Division coordinates the training required to comply with the National Fire Protection Association (NFPA), International Organization for Standardization (ISO), Occupational Safety and Health Administration (OSHA), American National Standards Institute (ANSI), and California Code of Regulations (CCR).

The Training Division is managed by one assistant chief working under the supervision of a deputy fire chief. The Training Division staff includes one full-time battalion chief, two full-time captains, one full-time firefighter, and one full-time administrative assistant. One captain is the ALA coordinator, who works closely with collaborative Joint Fire Academies (JFAs) as the liaison for CCFD. The Training staff is also responsible for testing and mentoring all probationary firefighter/engineers throughout their probationary period. The training assistant chief is also the Department Health and Safety Officer and is responsible for overseeing life safety for the organization. This includes accident reviews and annual physical fit/wellness tests through the department's "Healthy-In, Healthy-Out Initiatives."

2. Volunteer Program

CCFD has maintained a volunteer program since its formation in 1947. The program includes up to 40 volunteer firefighters organized into two functional groups of suppression and non-suppression. Suppression volunteers are fully qualified as FFI and are authorized to respond to structure fire incidents either in their privately owned vehicles (POVs) or on a CCFD apparatus during a ride-along. Non-suppression volunteers participate in community outreach and events, and take part in public education opportunities. Both suppression and non-suppression volunteers are compensated with a small stipend for their response to incidents and their attendance at training drills and classes.

SCFD has a roster of 20-30 volunteer firefighters with varying certification levels. Several of the members are qualified as drivers/operators and authorized to operate the SCFD's Type 1 and Type 3 engines, as well as the SCFD's water tender. Many of the South County volunteers hold either paramedic or EMT certification and are authorized to function at a basic life support (BLS) level on incidents. The South County volunteers are authorized to respond in one of three ways: on a SCFD apparatus operated by a volunteer firefighter, on a SCFD apparatus when riding along with full-time crews, or in their POV directly to the scene of a fire when responding to a call for assistance. Off duty volunteers do not typically respond to medical events. Occasionally, the volunteer engine is staffed with an all-volunteer crew to supplement staffing during community events or on holidays such as the 4th of July. Currently the South County volunteers receive no compensation.

The volunteer programs for both districts run similar programs, which allows for a smooth blending of the two programs. CCFD has joined volunteer programs through several mergers in

the past, all of which have contributed to the continuing success of the program. During its tenure as the contract agency for the City of Morgan Hill, CCFD maintained two location-based volunteer rosters. CCFD is committed to working closely with the current SCFD volunteers.

I.F. Support Services

The Support Services Division currently manages 132,000 square feet of building space, which houses CCFD's 15 fire stations, CCFD headquarters, a warehouse located at CCFD's previous headquarters site, and the McCormack Training Center. The division maintains and repairs the fleet of approximately 60 emergency apparatus and equipment, 70 administrative vehicles, and the antique apparatus housed throughout the district. The Support Services Division is overseen by a civilian division head and includes one facilities maintenance manager, two maintenance crafts workers, four fire apparatus mechanics, two supply specialists, and one administrative assistant.

CCFD has a full-service maintenance and repair shop that provides new vehicle upfit and testing and coordinates surplus vehicle disposition. This group of journey-level fire mechanics services and maintains vehicles by performing all regulatory inspections and preventive maintenance. The shop achieves an average of 96% vehicle availability for service. The fleet shop contributes operating cost and data on reliability to determine new vehicle specifications. This group can be deployed as needed to support mutual-aid responses.

The facilities group is responsible for onsite, day-to-day property management, inside and outside maintenance and repair, and coordination of custodial, grounds, and utility services. The group coordinates third-party repairs and equipment replacement, assists with capital improvement projects, and provides the basis for the annual deferred maintenance projects plan.

The warehouse group manages centralized receiving, storage, and shipping for much of CCFD's supply needs. This includes monthly resources distributed to the stations, personal protective equipment, high-value computer peripherals and materials, and durable goods. The group delivers directly to recipients to allow station staff to focus on operations and training.

The Support Services Division utilizes a facility condition assessment to provide the information needed to make strategic decisions for capital improvement and maintenance projects. The division chairs the vehicle committees for new equipment purchases, which determine the specifications and manage the build processes, including delivery.

The division will integrate the fleet and facilities owned by SCFD into CCFD at the direction and lead of a deputy fire chief and will open a temporary station in the City of Morgan Hill.

I.G. Personnel Services

Human resources are defined as all aspects of personnel administration except those of training and competency. The most valuable asset of any organization is its people. The effective management of human resources requires a balance between the maximum potential of the

overall workforce and the experience of a high level of job satisfaction by individual workers. Management must combine reliability with a safe working environment, fair and equitable treatment, opportunity for advancement, and recognition of the individual's commitment.

CCFD's Personnel Service Division is led by a civilian director who is responsible for ensuring that CCFD is in compliance with all local, state, and federal regulations and is using best practices for all human resources-related functions. The division has one senior management analyst, two management analysts, and one personnel services technician. The Personnel Services Division is responsible for all recruitment, promotional processes, employee relations, and labor relations.

I.H. Business Services

CCFD has an internal Business Services Division with a business services director who is responsible for all business matters for the district. The division has one principal financial analyst/accountant, one financial analyst/accountant, one contract compliance analyst, one benefits/payroll analyst, and three business services associates. The division directs CCFD's programs of risk management, employee benefits, finance, and accounting. Payroll function is also performed in the division. The BOS acting as the BOD is CCFD's governing body. CCFD adheres to county fiscal policies, where feasible, and participates in the county's annual budgeting process. The annual budget is developed following the policies, guidelines, and processes developed by the County Office of Budget and Analysis (OBA).

CCFD's annual budget is posted and available for public comment at a regularly scheduled BOS meeting, in compliance with the Ralph Brown Act. The BOD formally adopts CCFD's proposed budget each year. CCFD annual budget, as included in the county's annual submission to the Government Finance Officers Association (GFOA) has earned the Distinguished Budget Presentation award.

CCFD's final adopted budget is presented in CCFD's Annual Comprehensive Financial Report (ACFR). GFOA has awarded CCFD the Certificate of Achievement for Excellence in Financial Reporting for its ACFR annually for the past decade. To earn this certificate, the agency must publish an easily readable and efficiently organized ACFR that satisfies both generally accepted accounting principles and applicable legal requirements.

I.I. Information Technology

Information technology is an essential resource for the fire service. Due to the increasing reliance and benefit of technology, CCFD created a separate Information Technology (IT) division in 2023. Prior to 2023, IT was a unit within the Business Services Division. This significant change for the organization allowed the IT Division to have more accountability and more agility to respond to the evolving tools available for operational readiness, situational awareness, and administrative efficiency. CCFD has established a strategic plan for implementing information management activities in support of CCFD's needs. The plan is dynamic: An IT strategic planning meeting is held monthly with the fire chief, deputy fire chiefs, business services

director and operations chief to prioritize and review the status of projects and their impact on CCFD's budget.

The Information Technology Division is led by a director and has one network and security administrator, one information systems analyst, one systems administrator, one geographic information systems (GIS) analyst, one senior systems analyst, and one database administrator. The network at CCFD is separate and distinct from the county system and has a robust firewall and system network security in place.

I.J. Community Education and Risk Reduction Services

The Santa Clara County Community Education and Risk Reduction Services (CERRS) unit provides classes and events for the public, including safety booths at community events, educational programs in schools, and station visits. CCFD provides a broad range of community outreach and education services, including fire station tours, school fire safety and life safety programs, adult and senior safety programs, CPR and automated external defibrillator (AED) training, and "Safe Sitter" babysitting training, among other initiatives. The CERRS unit resides within the Administration and Planning Division. CERRS aims to reach at least 20% of the population served each year with outreach and educational services. The CERRS unit has one senior community risk specialist, one senior program specialist (CERT), one community risk specialist, and one program specialist (CERT). It is supported by an administrative assistant II.

Additionally, CCFD supports a Community Emergency Response Team (CERT) program and conducts community meetings related to wildfire preparedness and mitigation efforts.

I.K. Transfer of Assets

CCFD and SCFD (Applicants) have filed a joint application with LAFCO to dissolve the SCFD and annex its territory to CCFD for the purpose of facilitating the efficient delivery of fire protection. In addition, the BOS passed a resolution on January 28, 2025, authorizing a 100% tax transfer to CCFD upon dissolution and annexation of the SCFD, consistent with the county's long-standing guidelines for property tax exchanges and negotiations. The County of Santa Clara shall transfer all existing and future property tax revenue designated for fire protection services within the affected territory to CCFD.

All assets currently held by the SCFD shall be transferred to CCFD. This includes cash balances and reserve accounts. CCFD shall assume all remaining debt service associated with equipment purchased by the SCFD.

CCFD will utilize various reserve funds for the staggered replacement of apparatus, capital equipment, and building improvements. These reserve funds are funded by an annual transfer from CCFD's general fund to an allocated committed fund allotment based on a 10-year replacement schedule for capital items.

I.L. Transfer of Fixed Assets

All fixed assets, including, but not limited to, the Masten Fire Station and any other facility, mobile fire equipment, and specialized emergency equipment, will remain as currently assigned and be transferred as the real and personal property of CCFD. The proposed reorganization is intended to be transparent and seamless for all involved.

1. Infrastructure and Resources

SCFD Facilities

Masten Fire Station
10810 No Name Uno
Gilroy, CA 95020
Owned by SCFD



Treehaven Fire Station
3050 Hecker Pass Highway
Gilroy, CA 95020
Leased facility



Table 5 summarizes the SCFD station configurations and conditions.

Table 5: SCFD Station Configuration and Condition⁹

Station	Apparatus Bays	Staffing Capacity	General Condition	Station Age
Vineyard Station Temporary site, leased.	0	3	TBD	TBD
Masten Station Owned by SCFD	5	5	Poor	57 years
Treehaven Station Leased	2	3	Fair	27 years
Pacheco Station Amador Contract with CAL FIRE	2	8	Good	12 years
Totals:	11	19		

The majority of the fire stations providing service to SCFD are older and do not meet the requirements of modern firefighting. Because the firefighting environment has changed, the technology, equipment, and safety systems have also changed to meet new demands. However, older buildings do not typically have the space or engineering systems to meet that new environment. Modern living also requires much more access to electrical outlets than was expected in older buildings. Plans for SCFD facilities include:

- The Masten Fire Station will be retained and operated by CCFD.
- Efforts with the City of Gilroy have begun to secure the Treehaven Station location. Currently leased by SCFD, the lease will be transferred and retained by CCFD. SCFD currently leases the building for \$1,819.67 per month.¹⁰
- A possible site for a temporary fire station location to serve the fire district in south Morgan Hill area has been identified, as the current location on Monterey Road will not be an option after annexation.
- A facility inspection of all SCFD facilities will be conducted by CCFD staff in advance to identify and plan for potential upgrades and retrofits to existing fire stations to enhance capabilities and provide for appropriate and safe living conditions for CCFD staff occupying those facilities.

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⁹ October 2023 Santa Clara LAFCO Service Review, page 590 (edited/updated)

¹⁰ SCFD 2021 5-year Plan

Equipment

- All purchased and/or leased vehicles and equipment from SCFD will transfer to CCFD (Table 6).
- Ownership and any interests in real property, equipment, tools, and items owned, leased, or purchased by SCFD will be transferred to CCFD.
- Ownership and any interests in items that were shared, proportioned, or procured in partnership, lease or other deal, whether written, verbal, or trade, will be transferred to CCFD.
- A replacement schedule for the aging apparatus is currently being addressed, and purchase agreements are in place to replace one tactical water tender (estimated delivery date of May 2025) and a Type 1 engine (estimated delivery date of July 2025). Any additional replacement apparatus will be incorporated into CCFD’s capital improvement plan.
- CCFD will determine whether to accept or surplus any equipment deemed unsafe or out of service.

Table 6: SCFD Apparatus¹¹

Unit	Type	Status	Year	Condition	Features
Engines and Aerial Apparatus					
E67	Engine T-1	Frontline	2020	Excellent	1500GPM, 600 Tank
E69	Engine T-1	Frontline	2015	Good	1500GPM, 600 Tank
E368	Engine T-3	Cross-Staffed	2015	Excellent	1000 GPM
E168	Engine T-1	Reserve	1998	Poor	1500 GPM, 600 Tank
E169	Engine T-1	Reserve	2008	Poor	1500 GPM, 600 Tank
Medics/Rescues/Other					
WT 67	Water Tender	Frontline	2000	Poor	1000 GPM, 3000 Tank
WT 68	Water Tender	Frontline	2002	Poor	1000 GPM, 3000 Tank
R1637	Mechanic		2009	Poor	Mechanic Repair Truck
U68	Utility Truck		2003	Poor	
U69	Stakeside		2008	Good	
U70	Utility Truck		2004	Poor	
UTV 68	UTV		2019	Excellent	Sideby-Side UTV
U769	USAR Trailer		2005	Excellent	USAR Equipment

¹¹ October 2023 LAFCO Service Review, Page 592 (edited/updated)

Table 7: Supervisor/Command Vehicles

Unit	Assigned Staff	Make/Model	Year	Condition
B67	Battalion Chief	Ford F250	2020	Excellent
B69x	Battalion Chief	Ford F250	2020	Excellent
D1605	Division Chief	Ford F250	2013	Fair
A69	Admin	Ford Escape	2014	Good

I.M. Transfer of Personnel

The SCFD contracts with CAL FIRE for fire and first responder EMS services within SCFD’s service area. The personnel providing these services are employees of CAL FIRE, not SCFD; SCFD has no employees. It is not anticipated that CAL FIRE employees will be laid off or otherwise lose their jobs as a result of the reorganization of the SCFD into CCFD. Rather, they would be reassigned to other fire stations managed by CAL FIRE. As a result, there is no need to develop a pathway to hire any of the affected CAL FIRE employees into CCFD. Should the reorganization result in the layoff of CAL FIRE personnel, CCFD could evaluate options to potentially hire these personnel into the district.

The administrative, training, and prevention functions will be absorbed into the administrative infrastructure of CCFD, thereby eliminating duplicative functions and services. Economies of scale can be leveraged in areas of procurement, operations, fire prevention, training, emergency management, and dispatch services. The staff positions currently shared between SCFD and MHFD will no longer be necessary for services in the former territory of SCFD. CCFD expects to enter into a modified agreement with Morgan Hill—or to amend an assigned or transferred agreement—to share the costs of Engine 67 after the reorganization.

I.N. Transfer of No Cost Agreements

The following no cost agreements that are currently in place with the SCFD will need to be assumed by CCFD:

- Automatic aid emergency response with San José Fire
- Automatic aid emergency response with City of Gilroy Fire
- Automatic aid emergency response with City Morgan Hill Fire
- Automatic aid emergency response with City of Hollister Fire/San Benito County Fire
- Automatic aid emergency response with Santa Cruz County Fire/CAL FIRE CZU
- Automatic aid emergency response with Pajaro Valley Fire Protection District /CAL FIRE CZU
- Automatic aid emergency response with Aromas Tri-County Fire/CAL FIRE BEU
- Dual-jurisdiction agreements and mutual threat zone agreements with Santa Clara Unit CAL FIRE SCU

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I.O. Pacheco Pass Station – Amador Agreement

The Pacheco Fire Station is owned and operated by CAL FIRE, which staffs Pacheco Station approximately six months a year during fire season and provides auto aid/mutual aid to the SCFD. The SCFD contracts for Amador services through a cooperative fire protection agreement.

Amador Plans, authorized by Public Resources Code section 4144, allow local governments to contract with CAL FIRE to provide year-round fire protection services, provided by CAL FIRE stations that would normally be closed during the “non-fire” season.

Pacheco Fire Station
12280 Pacheco Pass Highway
Hollister CA 95023
Owned by CAL FIRE



II. EXTENDING SERVICE TO THE AFFECTED TERRITORY

An indication of when the service can feasibly be extended to the affected territory.

If the proposed reorganization is approved by LAFCO, CCFD will be prepared to provide services on the effective date of the reorganization and as early as July 1, 2025.

II.A Geographic Risk Areas

The proposed reorganization area comprises several geographic areas, all with their own unique risks:

- **Wilderness Area:** An area of sparse population of usually less than ten persons

per square mile. General use is a conservation area for the protection of natural resources or limited low-impact recreational use.

- Rural Area: All areas outside of urban areas or urban clusters. Has a higher population density than that of a wilderness area.
- Suburban Area: A mix of commercial and residential buildings with a higher population than wilderness or rural areas. Also includes the coastal residential areas.
- Urban Area: A cluster or clusters of high-density population. To qualify as an urban area, the territory must encompass at least 2,000 housing units or have a population of at least 5,000.

II.B. Deployment

The deployment of equipment and personnel will not change from the current response structure from the Masten and Treehaven areas. For the northern district area that surrounds the current CAL FIRE Morgan Hill headquarters, CCFD has identified a building suitable for a temporary fire station near Vineyard Boulevard in Morgan Hill.

Calls for service from SCFD are received by the Santa Clara County 9-1-1 Communications Center. After reorganization, there will be no need to transfer the emergency call to another communications center; fire units will immediately be dispatched based on emergency service zone (ESZ). The mapping system can transition to an AVL system within 12 months of the transition. This will allow move-up units from the northern CCFD service area to immediately be recognized in the CAD system and immediately be recommended in the CAD based on the closest resource. This change will immensely benefit the residents and commuter population in South County, due to the CAD capabilities and fleet infrastructure.

II.C. Expectations

The reorganization will cause no reduction in service levels to the affected areas. In fact, streamlining the management and administrative structures will free up resources to enhance current services levels, particularly in the areas of community risk reduction, wildfire preparedness, and emergency response. CCFD's capital replacement fund has sufficient resources to purchase replacement equipment.

II.D. Staffing

One of the primary responsibilities of a fire department's administration is to ensure that the fiscal, infrastructure, and support elements are in place and functioning smoothly and effectively so that the core mission – responding to and mitigating emergencies – can be accomplished in a safe and efficient manner.

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In order to provide an appropriate level of command-level supervision and better utilize the capacity of existing resources, CCFD currently intends to relocate the Battalion 72 (B72) resource from Seven Springs station to the Masten station. The assignment of a 24/7 battalion chief resource in Zone 4 will allow for the timely response of this critical command officer to all areas of the South County and allow CCFD the opportunity to participate in a battalion chief sharing agreement on equal terms with the other fire agencies in the region. This arrangement will further the efficiencies anticipated from the annexation of SCFD’s territory into CCFD by more fully utilizing the capacity of the battalion chief in the north part of CCFD. As shown in the following table, reallocating Battalion 72 to Zone 4 will allow CCFD to maintain service levels in the north CCFD service area, while providing for timely battalion chief response in the new South County service area. For context a battalion chief typically has capacity to respond up to 10 incidents per day.

Table 8: CCFD Battalion Chief Responses 2022-2024

Unit	3-year Incident Total	Average Incidents Per Year	Average Incidents Per Day
B72	914	304	0.83
B74	511	170	0.46
B83	1235	411	1.13

In addition, the location of CCFD’s new headquarters in Campbell allows chief officers assigned there to provide surge capacity during the workweek, which coincides with hours of peak incident activity.

The 19 front-line units that are part of the northern CCFD response service area will be available when needed to augment response to large-scale incidents in the SCFD region quickly and efficiently.

II.E. Timing for Extending Services

There will be no interruption of services provided to the affected territory. The County Assessor's office shall provide for the transfer of reserves and balance of the FY 2025-2026 property tax revenue.

- **Timeline**
 - January 2025: Board of Directors approves the dissolution and annexation
 - February 2025: Application materials submitted to LAFCO
 - April 2025: LAFCO public hearing of the proposed reorganization
 - May and June 2025: Establish regular meetings with IAFF Local 1165 to address impacts of annexation
 - May and June 2025: Evaluation and preparations for integration of SCFD data, facilities, equipment, apparatus, and assets into CCFD
 - May-December 2025: Station maintenance, upgrade, remodel or construction considerations

- May-December 2025: Apparatus maintenance, reassignment, or procurement
- July 1, 2025: Formal commencement of services by CCFD
- **Staff Integration**
 - Not applicable, as SCFD has no staff.
- **Administrative Transition**
 - Transfer of all records, contracts, data, and agreements to CCFD
 - Development of a plan to begin resolution of outstanding SCFD debts and obligations

III. ENVIRONMENTAL CONSIDERATIONS

- The proposed reorganization is exempt from environmental review pursuant to Section 15320 of the CEQA Guidelines, which exempts the reorganization of local agencies “where the changes do not change the geographical area in which previously existing powers are exercised.” As explained above, the proposed reorganization would expand CCFD’s boundaries to include the current territories of the SCFD and, therefore, would not modify the geographic area in which existing powers are exercised. There is no reasonable possibility that the Project will have a significant effect on the environment due to unusual circumstances that would preclude the use of this exemption.
- Infrastructure and facilities projects and upgrades, including those discussed above, will be subject to approval from CCFD BOD or its designees, as appropriate, and, if applicable, environmental review in compliance with CEQA and its implementing regulations.

IV. IMPROVEMENTS

Identification of any improvement or upgrading of structures, roads, other infrastructures, or other conditions the affected agency would impose upon the affected territory.

The proposed action is a general reorganization of existing services and service levels. As described earlier, the following challenges will need to be met before any fire service transition occurs:

- The location for a northern station to house Engine 67 currently deployed out of the Morgan Hill CAL FIRE headquarters needs to be secured with a temporary station and supporting infrastructure in place to serve the northern district area and to provide automatic aid to Morgan Hill.
- The lease for the Treehaven Station will need to be transferred or assigned to CCFD or replaced with a modified agreement.
- A new cooperative agreement with CAL FIRE for off-fire season fire and EMS response from the Pacheco Pass Fire Station (Amador Contract) will need to be executed.

Any infrastructure upgrading will be limited to localized general impacts associated with the construction of future fire service facilities, such as fire stations, training centers, and support facilities.

V. COSTS AND FINANCING

The estimated cost of extending service and a description of how the service or required improvement will be financed. A discussion of the sufficiency of revenues for anticipated service extensions and operations is also required.

The estimated cost for CCFD to extend services into SCFD is \$16.2 million per year in ongoing costs and roughly \$1.45 million in one-time capital costs. This estimate includes CCFD continuing with a similar service delivery model of staffing three Type 1 ALS engines each day and assumes maintaining the existing agreement with CAL FIRE to staff the engine at the Pacheco Station, as well as continuing to fund half the staff cost of Engine 67 through an existing or replacement cost-sharing agreement with the City of Morgan Hill.

SCFD has a budgeted revenue of approximately \$7.5 million and \$11.5 million in expenditures for FY 2024-2025. Based on the approved budget amounts, SCFD will require the use of approximately \$4.1 million of fund balance (reserves) to meet the expenditure needs for the year.

Table 9 presents the revenues and expenditures for the current SCFD FY 2024-2025 budget, the projected CCFD ongoing amounts if annexed, and the difference in cost.

Table 9: SCFD Revenue and Expenditures

Description	Current SCFD FY 2024-2025 Budget	Projected CCFD Amount if Annexed	Difference
Revenue	\$7,474,850	\$ 7,474,850	\$ -
Expenses	\$11,540,965	\$16,224,000	(\$4,683,035)
Difference	\$(4,066,115)	\$(8,749,150)	\$4,683,035

For several years, SCFD’s projected revenue has been inadequate to cover its operating costs and capital infrastructure needs. Several service reviews and other analyses over the past 15 years have identified significant structural concerns with the SCFD and have suggested consolidation into CCFD as a long-term strategy to provide an adequate and equitable regional approach to fire protection service delivery in the county.

The maintenance of an appropriate standard of fire service in SCFD’s current territory will require the utilization of CCFD resources and reserves. As of June 30, 2024, CCFD’s governmental funds reported combined ending fund balances of \$94,821,273, an increase of

\$5,612,685 over the prior year. Of this amount, \$39 million is committed for major facility replacement, repair, or maintenance; \$12.5 million is committed for fire apparatus replacement; \$1.5 million is assigned to the Capital Project Fund; and the remaining \$41.8 million is available to meet CCFD’s current and future needs (unassigned fund balance).¹²

To address, evaluate, and mitigate the SCFD funding shortfall, CCFD has taken the following into consideration:

Revenue Sources

- a. Property taxes previously allocated to SCFD will transfer to CCFD; see Item VI: Inclusion of Existing Tax Revenue (Ad Valorem Tax) below.
- b. Additional revenues from EMS ALS first responder fees, grants, mutual-aid deployments, and other fees and charges. SCFD estimates first responder fees at \$228,000 and \$247,000 for FYs 2024-2025 and 2025-2026, respectively.
- c. Mitigation fee revenue (requires future Board action): The Board of Directors has approved a resolution initiating the proceedings and setting a public hearing on April 22, 2025, to consider the formation of Service Zone 4 for the former territory of the SCFD contingent on LAFCO approval of the proposed reorganization. When established, this service zone will allow CCFD to adopt and implement a fire protection mitigation fee—similar to SCFD’s existing mitigation fee—to fund an appropriate standard of fire services for this territory, along with all other legally authorized sources of funding. The establishment of any mitigation fee within Zone 4 will require future Board consideration and actions in compliance with California law. The additional revenues raised in Zone 4 would be used exclusively to finance the services provided within Zone 4. SCFD received \$138,223 in development impact fees in FY 2024.
- d. Fee-for Service revenue (requires future Board action). CCFD will explore fee-for-service options to raise additional revenue through a user fee. The establishment of any user fee would require future BOD consideration and actions in compliance with California law.
- e. Increases in property assessments due to changes in ownership and new construction development in SCFD will generate increases in the assessed value and ad valorem property tax revenue to further close the funding gap. SCFD’s property tax revenue increased by \$228,364 or 4% in FY 23-2024. The increase was due to a continued increase in property values and new construction with no significant declines in the population in Santa Clara County.¹³

Expenditures

- a. The need to evaluate, explore, and negotiate the existing cost-sharing agreement with the City of Morgan Hill to fund half of Engine 67. It is assumed MHFD will continue to pay the currently agreed-upon amount.
- b. Maintenance and upgrade of existing SCFD facilities and equipment. The management audit and the latest Standards of Cover both indicated that

¹² CCFD’s Annual Comprehensive Financial Report for the year ended June 30, 2024, page 7.

¹³ SCFD’s Fiscal Year 2024 Financial Statements, page 6.

infrastructure improvements are needed for the SCFD fleet and facilities. CCFD will conduct a facility condition assessment and a fleet audit to prioritize infrastructure improvements in a staggered approach to minimize impact to CCFD general fund. As needed, CCFD's reserve fleet is available and will be utilized in SCFD to bridge the service needs until the completion of the assessments. According to SCFD's December 2024 Bi-Monthly Mitigation Fees report, SCFD has \$782,865 held in restricted reserves for capital improvements to expand the Masten and Treehaven stations to accommodate additional staffing.¹⁴

- c. Maintaining the existing lease for the Treehaven Station with a monthly rent of approximately \$2,000 per month or \$24,000 annually.¹⁵
- d. Establish a temporary leased fire station in the south Morgan Hill/North San Martin area, estimated at \$41,000 annually.
- e. Maintaining the Amador agreement with CAL FIRE for the Pacheco Station. The SCFD agreement with CAL FIRE for these services is through June 30, 2025, with a maximum amount of \$749,075 for FY 2024-2025 fiscal year¹⁶. Historically, CAL FIRE actual costs have been 72% of the contract amount and are billed and reconciled to the actual cost amount.¹⁷ However, the most recent SCFD estimate for the Amador agreement costs for FY 2025 are \$680,000.¹⁸ If an agreement cannot be reached on use of the CAL FIRE Amador engine, CCFD has developed an alternative model with costs of roughly \$805,000.
- f. Explore other administrative and operational costs associated with the transition.
- g. Evaluate other SCFD transferable liabilities and debt.

Other Considerations

- The opportunity and ability to purchase land in South County to meet CCFD's needs for a new regional training center and expanded fleet maintenance shop to accommodate the increasing apparatus and vehicle needs of CCFD.
- The qualitative value of a coordinated, countywide strategic approach to fire service delivery that increases the effectiveness of risk mitigation strategies locally, leverages the continuous improvement model that CCFD has earned for over 20 years as a CFAI-accredited fire agency that capitalizes on the fluidity and flexibility of local resources while supporting the regional approach for fire services will be tangible for all

¹⁴ SCFD's Mitigations Fees Bi-monthly Report for December 1, 2024 - December 31, 2024, January 8, 2025 Board of Commissioners Regular Meeting, Item 4(c)(b).

¹⁵ SCFD's Approved Expenditures from December 1, 2024 - December 31, 2024, January 8, 2025 Board of Commissioner Regular Meeting, Item 4(b).

¹⁶ SCFD and CALFIRE Amador Agreement for period of July 1, 2023 through June 30, 2025, May 16, 2023 County of Santa Clara Board Meeting, Item 48.

¹⁷ Report from South Santa Clara County Fire, May 10, 2023 County of Santa Clara Budget Workshop, Item 25(g)(b).

¹⁸ SCFD Commissioners Special Board Meeting on January 7, 2025, Item 3.

communities served by CCFD and create consistency for all district community residents in Santa Clara County.

- Quicker access to specialty fire operational programs, such as Type I HazMat and Type I USAR capabilities due to increased efficiency through an integrated communication center via Santa Clara County 9-1-1 Communications.
- CCFD's proven capacity to absorb and integrate personnel services, logistics, business services, training, information technology, administration and planning, fire prevention, community education, wildfire mitigation, support services, operations, and command functions within the organization.

VI. INCLUSION OF EXISTING TAX REVENUE

Upon annexation, the portion of Ad Valorem property tax previously directed to the SCFD will be received by CCFD and used to provide fire protection services to the residents of the territories currently served by the SCFD. Pursuant to California Revenue and Taxation Code section 99, the Board of Supervisors was required to negotiate on behalf of special districts for any transfer of property tax revenues necessary as part of a reorganization of special districts in the county. The Board of Supervisors approved Resolution BOS-2025-10 officially recognizing this action on Tuesday, January 28, 2025 (Item No. 58).

SCFD's FY 2025-2026 estimated property tax revenue of \$6.8 million will be transferred and recognized by CCFD. No tax increases are proposed with this reorganization.

VII. COMMUNITY IMPACT

Benefits

- a. Improved response times and resource availability.
- b. Improved specialized emergency response to HazMat release and USAR incidents.
- c. Access to CCFD's enhanced training, technology, community education and risk reduction services, pre-fire management and wildfire resilience program inclusive of the fire fuels crew mitigation/operational work, emergency management, dispatch services, and fire prevention efforts.
- d. Regional fire and emergency services delivery model that provides streamlined and consistent training, fire prevention, and operational response throughout the fire districts.

Community Engagement

- a. A mailer introducing CCFD to the South County Fire District parcel owners is estimated to arrive via United States Postal Service the week of February 12, 2025.
- b. SCFD Board of Commissioners meeting, February 12, 2025, at 1800, Masten Fire Station.
- c. Public meetings held at the San Martin Neighborhood Association, February 20, 2025, at 1830, San Martin Lions Hall to gather input and address concerns.

- d. Questions can be directed to the following email addresses:
southcounty@sccfd.org and southcountyfireservice@ceo.sccgov.org
- e. Any additional public meetings required by the LAFCO process will be scheduled as needed, and information about those meetings will be posted on the websites below and noticed in accordance with the LAFCO process.
- f. Regular updates provided to residents via the LAFCO website www.santaclaralafco.org and CCFD website www.sccfd.org.
- g. South County Fire Transition Advisory Council Meetings dates TBD, pending appointment of the Advisory Council from among the membership of the existing SCFD Board of Commissioners, tentatively scheduled for the February 12, 2025 Board of Commissioners meeting

VIII. CONCLUSION



The dissolution of SCFD and annexation into CCFD is a strategic decision by the Board of Supervisors of Santa Clara County, who serve as the Board of Directors for both the SCFD and CCFD. This decision aligns with the goal of delivering high-quality, equitable and sustainable fire protection and emergency services throughout the county. This Plan for

Services demonstrates the feasibility and benefits of the proposed change. We respectfully request Santa Clara County LAFCO's approval of this proposal.

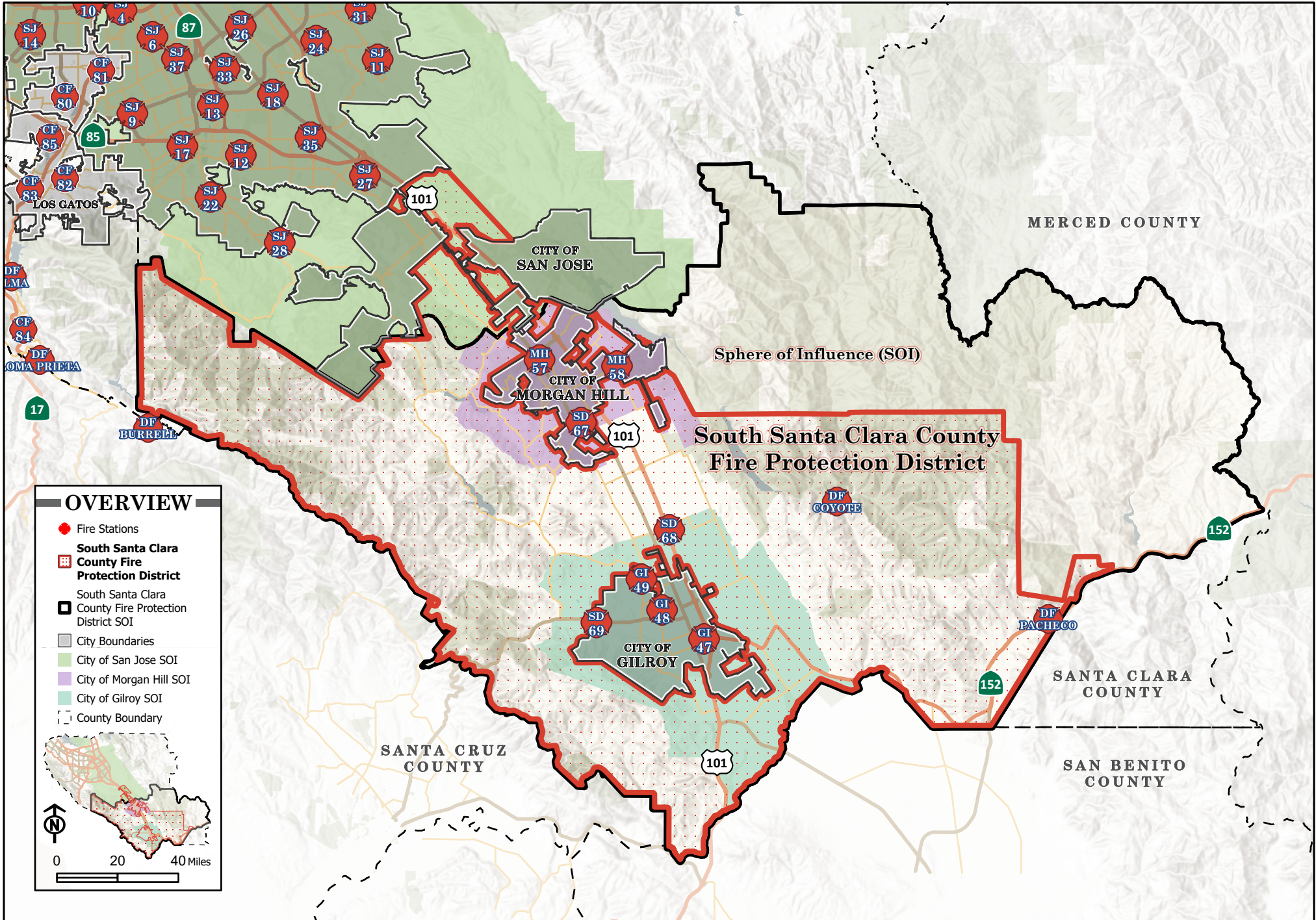
Appendixes

- Appendix A – Supplemental maps
- 2019 City Gate Standards of Cover for the cities of Gilroy, Morgan Hill and the South Santa Clara County Fire District
<https://www.sscfd.com/standard-of-coverage/>
- 2019 South Santa Clara County Fire District Management Audit
https://www.sscfd.com/wp-content/uploads/2021/12/SSCCFD_Management_Audit_1901219.pdf
- 2021 South Santa Clara County Fire District 5 Year Financial Plan
<https://www.sscfd.com/wp-content/uploads/2022/01/2021-5-Year-Plan.pdf>
- 2020-2024 CCFD Community Risk Assessment-Standards of Cover (CRA-SOC)
<https://www.sccfd.org/accreditation-document/>
- 2023-2027 CCFD Strategic Plan
https://www.sccfd.org/wp-content/uploads/2023/04/2023.4.26_SCCFD_StrategicPlan2023_FINAL_WEB.pdf
- 2023 Santa Clara County LAFCO Fire Service Review
<https://santaclaralafco.org/sites/default/files/FireSRReview-FinalReport-2023.pdf>



SOUTH SANTA CLARA COUNTY FIRE PROTECTION DISTRICT

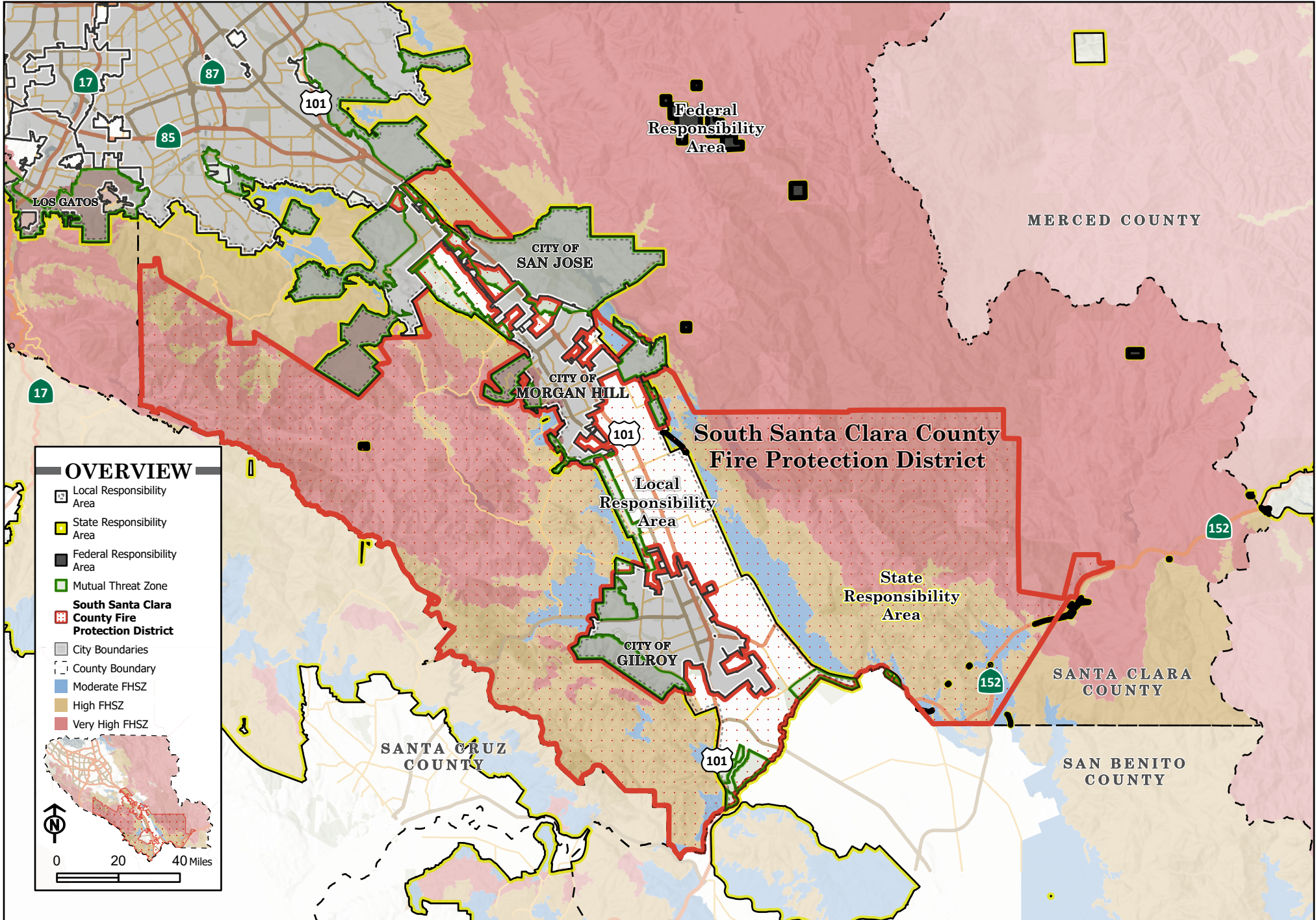
FEBRUARY 2025





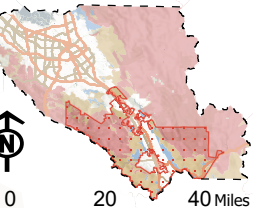
SOUTH SANTA CLARA COUNTY FIRE PROTECTION DISTRICT

FEBRUARY 2025



OVERVIEW

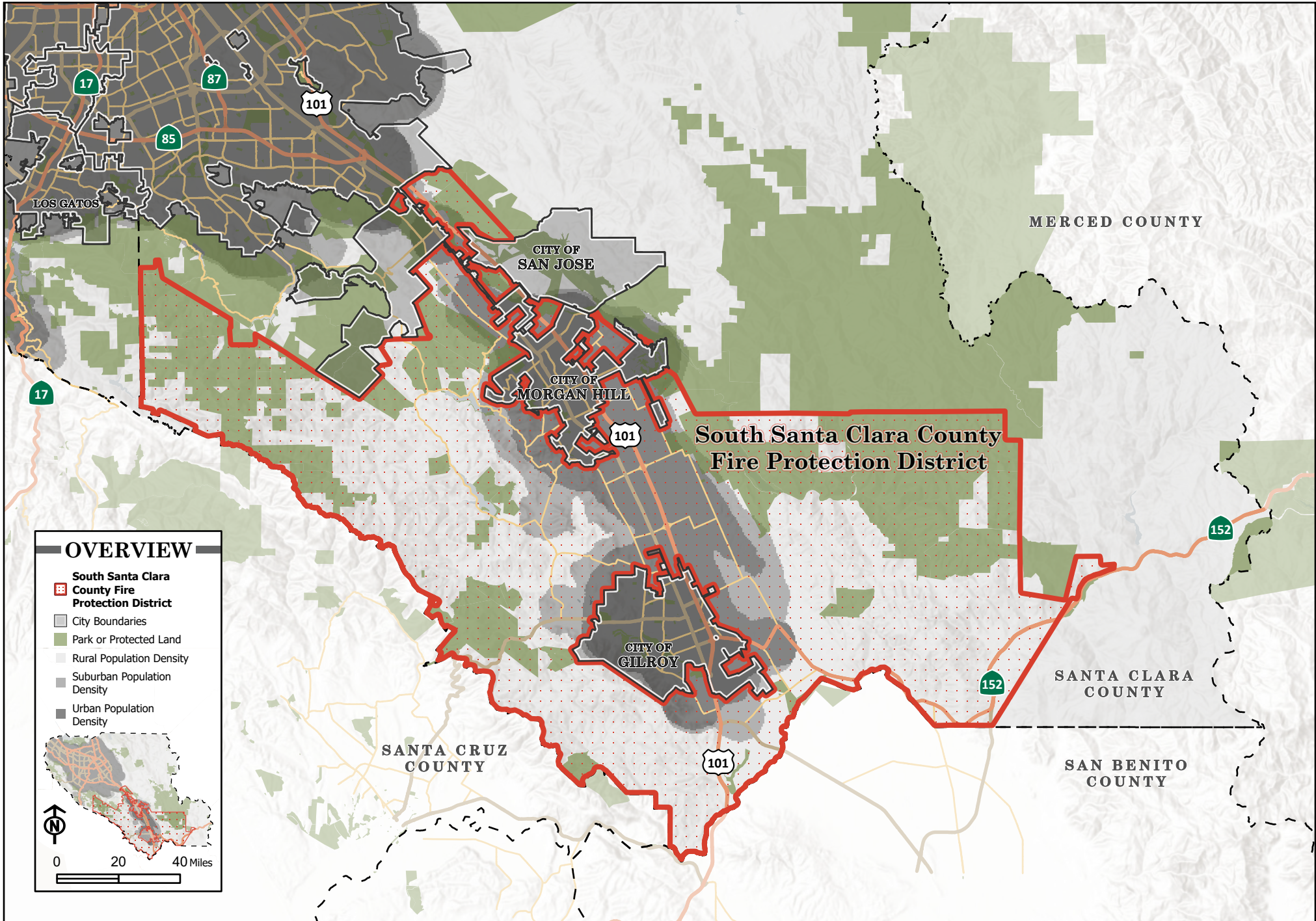
- Local Responsibility Area
- State Responsibility Area
- Federal Responsibility Area
- Mutual Threat Zone
- South Santa Clara County Fire Protection District
- City Boundaries
- County Boundary
- Moderate FHSZ
- High FHSZ
- Very High FHSZ





SOUTH SANTA CLARA COUNTY FIRE PROTECTION DISTRICT

FEBRUARY 2025



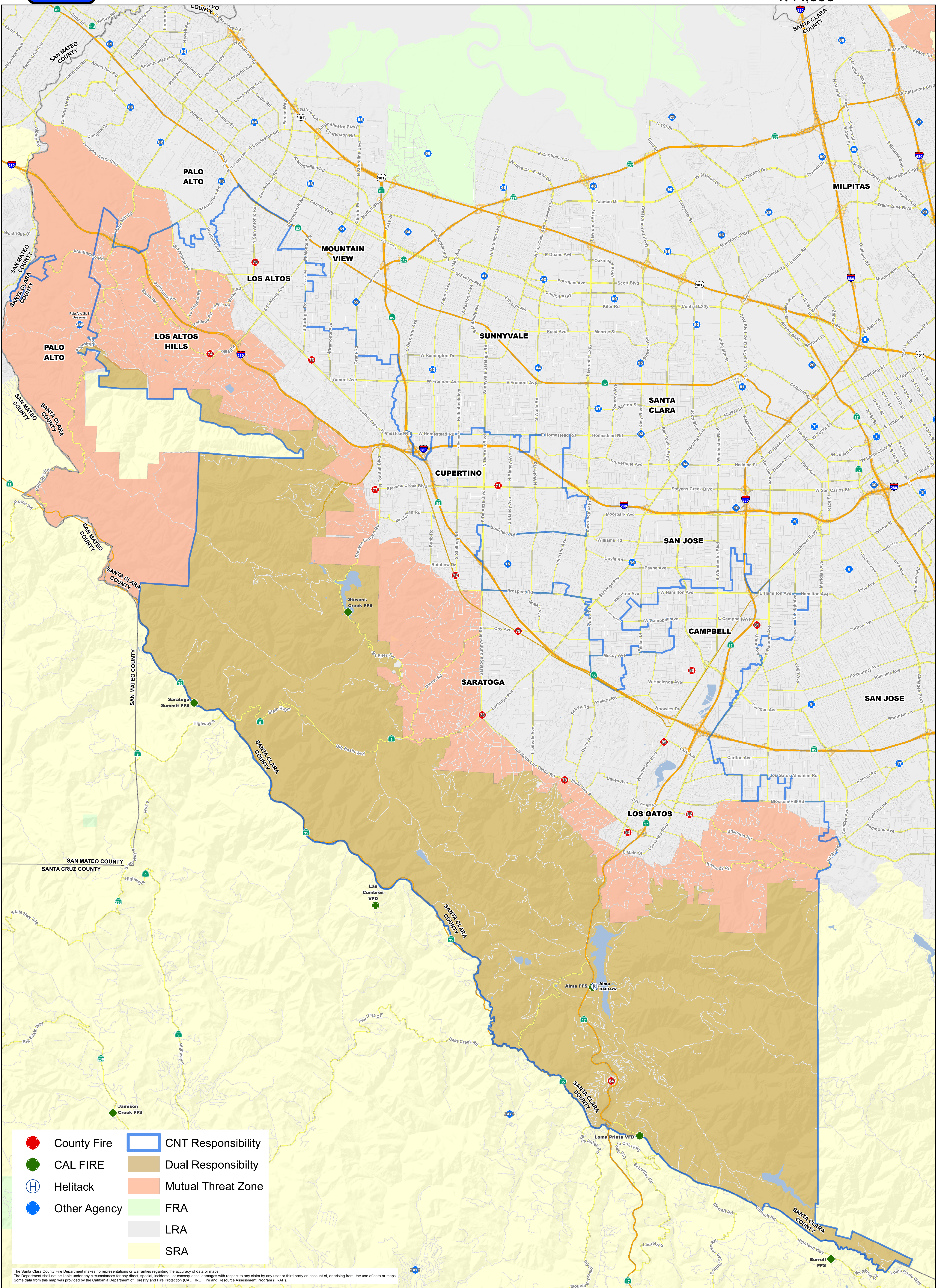


DUAL JURISDICTION MAP

0 1.5 3 6 Miles



CNT MAPPING: APRIL 2014



- County Fire
- CAL FIRE
- Helitack
- Other Agency
- CNT Responsibility
- Dual Responsibility
- Mutual Threat Zone
- FRA
- LRA
- SRA

The Santa Clara County Fire Department makes no representations or warranties regarding the accuracy of data or maps. The Department shall not be liable under any circumstances for any direct, special, incidental, or consequential damages with respect to any claim by any user or third party on account of, or arising from, the use of data or maps. Some data from this map was provided by the California Department of Forestry and Fire Protection (CAL FIRE) Fire and Resource Assessment Program (FRAP).

To: Commissioners of the Santa Clara County Local Agency Formation Commission

From: Joan M Lewis

Commissioner, South Santa Clara County Fire District.

Re: Agenda Item #1 for your meeting April 2, 2025

Application by the Santa Clara County Central Fire Protection District (CCFD) and the South Santa Clara County Fire District (SSCCFD) for the dissolution of the South Santa Clara Fire District and annexation of its territory to Santa Clara County Central Fire Protection District.


I'm writing to urge you to reject this application at this time. The County Supervisors elected to dissolve the contract with CalFire and have Santa Clara County Central Fire Protection District and it has not been well thought out to make this sudden change to Central Fire.

There are many major questions I have regarding the planned annexation:

1. The question that I have has not been answer to, the cost of Central Fire vs CalFire is 3x and who is going to pay for the extra cost? The cost of CalFire is less then Central Fire, 90% (6.77m) of revenue comes from property tax, 41% of the land is in agriculture, taxed under the Williamson Act reducing taxable revenue. I understand that Central Fire has adequate funds currently to provide services to South County, but my concern is for the long-term, what will happen four or five years from Now? Additional revenue will be needed to meet increases in service demands!
2. How will Central Fire be able to continue maintaining the same services in our District knowing that our South County property tax source produces inadequate revenue?
3. Central Fire own budget analysis for fiscal year 2023-2027, states that a **remaining balance of unrestricted net position is a negative of \$101,610,152 which means the district is not currently able to meet its long-term obligations to fund its pension and retiree medical program.**
4. New fire stations and equipment must be funded. Central needs a Morgan Hill and Pacheco station, how will they be funded? (Fire Stations can take 3-6 years to plan and build) How about the Amador Contract with a paramedic on board at all times?
5. Central Fire lacks dozers, air tankers and helicopters. CalFire has exponentially far more resources for our domain then Central Fire. If CalFire no longer has responsibility for the district, there will no longer be an automatic response of CalFire resources on initial dispatch. Central Fire does not have the ability to immediately order state resources, they will have to call for Mutual Aid on local incidents.

These are a few of the issues that I have and need to be considered before this annexation takes place. I believe the delay of this decision can answer these questions and many more that I have on the annexation. In October of 2020 LAFCO moved to vetoed this move due to agency organizational boundaries.

I ask you to PLEASE delay this annexation to a better solution than a dissolution of the South Santa Clara Fire District.



Commissioner Joan M Lewis

Commissioner since 1987

17 March 2025

TO: Commissioners of the Santa Clara County Local Agency Formation
Commission

From: Peter T. Keesling, DVM
Commissioner, South Santa Clara County Fire District

re: Agenda Item #1 for April 2 meeting: An application by the Santa Clara County Central Fire Protection District (CCFD) and the South Santa Clara County Fire Protection District (SCFD) for the dissolution of the SCFD, and annexation of its territory to CCFD.

I am writing to urge you to reject this application at this time. We know SCFD budget projections show future revenue will not meet expenditures. And while it may ultimately be necessary for another jurisdiction to assume responsibility for the District, I believe this plan presented here does NOT provide for a smooth and effective transition with service and public safety in mind. My opinion is based on over 10 years experience and service with the SCFD Commission (including 1 year as chairperson).

There are 2 major questions regarding the planned annexation:

1. Because 2 of the 4 fire stations in the District are owned by CalFire, necessary infrastructure will need replacement. Building 2 new stations will take time and financing. I believe that in the short term (before these stations are built), response to any major incident may be challenging and not comparable to what CalFire has maintained for so many years. This plan was developed and introduced about 2 months ago without input either from the SCFD Commission or the local citizens. Why must this changeover be rushed in such a short period of time?

2. Fiscal Management: CCFD has stated publicly in their Strategic Plan, that **"District revenue is not sufficient to meet increases in service demands...we must achieve adequate levels of funding for increased service provision."**

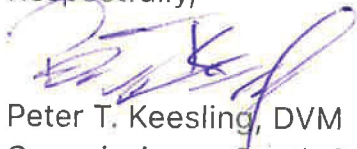
Knowing this, how will CCFD be able to continue maintaining the same services in our District, knowing that our South County property tax source produces inadequate revenue?

Additionally, CCFD's own budget analysis for fiscal years 2023-2027, states that **"a remaining balance of unrestricted net position is a negative \$101,610,152 which means the District is not currently able to meet its long-term obligation to fund its pension and retiree medical programs."**

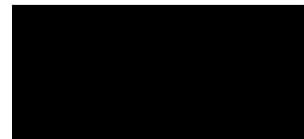
These statements by CCFD suggest that they have similar budget issues to those that have been challenging to SCFD. A future shortfall is a distinct possibility, even with new management. Where will they find the additional funding to build? Will this annexation eventually look as though County is "kicking the can down the road"?

These are issues that need to be considered before this annexation takes place. I believe the decision to annex SCFD territory to CCFD should be delayed to consider ways to make for a better solution and smoother transition. I would be happy to further discuss this with you. Please feel free to contact me by phone or email.

Respectfully,



Peter T. Keesling, DVM
Commissioner, South Santa Clara County Fire District
ph: 408-710-9489
smvet3@yahoo.com



From: jimfire@jps.net <jimfire@jps.net>

Sent: Thursday, March 27, 2025 12:03 AM

To: Arenas, Sylvia <sylvia.arenas@BOS.SCCGOV.ORG>

Cc: McGarrity, Patrick <patrick.mcgarrrity@BOS.SCCGOV.ORG>

Subject: [EXTERNAL] (LAFCO Hearing April 2, 2025) Support for the Dissolution of SSCCFD and Annexation to Central Fire District

Dear Supervisor Arenas ,

I am writing to express my support for the dissolution of the South Santa Clara County Fire District (SSCCFD) and the annexation of this area into the Central Fire District. As a retired Fire Captain with over 40 years of experience in the local professional fire service and currently serving as a Fire Commissioner with the SSCCFD, I feel compelled to share my perspective.

The SSCCFD faces imminent financial collapse. The district's annual budget deficit is approaching \$3 million and our reserve fund is projected to be depleted within the next year. Despite exploring every feasible revenue-generating option, projections show the district remains fundamentally unsustainable. Annexation by the Central Fire District will leverage its broader tax base, ensuring continued high-quality fire service.

As a member of LAFCO, you have the authority to set conditions for this annexation. In addition to approving the annexation, I strongly recommend the following conditions:

1. Transform the existing Volunteer Fire Company 70 into a completely autonomous organization. This would enable Company 70 to continue serving the entire South County area, which faces unique challenges due to its rural nature. Company 70 has a long history of community service, and moving it to an autonomous organization would provide significant value at minimal cost to the County. Plans for this reorganization have already been submitted for consideration.
2. Establish and maintain a South Santa Clara County Fire Commission to regularly report to the Santa Clara County Board of Supervisors on fire department service delivery in the South County area. This commission would be instrumental during the annexation transition and would continue to monitor the effectiveness of fire service delivery in the region.

If you would like to discuss this matter further or need additional information, please feel free to reach out. I have been a resident of the South County area for 37 years and have been on the Fire Commission since 2017. I am happy to share my insights, experience and knowledge regarding this important issue. You can reach me at 408-710-6078 or via email at JimFire@JPS.Net

Thank you for your consideration.

Sincerely,

Jim Acker, Fire Commissioner
South Santa Clara County Fire District

Calfire, Retired
San Jose Fire Department, Retired
FEMA USAR Task Force 3, Retired



DEPARTMENT OF FORESTRY AND FIRE PROTECTION

P.O. Box 944246
SACRAMENTO, CA 94244-2460
(916) 653-7772
Website: www.fire.ca.gov



March 21, 2025

Santa Clara County Local Agency Formation Commission (LAFCO)
777 North First Street, Suite 410
San Jose, CA 95112
LAFCO@ceo.sccgov.org

RE: Dissolution of the South Santa Clara County Fire District – District Plan for Services

Honorable Members of the Commission,

As the CAL FIRE Santa Clara Unit Chief, I am incredibly proud of the men and women who have dedicated their careers to the South Santa Clara County Fire Protection District (SCFD). I am humbled by the realization that their resiliency, sense of ownership, collective creativity, and dedication, has continuously ensured the district's ability to serve the citizens of South Santa Clara County since 1980.

On January 14, 2025, the Santa Clara County Board of Supervisors approved two resolutions initiating the dissolution of the SCFD and the annexation of its territories into the Santa Clara County Central Fire Protection District (CCFD). This board action included the creation of the District Plan for Services (Fire Plan) detailing the proposed changes and outcomes associated with the affected fire agencies within the current fire system in south Santa Clara County. During the development of the Fire Plan, CAL FIRE was neither consulted nor provided opportunity to provide input to the Fire Plan. CAL FIRE made multiple requests to view the Fire Plan to both the Santa Clara County Executive Office and CCFD Leadership between January 22nd and February 6th, 2025. CAL FIRE was able to access the plan upon its public release on February 11th, 2025, via hyperlink on the Santa Clara County LAFCO website.

CAL FIRE was referenced in the Fire Plan 56 times. There were multiple statements and assertions in the plan that require clarification and explanation by CAL FIRE. No statement made by CCFD in reference to CAL FIRE contained in the Fire Plan should be construed as the official position of CAL FIRE. CCFD does not have standing to represent the interests or policy positions of CAL FIRE in any document or proceeding. The statements below are meant to assist LAFCO in their review of relevant and factual information as the commission deliberates on this consequential public policy decision. Below are excerpts from

the Fire Plan and clarifying statements from CAL FIRE. All quotes from the Fire Plan are transcribed exactly as they appear in the District Plan for Services.

Fire Plan (Page 4)

“The reorganization is anticipated to positively affect the current emergency response system, with no impact to the mutual aid response provided by the California Department of Forestry and Fire Protection (CAL FIRE), Morgan Hill Fire, and Gilroy Fire—the agencies closest to the affected territory. Ambulance services, currently provided by Global Medical Response (also known as American Medical Response) to SCFD, will also remain unchanged.”

CAL FIRE Clarification

There will be an impact to mutual aid responses associated with CAL FIRE Master Mutual Aid within the proposed reorganization. The new fire district coverage area (Zone 4) in south Santa Clara County will lose the ability to immediately order CAL FIRE resources to emergency incidents in the Local Responsibility Area (LRA) using the state command and control system via the CAL FIRE Morgan Hill Emergency Command Center (ECC).

With the reorganization, requests for CAL FIRE Master Mutual Aid will be routed from a CCFD fire ground commander to the Santa Clara County Communications Dispatch Center. This request would then be routed to the CAL FIRE ECC. All requests for CAL FIRE Master Mutual Aid are evaluated by the ECC Duty Officer, Unit Duty Chief and Northern Region Duty Chief to determine the type of request, the availability of State resources, commitment duration, logistical support and the proper use of State resources. It is not immediately clear how this new response paradigm will “positively affect” the current emergency response system as asserted in the Fire Plan.

Fire Plan (Page 6)

“Approximately 60% of CCFD’s service area is within a State Responsibility Areas (SRA) or a mutual threat zone (MTZ) and therefore under the dual jurisdiction of CCFD and CAL FIRE. The residential population served totals approximately 225,000, with a commuter population into and out of the area that is approximately equal, as outline in Table 1.”

CAL FIRE Clarification

CAL FIRE has statutory and financial responsibility to suppress wildland fires in the State Responsibility Area (SRA). Local government fire agencies have statutory and financial responsibility for all fires, rescue, and EMS, in the Local Responsibility Area (LRA). Mutual Threat Zones are evaluated annually by the CAL FIRE Unit Chief to ensure proper use of state resources. Each jurisdiction is separate and distinct in statute. CCFD has no jurisdictional responsibility for protection of SRA as identified in the Public Resources Code. Conversely, CAL FIRE has no jurisdictional responsibility for protecting LRA within CCFD.

Fire Plan (Page 15)

“SCFD provides fire protection and ALS first responder service to a population of 22,554 over 288 square miles. SCFD operates from four fire stations with 30.58 personnel. Two fire stations are split-funded: one with the City of Morgan Hill (MHFD) and the other with CAL FIRE; the other two stations are funded by SCFD. One fire engine, an ALS Type III (Pacheco), is part of an Amador agreement with CAL FIRE and is primarily funded by CAL FIRE. An Amador agreement with CAL FIRE provides the local agency with a three-person crew year-round instead of only during the fire season, if the captain position is funded solely by the local agency outside of fire season”

CAL FIRE Clarification

The SCFD has partnered with CAL FIRE to provide cooperative fire protection to protect the unincorporated communities in south Santa Clara County. Consequently, SCFD operates within CAL FIRE's Command and Control System.

SCFD operates out of four fire stations. Two of the stations are owned and operated by CAL FIRE (Pacheco Forest Fire Station and Morgan Hill Forest Fire Station). One is owned by the City of Gilroy (Treehaven Station) and one (Masten Station) is owned and operated by the SCFD. These stations are not “split funded.”

Using CAL FIRE cooperative fire protection, the Morgan Hill Fire Department (MHFD) and the SCFD entered into a cost share agreement for SCFD Engine 67. This agreement includes the use of operational fire personnel from MHFD and SCFD. Fuel and vehicle maintenance costs are also split funded through cooperative fire protection using the SCFD funded Heavy Equipment Mechanic (HEM) and the MHFD funded HEM. Fire apparatus mechanical support for MHFD and SCFD is executed at the automotive shop at the CAL FIRE Santa Clara Unit Headquarters in the City of Morgan Hill.

The SCFD operates using 34 of the following CAL FIRE positions:

- 1 Assistant Chief
- 3 Battalion Chiefs
- 3 Fire Captain Paramedics
- 5 Fire Captains
- 8 Fire Apparatus Engineer Paramedics
- 8 Fire Apparatus Engineers
- 2 Communication Operators
- 1 Heavy Equipment Mechanic
- 1 Associate Governmental Program Analyst
- 1 Staff Services Analyst
- 1 Office Technician

**8 of the 34 positions are split-funded between the SCFD, MHFD, and CAL FIRE.*

Amador agreements (PRC 4144) do not provide for year-round fire protection services to a local agency. The efficiency of CAL FIRE's fire protection system in its primary mission of wildland fire protection, as well as response to major fires or other natural disasters will not be reduced or impaired by an Amador agreement. CAL FIRE's ability to assign fire protection resources to areas of the State during periods of critical fire weather or major fires shall receive priority over agreements made with local entities pursuant to PRC 4144.

Fire Plan (Page 18)

"The optimal plan for fire service coverage in this area would be to collaborate with CAL FIRE to continue the Amador Agreement after the proposed reorganization. There is mutual benefit to the greater South County community and CAL FIRE to continue the agreement as currently structured through this long-standing separate contract."

Alternative Service Delivery Pacheco Pass/Casa De Fruta Area:

If the Amador agreement cannot be continued, an alternative plan is to place a temporary fire station along the Highway 152 corridor near Casa De Fruta. Subject to approval by CCFD BOD and compliance with applicable regulatory requirements, CCFD would pursue the following options:

- 1. Rent hotel rooms at Casa De Fruta Inn for crew accommodation and a secure place to park the fire engine.*
- 2. Locate a commercial or residential property to lease as a temporary fire station.*
- 3. Discuss land lease agreements with private and public local landowners, including California State Parks, to site a modular building or mobile home.*

From the Pacheco Pass Area, CCFD would staff the following equipment year-round 24/7:

- 1. One Type 3 Engine staffed with a fire captain, firefighter engineer, and firefighter engineer paramedic. The operational period for this engine would be determined based on the availability of the CAL FIRE engine at Pacheco Station, which would be expected to handle calls in its area when staffed. For planning purposes, costs for five months of 24/7 service are projected."*

CAL FIRE Clarification

The full-service cooperative fire protection agreement (PRC 4142) with the SCFD expires by its own terms on June 30, 2025, after which CAL FIRE is under no obligation to provide fire protection services to SCFD. CAL FIRE has not even been approached about assigning the agreement between CAL FIRE and SCFD to SCFD's successor agency, so the agreement will arguably terminate upon the dissolution of the SCFD. To date, CAL FIRE has not been approached to assign the agreement to SCFD's successor agency nor to continue providing fire protection services beyond the June 30, 2025, expiration of the agreement.

With the probable expiration of the full-service cooperative fire protection agreement (PRC 4142) with the SCFD, claiming there are mutual benefits to CAL FIRE to continue a long-standing Amador contract is speculative on the part of the author. The CAL FIRE Santa Clara Unit will be evaluating the loss of 31 personnel and the impacts that will have on Unit operations. Entering into a new Amador agreement requires a thorough review, per CAL FIRE policy, which includes input from multiple CAL FIRE programmatic disciplines and the California Department of General Services.

The Amador agreement (#1CA06234) with the SCFD is tethered to the full-service (PRC 4142) fire protection agreement (#1CA06233) with 34 personnel. The Amador agreement relies on the full-service cooperative fire protection agreement for Assistant Chief oversight, Battalion Chief fire-line supervision, Advanced Life Support (ALS) firefighting personnel, dispatch services and administrative support.

Personnel and equipment assigned to PRC 4144 are expressly prohibited from replicating services provided under PRC 4142. The term "replicate" means to replace, duplicate or copy a type of level of fire protection service within a community, the result of which would shift all or a portion of the costs of local responsibility fire protection to the State. The Fire Plan identifies the Amador agreement as a stand-alone agreement; however, it is inextricably linked to the cooperative fire protection agreement with SCFD.

Local government fire agencies are obligated to provide fire, EMS, and rescue response within the LRA. CAL FIRE has jurisdictional authority to respond to wildland fires in the SRA. Local government agencies cannot obligate CAL FIRE to respond to incidents within LRA.

Determining service levels to LRA based on CAL FIRE's availability to provide those services to the local jurisdiction is not recommended. All CAL FIRE resources are available at any moment for state-wide response including prescribed fire, fuel reduction activities, fire prevention education, vehicle maintenance, and training.

With the pending loss of 31 positions within the CAL FIRE Santa Clara Unit, it is premature to conclude that there is a mutual benefit to continue the Amador agreement without a comprehensive review by CAL FIRE.

Fire Plan (Page 29)

"The following no cost agreements that are currently in place with the SCFD will need to be assumed by CCFD:

- Automatic aid emergency response with San José Fire*
- Automatic aid emergency response with City of Gilroy Fire*
- Automatic aid emergency response with City Morgan Hill Fire*
- Automatic aid emergency response with City of Hollister Fire/San Benito County Fire*
- Automatic aid emergency response with Santa Cruz County Fire/CAL FIRE CZU*

- *Automatic aid emergency response with Pajaro Valley Fire Protection District /CAL FIRE CZU*
- *Automatic aid emergency response with Aromas Tri-County Fire/CAL FIRE BEU*
- *Dual-jurisdiction agreements and mutual threat zone agreements with Santa Clara Unit CAL FIRE SCU”*

CAL FIRE Clarification

The SCFD does not have a “dual jurisdiction agreement” with the CAL FIRE Santa Clara Unit. CAL FIRE is not aware of any dual jurisdiction agreements within the California Fire Service. Dual jurisdiction can be characterized when a local agency enters into a full-service cooperative fire protection agreement with CAL FIRE in which the local agencies jurisdiction is adjacent to or within the SRA. In these cases, emergency responses to the LRA and SRA are handled within a single command-and-control structure.

Fire Plan (Page 30)

“The Pacheco Fire Station is owned and operated by CAL FIRE, which staffs Pacheco Station approximately six months a year during fire season and provides auto aid/mutual aid to the SCFD. The SCFD contracts for Amador services through a cooperative fire protection agreement. Amador Plans, authorized by Public Resources Code section 4144, allow local governments to contract with CAL FIRE to provide year-round fire protection services, provided by CAL FIRE stations that would normally be closed during the “non-fire” season”

CAL FIRE Clarification

An Amador agreement (PRC 4144) does not provide for year-round fire protection. An Amador agreement bound to a full-service cooperative fire protection agreement (PRC 4142) relies heavily on the resources from the PRC 4142 agreement to supplement staffing (particularly ALS qualified personnel) when the state resource is executing the CAL FIRE mission.

Fire Plan (Page 32)

“There will be no interruption of services provided to the affected territory. The County Assessor’s office shall provide for the transfer of reserves and balance of the FY 2025-2026 property tax revenue.

- *Timeline*
 - *January 2025: Board of Directors approves the dissolution and annexation.*
 - *February 2025: Application materials submitted to LAFCO.*
 - *April 2025: LAFCO public hearing of the proposed reorganization.*
 - *May and June 2025: Establish regular meetings with IAFF Local 1165 to address impacts of annexation.*
 - *May and June 2025: Evaluation and preparations for integration of SCFD data, facilities, equipment, apparatus, and assets into CCFD.*
 - *May-December 2025: Station maintenance, upgrade, remodel or construction considerations 33.*

- *May-December 2025: Apparatus maintenance, reassignment, or procurement.*
- *July 1, 2025: Formal commencement of services by CCFD”*

CAL FIRE Clarification

On February 14, 2025, CAL FIRE requested a letter of intent from the County Executive Office associated with the current cooperative fire protection agreement (#1CA06233). To date, CAL FIRE has not received a letter of intent to alter, extend, or vacate the agreement or to assign it to a successor entity.

Pursuant to section 4 of Exhibit C to the agreement, SCFD was required to give CAL FIRE written notice no less than one year prior to expiration of SCFD’s intent to extend or modify the agreement. To date, no such notice has been given, meaning that the agreement expires by its own terms on June 30, 2025. CAL FIRE has also not been consulted about assigning the agreement to SCFD’s successor entity, and without this assignment, the agreement will terminate upon the dissolution of SCFD. Since SCFD has failed to provide notice, CAL FIRE has the option, but not the duty, to continue the agreement for a period of not more than one year, extending the termination of CAL FIRE’s fire protection services to no later than June 30, 2026. However, CAL FIRE cannot extend an agreement unless the agreement is assigned to SCFD’s successor entity, which, again, CAL FIRE has not been approached about doing. Therefore, absent some action by SCFD and its successor entity, the agreement will terminate upon the earlier of SCFD’s dissolution or June 30, 2025.

Fire Plan (Page 33)

“The proposed action is a general reorganization of existing services and service levels. As described earlier, the following challenges will need to be met before any fire service transition occurs:

- *The location for a northern station to house Engine 67 currently deployed out of the Morgan Hill CAL FIRE headquarters needs to be secured with a temporary station and supporting infrastructure in place to serve the northern district area and to provide automatic aid to Morgan Hill.*
- *The lease for the Treehaven Station will need to be transferred or assigned to CCFD or replaced with a modified agreement.*
- *A new cooperative agreement with CAL FIRE for off-fire season fire and EMS response from the Pacheco Pass Fire Station (Amador Contract) will need to be executed.”*

CAL FIRE Clarification

The Santa Clara County Board of Supervisors/Directors voted to initiate an application with LAFCO for the dissolution of the SCFD on January 14, 2025. The plan for service was released on February 11, 2025. The Plan indicates that a contract with CAL FIRE would need to be executed before any fire service transition occurs.

Santa Clara County LAFCO is charged with the evaluation, vote and final approval of the dissolution of the SCFD on April 2, 2025. CAL FIRE received an official request to enter into a new Amador agreement with Santa Clara County Government on March 13, 2025. CAL FIRE does not have sufficient time to evaluate the request for a new PRC 4144 Amador Plan agreement prior to the April 2, 2025, LAFCO meeting.

All CAL FIRE Cooperative Fire Protection Agreements go through a review process within the CAL FIRE Cooperative Fire Protection Program. New requests for Cooperative Fire Protection go through a robust review and grading process to determine the appropriate use of state resources with several CAL FIRE programmatic disciplines.

* * *

I thank you for the opportunity to provide clarification on elements of the Fire Plan which conflict with or mischaracterize CAL FIRE policy, jurisdiction, and operations. CAL FIRE has proudly served SCFD for nearly half a century and will continue to protect State Responsibility Area throughout the region.

Sincerely,



Jake Hess
Unit Chief – CAL FIRE Santa Clara Unit

CC: George Morris III, Region Chief - CAL FIRE Northern Region
Kelly Welchans, CAL FIRE Chief Counsel
Matt Sully, Deputy Director - Cooperative Fire Protection
Mark Turner, Mayor – Morgan Hill
Christina Turner, City Manager – Morgan Hill
Tim Edwards, President – CAL FIRE Firefighters Local 2881



17575 Peak Avenue
Morgan Hill, CA 95037-4128
TEL: (408) 779-7271
FAX: (408) 779-3117
www.morganhill.ca.gov

March 26, 2025

LAFCO of Santa Clara County
777 North First Street, Suite 410
San Jose, CA 95112
lafco@ceo.sccgov.org

Re: Application by the Santa Clara County Central Fire Protection District (CCFD) and the South Santa Clara County Fire Protection District (SCFD) for the dissolution of the SCFD, and annexation of its territory to CCFD.

Dear LAFCO Commissioners and Neelima Palacherla,

The City of Morgan Hill is deeply committed to ensuring the safety and well-being of our residents and businesses. We recognize the importance of strong, coordinated emergency response services, and we appreciate the efforts of all agencies involved in fire protection across Santa Clara County. The City of Morgan Hill and SCFD have been well-served by their current fire protection provider, CAL FIRE.

The City of Morgan Hill's primary concerns are life/safety and ensuring the fiscal sustainability of our City. Therefore, we are focused on ensuring that the safety of our Community does not suffer from the proposed dissolution of the SCFD, and that the City's budget is not negatively impacted. This letter addresses our concerns regarding the County's application to dissolve SCFD and annex its territory to CCFD.

Process

While we are in communication with the County staff on a variety of issues, the proposed restructuring of fire services was not mentioned or discussed during our regular meetings. Decisions of this magnitude - ones that directly impact emergency response, community safety, and interagency cooperation - must be made with full transparency. In addition, other stakeholders, including the San Martin community, were not provided adequate time to comment in advance of this item coming before the Board of Supervisors. As Chief Hess describes in his letter to the LAFCO Board, CAL FIRE was neither consulted nor provided opportunity to provide input to the District Plan for Services (Fire Plan) detailing the proposed changes and outcomes associated with the affected fire agencies within the current fire system in south Santa Clara County. In addition, CAL FIRE has not yet received a letter terminating services nor has it been asked to continue providing fire protection services beyond the June 30, 2025, expiration of the fire services

agreement. This is unfortunate as it does not represent the collaboration we have nurtured with the County and our public safety agencies.

Fiscal Considerations for the County's Fire Districts

The County has stated that the dissolution of the SCFD, and annexation of its territory to CCFD will solve the fiscal issues of the SCFD. While CCFD has reserves and a higher revenue base, the cost of the fire service delivery for South Santa Clara County will increase significantly due to the higher personnel costs for CCFD. It is our understanding that the higher cost of fire services will be subsidized by the northern areas of the proposed Zone 4 in south Santa Clara County and that taxes/fees are not expected to be raised in Santa Clara County.

Automatic Aid Emergency Response

Emergency response in South Santa Clara County depends on Automatic Aid delivered by multiple agencies. The County needs to clarify how it will engage on Automatic Aid and affirm its participation in the existing Boundary Drop Agreement.

Shared Engine 67 and Station

Using CAL FIRE cooperative fire protection, the Morgan Hill Fire Department (MHFD) and the SCFD entered into a cost share agreement for SCFD Engine 67. This agreement includes the use of operational fire personnel from MHFD and SCFD. Fuel and vehicle maintenance costs are also split funded through cooperative fire protection. The fire system that MHFD and SCFD operate within allows for both agencies to staff operational fire personnel on Engine 67. Four of the firefighting personnel are coded to MHFD. There are benefits to this cooperative system which provides the ability for Fire Engine 67 personnel to work at El Toro Station, Dunne Hill Station, Butterfield Fire Station (when operational), perform fire prevention, public education, and training.

Currently, by using the cooperative fire protection, MHFD does not reimburse the SCFD for half of the costs of Engine 67. And given that the personnel cost for CCFD is significantly higher than for CAL FIRE, any potential cost increases to the cost-sharing agreement would be very challenging for the City. Therefore, the City of Morgan Hill is very concerned about the future of the cost-sharing agreement for Engine 67.

The County has not yet initiated conversations with the City regarding a northern station to house Engine 67 currently deployed out of the Morgan Hill CAL FIRE headquarters. The Fire Plan references a space within incorporated Morgan Hill. Discussions need to take place to discuss permitting and zoning. See Items 1-3 in Attachment A.

Volunteer Program - Company 70

The South Santa Clara County Fire District Volunteer program operating as Company 70 has served South County for many years. The City of Morgan Hill recommends the County work with Company 70 to continue the beneficial program.

Conclusion

We urge the Local Agency Formation Commission to ensure that these concerns are fully addressed before any further action is taken. The safety of our residents is too important to be subject to decisions made without full and open dialogue.

We stand ready to engage in a collaborative discussion that puts our Community’s needs first. Thank you for your time and attention to this critical matter. Please reach out to christina.turner@morganhill.ca.gov if you have any questions.

Best Regards,



Christina Turner
City Manager

Attachment A

Item 1

Statement in Fire Plan. Page 17

“To continue service to this area, and subject to approval by the BOD and compliance with applicable regulatory requirements, CCFD will lease a building capable of serving as a temporary fire station within a reasonable distance from the Morgan Hill Station to provide continued comparable service to SCFD residents. The proposed temporary fire station will also allow CCFD to continue to provide automatic aid in Morgan Hill and to continue to share the costs of Engine 67 with MHFD. A possible facility in south Morgan Hill has been identified and a feasibility analysis and lease negotiations are in process. A temporary fire station in Morgan Hill near Vineyard Boulevard (Vineyard Station) would be expected to be in service for approximately three years until a permanent fire station site can be developed. From the anticipated temporary and future permanent station in Morgan Hill, CCFD would staff the following equipment year-round 24/7”

Morgan Hill City Response

City of Morgan Hill Staff will determine the fire system within its municipal boundaries as well as all agreements tethered to City of Morgan Hill fire resources.

Item 2

Statement from Fire Plan. Page 34

“V. COSTS AND FINANCING The estimated cost of extending service and a description of how the service or required improvement will be financed. A discussion of the sufficiency of revenues for anticipated service extensions and operations is also required. The estimated cost for CCFD to extend services into SCFD is \$16.2 million per year in ongoing costs and roughly \$1.45 million in one-time capital costs. This estimate includes CCFD continuing with a similar service delivery model of staffing three Type 1 ALS engines each day and assumes maintaining the existing agreement with CAL FIRE to staff the engine at the Pacheco Station, as well as continuing to fund half the staff cost of Engine 67 through an existing or replacement cost-sharing agreement with the City of Morgan Hill.”

Morgan Hill City Response

The County of Santa Clara is assuming the City of Morgan Hill can expend additional funds to maintain the same level of fire protection in a public fire service report. City of Morgan Hill Staff will determine the level of fire protection within its boundaries. Any agreement tethered to fire protection impacting the City of Morgan Hill will need to be evaluated for sustainability and consistency with City policy initiatives.

Item 3

Fire Service Plan. Page 35

“Expenditures a. The need to evaluate, explore, and negotiate the existing cost-sharing agreement with the City of Morgan Hill to fund half of Engine 67. It is assumed MHFD will continue to pay the currently agreed-upon amount.”

Morgan Hill Response

See above. Also, the City of Morgan Hill's new Butterfield Fire Station was built as a strategic component to the City's fire protection system and has been in the master plan for years. This new resource birthed from a 2019 Standards of Coverage study will play a vital role in fire protection for the City. The Standards of Coverage Study underlined the importance for the City of Morgan Hill to commit to a third dedicated fire station ensuring self-determination for fire protection.

Abello, Emmanuel

From: MIKE MISTER <mrandsm@earthlink.net>
Sent: Monday, March 24, 2025 6:51 PM
To: LAFCO
Cc: Susan Mister
Subject: [EXTERNAL] April 2 agenda item 1: Application to dissolve SCFD and annexation to CCFD

TO: LAFCO Commissioners

FROM: Susan Mister

I have been a resident in unincorporated Gilroy, near Gilroy Gardens. I have many concerns about the dissolution of South Santa Clara County Fire Protection (SCFD) and annexation of its territory Santa Clara County Central Fire Protection District (CCFD). LAFCO's purview is to protect and manage urban boundaries while ensuring efficiency of urban services passing on cost-effectiveness to local taxpayers.

I don't see how this can be accomplished with consolidating SCFD with CCFD. Coverage for CCFD would increase and cover an expansive area from Los Altos Hills, Los Altos, Campbell, Los Gatos, Monte Sereno and Saratoga. I can only anticipate increase in response times. Tree Haven station is a small, old two engine station with no amendments for female firefighters. They are extremely busy with calls in Gilroy and when asked about servicing our community, county executive, James Williams, did not address the update needs and deferred to "mutual aid".

If County Fire Districts are dependent upon property taxes, I assume there will be an increase to cover the costs of hiring 30 firefighters and increase in costs in the long-term.

CalFire has been providing excellent service in unincorporated areas and have the equipment for wildfire concerns; air tankers, helicopters, bull dozers. The state has also said they will get the funds necessary to fight these frequent disastrous fires. There could be major loss to the wine industry areas without CalFire's air equipment.

In October 2020, LAFCO vetoed a move, such as this, because of agency organization boundaries. What has changed? Please consider NOT approving this application.

ITEM # 5
Supplemental Information No. 1

ADDITIONAL COMMENTS

County of Santa Clara

Office of the County Executive

County Government Center, East Wing
70 West Hedding Street
San Jose, California 95110
(408) 299-5105



April 1, 2025

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

**Subject: Dissolution of the South Santa Clara County Fire District and
Annexation of its Territory to the Santa Clara County Central Fire
Protection District**

Honorable Members of the Commission:

I am writing on behalf of the Santa Clara County Board of Supervisors, which sits as the Board of Directors of the South Santa Clara County Fire District and the Board of Directors of the Santa Clara County Central Fire Protection District, to provide additional information and clarification regarding the circumstances that necessitated the application to dissolve the South Santa Clara County Fire District and annex its territory to the Santa Clara County Central Fire Protection District. The Boards fully support the LAFCO staff's recommendation on this application, and the two Districts jointly request your Commission's prompt approval of the requested reorganization proposal.

The South Santa Clara County Fire District has endured a looming structural budget deficit since at least Fiscal Year 2014, and it has been drawing down reserve funding for the last several years since then. As of Fiscal Year 2025-2026, the District will be insolvent without ongoing support from the County General Fund or other substantial new revenue sources.¹ The South Santa Clara County Fire District Fiscal Year 2025-2026 Budget and Fund Balance Projections shows expenditures exceeding revenues by \$1.3 million in the current fiscal year and by over \$4 million in Fiscal Year 2025-2026, due largely to an 18% increase in CAL FIRE employee retirement costs. The budget and fund balance projection do not include the needed replacement of fixed assets, including two fire engines and a water tender. To avoid station closures or other similar erosion of service levels, and to prevent an ongoing drain on the County's ability to sustain other, equally vital public and safety-net services, the Boards approved resolutions initiating the application to the Local Agency Formation Commission of

¹ It should be noted that, as a separate and independent legal entity, the County has no legal obligation to provide any funding to the fire districts, and also that the County is facing both a significant General Fund deficit and extraordinary fiscal uncertainty due to the federal funding environment.

Letter to Local Agency Formation Commission of Santa Clara County
Re: Dissolution of the South Santa Clara County Fire District and Annexation of its Territory to the Santa Clara County Central Fire Protection District
April 1, 2025
Page 2 of 4

Santa Clara County (LAFCO) to reorganize the provision of fire service in South Santa Clara County.

Community Outreach

As part of the Board's approval of the resolutions, the Board requested that County Administration engage in outreach to communities in the South Santa Clara County Fire District service area. County Administration has heard community input and answered questions at two public meetings, including the South Santa Clara County Fire District Board of Commissioners meeting on February 12, 2025, and again at a well-attended public meeting organized by the San Martin Neighborhood Association on February 20, 2025.

In addition, the County has hosted a public-facing website that provides up-to-date information and allows members of the public to submit questions, comments, and concerns. The website can be found at: <https://ceo.santaclaracounty.gov/south-county-fire-services>. The Santa Clara County Central Fire Protection District also has a public-facing website that provides information on the department and the services that will be provided to South County residents, which can be found at: <https://www.sccfd.org/southcounty>.

The Santa Clara County Central Fire Protection District is also hosting office hours at the Sig Sanchez Government Center, 80 Highland Avenue, Building K, in San Martin. Santa Clara County Central Fire Protection District staff are available during the office hours to answer any questions from South County residents regarding the upcoming transition of services. The office hours schedule began in early March and is posted on the public-facing website at: <https://www.sccfd.org/southcounty>. Additional office hours will be scheduled and posted on the website.

Funding the Plan for Services

The proposed Plan for Services was made available for public review when it was posted on both the County's website and the Santa Clara County Central Fire Protection District's website on February 11, 2025. The Santa Clara County Central Fire Protection District is forecasting an approximately \$8 million increase to operational expenditures after the annexation, which would be covered by the District's available Unassigned General Fund balance. As of June 30, 2024, the total governmental fund balance was \$94.8 million, comprised of \$41.8 million Unassigned General Fund, \$51.5 million of Committed Major Facility and Apparatus replacement funds, and \$1.5 million of Assigned Fund balance.

The Santa Clara County Central Fire Protection District will continue to monitor fund balances and adjust planned expenditures in accordance with maintaining adequate operational reserves. For budgetary and planning purposes, a target of maintaining between 10-15% of the total General Fund expenditures in the District's General Fund unassigned fund balance has been established. At the end of Fiscal Year 2023-2024, the General Fund unassigned fund balance

Letter to Local Agency Formation Commission of Santa Clara County

Re: Dissolution of the South Santa Clara County Fire District and Annexation of its Territory to the Santa Clara County Central Fire Protection District

April 1, 2025

Page 3 of 4

was \$41.8 million, or 29% of General Fund expenditures of \$145.9 million. The fiscal plan for the initial infrastructure support needed to shore up the annexed territory allows for the use of General Fund unassigned fund balance up to the amount that maintains the General Fund unassigned fund balance within the 10-15% of General Fund expenditures (between \$14.6 million - \$21.9 million in Fiscal Year 2023-2024).

We are aware of concerns that have been raised regarding the unfunded pension and retiree health liabilities of the Santa Clara County Central Fire Protection District. Having an unfunded liability does not mean that a pension plan is unable to pay current benefits or meet its obligations; it simply indicates that the plan has a shortfall that needs to be addressed over time. Virtually all public sector pension plans, like those for state and local governments (including the State of California and the County of Santa Clara), have significant long-term unfunded pension and retiree health liabilities. Unfunded liabilities are typically addressed through a combination of employer contributions, employee contributions, and investment gains. Unfunded liabilities are a natural part of retirement system funding, comparable to a mortgage on a home, and do not pose an immediate threat to service provision, even while recognizing that they must be addressed over time.

According to the Santa Clara County Central Fire Protection District's most recent pension valuation report, dated June 30, 2023, the funded status for the Safety, Miscellaneous Classic, and Miscellaneous PEPRAs plans were 66.7%, 70.9%, and 89.2%, respectively, which is in alignment with CalPERS's overall plan funded ratio of 71.4%. CAL FIRE, which belongs to the Peace Officers/Firefighters CalPERS Plan, is currently 72.1% funded, with an unfunded liability of \$17.8 billion.

Santa Clara County Central Fire Protection District's other post-employment benefits (OPEB) funded status is at 72.56% as of June 30, 2023. CAL FIRE's OPEB funded status, which is reported in the State of California's Annual Comprehensive Financial Report (ACFR), is 7.37% as of June 30, 2022.

Cost Sharing Agreement with the City of Morgan Hill for Engine 67

The Santa Clara County Central Fire Protection District Plan for Services includes a new station serving the northern region of the service area. An additional station will result in an enhancement of fire and emergency response services, to the benefit of the City of Morgan Hill.

According to call data provided to the South Santa Clara County Fire District Board of Commissioners on January 8, 2025 (Item 4[c]a) and March 12, 2025 (Item 4[c]a), 75-80% of all calls to which Engine 67 responded were in the City of Morgan Hill. In addition, Santa Clara County Central Fire Protection District is willing to negotiate with the City of Morgan Hill for the temporary use of a District engine until the new engine purchased for the future Butterfield Station is delivered.

Letter to Local Agency Formation Commission of Santa Clara County
Re: Dissolution of the South Santa Clara County Fire District and Annexation of its Territory to
the Santa Clara County Central Fire Protection District
April 1, 2025
Page 4 of 4

Cooperative Fire Protection Agreement and Pacheco Station Amador Agreement with CAL FIRE

On January 8, 2025, the County discussed with the CAL FIRE Unit Chief the option to extend the cooperative fire protection agreement for the South Santa Clara County Fire District beyond the existing June 30, 2025, expiration date to accommodate the potential for a transition period to the reorganized district, pending the effective date of the dissolution/annexation action. CAL FIRE was unwilling to entertain such an extension and would only consider allowing the agreement to expire as scheduled or extending the agreement for an additional full fiscal year, an option which the District's fiscal insolvency could not support. As such, the County and the Santa Clara County Central Fire Protection District proceeded under the assumption that the reorganized district would need to be fully operational by July 1, 2025.

Similarly, on January 21, 2025, the County notified CAL FIRE, in writing, of the County's interest in continuing the current Amador agreement at the Pacheco Station, maintaining the existing level of service provided through the Amador agreement with the South Santa Clara County Fire District. If CAL FIRE declines to continue the Amador contract, an Amador agreement for the Pacheco Station is not necessary to effectuate the transition of fire services. The Santa Clara County Central Fire Protection District has outlined a plan for alternative service delivery for the local responsibility area served by the Pacheco Station. These services can be operational July 1, 2025.

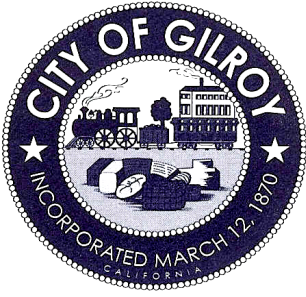
Thank you for the opportunity to provide additional information and clarification regarding the circumstances that necessitated the application to dissolve the South Santa Clara County Fire District and annex its territory to the Santa Clara County Central Fire Protection District. I remain available should you have any questions or require further information.

We look forward to the Commission's approval of the requested reorganization and remain committed to ensuring high quality fire protection and emergency services for South County.

Sincerely,

DocuSigned by:
James R. Williams
74FCE0CB79FA478...

James R. Williams
County Executive



City of Gilroy

7351 Rosanna Street
GILROY, CALIFORNIA
95020

Telephone (408) 846-0202

FAX: (408) 846-0500

<http://www.ci.gilroy.ca.us>

Jimmy Forbis
City Administrator

April 1, 2025

LAFCO of Santa Clara County
777 North First Street, Suite 410
San Jose, CA 95112
lafco@ceo.sccgov.org

Re: Application by the Santa Clara County Central Fire Protection District (CNT) and the South Santa Clara County Fire Protection District (SCCFPD) for the dissolution of the SCCFPD, and annexation of its territory to CNT.

Dear LAFCO Commissioners,

The City of Gilroy is committed to providing public safety services and ensuring the safety and well-being of our residents and businesses. We recognize the importance of coordinated emergency response services and appreciate the efforts of all agencies involved in fire protection across Santa Clara County. We are proud of the excellent service provided to the Gilroy community by the dedicated men and women of the Gilroy Fire Department.

Given our long-standing relationship with the South Santa Clara County Fire Protection District and its current service provider, CAL FIRE, we are concerned about the proposed abrupt changes. Gilroy's auto-aid and boundary drop agreements with SCCFPD/CAL FIRE have served our community well for over 40 years. The Gilroy Fire Department has developed a strong relationship with CAL FIRE personnel, ensuring the safety of our communities together.

This letter addresses our concerns regarding the County's application to dissolve SCCFPD and annex its territory to CNT.

Process

While we communicate regularly with County staff on various issues, the proposed restructuring of fire services has not been formally discussed during our meetings. Decisions of this magnitude, which directly affect emergency response, community safety, and interagency cooperation, must be made with complete transparency. Decisions were made at the County level without input from the two cities in the southern part of Santa Clara County—Gilroy and Morgan Hill.

There was no outreach or prior communication with Gilroy's leadership team regarding this agenda item.

Furthermore, other stakeholders, including the San Martin community, were not given sufficient time to comment on this item before the Board of Supervisors. As Chief Hess noted in his letter to the LAFCO Board, CAL FIRE was neither consulted nor allowed to provide input on the District Plan for Services (Fire Plan) detailing the proposed changes for the affected fire agencies within the current fire system in South Santa Clara County. Additionally, CAL FIRE has yet to receive a letter terminating services, nor has it been asked to continue providing fire protection services beyond the June 30, 2025 expiration of the current fire services agreement.

Automatic Aid Emergency Response

Emergency response in South Santa Clara County relies heavily on automatic aid delivered by multiple agencies daily. Santa Clara County must clarify its engagement with automatic aid and reaffirm its participation in the Boundary Drop Agreement. Gilroy City staff have not been included in discussions about these critical resource-sharing agreements. The Gilroy Fire Department began working on an update to the automatic aid and boundary drop agreements with CAL FIRE in mid-2024, anticipating the June 30, 2025 expiration of existing agreements. Developing these agreements requires significant time, effort, and negotiation. Expecting Gilroy staff to complete this process in less than 90 days with CNT is unreasonable and would place a considerable burden on our staff.

Tree Haven Station

The City of Gilroy owns the Tree Haven Station located on the Gilroy Gardens property off Highway 152 (Hecker Pass). CAL FIRE/SCCFPD operates from this station and responds to calls in certain areas of Gilroy under the automatic aid agreement. CNT has not specified how this arrangement might continue or under what terms.

Conclusion

We urge the Local Agency Formation Commission to fully address these concerns before taking further action. The safety of our residents is too important to be subjected to decisions made without full and open dialogue.

We are ready to engage in collaborative discussions to ensure our community has strong and sustainable public safety services in the future. Thank you for your time and attention to this critical matter. Please reach out to Jimmy.Forbis@cityofgilroy.org if you have any questions.

Sincerely,



Jimmy Forbis
City Administrator
City of Gilroy

From: [Carly Glass](#)
To: [LAFCO](#)
Subject: [EXTERNAL] Support for Fire Reorganization
Date: Friday, March 28, 2025 4:31:21 PM

Santa Clara County Local Agency Formation Commission (LAFCO)

777 North First Street, Suite 410

San Jose, CA 95112

Submitted via Email, LAFCO@CEO.SCCGOV.ORG

Subject: Letter of Support for the Dissolution of the South Santa Clara County Fire District and Annexation into the Santa Clara County Central Fire Protection District

Dear Chairperson Arenas and Members of the Commission,

I am writing to express my full support for the proposed reorganization involving the dissolution of the South Santa Clara County Fire District and the annexation of its service area into the Santa Clara County Central Fire Protection District. This strategic move represents a positive and forward-thinking step toward strengthening fire protection and emergency response services in our community.

Thank you for your thoughtful consideration.

Carly Kirk
Property owner in south Santa Clara County Fire District

March 28, 2025

Santa Clara County Local Agency Formation Commission (LAFCO)

777 North First Street, Suite 410

San Jose, CA 95112

Submitted via Email, LAFCO@CEO.SCCGOV.ORG

Subject: Letter of Support for the Dissolution of the South Santa Clara County Fire District and Annexation into the Santa Clara County Central Fire Protection District

Dear Chairperson Arenas and Members of the Commission,

I am writing to express my full support for the proposed reorganization involving the dissolution of the South Santa Clara County Fire District and the annexation of its service area into the Santa Clara County Central Fire Protection District. This strategic move represents a positive and forward-thinking step toward strengthening fire protection and emergency response services in our community.

This reorganization offers numerous benefits that will directly enhance the safety, stability, and service capabilities for South County residents. In addition, it has been reviewed by and has received support from your LAFCO staff:

1. Enhanced Fiscal Stability

The South Santa Clara County Fire District has faced longstanding fiscal challenges that have strained its ability to deliver consistent and sustainable services. Integration into the Santa Clara County Central Fire Protection District will create a more stable and resilient fiscal structure, allowing for better resource planning, staffing, and long-term investments in infrastructure and equipment.

2. Improved Access to Local Firefighting Resources

Annexation will provide South County with access to the Central Fire District's comprehensive and modernized firefighting resources. This includes faster response times, better-trained personnel, and more efficient coverage through regional coordination. The expanded network of fire stations and shared services will greatly enhance emergency response capabilities for the area including Morgan Hill and Gilroy.

3. Increased Support for Company 70 Volunteers

Volunteer firefighters, especially those serving with Company 70, play an invaluable role in our community. This reorganization will offer them expanded training opportunities, integration into a broader support system, and improved operational resources. Strengthening volunteer support will not only improve morale but also ensure continued engagement from these critical contributors to our public safety network.

In conclusion, this reorganization is a necessary and beneficial step to secure a stronger, safer, and more sustainable future for fire protection services in South Santa Clara County. I respectfully urge the Commission to approve this important proposal and help pave the way for improved emergency services for our south county residents.

Thank you for your thoughtful consideration.

Sincerely,

G. Mitchell Kirk

Property owner and resident of So. Santa Clara County Fire District

(Residence address only)

2768 Hay Loft Ct.

Morgan Hill, 95037

March 28, 2025

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

Dear LAFCO Commissioners,

I am writing you to express my support for the dissolution of the South County Fire Protection District and annexation of its territory into the Santa Clara County Central Fire Protection District. I urge the Commission to adopt the staff recommendation as-is and do so urgently.

I am a resident in the unincorporated area of South Santa Clara County and my family and I are currently served by the South County Fire Protection District. As a former professional firefighter in Santa Clara County, I believe it is in the best interest of the residents served by South County Fire Protection District for this action to be approved.

With no new funding source identified in South County for fire protection, if this action is not approved, then it is more likely than not that we will see a reduction in the level of fire service here in South County. This is well supported by the LAFCO Staff report which notes a 1.3 million dollar shortfall by the end of 2025. This shortfall increases to just over 4 million dollars in 2026, according to the report. We are out of time, and I cannot see any other option to close this structural deficit without reducing the current level of fire protection in South County. This would be disastrous for those of us who reside in South County.

We need long-term stability in South County, and while I am deeply appreciative to the Board of Supervisors for providing funding in the past from the general fund to close funding gaps for South County fire protection, this is not sustainable, nor guaranteed in the future. I sincerely appreciate your consideration.

Thank you,

Tony Bowden

From: [John Monaco](#)
To: [LAFCO](#)
Subject: [EXTERNAL] April 2, 2025 Meeting
Date: Saturday, March 29, 2025 4:17:26 PM

TO: Commissioners of the Santa Clara County Local Agency Formation Commission

Agenda Item #1 for your meeting 4/2/2025:

Application by the Santa Clara County Central Fire Protection District (CCFD) and the South Santa Clara County Fire Protection District (SCFD) for the dissolution of the SCFD, and annexation of its territory to CCFD

I am writing this letter asking that you reject this application at this time. I am a current commissioner of the South Santa Clara County Fire District and a lifelong resident of South Santa Clara County. I do realize that there are budget concerns that are driving this action but I feel that this is moving too fast and there are just too many unanswered questions. I also feel that the necessary infrastructure is not in place to properly protect the citizens of South County. I know that stations need to be constructed, one in the north and one in the south before the residents can receive the service that they are used to and deserve. Because of the lack of these stations certain parts of the district will not have the excellent coverage that Cal Fire has provided for the last 40 plus years.

In closing I would like to say that this issue has been handled very poorly from the start. For some reason this plan has been rushed through in just a few months without any input from the citizens of South County or the SSCC Board of Fire Commissioners. I also have concerns that this proposal will cost the county much more over the years due to the cost of the needed infrastructure upgrades and the increase of the cost of service from the CCFD. Is the county just kicking the can down the road? Seems like it.

John Monaco,
Commissioner,
South Santa Clara County Fire District

From: [Robin Bear](#)
To: [LAFCO](#)
Subject: [EXTERNAL] Fire Consolidation
Date: Saturday, March 29, 2025 1:21:52 PM

Santa Clara County Local Agency Formation Commission (LAFCO)
777 North First Street, Suite 410
San Jose, CA 95112
Submitted via Email, LAFCO@CEO.SCCGOV.ORG

Subject: Letter of Support for the Dissolution of the South Santa Clara County Fire District and Annexation into the Santa Clara County Central Fire Protection District

Dear Chairperson Arenas and Members of the Commission,

I am writing to express my full support for the proposed reorganization involving the dissolution of the South Santa Clara County Fire District and the annexation of its service area into the Santa Clara County Central Fire Protection District. This strategic move represents a positive and forward-thinking step toward strengthening fire protection and emergency response services in our community.

This reorganization offers numerous benefits that will directly enhance the safety, stability, and service capabilities for South County residents. In addition, it has been reviewed by and has received support from your LAFCO staff:

1. Enhanced Fiscal Stability

The South Santa Clara County Fire District has faced longstanding fiscal challenges that have strained its ability to deliver consistent and sustainable services. Integration into the Santa Clara County Central Fire Protection District will create a more stable and resilient fiscal structure, allowing for better resource planning, staffing, and long-term investments in infrastructure and equipment.

2. Improved Access to Local Firefighting Resources

Annexation will provide South County with access to the Central Fire District's comprehensive and modernized firefighting resources. This includes faster response times, better-trained personnel, and more efficient coverage through regional coordination. The expanded network of fire stations and shared services will greatly

enhance emergency response capabilities for the area including San Martin, Morgan Hill and Gilroy.

3. Increased Support for Company 70 Volunteers

Volunteer firefighters, especially those serving with Company 70, play an invaluable role in our community. This reorganization will offer them expanded training opportunities, integration into a broader support system, and improved operational resources. Strengthening volunteer support will not only improve morale but also ensure continued engagement from these critical contributors to our public safety network.

In conclusion, this reorganization is a necessary and beneficial step to secure a stronger, safer, and more sustainable future for fire protection services in South Santa Clara County. I respectfully urge the Commission to approve this important proposal and help pave the way for improved emergency services for our south county residents.

Thank you for your thoughtful consideration.

Sincerely,

Robin Bear

Property Owner in the South County Fire District

March 30, 2025

**RE: Item #1 Dissolution of the South Santa Clara County Fire Protection District
and Annexation to Santa Clara County Central Fire Protection District.**

Dear Santa Clara County LAFCO Board,

We are writing to express our support for the dissolution of the South Santa Clara County Fire District and Annexation to Santa Clara County Central Fire Protection District. As residents of the South Santa Clara County Fire Protection District, we deserve more reliable and better resourced fire protection here in South County.

We believe this action will result in better overall fire protection in our community through creating a more sustainable budget and providing a greater depth of local resources. South Santa Clara County residents often find themselves with lower levels of service compared to the northern part of our County. We feel strongly that if this action is not approved, then the South Santa Clara County Fire Protection District will have to reduce the level of fire protection in South County due to lack of sufficient funding.

We ask the LAFCO Board to approve the dissolution and annexation, as we believe this will result in better fire protection services for our community. Your leadership and proactive approach to addressing our communities needs before a disaster strikes is greatly appreciated.

Sincerely,
Theodore and Margaret Beaty

March 31, 2025

LAFCO Commissioners
LAFCO of Santa Clara County
777 North First Street, Suite 410
San Jose, CA 95112

Dear LAFCO Commissioners, My name is Victor Loesche and I am a 15 year resident of San Martin. I am also a 30 year first responder spending 4 years on the County 911 Paramedic ambulances before moving over to the San Jose Fire department for another 26 years. I am writing to you to show my support for the transition of County Fire taking over for Cal-Fires current contract to provide fire and EMS services for South Santa Clara County Fire District. I had the opportunity to work with both agencies and both were professional and provided a great service for our South County citizens. The bigger issue is about sustainability. San Martin is not a large community nor do we have a large property tax base due to the older population and rural properties being in the Williamson act. Having the opportunity to be part of a larger district will extended a helping hand to the residents of South County. When I worked on the ambulances the County used a similar approach. The smaller cities in our county didn't provide enough call volume to support having an ambulance staffed 24/7 from a financial budget perspective. It was the larger cities like San Jose that created enough calls to actually provide the revenue needed to provide ambulances in the smaller cities. Without the higher volumes generated by San Jose there is no way the ambulance providers would have had the ability to staff ambulances for the smaller cities and remain fiscally solvent. I humbly request that you consider voting yes to approve the County Fire transition on April 2nd.

Sincerely yours,

Victor Loesche

From: [Palacherla, Neelima](#)
To: [Noel, Dunia](#); [Abello, Emmanuel](#)
Subject: FW: [EXTERNAL] Save Company 70
Date: Tuesday, April 1, 2025 10:43:45 AM

Neelima Palacherla, Executive Officer
LAFCO of Santa Clara County

From: cludewigs2@sbcglobal.net <cludewigs2@sbcglobal.net>
Sent: Tuesday, April 1, 2025 9:02 AM
To: BoardOperations <BoardOperations@cob.sccgov.org>; Palacherla, Neelima <Neelima.Palacherla@ceo.sccgov.org>; District1 <District1@bos.sccgov.org>
Subject: [EXTERNAL] Save Company 70

Dear President Lee, Honorable Supervisors
Mr. J. Williams, Santa Clara County, Chief Executive Officer,
Fire Chief Kerdkaew (Central Fire District)
Ms. M. Palacherla, CEO, Land Agency Formation Commission (LAFCO)

As I learned about the potential future consolidation of the South Santa Clara County Fire District and the Central Fire District, I feel it is crucial to take a stand to protect our South Santa Clara County Volunteer Company 70. It is essential to the San Martin and surrounding communities that the men and women volunteers of Company 70, continue working at their current capacity. They are expertly trained to handle several types of emergencies, such as structure fires, vehicle fires, wildland fires, technical rescue, hazardous materials incidents, and medical emergencies. They work well as a team and think quickly under pressure. Additionally, they take part in community events and education programs and are well known in this community. Company 70 has been a cornerstone of safety and emergency response in this region for the past thirty years.

If a new fire agency is proposed, I strongly urge that the County Supervisors and Fire Chief Kerdkaw engage with Mr. Brandon Winter from Company 70. He has been instrumental in rebuilding Company 70 and leading essential community outreach efforts. Through strong leadership skills, all Company 70 volunteers have exhibited a deep commitment, broad experience, and institutional knowledge of fire-related issues in the South Santa Clara Fire District.

Our communities profoundly appreciate the services provided by Company 70 volunteers. I trust that the County decision-makers will rally behind the integrity and operations of Company 70 volunteers, recognizing their invaluable contribution to our community and keep it intact in the South Santa Clara County area.

Thank you,

Connie Ludewig,
San Martin Resident

"Together We Make A Difference"

From: [Palacherla, Neelima](#)
To: [Noel, Dunia](#); [Abello, Emmanuel](#)
Subject: FW: [EXTERNAL] Company 70
Date: Tuesday, April 1, 2025 10:41:07 AM

Neelima Palacherla, Executive Officer
LAFCO of Santa Clara County

-----Original Message-----

From: Edward Honesto <ed@mastertractor.com>
Sent: Monday, March 31, 2025 7:16 AM
To: Palacherla, Neelima <Neelima.Palacherla@ceo.sccgov.org>
Subject: [EXTERNAL] Company 70

Dear Leader,

As a resident of San Martin I need to express my concerns over Company 70. My only hope that our continued safety that Company 70 provides for us will not be compromised.

Thanks for your support on this issue,

Sincerely
Edward Honesto

From: [Palacherla, Neelima](#)
To: [Abello, Emmanuel](#); [Noel, Dunia](#)
Subject: FW: [EXTERNAL] Volunteer 70 fire fighters Please support these men and women who help all of us in south county
Date: Tuesday, April 1, 2025 10:40:12 AM

Neelima Palacherla, Executive Officer
LAFCO of Santa Clara County

From: Joe Territo <territos@att.net>
Sent: Monday, March 31, 2025 8:51 AM
To: Palacherla, Neelima <Neelima.Palacherla@ceo.sccgov.org>
Subject: [EXTERNAL] Volunteer 70 fire fighters Please support these men and women who help all of us in south county

From: [Palacherla, Neelima](#)
To: [Noel, Dunia](#); [Abello, Emmanuel](#)
Subject: FW: Vote NO on switch to County Fire - Keep CalFire!!
Date: Tuesday, April 1, 2025 10:42:26 AM

Neelima Palacherla, Executive Officer
LAFCO of Santa Clara County

-----Original Message-----

From: Matthew Wendt <matthewwendt@msn.com>
Sent: Monday, March 31, 2025 6:13 PM
To: District1 <District1@bos.sccgov.org>; Arenas, Sylvia <sylvia.arenas@BOS.SCCGOV.ORG>;
rosemary.kamei@sanjoseca.gov; JBeall@valleywater.org; Yoriko Kishimoto <ykishimoto@openspace.org>;
Supervisor.Lee <Supervisor.Lee@BOS.SCCGOV.ORG>; terrytrumbull1011@gmail.com; District2
<District2@sanjoseca.gov>; district3 <district3@openspaceauthority.org>; District2
<District2@BOS.SCCGOV.ORG>; mark.turner@morganhill.ca.gov; Palacherla, Neelima
<Neelima.Palacherla@ceo.sccgov.org>; msubramanian@bbklaw.com
Subject: [EXTERNAL] Vote NO on switch to County Fire - Keep CalFire!!

County Supervisors and LAFCO,

I ask you vote NO on the potential switch to “County” Fire from CalFire. Everyone I talked to in the south county is against this because of the increased costs and taxes as well as decrease in services and integration. Do the it thing not the political thing that will make CA even more unaffordable!

Keep CalFire!!

Matt Wendt
Morgan Hill Resident

Sent from my iPhone

From: [Palacherla, Neelima](#)
To: [Noel, Dunia](#); [Abello, Emmanuel](#)
Subject: FW: Please consider.
Date: Tuesday, April 1, 2025 10:41:34 AM
Attachments: [image001.png](#)
[image002.png](#)

Neelima Palacherla, Executive Officer
LAFCO of Santa Clara County

From: Michelle Bernal <michelleb@jbmh.church>
Sent: Monday, March 31, 2025 2:28 PM
To: BoardOperations <BoardOperations@cob.sccgov.org>; Palacherla, Neelima <Neelima.Palacherla@ceo.sccgov.org>; District1 <District1@bos.sccgov.org>
Subject: [EXTERNAL] Please consider.

Dear President Lee, Honorable Supervisors
Mr. J. Williams, Santa Clara County, Chief Executive Officer,
Fire Chief Kerdkaew (Central Fire District)
Ms. M. Palacherla, CEO, Land Agency Formation Commission (LAFCO)

As I learned about the potential future consolidation of the South Santa Clara County Fire District and the Central Fire District, I feel it is crucial to take a stand to protect our South Santa Clara County Volunteer Company 70. It is essential to the San Martin and surrounding communities that the men and women volunteers of Company 70, continue working at their current capacity. They are expertly trained to handle several types of emergencies, such as structure fires, vehicle fires, wildland fires, technical rescue, hazardous materials incidents, and medical emergencies. They work well as a team and think quickly under pressure. Additionally, they take part in community events and education programs and are well known in this community. Company 70 has been a cornerstone of safety and emergency response in this region for the past thirty years.

If a new fire agency is proposed, I strongly urge that the County Supervisors and Fire Chief Kerdkaew engage with Mr. Brandon Winter from Company 70. He has been instrumental in rebuilding Company 70 and leading essential community outreach efforts. Through strong leadership skills, all Company 70 volunteers have exhibited a deep commitment, broad experience, and institutional knowledge of fire-related issues in the South Santa Clara Fire District.

Our communities profoundly appreciate the services provided by Company 70 volunteers. I am confident that the County decision-makers will rally behind the integrity and operations of Company 70 volunteers, recognizing their invaluable contribution to our community and keep it intact in the South Santa Clara County area.

Thank you,

Insert Your Name

Michelle Bernal

The future new church home will be in San Martin, Ca.



408-431-5551 X 101

685 Jarvis Dr., Suite D

Morgan Hill, CA 95037

<https://www.jubileebridge.church/>

From: [Palacherla, Neelima](#)
To: [Abello, Emmanuel](#); [Noel, Dunia](#)
Subject: FW: South County Volunteer Fire Company 70
Date: Tuesday, April 1, 2025 10:40:57 AM

Neelima Palacherla, Executive Officer
LAFCO of Santa Clara County

From: Curli Shirli <curlishirli@hotmail.com>
Sent: Monday, March 31, 2025 9:39 AM
To: Palacherla, Neelima <Neelima.Palacherla@ceo.sccgov.org>
Subject: [EXTERNAL] South County Volunteer Fire Company 70

Dear President Lee, Honorable Supervisors
Mr. J. Williams, Santa Clara County, Chief Executive Officer,
Fire Chief Kerdkaew (Central Fire District)
Ms. M. Palacherla, CEO, Land Agency Formation Commission (LAFCO)

As I learned about the potential future consolidation of the South Santa Clara County Fire District and the Central Fire District, I feel it is crucial to take a stand to protect our South Santa Clara County Volunteer Company 70. It is essential to the San Martin and surrounding communities that the men and women volunteers of Company 70, continue working at their current capacity. They are expertly trained to handle several types of emergencies, such as structure fires, vehicle fires, wildland fires, technical rescue, hazardous materials incidents, and medical emergencies. They work well as a team and think quickly under pressure. Additionally, they take part in community events and education programs and are well known in this community. Company 70 has been a cornerstone of safety and emergency response in this region for the past thirty years.

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Thank you,

Shirley Marfia
San Martin

Sent from my Verizon, Samsung Galaxy smartphone

From: [Palacherla, Neelima](#)
To: [Abello, Emmanuel](#)
Cc: [Noel, Dunia](#)
Subject: FW: [EXTERNAL] Save the volunteers of Company 70 and all Firefighters
Date: Tuesday, April 1, 2025 10:39:27 AM

Neelima Palacherla, Executive Officer
LAFCO of Santa Clara County

From: Robin Shepherd <shepherdrobin7@gmail.com>
Sent: Sunday, March 30, 2025 8:07 PM
To: Palacherla, Neelima <Neelima.Palacherla@ceo.sccgov.org>
Subject: [EXTERNAL] Save the volunteers of Company 70 and all Firefighters

Dear Ms. Palacherla, CEO, Land Agency Formation Commission (LAFCO)

As I learned about the potential future consolidation of the South Santa Clara County Fire District and the Central Fire District, I feel it is crucial to take a stand to protect our South Santa Clara County Volunteer Company 70. It is essential to the San Martin and surrounding communities that the men and women volunteers of Company 70, continue working at their current capacity. They are expertly trained to handle several types of emergencies, such as structure fires, vehicle fires, wildland fires, technical rescue, hazardous materials incidents, and medical emergencies. They work well as a team and think quickly under pressure. Additionally, they take part in community events and education programs and are well known in this community. Company 70 has been a cornerstone of safety and emergency response in this region for the past thirty years.

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Our communities profoundly appreciate the services provided by Company 70 volunteers. I am confident that the County decision-makers will rally behind the integrity and operations of Company 70 volunteers, recognizing their invaluable contribution to our community and keep it intact in the South Santa Clara County area.

Thank you,

Robin Shepherd
Morgan Hill

From: [Palacherla, Neelima](#)
To: [Noel, Dunia](#); [Abello, Emmanuel](#)
Subject: FW: [EXTERNAL] Engine Company 70
Date: Tuesday, April 1, 2025 10:42:37 AM

Neelima Palacherla, Executive Officer
LAFCO of Santa Clara County

From: Victor Loesche <victorloesche@yahoo.com>
Sent: Monday, March 31, 2025 6:51 PM
To: Palacherla, Neelima <Neelima.Palacherla@ceo.sccgov.org>
Subject: [EXTERNAL] Engine Company 70

Dear President Lee, Honorable Supervisors
Mr. J. Williams, Santa Clara County, Chief Executive Officer,
Fire Chief Kerdkaew (Central Fire District)
Ms. M. Palacherla, CEO, Land Agency Formation Commission (LAFCO)

As I learned about the potential future consolidation of the South Santa Clara County Fire District and the Central Fire District, I feel it is crucial to take a stand to protect our South Santa Clara County Volunteer Company 70. It is essential to the San Martin and surrounding communities that the men and women volunteers of Company 70, continue working at their current capacity. They are expertly trained to handle several types of emergencies, such as structure fires, vehicle fires, wildland fires, technical rescue, hazardous materials incidents, and medical emergencies. They work well as a team and think quickly under pressure. Additionally, they take part in community events and education programs and are well known in this community. Company 70 has been a cornerstone of safety and emergency response in this region for the past thirty years.

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Thank you,
Victor Loesche
San Martin

From: [Palacherla, Neelima](#)
To: [Abello, Emmanuel](#); [Noel, Dunia](#)
Subject: FW: [EXTERNAL] SCC Volunteer Company 70
Date: Tuesday, April 1, 2025 10:39:44 AM

Neelima Palacherla, Executive Officer
LAFCO of Santa Clara County

From: Yuri Tsuchitani <fiction58@mac.com>
Sent: Monday, March 31, 2025 7:19 AM
To: Palacherla, Neelima <Neelima.Palacherla@ceo.sccgov.org>
Subject: [EXTERNAL] SCC Volunteer Company 70

Dear President Lee, Honorable Supervisors
Mr. J. Williams, Santa Clara County, Chief Executive Officer,
Fire Chief Kerdkaew (Central Fire District)
Ms. M. Palacherla, CEO, Land Agency Formation Commission (LAFCO)

As I learned about the potential future consolidation of the South Santa Clara County Fire District and the Central Fire District, I feel it is crucial to take a stand to protect our South Santa Clara County Volunteer Company 70. It is essential to the San Martin and surrounding communities that the men and women volunteers of Company 70, continue working at their current capacity. They are expertly trained to handle several types of emergencies, such as structure fires, vehicle fires, wildland fires, technical rescue, hazardous materials incidents, and medical emergencies. They work well as a team and think quickly under pressure. Additionally, they take part in community events and education programs and are well known in this community. Company 70 has been a cornerstone of safety and emergency response in this region for the past thirty years.

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Thank you,
Yuri Tsuchitani

From: [Palacherla, Neelima](#)
To: [Abello, Emmanuel](#); [Noel, Dunia](#)
Subject: FW: [EXTERNAL] South Santa Clara Fire District and the Central Fire District
Date: Tuesday, April 1, 2025 10:40:45 AM

Neelima Palacherla, Executive Officer
LAFCO of Santa Clara County

From: Pamela Courtney <pamelarcourtney@gmail.com>
Sent: Monday, March 31, 2025 9:35 AM
To: BoardOperations <BoardOperations@cob.sccgov.org>; Palacherla, Neelima <Neelima.Palacherla@ceo.sccgov.org>; District1 <District1@bos.sccgov.org>
Subject: [EXTERNAL] South Santa Clara Fire District and the Central Fire District

Dear President Lee, Honorable Supervisors
Mr. J. Williams, Santa Clara County, Chief Executive Officer,
Fire Chief Kerdkaew (Central Fire District)
Ms. M. Palacherla, CEO, Land Agency Formation Commission (LAFCO)

As I learned about the potential future consolidation of the South Santa Clara County Fire District and the Central Fire District, I feel it is crucial to take a stand to protect our South Santa Clara County Volunteer Company 70. It is essential to the San Martin and surrounding communities that the men and women volunteers of Company 70, continue working at their current capacity. They are expertly trained to handle several types of emergencies, such as structure fires, vehicle fires, wildland fires, technical rescue, hazardous materials incidents, and medical emergencies. They work well as a team and think quickly under pressure. Additionally, they take part in community events and education programs and are well known in this community. Company 70 has been a cornerstone of safety and emergency response in this region for the past thirty years.

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community outreach efforts. Through strong leadership skills, all Company 70 volunteers have exhibited a deep commitment, broad experience, and institutional knowledge of fire-related issues in the South Santa Clara Fire District.

Our communities profoundly appreciate the services provided by Company 70 volunteers. I am confident that the County decision-makers will rally behind the integrity and operations of Company 70 volunteers, recognizing their invaluable contribution to our community and keep it intact in the South Santa Clara County area.

Thank you,
Pamela Courtney
San Martin

From: [Palacherla, Neelima](#)
To: [Abello, Emmanuel](#); [Noel, Dunia](#)
Subject: FW: [EXTERNAL]
Date: Tuesday, April 1, 2025 10:41:48 AM

Neelima Palacherla, Executive Officer
LAFCO of Santa Clara County

From: Pamela Robichaux <pamela@newera.com>
Sent: Monday, March 31, 2025 5:30 PM
To: Palacherla, Neelima <Neelima.Palacherla@ceo.sccgov.org>
Subject: [EXTERNAL]

Dear President Lee, Honorable Supervisors
Mr. J. Williams, Santa Clara County, Chief Executive Officer,
Fire Chief Kerdkaew (Central Fire District)
Ms. M. Palacherla, CEO, Land Agency Formation Commission (LAFCO)

As I learned about the potential future consolidation of the South Santa Clara County Fire District and the Central Fire District, I feel it is crucial to take a stand to protect our South Santa Clara County Volunteer Company 70. It is essential to the San Martin and surrounding communities that the men and women volunteers of Company 70, continue working at their current capacity. They are expertly trained to handle several types of emergencies, such as structure fires, vehicle fires, wildland fires, technical rescue, hazardous materials incidents, and medical emergencies. They work well as a team and think quickly under pressure. Additionally, they take part in community events and education programs and are well known in this community. Company 70 has been a cornerstone of safety and emergency response in this region for the past thirty years.

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Our communities profoundly appreciate the services provided by Company 70 volunteers. I am confident that the County decision-makers will rally behind the integrity and operations of Company 70 volunteers, recognizing their invaluable contribution to our community and keep it intact in the South Santa Clara County area.

Thank you,
Pamela Robichaux
San Martin

From: [Palacherla, Neelima](#)
To: [Noel, Dunia](#); [Abello, Emmanuel](#)
Subject: FW: [EXTERNAL]
Date: Tuesday, April 1, 2025 3:37:12 PM

Neelima Palacherla, Executive Officer
LAFCO of Santa Clara County

From: Nancy Maynard <mntnmom3@gmail.com>
Sent: Tuesday, April 1, 2025 3:20 PM
To: BoardOperations <BoardOperations@cob.sccgov.org>; Palacherla, Neelima <Neelima.Palacherla@ceo.sccgov.org>; District1 <District1@bos.sccgov.org>
Subject: [EXTERNAL]

Dear President Lee, Honorable Supervisors Mr. J. Williams, Santa Clara County, Chief Executive Officer, Fire Chief Kerdkaew (Central Fire District) Ms. M. Palacherla, CEO, Land Agency Formation Commission (LAFCO) As I learned about the potential future consolidation of the South Santa Clara County Fire District and the Central Fire District, I feel it is crucial to take a stand to protect our South Santa Clara County Volunteer Company 70. It is essential to the San Martin and surrounding communities that the men and women volunteers of Company 70, continue working at their current capacity. They are expertly trained to handle several types of emergencies, such as structure fires, vehicle fires, wildland fires, technical rescue, hazardous materials incidents, and medical emergencies. They work well as a team and think quickly under pressure. Additionally, they take part in community events and education programs and are well known in the community. Company 70 has been a cornerstone of safety and emergency response in this region for the past thirty years. If a new fire agency is proposed, I strongly urge that the County Supervisors and Fire Chief Kerdkaew engage with Mr. Brandon Winter from Company 70. He has been instrumental in rebuilding Company 70 and leading essential community outreach efforts. Through strong leadership skills, all Company 70 volunteers have exhibited a deep commitment, broad experience, and institutional knowledge of fire-related issues in the

South Santa Clara Fire District. Our communities profoundly appreciate the services provided by Company 70 volunteers. I am confident that the County decision-makers will rally behind the integrity and operations of Company 70 volunteers, recognizing their invaluable contribution to our community and keep it intact in the South Santa Clara County area.

Nancy Maynard

ITEM # 5
Supplemental Information No. 2

ADDITIONAL COMMENTS

From: [allan.epstein](#)
To: [Palacherla, Neelima](#)
Cc: [Abello, Emmanuel](#)
Subject: [EXTERNAL] AGENDA ITEM 5. SOUTH SANTA CLARA COUNTY FIRE PROTECTION DISTRICT DISSOLUTION AND SANTA CLARA COUNTY CENTRAL FIRE PROTECTION ANNEXATION / SPHERE OF INFLUENCE AMENDMENT
Date: Tuesday, April 1, 2025 4:43:34 PM

Neelima Palacherla, Executive Officer LAFCO of Santa Clara County

Please include the following public comments to April 2, 2025 Agenda Item 5.

Thank you.

Best,

Allan Epstein

AGENDA ITEM 5. SOUTH SANTA CLARA COUNTY FIRE PROTECTION DISTRICT DISSOLUTION AND SANTA CLARA COUNTY CENTRAL FIRE PROTECTION ANNEXATION / SPHERE OF INFLUENCE AMENDMENT

These rushed, imprudent proposed actions should not be approved. They do not solve the structural financial problem, only make finances worse, and unfairly burden CFPD and contracted cities with a Countywide problem. Operational benefits are questionable and problematic. Plans lack stakeholder participation. Time not of the essence.

Four years ago, the County considered consolidating SCFD with CFPD and the Board of Supervisors **rejected** the idea. As a result of that rejection two studies were undertaken, the LAFCO Fire Service Review completed in October 2023 and the Countywide Fire Department Operational Study, **still incomplete four years later.**

BOS action premature. Without the benefit of the Operational Study, or Plan for Services, and **contrary** to the recommendations in the LAFCO Fire Review and CitiGate Associate Standard of Coverage Assessment, in January 2025 a new BOS approved consolidation.

Motivation financial stability, not operations. “The proposed dissolution of the Fire District (SCFD) and annexation into County Fire (CFPD) would stabilize the long-term financial viability of the Fire District.” Lack of adequate funding is due largely to the fact that, “Approximately 41 percent of the District’s land area is agricultural ... under the 1965 Williamson Act, ... results in... the District receives lower total property tax revenues than other fire districts.”

Consolidation does not resolve funding problem. “Future resource allocation determinations would be made by the Board through the budget process or via legislative action...; however, maintenance of an appropriate standard of fire service in the current territory of the South County Fire District will **require utilization of reserves and ongoing resources** from County Fire.”

Consolidation WORSENS south county fire protection funding problem.

Consolidation is **unnecessary** to make future resource allocations identified in the District Plan for Service. Annexation by CCFD **increases costs by \$4 million per year** for the same service level.

Consolidation of SCFD with CFPD is not advantageous for both operational and cost effectiveness reasons. According to CitiGate, Morgan Hill, Gilroy and SCFD recognize the benefit of working together and have effectively formed a regional consolidation working in conjunction with Cal Fire. Operationally, consolidating SCFD with CFPD, 30 minutes away under the best circumstances, and with CFPD not providing fire protection in Morgan Hill is operationally troubling. In 2013, after 17 years, Morgan Hill switched from CFPD to Cal Fire to save money. **Morgan Hill expenses will likely be adversely impacted.**

SCFD consolidating with CFPD will adversely affect CFPD service levels within its district and its contracted service areas and strain its finances. Extending coverage to SCFD reduces available staffing for existing operations- one battalion chief position, 12 firefighter positions, maintenance and administrative staff and apparatus. Will in time likely increase costs for CCFD and contract cities. CFPD Pension and OPEB liabilities exceed its unassigned assets and are growing. Some stations are old and need to be replaced. **Since the annexation will adversely impact CFPD citizens and contracted cities are their citizens noticed and allowed to protest the consolidation?**

Additional funding should be provided by the County. Allocate Public Safety Sales Tax (PSST) revenue to SCFD. The Management Audit recommended that the BOS consider allocating a portion of PSST revenue to fire safety. Proposition 172 passed in November 1993, created a one-half percent state sales tax for local public safety protection. According to Prop 172, all revenues from the additional one-half percent sales tax can be used only for local public safety activities, to include police and sheriffs' departments, fire protection... SCC PSST revenue is projected to be \$272.5 million in FY 2024-25. Since 1993 the County has collected many billions of dollars in PSST, yet **none** has been spent on fire protection. **The Williamson Act benefits should be supported**

by the County. If preserving agriculture and open space is important, then it should be supported by the \$11 billion county budget and two million county residents and not just the 15% who live in SCFD and CFPD.

Stakeholders have not been consulted. Proposed actions are rushed, unstudied, untimely, incomplete, and unilateral.

On **October 2, 2020**, the last time consolidation was proposed, SCFD and Morgan Hill Fire Chief Hess stated, “It is CAL FIRE's stance that any discussion related to fire service consolidation be handled in a thoughtful and deliberative manner... These discussions should begin with commissioning a contemporary consolidation study in which all stakeholders and the public alike are made aware of the situation available to discuss concepts and afforded a seat at the table ... this process ensures a holistic view of fire services is understood by all parties in a transparent in an intentional way.” Chief Hess’s 2025 letter identifies similar and additional unanswered concerns.

Poor timing. Intended transfer in fire season. Insufficient staffing. “If CCFD assumes responsibility for providing fire service to SCFD on July 1, 2025, it expects a short-term staffing shortage of an estimated 27 suppression personnel. This includes 18 Firefighter/Engineers and nine Fire Captains—similar in scale to a full strike team deployment, which according to CCFD, is traditionally managed through overtime.” Adversely impacts ability to support wildfires.

Financial information provided is out of date. More time available. Recent actual financial data indicates more time available for study and consideration.

From: [Palacherla, Neelima](#)
To: [Abello, Emmanuel](#); [Noel, Dunia](#)
Subject: FW: Preserving South Santa Clara County Company 70 Volunteers
Date: Tuesday, April 1, 2025 4:53:49 PM
Attachments: [image.png](#)

Neelima Palacherla, Executive Officer
LAFCO of Santa Clara County

From: Sharon Luna <luna802@msn.com>
Sent: Tuesday, April 1, 2025 4:27 PM
To: BoardOperations <BoardOperations@cob.sccgov.org>; Palacherla, Neelima <Neelima.Palacherla@ceo.sccgov.org>; District1 <District1@bos.sccgov.org>; suwanna.kerdaew@sccfd.org
Cc: Lam01, Victoria <victoria.lam01@BOS.SCCGOV.ORG>; Connie Ludewig <cludewigs2@sbcglobal.net>; Stephen McHenry <stephen.mchenry@gmail.com>
Subject: [EXTERNAL] RE: Preserving South Santa Clara County Company 70 Volunteers



**Dear President Lee, Honorable Supervisors
Mr. J. Williams, Santa Clara County, Chief Executive Officer,
Fire Chief Kerdkaw (Central Fire District)
Ms. M. Palacherla, CEO, Land Agency Formation Commission (LAFCO)**

On behalf of the San Martin Neighborhood Association Board of Directors (SMNA), we respectfully ask that the Local Agency Formation Commission (LAFCO), and the Santa Clara County Supervisors discuss the importance of preserving the South Santa Clara County Volunteer Fire Company 70.

The dedication and service of the men and women in Company 70 are invaluable to the safety and well-being of our South Santa Clara County communities. They are trained to handle several types of emergencies, such as structure fires, vehicle fires, wildland fires, technical rescue, hazardous materials incidents, and medical emergencies. They work well as part of a team and think quickly under pressure. Additionally, they take part in community events and education programs and serve as role models in their community. Company 70 has been a cornerstone of our all our community's safety and emergency response and for other communities for the past thirty years.

If a new fire agency is proposed, we strongly urge that the County Supervisors, Mr. Williams, and Fire Chief Kerdkaew engage with Mr. Brandon Winter from Company 70. He has been instrumental in rebuilding the Company 70 Volunteer Firefighter and leading essential community outreach efforts. Through strong leadership skills, all Company 70 volunteers have exhibited a deep commitment, broad experience, and institutional knowledge of fire-related issues in the South Santa Clara County Fire District.

The San Martin Neighborhood Association Board of Directors is confident that the Santa Clara County decision-makers and the Land Agency Formation Commission will rally behind the integrity and operations of Company 70 Volunteers, recognizing their invaluable contribution to our community and keep it intact in the South Santa Clara County communities of San Martin, Morgan Hill, and Gilroy.

Thank you for your consideration and support,

Respectfully,

The San Martin Neighborhood Association Board

Stephen McHenry
Connie Ludewig
Martin Groen
Sharon Luna
Liz Paredes-Bahnsen
Victor Loesche
Diane Dean

Together We Make A Difference

From: [Palacherla, Neelima](#)
To: [Abello, Emmanuel](#); [Noel, Dunia](#)
Subject: FW: [EXTERNAL] South County Fire Support Consolidation
Date: Tuesday, April 1, 2025 10:16:09 PM

Neelima Palacherla, Executive Officer
LAFCO of Santa Clara County

From: Rob Realini <realini@yahoo.com>
Sent: Tuesday, April 1, 2025 9:54 PM
To: BoardOperations <BoardOperations@cob.sccgov.org>; Palacherla, Neelima <Neelima.Palacherla@ceo.sccgov.org>; District1 <District1@bos.sccgov.org>
Subject: [EXTERNAL] South County Fire Support Consolidation

Dear President Lee, Honorable Supervisors
Mr. J. Williams, Santa Clara County, Chief Executive Officer,
Fire Chief Kerdkaew (Central Fire District)
Ms. M. Palacherla, CEO, Land Agency Formation Commission (LAFCO)

As I learned about the potential future consolidation of the South Santa Clara County Fire District and the Central Fire District, I feel it is crucial to take a stand to protect our South Santa Clara County Volunteer Company 70. It is essential to the San Martin and surrounding communities that the men and women volunteers of Company 70, continue working at their current capacity. They are expertly trained to handle several types of emergencies, such as structure fires, vehicle fires, wildland fires, technical rescue, hazardous materials incidents, and medical emergencies. They work well as a team and think quickly under pressure. Additionally, they take part in community events and education programs and are well known in the community. Company 70 has been a cornerstone of safety and emergency response in this region for the past thirty years.

If a new fire agency is proposed, I strongly urge that the County Supervisors and Fire Chief Kerdkaew engage with Mr. Brandon Winter from Company 70. He has been instrumental in rebuilding Company 70 and leading essential community outreach efforts. Through strong leadership skills, all Company 70 volunteers have exhibited a deep commitment, broad experience, and institutional knowledge of fire-related issues in the South Santa Clara Fire District.

Our communities profoundly appreciate the services provided by Company 70 volunteers. I am confident that the County decision-makers will rally behind the integrity and operations of Company 70 volunteers, recognizing their invaluable contribution to

our community and keep it intact in the South Santa Clara County area.

Thank you,

Rob Realini
Morgan Hill, CA

[Sent from Yahoo Mail for iPhone](#)

From: [Sharon Luna](#)
To: [LAFCO](#)
Cc: [District1](#); [Stephen McHenry](#); [Connie Ludewig](#); [Lam01, Victoria](#); [victorloesche@yahoo.com](#); [BoardOperations](#); [Sharon Luna](#); [suwanna.kerdaew@sccfd.org](#)
Subject: [EXTERNAL] RE: April 2nd-LAFCO Meeting-Agenda Item #5-SOUTH SANTA CLARA COUNTY FIRE PROTECTION DISTRICT DISSOLUTION AND SANTA CLARA COUNTY CENTRAL FIRE PROTECTION ANNEXATION / SPHERE OF INFLUENCE AMENDMENT
Date: Wednesday, April 2, 2025 5:00:36 AM
Attachments: [smna_new_logo.png](#)



Dear Chairperson-Supervisor Arenas and LAFCO Commissioners
Ms. Neelima Palacherla, LAFCO, Executive Officer

The San Martin Neighborhood Association Board (SMNA) would like to express our appreciation to Supervisor Arenas, Mr. James Williams, Santa Clara County CEO, County Central Fire District, Fire Chief Kerdkaw, for their time, effort, and valuable information shared with our SMNA members and others during the Community Outreach meeting held on February 20th at the San Martin Lions Hall. The meeting focused on the dissolution of the South Santa Clara County Fire District (SSCCFD) and the annexation of its territory to the Santa Clara County Central Fire District. (SCCFD)

The explanations, reasons, and Q&A session about the dissolution of the SSCCFD and an opportunity to ask questions of both Mr. Williams and the CCFD Fire Chief Kerdkaw was extremely informative and productive. We are hopeful that others who have expressed concerns, such as our neighboring City of Morgan Hill, had the same opportunity to have their questions and concerns addressed. Everyone in the South County who has expressed a question, or a concern should feel that they have been heard. Should this dissolution move forward the residents in San Martin and other areas in South Santa Clara County must be assured that the automatic aid emergency response continues, and that our fire protection and other services are not compromised or reduced for South Santa Clara County residents.

Supervisor Arenas spoke about the fear of change, and she is correct, change is difficult when you have a fire service that is working, and residents feel protected and helped. This is why it is essential to take the necessary time to address the concerns of those not just in San Martin but in our neighboring cities. The lack of communication and understanding of any change can lead to delays, rework, distrust, and the need for added resources and costs to rectify misunderstandings and resistance.

The SMNA Board acknowledges that this change has been a lengthy process, and

we have full trust in your decision-making and that the implementation of this change is in the best interest of San Martin and all South Santa Clara County residents.

Respectfully,

The San Martin Neighborhood Association Board

Stephen McHenry, President
Connie Ludewig, Vice-President
Martin Groen, Treasurer
Liz Paredes-Bahnsen, Secretary
Diane Dean
Sharon Luna
Victor Loesche

"TOGETHER WE MAKE A DIFFERENCE"



**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: April 2, 2025

TO: LAFCO

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

SUBJECT: PROPOSED WORK PLAN AND BUDGET FOR FY 2026

FINANCE COMMITTEE / STAFF RECOMMENDATIONS

1. Adopt the Proposed Work Plan for Fiscal Year 2025-2026.
2. Adopt the Proposed Budget for Fiscal Year 2025-2026.
3. Find that the Proposed Budget for Fiscal Year 2026 is expected to be adequate to allow the Commission to fulfill its statutory responsibilities.
4. Authorize staff to transmit the Proposed Budget adopted by the Commission including the estimated agency costs as well as the LAFCO public hearing notice for the adoption of the Fiscal Year 2026 Final Budget to the cities, the special districts, the County, the Cities Association of Santa Clara County and the Santa Clara County Special Districts Association.

ANNUAL BUDGET PROCESS REQUIREMENTS

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

**FISCAL YEAR 2025-2026 WORKPLAN & BUDGET DEVELOPMENT
TIMELINE**

Dates	Staff Tasks / LAFCO Action
March 10 - April 2	Notice of this public hearing was advertised in a local newspaper, posted on the LAFCO website and distributed to local agencies. The agenda and a link to the posted agenda packet are also distributed to local agencies, interested persons and organizations. The proposed Workplan and Budget are posted on the LAFCO website and available for public review and comment.
April 2	LAFCO public hearing on adoption of Proposed Workplan and Budget
April 3	Proposed Work Plan and Budget, preliminary apportionments and LAFCO public hearing notice for Final Budget Hearing transmitted to agencies
June 4	LAFCO public hearing and adoption of Final Budget
June 4 - July 1	Final Budget transmitted to agencies; Auditor requests payment from agencies

LAFCO FINANCE COMMITTEE

At its February 5, 2025 LAFCO meeting, the Commission appointed Alternate Commissioner Campos, Alternate Commissioner Chapman and Alternate Commissioner O’Neill to serve on the Finance Committee.

At its special meeting held on March 6, 2025, the Finance Committee discussed the progress on the current year work plan and the status of the current year budget; and recommended the proposed FY 2026 work plan and budget for consideration and adoption by the full commission.

CURRENT YEAR IN REVIEW

PROGRESS REPORT ON FY 2024-2025 WORK PLAN

LAFCO’s current fiscal year workplan was adopted at a noticed public hearing held on April 3, 2024. **Attachment A** depicts the current status (through the third quarter of the year) of the 2024-2025 Work Program.

A key focus of this year's work program is the comprehensive review and update of LAFCO policies. To guide Phase 1 of this process, the Commission appointed an Ad-Hoc Committee composed of three commissioners, which developed a detailed work plan and timeline. Over the course of nine meetings, the Committee along with staff carefully reviewed and refined multiple iterations of the policies under consideration, including the development of new policies related to agricultural

worker housing. Additionally, two rounds of public review and comment periods were conducted to gather valuable input from stakeholders. Following this extensive effort, the Commission adopted the Phase 1 policy updates in December 2024. Looking ahead, the Commission is expected to consider a work plan for Phase 2 of the policy update process.

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

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

Changes in Commission membership due to term expirations have prompted corresponding onboarding activities. The LAFCO office is now fully staffed, with 4.0 FTE positions, including the promotion of the Associate Analyst to the Analyst position in August 2024. Additionally, the implementation of a training and professional development work plan for LAFCO staff is underway, ensuring continued growth, skill enhancement, and alignment with best practices in local government and land use planning.

Several key administrative activities and projects have been completed or are currently underway, including the annual financial audit, the annual report, and the development of a new LAFCO database to efficiently track public inquiries, manage the contacts directory, and improve overall workflow for application processing and management.

Projects that will not be completed by the end of the fiscal year will be incorporated into the proposed FY 2026 work plan to ensure their continued progress and completion in alignment with LAFCO's strategic objectives.

The LAFCO Annual Report for FY 2025 will be published at the close of the fiscal year. This report will document all applications reviewed and processed during the year and will highlight LAFCO's accomplishments, activities, and key projects undertaken or completed throughout the period.

STATUS OF FY 2024-2025 ADOPTED BUDGET

Attachment D includes the FY 2025 budget adopted by the Commission at a noticed public hearing on June 5, 2024, the status of LAFCO's expenditures and revenues as of February 25, 2025, and expenditure and revenue projections for end of FY 2025. The adopted LAFCO budget for FY 2025 is \$1,077,611. It is estimated that the total year-end projected expenditures for FY 2025 would be approximately 1% higher

than the adopted budget primarily due to promotion of the Associate Analyst to Analyst position, which was unanticipated at budget adoption. Staff anticipates that overall, year-end revenue for FY 2025 will be slightly higher than the amount budgeted. LAFCO has received the respective FY 2025 funds from the County, the cities and the independent special districts. The actual fund balance rolled over at the end of FY 2024 was higher at \$237,891, compared to the amount estimated (\$172,301) in the FY 2025 budget. The excess fund balance will be used to cover the extra expenditures, and the remainder unspent amount will carry over into FY 2026 and will be used to reduce net operating expenses that would in turn translate to reduced FY 2026 costs for contributing agencies.

PROPOSED WORK PLAN FOR FISCAL YEAR 2026

Attachment C includes the proposed work plan for FY 2026, as recommended by the Finance Committee, for consideration and adoption by the full commission.

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

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

Staff actively manages the workload in order to focus on accomplishing essential activities such as processing applications, completing projects currently underway, maintaining core administrative functions, tracking on-going projects and studies, supporting the commission and responding to local agency and public requests for assistance. Consistent with past practice, LAFCO's statutorily mandated activities take priority over administrative projects that are not statutorily required, and over proactive commission-initiated projects which are discretionary but support LAFCO's mission and statutory requirements.

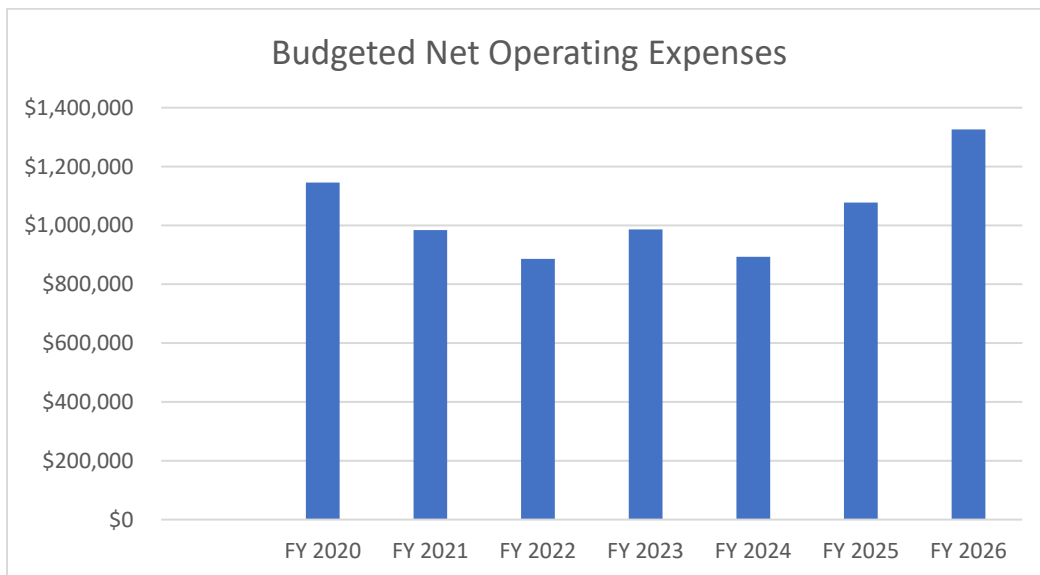
PROPOSED BUDGET FOR FISCAL YEAR 2026

Attachment D includes the proposed Budget for FY 2025-2026 as recommended by the Finance Committee, for consideration and adoption by the full commission. The Finance Committee conducted a thorough review of the work plan and budget and recognized the public benefit of LAFCO's work and the high demand for LAFCO's services from local agencies and the public. The Committee maintained its

commitment to ensure adequate resources that allow the Commission to fulfill its statutory responsibilities and accomplish its work plan while also limiting costs for LAFCO's funding agencies.

The overall projected expenditure for FY 2026 (\$1,464,666) in the proposed budget is 14% higher than the current year budgeted expenses (\$1,280,912). This increase in expenditures is largely due to the increase in the cost of salaries and benefits due to a position promotion that occurred in August 2024.

However, LAFCO's proposed net operating expense for FY 2026 is approximately 26% higher than the FY 2025 budgeted net operating expense. The primary reason for this is because the remaining fund balance (\$63,997) at the end of this year is at its lowest level in years. Since September 2023, the LAFCO office has been fully staffed with 4.0 FTEs and has not benefited from salary savings realized in previous years. Additionally, over the past two years, we have adopted more precise budgeting practices. As a result, year-end fund balances have been significantly smaller. This translates to a trend, starting in FY 2025, of rising operating expenses. While we began the current year with a slightly higher fund balance than anticipated, it has helped offset the additional expenditures from the increase in salary and benefits due to the unanticipated promotion.



DESCRIPTION OF FY 2024-2025 BUDGET LINE ITEMS

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

The following is a detailed itemization of the proposed budget.

EXPENDITURES

Expenditures are divided into two main sections: Staff Salaries and Benefits (Object 1) which comprise approximately 68% of the total expenditures; and Services and Supplies (Object 2).

OBJECT 1. SALARIES AND BENEFITS \$994,427

This line item supports the salaries and benefits for the 4.0 FTE positions including the Executive Officer position, a Senior Analyst position, an Analyst position, and a Clerk position. All four positions are currently staffed. LAFCO contracts with the County of Santa Clara for staffing and services and in accordance with the MOU between the County and LAFCO, all four positions are staffed through the County Executive’s Office. The proposed amount is based on the best available projections from the County at this time for salaries and benefits for the 4 positions. Any changes to the projections for the four positions that may occur within the next couple of months will be reflected in the Final LAFCO budget.

OBJECT 2. SERVICES AND SUPPLIES

5255100 Intra-County Professional \$12,000

This includes the costs for services from various County agencies such as the County Surveyor’s Office, the County Assessors’ Office, and the Registrar of Voters. The County Surveyor assists with map review and approval for boundary change proposals. In addition, the Surveyor’s Office also assists with research to resolve boundary discrepancies. The County Assessor’s Office prepares reports for LAFCO and the Registrar of Voters provides data necessary for processing LAFCO applications. This item also allows LAFCO to seek GIS mapping services including support and technical assistance from the County Planning Office, as necessary. This item also includes the approximate annual cost (\$7,806) associated with webcasting the regular LAFCO meetings held in the County Board of Supervisors Chambers. In February 2021, LAFCO and the County entered into an MOU regarding webcasting services and associated costs for LAFCO meetings. As a result of the pandemic and virtual meetings, webcasting of LAFCO meetings did not begin until April 2023.

5255800 Legal Counsel \$85,780

This item covers the cost for general legal services.

In February 2009, the Commission retained the firm of Best Best & Krieger for legal services on a monthly retainer. The contract was amended in 2010 to reduce the number of total hours required to 240 hours per year. The contract sets the hourly rate and allows for an annual automatic adjustment to the rates based on the Consumer Price Index (CPI). In 2017, the contract was once again amended to increase the monthly retainer cost and limit the CEQA work within the retainer to 24 hours annually. Any additional CEQA work above 24 hours would be charged outside the retainer at the same hourly rate.

The monthly retainer for FY 2026 increases to \$7,068, based on a 2.8% increase in the Consumer Price Index for the prior calendar year (2024). This item covers the annual retainer fees and includes additional monies to cover approximately 10 hours of work outside the retainer at the hourly rate of \$395.

5255500 Consultant Services \$175,000

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

5285700 Meal Claims \$1,000

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

5220200 Insurance \$8,000

This item is for the purpose of purchasing general liability insurance and workers' compensation coverage for LAFCO. In 2010, LAFCO switched from the County's coverage to the Special District Risk Management Authority (SDRMA), for the provision of general liability insurance. Additionally, LAFCO also obtains workers' compensation coverage for its commissioners from SDRMA. Workers' compensation for LAFCO staff is currently covered by the County and is part of the payroll charge.

The estimates for FY 2026 were not available from SDRMA as of writing this report. The Final budget will reflect any major revisions to these estimates.

5270100 Rent & Lease \$58,106

This item includes FY 2026 monthly rent for LAFCO office space located at 777 North First Street, Suite 420, San Jose. The original lease term for the office space expired on May 5, 2022. At its February 2, 2022 meeting, the Commission authorized the extension of the lease for a five-year period through April 30, 2027.

5250100 Office Expenses \$5,000

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

5255650 Data Processing Services \$24,443

This item includes estimated costs associated with County Technology Solutions & Services Department (TSS) providing IT services to the LAFCO program. According to TSS, the projected costs cover Telecom services for 5 phones- VOIP/Landline (\$2,280), Wireless Carrier Service (\$912), enterprise licensing including MS Adobe special order, Acrobat Pro and MS Visio monthly subscription (\$3,416), and other services (\$17,845) comprising Enterprise Content Management services and

solutions, Kronos support, Architecture and Innovation Services, Claranet services, Data Analytics and Visualizations, digital print and sccLearn. Any further revised cost estimates received from the County will be reflected in the Final LAFCO budget.

5225500 Commissioner's Fees \$10,000

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

5260100 Publications and Legal Notices \$1,000

This item is for costs associated with publication of hearing notices for LAFCO applications and other projects/ studies, as required by state law. This budgeted amount has been maintained at the same level as the current year.

5245100 Membership Dues \$15,000

This item includes CALAFCO – the California Association of LAFCOs membership dues. At its meeting in December 2023, the CALAFCO Board voted to approve a 3.1% rate adjustment to account for the CPI increase (June 2023 to June 2024), in accordance with the CALAFCO Bylaws. The FY 2026 membership dues for Santa Clara LAFCO is \$12,921.

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

5250750 Printing and Reproduction \$1,500

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

5285800 Business Travel \$21,000

This item includes funding for staff and commissioners to attend conferences and workshops. It would cover costs of air travel, accommodation, conference registration and other expenses at the conferences. CALAFCO annually holds a Staff Workshop (Location TBD, April 2026) and an Annual Conference (San Diego, October 2025) that is attended by commissioners as well as staff.

5285300 Private Automobile Mileage \$1,000

This item provides for mileage reimbursement when staff travels by private car to conduct site visits and attend meetings / training sessions. This budgeted amount has been maintained at the same level as the current year.

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

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

5281600 Overhead \$37,324

This overhead charge is established by the County Controller's Office, for service rendered by various County departments that do not directly bill LAFCO. The overhead includes LAFCO's share of the County's FY 2026 Cost Allocation Plan

which is based on actual overhead costs from FY 2024 – the most recent year for which actual costs are available. The overhead amount includes the following charges from:

County Executive’s Office:	\$5,998
Controller-Treasurer:	\$10,157
Employee Services Agency:	\$10,877
OBA:	\$423
BHS-MH - Employee:	\$62
TSS Intragovernmental Service:	\$1,196
Technology Services & Solutions:	\$1,354
Procurement:	\$124
Equal Opp. (County Counsel):	\$1,468
CoB – Harvey Rose Mgt Audit:	\$34

Further, a “roll forward” is applied which is calculated by comparing FY 2024 Cost Plan estimates with FY 2024 actuals. The FY 2024 cost estimates were lower than the actuals by \$4,746; this amount is added to the FY 2026 Cost Plan. This is a state requirement.

5275200 Computer Hardware \$4,000

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

5250800 Computer Software \$4,000

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

5250250 Postage \$500

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

5252100 Training Programs \$2,000

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

REVENUES

4103400 Application Fees \$25,000

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

4301100 Interest \$10,000

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

3400150 Fund Balance from Previous Fiscal Year (i.e., FY 2025) \$63,997

It is projected that there will be a savings or fund balance of approximately \$63,997 at the end of the current year, which will be carried over to reduce the proposed Fiscal Year 2026 costs for LAFCO's funding agencies (cities, independent special districts and the County).

Projected Year-End [FY 2025] Fund Balance = (Projected Year-End [FY 25] Revenue + Actual Fund Balance from Previous Fiscal Year [FY 24] + Funds Received from Local Agencies in FY 25) - (Projected Year-End [FY 25] Expenses)

$$= (\$41,074 + \$237,891 + \$1,077,611) - \$1,292,579$$

$$= \$63,997$$

The fund balance excludes the reserves.

RESERVES

3400800 Reserves Available \$200,000

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

The Reserves amount was held at \$250,000 since FY 2020 to timely implement potential recommendations from the Comprehensive Organizational Assessment, and as a tentative measure in recognition that LAFCO operates in an increasingly complex and controversial environment.

In FY 2022, LAFCO reduced the Reserves from \$250,000 to \$200,000, in order to further reduce costs to local agencies given the COVID -19 related economic hardships; and has maintained the reserve level at \$200,000 since then. The Finance Committee recommends maintaining the current level of reserves for FY 2026. This places the proposed Reserve amount at approximately 14% of the total FY 2026 expenditures. LAFCO has not adopted a Reserves policy, however as an independent agency, LAFCO should maintain sufficient reserves for flexibility and stability in the event of unanticipated needs.

FY 2026 NET OPERATING EXPENSES

FY 2026 Net Operating Expenses = (Proposed FY 2026 Expenditures) - (Proposed FY 2026 Fee & Interest Revenues + Projected Fund Balance from FY 2025)

$$= (\$1,464,666) - (\$35,000 + \$63,997)$$

$$= \$1,365,669$$

The projected operating expense for FY 2026 is based on projected expenditures and revenues as well as on estimated fund balance for the current year. Further revisions may be needed as we get a better indication of current year expenses/revenues towards the end of this fiscal year. Additionally, a more accurate projection of costs/revenues for the upcoming fiscal year could become available, particularly for employee salary and benefits. This could result in changes to the proposed net operating expenses for FY 2026 which will be reflected in the Final budget and which could in turn impact the costs for each of LAFCO's funding agencies.

COST APPORTIONMENT TO CITIES, INDEPENDENT SPECIAL DISTRICTS AND COUNTY

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

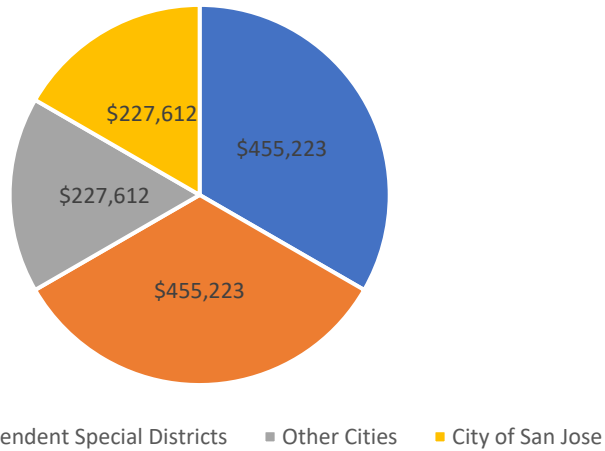
The City of San Jose has permanent membership on LAFCO pursuant to Government Code Section 56327. As required by Government Code §56381.6(b), the City of San Jose's share of LAFCO costs must be in the same proportion as its member bears to the total membership on the commission, excluding the public member. The remaining cities' share must be apportioned in proportion to each city's total revenues, as reported in the most recent edition of the Cities Annual Report published by the Controller, as a percentage of the combined city revenues within a county.

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

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

The following is a draft apportionment to the agencies based on the proposed net operating expenses for FY 2026.

Proposed Net Operating Expenses for FY 2026



Apportionment of the costs among the 14 cities and among the 17 independent special districts will be calculated by the County Controller’s Office after LAFCO adopts the final budget in June. In order to provide each of the cities and districts with a general indication of their costs in advance, **Attachment E** includes draft estimated apportionments, based on the proposed FY 2026 net operating expenses and the FY 2022-2023 Cities Annual Report from the State Controller’s Office. The final apportionments will be prepared by the County Controller’s Office based on the latest available Cities Annual Report.

ATTACHMENTS

- Attachment A: Status of FY 2025 Work Plan
- Attachment B: LAFCO Financials 2008-2024
- Attachment C: Proposed Work Plan for Fiscal Year 2026
- Attachment D: Proposed LAFCO Budget for Fiscal Year 2026
- Attachment E: Estimated FY 2026 Costs to Agencies

STATUS OF CURRENT YEAR WORK PLAN (FISCAL YEAR 2025)

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

	PROJECT DESCRIPTION	ACTIVITIES / TIMELINE	RESOURCES	PRIORITY*	STATUS
LAFCO APPLICATIONS	Process applicant-initiated LAFCO proposals	Encourage pre-application meetings prior to application submittal Conduct pre-agenda meetings with County Depts to obtain Assessor & Surveyor reports, as needed Process applications per CKH Act: issue Notice of Application, Certificate of Filing / Sufficiency, Public Hearing Notice, staff report, conduct protest proceedings, as needed	Staff	H	Several pre-application meetings held (districts reorganization, mutual water company consolidation) Processing a reorganization application
	Comment on potential LAFCO applications, relevant projects & development proposals, city General Plan updates and/ or related environmental documents	Ongoing, as needed	Staff	H	Ongoing (comment letter re. a private water company service area expansion)
	Comprehensive review and update LAFCO policies for context, clarity and consistency with State law	In progress	Staff / Ad Hoc Committee	H	Phase 1 completed in December 2024 Phase 2 will begin soon
	Develop agricultural worker housing policies	Completed as part of Phase 1		H	December 2024
	Prepare flowcharts for LAFCO processes and update application packets and application fee schedules for current requirements and ease of public use	Upon completion of policies update	Staff	L	Internal application processing checklists updated

STATUS OF CURRENT YEAR WORK PLAN (FISCAL YEAR 2025)

	PROJECT DESCRIPTION	ACTIVITIES / TIMELINE	RESOURCES	PRIORITY*	STATUS	
ISLAND ANNEXATIONS	Conduct outreach to cities with islands, follow up on responses including review/research of city limits/ USA boundaries, provide assistance with annexations or necessary USA amendments	Prepare and distribute island maps to cities	Staff	L	As needed	
	Review and finalize city-conducted island annexations	Ongoing, as needed	Staff	H	As needed	
OUTREACH, GOVERNMENT / COMMUNITY RELATIONS & CUSTOMER SERVICE	Conduct outreach to increase awareness of LAFCO's role	Presentations on LAFCO to cities, other agencies or organizations, focus on South County communities, as relevant	Staff	L	Presentations provided upon request: Leadership Sunnyvale (12/24), Leadership Morgan Hill (3/25)	
		Distribute LAFCO communications material to elected officials and staff of cities, special districts and the County		M		
		Seek exhibit opportunities at public spaces / events		L		Ongoing
		Maintain website as the primary information resource on LAFCO		H		Website updated
	Engage and establish relationships with local (cities, districts, county), regional (ABAG/MTC), state (SGC, OPR, DoC, SWRCB) agencies, organizations such as SDA, SCCAPO, CALAFCO, other stakeholder groups	Attend regular meetings of SDA (quarterly), SCCAPO (monthly), County Planning Dept.(quarterly)	Staff	L	Ongoing	
		Small water systems issues / legislation		M		Ongoing meetings
		Collaborate with agencies and entities with goals common to LAFCO		M		
	Track LAFCO related legislation	EO attend CALAFCO Legislative Committee Meetings	Staff	L	AB 3277 SB1209	
		Commission takes positions and submit letters on proposed legislation		M		

STATUS OF CURRENT YEAR WORK PLAN (FISCAL YEAR 2025)

	PROJECT DESCRIPTION	ACTIVITIES / TIMELINE	RESOURCES	PRIORITY*	STATUS
	Respond to public enquiries re. LAFCO policies, procedures and application filing requirements	Timely response to public inquiries Update the PRA form for the website Document research on complex inquiries Report to Commission on complex inquiries	Staff	H L L H	Ongoing
SERVICE REVIEWS, SPECIAL STUDIES & SPHERE OF INFLUENCE UPDATES	Countywide Fire Service Review	Follow up with agencies on implementation of recommendations and report back to the commission	Staff	H	First round completed, ongoing for Table B recommendations
	Countywide Water and Wastewater Service Review	Develop water/wastewater service review workplan and identify method for consultant selection	Staff	M	Upon completion of service review policies revision in Phase 2
	Continue to monitor implementation of recommendations from previous service reviews and conduct special studies, as necessary	RRRPD study – city took action to delay decision on consolidation	Staff	L	Pending city action
	Map Mutual Water companies	Initial maps complete, further work through service review	Staff	L	As needed
	Engage in or support grant/partnership opportunities on issues related to enhancing viability of agriculture, and climate smart growth	As needed, and as opportunities arise	Staff	L	As needed
	Compile and post JPA filings on the LAFCO website	Notice provided, gather JPA information through service review process	Staff	L	JPA information obtained from Fire Service Review

STATUS OF CURRENT YEAR WORK PLAN (FISCAL YEAR 2025)

	PROJECT DESCRIPTION	ACTIVITIES / TIMELINE	RESOURCES	PRIORITY*	STATUS
COMMISSION SUPPORT	Provide ongoing support to the 12 commissioners for regularly scheduled Commission meetings, special meetings and Committee meetings (Finance Committee, Ad Hoc Committee on Policies and the Fire Service Review TAC)	<p>Prepare and distribute public hearing notices and agenda packets, provide staff support during the meetings, record minutes, broadcast meetings</p> <p>Hold pre-agenda review meeting with Chair</p> <p>Hold pre-meeting calls with individual commissioners to address agenda item questions</p> <p>Process commissioner per diems for attendance at LAFCO meetings</p>	Staff	H	<p>Ongoing</p> <p>Began webcasting LAFCO meetings in June 2023</p>
	Keep the Commission informed	<p>EO report, off-agenda emails, as needed</p> <p>Provide ongoing educational opportunities / events including presentation from local agencies</p>	Staff	H	Ongoing
	Onboarding new Commissioners	<p>Facilitate filing / completion of Form 700, commissioner pledge, ethics training.</p> <p>Update LAFCO letterhead, directory, and website</p> <p>Set up vendor accounts, provide parking permits</p> <p>Conduct new Commissioner orientation</p> <p>Recognize outgoing commissioners for service on LAFCO</p>	Staff	H	Ongoing - as needed

STATUS OF CURRENT YEAR WORK PLAN (FISCAL YEAR 2025)

	PROJECT DESCRIPTION	ACTIVITIES / TIMELINE	RESOURCES	PRIORITY*	STATUS
	Commissioners Selection Process	Inform appointing bodies of any upcoming vacancies and provide information on appointment criteria Convene ISDSC committee meeting, as necessary Coordinate public member selection process, as necessary	Staff	H	Cities Selection Committee appointments in January 2025 ISDSC to be convened in April – May 2025
	Conduct a Strategic Planning Workshop	2018 Workshop re. LAFCO Communications and Outreach Plan	Staff / Consultant	L	TBD
	Commissioner participation in CALAFCO	Support commissioner participation in CALAFCO activities / or election to the CALAFCO Board	Staff	L	Attended CALAFCO Annual Conference Commissioner participated as moderator for a general session
ADMINISTRATIVE PROJECTS	Prepare LAFCO annual work plan	March –June 2025	Staff	H	In progress
	Prepare LAFCO annual budget	March –June 2025	Staff	H	In progress
	Prepare LAFCO Annual Report	August 2024	Staff	H	Completed in October 2024
	Prepare LAFCO Annual Financial Audit	August 2024	Consultant / Staff	H	Completed in February 2025
	Office / facility management	Coordinate with Building Manager on facilities issues Coordinate with County re. computers/network, phone, printers, office security, procurement, installation & maintenance Order and manage office supplies	Staff	H	Ongoing

STATUS OF CURRENT YEAR WORK PLAN (FISCAL YEAR 2025)

	PROJECT DESCRIPTION	ACTIVITIES / TIMELINE	RESOURCES	PRIORITY*	STATUS
ADMINISTRATIVE PROJECTS		<p>Make travel arrangements and process expense reimbursements.</p> <p>Process mileage reimbursements</p> <p>Office space lease extended (lease extended through April 30, 2027)</p>			
	Records management	<p>Organize scan of LAFCO records to Electronic Document Management System (LaserFische)</p> <p>Maintain LAFCO's hard copy records</p> <p>Maintain and enhance the LAFCO Website</p> <p>Maintain LAFCO database</p>	<p>Staff/ Consultant</p> <p>Staff</p>	<p>H</p> <p>H</p> <p>H</p> <p>H</p>	<p>On hold</p> <p>Website content updates completed</p> <p>Service agreement with Assura to develop a database to track public inquiries, manage contacts directory, process applications</p>
	Contracts and payments & receivables	<p>Track consultant contracts and approve invoices</p> <p>Approve vendor invoices / process annual payments for various services/ memberships</p> <p>Coordinate with County Controller's Office and track annual collection of payments from member agencies</p>	Staff	H	Ongoing
	Review and update LAFCO bylaws / administrative policies and procedures	Ongoing, as needed	Staff	H	Ongoing, and part of Phase 2 policies revision

STATUS OF CURRENT YEAR WORK PLAN (FISCAL YEAR 2025)

	PROJECT DESCRIPTION	ACTIVITIES / TIMELINE	RESOURCES	PRIORITY*	STATUS
	Staff training and development	CALAFCO workshops, conferences, relevant courses	Staff	M	Served on CALAFCO Conference Planning Committee (10/24), coordinated session on environmental justice Served on Workshop Planning Committee (4/25), coordinating session on island annexations
		Training of new LAFCO Clerk		H	Ongoing
		Implementation of the work plan for staff professional development		H	Ongoing
	Coordinate with County on administrative issues	Attend monthly meetings with the Deputy County Executive	Staff	H	Ongoing
	Staff performance evaluation	April - December 2024	Staff/ Commission	H	Completed in February 2025
	Other administrative functions mandated of a public agency (Form 700 annual filing & AB 1234 training compliance, Form 806, maintaining liability/workers comp insurance, etc.)	Ongoing	Staff	H	Ongoing

ITEM # 6
Attachment B

FY 2008 - FY 2024 LAFCO FINANCIALS

ITEM NO.	TITLE	ACTUALS FY 2008	ACTUALS FY 2009	ACTUALS FY 2010	ACTUALS FY 2011	ACTUALS FY 2012	ACTUALS FY 2013	ACTUALS FY 2014	ACTUALS FY 2015	ACTUALS FY 2016	ACTUALS FY 2017	ACTUALS FY 2018	ACTUALS FY 2019	ACTUALS FY 2020	ACTUALS FY 2021	ACTUALS FY 2022	ACTUALS FY 2023	ACTUALS FY 2024
EXPENDITURES																		
	Salary and Benefits	\$356,009	\$400,259	\$406,650	\$413,966	\$393,194	\$411,929	\$450,751	\$466,755	\$484,216	\$514,381	\$628,534	\$713,900	\$744,439	\$730,716	\$639,099	\$697,700	\$823,668
Object 2:	Services and Supplies																	
5255100	Intra-County Professional	\$66,085	\$57,347	\$13,572	\$4,532	\$6,118	\$5,260	\$5,663	\$4,379	\$18,523	\$1,292	\$703	\$3,593	\$346	\$201	\$354	\$3,785	\$9,107
5255800	Legal Counsel	\$0	\$9,158	\$67,074	\$52,440	\$48,741	\$56,791	\$53,550	\$52,854	\$57,498	\$71,131	\$59,400	\$72,276	\$69,975	\$65,791	\$78,977	\$78,326	\$80,945
5255500	Consultant Services	\$19,372	\$75,000	\$76,101	\$58,060	\$102,349	\$59,563	\$35,602	\$37,250	\$39,625	\$0	\$45,000	\$52,650	\$106,709	\$41,966	\$25,389	\$106,867	\$55,742
5285700	Meal Claims	\$0	\$368	\$277	\$288	\$379	\$91	\$228	\$209	\$367	\$50	\$901	\$257	\$166	\$0	\$56	\$1,473	\$273
5220100	Insurance	\$491	\$559	\$550	\$4,582	\$4,384	\$4,378	\$4,231	\$4,338	\$4,135	\$4,679	\$4,893	\$5,296	\$5,893	\$10,452	\$8,591	\$7,042	\$14,982
1151	Office Expenses	\$1,056	\$354	\$716	\$639	\$1,212	\$536	\$850	\$783	\$6,266	\$48,632	\$15,412	\$4,702	\$2,544	\$1,151	\$1,462	\$2,211	\$3,878
5270100	Rent and Lease										\$41,120	\$39,360	\$44,478	\$46,254	\$47,903	\$53,172	\$54,766	
5255650	Data Processing Services	\$8,361	\$3,692	\$3,505	\$1,633	\$3,384	\$1,663	\$3,311	\$9,024	\$1,519	\$6,869	\$877	\$11,894	\$15,500	\$21,223	\$18,125	\$27,297	\$24,183
5225500	Commissioners' Fee	\$5,700	\$5,400	\$3,500	\$3,400	\$4,000	\$4,900	\$5,800	\$4,900	\$6,700	\$5,300	\$5,400	\$5,000	\$4,600	\$6,100	\$4,200	\$4,500	\$6,300
5260100	Publications and Legal Notices	\$1,151	\$563	\$1,526	\$363	\$916	\$222	\$378	\$2,484	\$487	\$191	\$145	\$192	\$44	\$90	\$704	\$470	\$134
5245100	Membership Dues	\$5,500	\$7,000	\$7,000	\$7,000	\$7,000	\$14,473	\$0	\$7,428	\$7,577	\$8,107	\$8,674	\$9,615	\$11,822	\$12,144	\$12,316	\$12,921	\$13,936
5250750	Printing and Reproduction	\$5	\$0	\$0	\$0	\$0	\$0	\$9	\$177	\$703	\$0	\$0	\$0	\$799	\$0	\$0	\$435	\$202
5285800	Business Travel	\$7,238	\$8,415	\$4,133	\$8,309	\$3,095	\$4,777	\$5,800	\$4,042	\$5,811	\$3,877	\$13,091	\$4,260	\$6,908	\$0	\$0	\$4,933	\$12,612
5285300	Private Automobile Mileage	\$1,016	\$704	\$832	\$1,185	\$615	\$424	\$409	\$396	\$1,009	\$1,264	\$590	\$689	\$696	\$61	\$0	\$42	\$542
5285200	Transportation&Travel (County Car Usage	\$894	\$948	\$629	\$0	\$384	\$250	\$371	\$293	\$559	\$605	\$0	\$328	\$256	\$0	\$0	\$323	\$0
5281600	Overhead	\$42,492	\$62,391	\$49,077	\$46,626	\$60,647	\$43,133	\$42,192	\$34,756	\$49,452	\$0	\$28,437	\$69,944	\$4,505	\$30,917	\$49,173	\$30,041	\$20,346
5275200	Computer Hardware	\$0	\$451	\$0	\$83	\$2,934	\$1,791	\$2,492	\$0	\$106	\$0	\$0	\$773	\$0	\$0	\$0	\$0	\$0
5250800	Computer Software	\$0	\$0	\$626	\$314	\$579	\$3,124	\$933	\$1,833	\$2,079	\$754	\$4,505	\$3,012	\$1,200	\$4,708	\$1,753	\$1,843	\$1,203
5250250	Postage	\$1,160	\$416	\$219	\$568	\$309	\$589	\$246	\$597	\$411	\$209	\$183	\$117	\$73	\$184	\$159	\$42	\$30
5252100	Staff Training Programs	\$0	\$665	\$491	\$250	\$300	\$0	\$0	\$1,431	\$0	\$0	\$0	\$350	\$525	\$70	\$70	\$35	\$0
5701000	Reserves	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL EXPENDITURES		\$516,530	\$633,691	\$636,478	\$604,238	\$640,540	\$613,895	\$612,816	\$633,929	\$687,043	\$667,342	\$857,865	\$998,208	\$1,021,478	\$972,028	\$888,331	\$1,033,458	\$1,122,849
REVENUES																		
4103400	Application Fees	\$46,559	\$41,680	\$35,576	\$48,697	\$37,426	\$45,458	\$63,561	\$27,386	\$146,168	\$20,436	\$29,864	\$33,049	\$7,587	\$34,622	\$41,847	\$19,637	\$27,615
4301100	Interest: Deposits and Investments	\$24,456	\$16,230	\$6,688	\$4,721	\$4,248	\$3,416	\$2,674	\$2,844	\$6,073	\$10,830	\$12,620	\$12,141	\$18,176	\$10,488	\$7,831	\$25,401	\$32,352
TOTAL REVENUES		\$71,015	\$57,911	\$42,264	\$53,418	\$41,674	\$48,873	\$66,235	\$30,230	\$152,241	\$31,266	\$42,484	\$45,190	\$25,763	\$45,110	\$49,678	\$45,038	\$59,967
AVAILABLE FUND BALANCE																		
3400150	END OF YEAR	\$271,033	\$368,800	\$334,567	\$275,605	\$209,987	\$208,219	\$160,052	\$226,111	\$187,310	\$293,489	\$331,177	\$314,693	\$352,123	\$312,351	\$410,027	\$407,583	\$237,891
3400800	RESERVES AVAILABLE				\$100,000	\$100,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$250,000	\$250,000	\$200,000	\$200,000	\$200,000
BUDGETED COSTS TO AGENCIES																		
5440200	County	\$271,641	\$270,896	\$267,657	\$292,601	\$298,597	\$281,780	\$156,002	\$187,521	\$220,668	\$225,778	\$266,298	\$277,942	\$381,904	\$327,928	\$295,443	\$328,658	\$297,729
4600100	Cities (San Jose 50% +other cities 50%)	\$271,641	\$270,896	\$267,657	\$292,601	\$298,597	\$282,625	\$156,002	\$187,521	\$220,668	\$225,778	\$266,298	\$277,942	\$381,904	\$327,928	\$295,443	\$328,658	\$297,729
4600100	Independent Special Districts							\$296,892	\$187,521	\$220,668	\$225,778	\$266,298	\$277,942	\$381,904	\$327,928	\$295,443	\$328,658	\$297,729

PROPOSED WORK PLAN FOR FISCAL YEAR 2026

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

	PROJECT DESCRIPTION	ACTIVITIES / TIMELINE	RESOURCES	PRIORITY*
LAFCO APPLICATIONS	Process applicant-initiated LAFCO proposals	Encourage pre-application meetings prior to application submittal Conduct pre-agenda meetings with County Depts. to obtain Assessor & Surveyor reports, as needed Process applications per CKH Act requirements: issue Notice of Application, Certificate of Filing / Sufficiency, Public Hearing Notice, staff report, conduct protest proceedings, as needed	Staff	H
	Comment on potential LAFCO applications, relevant projects & development proposals, city General Plan updates and/ or related environmental documents	Ongoing, as needed	Staff	H
	Comprehensive review and update of LAFCO policies for context, clarity and consistency with State law – Phase 2	Develop a Phase 2 workplan /timeline for commission consideration	Staff	H
	Prepare flowcharts for LAFCO processes and update application packets and application fee schedules for current requirements and ease of public use	Upon completion of policies update	Staff	L
ISLAND ANNEXATIONS	Conduct outreach to cities with islands, follow up on responses including review/research of city limits/ USA boundaries, and provide assistance with annexations or necessary USA amendments	Prepare and distribute island maps to cities	Staff	L
	Review and finalize city-conducted island annexations	Ongoing, as needed	Staff	H

PROPOSED WORK PLAN FOR FISCAL YEAR 2026

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

PROPOSED WORK PLAN FOR FISCAL YEAR 2026

	PROJECT DESCRIPTION	ACTIVITIES / TIMELINE	RESOURCES	PRIORITY*
SERVICE REVIEWS, SPECIAL STUDIES & SPHERE OF INFLUENCE UPDATES	Countywide Fire Service Review	Work with interested agencies on implementing recommendations requiring LAFCO action (Table B Recommendations)	Staff	H
	Countywide Water and Wastewater Service Review	Develop water/wastewater service review workplan and identify method for consultant selection	Staff	M
	Continue to monitor implementation of recommendations from previous service reviews and conduct special studies, as necessary	RRRPD study – city took action to delay decision on consolidation	Staff	L
	Map Mutual Water companies	Initial maps complete, further through service review	Staff	L
	Engage in or support grant / partnership opportunities on issues related to enhancing viability of agriculture, and climate smart growth	As needed, and as opportunities arise	Staff	L
	Compile and post JPA filings on the LAFCO website	Notice provided, gather JPA information through service review process	Staff	L

PROPOSED WORK PLAN FOR FISCAL YEAR 2026

	PROJECT DESCRIPTION	ACTIVITIES / TIMELINE	RESOURCES	PRIORITY*
COMMISSION SUPPORT	Provide ongoing support to the 12 commissioners for regularly scheduled Commission meetings, special meetings and Committee meetings (Finance Committee, Technical Advisory Committees or Ad-Hoc Committees)	Prepare and distribute public hearing notices and agenda packets, provide staff support during the meetings, record minutes, broadcast meetings Hold pre-agenda review meeting with Chair Hold pre-meeting calls with individual commissioners to address agenda item questions and prepare meeting script for Chair Process commissioner per diems for attendance at LAFCO meetings	Staff	H
	Keep the Commission informed	EO report Off-agenda emails, as needed Provide ongoing educational opportunities/events, including presentations from local agencies	Staff	H
	Onboarding new Commissioners	Facilitate filing / completion of Form 700, commissioner pledge, ethics training Update LAFCO letterhead, directory, and website Set up vendor accounts, provide parking permits Conduct new Commissioner orientation Recognize outgoing commissioners for LAFCO service Organize Commissioner / staff Luncheon	Staff	H
	Commissioners Selection Process	Inform appointing bodies of any upcoming vacancies and provide information on appointment criteria Convene ISDSC committee meeting, as necessary Coordinate public member selection process, as necessary	Staff	H
	Commissioner participation in CALAFCO	Support commissioner participation in CALAFCO activities / or election to the CALAFCO Board	Staff	L

PROPOSED WORK PLAN FOR FISCAL YEAR 2026

	PROJECT DESCRIPTION	ACTIVITIES / TIMELINE	RESOURCES	PRIORITY*
ADMINISTRATIVE PROJECTS	Prepare LAFCO annual work plan	March - June 2025	Staff/Finance Committee	H
	Prepare LAFCO annual budget	March - June 2025	Staff/Finance Committee	H
	Prepare LAFCO Annual Report	August 2025	Staff	H
	Conduct a Strategic Planning Workshop	Most recent workshop in 2018 re. LAFCO Communications and Outreach Plan	Staff / Consultant	L
	Prepare LAFCO Annual Financial Audit	October 2025 (Contract with Chavan Associates extended for FY 2024 thru FY 2027)	Consultant / Staff	H
	Office / facility management	Coordinate with Building Manager on facilities issues Coordinate with County re. computers/network, phone, printers, office security, procurement, installation & maintenance Order and manage office supplies Make travel arrangements and process expense reimbursements. Process mileage reimbursements Office space lease through April 30, 2027	Staff	H
	Records management	Organize scan of LAFCO records to Electronic Document Management System (Laserfiche) Maintain LAFCO's hard copy records Maintain and enhance the LAFCO Website Maintain LAFCO database	Staff/ Consultant Staff	H H H H
	Contracts and payments & receivables	Track consultant contracts and approve invoices Approve vendor invoices / process annual payments for various services/ memberships Coordinate with County Controller's Office and track annual collection of payments from member agencies	Staff	H

PROPOSED WORK PLAN FOR FISCAL YEAR 2026

	PROJECT DESCRIPTION	ACTIVITIES / TIMELINE	RESOURCES	PRIORITY*
ADMINISTRATIVE PROJECTS	Review and update LAFCO bylaws / administrative policies and procedures	Ongoing, as needed, and as part of Phase 2 Policies Revision	Staff	H
	Staff training and development	CALAFCO workshops, conferences, relevant courses	Staff	H
		Implementation of the work plan for staff professional development		H
		Staff retreat for team bonding and staff development		M
	Coordinate with County on administrative issues	Attend monthly meetings with the Deputy County Executive	Staff	H
	Staff and EO performance evaluation	May – December 2025	Staff/Commission	H
Other administrative functions mandated of a public agency (Form 806, maintaining liability/workers comp insurance, etc.)	Ongoing	Staff	H	

**PROPOSED LAFCO BUDGET
FISCAL YEAR 2025- 2026**

ITEM #	TITLE	APPROVED BUDGET FY 2025	ACTUALS Year to Date 2/25/2025	PROJECTIONS Year End FY 2025	PROPOSED BUDGET FY 2026
EXPENDITURES					
Object 1:	Salary and Benefits	\$862,484	\$580,917	\$946,609	\$994,427
Object 2:	Services and Supplies				
5255100	Intra-County Professional	\$10,000	\$0	\$10,000	\$12,000
5255800	Legal Counsel	\$85,780	\$48,125	\$82,000	\$88,766
5255500	Consultant Services	\$150,000	\$18,525	\$100,000	\$175,000
5285700	Meal Claims	\$750	\$139	\$700	\$1,000
5220100	Insurance	\$6,737	\$0	\$0	\$8,000
5250100	Office Expenses	\$5,000	\$1,887	\$4,000	\$5,000
5270100	Rent & Lease	\$56,416	\$42,102	\$56,416	\$58,106
5255650	Data Processing Services	\$22,517	\$16,832	\$22,517	\$24,443
5225500	Commissioners' Fee	\$10,000	\$3,800	\$8,000	\$10,000
5260100	Publications and Legal Notices	\$1,000	\$702	\$1,000	\$1,000
5245100	Membership Dues	\$14,509	\$14,318	\$14,318	\$15,000
5250750	Printing and Reproduction	\$1,500	\$416	\$1,500	\$1,500
5285800	Business Travel	\$21,000	\$6,078	\$16,000	\$21,000
5285300	Private Automobile Mileage	\$1,000	\$497	\$800	\$1,000
5285200	Transportation&Travel (County Car Usage)	\$600	\$0	\$300	\$600
5281600	Overhead	\$21,119	\$10,594	\$21,119	\$37,324
5275200	Computer Hardware	\$4,000	\$0	\$2,000	\$4,000
5250800	Computer Software	\$4,000	\$2,261	\$4,000	\$4,000
5250250	Postage	\$500	\$24	\$300	\$500
5252100	Staff/Commissioner Training Programs	\$2,000	\$0	\$1,000	\$2,000
5701000	Reserves	\$0	\$0	\$0	\$0
TOTAL EXPENDITURES		\$1,280,912	\$747,217	\$1,292,579	\$1,464,666
REVENUES					
4103400	Application Fees	\$25,000	\$21,074	\$21,074	\$25,000
4301100	Interest: Deposits and Investments	\$6,000	\$19,711	\$20,000	\$10,000
TOTAL REVENUE		\$36,000	\$40,785	\$41,074	\$35,000
3400150	FUND BALANCE FROM PREVIOUS FY	\$172,301	\$237,891	\$237,891	\$63,997
NET LAFCO OPERATING EXPENSES		\$1,077,611	\$468,541	\$1,013,614	\$1,365,669
3400800	RESERVES Available	\$200,000	\$200,000	\$200,000	\$200,000
COSTS TO AGENCIES					
5440200	County	\$359,204	\$359,204	\$359,204	\$455,223
4600100	Cities (San Jose 50% + Other Cities 50%)	\$359,204	\$359,204	\$359,204	\$455,223
4600100	Special Districts	\$359,204	\$359,204	\$359,204	\$455,223

LAFCO COST APPORTIONMENT: COUNTY, CITIES, SPECIAL DISTRICTS
Estimated Costs to Agencies Based on the Preliminary FY 2026 LAFCO Budget

Preliminary Net Operating Expenses for FY 2026				\$1,365,669
JURISDICTION	REVENUE PER 2022/2023 REPORT	PERCENTAGE OF TOTAL REVENUE	ALLOCATION PERCENTAGES	ALLOCATED COSTS
County	N/A	N/A	33.3333333%	\$455,223.00
Cities Total Share			33.3333333%	\$455,223.00
San Jose	N/A	N/A	50.0000000%	\$227,611.50
Other cities share			50.0000000%	\$227,611.50
Campbell	\$81,150,037	1.8865076%		\$4,293.91
Cupertino	\$131,485,364	3.0566608%		\$6,957.31
Gilroy	\$127,015,477	2.9527487%		\$6,720.80
Los Altos	\$72,145,869	1.6771863%		\$3,817.47
Los Altos Hills	\$21,047,529	0.4892952%		\$1,113.69
Los Gatos	\$66,269,927	1.5405874%		\$3,506.55
Milpitas	\$214,374,038	4.9835868%		\$11,343.22
Monte Sereno	\$5,142,039	0.1195378%		\$272.08
Morgan Hill	\$130,786,193	3.0404071%		\$6,920.32
Mountain View	\$449,519,762	10.4500562%		\$23,785.53
Palo Alto	\$834,039,393	19.3890442%		\$44,131.69
Santa Clara	\$1,431,529,099	33.2789808%		\$75,746.78
Saratoga	\$37,994,793	0.8832709%		\$2,010.43
Sunnyvale	\$699,101,862	16.2521303%		\$36,991.72
Total Cities (excluding San Jose)	\$4,301,601,382	100.0000000%		\$227,611.50
Total Cities (including San Jose)				\$455,223.00
Special Districts Total Share		(Fixed %)	33.3333333%	\$455,223.00
Aldercroft Heights County Water District		0.06233%		\$283.74
Burbank Sanitary District		0.15593%		\$709.83
Cupertino Sanitary District		2.64110%		\$12,022.89
El Camino Healthcare District		4.90738%		\$22,339.52
North Santa Clara Resource Conservation District		0.04860%		\$221.24
Lake Canyon Community Services District		0.02206%		\$100.42
Lion's Gate Community Services District		0.22053%		\$1,003.90
Loma Prieta Resource Conservation District		0.02020%		\$91.96
Midpeninsula Regional Open Space District		5.76378%		\$26,238.05
Purissima Hills Water District		1.35427%		\$6,164.95
Rancho Rinconada Recreation and Park District		0.15988%		\$727.81
San Martin County Water District		0.04431%		\$201.71
Santa Clara Valley Open Space Authority		1.27051%		\$5,783.65
Santa Clara Valley Water District		81.44126%		\$370,739.36
Saratoga Cemetery District		0.32078%		\$1,460.26
Saratoga Fire Protection District		1.52956%		\$6,962.91
South Santa Clara Valley Memorial District		0.03752%		\$170.80
Total Special Districts		100.00000%		\$455,223.00
Total Allocated Costs				\$1,365,669.00



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of Santa Clara County**

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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 # 7

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

Executive Officer
Neelima Palacherla

LAFCO MEETING: April 2, 2025
TO: LAFCO
**FROM: Neelima Palacherla, Executive Officer
Dunia Noel, Asst. Executive Officer**
**SUBJECT: PROPOSED WORK PLAN: PHASE 2 - COMPREHENSIVE
REVIEW AND UPDATE OF LAFCO POLICIES**

STAFF RECOMMENDATION

Approve the work plan for Phase 2 Comprehensive Review and Update of LAFCO Policies, and provide direction, as necessary.

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

The first phase of the Comprehensive Review and Update of LAFCO Policies focused on reviewing and updating, as necessary, the key policies that apply to processing typical LAFCO application. On December 4, 2024, LAFCO completed Phase 1 with the adoption of the updated:

- Chapter 2: Sphere of Influence (SOI) Policies
- Chapter 3: Urban Service Area (USA) Policies
- Chapter 4: Annexation, Detachment, and Reorganization Policies
- Chapter 5: Out-of-Agency Services by Contract

- Chapter 6: Island Annexation Policies
- Chapter 7: Agricultural Land Preservation and Mitigation Policies
- Chapter 8: Urban Growth Boundaries (UGB)

Chapter 1 is the Countywide Urban Development Policies (reaffirmed by LAFCO Resolution No. 2022-07 on April 6, 2022)

Phase 2 Underway

Phase 2 of the project will focus on the review and update, as necessary, of LAFCO's remaining policies, including service review policies, indemnification policy, other policies such as incorporation policies that are used less frequently, and policies and procedures that are related to administrative functions. Phase 2 is underway, with LAFCO staff having conducted a preliminary review of said policies and developed a work plan and schedule based on the current relevancy of the specific policy/policies. Please see **Attachment A** for the proposed work plan, including project scope and timeline.

NEXT STEPS

Per the proposed work plan, staff will review LAFCO's Service Review Policies and LAFCO's Indemnification Policy and recommend any updates, as necessary, for the Commission's consideration and potential adoption at the August 6, 2025 LAFCO meeting.

ATTACHMENT

Attachment A: Phase 2 of Comprehensive Review and Update of LAFCO Policies Proposed Work Plan: Project Scope and Timeline

PHASE 2 OF COMPREHENSIVE REVIEW AND UPDATE OF LAFCO POLICIES
PROPOSED WORK PLAN: PROJECT SCOPE AND TIMELINE

POLICIES AND PROCEDURES FOR REVIEWING AND PROCESSING APPLICATIONS					
	CURRENT LAFCO POLICIES	ADOPTED* OR LAST AMENDED	CURRENT RELEVANCE OF POLICIES	STAFF NOTES & RECOMMENDED CHANGES	PROPOSED LAFCO HEARING DATE
1.	Service Review Policies	10/14/09	High	Add historical context and legislative background, add policy intention/ introduction, update to reflect changes in CKH Act, add CKH Act references, document current/historic practice, reformat & reorganize for clarity	August 2025
2.	Indemnification Policy	6/3/09*	High	LAFCO Counsel to review	August 2025
3.	Procedures for Preparing and Processing Environmental Documents	March 2003	Low	Work with LAFCO Counsel to update the document to be consistent with current regulations and LAFCO bylaws	October 2025
4.	Policies and Procedures for Processing Proposals Affecting More than One County	12/11/02*	Medium	Add policy intention/ introduction, background information	October 2025
5.	Incorporation Policies	8/1/07	Low	Add policy intention/ introduction, update to reflect changes in CKH Act, add CKH Act references, document current/historic practice, reformat & reorganize for clarity (minimally)	December 2025

ADMINISTRATIVE POLICIES					
	CURRENT LAFCO POLICIES	ADOPTED* OR LAST AMENDED	CURRENT RELEVANCE OF POLICIES	STAFF NOTES & RECOMMENDED CHANGES	PROPOSED LAFCO HEARING DATE
1.	LAFCO Bylaws	2/7/18	High	LAFCO Counsel to review. The bylaws are updated periodically by LAFCO on an as-needed basis.	October 2025
2.	Conflict of Interest Code	10/21/14	High	Updated biennially as required by the County – the code reviewing body.	October 2025
3.	Records Retention Policy and Schedule	10/14/09*	High	LAFCO Counsel to review and propose any revisions.	October 2025
4.	Legislative Policies	4/6/22*	High	Staff to conduct annual review for consistency with CALAFCO policies	December 2025
5.	Policies for Use of LAFCO Issued Electronic Devices	6/4/13*	Low	LAFCO Counsel to review and potentially consolidate into LAFCO Bylaws	October 2025



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ITEM # 8

Alternate Commissioners

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

Executive Officer

Neelima Palacherla

LAFCO MEETING: April 2, 2025
TO: LAFCO
**FROM: Neelima Palacherla, Executive Officer
Dunia Noel, Asst. Executive Officer
Emmanuel Abello, LAFCO Analyst**
SUBJECT: EXECUTIVE OFFICER'S REPORT

STAFF RECOMMENDATION

Accept report and provide direction, as necessary.

8.1 PROTEST LETTER ON GREAT OAKS WATER COMPANY'S ADVICE LETTER 329-W: SERVICE AREA EXPANSION

On January 24, 2025, staff received Advice Letter 329-W: Service Area Expansion from Great Oaks Water Company concerning their request to the CPUC to expand its service boundary to include unincorporated areas located south of the City of San Jose, including parts of Coyote Valley, and unincorporated areas located just north of the City of Morgan Hill. The purpose of the request was to provide water service to a proposed 847-unit residential development in an unincorporated area, adjacent to the City of Morgan Hill.

Great Oaks is a private water company and is not subject to LAFCO review and approval. On February 12, 2025, LAFCO staff submitted a protest letter (**Attachment A**) because the proposed service extension does not align with the goals of planned, orderly growth or the efficient provisions of services – both of which are essential to ensuring affordable utility services and infrastructure for California residents.

Additionally, protest letters were submitted individually by the City of Morgan Hill, Santa Clara Valley Water District, and Santa Clara Valley Open Space Authority; and jointly by Green Foothills, Greenbelt Alliance and Santa Clara Valley Bird Alliance.

8.2 PRESENTATION ON LAFCO TO LEADERSHIP MORGAN HILL

At the invitation of Leadership Morgan Hill, EO Palacherla gave a presentation on Santa Clara LAFCO to Leadership Morgan Hill class members on March 3, 2025, as part of their "Regional Government Day 2025" activities. The 20-minute presentation included an overview of LAFCO and was followed by a question-and-

answer session. Please see **Attachment B** for an email thanking EO Palacherla for the presentation and recognizing the strength of the LAFCO team.

8.3 QUARTERLY SPECIAL DISTRICTS ASSOCIATION MEETING

Alternate Commissioner Chapman and EO Palacherla attended the March 3, 2025 quarterly meeting of the Santa Clara County Special Districts Association which was held by video conference.

EO Palacherla provided updates on LAFCO activities, including the upcoming expiration of the 4-year term of the Special District members and the need to hold an Independent Special District Selection Committee Meeting to select LAFCO members.

Other meeting attendees, including various district staff and board members, and a representative of the California Special Districts Association (CSDA), provided reports and shared information on current projects or issues of interest. The next meeting is scheduled for June 2, 2025.

8.4 QUARTERLY MEETING WITH COUNTY PLANNING DEPARTMENT

At the March 14, 2025 quarterly meeting, County Planning staff and LAFCO staff discussed the County's recently adopted Housing Element, SB 330 applications (Builder's Remedy projects), and the proposed expansion of Great Oaks Water Company's service area.

Beginning in December 2018, LAFCO staff and County Planning Department staff began having quarterly meetings to discuss issues of common interest or concern.

8.5 SANTA CLARA COUNTY ASSOCIATION OF PLANNING OFFICIALS' MEETINGS

EO Palacherla participated in the virtual meeting of the Santa Clara County Association of Planning Officials (SCCAPO) held on March 5, 2025. This meeting featured updates and announcements from MTC/ABAG representatives and Santa Clara County Planning Collaborative representatives, as well as, guest presentations from Pacific Gas & Electric (PG&E) and the City of San Jose on their ministerial approval ordinance for multifamily housing. Attendees also shared updates on various matters.

ATTACHMENT

Attachment A: LAFCO Protest Letter to CA Public Utilities Commission - Water Division relating to Great Oaks Water Company's January 24, 2025 Advice Letter 329-W: Service Area Expansion (February 12, 2025)

Attachment B: Email from Leadership Morgan Hill (March 5, 2025)



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**ITEM # 8
Attachment A**

Alternate Commissioners

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

Executive Officer

Neelima Palacherla

February 12, 2025

VIA EMAIL: water_division@cpuc.ca.gov

California Public Utilities Commission
Tariff Unit, Water Division, 3rd floor
505 Van Ness Avenue
San Francisco, CA 94102

**Re: Santa Clara LAFCO Protest of Great Oaks Water Company Advice Letter 329-W:
Service Area Expansion**

Thank you for providing Santa Clara LAFCO with the opportunity to comment on the above-mentioned application. The mission of Santa Clara LAFCO is to promote sustainable growth and good governance in Santa Clara County by preserving agricultural lands and open space; curbing urban sprawl; encouraging efficient delivery of services; exploring and facilitating regional opportunities for fiscal sustainability; and promoting public accountability and transparency of local agencies.

The Great Oaks Water Company has requested an expansion of its territory to extend water service to an unincorporated area outside of Morgan Hill’s city limits and urban service area. According to the Advice Letter 329-W (AL), this service expansion is necessary to support a proposed 847-unit residential housing development and related community facilities in an unincorporated area, adjacent to the City of Morgan Hill. The proposed development is currently under review by the County of Santa Clara Planning and Development Department.

The AL also mentions that the developer has requested that the Great Oaks Water Company provide wastewater service to support the proposed development and that the Great Oaks Water Company will submit a separate application for that request.

Request is Inappropriate for an Advice Letter and Requires Formal Application and Hearing

Requester has not Demonstrated that the Project Qualifies as Contiguous

Santa Clara LAFCO is protesting Advice Letter 329-W (AL) because the analysis, calculations, and data contained in the AL contain material errors or omissions. Based on the information provided, a formal hearing is required because the AL has not demonstrated that the project qualifies as contiguous. The proposed water service extension is more than 2,000 feet long, beginning in San Jose Muni Water’s service area, traversing new territory, passing through the City of Morgan Hill’s jurisdiction, and ending at the proposed development site.

Request is Controversial, Conflicts with Existing Local Policies and Raises Important Policy Questions

The request directly conflicts with the jointly adopted policies of LAFCO, the County, and the 15 cities, which prohibit urban services and development outside of cities’ Urban Service

Areas. These policies help ensure that services are provided in an orderly and efficient manner to planned growth. Representatives of the proposed 847-unit residential development acknowledge that the City of Morgan Hill is the closest water service provider. As noted by the City of Morgan Hill, the Settlement Agreement between LAFCO and the City of Morgan Hill “does not prohibit the City from accepting and processing annexation requests.” However, this avenue to request amendment of the City’s Urban Service Area and seek annexation to the City of Morgan Hill has not been exhausted or fully explored.

The request would result in overlapping service territories, redundant infrastructure, and inefficiencies in service delivery. If approved, Great Oaks Water Company’s territory would overlap with those of San Jose Muni Water and the City of Morgan Hill, leading to duplication of water service infrastructure. Ultimately, these costly inefficiencies would be borne by the taxpayers and the public, including Great Oak’s customers.

The request would require the extension of new water lines through many acres of unincorporated agricultural land and open space, placing unnecessary development pressure on lands designated for conservation, and potentially encouraging urban sprawl.

The request is premature and controversial given the speculative nature of the associated development proposal, specifically the proposed development of 847 residential units in the unincorporated area under the Builders Remedy provisions. The development area is zoned “A-40 Acre” (Agriculture), as are the surrounding lands to the north and east. These lands are designated by the State of California as “Prime Farmland” and “Farmland of Statewide Importance” and are located in the County’s designated Agricultural Preserve. Given this information and as noted by the City of Morgan Hill, the proposal may be inconsistent with the Builder’s Remedy provision. Any approval of this water service extension request in such a case would be premature.

Action by the CPUC on the Advice Letter Prior to the County of Santa Clara’s Compliance with CEQA would be Premature

Under the California Environmental Quality Act (“CEQA”) the “lead agency” for a private project is the public agency that has the greatest responsibility for supervising or approving the project as a whole. (CEQA Guidelines §15051(b).) This will ordinarily be the agency with general governmental powers over a project, rather than a single-purpose agency. The CEQA Guidelines specify that a city or county will normally serve as lead agency, rather than an air pollution control district or a district that provides some public service or public utility to the project. (CEQA Guidelines §15051(b)(1).) Here, the County of Santa Clara is currently processing a 2024 application for the 847-unit residential housing development and related community facilities proposed for the development. As such, the County, as the public agency that has the greatest responsibility for supervising or approving the project and the agency with general governmental powers over the project is the lead agency for purposes of conducting environmental review under CEQA.

Great Oaks Water Company’s request for a service area boundary and map to reflect the extension of service into an area of unincorporated county so that it can provide water service to the proposed development was submitted to the California Public Utilities Commission (“CPUC”) on January 25, 2025. CPUC is, therefore, the “responsible agency” under CEQA with regards to the project; an agency, other than the lead agency, that has some discretionary authority with regard to a project. (CEQA Guidelines §15381.) Responsible agencies generally are required to rely on the information in the EIR or negative declaration prepared by the lead

agency and ordinarily are not allowed to prepare a separate EIR or negative declaration. (CEQA Guidelines §15096(a).) Given this, before making any decision on the request, the CPUC, as a responsible agency, must first consider the environmental effects of the project as shown in the EIR or negative declaration certified or adopted by the County. (CEQA Guidelines §15096(f).)

As part of the CEQA analysis, the County will also evaluate how other necessary public services (e.g., police, fire, emergency services, roads, schools) and utilities (e.g., sewer, stormwater management) will be provided to support such a large development in the unincorporated area, where such level of urban services are not readily available.

Request for Notification of Wastewater Service Application

The AL mentions that the developer has requested Great Oaks Water Company to provide wastewater service to the proposed development and that Great Oaks will submit a separate application for this matter. Given the interconnection between water service provision and wastewater management, it is unclear how these two services can be considered independently. Moreover, providing such an urban service in an unincorporated area, outside of a city's established Urban Service Area conflicts with existing local policies, as discussed above.

Santa Clara LAFCO requests further information and notification regarding the wastewater service application.

Conclusion

Given the above-noted reasons, this request is not appropriate for an AL process and requires a formal application and hearing. However, our concerns extend beyond process and therefore we strongly urge the CPUC to reject this request.

The proposed service extension does not align with the goals of planned, orderly growth or the efficient provision of services—both of which are essential to ensuring affordable utility services and infrastructure for California residents.

Thank you for considering this protest letter. Please do not hesitate to contact me if you have any questions or wish to discuss these comments further.

Sincerely,



Neelima Palacherla
Executive Officer

cc: LAFCO Members

Juan Liem, Great Oaks Water Company (jliem@greatoakswater.com)

Megan Somogy, Downey Brand LLP (msomogyi@downeybrand.com)

James Boothe, CPUC, Water Division (james.booth@cpuc.ca.gov)

Jacqueline Onciano, Santa Clara County Planning Dir. (jacqueline.onciano@pln.sccgov.org)

Jennifer Carmen, City of Morgan Hill Planning Dir. (jennifer.carmen@morganhill.ca.gov)

Chris Ghione, City of Morgan Hill Public Services Dir. (chris.ghione@morganhill.ca.gov)

From: Michelle M <she11edrake@gmail.com>

Sent: Wednesday, March 5, 2025 7:07 PM

To: Palacherla, Neelima <Neelima.Palacherla@ceo.sccgov.org>

Cc: Harpreet Vittal <vittalhk@gmail.com>; cyndy@therealexerts.com

Subject: [EXTERNAL] Thank you - Leadership Morgan Hill Regional Government Day

Dear Officer Palacherla-

Thank you so much for your presentation to the Leadership Morgan Hill Class of 2025 this week.

The history of LAFCO and its positive impact on our quality of life is huge, and you did a great job of distilling all that down into the tiny amount of time available. Our goal is to inspire and connect our students with all aspects of our community, and I am confident that the class is better positioned now to understand how LAFCO impacts into their daily lives.

I was especially impressed by your small-but-mighty team that has been together for such a long time - that says a lot about your leadership and effectiveness.

Best Regards,

~Michelle Murphy



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ITEM # 9

Alternate Commissioners

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

Executive Officer

Neelima Palacherla

LAFCO MEETING: April 2, 2025

TO: LAFCO

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

SUBJECT: SPECIAL DISTRICT MEMBER TERMS EXPIRATION

FOR INFORMATION ONLY

Commissioner Yoriko Kishimoto currently serves as Special District Member and her 4-year term on LAFCO will expire May 31, 2025. Alternate Commissioner Helen Chapman currently serves as Alternate Special District Member and her 4-year term on LAFCO will also expire on May 31, 2025.

Pursuant to Government Code §56332(b), Executive Officer Palacherla will give written notice of and then convene a meeting of the Independent Special District Selection Committee (ISDSC) for the purpose of selecting the two special district members – one regular member, and one alternate member, in order to replace the current members whose terms on LAFCO are set to expire on May 31, 2025.



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ITEM # 10

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

LAFCO MEETING: April 2, 2025

TO: LAFCO

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

SUBJECT: CALAFCO UPDATE

STAFF RECOMMENDATION

Accept report and provide direction, as necessary.

Discussion

At the February 2025 LAFCO meeting, EO Palacherla provided an oral report to the Commission on the instability at the California Association of Local Agency Formation Commissions (CALAFCO).

Over the past several months, CALAFCO has been actively implementing mitigation measures and reforms to address member concerns. The CALAFCO Board of Directors held a special meeting on February 7th and approved several membership-recommended changes to its bylaws and policies. The changes to the policies are effective immediately, and the changes to the bylaws will require formal membership approval. The CALAFCO Board of Directors also held a 2025 Board Retreat on March 20 and 21st to develop a strategic plan and goals for the organization. The next CALAFCO Board of Directors meeting is scheduled for April 4th.

Please see Attachment A for a letter from the CALAFCO Board of Directors providing an update on their ongoing efforts to address member concerns.

ATTACHMENT

Attachment A: CALAFCO Board of Director’s letter to Santa Clara LAFCO (March 14, 2025)

March 14, 2025

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

Subject: Addressing Member Concerns & Strengthening CALAFCO's Future

Dear Chair Arenas, Commissioners, and Executive Officer Palacherla;

We recognize that the current state of our organization is troubling to our valued members. We must, and will, do better regarding governance, transparency, and the overall direction of CALAFCO. As an organization committed to serving the best interests of LAFCOs across the state, we take your concerns seriously and want to assure you that we are actively taking steps to address them.

A Period of Transition & Rebuilding Trust

Every organization evolves as new paths are taken, and CALAFCO is currently undergoing a phase of transition and internal reorganization. Our goal is to emerge stronger, more transparent, and better positioned to serve our membership.

The Board of Directors and Regional Officers are fully engaged in this process, listening to feedback, and implementing meaningful changes that will reinforce trust and ensure the long-term viability of CALAFCO. We are committed to refocusing our mission, improving communication, and enhancing operational efficiency.

Key Actions Underway

To support this effort, we have assembled a highly qualified transition team:

- **José Henríquez (Interim Executive Director)** Currently the CALAFCO Central Region Officer and Executive Officer of Sacramento LAFCo, José is leading day-to-day operations, managing fiscal and budgetary matters, and facilitating member engagement.
- **Pamela Miller (Governance Consultant & Organizational Development Specialist)** – A former CALAFCO Executive Director, Pamela is conducting a full organizational assessment and comprehensive organizational structural assessment, reviewing policies and Bylaws, and assisting in the recruitment of a permanent Executive Director. She is also leading governance consultation and stakeholder outreach to ensure member voices are heard. Pamela will also be facilitating the March 20th Board retreat.
- **Jeni Tickler (Administrative & Event Planning Specialist)** A former CALAFCO Administrative Assistant, Jeni is handling critical administrative functions, including

financial management, membership support, and coordination of upcoming events such as the staff workshop.

Policy & Bylaws Updates

On February 7, 2025, the Board approved and immediately implemented key policy changes developed in collaboration with member LAFCo staff. An updated policy manual reflecting these changes will be published soon.

Additionally, a series of recommended changes to CALAFCO's Bylaws have been approved for presentation and potential member adoption at the October 2025 Annual Business Meeting. These recommendations will be widely discussed in advance through member outreach efforts to ensure full transparency and active participation.

Engaging Membership & Next Steps

We are committed to listening to you, our membership, and including you throughout this transition. To that end, we are:

- Hosting regional focus groups and visioning sessions to engage members in shaping CALAFCO's future.
- Facilitating a focus group for staff at the upcoming staff workshop.
- Providing ongoing updates and open forums for discussion.

We understand that trust is built through action, and we are dedicated to making the necessary improvements to better serve you. Your voices matter, and we encourage you to reach out with any questions, concerns, or insights.

For more information or to provide feedback, please contact:

- José Henríquez: jhenriquez@calafco.org
- Pamela Miller: pmiller@millermcg.com
- Jeni Tickler: jtickler@calafco.org

We appreciate your patience, engagement, and commitment to the future of CALAFCO. Together, we will strengthen our organization and reaffirm our mission to support LAFCos statewide.

Sincerely,

CALAFCO Board of Directors