AGENDA
REGULAR MEETING
Wednesday, August 13, 2003
1:15 p.m.
Chambers of the Board of Supervisors
70 West Hedding Street, First Floor, East Wing
San Jose, CA 95110

CHAIRPERSON: Blanca Alvarado
COMMISSIONERS: Donald F. Gage, Linda LeZotte, Susan Vicklund-Wilson, Mary Lou Zoglin
ALTERNATES: John Howe, Pete McHugh, Chuck Reed, Terry Trumbull

The items marked with an asterisk (*) are included in the Consent Agenda and will be taken in one motion. At the beginning of the meeting, anyone who wants to discuss a consent item should make a request to remove that item from the Consent Agenda.

If you wish to participate in the following proceedings, you are prohibited from making a campaign contribution of more than $250 to any commissioner or alternate. This prohibition begins on the date you begin to actively support or oppose an application before LAFCO and continues until three months after a final decision is rendered by LAFCO. No commissioner or alternate may solicit or accept a campaign contribution of more than $250 from you or your agent during this period if the commissioner or alternate knows, or has reason to know, that you will participate in the proceedings.

If you or your agent have made a contribution of more than $250 to any commissioner or alternate during the twelve (12) months preceding the decision, in the proceeding that commissioner or alternate must disqualify himself or herself from the decision. However, disqualification is not required if the commissioner or alternate returns the campaign contribution within thirty (30) days of learning both about the contribution and the fact that you are a participant in the proceedings.

1. ROLL CALL

2. PUBLIC PRESENTATIONS

This portion of the meeting is reserved for persons desiring to address the Commission on any matter not on this agenda. Speakers are limited to THREE minutes. All statements that require a response will be referred to staff for reply in writing.

3. APPROVE MINUTES OF JUNE 11, 2003 MEETING

4. APPROVE CONSENT CALENDAR

   *4.1 West Valley Sanitation District Annexation 2003-02 (Shannon Road: Shannon Valley Ranch)

   A petition by property owners to annex an 80.3 acre property located on the northwest side of Hicks Road, between Shannon Road and Camden Avenue in Los Gatos, to the West Valley Sanitation District (WVSD), designated as WVSD 2003-2.

   Possible Action: Approve annexation to WVSD and waive protest proceedings

5. UPDATE ON COUNTYWIDE FIRE SERVICE REVIEW

   Possible Action: Accept update on Countywide Fire Service Review
6. COUNTYWIDE WATER SERVICE REVIEW RFP

Possible Action:

1. Authorize staff to issue a Request for Proposal (RFP) for consultant to prepare a countywide water service review.

2. If commissioner representation is desired, appoint LAFCO commissioners to serve on consultant selection committee.

3. Delegate authority to the LAFCO Executive Officer to enter into an agreement with the most qualified consultant in an amount not to exceed $75,000 and to execute any necessary amendments subject to LAFCO Counsel review and approval.

7. LAFCO ANNUAL REPORT (FISCAL YEAR 2002-2003)

Possible Action: Accept July 2002-June 2003 LAFCO Annual Report

8. EXECUTIVE OFFICER'S REPORT

A. Update on Initial Fiscal Analysis of San Martin Incorporation Information only.

B. CALAFCO Executive Board Nominations

9. CLOSED SESSION MEETING ON ONE ITEM OF EXISTING LITIGATION PURSUANT TO GOVERNMENT CODE SECTION 54956.9(a)

Half Moon Bay Coastside Foundation, et al. v. Mid-Peninsula Regional Open Space District, San Mateo County LAFCO, Santa Clara County LAFCO

San Mateo County Superior Court No. CIV 432548

10. PENDING APPLICATIONS

None

11. WRITTEN CORRESPONDENCE

CALAFCO Newsletter

12. ADJOURN

Adjourn to the next regular business meeting on Wednesday, October 8, 2003.

NOTE TO COMMISSIONERS:
Upon receipt of this agenda, please contact Emmanuel Abello, LAFCO Clerk at (408) 299-5088 if you are unable to attend the LAFCO meeting.

In compliance with the Americans with Disabilities Act, those requiring accommodation for this meeting should notify the Clerk of the Board's Office 24 hours prior to the meeting at (408) 299-4321, TDD (408) 993-6272.
Local Agency Formation Commission of Santa Clara County

MINUTES
WEDNESDAY, JUNE 11, 2003

1. **ROLL CALL**

   The Local Agency Formation Commission (LAFCO) of Santa Clara County convenes this 11th day of June 2003 at 1:20 p.m. in the Chambers of the Board of Supervisors, County Government Center, 70 West Hedding Street, San Jose, California, with the following members present: Chairperson Blanca Alvarado and Commissioners Donald Gage, John Howe and Susan Vicklund-Wilson.

   The LAFCO staff in attendance include Neelima Palacherla, LAFCO Executive Officer; Kathy Kretchmer, LAFCO Counsel; Dunia Noel, LAFCO Analyst; and Ginny Millar, LAFCO Surveyor.

   The meeting is called to order by Chairperson Alvarado and the following proceedings are had, to wit:

2. **PUBLIC PRESENTATION**

   There are no public presentations.

3. **APPROVE MINUTES OF APRIL 9, 2003 MEETING**

   On motion of Commissioner Gage, seconded by Commissioner Wilson, with Commissioner Howe abstaining, it is ordered on a 3-0 vote that the minutes of the April 9, 2003 meeting be approved, as submitted.

   *Commissioner LeZotte arrives at 1:24 p.m.*

4. **ADOPTION AND PRESENTATION OF RESOLUTION COMMENDING DON WEDEN AS HE RETIRES AFTER 33 YEARS OF SERVICE FOR THE COUNTY OF SANTA CLARA PLANNING DEPARTMENT**

   On order of the Chairperson, there being no objection, it is ordered that the Resolution be adopted commending Don Weden upon his retirement after 33 years of service to Santa Clara County Planning Department. The Chairperson presents the resolution to Mr. Weden and expresses the Commission's gratitude for his numerous accomplishments in preventing urban sprawl, promoting orderly growth and development, and protection of agricultural land and open space resources for the benefit of present and future generations of residents in the County.
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In accepting the commendation, Mr. Weden states that LAFCO played an important role in the establishment of countywide development policies. He further states that in the next 5 to 10 years as cities encroach into prime agricultural lands, LAFCO, which is a major policy body, must require mitigation for the loss of those agricultural lands.

PUBLIC HEARINGS

5. EVERGREEN NO. 188 REORGANIZATION (CITY OF SAN JOSE)

This being the time and place set for public hearing to consider the request of the City of San Jose to annex Evergreen No. 188 and detach it from the County Fire Protection District and the County Library Service Area, the Chairperson declares the public hearing open.

Ms. Palacherla reports that the City of San Jose had initially proposed to annex an 11-acre property (APN 654-03-009) with a portion that is outside of the City's Urban Service Area (USA). LAFCO had approved the City's USA amendment at its December 11, 2002 hearing, with the condition that future annexation should include the entire parcel with the appropriate pre-zoning designations. She continues by stating that the City revised its proposal this week and requested that the annexation include two other parcels (APNs 654-03-008 and 654-15-022) because all three parcels form a legal lot. She states that staff is recommending approval of the reorganization of the entire legal lot to San Jose. She adds that the City has applied a pre-zoning designation which allows approximately seven dwelling units on the portion within the City's USA. She adds that staff is recommending that annexation be conditioned that the City will not provide services to the area outside the City's USA.

Ms. Palacherla reports that APN 654-03-009 is under the Williamson Act contract; however, the contract will terminate on January 1, 2011 because the landowner has filed a notice of non-renewal with the County. State law allows annexation of such lands if a notice of non-renewal has been filed and the annexing agency agrees that no services will be provided during the remaining life of the contract. The City has indicated that the property owner will file a cancellation of the Williamson Act contract after the annexation. Ms. Palacherla additionally states that the City must succeed to the
contract, and must adopt rules, regulations and procedures required by the Williamson Act, including those required by Government Code Sections 51231, 51237, 51237.5. She states that staff has received consent to waive protest from agencies losing and gaining territories as a result of this reorganization. Finally, she advises that staff recommends approval of the reorganization, subject to the County Surveyor’s approval of maps and the legal description of the boundaries and with conditions as described in the staff report.

There being no other speakers from the public, the Chairperson declares the public hearing closed.

In response to an inquiry by Commissioner LeZotte, Ms. Palacherla states that upon annexation, the City must succeed to the Williamson Act contract and its cancellation may be processed thereafter. Ms. Kretchmer adds that only if the contract is actually terminated prior to annexation, the City would not need to adopt the rules and procedures, however, for the span of time between annexation and the contract termination the City needs to adopt the rules and procedures. She proposes that the staff recommendation be amended to state, "As necessary, the City of San Jose shall adopt the rules and procedures required by law."

On motion of Commissioner Gage, seconded by Commissioner Wilson, it is unanimously ordered that the staff recommendation be approved, as amended.

6. SPHERE OF INFLUENCE AMENDMENT (SOI) AND ANNEXATION TO THE PURISSIMA HILLS COUNTY WATER DISTRICT (PHCWD)

This being the time and place set for public hearing to consider the request of PHCWD to expand its SOI and annex properties located at 12661 (lands of Wu), 13441 and 13445 (lands of Corrigan) Robleda Road, Los Altos Hills, the Chairperson declares the public hearing open.

Ms. Palacherla reports that PHCWD is seeking to amend its SOI in order to annex the lands of Wu (APN 175-47-016) and Corrigan (APNs 175-36-036 and 003). The District is currently providing water service to these parcels with existing single family homes and was unaware that state law requires agencies to seek LAFCO approval prior to providing services to properties located outside their boundaries. To amend the SOI, LAFCO is required to make certain findings per state law as described in the staff
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report. The Wu property had no previous water utility and the existing home is currently being served by the District contingent on annexation. The Corrigan property was served by the California Water Service Company (CWSC), a private water service company; however, due to low water pressure, property owners are seeking annexation to PHCWD. Ms. Palacherla reports that the surrounding area is developed with single family homes and is either served by the District or the private water provider. PHCWD, which is currently serving these properties, has the capacity to continue to serve. Staff is recommending approval of the SOI and annexation, contingent on the verification by the County Surveyor that the maps and legal description comply with the Surveyor's comments.

There being no other speakers from the public, the Chairperson declares the public hearing closed.

On motion of Commissioner Gage, seconded by Commissioner LeZotte, it is unanimously ordered that the staff recommendation be approved and protest proceedings be waived.

7. MORGAN HILL 2002 URBAN SERVICE AREA (USA) AMENDMENT: AREA 1 (DIANA-KUBO/PATEL)

This being the time and place set for a public hearing continued from April 9 to consider the request by the City of Morgan Hill to amend its USA to include Area 1 (Diana-Kubo/Patel), the Chairperson declares the public hearing open.

Ms. Palacherla reports that the City is proposing to include into its USA, an area totaling 39 acres and a 19-acre portion of Highway 101. Staff has divided this proposal into three sub-areas, namely, Sub-Area 1 which consists of three parcels initiated by the applicant and designated as office-industrial by City's General Plan with no development proposal at this time; Sub-Area 2 which consists of Madrone Channel and a portion of Highway 101 which are outside the City's USA; and Sub-Area 3 which is outside the USA although is within its City limits. The inclusion of Sub-Area 2 would not result in a development. Sub-Area 3 has been designated for commercial use and the City could provide services to these properties whether or not they are within its USA. Staff recommends approval of Sub-Areas 2 and 3.
RELATIVE TO SUB-AREA 1, she advises that the three parcels comprising this proposal are identified by the Department of Conservation as prime agricultural land and designated in the County General Plan as medium-scale agriculture. A large portion is currently used for agricultural production (mushroom farm). She notes that the area is adjacent to unincorporated lands zoned by the County for agricultural uses and that this proposal would result in conversion of approximately 19 acres of prime farm lands to non-agricultural uses. Ms. Palacherla advises that since the City has a 9.57 years supply of vacant industrial lands within its boundaries. LAFCO policies require an explanation as to why additional land is needed if there is more than five years worth of vacant industrial lands. The City staff has indicated that there is no adequate market alternative since half of the vacant industrial lands are under single ownership and there is only one other parcel designated as office-industrial within the City limits. She notes, however, that these are not LAFCO criteria for USA expansion. She adds that including this property into the City's USA would induce growth. She states that for these reasons, staff recommends denial of the USA expansion for Sub-Area 1.

In response to an inquiry by Commissioner Gage, Terry Linder, Senior Planner, City of Morgan Hill, adds that the City needs to amend the General Plan in order to change the zoning designation of Sub-Area 1, and that the state law requires a two-year moratorium following LAFCO action before the City is allowed to amend the zoning designation for the area in the General Plan. In response to an inquiry by Commissioner Gage, Ms. Linder states that the area is not under a Williamson Act contract. She notes that this property is within the City's Urban Growth Boundary (UGB) and adds that only one of the three parcels fits the designation for viable agricultural land. She explains that the landowners want to cease mushroom production because the odor affects the surrounding residences and businesses. She notes that while the City has 9.7 acres of industrially zoned land, half of this area belongs to just one business park. She adds that the only other office-industrial site in the City is not visible from the freeway and does not have access roads. She states that the inclusion of this site into the City's USA would not induce growth because services are already available there, and that agriculture is no longer viable on this parcel. She
concludes by saying that this USA amendment is a logical adjustment to the City's boundaries.

Dennis Kennedy, Mayor, City of Morgan Hill, states that the City Council voted unanimously in support of the inclusion of these properties into the City's USA. He states that the landowners want to get out of the mushroom business and sell their property. He notes that the City Council considered a proposal for an auto dealership, however, the City decided that it is no longer part of the plan for the use of the property. Since the auto dealership policy was formulated in February 2002, the Council has scaled down the number of auto dealerships to three or four. He states that the City struggles to balance the need to protect agriculture and open space against the need for economic growth. He requests that the Commission approve the proposal because Morgan Hill has a good record of adhering to its UGB and will draw up the ultimate growth line which includes a greenbelt to protect agriculture and open space in its community.

In response to an inquiry by the Chairperson, Ms. Linder advises that the environmental review finds the proposed annexation as a minor loss of prime agricultural lands. However, she does not have exact figures of the converted agricultural lands in the last 10 years. Mayor Kennedy adds that there have been some lands annexed into the City's USA, particularly those with inactive agricultural production within the last 10 years. In response to an inquiry by the Chairperson, Mayor Kennedy states that the City designated this parcel as office-industrial approximately three years ago.

Michael Lawson, member, Murphy-Condit Action Group, referring to the Minutes of the February 27, 2002 Morgan Hill City Council meeting, advises that the Council approved a list of potential sites for the auto dealership strategy and directed staff to implement the strategy. Citing the staff report for that meeting, Mr. Lawson refers to an item which directs staff to attract more dealerships, work to annex the 19-acre mushroom farm property on Condit Road, and apply PUD zoning limited to motor vehicle sales uses. He notes that a March 21, 2003 memorandum from Joyce Maskell, BAHS Manager, to Ed Tewes, City Manager, emphasizes the importance of the Kubo/Patel application, stating that the primary argument is that the City needs
additional office-industrial land, and recommending that the Council lobbyist not discuss potential uses such as auto dealerships. Ms. Lawson notes that auto dealerships in the area will result in traffic and pollution and observes that the office-industrial zoning of this area is a deception because the City will rezone it to motor vehicle sales after inclusion to its USA as the documents indicate. He therefore advises that the application be denied, and when approved, motor vehicle sales be prohibited for the next 20 years.

John Telfer, South County Realty, states that office-industrial classification has different uses. He adds that a high-end type of development that needs good exposure from the highway and excellent access road is being proposed for the site.

Robert Burkhardt, resident of Morgan Hill, advises that this proposal is part of the City’s long-term strategy to attract car dealerships, however, this poses a problem because this area is among the most traveled section of Highway 101. He advises that the City Council is currently reviewing a Ford dealership. However, he states that the City Council in its June 6, 2003 meeting, disavowed knowledge of efforts to attract automobile dealerships although it was part of the February 27, 2002 minutes. He reports that Mayor Kennedy spoke with the car dealers several days ago. He notes that the Council found that an optimum land area for a dealership is about three or five acres and reviewed proposed sites, and decided to choose the Highway 101-Dunne Avenue interchange. Mr. Burkhardt expresses the opinion that there should be no backroom negotiations and private discussions that cause change in the community, and that the public must be well-informed of the City’s plans. He proposes that this annexation be postponed until a cumulative environmental impact report (EIR) is completed in support of this and other plans for Highway 101-Dunne Avenue interchange.

Gloria Ballard, MH Engineering staff, representing the Kubo and Patel families, requests the Commission to approve the proposal because the odor from the mushroom farm poses a threat to health and safety of the community. She further states that the proposal is not growth inducing because the future expansion would be blocked by Diana Avenue and Condit Road, the City owns wells on the property and wants control over these lands, and A-zoning in the County is not compatible with the proposed uses
of the property. She notes that these properties are not under a Williamson Act contract.

There being no other speakers from the public, the Chairperson declares the public hearing closed.

Commissioner Wilson observes that conversion of Sub-Area 1 is premature given the City’s nine years supply of vacant industrial lands, it has a growth inducing element, and that LAFCO’s policies do not allow the fiscalization of land use or warrant conversion due to inactivity. For these reasons, she moves to accept the staff recommendation. Commissioner LeZotte seconds the motion.

In response to an inquiry by Commissioner Gage, Ms. Linder states that it would be difficult to change the land use designation from office industrial to car dealerships because the General Plan would have to be amended. In response to an inquiry by the Chairperson, Ms. Kretchmer states that the Commission is unable to set land use conditions on any project. In response to an inquiry by the Chairperson, Ms. Linder states that other lands zoned as office-industrial are neither visible nor accessible from Highway 101. Commissioner LeZotte observes that even if the change to land use designation is difficult, it is not impossible. She also notes that the City has over nine years supply of vacant industrial lands. In response to an inquiry by the Chairperson, Commissioner Wilson clarifies that her motion is to include Sub-Areas 2 and 3 into the City’s USA, and to deny the inclusion of Sub-Area 1. Commissioner Alvarado proposes that the motion only include Sub-Area 1, and that a separate motion be made for Sub-Areas 2 and 3. Commissioners Wilson and LeZotte agree to amend the motion to include only Sub-Area 1.

Commissioner Howe states that the City should be allowed to incorporate Sub-Area 1 given its location and since LAFCO staff’s concerns are minor when weighed against the testimonies of the speakers.

The motion fails on a 2-3 vote, with Commissioners Alvarado, Gage and Howe voting no.

On motion of Commissioner Howe, seconded by Commissioner Gage, it is ordered on a vote of 3-2, with Commissioners LeZotte and Wilson voting no, that the entire Area 1, including all three sub-areas, be included into the City’s USA.
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The Chairperson notes that the role of the Commission is to uphold the policies of LAFCO. However, sometimes LAFCO policies contradict with the desires of the communities as in the case of certain applications by the cities of Gilroy and Morgan Hill. She proposes to find a process to redefine LAFCO policies to look at the present need and its impact on the future. Ms. Palacherla advises that the SOI, USA and Service Review policies have been adopted in December 2002 to reflect the changes in state law. The Chairperson proposes a workshop in October 2003 to review LAFCO policies in relation to the recent changes in the state law.

8. OUT OF AGENCY EXTENSION OF SEWER AND WATER SERVICE BY THE CITY OF MORGAN HILL TO THE PROPOSED SOBRATO HIGH SCHOOL

This being the time and place set for the public hearing to consider the request by the City of Morgan Hill to provide sewer and water services to the proposed Ann Sobrato High School, located outside the City's boundaries, the Chairperson declares the public hearing open.

Ms. Palacherla reports that the City is seeking LAFCO approval to extend sewer and water services to the Sobrato High School which is currently under construction. It consists of four parcels with a combined area of 151.7 acres. Two of the parcels are within the City's SOI, however, they are unincorporated. The other two parcels are within the City of San Jose's boundaries and its SOI. The current service request is only for the unincorporated parcels within the SOI of Morgan Hill. She further reports that in December 2000, prior to the state law which required LAFCO approval of contracts for services between two public agencies, the City and the Morgan Hill Unified School District (MHUSD) had entered into an agreement for Morgan Hill to provide services to the proposed school. The City of San Jose initially opposed the construction of the school, however, a settlement was reached. The proposed school, located in the unincorporated area on Burnett Avenue, is designed to accommodate 1,500 students and is scheduled to open in Fall 2004. The classrooms will be constructed on the unincorporated properties, athletic fields and agriculture program facilities will be located on the parcels in San Jose, and 75 acres will be set aside for open space. As part of the agreement, San Jose allowed Morgan Hill to provide services to the entire school site, including the portions that are within San Jose's SOI. Ms. Palacherla continues by
saying that the current request is only for sewer and water services for the Morgan Hill parcels. Currently, no service is requested for the parcels located in San Jose and any future requests must be brought to LAFCO. She adds that the two properties on Burnett Avenue are outside the USA and UGB of Morgan Hill. The site is contiguous to the City boundary on the west and the settlement agreement between San Jose, Morgan Hill and MHUSD requires that Morgan Hill and MHUSD pursue annexation of the site into Morgan Hill. Annexation requires that the site be first included into Morgan Hill's UGB and USA. The City's General Plan allows amendment to UGB as part of a comprehensive general plan update or in conjunction with a greenbelt urban limit line project, which is currently underway and will be completed by Spring 2004.

She notes that provision of services to the school site may induce growth on the agricultural parcels to the south of Burnett Avenue. The City has reported that the wells nearby have tested positive for high nitrate levels and a septic system will not be feasible for such a large project. She reports that the site has not been irrigated during the last 20 years. Sixty percent of the site is designated as prime agricultural land while the remaining forty percent has been designated as "farmland of statewide importance." The EIR found that the impact to agriculture is less significant on this site than the two alternative sites considered. For these reasons staff is recommending approval of the request for out of agency services in anticipation of annexation. She notes, however, that in the future, LAFCO must be involved in the front end before agencies enter into service agreements so that LAFCO policies are taken into account.

In response to an inquiry by Commissioner Wilson, Ms. Palacherla states annexation of this area will not technically create a pocket or an island although it will result in unincorporated lands being additionally surrounded by the City.

Ms. Linder states that she and MHUSD representatives are available and ready to respond to questions from the Commission.

There being no other speakers from the public, the Chairperson declares the public hearing closed.

Commissioner Gage moves that the application be approved. Commissioner LeZotte seconds the motion. Commissioner Wilson proposes to amend the motion and
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direct staff to notify all agencies that LAFCO be included at the start of any such discussions on out of agency contracts for services. Ms. Kretchmer advises that this particular application was started before LAFCO assumed jurisdiction over out of agency contracts for public agencies in 2001. Ms. Palacherla proposes that the approval be conditioned on the City paying the remaining balance to the processing fee. Commissioners Gage and LeZotte agree to amend the motion accordingly.

It is unanimously ordered that out of agency contract for sewer and water services to Sobrato High School be approved, conditioned upon the City paying $718.00 in additional processing fees, and staff be directed to inform all agencies in the County that LAFCO should be included in negotiations of out of agency contracts.

Commissioner LeZotte leaves at 2:36 p.m.

9. OUT OF AGENCY EXTENSION OF WATER SERVICE BY THE CITY OF MORGAN HILL TO THE COUNTY’S LAKE ANDERSON BOAT LAUNCH FACILITY

This being the time and place set for the public hearing to consider the request by the City of Morgan Hill to provide out of agency water service to the County’s Lake Anderson Boat Launch facility, the Chairperson declares the public hearing open.

Ms. Palacherla reports that this is a request by the City on behalf of the County Parks and Recreation Department to extend water services to the County’s Anderson Lake Boat Launch facility’s restrooms, drinking water fountain and landscape irrigation for parking area. The project is in the unincorporated area, outside of the City’s USA and within its SOI. The County has installed a water line up to the City limits which has to be extended by another 50 feet to allow connection to the City water line. LAFCO policy requires that annexation be considered prior to extending service beyond an agency’s boundary. In this case, the project is located outside of the USA and UGB of Morgan Hill and annexation into the City would require that the area be first included into the City’s USA. The site is not contiguous to the City’s boundaries and is part of an existing County park. For these reasons, annexation is not a feasible alternative for extending services beyond the City’s boundaries. However, there is a provision in the contract between the City and the County which requires that property owners in the area waive their right if the site is annexed in the future. She notes that in
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terms of alternative options for water supply, there is an old well which no longer meets the state's requirement for a public water system, and that drilling a new well is not feasible because of the geo-hydrology of the site. She reports that the County Department of Environmental Health has indicated that the new septic system, which is located more than 200 feet away from the high water mark of the Lake, will not impact the Lake's water quality. She notes that the project has no impact on agricultural lands and open space and recommends approval of the request to extend water services to the boat launch facility.

Scott Plambaeck, Planner, City of Morgan Hill, states that he is available to answer any questions about the project.

There being no other speakers from the public, the Chairperson declares the public hearing closed.

On motion of Commissioner Gage, seconded by Commissioner Howe, it is unanimously ordered that the application be approved.

10. FINAL LAFCO BUDGET FOR FISCAL YEAR 2003-2004

This being the time and place set for the public hearing to consider the final LAFCO budget for Fiscal Year 2003-2004, the Chairperson declares the public hearing open.

Ms. Palacherla reports that the Commission adopted the preliminary budget for Fiscal Year 2004 on April 9, 2003. Since then, new information showed that actual revenues exceeded the projections. LAFCO received about $21,000 in excess of the projected $45,000 in revenues. LAFCO also received about $2,000 more than projected on interests, deposits and investments. Based on discussion at the April 9, 2003 public hearing, staff is proposing to add $10,000 of the excess in revenues to the reserves, bringing it to a total of $60,000, which is about 10 percent of the total LAFCO budget. The remaining amount will help to offset LAFCO costs for the County and the cities. The County pays half of the costs; the City of San Jose, one-fourth; and the rest of the cities in the County pay the remaining one-fourth based on the percentage of their annual revenue. She notes that most cities will see a reduction in costs, and a few cities' shares will increase slightly due to their increased revenues.
In response to an inquiry by Commissioner Gage, Ms. Palacherla states that the savings will be used to reduce the costs to the County and the cities' costs will go down from $182,165 last year to $175,021 this year.

There being no other speakers from the public, the Chairperson declares the public hearing closed.

On motion of Commissioner Gage, seconded by Commissioner Wilson, it is unanimously ordered that the LAFCO Budget for Fiscal Year 2003-2004 be adopted, staff transmit the proposed budget to each city, the County and the Santa Clara County Cities Association; and that the County Auditor-Controller apportion LAFCO costs to cities and County and collect payments pursuant to Government Code Section 56831.

11. PROPOSED CHANGES TO LAFCO STAFF CLASSIFICATIONS

This being the time and place set for the public hearing to consider changes to LAFCO staff classifications, the Chairperson declares the public hearing open.

Ms. Palacherla reports that LAFCO and the County have a Memorandum of Understanding (MOU) that stipulates the terms and conditions by which the County provides staffing to LAFCO. She states that the MOU provides that LAFCO Executive Officer and LAFCO Analyst positions should be unique classifications with salaries tied to specific County classifications. However, these positions are not currently established as unique classifications. In this regard, staff recommends the creation of unique classifications in compliance with the MOU, and acknowledgement of LAFCO's separate source of funding and its status as an independent agency. She adds that the County has questioned the nature of the "unclassified" status positions because unclassified positions are not to be permanently used and are used only for certain periods. However, since LAFCO intends to continue to contract with the County for staffing, staff is recommending that these unclassified positions be changed to classified positions as requested by the County.

There being no other speakers from the public, the Chairperson declares the public hearing closed.

On motion of Commissioner Gage, seconded by Commissioner Wilson, it is unanimously ordered that staff be directed to work with the County to follow through
with implementation of the MOU between LAFCO and the County; establish unique classifications entitled "LAFCO Executive Officer" and "LAFCO Analyst"; and prepare an amendment to the MOU to change the unique code for LAFCO Executive Officer and LAFCO Analyst from "unclassified" to "classified."

12. MAPS OF SPECIAL DISTRICTS IN SANTA CLARA COUNTY

This being the time and place set for the public hearing to consider adoption of boundary and SOI maps for special districts in the County, the Chairperson declares the public hearing open.

There being no other speakers from the public, the Chairperson declares the public hearing closed.

On motion of Commissioner Gage, seconded by Commissioner Wilson, it is unanimously ordered that maps depicting boundaries and SOIs of Aldercroft Heights County Water District, San Martin County Water District, Lion's Gate Community Services District and Lake Canyon Community Services District be approved.

13. EXECUTIVE OFFICER'S REPORT

A. 2003 CALAFCO ANNUAL CONFERENCE IN SAN FRANCISCO

Ms. Palacherla reports that the 2003 CALAFCO Annual Conference will be held in San Francisco on September 24-26, 2003 and requests that the Commission authorize staff and Commissioners to attend the conference and authorize travel expenses from the LAFCO budget.

On motion of the Chairperson, seconded by Commissioner Wilson, it is unanimously ordered that staff and Commissioners be authorized to attend the 2003 CALAFCO Annual Conference and that travel expenses be funded by the LAFCO budget.

B. LAFCO WORKSHOP ON CITY-CONDUCTED ANNEXATIONS

Ms. Palacherla reports that staff held a workshop for city planners, city clerk staff and public works staff on City-Conducted Annexations and annexations of Williamson Act lands on May 14, 2003. This workshop was attended by staff from seven cities and a staff person from the State Department of Conservation.
C. UPDATE ON COUNTYWIDE FIRE SERVICE REVIEWS

Ms. Palacherla reports that the consultant for the Countywide Fire Service Reviews has nearly completed the profiles of all fire agencies within the County. The next step is to come up with a list of preliminary issues and opportunities for discussion.

14. PENDING APPLICATIONS
   There are no pending applications.

15. WRITTEN CORRESPONDENCE
   There is no written correspondence.

16. ADJOURNMENT
   On order of the Chairperson, there being no objection, the meeting is adjourned at 2:48 p.m. to the next regular meeting to be held on Wednesday, August 13, 2003 at 1:15 p.m. in the Chambers of the Board of Supervisors, County Government Center, 70 West Hedding Street, San Jose, California.

Blanca Alvarado, Chairperson
Local Agency Formation Commission

ATTEST:

Emmanuel Abello, LAFCO Clerk
REPORT OF THE EXECUTIVE OFFICER

Date: August 6, 2003
Designation: West Valley Sanitation District 2003-02 (Shannon Road)
Type of Application: Annexation
Filed By: Resolution 100% Consent
Date of Hearing: August 13, 2003

1. REVIEW OF PROPOSAL
   a. Acreage and location:
      Three parcels (APNs 537-18-001, 567-23-041 & 567-24-008) with total area of
      80.3 acres, located on the northwest side of Hicks Road, between Shannon Road and
      Camden Avenue in Los Gatos.
      - Conforms to Sphere of Influence? ☑ Yes ☐ No
      - Creates island, corridor or strip? ☐ Yes ☑ No
      - Conforms to road policy? ☑ Yes ☐ No
      - Conforms to lines of assessment? ☑ Yes ☐ No
        (if no, explain)
   b. Effect on community services
      ☐ Provision of all municipal services
      ☐ Provision of all district services
      ☐ Municipal/District services not provided
      ☐ Detachment from
      ☐ School District Impact Report
      ☐ County Transit Impact Report
   c. ☑ Inhabited ☐ Uninhabited
   d. Are boundaries Definite and Certain?
      ☑ Yes ☐ No
   e. Present land use:
      4 existing residences
   f. Proposed land use:
      14 single family homes
   g. Involves prime agricultural land or Williamson Act land?
      No

2. ENVIRONMENTAL REVIEW OF PROPOSAL
   ☑ Annexation is Categorically Exempt from CEQA
   ☒ The Town of Los Gatos is the Lead Agency and has completed the Final EIR.
   ☐ LAFCO is the Lead Agency and prepped Negative Declaration/Draft EIR

3. SUGGESTED CONDITIONS OR OTHER COMMENTS:

4. PROTESTS:

5. RECOMMENDATIONS:
   1. LAFCO is a responsible agency under CEQA. Please see attached LAFCO Analyst’s
      Report for recommendations regarding CEQA actions.
   2. Approve annexation as depicted in attached Exhibit A (legal description) and
      Exhibit B (map of annexation area) and waive protest proceedings.

By: Neelima Palacherla, Executive Officer

Date: 08/06/03
WEST VALLEY SANITATION DISTRICT ANNEXATION 2003-2
Shannon Road

SAN JOSE
DESCRIPTION

EXHIBIT “A-1”
West Valley Sanitation District
Annexation 2003-2

All that certain real property situate in the Town of Los Gatos, County of Santa Clara, State of California, described as follows:

BEGINNING at the Northeasterly corner of that certain 31.733± acre parcel of land as shown on that certain Record of Survey filed for record in Book 514 of Maps at page 42, Santa Clara County Records; said POINT OF BEGINNING being on a Southeasterly corner of the original County Sanitation District No. 4 boundary as established in 1948; thence from said POINT OF BEGINNING along the Northerly line of said 31.733± acre parcel and the Southerly line of said District boundary S89°18'15"W 949.70 feet to the Northwesterly corner of said 31.733± acre parcel; thence leaving said District line along the Westerly line of said 31.733± acre parcel S00°25'22"E 1335.72 feet, more or less, to a point in the Southerly line of Shannon Road; thence along said Southerly line of Shannon Road the following courses: from a tangent bearing of S51°06'41"E along a curve to the right with a radius of 280.00 feet through a central angle of 6°56'44" for an arc length of 33.94 feet; S44°09'30"E 106.80 feet; S72°56'16"E 259.42 feet; N84°03'22"E 205.63 feet; N75°32'45"E 145.38 feet; and S45°55'21"E 320.99 feet to a point in the Westerly line of that certain 2.2274 gross acre parcel shown on that certain Record of Survey filed for record in Book 641 of Maps at pages 7 through 9, Santa Clara County Records; thence along said Westerly line N00°33'24"E 321.02 feet to the Northwesterly corner of said 2.2274 acre parcel; thence along the Northerly line of last said parcel S36°14'14"E 14.28 feet; and N71°17'32"E 147.21 feet to the Northeasterly corner of said 2.2274 acre parcel; thence leaving said Northerly line along the Easterly line of last said parcel S18°41'50"E 396.00 feet to the point of intersection with the Southerly line of Parcel One as described in that certain deed to William H. Barnes, Trustee of the Kring 1995 Ranch Unitrust recorded May 14, 1996 in Book P329 of Official Records at pages 1869 through 1872, document number 13292861, Santa Clara County Records; thence along said Southerly line the following courses: N70°18'10"E 211.86 feet; N80°58'10"E 246.84 feet; N74°08'10"E 167.64 feet; and N46°41'12"E 200.86 feet to the point of intersection with the Easterly line of above said Parcel One; thence along the Easterly line of said Parcel One the following courses: N47°27'02"E 99.07 feet; N19°34'32"E 214.86 feet; N37°09'33"W 281.14 feet; N01°00'43"W 180.55 feet; and N08°50'47"E 97.02 feet; thence leaving said Easterly line along the Westerly line of that certain parcel of land conveyed to the City of San Jose, a Municipal Corporation, by deed recorded August 2, 1986 in Book J799 of Official Records at pages 1450 through 1454, Santa Clara County Records the following courses: N08°50'47"E 72.14 feet; N63°25'02"E 73.05 feet; N45°19'37"E 296.46 feet; N02°26'02"E 178.02 feet; N46°14'52"E 157.63 feet; S76°02'48"E 114.18 feet; thence continuing along said Westerly line and it's Easterly prolongation N56°38'02"E 304.70 feet; portion of last said course being on the Southeasterly line of the Town of Los Gatos Annexation Hicks Road No. 1; thence along the Southeasterly line of last said Annexation Northeasterly 207 feet, more or less, to the point of intersection with the Easterly prolongation of the Northerly line of County Sanitation
District No. 4 Annexation 1977-6; thence leaving said Southeasterly line of said Town of Los Gatos Annexation Hicks Road No. 1 along said Easterly prolongation of said Northerly line Northwesterly 123 feet, more or less, to the point of intersection with the Northwesterly line of Hicks Road and being the Southeasterly line of said County Sanitation District No. 4 Annexation 1977-6; thence along said Northwesterly line of Hicks Road and said Southeasterly line of last said annexation the following courses: S23°20'00"W 199.25 feet; along a tangent curve to the right with a radius of 164.75 feet through a central angle of 52°40'00" for an arc length of 151.44 feet; and S76°00'00"W 69.82 feet to the point of intersection with the Northeasterly line as described in Exhibit A of County Sanitation District No. 4 Annexation 1979-5 and also being the Northeasterly line of the Town of Los Gatos Annexation Hicks Road No. 3; thence along last said Northeasterly line S54°36'48"E 60.00 feet to the most Easterly corner of said Annexation 1979-5; thence leaving said Northeasterly line along the Southeasterly line of Hicks Road and said annexations Northwesterly 250 feet, more or less, and Southwesterly 600 feet, more or less to a point in the Southwesterly line of that certain 28.07 gross acre parcel of land shown on that certain Parcel Map filed for record in Book 455 of Maps at pages 36 and 37, Santa Clara County Records; thence continuing along last said District Annexation No. 4 line and said Southwesterly line of said 28.07 gross acre parcel N56°04'55"W 640.99 feet, more or less, to an angle point in last said parcel; thence continuing along said District annexation line and the boundary of last said parcel N28°56'04"W 228.47 feet; and N32°35'25"E 767.51 feet; thence leaving last said District annexation line N57°26'15"W 335.48 feet; and S74°54'45"W 557.42 feet to a point in the Easterly boundary of the “Resubdivision of Tract No. 6309,” Alta Vista Unit No. 1, a map of which was filed for record in Book 436 of Maps at pages 22 through 31, Santa Clara County Records, and the point of intersection with the above said original County Sanitation District No. 4 boundary line as established in 1948; thence along last said annexation boundary line and said boundary of Tract No. 6309 S00°14'19"E 739.35 feet the POINT OF BEGINNING.

Prepared by the firm of
MACKAY & SOMPS
San Jose, California
Date prepared: July 28, 2003
Hearing Date: August 11, 2003

To: The Santa Clara County Local Agency Formation Commission
From: Dunia Noel, LAFCO Analyst
Subject: West Valley Sanitation District Annexation 02-03 (Shannon Road)

Recommended CEQA Action and Required Findings:

LAFCO as a Responsible Agency under CEQA, must take the following actions regarding the Final EIR for this project:

1. Find that [a] the Final Environmental Impact Report (EIR) certified by City of Los Gatos on August 20, 2001 and the Addendum to the Final EIR certified by the City of Los Gatos on March 4, 2002 were completed in compliance with CEQA and are an adequate discussion of the environmental impacts of the project for LAFCO Purposes, and [b] prior to making a decision on this project, LAFCO reviewed and considered the environmental effects of the project as shown in both the Final EIR and Addendum to the Final EIR.

2. Find that [a] the Final EIR and Addendum to the Final EIR identified potentially significant adverse impacts resulting from the project in the areas listed below, and [b] appropriate mitigation measures have been proposed for each of the potential impacts identified in each of the listed categories that will reduce the impacts to a less than significant level.
   - Biological Resources
   - Hydrology and Water Quality
   - Traffic and Circulation

3. Find that the Town of Los Gatos submitted a monitoring program, and that the monitoring program ensures compliance with the mitigation measures identified in the Final EIR and Addendum to the Final EIR that would mitigate or avoid significant impacts associated with the annexation to the West Valley Sanitation District, over which LAFCO has responsibility.

Background

A private landowner within the city limits and Urban Service Area of the Town of Los Gatos has received approval from the Town of Los Gatos to subdivide three parcels
(APNs: 537-18-001, 567-23-041, and 567-24-008) of land totaling 80.3 acres and located at 17101 Hicks Road into 14 lots. The residential area consists of 45.37 acres (this figure includes 15.83 acres of private open space that is included in the lots) and a remaining 29.60 acres of open space and 4.57 acres of public and private streets. A sanitary line extension is required to enable implementation of the subdivision. The applicant, therefore, has petitioned LAFCO to allow the annexation of the three parcels into the West Valley Sanitation District in order to provide sewer connections to each of the homes.

The General Plan designation for the three parcels is Hillside Residential, with a zoning designation of HR-5: PD (Hillside Residential; Planned Development). The HR-5 zoning designation requires a minimum lot size of 5 acres and a maximum lot size of 40 acres depending on the size and slope of the property. As indicated above the applicant has chosen to subdivide the property into 14 single-family lots, ranging in size from 2.03 acres to 8.12 acres, or an average residential lot size of 3.24 acres. Thirteen of the fourteen lots are clustered together, leaving the remaining area for open space uses and resulting in an overall development density of 5 acres per a lot. Average house size is expected to be around 4,650 square feet. Originally the applicant applied to the Town of Los Gatos to subdivide the property into 19 lots. On August 20, 2001, the Town of Los Gatos certified the Final EIR for the annexation of the parcels and the 19-lot subdivision, but remanded the application to the Planning Commission for revision. In response to the direction provided by the Town Council at the August 20th hearing, the applicant revised the project and the number of residential lots was reduced to 14. The applicant prepared an Addendum to the Final EIR to reflect the revised project. The Town of Los Gatos subsequently approved the revised project.

According to the Final EIR, the majority of the land is relatively flat and was used an orchard before being converted to boarding stables. The use of the flat portions of the property by equestrians has limited the land's values to wildlife. However, the steeper areas of the site, particularly the stream area along Shannon Road, provide considerable wildlife habitat.

The property abuts Los Gatos Christian School on the east, Hick and Shannon roads on the south and residential properties on the north, west, and south. There are two existing residences located adjacent to the western boundary and one adjacent to the southern boundary. Guadalupe Landfill also borders the property to the south.

Environmental Factors of Concern to LAFCO

Premature Conversion of Agricultural and Open Space Lands
None of the site is considered prime agricultural land. Therefore, there are no impacts on agriculture. In addition, there would be no significant impacts on open space resources.

Growth Inducement
The General Plan designation for the three parcels is Hillside Residential, with a zoning designation of HR-5: PD (Hillside Residential; Planned Development). The HR-5 zoning
designation requires a minimum lot size of 5 acres and a maximum lot size of 40 acres depending on the size and slope of the property. As indicated above the applicant has chosen to subdivide the 80.3 acres property into 14 single-family lots, ranging in size from 2.03 acres to 8.12 acres, or an average lot size of 3.24 acres. Thirteen of the fourteen lots are clustered together, leaving the remaining area for open space uses and resulting in an overall development density of 5 acres per a lot. Because the proposed development is consistent with the density allowed under the General Plan and Zoning, and would not result in any further development potential under the current General Plan designation, the project would have no direct growth inducing impacts.

**Provision of Public Services**

According to the Final EIR and Addendum to the Final EIR, all urban services are available to the site. West Valley Sanitation District has indicated that it does have adequate sewer capacity to provide the properties without detracting from the existing service levels within this area. As such, the overall impact on the service is minimal.

**Attachments:**

1. City of Los Gatos Resolution 2001-96
2. Shannon Valley Ranch EIR Notice of Determination
3. Excerpts of the Los Gatos Town Council Minutes March 4, 2003 Hearing
4. Shannon Valley Ranch Mitigation Monitoring Plan
5. Shannon Valley Ranch Draft Environmental Impact Report
6. Shannon Valley Ranch Final EIR Comments and Responses
7. Shannon Valley Ranch Addendum to the EIR
RESOLUTION REMANDING (1) A GENERAL PLAN AMENDMENT TO CHANGE THE LAND USE DESIGNATION FROM AGRICULTURE TO HILLSIDE RESIDENTIAL, (2) A PLANNED DEVELOPMENT TO CHANGE THE ZONE FROM RC AND HR-5 PRE-ZONE TO HR-2 1/2:PD TO ALLOW 19 SINGLE FAMILY LOTS, AND (3) AN APPEAL OF THE DECISION OF THE PLANNING COMMISSION DENYING AN ARCHITECTURE & SITE APPLICATION TO DEMOLISH THREE SINGLE FAMILY RESIDENCE.

DEVELOPMENT APPLICATION: DEV-99-002.
ENVIRONMENTAL IMPACT REPORT: EIR-00-2.
ARCHITECTURE & SITE APPLICATION: S-9-5.
PROPERTY LOCATION: 17101 HICKS ROAD & 14045 SHANNON ROAD.
PROPERTY OWNER: THE DAGNEY GROUP, LLC.
APPLICANT/APPELLANT: GREENBRIAR LAND COMPANY.

WHEREAS:
A. This matter came before Council for public hearing on July 16, 2001 on a request by Greenbrier Land Company (applicant/appellant) for hearing on the Planning Commission's decision to recommend denial of the General Plan and Zone Change applications, and on an appeal by applicant/appellant from the decision of the Planning Commission to deny the architecture and site approval application, and was regularly noticed in conformance with State and Town law.

B. Council received testimony and documentary evidence from the applicant/appellant and all interested persons who wished to testify or submit documents. Council considered all testimony and materials submitted, including the record of the Planning Commission proceedings and the packet of material contained in the Council Agenda Report dated July 12, 2001, July 13, 2001, and July 16, 2001 Desk Item, along with subsequent reports and materials prepared concerning this application.

C. The applicant seeks approval of a Planned Development to permit construction of 19 single family homes on approximately 80.3 acres. The applicant is proposing to change the General Plan designation of approximately 34.5 of the 80 total acres from Agriculture to Hillside Residential, and to change the current zoning of the property from Pre-zoned RC (Resource Conservation) and
pre-zoned HR-5 (Hillside Residential, 5-acre minimum lot size) to HR-2 ½ PD (Hillside Residential Planned Development, 2 ½-acre minimum lot size). The site currently contains three vacant single-family residences and a barn that are all proposed to be demolished under the Architecture and Site Application.

D. The Planning Commission first considered the matter on January 24, 2001 and remanded the item to the Development Review Committee to allow the applicant to address a number of concerns. On March 8, 2001, a Planning Commission study session was held at the request of the applicant. On April 24, 2001, the Planning Commission reviewed the revised plans and additional information submitted by the applicant. The Development Review Committee deemed the plans complete on May 26, 2000.

E. Appellant appealed the Planning Commission denial of the Architecture & Site Application and requested a Council hearing on the rezoning and General Plan amendment as they believe that the Planning Commission denied the application primarily because of the need to take an action as required by California Environmental Quality Act and that the Commissioners were reluctant to deny the project requesting additional redesigning, thereby forcing the denial of the project due to time limitations.

F. The existing pre-zoning of HR-5 allows the appropriate density of development for this largely rural area. The parcel pre-zoned RC should, however, be rezoned to HR-5 because the Williamson Act contract has been cancelled, the land is no longer restricted to or used for agricultural purposes, and because it is indistinguishable from the surrounding area zoned HR-5.

G. Council finds pursuant to Town Code section 29.20.300 that new information was submitted to the Council during the requested hearing that was not readily available at the time of the Planning Commission review; to wit, a substantial reduction in the amount of grading required for the project.
RESOLVED:

1. Development Application DEV-99-002 is therefore remanded to the Planning Commission with the following direction:

   a. Developer to revise plans and reduce the project density to up to 14 homes with the size of residences limited to be consistent with the current project proposal; i.e., maximum square footage not to exceed 4,850 square feet with project size of 4,650 square feet per residence;

   b. The zoning designation for the parcel that is currently designated Agriculture be changed to Hillside Residential (HR-5);

   c. Surrounding roadways, specifically Hicks and Shannon Roads, will not be widened to accommodate the development; and,

   d. The revised PD should continue to show the same dedication of open space in the hillside area.

2. The appeal of the denial of Architecture & Site Application S-9-5 is granted and the application is remanded to the Planning Commission consistent with the other actions taken herein.

3. Environmental Impact Report EIR-00-2 is certified with the following determinations:

   a. The Report has been completed in compliance with the California Environmental Quality Act.

   b. The Report was reviewed and considered by the Town Council before the actions were taken.

   c. The Report represents the independent judgment and analysis of the Town of Los Gatos.
PASSED AND ADOPTED at a regular meeting of the Town Council of the Town of Los Gatos, California, on the 20th day of August, 2001 by the following vote.

COUNCIL MEMBERS:

AYES: Randy Attaway, Steven Blanton, Sandy Decker, Steve Glickman, Mayor Joe Pirzynski.

NAYS: None

ABSENT: None

ABSTAIN: None

SIGNED:

MAYOR OF THE TOWN OF LOS GATOS
LOS GATOS, CALIFORNIA

ATTEST:

CLERK OF THE TOWN OF LOS GATOS
LOS GATOS, CALIFORNIA

The foregoing instrument is a correct copy of the original on file in this office.

ATTEST: MARIAN V. COSGROVE
DIRECTOR OF LEGISLATIVE SERVICES
CLERK OF THE TOWN OF LOS GATOS
BY: MARIA R. RAMUSO
DATE: 7/29/03

Page 4 of 4
NOTICE OF DETERMINATION

TO: COUNTY CLERK COUNTY OF SANTA CLARA
FROM: TOWN OF LOS GATOS P.O. BOX 949 LOS GATOS, CA 95031

SUBJECT: FILING OF NOTICE OF DETERMINATION IN COMPLIANCE WITH SECTION 21108 OR 21152 OF THE PUBLIC RESOURCES CODE.

ENDORSED MAR 27 2002

BRENDA DAVIS, County Clerk-Recorder Santa Clara County
POSTED ON THROUGH APR 26 2002 IN THE OFFICE OF THE COUNTY CLERK-RECORDER

DEPUTY LAURA B. AGUILA

This is to advise that the TOWN OF LOS GATOS has approved the above described project and has made the following determinations regarding the above described project:

Date approved:

1. The project _____ will ___ will not have a significant effect on the environment.

2. _____ An Environmental Impact Report was prepared for this project pursuant to the provisions of CEQA.

   _____ A Negative Declaration was prepared for this project pursuant to the provisions of CEQA.

3. Mitigation measures _____ were ____ were not made a condition of approval of the project.

4. A statement of Overriding Considerations ____ was ____ was not required for this project.
5. Findings **X** were ____ were not made pursuant to the provisions of CEQA.

This is to certify that the Initial Study with comments and responses and record of project approval is available to the General Public at:

TOWN OF LOS GATOS
Community Development Department
110 E. Main Street
Los Gatos CA 95032

Date received for filing __________

Bud N. Lortz, Director of Community Development

3/17/02

Date
HEARINGS CONTINUED

HICKS ROAD 17101 & SHANNON ROAD 14045/GREENBRIER RESIDENTIAL (20.15)

Mayor Attaway announced that this was the time and place so noted for public hearing to consider a request for approval of a Planned Development to change the zone from RC and prezoned HR-5 to HR-5:PD to allow 14 single family lots, a General Plan amendment to change the land use designation from Agriculture to Hillside Residential, and Architecture and Site approval to demolish three single family residences. This matter may have a significant impact on the environment and an Environmental Impact Report has been prepared as required by the California Environmental Quality Act. Property Location: 17101 Hicks Road and 14045 Shannon Road. Property Owner: The Dagney Group, LLC. Applicant: Greenbriar Land Company.

The following people from the audience addressed this item:
Katja Kamangar, Director of Glen Development at Greebrier Homes, 4340 Stevens Creek Blvd., Suite 240, San Jose. She spoke of the history of the project and the cooperation of the company in meeting all of the directions and requirements. She also spoke of the roads remaining in their current rural form, the homes placed on 3.2 acres and a permanent open space of 45 acres of the 80 acre parcel. She noted that 2/3rds of the homes will be single story and requested that one of the new conditions be reworded to allow 5,000 square feet of lawn be the maximum allowed. She asked for approval and certification of the EIR addendum.
Mike Ajlouny, 17311 Hicks Road, inquired as to how he was to get utilities to his lot and how he was to become annexed. He was also looking forward to the placement of flag poles so he could see where these home would be placed.
Jon Ireland, 127 Craig Way, spoke of purchasing one of these single story homes. His wife, as an invalid, is in need of a home without stairs and they will be selling their three story home. He urged Council not to make anymore changes which would cause the price of the homes to escalate.
Mike Kokinos, 14075 Americh Road, spoke against the development on lot 14, the slab construction, the fencing, and asked that construction traffic be minimized during time of students going and coming from school.
Michael Burke, 16769 Hicks Road, asked for thought be given to supplying water during time of fire and of undergrounding utility lines. He spoke of the rural atmosphere and the need for appropriate fencing to blend into with the environment.
Ray Davis, resident, spoke of upholding the General Plan and the need to address the traffic safety issues.
Alex Leupp, 530 Santa Rosa Drive, asked exactly what amount of lighting was to be allowed. He is concerned about the development of lot 14 and the fire safety issues involved with that proposal.
Clay Stringham, representing the Dagney Group, 828 S. Bascom, San Jose. Thanked Council for its support of this proposal.
Katja Kamangar, spoke of grading issues and the removal of the current construction fence. There will be no fences along the property lines which provides for the wildlife movement corridors. Lot 14 will be a rebuild of what was already there. The fencing within the property will be addressed for containment of pets for privacy areas and will be addressed at the A&S stage and will be a condition of A&S that would have to be amended in the future if owners needed to amend it.
No one else form the audience addressed this issue.

Motion by Mr. Pirzynski, seconded by Mr. Glickman, to close the public hearing. Carried unanimously.

Motion by Mr. Glickman, seconded by Mrs. Decker, that Council certify the Addendum to the EIR as shown in Exhibit H of Attachment 4, and adopt the Mitigation Monitoring Plan as delineated in Attachment 3 of the staff report. Carried unanimously.
HEARINGS CONTINUED

HICKS ROAD 17101 & SHANNON ROAD 14045/GREENBRIER RESIDENTIAL/CONT.

Motion by Mr. Firzynski, seconded by Mrs. Decker, that Council make the Findings as expressed in Attachment 1, showing consistency with the General Plan and Hillside Plan; giving community benefit outweighing traffic impacts and following Town's in-fill policy. Carried unanimously.

The Town Clerk read the Title of the Proposed Ordinance.

Motion by Mr. Glickman, seconded by Mrs. Decker, to waive the reading of the Proposed Ordinance. Carried unanimously.

Motion by Mr. Glickman, seconded by Mrs. Decker, that Council introduce Ordinance entitled, ORDNANCE OF THE TOWN OF LOS GATOS AMENDING THE TOWN CODE EFFECTING A ZONE CHANGE FROM RC AND HR-5 PREZONE TO HR-5:PD FOR PROPERTY LOCATED AT 17101 HICKS ROAD AND 14045 SHANNON ROAD. This motion to include the following amendments: 1) Lawn area to cover no more than 5,000 square feet; 2) Privacy fencing shall be determined during Architecture and Site approval and any modification of that fencing must return to A&S; 3) A home may be constructed on Lot 14 following replacement guidelines addressing size, mass and scale in relation to the original home destroyed by fire. This lot will also keep the roadway to a minimum and shield the road with landscaping; 4) The entrance to the project will be evaluated by the Parks and Public Works Department for vehicular safety. A cutoff style, shielded light is allowed only if there is no other feasible way to ensure that vehicular safety can be provided. 5) Council requested articulation of design in relation to the height of the homes. Carried unanimously.

The foregoing instrument is a correct copy of the original on file in this office.

ATTEST: MARIAN V. CUSGROVE
DIRECTOR OF LEGISLATIVE SERVICES
CLERK OF THE TOWN OF LOS GATOS

BY ____________________________
DATE __________/29/03
BIOLOGICAL RESOURCES

Impact 6.3:
During project construction there would be potential for damage to the trees that are proposed to be retained.

Mitigation Measure 6-3a: During the design phase, the project sponsor shall implement the following measures:

- Any plan affecting trees shall be reviewed by the Consulting Arborist to ensure that improvement plans, utility and drainage plans, grading plans, landscape and irrigation plans, and demolition plans will not adversely affect the tree to be retained.
- The horizontal and vertical elevations of trees to be preserved shall be established and included on all plans.
- The Consulting Arborist shall identify a Tree Protection Zone for trees to be preserved in which no soil disturbance is permitted. For design purposes, the Tree Protection Zone shall be defined by the dripline. Where development must encroach within the dripline, the Consulting Arborist will identify an appropriate Tree Protection Zone.
- No underground services including utilities, sub-drains, water or sewer shall be placed in the Tree Protection Zone.
- Tree Preservation Notes shall be included on all plans.
- Any herbicides placed under paving materials must be safe for use around trees and labeled for that use.
- Irrigation systems must be designed so that no trenching will occur within the Tree Protection Zone.

Mitigation Action | Monitored Action | Responsibility | Timing
--- | --- | --- | ---
Required as a condition of approval. | Director of Community Development & Director of Parks and Public Works. | During Architectural and Site Approval and prior to issuance of a building permit.
**MITIGATION MONITORING PLAN**

**DATE:** January 23, 2002  
**PROJECT:** 17101 Hicks Road & 14045 Shannon Road/DEV-97-99-02, EIR-00-02, S-99-5

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<th><strong>Impact</strong></th>
<th><strong>Mitigation</strong></th>
<th><strong>Monitoring Action</strong></th>
<th><strong>Responsibility</strong></th>
<th><strong>Timing</strong></th>
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<td><strong>BIOLOGICAL RESOURCES</strong></td>
<td>Mitigation Measure 6-3b: During the pre-construction phase, the property owner/developer shall take the following measures:</td>
<td>Required as a condition of approval.</td>
<td>Building Division, Director of Parks &amp; Public Works</td>
<td>During site preparation.</td>
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<td>• Fencing shall be constructed around the trees to be retained and it shall completely enclose the Tree Protection Zone, prior to demolition, grubbing or grading. Fencing shall be placed at the dripline or as otherwise directed by the consulting arborist. Fences shall remain until all grading and construction is completed.</td>
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<td>• All trees to be retained shall be pruned within and adjacent to development areas to clean the crown, reduce end weight and/or provide clearance. Tree #201 will require pruning to reduce weight throughout the crown. Clearance shall be provided by selectively thinning low-hanging lateral branches.</td>
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<td>• All pruning shall be performed by a Certified Arborist or Tree Worker in accordance with the Tree Pruning Guidelines of the International Society of Arboriculture.</td>
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<td>• Prior to the start of any demolition and clearing, the Consulting Arborist shall meet with the demolition, grading and other relevant contractors to review limits of construction activity, identify areas requiring fencing, identify trees to be removed and review work procedures.</td>
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BIOLOGICAL RESOURCES

Mitigation Measure 6-3c: During the construction phase of the project, the applicant shall take the following measures:

- Any grading, construction demolition, or other work within the Tree Protection Zone shall be monitored by the Consulting Arborist.
- Any root pruning required for construction purposes shall receive the prior approval of, and be supervised by, the Consulting Arborist.
- If any injury to a tree should occur during construction, it should be evaluated as soon as possible by the Consulting Arborist so that appropriate treatments can be made.
- Root-injured trees have a limited capacity to absorb water. Therefore, it is important to ensure adequate soil moisture in the area of active roots. One to several irrigations may be needed for trees that are at risk of impacts. Irrigations shall be specified by the Consulting Arborist.
- No excess soil, chemical, debris, equipment or other materials shall be dumped or stored within the Tree Protection Zone.
- Any additional pruning required to provide clearance during construction shall be performed by a Certified Arborist and not construction personnel.

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<td>6-3c</td>
<td>Required as a condition of approval.</td>
<td>Building Division &amp; Director of Parks and Public Works.</td>
<td>During Construction</td>
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MITIGATION MONITORING PLAN
DATE: January 23, 2002
PROJECT: 17101 Hicks Road & 14045 Shannon Road/DEV-97-99-02, EIR-00-02, S-99-5

**BIOLOGICAL RESOURCES**

Special status species Impact 6-4:

Project construction could adversely affect several special-status animal species and other sensitive species if they are breeding on the site.

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<td>Mitigation Measure 6-3d: Following construction, a comprehensive management plan for the trees shall be developed that considers the broad objectives of development as well as the needs of the specific species. This management plan shall specify pruning, fertilization, mulch, pest management, replanting and irrigation requirements. In addition, provisions for monitoring both tree health and structural stability following construction must be made a priority. As trees age, the likelihood of failure of branches or entire trees increases. Therefore, the management plan must include an annual inspection for hazard potential.</td>
<td>Required as a condition of approval</td>
<td>Building Division, Director of Parks &amp; Public Works</td>
<td>After Construction</td>
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<td>Mitigation Measure 6-4: To minimize impacts on nesting raptors, the project sponsor shall complete necessary pre-construction surveys and monitoring. If it is not possible to schedule construction between August and February, then pre-construction surveys for nesting raptors will be conducted by a qualified ornithologist in order to ensure that no raptor nests will be disturbed during project construction. This survey will be conducted no more than 15 days prior to the initiation of construction activities during the early part of the breeding season (February through April) and no more than 30 days prior to the initiation of these activities during the late part of the breeding season (May through August). During this survey, the biologist will inspect all trees in and immediately adjacent to the impact areas for raptor nests.</td>
<td>Required as a condition of approval</td>
<td>Director of Community Development</td>
<td>Prior to issuance of a building permit</td>
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If an active raptor nest is found close enough to the construction area to be disturbed by these activities, the ornithologist, in consultation with CDFG, will determine the extent of a construction-free buffer zone to be established around the nest.

Mitigation Measure 6-5a: To minimize impacts on yellow warblers, the property owner/developer shall retain sycamore riparian habitat along Shannon Creek and maintain setbacks of at least 50 feet between proposed development and sycamore riparian habitat. If a small amount of development encroaches into this 50-foot setback, then this encroachment (indirect impact) shall be mitigated by planting riparian habitat at a 1:1 ratio.

Mitigation Measure 6-5b: The property owner/developer shall implement the following measures to minimize potential impacts on any roosting bats:

- Surveys shall be conducted up to one year in advance of building demolition and tree removal, if possible, to determine if active roosts are present. These surveys shall not substitute for pre-construction/pre-disturbance surveys for nesting raptors, as bats could move on or adjacent to the site between survey periods. If roosting bats are found during these surveys, either avoidance of the maternity roost season, establishment of buffer zones, or exclusion of bats shall be implemented as appropriate.
**BIOLOGICAL RESOURCES**

- **Avoidance:** Construction activities involving potential roost sites shall be conducted outside the maternity roost season if the project commences after young are volant by July 31 and finished before the formation of maternity roosts begins (as early as March 1).

- **Pre-demolition Surveys and Buffer Zones:** If the project schedule does not allow for early detection surveys to occur, a pre-demolition survey for roosting bats shall be conducted by a qualified bat biologist 14 days prior to construction as determined by a Memorandum of Understanding with the California Department of Fish & Game (CDFG) prior to any removal of buildings, particularly those with closed areas such as an attic space, or trees 12 inches in diameter. No activities that would result in disturbance to active roosts would proceed prior to the completed surveys. If no active roosts are found, then no further action is warranted. If a maternity roost is present, a qualified bat biologist shall determine the extent of construction-free zones around active nurseries located during surveys. CDFG shall also be notified of any active nurseries within the construction zone.

- **Surveys:** Initial surveys can be conducted any time prior to the pre-demolition surveys to establish if a particular location has supported, or supports, roosting bats. A survey for indications of nursery roosts shall be conducted prior to March 1. If indications of a maternity roost are present, the
BIOLOGICAL RESOURCES

Impact 6-6:
Portions of the proposed development along Shannon Creek would be located within 100 feet of the edge of the riparian corridor, and proposed encroachment could directly or indirectly result in the loss of California red-legged frog habitat.

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<td>Mitigation Measure 6-6: The property owner/developer shall implement the following protection measures to mitigate impacts to the red-legged frog (see Addendum to EIR for additional details):</td>
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<td>- Avoidance to the extent possible.</td>
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<td>- Minimization. The project shall be designed, built and operated in the following ways that will minimize</td>
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<td>structure can be removed or modified before a maternity roost becomes reestablished.</td>
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<td>- Exclude Bats Prior to Construction Near Roost: Bats could be excluded after July 31 and before March 1 to prevent the formation of maternity colonies. Such non-breeding bats could be safely evicted, under the direction of a qualified bat biologist, by sealing crevices and providing them one-way exclusion doors. Such a device should be employed in all expansion joints during dark hours as a temporary device to prevent the formation of a maternity colony. In order not to exclude all potential maternity roost habitat at once, only one-half of the expansion joints should be sealed at any one given time during the maternity colony-nesting season. This action should allow bats to leave during dark hours, thus increasing their chance of finding new roosts with a minimum of potential predation during daylight. After construction, all exclusion devices shall be removed to allow bats to re-establish habitat for colonies.</td>
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BIOLOGICAL RESOURCES

both direct and indirect impacts to these species. Any construction near or adjacent to the Shannon Creek drainage will be preceded by a pre-construction survey. The existing culvert over the Shannon Creek drainage will not be widened and will only be used as an EVA road. The primary egress and ingress for the project will be off of Hicks Road. In addition, impacts relating to the construction of the outfalls for the project are likely to be covered by the Programmatic Section 7 for the red-legged frog. If formal consultation (via Section 7) is required, then the applicant shall implement all of the minimization measures outlined in the Programmatic Section 7 Biological Opinion.

- Compensation by Wetland Creation. Any impacts from the project shall be mitigated by creating habitat at a minimum of 1:1 ratio.
- Compensation by Riparian Restoration. A riparian restoration plan for mitigation shall be developed by a qualified biologist. The mitigation area(s) should be designed to expand existing riparian vegetation and re-create high quality riparian habitat along the Shannon Creek drainage and northern drainage. The final species selection and configuration shall be determined during final mitigation design. The trees and shrubs to be installed should be of local origin, preferably contact grown from seed or cuttings from within five miles of the site.
BIOLOGICAL RESOURCES

- A detailed monitoring plan including specific success criteria should be developed and submitted to permitting agencies during the permit process. The mitigation area would be monitored in accordance with the plan approved by those permitting agencies. The basic components of the monitoring plan are final success criteria, performance criteria, monitoring methods, data analysis, as-built plans, monitoring schedule, contingency/remedial measures, and reporting requirements.

- Specific success criteria and characteristics shall be developed during preparation of the mitigation and monitoring plan. At a minimum, the final success criteria shall include absolute percent cover by native trees and shrubs of 60% and 40%, respectively. The performance criteria should include tree and shrub survival at three years of 80% of the original planting. If the final encroachment estimates exceed 1.0 acre, monitoring of the mitigation site shall be conducted for ten years. Annual monitoring reports shall be sent to the appropriate agencies. If the required mitigation planting is less than 1.0 acre, monitoring shall be conducted annually for five years.

- During the development of the riparian restoration plan, an appropriate area (or areas) shall be identified to replace encroachment impacts at a 1:1 basis.

- Maintain Water Quality of the Watershed. The project shall be designed, constructed and built in such a way as to maintain the water quality in the
MITIGATION MONITORING PLAN
DATE: January 23, 2002
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<td>BIOLOGICAL RESOURCES</td>
<td>adjacent drainage channels and ponds. Appropriate Best Management Practices (BMP’s) shall be developed for the project.</td>
<td>Required as a condition of approval</td>
<td>Director of Parks &amp; Public Works</td>
<td>During Architecture &amp; Site and during construction</td>
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HYDROLOGY & WATER QUALITY
Impact 7-3:
Proposed development would alter existing drainage patterns on the project site.

Impact 7-4:
Project construction would have the potential to degrade water quality in Shannon and Guadalupe Creeks.

Impact 7-6:
After project completion, project homes would contribute incrementally to the degradation of downstream water quality due to introduction of urban pollutants.

Mitigation Measure 7-3: Energy dissipaters should be provided at the outfalls of proposed storm drains to minimize the increased potential for erosion hazards due to project development.

Mitigation Measure 7-4: A Storm Water Pollution Prevention Plan (SWPPP) shall be prepared prior to the start of construction. The SWPPP and project plans shall be reviewed by the Town Engineering staff. The SWPPP shall be in conformance with the Santa Clara County NPDES permit as amended by the San Francisco Bay Regional Water Quality Control Board (RWQCB) on October 17, 2001. The SWPPP shall be approved concurrently with the grading, drainage and erosion control plans. Reference the Addendum to the EIR for additional details.

Mitigation Measure 7-6: The project design shall incorporate water quality mitigation measures in accordance with current NPDES requirements. Water quality measures should include biofilters, drainage swales, and detention facilities to mitigate non-point source impacts. In addition, the Santa Clara Valley Water District (SVCVWD) and RWQCB recommend the incorporation of site planning design measures to help
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| 8.2    | Mitigation Measure 8-2: In order to minimize potential traffic safety impacts, the property owner/developer shall take the following measures:  
- Adequate site distance shall be provided for the project access road/Hicks Road intersection through removal of vegetation and grading of the embankment.  
- A stop sign shall be installed to control traffic on the project access road to Hicks Road. The stop sign for the proposed driveway shall be located along and parallel to the north edge of pavement on Hicks Road.  
- Warning signs shall be installed indicating a "T" intersection along Hicks Road approaching the new driveway. These signs shall be located approximately 300 feet east and west of the project entrance/Hicks Road intersection.  
- Traffic reflectors shall be installed on the south side of Hicks Road at the intersection with the entrance road to the project. | Required as a condition of approval. | Director of Parks & Public Works | During construction. |
| 8.3    | Mitigation Measure 8-3: A separate pedestrian trail shall be installed along the north side of Hicks Road. | Required as a condition of approval. | Director of Parks & Public Works | During Architecture & Site review and during construction |

TRANSPORTATION & TRAFFIC

Impact 8-2:
The proposed access would increase turning movements to and from Hicks Road at the proposed Hicks Road/access road intersection.

Impact 8-3:
There are existing safety problems on the section of Hicks Road along the site frontage due to its narrow width and excessive travel speeds, and project-generated traffic increases on this road would aggravate these safety problems.

reduce potential contributions of urban pollutants from the project. *Reference the Addendum to the EIR for additional details.*
TRANSPORTATION & TRAFFIC

Impact 8-5:

Proposed roads and trails would be consistent with policies of the Town General Plan, Hillside Specific Plan, Blossom Hill Comprehensive Open Space Study (BHCOSS), and Santa Clara County Countywide Trails Master Plan Update, but trails would vary somewhat from trail designations in the BHCOSS. (Potentially Significant)

Mitigation

Mitigation Measure 8-5: Use of trails by bicyclists, particularly the trail parallel to Hicks Road, shall be considered during Architecture and Site review. In addition, design issues such as the appropriateness of trail widths, pavement versus compacted earth, and trailhead facilities will need to be considered during Architecture and Site Review.

Monitoring Action

Required as a condition of approval.

Responsibility

Director of Parks & Public Works

Timing

During Architecture & Site review and during construction.
Due to limited copies the document for this item:

DRAFT ENVIRONMENTAL IMPACT REPORT
SHANNON VALLEY RANCH

will be provided to Commissioners only.
Due to limited copies the document for this item:

DRAFT ENVIRONMENTAL IMPACT REPORT
COMMENTS AND RESPONSES

SHANNON VALLEY RANCH

will be provided to Commissioners only.
Due to limited copies the document for this item:

DRAFT ADDENDUM TO THE EIR
SHANNON VALLEY RANCH

will be provided to Commissioners only.
Fire Services Review
Preliminary Issues Identification

SANTA CLARA COUNTY LAFCO

matrix consulting group
2470 El Camino Real, Suite 210
Palo Alto, CA 94306
v.650.858.0507 f.650.858.0509

June, 2003
Introduction

The Santa Clara County Local Agency Formation Commission (LAFCO) retained the Matrix Consulting Group to conduct a Municipal Services Review with respect to Fire Service Agencies in Santa Clara County. This project team conducted the data collection portion of the assessment during the spring and early summer of 2003. In order to conduct this portion of the study, the Matrix Consulting Group project team engaged in the following activities:

- Interviewed the Fire Chiefs and management staff of City Fire Departments, Federal Agencies, and Fire Districts throughout the County. The project team also interviewed other staff in each agency with unique staff roles on a one-on-one basis. The project team has also contacted representatives from the volunteer fire service agencies in the County.

- Interviewed City Managers and senior executive staff to understand the perspectives of the cities in the County relating to fire service regional issues, development issues and the like. The project team also met with the Acting County Administrator for his perspectives on key study issues.

- Met with firefighter labor groups to gain an understanding of the union's concerns about fire and emergency services issues in the region as well as the study itself.

- Collected detailed data describing operations, workload, deployment, scheduling, use of leave, apparatus, station location, etc. A detailed data collection instrument was developed and distributed to each agency in advance of our site visits which facilitated the data collection process.

- Developed a descriptive profile of the fire departments and districts describing current operations, service levels, staffing, deployment, stations, etc. These descriptive profiles have been, or are, being reviewed by the staff of each agency to ensure their accuracy.
Met with a Technical Advisory Committee made up of representatives of the County, LAFCO, cities and fire departments to review our progress.

Collectively, these steps are intended to provide the project team and the Technical Advisory Committee with an in depth understanding of the delivery system for fire and emergency services that has evolved in Santa Clara County - its operations and the environment within which services are provided.

The purpose of this paper is to present preliminary issues, in the context of the scope of our project, which have emerged and will be the focus of further data gathering and analysis. This preliminary issues paper is further intended to ensure that all participants have had open and multiple opportunities for input into the study process.

Summary of Initial Issues

The analysis and supporting documentation that will be contained within the final report are extensive. This "Summary of Initial Issues" is intended to provide a brief synopsis of the primary issues related to this study that have emerged from our data collection efforts to date.

1. **Increasing Development in “Unprotected Areas” Outside of Geopolitical Boundaries of Fire Service Agencies**

In Santa Clara County, approximately 392,700 acres of land exist which is outside of existing service boundaries of established, full-time fire service organizations. While these areas are largely within State Responsibility Areas (SRA), the actual responsibility of the State ends with wildland protection. Thus structure fires, EMS calls and traffic accidents that occur in these areas are receiving unpredictable and uncompensated levels of service.

There are currently 5 volunteer companies operating in these outlying areas:
• Ormsby Fire Brigade
• Casa Loma Volunteers
• Steven’s Creek Volunteers
• Spring Valley Volunteers
• San Antone Volunteers

These areas currently generate approximately 600 incidents per year (collectively) and provide an increasing trend in call demand. This is primarily due to continued development in these previously rural areas in the absence of development standards that provide for defined service levels relative to fire service delivery.

These companies are operated by volunteers from the community and rely primarily on grants, donations and fund-raising to support their continued operations. The County of Santa Clara supports these agencies by providing Worker’s Compensation Insurance, paying the California Department of Forestry and Fire Protection $4,000 annually for basic training, and allowing them access to surplus equipment. There is little identifiable oversight or review of operations and the degree of autonomy exhibited by these forces makes the liability associated with their training and/or certifications problematic for any agency that may undertake those responsibilities.

Staff members from the San Jose Fire Department, the California Department of Forestry and Fire Protection, and the Santa Clara County Fire Protection District have been meeting for over a year to identify these areas and develop solutions to the increasing challenges associated with servicing them. They have developed a series of alternative plans to enhance training levels, coordinate responses, and provide greater
accountability for services provided in these areas. Unfortunately, no independent form of revenue has been identified and these plans have not been implemented.

These areas are currently receiving services from the volunteer companies identified above, the City of Milpitas, the City of San Jose, CDFFP, and the County Fire Protection District. The areas are defined below:

- **Milpitas Service Zone** – This area is comprised of those areas within the Milpitas Sphere of Influence (SOI) east of the corporate limits of the City of Milpitas. Most of this area is accessed off of Calaveras Road and includes parcels off of Sierra, Evans, Felter, Weller, Marsh and Sweigert Roads. This area accounts for approximately 40 emergency calls for service/year and is approximately 4,200 acres in size.

- **San Jose Service Zone** – This zone has 2 separate and distinct geographical areas. The eastern portion includes areas within the San Jose SOI in the lower foothills leading toward Mt. Hamilton. Parcels are accessed off San Felipe Road (beyond the Silver Creek Development), from Quimby and Mt. Hamilton Roads, Penitencia Creek, and Metcalf Road. The western portion includes areas reached from Hicks Road and Casa Loma Road. This area includes territory within and beyond the San Jose SOI following the San Jose Boundary Agreement Line. Approximately 120 emergency responses occur in these areas annually and the area contains in excess of 50,000 acres.

- **South Santa Clara County Fire District Service Zone** – This area includes the southern portions of the County outside of the boundaries of the Santa Clara County Fire Protection District, south of the San Jose SOI and Boundary Agreement Line. The 3 geographical areas include those parcels accessed off of Dunne Avenue beyond Anderson Reservoir, parcels off of Highway 52 (Pacheco Pass) east of the El Toro Ranch, and the western areas east of Uvas Road and north of the Uvas Reservoir dam. There are approximately 176 emergency calls for service in this area/year and the area contains over 62,000 acres.

- **County Fire Service Zone** – This area is within the Santa Clara County Fire Protection District SOI in the far, western portion of the County. It includes parcels south and east of Aldecroft Heights and Lexington Reservoir, west of the corporate limits of Saratoga and the boundary of the Saratoga Fire Protection District, parcels surrounding Stevens Canyon west of Steven Creek Reservoir, and the parcels west of the boundary of the Los Altos Hills Fire District. Approximately 145 emergencies occur in this zone which contains over 25,000 acres.
Remote Service Zone – This area is outside any adopted SOI and includes all areas east of the Calaveras Creek drainage, San Felipe Valley, western Coe Park Boundary, the North Fork of the Pacheco Creek and areas south of Pacheco Peak, including Lick Observatory, the San Antonio Valley, and the Isabel Valley. Approximately 119 incidents occur in this area annually. The area is over 250,000 acres.

The project team believes that this issue is of critical importance to the County and this study. As a result, analysis of this issue and its resolution will consume a considerable amount of our attention in the coming weeks.

2. Overlay of Service Boundaries on the City of Saratoga

The City of Saratoga is roughly divided in half with one area being served by the Saratoga Fire Protection District and the other area being served by the Santa Clara County Fire Protection District. This system has been in place for years and has recently been enhanced by a limited “boundary drop” agreement between the Saratoga Fire Protection District and the Santa Clara County Fire Protection District.

In spite of these enhancements, further analysis is warranted to evaluate the following dimensions of the current service delivery system:

- Potential differing tax increments paid for fire services
- The total community cost of providing fire services within the geopolitical boundaries of the City of Saratoga may be somewhat obfuscated by the total revenues received by these two agencies independently.
- There may be additional cost savings available by enhanced service agreements and/or alternative delivery structures.

The project team believes this to be the second significant fire service issues in the County and will evaluate this issue further and identify alternatives in our analysis in the coming weeks.
3. **Anticipated Development in the South County Will Impact Fire Service Needs and Alternatives in the Future.**

South County (i.e., Morgan Hill, Gilroy and the surrounding unincorporated area) presents a unique opportunity for planning efficiencies in fire service delivery system design. On the other hand, because of differences in the structure of municipal versus CDF operations, resolving this issue would be difficult. Further analysis is warranted with respect to the advantages of creating a sub-regional or common service area in the South County that can benefit from the efficiencies of well planned infrastructure and resource development and deployment.

Currently, the City of Morgan Hill is functionally dependent upon a regional system utilizing resources of both the Santa Clara County Fire District and the South Santa Clara County Fire District. Increasing development will likely continue to push development southward. A coordinated approach to fire service planning has the potential opportunity of reducing overall community and development costs as well as providing a cohesive service delivery system at or above mandated community standards or expectations.

4. **Moffett Field Conversion**

The "Moffett Field" area also presents a significant issue to resolve for the fire service in the future to the extent that it is in a municipal sphere (or spheres) of influence or within the Santa Clara County Fire Protection District's sphere of influence. Whatever re-organization takes place with respect to land uses in this area, and these may be significant, the logical provider(s) of service should be identified in terms of extension of existing infrastructure and service level demands.
5. **Regional Fire and Emergency Service Program and Operational Issues.**

Although not typically described in these terms, Santa Clara County essentially already has two "sub-regional" service providers. These are the City of San Jose and the Santa Clara County Fire Protection District. Both agencies have the scale and scope to provide services such as Level 1 HazMat Response, fire investigations, wide scale community education campaigns, support infrastructure, maintenance capabilities and training support and infrastructure. Some of these capabilities are duplicated by the cities of Mountain View, Palo Alto, Santa Clara and Sunnyvale in the northern areas of the County. To a certain extent, there have been some duplicative costs associated with the development of independent infrastructure elements such as training facilities and communication centers.

While there have been efforts and various regional service delivery models (i.e., boundary drops, joint training academies, etc.), there does not appear to have been a coordinated effort at regional planning for fire service delivery. This had led to the development of multiple training facilities, individual purchasing decisions for major capital items such as truck companies and a communication infrastructure that is not seamless or transparent.

Further analysis on the operational delivery aspects of the fire service system may lead to the identification of certain savings to total community cost through joint purchasing agreements and/or coordinated response planning into developing and/or re-developing areas.

6. **Communications Systems**
The infrastructure for a regional communication system is in place. Countywide EMS (with the exception of the City of San Jose) dispatching currently occurs through the Santa Clara County Communications Center. Despite the large role that this agency plays in the overall delivery of fire related services, there is no coordinated or agreed upon standards of performance relative to the services that this agency offers.

Additionally, the user costs of this system appear to have limited control mechanisms, either through market forces or political oversight/regulation. Various alternative governance structures may address some of these issues and provide enhanced efficiencies for this sub-system and its related infrastructure.
August 13, 2003

TO: LAFCO

FROM: Neelima Palacherla, Executive Officer
       Dunia Noel, LAFCO Analyst

SUBJECT: Countywide Water Service Review
         Agenda Item # 6

RECOMMENDATION

1. Authorize staff to issue a Request for Proposals (RFP) for consultant to prepare a countywide water service review.

2. Advise whether LAFCO commissioner representation is desired on the consultant selection committee. If desired, appoint commissioner to serve on committee.

3. Delegate authority to the LAFCO Executive Officer to enter into an agreement with the most qualified consultant in an amount not to exceed $75,000 and to execute any necessary amendments subject to LAFCO Counsel review and approval.

BACKGROUND

Service Reviews

The mandate for LAFCOs to conduct service reviews is part of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH Act). LAFCOs are required to conduct service reviews prior to or in conjunction with Sphere of Influence updates and are required to review and update the Sphere of Influence for each city and special district as necessary, but not less than once every five years. Thus, LAFCO must complete service reviews for all cities and special districts within five years from the effective date of the CKH Act or by January 1, 2006.
LAFCO of Santa Clara County is responsible for establishing, reviewing and updating Spheres of Influence for 45 public agencies in Santa Clara County (15 cities and about 30 special districts). In preparing for initiating the service review and sphere of influence update process, Santa Clara LAFCO at its August 2002 meeting established boundaries for conducting service reviews and established priorities for their completion. The schedule calls for completion of about 6 studies over the next four years. For the most part it is anticipated that these studies will be conducted by professional service firms under the direction of the LAFCO Executive Officer. LAFCO's Countywide Fire Protection Service Review is currently underway. LAFCO's next priority, a review of countywide water service in Santa Clara County, is the subject of this Request for Proposals (RFP). This service review will be conducted in two parts (a South County and a North County review). The first part will focus on the provision of water services in the southern part of Santa Clara County and the second part will focus on the provision of water services in the northern part of Santa Clara County.

Request for Proposals (RFP)

Attached is a Draft RFP for the Countywide Water Service Review. This Draft RFP will be forwarded for review and comment to all the agencies that will be included in the service review i.e., those agencies that provide water services in Santa Clara County. At this stage this Draft is for comment only from involved agencies. Staff will develop a final RFP incorporating agencies' comments where appropriate.

Staff will compile a list of consultants who work in this field. The final RFP will be sent out to those firms and will be posted on the LAFCO web site as well as on the CALAFCO web site for other interested firms.

Evaluation Criteria and Selection Process

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

- relevant work experience,
- the completeness of the responses,
- overall project approaches identified and
- proposed project budget

An interview/selection committee will conduct interviews and the most qualified firm will be selected based on the above evaluation criteria. Following the selection of the most qualified firm, a final services agreement including budget, schedule, and final Scope of Services statement will be negotiated before executing the contract.

ATTACHMENTS

Draft Countywide Water Service Review RFP including the Draft Scope of Services
DRAFT

REQUEST FOR PROPOSALS
LAFCO of Santa Clara County
Countywide Water Service Review

I. Objective

The Local Agency Formation Commission (LAFCO) of Santa Clara County is seeking proposals from professional service firms to prepare a Service Review for Countywide Water Service. This work is to be completed in compliance with applicable California Government Code sections, local LAFCO policies and the latest available LAFCO Service Review Guidelines prepared by the Governor’s Office of Planning and Research (OPR). The service reviews are intended to serve as a tool to help LAFCO, the public and other agencies better understand the public service structure and to develop information to update the spheres of influence of special districts and cities in the county. LAFCO is not required to initiate boundary changes based on service reviews. However, LAFCO, local agencies or the public may subsequently use the service reviews together with additional research and analysis where necessary, to pursue changes in jurisdictional boundaries or spheres of influence.

II. Background

The mandate for LAFCOs to conduct service reviews is part of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH Act), California Government Code §56000 et seq. LAFCOs are required to conduct service reviews prior to or in conjunction with Sphere of Influence updates and are required to review and update the Sphere of Influence for each city and special district as necessary, but not less than once every five years. Thus, LAFCO must complete service reviews for all cities and special districts within five years from the effective date of the CKH Act or by January 1, 2006.

LAFCO of Santa Clara County is responsible for establishing, reviewing and updating Sphere of Influence for 45 public agencies in Santa Clara County (15 cities and about 30 special districts). At its December 12, 2002 meeting LAFCO adopted policies and procedures for conducting service reviews (Attachment 2). In preparing for initiating the service review and sphere of influence update process, Santa Clara LAFCO at its August 2002 meeting established service review boundaries and set priorities for their completion. The service review work plan calls for completion of about 6 studies over the next four fiscal years. For the most part it is anticipated that these studies will be conducted by professional service firms under the operational direction of the LAFCO Executive Officer. LAFCO’s Countywide Fire Protection Service Review is currently underway. LAFCO’s next priority, a review of countywide water service in Santa Clara County, is the subject of this Request for Proposals (RFP). This service review will be conducted in two parts, a South County and a North County review. The first part will focus on the provision of water services in the southern part of Santa Clara County and
the second part will focus on the provision of water services in the northern part of Santa Clara County.

III. **Scope of Services**

The CKH Act (California Government Code section 56430) requires LAFCO to prepare, with respect to each service reviewed, an analysis and a written statement of determination regarding each of the following considerations:

1) Infrastructure needs or deficiencies
2) Growth and population projections for the affected area
3) Financing constraints and opportunities
4) Cost avoidance opportunities
5) Opportunities for rate restructuring
6) Opportunities for shared facilities
7) Government structure options, including advantages and disadvantages of the consolidation or reorganization of service providers
8) Evaluation of management efficiencies
9) Local accountability and governance

A draft Scope of Services is enclosed with this RFP as Attachment 1. A final statement of services to be provided will be negotiated with the firm selected to conduct the service review and will be included as part of the professional services agreement.

IV. **Budget**

A final budget amount for this project will be negotiated with the firm selected for the work prior to reaching agreement. The anticipated project cost of the proposal should not exceed $75,000.

V. **Schedule**

Timing is a concern to LAFCO because of the deadlines in the CKH Act and the need to address issues faced by some of the agencies or areas. It is anticipated that the firm will start work in November 2003. It is desired that the service review be completed by August 31, 2004. The final schedule for this project will be negotiated with the firm selected for the work prior to reaching an agreement.

VI. **Proposal Requirements**

Response to this RFP must include all of the following:

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

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

**Water Service Expertise**

- Management level understanding of how water services are financed and delivered
- Experience with operational aspects of water service provision in California (public works departments, water districts, mutual water companies, shared water systems)
- Experience in water service organization analysis, including evaluating government structure options (advantages and disadvantages of the consolidation or reorganization of service providers)
- Experience in the financial analysis of water service delivery systems, including identifying financing constraints and opportunities and cost avoidance opportunities
- Experience in evaluating water service delivery systems, including performance measurements and benchmarking techniques

2. Identification of the lead professional responsible for the project and identification of the professional(s) who will be performing the day-to-day work.

3. Identification of any associate consultant firms to be involved. If associate consultant firms are proposed, describe the work they will perform and include the same information for each as required for items 1 and 2 above.

4. A statement of related experience accomplished in the last two years and references for each such project, including the contact name, address and telephone number.

5. A statement regarding the anticipated approach for this project, explicitly discussing and identifying suggested changes to the draft Scope of Services (Attachment 1).

6. Identification of any information, materials and/or work assistance required from LAFCO and/or involved fire agencies or departments to complete the project.
7. An overall project schedule, including the timing of each work task.
8. Information about the availability of all professionals who will be involved in the work, including any associate consultants.
9. The anticipated project cost, including:
   a. A not-to-exceed total budget amount.
   b. The cost for each major sub-task identified in the draft Scope of Services.
   c. The hourly rates for each person who will be involved in the work, including the rates of any associate consultants.
10. Comments about the draft services agreement (Attachment 3) specifically including the ability of the firm to meet the insurance requirements and other provisions.

VII. Submission Requirements
DUE DATE AND TIME: Monday, October 13, 2003 at 5:00 PM
Proposals received after this time and date may be returned unopened.
NUMBER OF COPIES:
   6 original copies and 1 fully reproducible copy
DELIVER TO:
   Neelima Palacherla
   LAFCO of Santa Clara County
   70 West Hedding Street, 11th Floor
   San Jose, CA 95110

Note: If delivery is to be in person please first call the LAFCO office (408-299-5127 or 5148) to arrange delivery time.

VIII. Evaluation Criteria and Selection Process
Firms will be selected for further consideration and follow-up interviews based on the following criteria:
   • relevant work experience,
   • the completeness of the responses,
   • overall project approaches identified, and
   • proposed project budget
An interview/selection committee will conduct interviews and the most qualified firm will be selected based on the above evaluation criteria. Interviews will be held on tbd. The selection committee is expected to make a decision soon after. Following the selection of the most qualified firm, a final services agreement including budget, schedule, and final Scope of Services statement will be negotiated before executing the contract.

LAFCO reserves the right to reject any or all proposals, to issue addenda to the RFP, to modify the RFP or to cancel the RFP.
IX. **LAFCO Contact**
   Neelima Palacherla, Executive Officer
   LAFCO of Santa Clara County
   Voice: (408) 299-5127
   Fax: (408) 295-1613
   Email: neelima.palacherla@ceo.co.scl.ca.us

X. **Attachments**
   1. Draft Scope of Services (*Attachment 1*)
   2. Santa Clara LAFCO policies for Conducting Service Reviews (*Attachment 2*)
   3. Draft Professional Service Agreement and insurance obligations (*Attachment 3*)

XI. **Reference Information**

For general information about LAFCO of Santa Clara County, refer to its website:
www.santaclara.lafco.ca.gov

For the latest publicly available LAFCO Service Review Guidelines, see the Governor’s Office of Planning and Research website:
www.opr.ca.gov/localplanning/LAFCOReform.shtml
DRAFT SCOPE OF SERVICES

Countywide Water Service Review in Santa Clara County

LAFCO of Santa Clara County will conduct a service review of water service provided within Santa Clara County. The Countywide Service Review will be conducted in two parts (see Scope of Services for details). The first part will focus on the Southern part of Santa Clara County and the second part will focus on the Northern part of Santa Clara County. The Cortese Knox Hertzberg Act (California Government Code section 56430) requires LAFCO to conduct the review in order to develop information for updating spheres of influence. The statute requires LAFCO to adopt written determinations on the following nine categories:

1) Infrastructure needs or deficiencies
2) Growth and population projections for the affected area
3) Financing constraints and opportunities
4) Cost avoidance opportunities
5) Opportunities for rate restructuring
6) Opportunities for shared facilities
7) Government structure options, including advantages and disadvantages of the consolidation or reorganization of service providers
8) Evaluation of management efficiencies
9) Local accountability and governance

Service Review Tasks Overview

The Countywide Water Service Review will be conducted in accordance with LAFCO policies adopted by the Commission and the service review guidelines developed by the Governor's Office of Planning and Research (OPR) where feasible. Preparation of the service review will include the following steps, although other activities may be necessary:

1. Data Collection and Review
   - Develop questionnaire relating to the nine evaluation categories for service review and identify appropriate standards to be used where necessary
   - Review questionnaire with LAFCO staff and agencies staff
   - Collect information through interviews, meetings, surveys and/or research
   - Compile information in a database
• Verify compiled information with agencies

Work Products: Consultant must deliver to LAFCO staff complete information for each agency.

2. Data Analysis
• Analyze data and prepare preliminary findings
• Present to and discuss with LAFCO staff the preliminary findings
• Present preliminary findings to agencies staff

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

• Prepare a draft Water Service Review report including required findings for public review and comment
• Present the draft service review report to LAFCO at public hearing

Work Products: Consultant must deliver to LAFCO one draft report along with one camera-ready original and one MS Word formatted version of the report.

4. Final Water Service Review
• Respond to comments and prepare a final service review report including required findings
• Present the final service review to LAFCO at public hearing for adoption

Work Products: Consultant must deliver to LAFCO one final, one camera ready original and one MS Word formatted version of the final report.

OVERVIEW OF WATER SERVICE IN SANTA CLARA COUNTY

The Santa Clara Valley Water District (SCVWD), as a water resource management agency for the entire County and the main water wholesaler in the County, sells wholesale treated surface water and groundwater to public and private water retailers serving more than 1.7 million residents. SCVWD also manages the groundwater basin for the benefit of the residents in Santa Clara County. The SCVWD, as well as the City and County of San Francisco import approximately 60 percent of the county’s water supplies from the State Water Project (SWP), and the Federal Central Valley Project (CVP). Groundwater and local surface water meet the remainder of the water supply demands in Santa Clara County. SCVWD operates and maintains a countywide conservation and distribution system to convey raw water for groundwater recharge and treated water for wholesale to private and public retailers. SCVWD’s distribution system
consists of the (10) ten district reservoirs, (3) three water treatment plants, 18 major recharge facilities, and groundwater sub-basins. According to SCVWD, the water use of the retailers (municipal and industrial water use) was 313,000 acre-feet in 1999 and was 59,000 acre-feet for individual and agricultural users in 1999.

The Cities of Los Altos Hills, Milpitas, Mountain View, Santa Clara, San Jose, and Sunnyvale all receive some water from San Francisco's system and SCVWD, while the City of Palo Alto's sole source of water is from San Francisco. The Cities of Gilroy and Morgan Hill rely on well water. The remaining cities/areas all receive some amount of water from the SCVWD as well as from other sources. These other sources include: (1) San Jose Water Company and Stanford which have water rights of their own and (2) recycled water.

IDENTIFICATION OF WATER SERVICE PROVIDERS

Agencies that are required to have Sphere's of Influence (SOIs) [cities and special districts] will be the focus of service reviews. Other agencies will also be reviewed to the extent necessary to establish relationships, quantify services, designate or map service locations/facilities and provide a complete overview of the services in the area.

NORTH COUNTY

The following agencies provide water service in the North County:

Cities
1. City of Milpitas Community Services (Milpitas)
2. City of Mountain View Public Services Department (to parts of Mountain View)
3. City of Palo Alto Utilities Department (Palo Alto)
4. City of San Jose Municipal Water System (to parts of San Jose)
5. City of Santa Clara Water Department (Santa Clara)

Special Districts
1. Aldercroft Heights County Water District (to part of the unincorporated area in the Santa Cruz Mountains)
2. Purissima Hills County Water District (to parts of Los Altos Hills)
3. Santa Clara Valley Water District (countywide wholesale agency)

Private Water Companies
1. San Jose Water Company (Campbell, parts of Cupertino, Los Gatos, Monte Sereno, parts of San Jose, and Saratoga)
2. California Water Service Company (parts of Cupertino, Los Altos, parts of Los Altos Hills, parts of Mountain View, and parts of Sunnyvale)
3. Great Oaks Water Company (parts of San Jose)
Other
1. San Francisco Public Utilities Commission (Wholesale agency to portions of North County)
2. Stanford University (Serves the university)

SOUTH COUNTY
The following agencies provide water services in the South County:

Cities
1. City of Gilroy Community Services Department (Gilroy)
2. City of Morgan Hill Public Works Department (Morgan Hill)

Special Districts
1. San Martin County Water District (to parts of the San Martin Community)
2. Santa Clara Valley Water District (countywide wholesale agency)
3. Pacheco Pass Water District (district is also in San Benito County)

Private Water Companies:
1. West San Martin Water Works Company (to parts of San Martin Community)

OTHER WATER SERVICE PROVIDERS IN SANTA CLARA COUNTY
Additionally, there are several mutual water companies that exist throughout the County, particularly in the unincorporated areas of the County that are rural and less developed. Lastly, there are also private onsite wells serving individuals and shared water systems, state small water systems, and small community water systems consisting of anywhere from 1 connection to 200 connections. With the exception of the small community water systems, the Santa Clara County Department of Environmental Health regulates all other individual and shared systems.

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

POTENTIAL WATER SERVICE ISSUES
The following is a working list of water service issues that have been identified by LAFCO so far:

- Water quality issues in the southern part of Santa Clara County (e.g. nitrates, perchlorates, etc.);
- Water service agency boundaries and the provision of water service outside of water service agency boundaries; and
Evaluating the availability of adequate water supply when considering boundary changes to accommodate future growth.

Outline for the Service Review Report

The service review must include data and analysis upon which the required determinations are based on as required by Government Code Section 56430. The recommended format for the Service Review includes the following sections:

1. Executive Summary

2. Setting
   2.1. Description of Existing Services and Providers
   2.2. Service Areas and Sphere of Influence
   2.3. Present Levels of Service and Required Standards for each Provider
   2.4. Present Rates and Funding Mechanism
   2.5. Infrastructure/Facilities/Personnel Deployment

3. Growth and Population
   3.1. Present and Projected Service Population over 20 Year Timeframe
   3.2. Land Use and Significant Growth Areas
   3.3. Recommended Determinations

4. Infrastructure
   4.1. Facilities/Equipment / Personnel Analysis
       a. Sufficiency for Present and Projected Need
       b. Adequacy to Meet Current and Known Future State, local and Federal Requirements
   4.2. Age and Condition of Facilities and Equipment
   4.3. Plans for Expansion/Upgrades
   4.4. Recommended Determinations

5. Financing Constraints and Opportunities
   5.1. Finance Plans
   5.2. Bond Rating
   5.3. Joint Finance Projects
   5.4. Revenue Sources
   5.5. Recommended Determinations

6. Cost Avoidance Opportunities
   6.2. Overlapping Services
   6.3. Transfer of Costs to Public
   6.4. Inter-Agency Cooperation
   6.5. Recommended Determinations
7. **Rate Restructuring**
   7.1. Current Rate Restructure Basis
       7.1.1. Tax Revenues/Service Ratio
       7.1.2. Rates/Service Ratio
   7.2. Assessment/Fee Districts
   7.3. Rate Comparisons where appropriate
   7.4. Recommended Determinations

8. **Opportunities for Shared Facilities**
   8.1. Currently Shared Resources, Facilities, Personnel and Systems
   8.2. Opportunities for Expanded Sharing
   8.3. Recommended Determinations

9. **Government Structure Options**
   9.1. Review of Alternatives
       9.1.1. Formation of New Agencies
       9.1.2. Reorganization of Existing Agencies
       9.1.3. Private Sector Opportunities
   9.2. Previous Restructuring Efforts
   9.3. Opportunities for and Obstacles to Restructuring
   9.4. Recommended Determinations

10. **Evaluation of Management Efficiencies**
    10.1. Review of Current Management Structure
    10.2. Interdepartmental Relations, Communication and Coordination
    10.3. Inter-Agency Relations, Communication and Coordination
    10.4. Recommended Determinations

11. **Local Accountability and Governance**
    11.1. Governing Body Selection Process
    11.2. Public Access and Interest
    11.3. Budget Process
    11.4. Recommended Determinations