



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

777 North First Street
Suite 410
San Jose, CA 95112
SantaClaraLAFCO.org

Commissioners

Susan Ellenberg
Sequoia Hall
Sergio Jimenez
Linda J. LeZotte
Rob Rennie
Mike Wasserman
Susan Vicklund Wilson

Alternate Commissioners

Cindy Chavez
Maya Esparza
Yoriko Kishimoto
Russ Melton
Terry Trumbull

Executive Officer
Neelima Palacherla

AGENDA

October 2, 2019, 1:15 PM

**Board Meeting Chambers, 70 West Hedding Street, First Floor
San Jose, CA 95110**

Chairperson: Susan Vicklund Wilson • Vice-Chairperson: Sergio Jimenez

NOTICE TO THE PUBLIC

1. Pursuant to Government Code §84308, no LAFCO commissioner shall accept, solicit, or direct a contribution of more than \$250 from any party, or his/her agent; or any participant or his /or her agent, while a LAFCO proceeding is pending, and for three months following the date a final decision is rendered by LAFCO. Prior to rendering a decision on a LAFCO proceeding, any LAFCO commissioner who received a contribution of more than \$250 within the preceding 12 months from a party or participant shall disclose that fact on the record of the proceeding. If a commissioner receives a contribution which would otherwise require disqualification returns the contribution within 30 days of knowing about the contribution and the proceeding, the commissioner shall be permitted to participate in the proceeding. A party to a LAFCO proceeding shall disclose on the record of the proceeding any contribution of more than \$250 within the preceding 12 months by the party, or his or her agent, to a LAFCO commissioner. For forms, visit the LAFCO website at www.santaclaralafco.org. No party, or his or her agent and no participant, or his or her agent, shall make a contribution of more than \$250 to any LAFCO commissioner during the proceeding or for 3 months following the date a final decision is rendered by LAFCO.
2. Pursuant to Government Code Sections 56100.1, 56300, 56700.1, 57009 and 81000 et seq., any person or combination of persons who directly or indirectly contribute(s) a total of \$1,000 or more or expend(s) a total of \$1,000 or more in support of or in opposition to specified LAFCO proposals or proceedings, which generally include proposed reorganizations or changes of organization, may be required to comply with the disclosure requirements of the Political Reform Act (See also, Section 84250 et seq.). These requirements contain provisions for making disclosures of contributions and expenditures at specified intervals. More information on the scope of the required disclosures is available at the web site of the FPPC: www.fppc.ca.gov. Questions regarding FPPC material, including FPPC forms, should be directed to the FPPC's advice line at 1-866-ASK-FPPC (1-866-275-3772).
3. Pursuant to Government Code §56300(c), LAFCO adopted lobbying disclosure requirements which require that any person or entity lobbying the Commission or Executive Officer in regard to an application before LAFCO must file a declaration prior to the hearing on the LAFCO application or at the time of the hearing if that is the initial contact. In addition to submitting a declaration, any lobbyist speaking at the LAFCO hearing must so identify themselves as lobbyists and identify on the record the name of the person or entity making payment to them. Additionally, every applicant shall file a declaration under penalty of perjury listing all lobbyists that they have hired to influence the action taken by LAFCO on their application. For forms, visit the LAFCO website at www.santaclaralafco.org.
4. Any disclosable public records related to an open session item on the agenda and distributed to all or a majority of the Commissioners less than 72 hours prior to that meeting are available for public inspection at the LAFCO Office, 777 North First Street, Suite 410, San Jose, California, during normal business hours. (Government Code §54957.5.)
5. In compliance with the Americans with Disabilities Act, those requiring accommodation for this meeting should notify the LAFCO Clerk 24 hours prior to the meeting at (408) 993-4705.

1. ROLL CALL

2. PUBLIC COMMENTS

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

3. APPROVE MINUTES OF JUNE 5, 2019 LAFCO MEETING

ITEMS FOR ACTION / INFORMATION

4. COMPREHENSIVE ORGANIZATIONAL ASSESSMENT

Recommended Action:

1. Award a service contract to Koff & Associates to conduct a Comprehensive Organizational Assessment of LAFCO, in an amount not to exceed \$24,920.
2. Authorize the LAFCO Chairperson to execute the contract with Koff & Associates, and to execute any necessary amendments subject to LAFCO Counsel's review and approval.

5. UPDATE ON IMPLEMENTATION OF COMMUNICATIONS AND OUTREACH PLAN

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

6. UPDATE ON RANCHO RINCONADA RECREATION AND PARK DISTRICT SPECIAL STUDY

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

7. 2018-2019 LAFCO ANNUAL REPORT

Recommended Action: Accept the 2018-2019 Annual Report.

8. WATER SERVICE EXTENSIONS INTO THE UNINCORPORATED AREA

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

9. EXECUTIVE OFFICER'S REPORT

9.1 Inquiry re. Water Service Extension to Proposed Metta Tam Tu Buddhist Temple Development

For information only.

9.2 Comment Letters on City of Gilroy's Consideration of Providing City Water Service Outside City Boundaries Without Seeking LAFCO Approval

For information only.

- 9.3 **Comment Letter on Notice of Preparation of Environmental Impact Report for the Mountain Winery Annexation Project**
For information only.
- 9.4 **Comment Letter on Notice of Preparation of Environmental Impact Report for San Martin Recreational Vehicle Park Project**
For information only.
- 9.5 **Quarterly Meeting with County Planning Office Staff**
For information only.
- 9.6 **Santa Clara County Special Districts Association Meeting**
For information only.
- 9.7 **Santa Clara County Association of Planning Officials Meeting**
For information only.
- 9.8 **Midpeninsula Regional Open Space District Legislative Picnic**
For information only.
- 9.9 **Inter-Jurisdictional GIS Working Group Meetings**
For information only.
- 10. **CALAFCO RELATED ACTIVITIES**
 - 10.1 **Designate Voting Delegate and Alternate Voting Delegate**
Recommended Action: Appoint Commissioner Susan Vicklund Wilson as voting delegate and Commissioner Jimenez as the alternate voting delegate.
 - 10.2 **Proposed New CALAFCO Membership Dues Structure**
For information only.
 - 10.3 **Nominations to the CALAFCO Board of Directors**
For information only.
- 11. **PENDING APPLICATIONS / UPCOMING PROJECTS**
- 12. **COMMISSIONER REPORTS**
- 13. **NEWSPAPER ARTICLES / NEWSLETTERS**
- 14. **WRITTEN CORRESPONDENCE**
 - 14.1 Letter from the Special District Risk Management Authority Regarding President's Special Acknowledgement Award – Workers' Compensation Program

CLOSED SESSION

15. PERFORMANCE EVALUATION

Public Employee Performance Evaluation (Government Code §54957)

Title: LAFCO Executive Officer

16. ADJOURN

Adjourn to the regular LAFCO meeting on December 4, 2019 at 1:15 PM in the Board of Supervisors' Chambers, 70 West Hedding Street, San Jose.



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ITEM # 3

Alternate Commissioners
Cindy Chavez
Maya Esparza
Yoriko Kishimoto
Russ Melton
Terry Trumbull
Executive Officer
Neelima Palacherla

LAFCO MEETING MINUTES WEDNESDAY, JUNE 5, 2019

CALL TO ORDER

The meeting was called to order at 1:18 p.m.

1. ROLL CALL

The following commissioners were present:

- Chairperson Susan Vicklund Wilson
- Vice Chairperson Sergio Jimenez
- Commissioner Susan Ellenberg
- Commissioner Linda J. LeZotte
- Commissioner Rob Rennie (arrived at 1:23 p.m.)
- Commissioner Mike Wasserman
- Alternate Commissioner Yoriko Kishimoto (voting in place of Commissioner Sequoia Hall)
- Alternate Commissioner Russ Melton
- Alternate Commissioner Terry Trumbull

The following commissioners were absent:

- Commissioner Sequoia Hall
- Alternate Commissioner Cindy Chavez
- Alternate Commissioner Maya Esparza

The following staff members were present:

- LAFCO Assistant Executive Officer Dunia Noel
- LAFCO Analyst Lakshmi Rajagopalan
- LAFCO Clerk Emmanuel Abello
- LAFCO Counsel Mala Subramanian

2. PUBLIC COMMENTS

There were none.

3. APPROVE MINUTES OF APRIL 3, 2019 LAFCO MEETING

The Commission approved the minutes of April 3, 2019 meeting.

Motion: Wasserman

Second: Jimenez

Alternate Commissioner Melton, Finance Committee Chairperson, reported that the reserves have been increased by \$100,000 in the FY2020 Final Budget. He stated that the Committee determined at its April meeting that LAFCO is operating in a more complicated environment with increased risks for lawsuits and recommended to increase the reserves by \$50,000, and that the Committee reconvened in May to discuss conducting an organizational health check-up for LAFCO and recommended adding \$50,000 more to the reserves. He stated that LAFCO reserves would thus increase to \$250,000, and if the \$50,000 is not spent during FY2020, that amount would be used to reduce costs to LAFCO funding agencies in the following year.

In response to an inquiry by **Commissioner Rennie**, **Alternate Commissioner Melton** clarified the purpose of adding to the reserves. **Commissioner Rennie** expressed support for the Committee's work.

In response to an inquiry by **Commissioner Ellenberg**, Ms. Noel stated that the Santa Clara County Special Districts Association has a formula for apportioning LAFCO costs among independent special districts.

In response to an inquiry by **Commissioner Kishimoto**, Ms. Noel informed that the data services cost is determined by the County and the increase is due to a change in service costs, anticipated equipment upgrades or other one-time costs. **Alternate Commissioner Melton** expressed agreement and stated that the staff report in April listed the items included in that cost, such as end-user device management and enterprise content management services, among others.

This being the time and place for the public hearing, **Chairperson Vicklund Wilson** declared the public hearing open, determined that there are no speakers from the public, and closed the public hearing.

The Commission:

1. Adopted the Final Work Plan and Budget for Fiscal Year 2019-2020.
2. Found that the Final Budget for Fiscal Year 2020 is expected to be adequate to allow the Commission to fulfill its statutory responsibilities.
3. Authorized staff to transmit the Final Budget adopted by the Commission, including the estimated agency costs to the cities, the special districts, the County, the Cities Association and the Special Districts Association.
4. Directed the County Auditor-Controller to apportion LAFCO costs to the cities, to the special districts, and to the County, and to collect payment pursuant to Government Code §56381.

Motion: LeZotte

Second: Jimenez

AYES: Ellenberg, Jimenez, Kishimoto, LeZotte, Rennie, Wasserman, Vicklund Wilson

NOES: None

ABSTAIN: None

ABSENT: None

MOTION PASSED

5. **POLICIES FOR SELECTION AND APPOINTMENT OF PUBLIC MEMBER AND ALTERNATE PUBLIC MEMBER**

Chairperson Vicklund Wilson recused herself from participating in the discussion and action on the item, and **Vice Chairperson Jimenez** presided.

Ms. Noel presented the staff report.

Commissioner Wasserman noted that voting in public is more transparent based on his experience in serving on various committees and commissions, and he proposed that the Finance Committee prepare a detailed process, including public presentation by the applicants, interviews, manner of voting and process for runoff. He noted that public voting is difficult, particularly for unsuccessful applicants.

Vice Chairperson Jimenez inquired if it is necessary to determine the process before acting on the proposed policy. **Commissioner Wasserman** indicated that there are different ways of interviewing applicants, such as sequestering candidates in a separate room so they don't have advance notice of the questions or answers that other applicants said. **Vice Chairperson Jimenez** noted the importance of openness and expressed appreciation for commissioners' comments. He urged not to delay decision on the policies as the details of how voting will occur can be determined by the Commission later on.

Commissioner LeZotte shared her personal experience of both being interviewed and conducting interviews in public, and she noted that interviewees hear each other's answers but that is the way a public interview is. She expressed support for a public interview and voting process and acknowledged that it can be hard on interviewees. She proposed that the person receiving the majority vote would be the public member and the person who comes in second would be the alternate member. She stated that there is no need for a committee to establish a detailed process as the Commission can decide on that before the interviews, and staff can look at how it is done in other jurisdictions. She reiterated that the interviews and voting should be conducted in public.

Ms. Subramanian advised that any interview conducted by the full Commission must be done in public, but that an interview conducted by an ad-hoc committee can be done privately with its recommendation brought forward for consideration of the full Commission.

In response to an inquiry by **Vice Chairperson Jimenez**, Ms. Subramanian advised that the Cortese-Knox-Hertzberg Act only states that the other six members appoint the public and alternate public members but does not specify the process, so the Commission has to determine a process.

Commissioner Rennie expressed his preference for voting in public but suggested that the Commission not deliberate on selection among the candidates in public. He suggested that during public interviews candidates be required to stay outside so that they cannot hear the questions in advance or responses of other candidates. He also proposed that in order for members to make independent choices, each

commissioner hand in a written vote for the clerk to announce the votes. He also expressed the need to determine a process for a runoff if there is a tie.

The Commission amended the LAFCO Bylaws to include Policies on Selection and Appointment of Public Member and Alternate Public Member, as proposed in the staff report.

Motion: LeZotte

Second: Ellenberg

AYES: Ellenberg, Jimenez, Kishimoto, LeZotte, Rennie, Wasserman

NOES: None

ABSTAIN: Vicklund Wilson

ABSENT: None

MOTION PASSED

Chairperson Vicklund Wilson presided at the meeting.

7. RANCHO RINCONADA RECREATION AND PARK DISTRICT SPECIAL STUDY: DRAFT REQUEST FOR PROPOSALS

Ms. Noel presented the staff report.

Anu Mandavilli, a resident of Rancho Rinconada Recreation and Park District (RRRPD), expressed the need for public outreach so the residents would be aware of the District. She expressed concern about the Board's relationship with the community and reported that a miscommunication occurred when the sheriff who was called mistook the RRRPD board meeting as a private gathering and disbanded it. She also discussed the Board's 2-2 vote impasse and reported that the April meeting was cancelled because the Board was unable to agree on who would preside at the meeting.

Sandra Yeaton, Board Member of RRRPD and District resident, stated that the construction of the lifeguard equipment storage shed has been costly and remained unfinished after three years. She also reported on the information that she gathered from those who were involved in the construction and she provided a letter to the Commission on the issue.

Kevin Davis, General Manager of RRRPD, stated that the sheriff was called to the April RRRPD Board meeting because the audience was disrupting the Board's proceedings. He expressed support for the study so that the public will be aware of the impacts of changing the District's governance structure.

In response to an inquiry by **Commissioner LeZotte**, Ms. Noel discussed the difference between a merger and subsidiary district. **Commissioner LeZotte** proposed that a study include a third option which is similar to what LAFCO did for the South Santa Clara Valley Memorial District (SSCVMD) that was allowed to remain but was required to improve governance transparency and public accountability within a period of time. She proposed that the study list deficiencies in RRRPD's operations.

In response to an inquiry by **Alternate Commissioner Kishimoto**, Ms. Noel informed that staff will report on the proposals received, interviews conducted, consultant selected and the next steps. In response to her follow-up inquiry, Ms. Noel advised that staff and consultant will prepare a list of questions and data points which include those that Alternate Commissioner Kishimoto had suggested.

Chairperson Vicklund Wilson indicated that commissioners can participate in the process either as a member of an ad-hoc committee or participate in the interviews. Ms. Noel expressed agreement indicating that commissioners typically participate in consultant selection process for service reviews, and she noted that two commissioners can do so for the study. **Alternate Commissioner Kishimoto** expressed interest in participating in the selection of the consultant.

In response to an inquiry by **Commissioner Jimenez**, Ms. Noel advised that the types of issues raised by residents are not within the scope of the proposed study. She informed that LAFCO encourages the public and District Board Members to work with District staff to resolve the issues themselves, and in a similar situation, LAFCO recommended that the SSCVMD Board initiate a forensic audit.

A brief discussion ensued between **Commissioner Jimenez** and staff regarding the adequacy of the current scope of study to address the issues raised by RRRPD residents, the option to maintain the District, and the concern and cost of an additional study.

Commissioner Jimenez moved for approval of the study with the option to widen its scope when necessary, in order to address the issues raised by the public without the need for staff to come back to LAFCO for approval. **Commissioner Ellenberg** seconded the motion and expressed the need to resolve the issues reported.

Chairperson Vicklund Wilson requested for clarification as the motion may entail additional funds, and Ms. Noel indicated that the \$25,000 is only an estimate since the exact cost of an expanded study is unknown. Ms. Subramanian advised that it is possible to expand the study since the item is on agenda, but she recommended that staff bring back the item with a more reasonable cost estimate.

Commissioner Ellenberg indicated that some of the issues raised are urgent and since LAFCO only meets every other month, she proposed approval of RFP to start the process and for staff to bring back amendments as necessary. In this regard, Ms. Subramanian advised that LAFCO may approve the RFP with A and B scopes and staff could bring back the item if the estimated cost is inaccurate. **Commissioner Ellenberg** expressed agreement.

Commissioner Wasserman expressed concern about the issues raised against RRRPD, particularly since its Board is deadlocked on a 2-2 vote. He noted that conducting periodic studies to improve the district's operations is costly and stated that LAFCO reserves may be insufficient. He proposed that LAFCO hold a workshop to brainstorm and discuss what the Commission wants staff to work on. He stated

that past workshops resulted in a list of items that were prioritized because there was not enough staff to work on all of them.

In response to an inquiry by **Commissioner Kishimoto**, Ms. Noel advised that the discussions are about a governance study and service review of the District but not for a forensic audit. She reported that in the service reviews, the District's financial statements will be looked at and the district will be asked to provide information if there are discrepancies, but if the District cannot explain those discrepancies then LAFCO would recommend that the District do a forensic audit. She informed that SCCVMD worked with the County Auditor-Controller to hire a consultant for a forensic audit. In response to her follow-up inquiry, Ms. Subramanian advised that each public agency has its own authority on how board vacancies are filled.

In response to an inquiry by **Commissioner Jimenez**, Ms. Noel advised that the less expensive option for LAFCO was for RRRPD Board and staff to address these issues; however, that did not occur due to dysfunction in the District so it came to LAFCO, and a study has to be done and will have costs in terms of hiring the consultant and staff time in providing the needed information. In response to his follow-up inquiry, Ms. Subramanian advised that it is the responsibility of RRRPD to comply with the various laws and LAFCO has no obligation if they are uncompliant.

Commissioner LeZotte informed that she reread the staff report which indicates that the 2013 Service Review found that the city and the district provide overlapping services and identified different options of governance. She noted that the staff report indicates that LAFCO determined in 1982 that RRRPD should eventually not exist as an independent special district, and had set its SOI as zero. She also noted that the 2013 service review did not recommend the RRRPD to continue existing. In response to her inquiry, Ms. Noel advised that the proposed RFP was based on the 2013 service review recommendations and prior Commission discussions on the matter. **Commissioner LeZotte** then informed that LAFCO periodically conducts service reviews and noted that it is unnecessary to conduct another one for RRRPD given the 2013 service review and stated that she would not support the motion.

Alternate Commissioner Kishimoto noted that RRRPD is in a similar situation as the Saratoga Fire District and that it can continue to exist if it can deliver the services that the community needs in a fiscally responsible way, compliant with standards of a public agency.

Commissioner Ellenberg expressed agreement with Commissioner LeZotte, withdrew her second to the motion.

Commissioner Jimenez amended his motion for approval of the staff recommended action, and **Commissioner Ellenberg** seconded.

The Commission:

1. Authorized staff to issue a Request for Proposals (RFP) for a professional service firm to prepare a special study on the reorganization process and impacts of

alternative governance structure options for the Rancho Rinconada Recreation and Park District.

2. Delegated authority to the LAFCO Executive officer to enter into an agreement with the most qualified consultant in an amount not to exceed \$15,000 and to execute any necessary amendments subject to LAFCO Counsel's review and approval.

Motion: Jimenez

Second: Ellenberg

AYES: Ellenberg, Jimenez, Kishimoto, LeZotte, Rennie, Wasserman, Vicklund Wilson

NOES: None

ABSTAIN: None

ABSENT: None

MOTION PASSED

Chairperson Vicklund Wilson indicated that the area was not annexed by Cupertino until about 10 years ago, and she expressed agreement with Commissioner Wasserman and indicated that LAFCO may take various actions including an audit and reorganization of the district, among others, if needed.

8. EXECUTIVE OFFICER'S REPORT

8.1 Town of Los Gatos Initiatives - Annexation of 23 Unincorporated Islands

Commissioner Rennie informed that Los Gatos has initiated a streamlined annexation process for islands less than 150 acres. He indicated that the Town staff held a public meeting and provided hearing notice to those affected, and that the Town Council adopted a resolution initiating the annexations on June 4th and will consider adoption of resolution ordering the annexation in two weeks. He reported that only 19 individuals attended the public meeting and 7 attended the Council hearing, and the issues raised by those opposed were minor and were addressed by the Town staff. He reported that two residents living in an island with 9 houses expressed opposition, and he indicated that it is exactly these small islands that need to be annexed because they are inefficient to serve.

Chairperson Vicklund Wilson applauded Commissioner Rennie's island annexation efforts.

The Commission noted the report.

8.2 Orientation Session for New County Staff

The Commission noted the report.

8.3 Comment Letter to Cordoba Center Final Environmental Impact Report

The Commission noted the report.

9. CALAFCO RELATED ACTIVITIES

9.1 Report on the 2019 CALAFCO Staff Workshop (April 10 – 12)

Ms. Noel reported that the CALAFCO Staff Workshop, which was hosted by LAFCO of Santa Clara County in San Jose, was a success. She expressed appreciation to Vice Chairperson Jimenez for attending the opening ceremony and welcoming attendees to San Jose.

9.2 2019 CALAFCO Annual Conference (October 30 – November 1)

Ms. Noel informed that CALAFCO has requested staff to coordinate a session on communications and outreach planning and that staff has provided a proposal to the Conference Planning Committee on the matter. She noted that there is a lot of interest among the LAFCOs about Santa Clara's communications planning process and its outcome.

The Commission authorized commissioners and staff to attend the Annual Conference and directed that associated travel expenses be funded by the LAFCO Budget for Fiscal Year 2020.

Motion: Wasserman

Second: Kishimoto

AYES: Ellenberg, Jimenez, Kishimoto, Rennie, Wasserman, Vicklund Wilson

NOES: None

ABSTAIN: None

ABSENT: LeZotte

MOTION PASSED

9.3 CALAFCO Board of Directors Meetings

The Commission noted the report.

10. LEGISLATIVE REPORT

Ms. Rajagopalan presented the staff report.

Vice Chairperson Jimenez informed that AB 948 is timely as the City of San Jose is expected to come to an agreement in August to spend close to \$50 million to purchase and preserve lands in Coyote Valley. He expressed appreciation to Assembly Member Kalra for bringing statewide recognition of Coyote Valley.

In response to an inquiry by **Alternate Commissioner Kishimoto**, Ms. Rajagopalan indicated that LAFCOs oppose AB 600 as it will allow DUCS that are contiguous to the cities to pursue municipal service extension without annexation, bypassing LAFCO and promoting leap-frog service delivery. She also indicated that some of the language in the bill conflict with the current government code.

The Commission:

1. Accepted report.

2. Took a support position and authorized staff to send a letter of support on: (a) AB 1822 (Assembly Local Government Committee) Omnibus Bill, and (b) AB 948 (Kalra) Coyote Valley Conservation Program.
3. Took an opposed position and authorized staff to send a letter of opposition on AB 600 (Chu) Disadvantaged Unincorporated Communities.

Motion: Jimenez

Second: Rennie

AYES: Ellenberg, Jimenez, Kishimoto, Rennie, Wasserman, Vicklund Wilson

NOES: None

ABSTAIN: None

ABSENT: None

MOTION PASSED

11. PENDING APPLICATIONS / UPCOMING PROJECTS

There was none.

12. COMMISSIONER REPORTS

There was none.

13. NEWSPAPER ARTICLES / NEWSLETTERS

There was none.

14. WRITTEN CORRESPONDENCE

Ms. Noel indicated that a correspondence from Doug Muirhead has been distributed at the meeting.

15. ADJOURN

The Commission adjourned at 2:43 p.m., to the next regular LAFCO meeting on August 7, 2019 at 1:15 p.m., in the Board Meeting Chambers, 70 West Hedding Street, San Jose.

Approved on _____.

Susan Vicklund Wilson, Chairperson
Local Agency Formation Commission of Santa Clara County

By: _____
Emmanuel Abello, LAFCO Clerk



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ITEM # 4

Alternate Commissioners
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Executive Officer
 Neelima Palacherla

LAFCO MEETING: October 2, 2019

TO: LAFCO
FROM: Neelima Palacherla, Executive Officer
Mala Subramanian, LAFCO Counsel
SUBJECT: COMPREHENSIVE ORGANIZATIONAL ASSESSMENT

FINANCE COMMITTEE RECOMMENDATION

1. Award a service contract to Koff & Associates to conduct a Comprehensive Organizational Assessment of LAFCO, in an amount not to exceed \$24,920.
2. Authorize the LAFCO Chairperson to execute the contract with Koff & Associates, and to execute any necessary amendments subject to LAFCO Counsel’s review and approval.

BACKGROUND

At its June 5, 2019 meeting, the Commission authorized staff to issue a Request for Proposals (RFP) for an independent professional service firm to conduct a comprehensive organizational assessment of LAFCO. The Commission, in order to ensure transparency in the consultant selection process, also directed that the Finance Committee interview and evaluate applicants; and recommend a consultant firm for consideration and approval by the full commission.

Consultant Selection Process

At its meeting on August 14, 2019, the Finance Committee, composed of Commissioners Sequoia Hall, Linda J. LeZotte and Alternate Commissioner Russ Melton reviewed the Draft RFP and finalized the scope of services, overall project timeline, and the timeline and process for the consultant selection.

On August 16, 2019, staff posted the RFP on the LAFCO and the CALAFCO websites and emailed it to a list of consultants. The deadline for responding to the RFP was September 6, 2019. LAFCO received proposals, in response to the RFP, from the following four firms:

- Kelly Associates Management Group
- Koff & Associates
- Matrix Consulting Group
- Moss Adams

At its meeting on September 18, 2019, the Finance Committee interviewed the four consultant firms. The interviews were structured with questions designed to gauge

consultant qualifications, expertise and experience in performing such studies, understanding of the issues presented in the RFP, proposed approach to the study, budget, total hours, and other factors. Following the interviews, the Committee concluded that while all the firms are qualified and could provide the needed services, the Committee recommended that the Commission retain Koff & Associates which presents a detailed approach to conducting the study, has conducted similar studies for several agencies locally, and offers more total hours for a similar project cost. Following the interviews, staff conducted a reference check which was positive and supported the Finance Committee's recommendation.

ATTACHMENTS

- | | |
|---------------|---|
| Attachment A: | RFP for Conducting a Comprehensive Organizational Assessment |
| Attachment B: | Koff & Associates Proposal to Conduct a Comprehensive Organizational Assessment of Santa Clara LAFCO |
| Attachment C: | Draft Service Agreement between Santa Clara LAFCO and Koff & Associates to perform a Comprehensive Organizational Assessment of LAFCO |



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ITEM #4 Attachment A

Alternate Commissioners
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REQUEST FOR PROPOSALS

COMPREHENSIVE ORGANIZATIONAL ASSESSMENT

I. Objective

The Local Agency Formation Commission (LAFCO) of Santa Clara County is seeking proposals from professional service firms to perform a comprehensive organizational review and assessment of LAFCO including its organizational structure, staffing levels, job specifications, compensation, and operational structure. The assessment and its recommendations will support performance management, employee development and succession planning efforts in order to ensure consistency, continuity and reliability in the services that LAFCO provides to affected agencies and the community; and in order to enhance operations to meet LAFCO's current and future needs that are in alignment with its goals.

II. Background

Santa Clara LAFCO is an independent local agency created by the State Legislature to encourage orderly growth and development of local agencies. LAFCO's mission is to promote sustainable growth and good governance in Santa Clara County by preserving agricultural and open space lands, preventing urban sprawl, encouraging efficient delivery of services, promoting accountability and transparency of local agencies, and exploring and facilitating regional opportunities for fiscal sustainability.

Santa Clara LAFCO has a professional staff currently composed of four employees. The current team includes an Executive Officer, two Analysts and a Clerk. Santa Clara LAFCO contracts with the County of Santa Clara for staffing and services. LAFCO staff are County employees and are represented by County bargaining units - County Employees' Management Association (CEMA) and Service Employees International Union (SEIU) Local 521. The County currently has three job classifications for LAFCO: LAFCO Executive Officer, LAFCO Analyst, and LAFCO Office Specialist.

At its June 5, 2019 meeting, the Commission reviewed various concerns regarding LAFCO's organizational structure, and authorized staff to work with the Finance Committee in order to issue a Request for Proposals for an independent professional services firm to conduct a comprehensive organizational assessment.

The June 2019 LAFCO staff report provides more detailed background on the need for the comprehensive organizational assessment of LAFCO. A link to the June 2019 LAFCO staff report is available under the "Reference Information" section of this RFP.

III. Scope of Services

The consultant shall perform a comprehensive organizational review and assessment of LAFCO including its organizational structure, staffing levels, job specifications, compensation, and operational structure. The assessment and its recommendations will support performance management, employee development and succession planning efforts – to ensure consistency, continuity and reliability in the services that LAFCO provides to affected agencies and the community; and help enhance operations to meet LAFCO’s current and future needs that are in alignment with its goals.

The consultant will collect the necessary data through research, surveys, interviews, benchmarking, and other best practices; analyze that data using appropriate methods, tools, and techniques; and issue a report with findings and recommendations for the Finance Committee’s review and consideration and for the Commission’s final consideration, including any organizational and structural vulnerabilities and recommendations on how LAFCO and the County can better address those vulnerabilities.

IV. Key Steps

Key steps in the study will include the following:

- Consultant will participate in a kick-off meeting to review Scope of Services and schedule.
- Consultant will collect the necessary data through research, surveys, interviews, benchmarking, and other best practices; analyze that data using appropriate methods, tools, and techniques.
- Consultant will prepare a Draft Report of their analysis and findings and present to the Finance Committee for their review and consideration.
- Consultant will prepare a Final Report and present it to the Commission at the February 5, 2020 LAFCO meeting.

V. 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 \$25,000.

VI. Schedule

It is anticipated that the firm will start work in October 2019; and the Final Report will be ready for presentation to the Commission at its meeting in early February 2020. The final schedule for this project will be negotiated with the firm selected for the work prior to reaching an agreement.

VII. Proposal Requirements

Response to this RFP must include all the following:

1. Cover Letter signed by the individual authorized to negotiate and execute agreement.

2. Expertise and Personnel. Description of the firm's history as well as the competencies and resumes of the principal and all professionals who will be involved in the work. Description of the firm's level of expertise in conducting organizational assessments for public agencies, and in the following areas:
 - a. Operations, structure, staffing, procedures and other issues critical to the effective operation of smaller size public agencies and organizations;
 - b. Personnel and human resource best practices;
 - c. Management and supervisory best practices;
 - d. Application of analytical and quantitative tools and models needed to undertake the work required under this RFP; and
 - e. Helping small size public agencies and organizations successfully implement recommendations that result in organizational improvements.
3. Project Personnel. Identification of the lead professional responsible for the project and identification of the professional(s) who will be performing the day-to-day work.
4. References. A statement of related experience accomplished in the last five years and references for each such project, including the client name, title, and telephone number of the primary contact person.
5. Work Plan and Schedule. A statement regarding the anticipated approach for this project, explicitly identifying the major tasks and subtasks associated with the completion of the guidance provided in the Draft Scope of Services; an overall project schedule, and estimated hours for each task.
6. Information about the availability of all professionals who will be involved in the work, including any associate consultants.
7. 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.
 - d. The cost of any expenses in addition to professional staff hourly rates.
8. Comments about the draft services agreement (Attachment 1) specifically including the ability of the firm to meet the insurance requirements and other provisions.

VIII. Submission Requirements

DUE DATE AND TIME: Friday, September 6, 2019 before 5:00 PM. Proposals received after this time and date will not be considered.

DELIVER TO: Proposals should be submitted electronically via email to LAFCO@CEO.SCCGOV.ORG and to Lakshmi.rajagopalan@ceo.sccgov.org

Please call the LAFCO office at (408) 993-4709 to confirm delivery.

IX. Evaluation Criteria and Selection Process

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

- Completeness of the submittal and responses
- Relevant work experience
- Overall project approaches identified
- Proposed project budget

The Finance Committee will interview applicants; perform reference checks; select and negotiate a services agreement including a budget, schedule, and Scope of Services statement with the most qualified firm; and forward its recommendation on the most qualified firm to the full commission for its consideration and approval of the services agreement.

Applicant interviews will be held during the week of September 16, 2019. The Commission will consider and approve the contract at its October 2, 2019 LAFCO Meeting.

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.

X. LAFCO Contact

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

XI. Attachment

1. Draft Professional Service Agreement and Insurance Requirements

XII. Reference Information

Please refer to the LAFCO website (www.santaclaralafco.org) for general information about LAFCO of Santa Clara County and the following link for further information on this issue:

1. Relevant LAFCO Staff Report
https://www.santaclaralafco.org/images/resumes/agenda_packet/06June12019_Agenda.pdf (see Item #6)



ITEM # 4
Attachment B

September 6, 2019

Comprehensive
Organizational Review and
Assessment Proposal

LAFCO of Santa Clara County

Submitted by:

Koff & Associates

GEORG S. KRAMMER

Chief Executive Officer

2835 Seventh Street
Berkeley, CA 94710
www.KoffAssociates.com

gkrammer@koffassociates.com

Tel: 510.658.5633

Fax: 510.652.5633

COVER LETTER

September 6, 2019

Ms. Neelima Palacheria
Executive Officer
LAFCO of Santa Clara County
777 North First Street, Suite 410
San Jose, CA 95112

Dear Ms. Palacheria:

Thank you for the opportunity to respond to your Request for Proposals for a **Comprehensive Organizational Review and Assessment** for the **LAFCO of Santa Clara County** (“LAFCO”).

The Scope of Work will include a comprehensive assessment of:

- *Organizational structure*
- *Staffing levels*
- *Jobs specifications*
- *Compensation*
- *Operational Structure*

Our recommendations will support performance management, employee development and succession planning efforts, and help enhance operations to meet LAFCO’s current and future needs.

We are most interested in assisting the Agency with this important project and feel that we are uniquely qualified to provide value to your organization based on our experience working with hundreds of other public agencies, cities, counties, special districts, courts, educational institutions, and other public agencies for over 35 years.

Koff & Associates has achieved a reputation for working successfully with management, employees, and governing bodies. Each of our projects is given the appropriate resources and attention, resulting in a high level of quality control, excellent communication between clients and our office, commitment to meeting timelines and budgets, and a consistently high-caliber work product. We believe in a high level of dialogue and input from study stakeholders and our proposal speaks to that level of effort. That extra effort has resulted in close to *100% implementation* of all of our classification and compensation studies.

As President of the firm, Katie Kaneko would assume the role of Project Director and be responsible for the successful completion of project. We can both be reached at our Berkeley address and the phone number listed on the cover page. Katie's email is kkaneko@koffassociates.com; my email is gkrammer@koffassociates.com.

This proposal will remain valid for at least ninety (90) days from the date of submittal.

Please call if you have any questions or wish additional information. We look forward to the opportunity to provide professional services to the **LAFCO of Santa Clara County**.

Sincerely,



Georg S. Krammer
Chief Executive Officer



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FIRM QUALIFICATIONS (EXPERTISE AND PERSONNEL)

Koff & Associates (“K&A”) is a full-spectrum, public-sector human resources consulting firm that was founded in 1984 by Gail Koff; K&A has been assisting cities, counties, special districts, other public agencies, and non-profit organizations with their classification and compensation needs for over 35 years.

We are a **private California corporation, #2785458**, and our legal name is **Kaneko and Krammer Corp. dba Koff & Associates, Inc.** We were incorporated on September 23, 2005. Our headquarters are in Berkeley, CA, and we have satellite offices in Southern California, the Central Valley, and the Sacramento Region. We are a California State-certified Small Business Enterprise, and through the County of Alameda, we are also a locally certified Local, Small Local, and Very Small Local Business Enterprise.

We are familiar with the various public sector organizational structures, agency missions, operational and budgetary requirements, and staffing expectations. We have extensive experience working in both union and non-union environments (including service as the management representative in meet & confer and negotiation meetings), working with City Councils, County Commissions, Boards of Directors, Boards of Supervisors, Boards of Trustees, Merit Boards, and Joint Power Authorities.

Our areas of focus are classification, compensation studies, and organizational development/assessment studies (approximately 70% of our workload); performance management and incentive compensation programs; development of strategic management tools; policy/procedure development and employee handbooks; training and development; executive search and staff recruitments; public agency consolidations and separations; Human Resources audits; and serving as off-site Human Resources Director for smaller public agencies that need the expertise of a Human Resources Director but do not need a full-time, on-site professional.

Without exception, all of our classification, compensation, and organizational studies have successfully met all of our intended commitments; communications were successful with employees, supervisors, management, and union representatives; and we were able to assist each agency in successfully implementing our recommendations. All studies were brought to completion within stipulated time limits and proposed budgets.

Our long list of clients (please see: <https://koffassociates.com/our-clients/>) is indicative of our firm’s reputation as being a quality organization that can be relied on for producing comprehensive, sound, and cost-effective recommendations and solutions. K&A has a reputation for being “hands on” with the ability and expertise to implement its ideas and recommendations through completion in both union and non-union environments.

K&A relies on our stellar reputation and the recommendations and referrals of past clients to attract new clients. Our work speaks for itself and our primary goal is to provide professional and technical consulting assistance with integrity, honesty and a commitment to excellence. We are very proud of the fact that we have not had any formal appeals in our entire history, working with hundreds of public agency clients and completing hundreds of classification, compensation, organizational, and other types of studies.



PROJECT PERSONNEL

All members of our team have worked on multiple comprehensive organizational assessment, classification and compensation studies, and are well acquainted with the wide array of public sector organizational structures, compensation structures, classification plans, as well as the challenges and issues that arise when conducting studies such as this one for the LAFCO of Santa Clara County.

Following are short biographies of the specific staff who will be assigned to this study. Their full résumés may be found in the Appendix. All project personnel listed are available to start the project immediately upon project award and contract execution.

Catherine “Katie” Kaneko, C.P.A., P.H.R.

President

Katie is one of the two principals of Koff & Associates. She brings more than 25 years of management-level human resources and consulting experience to K&A. She has extensive experience in classification analysis and evaluation techniques, compensation, performance incentive programs, recruitment, and organizational studies.

Armed with her Bachelor of Business Administration degree, and as a CPA (Certified Public Accountant), Katie began her career in an international accounting/consulting firm. She transitioned into Human Resources within the firm to become the Human Resources Director of the San Francisco office. She next moved into the high-tech industry where she served in leadership positions for high-growth companies, startup firms, and organizations in transition. Katie then moved to the public sector, joining K&A in 2003 and has been the firm’s President since 2005; over the last 16 years, she has overseen hundreds of compensation, classification, organizational and other studies for cities, counties, and special districts throughout California.

Agencies for whom classification and/or compensation studies, or HR Services (such as organizational assessments, executive performance evaluations, etc.) were led by Katie, as Project Director, during the last three years, include, but are not limited to, the following:

- **Cities and/or Towns:** Albany, Belmont, Benicia, Calistoga, Carmel, Coachella, Crescent City, Cupertino, Danville, Dinuba, Fairfield, Galt, Hayward, Hillsborough, Madera, Moraga, Morgan Hill, Newman, Palo Alto, Piedmont, Rohnert Park, Sacramento, San Pablo, Santa Rosa, Seaside, Sonoma, and Tracy.
- **Counties:** El Dorado, Humboldt, Mendocino, Merced, San Joaquin, San Mateo, and Sonoma.
- **State:** California State Compensation Insurance Fund; California State Auditor’s Office.
- **Special Districts:** Bay Area Air Quality Management District, California State Auditor’s Office, Castro Valley Sanitary District, Central Fire District of Santa Cruz County, Coastside County Water District, Contra Costa County Employees’ Retirement Association, Cosumnes Community Services District, Discovery Bay Community Services District, Dublin San Ramon Services District, East Palo Alto Sanitary District, Encina Waste Water Authority, Fairfield Suisun Sewer District, **First 5 Santa Clara**, Groveland Community Services District, Hartnell



College, Indian Wells Valley Water District, Mendocino Coast Recreation & Park District, Midpeninsula Regional Open Space District, Monterey Regional Water Pollution Control Agency, Mt. View Sanitary District, Municipal Pooling Authority, North Coast County Water District, Northern California Power Agency, Oakland Housing Authority, Public Agency Risk Sharing Authority of California, Rancho Murieta Community Services District, Retirement Office of City of San José, Salinas Union High School District, Salinas Valley Solid Waste Authority, San Francisco County Transportation Authority, **Santa Clara Valley Open Space Authority, Santa Clara Valley Water District**, Solano Transportation Authority, Sonoma County Open Space District, Southwestern Community College District, Superior Court of the County of Alameda, Superior Court of San Joaquin County, Travis Unified School District, Vallejo Flood and Wastewater District, **West Valley Sanitation District of Santa Clara County**, and Zone 7 Water Agency.

Katie will be key personnel and serve as the Co-Project Director for this project; she will coordinate all of K&A's efforts, will attend all meetings with the Agency, and will be responsible for all work products and deliverables.

Alyssa Thompson, Ph. D.
Senior Project Manager

Alyssa has over 12 years of human resources experience in classification and compensation analysis and development, performance management, affirmative action program development, and recruitment. Alyssa also has experience in designing and conducting quantitative and qualitative research studies.

Since joining K&A in 2007, Alyssa has led and worked on well over 300 classification, compensation, organizational assessment, and recruitment projects for cities, counties, and special districts, including but not limited to some of these more recent projects:

- **Cities:** Albany, American Canyon, Anaheim, Bellflower, Claremont, Concord, Danville, Discovery Bay, Fremont, Madera, Monterey, Napa, Oakland, Orange, Palm Desert, Redlands, Sacramento, San Diego, Santa Barbara, Santa Rosa, and Vallejo.
- **Counties:** Bernalillo (New Mexico), Placer, San Joaquin, San Mateo, Tehama, and Tuolumne.
- **Special Districts:** Alameda County Transportation Commission, Alameda Unified School District, Berkeley Unified School District, Central Contra Costa Sanitary District, Cutler-Orosi Unified School District, Dublin San Ramon Services District, East Bay Municipal Utility District, Encina Wastewater Authority, Foothill-DeAnza Community College District, Habeas Corpus Resource Center, Hayward Area Recreation and Park District, Housing Authority of the County of Alameda, Housing Authority of the County of San Bernardino, Marin Transit District, Metropolitan Transportation Commission, Midpeninsula Regional Open Space District, Mid-Peninsula Water District, Mount San Antonio College, Northern California Power Agency, Oakland Housing Authority, Orange County Sanitation District, Riverside County Transportation Commission, SACOG (Sacramento Area Council of Governments), Sacramento Metropolitan Fire District, Salinas Union High School District, San Diego Housing Commission, **Santa Clara County Housing Authority, Santa Clara Valley Water**



District, South Coast Water District, Superior Court of California-County of Orange, Travis Unified School District, Vallejo Flood and Wastewater District, Western Riverside Council of Governments, West Valley Mission Community College District, and Zone 7 Water District.

She earned a Bachelor's degree in Psychology with a minor in Sociology-Organizational Studies from the University of California, Davis, and a Ph.D. in Organizational Psychology from Alliant International University.

Alyssa will serve as the Co-Project Director for this project; she will help coordinate all of K&A's efforts, will attend all meetings with the District, and will be responsible for work products and deliverables, as well as provide consultant support throughout the effort. For this project, Alyssa will provide consultant support in organizational analysis, interviews with employees and management, internal job analysis, staffing analysis, the development of recommendations, and implementation strategies.

Susan Vang, B.S.
Senior H.R. Associate

Susan has over five years of human resources consulting experience in classification and compensation, recruitment and selection, and employment testing for the public sector.

Susan has experience providing technical support on a variety of classification and compensation projects including City of El Segundo, Counties of Sonoma, Lake, and Madera. In addition, Susan worked on the Merit System Services (MSS) contract with the California Department of Human Resources, providing recruitment and selection support to 27 California County Departments of Social Services and Child Support Services.

Since joining K&A, Susan has worked on studies for the following:

- **Cities:** El Monte, Los Altos, Morgan Hill, Mount Shasta, Oakland, Piedmont, Santa Barbara, Santa Cruz, Santa Rosa, and Vallejo.
- **Special Districts:** Calaveras County Water District, California Association of Sanitation Agencies (CASA), College of the Sequoias, Dublin San Ramon Services District, Eastern Municipal Water District, Foothill-DeAnza Community College District, Hartnell Community College, Long Beach Transit, Marin County Transit District, MTC (Metropolitan Transportation Commission), Riverside Community College District, **Santa Clara Valley Water District**, Southwestern Community College District, Vallejo Flood and Wastewater District, and Zone 7 Water Agency.

A Northern California native, Susan earned her B.S. degree in molecular environmental biology from the University of California, Berkeley.

Susan will provide H.R. Associate support for this project, including operational data review and trend analysis, classification analysis, interviews with employees and management, compensation data collection and analysis, internal job analysis, development of recommendations, and implementation strategies.



REFERENCES

The following are references for organizational assessments:

Agency	Organizational Assessment	Contact Information
<p>Alameda County Water District</p> <p>Organizational Review, Phase I, completed 2015.</p> <p>Phase II, completed 2016.</p>	<p>Analysis of staffing levels, organizational structure, operational efficiencies, and skills gap, to ensure that the District can meet current and future customer service demands and service delivery expectations.</p>	<p>Mr. Robert Shaver General Manager (510) 668-4211 43885 S. Grimmer Blvd. Fremont, CA 94538 Robert.Shaver@acwd.com</p>
<p>East Valley Water District</p> <p>Organizational Study (<u>performed in conjunction with Class & Comp Study</u>); completed 2015.</p>	<p>Analysis of staffing levels, organizational structure, operational efficiencies, and skills gap, to ensure that the District can meet current and future customer service demands and service delivery expectations.</p>	<p>Ms. Kerrie Bryan HR/Risk and Safety Mgr. (909) 806-4097 31111 Greenspot Rd. Highland, CA 92346 kbryan@eastvalley.org</p>
<p>Inland Valley/San Bernardino International Airport Authority (“IVDA/SBIAA”)</p> <p>Assistance with developing strategic planning and staffing matrix; completed 2016.</p> <p><i>(Also completed an agency-wide Classification and Compensation Study for IVDA in 2015.)</i></p>	<p>Assistance with developing strategic planning and staffing matrix in 2016. Advise the agency’s strategic planning process.</p>	<p>Mr. Michael Burrows Executive Director 1601 East Third St., Suite 100 San Bernardino, CA 92408 (909) 382-4100 x-102 mburrows@sbdairport.com</p>



<p>Livermore Amador Valley Transit Authority (“LAVTA”)</p> <p>Organizational Assessment; completed 2013.</p>	<p>Identify improvements to increase organizational effectiveness and efficiencies, specifically addressing management effectiveness and teamwork; identify best management practices and performance measures to improve operations; develop an implementation plan incorporating study results; analysis of internal and external communication and processes and knowledge sharing; analysis of external and internal customer service; develop an organizational strategy reflective of LAVTA’s mission, vision and goals; analysis of organizational leadership and management.</p>	<p>Ms. Tamara Edwards Finance and Grants Manager (925) 455-7566 tedwards@lavta.org</p>
<p>City of Pleasant Hill</p> <p>Org. Review, completed 2016.</p>	<p>Organizational Review of Human Resources Department</p>	<p>Ms. Ericka Mitchell Human Resources Manager (925) 671-5277 100 Gregory Lane Pleasant Hill, CA 94523 emitchell@pleasanthillca.org</p>
<p>City of Redlands (pop: 71,554)</p> <p>Organizational Review of Utilities Department, completed 2018.</p>	<p>Evaluation of staffing levels and organization structure to ensure operational effectiveness; review and modify classification specifications; identify best management practices related to utilities services in other comparable organizations and make recommendations.</p>	<p>Mr. Paul Toor Director, Municipal Utilities & Engineering (909) 798-7698 35 Cajon Street, Suite 15-A Redlands, CA 92373 ptoor@cityofredlands.org</p>
<p>City of San Gabriel</p> <p>Organizational Performance Review; completed 2012.</p>	<p>Evaluation of staffing levels, organizational structure, technological improvements, and the consolidation of human resources function in order to ensure that the City can meet current and future customer service demands and service delivery expectations.</p> <p>Additionally, the City sought an evaluation of all operations for efficiencies and to determine if they should all be accomplished with in-house staff or, under warranted circumstances, by outside contractors.</p>	<p>Mr. Steven Preston City Manager (626) 308-2880 425 South Mission Drive San Gabriel, CA 91776 spreston@sgch.com</p>



<p>Sweetwater Authority</p> <p>Organizational and Staffing Analysis, and Classification and Compensation Study, completed 2016.</p>	<p>This project included a comprehensive organizational assessment, including best management practices market survey.</p>	<p>Ms. Dina Yorba Administrative Services Director (619) 420-1413 505 Garrett Avenue Chula Vista, CA 91910 dyorba@sweetwater.org</p>
<p>Zone 7 Water Agency</p> <p>Organizational Assessment with Succession Planning, completed 2017.</p>	<p>This effort included a job classification study, staffing and workforce analysis, and succession planning.</p>	<p>Mr. Osborn Solitei Assistant General Manager (925) 454-5043 100 North Canyons Parkway Livermore, CA 94551 osolitei@zone7water.com</p>
<p>Santa Clarita Valley Water Agency</p> <p>Grants Function Organizational Study, completed 2016.</p> <p>Water Resources Organizational Study, completed 2015.</p> <p>Have also done Class and Comp Studies for SCVWA.</p>	<p>Grants Function Study: Reviewed current reporting relationships and responsibilities, workload and time spent on grants assignments to determine appropriate job classifications; identified operational and customer service requirements; assessed current processes and efficiencies as well as redundancies and deficiencies in the assignments of tasks to determine if any change is needed; provided options for reorganization and staff modification to represent appropriate assignment of grants duties and appropriate number of employees to perform those duties; performed compensation analysis.</p> <p>Water Resources Study: Reviewed current reporting relationships and responsibilities, workload and performance measurements to determine appropriate job classifications; identified operational and customer service requirements; assessed current processes and efficiencies as well as redundancies and deficiencies in the assignments of tasks to determine if any change is needed; recommended a classification structure required to carry out goals and objectives of the Water Resources Department; performed compensation analysis.</p>	<p>Ms. Aristeia Mantis HR/Risk Mgmt. Supervisor (661) 297-1600, X 235 27234 Bouquet Canyon Road Santa Clarita, CA 91350 amantis@scvwa.org</p>



<p>Yorba Linda Water District</p> <p>Organizational Performance review, completed 2013.</p>	<p>Staffing analysis of entire District’s organizational structure, with a focus on HR, IT, Finance, Engineering, Operations and Administration, so as to ensure operational efficiency. Studied: reporting relationships, span of control, staffing levels, with recommendations for an integrated org structure that would allow for future growth, career growth and effective customer service delivery. Synergies between departments were identified and staffing ratios analyzed against work load.</p>	<p>Mr. Bob Kiley President of the Board (714) 701-3020 1717 East Miraloma Ave. Placentia, CA 92870 RKiley@ylwd.com</p>
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The following are references for Classification and Compensation Studies:

Agency/Project	Contact Info
<p>City of Campbell (population: 41,544)</p> <p>Classification Study, completed 2016.</p> <p>FLSA class study, completed 2015.</p> <p>Classification and Compensation Studies, completed in 2008 and 2013.</p> <p>Management Compensation Study, completed 2009.</p>	<p>Ms. Jill Lopez Human Resources Manager (408) 866-2123 70 N. First St. Campbell, CA 95008 jill@cityofcampbell.com</p>
<p>City of Los Altos (population: 30,561)</p> <p>Total Compensation Study for all unrepresented classifications, completed 2018.</p> <p>Compensation Study, Police Department, completed 2017.</p>	<p>Ms. Jennifer Leal Human Resources Manager (650) 947-2610 1 N. San Antonio Road Los Altos, CA 94022 jlogan@losaltosca.gov</p>
<p>Town of Los Altos Hills (population: 8,580)</p> <p>Compensation Study Update, completed 2018.</p> <p>Compensation Study, completed 2014.</p>	<p>Ms. Frances Reed Management Analyst, Finance & H.R. (650) 947-2503 26379 Fremont Road Los Altos Hills, CA 94011 freed@losaltoshills.ca.gov</p>



<p>Town of Los Gatos</p> <p>Compensation Study, completed 2018.</p>	<p>Ms. Lisa Velasco Human Resources Director (408) 354-6829 110 East Main Street Los Gatos, CA 95030 LVelasco@losgatosca.gov</p>
<p>City of Redwood City (population: 86,685)</p> <p>Compensation Study, 24 Executive Classes, completed 2018.</p> <p>Classification Study, 24 classifications, completed 2018.</p> <p>Classification Study, completed 2017.</p> <p>Miscellaneous Classification Studies, since 2016.</p>	<p>Ms. Laurel Blaemire Senior HR Analyst (650) 780-7283 1017 Middlefield Road Redwood City, 94063 lblaemire@redwoodcity.org</p>
<p>City of San José (population: 1.035 million)</p> <p>Compensation (limited) Survey: 2016 (done for Council Appointed Classifications).</p> <p>Class Specification Update project for 69 Citywide classifications, completed 2016.</p> <p>Compensation Study, completed 2015.</p> <p>Also: at least 20 executive and staff recruitments, between 2013 and 2018.</p>	<p>Ms. Aracely Rodriguez Division Manager (408) 975-1411 200 E. Santa Clara St., 2nd Floor Wing San José, CA 95113-1905 Aracely.Rodriguez@sanjoseca.gov</p> <p>(at the time of the 2013-2016 studies Ms. Sarah Nunes, HR Division Manager, was our contact; she retired in April, 2017)</p>
<p>City of Santa Clara (population: 127,134)</p> <p>Total Compensation Study, 4 bargaining units, completed 2019.</p> <p>Multiple Classification Studies, since 2016.</p>	<p>Ms. Elizabeth “Liz” Brown Director of Human Resources (408) 586-3086 455 East Calaveras Boulevard Milpitas, California 95035 lbrown@ci.milpitas.ca.gov</p> <p>Please Note: At the time of the Study, Ms. Brown was the contact at the City of Santa Clara. She has since left that position and is currently at the City of Milpitas, who is also our client.</p>
<p>City of Saratoga (population: 30,767)</p> <p>Limited Classification Study, completed 2017.</p>	<p>Ms. Monica LaBossiere Human Resources Manager (408) 868-1200 13777 Fruitvale Avenue Saratoga, CA 95070 mlabossiere@saratoga.ca.us</p>



<p>Santa Clara County Housing Authority (formerly HACSC)</p> <p>Performing ongoing classification and compensation services since 2017.</p> <p>Classification and Compensation Study, completed 2017.</p>	<p>Mr. Russell Brunson Director of Administration (408) 993-2978 505 W. Julian Street San Jose, CA 95110 Russell.Brunson@scchousingauthority.org</p> <p>Please note: at the time of the study, Ms. Kate Drayson, Asst. Dir. of Administration, was with the agency. We recently learned that she has left for the private sector and we have reached out to Mr. Brunson for permission to use him as a reference for our 2017 project.</p>
<p>Santa Clara Valley Open Space Authority</p> <p>Classification and Base Salary Study (4 positions), completed 2017.</p> <p>Classification and Compensation Study, completed 2015.</p>	<p>Ms. Lauren Monack Director of Administration and Finance (408) 224-7476 33 Las Colinas Lane San Jose, CA 95119 lmonack@openspaceauthority.org</p>
<p>Santa Clara Valley Water District</p> <p>Ongoing: District-wide Classification and Compensation Projects.</p> <p>Classification Study (Clerk of the Board), completed 2017.</p> <p>Executive Compensation Studies, completed 2013 and 2015.</p>	<p>Ms. Angelica Cruz Workforce Development & Employment Services Manager (408) 630-3115 5750 Almaden Expressway San Jose, CA 95118 acruz@valleywater.org</p> <p>Mr. Michael Baratz Labor Relations Officer (408) 630-2361 MBaratz@valleywater.org</p>



PROJECT OBJECTIVES

The LAFCO of Santa Clara County (“LAFCO”) desires human resources consulting assistance to conduct an independent, comprehensive Organizational Assessment of LAFCO including its organizational structure, staffing levels, job specifications, compensation, and operational structure. The study will recommend changes that support performance management, employee development and succession planning efforts, and help enhance operations to meet LAFCO’s current and future needs.

Santa Clara LAFCO has a professional staff of four employees spanning three classifications, including LAFCO Executive Officer (1 incumbent), LAFCO Analyst (2 incumbents) and LAFCO Clerk (1 incumbent). Santa Clara LAFCO contracts with the County of Santa Clara for staffing and services. LAFCO staff are County employees and are represented by County bargaining units – County Employees’ Management Association (CEMA) and Service Employees International Union (SEIU) Local 521.

The purpose of the Study is to assess operational needs and allocation of resources and personnel in order to determine whether structural changes to the the organization will improve overall efficiency and maximize use of LAFCO’s resources.

Overall Objectives:

- To review and understand all current documentation, rules, regulations, policies, procedures, budgets, class descriptions, organizational charts, memoranda of understanding, personnel policies, wage and salary schedules, and related information so that our recommendations can be operationally incorporated with a minimum of disruption;
- To conduct start-up Study Project Team meetings with management, study project staff, and other stakeholders to discuss any specific concerns with respect to the development of classification and compensation recommendations; finalize study plans and timetables; conduct employee orientation sessions with management and staff in order to educate and explain the scope of the study and describe what are and are not reasonable study expectations and goals;
- To work collaboratively and effectively with the LAFCO and its stakeholders while at the same time maintaining control and objectivity in the conduct of the study;
- To develop a classification, compensation, and organizational structure that meets all legal requirements, is totally non-discriminatory, and easily accommodates organizational change, growth, and operational needs;
- To document all steps in the process and provide documentation and training for Human Resources and other staff, as appropriate, in classification and compensation analysis methodologies so that the Agency can integrate, maintain, administer, and defend any recommended changes after the initial implementation; and
- To provide effective ongoing communications throughout the duration of the project and continued support after implementation.

Organizational Assessment Objectives:

- To formulate recommendations regarding a pool of comparator agencies that are similar in size, resources, and service provision to the LAFCO;



- To collect accurate organizational and operational data from the approved group of comparator agencies and to ensure that this information is analyzed in a manner that is clear and comprehensible to the project team;
- To collect information from each of the comparator agencies regarding organizational structure, position allocations, work assignments, resources used (including human, financial, and technological), operational and customer service data;
- To identify best management practices that are reflective of industry knowledge and the approved group of comparator agencies;
- To recommend strategies to incorporate industry and market best practices into day-to-day operations that will enhance organizational effectiveness and improve customer service; and
- To identify key issues and opportunities to leverage departmental efforts to improve overall synergy between the LAFCO and the County.
- To carefully analyze the scope and level of duties and responsibilities, processes and assignments, requirements for successful work performance (including required competencies), and other factors of the LAFCO's assignments/positions/classifications;
- To conduct a comprehensive position assessment, including review of existing documentation, Position Assessment Questionnaire completion, employee interviews, analysis of existing positions and working situations, and other professional methods, as appropriate;
- To identify organizational and workload issues during interviews including consideration of technology and automation potential and improvements as well as the addition of other operational tools; and

Classification Objectives:

- To analyze and update the LAFCO's classification system and each study position's classification description and structure through a comprehensive process of job analysis and evaluation, including review of existing documentation, position description questionnaire completion, employee interviews, management interviews, analysis of existing positions and working situations, analysis of levels of duties and responsibilities, and other professional methods, as appropriate;
- To recommend each study position for title change or reclassification (as appropriate), create new classifications (if applicable), and eliminate outdated classifications (if applicable);
- To provide for growth and flexibility of assignment within the new classification structure.
- To clearly state definitions of job classifications, the typical job functions, and minimum required and preferred qualifications such as education, prior work experience, knowledge, skills, abilities, licenses, certifications, and physical demands;
- To provide a classification structure that ensures regulatory compliance, including allocation of each study position to the correct classification with appropriate FLSA designation as well as meeting ADA regulations;
- To provide for adequate educational, review, and appeal processes that will result in a product that is understood by all levels of personnel and is internally equitable; and
- To ensure sufficient documentation throughout the study, on methods used to determine appropriate classification and level, methods for logical progression of movement



between classifications, classification concepts and distinguishing characteristics, as well as the delivery of final reports and recommendations to guide the organization in implementing, managing, and maintaining the classification system.

Compensation Objectives:

- To make recommendations regarding a list of appropriate comparator agencies, benchmark classifications, and benefits to be collected prior to beginning the compensation portion of the study;
- To collect accurate salary and benefit data from the approved group of comparator agencies and to ensure that the information is analyzed in a manner that is clear and comprehensible to the Study Project Team, Human Resources, employee representation, management, the LAFCO Board, and employees;
- To carefully analyze the scope and level of duties and responsibilities, requirements for successful work performance, and other factors for survey classes according to generally accepted compensation practices;
- To review the LAFCO's compensation structure and practices and develop compensation recommendations that will assist the Agency in recruiting, motivating, and retaining competent staff, including consideration of tiered benefit levels;
- To develop solutions that address pay equity issues, analyze the financial impact of addressing pay equity issues, and create a market adjustment implementation strategy supporting the Agency's goals, objectives, and budget considerations;
- To evaluate benefit offerings in the labor market and make recommendations for better alignment and/or different benefit offerings as indicated by the analysis and best practices;
- To create a comprehensive final report summarizing the compensation study approach and methodology, analytical tools, findings, and recommended compensation structure;
- To recommend appropriate internal salary relationships and allocate classes to salary ranges in a comprehensive salary range plan; and
- To ensure sufficient documentation throughout the study, on methods used to determine appropriate salary ranges, methods for logical progression of movement within the salary scale for each classification, and other practices, so that our recommendations can be implemented and maintained in a competent and fair manner.



WORKPLAN

This section of the proposal identifies the actual work plan. We believe that our detailed explanation of methodology and work tasks clearly distinguishes our approach and comprehensiveness.

Deliverable A. Initial Documentation Review/Meeting with Project Team

This phase includes identifying the key client project team, contract administrator, and reporting relationships. Our team will meet with LAFCO's team to create the specific work plan and work schedule; reaffirm the primary objectives; determine deadline dates; determine who will be responsible for coordinating/scheduling communications with employees and management; and develop a timetable for conducting the same. Also included will be the gathering of written documentation including assembling the current organizational charts, class descriptions, personnel policies, memoranda of understanding, operational budgets, documentation on current operational practices, information regarding in-house and outsourced/contracted services, and any other relevant documentation.

This initial step will also include a discussion of our methodology and the components of the survey instrument that will be used when comparing the LAFCO to other, comparable agencies. We will meet with Management to discuss the major elements of the study and confirm which areas (organizational, operational, etc.) will be studied. We will also review and agree to the position description questionnaire ("PDQ"), a class description format, comparator agencies, benchmark classifications, and benefits to be collected.

Deliverable B. Determination of Comparator Agencies

The selection of comparator agencies is considered a critical step in the study process. The factors that we review when selecting and recommending appropriate comparator agencies include:

- **Organizational type and structure** – While various agencies may provide overlapping services and employ some staff having similar duties and responsibilities, the role of each agency is somewhat unique, particularly in regard to its relationship to the citizens it serves and level of service expectation. During this iterative process, potential comparator agencies and the advantages and disadvantages of including them and/or others will be discussed, before we begin our analysis to develop a list of recommended comparators.
- **Similarity of population served, Agency demographics, Agency staff, and operational budgets** – These elements provide guidelines in relation to resources required (staff and funding) and available for the provision of Agency services. They also speak to the diversity of the community that they serve and the common issues that the LAFCO might face to best serve that community.
- **Scope of services provided** – While having an agency that provides all of the services at the same level of citizen expectation is ideal for comparators, as long as the majority of services are provided in a similar manner, sufficient data should be available for analysis.
- **Labor market** – The reality of today's labor market is that many agencies are in competition for the same pool of qualified employees, because large portions of the workforce don't live in the communities they serve, are accustomed to lengthy commutes, and are more likely to consider changing jobs in a larger geographic area than in the past. Therefore, the geographic labor market area (where LAFCO may be recruiting from or losing employees to) will be taken into consideration



when selecting potential comparator organizations. As part of this analysis, we will determine whether LAFCO has identified agencies that it competes with for qualified talent; those agencies will be taken into consideration for purposes of our analysis. It is important to understand and consider LAFCO's competitive landscape and include agencies in the study to whom the LAFCO loses talent.

- **Cost-of-living** – The price of housing and other cost-of-living related issues are some of the biggest factors in determining labor markets. We will review overall cost-of-living of various geographic areas, median house prices, and median household incomes to determine the appropriateness of various potential comparator agencies.

Cost of living and geography are two factors more important for compensation studies than organizational assessments, but we will consider them in the selection of comparator agencies since we will most likely use the same list of agencies for both purposes, although we use a smaller subset of agencies for the organizational review. We typically recommend 10-12 comparators for compensation surveys and 6-8 comparators for organizational reviews.

Using the above factors to identify appropriate comparators, we will receive approval before proceeding with the survey.

Deliverable C. Development of Position Assessment and Survey Questionnaires

The study will contain two (2) major surveys:

- 1) analysis of current roles, duties, responsibilities, and processes within the organization, and
- 2) a study of organizational and operational best practices of agencies that are comparable.

For both surveys, we will develop a survey instrument/questionnaire to ensure that the right questions are asked. The internal survey will be structured in a manner that is similar to a Position Assessment Questionnaire ("PAQ") and include questions regarding roles, duties, responsibilities; processes, efficiencies, and time/frequency; and competencies, knowledge, skills, and abilities required to perform jobs successfully. The PAQ will also be used for classification purposes.

The external, or industry/market study will include questions regarding organizational structure, ratios of staffing, succession planning efforts, programs and services provided, financial and other resources in relation to assignments and expected work products and best management practices.

It is our recommendation to review the two survey instruments/questionnaires in a collaborative manner including management and employees.

Deliverable D. Orientation Meetings with Employees and Distribution of PAQs

We will facilitate an orientation meeting with employees (within the same timeframe as the initial kick-off meeting, for cost-containment purposes) and distribute the questionnaires for purposes of the internal survey and classification review. Project processes will be explained, expectations will be clarified, and elements that are not a part of the study will also be covered. Questions will be answered and hints for completing the questionnaire will be given. The questionnaires shall be handed out with the incumbents' current class descriptions attached so employees can use them as a tool for completing the questionnaires.



We recommend that employees complete separate questionnaires. One critical piece we hope to determine through this process is whether certain employees' duties and tasks have changed compared to their peers in the same classification. If so, we want to be able to analyze those separately. Our goal is to analyze the questionnaires and identify trends regarding processes, efficiencies, required levels of skill and qualifications, staffing, and what works and what doesn't work within each functional area of assignment.

Employees complete the questionnaire, send it to their supervisor/manager for review, comment, and signature, and then send it to our office for analysis.

Deliverable E. PAQ Review

Upon receipt of the PAQs, they will be reviewed and analyzed along with other documentation, including any information regarding timekeeping, efficiency measurements, and process descriptions. As mentioned above, the goal is to identify certain trends regarding processes, efficiencies, staffing, and what works and what doesn't work within each functional area of assignment.

Deliverable F. Employee Interviews

Based on the trends identified above, we will design interviews needed to delve into those trends and obtain more information. The assumption is that each employee will be interviewed individually to clarify certain information that was contained, or perhaps we found to be missing, in the PAQs.

The goal of the interviews and the review of additional documentation is to identify/ determine the following:

- Assignments, responsibilities, duties, and tasks;
- Process efficiencies, time spent, and frequency of the above;
- Competencies, knowledge, skills, and abilities required to perform the above;
- Reporting relationships and span of control;
- Staffing ratios;
- Succession planning needs for key positions;
- Available resources, including deficiencies and redundancies; and
- Equipment, computer and automation technologies used.

Deliverable G. Industry/Market Data Collection

For the external market survey, K&A does not collect market data by merely sending out a written questionnaire. We find that such questionnaires are often delegated to the individual in the department with the least experience in the organization and given a low priority. We conduct all of the data collection and analysis ourselves to ensure validity of the data and quality control. Typically, we collect organizational charts, classification descriptions, employee allocation lists, policies and procedures, performance measurement plans, and other information via websites or in person, by telephone, email, or facsimile. With this prior knowledge and our experience in the public human resources field, our professional staff will then schedule appointments with knowledgeable individuals to answer specific questions. We find that the information collected using these methods has a very high validity rate and is generally substantiated with management and employees.

The goal of the industry/market survey is to obtain information on the following:



- Salary and benefit information;
- Organizational structure, reporting relationships, span of control, and staffing levels;
- Operational requirements, services and ratios of staffing to programs and services provided, and other productivity measures;
- Succession planning efforts;
- Outsourcing and in-sourcing practices per functional area of assignment;
- Resources available, including human, financial, technological resources;
- Computer and automation technologies used to improve operating efficiencies and/or customer service, including an evaluation of existing systems (i.e., pros and cons); and
- Best management practices and standards.

Deliverable H. Data and Trend Analysis

Surveying up to eight comparator agencies for organizational and operational purposes, and up to twelve comparator agencies for compensation purposes, should yield sufficient data and information to identify industry/market trends.

We will enter data into a spreadsheet format designed for ease of interpretation and use. Information will be in a format that will identify the comparator positions used for each class comparison for compensation purposes. In addition, we will calculate information based upon average and median figures, allowing LAFCO to make informed compensation decisions.

We will analyze the data and trends from the market survey and incorporate those into our recommendations for organizational and operational changes.

Deliverable I. Development of Job Classification and Class Descriptions

Prior to developing detailed class descriptions, our job evaluation will result in a classification concept and employee allocation document that will be submitted to the LAFCO for review and approval. We will compare changes in business need and operations, as well as any reorganizations, with the established classification system and job families as well as review internal relationships between classifications to define the reasons for, and effects of, the proposed changes.

Our job analysis method is the whole position analysis approach. Objective factors in the whole position classification methodology include:

1. Education Levels, Specialized Trainings, Required Certifications/Licenses, Desirable Certifications/Licenses
2. Required Experience
3. Problem Solving/Ingenuity
4. Attention/Stress (Concentration/Time Pressure & Interruptions)
5. Independence of Action/Responsibility
6. Contacts with Others/Internal/External
7. Supervision Received and/or Given to Others
8. Consequences of Action/Decisions Made on the Job
9. Equipment Used



10. Working Conditions
11. Physical/Mental Demands

Our analysis will include written documentation of our assessment methodology and assessment for each position surveyed.

This document will list broad class concepts and highlight where significant changes may be recommended, such as creating or collapsing class series in the same functional area and/or separating or combining classifications assigned to different functional areas. We will review and analyze potential career ladders and promotional opportunities, including clearly delineated and distinguished levels within classification series. We will also review and update established titling guidelines for the studied classifications for appropriate and consistent titling.

We will update duties, responsibilities, and minimum qualifications of each class specification, as necessary. We will develop new class specifications if duties, responsibilities, and minimum qualifications have changed significantly, and/or if we recommend new classifications/class levels, and/or if operational changes, business needs, or reorganizations, have occurred.

Following EEO Uniform Guidelines, we will review, analyze, and update, as appropriate, knowledge, skills, abilities, education and experience, position definitions, purpose, distinguishing characteristics, supervision received and exercised, position functions and special requirements including licensing and certifications that are required and desirable. We will address relevance and hierarchical consistency of each classification and each class series.

We will also review and update physical demands based on the most typical job functions of each classification in accordance with the ADA.

Finally, we will review each classification's typical job functions and determine exempt vs. non-exempt status in accordance with "white collar" exemptions under the FLSA.

Deliverable J. Internal Job Analysis and Compensation Recommendations

In this step, we will develop an internal position hierarchy based on the organizational value of each classification. Again, we utilize the whole position analysis methodology as described earlier to do the internal alignment and reincorporate LAFCO's positions with the broader County structure. Due to the fact that the positions are represented by County bargaining units, we understand that there may be limited flexibility to recommend significant changes to LAFCO's compensation structure.

The ultimate goal of this critical step in the process is to address any potential internal equity issues and concerns with the current compensation system, including compaction issues between certain classifications. We will create a sound and logical compensation structure for the various levels within each class series, so that career ladders are not only reflected in the classification system but also in the compensation system, with pay differentials between levels that allow employees to progress on a clear path of career growth and development. Career ladders will be looked at vertically, as well as horizontally, to reflect the Agency's classification structure.



Deliverable K. Development of Organizational/Operational Recommendations and Implementation Strategy

Depending on the results of the internal and external assessments, we will develop or formulate specific recommendations for organizational and operational changes for the LAFCO. Recommendations and implementation strategies will include the following (as appropriate):

- Identify effective organizational structure that allows for streamlining procedures and processes throughout the organization, including organizational restructuring, reassigning reporting relationships, streamlining classifications/assignments, and reorganizing functional areas of assignment;
- Recommend an efficient and sustainable staffing plan that incorporates recommendations for succession planning, including ratios of staff to workloads as well as ratios of “rank-and-file” staff to supervisory and management staff;
- Provide recommendations and guidance on how to effectively distribute workload and tasks;
- Process efficiencies, including redundancies and deficiencies as well as assignments of functions and tasks;
- Outsourcing and in-sourcing opportunities, including areas of assignment at the functional, and specific task levels;
- Provide recommendations regarding the use of consultants;
- Equipment and computer and automated technologies: while we are not management information systems or information technology experts, we will report the results of the market survey and identify any trends in this area, including feedback regarding the successfulness of current and/or newly implemented systems used by the comparator agencies; and
- Provide an implementation plan incorporating all of our recommendations.

It should be noted that the development of recommendations, and implementation strategies in particular, will be as collaborative a process. We are most receptive to your input, especially when it comes to the organizational and operational realities of addressing potential deficiencies and implementing new policies/procedures/rules/practices, etc.

When it comes to developing timelines, input from the LAFCO will be elicited to create realistic road maps, especially when it comes to developing timelines. Our suggested changes will be prioritized based on importance/urgency, will include suggested timelines for implementation, and will also include an analysis of potential cost impacts associated with the proposed changes for the organization. Draft recommendations and implementation plans will be discussed with the management team prior to developing an Interim Report.

Deliverable L. Management Review/Reanalysis and Feedback

We will share our findings and recommendations with study stakeholders before our report, recommendations, and implementation plans are finalized. Our experience has been that this can be one



of the most critical phases of the project to ensure that deliverables are vetted through the individuals who are most familiar with LAFCO's operations.

Deliverable M. Preparation of Draft Final and Final Report and Deliverables

A Draft Interim Report of the Organizational Assessment will be completed and submitted to the LAFCO for review and comments. The report will provide detailed internal and external survey findings, documentation, and recommendations. The report will include a set of all survey instruments and documentation, data and trend analysis results, as well as recommendations and the implementation issues surrounding our recommendations. It will summarize and communicate all findings and information reviewed.

Once all of the LAFCO's questions/concerns are addressed and discussed, a Final Report will be created.

Deliverable N. Final Presentation

In addition to ongoing periodic meetings and communication with the Project Team, management, employees, and other stakeholders throughout the various phases of the study, as well as continuous status reports per email and conference calls, our proposal includes two meetings with plus one final presentation to the Finance Committee.



SCHEDULE

Our professional experience is that a comprehensive Organizational Assessment study of this scope take approximately four to five months to complete.

Therefore, assuming the commencement of the project is in September, to complete the project and present it to the Commission at the February 5th Meeting, 2019, will be achievable.

The following is a suggested timeline (which can be modified based on the LAFCO’s needs).

Deliverable	Comprehensive Organizational Assessment	Week #
A.	Initial Documentation Review/Meeting with Project Team	Week 1
B.	Determination of Comparator Agencies	Week 2
C.	Development of Position Assessment and Survey Questionnaires	Week 2
D.	Orientation Meetings with Employees and Distribution of PAQs	Week 2
E.	PAQ Review	Week 4
F.	Employee Interviews	Week 5
G.	Industry/Market Data Collection	Week 10
H.	Data and Trend Analysis	Week 12
I.	Development of Job Classification and Class Descriptions	Week 12
J.	Internal Job Analysis and Compensation Recommendations	Week 13
K.	Development of Organizational/Operational Recommendations and Implementation Strategy	Week 14
L.	Management Review/Reanalysis and Feedback	Week 16
M.	Preparation of Draft Final and Final Report and Deliverables	Week 18
N.	Final Presentation	As Scheduled



COST PROPOSAL

We have often found our process requires a very high level of time commitment, which sometimes results in a higher proposal cost. We believe that our methodology and implementation success rate is attributable to the significantly greater level of contact we have with management, governing body, and staff. The time we commit to working with the employees (orientations and briefings, meetings with employees via personal interviews, informal appeal process, etc.) results in significantly greater buy-in throughout the process and no formal appeals at the end of the study.

Deliverable	Comprehensive Organizational Assessment	Hours
A.	Initial Documentation Review/Meeting with Project Team	8
B.	Determination of Comparator Agencies	8
C.	Development of Position Assessment and Survey Questionnaires	8
D.	Orientation Meetings with Employees and Distribution of PAQs	4
E.	PAQ Review	4
F.	Employee Interviews	8
G.	Industry/Market Data Collection	50
H.	Data and Trend Analysis	20
I.	Development of Job Classification and Class Descriptions	12
J.	Internal Job Analysis and Compensation Recommendations	4
K.	Development of Organizational/Operational Recommendations and Implementation Strategy	20
L.	Management Review/Reanalysis and Feedback	8
M.	Preparation of Draft Final and Final Report and Deliverables	20
N.	Final Presentation	4
	Total Professional Hours	178
	Combined professional and clerical composite rate: \$140/Hour	\$24,920
	Expenses are included in our combined composite rate:	N/A
	<i>Expenses include but are not limited to duplicating documents, binding reports, phone, fax, supplies, postage, travel expenses, per diem, etc.</i>	
	TOTAL NOT-TO-EXCEED COST FOR PROJECT:	\$24,920
	*Additional consulting will be honored at composite rate (\$140/Hour)	



SERVICES AGREEMENT

We will be pleased to sign the LAFCO's professional services agreement for a Comprehensive Organizational Review and Assessment. In regard to the draft services agreement, in Section 3 - Compensation, we ask that the \$200/day penalty be removed from this provision as it has been our experience that frequently, delays in project timelines are caused by the client and out of our control. Otherwise, we have no exceptions and are able to meet the insurance requirements.

Note: Please add the following language to your professional services agreement should we receive the award for this project.

Our regular terms are Net 30.

Client shall pay K&A for its fees and reimbursable expenses (if applicable) within thirty (30) days following the date of receipt of each applicable invoice. If Client contests or questions any invoice, it agrees to raise any questions with management of K&A within such 30-day period. Late fees in the amount of 2% of invoice amount will accrue if current invoice is not paid within 30 days of payment due date of that invoice. If late fees are not paid, they will carry forward to next invoice.

If necessary, we are flexible about negotiating other terms with the LAFCO.

Please also note: We respectfully request that the following clause also be incorporated into your contract or agreement with K&A:

Except with the written consent of Georg Krammer or Katie Kaneko, CEO and President respectively of Koff & Associates, which consent may be given or withheld in their sole discretion, Client agrees that during the term of this Agreement and for a period ending one year thereafter (the "Time Period") Client will not solicit services from or hire any K&A employee or contractor (each, a "Team Member") with whom Client has had contact pursuant to the services provided to Client under this Agreement. Client specifically acknowledges that K&A recruits, trains, and contracts with Team Members and that such efforts are costly and time-consuming. As such, it is understood that should Client hire a Team Member during the Time Period for any reason without the required consent, Client agrees to pay a placement fee (paid at the time of placement) of 30% of Team Member's first year's total compensation which accurately reflects a reasonable estimate of K&A's time and costs attendant to its recruitment, hiring, retention, and management of Team Members.



Insurance Acknowledgement

We will submit and support the levels of coverage and endorse the LAFCO of Santa Clara County with our General Liability coverage upon award of a contract for the project.

Workers' Compensation:	Statutory Limits
Commercial General Liability:	\$2,000,000 per occurrence
Professional Liability (Errors & Omissions):	\$1,000,000 per occurrence
Automobile Insurance:	\$1,000,000 per occurrence

Our insurance broker is Ms. Eileen Hollander, Sr. Account Manager/Commercial Lines, EPIC Insurance Brokers, 2300 Contra Costa Blvd., Suite 375, Pleasant Hill, CA 94523.



SIGNATURE PAGE

Koff & Associates intends to adhere to all of the provisions described in the RFP.

This proposal is valid for ninety (90) days.

Respectfully submitted,

By: KOFF & ASSOCIATES
State of California

Georg S. Krammer
Chief Executive Officer

September 6, 2019





APPENDIX

RÉSUMÉS OF PARTICIPATING STAFF

CATHERINE B. KANEKO

SUMMARY

President of Koff & Associates, with experience in managing the planning, development, implementation, and administration of compensation programs, including stock plans, benefits administration, variable pay programs, performance management and employee development, strategic planning, and policy development.

KEY ACHIEVEMENTS AND HIGHLIGHTS

Evaluated, designed, and implemented various compensation structures for public agencies and private companies, which accomplished organization goals of attracting and retaining key talent, controlling costs, and ease of administration. Managed and developed organization-wide classification systems. Designed and implemented incentive and variable pay programs. Designed performance appraisal systems. Integrated career management programs with compensation, reward and recognition, promotion, transfer, and training strategies, processes, and procedures. Conducted organizational assessments for numerous public agencies. Developed strategic business plans. Developed and implemented multiple training programs.

PROFESSIONAL EXPERIENCE

Koff & Associates, Berkeley, CA

Associate and Senior Project Manager, 2003-2005

President, 2005-Present

- Serve as project director in conducting hundreds of classification, compensation, and organizational studies; provide strategic planning services for agencies; provide offsite human resource function; recruit executive level positions for special districts, courts, counties, cities and other statewide and local agencies.
- Develop complex, detailed proposals for cities, counties, courts, and special districts, such as housing, school, healthcare, air quality, vector control, transportation, water, superior courts, and wastewater agencies to provide professional Human Resources consulting services.
- Represent Koff & Associates with clients, write and approve final project reports and lead presentations in front of City Councils, Boards of Commissioners, Boards of Supervisors, Boards of Directors, and other governing bodies.
- Manage and develop staff of project managers, data specialists, firm consultants, marketing and administrative analysts.
- Grew company from serving approximately 100 clients to 600 clients and grew staff from 4 to 26 in period of fifteen years.
- Contributed to and maintained 100% successful implementation rate of studies performed for clients.

Xpedior, San Francisco, CA

Human Resources Director, 1997-2000

- Managed acquired companies to the Xpedior culture. Audited human resources practices of acquired companies and provided training and guidance to management. Ensured compliance with organization policies and procedures.
- Oversaw conversion to IPO environment in terms of the impact on human resources functions.
- Managed all human resources programs, including organization development, recruitment and selection, labor law compliance, classification and compensation, benefits administration, employee relations, training and development, and safety programs.

SEGA of America, Redwood City, CA

Human Resources Generalist, 1993-1996

Compensation Manager, 1996-1997

- Managed compensation function for over 1,000 employees. Evaluated, designed, and implemented broadband compensation structure which accomplished corporate goals of controlling costs, attracting and retaining key talent, and ease of administration. Developed and conducted the manager and employee training/communications program for new broadband system.
- Managed the production of over 250 job descriptions for the entire organization.
- Designed new corporate incentive plans for Research and Development and Sales divisions.
- Functioned as project lead for conversion and installation of new HRIS system.
- Obtained and compiled high-tech market data to support the organization's competitive advantage in a cutting edge industry.
- Managed the human resources function for the U.S. satellite software development divisions and companies (over 450+ employees).
- Consulted with managers and employees on organization development, conflict resolution, performance management, discipline, termination, and other employee relations issues.
- Assimilated acquired companies to the SEGA culture. Audited human resources practices of acquired companies and provided training and guidance to management. Ensured compliance with organization policies and procedures.

TPA Company, San Francisco, CA

Human Resources Manager/Financial Controller, 1992-1993

- Managed human resources function. Evaluated and implemented new policies and procedures to strengthen organization structure. Supervised and maintained financial accounting operations. Position encompassed diverse responsibilities in a high-pressure, fast paced environment.

BDO Seidman, CPA's and Consultants, San Francisco, CA

Laventhol & Horwath, CPA's and Consultants, San Francisco, CA

Human Resources Director, 1986-1992

- Managed human resources, organization development, employment, labor law, compensation, benefits administration, affirmative action, employee relations, and safety programs.

EDUCATION & CERTIFICATIONS

BS – Business Administration: California State University, Hayward

CPA – Certified Professional Accountant

PHR – Professional Human Resource Certificate

PROFESSIONAL AFFILIATIONS

- California Public Employer Labor Relations Association
- National Public Employer Labor Relations Association
- Public Employer Labor Relations Association of California
- International Public Management Association
- Society of Human Resource Management
- Northern California Human Resource Association
- California Chamber of Commerce

Alyssa Thompson, Ph.D.

PROFESSIONAL EXPERIENCE

Senior Project Manager, Koff & Associates

February 2007 – present

- Provide project management and support on classification and compensation studies for public sector clients, including cities, counties, school districts, and special districts.
- Classification studies: conduct employee interviews; analyze and develop recommendations for position allocation; develop classification specifications.
- Compensation studies: data collection and analysis; develop compensation recommendations and implementation plans.
- Serve as lead and/or participate in special projects, including recruitment, pay for performance program development and training, audits, and other special projects.

Research Assistant, Alliant International University, Marshall Goldsmith School of Management

January 2006 – June 2007

- Assist professor in research study focusing on identifying essential organization development competencies.
- Research and synthesize literature on organization development competencies and adult learning theory.
- Work with professor to write research proposal for Institutional Review Board (Human Participants Committee) approval. Received approval to conduct research project.
- Design and conduct research, including both qualitative (structured interviews) and quantitative (survey) methods; analyze data and develop recommendations.

Teaching Assistant, Alliant International University, Marshall Goldsmith School of Management

August 2005 – May 2006

- Assist professor in teaching of Psychometrics, Statistics, and Research Design class in organizational psychology PhD program.
- Independently teach one hour each week.
- Develop lesson plans focused on developing a research design and using SPSS for statistical analysis, interpretation, and presentation of results.
- Facilitate group discussions.

Human Resources Associate, The J. David Gladstone Institutes

July 2000 – February 2007

Compensation

- Assist in coordination of compensation program, including developing and administering salary surveys, data collection, analysis of survey results, and proposing merit budget and salary increase recommendations.
- Work with senior management on implementation of annual merit increase program.

- Recommend adjustments to salary structure based on market data and cost of living adjustments.
- Research, analyze, and provide recommendations to address salary grade adjustments for internal positions; assess and ensure internal and external equity of salaries for each position.
- Help administer annual performance evaluation program; conduct performance appraisal training sessions to assist managers in completing evaluations.
- Assist in development of new and modifications to existing job descriptions; maintain job description database.
- Evaluate and recommend EEO and FLSA status and salary grades for new and existing positions.
- Assist with creating offer proposals for new hires to ensure internal and external equity in salary.

Affirmative Action Program

- Coordinate annual affirmative action program.
- Accurately collect and analyze data; apply and interpret statistical tests to identify key areas of development; provide recommendations to address areas of development.

International Visa

- Coordinate processing of international visas for all employees.
- Maintain tracking system of visa status.
- Serve as a liaison between employees and visa representatives and attorneys; resolve visa and immigration issues; understand and apply basic immigration and visa regulations.

Other Generalist Responsibilities:

- Maintain HRIS databases and integrity of the data.
- Ensure compliance with monthly Department of Labor reporting regulations.
- Generate all human resources reports; provide analysis of reports, as requested.
- Member of the Diversity Leadership Team and Student Minority Outreach Committee. Assist in coordinating graduate student and student intern programs.
- Assist recruitment function, including updating job postings, sorting and screening resumes and applications, developing tests and assessments, and interviewing.
- Assist in annual audit of personnel files to ensure compliance with applicable regulations.
- Assist in temporary agency placements.

EDUCATION

University of California, Davis

BA in Psychology awarded March 2000

Alliant International University

Ph.D. in Organizational Psychology awarded November 2012

SUSAN S. VANG

PROFESSIONAL EXPERIENCE

February 2017 to Present

Senior H.R. Associate, Koff & Associates, Berkeley CA

- Provide support on Classification and Compensation Studies for public sector clients including cities, counties, special districts, and other public sector agencies.
- Interview employees, develop classification specifications, analyze and offer recommendations for classification studies.
- Research, collect data, and analyze for compensation studies; develop compensation recommendations and implementation plans.

October 2012 to January 2017

Human Resources Technician, CPS HR Consulting Services, Sacramento CA

- Classification and Compensation: Provided technical support on both compensation and classification projects through the data collection process and worked on special projects as assigned.
 - Participated on project teams for both large and small scale classification and compensation studies.
 - Assisted in compiling detailed statistical and narrative classification and compensation reports with recommendations including changes to existing classification structures, new or revised classification specifications, and position allocations.
 - Drafted Request for Proposal responses for small studies regarding project scope, project timeline estimations, etc.
- Recruitment and Selection: Provided technical recruitment and selection support to various California Social Services and Child Support Services county departments on the Merit System Services (MSS) contract; reviewed clerical, technical, and professional employment applications; assisted in managing the testing and flow of recruitments; created eligible lists for counties' use.

EDUCATION

University of California, Berkeley CA

Bachelor's Degree, Molecular Environmental Biology

ITEM # 4 Attachment C

SERVICES AGREEMENT BETWEEN THE LOCAL AGENCY FORMATION COMMISSION OF SANTA CLARA COUNTY AND KOFF & ASSOCIATES TO PERFORM A COMPREHENSIVE ORGANIZATIONAL ASSESSMENT OF LAFCO

This Agreement (“Agreement”) is made effective _____ by and between the Local Agency Formation Commission of Santa Clara County (“LAFCO”) and Koff & Associates (“Contractor”) to provide consulting services to perform a comprehensive organizational assessment of LAFCO including its organizational structure, staffing levels, job specifications, compensation, and operational structure.

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

WHEREAS, LAFCO needs assistance with conducting a comprehensive organizational review and assessment of LAFCO; and

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

WHEREAS, at the October 2, 2019 meeting of LAFCO, the Commission approved the agreement with the most qualified consultant and authorized the Chairperson to execute the agreement;

THEREFORE, the parties agree as follows:

1. Nature of Services.

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

2. Term of Agreement.

This Agreement is effective from the date of final execution, to and including June 30, 2020, unless terminated earlier in accordance with Section 4.

3. Compensation.

A. Contractor will be compensated for services provided under this Agreement in accordance with the Rate Schedule included in Exhibit A3, which is attached hereto and incorporated herein by this reference. Contractor will complete all the work and tasks described in Exhibit A for an amount not to exceed \$24,920. The Contractor shall be paid based on the rate schedule indicated in Exhibit A3, but compensation and expenses shall not exceed the maximum compensation stated herein.

B. Contractor will provide LAFCO with task-specific invoices based on estimated costs in Contractor's proposal, which shall be accompanied by a detailed summary of activities undertaken over the course of completing the task.

C. Delivery of the work products identified in Exhibit A shall be in accordance with the project timeline provided in Exhibit A2, which has been negotiated between the parties prior to the effective date of this Agreement, or as otherwise determined by mutual written agreement of the parties. If the reports are not delivered according to such timeline in Exhibit A2 or as otherwise mutually agreed or if they do not comply with the requirements in the Scope of Services, it is understood, acknowledged and agreed that LAFCO will suffer damage. As fixed and liquidated damages, LAFCO shall withhold from Contractor the payment of the sum of \$200 per calendar day for each and every calendar day of delay beyond the date that such reports are due in accordance with Exhibit A2, or as otherwise mutually agreed. For purposes of this section, the total cost for each of the tasks shall be consistent with the rate schedule in Exhibit A3.

D. LAFCO shall pay Contractor for its fees and reimbursable expenses (if applicable) within forty-five (45) days following the date of receipt of each applicable invoice. If LAFCO contests or questions any invoice, LAFCO agrees to raise any questions with Contractor within such 45-day period. Late fees in the amount of 2% of invoice amount will accrue if current uncontested invoice is not paid within 45 days of payment due date of that invoice. If late fees are not paid, they will carry forward to the next invoice.

4. Termination.

A. Termination Without Cause. Either party may terminate this Agreement without cause by giving the other party thirty (30) days written notice.

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

C. In the event of termination, Contractor will deliver to LAFCO copies of all reports and other work performed by Contractor under this Agreement whether complete or incomplete, and upon receipt thereof, Contractor will be compensated based on the completion of services provided, as solely and reasonably determined by LAFCO.

5. Project Managers; Substitution

A. Contractor designates Katie Kaneko as the Contractor's Project Manager for the purpose of performing the services under this Agreement. Katie Kaneko will serve as day-to-day contact for LAFCO and work directly with staff and/or the LAFCO Finance Committee.

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

C. Contractor may not substitute anyone other than Katie Kaneko to serve as Project Manager without the written permission of the LAFCO Executive Officer or her authorized representative. Any such substitution shall be with a person or firm of commensurate experience and knowledge necessary for the tasks to be undertaken.

D. Except with the written consent of Georg Krammer or Katie Kaneko, CEO and President respectively of Contractor, which consent may be given or withheld in their sole discretion, LAFCO agrees that during the term of this Agreement and for a period ending one year thereafter ("Time Period") LAFCO will not solicit services from or hire any Contractor employee or contractor (each, a "Team Member") with whom LAFCO has had contact pursuant to the services provided to LAFCO under this Agreement. LAFCO specifically acknowledges that Contractor recruits, trains, and contracts with Team Members and that such efforts are costly time-consuming. As such, it is understood that should LAFCO hire a Team Member during the Time Period for any reason without the required consent, Client agrees to pay a placement fee (paid at the time of placement) of 30% of Team Member's first year's total compensation which accurately reflects a reasonable estimate of Contractor's time and costs attendant to its recruitment, hiring, retention, and management of Team Members.

6. Conflicts of Interest.

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

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

7. Indemnification/Insurance.

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

8. Compliance with all Laws.

Contractor shall, during the term of this contract, comply with all applicable federal, state, and local rules, regulations, and laws.

9. Maintenance of Records.

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

10. Nondiscrimination.

Contractor will comply with all applicable Federal, State, and local laws and regulations including Santa Clara County's equal opportunity requirements. Such laws include but are not limited to the following: Title VII of the Civil Rights Act of 1964 as amended; Americans with Disabilities Act of 1990; The Rehabilitation Act of 1973 (Sections 503 and 504); California Fair Employment and Housing Act (Government Code sections 12900 et seq.); California Labor Code sections 1101 and 1102. Contractor will not discriminate against any subcontractor, employee, or applicant for employment because of age, race, color, national origin, ancestry, religion, sex/gender, sexual orientation, mental disability, physical disability, medical condition, political beliefs, organizational affiliations, or marital status in the recruitment, selection for training including apprenticeship, hiring, employment, utilization, promotion, layoff, rates of pay or other forms of compensation. Nor will Contractor discriminate in provision of services provided under this contract because of age, race, color, national origin, ancestry, religion, sex/gender, sexual orientation, mental disability, physical disability, medical condition, political beliefs, organizational affiliations, or marital status.

11. Notices.

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

To Contractor: Georg S. Krammer, Chief Executive Officer
 Koff & Associates
 2835 Seventh Street
 Berkeley, CA 94710

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

12. Governing Law.

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

13. Assignment.

Contractor has been selected to perform services under this Agreement based upon the qualifications and experience of Contractor's personnel. Contractor may not assign this Agreement or the rights and obligations hereunder without the specific written consent of LAFCO. Any attempted assignment or subcontract without prior written consent will be null and void and will be cause, in LAFCO's sole and absolute discretion, for immediate termination of the Agreement.

14. Relationships of Parties; Independent Contractor.

Contractor will perform all work and services described herein as an independent contractor and not as an officer, agent, servant or employee of LAFCO. None of the provisions of this Agreement is intended to create, nor shall be deemed or construed to create, any relationship between the parties other than that of independent parties contracting with each other for purpose of effecting the provisions of this Agreement. The parties are not, and will not be construed to be in a relationship of joint venture, partnership or employer-employee. Neither party has the authority to make any statements, representations or commitments of any kind on behalf of the other party, or to use the name of the other party in any publications or advertisements, except with the written consent of the other party or as is explicitly provided herein. Contractor will be solely responsible for the acts and omissions of its officers, agents, employees, contractors, and subcontractors, if any.

15. Entire Agreement.

This document represents the entire Agreement between the parties with respect to the subject matter hereof. All prior negotiations and written and/or oral agreements between the parties with respect to the subject matter of this Agreement are merged into this Agreement.

16. Amendments.

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

17. Counterparts.

This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

18. Severability.

If any provision of this Agreement is found by a court of competent

jurisdiction to be void, invalid or unenforceable, the same will either be reformed to comply with applicable law or stricken if not so conformable, so as not to affect the validity or enforceability of this Agreement.

19. Waiver.

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

20. Ownership of Materials and Confidentiality.

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

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

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

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

LAFCO

Contractor

Susan Vicklund Wilson
LAFCO Chairperson

Georg S. Krammer
Chief Executive Officer

Date: _____

Date: _____

APPROVED AS TO FORM:

Malathy Subramanian, LAFCO Counsel

Exhibits to this Agreement:

Exhibit A - Scope of Services
Exhibit A2 - Project Timeline
Exhibit A3 - Rate Schedule
Exhibit B - Indemnification and Insurance



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

Commissioners
Susan Ellenberg
Sequoia Hall
Sergio Jimenez
Linda J. LeZotte
Rob Rennie
Mike Wasserman
Susan Vicklund Wilson

ITEM # 5

Alternate Commissioners
Cindy Chavez
Maya Esparza
Yoriko Kishimoto
Russ Melton
Terry Trumbull
Executive Officer
Neelima Palacherla

LAFCO MEETING: October 2, 2019
TO: LAFCO
FROM: Neelima Palacherla, Executive Officer
Dunia Noel, Asst. Executive Officer
SUBJECT: UPDATE ON IMPLEMENTATION OF COMMUNICATIONS
AND OUTREACH PLAN

STAFF RECOMMENDATION

Accept report and provide direction, as necessary.

RELEASE OF NEW COMMUNICATION MATERIALS

In October 2018, LAFCO adopted its first Communications and Outreach Plan. Over the last several months, LAFCO staff has been working with the consultants to implement the Plan through the development of new communications materials and tools which are now ready to be presented to the Commission.

These materials and tools, which are discussed in greater detail below, will allow LAFCO staff and commissioners to conduct greater outreach to key stakeholders in order to expand understanding of LAFCO’s role and responsibility in promoting sustainable growth and good governance in Santa Clara County.

A very special thanks is due to LAFCO’s consultants – Chad Upham and Marianna Leuschel for their continued hard work in this effort.

“WHAT IS LAFCO?” BROCHURE

The “What is LAFCO?” Brochure is a brand-new communications tool specifically designed to help Santa Clara LAFCO tell its story. The Brochure will be used to educate all audiences about the history of LAFCO’s mission and mandate, the commissioners’ role in upholding the mandate, how LAFCO functions, and what LAFCO has accomplished over 50 years in Santa Clara County. It also features new narrative about what is unique to Santa Clara County and how LAFCO thinks ahead to create public value for the good of the county as a whole.

The Brochure will be distributed to key stakeholders, including LAFCO commissioners; elected officials and key staff of cities, special districts, and the County; city and county planning commissioners; Cities Association of Santa Clara County and Special Districts Association of Santa Clara County; ABAG/MTC staff and State Water Resource Control Board staff; various interest groups, including but not limited to the Santa Clara County Farm Bureau Chambers of Commerce, Building Industries Association, League of Women Voters, Food System Alliance–Santa Clara

County, San Martin Neighborhood Alliance, Civil Grand Jury, Save Open Space Gilroy, Morgan Hill Thrive, and Committee for Green Foothills; local newspapers; and other interested members of the community, as appropriate.

NEW SANTA CLARA COUNTY AND CITIES BOUNDARIES MAP

The updated and more informative Santa Clara County and Cities Boundaries Map is designed as a complementary tool to the “What is LAFCO?” Brochure, but can be used as a stand-alone document or handed out in conjunction with the Brochure. In addition to current cities boundaries and information on cities population and geographic size, the new Map features information on farmlands and open space and how development and conservation are integral to each other and includes information on the unique growth management framework that exists in Santa Clara county.

The new Map replaces LAFCO’s 2001 Map, which has remained widely popular since its creation. Over the years, many stakeholders have praised LAFCO for the development and quality of the 2001 Map and noted that good countywide maps are very hard to find. There have already been requests for the new and improved Map.

The Map will accompany the Brochure and will be distributed to key stakeholders, as discussed in greater detail above. Commissioners will receive copies of the new Brochure and Map at the meeting.

NEW LAFCO PUBLIC EXHIBITS

Staff and the consultants have created Santa Clara LAFCO’s first public exhibits to tell the Santa Clara LAFCO story. The exhibits include much of the information found in the “What is LAFCO?” Brochure. The exhibits are designed for temporary display in public spaces around the county, such as the County Government Center, city halls, public libraries; and other appropriate venues.

NEW LAFCO POWERPOINT PRESENTATION

The consultants have helped LAFCO staff develop its first professional PowerPoint Presentation which will be used to introduce new commissioners, local agency staff and elected officials, interested parties, and the general public to LAFCO. The new PowerPoint Presentation is very comprehensive but can be easily customized for different audiences and time-limits. Staff will use the PowerPoint Presentation for future commissioner orientation sessions and as part of future public presentations on LAFCO.

SANTA CLARA LAFCO’S IS NOW ON TWITTER



The Plan recommends that LAFCO establish a Twitter account for ongoing engagement with stakeholders on relevant topics. Santa Clara LAFCO is now live on Twitter, and you may follow us [@SantaClaraLAFCO](https://twitter.com/SantaClaraLAFCO). As this is LAFCO’s first venture into social media, staff will begin by posting notices, agendas and staff reports for upcoming LAFCO meetings. LAFCO staff will draft a more comprehensive social

media plan and associated policies for the Commission's consideration and approval at a future meeting.

DEVELOPMENT OF A NEW LAFCO WEBSITE IS UNDERWAY

In late August 2018, LAFCO staff met with LAFCO's consultant Chad Upham to begin working on the design and development of a new LAFCO website that incorporates the branding and messaging developed as part of the Communications and Outreach Plan and anticipates LAFCO's website needs for the next 5 to 7 years. A subsequent meeting was held in mid-September to discuss the structure and content of the new website. Staff will be meeting with Mr. Upham in early October to discuss visual design options. Staff anticipates that the new website will be completed and live by the end of the year.



**Local Agency
Formation Commission
of Santa Clara County**
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Commissioners
Susan Ellenberg
Sequoia Hall
Sergio Jimenez
Linda J. LeZotte
Rob Rennie
Mike Wasserman
Susan Vicklund Wilson

ITEM # 6

Alternate Commissioners
Cindy Chavez
Maya Esparza
Yoriko Kishimoto
Russ Melton
Terry Trumbull
Executive Officer
Neelima Palacherla

LAFCO MEETING: October 2, 2019

TO: LAFCO

**FROM: Neelima Palacherla, Executive Officer
Lakshmi Rajagopalan, Analyst**

**SUBJECT: UPDATE ON RANCHO RINCONADA RECREATION AND
PARK DISTRICT SPECIAL STUDY**

STAFF RECOMMENDATION

Accept report and provide direction, as necessary.

BACKGROUND

At its June 5, 2019 meeting, the Commission authorized staff to issue a Request for Proposals (RFP) for a professional service firm to prepare a special study of the Rancho Rinconada Recreation and Park District (RRRPD) in order to identify the reorganization process and evaluate the potential fiscal impacts (costs/benefits analysis) of two alternative governance structure options: (1) merger of the District with the City of Cupertino; and (2) establishing the District as a subsidiary of the City of Cupertino – which were identified in LAFCO’s 2013 Service Review the RRRPD. Alternate Commissioner Kishimoto volunteered to assist staff with the consultant selection process.

Consultant Selection Process

On June 6, 2019, staff posted the RFP on the LAFCO and CALAFCO websites and emailed it to a list of consultants. The deadline for responding to the RFP was July 3, 2019. LAFCO received one proposal in response to the RFP from Berkson Associates, with Richard Berkson as prime contractor and Jennifer Stephenson, Policy Consulting Associates, as a subconsultant. Mr. Berkson will be the lead consultant and will perform the financial evaluation of governmental services and fiscal analysis of governance options and Ms. Stephenson will provide support on the LAFCO process and related steps to implement each governance option.

Staff in consultation with Alternate Commissioner Kishimoto reviewed the proposal and confirmed that it met LAFCO’s requirements and adequately addressed the scope of services. Both the consultants have previously performed other work separately for Santa Clara LAFCO including a special study and service reviews, including the 2013 service review for RRRPD. As authorized by the Commission at its June 5, 2019 meeting, EO Palacherla executed a service agreement with Berkson

Associates on July 15, 2019 in an amount not to exceed \$15,000, for the preparation of the RRRPD special study.

RRRPD Special Study is Underway

Following an initial kick-off meeting with LAFCO staff to review background information and scope / timeline for the project, the consultants began working with staff from RRRPD and the City of Cupertino to gather and compile initial data and documents. We wish to thank the RRRPD and the City of Cupertino staff for their cooperation and assistance during this information gathering process. LAFCO staff is assisting the consultant with obtaining information on election costs and property tax transfers from the County Registrar of Voters Office and the County Controller's Office, respectively.

The consultants will prepare a Draft Report with their analysis and findings which LAFCO staff will distribute for public review and comment. The consultant will present the Draft Report to LAFCO at its December 4 meeting. At the meeting, LAFCO will accept public comment on the Draft Report, however, it will not take any final action on the Report. The consultants will also present the Report to a joint meeting of the Cupertino City Council and the City of Cupertino Parks and Recreation Commission in early January 2020. The consultant will respond to comments received during the public review period, and prepare a revised report, as necessary.

In February 2020, LAFCO will hold a public hearing on the RRRPD Special Study in order to consider the revised report and any appropriate next steps.

ANNUAL REPORT 2018-2019

SANTA
CLARA
LAFCO



MISSION

The Local Agency Formation Commission (LAFCO) is a state mandated local agency established to oversee the boundaries of cities and special districts.

The mission of LAFCO is to promote sustainable growth and good governance in Santa Clara County by:

- » preserving agricultural lands and open space, curbing urban sprawl,
- » encouraging efficient delivery of services,
- » exploring and facilitating regional opportunities for fiscal sustainability, and
- » promoting accountability and transparency of local agencies.

LAFCO will be proactive in raising awareness and building partnerships to accomplish this through its special studies, programs and actions.

COMMISSIONERS

Susan Vicklund Wilson, Chairperson
Sergio Jimenez, Vice-Chairperson
Sequoia Hall
Rob Rennie
Susan Ellenberg
Linda J. LeZotte
Mike Wasserman

ALTERNATE COMMISSIONERS

Cindy Chavez
Yoriko Kishimoto
Maya Esparza
Russ Melton
Terry Trumbull

STAFF

Emmanuel Abello
Dunia Noel
Neelima Palacherla
Lakshmi Rajagopalan

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ADOPTS GROUNDBREAKING COMMUNICATIONS AND OUTREACH PLAN



In October 2018, the Commission adopted its first Communications and Outreach Plan – a comprehensive and proactive strategy for outreach and communications to help Santa Clara LAFCO better fulfill its role and address the common unfamiliarity with and misperception of LAFCO’s purpose. Prepared by communications consultants through an in-depth yearlong process and with insights from commissioners, staff, and diverse stakeholders, the Plan presents strategies and tools to expand understanding of LAFCO’s role and responsibility in promoting sustainable growth and good governance in Santa Clara County.

As recommended in the Plan, the Commission adopted new policies that require commissioners to sign a special pledge acknowledging their unique role and responsibilities as LAFCO Commissioners, and the importance of their leadership in representing LAFCO.

LAFCO is now in the process of developing communications materials to help implement various other strategies recommended in the Plan.

SANTA CLARA LAFCO RECEIVES THE 2018 MOST EFFECTIVE COMMISSION AWARD



Santa Clara LAFCO received the **2018 Most Effective Commission Award** at the Annual CALAFCO Conference in October 2018. The award recognizes LAFCO's efforts to prevent the premature conversion of nearly 1,000 acres of prime agricultural lands, curb urban sprawl, and guide development away from the last remaining agricultural lands in South Santa Clara County – providing a more stable foundation for ongoing and future farmland preservation efforts. LAFCO's actions, coupled with local agency partners' efforts, have placed the County in a strong position to pursue funding opportunities for farmland preservation. Thanks to the Commission's leadership and abiding commitment to its state mandate, Santa Clara LAFCO continues to be respected for its impactful work.



HOSTS THE 2019 CALAFCO STAFF WORKSHOP



Santa Clara LAFCO successfully hosted the 2019 CALAFCO Annual Staff Workshop in San Jose (April 10-12).

Vice Chairperson Jimenez and Executive Officer Palacherla welcome over 100 attendees from 40 different LAFCOs to San Jose and share how Santa Clara LAFCO's efforts to steer growth away from farmland and open space to urban areas where services can be efficiently delivered, help make the county a great place to live, work and play.



Emmanuel Abello and other clerks share their many years of experience on the Clerk Certification session. Mr. Abello also organized the session on "Information Exchange and Knowledge Support of the 21st Century – Clerks Style."



Analyst Lakshmi Rajagopalan and Santa Clara County GIS Analyst Greg Bazhaw conduct a hands-on GIS session entitled "Making GIS work for the LAFCO Layperson."

HOSTS 2019 CALAFCO STAFF WORKSHOP



MOBILE WORKSHOP: A TALE OF TWO VALLEYS

Assistant Executive Officer Noel and Executive Officer Palacherla organized a mobile workshop, “A Tale of Two Valleys” that focused on two unique San Jose environs – Coyote Valley and downtown San Jose – and highlighted how the preservation of open space and agricultural lands and the revitalization of the downtown go hand in hand in building climate and economic resilience.



Tour participants enjoy the spectacular Coyote Valley Open Space Preserve and hear from experts on how strategic investments in conservation, such as in Coyote Valley, smart land use policies, and green urban design can provide a sustainable future in Santa Clara County – even in the face of population growth and climate change.

HOSTS 2019 CALAFCO STAFF WORKSHOP

MOBILE WORKSHOP (CONTINUED)



Attendees stop at the SPUR San Jose Office to hear about efforts to promote good planning in San Jose, through research, education and advocacy.

“

Your staff contributed greatly to the success of our workshop with their diligence, thoughtfulness, and determination in ensuring a value-added experience was created for everyone. **The mobile workshop they put together, showcasing the Tale of Two Valleys, was second to none.** Your team’s work in the planning and executing of this workshop was outstanding and it was my pleasure to be able to work with them.

Pamela Miller
CALAFCO Executive Director

”



Attendees tour the historic Diridon Station and get the story behind the anticipated Google transit village and the City’s revitalization plans for the area.

Special Thanks to Our Partners

Santa Clara Valley Open Space Authority

City of San Jose

SPUR San Jose

County of Santa Clara



PROGRAM HIGHLIGHTS

BOUNDARY CHANGE APPLICATIONS

In December 2018, LAFCO considered and denied an Urban Service Area amendment request from the City of Morgan Hill involving 66 acres of unincorporated lands located in the area referred to as the Southeast Quadrant, which is one of the last remaining agricultural areas in the county. The area was also part of a prior Urban Service Area amendment request that LAFCO considered and denied in March 2016.

LAFCO reviewed, approved, and recorded a proposal involving an annexation to the West Valley Sanitation District.

LAFCO also reviewed, forwarded its recommendation to San Mateo LAFCO, and recorded the final action taken by San Mateo LAFCO, on a proposal involving an annexation to the West Bay Sanitary District (WBSD). San Mateo LAFCO is the Principal LAFCO for WBSD and in this annexation, Santa Clara LAFCO's action was only advisory.

LAFCO staff processed five city-conducted annexations. They include one annexation to the City of Cupertino totaling 0.31 acres, two annexations to the Town of Los Altos Hills totaling 5.18 acres, one annexation to the Town of Los Gatos totaling 0.19 acres, and one annexation to the City of Monte Sereno totaling 10.70 acres.

LAFCO's Application Processing Record for the period July 1, 2018 to June 30, 2019 is included in the Appendix.

FIRST INDEPENDENT ANNUAL FINANCIAL AUDIT

In August 2018, LAFCO retained a private consultant firm, through an RFP process, to prepare its General Purpose Financial Statements for Fiscal Years ending 2018, 2019, 2020 and 2021. The independent auditing firm prepared the LAFCO financial audit for FY 2018, ending on June 30, 2018. This was the first year that LAFCO issued its separate audited financial statements. In prior years, LAFCO was reported as a special revenue fund, together with other funds, in the County of Santa Clara's Comprehensive Annual Financial Report. The audit was conducted in accordance with the generally accepted auditing standards as specified in the report. The auditors found LAFCO's financial statements present fairly, in all material aspects, the financial position of LAFCO, as of June 30, 2018.

PROGRAM HIGHLIGHTS

WORK PLAN FOR THIRD ROUND SERVICE REVIEWS (YEARS 2020 - 2023)

LAFCO is required to conduct service reviews prior to or in conjunction with its review and update of cities' and special districts' Spheres of Influence, which are required to be revised once every five years, or as necessary. In April 2019, LAFCO approved a work plan for conducting its third round of Service Reviews in the following order:

- » Special Districts Service Review (except fire protection districts, water districts, and sanitary/sanitation districts, which will be covered in subsequent service reviews)
- » Countywide Water and Wastewater Review
- » Countywide Fire Protection Service Review
- » Cities Service Review

POLICY REVISIONS

The Commission periodically amends LAFCO's Bylaws to provide further clarity on the Commission's practices and procedures. LAFCO's Bylaws were amended to include new policies on the following:

- » Disclosure of Ex Parte Communication (October 2018)
- » Reconsideration of LAFCO Resolution Making Determinations (October 2018)
- » Commissioner Pledge (October 2018)
- » Selection and Appointment of Public Member and Alternate Public Member (June 2019)

PUBLIC INFORMATION AND CUSTOMER SERVICE

Staff routinely responds to numerous inquiries from the general public, property owners, developers, real estate agents, and attorneys about a variety of topics including –location of boundaries, annexation date and records, property tax bills and special assessments, nearest or appropriate service providers, and LAFCO policies and procedures etc.

Pre-Application Meetings

Staff conducts pre-application meetings in order to inform prospective applicants as early as possible of the LAFCO policies and procedures that apply to the anticipated/ proposed project and to discuss any issues/ concerns that LAFCO may have with a proposal. This allows the applicant to consider and address these issues in advance of applying to LAFCO. Pre-application meetings were held with:

- » City of Gilroy staff, County Planning Office staff, the property owner, and their representative, about potential extension of City water and sewer service to a proposed agricultural worker housing development in the unincorporated county (August 2018)
- » City of Gilroy staff about potential Urban Service Area amendments involving lands to the north of Gilroy and to the Gilroy Sports Park (August/November 2018 and February 2019)
- » City of Saratoga staff regarding potential annexation of Mountain Winery (November 2018 and March 2019)

PROGRAM HIGHLIGHTS

PUBLIC INFORMATION AND CUSTOMER SERVICE (CONTINUED)

Comment Letters

Staff also provides written comments on various proposed projects to ensure that LAFCO's concerns are known and considered early in an agency's project review process.

LAFCO submitted comment letters on the following:

- » Cordoba Center Project – Draft and Final Environmental Impact Reports (County of Santa Clara, July 2018 and May 2019)
- » San Martin Recreational Vehicle Park – Notice of Preparation (County of Santa Clara, June 2019)

- » City of Morgan Hill's consideration of potential process for developing sports facilities on city-owned unincorporated lands (City of Morgan Hill, February 2019)

OUTREACH AND EDUCATION EFFORTS

League of Women Voters Interviews Chairperson Susan Vicklund Wilson

As part of Commission's ongoing effort to increase visibility and public awareness of LAFCO, Chairperson Vicklund Wilson participated in an interview by the League of Women Voters in March 2019 and discussed the vital role that LAFCO plays in creating livable sustainable communities in the county. The interview is available on the CreaTV website at the following link: *[LWV Interview with LAFCO Chair.](#)*



PROGRAM HIGHLIGHTS

OUTREACH AND EDUCATION

(CONTINUED)

Presentations on LAFCO

As part of LAFCO's ongoing communications and outreach efforts, staff conducts presentations on LAFCO and its mandate, policies, and activities to various stakeholders. Staff made presentations to the following:

- » Honorable Rene Spring, Mayor Pro Tempore for the City of Morgan Hill (January 2019)
- » County Executive's Office of Budget and Analysis staff (January 2019)
- » Interested County Planning Department staff (March 2019)

Panel Discussions on LAFCO Related Issues

Staff also participates in community forums on issues of interest to LAFCO. Executive Officer Palacherla was a panelist on SPUR San Jose's lunch forum (July 11, 2018) on local agricultural preservation efforts. She discussed how preventing sprawl and encouraging efficient development patterns are important strategies for preserving farmland.

COLLABORATIONS AND PARTNERSHIPS

Staff attend the meetings of pertinent countywide associations to provide updates on LAFCO activities that are of interest to local agencies, including special districts, cities and the County.

Countywide Associations & Working Groups

Staff regularly attend and participate in the following:

- » Santa Clara County Special Districts Association Quarterly Meetings,
- » Santa Clara County Association of Planning Officials Monthly Meetings,
- » Quarterly Meetings with County Planning Office, and
- » Interjurisdictional GIS Working Group Monthly Meetings.

Meetings with State and Regional Agencies

Staff participated in discussions with the following:

- » State Department of Conservation staff regarding prime farmland definitions and the various farmland data resources that exist at the State and federal government. (August 2018)
- » State Water Resource Control Board staff regarding struggling small water systems; and groundwater supply and quality in South Santa Clara County (July, September, October 2018)

PROGRAM HIGHLIGHTS

CALAFCO ACTIVITIES

Santa Clara LAFCO is actively involved in CALAFCO activities. The following is a summary of those activities during this year:

White Paper: Creating Sustainable Communities and Landscapes

Executive Officer Palacherla served on the Advisory Working Group for the development of a **CALAFCO White Paper: Creating Sustainable Communities and Landscapes** in partnership with the Strategic Growth Council and the Office of Planning and Research. The White Paper promotes efficient growth and conservation of natural resources to address climate change; and features case studies on growth management efforts, including the “Countywide Urban Development Policies” of Santa Clara County.



Very Active Legislative Year

Chairperson Vicklund Wilson and Executive Officer Palacherla serve on the CALAFCO Legislative Committee which meets regularly during the legislative session to propose new legislation that helps clarify LAFCO procedure or address LAFCO issues; and to discuss and take positions on proposed legislation affecting LAFCOs.

In Fiscal Year 2018-2019, Santa Clara LAFCO took a position on the following bills:

- » Support: AB 1822 (Assembly Local Government Committee) Omnibus Bill
- » Support: AB 1253 (Rivas) LAFCO Grant Program
- » Support: AB 213 (Reyes) Inhabited Annexation Funding Restoration
- » Support: AB 948 (Kalra) Coyote Valley Conservation Program
- » Oppose: AB 600 (Chu) Disadvantaged Unincorporated Communities

CALAFCO Annual Conference: Attendance and Presentations

In October 2018, staff and Commissioners Varela and Vicklund Wilson attended the CALAFCO Annual Conference in Yosemite. Commissioner Vicklund Wilson was a panelist on two sessions, “LAFCO 101 – Understanding and Applying the Basics” and “State Tools for Climate Smart Growth.” Executive Officer Palacherla organized and moderated a session entitled “Agricultural Preservation: From Vision to Action.”

UPCOMING PROJECTS

RANCHO RINCONADA RECREATION AND PARK DISTRICT SPECIAL STUDY

As authorized by LAFCO in June 2019, a special study of the Rancho Rinconada Recreation and Park District is now underway in order to identify the reorganization process and evaluate the potential fiscal impacts (costs/benefits analysis) of two alternative governance structure options: (1) merger of the District with the City of Cupertino; and (2) establishing the District as a subsidiary of the City of Cupertino. These governance options were identified in LAFCO's 2013 Service Review for Rancho Rinconada Recreation and Park District.

COMPREHENSIVE ORGANIZATIONAL ASSESSMENT OF LAFCO

As authorized by LAFCO in June 2019, a Request for Proposals was issued for an independent professional services firm to conduct a Comprehensive Organizational Assessment of LAFCO. The Assessment, which is anticipated to begin in October 2019, will support performance management, employee development and succession planning efforts to ensure consistency, continuity and reliability in the services that LAFCO provides to affected agencies and the community.

CHANGES IN LAFCO MEMBERSHIP



This year saw several changes in LAFCO's membership. In January 2019, LAFCO welcomed Santa Clara County Supervisor Susan Ellenberg and Santa Clara Valley Water District Boardmember Linda J. LeZotte as commissioners, and San Jose City Councilmember Maya Esparza as an alternate commissioner.

Staff conducted separate orientation sessions for each of the newly appointed commissioners and their staff. The orientation program includes information on the history of LAFCO, its State mandate, its policies, the role of commissioners and staff, the application review process, and major LAFCO activities.

And in February 2019, the Commission presented Resolutions of Commendation to outgoing commissioners John Varela and Ken Yeager for their dedicated service to LAFCO.



FY 2019 FINANCIALS

Expenditures

Salary & Benefits	\$713,900
Services & Supplies	\$284,307
Total	\$998,207

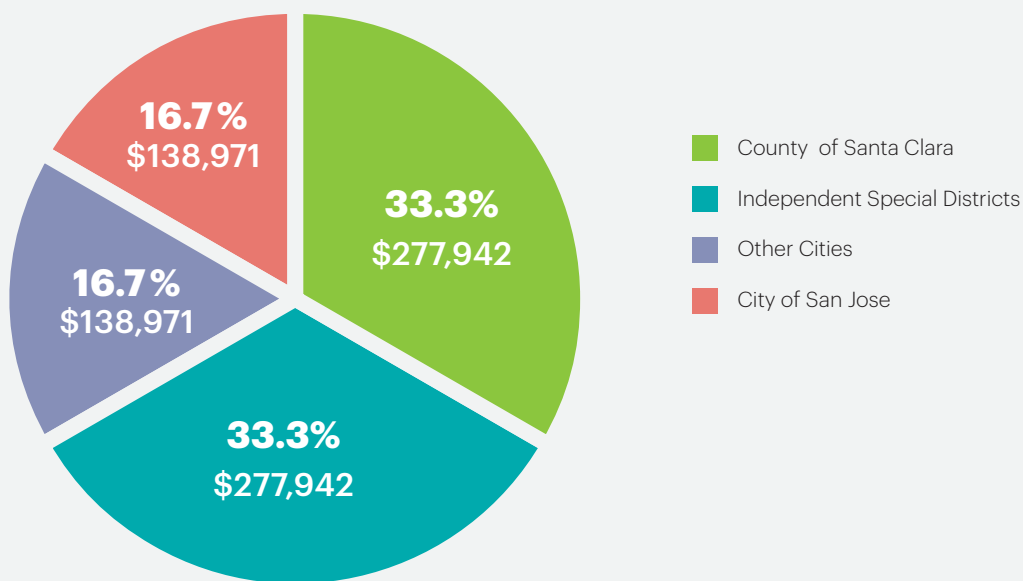
Revenues

Application Fees	\$33,050
Interest	\$12,141
Total	\$45,191

Savings from FY 2018 \$314,693

Reserves \$150,000

COST APPORTIONMENT / INTERGOVERNMENTAL REVENUES



LAFCO APPLICATION PROCESSING RECORD

JULY 1, 2018 TO JUNE 30, 2019

CITY CONDUCTED ANNEXATIONS

CITY	PROPOSAL NAME	DATE RECORDED	DOCUMENT #	ACREAGE APPROVED
Cupertino	Creston Drive No. 18-01	10/24/18	24049140	0.31
				<i>City Total</i>
Los Altos Hills	Kenbar No. 1	02/21/19	24120135	2.05
	Mora Heights Way No. 3	08/27/18	24011293	3.13
	<i>City Total</i>			5.18
Los Gatos	El Gato Lane No. 3	12/11/18	24156501	0.19
				<i>City Total</i>
Monte Sereno	Annexation No. 2018-01 (Montalvo Oaks)	12/18/18	24079682	10.70
				<i>City Total</i>

Total City Conducted Annexations Acreage **16.38**

ANNEXATIONS TO SPECIAL DISTRICTS

AGENCY	PROPOSAL NAME	LAFCO ACTION	DOCUMENT # DATE RECORDED	ACREAGE APPROVED
West Bay Sanitation District	West Bay Sanitary District 2018-01 (Arastradero Road)	Approved 02/06/19	24161532 04/22/19	5.44
				<i>District Total</i>
West Valley Sanitation District	West Valley Sanitation District 2018-01 (High Street)	Approved 02/06/19	24131809 03/11/19	1.16
				<i>District Total</i>

Total Special District Annexations Acreage **6.60**

URBAN SERVICE AREA AMENDMENT

AGENCY	PROPOSAL NAME	LAFCO ACTION	DOCUMENT # DATE RECORDED	ACREAGE APPROVED
Morgan Hill	Morgan Hill USA Amendment 2018	Denied 12/05/18	None	0.00

Total USA Amendment Acreage **0.00**



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Sequoia Hall
Sergio Jimenez
Linda J. LeZotte
Rob Rennie
Mike Wasserman
Susan Vicklund Wilson

ITEM # 8

Alternate Commissioners
Cindy Chavez
Maya Esparza
Yoriko Kishimoto
Russ Melton
Terry Trumbull
Executive Officer
Neelima Palacherla

LAFCO MEETING: October 2, 2019

TO: LAFCO

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

**SUBJECT: WATER SERVICE EXTENSIONS INTO THE
UNINCORPORATED AREA**

STAFF RECOMMENDATION

Accept report and provide direction, as necessary.

BACKGROUND

Recently LAFCO staff has received some inquiries about public water systems in the unincorporated area and extensions of water service to proposed development in the unincorporated area. The purpose of this staff report is to provide background information on the applicable state laws and local policies, explain the unintended consequences of these laws on local land use planning in Santa Clara County, and note staff’s efforts to coordinate with other affected agencies on this issue.

New State Laws Seek to Limit the Creation of New Public Water Systems in order to Ensure Safe Drinking Water Quality

In September 2016, the Legislature passed Senate Bill 1263 with the intent of preventing the establishment of new, unsustainable public water systems. The bill’s preamble states that “it is the policy of the state to discourage the establishment of new, unsustainable public water systems where there is a feasible alternative.” A “public water system” is a system for the provision of water for human consumption through pipes or other constructed conveyances that has 15 or more service connections or regularly serves at least 25 individuals daily at least 60 days out of the year.”

Over the years, public water systems have been created to serve various types of development. Some of the communities served by these small water systems, most notably in the Central Valley and Salinas Valley, are now struggling with acute drinking water quality issues and are unable to meet the public water system requirements. In Santa Clara County too, such systems approved in the unincorporated area over the years to support development such as a school,

laboratories, a recreational vehicle park, and a community college, are now struggling to meet the public water system requirements.

The State Water Resource Control Board (SWRCB) is responsible for implementing SB 1263 and has indicated that they will not grant a permit to any new public water system, or new owner of a previously existing public water system, that does not demonstrate adequate technical, managerial, and financial capability to ensure the delivery of pure, wholesome, and potable drinking water.

The SWRCB recommends proponents of development proposals that would require the permitting of a new public water system to instead seek water service from an existing public water system, such as a nearby city. This preference is further supported by the Legislature's recent passing of SB 200 on July 24, 2019.

According to SWRCB staff, SB 200 which would become effective on January 1, 2020, would allow the SWRCB to deny a domestic water supply permit without having to determine that it is reasonably foreseeable that the proposed new public water system will be unable to provide affordable, safe drinking water in the foreseeable future, if there is a nearby viable public water system such as a city that can serve the proposed new development.

State Law, LAFCO Policies, and County General Plan Policies Discourage the Extension of Urban Services Outside of City Boundaries in order to Prevent Leapfrog Development and Sprawl

The Cortese Knox Hertzberg (CKH) Act requires cities and special districts to seek and obtain LAFCO approval prior to extending services outside their boundaries. LAFCO may approve requests for extra-territorial service extensions in anticipation of a later annexation.

The CKH Act and LAFCO policies discourage extra-territorial service extensions because city and special district boundaries indicate where a city or district provides service and service extensions diminish the meaning or purpose for having boundaries and blur the line for who has responsibility for land use planning, service provision, development and growth management in an area. There is a direct link between land use planning and infrastructure planning within a jurisdiction, and boundaries allow a jurisdiction to rationally plan for services, knowing where services are to be provided, over what timeframe and for what type of land uses.

In Santa Clara County, extension of urban services such as sewer and water by cities or districts into unincorporated areas is particularly problematic given the County General Plan and the Countywide Urban Development policies which prohibit provision of urban services in the rural unincorporated areas and limit development in the unincorporated areas to uses that can only be supported by onsite services.

Extending urban services into unincorporated areas facilitates leapfrog development and sprawl. Such extensions can promote premature unplanned growth and can introduce new urban uses into unincorporated rural areas likely

leading to greater land speculation and ultimately placing increased development pressure on adjacent land to urbanize.

Santa Clara LAFCO has approved extra-territorial service extensions as a way to address public health and safety concerns for existing development, where immediate annexation to a city is not feasible. Such instances are rare. In approving these requests, LAFCO seeks to balance its mandate to curb sprawl, encourage efficient delivery of services, and preserve agricultural lands and open space with the need to protect public health and safety.

Need for Coordination Amongst Affected Agencies to Reach a Mutually Acceptable Solution

Over the past year, LAFCO staff has facilitated inter-jurisdictional discussions with County Planning Department staff, County Department of Environmental Health staff, SWRCB staff, and Santa Clara Valley Water District staff concerning small water systems in the unincorporated area that are struggling to meet the SWRCB's technical, managerial, and financial requirements. We believe these agencies have overlapping interests and there may be a way to meet our mandates.

However, because of the far reaching implications for the whole county, further understanding of this issue and discussions amongst the affected local agencies, including LAFCO, SWRCB, County Planning Department and Department of Environmental Health staff, Santa Clara Valley Water District staff, and cities staff, are required in order to see if a mutually acceptable solution can be found.



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Rob Rennie
Mike Wasserman
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ITEM # 9

Alternate Commissioners
Cindy Chavez
Maya Esparza
Yoriko Kishimoto
Russ Melton
Terry Trumbull
Executive Officer
Neelima Palacherla

LAFCO MEETING: October 2, 2019

TO: LAFCO

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

SUBJECT: EXECUTIVE OFFICER’S REPORT

**9.1 INQUIRY RE. WATER SERVICE EXTENSION TO PROPOSED METTA
TAM TU BUDDHIST TEMPLE DEVELOPMENT**

For Information Only.

In March 2019, State Water Resource Control Board (SWRCB) staff contacted LAFCO staff regarding a water extension for the proposed expansion of the Metta Tam Tu Buddhist Temple in the unincorporated county. Staff explained LAFCO’s concerns with services extensions outside city boundaries into unincorporated areas and informed SWRCB staff that such extensions are not consistent with County General Plan Policies, LAFCO Policies, and the longstanding Countywide Urban Development Policies, as they facilitate leapfrog development and sprawl. EO Palacherla informed County Planning staff and County Department of Environmental Health staff of this issue and requested that they provide their input, as the proposed project is going through the County’s development review process.

The proposed project is located in the unincorporated area and the proponent is currently seeking approval from the County to build a new 7,000 square foot hall to serve up to 50 persons. The site has an onsite well which is serving the existing Temple and a residence. However, SWRCB staff have recommended that the proponent connect to the City of Morgan Hill’s nearby water system, rather than permit the creation of a new public water system that would rely on a well as per new legislation affecting the SCWRCB’s authority which is discussed in greater detail in Agenda Item # 8. The County cannot issue a permit for the proposed expansion of the Temple until the water service issue is resolved.

The proponent contacted EO Palacherla in late August 2019 and discussed their situation. In early September 2019, EO Palacherla, the proponent, and City of Morgan Hill Planning staff had a joint conference call wherein EO Palacherla explained LAFCO’s policies on service extensions outside of jurisdictional boundaries, and the requirements and process for applying to LAFCO for such extensions. State law requires that the City of Morgan Hill apply and receive LAFCO’s approval before extending services outside of their boundaries.

Furthermore, the law requires that such extensions of service be in anticipation of annexation to the city. LAFCO staff has not received an application yet.

9.2 COMMENT LETTERS ON CITY OF GILROY'S CONSIDERATION OF PROVIDING CITY WATER SERVICE OUTSIDE CITY BOUNDARIES WITHOUT SEEKING LAFCO APPROVAL

For Information Only.

Nearly a year ago, representatives of Christopher Ranch (property owner) contacted LAFCO staff to discuss a potential water service extension from the City of Gilroy to support their proposed agricultural worker housing development for 200 farmworkers in the unincorporated area outside Gilroy.

Since that time, LAFCO staff have had several discussions with County Planning staff, County Department of Environmental Health staff, City of Gilroy staff, and the property owner's representatives about the process, costs, timeline, and options that are readily available to them through the LAFCO process.

LAFCO supports farmworker housing and encourages locating farmworker housing development in a manner that is consistent with State law, County General Plan Policies, and LAFCO Policies.

From the very beginning, LAFCO staff encouraged the City of Gilroy to consider an Urban Service Area (USA) amendment and annexation of the property in support of the proposed development and the provision of municipal services, rather than service extensions outside of the city limits. LAFCO staff explained that an USA amendment/ annexation of the property would address the service needs for the proposed development more comprehensively; would be more consistent with County and LAFCO policies; and would involve a more efficient and straightforward process in terms of time and cost. LAFCO staff also discussed the possibility of the City requesting that LAFCO approve an extension of City water and sewer services in anticipation of future annexation to the City, in case there was a concern with immediate annexation. However, City staff, County Planning staff, and the property owner did not express support for either of these options.

Just days before the City's August 19th Council Meeting and while scanning the City Council Agenda, LAFCO staff learned that the City Council was considering extending water service to the proposed development, without seeking LAFCO approval. In a phone call with County and City staff, LAFCO staff explained that LAFCO approval is required prior to service extension and informed that LAFCO would submit a comment letter on the Agenda Item. LAFCO Staff and Counsel sent a comment letter to the City stating that the proposed water extension is not exempt from LAFCO approval under 56133(e)(3) and urging the City to request and receive written approval from LAFCO before extending water and sewer services beyond its boundaries. The City Council directed that its staff return with more information.

Again, just days before the City's September 16th Council Meeting and while scanning the City Council Agenda, LAFCO staff again learned that the City Council was moving forward with the water extension, without seeking LAFCO approval.

LAFCO Staff and Counsel once again sent a comment letter to the City reiterating that the proposed water extension is not exempt from LAFCO approval under 56133(e)(3) and that staff will assist the City with the process should the City wish to proceed with a LAFCO application.

The LAFCO comment letter also raised concerns that the City had not prepared any California Environmental Quality Act (CEQA) documentation/analysis for a potential City Council action to extend City services. It appears the City Council directed staff to move forward in preparation of a service agreement, but a final action has not been taken yet.

Staff will continue to update the Commission on this matter. Please see comment letters **(Attachment A)** for further details.

9.3 COMMENT LETTER ON NOTICE OF PREPARATION OF ENVIRONMENTAL IMPACT REPORT FOR THE MOUNTAIN WINERY ANNEXATION PROJECT

For Information Only.

On June 21, 2019, as a follow-up to a prior discussion, LAFCO staff met with the Community Development Director for the City of Saratoga to discuss the City's Council's plans to annex the properties that are part of Mountain Winery.

In August 2019, LAFCO staff submitted a comment letter on the Notice of Preparation (NOP) of an Environmental Impact Report for the Mountain Winery Annexation Project. LAFCO's comment letter requested that the EIR provide a more detailed project description; evaluate the project's consistency with LAFCO policies and County General Plan policies; consider impacts on public services, especially fire and police protection services; address the proposed project's water demand; cumulative and growth-inducing impacts of the project in the area; and evaluate potential alternatives to minimize the expansion of the urban service area. Please see comment letter **(Attachment B)** for further details.

9.4 COMMENT LETTER ON NOTICE OF PREPARATION OF ENVIRONMENTAL IMPACT REPORT FOR SAN MARTIN RECREATIONAL VEHICLE PARK PROJECT

For Information Only.

In June 2019, LAFCO staff submitted a comment letter on the Notice of Preparation of an Environmental Impact Report for the proposed San Martin Recreational Vehicle (RV) Park project – a 125-stall RV park on a 14.4-acre site located along Monterey Road in the unincorporated community of San Martin. LAFCO's comment letter requested that the EIR address the proposed project's long-term water source; its impact on agricultural land designated for agricultural and rural uses; and cumulative and growth-inducing impacts of the project in the unincorporated area. Please see comment letter **(Attachment C)** for further details.

9.5 QUARTERLY MEETING WITH COUNTY PLANNING OFFICE STAFF

For Information Only.

Beginning in December 2018, LAFCO staff and County Planning Department staff began having quarterly meetings to discuss issues of common interest or concern. At the August 13, 2019 quarterly meeting, LAFCO staff and County staff discussed the following: 1) presentation on LAFCO for County Planning staff; 2) water service extension for the proposed Metta Tam Tu Buddhist Temple from the City of Morgan Hill; 3) water and sewer service extensions for the proposed farmworker housing development from the City of Gilroy; 4) potential farmworker housing project in Morgan Hill; 5) the City of Saratoga's potential annexation of Mountain Winery properties; and 6) request to rezone properties on Sheldon Road.

9.6 SANTA CLARA COUNTY SPECIAL DISTRICTS ASSOCIATION MEETING

For Information Only.

On September 9, 2019, EO Palacherla attended the quarterly meeting of the Santa Clara County Special Districts Association (SDA). She informed attendees about LAFCO's work plan for its third round service reviews and provided an update on the recently launched Rancho Rinconada Recreation and Park District Special Study. Midpeninsula Regional Open Space District staff provided a presentation on the District. Attendees including various district staff, board members, California Special District Association representative and field staff for various state legislators, provided reports and shared information on current projects or issues of interest. The next meeting of the SDA is scheduled for December 2, 2019.

9.7 SANTA CLARA COUNTY ASSOCIATION OF PLANNING OFFICIALS MEETING

For Information Only.

EO Palacherla attended the July 2019 meeting of the Santa Clara County Association of Planning Officials (SCCAPO) which was hosted by the City of Campbell. At the meeting, attendees received an update on local efforts to form a Regional Housing Needs Allocation (RHNA) Subregion, and discussed various issues including, how the RHNA Subregion concept would work in terms of potential trades and representation for small and large cities. They also discussed objective standards for housing approvals; and proposed legislation - SB 330 (Housing Crisis Act).

EO Palacherla also attended the September 2019 SCCAPO meeting hosted by the Town of Los Altos Hills. The group toured the Taaffe House, the former private residence of David and Lucille Packard. The group received an informational report on mobile fueling services and attendees shared information on current projects and issues of common interest.

9.8 MIDPENINSULA REGIONAL OPEN SPACE DISTRICT LEGISLATIVE PICNIC

For Information Only.

On August 2, 2019, EO Palacherla and Asst. EO Noel attended the Annual Legislative Picnic hosted by the Midpeninsula Regional Open Space District Board at Cooley Landing Park and Education Center in East Palo Alto. Attendees consisted of various local and state government officials including Alternate Commissioner Kishimoto; local agency staff; representatives of environmental organizations; and media personnel, among others.

LAFCO staff networked with District staff and staff from other open space preservation agencies and organizations concerning their outreach and education efforts. The event included presentations from the District's Chairperson and General Manager who discussed the District's future plans and how they will partner and leverage their resources.

9.9 INTER-JURISDICTIONAL GIS WORKING GROUP MEETINGS

For Information Only.

Asst. EO Noel and Analyst Rajagopalan attended the September 11, 2019 Inter-Jurisdictional GIS Working Group Meeting. This group includes various County departments that use and maintain GIS data, particularly LAFCO related data. The group confirmed the change in the GIS coordinate system used by the County. LAFCO staff reported on the completed annexation of 24 unincorporated islands by the Town of Los Gatos. The next meeting is scheduled for October 9, 2019.

ATTACHMENTS

- | | |
|---------------|---|
| Attachment A: | Comment Letters to City of Gilroy on Extending City Water Service Outside City Boundaries Without LAFCO Approval |
| Attachment B: | Comment Letter on Notice of Preparation of a Draft Environmental Impact Report for the Mountain Winery Annexation Project |
| Attachment C: | Comment Letter on Notice of Preparation of an Environmental Impact Report for the San Martin Recreational Vehicle Park |



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Executive Officer
Neelima Palacherla

August 19, 2019

VIA E-MAIL

The Honorable Roland Velasco, Mayor of Gilroy
and Members of the Gilroy City Council
City of Gilroy
7351 Rosanna St.
Gilroy, CA 95020

**Re: August 19, 2019 City Council Meeting Agenda Item:
Consideration of Providing City Water Service to a Property Located at
935 Southside Drive Known as the Former Site of the Rodriguez Labor
Camp**

Dear Mayor Velasco and Members of the City Council:

We understand that Christopher Ranch (the property owner) is requesting the City to extend city water and sewer services to the affected property in order to support the proposed development of housing for 200 farmworkers.

LAFCO supports farmworker housing and encourages locating farmworker housing development in a manner that is consistent with State law, County General Plan Policies, and LAFCO Policies.

To discuss how to best accomplish this and to help facilitate the proposed development, LAFCO staff met jointly with City and County staff, and representatives of Christopher Ranch nearly a year ago. Subsequently, LAFCO staff had several follow-up discussions with these parties by phone and by email on next steps, including LAFCO filing requirements and deadlines.

From the very beginning, we encouraged the City to consider an Urban Service Area (USA) amendment and annexation of the property in support of the proposed development and the provision of municipal services, rather than service extensions outside of the city limits. We explained that an USA amendment/ annexation of the property would address the service needs for the proposed development more comprehensively; would be more consistent with County and LAFCO policies; and would involve a more efficient and straightforward process in terms of time and cost.

In order to provide water and sewer service to the proposed development, the City will need to obtain LAFCO approval. As you are aware, a City may provide new or extended services by contract or agreement outside of its boundaries only if it first requests and receives written approval from LAFCO as provided for in Gov.

Code section 56133(a). For the provision of sewer service, the City appears to be relying on the exemption for extended services that a city was providing on or before January 1, 2001 as provided for in Government Code section 56133(e)(4). However, the City has not provided any documentation to demonstrate that the City provided sewer services to the property prior to January 1, 2001.

The City's staff report dated December 3, 2018 states that "the Public Works and Finance Department has not yet been able to ascertain a date of the sewer line installation to the former Rodriguez Labor Camp. Should the sewer line be found to have been installed after January 1, 2001 or without proper agreements, then LAFCO will likely require that such connection be included as part of the Out-of-Agency Contract for Services application for the subject site." The August 19, 2019 staff report does not provide any additional detail, other than "the site receives sewer service from the City of Gilroy. There is no need for any changes to this existing service." As you know, the affected property was the site of the former Rodriguez Migrant Worker camp that had a long history of local and state permitting and compliance issues, resulting in a State order to vacate the use many years ago and has long ceased such use. Further, the City has provided no documentation that it has serviced the property on or before January 1, 2001. Therefore, we do not see how this exemption applies to the provision of sewer services.

Furthermore, it appears that the City may be considering whether Government Code §56133(e)(3) would apply to Christopher Ranch's request. This section provides that "prior to extending surplus water service to any project that will support or induce development, the city or district shall first request and receive written approval from the commission in the affected county." Our understanding is that the prior migrant worker camp use has ceased to operate over 10 years ago and that the proposed farmworker housing development on the property would be considered a new use. Presuming the City is extending surplus water to the project, we believe that the extension of water service will support development and the above exemption will not apply.

Therefore, the City must first request and receive written approval from LAFCO, prior to extending sewer and water services to the property. Any LAFCO approval must be in anticipation of a future annexation of the property to the City. We continue to encourage an USA amendment / annexation process in place of a service extension request to LAFCO as this may more comprehensively address other service impacts to the City related to fire, and police services. Further, the proposed development for 200 farmworkers is of an urban scale requiring city services.

We understand the City has some concerns about this option because the affected property is located in an area that is not anticipated for growth at this time. However, the affected property is located within the City's voter approved Urban Growth Boundary and LAFCO may consider a service extension request in anticipation of a future annexation.

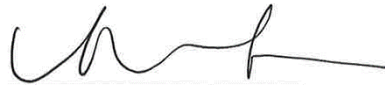
LAFCO staff has invested a significant amount of time trying to find a way to facilitate the proposed development consistent with State law and LAFCO Policies.

We respectfully request that the City consider the information presented in this letter. If you have any questions regarding these comments, please contact me at (408) 993-4713.

Sincerely,



Neelima Palacherla
LAFCO Executive Officer



Malathy Subramanian
LAFCO Counsel

Cc: LAFCO Members
Jacqueline Onciano, Director, Santa Clara County Dept. of Planning &
Development



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

ITEM # 9 Attachment A

Commissioners	Alternate Commissioners
Susan Ellenberg	Cindy Chavez
Sequoia Hall	Maya Esparza
Sergio Jimenez	Yoriko Kishimoto
Linda J. LeZotte	Russ Melton
Rob Rennie	Terry Trumbull
Mike Wasserman	Executive Officer
Susan Vicklund Wilson	Neelima Palacheria

September 16, 2019

VIA E-MAIL

The Honorable Mayor Roland Velasco and Members of the City Council
City of Gilroy
7351 Rosanna St.
Gilroy, CA 95020

**Re: September 16, 2019 City Council Meeting Agenda Item #IX A:
Update on Providing City Water Service to a Property Located at 935
Southside Drive Known as the Former Site of the Rodriguez Labor Camp**

Dear Mayor Velasco and Members of the City Council:

LAFCO has reviewed the City’s staff report and letter provided by the landowner’s attorney which argues that the proposed service extension does not support development as referenced in GC 56133(e)(3).

However, we find that the City’s proposed service extension supports development and therefore the City must request and receive written approval from Santa Clara LAFCO prior to extending services.

The purpose of extending surplus water to the site is to support the proposed development of a migrant labor camp for 200 occupants, which is a new use of the site. The proposed development is not an existing use of the property – the site has long ceased as a migrant labor camp, and was subsequently utilized for residential purposes, but not in its original legally authorised form. Eventually, the property was vacated per state order due to drinking water issues, approximately 10 years ago.

As proposed, at a minimum, in order to establish the proposed farmworker labor camp use, substantial improvements and investments must be made to the property and to the existing structures in order to meet the current building codes and county regulations. These improvements individually and collectively would be considered development. The installation of a water line on the property, in and of itself is also development. Development is not confined to improvements or construction of new structures on vacant parcels.

Therefore, the proposed water extension is not exempt from LAFCO approval under 56133(e)(3) and the City must first request and receive written approval from LAFCO before extending water services beyond its boundaries.

Should the City request LAFCO's approval for the proposed service extension, LAFCO may consider the request favorably in anticipation of a future annexation. LAFCO staff has discussed this option with the City, County and the landowner on multiple occasions. LAFCO is eager to support farmworker housing consistent with State law, County General Plan policies and LAFCO policies.

Additionally, LAFCO continues to have questions about the existing sewer connection and the City's authorisation or documentation (agreement and any terms, utility bills) certifying this connection. The City should document the current and proposed provision of sewer service through a formal agreement indicating any improvements or service changes necessary to accommodate the proposed use.

The City's authorization of an agreement to provide water service is an "approval" of part of the proposed development project, and thus is subject to California Environmental Quality Act (CEQA), since it commits the City to a definite course of action. Accordingly, no authorization to enter into a binding agreement can be made in advance of CEQA review for the project. As a responsible agency, the City must consider the lead agency's CEQA document, a document which, to date, has not been prepared, adopted or certified by the County as Lead Agency.

At this point, the proposed development is conceptual at most, with no formal plans under review at the County, and preliminary plans have changed and will likely continue to change for some time. The proposed development requires a new Use Permit from the County, which the landowner has not yet applied for and the County has not reviewed or issued. The County's review and consideration of the proposed development is months away, not including required CEQA analysis. There is still time to coordinate the proposed service extension through the LAFCO process and provide certainty for the landowner and the City. We are happy to assist in this effort.

We respectfully request that the City consider the information presented in this letter. If you have any questions regarding these comments, please contact me.

Sincerely,



Neelima Palacherla
LAFCO Executive Officer



Malathy Subramanian
LAFCO Counsel

Cc: LAFCO Members

Jacqueline Onciano, Director, Santa Clara County Dept. of Planning & Development



**Local Agency
Formation Commission
of Santa Clara County**
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SantaClaraLAFCO.org

ITEM # 9 Attachment B

Commissioners	Alternate Commissioners
Susan Ellenberg	Cindy Chavez
Sequoia Hall	Maya Esparza
Sergio Jimenez	Yoriko Kishimoto
Linda J. LeZotte	Russ Melton
Rob Rennie	Terry Trumbull
Mike Wasserman	Executive Officer
Susan Vicklund Wilson	Neelima Palacherla

August 7, 2019

VIA E-MAIL [dpedro@saratoga.ca.us]

Debbie Pedro
Community Development Director
Saratoga Community Development Department
13777 Fruitvale Avenue
Saratoga, CA 95070

RE: Notice of Preparation – Draft Environmental Impact Report for the Mountain Winery Annexation Project

Dear Ms. Pedro:

Thank you for providing the Local Agency Formation Commission (LAFCO) of Santa Clara County with an opportunity to comment on the Notice of Preparation of a Draft Environmental Impact Report (EIR) for the Mountain Winery Annexation Project. We would also like to thank you for meeting with LAFCO staff to discuss the proposed project and the applicable LAFCO policies. The Project described in the Notice of Preparation (NOP) will require approval from LAFCO. Therefore, LAFCO is a Responsible Agency under CEQA.

As a Responsible Agency, LAFCO is generally expected to rely on the City’s Draft EIR and therefore offers the following initial comments on the NOP for the City’s consideration:

Provide a Detailed Project Description

According to the NOP, the proposed Project includes an amendment of the City of Saratoga’s Urban Service Area (USA) and Sphere of Influence (SOI) boundaries to include two parcels and subsequently annex them into the City. The Project also includes the creation and application of a new General Plan and Zoning designation that would allow for new uses that require future annexation into the Cupertino Sanitary District. According to the NOP, in addition to the various existing and future allowed uses permitted by the County Use Permit, the new designations would include new uses such as lodging uses up to 300 rooms and a second water tank.

LAFCO requests that a more detailed project description be provided and that it include, at a minimum, the following information:

- Language for the City’s proposed Regional Commercial (RC) General Plan Land Use Designation
- Language for the City’s proposed Regional Commercial (RC) Zoning District

- Tentative site plans for the future development of proposed new uses.

Evaluate Project's Consistency with County General Plan Policies

According to "Section 2.11: Land Use and Planning" of the Initial Study and NOP, the Project would not cause a significant environmental impact due to a conflict with any adopted policy. However, the proposed Project is inconsistent with several County General Plan policies, including the following:

- County General Plan Policy R-LU 199 states that "New land uses within the West Valley hillsides areas should be limited to non-urban uses that are compatible with the preservation of the natural appearance of the hillsides."
- County General Plan Policy R-LU 200 states that "Urban development and extension of urban services should be limited to those areas most suited for urban development. Further expansion of the urban area into the West Valley hillsides should be discouraged."
- County General Plan Policy R-LU 202 calls for the West Valley cities to "delineate and adopt long term growth boundaries indicating lands to which they are willing to provide urban services within approximately the next 20-30 years in order to:
 - a. preserve the predominantly natural character and natural resources of hillsides by preventing urban development from encroaching into them
 - b. reinforce fundamental policies concerning the appropriate location of urban development
 - c. protect public health and safety by preventing urban development in hazardous areas."
- County General Plan Policy C-GD 3 states that, "Urban service areas should generally include only those areas suited for urban development. Development of such areas should be:
 - a. reasonably serviceable with public facilities and services;
 - b. relatively free from risks associated with natural hazards;
 - c. without substantial adverse environmental impact;
 - d. not likely to create severe off-site impacts on surrounding areas; and
 - e. without cumulative adverse impacts on the county's water supply watersheds or any other natural resource."

The Draft EIR should consider "Land Use and Planning" impacts as "Potentially Significant" and evaluate the Project's consistency with relevant aspects of the County's General Plan policies that were adopted to minimize further urban encroachment into the rural hillside areas.

Evaluate Project's Consistency with LAFCO Policies

LAFCO will evaluate whether the project is consistent with LAFCO's adopted policies. The policies that are most applicable to the proposed Project are (1) Sphere of Influence Policies; (2) Urban Service Area Policies; (3) Policies relative to Annexations/Reorganizations for Cities and Special Districts; and (4) Island Annexation Policies (Attachment A).

The Draft EIR should evaluate the Project's consistency with all aspects of the applicable LAFCO policies.

Evaluate Project Impact on Public Services

The Initial Study Checklist identifies impacts to "Public Services" as "Less Than Significant." However, the impacts may be "Potentially Significant" as the Project is located within a Very High Fire Hazed Severity Zone as noted in the NOP.

The Draft EIR should consider impacts to "Public Services" as "Potentially Significant" and evaluate the Project's impacts on public services, especially fire and police protection services.

Provide Detailed Information on Adequacy of Utilities and Service Systems Serving the Project Site

As noted in the NOP, the Project will require SOI and USA amendments and annexation to the City of Saratoga and to the Cupertino Sanitary District. The Project would also include construction of a second water tank to support new uses.

The EIR should include detailed information relating to sewer service demand, supply, and capacity, including: (1) an enumeration and description of services to be extended to the project; (2) level and range of services; (3) whether these services can be feasibly extended to the project area; (4) description of any capital improvements or upgrading of structures, roads, sewer or water facilities, or other conditions the City and District would impose in conjunction with the project; and (5) information with respect to how services will be financed.

The Draft EIR should also include the project's estimated water demand for the new uses and include detailed information to demonstrate that the project has a reliable long-term source of water for potable uses, landscaping, and fire protection.

Evaluate Cumulative and Growth Inducing Impacts of the Proposed Project

The Draft EIR should evaluate the significant cumulative and growth inducing impacts of the project when considered with any past, current, and probable future projects in the area.

Evaluate Alternatives to the Proposed Project

The Draft EIR should include and consider a reasonable range of alternatives to the proposed project that minimize the expansion of the Urban Service Area and avoid growth inducing impacts on surrounding lands and rural hillsides.

We respectfully request that the City consider the concerns presented in this letter. If you have any questions regarding these comments, please contact Lakshmi Rajagopalan at (408) 993-4709.

We look forward to reviewing the subsequent environmental documentation. Thank you again for providing us with the opportunity to comment on this Project.

Sincerely,



Neelima Palacherla
LAFCO Executive Officer

Cc: LAFCO Members

Enclosure:

Attachment A: Santa Clara LAFCO Sphere of Influence Policies
Santa Clara LAFCO Urban Service Area Policies
Santa Clara LAFCO Policies Relative to Annexation/Reorganizations for Cities
and Special Districts
Santa Clara LAFCO Island Annexation Policies



**Local Agency
Formation Commission
of Santa Clara County**
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SantaClaraLAFCO.org

ITEM # 9 Attachment C

Commissioners
Susan Ellenberg
Sequoia Hall
Sergio Jimenez
Linda J. LeZotte
Rob Rennie
Mike Wasserman
Susan Vicklund Wilson

Alternate Commissioners
Cindy Chavez
Maya Esparza
Yoriko Kishimoto
Russ Melton
Terry Trumbull
Executive Officer
Neelima Palacherla

June 7, 2019

VIA E-MAIL [SMRV.Comments@pln.sccgov.org]

James Walgren
Santa Clara County Planning Office
County Government Center
70 W. Hedding Street, 7th Floor, East Wing
San Jose, CA 95110

RE: Notice of Preparation – San Martin Recreational Vehicle (RV) Park

Dear Mr. Walgren:

Thank you for providing the Local Agency Formation Commission (LAFCO) of Santa Clara County with an opportunity to comment on the County of Santa Clara’s Notice of Preparation (NOP) of an Environmental Impact Report for the San Martin Recreational Vehicle (RV) Park Project within the unincorporated community of San Martin and located outside of the City of Morgan Hill’s Urban Service Area.

It is our understanding that the proposed project addressed in the Notice of Preparation includes a 125-stall RV park on a 14.4-acre site with a 6,900 sq. ft one-story lodge, 70 parking spaces for standard size vehicles, patio, and a pool area. It is anticipated that water for potable uses, landscaping and fire protection will be procured from West San Martin Water Works (WSMWW).

LAFCO offers the following initial comments for the County’s consideration:

COUNTY SHOULD ENSURE THAT THE PROPOSED PROJECT WILL HAVE A RELIABLE LONG-TERM SOURCE OF WATER FOR POTABLE AND FIRE PROTECTION PURPOSES

According to the project description, water for potable uses, landscaping and fire protection will be procured from WSMWW, a private water service provider. The EIR should consider the project’s estimated water demand for potable, landscaping and fire protection purposes and include analysis to demonstrate that WSMWW has sufficient water supplies available to serve the proposed project in addition to WSMWW’s existing needs.

As you know, consistent with the “joint urban development policies of the county,” the County does not provide urban types and levels of services outside of cities’ Urban Service Areas from either public or private service providers and any development proposed in the unincorporated area is expected to rely on onsite services (i.e. waste water treatment systems and wells). Therefore, it is incumbent

on the County to ensure that the proposed San Martin RV Park Project will have a reliable long-term source of water for potable uses and landscaping, and fire protection purposes and that the proposed source be one that is consistent with County General Plan policies.

PROPOSED PROJECT WILL IMPACT AGRICULTURAL LAND AND COULD IMPACT SURROUNDING LANDS DESIGNATED FOR AGRICULTURAL AND RURAL USES

The project site and neighboring sites contain soils that are classified as (1) prime farmland soils; and (2) soils of statewide importance (Attachment A) as per the “California FMMP Soil Candidate Listing for Prime Farmland and Farmland of Statewide Importance in Santa Clara County” (sources: State Department of Conservation 2016 and County of Santa Clara Planning GIS 2019).

The project site is identified as farmland of local importance (Attachment B) and would result in the permanent conversion of agricultural lands.

Per County General Plan Policy R-RC 57, “Agriculture shall be encouraged, and prime agricultural lands retained for their value to the overall economy and quality of life of Santa Clara County, including: a.) local food production; b.) productive use of lands not intended or suitable for urban development; and c.) preservation of a diminishing natural resource, prime agricultural soils.”

The EIR should acknowledge the presence of prime agricultural soils and evaluate the impacts of the loss of agricultural lands and prime agricultural soils due to the proposed project. In addition, the project could negatively impact surrounding lands that are designated for agricultural and rural uses. Therefore, the EIR should consider how surrounding lands would be impacted by the project and include a discussion of potential mitigation measures such as buffers and alternative site designs.

COUNTY SHOULD CONSIDER CUMULATIVE IMPACTS OF THE PROPOSED PROJECT

According to the NOP, RV parks may be considered a commercial use and are allowed in the unincorporated area if the project is consistent with the General Plan policies for RV parks in rural unincorporated area. The proposed project is immediately south of the proposed Cordoba Center project, an institutional project that is large in scale and magnitude. Together, these projects will result in loss of farmland, prime agricultural soils, or soils of statewide importance and other significant changes in the existing environment.

The EIR should evaluate the significant cumulative impacts of the project when considered with any present and near future projects in the area.

COUNTY SHOULD CONSIDER WHETHER THE PROPOSED PROJECT COULD INDUCE GROWTH IN THE UNINCORPORATED AREA, WHETHER THERE COULD BE NEGATIVE ENVIRONMENTAL IMPACTS AS A RESULT, AND HOW TO MITIGATE THOSE NEGATIVE IMPACTS

Lastly, LAFCO of Santa Clara County is mandated to:

- Preserve agricultural and open space resources
- Discourage urban sprawl
- Encourage the orderly formation of local governments
- Promote the efficiency of services

According to the project description, water for potable uses, landscaping and fire protection will be procured from WSMWW, a private water service provider. By connecting to water service, the proposed RV park could induce growth in the unincorporated area by serving as long term, low cost housing and this growth could negatively impact agricultural and open space resources, encourage urban sprawl and promote the need for additional public services in the unincorporated area. We respectfully request that the County consider these concerns as they perform the environmental analysis for the project.

CONCLUSION

We respectfully request that the County consider the concerns presented in this letter. If you have any questions regarding these comments, please contact me at (408) 993-4713. Thank you again for providing us with the opportunity to comment on this project.

Sincerely,



Neelima Palacherla
LAFCO Executive Officer

Cc: LAFCO Members
Rob Eastwood, Planning Manager, Santa Clara County Planning Office
Manira Sandhir, Principal Planner, Santa Clara County Planning Office

Enclosure:








Attachment A: Map of Farmland Soil Classification for Project Site & Vicinity
Attachment B: Map of Farmland Categories for Project Site & Vicinity

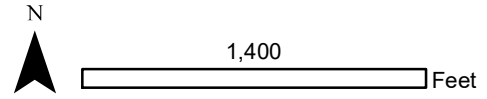


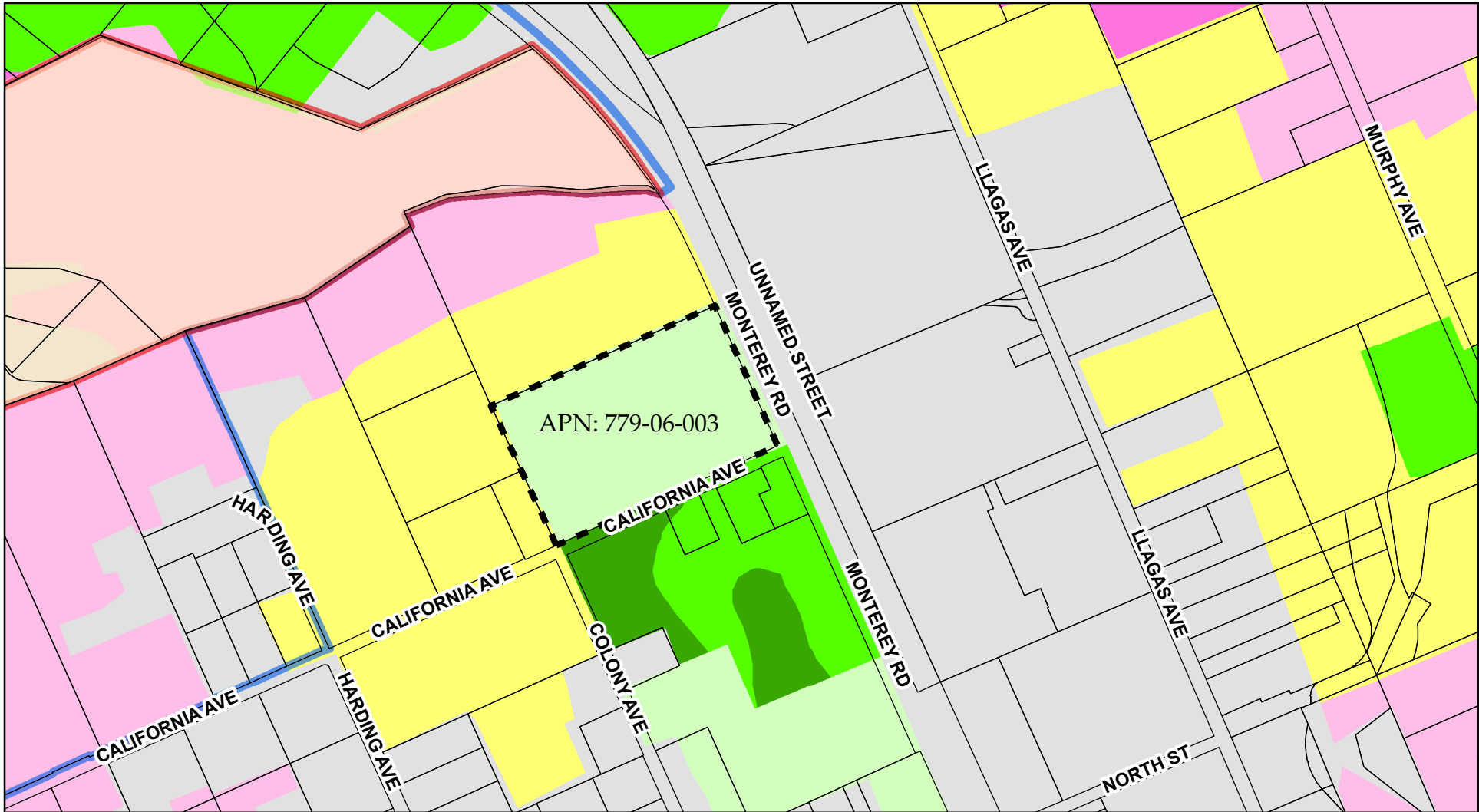
FARMLAND SOIL CLASSIFICATION

Source: Data downloaded from Santa Clara County Planning GIS 2019

Attachment A













- | | |
|--|--|
|  Project Site | Farmland Classification (CA FMMP) |
|  Morgan Hill USA |  Prime Farmland Soils |
|  Morgan Hill SOI |  Statewide Importance Soils |
|  Morgan Hill City Limit |  Not rated or not available |





FARMLAND CATEGORIES

Source: Data downloaded from Santa Clara County Planning GIS 2019

 Project Site	Farmland Monitoring Program 2016 - Farmland Categories
 Morgan Hill City Limits	 Urban and Built-Up Land
 Morgan Hill USA	 Grazing Lands
 Morgan Hill SOI	 Farmland of Local Importance
	 Prime Farmland
	 Farmland of Statewide Importance
	 Unique Farmland
	 Water
	 Other Land

Attachment B

N

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Feet



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

Commissioners
Susan Ellenberg
Sequoia Hall
Sergio Jimenez
Linda J. LeZotte
Rob Rennie
Mike Wasserman
Susan Vicklund Wilson

ITEM # 10

Alternate Commissioners
Cindy Chavez
Maya Esparza
Yoriko Kishimoto
Russ Melton
Terry Trumbull
Executive Officer
Neelima Palacherla

LAFCO MEETING: October 2, 2019
TO: LAFCO
**FROM: Neelima Palacherla, Executive Officer
Lakshmi Rajagopalan, Analyst**
SUBJECT: CALAFCO RELATED ACTIVITIES

10.1 DESIGNATE VOTING DELEGATE AND ALTERNATE VOTING DELEGATE

Recommendation

Appoint Commissioner Vicklund Wilson as voting delegate and Commissioner Jimenez as the alternate voting delegate.

Discussion

CALAFCO has requested that each LAFCO designate a voting delegate and an alternate who is authorized to vote on behalf of their LAFCO at the Regional Caucus and at the Annual Business Meeting, during the CALAFCO Annual Conference in Sacramento. The deadline for submitting the names of the voting delegates was September 30 and since Santa Clara LAFCO was not scheduled to meet until October 2, staff provided the names of the Chair and Vice Chair as voting delegate and alternate voting delegate.

10.2 PROPOSED NEW CALAFCO MEMBERSHIP DUES STRUCTURE

For Information Only.

To help close an ongoing structural deficit, which CALAFCO has operated under since its inception, the CALAFCO Board unanimously approved presenting a proposed new dues structure to its membership, for a vote at the October 31, 2019 Annual Business Meeting. A new dues structure requires the approval of the membership as it is a change in the CALAFCO Bylaws. Each LAFCO’s voting delegate will vote on the proposed new dues structure at the CALAFCO Annual Business Meeting to be held on October 31, 2019, during the CALAFCO Annual Conference in Sacramento.

Please see **Attachment A**, for the letter from CALAFCO explaining the need for and the methodology used to develop the proposed new dues structure.

Under the proposed new dues structure, Santa Clara LAFCO will not experience a significant change in its dues amount in the first year of its implementation. Santa Clara LAFCO's dues will increase from \$10,376 in FY 2020 to \$10,662 in FY 2021.

10.3 NOMINATIONS TO THE CALAFCO BOARD OF DIRECTORS

For Information Only.

Please see **Attachment B** for information on the CALAFCO Board of Directors recruitment and nomination. Santa Clara LAFCO is part of the Coastal Region, within which nominations are being accepted for "City member" and "Public Member". The deadline for submitting the nominations was September 30, 2019. However, nominations will be permitted from the floor at the time of the election which will be conducted during the Regional Caucuses at the CALAFCO Annual Conference on Thursday, October 31, 2019.

Any LAFCO commissioner or alternate commissioner is eligible to run for a Board seat. Serving on the CALAFCO Board is a unique opportunity to work with other commissioners throughout the state on legislative, fiscal and operational issues that affect us all. The Board meets four to five times each year at alternate sites around the state.

ATTACHMENTS

- Attachment A: Letter from CALAFCO dated August 12, 2019, re. Proposed New Dues Structure for Approval at 2019 Annual Business Meeting, including a Q&A document and a matrix of the proposed member LAFCO dues beginning FY 2021.
- Attachment B: CALAFCO 2019 Board Recruitment and Nomination Packet

August 12, 2019

ITEM # 10
Attachment A

TO: Member LAFCoS
SUBJECT: Proposed new dues structure for approval at 2019 Annual Business Meeting

Dear Member LAFCoS:

The CALAFCO Board of Directors continues to develop services to meet the evolving needs of our members, yet we find ourselves continually challenged to meet those needs with limited resources.

At the CALAFCO Annual Meeting in Yosemite last fall, the Board explained that additional revenues must be raised to close the ongoing structural deficit, which the association has operated with since its inception. As many of you heard, CALAFCO has had an unhealthy reliance on Conference revenue to balance the budget which is not a sound fiscal practice. After receiving your feedback during the roundtable discussions at that Conference and after process of almost 18 months, the Board took a two-phase approach to addressing the ongoing structural deficit.

First, as a short-term strategy to address this structural deficit in FY 2019-20, the Board approved a one-time cost sharing option in which member LAFCo dues were increased by 16.25% and the Board used one-time Conference net profits to close the deficit (\$33,452 raised through the 16.25% increase and \$31,138 coming from Conference net profit). As we move into FY 2019-20, the adopted budget has a structural deficit of \$37,980.

The Board was also committed to a long-term strategy of revising the current dues structure into a more sustainable model. As a result, at their May 10, 2019 meeting, the Board considered several options for a new dues structure brought forward from the Finance Ad Hoc Committee. This Committee undertook a lengthy and detailed process, considering eleven (11) different options before deciding on the two brought to the Board.

After much discussion and careful consideration, the Board unanimously approved presenting the proposed new dues structure to you, the membership, for a vote at the October 31, 2019 Annual Business Meeting. A new dues structure requires the approval of the membership as it is a change in the Bylaws.

The structure is population based with a number of variables including an annual base rate, population threshold and a per capita rate. Population data will be updated annually.

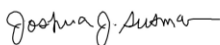
The first step to changing the dues structure is for the membership to discuss it at the Annual Business Meeting and vote. Should the membership approve the new structure, the Board will adopt policies relating to the three variables. To help you better understand the process up to this point in time, a Q&A document has been created and included with this letter. It provides details and answers to the questions we know many of you have. Additionally we are including a matrix of what the new dues structure looks like for the first year of implementation (FY 2020-21) should the membership approve.

Also the Annual Business Meeting Agenda and meeting packet will contain a full staff report with details and the proposed changes to the Bylaws associated with the new dues structure. This will be published early August.

We understand raising dues at any time is a difficult proposition. Our work at CALAFCO strives to support the success and meet the needs of all member LAFCoS, large and small. We are committed to continually enhancing the services of CALAFCO and fulfilling our mandate "to assist member LAFCoS with educational and technical resources that otherwise would not be available." We hope you will agree when we discuss this at our Annual Business Meeting at this year's Conference.

We and the rest of the Board are available to answer any questions you may have. You are encouraged to seek out the feedback of your regional Board members.

On behalf of the CALAFCO Board of Directors,



Josh Susman
Chair of the Board



Pamela Miller
Executive Director

Cc: CALAFCO Board of Directors
enclosures

CALAFCO BULLETIN

Proposed LAFCo Membership New Dues Structure

To be presented to the Membership for consideration and vote at the
2019 Annual Business Meeting in Sacramento, California on
October 31, 2019



Questions & Answers

Question: *How did the Board come up with the proposed dues structure?*

Answer: The Board spent over a year deliberating the structural deficit and dues structure through their Finance Ad Hoc Committee. They considered feedback received from the membership at the 2018 Annual Conference from the regional roundtable discussions and the message to work towards a more sustainable dues structure model. The Board discussed at length options presented to them by the Ad Hoc Committee in February and May.

Question: *Why was this structure selected over other options considered?*

Answer: After extensive research and discussion by the Ad Hoc Committee, and after considering a variety of possible structures including those based on LAFCo budget, County category (urban-suburban-rural), flat rate increases and population, ultimately it was a population-based structure that was favored. The Ad Hoc Committee presented two options to the Board with this population-based structural model and the Board agreed the population-based structure created the fewest irregularities to resolve and created a more sustainable funding formula. Ultimately this structure was unanimously approved by the Board.

Question: *What are the variables in the formula?*

Answer: The formula includes: (1) A flat annual fee or base rate (each LAFCo will pay the same flat rate); (2) Population threshold number; and (3) A per capita rate.

Question: *How will these variables be determined each year as CALAFCO considers member LAFCo dues?*

Answer: Should the membership approve the new structure, the Board will create policies to support the new structure. These policies will include the consideration of each of these variables and possible future adjustments. These policies will include keeping the Board's discretion to increase the dues by the CPI annually.

Question: *Where will the population data come from?*

Answer: The population data will be updated annually as the Board considers the next fiscal year dues. The data source to be used for updates is the California Department of Finance population estimates.

Question: *Is CALAFCO still budgeting for a net profit for the Annual Conference and how does that impact the annual budget?*

Answer: Yes. The Board has given clear direction that each year the annual budget should have a 15% net profit built into the budget for the Annual Conference (pursuant to Board Policy 4.2). CALAFCO's current FY 2019-20 budget calls for a 15% (or \$20,817) net profit. This net profit is still used to help balance the budget. However, the goal is for CALAFCO to move away from the unhealthy and unsustainable reliance on any higher net profit assumptions to balance the budget and fill the structural deficit.

The Ad Hoc Committee and the Board discussed at length using sponsorships to boost revenue and the Board continues to feel this revenue is unreliable and unpredictable and therefore unrealistic to use as a reliable revenue source.

Question: *How were the proposed base rate, population threshold and per capita rate selected?*

Answer: First, the Board committed to using the FY 2018-19 dues as the baseline from which to work, which they did (the FY 2018-19 dues are lower than the FY 2019-20 dues). The Board anticipated the FY 2020-2021 operational costs to be close to \$300,000, which was the baseline budget number from which they worked. The Ad Hoc Finance Committee considered eleven (11) different options before deciding on the population-based model with the three variables. To narrow that further, after looking at several (three) options with different variable numbers, the Board selected the current formula (\$1,000 base rate, 700,000 population threshold, per capita rate of 0.013802199 and population estimates for 2020 given that is the year the new dues structure would take effect, should it be approved). While this and other formulas realized the \$300,000 anticipated operational budget, these particular variables created dues for each LAFCo that the Board felt were the most equitable at this time.

Question: *How is this structure different than the current structure?*

Answer: The straight 3-category model no longer effectively serves the Association's member LAFcos. County populations vary enough that 3 categories just did not accurately capture the broader population picture. With the proposed model, the gap in the amount paid between the more populated rural LAFcos and their suburban colleagues has been reduced, as has the gap between the higher populated suburban LAFcos and the urban LAFcos.

Question: *Are LAFcos in counties with a population over 700,000 exempt from any future increase based on population growth?*

Answer: The proposed changes call for the Board to set the population threshold annually. Should the membership approve this proposed structure, the Board will set policies around the variables of population threshold, base rate and per capita rate. This means that population threshold can change based on Board discretion.

Question: *What if our LAFCo has a financial hardship? Is that still addressed in the Bylaws?*

Answer: Yes. The Board unanimously agreed to keep the provision of allowing any LAFCo with a financial hardship to bring that to the Board for consideration. (Please refer to Bylaws Section 2.2.4).

Question: *What will the dues be for my LAFCo if the membership approves this new structure?*

Answer: The spreadsheet accompanying this bulletin details what the first year will look like with this formula. As a starting point, the Bylaws will reflect the formula used to get at these rates and the rate chart itself. That detailed information will be contained in the meeting packet for the October 31, 2019 Annual Membership meeting.

Question: *When will the membership vote on this proposed structure?*

Answer: The proposed structure is being presented to member LAFcos for voting at the Annual Business meeting on October 31, 2019 during the Annual Conference in Sacramento. The Annual Business Meeting agenda and meeting packet will be distributed in early August, allowing approximately three months for discussion prior to the vote.

Question: *Can we vote by proxy or absentee ballot if we are not attending the Annual Business meeting?*

Answer: No, all member LAFcos must be present to vote at the Annual Business meeting pursuant to Bylaws Section 3.7. **For purposes of voting, each member LAFCo must be in good standing – which means all dues are current and paid in full by September 30, 2019. Further, each member LAFCo shall submit to CALAFCO the name of their voting delegate by September 30, 2019.**

Question: *What happens if the membership does not approve the proposed new dues structure?*

Answer: The Association will continue to have a structural deficit and may need to rely on accessing Fund Reserves to balance the budget. Further, in order to have a balanced budget, without additional sustainable and reliable revenues, expenses will need to be reduced which will equate to a reduction in services offered.

Question: *Who can I talk to if I have questions?*

Answer: If you have questions you are encouraged to contact Pamela Miller, CALAFCO's Executive Director at pmiller@calafco.org or 916-442-6536. You can also contact the CALAFCO Board Chair Josh Susman at jsusman@calafco.org. You are highly encouraged to reach out to any of your regional Board members and/or your regional staff representatives. All of their names and contact information can be found on the CALAFCO website at www.calafco.org.

CALAFCO
Proposed member LAFCo dues structure and dues beginning FY 2020-21

County	Population Estimate 2020	Population For Dues Calculation	Base Dues	Per Capita Dues	Base + Per Capita Dues	Total Per Capita Rate
ALAMEDA	1,703,660	700,000	1,000	9,662	10,662	0.0063
ALPINE	1,107	1,107	1,000	15	1,015	0.9171
AMADOR	37,560	37,560	1,000	518	1,518	0.0404
BUTTE	230,701	230,701	1,000	3,184	4,184	0.0181
CALAVERAS	44,953	44,953	1,000	620	1,620	0.0360
COLUSA	23,144	23,144	1,000	319	1,319	0.0570
CONTRA COSTA	1,178,639	700,000	1,000	9,662	10,662	0.0090
DEL NORTE	26,997	26,997	1,000	373	1,373	0.0508
ELDORADO	189,576	189,576	1,000	2,617	3,617	0.0191
FRESNO	1,033,095	700,000	1,000	9,662	10,662	0.0103
GLENN	29,691	29,691	1,000	410	1,410	0.0475
HUMBOLDT	137,711	137,711	1,000	1,901	2,901	0.0211
IMPERIAL	195,814	195,814	1,000	2,703	3,703	0.0189
INYO	18,724	18,724	1,000	258	1,258	0.0672
KERN	930,885	700,000	1,000	9,662	10,662	0.0115
KINGS	154,549	154,549	1,000	2,133	3,133	0.0203
LAKE	65,302	65,302	1,000	901	1,901	0.0291
LASSEN	30,626	30,626	1,000	423	1,423	0.0465
LOS ANGELES	10,435,036	700,000	1,000	9,662	10,662	0.0010
MADERA	162,990	162,990	1,000	2,250	3,250	0.0199
MARIN	265,152	265,152	1,000	3,660	4,660	0.0176
MARIPOSA	18,031	18,031	1,000	249	1,249	0.0693
MENDOCINO	90,175	90,175	1,000	1,245	2,245	0.0249
MERCED	286,746	286,746	1,000	3,958	4,958	0.0173
MODOC	9,422	9,422	1,000	130	1,130	0.1199
MONO	13,986	13,986	1,000	193	1,193	0.0853
MONTEREY	454,599	454,599	1,000	6,274	7,274	0.0160
NAPA	143,800	143,800	1,000	1,985	2,985	0.0208
NEVADA	99,548	99,548	1,000	1,374	2,374	0.0238
ORANGE	3,260,012	700,000	1,000	9,662	10,662	0.0033
PLACER	397,368	397,368	1,000	5,485	6,485	0.0163
PLUMAS	19,374	19,374	1,000	267	1,267	0.0654
RIVERSIDE	2,500,975	700,000	1,000	9,662	10,662	0.0043
SACRAMENTO	1,572,886	700,000	1,000	9,662	10,662	0.0068
SAN BENITO	60,067	60,067	1,000	829	1,829	0.0305
SAN BERNARDINO	2,230,602	700,000	1,000	9,662	10,662	0.0048
SAN DIEGO	3,398,672	700,000	1,000	9,662	10,662	0.0031
SAN FRANCISCO	905,637	700,000	1,000	9,662	10,662	0.0118
SAN JOAQUIN	782,662	700,000	1,000	9,662	10,662	0.0136
SAN LUIS OPISPO	284,126	284,126	1,000	3,922	4,922	0.0173
SAN MATEO	792,271	700,000	1,000	9,662	10,662	0.0135

CALAFCO
Proposed member LAFCo dues structure and dues beginning FY 2020-21

County	Population Estimate 2020	Population For Dues Calculation	Base Dues	Per Capita Dues	Base + Per Capita Dues	Total Per Capita Rate
SANTA BARBARA	460,444	460,444	1,000	6,355	7,355	0.0160
SANTA CLARA	2,011,436	700,000	1,000	9,662	10,662	0.0053
SANTA CRUZ	282,627	282,627	1,000	3,901	4,901	0.0173
SHASTA	180,198	180,198	1,000	2,487	3,487	0.0194
SIERRA	3,129	3,129	1,000	43	1,043	0.3334
SISKIYOU	44,186	44,186	1,000	610	1,610	0.0364
SOLANO	453,784	453,784	1,000	6,263	7,263	0.0160
SONOMA	515,486	515,486	1,000	7,115	8,115	0.0157
STANISLAUS	572,000	572,000	1,000	7,895	8,895	0.0156
SUTTER	101,418	101,418	1,000	1,400	2,400	0.0237
TEHAMA	65,119	65,119	1,000	899	1,899	0.0292
TRINITY	13,389	13,389	1,000	185	1,185	0.0885
TULARE	487,733	487,733	1,000	6,732	7,732	0.0159
TUOLUMNE	53,976	53,976	1,000	745	1,745	0.0323
VENTURA	869,486	700,000	1,000	9,662	10,662	0.0123
YOLO	229,023	229,023	1,000	3,161	4,161	0.0182
YUBA	79,087	79,087	1,000	1,092	2,092	0.0264

As proposed, the formula described below is used to create the proposed FY 2020-21 dues as noted above.

Notwithstanding the foregoing, Member LAFCO annual membership dues shall be levied based upon a formula that includes the following components:

1. Dues are population based. The fiscal year 2020-2021 dues uses a 0.013802199 per capita rate and 2020 population estimates based on data from the California Department of Finance.
2. A base charge as set by the Board of Directors, which shall be the same for each LAFCO. The base charge for fiscal year 2020-2021 is \$1,000 per LAFCO.
3. A population threshold as set by the Board of Directors.
4. Population estimates per County updated annually based on data provided by the California Department of Finance.
5. The per capita rate shall be set by the Board of Directors.
6. No LAFCO will pay less than its current dues based on the baseline dues of fiscal year 2018-2019.

June 25, 2019

ITEM # 10
Attachment B

CALAFCO

To: Local Agency Formation Commission
Members and Alternate Members

From: Shiva Frentzen, Committee Chair
CALAFCO Board Election Committee
CALAFCO Board of Directors



RE: Nominations for 2019/2020 CALAFCO Board of Directors

Nominations are now open for the fall elections of the CALAFCO Board of Directors. Serving on the CALAFCO Board is a unique opportunity to work with other commissioners throughout the state on legislative, fiscal and operational issues that affect us all. The Board meets four to five times each year at alternate sites around the state. Any LAFCo commissioner or alternate commissioner is eligible to run for a Board seat.

CALAFCO's Election Committee is accepting nominations for the following seats on the CALAFCO Board of Directors:

Northern Region

County Member
District Member

Central Region

City Member
Public Member

Coastal Region

City Member
Public Member

Southern Region

County Member
District Member

The election will be conducted during Regional Caucuses at the CALAFCO Annual Conference prior to the Annual Membership Meeting on Thursday, October 31, 2019 at the Hyatt Regency in Sacramento, CA.

Please inform your Commission that the CALAFCO Election Committee is accepting nominations for the above-cited seats until *Monday, September 30, 2019*.

Incumbents are eligible to run for another term. Nominations received by September 30 will be included in the Election Committee's Report and will be on the ballot. The Report will be distributed to LAFCo members no later than October 16, 2019 and ballots made available to Voting Delegates at the Annual Conference. Nominations received after this date will be returned; however, nominations will be permitted from the floor during the Regional Caucuses or during at-large elections, if required, at the Annual Membership Meeting.

For those member LAFCos who cannot send a representative to the Annual Meeting an electronic ballot will be made available if requested in advance. **The ballot request must be made no later than Monday, September 30, 2019. Completed absentee ballots must be returned by 8:00 a.m., Monday, October 28, 2019.**

Should your Commission nominate a candidate, the Chair of your Commission must complete the attached Nomination Form and the Candidate's Resume Form, or provide the specified information in another format other than a resume. Commissions may also include a letter of recommendation or resolution in support of their nominee.

The nomination forms and materials must be received by the CALAFCO Executive Director no later than Monday, September 30, 2019 at 5:00 p.m. Here is a summary of the deadlines for this year's nomination process:

- **June 26** – Nomination Announcement and packet sent to LAFCo membership and posted on the CALAFCO website.
- **September 30** – Completed Nomination packet due
- **September 30** – Request for an absentee/electronic ballot due
- **September 30** – Voting delegate name due to CALAFCO
- **October 16** – Distribution of the Election Committee Report (includes all completed/submitted nomination papers)
- **October 16** – Distribution of requested absentee/electronic ballots.
- **October 28** – Absentee ballots due to CALAFCO
- **October 31** - Elections

Returning the nomination form prior to the deadline ensures your nominee is placed on the ballot. Names will be listed in the order nominations were received should there be multiple candidates. Electronic filing of nomination forms and materials is encouraged to facilitate the recruitment process. Please send e-mails with forms and materials to info@calafco.org. Alternatively, nomination forms and materials can be mailed or faxed to the address or fax number below. Please forward nominations to:

CALAFCO Election Committee c/o Executive Director
California Association of Local Agency Formation Commissions
1020 12th Street, Suite 222
Sacramento, California 95814
FAX: 916-442-6535
EMAIL: info@calafco.org

Questions about the election process can be sent to the Chair of the Committee, Shiva Frentzen, at sfrentzen@calafco.org or by calling her at 530-621-5390. You may also contact CALAFCO Executive Director Pamela Miller at pmiller@calafco.org or by calling 916-442-6536.

Members of the 2019/2020 CALAFCO Election Committee are:

Shiva Frentzen, Chair sfrentzen@calafco.org	El Dorado LAFCo (Central Region) 530-621-5390
Josh Susman jsusman@calafco.org	Nevada LAFCo (Northern Region) 530-265-7180
Cheryl Brothers cbrothers@calafco.org	Orange LAFCo (Southern Region) 714-640-5100
Jane Parker jparker@calafco.org	Monterey LAFCo (Coastal Region) 831-883-7570

Attached please find a copy of the CALAFCO Board of Directors Nomination and Election Procedures as well as the current listing of Board Members and corresponding terms of office.

Please consider joining us!

Enclosures

Board of Directors Nomination and Election Procedures and Forms

The procedures for nominations and election of the CALAFCO Board of Directors [Board] are designed to assure full, fair and open consideration of all candidates, provide confidential balloting for contested positions and avoid excessive demands on the time of those participating in the CALAFCO Annual Conference.

The Board nomination and election procedures shall be:

1. APPOINTMENT OF AN ELECTION COMMITTEE:

- a. Following the Annual Membership Meeting the Board shall appoint an Election Committee of four members of the Board. The Election Committee shall consist of one member from each region whose term is not ending.⁸
- b. The Board shall appoint one of the members of the Election Committee to serve as Chairman. The CALAFCO Executive Officer shall appoint a CALAFCO staff member to serve as staff for the Election Committee in cooperation with the CALAFCO Executive Director.⁸
- c. Each region shall designate a regional representative to serve as staff liaison to the Election Committee.⁸
- d. Goals of the Committee are to provide oversight of the elections process and to encourage and solicit candidates by region who represent member LAFCoS across the spectrum of geography, size, and urban suburban and rural population if there is an open seat for which no nominations papers have been received close to the deadline.⁸

2. ANNOUNCEMENT TO ALL MEMBER LAFCoS:

- a. No later than three months prior to the Annual Membership Meeting, the Election Committee Chair shall send an announcement to each LAFCo for distribution to each commissioner and alternate. The announcement shall include the following:⁸
 - i. A statement clearly indicating which offices are subject to the election.
 - ii. A regional map including LAFCoS listed by region.
 - iii. The dates by which all nominations must be received by the Election Committee. The deadline shall be no later than 30 days prior to the opening of the Annual Conference. Nominations received after the closing date shall be returned to the proposing LAFCo marked "Received too late for Elections Committee action."⁸
 - iv. The names of the Election Committee members with the Committee Chairman's LAFCo address and phone number, and the names and contact information for each of the regional representatives.⁸
 - v. The address to send the nominations forms.
 - vi. A form for a Commission to use to nominate a candidate and a candidate resume form of no more than one page each to be completed for each nominee.
- b. No later than four months before the annual membership meeting, the Election Committee Chairman shall send an announcement to the Executive Director for distribution to each member LAFCo and for publication in the newsletter and on the web site. The announcement shall include the following:⁸

Key Timeframes for Nominations Process	
<u>Days*</u>	
90	Nomination announcement
30	Nomination deadline
14	Committee report released
<small>*Days prior to annual membership meeting</small>	

- i. A statement clearly indicating which offices are subject to the election.
 - ii. The specific date by which all nominations must be received by the Election Committee. Nominations received after the closing dates shall be returned to the proposing LAFCo marked "Received too late for Election Committee action."⁸
 - iii. The names of the Election Committee members with the Committee Chair's LAFCo address and phone number, and the names and contact information for each of the regional representatives.⁸
 - iv. Requirement that nominated individual must be a commissioner or alternate commissioner from a member in good standing within the region.
- c. A copy of these procedures shall be posted on the web site.

3. THE ELECTION COMMITTEE:

- a. The Election Committee and the regional representatives have the responsibility to monitor nominations and help assure that there are adequate nominations from each region for each seat up for election. No later than two weeks prior to the Annual Conference, the Election Committee Chair shall distribute to the members the Committee Report organized by regions, including copies of all nominations and resumes, which are received prior to the end of the nomination period.⁸
- b. At the close of the nominations the Election Committee shall prepare regional ballots. Each region will receive a ballot specific to that region. Each region shall conduct a caucus at the Annual Conference for the purpose of electing their designated seats. Caucus elections must be held prior to the annual membership meeting at the conference. The Executive Director or assigned staff along with a member of the Election Committee shall tally ballots at each caucus and provide the Election Committee the names of the elected Board members and any open seats. In the event of a tie, the staff and Election Committee member shall immediately conduct a run-off ballot of the tied candidates.⁸
- c. Make available sufficient copies of the Committee Report for each Voting Delegate by the beginning of the Annual Conference.
- d. Make available blank copies of the nomination forms and resume forms to accommodate nominations from the floor at either the caucuses or the annual meeting (if an at-large election is required).
- e. Advise the Executive Director to provide "CANDIDATE" ribbons to all candidates attending the Annual Conference.⁸
- f. Post the candidate statements/resumes organized by region on a bulletin board near the registration desk.
- g. Regional elections shall be conducted as described in Section 4 below. The representative from the Election Committee shall serve as the Presiding Officer for the purpose of the caucus election.⁸
- h. Following the regional elections, in the event that there are open seats for any offices subject to the election, the Election Committee Chair shall notify the Chair of the Board of Directors that an at-large election will be required at the annual membership meeting and to provide a list of the number and category of seats requiring an at-large election.⁸

4. ELECTRONIC BALLOT FOR LAFCO IN GOOD STANDING NOT ATTENDING ANNUAL MEETING⁶

Limited to the elections of the Board of Directors

- a. Any LAFCo in good standing shall have the option to request an electronic ballot if there will be no representative attending the annual meeting.
- b. LAFCos requesting an electronic ballot shall do so in writing no later than 30 days prior to the annual meeting.
- c. The Executive Director shall distribute the electronic ballot no later than two weeks prior to the annual meeting.
- d. LAFCo must return the ballot electronically to the executive director no later than three days prior to the annual meeting.
- e. LAFCos voting under this provision may discard their electronic ballot if a representative is able to attend the annual meeting.
- f. LAFCos voting under this provision may only vote for the candidates nominated by the Election Committee and may not vote in any run-off elections.⁸

5. AT THE TIME FOR ELECTIONS DURING THE REGIONAL CAUCUSES OR ANNUAL MEMBERSHIP MEETING:

- a. The Election Committee Chairman, another member of the Election Committee or the Chair's designee (hereafter called the Presiding Officer) shall:⁸
 - i. Review the election procedure with the membership.
 - ii. Present the Election Committee Report (previously distributed).
 - iii. Call for nominations from the floor by category for those seats subject to this election:
 1. For city member.
 2. For county member.
 3. For public member.
 4. For special district member.
- b. To make a nomination from the floor, a LAFCo, which is in good standing, shall identify itself and then name the category of vacancy and individual being nominated. The nominator may make a presentation not to exceed two minutes in support of the nomination.
- c. When there are no further nominations for a category, the Presiding Officer shall close the nominations for that category.
- d. The Presiding Officer shall conduct a "Candidates Forum". Each candidate shall be given time to make a brief statement for their candidacy.
- e. The Presiding Officer shall then conduct the election:
 - i. For categories where there are the same number of candidates as vacancies, the Presiding Officer shall:
 1. Name the nominees and offices for which they are nominated.
 2. Call for a voice vote on all nominees and thereafter declare those unopposed candidates duly elected.

- ii. For categories where there are more candidates than vacancies, the Presiding Officer shall:
 - 1. Poll the LAFCoS in good standing by written ballot.
 - 2. Each LAFCo in good standing may cast its vote for as many nominees as there are vacancies to be filled. The vote shall be recorded on a tally sheet.
 - 3. Any ballots submitted electronically for candidates included in the Election Committee Report shall be added to the tally.⁸
 - 4. With assistance from CALAFCO staff, tally the votes cast and announce the results.
- iii. Election to the Board shall occur as follows:
 - 1. The nominee receiving the majority⁶ of votes cast is elected.
 - 2. In the case of no majority, the two nominees receiving the two highest number of votes cast shall face each other in a run-off election. Electronic ballots are not included in the tally for any run-off election(s).⁶
 - 3. In case of tie votes⁶:
 - a. A second run-off election shall be held with the same two nominees.
 - b. If there remains a tie after the second run-off, the winner shall be determined by a draw of lots.
 - 4. In the case of two vacancies, any candidate receiving a majority of votes cast is elected.⁶
 - a. In the case of no majority for either vacancy, the three nominees receiving the three highest number of votes cast shall face each other in a run-off election.
 - b. In the case of no majority for one vacancy, the two nominees receiving the second and third highest number of votes cast shall face each other in a run-off election.
 - c. In the event of a tie, a second run-off election shall be held with the tied nominees. If there remains a tie after the second run-off election the winner shall be determined by a draw of lots.

6. ADDITIONAL PROCEDURES

- a. For categories where there are more candidates than vacancies, names will be listed in the order nominated.
- b. The Election Committee Chair shall announce and introduce all Board Members elected at the Regional Caucuses at the annual business meeting.⁸
- c. In the event that Board seats remain unfilled after a Regional Caucus, an election will be held immediately at the annual business meeting to fill the position at-large. Nominations will be taken from the floor and the election process will follow the procedures described in Section 4 above. Any commissioner or alternate from a member LAFCo may be nominated for at-large seats.
- d. Seats elected at-large become subject to regional election at the expiration of the term. Only representatives from the region may be nominated for the seat.
- e. As required by the Bylaws, the members of the Board shall meet as soon as possible after

election of new board members for the purpose of electing officers, determining meeting places and times for the coming year, and conducting any other necessary business.

7. LOSS OF ELECTION IN HOME LAFCO

Board Members and candidates who lose elections in their home office shall notify the Executive Director within 15 days of the certification of the election.

8. FILLING BOARD VACANCIES

Vacancies on the Board of Directors may be filled by appointment by the Board for the balance of the unexpired term. Appointees must be from the same category as the vacancy, and should be from the same region.

These policies and procedures were adopted by the CALAFCO Board of Directors on 12 January 2007 and amended on 9 November 2007¹, 8 February 2008², 13 February 2009³, 12 February 2010⁴, 18 February 2011⁵, 29 April 2011⁶, 11 July 2014⁷ and 27 October 2017⁸. They supersede all previous versions of the policies.

CALAFCO Regions

FOUR REGIONS



The counties in each of the four regions consist of the following:

Northern Region

Butte
Colusa
Del Norte
Glenn
Humboldt
Lake
Lassen
Mendocino
Modoc
Nevada
Plumas
Shasta
Sierra
Siskiyou
Sutter
Tehama
Trinity
Yuba

CONTACT: Steve Lucas
Butte LAFCo
slucas@buttecounty.net

Southern Region

Orange
Los Angeles
Imperial
Riverside
San Bernardino
San Diego

CONTACT: Keene Simonds
San Diego LAFCo
keene.simonds@sdcounty.ca.gov

Coastal Region

Alameda
Contra Costa
Marin
Monterey
Napa
San Benito
San Francisco
San Luis Obispo
San Mateo
Santa Barbara
Santa Clara
Santa Cruz
Solano
Sonoma
Ventura

CONTACT: Martha Poyatos
San Mateo LAFCo
mpoyatos@smcgov.org

Central Region

Alpine
Amador
Calaveras
El Dorado
Fresno
Inyo
Kern
Kings
Madera
Mariposa
Merced
Mono
Placer
Sacramento
San Joaquin
Stanislaus
Tulare
Tuolumne
Yolo

CONTACT: Christine Crawford, Yolo LAFCo
christine.crawford@yolocounty.org

Board of Directors 2019/2020 Nominations Form

Nomination to the CALAFCO Board of Directors

In accordance with the Nominations and Election Procedures of CALAFCO,

_____ LAFCo of the _____ Region

Nominates _____

for the (check one) City County Special District Public

Position on the CALAFCO Board of Directors to be filled by election at the next Annual Membership Meeting of the Association.

LAFCo Chair

Date

NOTICE OF DEADLINE

Nominations must be received by **September 30, 2019** at 5:00 p.m. to be considered by the Election Committee. Send completed nominations to:
CALAFCO Election Committee
CALAFCO
1020 12th Street, Suite 222
Sacramento, CA 95814

Board of Directors 2019/2020 Candidate Resume Form

Nominated By: _____ LAFCo Date: _____

Region (please check one): Northern Coastal Central Southern

Category (please check one): City County Special District Public

Candidate Name _____

Address _____

Phone Office _____ Mobile _____

e-mail _____

Personal and Professional Background:

LAFCo Experience:

CALAFCO or State-level Experience:

Availability:

Other Related Activities and Comments:

NOTICE OF DEADLINE

Nominations must be received by **September 30, 2019** at 5:00 p.m. to be considered by the Election Committee. Send completed nominations to:
CALAFCO Election Committee
CALAFCO
1020 12th Street, Suite 222
Sacramento, CA 95814

September 20, 2019

Mr. Sequoia Hall
Chairperson
Local Agency Formation Commission of Santa Clara County
777 North First Street, Suite 410
San Jose, California 95112

Re: President's Special Acknowledgement Award - Workers' Compensation Program

Dear Mr. Hall:

This letter and enclosed certificate are to formally acknowledge the dedicated efforts of the Local Agency Formation Commission of Santa Clara County's Governing Body, management, and staff towards proactive loss prevention and workplace safety for earning the President's Special Acknowledgement Award! The Award is to recognize members with no "paid" claims during the prior **five consecutive program years** in the Workers' Compensation Program.

A "paid" claim for the purposes of this recognition represents the first payment on an open claim during the prior program year. Your agency's efforts have resulted in no "paid" workers' compensation claims for the prior five consecutive program years, including 2018-19. This is an outstanding accomplishment that serves as an example for all SDRMA members!

It is through the efforts of members such as Local Agency Formation Commission of Santa Clara County that SDRMA has been able to continue providing affordable workers' compensation coverage to over 440 public agencies throughout California. While 280 members, or 64%, in the workers' compensation program had no "paid" claims in program year 2018-19, 127 members, or 28%, had no paid claims for the prior five consecutive years.

In addition to this annual recognition, members with no "paid" claims during 2018-19 earned two credit incentive points (CIPs) reducing their annual contribution amount, and members with no "paid" claims for the prior five consecutive program years earned three additional bonus CIPs. Also, members without claims receive a lower "experience modification factor" (EMOD), which also reduces their annual contribution amount.

Included with this letter and certificate is your press release template so your agency may showcase this important accomplishment.

On behalf of the SDRMA Board of Directors and staff, it is my privilege to congratulate your Governing Body, management, and staff for your commitment to proactive loss prevention and safety in the workplace.

Sincerely,
Special District Risk Management Authority



Mike Scheafer, President
Board of Directors



SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY

President's Special Acknowledgement Award

The President of the Special District Risk Management Authority

Hereby gives special recognition to

Local Agency Formation Commission of Santa Clara County

The President's Special Acknowledgement Award is to recognize members with no "paid" claims during the prior five consecutive program years in the Workers' Compensation Program. A "paid" claim for the purposes of this recognition represents the first payment on an open claim during that same period. Congratulations on your excellent claims record!

Mike Scheafer, SDRMA Board President

September 20, 2019

Date